THE CITY of Unley

Building

ASSET MANAGEMENT PLAN 2023

Contents

Building Assets Summary

CIVIC OPERATIONS

Replacement cost:
$14,664,409

CIVIC OPERATIONS – OTHER

Replacement cost:
$582,261

LEASE COMMUNITY

Replacement cost:
$24,968,028

LEASE COMMERCIAL

Replacement cost:
$3,370,070

CIVIC COMMUNITY

Replacement cost:
$35,678,789

Total

Replacement cost:
$79,263,556

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 that aligns 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
Nearly a quarter of the population are aged over 60 years old. Number of children 12% lower than greater Adelaide

CLIMATE CHANGE
Awareness of Council's role in climate sustainability with increasing trend of severe weather events including extreme heat waves

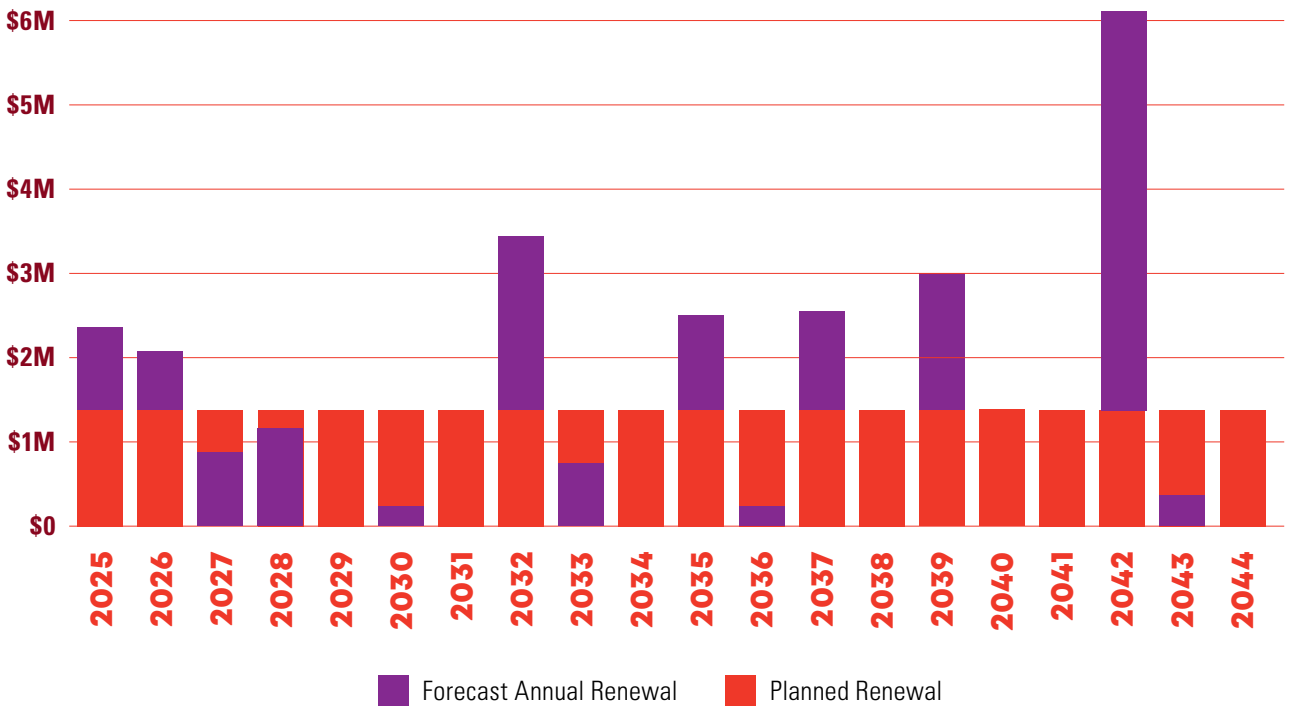
TECHNOLOGY
Using data to assist with decision making and delivery of services

