



Asset Plan 2025-35

Introduction to the Asset Plan

It is a pleasure to present the Asset Plan 2025–2035 — a comprehensive and forward-thinking strategy that will guide the way we care for and invest in the essential infrastructure that supports the everyday lives of our communities.

From the roads and bridges we drive on, to the buildings where we gather and recreate, the parks and open spaces that enrich our wellbeing, and the community facilities that support connection and opportunity — the assets detailed in this Plan represent much more than physical structures. They are the foundation of our community's liveability, identity, and resilience. Managing these assets responsibly is one of the most important roles of Council, and this Plan reflects our commitment to doing so responsibly, with vision, and care.

This decade-long Plan outlines how we intend to manage more than \$1.2 billion in community assets to ensure they continue to meet the needs of our residents now and into the future. With a growing population, changing demographics, increasing demands on infrastructure, and the challenges of climate change and economic uncertainty, our approach must be both strategic and sustainable. We are focused on getting the balance right between maintaining existing assets, delivering new infrastructure, and ensuring that our decisions today don't create burdens for future generations.

Importantly, this Asset Plan is underpinned by a strong community focus. It has been shaped by what we've heard from residents — through consultations, local partnerships, and everyday conversations.

We've listened to what matters most: safe and accessible roads and footpaths, reliable drainage systems, vibrant community hubs, green and open spaces, and well-maintained recreational and cultural facilities. These priorities are reflected throughout the Plan.

Transparency and accountability are also central to our approach. This Plan clearly lays out the condition of our assets, the costs associated with maintaining them, and the strategies we will use to manage them over time. It links directly to our long-term financial planning, capital works programming, and broader community objectives outlined in the Community Vision and Council Plan.

More than just a technical document, the Asset Plan 2025–2035 is a statement of intent. It shows how we will use our collective resources wisely, deliver services equitably, and prepare for the challenges and opportunities ahead. It is a tool for ensuring that our assets continue to support a connected, inclusive, and thriving community.

I would like to thank the many teams across Council who have contributed their expertise to the development of this Plan, as well as the community members whose insights and values have shaped its direction. Council looks forward to working with you — our residents, partners, and stakeholders — as we deliver on this vision together.

We are investing in more than just infrastructure. We are investing in the future of our people, our places, and our shared potential.

Dr Graeme Emonson
PSM Chair Administrator

Susan Bendyka
Administrator

Acknowledgement of Country

Moira Shire Council acknowledges the Traditional Owners of this land, the clans of the Yorta Yorta Nation and recognise their continuing connection to the land, waterways and community.

We pay our respects to their Elders past and present, and we extend that respect to all Aboriginal and Torres Strait Islander People(s) in our community.

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1. Introduction

Council's longer life infrastructure assets consist of roads (including sealed and unsealed roads and kerb and channel), buildings, bridges, pathways, drainage (including culverts), recreation assets and an aerodrome. Along with land and shorter life assets like plant and equipment, all of Council's assets have a replacement value of almost \$1.1 billion.

Providing effective and efficient management of assets is a key obligation of the Council under the *Local Government Act 2020* (the Act). The development of this Asset Plan is in accordance with section 92 of the Act and has provided the focus for Council to improve the way in which it manages the assets under its control.

As custodian of community assets, Council has the responsibility for managing these assets in the

most cost-effective manner whilst providing appropriate levels of service to Moira Shire's communities. This is achieved through the management of Council's asset portfolio throughout the entire lifecycle from creation and acquisition to maintenance and operation, through to rehabilitation and disposal.

These actions are undertaken with the goal of providing efficient, safe, and reliable services for current and future generations.

This Asset Plan represents one of the key sources of information in the way Council manages community assets. It provides a strategic and financial view of the assets that Council owns and controls, and the state of these assets over the next ten (10) years. It defines the high-level strategic asset management priorities and addresses the lifecycle aspects of asset management.

1.1

What is an asset?

The most basic definition of an asset is something that is of value to a person or an organisation. Assets can be tangible, meaning they are physical and can be touched, or they can be intangible, like financial or information technology software.

Physical public assets that Council manage include buildings and land, plant and equipment, roads, bridges, pathways, playgrounds, sports fields, and stormwater pipes, pits and culverts.

1.2

What is asset management?

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

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

1.3

Why is asset management important?

Council manages a large portfolio of assets which has been built up progressively over many years.

These assets are predominantly used to provide services and amenity to Moira Shire's communities. The standard to which they are maintained and the extent to which they are expanded and improved are a key consideration in setting and delivering on the Community Vision and Council Plan.

Without these assets, the diverse range of services to our community could not be provided. Asset management helps effectively plan the maintenance and renewal of assets with timely interventions saving money in the long term.

Moira Shire is home to a population in excess of 30,500 people and encompasses a geographic area of 4,057 square kilometres from Bundalong in the east to Barmah in the west. The northern boundary is the Murray River with the municipalities of Campaspe, Greater Shepparton, Benalla, Wangaratta, and Indigo forming boundaries to the west, south and east.

Moira Shire includes the four major towns of Cobram, Nathalia, Numurkah and Yarrawonga; as well as 22 smaller communities including Barmah,

Bundalong, Katamatite, Katunga, Koonoomoo, Kotupna, Lake Rowan, Peechelba, Picola, St James, Strathmerton, Tungamah, Waaia, Wilby, Wunghnu, Yabba North, Yalca, and Yarroweyah.

The median age of Moira Shire's population is 48 years, which is higher than the State and National medians of 38 years. Children aged 0-14 years make up 16.5% of the population and people aged 65 years and over make up 22.4% of the population.

Moira Shire is home to a variety of agricultural industries including horticulture, cereal, oilseed, livestock and dairy production. Agricultural land use accounts for approximately 71 per cent of the total land area, currently divided equally between irrigated and dry land production.

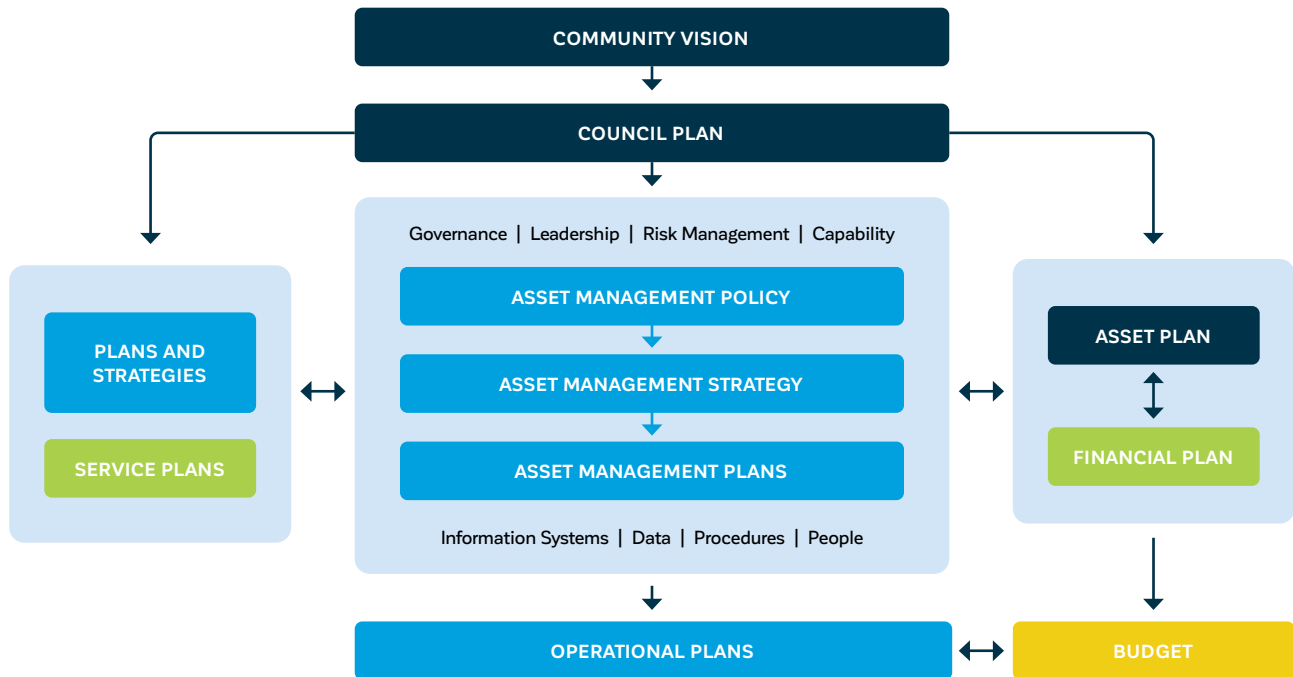
The median age of Moira Shires population is 48 years, which is higher than the State and National medians of 38 years. Children aged 0-14 years make up 16.5% of the population and people aged 65 years and over make up 27.4% of the population.

