



Central Goldfields Shire Council

The Asset Plan

May 2022



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Acknowledgement of Country

Central Goldfields Shire Council acknowledges the ancestors and descendants of the Dja Dja Wurrung. We acknowledge that their forebears are the Traditional Owners of the area we are on and have been for many thousands of years. The Djaara have performed age old ceremonies of celebration, initiation, and renewal. We acknowledge their living culture and their unique role in the life of this region.

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1.Executive Summary

The Asset Plan (the Plan) is prepared in compliance of S92 of the Local Government Act 2020 and Regulations (The Act). The Plan also communicates the importance and magnitude of assets for which Council is the custodian. The next version of the plan will involve active community engagement and a mutual understanding of best use of Council assets in the interest of the community.

Central Goldfields Shire Council (Council) manages approximately \$500 million in infrastructure assets on behalf of our communities. These assets are crucial for Council to deliver services to the community. These assets range from significant structures such as roads and buildings through to park furniture and play equipment. These assets are a significant investment and require sound asset management and planning.

Purpose of the Asset Plan

The purpose of the Plan is to formally set out the long-term approach Council will follow to manage those assets that contribute towards achieving its strategic direction, in particular its vision and community outcomes. This approach ensures that acceptable levels of service are provided in the most cost-effective and financially sustainable manner.

Strategic Context

The Plan referred to in the Act is intended to be a strategic public facing document that informs the community on how the Council-controlled (infrastructure) assets are to be managed to achieve the Community Vision and supporting Council Plan objectives.

Integrated Strategic Planning and Reporting Framework

The Plan is a vital component of the Local Government Integrated Strategic Planning & Reporting Framework (ISPRF) (See figure 5). The Plan aligns with and complement other Council planning and reporting documentation, including Council Plan, Council Budget, Annual Report, as well as the other longer-term planning documents, the Community Vision, and the Financial Plan.

Community Engagement

The Act Section 93 (6) says “A Council must develop and adopt an Asset Plan under this section in accordance with its community engagement policy by 30 June 2022 following the first general election to be conducted under section 257(1)(a)”. This requirement, alongside due engagement on the Community Vision, Council Plan and Financial Plan, demonstrates a consistent message among the four documents. It is important when executing the community engagement policy to consider the concept of asset performance, cost, and consequence of asset management choices. Community engagement is not mandatory for the first iteration of the Plan¹.Principles

The Asset Plan is kept community focused, non-technical, and simple to understand. The Plan will be made available on Council’s website to make it accessible to the community. The Plan is

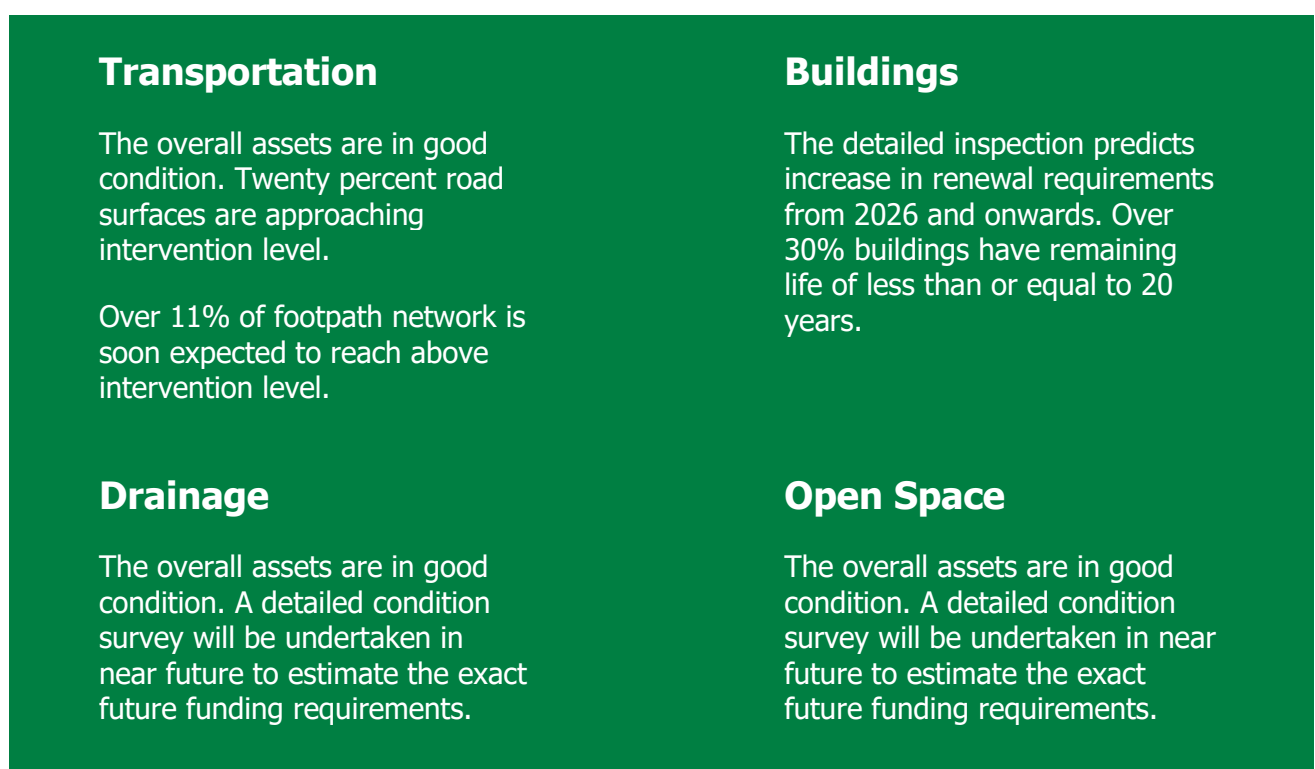
¹ Asset Plan Guidance 2022-page 8

prepared using the data from the asset register, and other Council documents. An improvement plan is also prepared to demonstrate our commitment for continuous improvement process.

Current State

This is our inaugural Asset Plan, and our aim is to have a sound level of maturity of asset management activities in place across the whole of Council. The Asset Plan also commences an improvement path towards full asset management maturity. Tasks are identified in the Improvement Plan documented in Table 7. Figure 1 summarizes each asset class.

Figure 1: Asset classes and possible issues that may impact each class



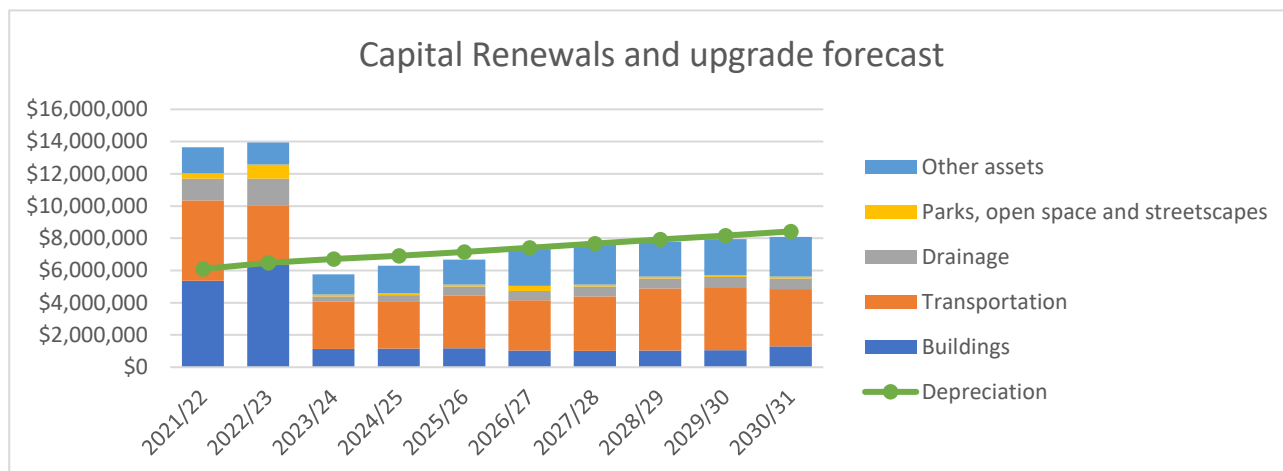
Financial Plan

The asset renewals summary is provided in section 6. The proposed renewals are shown in Figure 2. The renewals forecasts have been prepared from the following:

- 2021-22 Capital Program Report.
- Individual Asset Management Plans (AMP) for Asset Classes where available.
- Previously undertaken Asset Demand Profiling of all Asset Classes.
- And renewals schedules provided by each asset class manager.

In some cases, the information is not yet available or is out of date and improvement actions are provided in section 7.2 to address the updating of out-of-date AMPs and renewals forecasts.

Figure 2: – Capital Works and Upgrade Forecast



(The renewal amount for 2021/22 & 2022/23 includes special grants projects)

Conclusion

The Plan meets a key legislated objective of notifying what capital renewal and upgrade forecast for next 10 years in alignment with the Long-Term Financial Plan (Figure 2).

The Plan also meets a key legislated objective of asset management. These objectives were established to reflect the Corporate Plan where Council commits to delivering quality services to facilitate sustainable growth through inspired leadership, community engagement and sound financial management. Council is governed by the principles of the Act of sustainable development and management of assets and infrastructure and delivery of effective services. These requirements are addressed in individual Asset Management Plans (AMPs), as these plans deliver the asset outcomes, within the budgets and with the resources available, while ensuring that appropriate levels of service are achieved. The key outcomes from the Plan include:

- A systematic Council wide approach to asset management to ensure consistent application across the whole of Council.
- Improved asset data in all asset classes including improved Asset Management System.
- Establishing an approved Asset Plan with Asset Management Strategy, Asset Management Policy, Long Term Financial Plan and Financial Management Strategy ensures compliance with the legislation.
- Identification of the specific Operational & Maintenance liability of asset holdings.
- (Figure 2) and future asset investment and creating the planning and analysis tools to assist with asset investment decisions.
- A better understanding of the sustainability of Council services and the need to keep pace with asset renewal relative to new or upgraded assets if existing service levels are to be maintained.
- Basic 1 to 5 and 10 year forward Capital Expenditure (CAPEX) programs and projects across Council.

