



WHITEHORSE

# Asset Plan

## 2022–2032



## Version History

Version No.	Date	Modified By	Comments
0.1	18 <sup>th</sup> January 2022	Jonathon Merrett	Preliminary draft for initial review
0.2	18 <sup>th</sup> March 2022	Jonathon Merrett & Sumi Prabhakaran	Preliminary draft for AMSC review
0.3	5 <sup>th</sup> April 2022	Jonathon Merrett	Draft for AMSC review
0.4	29 <sup>th</sup> April 2022	Jonathon Merrett	Draft following AMSC Feedback
1.0	19 <sup>th</sup> May 2022	Jonathon Merrett	Finalised Plan for ELT
1.1	27 <sup>th</sup> May 2022	Jonathon Merrett	Finalised Plan for Council

## Document Approval Process

Name	Version No.	Sign-off Type	Date
Asset Management Steering Committee (AMSC)	1.0	Endorsed	19 <sup>th</sup> May 2022
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Council	1.1	Adopted	14 <sup>th</sup> June 2022

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# CEO's Overview

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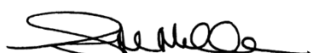
As required under the *Local Government Act 2020*, the Asset Plan 2022-2032 is a key component in Council's integrated strategic planning and reporting framework. This Plan outlines our asset management approach to deliver on the Whitehorse Community Vision 2040 over the next 10 years. This Plan has been developed with input from the Whitehorse community through the Shaping Whitehorse community engagement process. This consultation resulted in the development of a set of guiding principles for sustainable financial and asset management decision making by Council.

This Asset Plan 2022-2032 provides for the ongoing delivery of quality services from our assets and the renewal and improvement of community facilities and infrastructure. It supports the management of all Council infrastructure to ensure that the operation, maintenance and renewal of Council assets is completed in a cost-effective manner, whilst providing a suitable level of service to our community over a 10-year period. The provisions of well managed infrastructure supports the liveability, amenity, and movability of the City making Whitehorse a great place to live.

To ensure our current service delivery is sustained, we need to be able to responsibly and prudently manage our ageing assets which were mainly constructed in the post-war infrastructure boom period. We also need to be able to respond to our other challenges with population growth, changing community demographics, significant cost increases, constrained revenue due to rate capping and climate change.

We have adopted a well-structured approach to the management of our assets to address the above challenges and ensure that we meet the service delivery needs of our community into the future in a sustainable and cost-effective way. Our asset management planning outcomes include a large Capital Works Program, which balances our significant challenges with service delivery from our assets, to ensure long term financial and environmental sustainability.

We will continue to be vigilant in monitoring our asset performance and funding requirements and continue to engage with our community to ensure that the required services are delivered in a sustainable manner over the long-term.



Simon McMillan  
**CHIEF EXECUTIVE OFFICER**  
**WHITEHORSE CITY COUNCIL**

# 1.0 Introduction

## 1.1 Purpose of the Asset Plan

The purpose of this Asset Plan is to:

- Ensure that our assets support the themes and objectives in our Community Vision and Council Plan.
- Better inform the community on the assets under our custodianship, service levels and standards and financial capacity.
- Improve the effectiveness of asset management planning through a more engaged community.
- Embed asset management planning outcomes into our Integrated Strategic Planning and Reporting Framework.
- Demonstrate we will responsibly manage our assets to meet the service delivery needs of our community into the future in a sustainable and cost-effective way.

## 1.2 Strategic Context

Council operates in a complex legislative and policy environment that directly influences the way it does business. The principal legislation in Victoria governing the establishment and operation of Councils is the *Local Government Act 2020*. This Act requires all Councils to develop an integrated, longer-term, and transparent approach to planning organised around a 10 year community vision.

The delivery of services to the community is guided by the Community Vision, Council Plan, Financial Plan, strategies, and policies. These also drive Council's approach to asset management and this Asset Plan is an important part of the integrated planning and reporting framework, as illustrated in the following diagram.

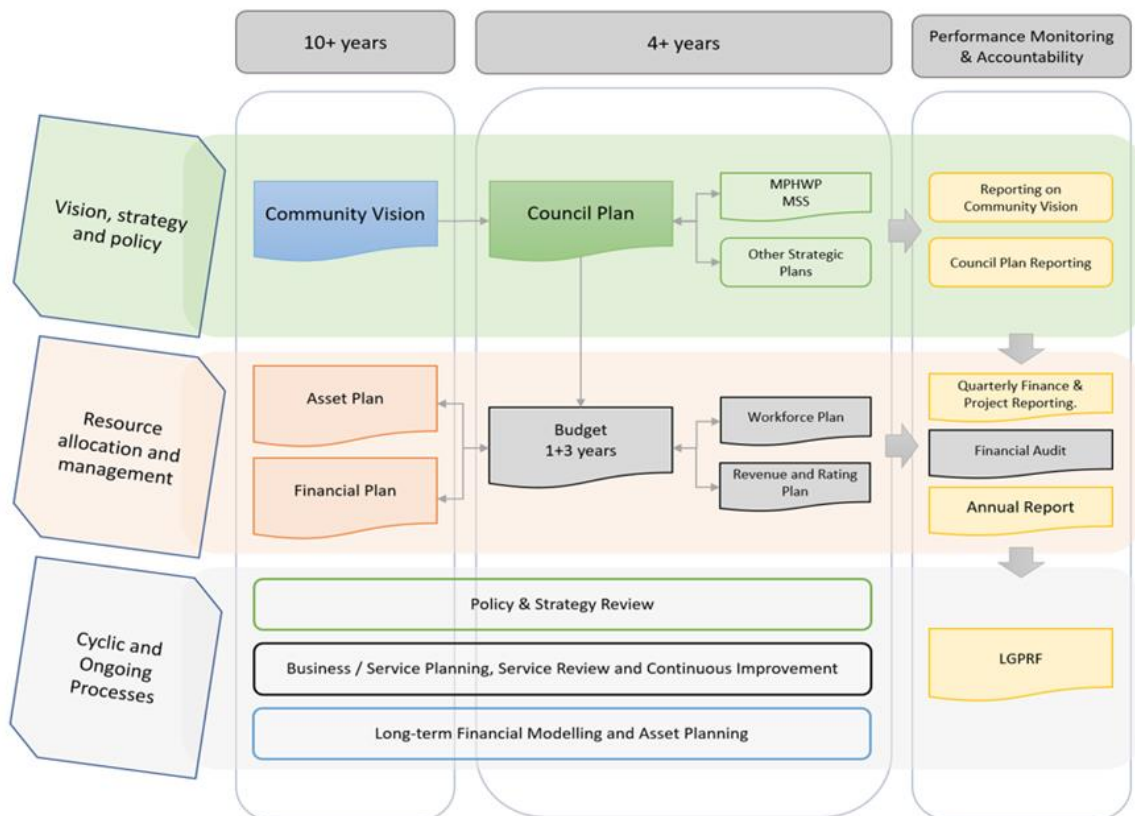


Figure 1-1: Integrated Planning and Reporting Framework

Document	Strategic Purpose
<b>Community Vision</b>	The Whitehorse Community Vision 2040 provides a long-term aspirational view of the community's desired future.
<b>Council Plan</b>	The Council Plan describes Council's strategic directions and priorities for the next 4 years in the context of the Community Vision and other adopted strategies and plans.
<b>Financial Plan</b>	The Financial Plan provides a long-term view of the resources required and funding sources to deliver Council services, initiatives and capital works projects over the next 10 years.
<b>Asset Plan</b>	This Asset Plan, with a focus of over 10 years, provides an outlook of how Council plans to manage the community assets it owns or controls.

