Gunnedah Shire

Buildings Asset Management Plan

November 2024

Document Control

Buildings Asset Management Plan					
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In presenting this document to the community, Gunnedah Shire Council acknowledges the Kamilaroi Nation as the traditional Custodians of the Land on which we live and work. In doing so, Council pays its respect to all Elders both past and present as well as to the young Indigenous leaders of tomorrow.

Contents

Background

Asset Management Plans are important documents which help us to plan and invest wisely to maintain our assets and infrastructure so we can continue to deliver valuable services for our community now and into the future.

Assets are the foundation stones of the Shire and include the streets we drive on, the parks and reserve our family play on, the stormwater network we rely on, and the community and sporting facilities we enjoy across our LGA.

Here we present the Buildings Asset Management Plan, which covers all Council owned facilities including Administration Buildings, Animal Impound, Bars, Canteens, Kiosk, Broadcast, Scoreboard, Community Centre, Council Housing, Depot, Emergency Services Centre, Library, Pavilions, Public Amenities, Public Halls, Scout Halls, Sheds , Shelters and Tourist Buildings.

Asset Management Plans provide a snapshot of the current and future state of Council's infrastructure. The plans ensure we maintain and renew assets in a cost-effective and sustainable manner that meets our community's expectations.

In the management of assets, we have to balance the service standard expectations of the community with the cost of delivering the service. While we would all like the highest standard of our assets this comes at a cost, the long-term impact of which needs to be carefully considered.

Behind the plans is a significant amount of investigation, planning and financial modelling to help council staff to maintain our assets cost-effectively. The Asset Management Plans also highlight that when we build new assets or upgrade assets, we must plan for the ongoing maintenance and ultimate replacement of the assets at the end of their life.

We encourage you to have a look at the Asset Management Plans and review whether the service levels presented here are consistent with your vision for the future of Gunnedah Shire Council.

The following shows our AM documents in relation to other documents of Gunnedah Shire Council:

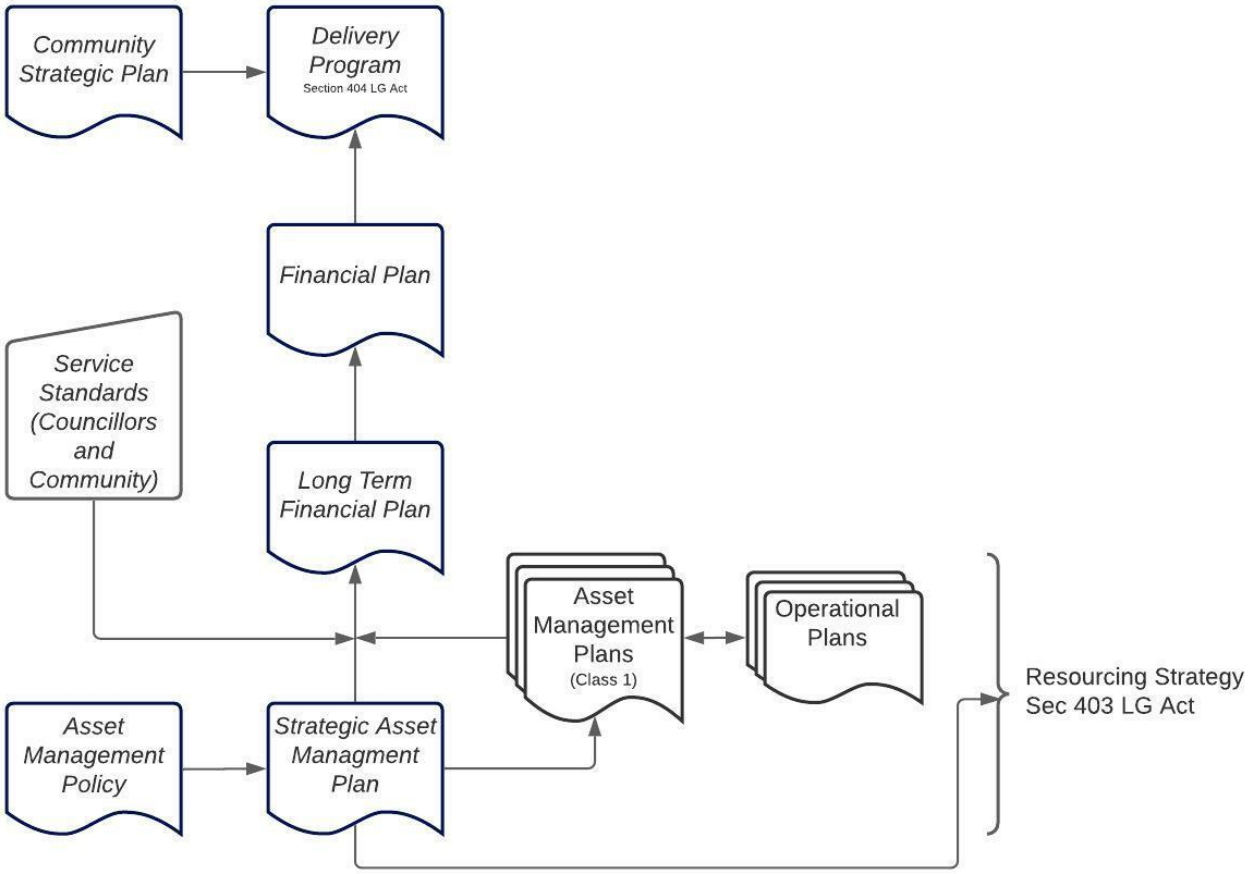

Figure 1: Strategic Asset Management Plan and the Asset Management Planning Process

Executive Summary

This document outlines in detail how Building assets are obtained, maintained, retained, and disposed of to provide best value for Gunnedah Shire Council to meet its organisational objectives.

This Asset Management Plan (AMP) provides information about Building assets with actions required to provide an agreed level of service in the most cost effective manner while outlining associated risks. The plan outlines the services to be provided, how the services are provided and what funds are required to provide over the 10-year planning period. The AMP will link to the Long-Term Financial Plan which typically considers a 10-year planning period.

Council currently has no funds allocated for the renewal of this asset class. There is a forecasted renewal funding requirement of $17,395,486 over the planning period to meet the desired level of service indicating a funding gap of $17,395,486. The current opening backlog is assessed to be $983,185. The overall portfolio condition is forecasted to degrade from an average condition of 1.6 to 2.46 under the current no funding scenario. The level of confidence is assessed as medium due to the currently available data and assumptions that were required during the lifecycle modelling.

The following table shows the net strategy costs of scenarios modelled over the planning period:

Table 1: Net Strategy Comparison

Scenario	Treatment Cost*	Operational Costs	Maintenance Cost	Initial Backlog	Final Backlog	Total Change in Backlog	Net Strategy Costs	Final Ave. Cond
Current LTFP Funding ($0 Renewal Budget)	$2,002,700	$4,490,130	$46,824,013	$983,185	$17,314,429	$16,331,244	$69,648,087	2.46
Desired LoS Required Funding	$19,398,186	$4,490,130	$17,105,400	$983,185	$0	-$983,185	$40,010,531	1.50

*Treatment costs include renewal and acquisition costs.

As can be seen from the table above it is unsustainable to continue to allocate no funding for building renewals. The Current LTFP Funding scenario ($0 Renewal Budget) is projected to result in significantly high maintenance costs, over $17 million of backlog works resulting in an unacceptable risk profile and service standard for the community, and a significantly higher whole of life cost scenario than the Desired LoS Required Funding scenario.