- Understanding the need to engage with the community to determine the desired ongoing service levels and resulting asset management impacts.

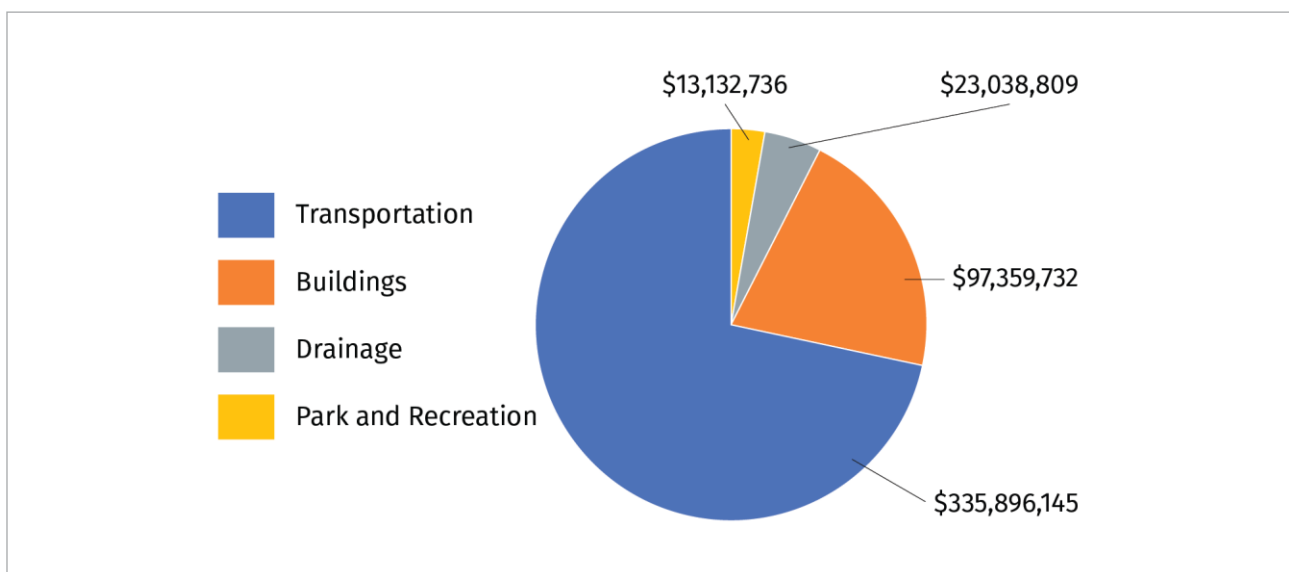
2. Introduction

The Central Goldfields Shire Council (Council) currently owns and manages approximately \$500 million worth of infrastructure assets on behalf of our communities.

Their effective management is crucial to the sustainable delivery of those services to meet community needs and aspirations now and in the future.

These community assets range from significant structures such as roads and buildings through to park furniture and play equipment. These assets are a significant investment and require sound strategic management and planning. The composition of different assets is shown in the figure 3.

Figure 3: Council's Infrastructure composition



The Local Government Act 2020 (the Act) requires the preparation of the Asset Plan (The plan) for at least next ten financial years. The long-term costs of owning and operating infrastructure assets continue to be a financial challenge to local government and requires councils to take a whole of life approach to determining the cost of owning and managing infrastructure.

The plan sets out good asset management governance principles and practices within the Council through aligned policy, strategy, roles, responsibilities, review, and improvement processes. A key role of the plan to advise on the "what, when and how much" of asset renewal will be required into the future to maintain the service levels and hence sustainability in terms of asset renewal. The role of the companion Long-Term Financial Plan is to examine available revenues and expenditures to support the desired programs over the same period. With the knowledge gained

from these bodies of work, organisational decision makers can make choices and direct future resource allocations and hence revenue and work programs.

Council provides hundreds of services and facilities that contribute to building strong and vibrant communities, improve the community's quality of life and enhance their experiences. Our infrastructure assets are critical to delivering this.

Today, like in many Australian communities, many of our assets are aging and require significant ongoing maintenance, partly because most of our assets were built decades ago. Our community has grown, and expectations have increased, as well as the demand for new and improved services. Our assets are also vulnerable to climate change impacts such as extended heatwaves and other unexpected events. So, it is important that investment decisions on our infrastructure are based on the ability to fund the upfront capital costs and include allowances for the ongoing operational, maintenance and future replacement costs.

In conclusion, the Asset Plan, along with the Long-Term Financial Plan and Corporate Strategic Plan will guide everything we do over the next ten years as we deliver sustainable prosperity for our Shire.

2.1 Compliance with the Local Government Act 2020

The Plan is prepared in compliance with the Act where Section 92 of the Act highlights the requirement for good asset management practices across the local government sector in Victoria. Under the Act, councils must adopt an Asset Plan by 31 October following each election. The Plan must be developed in accordance with deliberative engagement practices².

The Local Government Act 2020 (Governance and Integrity) Regulations requires Council to record their compliance with section 92 of the Act by completing the Governance and Management Checklist. The Act further requires councils to ensure that the Plan aligns with the Council Plan, Council Budget, Annual Report, Community Vision, and Financial Plan, in keeping with the Integrated Strategic Planning & Reporting Framework (ISPRF).

The Governance and Management Checklist will still be included in the Annual Report. The Plan is considered as the key instrument to display transparency and accountability to reassure the community that their assets are being responsibly managed.

² The first Asset Plan must be adopted by 30 June 2022, in accordance with each councils Engagement Policy. Deliberative engagement techniques are not mandatory for this first iteration unless councils own Engagement Policy prescribes it.

2.2 Strategic Objective

The purpose of the Plan is to formally set out the long-term approach the Council will follow to manage those assets that contribute towards achieving its strategic direction, in particular its vision and community outcomes. This approach ensures that acceptable levels of service are provided in the most cost-effective manner.

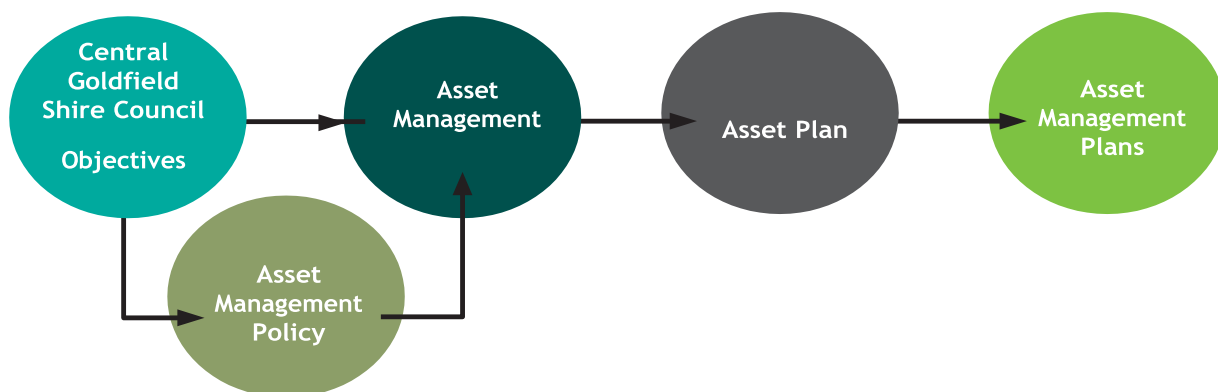
The Asset Plan is specific to Council and its Asset Management System (AMS). Key strategic objectives of the Plan include:

- To outline the Council's Leadership commitment to asset management, including organisational roles and responsibilities relating to asset management.
- Setting out the foundations for managing its asset portfolios in a manner which ensures it can sustainably deliver services to the community, according to the community's expectations, and to meet legislative requirements.
- Developing the decision-making process that considers costs, human resources, risks, performance, and improvement opportunities for Council when managing assets and delivering services to the community.
- Building staff engagement and competency, strong stakeholder engagement, informed and robust asset management decision making processes to support the functionality and sustainability of the Asset Management System.
- Applying the Asset Management Policy
- To detail the implementation and improvement program to ensure continual improvement of the Council's asset management practices
- To examine opportunities for asset rationalization due to changes in performance and capacity requirements.
- Extending asset lives by repair and rehabilitation strategies reduces the average annual consumption cost and renewal rates and postpones the need to renew.
- Investment in climate change adaptation to protect Council's assets through risk management.

Council continuously considers the current and future needs of the community and Council's ability to provide assets which contribute to meeting these needs. Council also considers the financial implications of maintaining community assets and the balancing of this expenditure and operational realities against other community priorities and regulatory requirements.

Ongoing development and review of the Plan will promote the viability and long-term use of assets in line with Council's organisational objectives. The functional relationship between the Plan and other organizational leadership documents is shown in the figure 4.

Figure 4: Functional relationship between the Plan and other leadership document



2.3 Linkage to the Community Vision, Council Plan and Financial Plan

The Asset Plan is a vital component of the Local Government ISPRF (see figure 5 below). The plan is developed in alignment with Council planning and reporting documents, including the Council Plan, Council Budget, Annual Report, as well as the other longer-term planning documents, the Community Vision, and the Financial Plan.

