



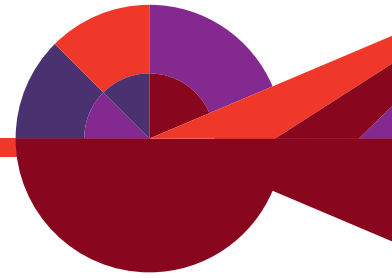
Building

**ASSET
MANAGEMENT
PLAN 2020**

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Building Assets Summary

CIVIC OPERATIONS

Replacement cost:
\$14,664,409

Condition: 85%



CIVIC OPERATIONS - OTHER

Replacement cost:
\$582,261

Condition: N/A

LEASE COMMUNITY

Replacement cost:
\$24,968,028

Condition: 89%



**LEASE
COMMERCIAL**

Replacement cost:
\$3,370,070

Condition: 100%

**CIVIC
COMMUNITY**

Replacement cost:
\$35,678,789

Condition: 100%



Total

Replacement cost:
\$79,263,556

Condition: 91%

Condition percentage
represents assets in fair
to very good condition.

The City of Unley (Council) has adopted four asset management plans which set out its goals and objectives for managing key infrastructure and assets, namely building, open space, stormwater and transport.



Executive Summary

Council's building assets provide community services such as sporting and recreational activities, libraries, community centres, public toilets and depot as well as accommodation for Council's civic, administrative and operational functions. This Asset Management Plan (the Plan) focuses on the management of Council's building assets.

The objective of asset management is to provide the desired level of service in the most cost-effective manner for present and future generations. A strategic approach to asset management aligning with industry standards and best-practice has been undertaken to ensure the sustainability of Council.

Effective asset management for building assets demonstrated in this plan is essential to achieve Council's vision: "Our City is recognised for its enviable lifestyle, environment, business strength and civic leadership."

BUILDING LEVELS OF SERVICE



QUALITY

Buildings are well maintained



FUNCTION

Assets meet the service needs



CAPACITY & UTILISATION

Buildings have the capacity to meet the community need



CONDITION

Physical state of buildings in serviceable condition



RENEWAL

Sustainably managing the renewal of assets



ACCESSIBILITY

Buildings are accessible to all

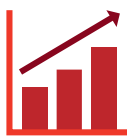


SAFETY

Safety compliance standards are achieved



FUTURE DEMANDS



POPULATION & DEMOGRAPHICS

Population is forecast to increase 13% by 2040
Over the last five years 30% of residents are new to Council



CLIMATE CHANGE

Awareness of Council's role in climate sustainability
Increasing temperatures



TECHNOLOGY

Global trends towards smart cities

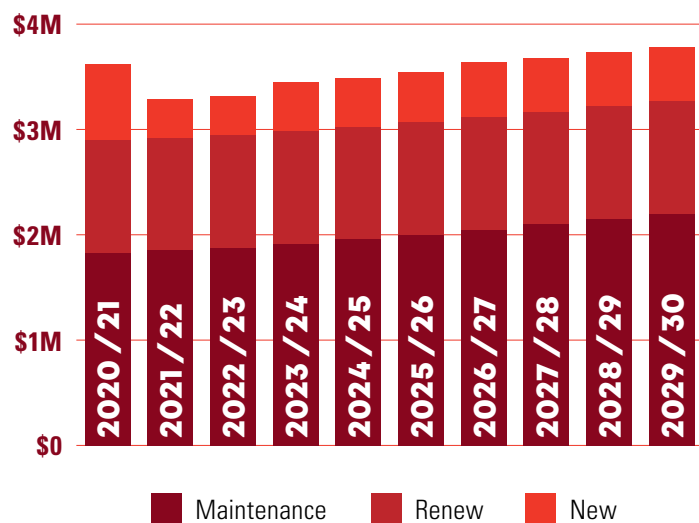
CONDITION



91% building asset condition satisfaction

FINANCIAL SUMMARY

BUILDING TEN YEAR FORECAST EXPENDITURE



The forecast contained within the Plan will be reviewed annually with an update completed every four years.

Council is committed to continuously improving the quality and maturity of its asset management practices. The improvement program specifies its commitment to increase its asset management maturity and data confidence. Key performance measures have been established to track Council's performance of its assets and asset management practices.



Introduction

2.1 Background

Council's building assets provide accommodation for its civic, administrative and operational functions as well as providing community services such as sporting and recreational activities, libraries, community centres, public toilets and depot.

The building portfolio also includes several commercial (income generating) properties. The Plan covers the Council's building assets, which include:

- ▶ Civic Community – Used for administrative and community services provided by Council to the community.
- ▶ Civic Operations – Operational in nature and/or complimentary to other Council functions.
- ▶ Lease Commercial – Leased from Council for tenants to run commercial businesses in the community.
- ▶ Lease Community – Leased from Council for tenants to run services to the community.
- ▶ Civic Operations: Other – Used in support of physical works services provided by Council.

The Plan is developed to demonstrate proactive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding required to provide the required levels of service over a ten year planning period.

This plan aims to:

- ▶ Align with ISO 55000:2014 (international standard for asset management) without seeking accreditation as an ISO document or process.
- ▶ Align the delivery of asset management activities with the organisation's goals and objectives; this is known as the "line of sight" with asset management.
- ▶ Create transparency and accountability through all aspects of asset management, ensuring all stakeholders understand their roles and responsibilities for achieving the Plan's aims.

The Plan is developed and implemented in conjunction with the following Council plans, strategies and policies (Table 2-1):

PLANS, STRATEGIES & POLICIES

- Community Plan 2033
- 4 Year Delivery Plan 2017–2021
- Long Term Financial Plan 2020–21 to 2029–30
- Asset Management Plans
- Active Ageing Strategy
- Environmental Sustainability
- Digital Unley
- Asset Management Policy

Table 2-1: Plans, Strategies and Policies.



Council's building asset key stakeholders for service delivery of the Plan are contained in Table 2-2:

KEY STAKEHOLDERS	ROLES IN ASSET MANAGEMENT PLAN
Residents / Community	<ul style="list-style-type: none"> ▶ Opportunity to provide input into the development and review of the Council's strategic management plans.
Elected Members	<ul style="list-style-type: none"> ▶ Represent needs and views of community. ▶ Ensure Council's objectives and policies are appropriate and effective. ▶ Ensure Council's resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery is appropriate. ▶ Ensure Council is financially sustainable.
Audit Committee	<ul style="list-style-type: none"> ▶ Audit Committee will review, make recommendations and observations to Council on the financial outcomes of the Plans.
Chief Executive Officer	<ul style="list-style-type: none"> ▶ Ensures administration deliver strategic planning and direction of the Council. ▶ Ensures administration implement the strategic plan goals and objectives by providing services within the allocated resourcing while managing risks. ▶ Ensures Council is financially sustainable.
General Manager – City Development	<ul style="list-style-type: none"> ▶ Ensures asset management plans are completed and reported to CEO and Council. ▶ Ensures the capital works programs are delivered in line with strategic planning. ▶ Ensures the maintenance programs are achieving service standards.
Assets and Operations Manager	<ul style="list-style-type: none"> ▶ Ensures the review of asset management and the delivery of improvement strategies. ▶ Manages maintenance programs to ensure they are active and achieving service standards. ▶ Ensures the capital works programs are achieved.
Senior Assets and Engineering Lead	<ul style="list-style-type: none"> ▶ Manages development and review of asset management plans. ▶ Responsible for advancing asset management within the organisation. ▶ Review infrastructure data integrity within the asset management system and GIS applications. ▶ Review and manage condition audits of infrastructure. ▶ Review asset valuation data. ▶ Coordinates the annual capital works program.
Coordinator Property & Facilities	<ul style="list-style-type: none"> ▶ Coordinate Council resources to deliver the capital works and maintenance program. ▶ Manage leasing and licencing of Council property assets.
Facility and community service providers	<ul style="list-style-type: none"> ▶ Determine and develop services appropriate for the facility.
Response and Signage Team	<ul style="list-style-type: none"> ▶ Deliver operations and maintenance.
External Lessees	<ul style="list-style-type: none"> ▶ Undertake facility responsibilities in line with the lease agreement.

Table 2-2: Key stakeholders for the Plan



2.2 Goals and Objectives of Asset Ownership



The goal of asset management is to provide the desired level of service through the provision and management of physical assets in the most cost-effective manner, for present and future generations.

The Plan demonstrates alignment with the Council's Community Plan 2033 through its vision and themes:

Our City is recognised for its enviable lifestyle, environment, business strength and civic leadership.



GOAL:

People value our City with its enviable lifestyle, activities, facilities and services.

OBJECTIVES:

- ▶ Our Community is active, healthy and feels safe.
- ▶ Our Community participates in community activities, learning opportunities and volunteering.
- ▶ Our City meets the needs of all generations.
- ▶ Our Community is proud to be part of our City.
- ▶ Our City is connected and accessible.



GOAL:

Our businesses are valued because of the range of goods, services and facilities they provide, and new businesses are supported, not burdened with bureaucracy.

OBJECTIVES:

- ▶ Unley is recognised as an easy place to do business.
- ▶ Thriving main streets and other business activities operate across our City.



GOAL:

We will maintain and enhance our urban environment and strengthen our City's resilience to climate change by providing leadership to our Community.

OBJECTIVES:

- ▶ Unley's urban forest is maintained and improved.
- ▶ Excellence in waste management is achieved through avoidance, re-use and diversion.
- ▶ The energy efficiency of the City is increased and our carbon footprint reduced.
- ▶ Efficient, effective & sustainable water management is ensured.
- ▶ The City's resilience to climate change is increased.



GOAL:

Council will listen to the community and make transparent decisions for the long-term benefit of the City.

OBJECTIVES:

- ▶ We have strong leadership and governance.
- ▶ Council provides best value services to the community.
- ▶ Our business systems are effective and transparent.

These objectives should be considered in all decision-making aspects regarding the building assets to ensure Council consistently strives to achieve these strategic objectives. Several initiatives feed into the above objectives outside of the asset management process that ultimately support the stated objectives.

The strategic asset management objective for building assets is to ensure the building assets are maintained to a standard that meets the community's expectation and functionality is fit for purpose.

2.3 Plan Framework



Key elements of the Plan include:

- ▶ Levels of service – specifies the levels of service objectives and how they are measured.
- ▶ Future demand – how this will impact on future service delivery and how the demand will be met.
- ▶ Lifecycle management – how Council manages existing and future assets to provide the levels of service.
- ▶ Risk management – how Council manages asset risks.
- ▶ Financial summary – funds required to provide the levels of service.
- ▶ Improvement plan and monitoring – how Council will improve asset management maturity and how the Plan will be measured to ensure it's meeting Council's objectives.

The asset management framework is shown in Figure 2-1 and the roadmap for preparing an asset management plan is in Figure 2-2.