It is recommended that Council increase the renewal funding allocation to the values presented in the Desired LoS Required Funding scenario, $17,395,486 over the 10-year planning period (on

average $1.74 M per year). This is anticipated to strike an acceptable balance between, expenditure, community expectations and risk. Should Council choose to allocate a lesser amount of renewal funding it would need to consider the long-term effects on asset performance, service levels and risk.

A detailed breakdown of the associated costs and projected requirements are listed in the Financial Summary.

Introduction

In accordance with the *Local Government Act 1993* (the Act) and the Community Strategic Plan (2017-2027), Council provides a range of community services to the members of the local community and visitors. The services include transport services, waste management services, environmental services, social and recreational services, open space services and stormwater drainage services.

Under the Act, Council is required to develop and adopt an infrastructure and asset management plan covering a period of at least 10 years. In addition, Council is required to adopt a long-term financial plan associated with such service plans also covering a period of at least 10 years. There is a direct link between the development and implementation of these two plans, with the LTFP updated to reflect forecast expenditure as detailed within these plans. Variations to the scheduled works within the AMP and the LTFP may be adjusted as the need arises. The primary intent of asset management is to meet a required level of service in the most cost effective way, through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets to provide for present and future community needs. The AMP will be a living document over the next 3 to 4 years complying to all legislative requirements, and to communicate funding required to provide the required levels of service over a 10-year planning period.

This plan also aims to align with ISO 55000 (international standard for asset management) but does not seek to become accredited as an ISO document or process. This document aims to align the delivery of asset management activities with the organisation's goals and objectives; this process is known as the "line of sight" with asset management. The ISO framework also aims to create transparency and accountability through all aspects of asset management; this process ensures that all stakeholders understand their roles and responsibilities of achieving the intentions of the plan.

The AMP works in conjunction with the following Council's plans and strategies (Table 2):

Table 2: Plans, Strategies and Policies

Plans, Strategies and Policies	Description
Community Strategic Plan 2017 to 2027	Is a long-term plan that outlines the community's vision, values, key themes and action statements for the future. It involves extensive community engagement to ensure the plan reflects the aspirations and needs of the community. The plan guides decision-making and resource allocation, aiming to improve the quality of life, economic development, and sustainability within the community.
Delivery Program	Aligned to the strategic directions of the Community Strategic Plan, the Delivery Program describes what the elected council commits to deliver over their 4-year term.
Operational Plan	The Operational Plan identified the annual projects and activities to deliver against the Delivery Program outcomes, in alignment with the Community Strategic Plan.
Long Term Financial Plan	The Long Term Financial Plan (LTFP) is a 10-year rolling plan that informs decision-making and demonstrates how the objectives of the Community Strategic Plan and commitments of the Delivery Program and Operational Plan will be resourced and funded.
Asset Management Policy	Outlines the organisation's principles and guidelines on how AM will be done to achieve the organisation's objectives.
Strategic Asset Management Plan (SAMP)	High-level plan to implement the Asset Management Policy and outlines how assets will be managed – relies on lower-level plans for execution.
Risk Management Policy	Provides a framework and guidance for the management of risks associated with the delivery of the entirety of Council's functions and operations and to maximise opportunities and minimise adverse impacts.
Risk Management Framework	Documents a set of components that provide the foundations for risk management throughout Council including policies, procedures, business rules and risk management tools.

Table 3: Definitions

Abbreviation	Meaning
ABS	Australian Bureau of Statistics
AM	Asset Management
AMP	Asset Management Plan
FY	Financial Year
LGA	Local Government Area
LoS	Level of Service
LTFP	Long Term Financial Plan
Workbank Backlog	The value of engineering works that are requiring to be delivered to meet the desired level of service, but where capital renewal funding is not adequate.

Table 4: Legislation and Relevant Acts

Legislation	Requirements
Building Code of Australia (BCA)	Uniform set of technical provisions for the design and construction of buildings and other structures. It is fully performance based and allows for state variations to provide additional requirements or cater for specific community expectations.
Building Fire and Safety Regulation 1991	Sets out the regulations for items such as means of escape, limitation of people in buildings, fire and evacuation plans and testing of special fire services and installations.
Building Regulation 2003	Sets out building requirements.
Crown Land Management Act 2016	Provides for the administration and management of Crown land in the Eastern and Central Division of the State of NSW. Council has large holdings of Crown land under its care, control and management.
Disability Discrimination Act 1992	Provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.
Electrical Safety Act 2002	Sets out the installation, reporting and safe use with electricity.
Environmental Planning and Assessment Act 1979	Institutes a system of environmental planning and assessment for the State of New South Wales. Among other requirements the Act outlines the requirement for the preparation of Local Environmental Plans (LEP), Development Control Plans (DCP), Environmental Impact Assessments (EIA) and Environmental Impact Statements.
Heritage Act 1977	Provides for the protection and conservation of places and objects of cultural heritage significance and the registration of such places and objects.
Local Government Act 1993	Sets out the role, purpose, responsibilities and powers of local governments.
Plumbing and Drainage Act 2002	Sets out requirements in respect to plumbing requirements.
WHS Act 2000	Secures and promotes health and safety of employees at work.

Asset Information

This plan applies to Building assets which provide community support, council operations, emergency services, housing, leisure & outdoor recreation, library and tourist services.

The Buildings network comprises the below assets:

Table 5: Summary of Buildings Network

Asset Type	Quantity	Replacement Value	Percentage of Network
Administration Building	3	$7,195,000	8.43%
Animal Impound	1	$3,000,000	3.52%
Bar, Canteen & Kiosk	7	$997,800	1.17%
Broadcast, Scoreboard & Tickets	4	$229,600	0.27%
Community Centre	2	$2,424,000	2.84%
Council Housing	5	$2,016,531	2.36%
Depot	16	$5,989,200	7.02%
Emergency Services Centre	2	$1,313,528	1.54%
Library	1	$1,816,440	2.13%
Pavilion	5	$2,599,000	3.05%
Public Amenities	25	$6,010,192	7.04%
Public Hall	15	$18,948,032	22.20%
Scout Hall	2	$1,046,482	1.23%
Shed	9	$1,644,600	1.03%
Shelter	4	$325,500	0.38%
Tourist Building	4	$29,791,793	34.91%
Total	**107**	**$85,347,699**	**100%**

