



Rural City of  
**Wangaratta**

# **DRAFT**

# **Asset Plan 2022-2032**

April 2022

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## Welcome to the Asset Plan

It is with great pleasure I welcome you to the Rural City of Wangaratta Asset Plan, the final strategic document to be produced as a requirement of the *Local Government Act 2020*. Since the major legislative changes Council has adopted the Community Vision, Council Plan, Financial Plan, Revenue and Rating Plan, Workforce Plan, and now we present to Council and the community the Asset Plan 2022-2032. The requirement for an Asset Plan in the Act is welcome recognition that asset management practices are an integral part of local government's business. Its inclusion in the Integrated Strategic Reporting and Planning Framework is also an acknowledgement that decisions around assets are not made for the sake of assets alone, they are made in the pursuit of the delivery of the Community Vision and the Council Plan.



**Brendan McGrath**  
Chief Executive Officer

## Introduction

### Purpose of the Asset Plan

The *Local Government Act 2020* requires all Victorian councils to publish an Asset Plan detailing how the \$768M of assets within our Municipality, for which Council is the trusted custodian, will be managed. This plan must be adopted by 30 June 2022 and revised following each general council election by 31 October. The Asset Plan must take a long-term view, over a 10-year horizon.

The purpose of this Asset Plan is to define, document and present a framework of asset management best practice for the Rural City of Wangaratta that guides decision making, in an informed and financially responsible way. The objectives of the plan are to ensure outcomes for managing Council assets are achieved that balance the interests, needs, and demands of all citizens, business operators and visitors of and to the Rural City of Wangaratta both present and future.

The document will improve transparency regarding Council asset value and performance of asset management over the long term. It will also inform our community of Council's obligations and responsibilities as custodian of the public assets managed on your behalf.

By engaging the community on how Council proposes to manage these assets, we aim to build a mutual understanding of the best use of Council assets with the best interests of the community considered, while providing information on the financial constraints upon Council in managing those assets.



## What is a Council asset?

An asset is an item or entity that has potential or actual value to a person or an organisation. In the case of this Plan, assets that are of value to the Rural City of Wangaratta.

An asset can be tangible or intangible, financial or non-financial, and takes into consideration risk and liability.

### ***Tangible/Non-tangible assets***

A tangible asset is something physical that can be seen, touched, and used, such as roads, buildings, playgrounds, sports ovals etc. These will often be referred to as physical assets and are commonly referred to as Infrastructure Assets.

An intangible asset is non-physical, and includes such things as leases, branding, intellectual property, digital products, use rights, licences, reputational rights, and agreements.

### ***Financial/Non-financial assets***

A financial asset is cash or equity that can be readily converted to cash, such as cash deposits, fixed deposits, investments.

A non-financial asset is something that will contribute a potential future economic benefit to the organisation through the goods and services it will provide to meet the objectives of the organisation. Civil infrastructure, buildings, property, plant, and non-leased fleet are examples of non-financial assets.

## What is asset management?

The goal of good asset management is to meet a required level of service, in the most cost-effective manner, through the management of assets for present and future customers.<sup>1</sup>

This is achieved by applying basic principles of asset management, which require a custodian of an asset portfolio to:

- Be service focused
- Apply long-term planning
- Approach from an asset lifecycle and risk management perspective

All of the above must be provided in an economically sustainable way, ensuring affordable service levels are delivered. Delivery of required and affordable service levels can only be determined by assessing Councils financial sustainability, modelled under varying service level scenarios.

Good asset management practice is linked to Councils Long Term Financial Plan (LTFP). If the forecast expenditure in the LTFP cannot be met by available income (rates, grants, developer contributions, in-kind and donations) then service levels specified in individual Asset Management Plans need to be reviewed to ensure a sustainable LTFP.

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<sup>1</sup> *International Infrastructure Management Manual (IIMM), 2020, Sec 1.2.1*

### Why is asset management important?

Civic infrastructure is at the heart of everything we do in our community. Civic infrastructure assets typically provide services over an extended period of time and the choices we make today can impact the quality of life for future generations. Intergenerational social and financial equity must be considered.

We all want the best possible quality roads to drive on, footpaths on every street we walk (and on both sides), we want our stormwater to drain away quickly and to have the best sporting facilities, parks, and gardens to recreate in. All of this comes at a cost.

Challenges and choices we make to balance community needs and demand drivers that influence our service levels against economic realities of rate capping and a tight financial horizon will be outlined in this plan.

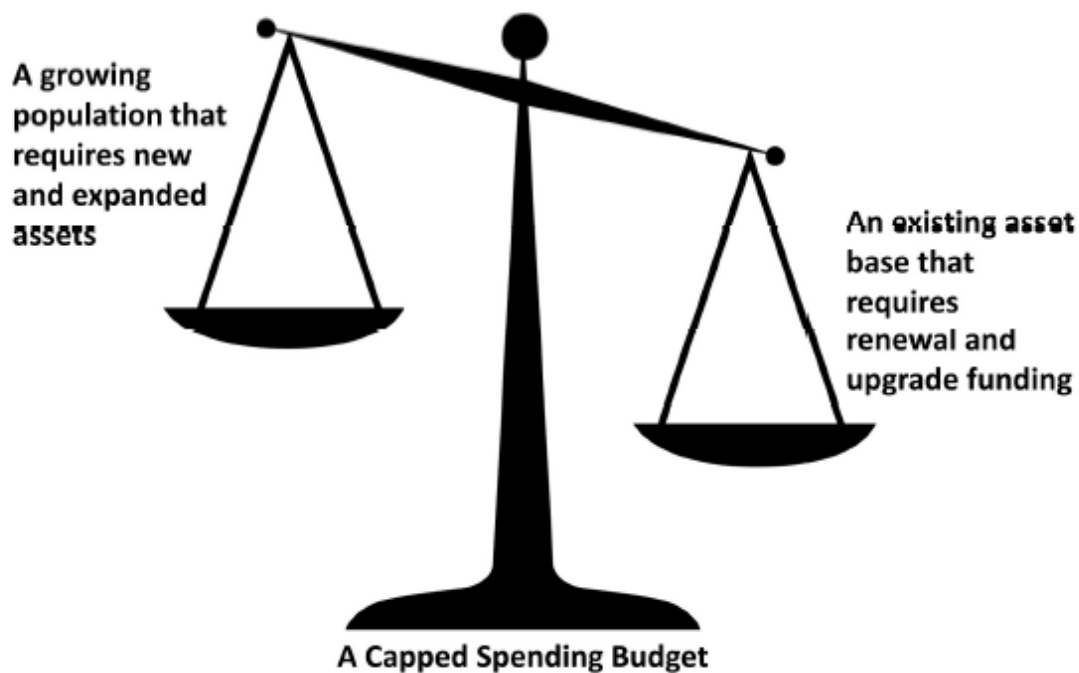


Figure 1: Asset Plan Guidance 2022, LGV, pg. 9

## Scope of this Asset Plan

This Asset Plan is concerned with *tangible, non-financial assets*, either owned or financially controlled<sup>2</sup> by Rural City of Wangaratta. The assets included in this Asset Plan are identified in Table 1 below.

Asset Group (Portfolio)	Asset Category	Quantum of Assets
Transport	Sealed Roads (inc. Kerb & Car Parks)	702 km
	Unsealed Roads	1,276 km
	Bridges & Major Culverts	446 (Count)
	Pathways	277 km
Stormwater	Stormwater Pipes	190 km
	Stormwater Pits, End Structures	5753 (count)
	Gross Pollutant Traps	9 (count)
	Flood Mitigation (Pumps, levees)	11
	Water Sensitive Urban Design	76
Buildings	Buildings (inc. Aquatic Facilities) & Structures	150 (count)
Open Space	Playgrounds (inc. Skate Parks and Pump Tracks)	43 (count)
	Sports Grounds and Playing Courts	96

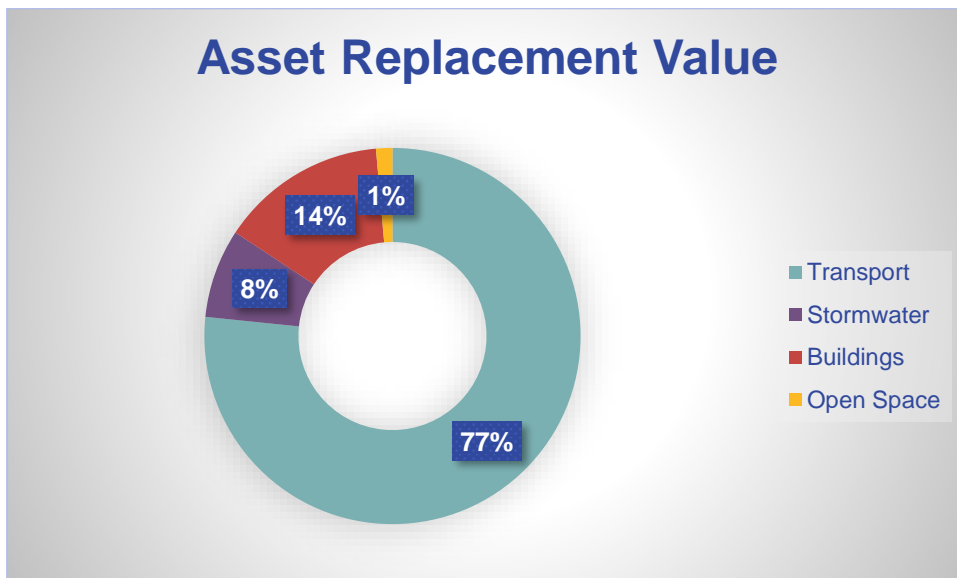
Table 1: Assets covered by this Asset Plan (as at Revaluation June 30, 2021)

<sup>2</sup> Statement of Account Concepts. SAC 4 "Definition and recognition of the elements of financial statements. Public Sector Accounting Standards Board. Sec (14) Pg. 13

The Financial Status of our Asset Portfolio is reported in Table 2 below.

Asset Group (Portfolio)	Replacement Value	Accumulated Depreciation	AAAC	Written Down Value	Asset Consumption Ratio
Transport	\$554,068,888	\$144,846,879	\$9,662,417	\$409,222,009	26.14%
Stormwater	\$55,281,065	\$16,834,466	\$803,010	\$38,446,599	30.45%
Buildings	\$103,531,451	\$32,222,091	\$1,707,982	\$71,309,360	31.12%
Open Space	\$10,172,860	\$2,939,763	\$664,028	\$7,233,097	28.90%

Table 2: Financial Status by Asset Group as at 30 June 2021.





## Strategic Context

### Regulatory Framework

The Asset Plan is an integral part of the legislated Integrated Strategic Planning and Reporting Framework introduced with the *Local Government Act 2020*.

Council must report on their Asset Management Plan within this Framework, via mechanisms such as Know Your Council and the Annual Report. The Asset Management Plan must align with and demonstrate its links to Councils long-term planning documents, the community Vision and Financial plan. Figure 2 demonstrates how the Asset Plan fits into this framework.

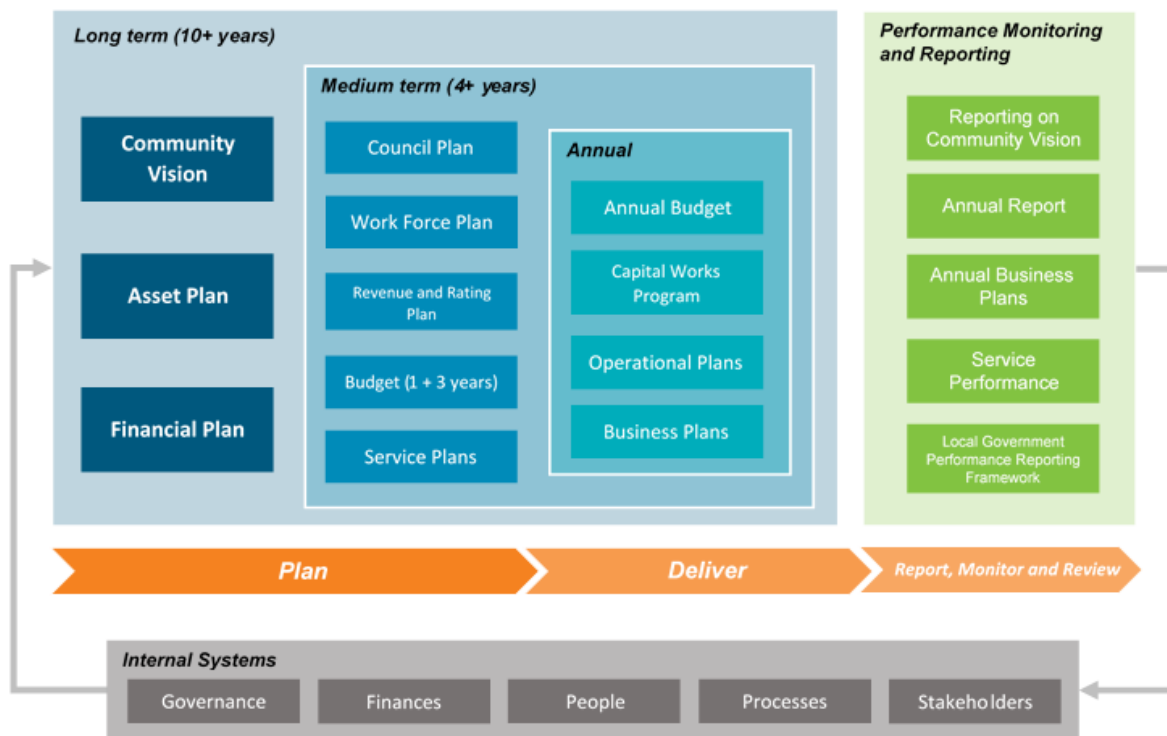


Figure 2: Integrated Strategic Planning and Reporting Framework

## Community Vision

The Community Vision is a statement of our community's goals and aspirations for the future. It considers where we are, where we want to be, and how will we get there.

*Community Vision - Our community is connected, sustainable and contemporary. We are the place where good things grow.*

Rural City of Wangaratta's Community Vision 2021-2033 was developed following extensive community engagement and ties in with the Council Plan. The Community Vision was adopted by Council on 28 June 2021 and has effect from July 2021 over a 10-year period<sup>3</sup>.

Our Vision describes our Values and Purpose, City Planning, and Our Community Promise.

### Values and Purpose

Our values and purpose describe our aspirations and intent regarding Leadership, Engagement, Respect and Progression.

We will show diligence and good governance in all decision making. We will actively and openly consult to achieve the best outcome for the community. We value the contribution and individuality of others and strive to have honest, healthy relationships with all our citizens. And we will aspire to continually improve our performance and achieve the highest standards and.