FINANCIAL SUMMARY

Planned annual renewal of $1,400,000
per annum over 20 years

ASSET FUNDING RENEWAL RATIO: 109.4%
ASSET SUSTAINABILITY RATIO: 93.5%

TWENTY YEAR FORECAST AND PLANNED RENEWAL EXPENDITURE



2 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 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/sporting to the community
- Swimming Pool – Unley Swimming Centre
- Public Toilets – Public toilets owned and maintained 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 twenty 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 2021–2025
Long Term Financial Plan 2024/25–2034/35
Asset Management Plans
Disability Access and Inclusion Plan
Active Ageing Strategy
Environmental Sustainability
Smart Plan 2023–2027
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	◗ Opportunity to provide input into the development and review of the Council's strategic management plans.
Elected Members	◗ 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	◗ Audit Committee will review, make recommendations and observations to Council on the financial outcomes of the Plans.
Chief Executive Officer	◗ 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	◗ 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	◗ 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	◗ 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.
Project Lead Buildings	◗ Coordinate Council resources to deliver the capital works and maintenance program ◗ Oversee leasing and licencing of Council property assets..
Facility and community service providers	◗ Determine and develop services to meet the needs of the community and ensure the assets are fit for purpose.
Response and Signage Team	◗ Deliver operations and maintenance.
External Lessees	◗ 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.

COMMUNITY LIVING

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.

ECONOMIC PROSPERITY

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.

ENVIRONMENT STEWARDSHIP

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.

CIVIC LEADERSHIP

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.