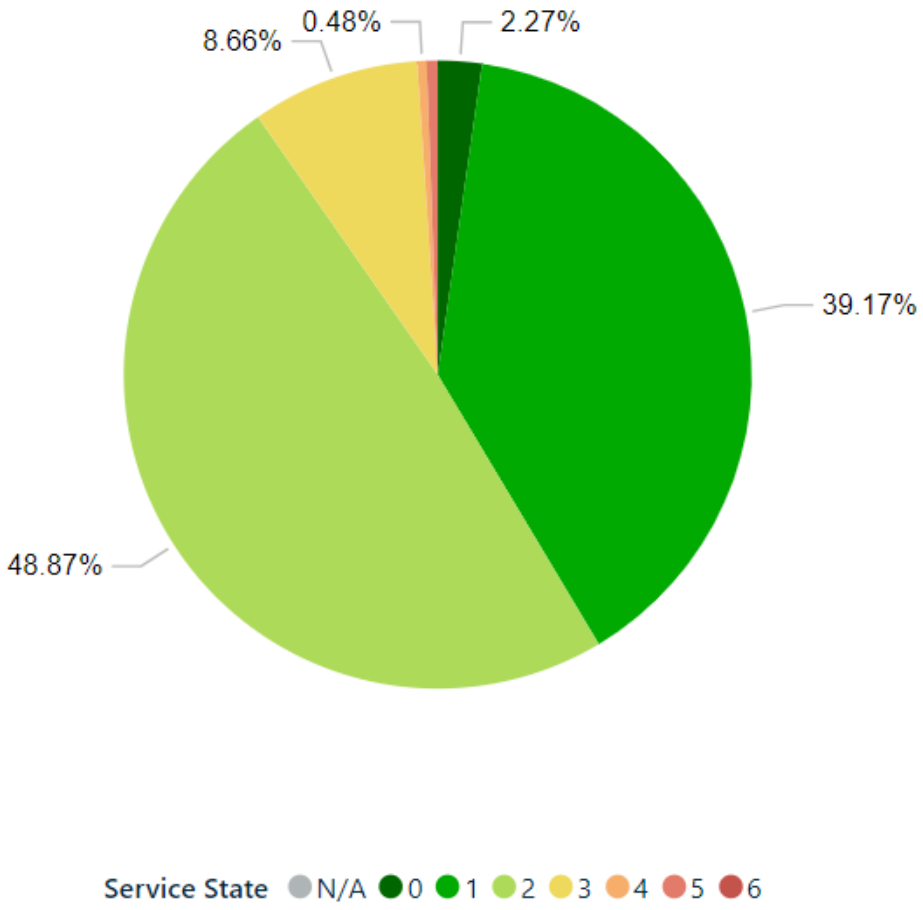

Figure 2: Current Condition State of the Assets

Asset Hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in the collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

Asset Expected Life

All assets are provided with a baseline straight line useful life value (blue line), used for the purposes of lifecycle cost planning and accounting for asset valuation and depreciation. This straight-line depreciation is used in Council's financial reporting. The service life of some assets, such as transport, differs from the standard design life and the useful life, as it also accounts for the ongoing maintenance and renewal of the asset to maintain a designated technical level of service (black line). The setting of service levels will be undertaken by council staff in consultation with the community and elected members, to optimise whole of life costs for the assets.

As upkeep of the asset is made through the capital renewal and maintenance budgets, the condition should be maintained at the desired level to ensure assets reach their potential service life (black line). If no regular maintenance occurs the potential asset life will not be reached (red line).

Figure 3 shows that the deterioration curves of red and black show a true reflection on an assets aging profile, as it typically deteriorates faster towards the end of its life.

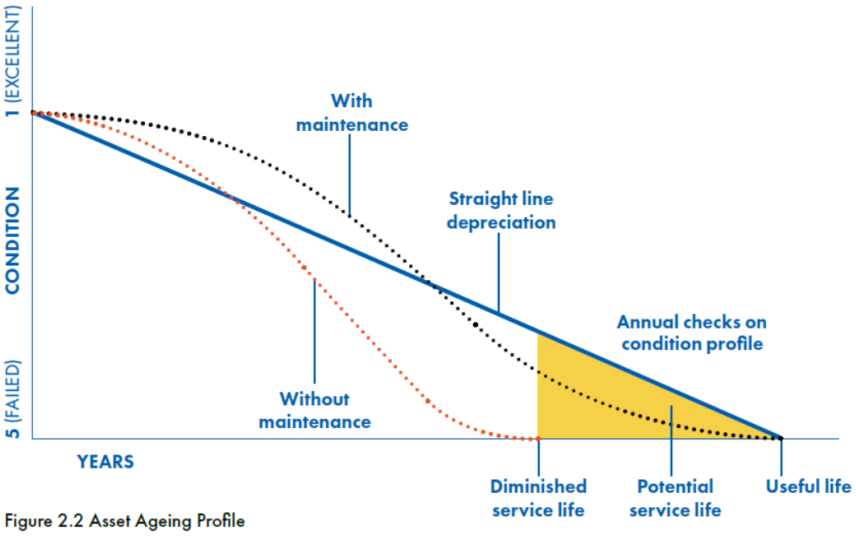

Figure 3: Asset Ageing Profile

See financial summary section for commentary on how the current budget allocation is performing.

Asset Quality, Condition and Distribution

The condition data that underpins this AMP and supporting lifecycle model is based upon valuation assessments completed by 30 June 2024. The condition framework used in the assessments was:

Table 6: Condition Assessment Framework

Condition Rating	Condition Description	Actions
0	As New	No action required
1	Excellent/Very Good	No action required
2	Good	Minor defects only
3	Fair	Maintenance required to return to accepted level of service
4	Poor	Consider renewal
5	Very Poor	Approaching unserviceable
6	End of Life	Unserviceable

The average condition score by asset type derived from the assessments was:

Table 7: Average Condition Score by Asset Type

Asset Type	Average Score
Administration Building	1.98
Animal Impound	New Facility
Bar, Canteen & Kiosk	2.28
Broadcast, Scoreboard & Tickets	2.19
Community Centre	0.81
Council Housing	1.36
Depot	1.06
Emergency Services Centre	1.05
Library	1.53
Pavilion	2.27
Public Amenities	1.40
Public Hall	1.95
Scout Hall	1.94
Shed	2.07
Shelter	1.55
Tourist Building	1.55 for existing Buildings / Koala Sanctuary is a new facility
Total	**1.6**

Critical Assets

Criticality has been assessed on a 1 (low) to 5 (high) scale as per the below:

Table 8: Criticality Rating Framework

Rating	Requirements
1	Building is no longer operational – it is dormant, pending disposal, demolition, etc.
2	Ancillary functions only with no critical operational role (e.g. storage, pump station building or building has a limited life).
3	Functionality-focused building (e.g. Deport facility, Treatment plant building).
4	Good public presentation and a high quality working environment are necessary (e.g. Library, Branch Office Building).
5	High profile purpose with critical results (e.g. Entertainment Centre) or high profile public building (e.g. Council Administration Building).

The following Buildings are regarded as high criticality:

Table 9: Critical Assets

Critical Asset	Rating	Location	Impact of Failure
Ace Building	4	Gunnedah	Service interruption, public safety risks, reputation damage and negative financial impact.
Community Care Centre	4	Gunnedah	Service interruption, public safety risks, reputation damage and negative financial impact.
Dorothea Mackellar Office	4	Gunnedah	Impact to Council operations & reduced service provision, public safety risks, reputation damage and negative financial impact.
Gunnedah Shire Band Hall	4	Gunnedah	Service interruption, public safety risks, reputation damage and negative financial impact.
Gunnedah Shire Library	4	Gunnedah	Service interruption, public safety risks, reputation damage and negative financial impact.
SES Shed	4	Tambar Springs	Emergency service interruption, public safety risks, reputation damage and negative financial impact.
Smithurst Theatre	4	Gunnedah	Service interruption, public safety risks, reputation damage and negative financial impact.
WR Clegg Emergency Services Centre	4	Gunnedah	Emergency service interruption, public safety risks, reputation damage and negative financial impact.

Critical Asset	Rating	Location	Impact of Failure
Civic Theatre	5	Gunnedah	Service interruption, public safety risks, reputation damage and negative financial impact.
Council Administration Building	5	Gunnedah	Impact to Council operations & reduced service provision, public safety risks, reputation damage and negative financial impact.
Gunnedah Town Hall	5	Gunnedah	Impact to Council operations & reduced service provision, public safety risks, reputation damage and negative financial impact.
Koala Sanctuary (In Construction)	5	Gunnedah	Service interruption, public safety risks, reputation damage and negative financial impact.