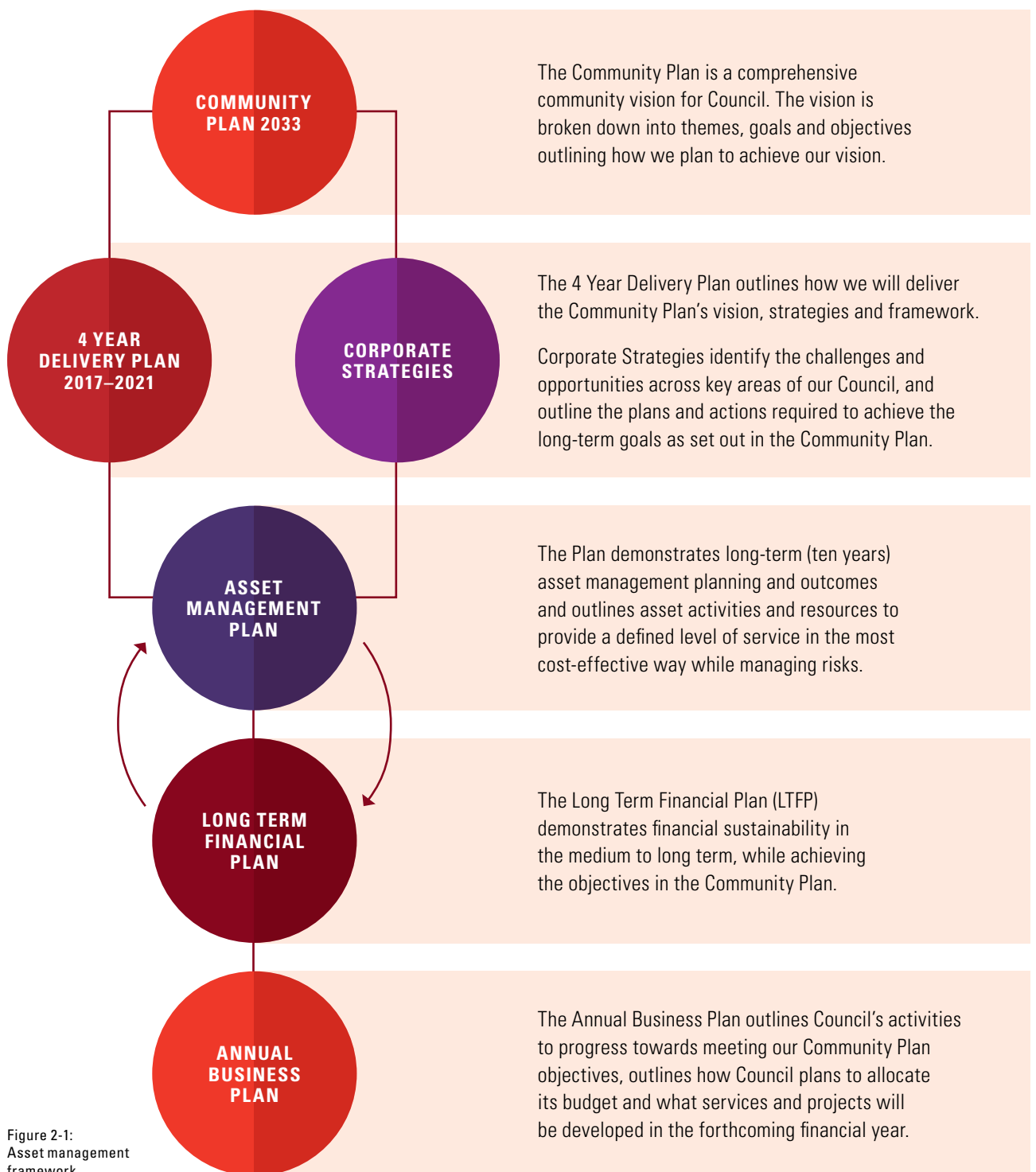


Figure 2-1:
Asset management
framework

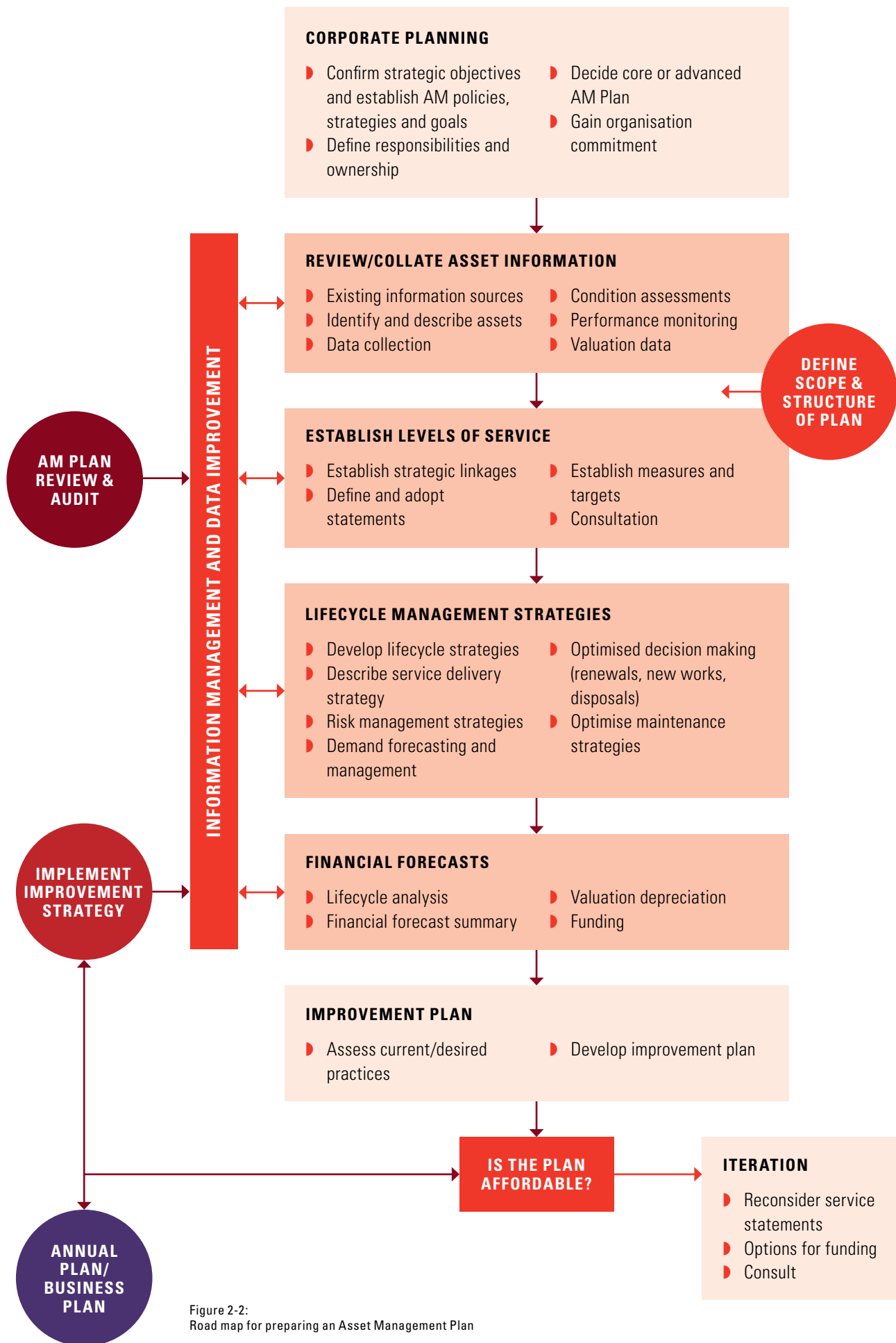


Figure 2-2: Road map for preparing an Asset Management Plan

Source: IPWEA, 2006, International Infrastructure Management Manual (IIMM) Fig 1.5.1, p 1.11

2.4 Core and Advanced Asset Management

The Plan is prepared as a core level maturity over the ten year planning period in line with the International Infrastructure Management Manual (IIMM). Core asset management is a top down approach with analysis applied at a network level.

The Plan is prepared to meet legislative and organisational requirements for sustainable service delivery and long-term financial planning and reporting. The improvement program (Section 8) outlines and prioritises the steps required to an advanced asset management maturity.



3

Levels of Service

3.1 Customer Research and Expectation



Council receives continuous community feedback from a variety of sources including, but not limited to:

- ▶ Community enquiries and requests
- ▶ Community Plan consultation process
- ▶ Council Strategies
- ▶ Annual Business Plan and LTFP consultation process
- ▶ Project feedback
- ▶ Development of the Asset Management Plan
- ▶ Customer satisfaction surveys
- ▶ Service satisfaction surveys.

This feedback is built into the development of the Plan and the levels of service it aims to deliver.

Through the development of the community levels of service outlined in the Plan, Council will actively survey the community on its assets and associated services to ensure it is delivering on its levels of service. These surveys will be periodically repeated over time as the Council demographics change and new residents move to into Council. Council will develop a benchmark for community levels of service to measure performance against prior to the next review of the Plans.

3.2 Legislative Requirements

Council must meet many legislative requirements including Federal and State Government legislation and regulations as well as non-legislative requirements including Australian Standards and Council policies as contained in Table 3-1.

LEGISLATION	REQUIREMENT
Aboriginal Heritage Act 1988	An Act to provide for the protection and preservation of the 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 stormwater assets.
Building Code of Australia	Meet requirements for occupation under the approved Building Class.
Development Act 1993	Regulates the use and managements of buildings including their design and construction, ongoing maintenance, and conservation.
Disability Discrimination Act 1992	To ensure persons with disabilities have access to the building and facilities.
Environment Protection Act 1993	An Act to provide the protection of the environment; to establish the Environment Protection Authority and define its functions and powers; and for other purposes. Consideration of this act should be undertaken for the provision, development or management of assets.
Food Act 2001	Sets out standards for food handling.
Heritage Act 1993 and Heritage Places Act 1993	The portfolio includes buildings that are State and Locally Heritage listed buildings. These Acts set out the responsibilities of the land owner to maintain and preserve the heritage value of the buildings.
Liquor Licensing Act 1997	Sets out responsibilities for holders of liquor license.
Local Government Act 1999	Sets out role, purpose, responsibilities, and powers of local governments including the preparation of a LTFP supported by asset management plans for sustainable service delivery.
Planning Development and Infrastructure Act 2016	An Act to provide for matters that are relevant to the use, development and management of land and buildings.
Retail & Commercial Leases Act 1995	An Act regulating the leasing of certain properties.
Retail and Commercial Leases Amendment Act 2019	An Act regulating the leasing of certain properties.
SA Public Health Act 2011	An Act to promote and to 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.
Work Health & Safety Act 2012	Provide a safe work environment for workers on the site.

Table 3-1: Legislative requirements

3.3 Current Level of Service



Levels of service are a key business driver and influence all asset management decisions. It describes:

- ▶ The outputs Council intends to deliver to customers.
- ▶ The service attributes such as quality, functionality and capacity.
- ▶ The performance measures.

Performance measures are used to indicate how Council is doing in relation to delivering levels of service.



Council has defined two levels of service categories:

- ▶ Community Levels of Service – measures the service the community expects.
- ▶ Technical Levels of Service – measures the service the organisation provides.

Community levels of service measure the community's perception of Council's service performance, while the technical levels of service measure against technical indicators of performance.

Council's desired level of service is the technical level of service as a minimum. The level of service will be constantly monitored and reviewed with the introduction of the community survey to develop community level of service key performance indicators (KPIs). It's anticipated the next review will be in four years. Council's levels of service are captured in Table 3-2.

COMMUNITY LEVELS OF SERVICE

PERFORMANCE MEASURE	LEVEL OF SERVICE OBJECTIVE	PERFORMANCE MEASURE	KPI	2020
 Quality	Buildings are well maintained	Community survey on the physical quality of buildings	KPI based on survey (see improvement program)	Survey to set baseline
 Function	Asset to meet service needs – ‘fit for purpose’	Community survey on the functionality of buildings	KPI based on survey (see improvement program)	Survey to set baseline

TECHNICAL LEVELS OF SERVICE






PERFORMANCE MEASURE	LEVEL OF SERVICE OBJECTIVE	PERFORMANCE MEASURE	KPI	2020
 Condition	Physical state of buildings in serviceable condition	Average condition of building assets.	Equal or less than condition rating 3	2.8
 Renewal	Sustainably managing the renewal of assets	Asset Renewal Ratio	90%–110%	102%
 Capacity and Utilisation	Assets have the capacity to meet the community need	Utilisation of buildings	Utilisation rates 80% or higher*	100%
 Accessibility	Buildings are accessible to all	Public facing buildings/ facilities meet all relevant legislation and standards for access.	100% Compliance	100%
 Safety	Safety compliance standards are achieved	Legislative compliance testing for Test & Tag, Asbestos, Fire and Life safety, Swimming Facility.	100% Compliance	100%

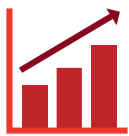
Table 3-2: Levels of service

*Utilisation rates represent the ability for the asset (building) to meet the requirement for the facility service provider. Occupation rates are captured within the respective service delivery reviews for the facility.



Future Demand

The community's demand for services changes overtime. The reason for change can be varied, some of the common drivers are population, demographics, environment and technology. As service demand changes, Council's assets may also need to change to meet the changing demand. A summary of Council's forecast demands and how these are proposed to be managed is contained in Table 4-1.



CURRENT POSITION	DEMAND FORECAST	DEMAND IMPACT
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POPULATION AND DEMOGRAPHICS

<p>Population increase:</p> <ul style="list-style-type: none"> Total estimated population 39,208 (ABS 2019). 	<p>Planned to accommodate an additional 5,000 people by 2040.</p> <p>Higher than average provision of medium density housing (38%), which is anticipated to further increase in the next 30 years.</p>	<p>Increased demand for social infrastructure assets such as libraries, recreational, and community facilities.</p>
<p>Changing demographics:</p> <ul style="list-style-type: none"> 11,257 new residents have moved into the Council within the last five years – 30% are new to Council. Average age is 39 years old. A quarter of the population are families (couples with children). 	<p>Growth in aging population.</p> <p>Growth in children aged between 0–9 years.</p> <p>Increase in families moving to Council.</p> <p>Increasing multiculturalism.</p>	<p>Increased demand for all age appeal facilities.</p>



DEMAND MANAGEMENT PLAN

IMPACT ON ASSETS

Tracking levels of service KPI for utilisation and capacity.

If the participation rates increase and the utilisation rates are at capacity it will indicate more services and potentially facilities with greater capacity will be required. Tracking these trends will inform long term new capital investment.

Tracking community levels of service KPI for functionality.

If the functionality KPI decreases, it will indicate a change in function may be required and future viability of the assets will need to be assessed. Tracking these trends will inform long term new capital investment.

Deliver on Council's Community Plan Objective 1.3 and the Active Ageing Strategy Focus Area 1, Strategy 3: Building and Development:

- ▶ The Unley Central precinct serves as the Age Friendly demonstration initiative.
- ▶ Public toilets are sufficiently available, safe, clean and accessible.

Increased DDA and aged care options through renewals and new capital.



CURRENT POSITION

DEMAND FORECAST

DEMAND IMPACT

CLIMATE CHANGE

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. This goal is shared by our community and is a primary objective of most governments across the world.

Council is committed to using fewer precious resources, reducing its carbon footprint and looking for smarter ways to achieve this objective.

While South Australia's climate has always been variable, a strong warming has been observed since the 1970s, and according to the Bureau of Meteorology, average temperatures across the state have warmed by almost 1°C during the past century, with overall rainfall declining.

Hot and dry consecutive summer days on the rise. The number of days over 40°C in eastern Adelaide is projected to double by 2050, and the frequency and duration of heatwaves is projected to increase.

Increased operating (electricity) costs to the Council buildings.



TECHNOLOGY

Global trend towards smart cities creating simplified services through smart technology.

Growing expectation to implement digital service improvements.

Demand for increased technology provision/access.

Council must adapt to the changing way the community operates, thinks and plans.

Table 4-1: Future demands

DEMAND MANAGEMENT PLAN

IMPACT ON ASSETS

Upgrade sites to LED lighting.
Introduction of solar to civic buildings.
Introduction of grants to facilitate the installation of solar panels to council’s community leased facilities.
Council is developing a Climate and Energy Plan to be endorsed in 2020/21.

Renewal programs for facility lighting before end of useful life through an organisational LED upgrade program.
Introduction of solar assets in the new capital program.

Choosing more energy efficient products within the buildings to offset the increase in energy usage. These programs include:
Upgrade all sites to LED lighting.
Introduction of solar to civic buildings.
Introduction of grants to facilitate the installation of solar panels to council’s community leased facilities.