Figure 5 demonstrates how each element might inform or be informed by other parts of the integrated framework.

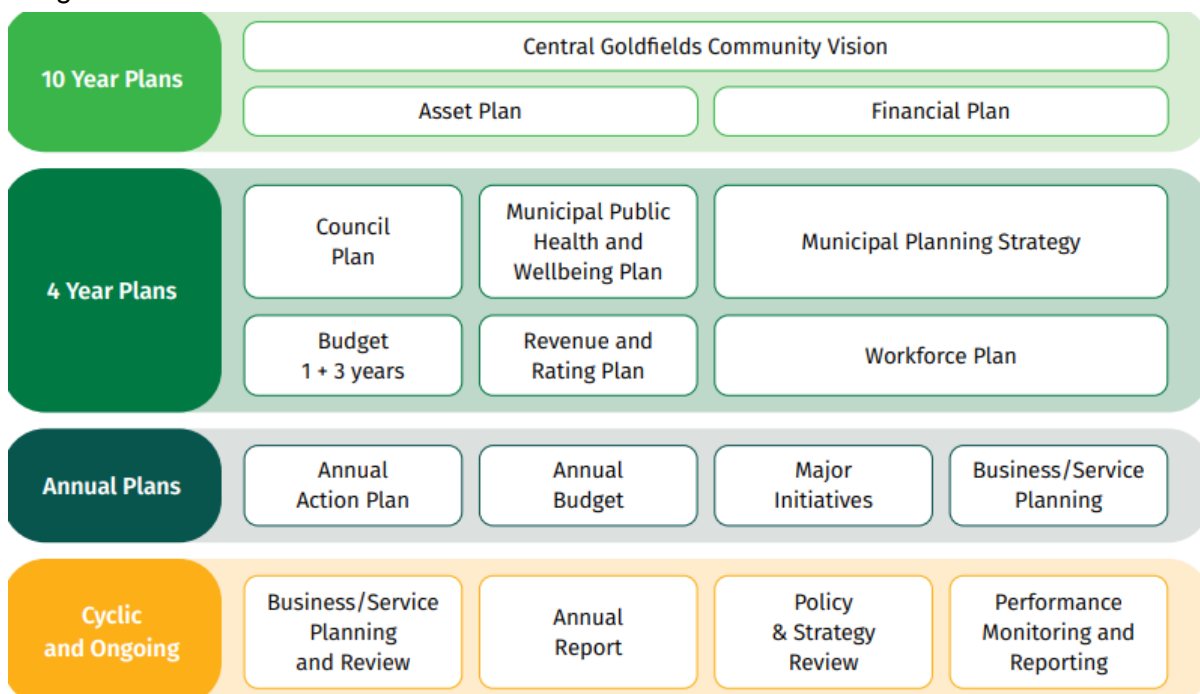


Figure 5: Integrated Strategic Planning & Reporting Framework

The Plan (in compliance with s 92 of the Act) has a longer-term outlook (at least 10 years). It provides a view (both strategic and in financial terms) of how Council manages the full portfolio of assets that it owns and controls. It also defines the Council's high-level strategic asset management priorities and addresses all aspects of asset management including maintenance, renewal, acquisition, expansion, disposal or decommissioning of all classes of community assets under the control of the Council.

Integration to the Asset Plan is a key principle of Council's strategic financial planning principles. The purpose of this integration is designed to ensure that future funding is allocated in a manner that supports service delivery in terms of the plans and the effective management of Council's assets into the future.

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

The Plan is designed to inform the 10-year Financial Plan by identifying the amount of capital renewal, backlog and maintenance funding that is required over the life of each asset category. The level of funding will incorporate knowledge of asset condition, the risk assessment issues as well as the impact of reviewing and setting intervention and service levels for each asset class.

In addition to identifying the operational and strategic practices that ensure that Council manages assets across their life cycle in a financially sustainable manner, the Asset Plan quantifies the asset portfolio and the financial implications of those practices. Together the Financial Plan and Asset Plan seek to balance projected investment requirements against projected budgets.

The Plan will demonstrate council's stewardship of the community's assets responding to the Community Vision within the Financial Plan parameters. The Asset plan will also consider and respond to changing community needs and expectations.

Figure 6 shows how the Asset Plan links to the achievement of the Community Vision, the Council Plan/ Budget, and the Financial Plan within the ISPRF. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

Figure 6: Asset Management System linkage to the Asset Plan and council's key strategic plans



7. Asset Classes

Transportation

Council's transportation assets provide safe and efficient movement of pedestrians, cyclists, commuter vehicles and public transport services throughout the Shire. These assets include roads, footpaths, bridges, kerb, and traffic signal infrastructure.

Asset Class

Transportation

Asset Subclass

Roads, Footpaths, Bridges, Kerb and Traffic Signal infrastructures

Buildings

Council's building assets provide accommodation for the civic, administrative, and operational functions of Council as well as providing community services. These are services such as sporting and recreational activities which include libraries, community centers, and public toilets. The building portfolio also includes several sites used for commercial (income generating) purposes.

Asset Class

Buildings

Asset Subclass

Municipal, Commercial, Community, Sports and recreation, Children Services, Social housing, and Historical buildings

Drainage

Council's drainage assets are designed to drain excess rain and ground water from impervious surfaces such as paved streets, car parks, parking lots, footpaths, sidewalks, and roofs.

| Asset Class | Asset Subclass |
|-------------|----------------|
| Drainage | Pipe and Pits |

Park and Open Space

Council's Park and Open Space assets contained within sports ovals, tennis courts, playgrounds, outdoor/ indoor pools, and netball courts etc. These assets are developed and maintained in alignment with the Council's strategic objectives.

| Asset Class | Asset Subclass |
|---------------------|--|
| Park and Open Space | Garden beds, sprinklers, fences, picnic tables/ benches, bins, lights, lakes, lawns, monuments, playground equipment, trees etc. |

3.1 Current Asset Inventory

Table 1: Summary of Council's key infrastructure assets.

| | |
|---|--|
|  | Drainage <ul style="list-style-type: none"> • Length of Drainage Pipes: 56.6 km • Number of Drainage Pits: 1988 |
|  | Roads <ul style="list-style-type: none"> • Length of sealed Local Roads: 480.5 km • Length of unsealed Local Roads: 660 km • Length of kerb: 148 km |
|  | Pathways <ul style="list-style-type: none"> • Length of Footpaths: 76 km |
|  | Bridges and Major Culverts <ul style="list-style-type: none"> • Number of bridges/culverts: 66 • Number of pedestrian bridges: 13 • Major Culvert Box: 122 • Major Culverts Piped: 56 |
|  | Buildings <ul style="list-style-type: none"> • Number of Council buildings: 201 |
|  | Playgrounds <ul style="list-style-type: none"> • Sports ovals: 8 • Hockey ground: 1 • Tennis / netball courts: 14 • Playgrounds: 21 • Outdoor/ indoor pools: 4 |
|  | Street Trees <ul style="list-style-type: none"> • number of street trees: 7500 |

3.2 Data Confidence

The following table summarises Council's confidence in the current data held on infrastructure assets..

A key aspect to ensuring quality asset data, and building confidence in the data, is correctly capturing assets as they are created. This is done as part of the 'asset handover' process. This process needs continual improvement and review to ensure that asset information is being collected efficiently and accurately reflects the asset.

Table 2: Summary of data confidence by major asset class

| Asset Class | Quantity/ Location | Replacement Cost | Useful Life | Condition |
|-----------------------------|-----------------------|---------------------|-------------|-----------|
| Transportation | Medium | Medium | Medium | Medium |
| Stormwater | Medium | Medium | Medium | Medium |
| Buildings and Facilities | Medium | High | High | High |
| Open Space | Low | Low | Low | Low |

Table 3: Data confidence level descriptions

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

4. Current State of the Assets

The current state of Council assets helps to determine the prioritisation and planning for the maintenance, management, and renewal of Council's assets. The physical state of each asset class is visually assessed by staff and contractors on a regular basis. Consistency between assessors is achieved using inspection manuals. In addition to this, Council articulates in this Plan its assessment of asset classes to inform the community on infrastructure and service performance, costs, and risks. Monitoring asset condition enables us to:

- Predict and plan maintenance.
- Forecast renewal requirements.
- Develop effective and proactive work programs.

The performance of our infrastructure is measured on agreed service levels through ongoing condition assessment of our infrastructure.

To ensure the long-term sustainability of Council assets, a condition audit is undertaken for each asset group – typically every four to five years. Consideration has been given to avoid scheduling the more expensive major audits (roads, buildings, drainage) in the same financial year. The figure below depicts issues with each asset class and its future impacts.

The Average Condition Rating profile of the key asset groups is presented in charts below.