Moira Shire is home to a variety of agricultural industries including horticulture, cereal, oilseed, livestock and dairy production. Agricultural land use accounts for approximately 71 per cent of the total land area, currently divided equally between irrigated and dry land production.

1.4

Asset Management Framework

Council's Strategic Asset Management Framework shown below aims to ensure that a systematic approach to asset management delivers prudent and efficient outcomes that meet both our corporate and asset management objectives. This framework will be reviewed in coming years to ensure a progressive and pragmatic approach to asset management is maintained into the future.



DOCUMENT	ROLE	DETAILS
Asset Plan	High-level 10-year view of Council's priorities around maintenance, renewal, acquisition, expansion, upgrade and disposal of infrastructure asset under the control of Council.	Combines key information from the Asset Management Strategy and Asset Management Plans and also links to the Financial Plan.
Asset Management Policy	Guides sustainable management of Council's assets to support services that will meet current and future community needs.	Outlines Council's vision and principles.
Asset Management Strategy	Outlines how we will deliver our asset management policy intentions.	Establishes the direction and actions necessary for improvement of relevant asset management practices to achieve the Council's vision and organisational objectives.
Asset Management Plans	How we intend to manage our assets to meet the demands of our community in the future.	Provides a roadmap for achieving value from our assets by optimising cost, risk, and performance across the lifecycle of an asset.

1.5

The purpose of the Asset Plan

This Asset Plan has been prepared to meet the requirements of Section 92 of the *Local Government Act 2020* (the Act).

The Asset Plan is a general overview document that summarises the key elements of each asset class.

The purpose of this Asset Plan is to:

- Show how Council will responsibly manage its assets to meet the service delivery needs of the Shire's community into the future in a cost-effective way.
- Summarise the capital expenditure requirements for Council's assets.
- Ensure that there is integration between asset management planning outcomes, strategic objectives, the Financial Plan, and Budgets.
- Maximise alignment with Council, Regional and Government Strategies, Policies and Plans that affect the management of assets.
- Ensure that Council is compliant with legislative obligations.

The development of this Asset Plan has been dependent and reliant on an understanding of the performance of assets and a number of key assumptions. These assumptions and forecasts may change over time based on the level of asset information and knowledge.

This Asset Plan will be reviewed and updated as required to reflect results of condition inspections, asset addition and disposal, renewal modelling, and capital works programming.

1.6

Scope of the Asset Plan

Council manages an extensive portfolio of assets, with this Asset Plan covering infrastructure that is under the control and ownership of the Council. Council's infrastructure assets include:



**ROADS AND AERODROME
(TRANSPORT)**



PATHWAYS



PUBLIC LIGHTING



FACILITIES



STORM WATER



**RECREATION AND
OPEN SPACES**



**STRUCTURES (BRIDGES, CULVERTS
AND RETAINING WALLS)**

2. Strategic Context

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

2.1 The Financial Plan

The Financial Plan provides a long-term view of the resources that are expected to be available and how these will be allocated and prioritised over the next ten (10) years. The Financial Plan identifies current and projected financial capacity to continue delivering quality services, facilities, and infrastructure, while identifying critical new capital investment to support community prosperity and to respond to future challenges.

This Asset Plan is intrinsically linked with the budgets and projections outlined in the Council's Financial Plan. Ongoing affordability and financial sustainability are key objectives. The Financial Plan in combination with the Asset Plan supports Council in achieving this aim.

2.2 The Council Plan

The Council Plan makes a commitment to outcomes and priority initiatives across several strategic objectives. Effective asset management supports the outcomes of the Council Plan and the delivery of sustainable services. Council recognises it plays a stewardship role in appropriately managing community assets and the provision of sustainable assets and services into the future.

2.3 The regulatory framework

Local government operates in a complex legislative and policy environment that directly influences the way business is completed. The principal legislation in Victoria governing the establishment and operation of councils is the *Local Government Act 2020* (the Act). This defines the purposes and functions of local government as well as providing the legal framework for establishing and administering councils.

The Act requires all councils to develop an integrated, longer-term, and transparent approach to planning organised around a community vision.

This Asset Plan is an important part of this integrated planning framework. As well as the general powers and responsibilities given under the Act, Council are responsible for a wide range of services and functions under various other Acts of Parliament. In fact, Council has responsibilities under more than 120 different pieces of Victorian legislation.

2.4 Relevant strategic documents

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

- *Moirā 2045 Community Vision*
- *Council Plan 2025-2029*
- *Financial Plan 2025-2035*
- *Road Management Plan*
- *Recreation Strategy 2016-2026*
- *Aquatic Facility Strategy 2018-2027*
- *Arts and Culture Strategy 2020-2026*
- *Draft Open Space Strategy*
- *Asset Management Policy.*

3. Our Assets

Council manages a portfolio of assets worth approximately \$1,070 million in replacement value. This includes land and buildings (property), plant and equipment, and infrastructure assets. These assets have grown progressively over many years in terms of number and value.

Council's infrastructure and building assets (longer life assets) have a value of over \$913 million to replace, with details of this set of Council's assets shown in the table below.

Assets collectively belong to the community and are managed and operated by Council on their behalf. Ensuring assets are appropriate for community and visitor needs enables effective delivery of services such as recreation facilities, libraries, visitor information centres, playgrounds, and vehicle and pedestrian access.

ASSET CATEGORY		QUANTITY	REPLACEMENT COST \$'000
	ROADS (INCLUDING AERODROME)	3,813 kilometres of roads and 30 off-street carparks, one aerodrome	\$407,056
	BRIDGES	49 vehicular bridges and 37 pedestrian bridges	\$51,461
	BUILDINGS	690 buildings and structures	\$186,992
	DRAINAGE	208 kilometres of underground pipes, 6,373 pits and 2,141 culverts	\$112,242
	PATHWAYS	226 kilometres of pathway network	\$45,810
	KERB AND CHANNEL	332 kilometres of kerb network	\$59,108
	RECREATION	5 pools, 80 playgrounds and 29 netball/tennis courts	\$20,596
	OTHER INFRASTRUCTURE	Fences, levees, town signs, boat ramps, solar lighting, waste management, and Irrigation systems	\$30,180

3.1

Overall value and condition of our assets

Council's assets are constructed, maintained, and renewed in order to provide services (such as road and air transport) to the community. The state of the assets are measured through cyclical condition assessments of all infrastructure.

VALUE

The value of assets recorded in the annual report as at 30/06/2024 is shown in the table opposite. The values shown on this page exclude Works in Progress (WIP). The annual report provides separate values for:

1. **Property (land and buildings)** – Replacement value of \$330,421,000
2. **Plant & Equipment** – Replacement value of \$12,338,000
3. **Infrastructure** – Replacement value of \$726,453,000.

Assets are typically re-valued every three or four years at fair value based on replacement costs less accumulated depreciation as at the date of valuation.

