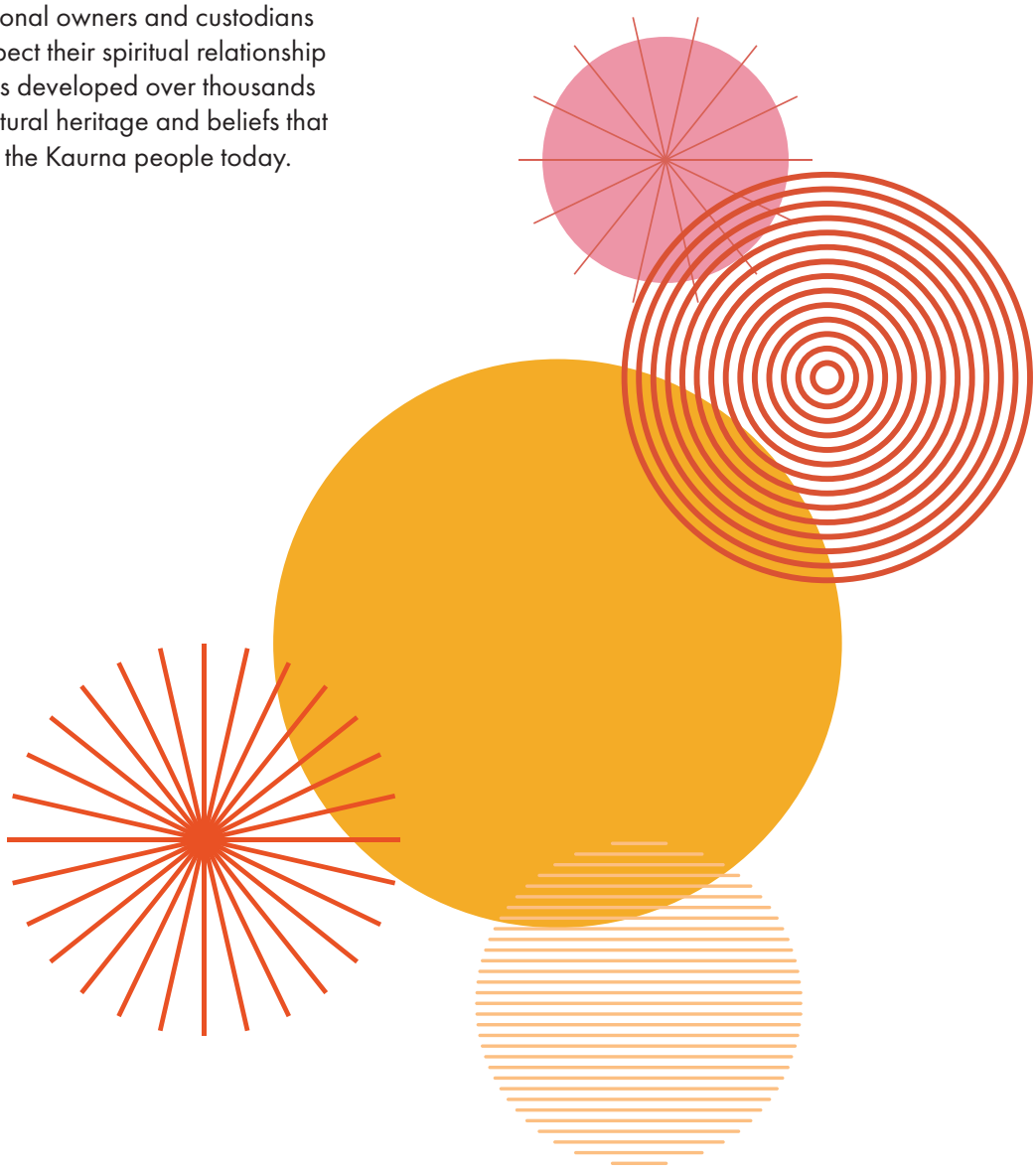
Buildings Asset Management Plan

2024

CITY OF HOLDFAST BAY

Acknowledgement to Country

The City of Holdfast Bay acknowledges the Kaurna People as the traditional owners and custodians of the land. We respect their spiritual relationship with country that has developed over thousands of years and the cultural heritage and beliefs that remain important to the Kaurna people today.



Contents

Executive Summary

The City of Holdfast Bay owns and maintains 146 buildings worth over $142 million providing a range of community services including sport and recreational activities, surf life saving, libraries, public toilets, commercial activities, and civic, administration and operational functions.

The objective of asset management is to ensure the City of Holdfast Bay's assets are managed in the most cost-effective and sustainable way, so we can continue to deliver valuable services for our community now and into the future.

To ensure our assets are providing the appropriate service to the community, levels of service are tracked each year. These levels of service are defined under quality, function, capacity and climate.

Asset lifecycle planning outlines how Council plans to manage building assets in an optimised cost-effective manner while ensuring delivery of the agreed service levels. The lifecycle of assets can be defined in four stages, including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal.

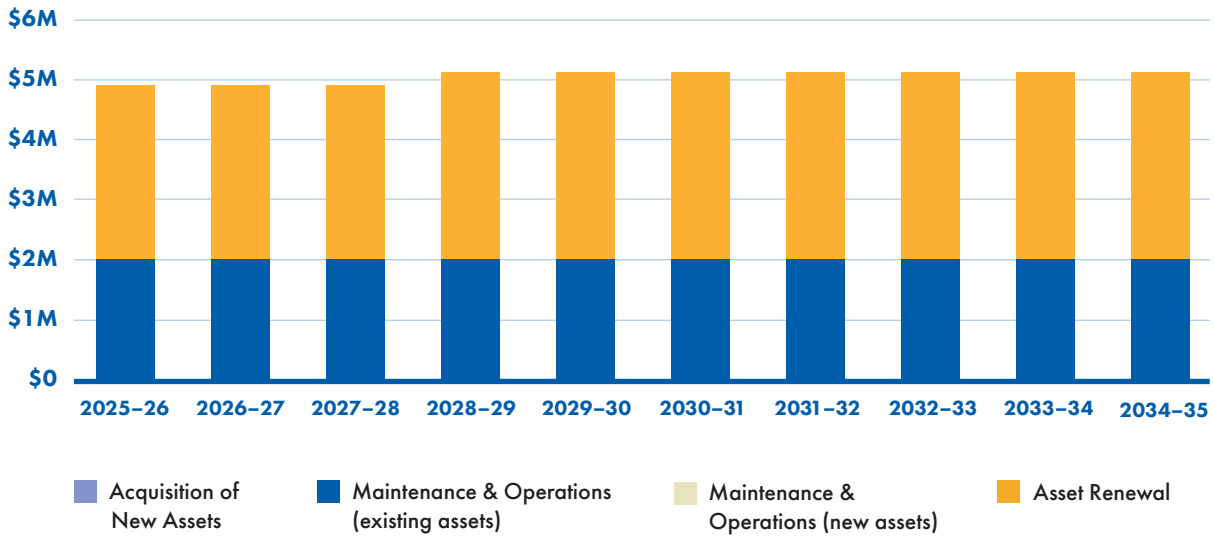
The physical condition of our assets is a level of service indicator to ensure we are appropriately investing in assets. The targets for condition are overall average condition better than 3.0 (fair) and the percentage of assets in fair to very good condition above 90%. The current condition levels are:

› Average condition: 2.2 (good)

› Fair to very good condition percentage: 88%.

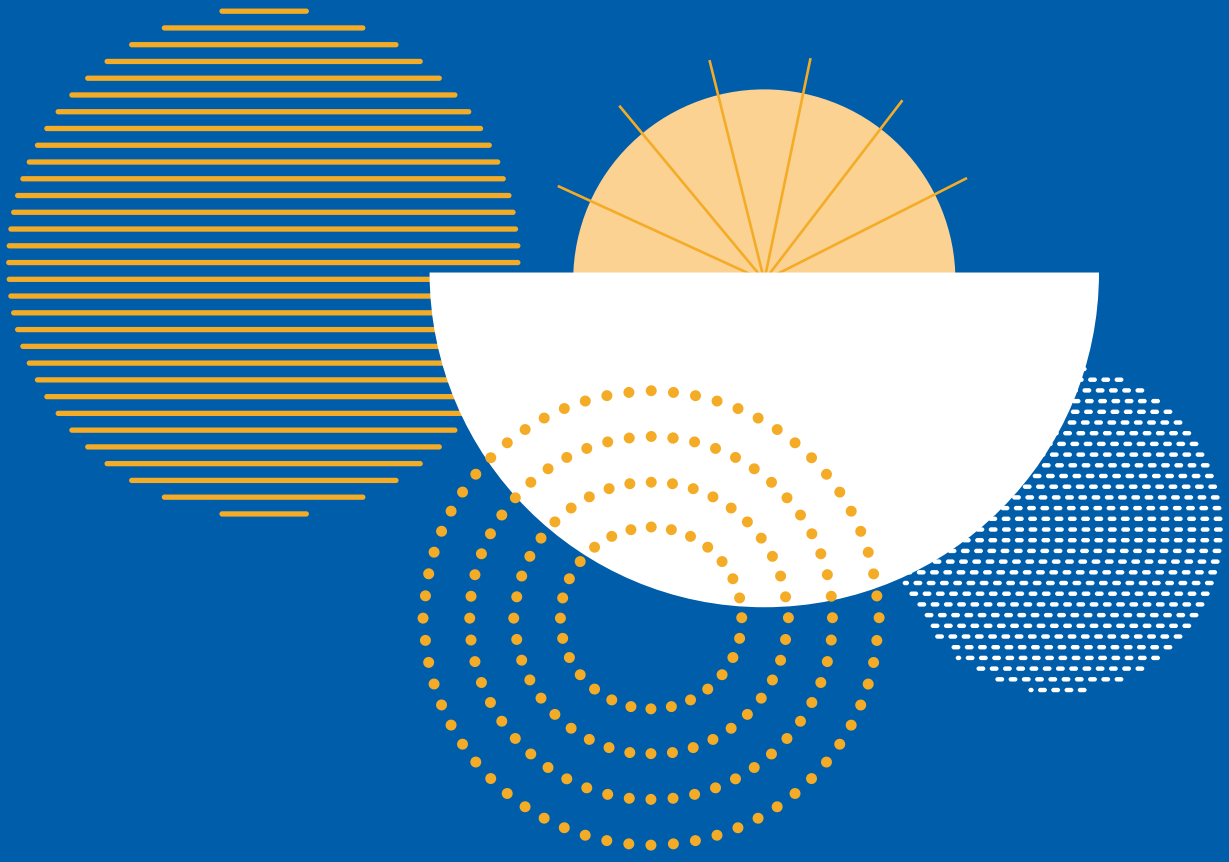
The expenditure forecast for all four stages of the asset lifecycle is summarised below.

FORECAST EXPENDITURE - BUILDINGS



Council is committed to continuously improving the quality and maturity of its asset management practices. The building improvement program has been developed as a roadmap for these improvements in conjunction with the Asset Management Strategy.

1. Introduction



1.1 Purpose

City of Holdfast Bay (Council) owns and maintains buildings to provide a range of community services including sporting and recreational activities, surf life saving, libraries, public toilets, caravan park cabins, commercial buildings, and Council's civic, administration and operational functions.

Building assets are fundamental to providing services that contribute to the health and wellbeing of our residents and visitors, and to maintaining the liveability and economic vitality of our council area.

The strategic direction for the overall management of our buildings assets is detailed in several documents including Council's Strategic Plan *(Our Holdfast 2050+)*.

The asset management plan addresses how we manage our building assets. Assets covered in this plan include:

- Commercial buildings (45)
- Community buildings (21)
- Council buildings (8)
- Public toilets (25)
- Sport and recreation buildings (45)
- Utility buildings (2).

The plan aims to demonstrate proactive management of assets in compliance with regulatory requirements to sustainably meet present and future community needs through:

- Aligning with industry best practice and international standard for asset management ISO 55000:2014 without seeking accreditation as an ISO document or process
- Aligning delivery of asset management activities with organisational goals and objectives
- Creating transparency and accountability through all aspects of asset management
- Meeting the agreed Levels of Service in the most cost-effective way through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets.

1. Introduction

1.2 Strategic Context

In accordance with the *Local Government Act 1999* (the Act) and the Strategic Plan *(Our Holdfast 2050+)*, the council provides a range of community services to the local community and visitors.

Assets are the foundation stones of the Council and management of assets is essential to achieve our Council's vision of:

Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia's most sustainable city.

This plan is developed and implemented in conjunction with the following plans, strategies, and policies:

- Strategic Plan *(Our Holdfast 2050+)*
- Corporate Plan (Four-year delivery plan)
- Long Term Financial Plan (LTFP)
- Asset Management Policy
- Asset Management Strategy
- Asset Management Plans (AMPs)
- Open Space and Public Realm Strategy 2018–2030
- Property Plan (in development)
- Carbon Neutral Plan.