Renewal programs for facility lighting before end of useful life through an organisational LED upgrade program.
Introduction of solar assets in the new capital program.

Changes to Government Policy Reforms to the planning system currently underway.
Digital Unley outlines Council’s Digital Vision through the strategic use of digital technologies to enhance the lifestyle of residents, better manage the environment, support the local economy and continuously improve the delivery of Council services.

Futureproofing new buildings to accommodate and adapt to new technologies enabling an appropriate level of service.





5

Lifecycle Management

5.1 Background

Lifecycle management details how Council plans to manage and operate (from planning to disposing) building assets at the agreed level of service while optimising total cost of ownership at an appropriate level of risk.

This section outlines the building asset data (condition, valuation, revaluation, useful life) and processes needed to effectively manage, renew and upgrade the infrastructure assets.

Significant time is spent on the decision to create or acquire a new asset, likewise financial costs of maintaining an asset from creation to disposal or replacement will need to be planned. New assets require initial expenditure; however, the required financial commitment for the asset's lifecycle costs can be up to five times the initial expenditure.

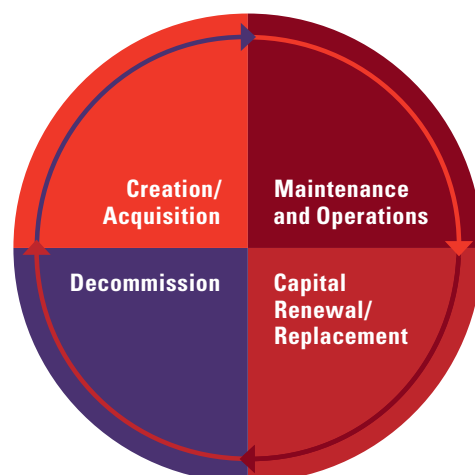


Figure 5-1:
Asset lifecycle flowchart

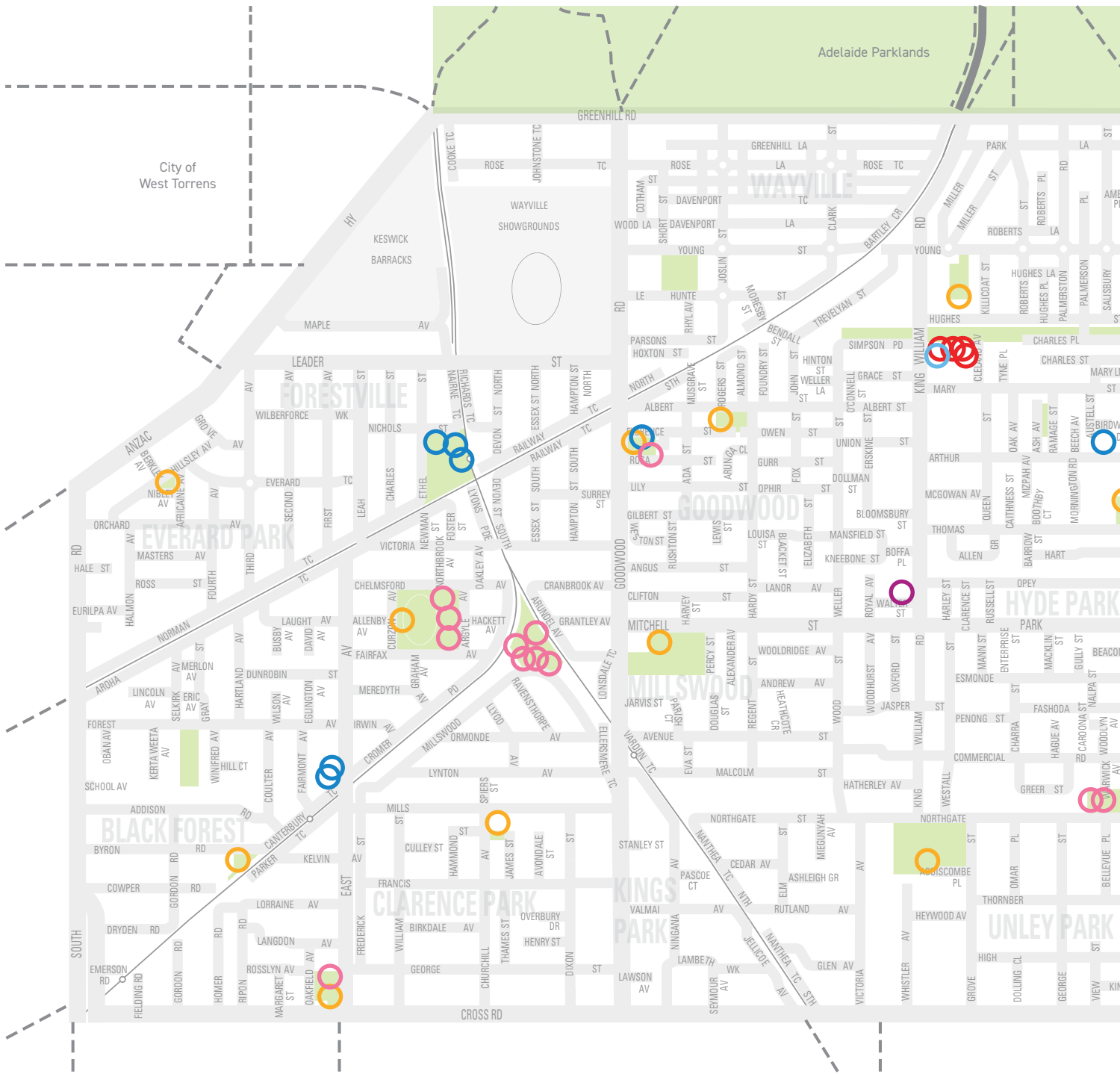
The cost of an asset lifecycle can be divided into four major stages:

- ▶ Creation/Acquisition (Planning Design/ Procurement, Construction)
- ▶ Maintenance and Operations (Operate, Maintain, Monitor)
- ▶ Capital Renewal/Replacement (Requirements/Specifications, Upgrade/ Modify, Replace)
- ▶ Decommission (Trigger, Decommission, Disposal)

These major stages are further detailed in this Lifecycle Management section.

Variability of these stages also exists within different building categories, as function may influence the renewal versus replacement strategies.

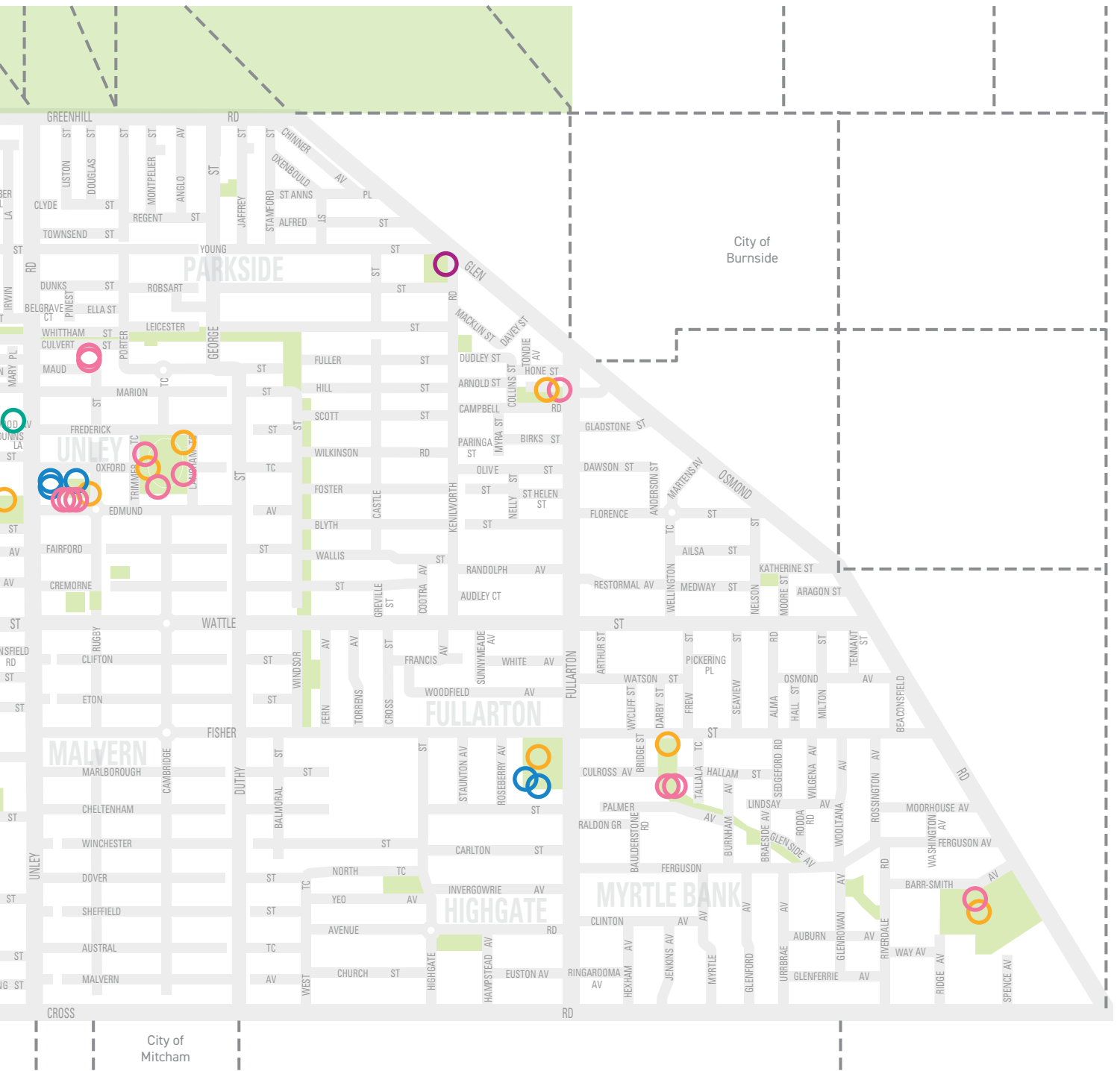
The major stages can be further divided into specific processes as listed in Figure 5-1.



COUNCIL BUILDING ASSET LOC

LEGEND

- Civic Community
- Civic Operations
- Public Toilets
- Public Toilets (Leased)
- Commercial (Leased)
- Community (Leased)



ATIONS



Figure 5-2:
Building locations

5.1.1 Physical Parameters

A building asset is defined as any construction or structure with fixed and permanent foundations or footings, enclosed or part enclosed with walls, roofing of rigid and long-lasting materials, with the purpose of occupation and/or storage.

The physical boundary of each building asset shall be divided practically, with functionality and the dependency on other assets for building connectivity as key determining factors. Building assets rely on footpath and ramps for easy access to maintain a connected network of assets for public use. Therefore, a building asset shall include the following site improvements and amenities in the direct vicinity:

- ▶ External lighting.
- ▶ Walkways (excluding walkway / sidewalk assets forming part of the existing footpath network).

- ▶ Landscaping and furniture (where assets in reserves and streetscapes have not been recorded as open space assets).

In the case where separate building assets share an adjoining wall and/or are located under a singular roof structure, the asset boundary shall be determined by a hierarchy of tenancy, physical access and function of the space.

Figure 5-2 defines Council's building locations which are split into the following categories:

CIVIC COMMUNITY

These facilities are used for the administrative and community services provided by Council to the community. Table 5-1 contains Council's Civic Community buildings:



CATEGORY	STREET	SUBURB	SPECIFIC
Civic Community	411 Fullarton Road	Fullarton	Community Centre (Heritage)
Civic Community	411 Fullarton Road	Fullarton	Old Barn
Civic Community	411 Fullarton Road	Fullarton	Caretakers Cottage
Civic Community	101–103 Goodwood Road	Goodwood	Community Centre / Library
Civic Community	72 East Avenue	Black Forest	Institute / Community Centre (Heritage)
Civic Community	74 East Avenue	Black Forest	Community Centre House
Civic Community	72 East Avenue	Black Forest	Shed 1 (TOYS)
Civic Community	72 East Avenue	Black Forest	Shed 2
Civic Community	72 East Avenue	Black Forest	Shed 3
Civic Community	72 East Avenue	Black Forest	Shed 4
Civic Community	72 East Avenue	Black Forest	Child Care Shed
Civic Community	181 Unley Road	Unley	Council Offices
Civic Community	181 Unley Road	Unley	Town Hall & Library (Heritage)
Civic Community	80–82 Edmund Avenue	Unley	Museum (Heritage)
Civic Community	101–103 Goodwood Road	Goodwood	Library
Civic Community	18 Arthur Street	Unley	Senior Citizens Centre
Civic Community	Ethel Street	Forestville	Unley Swimming Centre

Table 5-1: Civic Community

These are Council's community facing buildings and the level of service will reflect a prompt and effective maintenance and capital replacement. Response will be fully accessible, will meet or exceed work health and safety (WHS) and public safety criteria and will be available for public activity.

The Unley Town Hall and Library is a heritage building constructed in stages in the late 1800's and early 1900's. The town hall portion is brick with freestone facade and timber flooring whilst the library portion is freestone, render and bluestone with concrete flooring. As this structure is heritage listed the maintenance and renewal programs focus on preservation with a continuous lifecycle without an end of life. This requires more frequent activity to maintain longevity within the structure and avoid any significant replacement or alteration due to condition.

The Unley Museum is a heritage building in the former Unley Fire Station building, forming part of the Edmund Avenue Cottages, a row of six Council-owned buildings which define the southern edge of the Village Green. The Edmund Avenue Cottages form part of the Unley Civic Precinct (area bounded by Unley Road, Oxford Terrace, Rugby Street and Edmund Avenue), for which Council is developing a long term vision.