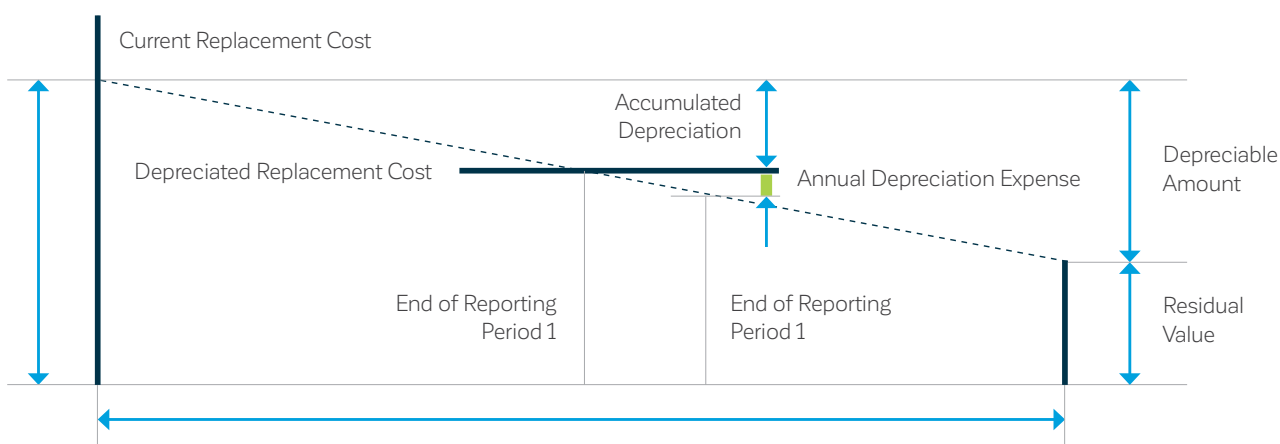
VALUE OF ASSETS AS AT 30/6/2024

Current Replacement Cost	\$1,069,212,000
Depreciable Amount	\$275,137,000
Depreciated Replacement Cost	\$794,075,000
Annual Depreciation Expense	\$15,088,000

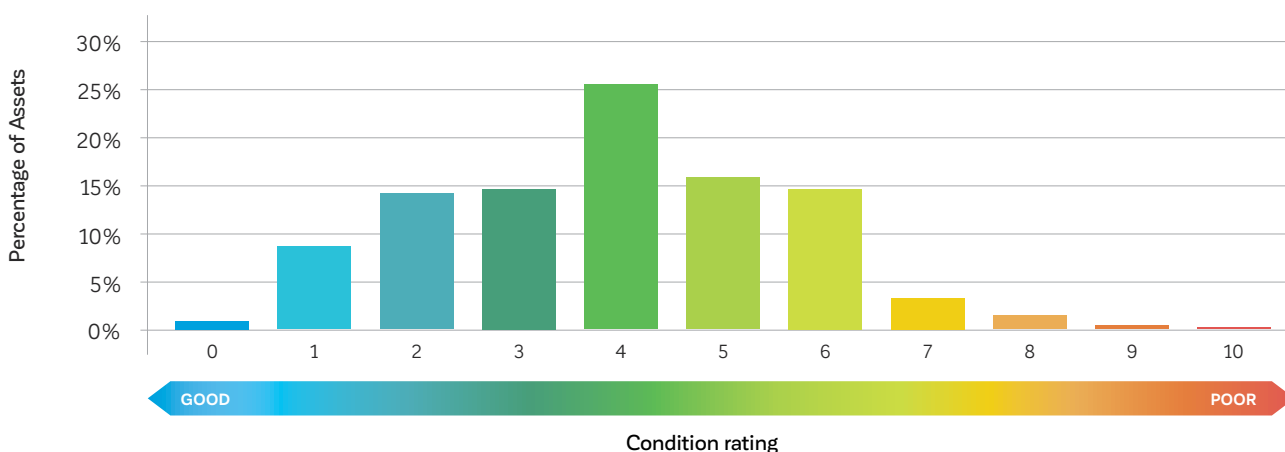
CONDITION

Condition is shown in this Asset Plan on a 0-10 scale with '0' being a New asset and '10' being an asset that is no longer fit for service/functional.

The condition distribution for Council's longer life assets of Buildings, Roads, Bridges, Drainage, Pathway, and Recreation assets is shown in the table below. These assets represent approximately 83% of the current replacement cost of all Council assets and contribute to 88% of Council's annual depreciation value.



Asset Condition Profile - Infrastructure and Building Assets (30 June 2024)



4. Lifecycle Management

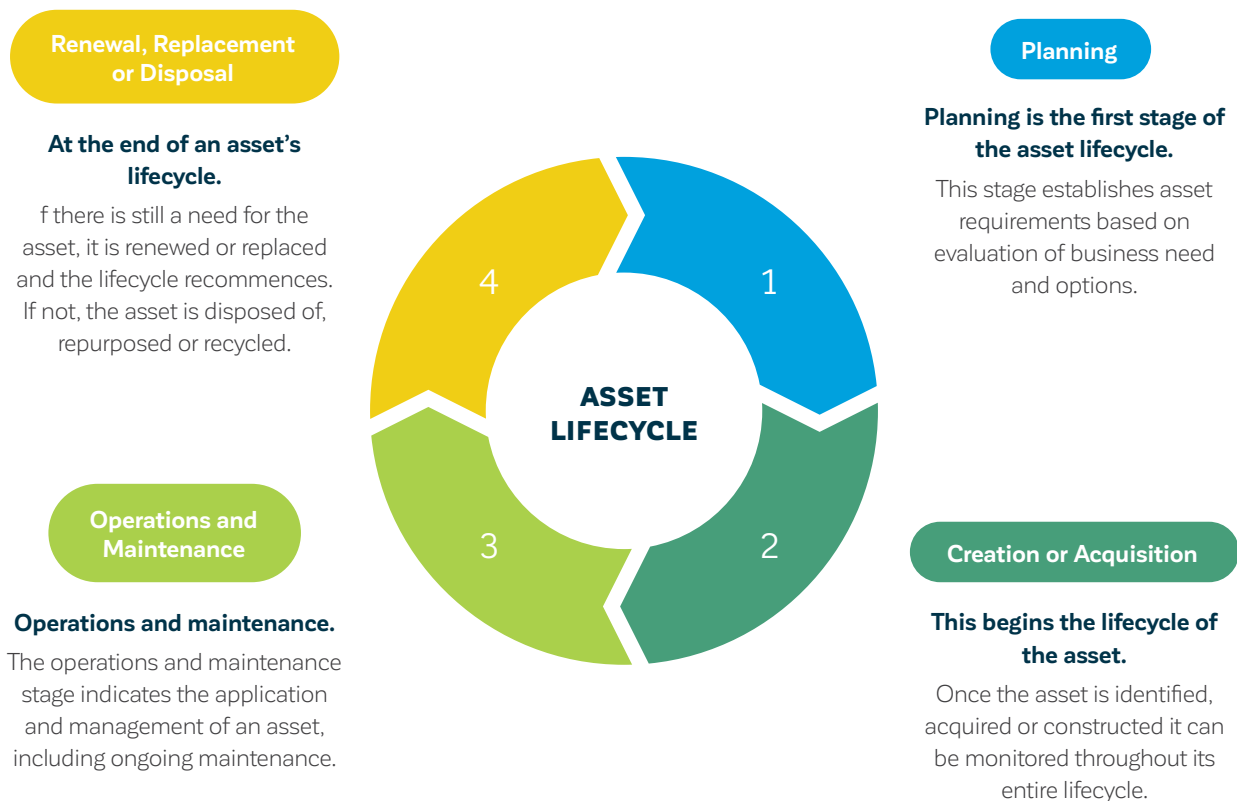
The goal of asset management is to meet a required level of service in the most cost-effective manner through the prudent and efficient management of assets for present and future users.

The key elements of effective asset management are:

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

A formal approach to the management of assets is essential to providing services in the most cost-effective manner and demonstrating a responsible approach to asset management to all stakeholders

Council's approach to asset management is centred on asset lifecycle management. There are four key stages in the asset lifecycle, shown in the diagram below.