City of Holdfast Bay's planning framework is outlined in Figure 1.1.

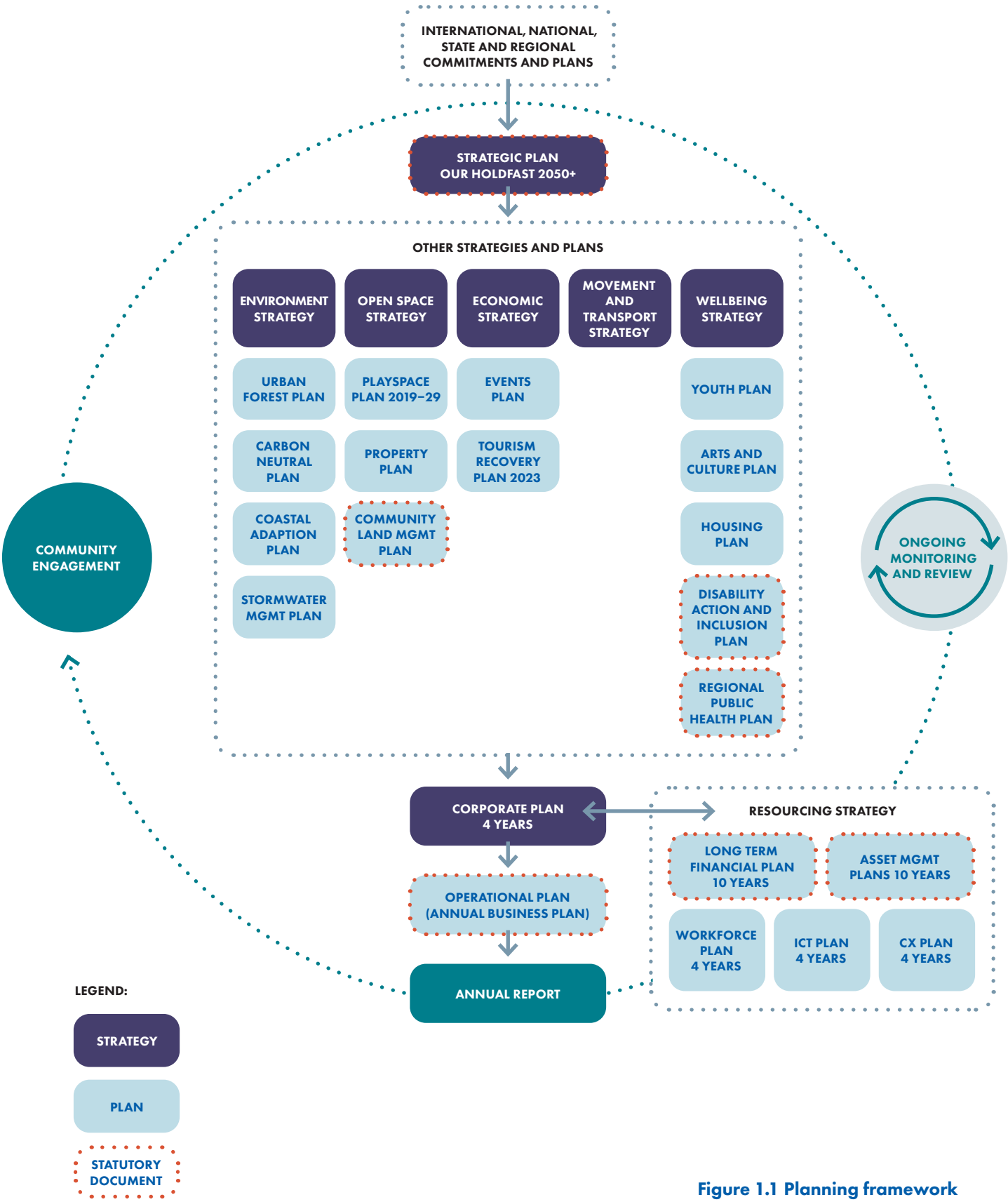


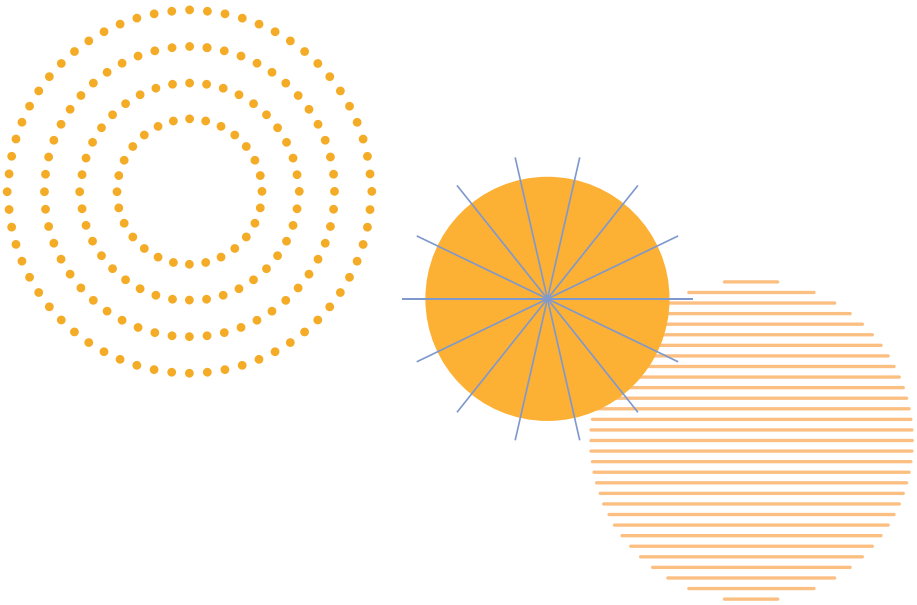
Figure 1.1 Planning framework

1. Introduction

1.3 Stakeholders

Key stakeholders responsible for asset management and end users of building assets are provided in Table 1.1.

Key stakeholders	Role in Asset Management Plan
Residents/community	End users of the services provided directly and indirectly by the assets. Provide feedback collected throughout the year, including the annual satisfaction survey.
Elected Members	Act as custodians of community assets. Set asset management policy and vision. Allocate resources to meet Council objectives in providing services while managing risks.
Audit Committee	Reviews, and makes recommendations and observations to Council on the financial outcomes of the asset management plans.
Chief Executive Officer and Senior Leadership Team	Provide leadership and strategic direction regarding management of assets and service provision. Review Asset Management Policy and Asset Management Strategy. Ensure community needs and agreed service levels are incorporated into asset management planning and the Long Term Financial Plan. Ensure councillors and staff provided with training in financial and asset management practices. Ensure accurate and reliable information is presented to Council. Ensure appropriate delegations and approval processes are followed.



Key stakeholders	Role in Asset Management Plan
Manager Engineering	Manages development, implementation and review of asset management plans, the Asset Management Policy and Asset Management Strategy. Responsible for advancing asset management within the organisation.
Asset Management Lead	Prepares asset management plans. Manages the asset register and spatial systems. Coordinate condition data collection. Coordinates annual renewal budget planning. Delivery of asset management improvement programs. Provides technical asset management expertise to the organisation.
Manager Buildings and Facilities	Coordinates the buildings capital works program. Ensures the maintenance and works programs are achieving service standards.
Property Officer	Management of all leases and licences associated with council buildings.

Table 1.1 Stakeholder responsibilities

1. Introduction

1.4 Asset Management Framework

The Asset Management Strategy 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 asset management framework consists of the three key asset management documents, the Asset Management Policy, Asset Management Strategy and asset management plans.

These documents create transparency and accountability through all aspects of asset management to ensure all stakeholders understand their roles and responsibilities.

The Council's asset management system is outlined in Figure 1.2. The asset management system is the end-to-end process of asset management within Council. The asset management framework connects Council's strategic vision and goals to the on-the-ground delivery of our services.

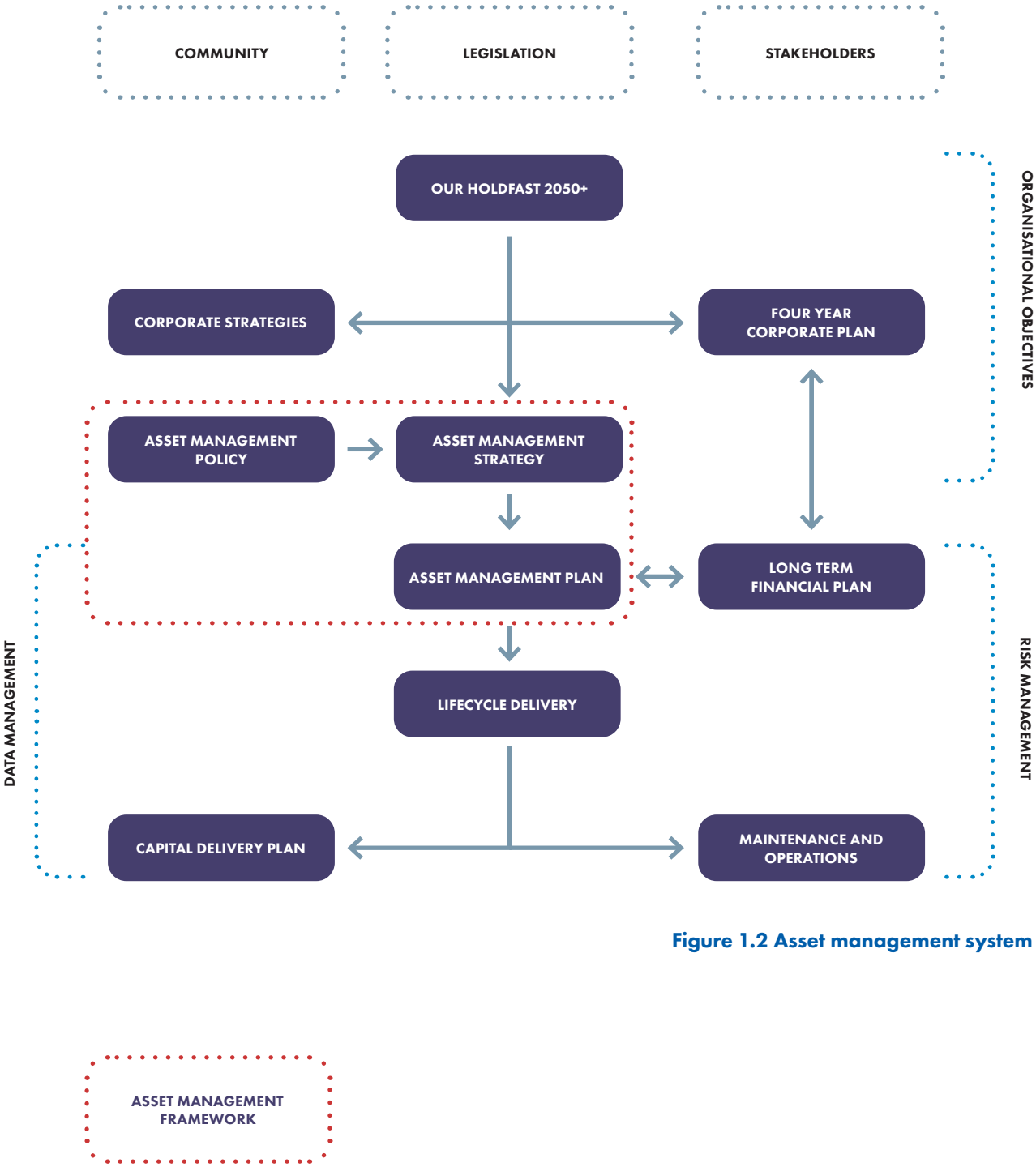
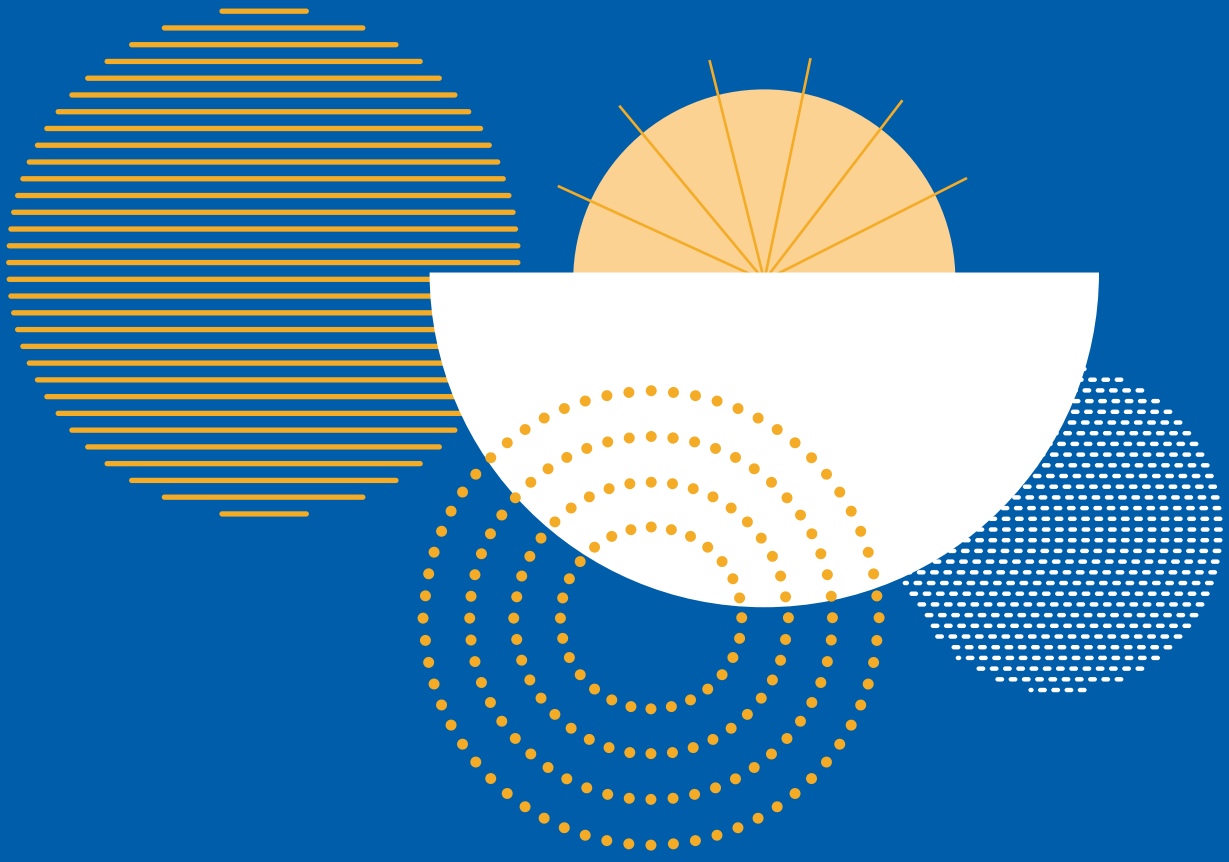