Stakeholders

Buildings assets are managed through Gunnedah Shire Council's Infrastructure Services / Public Facilities. The key stakeholders and their roles are defined in Table 10.

Table 10: Key Stakeholders

Key Stakeholders	Roles in Asset Management
Council Officers	Council officers play a role in managing building assets to ensure that they provide a level of service that meets the needs of both residents and visitors to the area. Council officers implement the components identified in the Buildings AMP.
Council Representatives	This stakeholder group includes Councillors and the Mayor for the Council. They are primarily responsible to ensure that their decisions represent and reflect the needs of the wider community.
Residents	Residents are the core users of building assets. Their needs, wants and expectations are conveyed to Council, which should be reflected in the desired levels of service.
Visitors	Visitors are the second largest users of building assets, due to their likely frequency of use. Visitor's wants, needs and expectations drive the development in areas of the highest usage and also commercial areas.
Insurers	Insurers have an interest to drive the implementation of systems, which would allow Council a better position in the knowledge of the condition of our assets. This should be reflected in by the number of claims made against this asset group.

Current and Desired Levels of Service

This AMP is prepared to facilitate consultation prior to adoption of levels of service by Gunnedah Shire Council.

Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

The International Infrastructure Management Manual describes Levels of Service (LoS) as '*defined service quality for an activity or service area against which service performance may be measured*'.

Table 11: Customer (Community) Levels of Service

Strategic Goal	Criteria	Level of Service Objective	Performance Measure	KPI
3.6 A healthy and active community participating in a diverse range of recreational and cultural activities	Quality	Provide clean and serviceable facilities	Performance measures and KPIs have not yet been determined.	
	Function	Meet user requirements		
	Availability	Buildings to be available during business hours		
	Safety	Buildings are free from hazards		
	Legislative Compliance	Compliance with all legislation and regulations.		

Table 12: Technical Levels of Service

Strategic Goal	Criteria	Level of Service Objective	Performance Measure	KPI
3.6 A healthy and active community participating in a diverse range of recreational and cultural activities	Operations	Asset conditions are regularly monitored. Apply appropriate cleaning schedules.	Condition assessments are undertaken every four years. In alignment with maintenance levels of services.	100% Compliance 90% Compliance
	Maintenance	Maintenance defects are rectified in a timely manner.	In alignment with maintenance levels of services.	90% Compliance.
	Renewal	Asset conditions meet community expectations.	Renewals completed before or when assets reach the following intervention levels: High Criticality – Condition 4 (Poor) Medium Criticality – Condition 5 (Very Poor) Low Criticality – Condition 6 (End of Life)	90% Compliance.
	Upgrade / New	Assets comply with legislative requirements and regulatory standards. Assets are functional and meet the needs of the community.	Compliance Audits	100% Compliance with legislative requirements..

Future Demand

Over time, the community's demand for the services which Gunnedah Shire Council provides changes. The reason for change can be varied, but some of the common drivers are population, demographics, technology, environmental, economic and political. Naturally as service demand changes, Council's assets may also need to change.

Table 13: Demand Management

Current Position	Demand Forecast	Demand Impact	Demand Management Plan
Population - Gunnedah Shire Council's population as of the 2021 census was 12,691 people.	By 2036 the population is expected to increase by 589 people (4.6%) to 13,280.	Negligible or minor.	N/A
Community Expectations – According to the 2024 Community Research Survey, the community is satisfied with the performance of the Council's Buildings. All Building survey fields were rated as having no performance gap and libraries, public buildings and village halls had some of the highest satisfaction rates.	The Community Research Survey was based on current status, not forward focused. The condition projections included in the supporting lifecycle model are the only forward focused performance information. Community expectations themselves would be expected to remain stable, however an ageing and deteriorating buildings portfolio may trigger extra community focus / expectations on Building assets.	Community expects higher service standard from buildings. Reputation damage for Council. Negative financial impacts for revenue producing buildings such as Tourist Buildings	Building maintenance and renewals to be completed based on agreed services levels that meet community expectations.

Current Position	Demand Forecast	Demand Impact	Demand Management Plan
Demographic Changes – Age distribution analysis of the ABS census data shows a trend to an ageing population with residents generally staying in Gunnedah and 'ageing in place'.	See left.	An ageing population may demand Buildings that can support active ageing activities / services.	Undertake service performance review of key buildings to understand if the current asset portfolio is meeting current needs / future projections. Depending on the results of the above Council may need to consider both asset (expansion, new upgrade) and non-asset solutions (relocating services to different buildings, etc)
Environmental Performance – As Australia moves towards achieving its's emission deduction and net zero targets, local government authorities will need to consider: low energy design, the use of low emission building materials, solar power for both outdoor lighting and energy supply to facilities, and the industry wide switch from natural gas appliances to all electric appliances.	See left.	Expansion, New and Upgrade projects will need to comply with modern environmental standards and may incur higher costs than traditional projects. Community expectations / Council initiatives for better environmental performance may demand proactive upgrade of underperforming components in existing buildings.	All Expansion, New and Upgrade projects to comply with standards. Monitor Council's position and take opportunities to upgrade to better environmentally performing components where it is cost effective to do so.

Life Cycle Planning/Strategies

The lifecycle management plan details how Gunnedah Shire Council plans to manage and operate the assets at the agreed levels of service while managing life cycle. The assets covered by this Buildings AMP are shown in the Asset Information section above.

This section presents an analysis of Council's Buildings assets information and the life cycle management plans covering the five key work activities to manage Building assets.

Operations Plan

Operational activities are regular ongoing practices that keep the buildings functional and ready for use. Operational activities do not affect the condition of the asset and include cleaning, safety audits, condition assessments and supply of utilities.

Over the past five years, Council has typically spent $449,013 on operational activities for buildings. It is expected that this trend will continue over the planning horizon.

Maintenance Plan

Maintenance is the regular ongoing work necessary to keep assets serviceable. Maintenance activities are required to ensure assets meet their design life and this includes reactive and proactive works.

Reactive maintenance is unplanned repair work carried out in response to service requests and supervisory directions, for example repairing a broken window. Proactive (planned) maintenance is work that is planned and scheduled often as a preventative measure against failure, for example servicing of plant and equipment. This is often cyclical in nature.

The work and costs associated with maintenance activities is dependent on the condition state of the asset. As a general rule, the worse the condition state, the higher the reactive maintenance cost requirements.

Over the past five years, Council has typically spent $339,112 on maintenance activities for buildings. It is expected that this trend will continue over the planning horizon, however the actual maintenance cost requirements will depend on the renewal & acquisition strategy adopted by Council, noting the dependency on condition state. See the Operations and Maintenance Trends and Forecasts section below for details.

Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential.

Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified through asset lifecycle modelling using the Brightly Predictor modelling software. This uses asset specific condition assessments and degradation profiles to understand the current condition, forecast the expected year of renewal works, propose the type of renewal works required, and provide a strategic estimate for the renewal cost. It is noted that the software provides works candidates using technical criteria that are then reviewed and prioritised into a delivery program.

The renewal service levels (intervention levels) set by Council were:

- High criticality buildings – condition 4 (poor)
- Medium criticality buildings – condition 5 (very poor)
- Low criticality buildings – condition 6 (end of life)

Traditionally Council has not had a dedicated budget for building renewals. The projections in the below Financial Summary section indicates that this not a sustainable approach moving forward if Council is to provide acceptable services to the community.