### City Planning

As a vibrant regional centre in Northeast Victoria with a population over 29,000 residents, we aim to balance employment and lifestyle opportunities, with diverse industry and manufacturing, tourism, health services, agriculture, retail and education options.

Over the next 10 years we will achieve this by:

- The Wangaratta Project: CBD Master Plan
- Creative Marketing
- Aquatic Strategy
- Organic Processing Plant
- Strategic Planning Projects

### Our Community Promise

Our promise is that we will work our hardest to be a team you can be proud of.

Acknowledging and respecting Council's position as decision makers, rule enforcers and fee collectors, we will carry out our obligations with a humble and responsible approach to deliver things that make it great to be a part of our community.

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<sup>3</sup> <https://www.wangaratta.vic.gov.au/files/assets/public/files/policies-amp-documents/your-council/strategies-and-plans/community-vision-2021-2033.pdf>

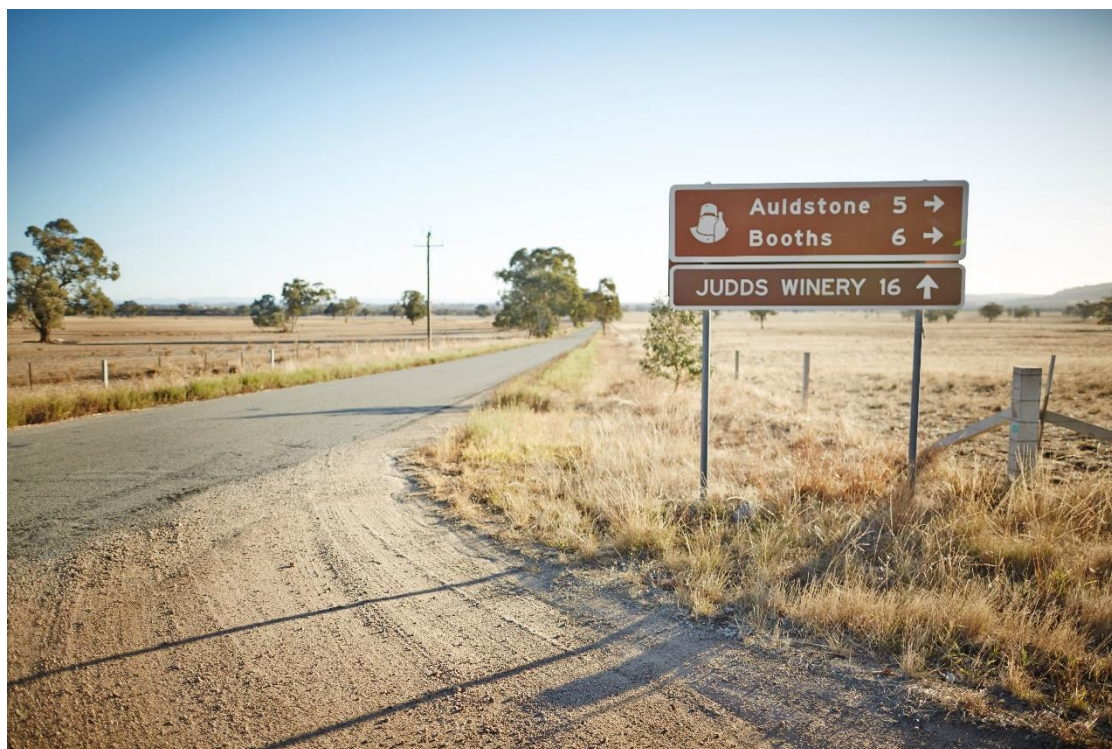
## Council Plan

The Council Plan makes a commitment to outcomes and priority initiatives across several strategic objectives that align with the principles of the Council Vision for a connected, sustainable, and contemporary community.

In creating the Council Plan, through deliberative engagement and the Shape Wangaratta Project, our aim was to listen, understand and respond to the community's wants, needs and desires to meet our community vision.

We not only deliver traditional council services, but act as champion, influencer, advocate, and enabler to be a leader that brings benefit to the community. Our assets are important for the delivery of quality services to the community.

Effective asset management will support the outcomes of the Council Plan 2021-25<sup>4</sup>.



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<sup>4</sup> <https://www.wangaratta.vic.gov.au/files/assets/public/files/policies-amp-documents/your-council/strategies-and-plans/council-plan-2021-2025.pdf>

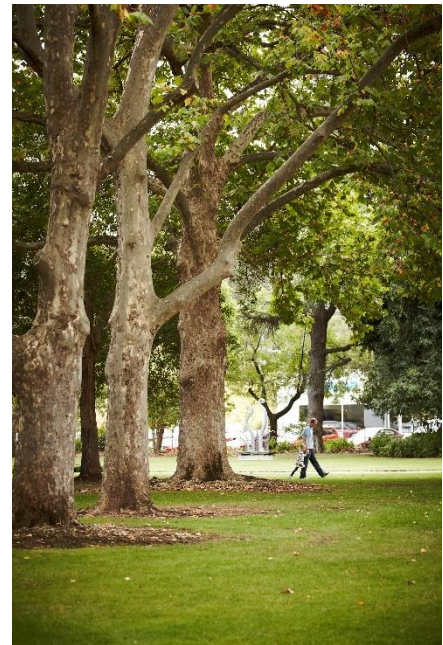
## Financial Plan

The Financial Plan provides a long-term view of the financial and in-kind resources that we expect to be available to Council and how these will be allocated and prioritised over the next ten years.

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

This Asset Plan is linked with the budgets and projections outlined in our Long-Term Financial Plan.

Ongoing affordability and financial sustainability are our key objectives and obligations. The Financial Plan, in combination with the Asset Plan, supports us in achieving this aim.<sup>5</sup>



Our financial plan objectives have been shaped by community engagement and the 'Shape our Financial Future' survey conducted in 2021.

To fund and plan future work we will:

- Seek funding and grant opportunities for our strategic priorities and report annually on our success rates to our community.
- Plan for and decide on whether we set a fixed percentage of our operating costs to respond to climate change.
- Carefully and thoughtfully consider the need for a rate rise to support increased capital investment in the municipality and increased environmental sustainability or climate change action.
- Monitor our Council Plan actions and requirements for increased operating costs or capital investment to deliver on those actions. The Council Plan was adopted in June 2021 and the long term financial plan will be continually updated as we work through projects, initiatives and services that will achieve our strategic objectives.

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<sup>5</sup> [https://www.wangaratta.vic.gov.au/files/assets/public/files/policies-amp-documents/your-council/strategies-and-plans/financial-plan-attachment-3-26-october-2021-final-financial-plan-2021-2031\\_1.pdf](https://www.wangaratta.vic.gov.au/files/assets/public/files/policies-amp-documents/your-council/strategies-and-plans/financial-plan-attachment-3-26-october-2021-final-financial-plan-2021-2031_1.pdf)

## Asset management best practice

Local government organisations follow recognised and standard asset management best practice methodologies. There are three standards that set benchmarks and define best practice:

- ISO55000:2014 An international standard that provides and overview of principles, terminology, and definitions.
- International Infrastructure Management Manual (IIMM) that provides guidance and methodologies on how to implement ISO55000.
- National Asset Management Assessment Framework (NAMAF) an Australian framework used to measure local government asset management capability and maturity defined by ISO55000

These standards and best practice methodologies are referred to throughout this Plan, they guide Council's approach to implementing sound asset management principles.



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## Assets and how we manage them?

### What is an Asset System?

An Asset Management System is made up of the people, processes, data, and technology systems that guide how best practice asset management should be carried out. It guides and sets direction for Council to follow for long-term strategic and financial planning. It also directs day-to-day asset management activities needed to ensure assets are built and maintained to meet required service levels for today and well into the future.

The Asset Plan provides the framework of the Asset Management System and is the link to the Integrated Planning and Reporting Framework as shown in Figure 3 below.

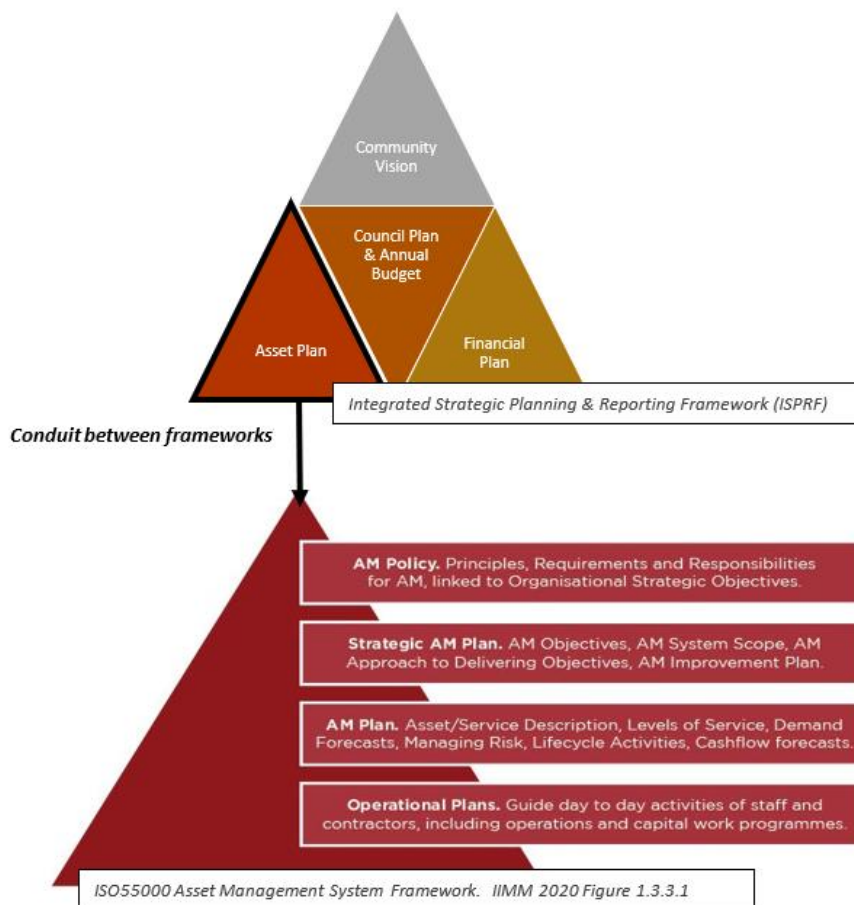


Figure 3: Asset Plan is the Guiding Document of the Asset Management System

## Lifecycle Management

Assets must be managed from beginning to the end of their useful life, whether that be renewal or disposal.

Assets incur costs at each stage of their life. From planning and constructing new assets, to operating and maintaining, renewing, or upgrading to extend or restore their useful life, and eventual disposal if Council no longer wish to provide the service given by the asset (e.g., a Road Closure, Land or Building Sale). The costs of managing these assets must be recognised financially by Council and are reflected on the annual balance sheet of the organisation. All asset management costs are reported annually in the Council Annual Report.

Effectively managing these long-term costs over the life of an asset, to ensure the asset provides the most cost efficient and beneficial service, is known as lifecycle management, as seen in Figure 4.



Figure 4: Asset Lifecycle Activities (IPWEA IIMM 2015. Fig 1.3.2)

Application of good lifecycle management practices by Council will support cost-effective decision-making over the entire asset portfolio.

Key elements for achieving effective asset management require:

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





## Life cycle management approach

At the core of our asset life cycle approach are the following six principles applied to all asset classes in this Asset Plan.

Lifecycle Principle	Our Strategic Intent
Optimising Asset Life	<p>Effective and timely <b>Operation</b> and <b>Maintenance</b> of assets will ensure we optimise assets to reach their full useful life potential.</p> <p>We will continue to apply our current approaches of reactive, preventative, and run to failure (breakdown) maintenance regimes.</p> <p>We recognise the need to continue to invest in procedures and technologies that will advance our predictive maintenance capabilities (advanced renewal planning) and risk-based maintenance for critical assets.</p>
Replacement of ageing Infrastructure	<p>We will progressively replace assets as they reach the end of their useful life. While we acknowledge the rate of asset renewal for each portfolio should ensure the overall condition of assets within the portfolio is maintained at minimum service levels that reflect the criticality, demand drivers and age profiles, we recognise budgetary constraints in the LTFP will necessitate &lt; 100% of the renewal gap for any given asset portfolio will be funded over the next 10 years.</p>
Maintaining Levels of Service	<p>Service Levels will be set and defined for each Asset Portfolio.</p> <p>We will strive toward reaching a position in the next 10 years where all decisions on asset lifecycle management will be data driven, to ensure we meet minimum stated service levels while maximising asset performance and useful life.</p>
Managing Impacts of growth and land use change.	<p>Our Strategic Plans adopted into the Planning Scheme for identified North and South Urban growth areas provide guidance on future asset needs. Developer Contributions will co-fund necessary infrastructure construction, so the costs are fairly borne by established communities/locations.</p>
Compliance with legislative requirements	<p>In accordance with Local Government Finance and Reporting Regulations Council report annually via the Annual Report and the Local Government Reporting Framework via Know Your Council Website on the current reporting period (FY) asset expenditure across all life-cycle stages of acquisition, operation, maintenance, renewal disposal by all asset classes outlined in this plan.</p>
Long Term affordable Services and intergenerational equity	<p>Our Financial Strategy and Long-Term Financial plan recognise and reflect the need to balance rate-payer affordability against current and future community needs and aspirations that ensure our community vision is achieved.</p>

## Levels of service

The level of service for each Asset Portfolio sets how each service provided by an asset will be delivered to the community and other stakeholders. Levels of service are grouped into categories based on:

- Customer levels of service
- The community's expectation of what a service will deliver in terms of performance and presentation, measured by condition, capacity, function and utilisation measures
- Technical levels of service
- Ensure the service meets any legislative, compliance, design, and safety standards, operating, maintenance and reliability standards

Levels of service are measured by condition, capacity, function, and utilisation. The performance measures set for each grouping will indicate how well the service to the community is being delivered.

Naturally, the higher the level of service needed, the higher the cost to operate, maintain, and retain the asset to the standard required over its lifetime. Community expectations for service delivery must be balanced with affordability of service delivery in accordance with the long-term financial outlook of Council.

Levels of service for each asset portfolio at Council have not yet been fully established. Current practice for managing asset lifecycles relies on statutory requirements where they exist, such as the Road Management Plan, general community expectations and the capacity of Council to fund life cycle activities based on current programs funded in the Long-Term Financial Plan.

Future community engagement activities to establish detailed service levels for each asset portfolio will be undertaken as each detailed Asset Portfolio Plan is developed.