Figure 1.2 Asset management system

2. Asset Class Information



2.1 Asset Hierarchy

The building asset hierarchy provides a framework for structuring data in an information system to assist in the collection of data, reporting information and making decisions.

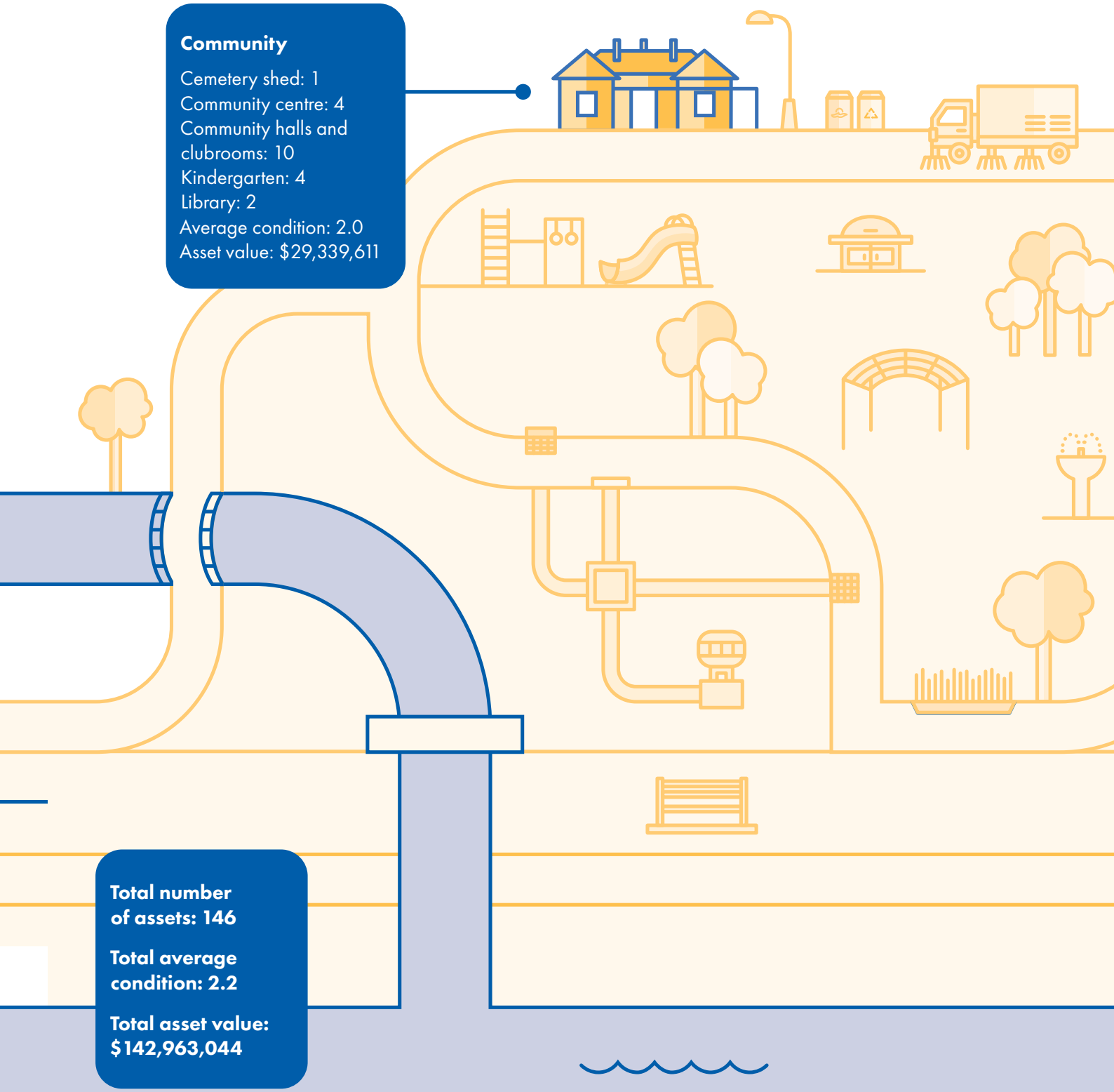
The hierarchy includes the asset class and component used for asset planning and financial reporting, and service level hierarchy used for service level planning and delivery.

Hierarchy	Criticality	Description
A	High	Buildings that are public facing with high usage or are critical to core council operations.
B	Medium	Buildings where failures resulting in partial or complete building closure are manageable and not likely to have immediate and extreme impact on council or community operations.
C	Low	Buildings with little to no operational impact.

Table 2.1 Building asset hierarchy categories

2. Asset Class Information

BUILDINGS



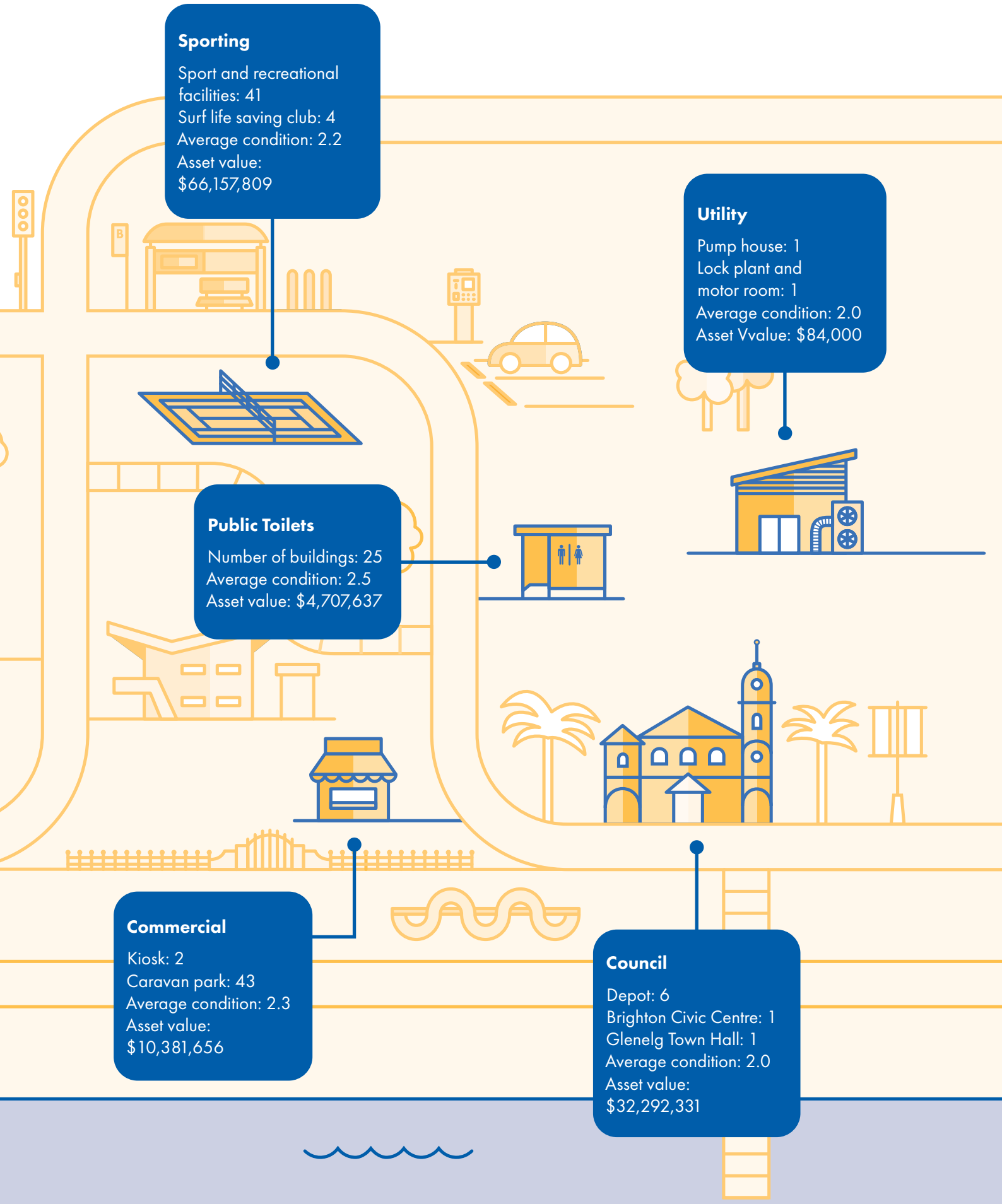
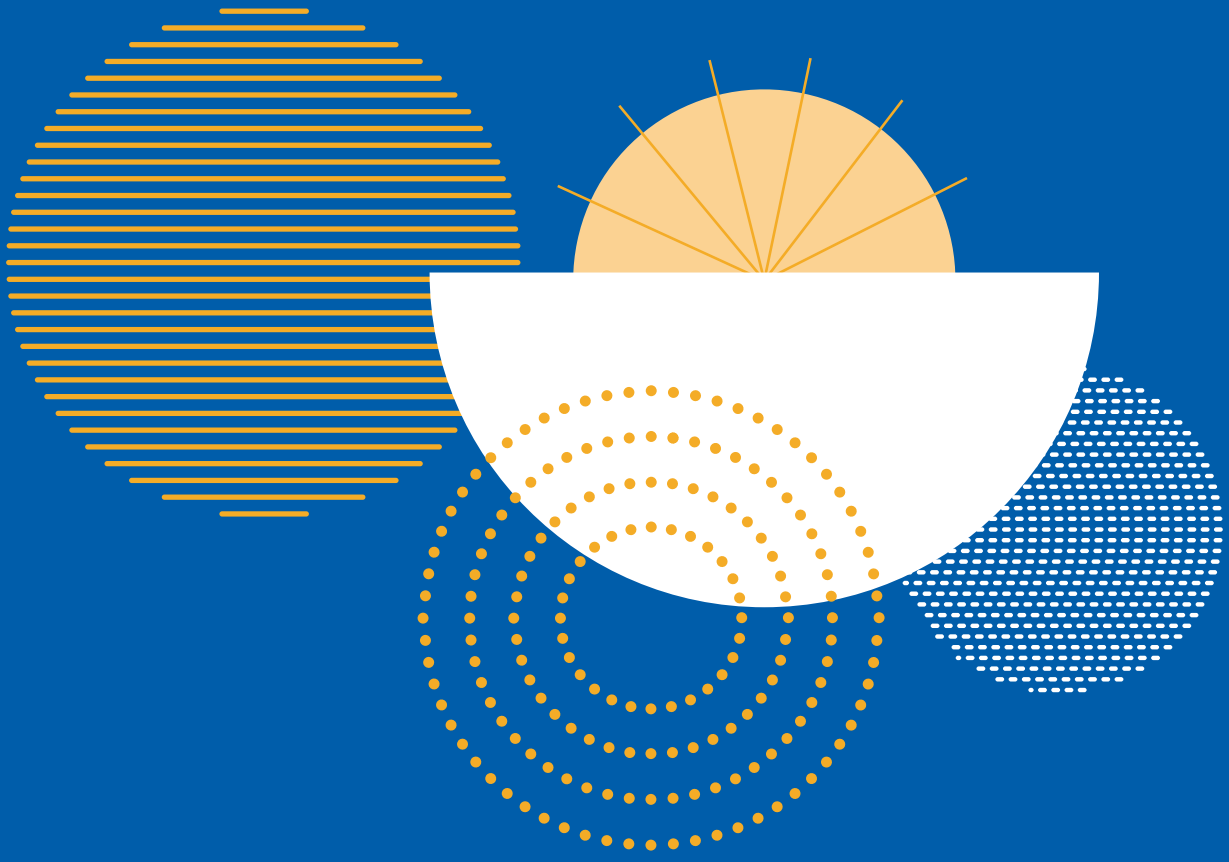


Figure 2.1 Building asset class information

3. Levels of Service



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

City of Holdfast Bay has two defined Levels of Service for building assets for:

- Community Levels of Service
  — community perception of service
- Technical Levels of Service
  — technical indicators of performance.