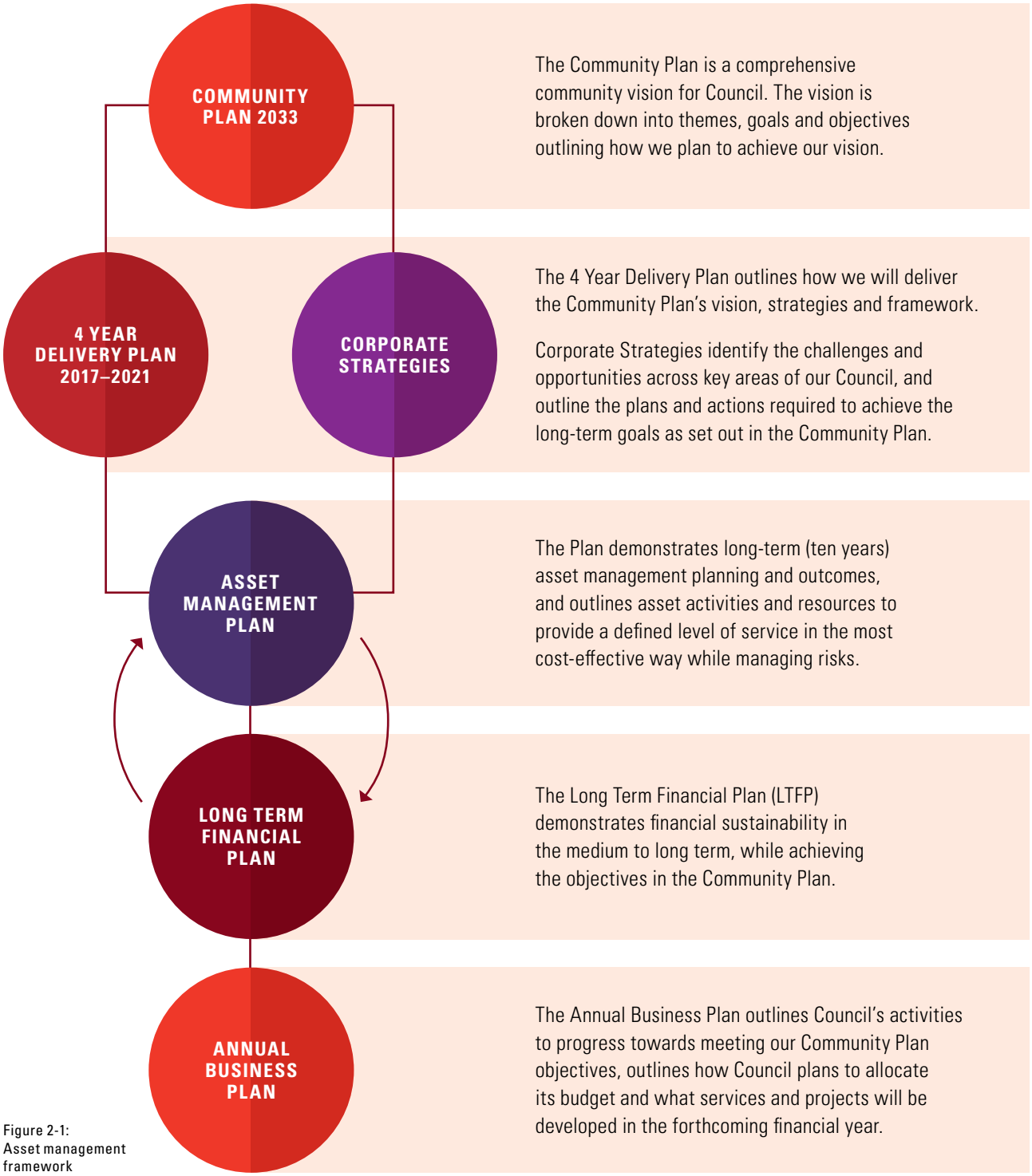


Figure 2-1:
Asset management framework

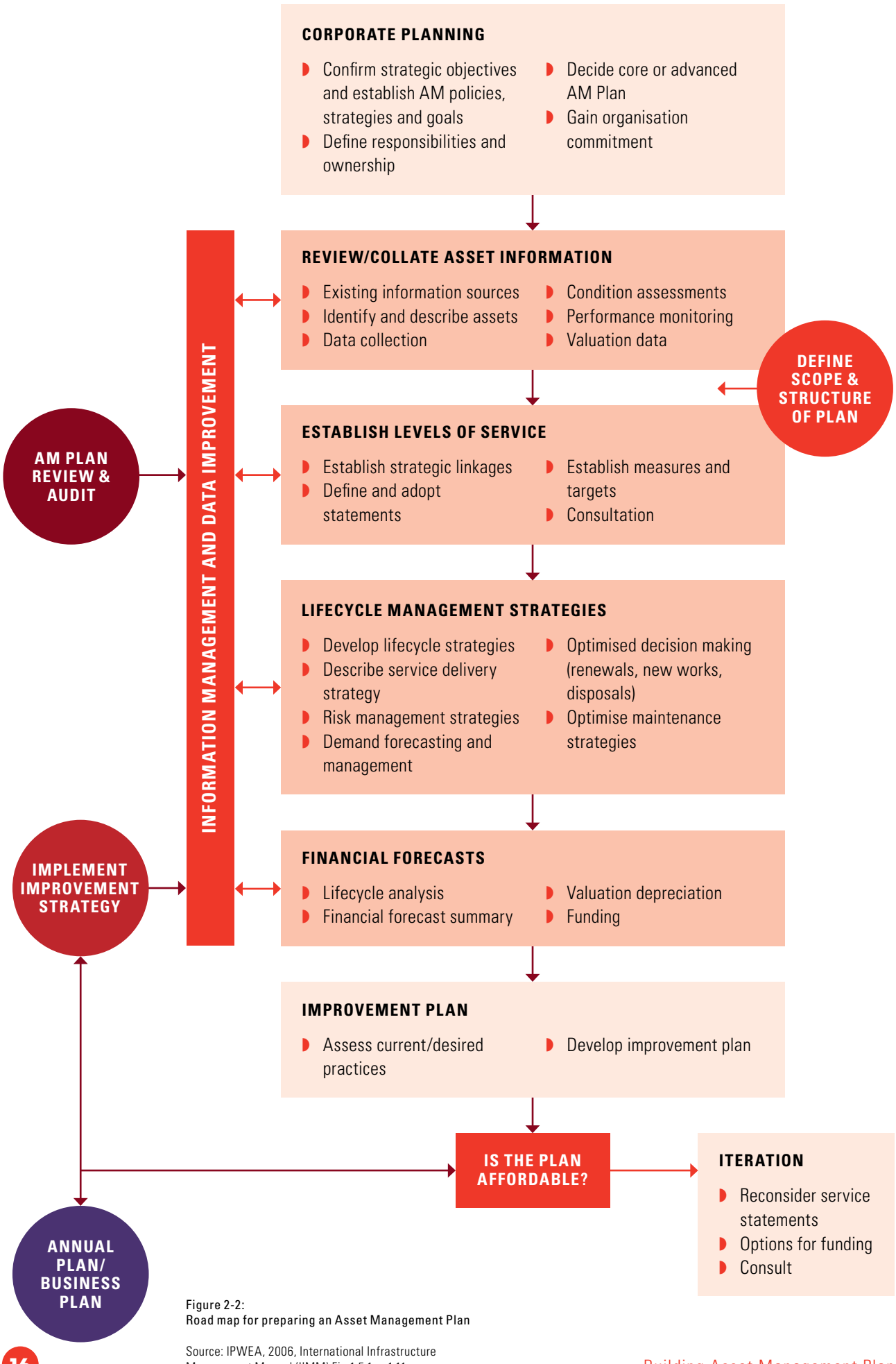


Figure 2-2:
Road map for preparing an Asset Management Plan

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 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	LINKAGE TO ASSET MANAGEMENT PLAN
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.**
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.
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.
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 3-3.

COMMUNITY LEVELS OF SERVICE

PERFORMANCE MEASURE		LEVEL OF SERVICE OBJECTIVE	PERFORMANCE MEASURE	KPI	2023
	Quality	Buildings are well maintained	Community survey on the physical quality of buildings	KPI based on survey (to be developed, see improvement program)	N/A Survey to set baseline
	Function	Asset to meet service needs – 'fit for purpose'	Community survey on the functionality of buildings	KPI based on survey (to be developed, see improvement program)	N/A Survey to set baseline

TECHNICAL LEVELS OF SERVICE

PERFORMANCE MEASURE		LEVEL OF SERVICE OBJECTIVE	PERFORMANCE MEASURE	KPI	2023
	Condition	Physical state of buildings in serviceable condition	Average condition of building assets.	Equal or less than condition rating 3	2.7
	Renewal	Sustainably managing the renewal of assets	Asset Sustainability Ratio Asset Funding Renewal Ratio	90%–110%	93.5% 109.4%
	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.

4 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
POPULATION AND DEMOGRAPHICS		
Population increase: • Total estimated population 39,085 (ABS 2022).	Higher than average provision of medium and high density housing (43%) compared to greater Adelaide (26%) which is anticipated to increase further in the next 30 years.	Increased demand for social infrastructure assets such as libraries, recreational, and community facilities.