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 its stewardship role in appropriately managing the assets it has and aims to fulfil its obligations to future communities to provide sustainable assets and services.

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

## 2.0 Asset Plan Outcomes

### 2.1 Our Assets

Council's assets are valued at \$1.620 billion (excluding land) and represent a significant investment made over many generations. These assets provide for the social, environmental and economic values of the Whitehorse community. A land portfolio valued at \$2.628 billion (at 30 June 2021) comprises of freehold land, leasehold land, reserves and land under roads, underpins the infrastructure base.

The Asset Plan provides guidance on assets (excluding land), which are grouped into the following key asset classes:







Asset Class	Quantity (2021 Annual Report)	Asset Value
 Buildings	364 Buildings	<b>\$622,678,000</b>
 Road Infrastructure Assets	606 km of roads 1232km of kerbing 1175 km of footpaths 32 km of laneways	<b>\$529,238,000</b>
 Drainage Assets	860 km of stormwater drains	<b>\$294,761,000</b>
 Open Space	690 hectares of Open Space 175 playgrounds 53 sports fields 76,000 street trees	<b>\$130,145,000</b>
 Plant & Fleet Assets	Passenger vehicles Major plant and machinery Minor plant and equipment	<b>\$33,478,000</b>
 IT Assets	Software and hardware	<b>\$8,374,000</b>
<b>TOTAL</b>		<b>\$1,618,674,000</b>

Figure 2-1: Asset Values

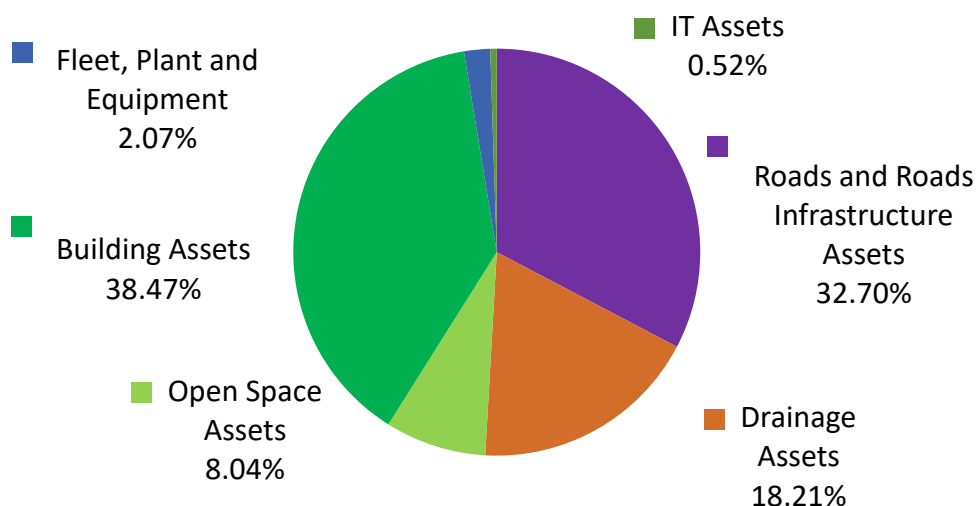


Figure 2-2: Asset Base Split by Asset Value



## 2.2 Council's Role in Managing Community Assets

Council manages a large and diverse asset portfolio that supports the delivery of services to the community. The standard to which assets are managed and improved are a key consideration in the development of the Community Vision 2040 and Council Plan 2021 -2025.

Council's asset portfolio represents a significant investment, made over many generations. This portfolio provides the foundation for the social, environmental and economic values of the community. Stewardship of infrastructure is a core Council function and sound asset management is necessary to enable Council to meet its responsibilities to:

- Provide services to current and future generations
- Provide and maintain community infrastructure within the municipality; and
- Encourage and support the economic and social development of the area.

Council's objective is to provide services that are appropriate, accessible, responsive and sustainable to the community. Council's approach to asset management is to ensure that infrastructure assets are fit for purpose and support the services delivered. Assets also require ongoing management to relevant statutory / regulatory requirements and to ensure they remain safe and serviceable for public use.

This approach is achieved through the implementation of an Asset Management Framework which comprises an Asset Management Policy, Strategy, and individual Asset Management Plans for each asset class.

## 2.3 The Asset Management Framework

The diagram below shows the linkage between Council's strategic objectives and asset planning at the strategic, tactical, and operational levels. Council's asset management framework aims to ensure that a systematic approach to asset management delivers prudent and efficient outcomes to meet both community and asset management objectives.