The defined Levels of Service are designed to support the continued performance and function of building assets to a reasonable standard, where maintenance and servicing are compliant with legislative requirements and manufacturing specifications. They are intended to ensure the building assets and associated budgets are appropriate to meet the service levels.

Community and technical Levels of Service are used as performance indicators.

Detailed operational Levels of Service for individual business processes are defined within the department's operational plans. Requirements are identified in the improvement actions section.

3. Levels of Service

3.1 Community Levels of Service

Council receives feedback from a variety of sources including:

- Community enquiries and requests
- Community Strategy consultation
- Annual Business Plan consultation
- Project feedback
- Development of AMPs
- Quality of Life Report 2023
- Customer satisfaction surveys.

This feedback is built into all areas of the Plan and we seek to measure our performance against community expectation through our service level links to customer request records and the Quality of Life 2023 Report.

Performance measure	Objective	Performance measure	Key performance indicator	2024 performance
Quality	Providing and maintaining community centres and programs	Quality of Life Survey score	Greater than 7.5	7.9
Quality	Providing and maintaining public toilets	Quality of Life Survey score	Greater than 7.5	7.4
Quality	Providing and maintaining sporting facilities	Quality of Life Survey score	Greater than 7.5	8.3

Table 3.1 Community levels of service

3.2 Technical Levels of Service

Performance measure	Objective	Performance measure	Key performance indicator	2024 performance
Quality (condition)	Physical condition of buildings within agreed service level condition	Condition of buildings	Average condition less than 3.0	2.2
Quality (condition)	Physical condition of building assets is within agreed service level condition	Condition of buildings	Percentage of poor or very poor (PVP) assets below 10%	12%
Quality (renewal)	Sustainably managing the renewal of assets	Asset renewal ratio (Renewal expenditure over forecast budget)	90%–110%	144% (2021–2023)
Quality (responsiveness)	Building assets are functioning and maintained within determined response times	Time taken to respond to requests	Meet response times for priority 4 and 5 requests (90%)	TBC
Function (safety)	Compliance	Legislative compliance testing undertaken and complaint	100% compliance	Yes
Climate (mitigation)	Reduce and eliminate emissions to reach 2030 carbon-neutral target	Emissions reduction from previous year	Evidence-based reduction	TBC
Climate (adaptation)	Reduction of asset management climate risk to Council	Consider climate risk in infrastructure decision-making	Progress the RAMP and implementation of actions	Yes

Table 3.2 Technical levels of service

3. Levels of Service

All community and technical Levels of Service have been achieved with the following exceptions:

Service level	Response action
Quality —providing and maintaining public toilets: 7.4 (target 7.5)	Significant investment in public toilets has been made in the past two financial years, including the new Seacliff Amenity Facility, a new toilet block on the Patawalonga and the ongoing renewal program of existing facilities.
Quality (renewal) —asset renewal ratio: 144% (target 90%–110%)	Through the new initiative process, several council buildings have had improvements during this period. These improvement projects have included associated renewal works to complement network upgrades.
Quality (condition) —Physical state of assets PVP below 10%: 12%	An asset condition inspection is scheduled for 2024–25 to review and update the condition data. The data will inform updated maintenance and renewal programs to meet service level requirements.

Table 3.3 Response actions

Following a condition audit and service review of the building asset class in 2024–25, new service levels will be developed to further measure the suitability and performance of our building portfolio.

Levels of Service with 2024 performance labelled TBC (to be confirmed) do not currently have a baseline indicator. These are to be measured and reported on, going forward.

3.3 Legislation and Relevant Acts

Under the Local Government Act 1999, Council is required to develop and adopt an infrastructure and asset management plan (AMP) covering a period of at least 10 years.

In addition, Council is required to adopt a long term financial plan (LTFP) associated with such service plans also covering a period of at least 10 years. There is a direct link between development and implementation of these two plans, with the LTFP updated to reflect forecast expenditure as detailed in these plans.

Council considers the following legislative framework in the management of its building assets.

Legislation	Requirements
Aboriginal Heritage Act 1988	An Act to provide for the protection and preservation of Aboriginal heritage; to repeal the *Aboriginal and Historic Relics Preservation Act 1965* and the *Aboriginal Heritage Act 1979*; and for other purposes.
Australian Accounting Standards	Standards applied in preparing financial statements, relating to the valuation, revaluation, and depreciation of assets.
Building Code Australia	Meet requirements for occupation under the approved building class.
Climate Change and Greenhouse Emissions Reduction Act 2007	An Act to provide for measures to address climate change with a view to assisting to achieve a sustainable future.
Disability Discrimination Act 2018 and *other relevant disability legislation*	To eliminate, as much as possible, discrimination against persons on the grounds of disability. Sets the standard for accessibility.
Environment Protection Act 1993	Responsibility not to cause environmental harm (e.g. noise pollution, contamination of water).
Heritage Act 1993 and *Heritage Places Act 1993*	Provides for the identification, recording and conservation of places and objects of non-Aboriginal heritage significance.

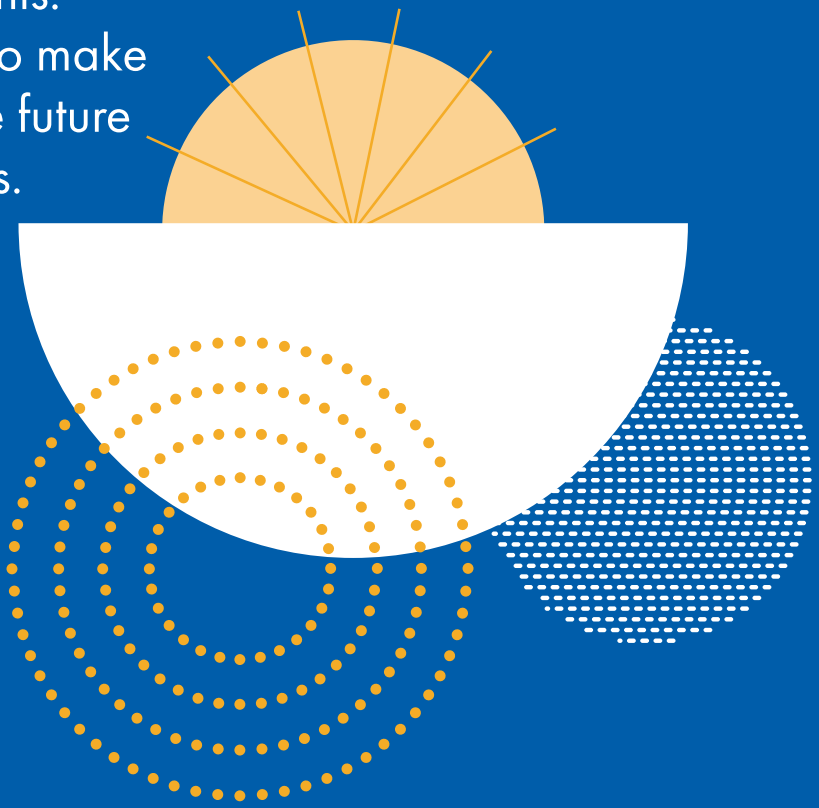
3. Levels of Service

Legislation	Requirements
Local Government Act 1999	Sets out the role, purpose, responsibilities, and powers of local governments including preparation of a LTFP supported by asset management plans for sustainable service delivery.
Local Government (Financial Management and Rating) Amendment Act 2005	Impetus for the development of a strategic management plan, comprising an asset management plan and an LTFP.
Planning, Development and Infrastructure Act 2016	An Act to provide for matters relevant to the use, development and management of land and buildings, including a planning system to regulate development within the State; rules with respect to the design, construction and use of buildings; and other initiatives to facilitate the development of infrastructure, facilities and environments that will benefit the community.
Retail and Commercial Leases Amendment Act 2019	An Act regulating leasing of retail premises.
SA Public Health Act 2011	An Act to promote and provide for the protection of the health of the public of South Australia and to reduce the incidence of preventable illness, injury, and disability; and for other purposes.
Water Industry Act 2012	An Act to facilitate planning in connection with water demand and supply.
Work Health and Safety Act 2012	An Act to provide for the health, safety and welfare of persons at work; and for other purposes.

Table 3.3 Legislative requirements

4. Demand Forecast

A community's demand for services may change over time depending on factors including environmental, technological and capacity requirements. Council may need to make changes to manage future demand for services.



4. Demand Forecast

Demand driver	Current position	Demand forecast
Population and housing density increases	Total estimated population 37,543 (2021), 51% of dwellings are medium to high density.	Planned to accommodate for 40,000 by 2031. Expected pressure for higher density development in the greater Adelaide region.
Ageing population and increase in disability rates	Median age is 48 years.	Growth in ageing population and demand for universal design for inclusion and accessibility.
Environmental sustainability (climate mitigation)	Council and the community are increasingly aware of our impact on the environment and Council's role in environmental sustainability.	Council is committed to pursuing, supporting, and creating an environment that will sustain current and future generations.
Climate change (climate adaptation)	Increase in severe weather events including droughts, extreme heat events, storms, storm surges, high tides, and sea level rise.	Increasing number of hot weather days and events. Increase in intensity of rain events. Sea level rise is accelerating. Increased evapotranspiration.

Demand impact	Demand management	Impact on assets
Increased demand for social building infrastructure assets such as libraries, recreational, and community facilities.	Regular Strategic Property Review for all buildings and implementation of identified actions.	Increased operational, maintenance and renewal costs.
Increased demand for building facilities that are more suitable for use by elderly people.	Undertake DDA compliance audit for buildings, maintain assets in accordance with changing Building Codes and Australian Standards.	Increased DDA compliance and aged care service provision requirements.
Requirement to use fewer, recycled and renewable resources that can contribute to the development of a circular economy and reduce Council's carbon footprint. Greater environmental sustainability requirements placed on the construction industry.	Implement actions from the Environment Strategy 2020–25, Climate Governance Risk Assessment and Carbon Neutral Plan.	Higher costs associated with construction methods that are environmentally sustainable.
Assets not reaching their expected useful lives due to a lack of consideration of climate change. Increasing management and maintenance demand associated with climate change adaptation.	Resilient Asset Management Program (RAMP) assessing resilience and suitability of assets under changing climate conditions.	Higher costs associated with materials, construction methods and maintenance of climate resilient and environmentally sustainable building assets.