4.1

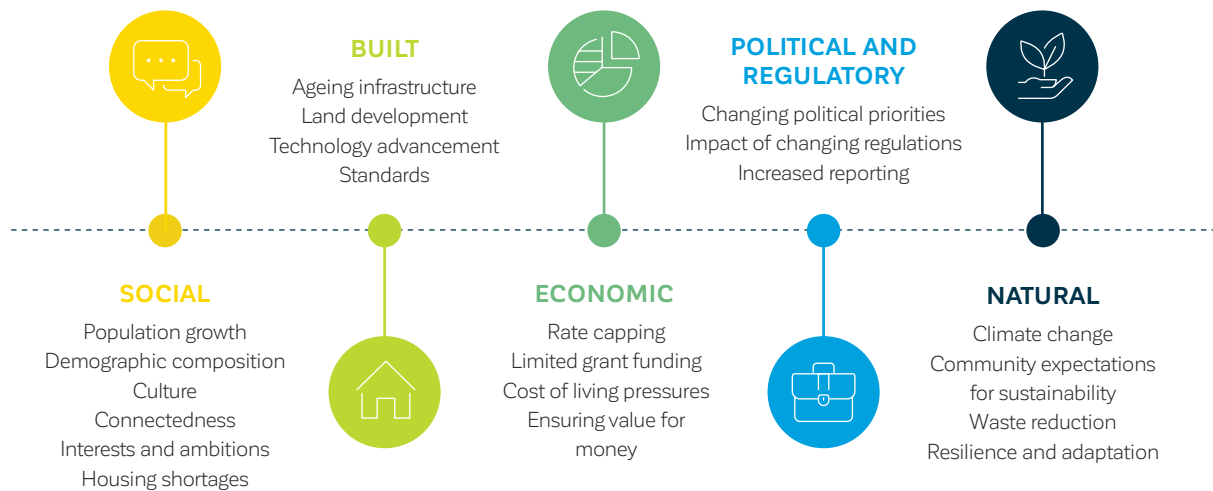
Lifecycle strategies

Each phase of the lifecycle has a corresponding lifecycle strategy, which describes the approach to the activities in that stage, objectives relevant to that stage, and strategies for providing performance to required levels. The lifecycle strategies that Council employ in each phase are summarised below.

LIFECYCLE PHASE	OUR LIFECYCLE STRATEGIES
Planning	- Consider asset requirements necessary to support long term objectives and ensure that the right assets are provided to meet service needs. - Future asset planning and service design considers and balances the key principles of affordability, equity, and the environment. - Transparent, informed decision-making processes that considers the whole-of-life implications of acquiring, operating, maintaining, and disposing of an asset.
Creation or Acquisition	- Projects are comprehensively defined so that its objectives are clear. - Appropriate procurement strategies are used to ensure the right project partners and value for money is achieved. - Systems and processes to plan, manage, and control projects that result in the creation of assets are used. - Environmentally sustainable approaches to the design and construction of assets are integrated into planning. - Newly acquired assets are checked for quality before they are put into service.
Operations and Maintenance	- Act to enable existing assets operate to their service potential over their useful life. - Regularly inspect, service, and maintain assets so that they are safe, compliant, and are continuously available for use. - Maintenance is planned to minimise the risk of critical asset failure and ongoing lifecycle costs. - Systems and processes to help record information about assets and monitor their performance are used. - Continue to develop and improve existing asset management systems to monitor and record actions, effort and cost of maintenance to maintain assets.
Renewal, Replacement or Disposal	- Continuously assess the condition of assets. - Aim to optimise the timing of the renewal or replacement of assets so they remain safe and functional and to minimise overall lifecycle costs. - Maximise the use of our assets through adaptive reuse or relocation of services where appropriate. - Where assets do not directly support core service delivery they are considered for rationalisation.

5. Future Challenges and Opportunities

There are several challenges facing Council that may impact how planning for the future will be undertaken, particularly how Council manages assets and delivers services.



New assets required to meet demand growth are typically provided by land developers and known as 'Contributed Assets' with these assets usually constructed at no initial cost to Council. They are covered by a 12-month defect liability period with the onus on the developer to maintain and repair any defects during this period before being transferred to Council for ongoing operational and maintenance responsibility.

Acquiring these new assets will commit Council to fund ongoing operations, maintenance and renewal costs while these assets are required.

These future costs should be identified and considered in developing forecasts of future operations, maintenance and renewal costs.

In some unique cases maintenance and renewal responsibility for assets will remain with the developer or an owner's corporation via a Section 173 agreement or similar.

5.1

Demand management planning

Demand management planning provides alternatives to the creation of new assets in order to meet demand. It also examines ways of modifying user demands so that the utilisation of existing assets is maximised and the need for new assets is deferred or reduced.

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

There are also legacy developments now requiring large drainage solutions to accommodate further development and mitigate flooding from stormwater. A budget allocation may well be considered to deliver the required drainage solutions to rectify these issues.

The Victorian Government's Big Housing Build initiative is also a consideration in the allocation of funds for infrastructure within the Shire with a new housing target of 4500 new homes by 2051 set for Moira Shire. Enabling infrastructure upgrades to compliment the increase in population and vehicle movements will be a key priority under the term of this Asset Plan.

Planning controls that introduce road use levies for specific road users or industry-controlled levies that are directed by that industry towards maintenance of roads under pressure may become part of the Council's management to ensure that the existing, and future, road network continues to function successfully.

With time, the community may seek higher levels of service than currently provided e.g. more frequent maintenance of gravel roads, upgrades from gravel to sealed roads or widening and shoulder sealing of roads; therefore, Council, will review existing levels of service as required to ensure:

- levels of service meet community expectations (via community consultation)
- levels of service can be maintained financially and operationally.

5.2

Demand management strategy

Council's long-term financial strategy has been developed via the 10-year Capital Expenditure (Capex) program.

Future renewal funding demands will increase during this 10-year Asset Plan timeframe and the amount of this increase will be monitored as condition assessments are completed and asset lives and degradation curves are refined.

This Asset Plan shows renewal and other capital expenditure in line with Council's 10 year Financial Plan. If there are insufficient funds allocated within the Financial Plan, serious consideration will need to be given to the existing levels of service provided by our assets, and what alternative means of funding are available to assist maintaining the current service levels.

It is therefore critically important that there is community input into any proposal to reduce any levels of service, as there may well be impacts on the community of which Council is unaware. At the same time, the community may well be advocates of the process to enable reduced service levels in particular areas if this results in overall user value and targeted prioritisation of available services.

5.3

Demand management plan

Demand for new services will be managed through a combination of managing existing assets, upgrade of existing assets, and provision of new assets to meet demand. Demand management practices include non-asset solutions, insuring against risks, and managing failures.

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets; and management actions include reducing demand for the service, reducing the level of service, or allowing some assets to deteriorate beyond previous service levels.

Examples of non-asset solutions include providing additional services from existing infrastructure, such as new library facilities at a public hall; or requiring public toilets within commercial premises.

Opportunities identified to date for demand management are shown in the table following.

DEMAND DRIVER	IMPACT ON SERVICES	DEMAND MANAGEMENT PLAN
Rate Capping	Current service levels may be jeopardised if the rate rise cap does not keep pace with the cost to provide or maintain Council's infrastructure.	Develop levels of service.
Population Growth or Decline	Some assets will become surplus in our smaller towns, but more will be needed in our larger towns.	Services and assets will need to be expanded to cater for the growing community. Council will need to make a financial investment in infrastructure so that assets are of a suitable capacity to cater for growth and that exemplary urban renewal is achieved.
Changing Community Needs	The community expects Council to be able to quickly respond to emerging needs, without knowing how long the demand might last.	Assets need to be planned to be responsive and adaptable to meet shifting stakeholder needs. Council will seek to form strategic alliances with service delivery partners to enhance non-asset based service delivery solutions in turn optimising the use of Council's asset portfolio.
Ageing Infrastructure	One of the biggest financial challenges facing Council is the cost of renewing ageing infrastructure network. Council's assets have been built and developed many years in the past. This period of development has created a large peak in the need to invest in asset maintenance and renewal.	There is a critical need to introduce systems and processes to ensure that spending on existing assets is optimised. As assets continue to age, more investment in maintenance and renewal expenditure will be required to ensure that the current levels of service enjoyed by the community continue to be delivered.
Climate Adaption	The experience of climate change is already being felt. In the future, the following can be expected; increased flooding of properties and public facilities; storm damage to infrastructure; beach and bank erosion of rivers; decreased water quality and security of water supply; reduced summer outdoor activities; and hotter urban spaces.	Changing weather may lead to increased need for reactive maintenance for storm and flood damage repair and faster deterioration of existing assets. Assets will need to be built and renewed to a standard that can withstand at least 1.5 degrees of warming. This may require different materials, methods of construction and other innovative approaches. There may also be increased expectation for leadership from Council to make use of sustainable energy sources and to provide assets that are environmentally efficient. In the longer- term, there may be greater community demand for weather protection, for sports and leisure activities that have traditionally occurred outdoors.

6. Financial Integration

The main theme underpinning this Asset Plan and broader asset management principles is 'ensuring responsible stewardship of assets to meet the needs of the community now and into the future'.