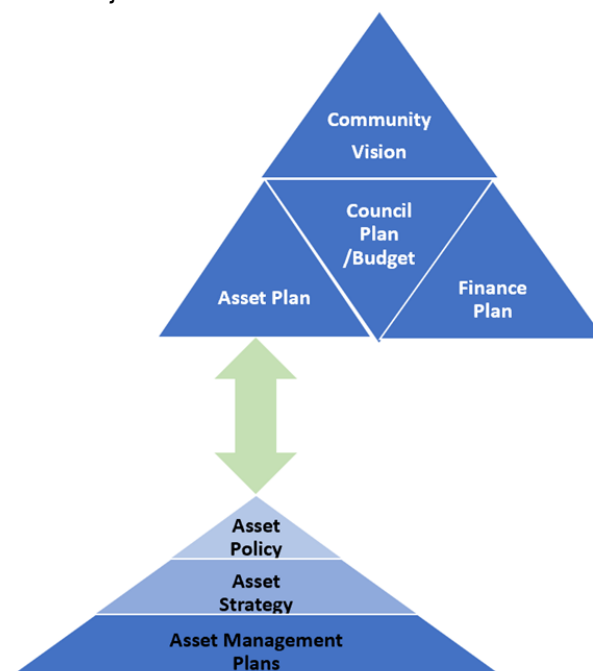
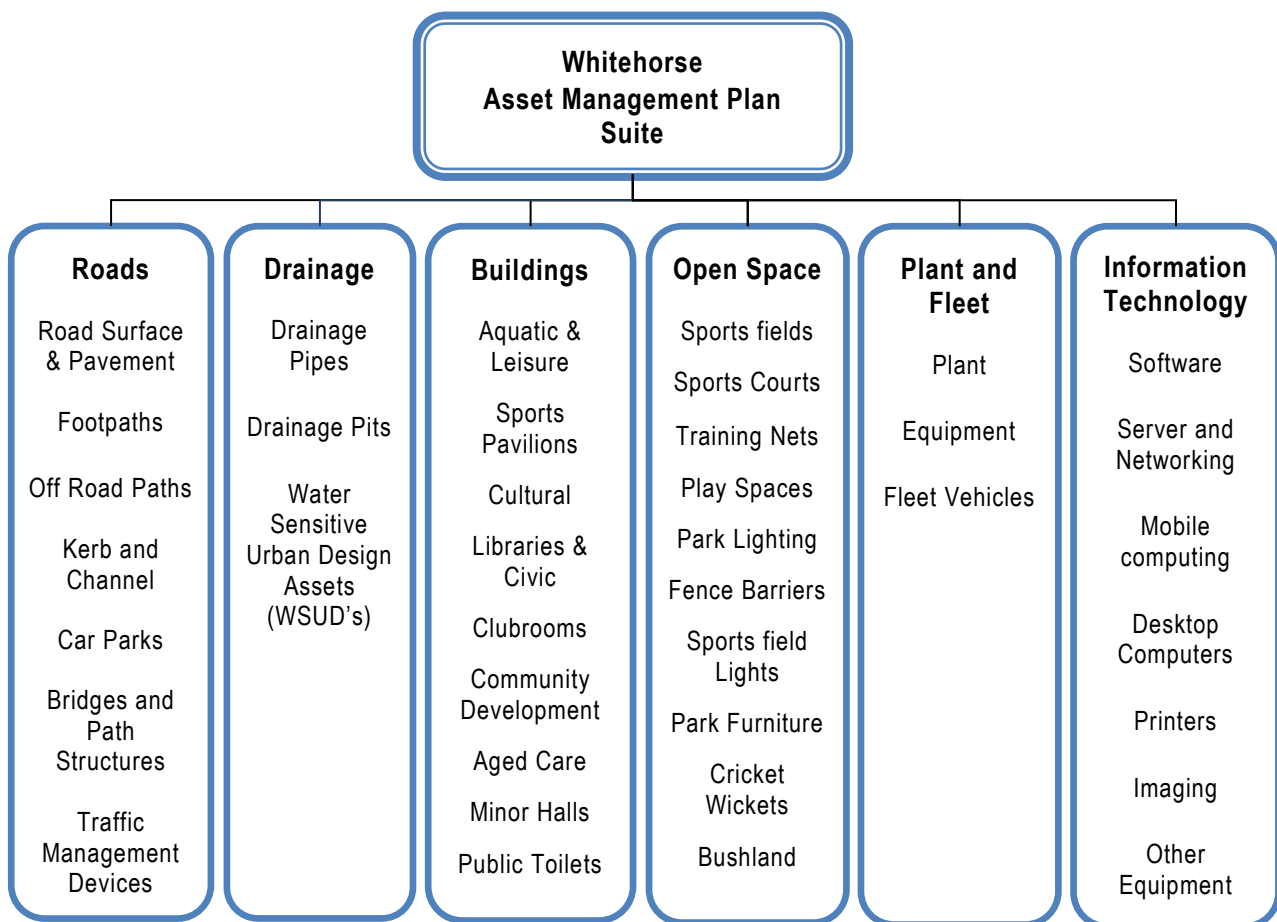


Figure 2-3: Linkages between Council's Key Strategic Plans and Our Asset Management Framework

Document	Strategic Purpose
<b>Asset Management Policy</b>	The Asset Management Policy outlines the key principles that underpin asset management, including the objectives, responsibilities and actions required to implement the vision. It also identifies the strategic planning linkages that are associated with asset management.
<b>Asset Management Strategy</b>	The Asset Management Strategy outlines how Council will deliver the Asset Management Policy intentions. It provides the framework for the ongoing enhancement of asset management practices to deliver sustainable and effective services and achieve organisational objectives.
<b>Asset Plan</b>	The Asset Plan provides a 10 year outlook of how Council plans to manage the community assets it owns or controls. It includes outcomes from deliberative engagement with Shaping Whitehorse community panel to guide Council's asset decisions, needs and activities over the next 10 years.
<b>Asset Management Plans</b>	The Asset Management Plans provide detailed information on how Council intends to manage each asset class to meet the demands of the community into the future.

Council currently has Asset Management Plans for six key asset classes, as illustrated in the diagram below. The key outcomes of each Asset Management Plan have been summarised in this document.



**Figure 2-4: Asset Classes and Asset Management Plans**

## 2.4 Challenges and Choices

### Population Growth

The first challenge besetting Whitehorse City Council over the next 10-20 years is the forecast rise in population growth and dwelling expansion. In 2020, the total population of the City was estimated at 182,171. It is expected to increase by 47,153 people to 229,324 by 2041, i.e.: a combined growth rate of 25%.

	2021	2026	2031	2036	2041
Population	185,300	198,791	210,027	220,039	229,324
Forecast change in population (5yrs)		13,491	11,236	10,012	9,285
Households	69,034	74,582	79,274	83,563	87,523
Average household size	2.62	2.61	2.59	2.58	2.57
Dwellings	72,653	78,588	83,591	88,157	92,347

Figure 2-5: Key population, households and dwelling forecasts 2021 - 2041

An increase in population will place additional pressure on Council's infrastructure and there will be a likely need for assets to be upgraded and expanded to cater for the new growth and changing needs.

#### Population Growth Challenges



- As more apartments, units and townhouses are built, there is more roof cover catching water and therefore producing more water runoff that flows into Council's drainage network.
- With rainfall intensity predicted to increase due to impacts of climate change, the demand on the existing drainage network will be further exacerbated.
- As more high-density developments with smaller living spaces are constructed, a greater demand will be placed on council buildings for social recreation.
- The creation of smaller household yards and more density will place further demand on the use of existing open space for passive recreation as well as sporting grounds for organised sport.

#### Population Growth Choices



Council's Financial Plan commitments are:

- Council will consider the diverse and changing needs of the community.
- Council will undertake cost / benefit analysis that considers financial, environmental and social sustainability outcomes, as well as other intangible community benefits.
- Council will take a future-focused approach to asset management decisions, including multi-use, low maintenance and adaptable assets.
- Council will work strategically and collaboratively with key stakeholders (local/state/federal/private) to share resources and assets.

## Ageing Infrastructure

Approximately 80% of Council's existing assets were originally constructed between 1940 to 1990 as rapid expansion occurred from inner Melbourne eastwards. The growth of the road pavement, drainage and building asset portfolio's (shown in the figure below) is indicative of the overall asset base.