Acquisition Plan

Acquisitions are new assets which did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to Council.

Proposed upgrade of existing assets, and new assets, are identified from various sources such as community requests, service manager studies and proposals identified by strategic plans. Potential upgrades and new works should be reviewed to verify that they are essential and non-asset solutions should always be considered.

Selection Criteria

When Council commits to new assets, they must be prepared to fund future operations, maintenance, and renewal costs. They must also account for future depreciation when reviewing long term sustainability. This is outlined in Council's Asset Management Policy.

The only Council approved forecast constructed acquisitions are listed below:

- Animal Impound Facility – planned and due for completion by December 2025.
- Koala Sanctuary – currently in construction and due for completion by December 2025.

Both these assets are included in year 1 of the forecasts described in the Financial Summary section shown below. No other asset acquisitions have been identified at this stage.

Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Council's Asset Disposal Policy outlines this process.

In the 10-year planning horizon no asset disposals are planned.

Financial Summary

This section contains the financial impacts and requirements from all the information provided in the previous sections.

Financial predictions can be improved when further information becomes available and documented in future AMPs, on desired levels of service and current and projected future asset performance.

Two funding scenarios have been developed, firstly a scenario that models the current LTFP funding allocation, however in the case of Buildings no dedicated renewal funding is allocated in the LTFP, therefore the model's renewal budget is $0 per annum. Secondly a Desired LoS required funding scenario demonstrates the required expenditure to meet the desired levels of service by adopting an unconstrained budget in the supporting lifecycle model. The summary of costs for each scenario is shown below:

Table 14: Summary of Cost Forecasts

Year	Current LTFP Funding Scenario ($0 Renewal Budget)				Desired LoS Required Funding			
	O & M Costs	Renewal Costs	Acquistion Costs	Work Bank Backlog	O & M Costs	Renewal Costs	Acquistion Costs	Work Bank Backlog
1	$1,291,302	$0	$2,000,000	$983,185	$1,079,688	$988,059	$2,000,000	$0
2	$2,042,891	$0	$0	$1,12,162	$1,692,111	$144,808	$0	$0
3	$2,480,516	$0	$0	$2,836,965	$1,727,069	$1,720,048	$0	$0
4	$3,291,977	$0	$0	$4,239,095	$2,046,525	$1,411,414	$0	$0
5	$4,042,551	$0	$0	$6,330,113	$2,108,915	$2,102,506	$0	$0
6	$5,288,191	$0	$0	$7,149,992	$2,411,563	$1,476,129	$0	$0
7	$6,719,987	$0	$0	$9,410,925	$2,587,782	$1,899,859	$0	$0
8	$7,484,174	$0	$0	$11,284,191	$2,666,807	$1,625,995	$0	$0
9	$8,729,356	$0	$0	$14,547,209	$2,723,474	$3,182,716	$0	$0
10	$9,943,197	$0	$0	$17,314,429	$2,551,596	$2,843,953	$0	$0
Total	**$51,314,143**	**$0**	**$2,000,000**	**$17,314,429 (Closing)**	**$21,595,530**	**$17,395,486**	**$2,000,000**	**$0 (Closing)**
Net Strategy Costs				**$69,648,087**	**Net Strategy Costs**			**$40,010,531**

Asset Valuations

Council undertakes 'Revaluations' in line with the Asset Management Policy. Valuations are undertaken in alignment with Australian Accounting Standard 'AASB13 Fair Value'.

Valuations are required every three to five years and are independently audited. Valuations are undertaken to satisfy the financial reporting requirements and to understand the cost to replace assets.

Operations and Maintenance Trends and Forecasts

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of, the forecast operation and maintenance costs are expected to decrease.

Furthermore, the work and costs associated with maintenance activities is dependent on the condition state of the asset. Therefore, if the asset portfolio experiences poorer condition states, increased maintenance costs will be anticipated.

As stated in the Lifecycle Planning/Strategies section the typical historic operational costs are $449,013 per annum and maintenance costs are $339,112. These values are calibrated into the supporting lifecycle model, from which future costs can be projected including maintenance cost forecasts that consider network growth (or decline) and a changing condition distribution.

The forecasts are shown in the below figures and table:

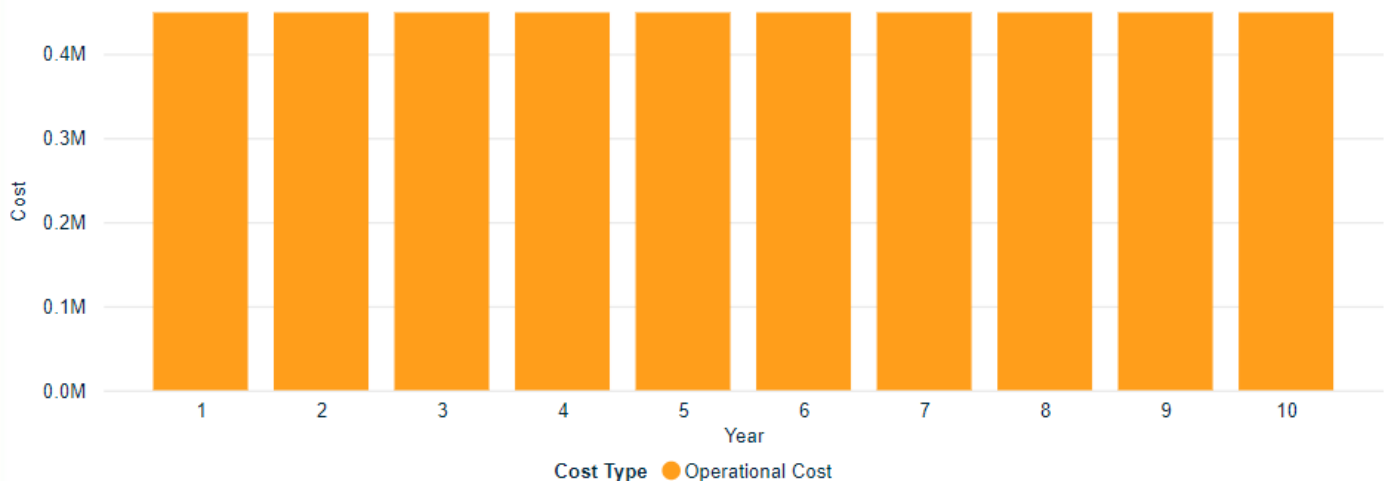

Figure 4: Total Operational Costs by Year

The above operational cost forecast applies to both model scenarios.