The Unley Swimming Centre is a Civic Community building asset and the capital and maintenance costs for the assets in the facility are covered within the Plan. The facility is comprised of the following assets:

- ▶ Kiosk and Staff Rooms
- ▶ Change Rooms and Toilets
- ▶ Swimming Pool 50m
- ▶ Children's Pool 14m
- ▶ Wading Pool 10m
- ▶ Plant Room
- ▶ Plant and Equipment
- ▶ Shade Shelters
- ▶ Various site improvements (fencing, paving, lighting)

Council is developing a masterplan for the future of the Unley Swimming Centre which will inform the direction of all new and upgraded facilities.

CIVIC OPERATIONS

These facilities are operational in nature and/or complimentary to other Council functions. Table 5-2 contains Council's Civic Operations buildings:

CATEGORY	STREET	SUBURB	SPECIFIC
Civic Operations	75 King William Road	Unley	Storerooms
Civic Operations	75 King William Road	Unley	Garage
Civic Operations	75 King William Road	Unley	Shelter
Civic Operations	75 King William Road	Unley	Administration Building
Civic Operations	237 Young Street	Unley	Toilet Block
Civic Operations	Trimmer Terrace	Unley	Toilet Block & Ticket Office
Civic Operations	226 Unley Road	Unley	Toilet Block & Store Shed
Civic Operations	Northgate Street	Unley Park	Toilet Block
Civic Operations	411 Fullarton Road	Fullarton	Toilet Block
Civic Operations	53a Fisher Street	Myrtle Bank	Toilet Block
Civic Operations	Glen Osmond Road	Myrtle Bank	Toilet Block
Civic Operations	Churchill Avenue	Clarence Park	Toilet Block
Civic Operations	Africaine Avenue	Everard Park	Toilet Block
Civic Operations	55 Albert Street	Goodwood	Toilet Block
Civic Operations	181 Goodwood Road	Millswood	Change Rooms / Toilet Block
Civic Operations	Byron Road	Black Forest	Toilet Block
Civic Operations	360a Cross Road	Clarence Park	Toilet Block
Civic Operations	Fullarton Rd	Fullarton	Toilet Block
Civic Operations / Lease Community	1 Chelmsford Avenue	Millswood	Goodwood Saints Football Club & Goodwood Cricket Club Grandstand
Civic Operations / Lease Community	Trimmer Terrace	Unley	Jack Oatey Stand
Civic Operations / Lease Community	Trimmer Terrace	Unley	Harry J McKay Stand (Heritage)

Table 5-2: Civic Operations

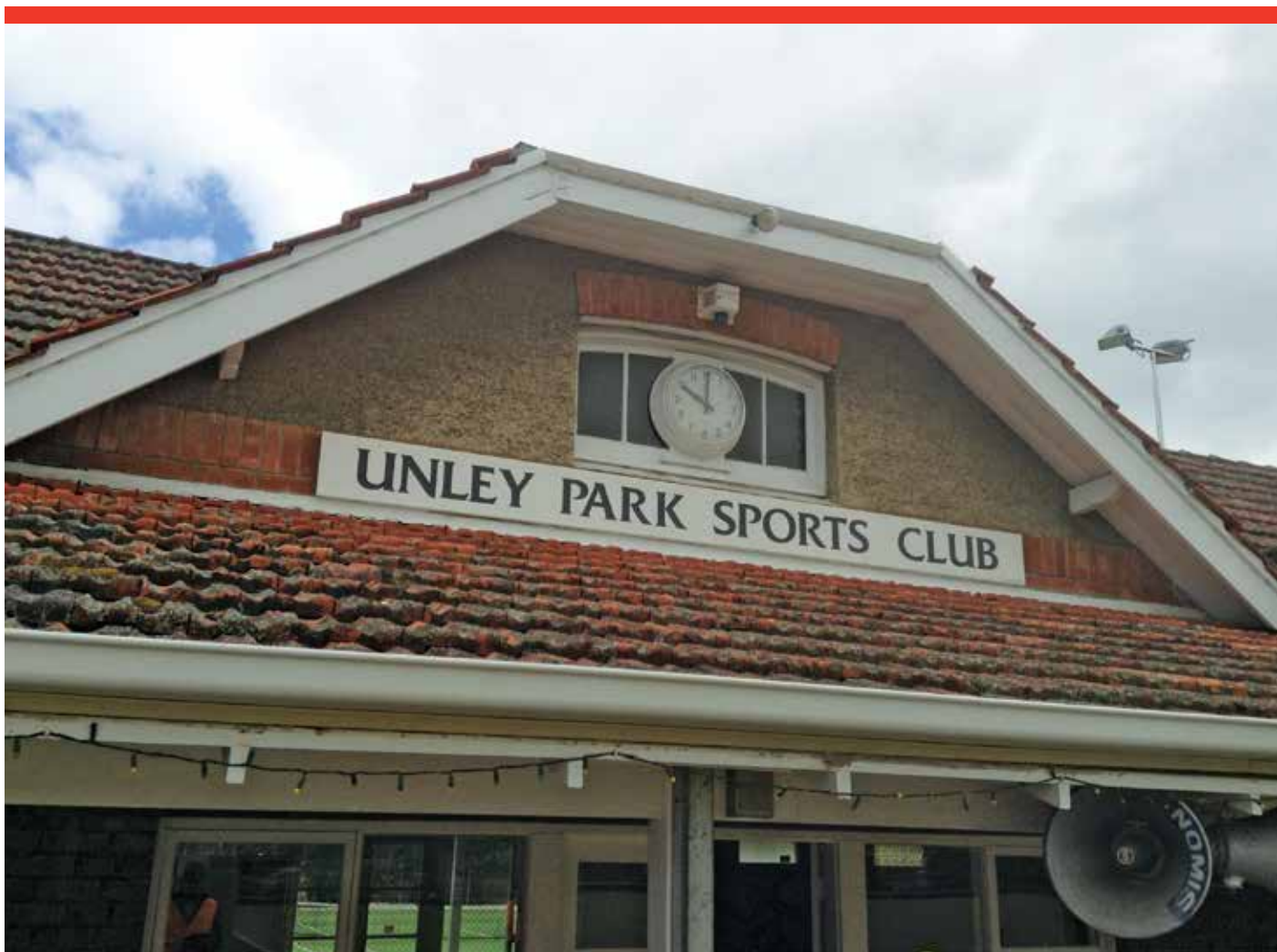
These buildings provide operational functions and are complimentary to other purposes. Level of service reflect the operational status and prioritise WHS and public safety issues. Maintenance and capital replacement issues will be considered and programmed as appropriate.

In addition to Council owned public toilet, two leased toilet facilities, located at the Walter St CIBO and 82 Glen Osmond Road, are leased and fully maintained by Council in support of the local traders and shopping precincts.

The grandstands located at Unley Oval and Goodwood Oval function as both Civic Operations and Lease Community assets. The internal club facilities are subject to exclusive leases, while the external grandstand is open and accessible to the general public at all times.

Significant upgrades to both these facilities are being progressed by Council due to standards outlined in the AFL Preferred Facilities Guidelines for State League competitions, which includes facility requirements for female and junior participants:

- ▶ The Unley Oval Jack Oatey Stand upgrade is currently being staged with new change room facilities and warm up area completed as stage one and administrative, spectator viewing, and hospitality areas within stage two.
- ▶ The Goodwood Oval Grandstand upgrade includes a two-storey facility with improved facilities to meet the needs of the football club, cricket club and the broader community.



LEASE COMMERCIAL

These facilities are leased from Council for tenants to run commercial businesses in the community. Table 5-3 contains Council's Leased Commercial buildings:

CATEGORY	STREET	SUBURB	SPECIFIC
Lease Commercial	71–73 King William Road	Unley	Shop 1
Lease Commercial	72–73 King William Road	Unley	Shop 2
Lease Commercial	73–73 King William Road	Unley	Shop 3
Lease Commercial	166 Unley Rd	Unley	BarZaar
Lease Commercial	18 Trimmer Terrace	Unley	Montessori School
Lease Commercial	1 Bloomsbury Street	Goodwood	Residential property
Lease Commercial	1A Bloomsbury Street	Goodwood	Residential property

Table 5-3: Lease Commercial

Maintenance issues are generally the responsibility of the tenant with the level of service based on external and structural matters that support structural integrity and asset protection whilst ensuring Council's WHS and public liability is appropriate.

LEASE COMMUNITY

These facilities are leased from Council for tenants to run services to the community. Table 5-4 contains Council's Leased Community buildings.

Maintenance issues are generally the responsibility of the tenant with Council. Levels of service are based on external and structural matters that support structural integrity and asset protection whilst ensuring Council's WHS and public liability is appropriate. Capital renewal works continue to be programmed to ensure the generally ageing facilities continue to be fit for purpose and meet all regulatory requirements.

CIVIC OPERATIONS – OTHER

Facilities used in support of the physical works services provided by the Council to the community.

These buildings include:

- ▶ Mt Osmond landfill site located Princess Highway, Mount Osmond
- ▶ Private buildings on Council land include:
- ▶ South Australia Society of Model and Experimental Engineers
- ▶ Fullarton Scout Hall
- ▶ Glen Osmond Scout Hall
- ▶ Highgate Girl Guides

Centennial Park Cemetery Authority is a body corporate established as a Regional Subsidiary in accordance with the relevant provision of the Local Government Act 1999. The property of the Authority is held on behalf of the constituent owner Councils, the Cities of Unley and Mitcham. Centennial Park operations and asset management is delivered independent to the Plan.

CATEGORY	STREET	SUBURB	SPECIFIC
Lease Community	72 Edmund Avenue	Unley	St John
Lease Community	74 Edmund Avenue	Unley	Vacant
Lease Community	76 Edmund Avenue	Unley	Cancer Care Centre Inc
Lease Community	78 Edmund Avenue	Unley	Cottage
Lease Community	84 Edmund Avenue	Unley	Adelaide Potters Club
Lease Community	84 Edmund Avenue	Unley	Shed – 'The Mary Cummins Morphett Room'
Lease Community	84 Edmund Avenue	Unley	Shed
Lease Community	47 Oxford Terrace	Unley	Kindergarten
Lease Community	47 Oxford Terrace	Unley	Shed 1
Lease Community	47 Oxford Terrace	Unley	Shed 2
Lease Community	39 Oxford Terrace	Unley	Sturt Football Club
Lease Community	31 Rosa Street	Goodwood	Child Care Centre
Lease Community	Fern Avenue	Fullarton	Straw Hut
Lease Community	Fern Avenue	Fullarton	Garden Shed
Lease Community	Fern Avenue	Fullarton	Storage Shed
Lease Community	49 Oxford Terrace	Unley	Cottage
Lease Community	53a Fisher Street	Myrtle Bank	Highgate Girl Guides
Lease Community	53a Fisher Street	Myrtle Bank	Fullarton Scout Hall
Lease Community	53a Fisher Street	Myrtle Bank	Fullarton Scout Hall Shed
Lease Community	269 Fullarton Road	Parkside	Broughton Arts Society
Lease Community	Trimmer Terrace	Unley	Sturt Bowling Club
Lease Community	Trimmer Terrace	Unley	Sturt Lawn Tennis Club
Lease Community	8 Northgate Street	Unley Park	Bowling Club
Lease Community	8 Northgate Street	Unley Park	Tennis / Croquet Club
Lease Community	Glen Osmond Road	Myrtle Bank	Glen Osmond Scout Hall
Lease Community	1 Chelmsford Avenue	Millswood	Forestville Hockey Club
Lease Community	Millswood Crescent	Millswood	Bowling Club Shed
Lease Community	1 Chelmsford Avenue	Millswood	Hardcourt Tennis Club
Lease Community	1 Chelmsford Avenue	Millswood	Tennis SA
Lease Community	Millswood Crescent	Millswood	Bowling Club
Lease Community	Millswood Crescent	Millswood	Tennis Club
Lease Community	18b Millswood Crescent	Millswood	Workshop
Lease Community	Millswood Crescent	Millswood	Croquet Club
Lease Community	360a Cross Road	Clarence Park	Fairmont Tennis Club

Table 5-4: Lease Community

5.1.2 Asset Utilisation

The utilisation of buildings varies across the asset categories. Different functionality of the building equates to specific requirements in operating times and the level of utilisation:

- ▶ Many civic community services run at designated business hours, allowing appropriate access to the public and community programs to be scheduled.
- ▶ Council Operations buildings are utilised during business hours and above depending on works requirements.
- ▶ Many sporting and recreational clubs operate on weekends and after hours. These buildings may have very little use throughout business hours except for administration, cleaning and preparation.

The overall daily or weekly routine of the building's utilisation allows for the planned cleaning and reactive maintenance response of the facilities during non-peak times.

Utilisation of buildings can be used as a metric for the optimisation of existing facilities and the allocation of funding. Assets with higher utilisation demand a higher level of service to be maintained. Utilisation is measured as a level of service KPI in terms of providing adequate buildings/facilities to meet the service needs by the facility operator, which are informed by the community usage rates.

5.1.3 Asset Condition

Buildings undergo three levels of inspections; the complexity and detail of these inspections increases as the level is increased:

- ▶ **Level 1:** Operational inspection (monthly – internal maintenance team).
- ▶ **Level 2:** Asset inspection (annually – internal assets team).
- ▶ **Level 3:** Detailed condition assessment (three to five years – external consultant). The building asset database and condition inspections are based on the hierarchy of asset components shown in Figure 5-5.

The objective of a condition assessment is to provide sufficient information on asset condition to inform strategic asset planning and management decision-making.

The condition rating is based on the collected building asset condition assessment in 2018. The next condition assessment is due in 2022/23.

Buildings incorporate a 1–5 condition rating score (Table 5-5) to standardise assets for comparison across the portfolio. Each building component (Figure 5-4) is given a condition score which forms an overall average condition score per building asset.