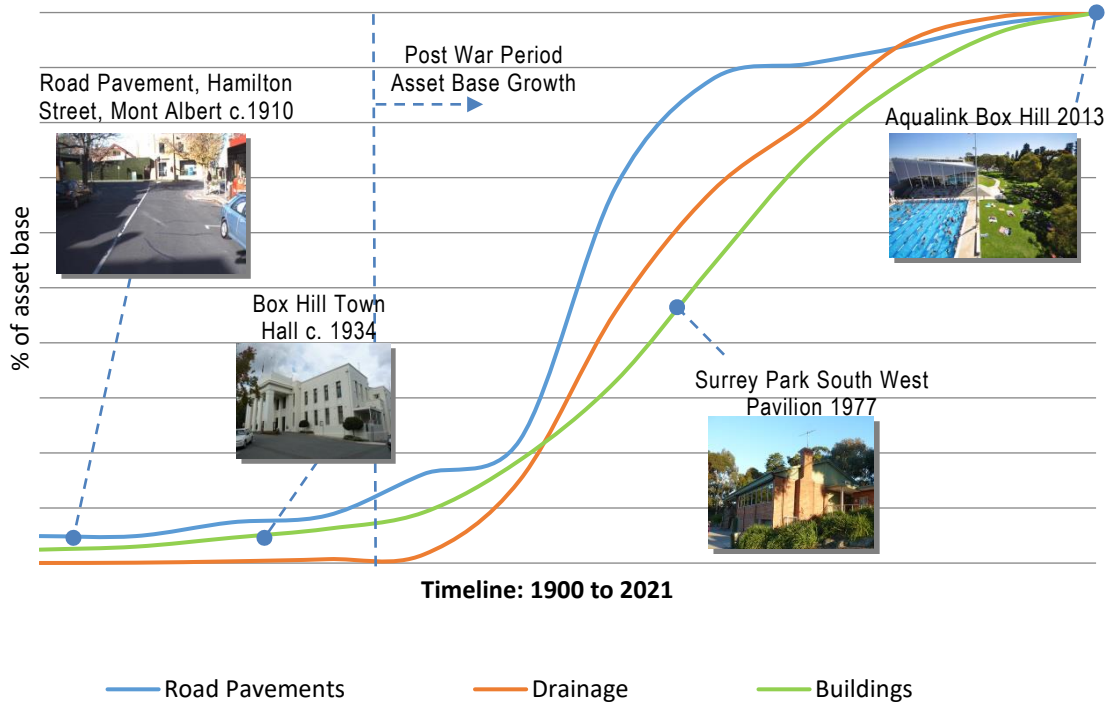


Figure 2-6: Construction history of Council Roads, Drainage and Building Asset Classes

An ageing infrastructure base will place additional pressure on Council's financial position.

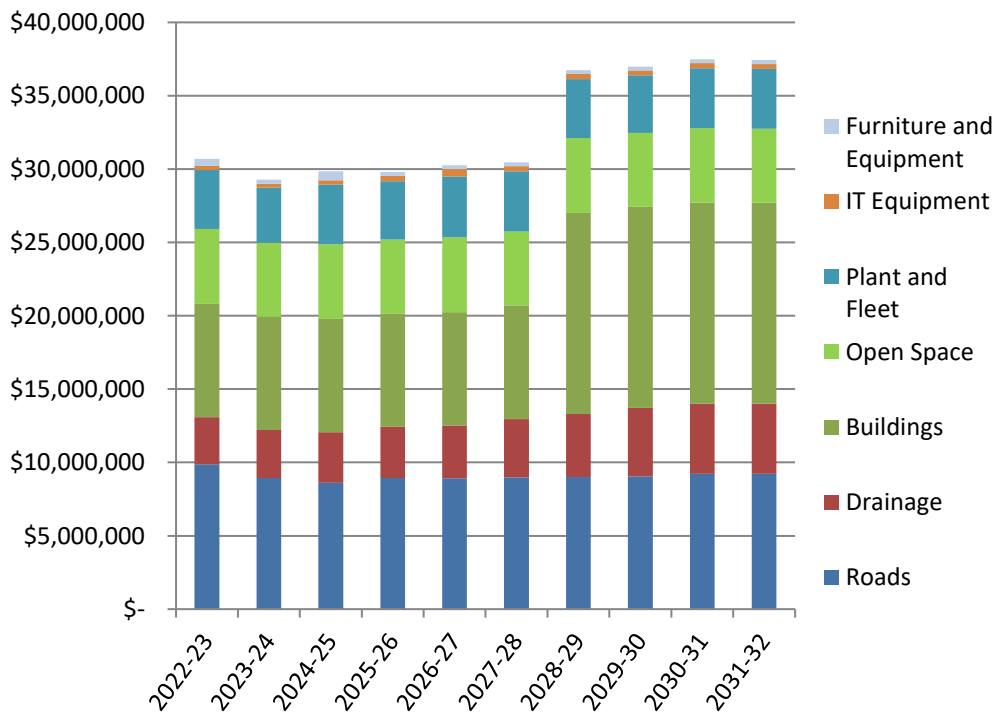


Figure 2-7: Aggregated forward renewal funding demand forecasts

### Ageing Infrastructure Challenges



- Many of these assets are now 60 to 80 years old and are due for replacement. In essence, the infrastructure boom in the post-war period is now followed by a subsequent capital works boom as many of those assets fall due for replacement or renewal around the same time.
- The 10 Year total for the renewal requirements of the six asset classes is currently listed at approx. \$344M, with an average required spend of \$34.4M p.a. This amount equates to 69% of Council's total capital works budget over the next ten years (\$495M).
- The challenge of maintaining ageing infrastructure places a financial obligation on Council that limits the amount of spare funding available to fund new projects. Therefore, Council will need to be selective in what projects are funded as the available funding resources are constrained.

### Ageing Infrastructure Choices



The Asset Management Policy has the following commitments:

- To give priority to asset renewal (including upgrade as appropriate) when making capital investment decisions thereby ensuring Council's existing assets are properly managed to provide acceptable levels of service.
- To adopt a life-cycle asset management approach, incorporating life cycle costing into capital investment decisions.
- To develop effective and affordable preventative maintenance programs aimed at minimising life cycle costs and maximising the service potential of assets

Council's Financial Plan commitments are:

- Council intends to spend in the order of \$740 million to renew and improve community facilities and infrastructure over the next 10 years.
- Council is focused on long term sustainable financial planning and prioritises the renewal of existing assets.

## Rate Capping

In 2015, the Victorian Government established the Fair Go Rates system to limit the amount by which Victorian councils can increase rates in a year without seeking additional approval. This has meant that Councils are unable to raise rates beyond the percentage that is set by the Minister for Local Government. This rate is determined by the Consumer Price Index (CPI) of the previous calendar year and advice from the Essential Services Commission (ESC).

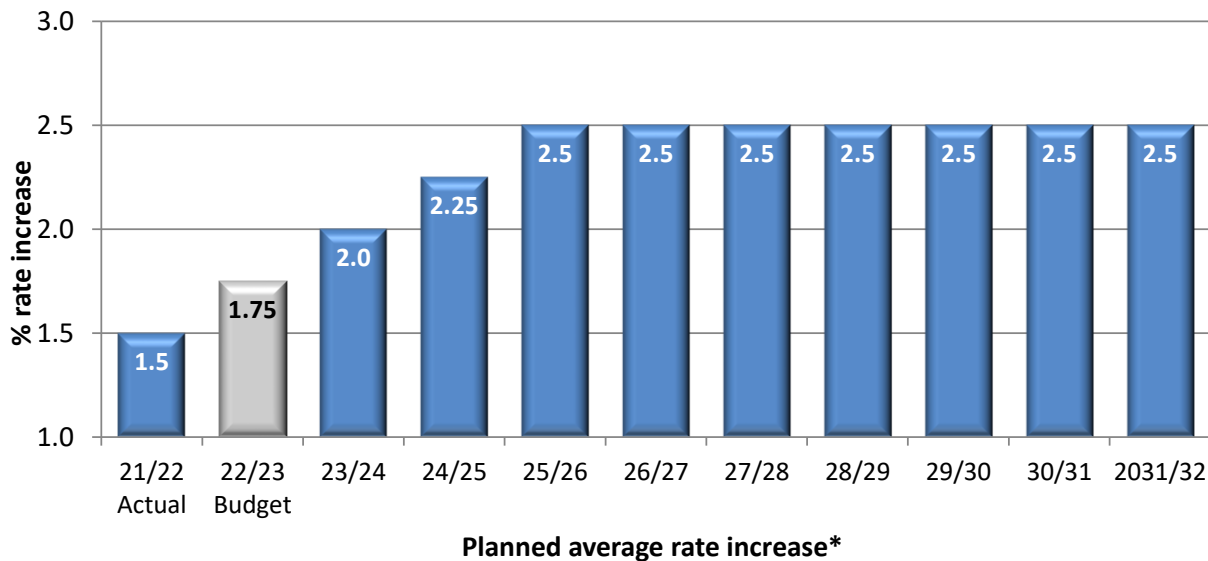


Figure 2-8: Forecast Rate Increases- Whitehorse Financial Plan 2022 – 2032

A rate income that is capped to the rate of CPI places a substantial challenge on Council's ability to sustainably fund its infrastructure commitments.