4.1 Building Assets

Figure 7: Condition Rating for Building Component Group

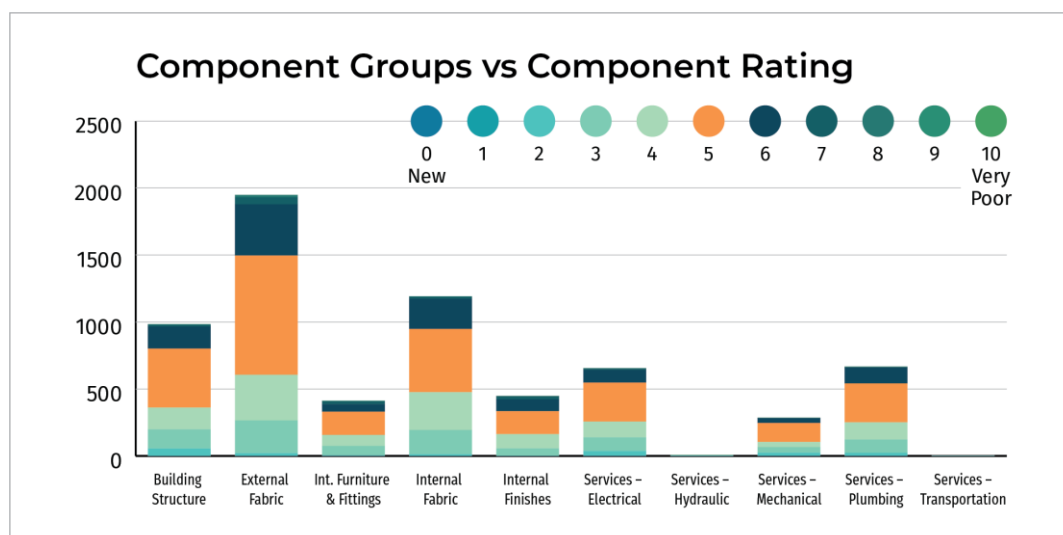


Figure 7 demonstrates building components across the building portfolio are in a fair to mostly good condition. The same rating applies to building structure, where majority of materials were found to be sound and stable. Overall, internal, and external fabric materials sit comfortably at a fair to good condition rating, this is likely due to being renewed or maintained frequently.

Additionally, 36% of all building structure and fabric components assessed are in good to excellent condition.

A high portion of service-related components are in fair condition with a rating score of 5, which is characterised by some deterioration and serviceability loss. This makes up approximately 45% of service components assessed. The service component groups with the highest quantities are under plumbing and electrical, which makes up approximately 80% of total service items.

4.2 Transportation Assets

The transport network within the municipality can be described as in a good to fair condition. Council undertakes regular resealing of sealed roads and grading of unsealed roads to keep the surface condition of the roads in a good condition. Asset management practices monitor the condition of the pavement with reconstruction works being triggered when the condition falls below a “Very Poor” condition. The overall assets are in “Good Condition”, the condition of the road seal is deteriorating. Average weighted condition of footpath network is soon expected to reach above intervention level.

Figure 8: Sealed Road Condition



Figure 9: Footpath Condition

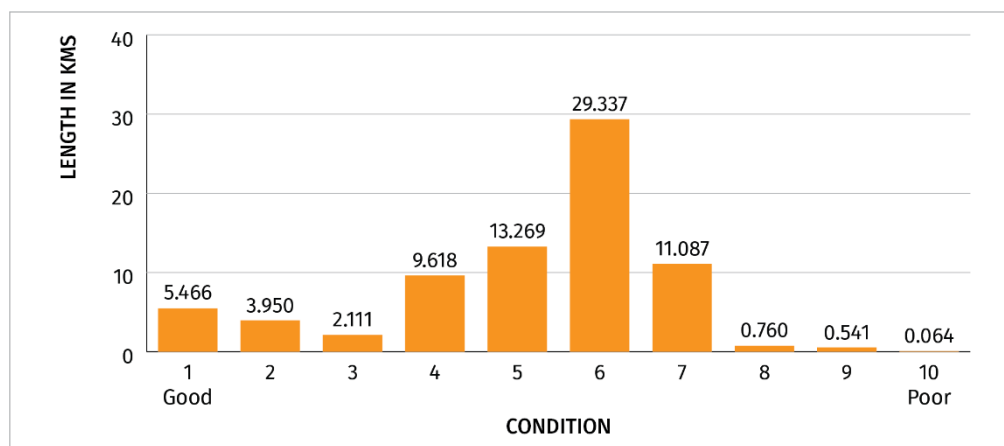


Figure 10: Brides and Major Culverts (Rigid) Condition Profile

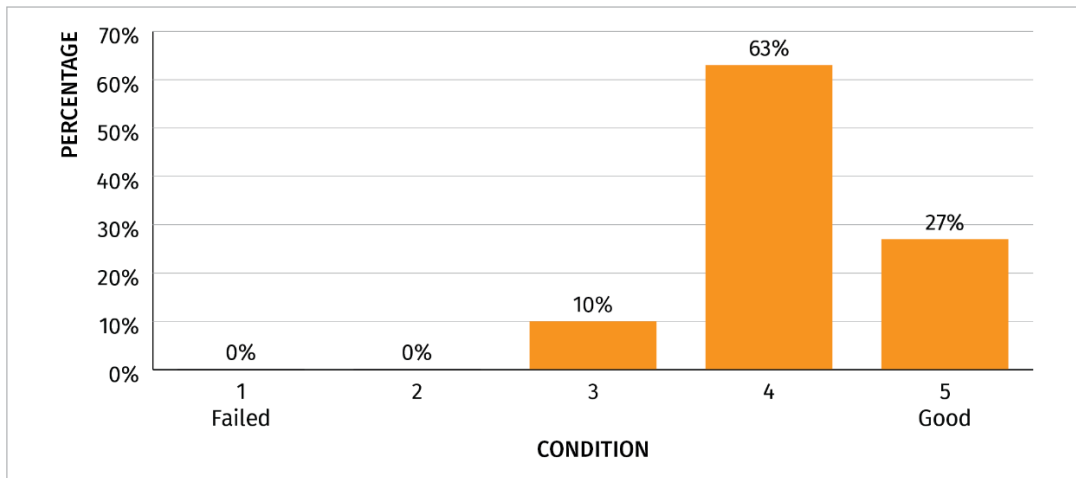


Figure 11: Brides and Major Culverts (Flexible) Condition Profile

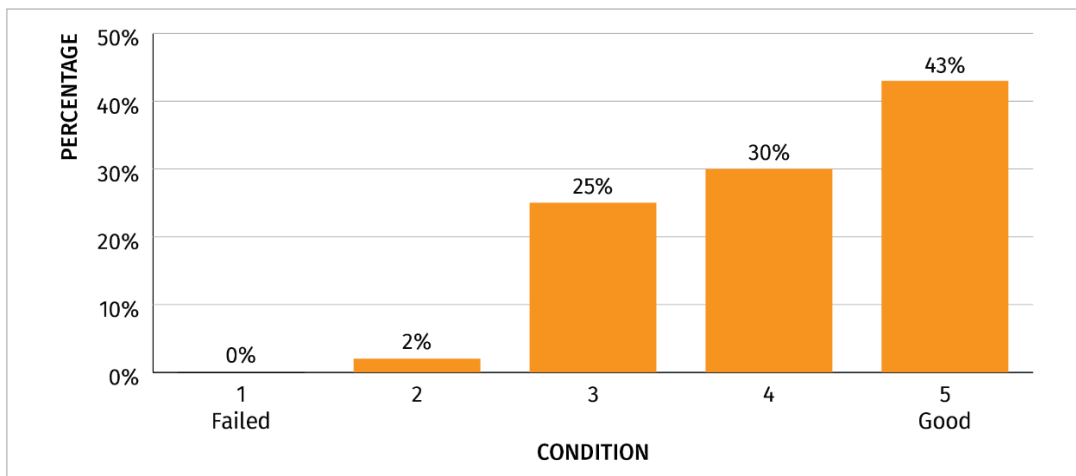
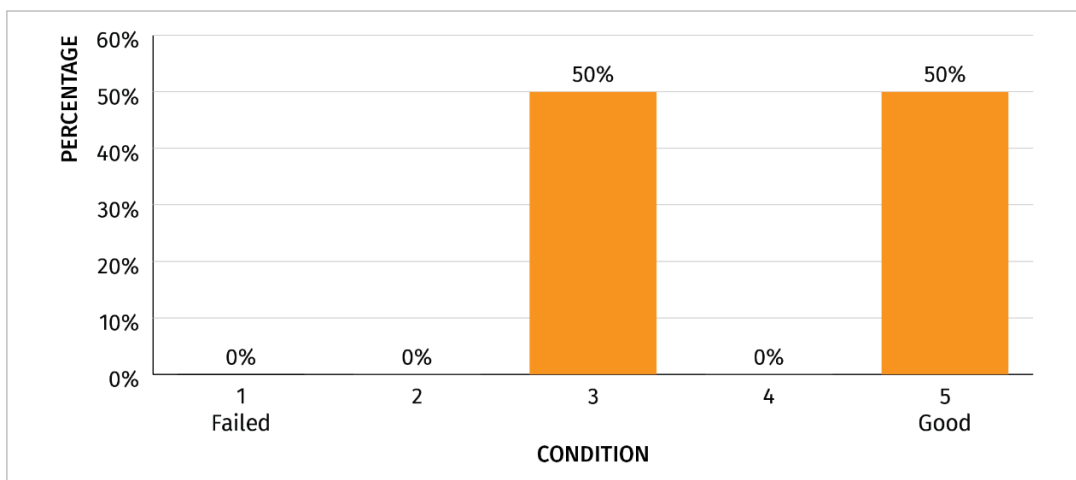


Figure 12: Brides and Major Culverts Condition (Gravel) Profile



4.3 Drainage Assets

Council's drainage assets seem to be performing very well. Figures 13 and 14 show that most of pipe and pits are in "Very Good" and "Good Condition". The overall assets are in reasonably "Good Condition". A detailed condition survey will be undertaken in near future to estimate the exact future funding requirements.