RATING	CONDITION	CONDITION DESCRIPTION	ACTION
1	Very Good	A new or near new asset with no visible signs of deterioration.	No action required
2	Good	Early stages of minor deterioration causing no serviceability problems.	Minor defect only, no action required
3	Fair	Some obvious deterioration evident. Serviceability may be impaired slightly.	Maintenance required to sustain the level of service
4	Poor	Severe deterioration evident, starting to limit the serviceability of the asset.	Consider renewal
5	Very Poor	Serviceability problems needing immediate rehabilitation. Possible risk to remain in service.	Replace/dispose

Table 5-5: Asset condition rating

The overall rating (based on 2018 condition assessment) of Council buildings is contained in Figure 5-3, which identifies:

- ▶ 23% of buildings do not require intervention.
- ▶ 67% of buildings are assessed for maintenance requirements.
- ▶ 10% of buildings are assessed for renewal/replacement requirements.

Asset condition ratings are shown in Table 5-6 by asset category. The average rating can be used as a benchmark for measuring against the building category desired level of service.

Buildings have a level of service based on maintaining a condition rating of 3. When a building falls below this condition rating to a poor or very poor condition (a rating of 4 or 5), maintenance or renewal is programmed to ensure the asset condition is returned to condition 3 (fair) or better. This cyclic process is repeated across the portfolio as building assets deteriorate, to ensure an overall portfolio condition rating of 3 is sustained.

CONDITION RATING OF BUILDING ASSETS

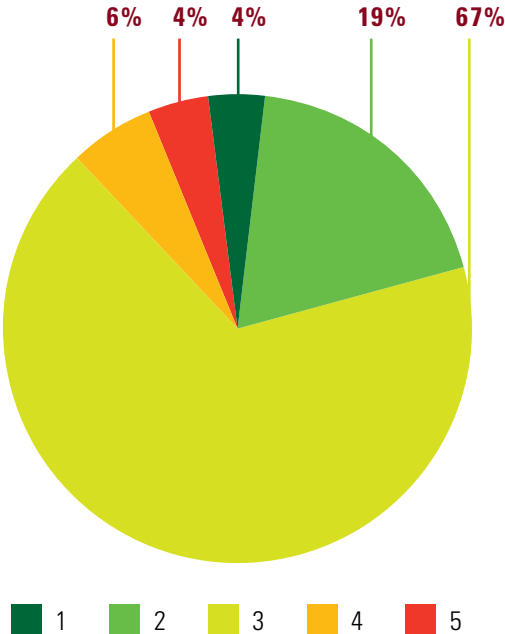


Figure 5-3: Building Asset Condition

BUILDING CATEGORIES	NUMBER OF BUILDINGS	AVERAGE CONDITION RATING (2018)	TARGET PORTFOLIO LOS CONDITION RATING
Civic Community	17	2.8	≤ 3.0
Civic Operations	21	2.7	≤ 3.0
Lease Commercial	7	2.8	≤ 3.0
Lease Community	34	3.0	≤ 3.0
Other	Not available*	Not available*	≤ 3.0
TOTAL	79	2.8	≤ 3.0

Table 5-6: Building asset condition categories

*Data Not Available due to site(s) being unavailable for the previous condition assessment.

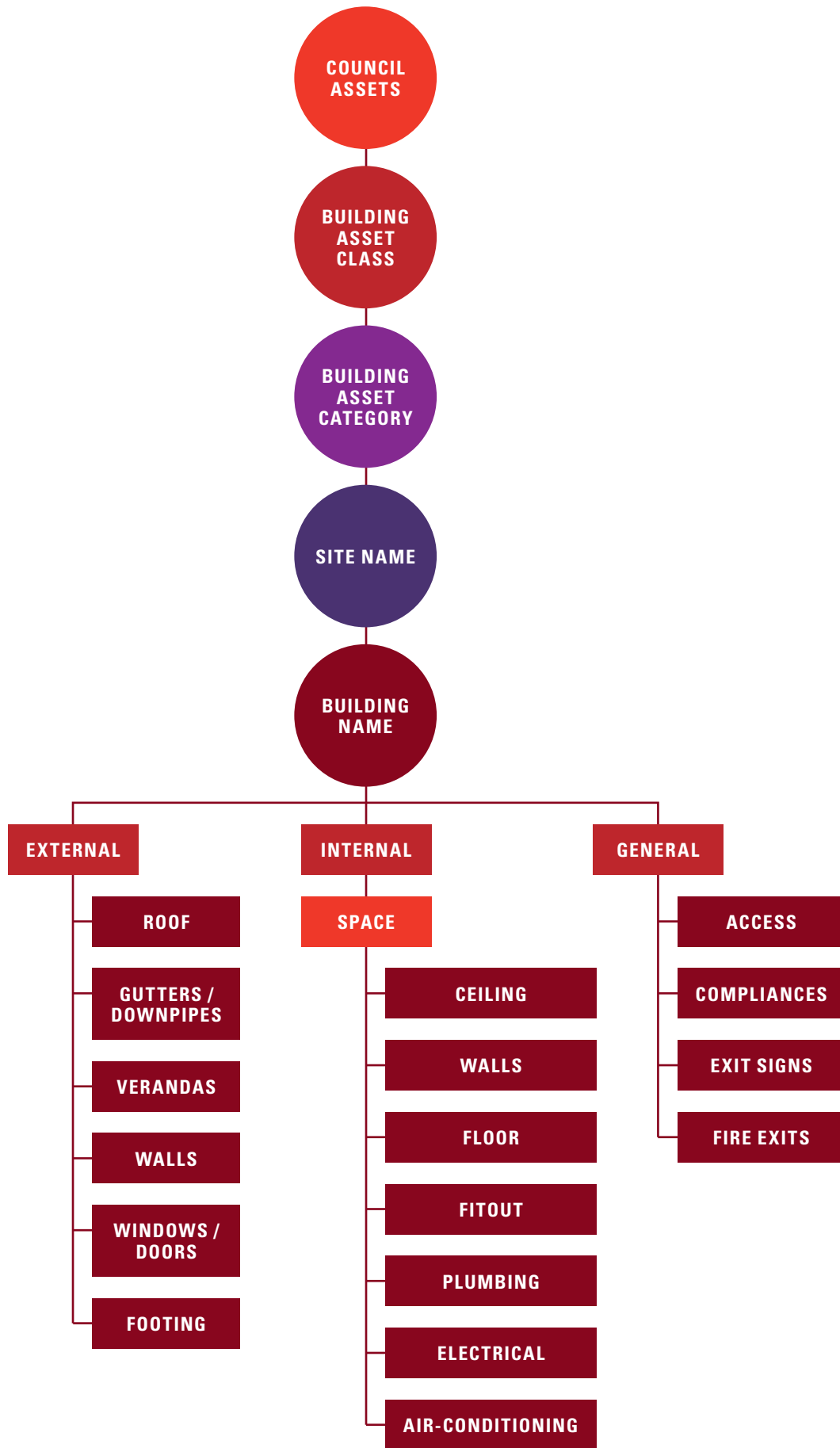


Figure 5-4:
Building asset hierarchy

5.1.4 Useful Life

Buildings are provided with an expected useful life value for lifecycle cost planning, asset valuation and depreciation.

The expected life can be greater than a standard design life. This is achieved through capital renewal and maintenance as the building is maintained to satisfy the required levels of service. This ongoing renewal results in a slowed or plateaued remaining life.

As a result of this strategy, the asset construction date does not govern the assets residual life. Instead, the asset condition is used to form a condition based remaining useful life. Residual life revalued following the cycle of building asset condition inspections stipulated by Council.

Table 5-7 outlines general ranges for expected life of assets divided into building types. As many buildings have been acquired throughout the years and not built for purpose, these guides should be reviewed on a case by case basis, which is reflected by the range of useful life values within a single building type.

The impact of climate change to infrastructure assets useful life is not yet quantified and may continue to change as increased temperature, heatwaves, higher storm and rainfall intensities will increasingly affect the useful life of infrastructure at a material level. These impacts have been identified in risk management and future demands.

BUILDING TYPE	EXPECTED LIFE (YEARS)	TYPICAL USE (CURRENT PORTFOLIO)
Purpose Built Civic/ Admin Centre	100 – 150	Civic Community
Library	50 – 75	Civic Community
Community Centre	100 – 150	Civic Community
Refurbished Heritage Style Cottage	75 – 100	Civic Community / Leased Community
Shed	25 – 30	Civic Community / Leased Community
Purpose Built Swim Centre	50 – 75	Civic Community
Purpose Built Works Depot	50 – 75	Civic Operations
Public Toilet – Large Stand-Alone Block	50	Civic Operations
Public Toilet – Small Stand-Alone Block	30	Civic Operations
Public Toilet – External to Existing Facility	50	Civic Operations
Grandstands	75 – 100	Civic Operations
Clubrooms / Change rooms	30 – 50	Leased Community
Club Hall	50 – 75	Leased Community
Sports Club - Large	75 – 100	Leased Community
Sports Club - Small	50 – 75	Leased Community
Purpose Built Bazaar / Tavern	50 – 75	Leased Commercial
Shop	30 – 50	Leased Commercial

Table 5-7: Expected life of building assets

5.1.5 Asset Valuation

Valuations are undertaken in alignment with Australian Accounting Standard 'AASB13 Fair Value', and 'AASB116 Property Plant and Equipment'. These valuations are required every three to five years, with an independent audit required every five years. Valuations are undertaken to satisfy the financial reporting requirements and to understand the cost to replace assets. The next valuation will be completed 30 June 2023.

The valuation of Council's building assets is summarised in the Table 5-8 below.

ASSET CATEGORY	REPLACEMENT VALUE	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE
Civic Community	\$35,678,789	\$20,812,851	\$14,865,938
Civic Operations	\$14,664,409	\$10,675,291	\$3,989,118
Lease Commercial	\$3,370,070	\$2,358,998	\$1,011,071
Lease Community	\$24,968,028	\$15,317,952	\$9,650,076
Civic Operations – other	\$582,261	\$175,821	\$406,440
TOTAL	\$79,263,556	\$49,340,913	\$29,922,643

Table 5-8: Building assets valuation

5.1.6 Historical Expenditure

The maintenance budget has increased annually due to CPI and the asset portfolio growing in size, complexity and age. The new capital budget in 2019/20 was significantly increased due to the delivery of the Goodwood Oval Grandstand replacement and the staged upgrade of the Unley Oval Grandstand. Figure 5-5 outlines the historical expenditure for the past five years.

BUILDINGS HISTORICAL EXPENDITURE

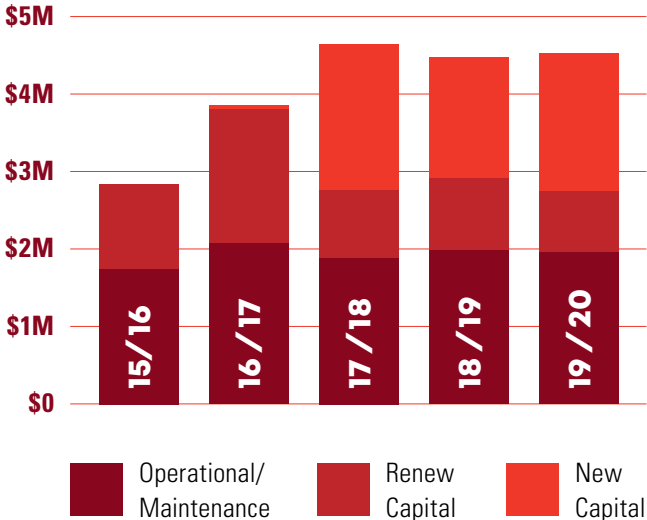
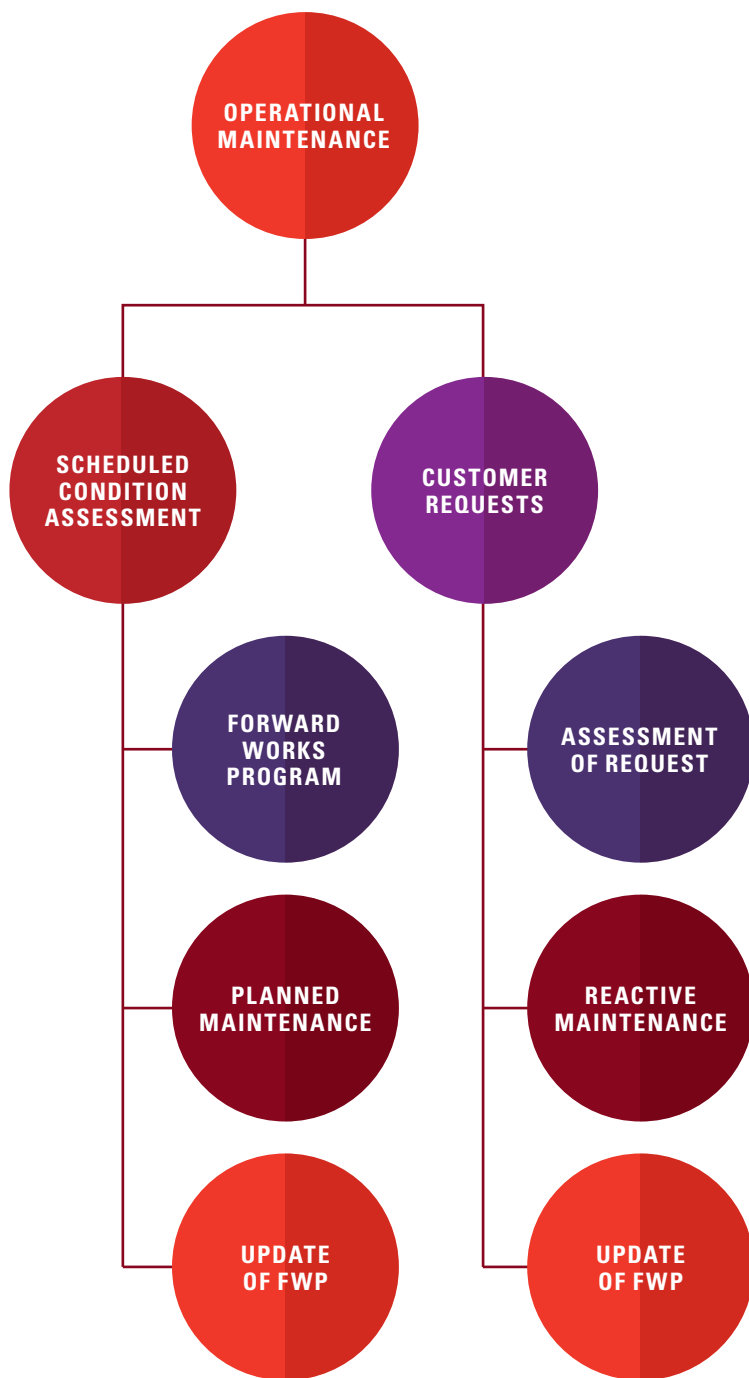


Figure 5-5: Historical expenditure



5.2 Operations and Maintenance Plan



5.2.1 Operations and Maintenance Strategies

Maintenance is recurrent expenditure, periodically or regularly required through a schedule of works to ensure the asset maintains its condition, achieves its useful life and provides the required level of service. The expenditure is anticipated in determining the asset’s useful life. Figure 5-6 outlines the asset maintenance process.