### Rate Capping Challenges



- CPI is determined by the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It unfortunately does not account for the rise in infrastructure costs and construction materials such as concrete, bitumen, steel, rubber, timber, brick, plaster and so on. These expenses historically have risen much higher than standard inflation.
- The differential between rate increases and material cost increases would be a moot point if Council didn't have to replace anything or build anything new, however the reality is that Council assets have a limited lifespan and do require replacement when they have reached the end of their lifecycle.

### Rate Capping Choices



Council's Financial Plan commitments are:

- The working capital is expected to decrease over the next 10 years primarily reflecting a reduction in cash assets to fund the improvement of Council facilities and infrastructure through the Capital Works Program. Council has built up its cash reserves over recent years for this purpose rather than utilising borrowings. Council's working capital ratio is forecast to remain strong (greater than 100.0 per cent) throughout the 10-year period.
- Council uses the Victorian Auditor General's financial sustainability indicators to monitor financial sustainability

and aims to achieve an overall low risk rating over the period of the Financial Plan.

- Council will balance the community's needs and ensure that Council continues to be financially sustainable in the long term.
- Council will maintain a strong cash position for financial sustainability.
- Council will achieve efficiencies through targeted savings and an ongoing commitment to contain costs via the new Transformation process.
- Council will provide a framework to deliver balanced budgets including sustainable annual underlying surpluses.
- Council will raise and utilise funds in an ethical and equitable way.

### Climate Change

The global impacts of climate change and the need to reduce greenhouse gas emissions is well documented and communicated by the Intergovernmental Panel on Climate Change.

The local impacts of climate change are not in isolation to this, where Council must consider these climate hazards when planning, building and maintaining its asset portfolio.

Local government has a legislative responsibility to ensure these climate risks are considered.

Legislation	Responsibilities in relation to Climate Change
<b>Local Government Act 2020</b>	Section 9 of the Act includes the overarching governance principle that "the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted."
<b>Climate Change Act 2017</b>	Section 17 requires councils to have regard to climate change in preparation of their municipal public health and wellbeing plans.

In conjunction with the other identified challenges such as population growth, ageing infrastructure, and rate capping, Council must also consider the associated impacts of climate change into the future.

### Climate Change Challenges



- Increase in average temperatures and solar radiation exacerbated with increased hard surface area from properties and infrastructure, impacting human health and wellbeing, local ecosystems.
- Increase in intensity and frequency of extreme heat, impacting on the vulnerable communities and how they access and utilise Council assets.
- Decrease in annual rainfall and more intense and frequent severe weather events (e.g. flash flooding and storm surges), impacting on the condition and current and future assets.
- Decrease in canopy cover on private and public land, its contribution to the heat island effect, impacting community health and wellbeing, increasing dependence on heating and cooling of building assets and loss of local habitat and connectivity of flora and fauna.
- Finding new and alternative technologies to ensure assets are constructed and maintained at low or zero emissions and/or enhances the current natural local environment.

### Climate Change Choices



- Include climate change risks (not limited to the above) into Asset Management Plans, including asset audits to improve on the assets' climate resilience, resource efficiency and functionality.
- Consider wider application and functionality of Council assets to service, in particular the vulnerable communities during extreme weather events.
- Ensure Council assets are designed, constructed and maintained with environmental sustainable design principles and climate change vulnerabilities addressed within the specifications.
- Council to work strategically and collaboratively with key stakeholders (local/state/federal/private) to share resources and establish capacity building to integrate climate change mitigation, adaptation and systemic actions in Council's infrastructure planning.



## The Overall Challenge

Therefore, the overall challenge for the management of Council's assets can be summarised in the statement below.

*“On one hand we have a growing population that requires new and expanded assets and on the other we have an existing asset base that requires renewal and upgrade funding; and only a limited budget to spend with in an ever changing environment.”*

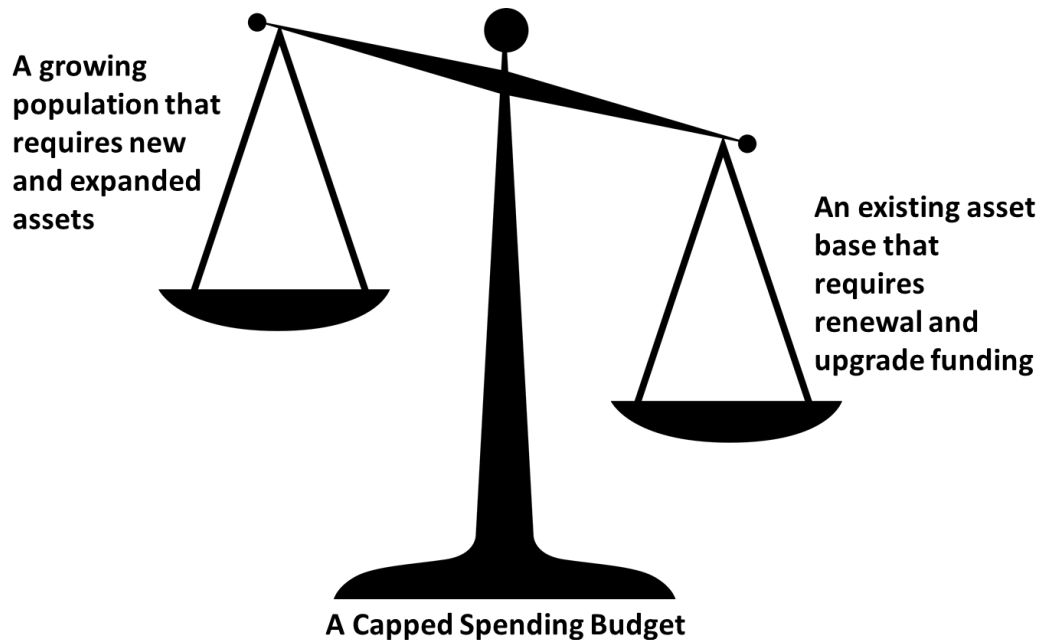








Figure 2-9: Illustration from Shaping Whitehorse Community Panel Presentation, June 2021

Council, in the foreseeable future, is faced with a delicate balancing act of addressing the asset demands from population growth and climate change while at the same time ensuring that the existing asset base is renewed to an appropriate level.

## 2.5 State of Our Assets

As per our Asset Management Plans, the current overall performance of each asset class is listed below.