## Asset monitoring

When planning asset maintenance and renewal Council uses condition-based service levels to determine the appropriate action.

We are adopting standardised asset condition ratings based on the IPWEA 5-point scale across all asset classes to ensure assets are maintained at an optimum condition to reach their maximum potential useful life

When an asset is assessed as part of a condition inspection or routine operational inspection, the condition will determine the service level intervention required.

Council will routinely conduct network wide condition assessments on each asset class every 4 to 6 years in accordance with the Asset Valuation Policy. This is done to determine the overall health and service levels of assets. For long-lived assets such as roads, pathways, drainage, buildings, and open space, this is a critical activity to ensure Council is achieving the full useful life potential of our assets.

The table below provides the general assumptions and over-arching objectives we will apply for meeting affordable and sustainable minimum service levels across all asset classes.

Condition Rating	Asset Condition	Useful Life Age Estimate	Applied Service Level Intervention
1	Excellent	Almost New < 15% Estimated Age	No intervention required
2	Good	Minor Ageing Evident 15-20% Estimated Age	Only Minor Defects are observed. Schedule for rectification during programmed pro-active maintenance regimes.
3	Fair	Moderate Ageing Evident	Operational defect level has been exceeded. Schedule for immediate reactive maintenance to return asset to accepted level of service.  Continue to monitor with programmed condition assessment for renewal in medium term (5-15 years).
4	Poor	Significant Ageing Evident > 50% Estimated Age	Operational defect level has been exceeded. Schedule for immediate reactive maintenance to return asset to accepted level of service.  No immediate risk to health or safety but failure likely in short term.  Undertake risk assessment, investigate options, and program Renewal in the Short Term (2-5 years).
5	Failed	Exceeded Potential Life	Take immediate action to rectify defect. Immediate rehabilitation or renewal required.  Consider if asset service is still required and if replacement aligned with Council Vision/Plan/Other Strategic Plans.

If over 90% of an asset class is meeting condition rating 3 or higher, we consider the asset class to be performing at or above its deemed service level standard. Any individual asset or asset component performing at condition 4 or 5 is considered not to be meeting service level standard.

In time, as Council refines service level planning, each Asset Class Plan will evolve to provide specific service attributes and objectives in terms of not just condition, but function, capacity, and utilisation metrics. This will further aid and target renewal and maintenance prioritisation where there are numerous assets within an asset class requiring renewal but limited funding resources.

## Maintenance

Maintenance is periodically required to ensure that assets achieve their useful life and provide the required level of service.

Examples of maintenance activities include repairing a pothole in a road, repairing the decking on a timber bridge, repairing a drainage pipe, or repairing a park fence.

Maintenance is categorised into the following categories:

- **Proactive** - is planned to reduce the chance of future failures and lowers the organisational risk exposure
- **Reactive** - is only performed in response to an inspection or customer request identifying an asset defect has exceeded defined intervention levels
- **Run to failure** - no maintenance is performed on the asset, and it is replaced/renewed when failed

The standards for maintenance are described by the hazard intervention levels and emergency works, which vary across each asset portfolio and asset class. These are specified in the operational management plans within the organisation, such as the Road Management Plan and Tree Management Plan. Others are yet to be formally developed and will be developed in conjunction with the service level planning to be undertaken.

### Prioritisation of maintenance works

Assets are inspected on a scheduled frequency based on the risk associated with the asset and in accordance with Operational Management Plan for that asset class. In some instances, assets of low risk may not be inspected and will be subject to unplanned maintenance only.

Response times to correct defects will vary for each asset class and its functional hierarchy. These are specified in the operational management plans. Council's Customer Service Charter sets time frames that Council officers must respond when investigating a customer request to inspect or assess a reported issue.

Defect works are prioritised in accordance with established criteria. The criteria consider:

- severity of the defect
- relative risk or importance of the defect compared to other defects
- location and/or functional hierarchy of the asset (for example a defect on a Link Road would take priority over a defect of the same type on an Access Road)

### Assumptions for determining future maintenance costs

Future maintenance costs modelled in the 10-year outlook for lifecycle costs within this Asset Plan assume that the current maintenance expenditure is adequate with variations based on:

- an increase in asset quantity from new and upgrade assets
- a decrease in asset quantity from the rationalisation/disposal of assets
- changes in the agreed level of service
- any increase in the cost of maintaining older assets if renewal works are not undertaken

## Renewal

Assets for which the condition score is above the intervention level are considered for inclusion in the long-term capital renewal program.

Condition inspection programs are scheduled every 4-6 years according to the asset class and asset capitalisation policy. Works may also be identified from ad-hoc inspections, customer requests and routine maintenance and hazard inspections identify works beyond the scope and cost of the routine and reactive maintenance program.

Annual renewal programs are prioritised by condition and remaining life, with consideration to functional hierarchy.

### Assumptions for determining future renewal costs

To provide services in a financially sustainable manner, Council aims to ensure that it is renewing assets at the rate they are being consumed over the medium to long-term and funding the lifecycle costs for all new assets and services in its Long-Term Financial Plan.

Future renewals are determined from the following input data:

- Asset condition and the condition intervention level
- Remaining asset useful life
- Asset quantity
- Asset replacement cost
- Deterioration profile
- 10-year planned renewal budget
- Actual maintenance expenditure

As asset portfolio specific service level plans are developed, the addition of function, capacity, utilisation performance metrics will be used to assess renewal prioritisation. Over time there will be increasing volume of assets at or exceeding condition-based intervention level, and to prioritise customer service level and additional technical service level metrics will be required.

## Strategic Intent

### Embedding asset management

The asset management system framework requires deliberate, strategic intent to enable the objectives of the Asset Plan, the Asset Management Policy, and the Asset Management Strategy to be achieved.

Embedding asset management into corporate governance, including enterprise planning, reporting and risk management frameworks will help drive overall asset management maturity and provide improvement asset management decision making and service delivery for the community.

Our key principle over the next 10 years is for asset management to become service driven and align with the strategic priorities and directions of Council.

### Strategic actions

The high-level strategic intentions to be achieved over the 10-year horizon of this Asset Plan are outlined below.



No	Intended AM Strategy	Desired Outcome
1	Annually review life-cycle cost modelling within Asset Management Plans (AMPs) to provide funding scenarios for annual budgeting and LTFP review.	Council provided relevant and current funding positions required to optimise whole of life costs at agreed service levels. May trigger review of service level if funding targets cannot be met.
2	LTFP incorporates expenditure projections from each Asset Management Plan with a sustainable funding position.	Council Services are provided with a sustainable funding model.
3	Annually update AMPs and LTFP after adoption of annual budget to communicate consequences of funding decisions on service levels and risk.	Engaging with the community so that Council and the community are aware of changes to service levels and costs arising from budget decisions.
4	Council decisions on assets made from accurate and current information in asset registers, service level performance and whole of life cycle costs.	Improved decision making and better value for money on asset expenditure.
5	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions	Responsibility for asset management is defined.
6	Implement and support the Improvement Plan to re-assess, benchmark and progress asset management maturity competencies within next 4 years.	Improved asset management capability and capacity within whole of Council.
7	Move from annual budgeting to Long Term Planning across all asset categories, ensuring Year 1 of LTFP expenditure projects is incorporated into annual budgets, on rolling annual basis.	LTFP drives decision making and long-term implications of Council decisions are considered during annual budget deliberations.
8	Report by AM Steering committee bi-annually to Council on development and implementation of Asset Management Strategy, Class, and Portfolio Level AMPs and LTFP.	Council oversight of resource allocation and asset management performance.
9	Monitor and assess opportunities for implementing advanced data collection technologies and capability.	Improve data collection methods, reduce human error, and save time and effort (resources to other improvement activities)
10	Benchmark current Asset Management Practice against NAMAf to set targets for improving core capability and competency in practices.	Reach core maturity over the life of this plan.

Table 3: Asset Management Strategic Intentions

## Future challenges and opportunities

To provide, manage and maintain our assets to be of optimal benefit for the community, we must consider and allow for the future potential of both challenges and opportunities that may impact our service delivery and asset management practices.

### Population growth

Our current municipal population is 29,660<sup>6</sup> and is expected to reach 32,200 by 2036 a projected population growth rate of 0.6%.

#### What does this mean for asset management?

- Careful consideration of all future asset acquisitions and upgrades are made considering the financial ability of Council to provide necessary levels of lifecycle funding with constrained rate revenue growth to maintain the assets at desired service levels.
- Review assets across all asset portfolios (but in particular buildings) to assess viability of ongoing service provision where an asset may have exceeded reasonable community demand and utilisation, functional service, reached the end of its useful life and where viable alternative service provision exists.

### Urbanisation

Development of North and South Growth Corridors will increase our urban density in Wangaratta, placing higher demands on our open spaces, roads, footpaths, flood mitigation and drainage constructed through developer contributions.

#### What does this mean for asset management?

- Costs to maintain and renew a growing asset base will increase and will need to be planned for in financial projections.
- We will require innovative thinking and approaches to the way we deliver services and optimisation of our existing assets
- We will need to look towards forming partnerships and alliances to provide cost effective asset service delivery.
- Likelihood of increased customer and community demand for provision of greater areas of open space and established tree canopy within areas of future development to mitigate urban heat island effects.

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<sup>6</sup> Council Plan 2021-2025.



## Ageing infrastructure

One of the biggest financial challenges facing Council is the cost of renewing ageing infrastructure, reducing risk, meeting changing industry standards, and increasing construction costs.

### What does this mean for asset management?

- Council needs to significantly improve existing asset management systems and processes to ensure optimal planning for renewal and maintenance activities on existing assets, through targeting expenditure on the right assets at the right time.
- As assets continue to age and the renewal gap increases year-on-year, investment in maintenance and renewal expenditure will need to increase to ensure continued levels of service now and in the future.
- Risk to asset renewal programs and financial income given a high reliance on external funding.



## Technology

The way Council does business is ever increasingly online and advances in technology to connect, deliver and access services, obtain information and perform our day-to-day activities continues to evolve.

### What does this mean for asset management?

- Asset and works management enterprise software and digital monitoring will soon give Council real-time information about assets, improving understanding of asset performance, cost impacts and interventions required.
- Council will have increased capability to share data on assets with other agencies and service providers, enabling them to interact with Council services digitally.
- Technology is enabling a more mobile workforce, improving efficiency and effectiveness as once office-bound activities can be completed anywhere, anytime, on any platform.

## Climate Adaption & Natural Disasters

All councils, whether rural, regional, or urban, are already experiencing the impacts of climate change. Frequency of large-scale natural disasters, such as the bushfires in 2019/20 and severe east coast flooding in both 2021 and 2022, and localised extreme events such as the Flash 100-year flood within our municipality experienced in late 2018 washing out three bridges and closing numerous local roads tells us this should now be expected as normal. We must expect and plan for future damage to our infrastructure assets from storm and fire damage, decreased water security and hotter urban spaces.

### What does this mean for asset management?

- Infrastructure needs to be assessed against its resilience to climate extremes and where vulnerable infrastructure identified, actions taken to mitigate against potential risks.
- Asset condition information must be up to date and maintained to meet all State and Federal Natural Disaster funding guidelines to ensure in the case of an event, Council can recoup maximum rehabilitation and reconstruction funding available.
- Be innovative and stay abreast of current research trends in the use and application of materials with greater climate resiliency when considering asset construction or renewal.

## Legislative, policy and external influences

We operate in a complex legislative and policy environment that directly influences the way we do business. Recent international influences such as the current crisis in Eastern Europe have seen fuel prices reach unprecedented highs. If the government reduces the fuel excise tax to provide relief to consumers, this will have direct impact on the future of federally funded infrastructure programs for upgrade and renewal such as the Roads to Recovery Program.

### What does this mean for asset management?

- We need to meet our statutory obligations while being conscious of maintaining affordability and financial sustainability. This requires good decisions to be made to manage competing funding demands across a broad range of projects, programs and services.
- Our long-term financial sustainability for renewal programs relies on federal and state funding sources which cannot be guaranteed beyond immediate legislated programs.
- The renewal gap, particularly across transport and stormwater assets may be a significant risk of dramatic increase if funding programs reduced and material prices continue to increase at current rates.

Specific challenges and opportunities related to each asset class have been identified and provided in this plan in the current state of the assets.



# State of the Assets

## Asset Summary: Sealed Roads

### Objectives

- Rural City of Wangaratta's Road infrastructure provides safe and connected community links to residential, business, and recreational spaces.
- Council will meet all regulatory and compliance standards of our Road Management Plan to ensure our roads are meeting service level standards and will continue to regularly monitor performance condition of our network.