As the years progress, the maintenance budget is projected to increase due to CPI and an asset portfolio growing in size, complexity and age.

Council’s core maintenance activities include repair and upkeep of open space assets to ensure safety, functionality and operational capacity. Maintenance includes planned and reactive work activities:

- ▶ Planned maintenance is work carried out to a pre-determined schedule (e.g. routine mowing of grass in parks, gardens and sportsground).
- ▶ Reactive maintenance is unplanned work carried out in response to customer service requests and management decisions (e.g. vandalism and any ad hoc requests from the community).

In 2020/21 Council will conduct a review of all Depot operations in terms of levels of service to identify operational and financial efficiencies.

Figure 5-6: Asset maintenance process flowchart



This review will be inclusive of all levels of service and processes to identify opportunities for efficiencies across all key depot operations including:

- ▶ Civil works
- ▶ Response and signage
- ▶ Open Space, Parks and Recreation
- ▶ Arboriculture

The outcomes of this service review may impact the operational and maintenance forecast with any changes made to be reflected in the LTFP following the conclusion of the review.

Council has the following service levels with respect to building assets. The response times are contained in Table 5-9.

REACTIVE MAINTENANCE

Respond 1 (within 1 hour)

- ▶ Attend 95% of Priority 1 tasks within the target attend time.

- ▶ Complete 85% of Priority 1 tasks within the target completion time (subject to access, parts and materials being available, otherwise 'make-safe' or undertake 'temporary repairs').

Respond 2 (within 48 hours)

- ▶ Attend 95% of Priority 2 tasks within the target attend time.
- ▶ Complete 85% of Priority 2 tasks within the target completion.

Respond 3 and 4 (within 10 or 20 days)

- ▶ Attend 95% of these tasks within the target attend time.
- ▶ Complete 90% of these tasks within the target completion time.

Respond 5 (within 30 days)

- ▶ Attend 95% of these tasks within the target completion time.
- ▶ Complete 95% of these tasks within the target completion time.

LONG TERM MAINTENANCE

Respond 6 (include in Programmed Works schedule)

- ▶ Specific key performance indicators and/or milestones to be agreed on a project-by-project basis.
- ▶ Assess within 1 hour (does not necessarily mean inspect).

Respond category is assessed and allocated based on:

- ▶ Fire, Life Safety, Indoor Air Quality, Regulatory – Maintenance of building systems involving life safety and mandated regulatory compliance.
- ▶ Building Preservation – Maintenance required to avoid the deterioration of building systems such as roof leaks, plumbing leaks, heating.

- ▶ Occupied Necessities – Mechanical services, lighting, electrical service, lock repair, plumbing, sewers.
- ▶ Unique Program Support – Specialty systems and areas supporting IT space and equipment, function areas and meeting space, commercial type kitchens.
- ▶ Ad Hoc Departmental / Lessee Requests – Requests from departments outside of the above categories such as maintenance of departmentally owned equipment, moveable furniture and specialised systems not inclusive in the building infrastructure.
- ▶ Aesthetic – Interior surface finishes such as ceiling tile, drywall, and painting and floor coverings.

RESPOND

EXAMPLES

Respond 1 (Emergency response)

During normal working hours – attendance within 1 hour.

Outside normal working hours – attendance within 2 hours.

- ▶ Risk of life or substantial damage to property.
- ▶ Smell of gas.
- ▶ Major water leak resulting in flood and immediate danger to the structure, services or fixtures/fittings.
- ▶ Major loss of power.
- ▶ Smell of burning (electrical).
- ▶ Major structural damage, such as ceiling collapse.
- ▶ Main drain blockage.
- ▶ Total loss of heating in building - excludes student houses.
- ▶ Lighting fault on staircases, landings and areas likely to be a Health and Safety Issue.

RESPOND	EXAMPLES
<p>Respond 2 (Response within 48 hours)</p>	<ul style="list-style-type: none"> ▶ Lighting tube/bulb failures. ▶ Partial loss of heating. ▶ Loss of hot water. ▶ Loss of drinking water. ▶ Partial loss of power to room or area. ▶ Overflow pipe discharging. ▶ Blocked drains (excluding main drainage). ▶ Fault on external doors and windows that may compromise security. ▶ Faults on internal doors that may compromise security. ▶ Water penetration into electrical fittings. ▶ Major loss of water from faulty taps or shower heads.
<p>Respond 3 (Respond and fix within 10 working days)</p>	<ul style="list-style-type: none"> ▶ Minor heating system leak. ▶ Minor internal plumbing leak. ▶ Minor loss of water from faulty taps or shower heads. ▶ Flickering lights. ▶ Loss of power to individual lights. ▶ Major cooker, washing machine or fridge faults. ▶ Internal lock faults. ▶ Roof leaks. ▶ Emergency light faults.
<p>Respond 4 (Respond and fix within 20 working days)</p>	<ul style="list-style-type: none"> ▶ Broken WC seat. ▶ Bathroom extractor fan faults. ▶ Replace shower hose or head. ▶ Minor joinery repairs. ▶ Window faults not compromising security. ▶ Minor fridge faults.
<p>Respond 5 (Respond and fix within 30 working days)</p>	<ul style="list-style-type: none"> ▶ Replace sanitary fittings. ▶ Making good holes in walls and ceilings or plaster repairs. ▶ Minor joinery repairs nonurgent. ▶ Repairs to room furniture.
<p>Respond 6 (Programmed works – fixed by agreed date)</p>	<ul style="list-style-type: none"> ▶ Any work not fully in the above categories where completion date is pre-arranged with client. ▶ Fixing of shelving, notice boards, white boards etc. ▶ Manufacture of items for departments not regarded as maintenance related (subject to appropriate funding being available).

Table 5-9: Response

5.2.2 Summary of Future Costs

Figure 5-7 shows the forecast of planned and unplanned operations and maintenance works over the next ten years. It has been projected with CPI increase over the ten years, which aligns with the LTFP. As Australia is facing a potential recession in the coming years, the CPI assumptions will change on an annual basis through the LTFP.

TEN YEAR OPERATIONAL AND MAINTENANCE EXPENDITURE FORECAST

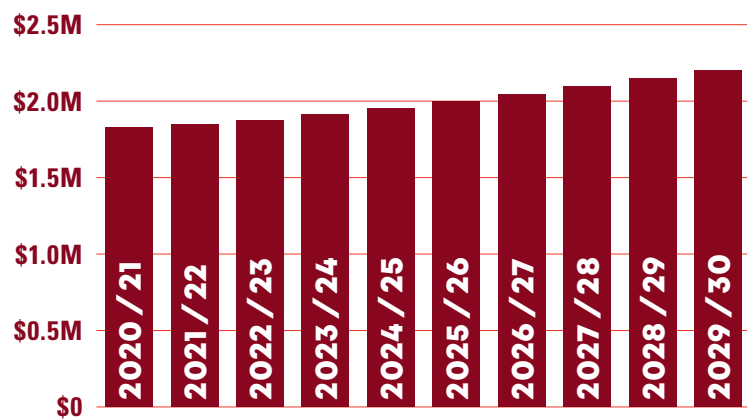


Figure 5-7: Buildings ten year operational and maintenance expenditure forecast



5.3 Renewal Plan (Capital)

Asset renewal is the replacement or refurbishment of an existing asset to return it to the modern standard equivalent performance and level of service. Renewal planning is necessary to ensure adequate funding is available, and assets are replaced at an optimum time to maintain the level of service.

5.3.1 Renewal Identification

Projected future renewal expenditures are forecast to increase over time as the asset portfolio grows in size, complexity and age.

Renewals are programmed across asset classes using the following methods:

- 1 Forward projection based on historic expenditure.
- 2 Broad estimates based on replacing assets at the end of their useful lives.
- 3 Predictive modelling of varying degrees of complexity.
- 4 Bottom-up approach with a high confidence in asset data. Projects are identified via asset monitoring, prioritised and allocated.

These methods increase in sophistication, which is reflected by the data confidence level.

Condition based data is the preferred method to form basis of the renewal program. Other factors such as functionality, risk, safety and changes in standards are also to be considered. When the data confidence is not at a mature stage, annual depreciation can be used as a guide for the annual budget.

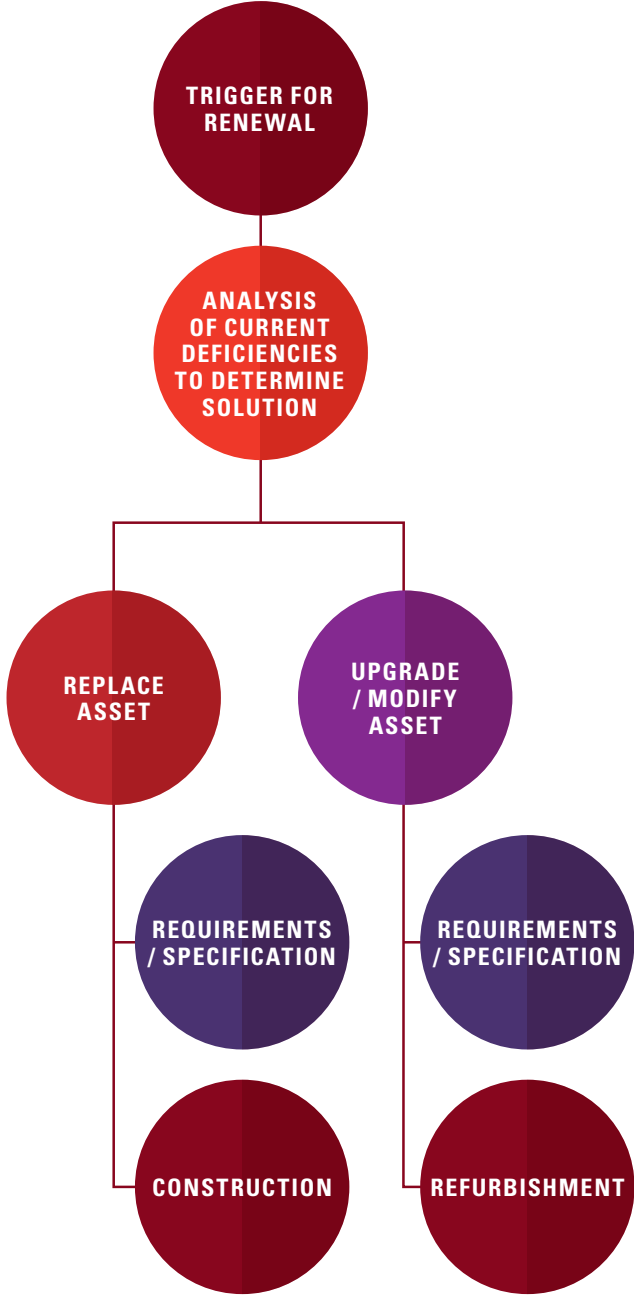


Figure 5-8: Asset capital renewal process flowchart

5.3.2 Renewal Strategies

Early implementation of renewal may be undertaken for upgrades and replacements due to changes in standards, safety issues, changes in levels of service, funding opportunities or alignment with external strategies and plans.

Renewal works identified in terms of renewal strategies may be deferred if the cost is beyond the current financial ability to fund it. This can occur when there are higher priority works on other asset groups. When renewal works are deferred, the impact of the deferral on the assets ability to still provide the required level of service will be assessed. Although the deferral of some renewal works may not impact significantly on the short-term operation of the assets, repeated deferral will create a liability in the longer term.

5.3.3 Summary of Future Costs

The projected future renewal expenditure is summarised in Figure 5-9, the three sets of data include:

- ▶ The renewal bar graph displays the replacement value of assets reaching the end of their useful life based on the 2018 condition assessment.
- ▶ The renewal average line displays the annual budget per year to meet the ten year renewal targets without the extreme variance indicated from the renewal bar graph.
- ▶ The LTFP line displays the current LTFP projection based on past asset management plans and asset data.

It is recognised matching condition-based renewal fluctuations from year to year is not generally possible from both a budget and resourcing perspective. Distributing the renewal costs over the ten year timeframe is preferable from a budget and resourcing perspective. The process for renewals is outlined in Figure 5-8.