Changing demographics: • Nearly a quarter of the population (24%) are aged over 60 years old, which is the fastest growing age group in the area between 2016 and 2021 • Median age is 43 years old • Number of children under 11 years old 12% lower than greater Adelaide.	Growth in ageing population. Reduction in children aged between 0-11 years. Increasing accessibility considerations.	Increased demand for all age appeal facilities.

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. 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 imitative ◗ Public toilets are sufficiently available, safe, clean and accessible.	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. 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 have been observed since the 1970's, and according to the Bureau of Meteorology, average temperatures across the state has 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. Smart data can also improve the way services are delivered and the function of facilities based on a better understanding of the way the community engage with our building assets.

Table 4-1: Future demands

DEMAND MANAGEMENT PLAN	IMPACT ON ASSETS
Upgrade sites to LED lighting. Introduction of solar to civic buildings and community leased facilities. Reduce emissions from high Co2 generating plant associated with buildings.	Renewal programs for facility lighting before end of useful life through an organisational LED upgrade program. Introduction of solar assets in the renewal and new capital program. Planning for more efficient pump operation at Unley Swimming Centre.
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 the end of useful life through an organisational LED upgrade program. Introduction of solar assets in the new capital program.
The Smart Plan outlines Council's 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. Emphasis on smart technologies and digital solutions are fit for purpose and can scale over time.	Futureproofing new buildings to accommodate and adapt to new technologies enabling an appropriate level of service. Progressive introduction of sensors and data collection technology to understand how people use and interact with Council buildings.


THE CITY of
Unley
COUNCIL OFFICES

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.