 <p><b>Building Assets</b></p>	<p>In 2020/21, 90% of buildings were at or above the desired condition level. Buildings are currently funded to sustainable levels and the asset portfolio has historically been well maintained. However future modelling predictions are pointing to a substantial increase in renewal funding for years 2026/27 to 2032/33 due to a large portion of buildings reaching the 40-60 year mark.</p>
 <p><b>Road Assets</b></p>	<p>In 2020/21, 98.5% of road seal assets are at or above the desired condition level. While roads have been determined to be in very good condition, over the long term the Pavement Condition Index (PCI) is deteriorating. In order to reverse this trend, a review of the level of service is required to determine what state of roads Whitehorse will accept into the future.</p>
 <p><b>Drainage Assets</b></p>	<p>Current renewal funding levels will need to be reviewed over time. Significant residential infrastructure growth (e.g., multiple townhouses, units on an original house block etc.) and the effects of climate change are anticipated to place a much higher demand on the capacity of the drainage network. Further analysis is required to determine the exact limitations of the network.</p>
 <p><b>Open Space Assets</b></p>	<p>Historically there has been under funding evident in the majority of Open Space asset types with a renewal funding shortfall of \$1.2 million p.a. identified. In 2020/21 77% of open space assets are at or above the desired condition level. Adopting the required funding levels will see a stabilisation in the levels of service i.e., condition, whereas current levels will see a drop in service delivery.</p>
 <p><b>Plant &amp; Fleet Assets</b></p>	<p>For fleet assets there is a projected increase in renewal funding requirements for passenger vehicles that is projected to require additional funding from the capital works program. We will need to investigate a range of options to lessen the financial impact. Meanwhile operations and maintenance expenditure has generally increased in line with CPI trends.</p>
 <p><b>IT Assets</b></p>	<p>Operations and maintenance expenditure is a major component of the overall expenditure of IT assets and has generally increased according to industry trends. Rolling asset replacement programs have previously fallen behind due to resource levels and financial constraints.</p>

Council will also continue to review and optimise its land portfolio to ensure its suitability and relevance for supporting infrastructure service delivery.

Service planning will be introduced to gain a better understanding of the current and future service delivery needs of the community. This will also include a more in-depth assessment of the assets required to deliver Council's services to ensure they meet the needs of the community, now and into the future.

## 2.6 Guiding Principles and Priorities

### Community Engagement and Guiding Principles

This Asset Plan has been developed in accordance with the deliberative community engagement requirements of the *Local Government Act 2020* and with Council's Community Engagement Policy, which was adopted in February 2021.

The following guiding principles have been developed in collaboration with the Whitehorse community through the Shaping Whitehorse community engagement process. This consultation was conducted via an online survey, pop up events, focus groups and a deliberative community panel. Council worked directly with the community panel to ensure their views and aspirations were considered in developing a set of guiding principles for the future financial and asset management decisions faced by Council.

The principles initially recommended by the community panel have been further refined by Council officers and Councillors as indicated in the table below and have been considered in the development of Council's Financial Plan and this Asset Plan.

10 Guiding Principles for Sustainable Financial and Asset Management Decisions	
<b>Plan</b>	Council is focused on long term sustainable financial planning and prioritises the renewal of existing assets
	Council will consider the diverse and changing needs of the community
	Council will undertake cost / benefit analysis that considers financial, environmental and social sustainability outcomes, as well as other intangible community benefits
	Council's approach to decision making should be evidence-based and assessed for ongoing improvement.
	Council will acknowledge the benefits of community contributions, including volunteerism and social enterprise.
<b>Engage</b>	Council will continue to involve the community in decision making and be transparent through improved communication and engagement
<b>Implement</b>	Council will take a future-focused approach to asset management decisions, including multi-use, low maintenance and adaptable assets
	Council will work strategically and collaboratively with key stakeholders (local/state/federal/private) to share resources and assets
	Council will raise and utilise funds in an ethical and equitable way
<b>Report</b>	Council will apply a systematic approach to measuring success and reporting on outcomes

Figure 2-10: WCC Financial and Asset Management Guiding Principles

### Asset Investment Strategy

As custodians of community assets, Council will provide assets to enable a healthy, vibrant, prosperous and sustainable community. Council's commitment to being future-focused has highlighted the need to improve liveability, sustainability, resilience, promote social inclusion and strive for increased economic growth.

This will be enabled by using the above guiding principles in conjunction with the following asset management principles to guide asset investment strategy and achieve the strategic objectives:

- Continue to prioritise the renewal of ageing infrastructure
- Continue to optimise asset life and costs through timely and effective maintenance
- Continue to deliver appropriate levels of service
- Manage impacts of growth and land use changes
- Manage asset resilience to climate change impacts

- Continue to comply and meet all relevant legislative requirements
- Provide long-term affordable and sustainable services.

Since 2013, Whitehorse City Council had made a foundational commitment to prioritise the renewal funding of its existing infrastructure base before allocating funds to any new, upgrade or expansion projects. The reason for this commitment is based on the logic that “one cannot afford to build new or expand or if they cannot afford to look after what they already own.”

As a result, the funding of renewal for existing assets has been allocated the highest priority in the annual Capital Works Program. Approximately 75% of our Capital Works Budget is spent towards renewal, whereas 25% is spent on upgrade, expansion, and new works.

This commitment ensures that Council’s existing asset base is managed responsibly and appropriately into the future.

## 2.7 Financial Integration

The integration of the Asset Plan and the Financial Plan is critical to ensure the resources required to manage assets to agreed levels of service are provided for, in a financially sustainable manner.

The Financial Plan addresses some significant cost challenges over the coming years, and balances this with disciplined cost management to ensure the continuation of Council’s strong financial sustainability into the future.

It ensures the provision of high-quality services and infrastructure into the medium and longer term by:

- Increasing Council’s commitment to sustainable asset renewal and maintenance of the community’s assets
- Ensuring that rate and fee increases are both manageable and sustainable
- Providing a framework to deliver balanced budgets with sustainable annual underlying surpluses.

### Expenditure Categories

The next 10 years requires a significant investment in assets to ensure they are managed responsibly and appropriately. This investment in asset maintenance and renewal is to be balanced by investment in new and expanded assets to meet current and future demand across the municipality. The asset investments will be funded by a mix of rates, reserves and external funding sources including grants.

Spending on assets is categorised in the table below. Categorising expenditure in this way helps to plan and prioritise budgets and track how money is allocated to assets and services.

Expenditure Category	Expenditure Type	Activity	Description
Recurrent	NON-DISCRETIONARY	Maintenance	Ongoing routine work required to keep an asset performing at the required level of service.
		Operations	Recurrent expenditure that is continuously required to operate the assets for service delivery
Renewal	NON-DISCRETIONARY	Renewal	Returns the service potential or the life of the asset up to that which it had originally
Growth	DISCRETIONARY	Upgrade	Enhancements to an existing asset to provide a higher level of service or increase life to beyond its original life
		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.

Figure 2-11: Asset Expenditure Categories

## Capital Works Program

Council's Financial Plan has a funding provision in the order of \$740 million to renew and improve community facilities and infrastructure over the next 10 years.

Currently the Capital Works Program foreshadows the expenditure of \$495 million. These are focused on non-discretionary infrastructure renewal programs and a range of discretionary projects relating to upgrades and expansion of existing assets or construction of new assets.