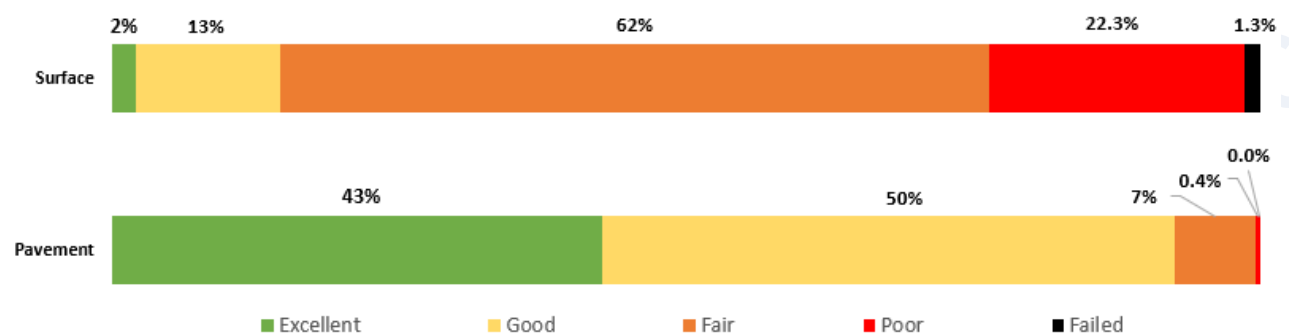
### Asset Class Value

- Replacement Value \$291.22 M
- % Total Asset Base 37.92%

### Asset Categories

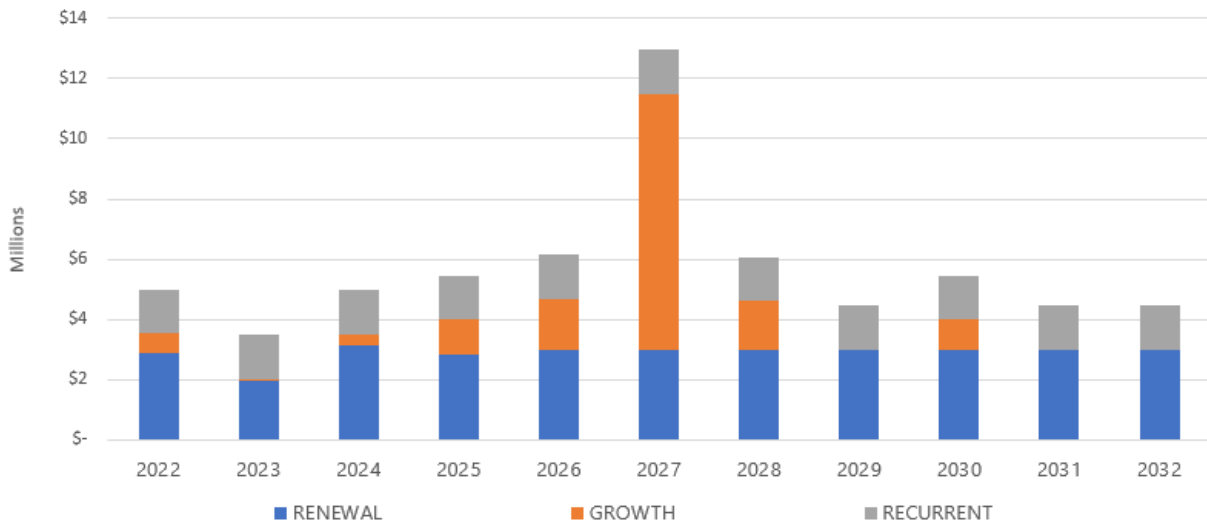
- Sealed Pavements
- Asphalt Surfaces
- Spray Seal Surfaces
- Kerb and Channel
- Car Park
- Aerodrome Runway and Taxiway

### State of the Assets



Condition Assessment May 2020

## 10 Year Financial Projections



- Significant growth in 2027 due to \$5M forecast DCP South Projects RD01 and DR01 and \$1.5M on CBD Master Plan Ford Street Upgrade.
- Continued investment in Annual Reseal Program increasing to \$1M per annum from 2026 and \$850K per annum allocated to Kerb and Channel Renewal. \$750K per annum from 2025 allocated for road reconstruction (pavement rehabilitation for poorest condition pavements)

## Planned Growth

### New

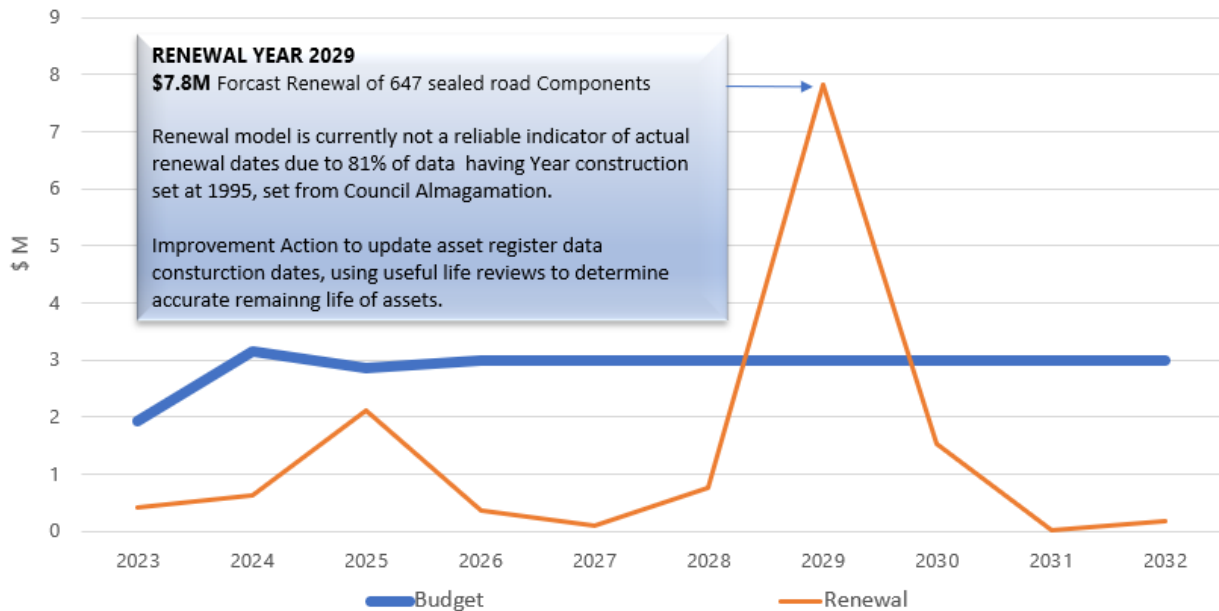
- DCP South Growth Areas - RD01 and DR01
- Developer Contributed Subdivision Roads

### Upgrade/renewal

Planned upgrades to increase capacity/ function identified in LTFP include:

- Completing the CBD Master Plan – Faithfull Ford, Reid, Ovens (Stage 2) Street Upgrades
- Wangandary Road Intersection Upgrade
- Sandford Road (Stage 2) Upgrade
- Merriwa Park Master Plan
- Open Space and Recreation Strategy 2012 (to be updated 2022/23)

## Renewal Gap



## Improvement Actions

- Increase the usage of recycled and environmentally sustainable materials in construction/renewal/maintenance of pavement and surface components of our sealed roads.
- Revise and Improve Service Level specifications in next review of Road Management Plan to improve alignment of Road Asset Hierarchy and Traffic Volumes
- Increase traffic count collection for improved reporting on sealed road service level performance metrics and renewal planning.
- Continuous improvement to overall quality and structure of data captured in asset register, including regular interim condition assessment updates, review of construction dates and regular updated useful life reviews to enable reliable renewal modelling directly from Asset Register.

## Challenges and Opportunities

Category	Details
Demographic	Community demands for improved traffic management on sealed road network resulting from population growth
Climate Adaption	<p>Increased likelihood and frequency of Natural Disasters (e.g. flooding) impacting roads</p> <p>Increasing frequency of extreme heat events resulting in faster rates of road surface deterioration</p> <p>Increasing community demand to provide street trees for shade</p>
Growth	Ensuring gifted road assets built and handed over to Council are constructed to acceptable IDM standards to minimise ongoing maintenance costs
Financial	<p>Impact of maintaining roads with increased traffic volumes and heavy vehicles movements</p> <p>Managing long term costs and getting the right balance of maintenance, renewal and upgrade works on sealed roads</p> <p>Increasing size of the sealed road network to maintain due to Gifted Road Assets</p>
Regulatory	<p>Compliance with Road Management Plan 2022-2025</p> <p>Compliance with Electric Line Clearance Management Plan to balance street trees for shade and clearance obligations</p> <p>Ensuring Council Public Road Register is current and accessible</p>
Risk	<p>Defects exceeding intervention levels of Road Management Plan are rectified within specified time frames</p> <p>Financial Impact to Sealed Road network from future natural disasters</p>

## Asset Summary: Unsealed Roads

### Objectives

- Rural City of Wangaratta's unsealed road network retains community satisfaction survey target of 55 or greater annually.
- Council will meet all regulatory and compliance standards of our Road Management Plan to ensure our unsealed roads are meeting service level standards and continue to regularly monitor performance condition of our unsealed road network

### Asset Class Value

- Replacement Value \$102.91 M
- % Total Asset Base 13.40%

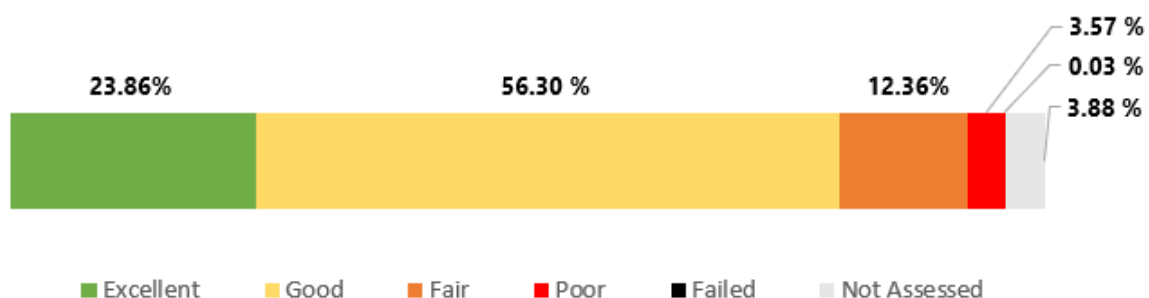
### Asset Categories

- **Unsealed Roads:** Predominantly Rural Roads formed and surfaced using local gravel material and blended materials and declared on Councils Public Road Register.

*Note: Council maintain certain limited access unsealed roads once a year prior to the declared fire season on behalf of CFA. These roads are designated in the Municipal Fire Management Plan and are not declared roads on Council Public Road Register.*

- **Table Drains:** An excavated open channel, within the road reserve, running alongside an unsealed road to drain accumulated surface water from the road.
- **Minor Culverts:** Within the Road Reserve of unsealed roads, excluding culverts under vehicle cross-overs for private property access.

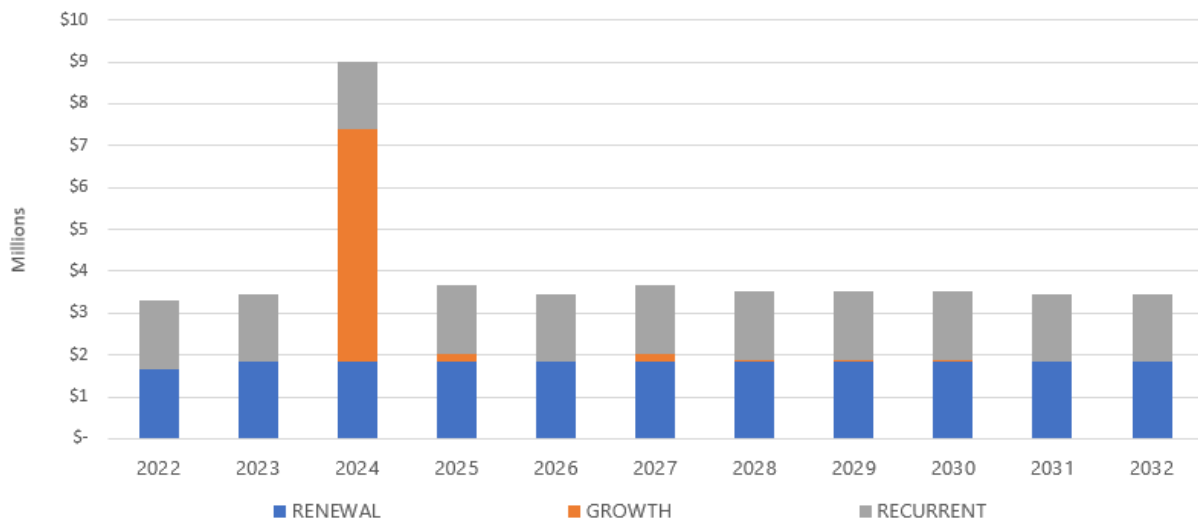
### State of the Assets



Condition Assessment May 2021



## 10 Year Financial Projections



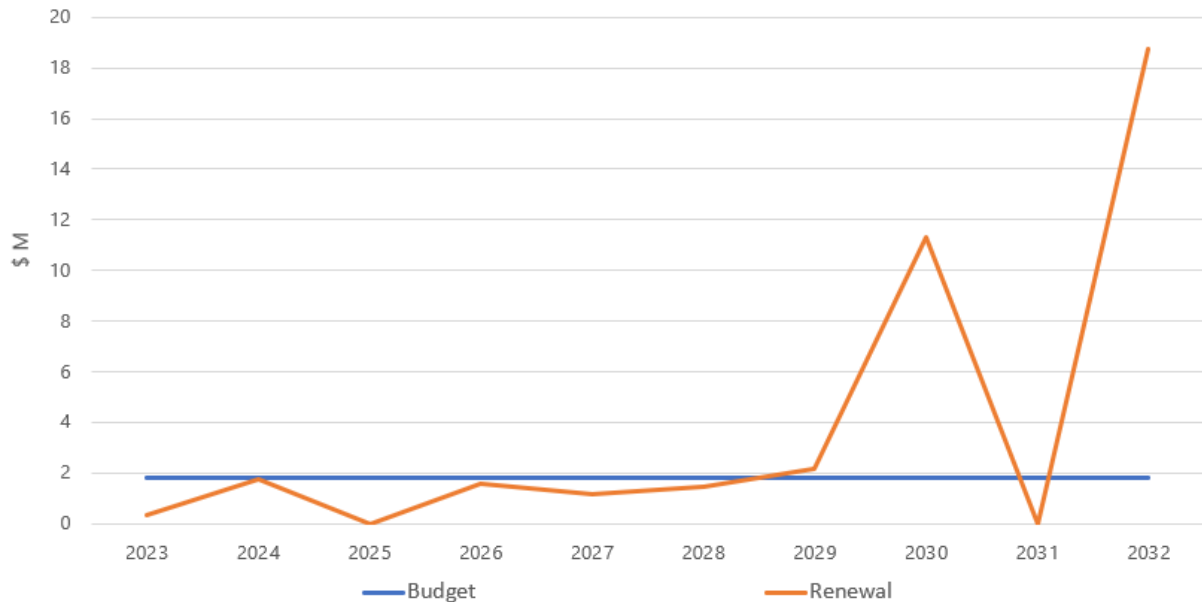
- Significant growth in 2024 due to \$5.5M forecast for the upgrade of Benalla-Whitfield Road. This project will only proceed if fully funded from non-council sources (Potential fundings sources R2R, LRCI).
- Continued investment in Gravel Re-Sheeting Program to remain stable at \$1.8M per annum from 2023 onward and \$1.6M per annum on unsealed maintenance activities (grading, table drain reshaping).
- No forecast expenditure allowance for sealing of unsealed access roads prioritised on the unsealed road-sealing program.

## Planned Growth

### Upgrade

Seal the remaining 6km unsealed section of Benalla-Whitfield Road once 100% external funding for project has been secured.

## Renewal Gap



- Significant growth in 2024 due to \$5.5M forecast for the upgrade of Benalla-Whitfield Road. This project will only proceed if fully funded from non-council sources (Potential fundings sources R2R, LRCI).
- Continued investment in Gravel Re-Sheeting Program to remain stable at \$1.8M per annum from 2023 onward and \$1.6M per annum on unsealed maintenance activities (grading, table drain reshaping).
- No forecast expenditure allowance for sealing of unsealed access roads prioritised on the unsealed road-sealing program.