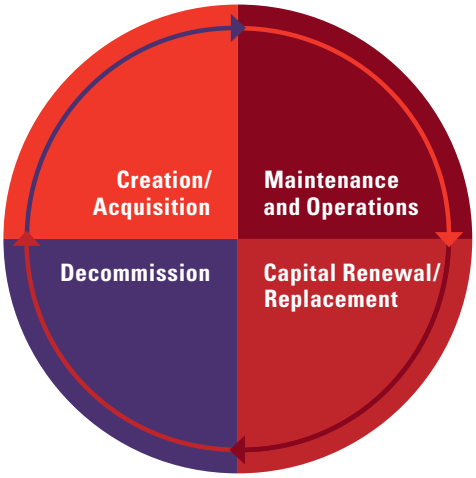


Figure 5-1:
Asset lifecycle flowchart

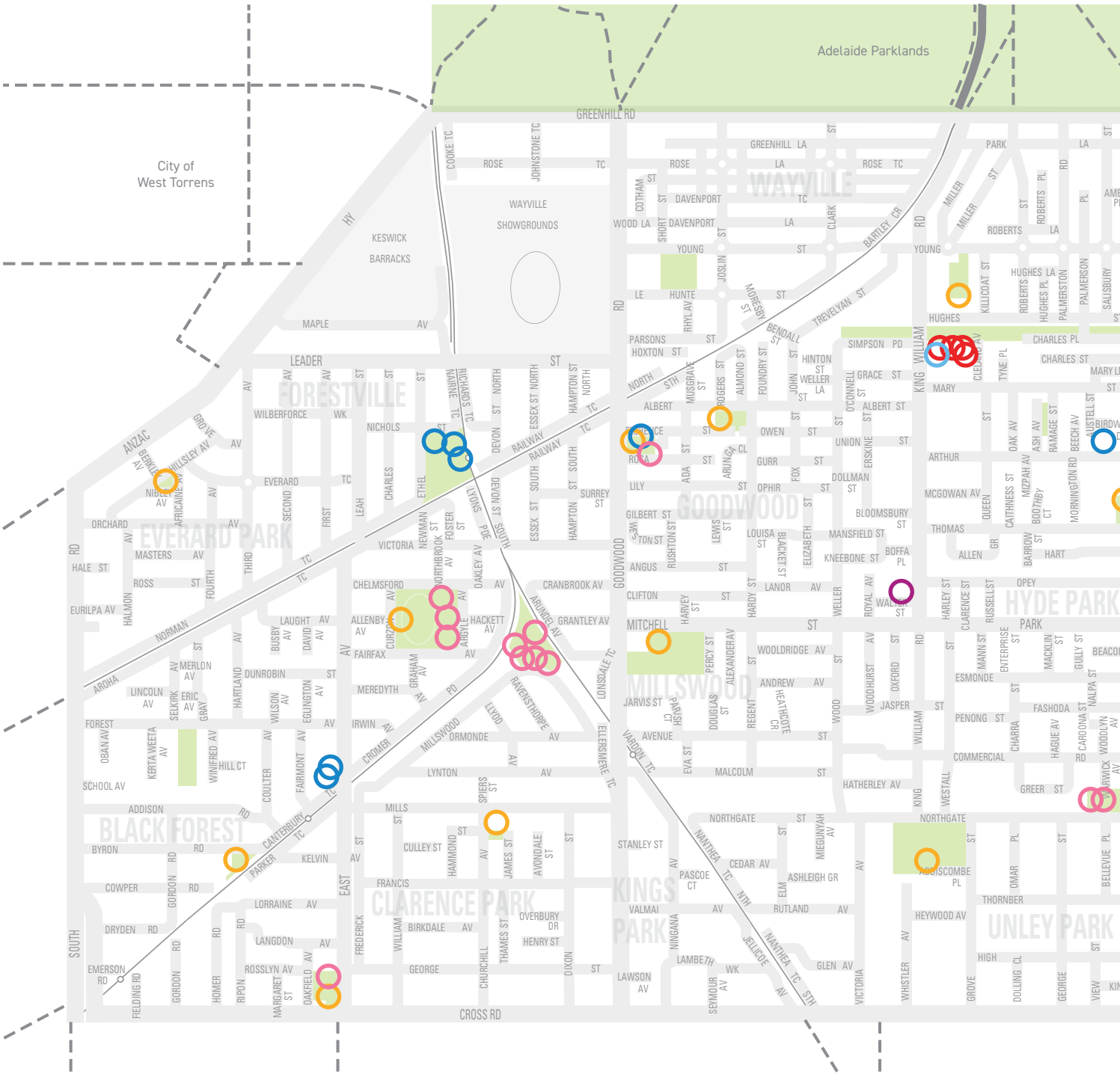
The cost of an asset lifecycle can be divided into four major stages:

- 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)

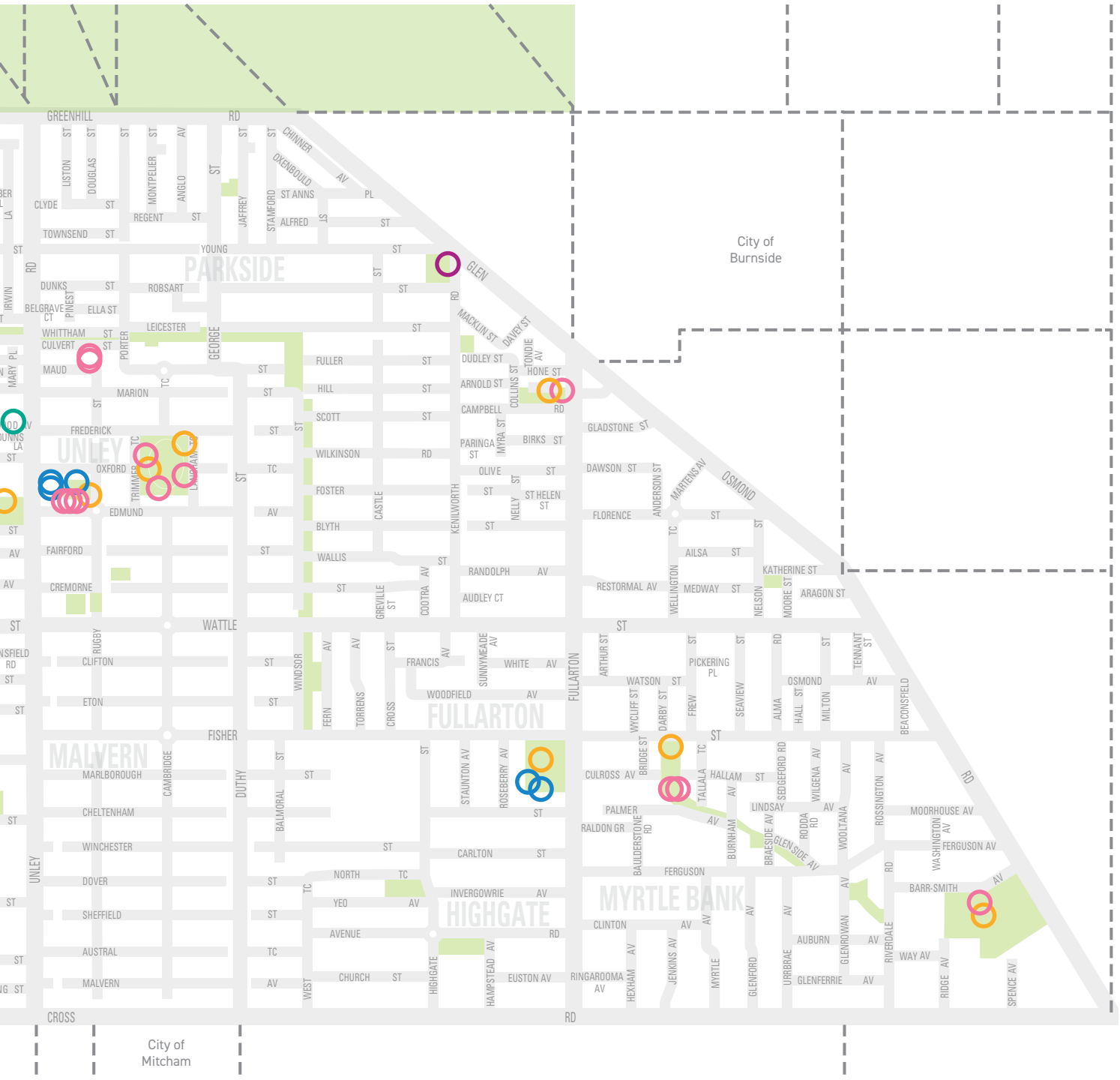


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Figure 5-2:
Building locations

5.1.1 Physical Parameters

A building asset is defined as any construction or structure with fixed and permanent foundations or footings, enclosed or partially 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. 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. They 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 major Civic building is the Unley Town Hall and Library that 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.