The Asset Plan is based on current service levels, strategies and plans, whilst the Financial Plan represents an additional funding provision in the order of \$245 million, for major strategic projects that may be required to further improve the services delivered and meet the changing needs of Council's growing community base. Council will include the addition of major strategic projects into its Capital Works Program subject to a successful business case and the availability of external / internal funding.

The foreshadowed expenditure of the Capital Works Program indicates that 75% of projects relate to renewal programs (\$371 million). This allocation aligns with the principle of giving priority to asset renewal when making capital investment decisions, thereby ensuring existing assets are properly managed to provide acceptable levels of service.

The expenditure on discretionary projects is approximately \$124 million over 10 years (or \$12.4 million average per annum). It must be noted that for these discretionary projects, approximately \$75 million is funded by non-rate revenue, such as government grants and Council development reserves.

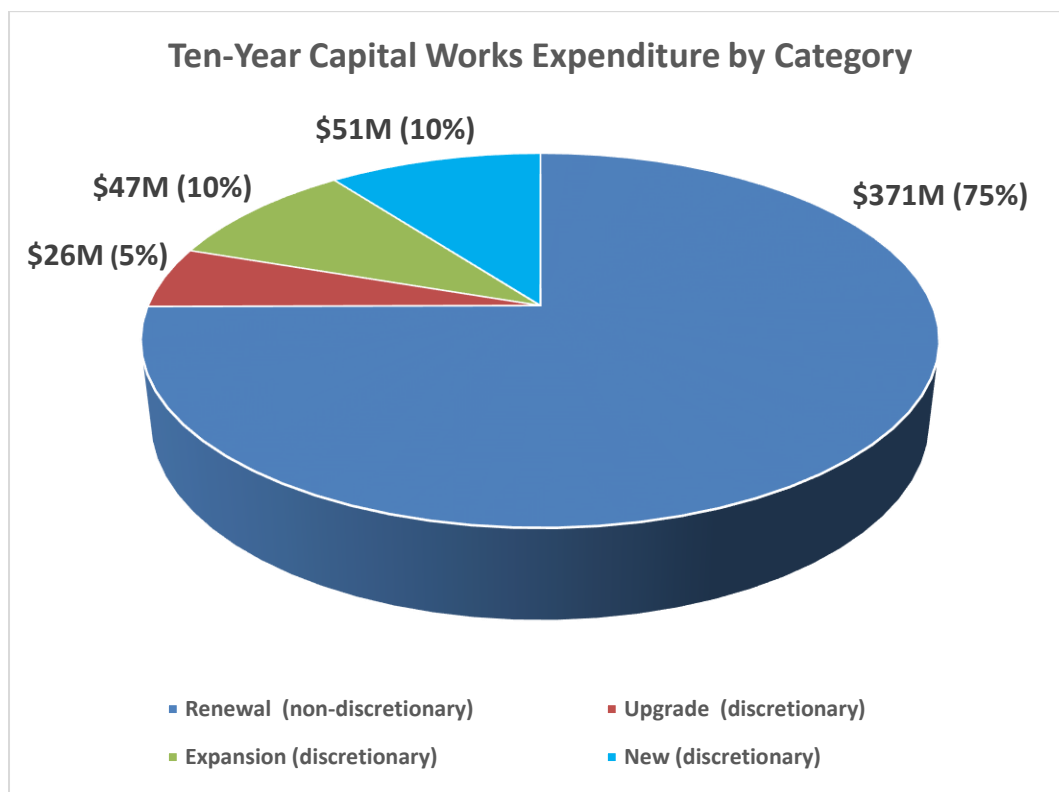


Figure 2-12: Ten Year Capital Works Expenditure by Category

Some of the key discretionary projects funded over the ten-year period include the redevelopment of:

- Whitehorse performing arts centre
- Sportlink Multi-Purpose Facility
- Morack Golf Course
- Sporting Pavilions (12 No.)
- Streetscape in the Box Hill Central Activities area
- Strategic Land Acquisitions for new Open Space.

Funds have been allocated to these discretionary projects to ensure:

- Adequate open space and active recreation facilities to cater to the needs of the increased population and medium density housing developments anticipated in our municipality.
- Expansion of sporting facilities to support greater female participation.
- Improved and equitable access to transport, pedestrian and shared path networks.
- Appropriate climate adaptation strategies to protect our assets.

## 2.8 Financial Projections

The projected expenditure requirements for our Council’s assets over the next 10 years have been determined based on the affordability assessments made in the Financial Plan and the projected costs from the six Asset Management Plans. These projections represent the investment that is required to maintain our existing levels of service. The costs represented include both capital and operational expenditure. Please note that this does not include \$5.8 M capital expenditure for Furniture & Fittings.

The following graph shows the planned expenditure across the assets as per the Capital Works Program over the next 10 years. Year 2022/23 includes the Whitehorse Performing Arts Centre project (\$47.9M).