## Improvement Actions

- Investigate use of innovative, environmentally sustainable, products for dust suppression treatment on unsealed roads
- Revise and Improve Service Level specifications in next review of Road Management Plan to improve alignment of Road Asset Hierarchy and Traffic Volumes
- Develop Renewal Plans for gravel road re-sheeting and table drain cleaning from condition assessment data and regular routine inspections conducted from the RMP.

## Challenges and Opportunities

Category	Details
Demographic	Increases in planning/building permits issued for life-style blocks on unsealed roads leading to increased community demand / expectation for sealing of unsealed roads
Climate Adaption	<p>Increased likelihood &amp; frequency of Natural Disasters (flooding) impacting unsealed roads</p> <p>Competing demands of retaining roadside vegetation for climate mitigation and ensuring roadside safety</p>
Growth	Increase rural subdivision increases community service level expectation for unsealed road network
Financial	<p>Limited funding in LTFP for sealing of unsealed roads</p> <p>Finding the right balance of expenditure on renewal (re-sheet) versus maintenance (grade) of unsealed roads</p> <p>Seek lower cost, innovative, sustainable alternative materials for dust suppression treatments of unsealed roads instead of traditional bitumen sealing</p>
Regulatory	<p>Compliance with Road Management Plan 2022-2025</p> <p>Ensuring Council Public Road Register is current and accessible</p>
Risk	<p>Defects exceeding intervention levels of Road Management Plan are rectified within specified time frames</p> <p>Impacts to Unsealed Road network from future natural disasters</p> <p>Potential future funding constraints from Federal NDFA following natural disasters</p>

## Asset Summary: Bridges and Major Culverts

### Objectives

- Rural City of Wangaratta is responsible for providing bridges and major culverts that are safe for all road and pedestrian users.
- Part of this responsibility is addressing the Renewal Gap of the Bridge Asset Class to ensure adequate budget allocation for renewal and upgrade capital works. This involves allocating sufficient maintenance budget to ensure the 404 structures for which Council are responsible can be maintained to minimum standards in accordance with VicRoads Bridge Maintenance Manual.

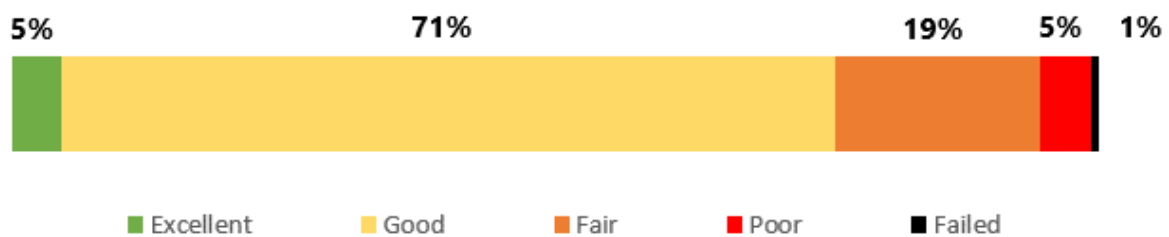
### Asset Class Value

- Replacement Value \$109.31 M
- % Total Asset Base 14.23%

### Asset Categories

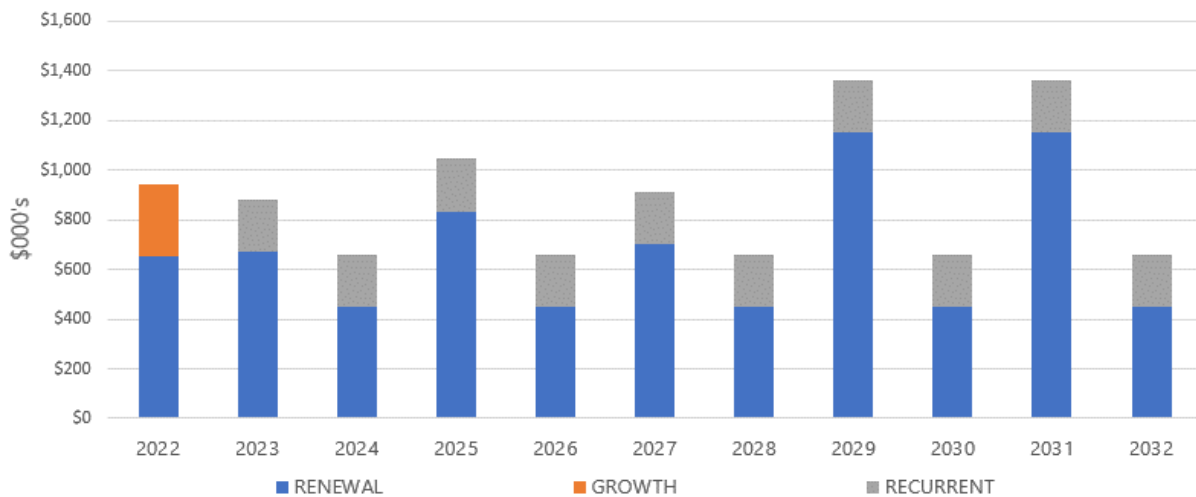
- **Bridges:** A structure with a minimum span or diameter  $\geq 1.8$  m or a waterway area  $\geq 3$  m<sup>2</sup> for the primary purpose of carrying a road or path over an obstacle.
- **Bridge Types:** 24 Timber Structure; 136 Steel/Concrete Structure; 49 Footbridges
- **Major Culverts:** A structure with a minimum span or diameter  $\geq 1.8$  m or a waterway area  $\geq 3$  m<sup>2</sup> for the primary purpose of carrying water.

### State of the Assets



Condition Assessment Jan 2022

## 10 Year Financial Projections



- Renewal costs inclusive of Replacement and/or Upgrade works.
- Many bridge structures must be upgraded when renewed to meet current Vic Roads Bridge Technical Standards and Code of Practice to ensure Council adhere to AS5100:2017 for design of road structures.
- Recommend future LTFP review should apportion upgrade expenditure into Growth category
- 6% of the Bridge Portfolio is at end of life or poor condition requiring renewal in the immediate or short term 2-5 years

## Planned Growth

### New

No planned construction of new bridges or major culverts over the 10-year horizon.

### Upgrade

Planned upgrades to increase capacity/ function or to meet required bridge standards (where replacement occurring) identified on LTFP include:

- Redcamps Bridge on Boggy Creek Road (BN335) in FY23
- Fosangs Bridge on Fosangs Lane (BN350) in FY25
- Schules Bridge on Rose River Road (BN394) in FY27

Priority bridge renewal and upgrade capital works program to be updated following review of the 2022 Bridge Condition Assessment results currently underway. Revised program will be updated in LTFP review 2024 onwards.

## Renewal Gap

Bridge Asset Data in the Asset Register is pending financial componentisation following the Jan 2022 Bridge Condition Assessment and application of revaluation. Meaningful renewal model cannot be generated at this time. Refer Improvement Actions.

## Improvement Actions

- Review and enhance process for interim condition assessment of Bridges between 4 yearly condition assessments.
- Ensure photographic evidence repository of Bridge Condition not greater than 4 years to maintain compliance with National Disaster Recovery Guidelines, in the event of a future natural disaster impacting a Council Bridge.
- Enhance condition information and improve data quality in asset register to support renewal modelling, forward capital works program and LTFP.
- Review Service Levels and intervention levels at which Bridge Assets are renewed.
- Update Bridge Asset Management Plan.

Draft for Public Ex

## Challenges and Opportunities

Category	Details
Demographic	<p>Predicted increase in Heavy Vehicle Traffic and impact to Bridges structures</p> <p>Council maintains a number of Bridges servicing single private properties, where bridge is nearing end of life and requires renewal/upgrade</p>
Climate Adaption	<p>High Risk of Bridge Impairment from future natural disaster events, particularly flash flood events</p> <p>Integration of ecologically sustainable design principles in construction renewal of Bridges where appropriate</p>
Growth	<p>No future new bridge acquisitions forecast on the 10-year horizon</p> <p>Growth will occur in the upgrade of existing structures only</p>
Financial	<p>Bridge renewals require significant proportion of upgrade works to ensure current Bridge Standards are met, increasing renewal cost</p> <p>Capture more accurate future replacement costs or Bridge Components in Asset Register to improve overall renewal modelling and budget forecasting</p>
Regulatory	<p>Bridge Design and construction for all renewal and upgrades of existing bridges must adhere to VicRoads Bridge Technical Standards and Code or practice guided by AS5100:2017</p>
Risk	<p>Ageing Bridge Infrastructure, particularly Timber Bridge Structures that will require replacement in medium to long term</p> <p>Application and enforcement of Bridge Load Limits, particularly on older Timber Bridges</p> <p>Subdivision approvals over past decades have not sufficiently factored existing flood plain mitigation requiring Council to fund upgrade of major culverts to manage drainage in areas of rapid urbanisation</p>

## Asset Summary: Pathways

### Objectives

- A community that is safe and welcoming for pedestrians and cyclists
- Deliver the objectives of the Walking & Cycling Strategy.
- To ensure the established path network remains fit for purpose

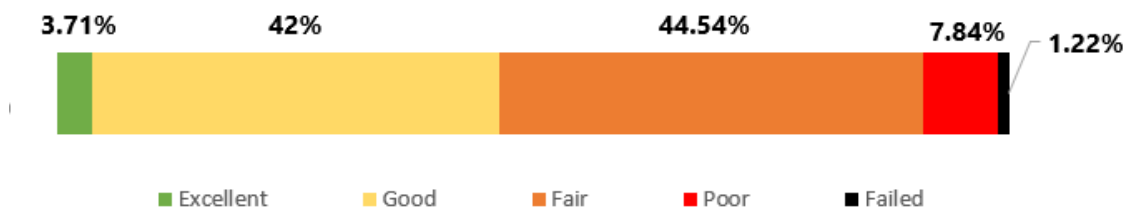
### Asset Class Value

- Replacement Value \$28.85M
- % Total Asset Base 3.76%

### Asset Categories

- **Footpaths:** A formed path used primarily for pedestrian use. Typically, 1.5m width (or less for older paths) constructed of concrete, asphalt, aggregate, or brick.
- **Shared Paths:** A formed path of same materials as Footpath but constructed to 2.5m width to allow shared for use by pedestrians and bicycles.
- **Rail Trail:** Part of the Murray to Mountains rail trail network, formed paths typically 2.5m wide, constructed of pavement base with spray seal surface for purposes of both bicycle and pedestrian use.
- **Natural Paths:** Formed, earthen pathways. Mostly found in some public and sports reserves to persevere a more natural environment.

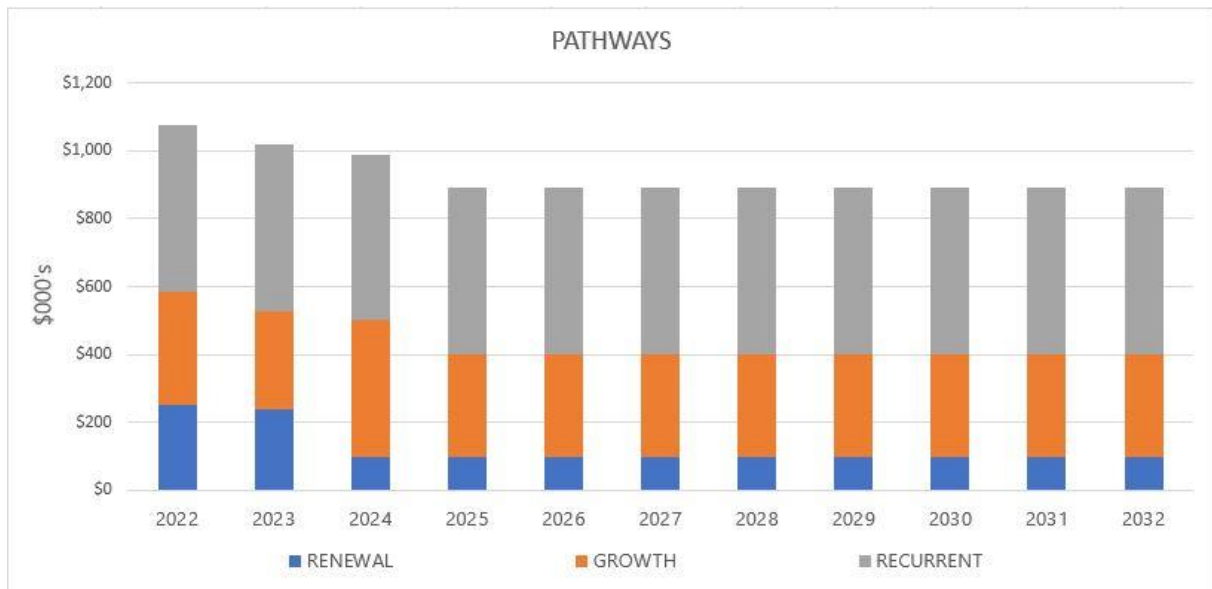
### State of the Assets



Condition Assessment 2019



## 10 Year Financial Projections



- New/Upgrade expenditure is the focus for the Pathway Asset Class over 10-year horizon to address network infill and extensions of urban path network in response to Action Items 5.4.1.2 of the Council Plan and objectives of the Walking & Cycling Strategy (5.4.1.3).
- Councils projected renewal expenditure is expected to remain stable with 0% increase over the 10-year period due to 90% of the network reported in Fair or better condition. The estimated average useful life of a newly installed concrete pathway is 80 years. Rail Trail and Asphalt pathways between 20-30 years.
- Maintenance costs forecast at \$490K p/a with no allowance for growth of network, from gifted pathway assets and new acquisitions over 10-year projections.