Figure 13: Drainage Pits Condition Profile

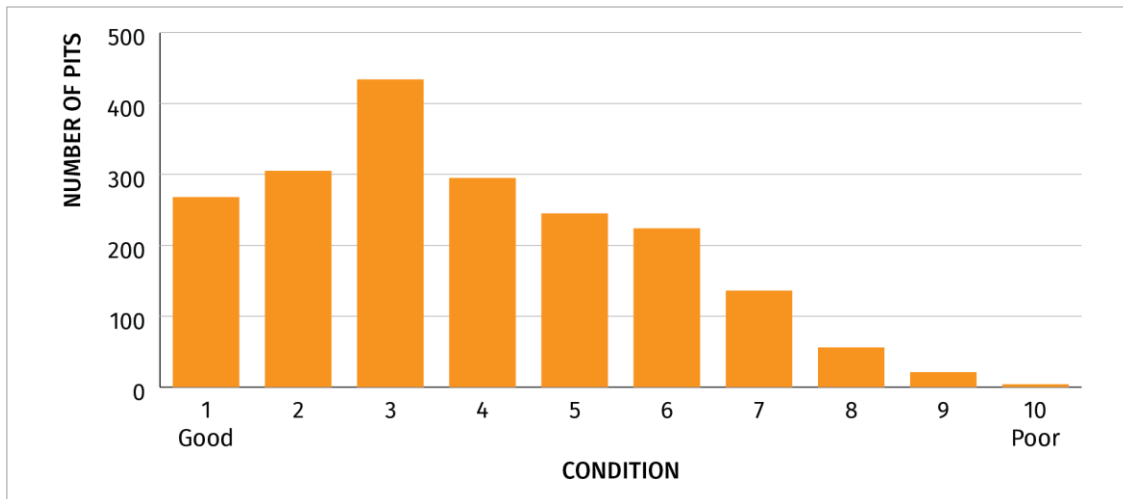
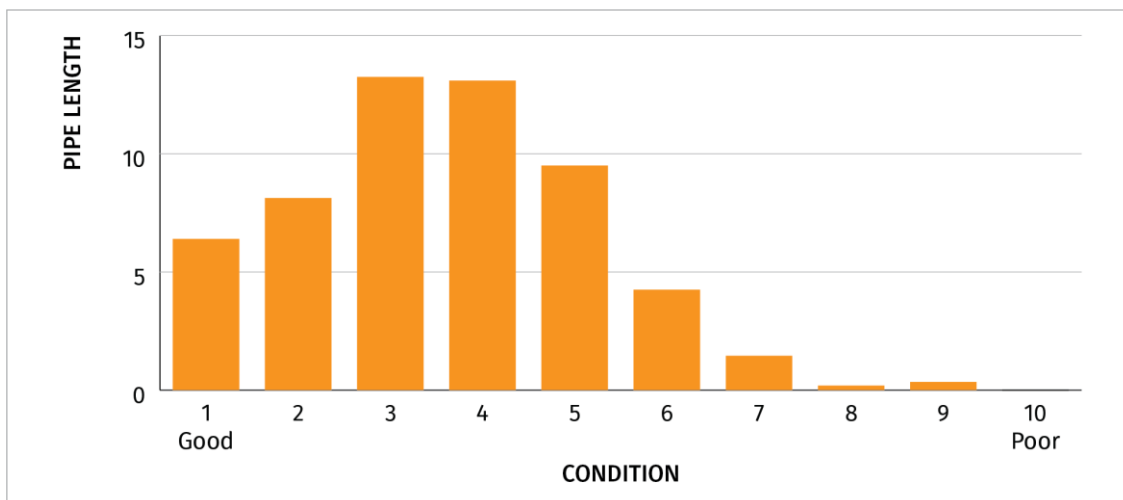


Figure 14: Drainage Pipes Condition Profile



4.4 Park and Recreation Assets

The higher number of Park and Recreation assets in "Very Good" and "Good Condition" as shown in Figure 15 and Figure 16. The overall assets are in reasonably "Good Condition". A detailed condition survey will be undertaken in near future to estimate the exact future funding requirements.

Figure 15: Playground Equipment Condition Profile

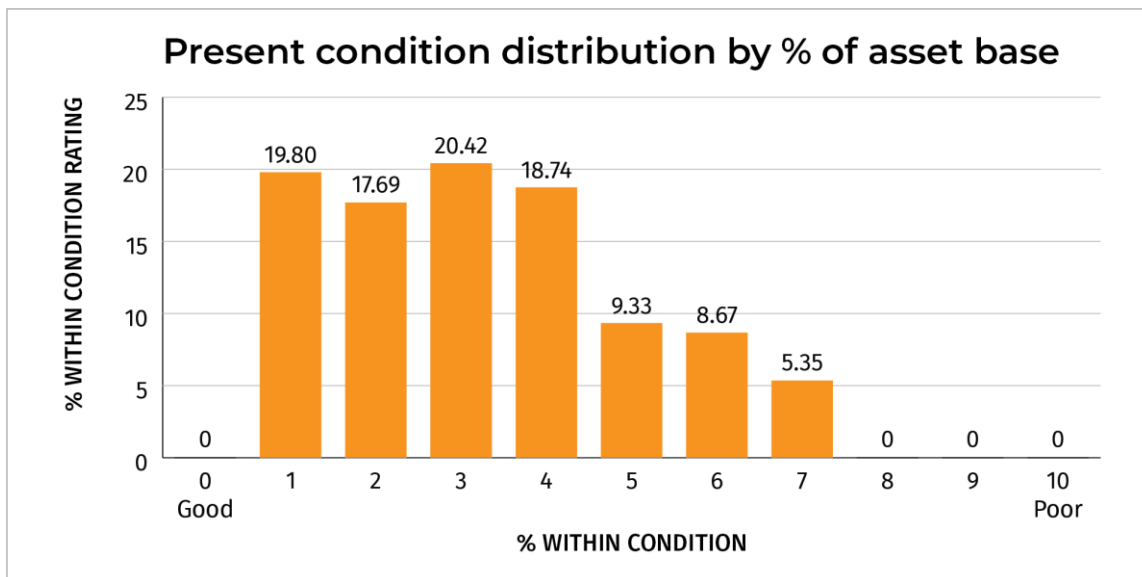
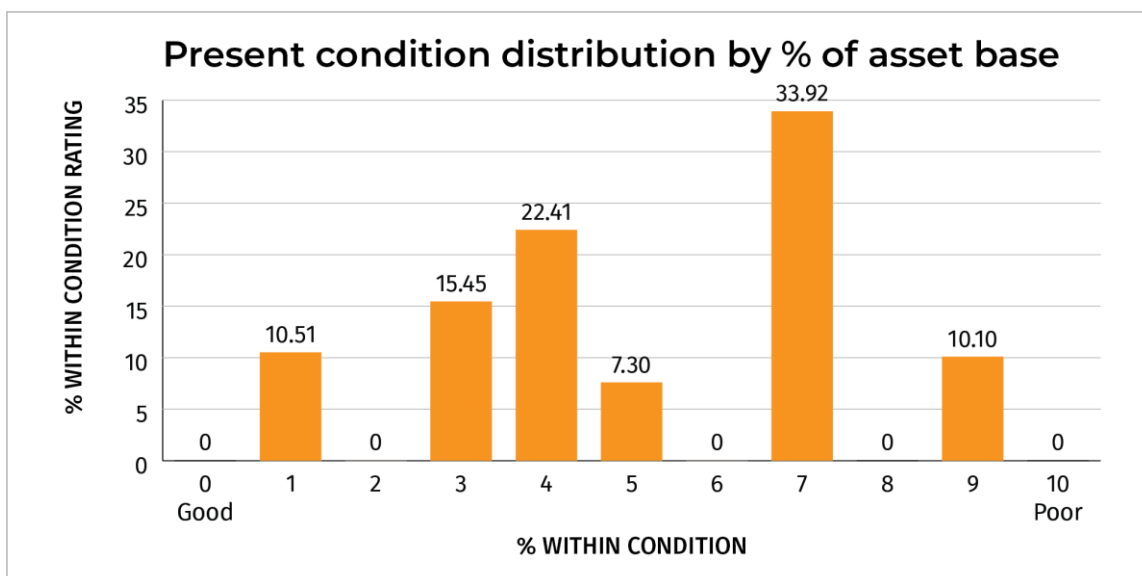


Figure 16: Sporting Oval Condition Profile



5. Challenges

The key challenge faced by Council is to optimise Councils' financial sustainability through better integration of long term financial and service planning while continuing to reduce the asset renewal gap. The main objective of Council's asset management is to maintain an asset portfolio that allows Council to effectively meet current and future demand for services to its ratepayers. Furthermore, the public is expecting more from its assets. The potential for litigation against asset owners and managers is increasing.

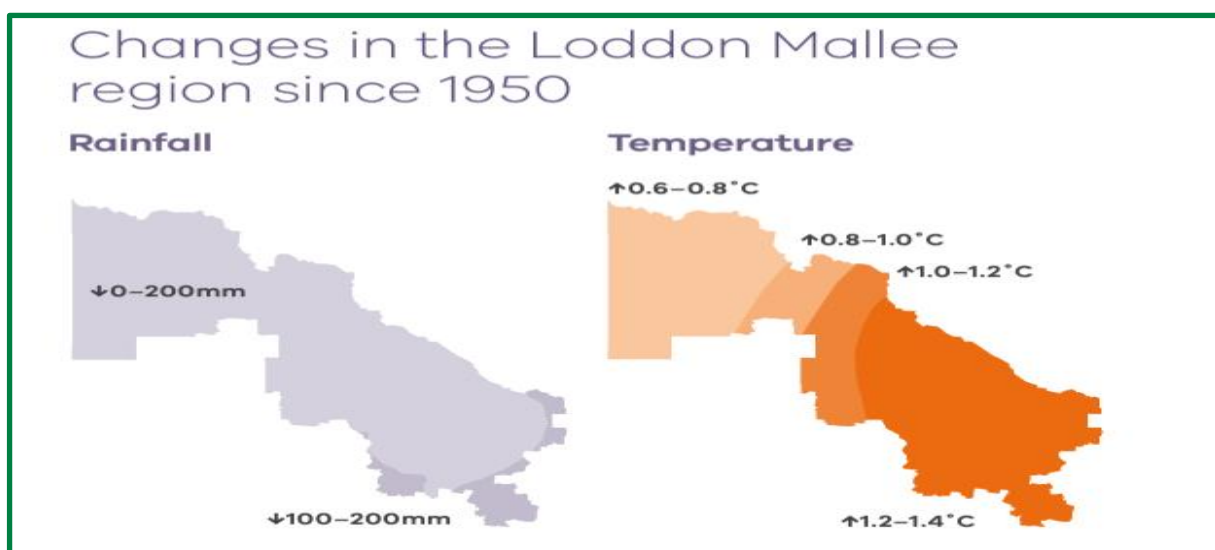
Council is cognizant of these increasing stresses on society so that their assets do not add to adverse impacts on the environment or society. The Asset Plan would consider future impact on Council's ability to meet the community's needs. These challenges also provide opportunities which we can leverage to our advantage. These include Climate Change, demographic changes, emerging technologies and practices, service delivery, community expectations, legislation and code of practices, and ageing infrastructure.