This acknowledges that there are many and varied factors that influence the delivery of community infrastructure, and that there are challenges that the community and Council must navigate to provide responsible asset stewardship.

enhances community wellbeing and is fit for purpose, good quality, safe, future-proofed, cost effective and appropriately funded.

Some of these challenges include legacy issues resulting from decisions of past Councils, or the

standard and service levels to which things were previously constructed. Others are simply the demands of a progressive society that is constantly seeking to improve. Either way, Council is responsible for ensuring that built infrastructure enhances community wellbeing and is fit for purpose, good quality, safe, future-proofed, cost effective and appropriately funded.

6.1 Spending categories

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

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

Classifying expenditure in this way helps to plan annual budgets and track how money is spent on assets and services.

6.2

Investment evaluation

As an organisation that relies on assets to deliver services, the following will guide investment decisions:

- Capital investment for infrastructure assets aid in the achievement of strategic objectives.
- Development of a service needs directed long-term capital works program that informs the Financial Plan.
- Capital investment delivers best value.
- Capital investment is financially sustainable, and in accordance with asset management principles for the whole life cycle costs of infrastructure.
- Building a robust capital infrastructure asset investment system that is impartial and priority-based for allocating Council resources.
- Enhancement of transparency that builds public confidence in the capital investment decision-making process.

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

This approach provides a means of evaluation and appraising proposed infrastructure investments, as well as setting priorities within the context of long term asset and service needs.

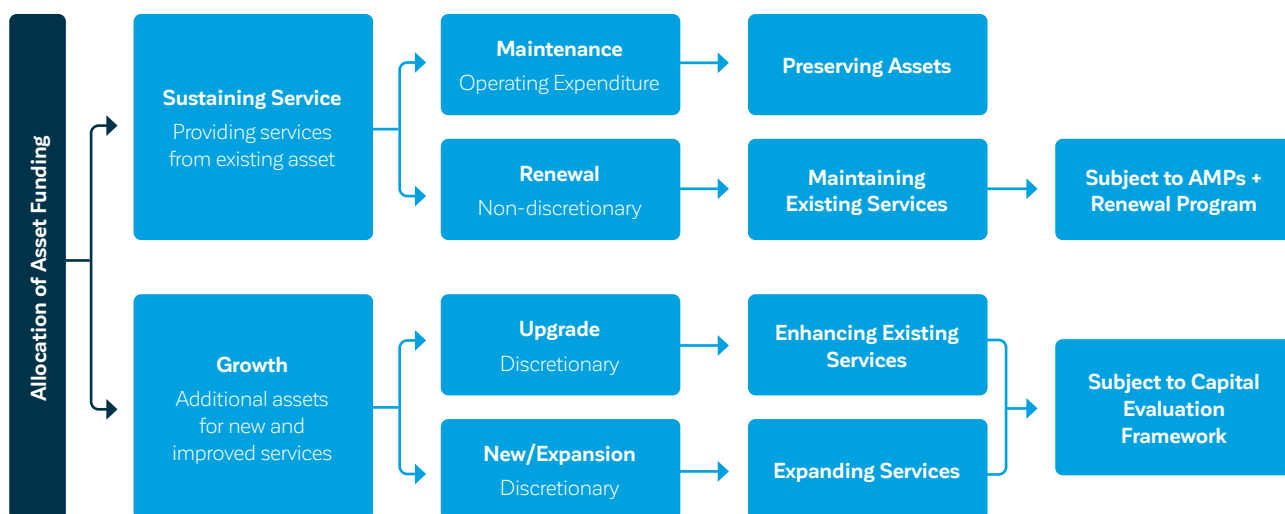
6.3

Timing and deliverability of works programs

The annual proposed works program is optimised in terms of timing and sequencing. Asset renewal projects consider several factors including the costs and benefits of aligning asset renewal with improvement projects, or with maintenance activities. Where possible, works will be coordinated to:

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

Timely delivery of the capital works program is essential to minimising the likelihood of additional operating expenditure and sustain assets beyond their anticipated useful lives.



6.4

Financial Plan and financial projections

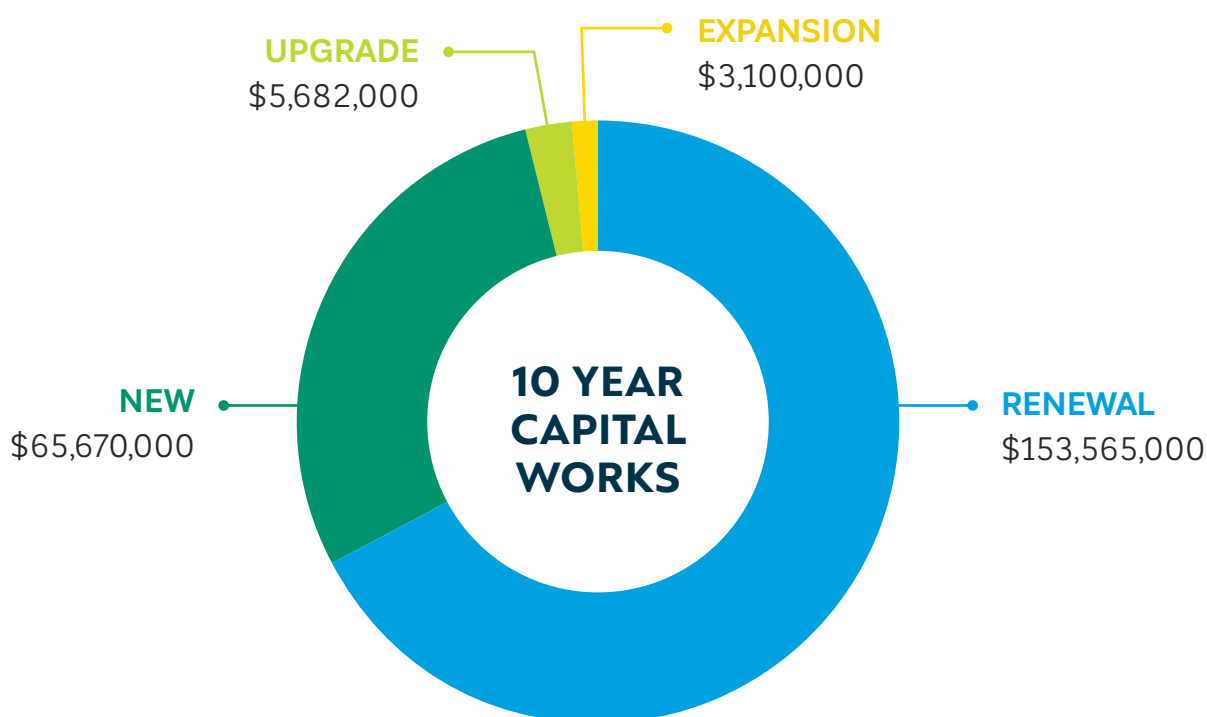
Council has developed and maintains a 10 year Financial Plan as part of the *Local Government Act 2020* requirements. This section outlines the projected capital expenditure allocations from the Financial Plan for Council's infrastructure over the next 10 years. These outlays have been determined based on the affordability assessments made in the Financial Plan and the renewal demand from Council's assets.

Over the next ten (10) years, it is forecast to spend around \$228 million renewing and improving Council's infrastructure assets.

Capital renewal and operational maintenance funding is allocated at a level that aims to keep pace with the deterioration of the asset network to sustain a functional asset network. This allocation is informed by modelling the predicted deterioration of assets and the impact of various renewal funding scenarios on percentage backlog (those assets over intervention level) and asset condition profiles.

Financial year and projected capital expenditure by expenditure type

EXPENDITURE TYPE	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	2034/35 \$'000
New	17,091	16,522	18,919	13,840	13,539	14,130	13,994	14,789	15,377	15,364
Renewal	25,977	6,463	15,230	6,000	2,000	2,000	2,000	2,000	2,000	2,000
Upgrade	2,081	161	462	1,559	198	212	227	243	260	279
Expansion	1,350	150	1,600	—	—	—	—	—	—	—
Capital Works	46,499	23,296	36,211	21,399	15,736	16,341	16,221	17,032	17,637	17,643



6.5

Projected expenditure by asset category

The values shown for the projected asset renewal and improvement costs in this Asset Plan are consistent with our Financial Plan projections and reflect the issues that may impact on our activities in the next ten (10) years.