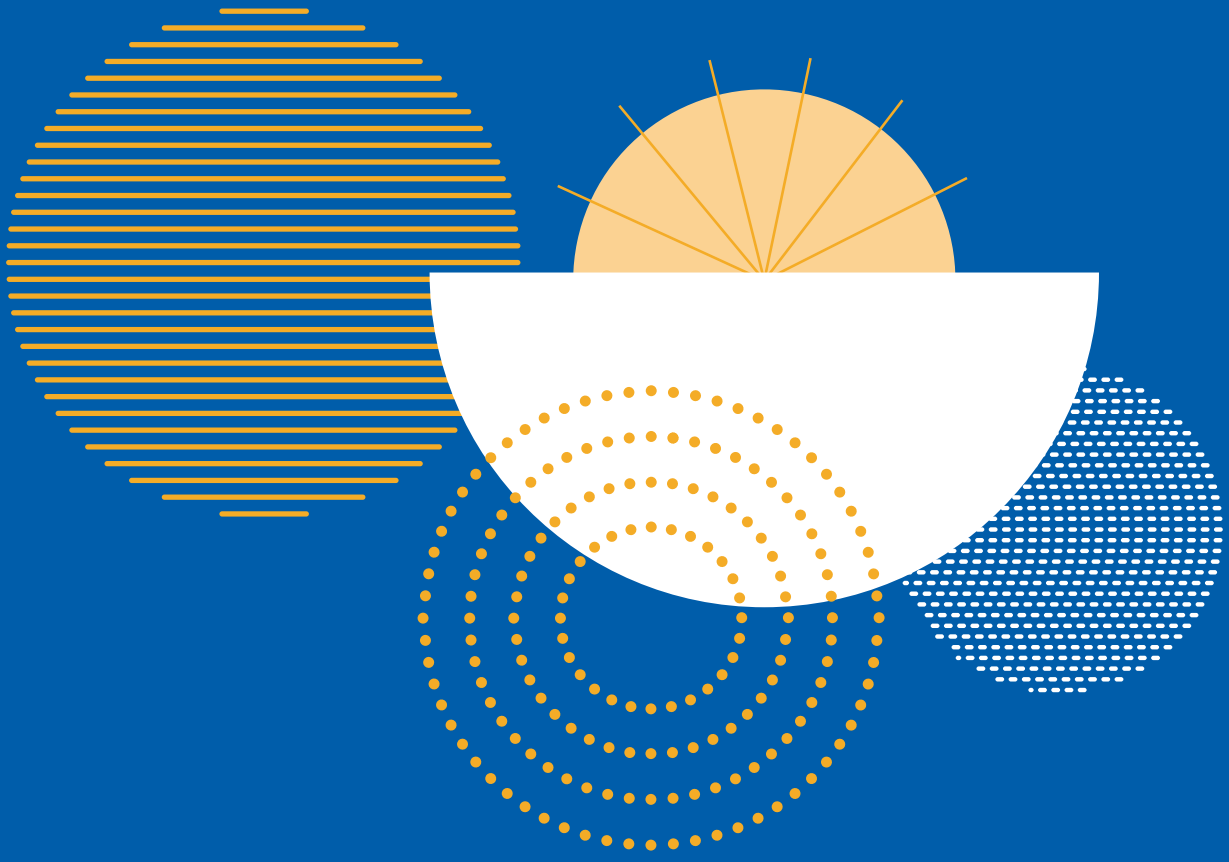
4. Demand Forecast

Demand driver	Current position	Demand forecast
Changing consumer preferences	All sports clubs expect access to a building.	All sports clubs have access to a building. Increasing female participation in sport requiring upgrades to change facilities. Changing demand in the type of facility provided.
Technology change	Increasing use of solar panels and smart technologies to operate building facilities.	Growing expectation to implement digital service improvements.

Demand impact	Demand management	Impact on assets
Potential consolidation of building assets and possible move towards shared mixed-use buildings for clubs and community groups. Increase in female participation in sport requires redevelopment of existing, or development of new, change facilities.	Strategic planning of the Building and Facilities asset class to develop a renewal plan that includes consideration of changed usage of buildings. Consultation with stakeholders on preferred amenities once a renewal or upgrade is pending (refer to Buildings Lifecycle Plan).	Changes to building usage requirements, i.e. female/child-friendly changing rooms and disability-friendly change facilities.
Council must adapt to the changing way the community operates, think and plan.	Align new or building upgrades with strategic plans and corporate values, exploring new emerging technologies during design and procurement.	Increasing use of solar panels and batteries will reduce the operational costs of facilities. Installation of battery storage and solar panels requires additional capital expenditure.

Table 4.1 Demand factors

5. Lifecycle Planning



Asset lifecycle planning outlines how Council plans to manage building assets in an optimised cost-effective manner while ensuring delivery of agreed service levels.

The lifecycle of assets can be defined in four stages, including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal.

Each of these stages is further detailed in this lifecycle planning section.

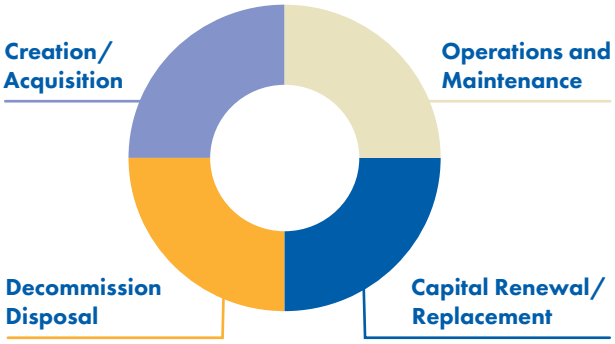


Figure 5.1 Asset lifecycle

5. Lifecycle Planning

5.1 Asset Life

Throughout the asset lifecycle, assets are inspected, condition-rated and revalued on a periodic basis. Asset condition and expected useful life are used to estimate the remaining life of each asset.

Building assets are managed financially using a straight-line depreciation method whereby an asset has a baseline current replacement cost that is depreciated over time using an assigned expected useful life for each asset. Throughout the asset lifecycle, assets are inspected, condition-rated and revalued on a periodic basis.

Asset condition and expected useful life are used to estimate the remaining life of each asset.

Assets may be renewed or replaced based on several factors including condition, amenity, capacity, function and increasing requirement for asset maintenance and repair as assets age. The service life of an asset may therefore differ from the design life or the useful life. During an asset's service life, maintenance and repair works will be required to maintain the service level provided by the asset.

A summary of expected useful lives of buildings assets is provided in Table 5.1.

Building asset category	Useful life range (years)
Exterior and sundries	30–50
Interior finishes	35
Public toilets	40
Roofing	50–60
Services	35–60
Structures	40–150
Substructure	40–150

Table 5.1 Useful lives

5.2 Asset Condition

Council is responsible for maintaining building assets in the appropriate condition for the defined level of service (section 3). This is achieved through the following works:

- Periodic building asset condition audits and safety inspections
- Development of a forward works program for capital renewal works and maintenance activities
- Overseeing works undertaken.

An independent condition audit of all building assets is completed every five years minimum to maintain an up-to-date database of condition, maintenance, and risks. Condition audits will be aligned to the asset class revaluations.

During the service life, buildings are maintained and inspected regularly to ensure the asset remains safe for use and fit for purpose, and to ensure the service life is achieved.

The condition scoring criteria adopted for building asset audits is based on the IPWEA condition rating guidelines and is summarised in Table 5.2.

Condition grade	Condition	Description
1	Very good	Sound physical condition, no work required.
2	Good	Acceptable physical condition, minimal risk of failure but potential for deterioration, only minor work required (if any).
3	Fair	Significant deterioration evident, failure unlikely in near future however further deterioration likely. Maintenance required to return the asset to accepted level of service. Renewal likely to be required in the medium term.
4	Poor	Failure likely in short term, consider renewal. Renewal likely to be required in the short term—2 to 5 years.
5	Very Poor	Failed or failure imminent/safety risk, approaching unserviceable. Refurbishment, replacement or removal required as a priority.

Table 5.2 Condition score criteria

5. Lifecycle Planning

The building assets were last audited in 2019 with the next condition assessment scheduled for 2024–25. The Asset Management Plan will be updated following the 2024–25 data collection.

A summary of the condition of building assets from the 2019 asset condition inspection is provided in Table 5.3 and Figure 5.2.

Asset category	Number of buildings	Average component condition rating	Percentage below condition 3
Commercial	45	2.3	12%
Community	21	2.0	9%
Council	8	2.0	9%
Public toilets	25	2.5	13%
Sporting	45	2.2	14%
Utility	2	2.0	0%
Total	**146**	**2.2**	**12%**

Table 5.3 Condition ratings

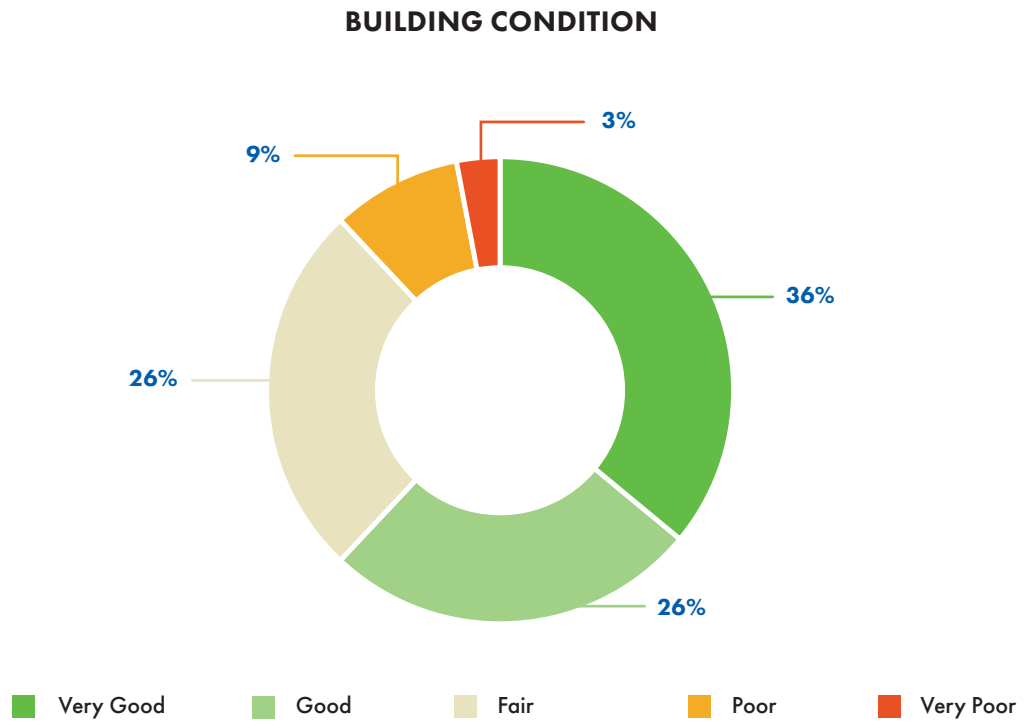


Figure 5.2 Building condition profile

5. Lifecycle Planning

5.3 Historical Expenditure

Historical expenditures for 2019–20 to 2022–23 for operation, maintenance, new assets and renewal of existing assets for the building asset class is summarised in Figure 5.3. The actual expenditures for each year have been indexed by the local government price index (LGPI) to create 2024–25 equivalent expenditures.

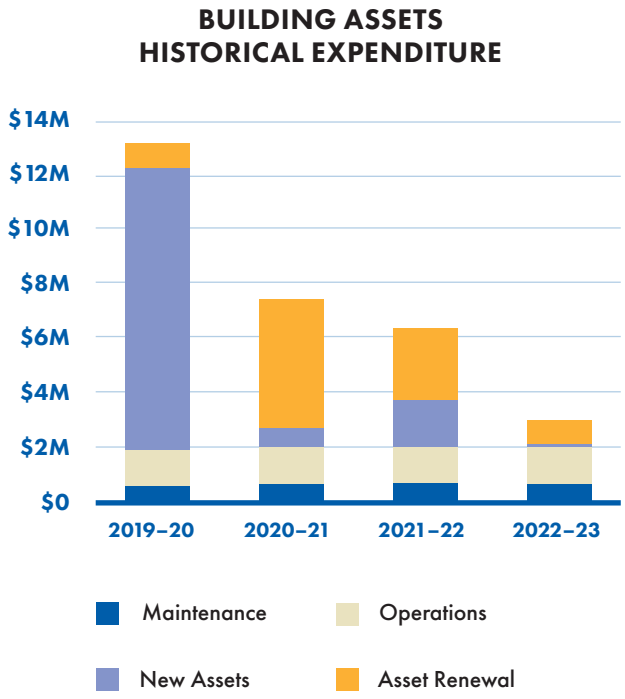


Figure 5.3 Historical expenditure

5.4 Operation and Maintenance Plan

Assets are maintained and serviced throughout the lifecycle to ensure service delivery and safety are maintained.

Typical operations associated with building assets include cleaning and regular inspection of electrical and plumbing assets.

Maintenance activities include all actions required to retain an asset's condition and amenity, and can be classified as either reactive or planned. Typical maintenance activities include repair of electrical and plumbing services in buildings, external and internal painting and surface treatments on buildings, and structural repairs as required. Expenditures from the previous financial years have been indexed by the local government price index (LGPI) to create 2024–25 equivalent expenditures.

The operation and maintenance costs of building assets are forecast to trend in line with the previous four years of costs.

Annual amounts of $1,366,856 for operations and $661,672 for maintenance have been adopted, based on the average of the previous four years, to provide equivalent 2024–25 estimates.