5.1 Climate Change

The Loddon Mallee region has already become warmer and drier – a climate trend likely to continue. Over the past 100 years, global surface air temperatures have risen by almost 1°C. Both the atmosphere and the oceans have warmed. Human activity is also causing climate change, through our release of greenhouse gases from the burning of fossil fuels, land use change and agriculture. Atmospheric concentrations of carbon dioxide are now more than 40% higher than they were before industrialization.

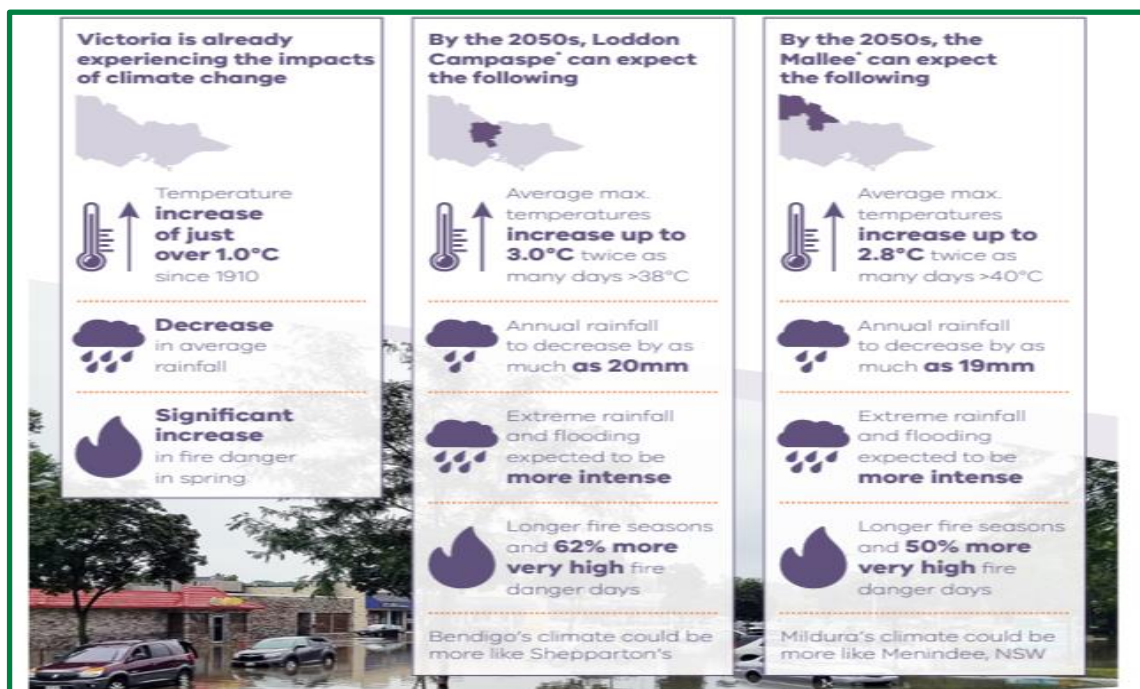
On average, rainfall has declined since the 1960s, especially in autumn. The harsh Millennium Drought (1996 to 2009) ended with two of the wettest years on record in 2010–11.

Figure 17: Changes in the Loddon Mallee region since 1950



Climate projections suggest that Victoria will continue to become warmer and drier in the future. However, natural year-to-year and decade-to-decade variability mean that relatively cooler periods and very wet years will still occur. Because the Loddon Mallee is such a large region with different environmental conditions the climate projections have split the region into the south part of the region, Loddon Campaspe, and the north part of the region, the Mallee.

Figure 18: Climate Comparison



Adapting our assets so they are climate ready and sustainable will require innovative solutions. Modern technologies are already being trialled such as roads constructed using 100% recycled materials, installation of raingardens and water sensitive urban design features, cool road surface treatments and increasing tree canopies for shading.

Council is striving to be one of the carbon neutral councils and has already begun transforming assets. These transformations include streetlights to LED, installing solar systems on large buildings to reduce greenhouse gas emissions and purchasing renewable energy resources. These actions will help mitigate future climate change impacts and ensure that assets are adaptive.

The useful life of horticultural assets-built infrastructure and stormwater drainage systems is likely to be shortened by extreme heat, reduced rainfall, and flooding events. The use of community assets will change to accommodate human impacts of climate change. Changes due to heat could include an increasing demand for 'cool refuges', less outdoor events, or cancellations due to heat, and reduced open space use or pedestrian activity. There will also be an increase the mortality of trees and other vegetation on extremely hot days resulting in urban heat island implications. Increased frequency of extreme rain events will affect the capacity and maintenance of our

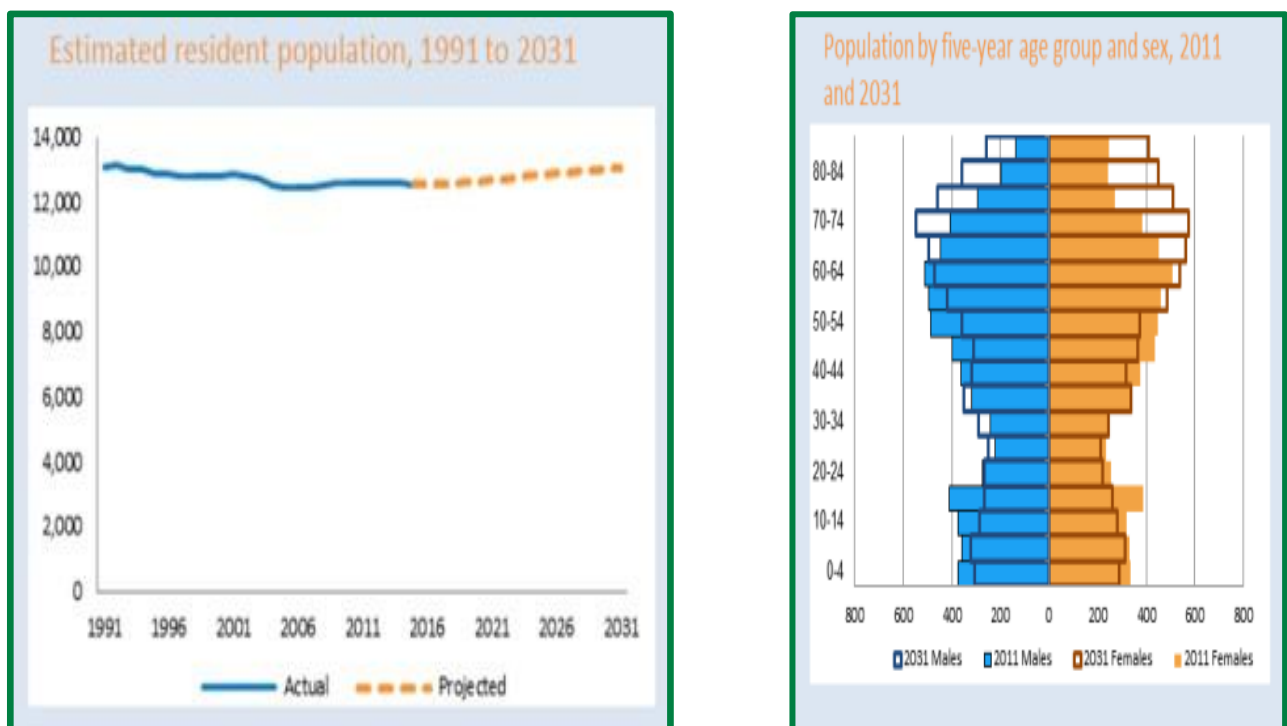
stormwater infrastructure. Increased extreme heat and rainfall will affect our road surfaces and footpaths requiring more frequent maintenance and renewal.

Extensive risk assessment for Council owned assets, understanding community demands and climate change adaption, can provide useful insights to support the sustainable management of assets.

5.2 Demographic Changes

The Central Goldfield Shire (CGS) population is estimated to increase to 13,088 in 2036. Calculating from the Census 2016 data, this is an estimated increase of 0.7% compared with 39.6% for Victoria. The estimate of the growth delineated by age groups shows that CGS growth will be in the 65 and over age group. The annualised population growth rate from 2016-2020 was 0.01%. The trend clearly shows the demand for infrastructure is not expected to increase significantly.

Figure 19: Population Growth



The impacts of this growth on Council are minimal. Council will need to provide more age care services as the growth is significant in the 65 and over age group. There may be less requirement for sporting facilities as there is negative growth in 10-14 and 20-24 age groups.