Financial Plan projections by financial year and asset category are shown in the table below. The expenditure projections are further split between asset renewal, and asset upgrade/new/expansion.

Financial year and projected capital expenditure by asset category

■ New ■ Renewal ■ Upgrade ■ Expansion

	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	2034/35 \$'000
Roads ■	6,805	7,803	8,216	8,546	8,640	8,825	9,023	9,402	9,599	9,839
Roads ■ ■ ■	579	—	—	—	—	—	—	—	—	—
Bridges ■	2,328	241	249	441	457	1,049	1,097	781	746	780
Bridges ■ ■ ■	150	161	172	184	198	212	227	243	260	279
Pathways ■	353	177	183	195	187	183	205	212	264	277
Pathways ■ ■ ■	160	—	—	—	—	—	—	—	—	—
Drainage ■	522	364	508	516	374	566	409	440	460	481
Drainage ■ ■ ■	6,355	4,883	8,100	6,000	2,000	2,000	2,000	2,000	2,000	2,000
Recreation ■	1,479	463	603	672	711	721	758	817	820	899
Recreation ■ ■ ■	1,183	—	50	—	—	—	—	—	—	—
Buildings ■	1,044	690	851	768	981	1,024	801	1,097	906	988
Buildings ■ ■ ■	19,483	2,172	7,290	1,375	—	—	—	—	—	—
Other ■	747	3,539	5,118	479	497	520	545	596	624	654
Other ■ ■ ■	2,412	150	1,600	—	—	—	—	—	—	—
Plant & Equipment ■	2,800	2,574	3,191	2,222	1,692	1,241	1,157	1,443	1,957	1,446
Plant & Equipment ■ ■ ■	100	80	80	—	—	—	—	—	—	—
Total	46,499	23,296	36,211	21,399	15,736	16,341	16,221	17,032	17,637	17,643

6.6

Future renewal and replacement expenditure

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock ages and the asset base increases due to growth.

This Asset Plan projects the renewal demand for the long-life asset groups of Roads, Bridges, Pathways, Drainage, Recreation and Buildings. The yearly profile of asset renewal demand for these long-life assets is shown in Section 7 - State of the Assets.

The renewal funding available for the long-life asset groups of Roads, Bridges, Pathways, Drainage, Recreation and Buildings is shown in the table above and totals \$118.8 M over the 10 years giving an average of approximately \$11.9 M per year.

The modelled renewal demand for the long-life asset groups of Roads, Bridges, Pathways, Drainage, Recreation and Buildings is shown graphically in Section 7 *State of the Assets* and totals \$124.4 M over the 10 years.

Based on these figures, the Financial Plan allocations provide funding that will meet 95% of the renewal demand for these long-life assets. The following actions will be implemented over the life of this Asset Plan with the aim of ensuring the overall asset renewal backlog remains at 4% or less.

6.7

Upgrade / new / expansion

Projects (including land purchase) for the extension, upgrading or construction/purchasing of new assets required to cater for growth or additional levels of service are subject to business case completion and review as part of future budget preparations.

Generally, any new assets being proposed are conditional on approval of external funding, before proceeding or committing Council's own funding. Projects candidates are considered on a project-by-project basis.

Proposed investments in new and upgraded community assets (i.e. recreational facilities, Community venues etc.) greater than \$2,500,000 (ex-GST) must undergo a prudential review to ensure that the decision making process is informed, diligent, and considers all potential risks and benefits prior to the proposal being put forward to Council for decision.

Additionally, many of Council's building and recreation assets are inherited structures that have been built by community groups or organisations with community funding, grant funding or volunteer contributions. Some of which pose challenges for renewal, maintenance or upgrades as compliance with the current building code poses additional costs and complicates what may ordinarily be a straightforward refurbishment project with a large burden of the renewal cost falling to Council. Over the life of this plan, Council will consider a co-investment policy to help fund the renewal and upgrade of these assets.

REMEDIAL ACTIONS	WHAT IS REQUIRED	IMPACT
Prioritise investment in renewal of assets over expansion or new	Funding sources such as Roads to Recovery will be focussed on renewal of assets only and not on expansion or upgrade of the network.	Discretionary projects may not be delivered unless external funding is obtained as Council's contribution requirement may be distributed to more urgent renewal projects.
Identify surplus or non-renewal assets	Assets that are surplus to requirement or unneeded should be identified and flagged for disposal if appropriate.	Some community groups may be required to share assets where under utilised assets may no longer be maintained. This will allow other assets to be more fully utilised and maintained in the appropriate condition.
Budgeting framework	Embed the budgeting framework process and integrate with the 10-year capital works plan, annual budget and long-term financial plan.	Improved long term asset planning will ensure that current service levels are maintained (as required).

7. State of the Assets

Council's long-life assets include roads (roads, kerbs and aerodrome), buildings, bridges, pathways, drainage (including culverts), and recreation assets. Together these six asset groups represent approximately 83% of the current replacement cost of all Council assets and contribute to 88% of Council's annual depreciation value.

These six asset groups have been modelled to provide the forecast renewal demand for each group, and how the budget provided in the Financial Plan impacts on the percentage of assets moving beyond the intervention level (also known as backlog).

7.1 Long life assets

TYPE	REPLACEMENT VALUE \$'000
Roads/ Transport (roads, kerbs and aerodrome)	\$466,164
Bridges	\$51,461
Pathways	\$45,810
Drainage	\$112,242
Recreation	\$20,596
Buildings	\$186,992
Replacement Value Total	\$883,265

Present Condition Distribution by Asset Value:

The majority of Council's long-life assets are in good to fair condition and above the intervention levels set for renewal of these assets. The condition distribution of our long-life assets are shown in section 3.1 Overall Value and Condition of Our Assets on page 9 of this Plan.

Condition inspections are completed typically every three or four years on a cyclic basis.

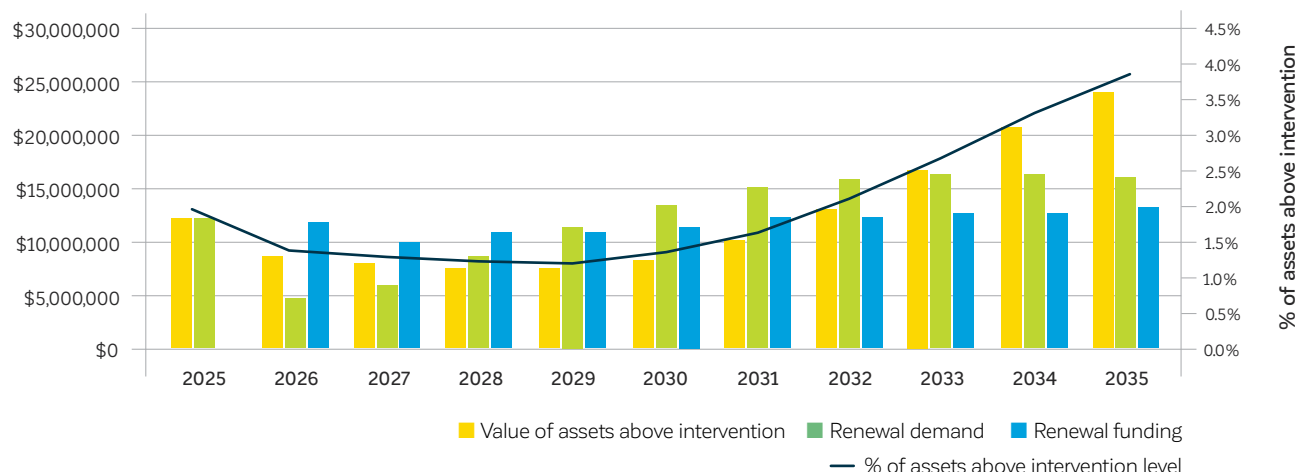
7.2

The state of all our long life assets

The graph below shows the forecast state of all our long life assets over the next 10 years.

The renewal funding currently provided in the Financial Plan underfunds the total renewal demand over the next 10 years resulting in the percentage of assets above intervention level increasing from 2% currently (a 2% backlog) to nearly 4% in 10 years (2034-35). The forecast backlog of nearly 4% is just below the generally accepted backlog range of 4 to 8%. See Section 6.6 for remedial actions to be implemented over the life of this Asset Plan.