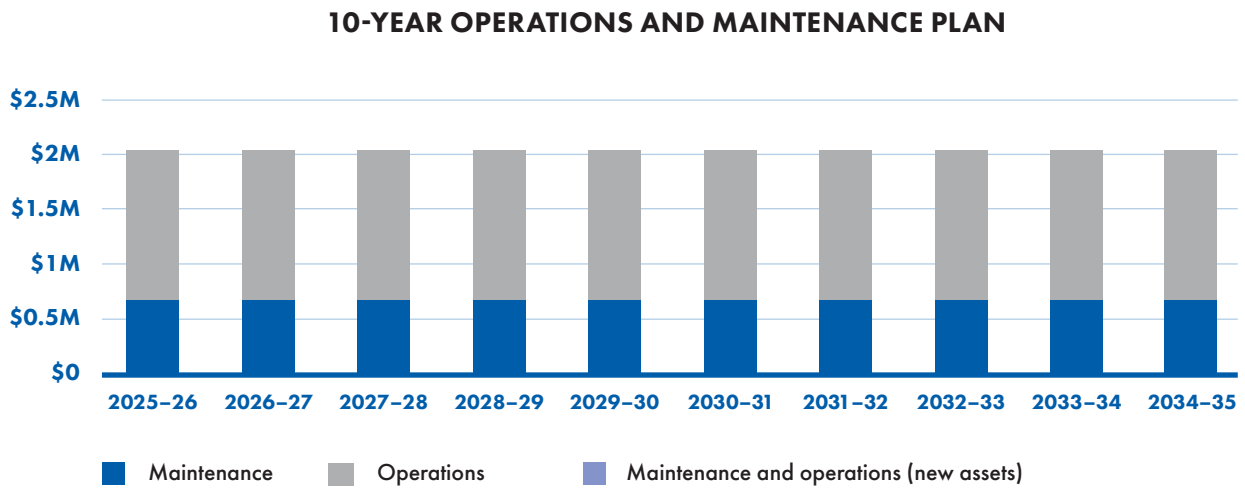


Figure 5.4 Operations and maintenance plan

5. Lifecycle Planning

5.5 Renewal Plan (capital)

Asset renewal is capital work which restores, rehabilitates, replaces, or renews an existing asset to its original service potential.

Asset renewal is undertaken for reasons including deteriorating asset condition, function, and amenity considerations, or to align works in an area to minimise disruption and undertake works efficiently.

The building replacement program outlined in this plan has been developed based on condition data, standard useful lives of assets, and reported defects and failures.

Following the 2024–25 condition assessment and building service review a revised renewal program will be developed and implemented into an updated asset management plan.

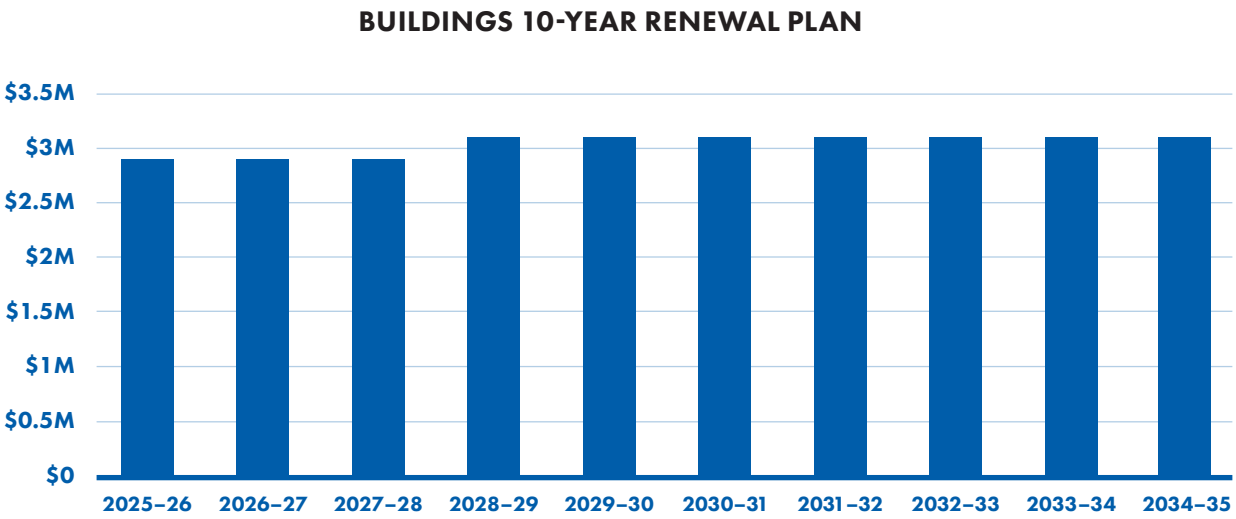


Figure 5.5 10-year renewal plan

5.6 Acquisition Plan (new capital)

Acquisitions are new assets that did not previously exist or works resulting in significant upgrade of the asset and an increased capacity to deliver a service. The requirement for an acquisition may result from growth, changed demand, social or environmental needs. Assets may also be donated to Council.

Acquisition works result in additional future operations and maintenance costs.

Acquisition of new assets is often based on community expectations and strategies to change a service offering in a specific location.

Council is currently undertaking and planning upgrades and acquisitions for the:

- Brighton Beachfront Holiday Park redevelopment
- Seacliff Amenities Building and Beach Access Redevelopment
- Patawalonga toilet.

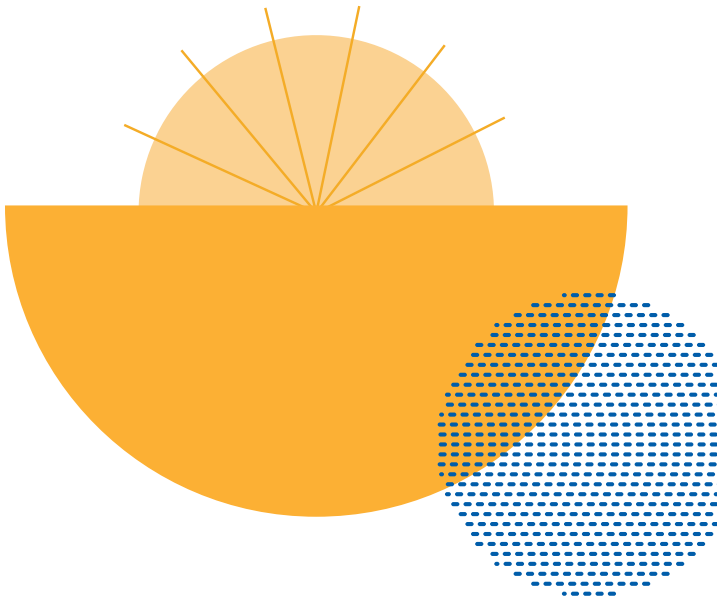
The Brighton Beachfront Holiday Park redevelopment is a funded project being undertaken over several years. Works still to be undertaken include replacement and development of cabins and internal roads.

The Seacliff Amenities Building and Beach Access Redevelopment, and Patawalonga toilet, are both being delivered in 2024–25 and have been excluded from acquisitions in this plan.

5.7 Disposal Plan

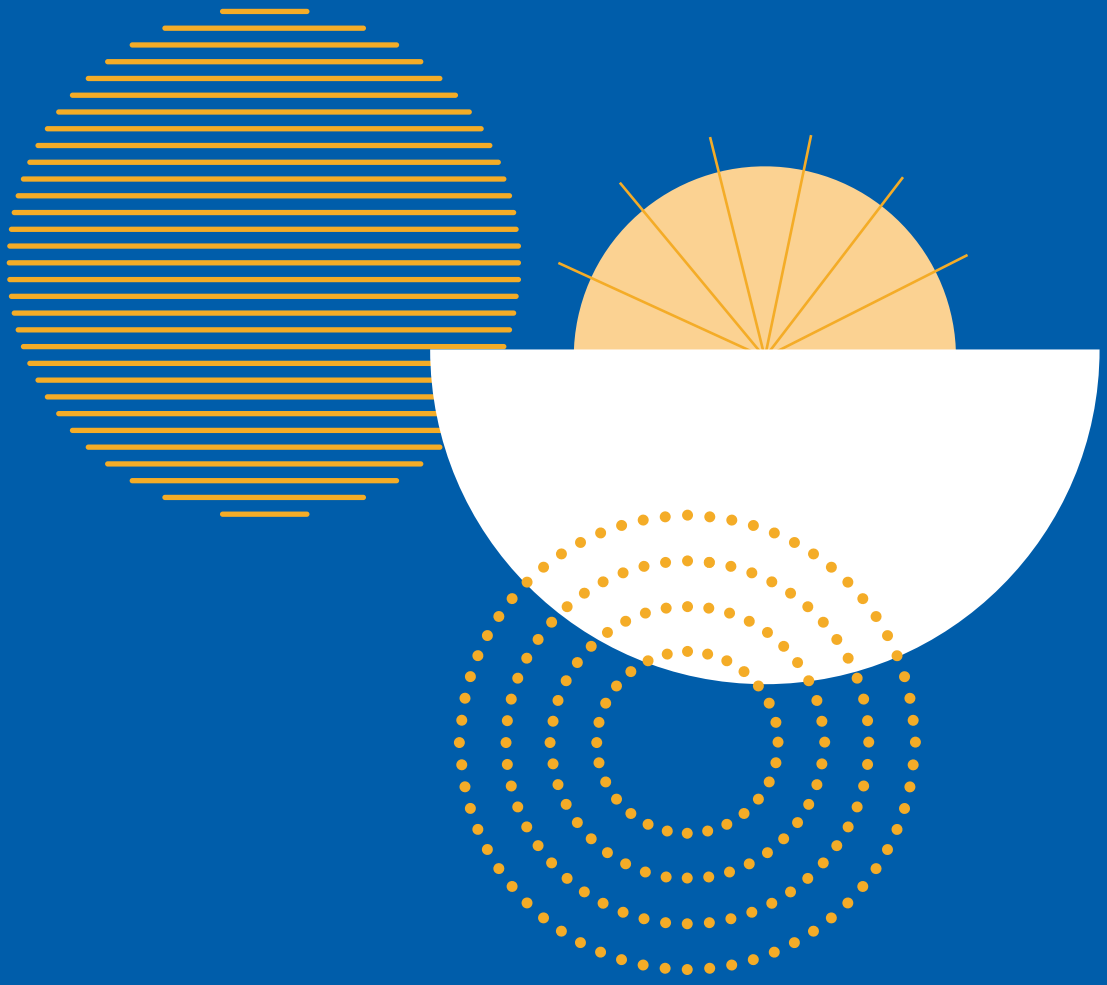
Disposal of assets refers to activities associated with disposing of a decommissioned asset including sale, demolition, or relocation. Council's Disposal of Assets Policy outlines this process.

Council has no upcoming disposals for building assets and currently there is no funding requirement for building asset disposals.



6. Financial Summary

This section outlines the buildings asset class financial requirements.



6.1 Asset Class Valuation

Valuations are undertaken for each asset class in alignment with Australian Accounting Standard AASB13 Fair Value and are generally undertaken at least every five years.

The revaluation of Council's building asset class was last undertaken as of 30 June 2022 and was developed by an external independent valuer based on the current building asset register data.

While building inspections were undertaken during development of this valuation, a full condition audit of all building asset components was not undertaken at this time.

It is planned to complete a condition audit and defect collection for all of Council's buildings assets during the 2024–25 financial year and develop a revaluation as of 1 July 2025 using the asset component and condition data.

Before starting the condition audit, building asset data will be reviewed and updated to ensure a high level of data quality and structure prior to the audit. Following the condition audit and data update, a valuation for building assets will be completed as of 1 July 2025.

The valuation of Council's building asset class as of 30 June 2024 is summarised in Table 6.1.

Building subcategory	Current asset cost	Accumulated depreciation	Carrying value	Number of buildings
Commercial	$10,381,656	$2,639,547	$7,742,109	45
Community	$29,339,611	$14,366,341	$14,973,269	21
Council	$32,292,331	$17,671,710	$14,620,622	8
Public toilets	$4,707,637	$1,786,611	$2,921,026	25
Sporting	$66,157,809	$20,978,924	$45,178,884	45
Utility	$84,000	$37,920	$46,080	2
Total	**$142,963,044**	**$57,481,054**	**$85,481,990**	**146**

Table 6.1 Building assets valuation

6. Financial Summary

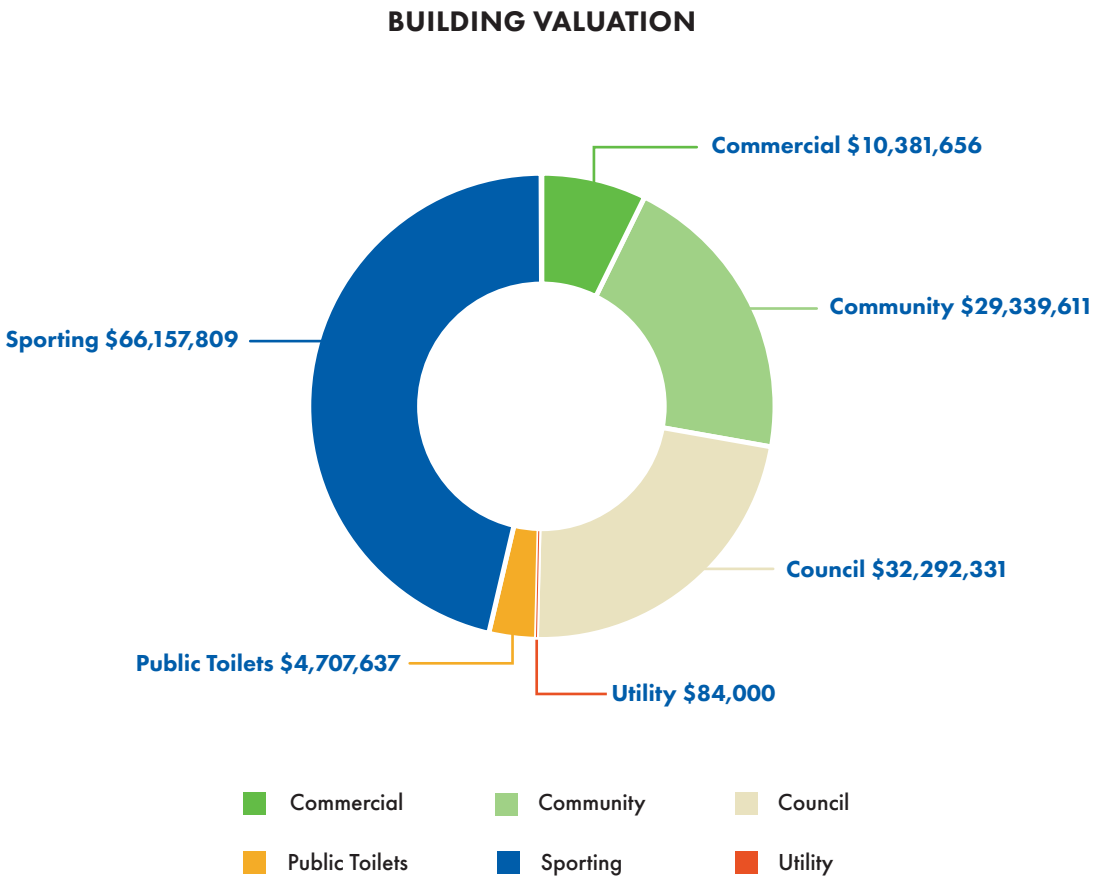


Figure 6.1 Building assets valuation

6.2 Expenditure Forecast Summary

The overall buildings expenditure forecast for operations, maintenance, renewal of existing assets and acquisition of new assets is provided in Table 6.2. The building asset renewal forecast is provided in Table 6.3.