5.3 Emerging Technologies and Practices

Advancements in technology are reshaping the way Council operates. These changes affect the way Council plans and delivers its services, and by extension assets to the community. These advancements also change the way in which our community engages with us. Technology is embedded in many assets in the control and monitoring systems for buildings, vehicles, swimming pool plants, and photoelectric controls for lights. The changes in technology challenge Council to ensure it keeps pace with modern technologies.

Data is becoming the key component to linking the community, our assets, and Council. Data analysis is what helps to inform many of our asset decisions such as our strategic planning and long-term capital renewal planning. The development of modern technologies opens new and exciting ways of obtaining data and turning it into wisdom and knowledge through sharing and collaboration. These technologies include cloud-based services, the Internet, , smart phones, smart meters, people movement and other sensors.

Access and understanding of the data available and systems to support this, will enable Council to better understand our asset performance and model our future requirements. This data will allow us to better engage with our community and allow them to participate in prioritising and making asset decisions.

5.4 Service Delivery

Sustainable Service Delivery ensures that current community service needs, and how those services are delivered (in a socially, economically, and environmentally responsible manner), do not compromise the ability of future generations to meet their own needs. Communities build and maintain infrastructure to provide services. These services support our quality of life, protect our health and safety, and promote social, economic, and environmental well-being. Failure to care for our infrastructure, manage our natural resources and protect the benefits provided by nature risks degrading, or even losing, the services communities enjoy, and that future generations may rely on.

Sound asset management practices support Sustainable Service Delivery by considering community priorities, informed by an understanding of the trade-offs between the available resources and the desired services. Figure 20 provides a flow diagram for the sustainable service delivery at Council.







Figure 20: Sustainable Service Delivery at Council



5.5 Customer Expectations

The 2020 Local Government Community Satisfaction Survey was coordinated by the Department of Environment, Land, Water and Planning on behalf of Victorian councils. The summary of Council's performance is shown in Table 4.

Table 4 - Summary of Central Goldfield Shire Council Performance

| Services | | Central Goldfields 2020 | Central Goldfields 2019 | Small Rural 2020 | State-wide 2020 | Highest score | Lowest score |
|---|----------------------------|-------------------------|-------------------------|------------------|-----------------|------------------------------|-------------------|
|  | Appearance of public areas | 75 | 75 | 72 | 72 | Women | Dunolly residents |
|  | Art centers & libraries | 71 | 71 | 74 | 74 | 65+ years | 18-34 years |
|  | Recreational facilities | 65 | 68 | 68 | 70 | 65+ years | 35-49 years |
|  | Parking facilities | 62 | 61 | 60 | 55 | Dunolly residents, 50+ years | 35-49 years |
|  | Local streets & footpaths | 51 | - | 57 | 58 | 18-34 years | Talbot residents |
|  | Sealed local roads | 51 | 48 | 51 | 54 | 65+ years | Talbot residents |

Council has largely consolidated the significant gains made in 2019 on overall performance and customer service. This is despite a four-point decrease in overall performance in 2020. Rated performance remains largely in line with 12 months ago across most individual service areas, however ratings have declined significantly on waste management, community consultation and lobbying, particularly among Talbot area residents.

5.6 Legislation and Code of Practice

Changes to legislation and codes of practice can occur with little warning and result in the need to upgrade or replace assets. For example, the National Construction Code sets out the requirement for the design and construction of buildings, including fire protection and egress, plumbing, air quality and energy management. The code was updated in May 2019 and new condensation requirements and changes to the plumbing code from the 2016 edition. New buildings need to comply with the current code and refurbishment of more than 25 percent of an existing building will trigger a current code compliance requirement.

This Asset Plan has not identified any legislation compliance requirements. The key legislation that needs to be considered is detailed in the table 5.

Table 5 – Key Relevant legislations and Code of Practice

| Legislation | Buildings & Facilities | Open Space | Stormwater | Transport |
|---|------------------------|------------|------------|-----------|
| Local Government Act 1989 | ✓ | ✓ | ✓ | ✓ |
| Land Act 1958 | ✓ | ✓ | ✓ | ✓ |
| Building Act 1975 | | ✓ | | |
| Aboriginal Heritage Act 2006 | ✓ | ✓ | ✓ | ✓ |
| Climate Change Act 2017 | ✓ | ✓ | ✓ | ✓ |
| Disability Discrimination Act 1992 (DDA) (Commonwealth) | ✓ | ✓ | ✓ | ✓ |
| Disability Act 2006 | ✓ | ✓ | ✓ | ✓ |
| Emergency Management Act 2013 | ✓ | ✓ | ✓ | |
| Planning and Environment Act 1987 | ✓ | ✓ | ✓ | ✓ |
| Flora and Fauna Guarantee Act 1988 | ✓ | ✓ | | ✓ |
| Road Management Act 2004 | | ✓ | ✓ | ✓ |
| Occupational Health and Safety Act 2004 | ✓ | ✓ | ✓ | ✓ |
| Public Health and Wellbeing Act 2008 | ✓ | ✓ | ✓ | |
| Children's Services Act | ✓ | ✓ | | ✓ |
| Environmental Protection Act 1970 | ✓ | ✓ | ✓ | ✓ |
| Catchment and Land Protection Act 1994 | ✓ | ✓ | ✓ | |
| Water Act 1989 | ✓ | ✓ | ✓ | ✓ |
| Coastal Management Act 1995 | ✓ | ✓ | ✓ | |
| Country Fire Authority Act 1958 | ✓ | ✓ | | |
| Electricity Safety Act 1998 | ✓ | ✓ | | ✓ |
| Wrongs Act 1958 | ✓ | ✓ | ✓ | ✓ |
| Protecting Victoria's Environment – Biodiversity 2037 | ✓ | ✓ | ✓ | ✓ |
| Building Regulation 2006 | ✓ | | | |
| Residential Tenancies Act 1997 | ✓ | | | |
| Domestic Building Contracts Act 1995. | ✓ | | | |
| The Building Code of Australia. | ✓ | | | |
| Community Services Act 1970 | ✓ | | | |
| Children, Youth and Families Act 2005 | | ✓ | | |
| Fisheries Act 1995 | | ✓ | | |
| The Environment Protection Amendment Act 2018 | | ✓ | ✓ | ✓ |
| Marine and Coastal Act 2018 | | ✓ | | |
| Road Safety Act 1986 | | | | ✓ |
| Rail Safety National Law Application Act 2013 | | | | ✓ |
| Rail Safety (Local Operations) Act 2006 | | | | ✓ |

| Legislation | Buildings & Facilities | Open Space | Stormwater | Transport |
|---|------------------------|------------|------------|-----------|
| Subdivision Act 1988 | | | | ✓ |
| Transport Integration Act 2010 | | | | ✓ |
| Commissioner for Environmental Sustainability Act 2003 | ✓ | ✓ | ✓ | ✓ |
| Conservation, Forests and Lands Act 1987 | ✓ | ✓ | ✓ | ✓ |
| Crown Land (Reserves) Act 1978* | ✓ | ✓ | ✓ | ✓ |
| National Environment Protection Council (Victoria) Act 1995 | ✓ | ✓ | ✓ | ✓ |
| Parks Victoria Act 1998 | | ✓ | | |
| Safety on Public Land Act 2004 | ✓ | ✓ | ✓ | ✓ |
| Victorian Conservation Trust Act 1972 | ✓ | ✓ | ✓ | ✓ |
| Victorian Environment Assessment Council Act 2001 | ✓ | ✓ | ✓ | ✓ |
| Victorian Plantations Corporation Act 1993 | ✓ | ✓ | | ✓ |
| Libraries Act 1988 | ✓ | | | |
| Municipal Association Act 1907 | ✓ | ✓ | ✓ | ✓ |
| Municipalities Assistance Act 1973 | ✓ | ✓ | ✓ | ✓ |
| Victoria Grants Commission Act 1976 | ✓ | ✓ | ✓ | ✓ |
| Urban Renewal Authority Victoria Act 2003 | ✓ | ✓ | ✓ | ✓ |
| Valuation of Land Act 1960* | ✓ | ✓ | ✓ | ✓ |
| Property Law Act 1958* | ✓ | | | |
| Environment Effects Act 1987 | ✓ | ✓ | ✓ | ✓ |
| Electricity Industry Act 2000 | ✓ | | | |
| Electricity Safety Act 1998 | ✓ | | | |
| Energy Safe Victoria Act 2005 | ✓ | | ✓ | |
| Gas Safety Act 1997 | ✓ | ✓ | | |
| National Electricity (Victoria) Act 2005 | ✓ | ✓ | | |
| Pipelines Act 2005 | ✓ | ✓ | ✓ | |
| State Electricity Commission Act 1958 | ✓ | ✓ | | |
| Sustainability Victoria Act 2005 | ✓ | ✓ | ✓ | ✓ |
| Victorian Energy Efficiency Target Act 2007 | ✓ | ✓ | ✓ | |
| The Safe Drinking Water Act | ✓ | ✓ | | |
| Commonwealth Water Act 2007 | ✓ | | ✓ | |
| National Water Reform, 1994 | ✓ | | ✓ | |

5.7 Ageing Infrastructure

Today, many of our infrastructure assets are aging and require significant ongoing maintenance, partly because most of our assets were built decades ago. The community's

expectations have increased, including the demand for new and improved services. Our assets are also vulnerable to climate change impacts such as heavier localized storms, extended heatwaves, and other unexpected events. At the same time, new advancements in technology and engineering need to be understood to plan for the future.

Due to the ageing infrastructure, there is more pressure on Council to increase expenditure on maintenance and renewal of their infrastructure assets. Council is required to balance both limited funds and increasing demand for services from residents.

It is important that investment decisions on our infrastructure are based on the ability to fund the upfront capital costs and include allowances for the ongoing operational, maintenance and future replacement costs.