State of all long life asset groups: The next 10 years



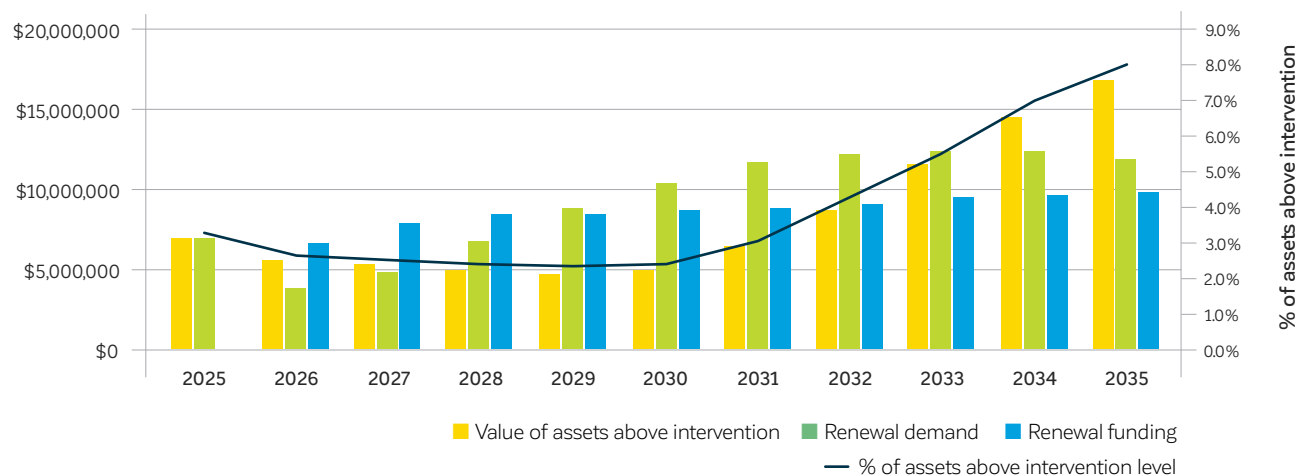
7.3

The state of our Road assets

The graph following shows the forecast state of our Road assets over the next 10 years. These assets include sealed and unsealed roads, aerodrome runways, and kerb and gutter.

The renewal funding currently provided in the Financial Plan underfunds the total renewal demand over the next 10 years resulting in the percentage of assets above intervention level increasing from 3.3% currently (a 3.3% backlog) to 8.1% in 10 years (2034-35). The forecast backlog of 8.1% in 10 years is just over the generally accepted backlog range of 4 to 8%. See Section 6.6 for remedial actions to be implemented over the life of this Asset Plan.

State of Road assets: The next 10 years

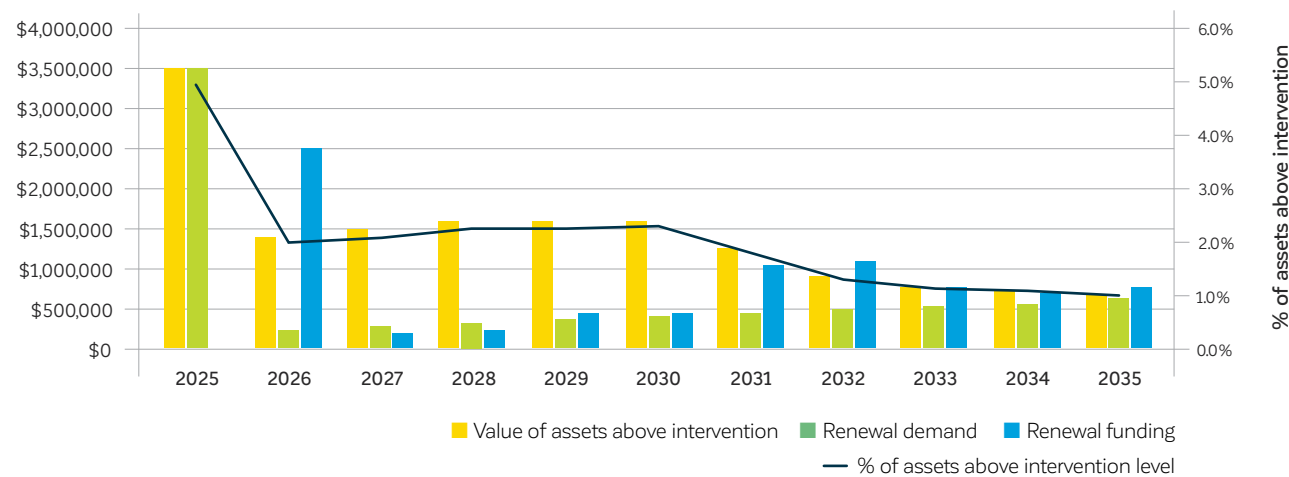


The state of our Bridge assets

The graph following shows the forecast state of our Bridge assets over the next 10 years.

The renewal funding currently provided in the Financial Plan funds the total renewal demand over the next 10 years resulting in the percentage of assets above intervention level decreasing from approximately 5% currently (a 5% backlog) to approx. 1% in 10 years (2034-35). The forecast backlog of 1% in 10 years is well under the generally accepted backlog range of 4 to 8%.

State of Bridge assets: The next 10 years

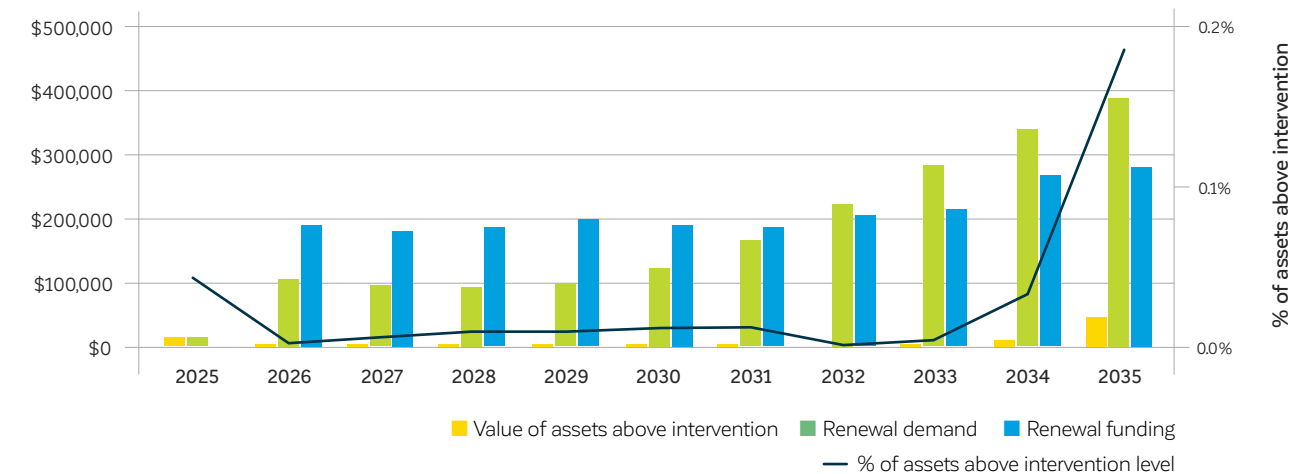


The state of our Pathway assets

The graph following shows the forecast state of our Pathway assets over the next 10 years. These assets include footpaths, shared paths and cycle paths.

The renewal funding currently provided in the Financial Plan adequately funds the total renewal demand over the next 10 years resulting in the percentage of assets above intervention level being negligible throughout this period. The forecast backlog of 0.1% in 10 years is negligible and well under the generally accepted backlog range of 4 to 8%.