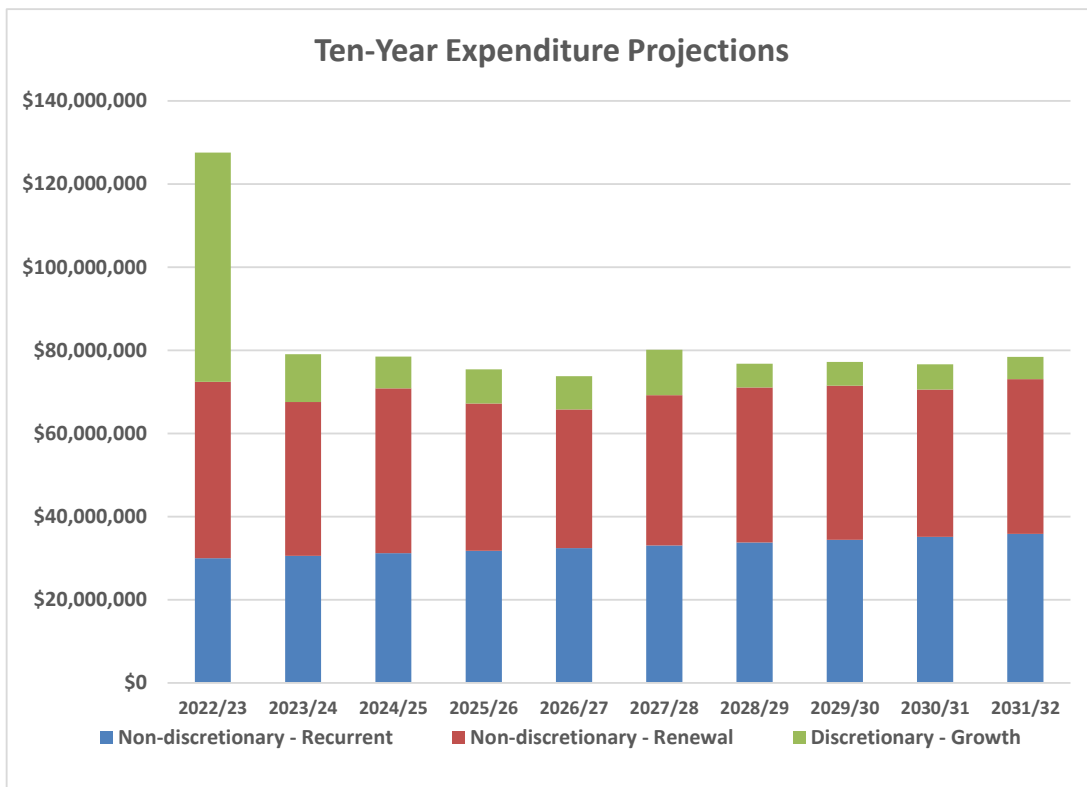


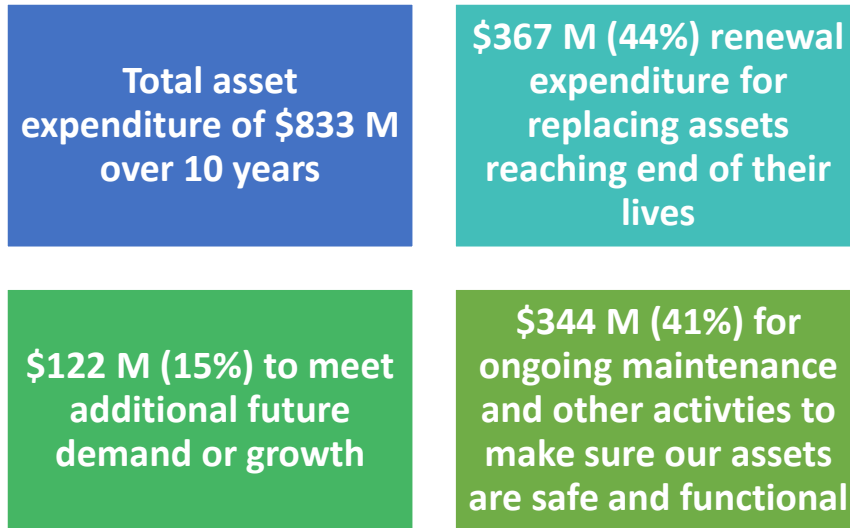
Figure 2-13: 10 Year Asset Expenditure Forecast

The following table summarises projected expenditure for the 6 major asset classes over the next 10 years. Please note that this does not include \$5.8M capital expenditure for Furniture & Fittings:

Asset Class	Recurrent (\$'000)	Renewal (\$'000)	Growth (\$'000)	Total (\$'000)
Building Assets	\$64,289	\$98,050	\$59,160	\$221,499
Road Infrastructure Assets	\$52,317	\$95,047	\$13,266	\$160,630
Drainage Assets	\$14,499	\$43,623	\$3,685	\$61,807
Open Space Assets	\$141,556	\$73,689	\$37,772	\$253,017
Plant & Fleet Assets	\$31,119	\$43,446	\$60	\$74,625
IT Assets	\$40,298	\$12,909	\$8,532	\$61,739
<b>Total</b>	<b>\$344,077</b>	<b>\$366,764</b>	<b>\$122,475</b>	<b>\$833,316</b>






Table 2-14: 10 Year Asset Expenditure Projections by Asset Class

In summary Council has planned for:



**Figure 2-15: Summary 10 Year Asset Expenditure Projections**

The estimates included in this Asset Plan are for the projected asset costs cover the planned asset activities in the next 10 years. All renewal funding requirements identified for each asset class have been allocated in the Financial Plan and therefore no asset funding gap currently exists. However, funding projections are always subject to change for the following reasons.

<b>Potential Factors</b>	
	If there is an increase to the rate of asset deterioration
	If there is a change to the level of service required by the community
	If there is a major change to the cost of materials and services
	If there is a change to the amount of assets that Council decide to own
	If there are additional assets transferred from State or Federal Governments

**Figure 2-16: Potential factors affecting Funding Projections**

The cost projections for our assets will require vigilant monitoring and further analysis to always ensure that Council is funding the portfolio appropriately. Funding requirements may potentially change in the future to continue with the same level of service that is currently provided to the community and adjustments may be required to both this Asset Plan and the Financial Plan.



## 2.9 Key Projects






As per the Capital Works Program for 2022-2032, the key projects for each asset class are listed below.

 <p><b>Building Assets</b></p>	<p>Building Renewal Programs \$48.4M            Redevelopment of the Whitehorse performing arts centre \$47.9M            Sports Pavilion Upgrade Program \$45.4M            Sportlink Multi-Purpose Facility Redevelopment \$5.7M</p>
 <p><b>Road Assets</b></p>	<p>Road Renewal Programs \$50.1M            Footpath Renewal Program \$27.7M            Multiple Streetscape Upgrades \$15.2M            Box Hill Integrated Transport Strategy Implementation \$6.2M            Pipetrack Shared Path Upgrades \$1.7M</p>
 <p><b>Drainage Assets</b></p>	<p>Stormwater Drainage Renewal Program \$35.5M            Stormwater Drainage Upgrade Program \$4.6M            Drainage Pit Lid Renewal Program \$2.4M            Stormwater Management Infrastructure Renewal Program \$1M</p>
 <p><b>Open Space Assets</b></p>	<p>Strategic Land Acquisitions for new Open Space \$30M            Sports Field Renewal Programs \$24.4M            Play Space Renewal Program \$19.5M            Park Furniture Renewal Program \$5.4M            Elgar Park North East Sports Field Upgrades \$2.6M</p>
 <p><b>Plant &amp; Fleet Assets</b></p>	<p>Motor Vehicles Renewal Program \$20.8M            Heavy Plant Renewal Program \$19.3M            Minor Plant Renewal Program \$0.6M</p>
 <p><b>IT Assets</b></p>	<p>End User Device Renewal Program \$7.4M            IT Infrastructure Upgrade Program \$4.5M            Mobile Device Renewal Program \$2.3M            IT Disaster Recovery Implementation (Hardware &amp; Software) \$2.2M</p>

## 2.10 Financial Performance Indicators

### Asset Management Financial Performance Indicators

In closing, the following performance measures demonstrate that over the next 10 years we are investing in our assets in a financially sustainable manner and ensuring that levels of service to the community are maintained. This is demonstrated by the total expenditure forecast over the 10 year period as per below.

	Measure	Target#	Forecast (Over 10 Year Period)
	Asset renewal funding ratio (proposed renewal budget over 10 years/forecast renewal budget over 10 years)	90% to 110%	106.4%
	Asset Sustainability Ratio (renewal funding vs depreciation)	90% to 110%	98.1%
	Asset Renewal and Upgrade Expenditure as a percentage of depreciation	>100%	105.0%
	Lifecycle cost indicator (proposed 10-year lifecycle financial plan/forecast 10-year lifecycle costs)	90% to 110%	102.7%
	Total capital expenditure over depreciation in Financial Plan	>1.5	1.99
	Infrastructure per head of municipal population	\$6468.41*	\$5179.50**
	Population density per length of road	303.15*	283.73**

**Figure 2-17: Performance Indicators for the period 2022-2032**

# Financial Targets sourced from Whitehorse Financial Plan and Local Government Victoria Asset Plan Guidance Document

\* Current comparative figures for similar Councils

\*\* Current statistic for Whitehorse City Council (does not include 10-year projections)



## ACKNOWLEDGEMENT OF COUNTRY

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Whitehorse City Council acknowledges the Wurundjeri Woi-wurrung people of the Kulin Nation as the traditional owners of the land. We pay our respects to their Elders past, present and emerging.

## CONTACTING COUNCIL

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