Challenge - To recognize as custodian the need to maintain condition rather than provide for replacement of some assets and therefore develop strategies and plans, which ensure practical asset and financial management solutions for the future treatment of Council's heritage assets.

6. Financial Integration

Integration of the Plan to the Financial Plan is a key principle of Council's strategic financial planning principles. The purpose of this integration is designed to ensure that future funding is allocated in a manner that supports service delivery in terms of the plans and the effective management of Council's assets into the future.

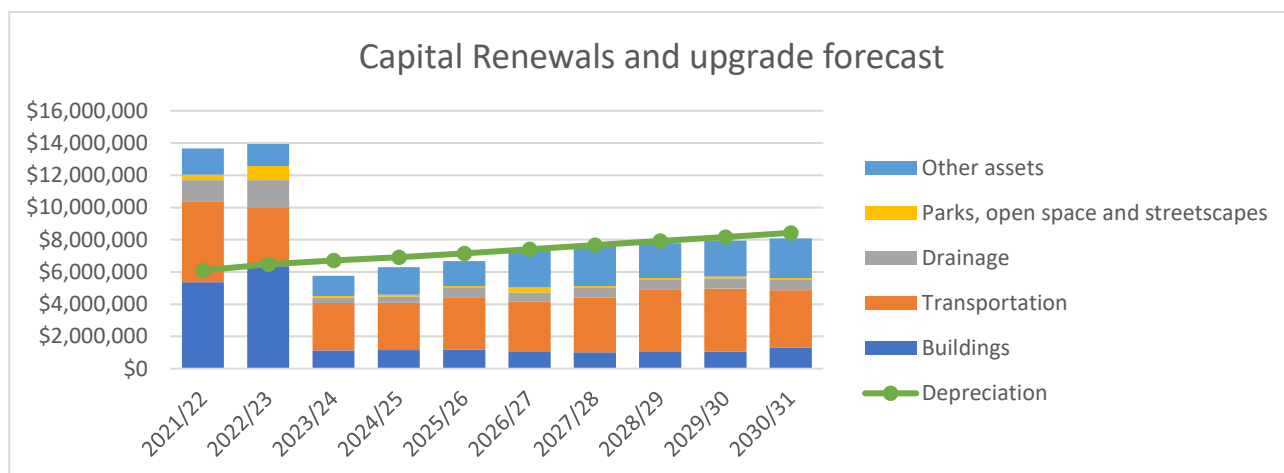
The Plan identifies the operational and strategic practices which will ensure that Council manages assets across their life cycle in a financially sustainable manner. The Asset Plan, and associated asset management policies, provide Council with a sound base to understand the risk associated with managing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

The Asset Plan is designed to inform the Financial Plan by identifying the amount of capital renewal, backlog and maintenance funding that is required over the life of each asset category. The level of funding will incorporate knowledge of asset condition, the risk assessment issues as well as the impact of reviewing and setting intervention and service levels for each asset class.

In addition to identifying the operational and strategic practices that ensure Council manages assets across their life cycle in a financially sustainable manner, the Asset Plan quantifies the asset portfolio and the financial implications of those practices.

Together the Financial Plan and Asset Plan seek to balance projected investment requirements against projected budgets. Figure 22 is 10 – year capital works program which is in alignment with Long Term financial Plan.

Figure 22: Council's 10-Year Capital Works Program



(The renewal amount for 2021/22 & 2022/23 includes special grants projects)

Asset Sustainability

The Asset Plan is designed to inform the Financial Plan by identifying the amount of capital renewal, backlog and maintenance funding that is required over the life of each asset category. The level of funding will incorporate knowledge of asset condition, the risk assessment issues as well as the impact of reviewing and setting intervention and service

levels for each asset class.

Asset Sustainability indicates whether Council is renewing or replacing existing non-financial assets at the same rate as its overall stock of assets is wearing out. It is measured by comparing the renewal/ replacement of assets with the optimal level identified in the Asset Management Plans (AMP) and illustrates whether existing assets are being replaced or renewed at the rate they are being consumed and ensures consistent service delivery as determined by the AMPs. In reviewing our asset management principles, we should strive to renew our assets to ensure we do not push the burden of asset renewal onto future generations.

Overall, our assets are performing reasonably well, however the in past the assets were on renewed at the appropriate time. To improve our sustainability ratio, we have adopted several recovery principles through the 20–21 and 21-22 Budgets which we will implement through our asset management planning.

Our current forecast sustainability ratio for 2021–22 is 220% and the 10-year forecast aims to achieve 100% (average). As we develop our Asset Management Plans and re-baseline our long-term financial plan our forecast sustainability ratio may increase or decrease dependent on demand, while maintaining the 90–110% recommended average. Future condition assessment investigations will enable a review of the asset baseline via the implementation of the Asset Management system and forward predictive modelling.

Asset Sustainability Ratio

The asset sustainability ratio (capital expenditure on replacement/renewal of assets divided by the depreciation expense, expressed as a percentage) is used to approximate the extent to which Council assets are being replaced as they reach the end of their useful life.

A percentage equal to or greater than 90% is generally considered to be appropriate. The intent is to identify if capital expenditure on renewing and replacing assets is close to depreciation on average over time, if so then Council is ensuring the value of its existing stock of assets is maintained.

This performance measure looks at the short to medium term outlook from one to ten years. With most infrastructure assets having long lives, Council will consider this ratio over the longer terms of 20 years or more to identify peaks that occur when large volume or value assets are due for renewal.

Table 6: Central Goldfield Shire Council 10 – year Asset Sustainability Ratio (Target 100%)

| 95% | 98% | 91% | 94% | 99% | 100% | 98% | 97% | 96% | 100% |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 2022–23 | 2023–24 | 2024–25 | 2025–26 | 2026–27 | 2027–28 | 2028–29 | 2029–30 | 2030–31 | 2031–32 |

7. Performance Evaluation and Improvement

7.1 Performance Evaluation

The objectives of the performance evaluation include:

- Achieving Core Level Asset Management initially (IIMM).
- Continuously improving asset management activities and practices towards advanced level where applicable.
- Achieving financial sustainability; and
- Maintaining legislative compliance against the Local Government Act (2020), specifically S92.

The evaluation process includes:

- Undertaking an interview/workshop with asset custodians.
- Conducting a review of the existing Asset Management Plans and supporting documentation.
- Identifying actions that need to be undertaken to achieve 'Advanced' AMP status; and
- Charting these actions into a framework program that demonstrates actions required, the time frames and current progress.

7.2 Internal Audits

At present there is no system in place for the on-going audit of the AMS. This process will need to include the following requirements specific to ISO55001:

- Plan, establish, implement, and maintain an audit program.
- Define the audit criteria and scope for each audit.
- Select auditors and conduct audits who are objective / impartial.
- Ensure that the audit results are reported to management.
- Retain documented information as evidence of the audit; and
- Develop a preventative action, correction action and continuous improvement process and register.

The annual performance evaluation is currently reported within the annual AM Performance Assessment, this document should be revised to include the internal audits and management reviews.

7.3 Management Review

At present there is no system in place for the management review of the AMS. This process will need to review the following in terms of ISO55001:

- Status of actions from previous management reviews.
- External / internal issues that are relevant to the AMS.
- Information on the asset management performance, including nonconformities and corrective actions and monitoring and measurement results.
- Asset management activity.
- Opportunities for continual improvement.
- Changes in the profile of risks and opportunities; and
- Retain documented information as evidence of the audit.

7.4 Improvement Plan

Table 7: Improvement Actions

| Action | Purpose | Timing | Responsibility |
|---|---|--|-------------------------------|
| Asset Management Steering Committee | Establish an Asset Management Steering Committee that has full EMT participation. | Dec 22 | EMT |
| AM Policy and Strategy | Review and update Asset Management Policy and Strategy | Dec 22 | AM Team |
| Asset Management System (AMS) (Functional review) | Undertake a broad assessment of the functionality of key systems (including GIS, the Asset Management System, Document Management System, Financial Management System) to ensure that Council has the IT platform capable of transitioning to a more AM focused business. | Dec 23 | AM Team, Finance Records & IT |
| Conduct Condition assessments | Transport assets Open Space Assets Drainage Assets @5 - 10% pa | 31 Aug 22 30 June 23 | AM Team |
| Develop and Implement Service Levels for each asset class | As part of service planning analysis, define goals, consistently quantify infrastructure requirements/implications, and levels of service to achieve those goals. Incorporate this information into reviews of AMPs. Develop capacity for integrated facility planning. | Buildings - 2023 Transport - Dec 22 Open Space - 2023 Drainage - 2024 | AM Team |
| Review Asset Management Plans (AMPs) for all asset groups | The current AMPs require updating to maintain their currency. Reviewing of AMPs, to have a greater focus on: <ul style="list-style-type: none"> Identifying future asset requirements, in line with service planning. Validation of service levels, in consultation with the community. Advance understanding of the intrinsic relationship between maintenance, and optimized renewal funding. | BAMP 2023 TAMP Dec 22 OSAMP 2023 DAMP 2024 | AM Team |
| Develop an Asset Evaluation Reporting Framework | The AMS would benefit from an improved asset evaluation process to measure and monitor achievement of the annual asset management objectives and to identify the need to modify asset management activities. Risk analysis and scoring could be associated with this task but fundamentally the whole framework needs transparency for all stakeholders. | 2023 (Review once every 2 -3 years) | AM Team |
| Develop service delivery needs | Forecasts future service delivery needs and the capacity of assets to meet those, on a short, medium, and long-term basis. The main objective is to have the Level of Service and Cost to Assets understood, managed, and monitored. | Buildings - 2023 Transport – Dec 22 Open Space - 2023 Drainage - 2024 | AM Team |