State of Pathway assets: The next 10 years



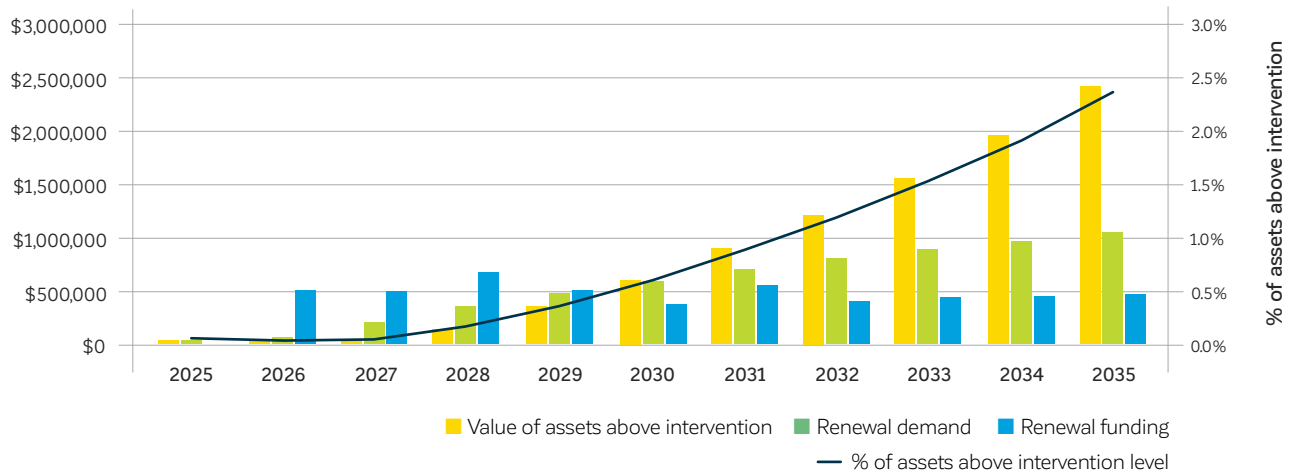
7.6

The state of our Drainage assets

The graph following shows the forecast state of our Drainage assets over the next 10 years. These assets include stormwater pipes, pits and culverts.

The renewal funding currently provided in the Financial Plan adequately funds the total renewal demand over the next 10 years resulting in the percentage of assets above intervention increasing to 2.4%. The forecast backlog of 2.4% in 10 years is well under the generally accepted backlog range of 4 to 8%.

State of Drainage assets: The next 10 years



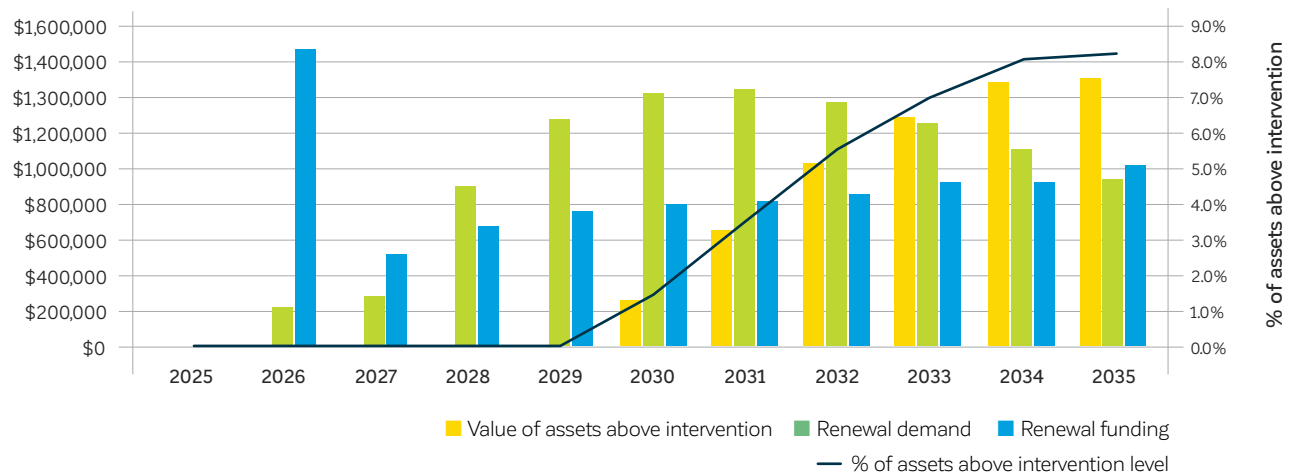
7.7

The state of our Recreation assets

The graph following shows the forecast state of our Recreation assets over the next 10 years. These assets include playgrounds, playing surfaces such as hard courts and ovals, and sports lighting.

The renewal funding currently provided in the Financial Plan does not adequately fund the total renewal demand over the next 10 years resulting in the percentage of assets above intervention increasing to 8.2%. The forecast backlog of 8.2% in 10 years is marginally over the generally accepted backlog range of 4 to 8%. See Section 6.6 for remedial actions to be implemented over the life of this Asset Plan.

State of Recreation assets: The next 10 years

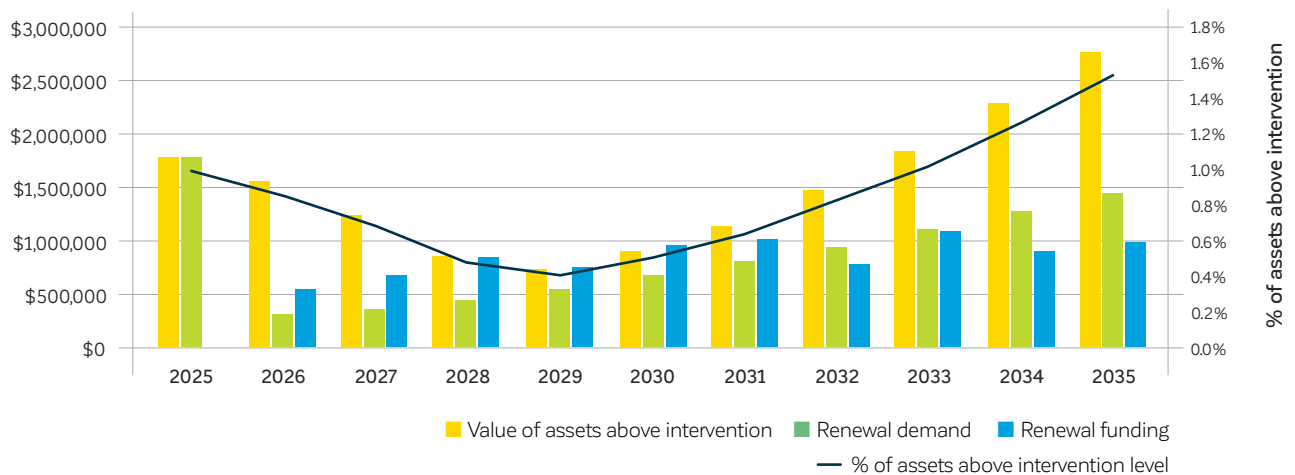


The state of our Building assets

The graph following shows the forecast state of our Building assets over the next 10 years. These assets include all buildings and building structures and features items such as depot sheds, municipal offices, recreational shelters, meeting halls, and libraries.

The renewal funding currently provided in the Financial Plan does not adequately fund the total renewal demand over the next 10 years resulting in the percentage of assets above intervention increasing from 1% to 1.6%. The forecast backlog of 1.6% in 10 years is well below the generally accepted backlog range of 4 to 8%.

State of Building assets: The next 10 years



8. Summary

- Council is the custodian of an extensive range of assets delivering a wide range of services with a replacement value of almost \$1.1 Billion.
- Council's long-life assets of Roads, Bridges, Pathways, Drainage, Recreation and Buildings make up 83% of Council's asset value and are in good to fair condition with only 2% of these assets (in value) currently beyond intervention level (otherwise known as backlog).
- The renewal funding available from the Financial Plan is not sufficient to adequately fund the renewal demand over the coming 10 years, resulting in a forecast increase of assets beyond intervention (or backlog) from 2% (currently) to nearly 4% in 10 years.
- Although renewal demand is not being met, the forecast 4% backlog in year 10 of the Plan is at the lower end of the generally accepted backlog range of 4-8%, with the backlog on road assets expected to reach 8% without further intervention.
- Council will work closely with the community to understand what trade-offs are required, and what are the community's service priorities to meet the challenge of sustainably managing the Council's ageing asset base.
- Although the overall renewal funding provision outlined in the Financial Plan will remain steady, allocation of the total renewal funding between asset groups will be required each year, particularly in view of updated asset condition data and the changing renewal demand profile between asset groups. The table below provides modelled backlog of the long-life asset classes over the coming 10 years.

ASSET CATEGORY	ROADS	BRIDGES	PATHWAYS	DRAINAGE	RECREATION	BUILDINGS	ALL (LONG-LIFE)
Current Backlog %	3.3%	5%	0	0	0	1%	2%
Backlog in 10 Yrs %	8.1%	1%	0.1%	2.4%	8.2%	16%	4%

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