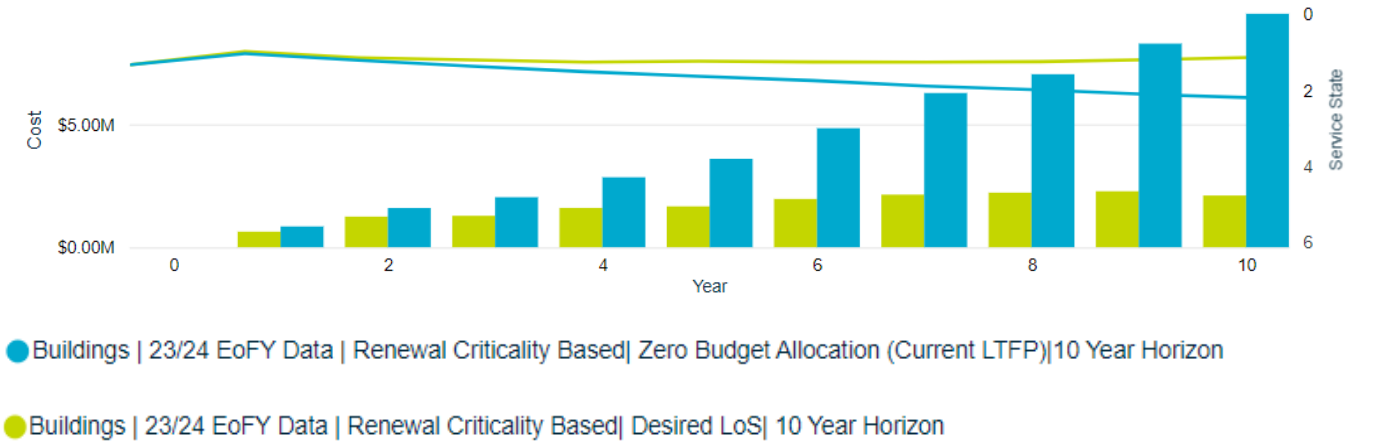

Figure 5: Total Maintenance Costs by Year and Scenario

Table 15: Operational and Cost Summary

Year		Current LTFP Funding Scenario ($0 Renewal Budget)		Desired LoS Required Funding	
	Operational Costs	Maintenance Cost	Ave. Condition	Maintenance Costs	Ave. Condition
1	$449,013	$842,289	1.41	$630,675	1.36
2	$449,013	$1,593,878	1.57	$1,243,098	1.51
3	$449,013	$2,031,503	1.71	$1,278,056	1.56
4	$449,013	$2,842,964	1.84	$1,597,512	1.61
5	$449,013	$3,593,538	1.95	$1,659,902	1.59
6	$449,013	$4,839,178	2.05	$1,962,550	1.61
7	$449,013	$6,270,974	2.18	$2,138,769	1.62
8	$449,013	$7,035,161	2.27	$2,217,794	1.60
9	$449,013	$8,280,343	2.38	$2,274,461	1.56
10	$449,013	$9,494,184	2.46	$2,102,583	1.50
Total	**$4,490,130**	**$46,824,013**	**2.46**	**$17,105,400**	**1.50**

The above forecasts indicate that the current maintenance cost allocation is insufficient to continue to service the portfolio.

The effect of poorer condition states increasing maintenance costs can be seen by comparing the two scenarios, with significantly more costs experienced by the Current LTFP Funding Scenario ($0 renewals budget, therefore reduced condition states and increased maintenance costs).

Future Renewal Forecast

Traditionally Council has not had a dedicated budget for building renewals and this has been modelled in the Current LTFP Funding Scenario.

The forecasts are shown in the below figures and table:

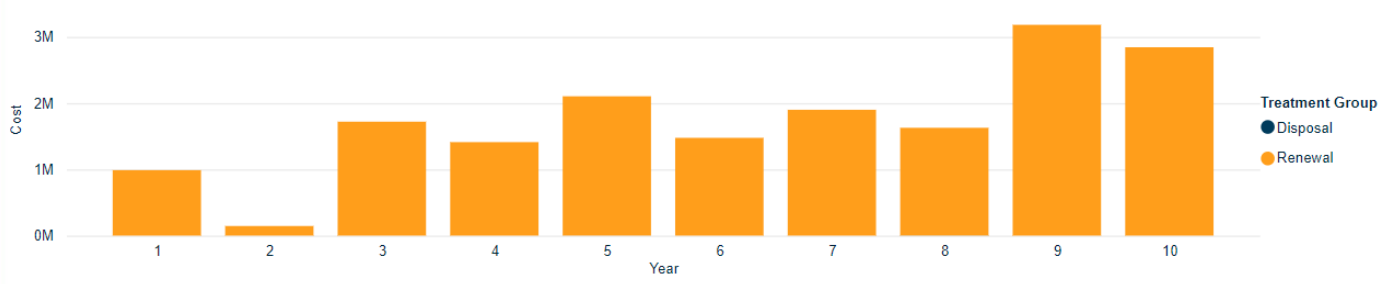

Figure 6: Total Renewal Costs by Year – Desired LoS Scenario

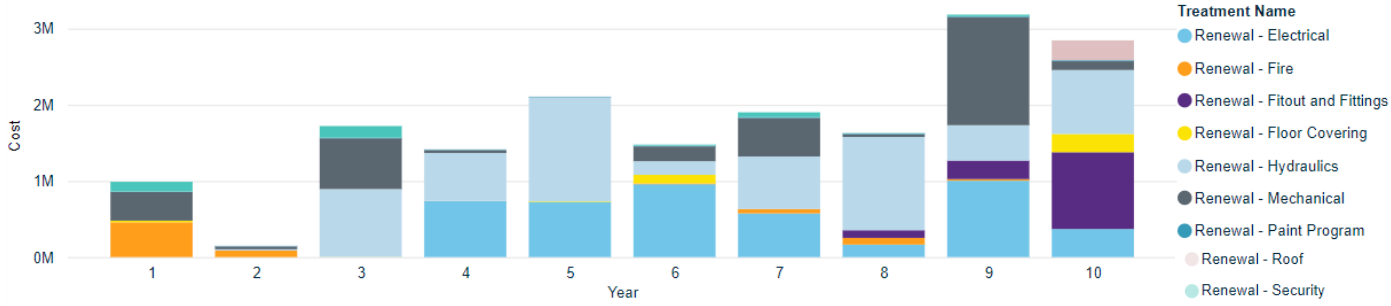

Figure 7: Total Renewal Costs by Year and Treatment Type – Desired LoS Scenario

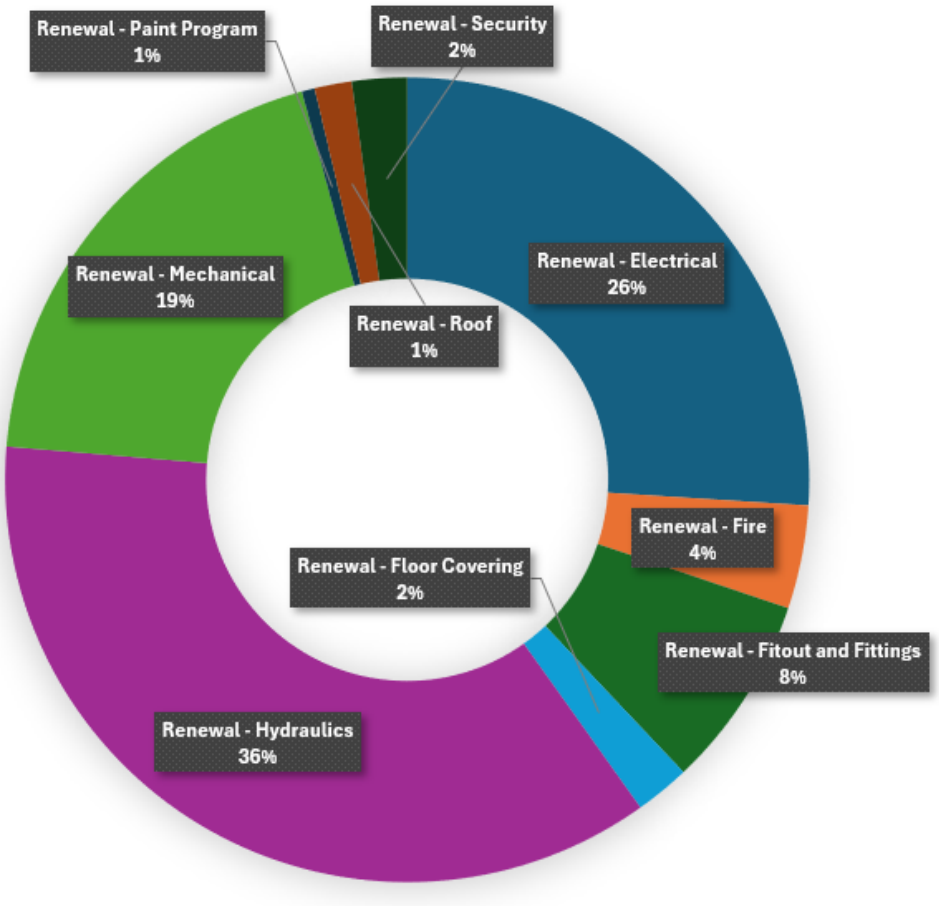

Figure 8: Renewal Costs % by Treatment Type – Desired LoS Scenario

Table 16: Renewal Cost Summary

Year	Current LTFP Funding Scenario ($0 Renewal Budget)		Desired LoS Required Funding	
	Renewal Cost	Ave. Condition	Renewal Costs	Ave. Condition
1	$0	1.41	$988,059	1.36
2	$0	1.57	$144,808	1.51
3	$0	1.71	$1,720,048	1.56
4	$0	1.84	$1,411,414	1.61
5	$0	1.95	$2,102,506	1.59
6	$0	2.05	$1,476,129	1.61
7	$0	2.18	$1,899,859	1.62
8	$0	2.27	$1,625,995	1.60
9	$0	2.38	$3,182,716	1.56
10	$0	2.46	$2,843,953	1.50
Total	**$0**	**2.46**	**$17,395,486**	**1.50**

A breakdown of asset condition at year 10, based on the two modelled scenarios, is displayed below:

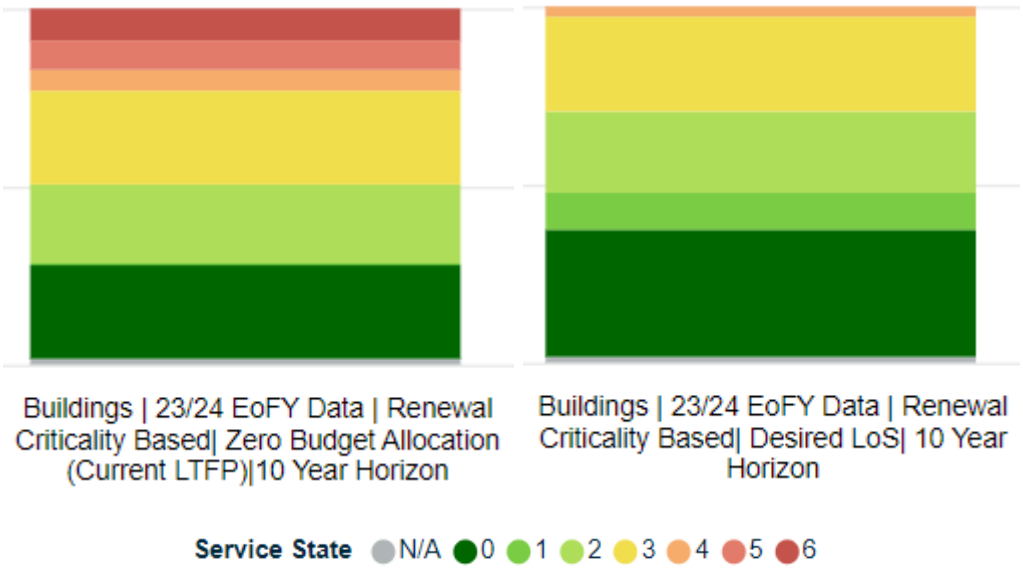

Figure 9: Condition Distribution Scenario Comparison at Year 10

Table 17: Condition Distribution Scenario Comparaison at Year 10

Scenario	0	1	2	3	4	5	6
Current LTFP Funding ($0 Renewal Budget)	26.27%*	0.59%	22.05%	27.99%	5.86%	8.24%	9.00%
Desired LoS Required Funding	35.67%	10.34%	22.86%	28.31%	2.80%	0.02%	0%

*The 26.27% in state 0 represents the new acquisitions of Animal Import Facility and Koala Sanctuary.

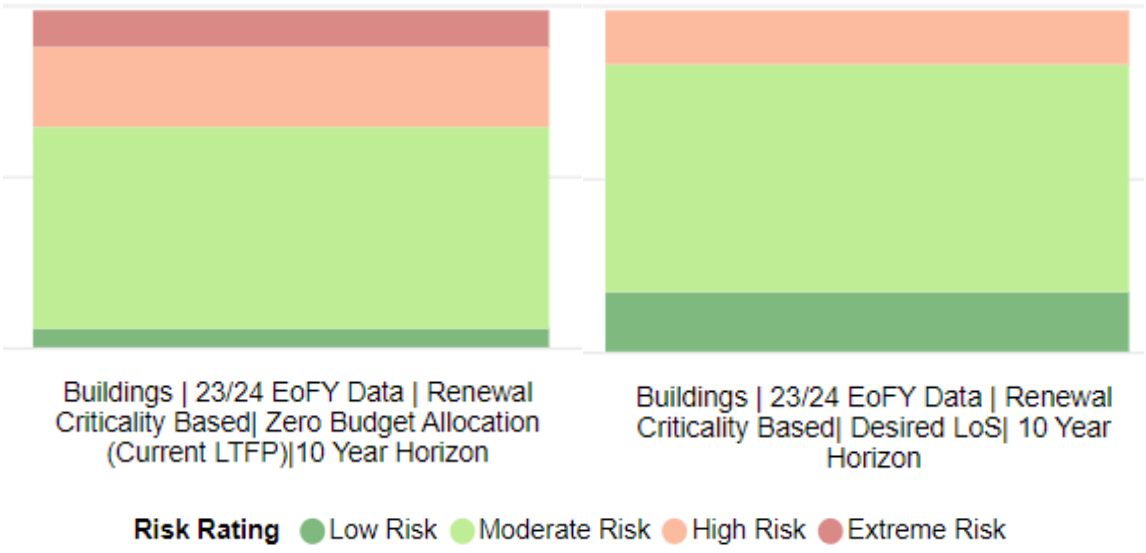

Figure 10: Risk Distribution Scenario Comparison at Year 10

Table 18: Risk Distribution Scenario Comparison at Year 10

Scenario	Low Risk	Moderate Risk	High Risk	Extreme Risk
Current LTFP Funding ($0 Renewal Budget)	5.42%	60.56%	23.39%	10.62%
Desired LoS Required Funding	17.14%	67.34%	15.51%	0%

Council's objective is to strike an acceptable balance between, expenditure, community expectations and risk. Council believes this balance is achieved by the criticality-based service levels (intervention levels) described in the Renewals Plan section above. To achieve this desired state, the above graphs and tables show the total required renewal expenditure over the 10-year planning horizon is $17,395,486.

Currently there is no allocated funding for building renewals in the LTFP. Reviewing the performance of this scenario shows that it will be unsustainable to continue to adopt this approach, with 23.1% of the portfolio projected to be in a poor condition state (4) or worse by year 10. Furthermore the 34% of the portfolio would be in High or Extreme risk state with $17,314,429 in work bank backlog.

Future Acquisition Forecast

The only Council approved forecast constructed acquisitions are listed below:

- Animal Impound Facility – planned and due for completion by December 2025.
- Koala Sanctuary – currently in construction and due for completion by December 2025.