The average annual expenditure for the next ten years:

Renewal projection	\$1,072,000
LTFP	\$1,095,200
Annual depreciation	\$1,280,000

The Plan identifies an annual spend of \$1,072,000 for building asset renewal based on asset condition over the next ten years. The annual depreciation in 2020/21 for buildings is \$1,280,000, which indicates an increase will be required in the LTFP spending for buildings as the asset portfolio ages.

The significant budget required to replace assets in 2027/28 is due to multiple assets reaching the end of their useful life. A majority of these are fitout replacements for a range of facilities including sporting clubs, community centres, swimming centre, depot and toilet blocks. Council will budget the annual renewal in line with the renewal average and distribute these renewals across the ten years.

Council's asset renewal ratio (planned renewal / the Plan's identified renewal) is at 102% over the next ten years. The ratio represents the level of capital expenditure on the renewal of assets (LTFP) relative to the expenditure projected in the Plan.

The current LTFP expenditure is over the budget projection and a decrease of \$231,000 to the budget over ten years will be required to maintain a ratio of 100%. Council's target is a 100% average over the next ten years.

BUILDING TEN YEAR RENEWAL EXPENDITURE FORECAST

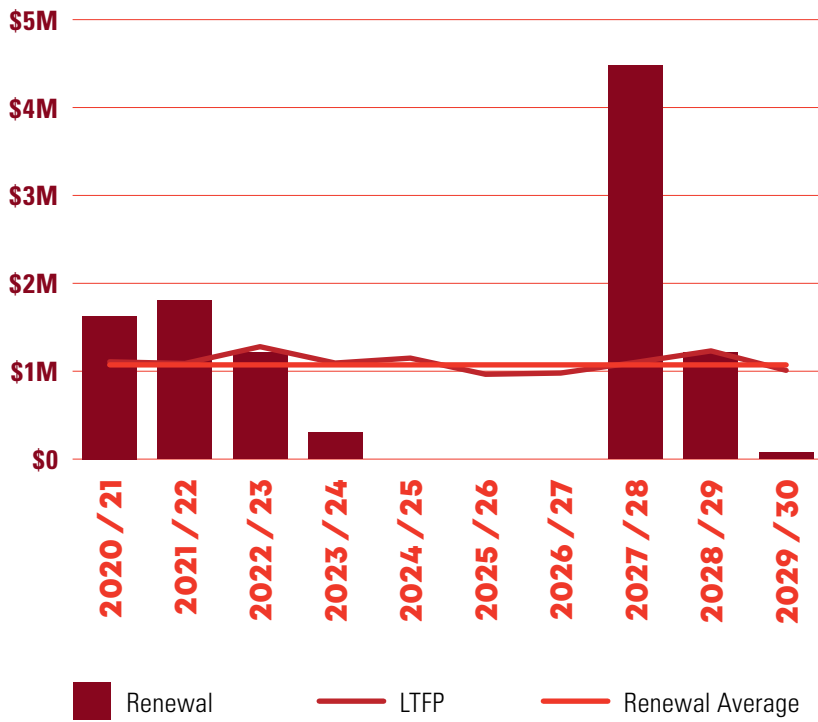


Figure 5-9: Building ten year renewal expenditure forecast



5.4 Creation / Acquisition Plan (New Capital)



New works create new assets or works which upgrade an existing asset beyond its existing capacity. This can include existing property assets through acquisition. They may result from various needs derived from demands such as population growth, environmental and technology change (as mentioned in Section 4).

5.4.1 Capital Investment Strategies

Creation and acquisition begin with identifying current and projected needs not sufficiently fulfilled by the building asset portfolio. Triggers for asset creation include, but are not limited to:

- ▶ Legislative requirements including Occupational Health and Safety.
- ▶ The end of useful life of existing assets.
- ▶ Increased service demand (such as through an increase in population or levels of service).
- ▶ Changes in the required services (such as is outlined in the Active Ageing Strategy).

Investigation and recommendations on strategic opportunities for property acquisition or divestment are the responsibility of Council's Strategic Property Committee. Figure 5-10 outlines Council's asset creation process.

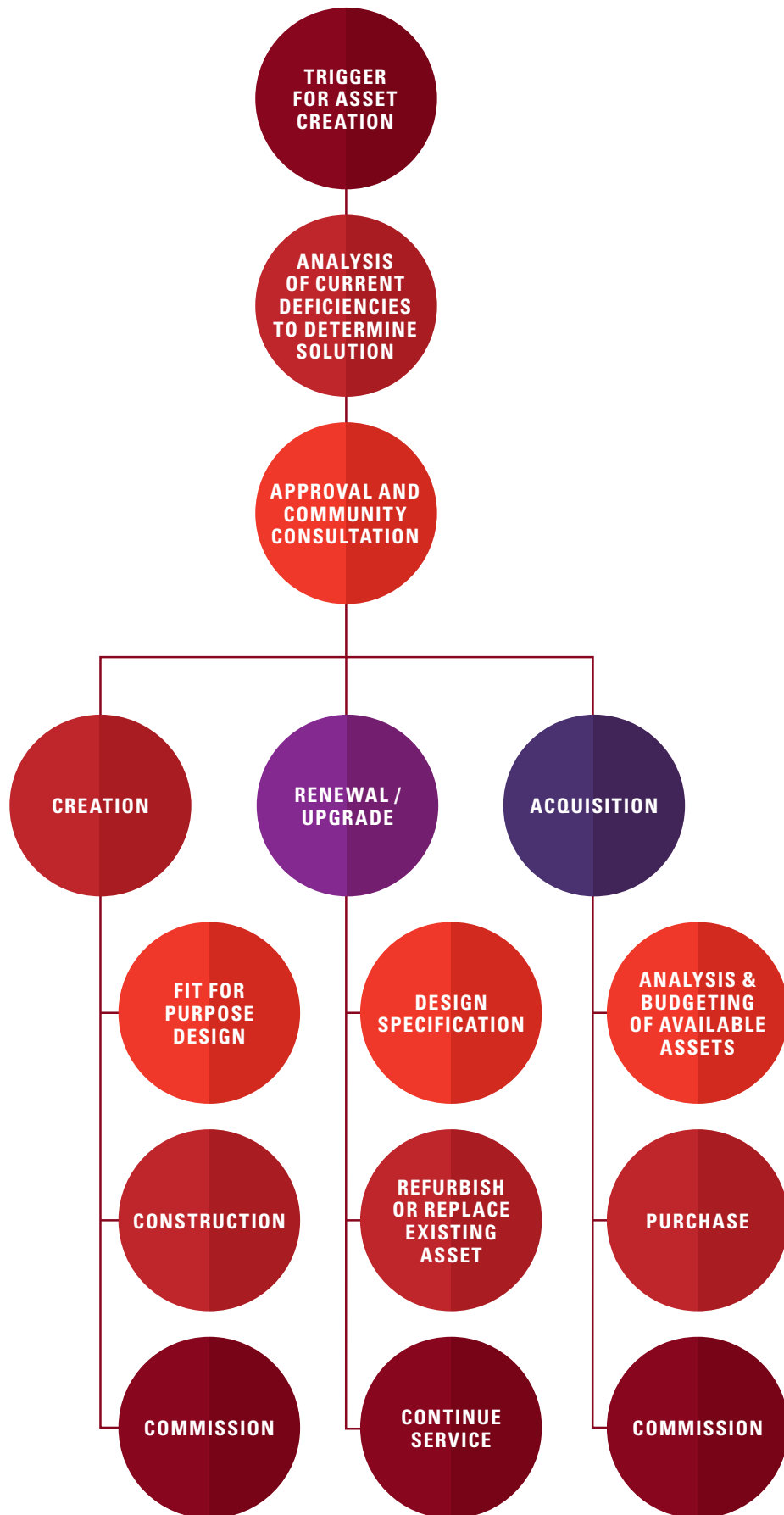


Figure 5-10: Asset creation process flowchart

5.4.2 Summary of Future Costs

The projected upgrade/new asset expenditure are summarised in Figure 5-11.

Figure 5-11 outlines the projected new capital works budget for buildings. Council reviews new capital projects on an annual basis as part of the adoption of the Annual Business Plan, with one year (2020/21) of works been approved through the Annual Business Plan. The projection for the remainder of the ten year new capital is based on Council’s annual priorities for new capital expenditure across Council and the need for new capital across all asset classes based on upcoming projects.

The 2020/21 financial year has a reduced budget as significant funds are being carried forward for the staged continuation of the Unley Oval Grandstand upgrade. The remaining funding is allocated to progressing design works. It’s typical for the building new capital budget to fluctuate year to year to deliver the design and construction stages for large projects, with the majority of the capital funding being budgeted within the construction stage.

As timing and costs for these future projects are still to be confirmed due to strategic planning, design development and consultation, the projection for building assets is shown to be distributed with an average budget of \$490,000 per year across ten years. These budgets are subject to individual annual bids, Council strategies and funding opportunities and are expected to fluctuate year to year.

The upcoming new capital projects for buildings in the next ten years include:

- ▶ Unley Oval Jack Oatey Grandstand (Stage Two)
- ▶ Edmund Avenue Cottages
- ▶ Unley Swimming Centre
- ▶ Millswood Croquet Club.

BUILDING PROJECTED NEW CAPITAL EXPENDITURE

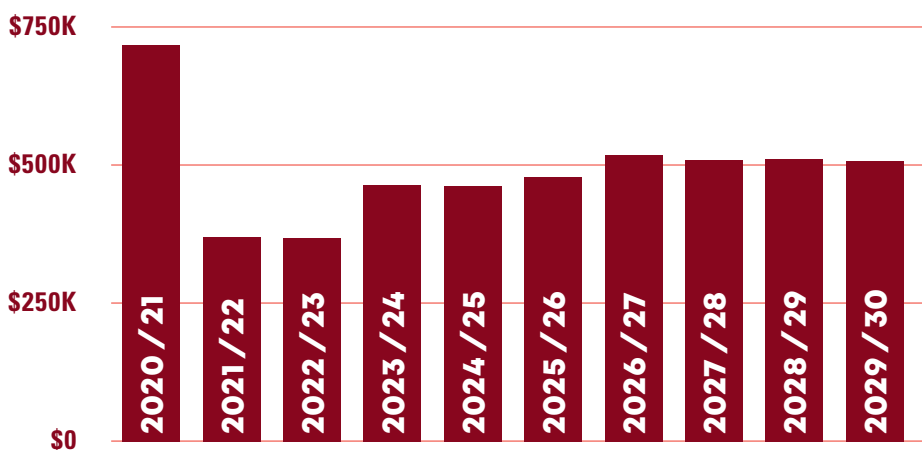


Figure 5-11: Projected new capital expenditure



5.5 Decommission Plan

Disposal includes activities associated with disposal of a decommissioned asset including sale, demolition or relocation.

Decommission of assets can be triggered in the following situations:

- ▶ The end of useful life of existing assets.
- ▶ Safety factors inherent to the asset.
- ▶ Non-compliance of the asset prompting a modern equivalent replacement.

Decommission of assets can involve the following courses of action (Figure 5-12):

- ▶ Design and replacement of the asset with a modern fit for purpose equivalent.
- ▶ Removal of the asset with the aim of repurposing the land in line with the long-term strategy of Council.
- ▶ The sale of the asset (in part or in whole), in situations where Council is looking to consolidate the asset portfolio.

The residual life of assets should be considered when decommissioning and disposing of asset components, which may have significant remaining life and value, e.g. information technology equipment within buildings.

Investigation and recommendations on strategic opportunities for property acquisition or divestment are the responsibility of Council's Strategic Property Committee.

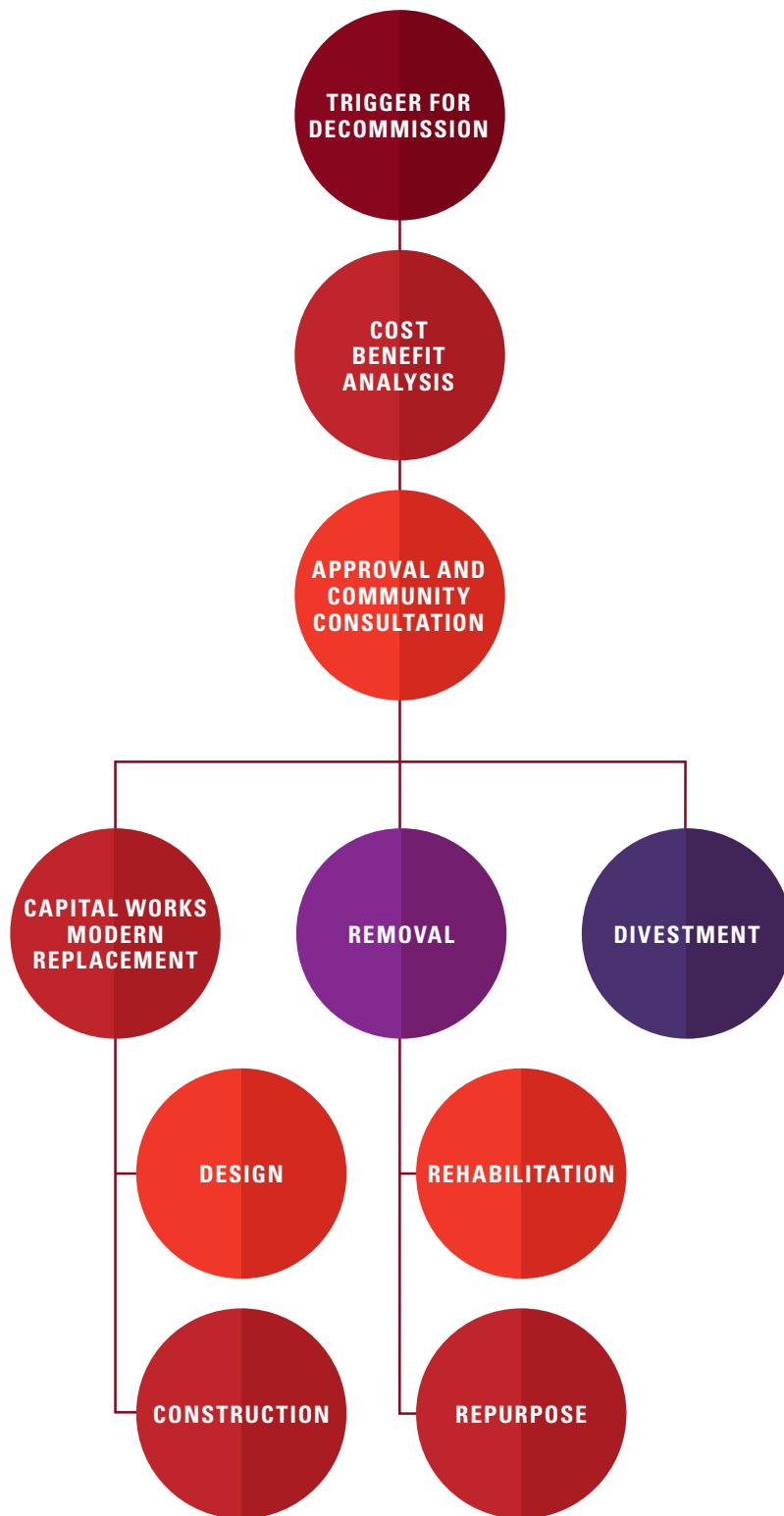
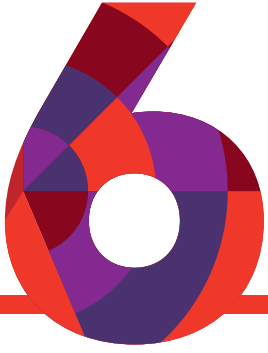


Figure 5-12: Asset decommission process flowchart



Risk Management

6.1 Critical Assets



Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. The identification of critical assets and failure modes means investigative activities, condition inspection programs, maintenance and capital expenditure plans can be effectively targeted.