### Planned Growth

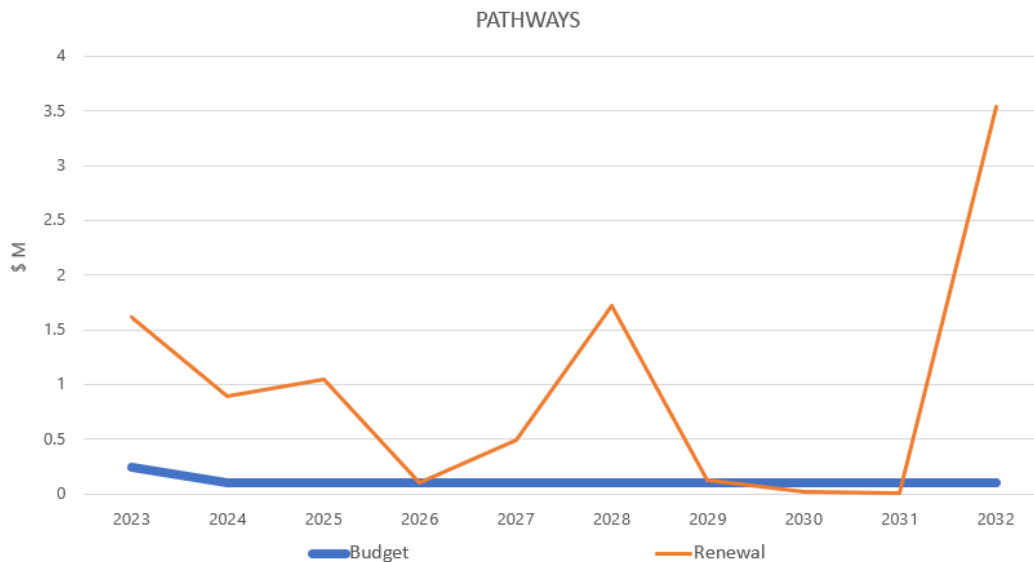
#### New Assets

- Prosecco Road Rail Trail
- Kaluna Park / Merriwa Park Walking Track
- Ongoing Wangaratta Urban Pathway Infill under the annual new footpath acquisition program

#### Growth Areas - Developer Contribution Plans

- Three Mile Creek (South of Cruse St)
- Reith Road - Lindner to Wangandary Road
- One Mile Creek – Silver Wattle Drive to Clarkes Land

## Renewal Gap



- Renewal modelling will be updated in forthcoming Pathway Asset Plan.
- Current modelling indicates that \$1.6M of pathway will reach end of useful life in 2023, \$1.7M in 2028 and \$3.5M in 2032.
- State of the Asset condition data does not reflect the priority need for the level of renewal modelling based on current asset register data indicates.
- Review of Pathway asset useful life performance will be completed in late 2022 and will lead to updated acquisition dates of assets, most of which currently carry Council amalgamation date of 1995.
- Priority renewal over the 10-year horizon will focus on all Condition 4 and 5 assets, the 10% of network in poor or failed condition.

## Improvement Actions

- Increased usage of recycled and environmentally sustainable materials in construction/renewal/maintenance of pathways
- Develop technical and community service levels targets to manage demand levels and expectations and provide clarity of future investment decisions.
- Develop and implement performance monitoring measures to report on network performance against target levels of service.
- Develop an Asset Management Plan for Pathways.

## Challenges and Opportunities

Category	Details
Demographic	<p>Community Demand &amp; Expectations for Footpaths to be provided in built up areas.</p> <p>Servicing an ageing population requiring pathways maintained to sufficient standard for mobility aides.</p>
Climate Adaption	<p>Providing Shaded footpaths where possible</p> <p>Seek increased renewable product content in path construction while balancing long-life construction of paths</p>
Growth	<p>Planning controls to ensure Land Subdivisions provide cohesive, connection of paths to existing network.</p> <p>Paths built to an acceptable standard by developers</p>
Financial	<p>Maintenance and renewal of extensive Rail Trail network significant tourism benefits to municipality with little external funding provisions to maintain.</p> <p>Remaining network in overall good condition, higher proportion of funding to be directed toward network infill and extension over 10-year horizon.</p>
Regulatory	<p>Compliance with Road Management Plan 2022-2025</p> <p>Compliance with Electric Line Clearance Management Plan to balance street trees for shade and clearance obligations</p>
Risk	<p>One of the highest asset classes in which insurance claims made against Council (generated predominantly from trip hazards).</p>

## Asset Summary: Stormwater

### Objectives

- A community that is safe and welcoming for pedestrians and cyclists
- Improve our data quality of existing sub-surface drainage to improve our renewal planning for this asset class.

### Asset Class Value

- Replacement Value \$55.28 M
- % Total Asset Base 7.64%

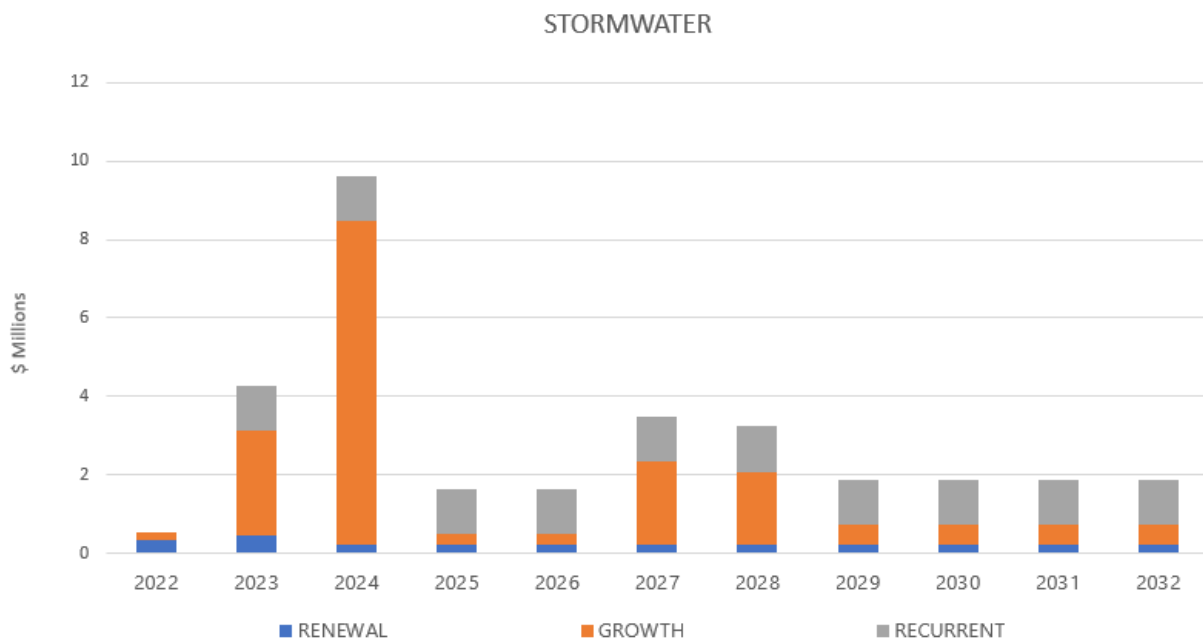
### Asset Categories

- **Pits & Pipes:** Below ground structures that form part of the urban stormwater system to remove excess stormwater from our roads and properties, includes headwalls and end structures (outflows)
- **Gross Pollutant Traps:** To capture litter and debris before reaching natural creek systems through stormwater outlets
- **Open Drains:** Earthen, brick or concrete lined channels
- **Retention basins:** Formed structures that hold large volumes of excess stormwater run-off from pits, pipes, channels.
- **Pumps and Pump Wells:** For purpose of pumping stormwater from one network to another where the network levels are different.
- **Flood Mitigation:** Levee Bank Structures, Dams, Detention Basins
- **Other:** Misc. Other Drainage Structures
- *Note: Excludes minor culverts (these fall under the road asset class).*

### State of the Assets

Condition data of Stormwater assets, in particular existing sub-surface drainage is not sufficiently collected to provide a comprehensive condition assessment of the stormwater network. This is noted as improvement item.

## 10 Year Financial Projections



- Renewal costs inclusive of Replacement and/or Upgrade works. Most major culvert renewal requires upgrade to increase capacity.
- Council is taking ownership from DEWLP and hence financial control of Wilson Road and Parfitt Road Levee Banks.
- Significant growth forecast in 2024 is contributed from Newman Street Drainage Upgrade works and Levee Bank Upgrades
- Due to ageing sub-surface drainage infrastructure, much of the network is nearing end of useful life current funding levels of drainage maintenance and renewal in LTFP will require review.

### Planned Growth

#### New Assets

Planned growth from the North-West Growth Area Structure includes:

- DR01 – Wangandary Road Trunk Drainage
- DR02 – Lindner Road Trunk Drainage
- Various drainage assets gifted to Council from subdivision development

#### Upgrade / Renewal

Planned upgrades to increase capacity identified on LTFP include:

- South Wangaratta Industrial Estate Drainage upgrades FY27/FY28
- Extension to HP Barr Reserve Oval 1 Drainage FY23/FY24

- Newman Street Upgrade FY23/FY24
- Flood Mitigation Levee Bank Upgrades FY23/FY24
- Major Culvert Upgrade Old School Road – TBD

Priority stormwater renewal capital works program to be updated following review and update of Stormwater Asset Management Plan and further stormwater condition assessment data (CCTV) data collection in FY23.

### Renewal Gap

Programmed condition assessments are not currently performed for stormwater assets and defect inspections are performed as required.

Stormwater Asset Data in the Asset Register is not sufficient as a result to provide meaningful renewal modelling at this time. Useful life and acquisition date estimates of subsurface stormwater assets acquired at Council amalgamation require review and update in the asset register. Refer Improvement Actions.

### Improvement Actions

- Programmed maintenance and routine inspection regimes to be implemented when the corporate Asset and Works Management system upgrade occurs over 2022/23 as part of the ICT Strategy.
- Develop condition assessment program to incrementally target trunk drainage networks and document the assessment methodology.
- Review and document condition intervention levels at which stormwater assets, in particular sub-surface drainage are to be renewed.
- Enhance condition information and improve data quality in asset register to support renewal modelling, forward capital works program and LTFP.
- Based on condition data, develop a 10-year capital works program for specific renewal works to be undertaken on the drainage network.

## Challenges and Opportunities

Category	Details
Demographic	<p>Increasing Customer Requests relating to issues of stormwater drainage in easements on private property.</p> <p>Service Level expectations of customers exceeding organisational service level capacity.</p>
Climate Adaption	<p>Increasing flood events will put strain on the stormwater network</p> <p>Flash flood events more likely to occur</p> <p>Road Network impacted, hence road assets compromised when stormwater network fails.</p>
Growth	<p>Increase to network capacity to be maintained</p> <p>Historically approved subdivisions have not provided adequate stormwater / flood mitigation that must now be upgraded to manage capacity demands.</p>
Financial	<p>Increase to network capacity from growth outpaces increase in maintenance and renewal budget in LTFP and human resourcing to maintain.</p>
Regulatory	<p>Numerous Acts and Legislative Regulations that stormwater design and implementation must adhere, including but not limited to Building Act 1993 and Building Regulations 2004, Catchment and Land Protection Act 1994, Environment Protection Act 1994, Water Act 1989, Local Government Act 1989 and 2000.</p>
Risk	<p>Ageing drainage infrastructure that will require high renewal demand in future years</p> <p>Failure to execute renewal in a timely manner generating safety risk or premature loss of asset.</p>

## Asset Summary: Buildings

### Objectives

- To provide Council Facilities fit for purpose that enable us to deliver quality services and programs to the community.
- We will review accessibility of all current Council owned/controlled buildings.
- We will take bold decisions with appropriate community consultation to decommission buildings that are no longer safe or functional, where a viable alternative is available. (Council Plan Action 2.3.4.4)

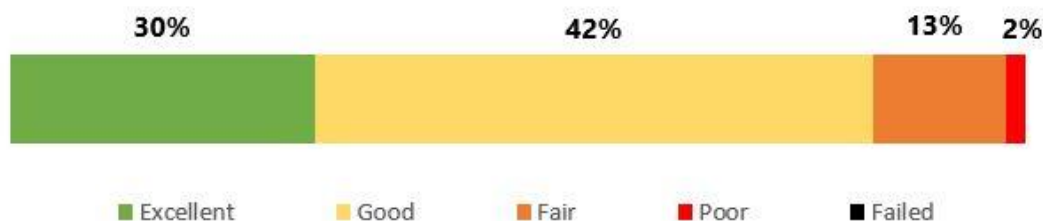
### Asset Class Value

- Replacement Value \$104.51M
- % Total Asset Base 13.62%

### Asset Categories

- **Commercial:** Aerodromes, Retail and Rental Properties, Tourist Info
- **Community:** Public Halls, Kindergartens, Senior Centres
- **Municipal/Civic:** Government Centre, Depot, Gallery, Performing Arts Centre
- **Sport & Rec:** Sports Stadiums, Playing Courts, Sports & Aquatic Centre, Splash Park
- **Waste Management:** Transfer Stations, Organics Processing Facility, Land Fill
- **Other:** Remaining Buildings not specified in above categories  
\*Excludes Wangaratta Livestock Exchange in all renewal modelling.

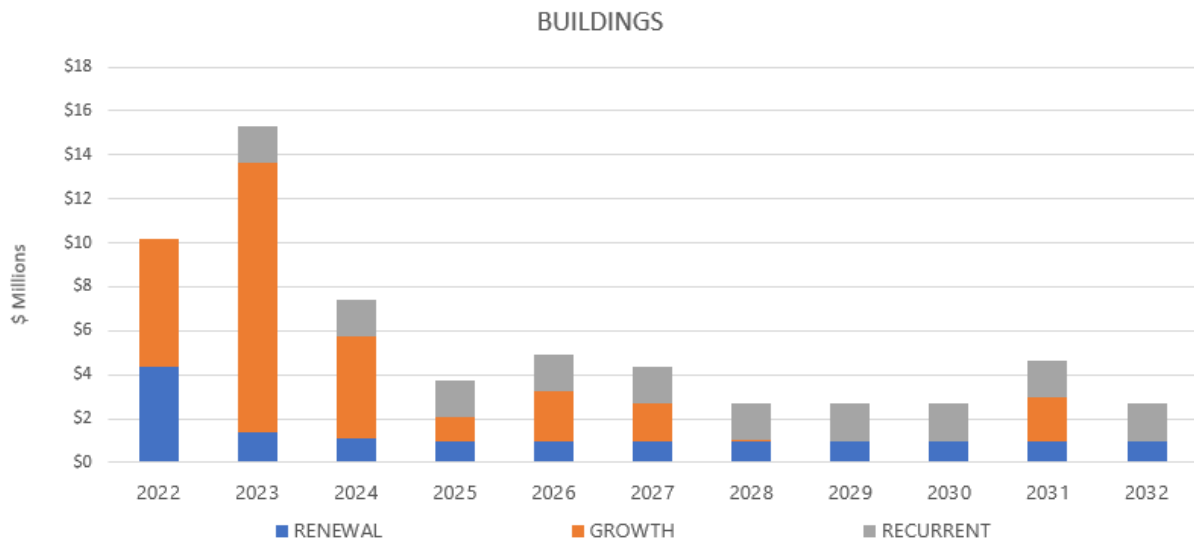
### State of the Assets



Condition Assessment 2021



## 10 Year Financial Projections



- We allocate renewal and recurrent (operational & maintenance) funding at a level aimed to keep pace with the deterioration of our buildings, as assessed by 4 yearly condition assessments to ensure our building portfolio is maintained in an overall Good-Fair Condition.
- We believe this can be achieved keeping the building renewal budget capped at \$1M from 2025.
- Implementation of Parklands Masterplan, Wareena Park Masterplan, Art Gallery Feasibility Study