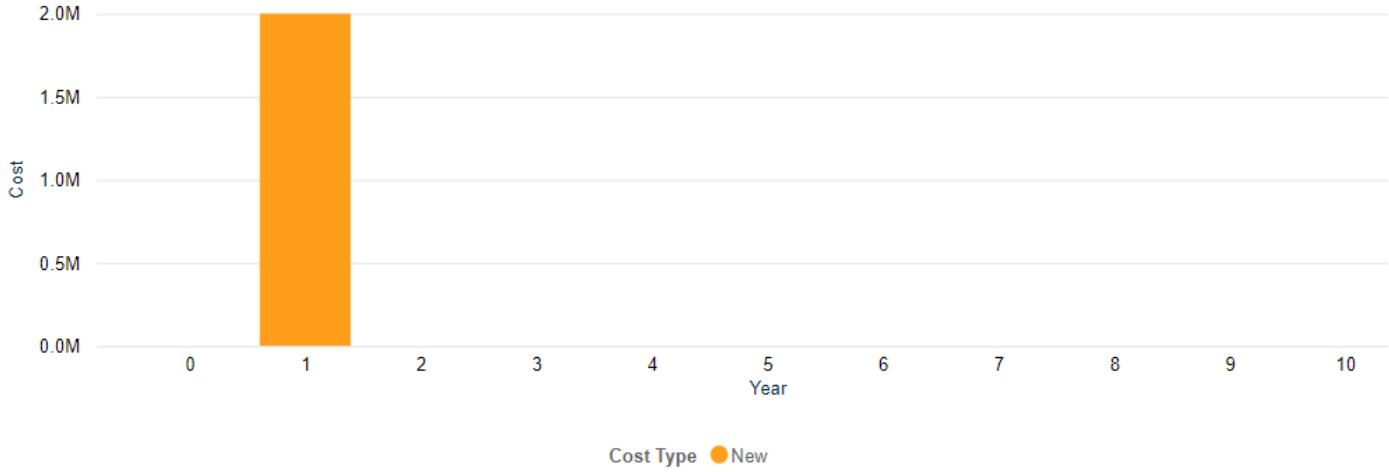

Figure 11: Total Acquistion Costs

Conclusions

The following table shows the net strategy costs of scenarios over the planning horizon:

Table 19: Net Strategy Comparison

Scenario	Treatment Cost*	Operational Costs	Maintenance Cost	Initial Backlog	Final Backlog	Total Change in Backlog	Net Strategy Costs	Final Ave. Cond
Current LTFP Funding	$2,002,700	$4,490,130	$46,824,013	$983,185	$17,314,429	$16,331,244	$69,648,087	2.46
Desired LoS Required Funding	$19,398,186	$4,490,130	$17,105,400	$983,185	$0	-$983,185	$40,010,531	1.50

*Treatment costs include renewal and acquisition costs.

As can be seen from the table and sections above it is unsustainable to continue to allocate no funding for building renewals. The Current LTFP Funding scenario ($0 Renewal Budget) is projected to result in significantly high maintenance costs, over $17 million of backlog works resulting in an unacceptable risk profile and service standard for the community, and a significantly higher whole of life cost scenario than the Desired LoS Required Funding scenario.

It is recommended that Council increase the renewal funding allocation to the values presented in the Desired LoS Required Funding scenario in Table 15, $17,395,486 total over the 10-year planning horizon (on average $1.74 M per year). This is anticipated to strike an acceptable balance between, expenditure, community expectations and risk. Should Council choose to allocate a lesser amount of renewal funding it would need to consider the long-term effects on asset performance, service levels and risk.

Assumptions

In preparing this AMP and the supporting lifecycle model the following assumptions were made:

Table 20 AMP and Lifecycle Modelling Assumptions

Assumptions	Details
Costs	All costs are shown in current 2024/2025 FY dollar values.
New Buildings – FY 25 26 Costs	The Animal Impoundment Facility and Koala Sanctuary have been assumed to be completed in December 2025 with a FY 25 26 cost of $1,000,000 each.
Maintenance Costs – Animal Impoundment Facility and Koala Sanctuary	The new Animal Impound Facility is assumed to operate at the same operational and maintenance costs as existing facility. The Koala Sanctuary was assumed to have an ongoing maintenance cost of $250,000. Operational costs will be managed by the operator.

Data Confidence

The expenditure and valuations projections in this AMP are based on best available corporate data. Currency and accuracy of data is critical to effective asset and financial management.

The confidence in the data for this AMP is Medium

Risk Management

An assessment of risks associated with service delivery from infrastructure assets has identified the most critical risks to Council. The risk assessment process identifies and assesses risks, develops a risk rating and develops a risk treatment plan for non-acceptable risks.

Table 21: Risk Management Plan

Risk	Risk Rating	Control Measure / Treatment Approach	Responsibility
Community or staff member injured because of using Council assets / facilities.	High	Proactive maintenance, routine inspections, capital works program, WHS management system, WHS inspections, training and education.	Public Facilities
Facilities/assets do not meet user or community expectations.	High	Asset management plan, customer satisfaction survey, service led AM planning, inspection and audit programs, capital works program.	Engineering Services Public Facilities
Critical asset or component failure results in inaccessible assets or business interruption.	Moderate	Proactive maintenance, routine inspections, capital works program.	Public Facilities
Significant breach of legislation, Council policies or frameworks.	High	Training and education, legal and LGA updates, audit programs.	Governance and Legal Public Facilities

Plan Improvement and Monitoring

This plan is to be reviewed and updated alongside any major changes to legislation or internal policies or strategies, or when required.

Monitoring and Reviewing

The Asset Management Plan is not a one-off document but part of the Council's business planning process. For this reason, it is necessary to review and update any key assumptions, strategic change or budget decision that may affect the planned service levels and future expenditure requirements.

To keep this AMP current, Council will schedule the plan review into its strategic and annual planning and budget processes. The asset management plan has a life of 4 years (or in line with the next revaluation of the asset group to assist with better data being available).

Improvement Plan

Table 22: Improvement Plan

Current Position	Improvement Item	Responsibility
The life cycle model supporting this Plan is based upon asset valuation data. Although asset valuation data can be used for life cycle modelling of building assets, the approach does limit the accuracy of the model for the more complex/higher utilised buildings, such as libraries and civic theatre.	Collecting componetised asset data at a room/space level for the complex/highly utilised buildings will increase the accuracy of the model.	Engineering Services Public Facilities
The life cycle model supporting this Plan is primarily based upon asset condition and renewal treatments.	Ensure any available information relating to accessibility, capacity and functionality is used in lifecycle model to inform asset planning. Consider collecting accessibility, capacity and functionality information for high criticality buildings.	Engineering Services Public Facilities
Service performance information is not currently available.	Undertake service performance review of key buildings to understand if the current asset portfolio is meeting current needs / future projections. This item closely relates to collecting accessibility, capacity and functionality information and may be conducted at the same time.	Public Facilities
Operational and maintenance levels applied ad-hoc based on officer discretion.	Develop operational and maintenance levels of service for assets detailing time frames and response expectations.	Public Facilities
This AMP and life cycle modelling project has enhanced information quality (for example criticality ratings were developed and applied to buildings during stakeholder engagement phase). These information enhancements are not captured in the Assetic Asset Register.	Review and incorporate information enhancement items in Assetic Asset Register	Engineering Services Public Facilities