Factors influencing criticality include safety, production/effort, cost and reputation.

Assets within the Civic Community category which are the public face of Council and provide integral administrative services are critical to the core community services supplied by Council. Severe deficiencies relating to the functionality and public appearance of these assets are to be avoided with high priority to maintain a stable provision and therefore public image of Council services.

Assets within the Civic Operations category which house the physical works departments of Council and provide integral physical works services are critical to the day to day operation of Council. Severe deficiencies relating to the operational status of these assets are to be avoided with high priority to maintain a stable provision and therefore public image of Council services.

6.2 Risk Assessment

The process for managing Council's risks is consistent with the International Risk Management Standard ISO 31000:2018. It involves five key steps, additional steps to ensure feedback through a monitoring and review process and appropriate communication and consultation.

Council is committed to effective risk and opportunity management to:

- ▶ Improve its ability to deliver community priorities, service delivery and outcomes for Council.
- ▶ Maximise opportunities and minimise the impact and likelihood of risk.
- ▶ Protect its employees, assets, liabilities and its community by avoiding or mitigating losses.

- ▶ Provide greater certainty for its employees, residents, stakeholders and the community in which Council operates by understanding and managing its risks.

Council acknowledges risk management is an essential part of best practice asset management. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for unacceptable risks.

An assessment of risks associated with buildings using Council's risk matrix (Table 6-1), has identified, analysed and evaluated building asset risks. Table 6-2 outlines Council's risk management for buildings and is to be reviewed annually at a minimum outside of the Plan.

		CONSEQUENCE				
		Catastrophic	Major	Moderate	Minor	Insignificant
LIKELIHOOD	Rare	MEDIUM	MEDIUM	LOW	LOW	LOW
	Unlikely	HIGH	MEDIUM	MEDIUM	LOW	LOW
	Possible	HIGH	HIGH	MEDIUM	MEDIUM	LOW
	Likely	EXTREME	HIGH	HIGH	MEDIUM	MEDIUM
	Almost Certain	EXTREME	EXTREME	HIGH	HIGH	MEDIUM

Table 6-1: Risk matrix

RISK DESCRIPTION (Event or potential event focused and their impact upon objectives)	INHERENT RISK Level of risk with NO controls in place			CONTROLS ALREADY IN PLACE (What existing controls are in place to prevent and/or manage the risk?)
	Consequence	Likelihood	Risk Rating	
1 Unsustainable management of assets due to poor quality data within asset management plan.	Catastrophic	Likely	High	Periodic delivery of condition assessments and revaluations in line with industry standards.
2 Council staff and/or members of the public injured as a result of Council activities or using Council buildings/facilities.	Catastrophic	Likely	High	Annual maintenance budgets. Periodic delivery of condition assessments. Maintenance inspections. Timely response to reported hazards in alignment with the service level agreement.
3 Non-compliance with safety standards within buildings	Catastrophic	Likely	High	Ensure all compliance and mandated inspections are met.
4 Council unable to fund required capital and maintenance due to economic downturn.	Moderate	Likely	High	Maintain strong sustainability ratio to avoid a backlog of capital works. Ability to fund capital program through borrowings. Ability to reduce levels of service.
5 Climate change not appropriately planned for with respect to asset management.	Moderate	Likely	High	High level targets are set through the objectives and targets within the Environmental Sustainability Strategy.
6 Assets not fit for purpose to support service delivery targets.	Moderate	Likely	High	The Plan is updated every four years (minimum) to reflect current legislation and adopted strategic direction from Council. This ensures appropriate operational and capital planning is undertaken to maintain the assets at the agreed level of service.

Are the Controls effective at managing the risk?	RESIDUAL RISK			Is the Residual Risk Rating Tolerable?	TREATMENTS/ ADDITIONAL CONTROLS (Additional controls that can be implemented to further reduce the level of risk)	TREATMENT OWNER & TIMING (Who is responsible for implementing the treatment and when it should be implemented/completed)	RISK LEVEL AFTER TREATMENTS		
	Consequence	Likelihood	Risk Rating				Consequence	Likelihood	Risk Rating
Partially effective	Catastrophic	Possible	High	No	Continuous improvements in asset management maturity and activities through the improvement program.	Assets and Operations and Finance & Procurement See improvement program (Section 8.2)	Catastrophic	Unlikely	Medium
Majority effective	Catastrophic	Unlikely	Medium	Yes	N/A	N/A	N/A	N/A	N/A
Majority effective	Catastrophic	Rare	Medium	Yes	N/A	N/A	N/A	N/A	N/A
Majority effective	Moderate	Rare	Low	Yes	N/A	N/A	N/A	N/A	N/A
Partially effective	Moderate	Likely	Medium	No	Climate change addressed with respect to Councils impact on the environment as well as the environments impact to councils' assets. Include climate change as a considered factor throughout the Plans, outlining the impact and associated demand on assets. Address assets within Climate and Energy Plan.	Assets and Operations Ongoing as asset management plans and council strategies are updated	Moderate	Possible	Medium
Majority effective	Moderate	Unlikely	Medium	Yes	N/A	N/A	N/A	N/A	N/A

7

Financial Summary

This section contains the financial requirements resulting from all the information presented in Section 5 of the Plan. The financial projections will be refined as part of the ongoing revision of the Plan.



7.1 Valuation forecast

Asset values are projected to increase as additional assets are added through capital works. Additional assets will generally increase the operational and maintenance requirements in the longer term, as well as the need for renewal. Additional assets will be included for future depreciation forecasts.

7.2 Expenditure forecast

Figure 7-1 outlines the financial projections for maintenance and capital renewal and capital new expenditure for the buildings.

The total forecast expenditure for buildings is relatively constant over the ten year period. The predictability of this budget allows Council to undertake capital programs as and when required in each year.

7.3 Asset Renewal Funding Ratio

This ratio indicates whether Council has the financial capacity to fund asset renewal at continued existing service levels. Council’s target is a 100% average over the next ten years.

ASSET RENEWAL FUNDING RATIO – BUILDINGS: 102%

This ratio is an important budget indicator over the next ten years. Council’s LTFP has budgeted 102% of funds identified in this plan for the optimal renewal and replacement of building assets. A decrease of \$231,000 to the renewal budget over ten years is required to maintain a ratio of 100%.

BUILDING TEN YEAR FORECAST EXPENDITURE

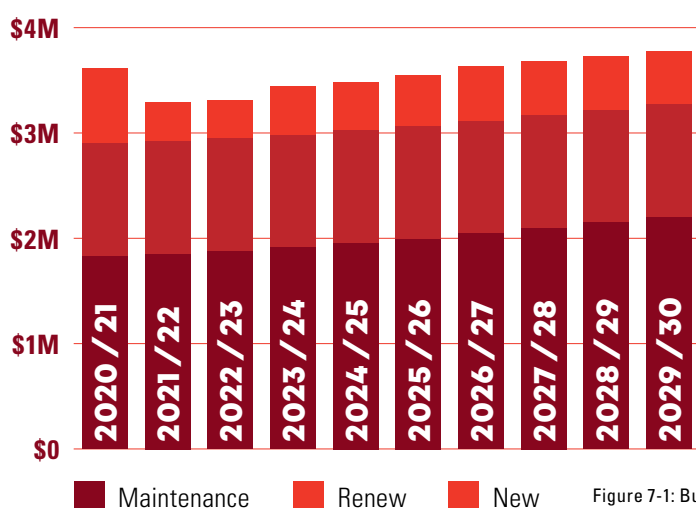


Figure 7-1: Building ten year forecast expenditure

7.4 Funding Strategy

An approach to asset management driven from a service perspective is currently being introduced to Council based more directly on the declared levels of service for each specific asset.

Key strategic milestones:

- ▶ The Plan will inform the future LTFP.
- ▶ The next major condition assessment and revaluation will be in 2022/23 and inform future renewal strategies.
- ▶ The Depot operations service review will be undertaken in 2020/21, which will inform future maintenance and operating budgets.

Repayment of existing loans has been extracted from the current loan schedule. The LTFP assumption indicates no additional funding through borrowings is required to meet new capital commitments in the future. The Local Government Finance Authority (LGFA) Cash Advance Debenture (CAD) Facility will continue to be used to balance funding requirements in terms of borrowing.

The projected expenditure is to be funded from Council’s operating, maintenance and capital budgets.

7.5 Key Assumptions

The assumptions and data used in presenting this forecast information were:

- ▶ Replacement costs derived from the fixed asset register in Technology One asset database.
- ▶ Condition data derived from the building condition assessment from 2018.
- ▶ Key financial assumptions derived from LTFF 2020/21.
- ▶ Operation funding will be made without reduction.
- ▶ Capital funding will be made without reduction.
- ▶ Appropriate resources will be made available to manage the Plan.
- ▶ Council income will remain consistent with LTFF.
- ▶ There will be no natural disasters.



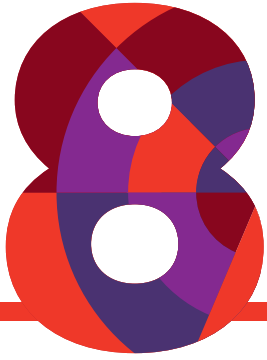
7.6 Forecast Reliability and Confidence

The expenditure projections are based on the best available data. Data confidence is critical for an accurate expenditure projection. As new data becomes available, the forward plans will be updated. There are five levels that measures data confidence:

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. Data set is complete and estimated to be accurate $\pm 2\%$.
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 $\pm 10\%$.
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 are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$.
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 $\pm 40\%$.
E – Unknown	None or very little data held.

Table 7-1: Data confidence level

Council's building data confidence is (B) – Reliable across condition, spatial and financial data. This confidence level has been achieved through condition assessments completed over two full revaluation cycles. The improvement program outlines steps to continue to increase the maturity and confidence of the data through the next revaluation.



Improvement and Monitoring

8.1 Status of Asset Management Practices

Council is committed to improve the data quality and confidence by implementing actions within the improvement program in Table 8-1.

8.1.1 Accounting and Financial Systems

Council uses Technology One as its financial management and accounting system. Technology One has the capability to report the full lifecycle of assets providing full transparency from acquisition to disposal of assets.

8.1.2 Asset Management System

Council uses Technology One – Enterprise Asset Management software as its Asset Management System. Initial set up of the asset management system is crucial to ensure integration between operating and financial functions. Council's initial set up of the asset management system was incomplete and is being addressed through the improvement program, periodically updating the asset registers during revaluations.

A future improvement is to integrate the financial system and asset management system following each asset categories condition assessment and revaluation.

Council's geographic information system (GIS) data is stored within a specialised GIS software suite. An improvement will be to integrate the GIS data with the asset register to provide live spatial data.

8.2 Improvement Programs

The improvement program derived from the Plan is shown in Table 8-1.

TASK NO.	TASK	RESPONSIBLE OFFICER	RESOURCE REQUIRED	DUE DATE
1	Continual review and update of the asset register.	Asset Management Officer	Internal	Revaluation 2022/23
2	Condition audit to be completed	Coordinator Property and Facilities	Internal / External	2022/23
3	Full integration of building assets with Asset Management System, the finance module in TechOne and GIS.	Asset Management Officer Manager Business Systems Solutions	Internal	Ongoing staged approach
4	Undertake customer research on building assets. This will provide data for future planning of building assets ensuring the required level of services are met.	Assets and Engineering Lead	Internal	2024/25

Table 8-1: Improvement program

8.3 Monitoring & Review Procedure

Council will schedule the Plan review into its strategic and annual planning and budget processes. The Plan has a life of four years.

8.4 Performance Measures

Council will track the performance of the Plan through the following performance measures:

- 1 Level of Service Key Performance Indicators (KPIs).
- 2 Delivery of improvement program.
- 3 Improved data confidence.
- 4 Review of the Plan minimum every four years.

Notes



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