## Planned Growth

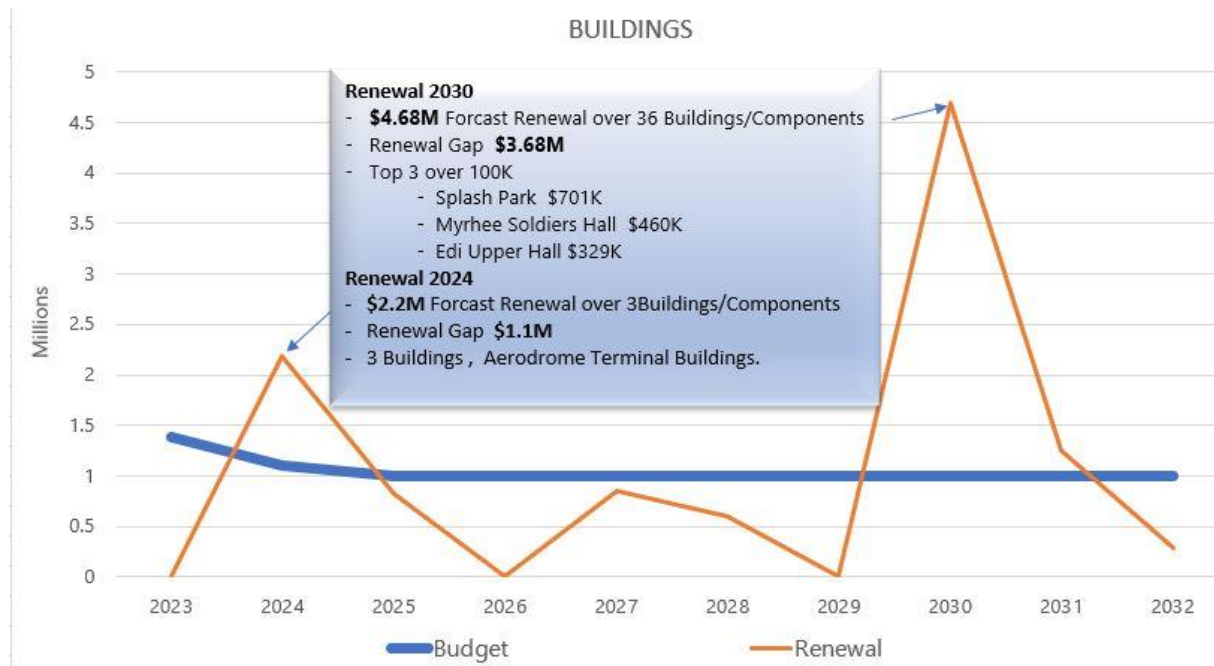
### New Assets

- Glenrowan Ned Kelly Interpretive Centre (2022/23)
- Wareena Park Masterplan Implementation
- Bowser Landfill Cell 5a & Cell 5b Construction

### Upgrade

- WSAC Extensions
- Government Centre HVAC Upgrade (2023)
- Creative Precinct Masterplan Implementation
- Transfer Station Redevelopment

## Renewal Gap



**Renewal Objective:** Proposed funding to meet renewal demand for Building Portfolio.

### 10 Year Building Renewal Programs

- Public Toilet Upgrade Program
- Upgrade Public Halls
- Mechanical and Electrical Services
- Civic Buildings Renewal (WPAC; WSAC Art Gallery, Government Centre, Depot)

### Improvement Actions

- Engage with community to establish agreed Building Service Levels
- Asset Categories (The Functional Use) to be reviewed, confirmed and assigned to each facility in the Asset Management System.
- Implement Proactive Building Maintenance Program to transition away from a highly reactive focused maintenance program.
- Ensure all building maintenance and service contracts are following current Australian Standards to reduce cyclical maintenance costs.
- Improve quality and quantity of Asset Data collected and maintained for buildings and their components to enable system automation for scheduled regulatory and statutory safety checks.
- Store all reactive maintenance history information in the building asset register to improve end of asset life estimations.

## Challenges and Opportunities

Category	Details
Demographic	<p>Population changes resulting in shifts in demand and utilisation of specific facilities</p> <p>Addressing Building Accessibility across our existing building portfolio</p> <p>Servicing an aging population</p>
Climate Adaption	<p>Reduce carbon emissions through reduced electricity consumption and increased solar generation on Council owned buildings.</p> <p>Integration of ecologically sustainable design principles in construction and refurbishment of buildings for better energy efficiency.</p>
Growth	<p>Asset Growth to meet demand for community facilities, infrastructure to support economic growth and community expectations</p>
Financial	<p>Increase in utility and maintenance costs</p> <p>Dependency on grant opportunities to provide modern facilities to meet community expectations</p> <p>Rationalising under-utilised buildings through co-location and multi-use facilities where applicable.</p>
Regulatory	<p>All new building works will need to meet Building Code Australia (BCA) requirements</p> <p>New and upgraded buildings to comply with AS1428 Design for Access and Mobility</p>
Risk	<p>Ageing Infrastructure</p> <p>Unanticipated asset deterioration and structural failure accelerated by the increasing severity in extreme weather (increased likelihood of storm damage) resulting from climate change conditions.</p>

## Asset Summary: Open Space

### Objectives

- To provide beautiful and accessible parks, gardens and open spaces that are fit for purpose and enable our community to be connected.
- We will work with the community on placemaking projects to improve safety and use of our parks and playgrounds (Council Plan Action Item 2.5.3.2).
- Undertake and deliver a new and contemporary Open Space and Recreation Strategy setting the vision for the next 10 years (Council Plan Action Item 2.4.2.5)

### Asset Class Value

- Replacement Value \$10.2 M
- % Total Asset Base 1.32%

### Asset Categories

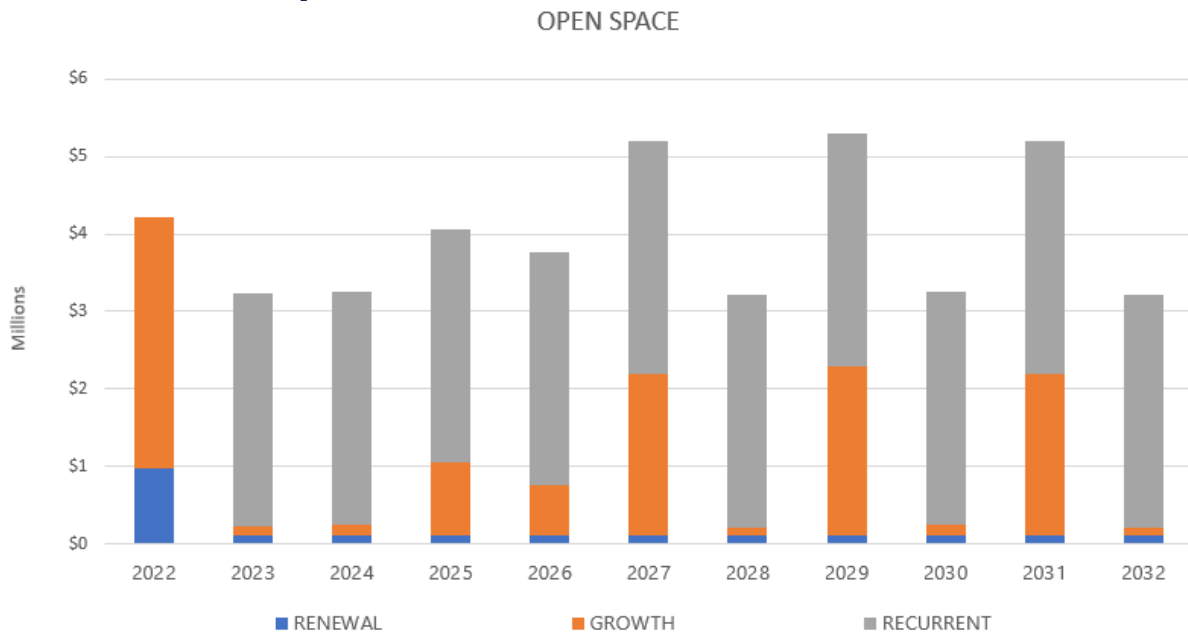
- **Playgrounds:** Public areas containing play equipment, including Pump Tracks, Skate Parks. We have 39 Playgrounds and 4 skatepark/pump tracks to maintain.
- **Sports Grounds:** Maintained surfaces for formal sports. We have 74 playing field and grounds to be maintained across the municipality.
- **Parks/Gardens/Reserves:** Passive open spaces. Formally maintained. Precise Quantum (area m2) unknown at this time. Improvement Action Item.
- **Streetscapes:** Landscaping and visual elements of Road Reserves, including street furniture, street trees, median strip, verge and roundabout plantings. We maintain **14,145** Street trees.
- **Irrigation:** Located within Sports Grounds, Parks and Gardens, Streetscapes.

***NOTE:** Open Space assets, with the exception of Sports Grounds are currently not financially recognised in the Asset Register for purposes of asset renewal modelling. Public Toilets are recognised in the Building Portfolio.*

### State of the Assets

Council do not currently collect condition data of Open Space assets. This is noted as improvement item.

## 10 Year Financial Projections



- Recurrent operational and maintenance expenditure is capped at \$3.01M over the 10-year LTFP projections.
- Projected expenditure does not account for future and recent growth in Open Space assets from Gifted Subdivision landscaping, street trees, open space areas, upgraded sports grounds requiring higher maintenance service levels, and a number of new open space assets such as Pump Tracks, Skate Parks, Children's' Garden and Regional Play Space/Parkour in Apex Park.
- Growth in 2027, 2029, 2031 is driven by the Wangaratta Sports & Event Precinct Master Plan.
- Annual Street Tree Planting Program

### Planned Growth

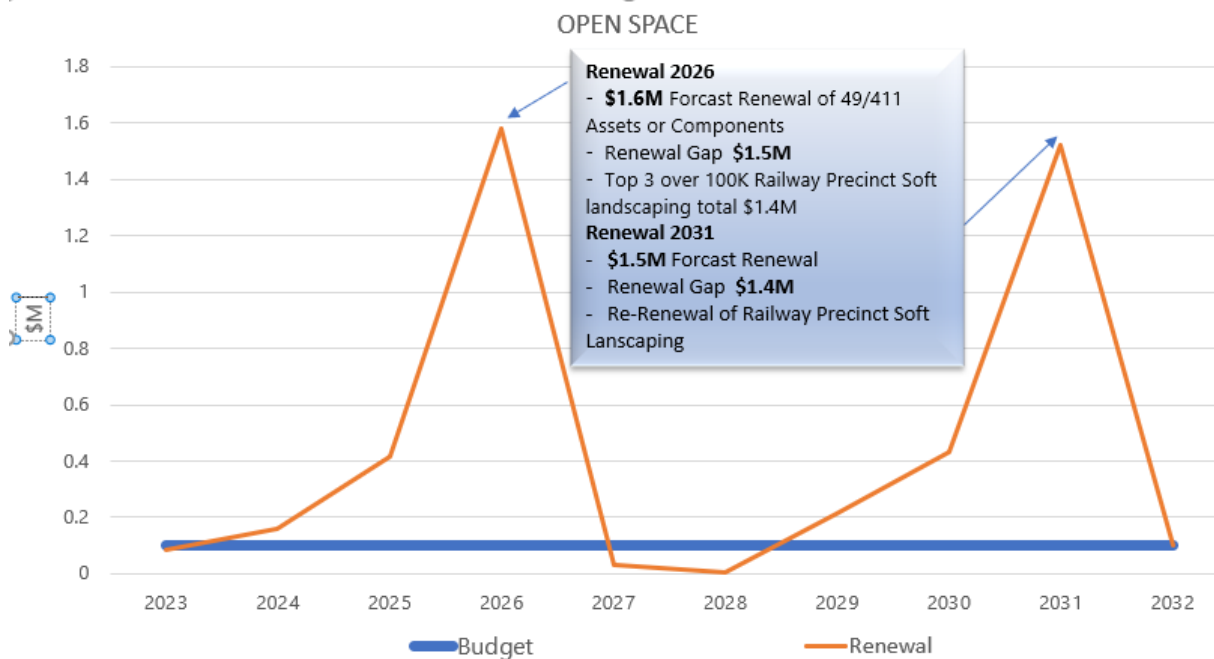
#### Growth

- Delivery of Apex Park and King Valley Regional Play Spaces (Council Plan 5.7.2.2)
- Developer contributed open space assets through on-going subdivision

#### Master Plans & Strategies

- Parklands Master Plan
- Merriwa Park Master Plan
- Open Space and Recreation Strategy 2012 (to be updated 2022/23)

## Renewal Gap



**Renewal Objective:** Proposed funding to meet renewal demand for Open Space Portfolio.

### Current Renewal Programs

- Annual Playground Renewal
- Urban Street & CBD Tree Renewal Plan is under development
- Other renewal programs for Active Open Space (Sports Ovals and Grounds) and Passive Open Space (Parks, Gardens, Landscaping) to be developed.

### Improvement Actions

- Engage with community to establish agreed Open Space Service Levels
- Investigate provision of CCTV and passive surveillance in our open spaces to improve safety and reduce anti-social behaviour. (Council Plan 2.5.3 & 2.5.3.5)
- Condition Audit all Open Space assets over the next 2-5 years.
- Establish Financial Recognition and Capitalisation Policy thresholds for Open Space assets.
- Ensure Operational Asset Inventory is established and maintained in Asset System to enable proactive maintenance Work Order Management for effective and efficient use of resources and improved tracking of recurrent, non-capitalised expenditure to maintain our Open Space portfolio.

## Challenges and Opportunities

Category	Details
Demographic	Post COVID Pandemic increasing reliance by community for provision of accessible, well-maintained playgrounds and passive recreation spaces.
Climate Adaption	<p>Ensuring all our playgrounds our safe and comfortable to use in warm weather</p> <p>Providing access to shade and cool spaces to mitigate days of extreme heat</p> <p>Look to innovative methods for watering and maintaining of our green spaces to cope with future dry years.</p>
Growth	Population Growth and development of North/South Growth areas placing increased pressure for provision of neighbourhood Open Space and Playgrounds.
Financial	<p>Increasing operational and maintenance funding required to support a growing Open Space portfolio</p> <p>Staff Resourcing and Long Term planned funding insufficient to support the operational, maintenance and renewal demands of the Open Space Portfolio.</p>
Regulatory	Inspecting and Maintaining our Playgrounds to ensure they meet required Australian Standards for child safety.
Risk	Finding the right balance of providing the community new and diverse play and adventure spaces without assuming increased liability exposure.