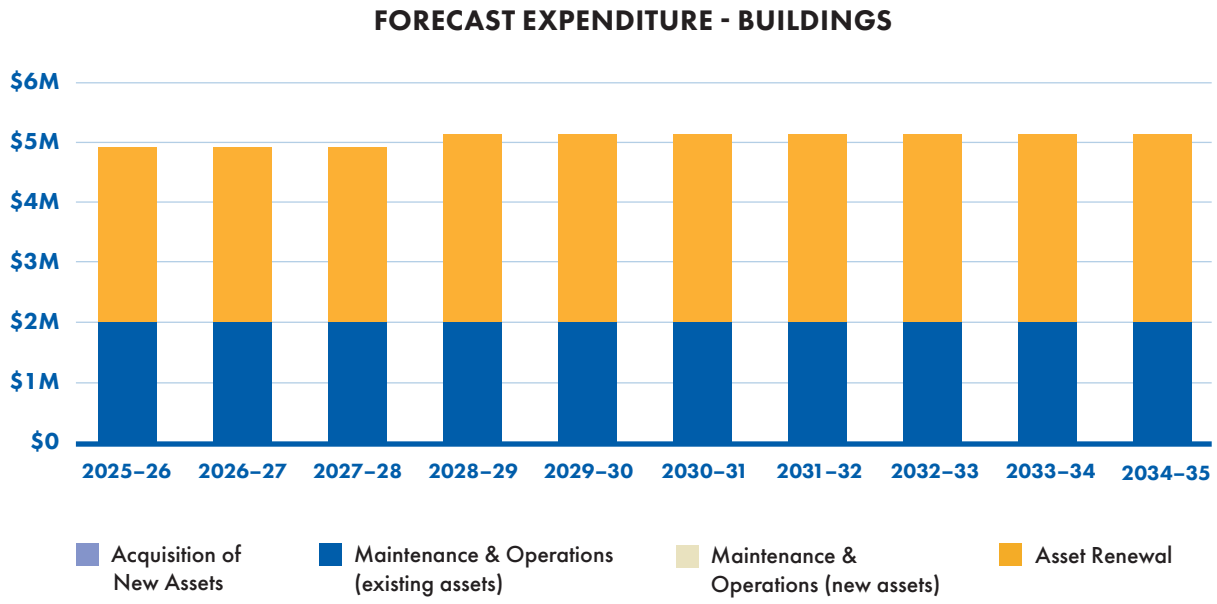


Figure 6.2 Building forecast expenditure

6. Financial Summary

Financial year	2025–26	2026–27	2027–28	2028–29
Acquisition of new assets	$0	$0	$0	$0
Maintenance and operations (existing assets)	$2,028,528	$2,028,528	$2,028,528	$2,028,528
Maintenance and operations (new assets)	$0	$0	$0	$0
Asset renewal	$2,900,000	$2,900,000	$2,900,000	$3,119,398
Asset disposal	$0	$0	$0	$0
External grant funding	$0	$0	$0	$0
Council funding required	**$4,928,528**	**$4,928,528**	**$4,928,528**	**$5,147,926**

Financial year	2025–26	2026–27	2027–28	2028–29
Building asset renewal	$2,900,000	$2,900,000	$2,900,000	$3,119,398
Total renewal	**$2,900,000**	**$2,900,000**	**$2,900,000**	**$3,119,398**

2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
$0	$0	$0	$0	$0	$0
$2,028,528	$2,028,528	$2,028,528	$2,028,528	$2,028,528	$2,028,528
$0	$0	$0	$0	$0	$0
$3,119,398	$3,119,398	$3,119,398	$3,119,398	$3,119,398	$3,119,398
$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0
$5,147,926	**$5,147,926**	**$5,147,926**	**$5,147,926**	**$5,147,926**	**$5,147,926**

Table 6.2 Forecast expenditure

2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
$3,119,398	$3,119,398	$3,119,398	$3,119,398	$3,119,398	$3,119,398
$3,119,398	**$3,119,398**	**$3,119,398**	**$3,119,398**	**$3,119,398**	**$3,119,398**

Table 6.3 10-year renewal plan

6. Financial Summary

6.3 Funding Strategy

Key strategic activities that will affect the future financial position for buildings:

- The AMP to inform the LTFP
- Valuation 1 July 2025
- Building condition data collection in 2024–25
- Building leasing agreement review
- Building service review
- Carbon Neutral Plan implementation
- Resilient Asset Management Program implementation
- Property Plan (in development).

6.4 Assumptions

The following assumptions have been adopted in the development of the financial forecasts:

- The renewal budget requirement is currently based on previous AMP data and LTFP budgets
- Operation and maintenance budget forecasts have been based on actual operation and maintenance costs for a four-year period adjusted to 2024–25 equivalent costs
- No decommissioning of assets has been assumed.

6.5 Data Confidence

Expenditure requirements for asset replacement and operational costs have been based on the best available data.

Asset replacement costs for buildings have been based on the previous 2020 AMP for the first five years of the planning period and average budget requirements for the last five years of the planning period. While the budget can be managed in the short term, it is accepted that new condition data and review of the buildings asset class during 2024–25 will result in an updated renewal plan.

The buildings asset register is currently being restructured prior to a condition audit in 2024–25. Data restructuring will include the separate identification of service assets such as large switchboards and solar panels and lifts that operate on a service life in a similar manner to plant and equipment assets. Smaller assets such as wall and floor finishes will be grouped together rather than being identified as individual assets.

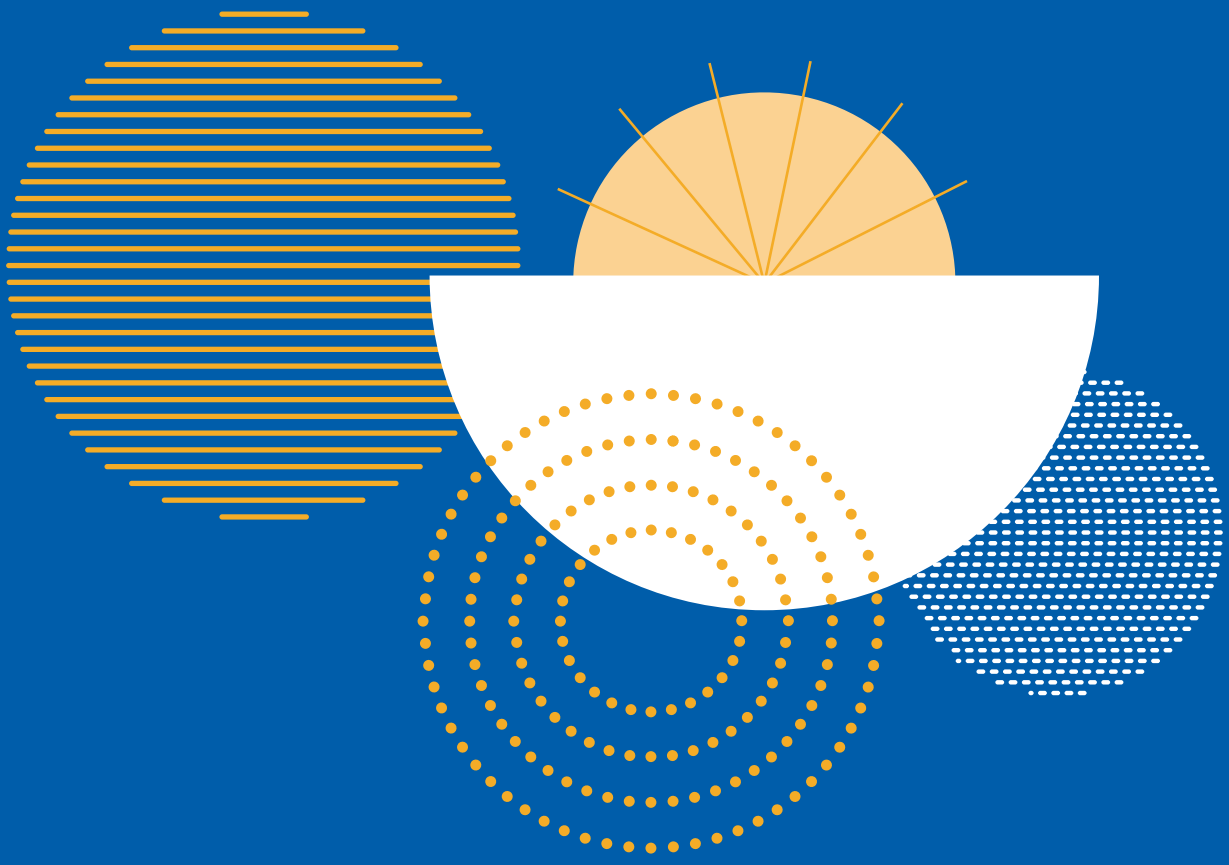
The data confidence for this asset class is classified as "C—Uncertain" based on the IPWEA data confidence scale provided in Table 6.4.

Once each building is identified separately and assigned either one or several commissioned assets based on complexity, it is anticipated data confidence can be upgraded to "B—Reliable" prior to the next asset management plan update.

Confidence level	Description
A—Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ±2%.
B—Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, e.g. 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 ±10%.
C—Uncertain	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 is available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated at ±25%.
D—Very uncertain	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 ±40%.
E—Unknown	None or very little data held.

Table 6.4 Data confidence

7. Risk Management



The objective of the risk management process is to ensure all significant asset management risks are identified and assessed.

Following a risk assessment and consideration of both likelihood and consequence, risks identified as high or very high in the short to medium term are investigated. Strategies and treatments are implemented to mitigate or address unacceptable risks.

An assessment of risks in line with Council's risk matrix (Figure 7.1) associated with the building asset class is detailed in Table 7.1.

Table 7.1 summarises the asset management risk register, which is reviewed and updated at minimum annually in line with our risk management procedures. The asset management risk register should be reviewed in line with the strategic and operational risk register.