## Monitoring the Plan

Strategic Planning Principles of the Act (Section 89) stipulate that Councils must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances within the Integrated Planning and Reporting Framework (refer Figure 2).

With respect to this Asset Plan, to demonstrate effective performance of asset management over the long term, providing transparency and public engagement in the way in which we manage the assets for which we are trusted custodians we will monitor the plan in the following ways:

- Review of the Asset Management System Framework
- Asset Management Maturity Assessment
- Delivery of Individual Asset Management Plans
- Progress Reporting
- Asset Plan Review



Figure 5: Asset Management Enablers. IIMM 2020, Section 4

## Reviewing the Asset Management System

The Asset management system is made up of the suite of documents, business processes, people, data and technology used to manage our assets.

Key documents that form our system of Asset Management and support this Asset Plan include:

AMS Document	Purpose	Monitoring	Timeline
Asset Management Policy	Specified Principles, Requirements, and Responsibilities for Asset Management (AM). Is linked to organisation and strategic objectives	Review	Sep 2022
Asset Management Strategy	Specifies AM Objectives, AM System Scope, AM approach to delivering Objectives, AM Improvement Plan	Review	Dec 2022
Portfolio Plans (Service Levels)	Documented Service Level Agreements following engagement with community	Implement	Jun 2023
Asset Management Plans	Define Asset Service, Levels of Service, Demand Forecasts, Managing Risk, Lifecycle Expenditure Forecasts	Review Implement new where required.	Jun 2023-24



Operational Plans	Guides day to day activities of staff and contractors, including maintenance works and capital works intervention levels.	Review Implement new where required.	Annually
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As our data and systems improve, so too will the analysis and information on which this *Asset Plan* is based. It is intended that our *Asset Plan* should always reflect as closely as possible the actual practices we use in managing our assets. In this way will we be best able to ascertain the long term needs for our infrastructure.

### Asset Management Maturity

Asset Management Maturity is a staged approach to the development and continuous improvement of asset management practices that asset intensive organisations such as local governments can use to achieve an appropriate level of practice for the size, resourcing and assets managed by their organisation.

The Asset Management Maturity Index determines where an organisation currently sits and where it aims to be in the maturity journey. The index is recognised by both ISO55000 Asset Management Standards and the International Infrastructure Management Manual.

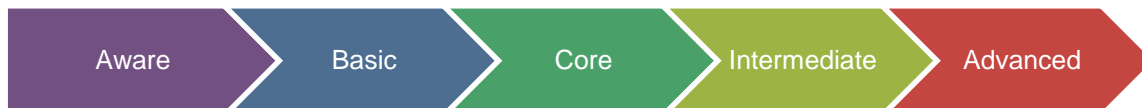


Figure 6: Asset Management Maturity Index Scale (IIMM)

There are 11 core elements of asset management under the National Asset Management Assessment Framework (NAMAF) used in the Australian context to self-assess and determine organisations' competencies and maturity.

1. Strategic Planning
2. Annual Budget
3. Annual Report
4. Asset Management Policy
5. Asset Management Strategy
6. Asset Management Plans
7. Governance and Management
8. Levels of Service
9. Data & Systems
10. Skills and Processes
11. Evaluation

We will use NAMAF to establish a new baseline of our current competencies in Asset Management Practice and then establish an Asset Improvement Plan to improve those competencies.

We aspire to be achieving 100% Core competency across all 11 elements in the first 4 years of the plan and have shifted into Intermediate competency by year 10. For a Council of our size and resourcing Advanced competency is not a target required in the next 10 years.

Our Asset Management Strategy will outline our intentions for achieving improved asset management practice and in doing so how we will meet our organisational strategic objectives.

### Asset Management Plan Delivery

Using the maturity index with respect to the Development of Asset Plans (Figure 7 below), Council has achieved **Aware Status** by adopting this Asset Plan and has partially met requirements of **Intermediate Status** having previously adopted early iterations of various Asset Class Plans.

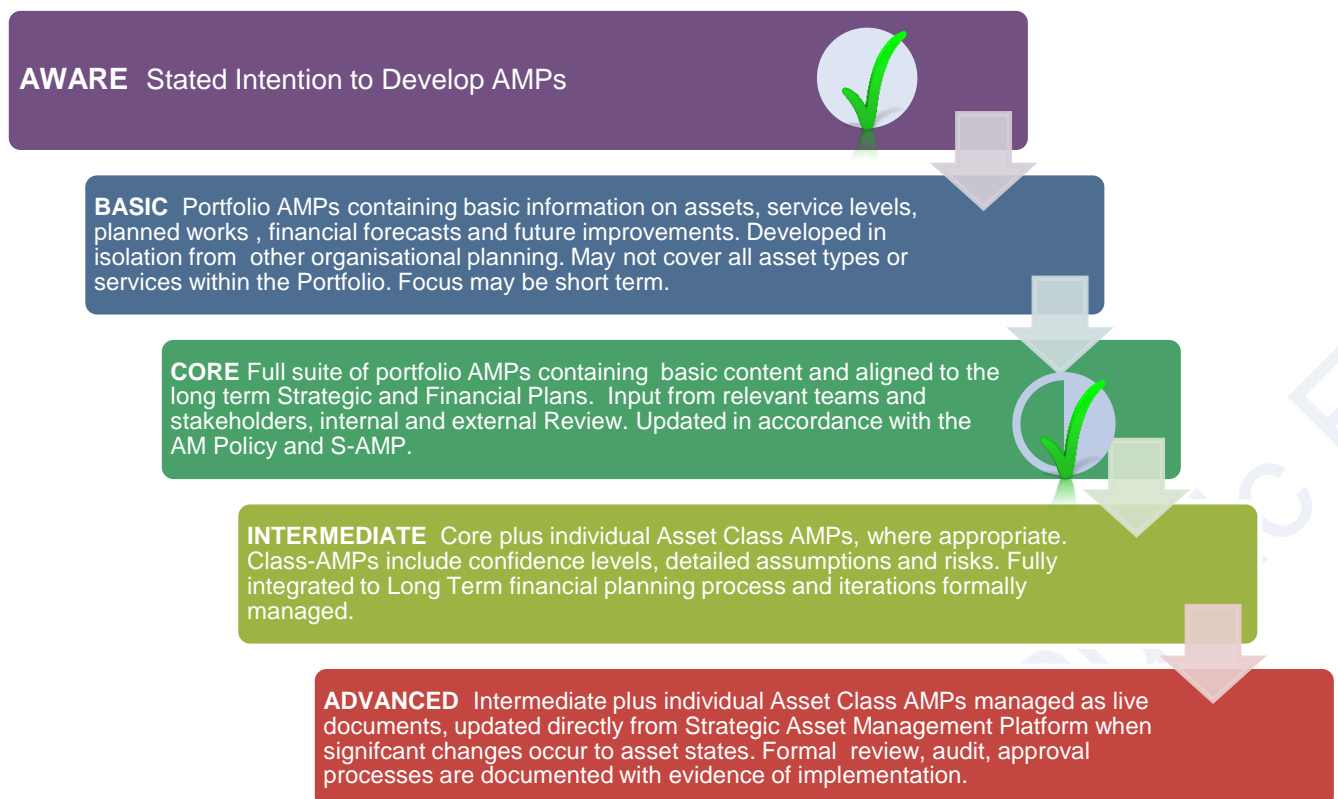


Figure 7: Council Progress on Asset Maturity Index for Development of Asset Plans.

## Future Asset Plans to Deliver

To progress our asset management maturity to ensure we are delivering asset management best practice for our municipality, Council will deliver a structured hierarchy of Portfolio Asset Plans and Individual Class level Plans as outlined in Table 4. This will ensure continuous asset management practice improvements for the organisation and ensure those plans are tightly linked to the strategic and financial plans for the organisation over the next 10 year horizon.

Asset Portfolio	Asset Class Plan	Adopted	AMI	Timeline
<b>Transport</b>				
	Roads	YES	Intermediate	Update Dec-23
	Pathways	NO	Aware	Dec-23
	Bridges	YES	Intermediate	Update Dec-23
	Car Parks	NO	Aware	Jun-24
	Street Lighting	NO	Aware	Jun-24
<b>Stormwater</b>				
	Drainage	YES	Intermediate	Update Dec-23
	Flood Mitigation	NO	Aware	Jun-25
	WSUD	NO	Aware	Jun-25
<b>Buildings</b>				
	Buildings	NO	Aware	Jun-23
	WPAC	NO	Aware	Jun-23
	WSAC	NO	Aware	Jun-23
<b>Open Space</b>				
	Playgrounds	NO	Aware	Dec-23
	Parks, Gardens Sporting and Grounds	NO	Aware	Dec-23
	Trees	NO	Aware	Dec-23
<b>Waste Management</b>				
	Organics Processing Facility	NO	Aware	Jun-24
	Land Fill & Transfer Stations	NO	Aware	Jun-24

Table 4: Rural City of Wangaratta Asset Plan Hierarchy

### Asset Management Improvement Plan

No.	Improvement Type	Asset Management Improvement Plan	Responsible Service Unit	Timeline
1	Strategic	Establish an Asset Management Steering Committee and Asset Management Working Group – defining membership, purpose, objectives, ensuring alignment with key strategic asset management objectives.	IPD	Dec 2022
2	Strategic	Implementation of Predictive Asset Modelling, via the corporate Enterprise Resource Platform (ERP) upgrade to systematically establish and update 10-year asset renewal plans to inform the Financial Plan for all asset categories.	IPD/Corp Services	Dec 2024
3	Strategic	Review and Update Councils Asset Management Policy & Strategy to ensure alignment with this Asset Plan and other Council Policies following implementation of Local Government Act 2020.	IPD	Dec 2022
4	Business Process	Develop Business Process Manuals (BPM) for each of the 4 main Asset Portfolios: Transport, Stormwater, Buildings and Open Space, ensuring alignment to Councils Asset Management Framework.	IPD	Jun 2023
5	Business Process	Develop Condition Audit Manuals for all asset categories, in order to systematically standardise condition rating to IPWEA guidelines, specifying attributes to be collected, as well as stating rules on the provision of imagery/videos to adhere to disaster recovery funding guidelines.	IPD	Dec 2022
6	Business Process	Document and implement a standardised workflow process for the provision of condition audit data through to proactive maintenance/renewal program creation.	IPD	Jun 2023
7	Business Process	Continuous Improvement and documentation of processes for asset handover and financial asset capitalisation.	IPD / Finance	Ongoing
8	Business Process	Review current revaluation processes and document agreed process.	IPD / Finance	Ongoing
10	Data Management	Identify critical assets in Council's AMS and the potential risks of their failure identified from condition audit reports, for incorporation into Council Corporate Risk Register.	IPD	Ongoing

11	<b>Data Management</b>	Continuous Improvement of Council Asset Register to ensure alignment with corporate ERP upgrade.	IPD	Ongoing
12	<b>Data Management</b>	Undertake a comprehensive gap analysis to assess asset data completeness, taking into account service capacity and functionality, currency, and accuracy (confidence level) for each asset category, prioritising resulting data collection needs.	IPD Field Services Community & Recreation	Dec 23
13	<b>Data Management</b>	Undertake condition audits of assets as per Council's AM and Valuation policies. Establish a pre-determined schedule of condition audits, for each Asset Category to go in the relevant Business Process Manual.	IPD	Annually, based on 4 yearly condition audit schedules.
14	<b>Data Management</b>	Undertake revaluation of assets as per Council's Asset Valuation Policy.	IPD	Annually, based on 4 yearly condition audit schedules.
15	<b>Professional Development</b>	Develop a training plan and schedule to upskill stakeholders across the organisation on relevant asset management skills, processes, and procedures where relevant.	IPD / People & Culture	Jul 23
16	<b>Professional Development</b>	Adopt a culture of continual process improvement by engaging with industry and government at all levels to seek innovative methods and technologies to deliver strategic asset management.	IPD	Ongoing
17	<b>Systems</b>	Upgrade current Enterprise Asset Management and Work Order Management Systems as part of the corporate ERP upgrade.	IPD / Corporate Services	Dec 23
18	<b>Systems</b>	Continuous improvement reporting and communicating state of the assets internally and externally for mandatory government reporting using available technologies such as Power BI and Corporate ERP Analytics tools.	IPD / Corporate Services	Ongoing
19	<b>Systems</b>	Continuous improvement in the use and application of ASPEC data standards for the delivery of internal capital works programs and developer contributed assets to inform and improve asset handover processes (No. 7).	IPD	Ongoing

20	Systems	Improve integration between Councils Enterprise Asset and Works Management, Customer Service and Geographic Information Systems to facilitate improved information sharing and decision making for capital (new and renewal) works program development.	IPD / Corporate Services	Jun 24
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### Progress Reporting

We will publish a State of Our Assets report annually that documents movement in asset function, condition and capacity

The progress of implementing the Asset Management Strategy and its associated improvement plan will be monitored and reported to Council on a bi-annual basis.

We will report on the Asset Plan in the Local Government Reporting Framework for publishing on the Know Your Council Website, as required by the governance and management reporting checklist compliance of Sec 92 of the *Local Government Act 2020*.

### Asset Plan Review

This Asset Plan will be reviewed every 4 years. Council must adopt an Asset Plan by 31 October in the year following a general Council election in accordance with the *Local Government Act 2020*.

The next revision of this Asset Plan will be due 31 October 2025.

Intermediary reviews of the Asset Plan may be undertaken from time to time as improvements are implemented or major financial decisions are made. This is to make sure that it retains consistency with our strategic goals and objectives. having regard to:

- The available financial resources of Council.
- Long term works programs that are reviewed annually.
- The consideration of any external factors that are likely to influence the *Asset Plan*.

Any review and update to the Asset Plan must be adopted by Council at an ordinary meeting of Council.

## Glossary

Term	Definition
AMI	Asset Management Maturity Index
ISO55000:2014	International Standard for management of assets. Provides an overview of asset management, its principles, and terminology, and the expected benefits from adopting asset management.
IIMM	International Infrastructure Management Manual
IPWEA	Institute of Public Works Engineers Australia
ISPRF	Integrated Strategic Planning and Reporting Framework
IPD	Infrastructure, Planning, Delivery business unit that sits within Infrastructure Directorate at Rural City of Wangaratta.
LTFP	Long Term Financial Plan
RMP	Road Management Plan

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**Wangaratta**