		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
LIKELIHOOD						
Almost Certain	E	Medium	Medium	High	Extreme	Extreme
Likely	D	Low	Medium	High	High	Extreme
Possible	C	Low	Medium	Medium	High	High
Unlikely	B	Low	Low	Medium	Medium	High
Rare	A	Low	Low	Low	Medium	Medium

Figure 7.1 Risk matrix

Building risk statement	Current controls	Residual risk rating
Climate change affecting service and useful life of assets and ability for buildings to be refuges	› Ongoing participation in the Resilient Asset Management Program (RAMP) with Resilient South Councils. › Coastal adaptation planning in place, including hazard identification and assessment. › Consideration of climate change risks in strategic and long-term planning.	HIGH
Inconsistency caused by changes to Elected Members or Senior Leadership personnel	› Alignment of asset management framework (AM Policy, Strategy and plans) including service levels and long-term financial plans. › Development of AM Steering Committee. › Regular asset management updates provided to Elected Members.	MEDIUM
Insufficient budget to meet service levels for maintenance and renewal	› Clear budget planning process, identifying any funding dependencies within planned/major upgrades. › Operational management plans for complex and high-risk sites. › 10-year financial planning and rolling 3-year capital works program. › Regular condition audits of assets. › Community service levels developed through ongoing feedback.	MEDIUM
Lack of accuracy and consistency in asset management source data	› Current asset information data levels through cyclic condition audits. See confidence levels. › Annual cyclic data collection schedule in place. › Ongoing improvements to data management guidelines. › Regular updates from routine maintenance spot checks/ issue reporting.	HIGH

Further risk treatments/actions	Target risk rating
› Implement RAMP actions for all asset classes and across the asset lifecycle. › Complete coastal adaptation planning including data collation, risk assessments and community engagement. › Integrated IPWEA Practice Note 12.1 into asset project design amd planning processes.	MEDIUM
› Improving asset management maturity aligned with AM Strategy improvement plan. › Keep Elected Members and Senior Leadership Committee, informed via the Asset Management Steering Committee. Identify training where required.	MEDIUM
› AM Strategy Improvement Program Action Number 8 and Improvement Action 4: Review operational LoS and update responsibilities, resourcing and planning to meet agreed LoS. Implement system to prioritise, assess and action requests in-line with operational LoS. › AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision-making.	MEDIUM
› Controls aligned to improvement plan (section 8) including 2024–25 building data collection. › AM Strategy Improvement Program Action Number 3: Establish the data management framework and guidelines for asset register to future-proof for predictive modelling. › AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision-making.	LOW

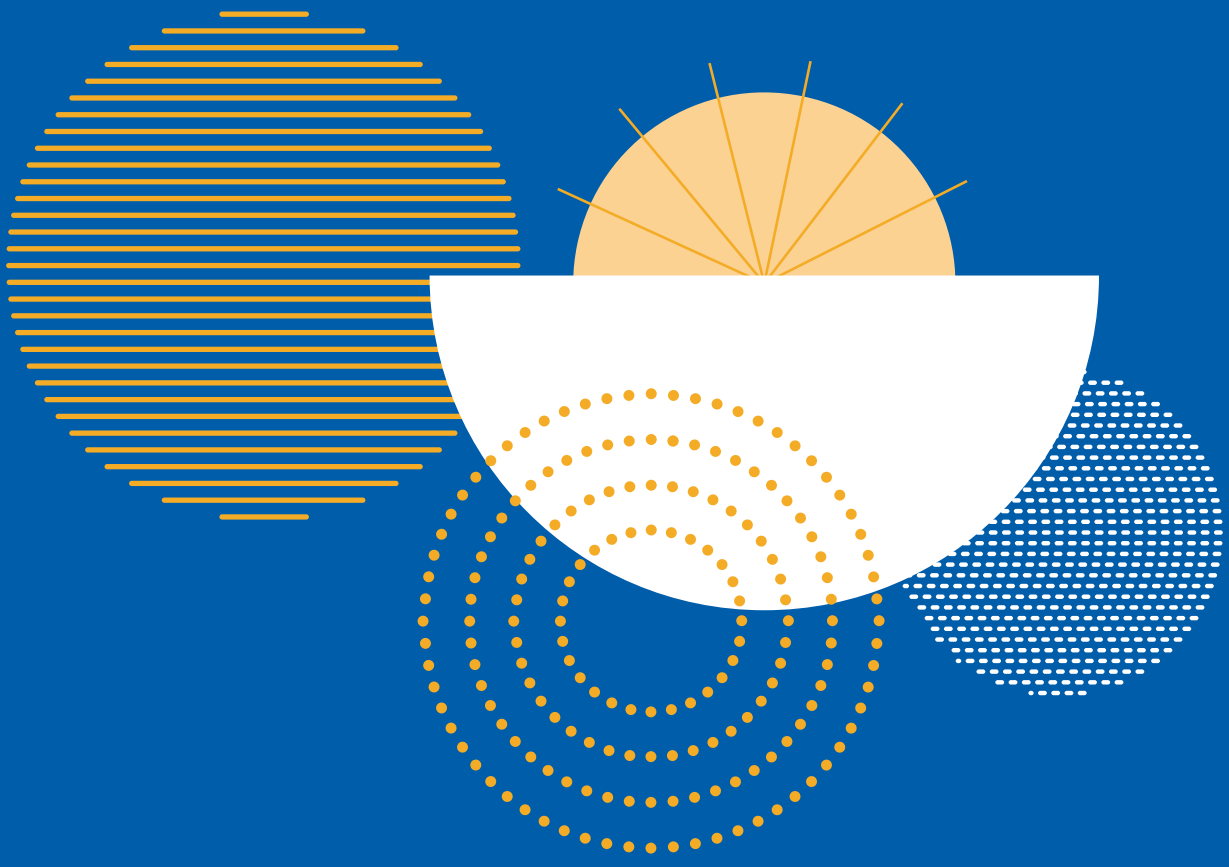
7. Risk Management

Building risk statement	Current controls	Residual risk rating
Lack of alignment between strategic property management and building renewal works	› Planned condition audit 2024–25. › Planned service review 2024–25.	HIGH
Inconsistent/inaccurate property data	› Existing data based on 2019 condition audit.	MEDIUM
Lack of compliance with legislative and Australian Standards requirements, including DDA compliance	› DDA compliance program following audit of all key buildings. › Ongoing programs to complete related audit recommendations. › Other legislative compliance met, including inspections and testing.	MEDIUM
Lease buildings not suitably maintained	› Established buildings maintenance program. › Regular site inspections give assurance that lease holders adequately maintain the facilities.	MEDIUM
Risk of change in community service standards or expectations	› Track service levels with Quality of Life Survey. › Community feedback through customer requests records. › Feedback through community engagement on strategies and plans.	MEDIUM

Further risk treatments/actions	Target risk rating
› Complete condition audit. › Develop a strategic plan for property. › Strategic planning alignment for new and existing buildings. › Update AMP to reflect strategic direction for property.	MEDIUM
› Property data collected and used as the base for property management system. › Periodic data cleansing/updating program.	MEDIUM
› Undertake a gap analysis for DDA compliance. › Use the 2024–25 data collection to identify improvement areas and include within renewal programs.	MEDIUM
› Undertake review of buildings maintenance program to ensure all properties are correctly listed and detailed. › Review and update lease templates as required.	LOW
› Improvement action 5 review of service levels. › Improvement action 7 undertake strategic property review.	LOW

Table 7.1 Risk assessment

8. Improvement Plan

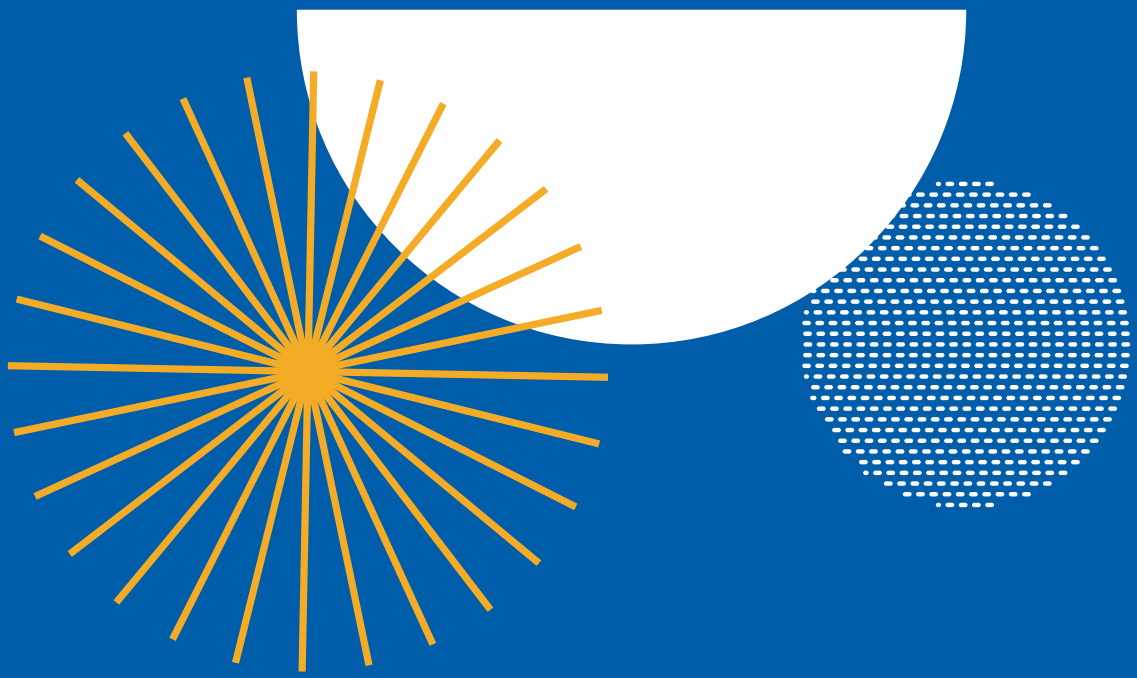


The following tasks have been identified for improving building asset management practices and future versions of this plan.

Task No	Task	Responsibility	Resources required	Due for review
1	Undertake building condition assessment.	Manager Building and Facilities	Existing	June 2025
2	Undertake annual safety inspection program.	Manager Building and Facilities	Existing	June 2025, ongoing
3	Establish a compliance register for DDA requirements within each building.	Manager Building and Facilities	Additional	June 2025
4	Establish Facilities Management Plans for complex, heritage-listed or high-risk sites.	Manager Building and Facilities	Additional	June 2028
5	Review the levels of service, incorporate into renewal planning and define asset hierarchy service levels aligned to core business.	Manager Building and Facilities	Existing	December 2025
6	Implement defined maintenance and capital replacement responsibilities in lease agreements that align with building hierarchy service standards.	Manager Building and Facilities	Existing	June 2026
7	Undertake a strategic property review development of Council's Property Plan.	Manager Building and Facilities	Additional	June 2026
8	Update Buildings Asset Management Plan based on: › New condition data › Service level review › Strategic property review › Lease agreement review.	Manager Building and Facilities	Existing	June 2026

Table 8.1 Improvement plan

Glossary of Terms



Key Term	Definition
Accumulated depreciation	The total amount of depreciation charged to an asset from when it was first recognised to a given point in time.
Asset	An individual or group of physical objects, which has value and enables services to be provided. This typically includes buildings, plant and equipment, playgrounds, sporting infrastructure, roads, pathways, stormwater drainage, and infrastructure.
Asset Category	Second tier in the data structure, a subset of assets with similar attributes.
Asset Class	An asset class is a grouping of assets of a similar nature and use. First tier in the data structure in line with the five asset management plans.
Asset Lifecycle	The lifecycle of assets can be defined in four stages including creation/ acquisition, operations and maintenance, capital renewal/replacement, and decommission/disposal.
Asset Management	The combination of management, financial, economic, engineering and other practices applied to assets with the objective of providing the required service level in the most cost-effective manner.
Asset Management Framework	The Asset Management Framework consists of the three key asset management documents, the Asset Management Policy, Asset Management Strategy and Asset Management Plans.
Asset Management Plan	Long-term plans (usually 10 years) that outline the asset activities and programs for each asset class and resources applied to provide a defined level of service in the most cost-effective way.
Asset Management Strategy	The Asset Management Strategy outlines the high level, strategic approach to asset management. In other words, how it proposes to manage its assets.
Asset Management System	Encompasses all processes and interactions of asset management activities. Inclusive of organisational strategy, objectives, processes and procedures, asset register and software, data management, risk, and asset lifecycle activities.
Asset Sub-Category	Third tier in the data structure, a further second subset of assets with similar attributes.
Asset Type	Specific attribute with a unit rate used for valuation.

Glossary of Terms

Key Term	Definition
Capital expenditure	Expenditure which contributes to or results in a physical asset.
Capital renewal expenditure	Expenditure to replace or rehabilitate an existing asset.
Carrying value	The amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.
Commissioned assets	Assets within Council's asset register that have been assigned a value and are subject to depreciation.
Current Asset Cost	The cost of replacing an existing asset with a substantially identical new asset or a modern equivalent.
IIMM	International Infrastructure Management Manual providing guidelines for best management practices for infrastructure assets.
In-use assets	Assets within Council's asset register that currently exist and are providing a service.
ISO 55000	The ISO 55000 international standard for asset management provides terminology, requirements and guidance for implementing, maintaining and improving an effective asset management system.
Level of service	The defined service quality for a particular service/activity against which service performance may be measured.
Long term financial plan	Council's financial plan for a period of 10 years. Demonstrates financial sustainability in the medium to long term, while achieving the objectives in the Strategic Plan.
Maintenance expenditure	Any activity performed on an asset to ensure it is able to deliver an expected level of service until it is scheduled to be renewed, replaced or disposed.
New capital expenditure	Expenditure which creates a new asset in addition to Council's previously existing assets.
Operational expenditure	Ongoing expenditure for activities throughout an asset's life such as electricity, fuel, cleaning and inspections.
Useful Life	The useful life (UL) of an asset is the estimated length of time during which the asset is likely to be able to deliver a satisfactory level of service.

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