CIVIC OPERATIONS

Civic Operation facilities are operational in nature and/or complimentary to other Council functions and include buildings such as the Council Works Depot. The level of service reflects the operational status of the facilities and the need to prioritise WHS and public safety issues. Maintenance and capital replacement issues will be considered and programmed as appropriate.

LEASE COMMERCIAL

These facilities are leased from Council for tenants to run commercial businesses in the community.

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.

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.

PUBLIC TOILETS

Council provides public toilet facilities for the community at our open spaces around the City.

SWIMMING POOL

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 and associated Plant and Equipment.

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 Lease Community buildings that are leased by 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.

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.

The condition rating is based on the collected building asset condition assessment in 2022. The condition assessment is undertaken at two levels:

Component (High Level) – mainly used for valuation purposes and long term renewal planning.

Subcomponent (High Detail) – used for operational purposes and short term renewal planning.

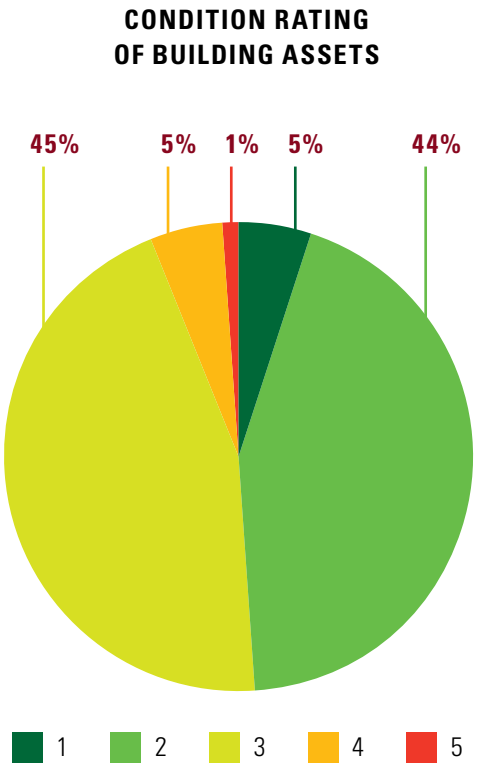


Figure 5-4: Building Asset Condition

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

Asset condition ratings are shown in Table 5-6 by asset category and component. The average rating can be used as a benchmark for measuring against the building category desired level of service. The condition audit assessed the building assets at both the component level (used for valuation purposes) and the subcomponent level (for operational purposes). The subcomponents of a building asset include the smaller, shorter life assets such as kitchens, air conditioning units, and hot water services for example.

Buildings have a level of service based on maintaining a component condition rating of 3. When a building component 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. It can be seen from the data below that all building types are within this range apart from Swimming Pool, where works will be required as part of this plan to address.

	SUPERSTRUCTURE	SUBSTRUCTURE	FITOUT	ROOFING	SERVICES
Civic Community	2.7	2.7	2.9	2.8	2.7
Civic Operations	2.5	2.7	2.5	2.5	2.2
Lease Commercial	2.6	2.7	2.5	2.7	2.4
Lease Community	2.7	2.8	2.7	2.8	2.6
Public Toilets	2.6	2.5	2.7	2.4	2.7
Swimming Pool	**3.0**	**3.5**	**2.8**	**2.9**	**2.9**

Table 5-6 Asset condition rating by component and category

The detailed breakdown of the asset condition at the subcomponent level can be seen below for some key categories as well as the overall average condition score:

	CONDITION 1 %	CONDITION 2 %	CONDITION 3 %	CONDITION 4 %	CONDITION 5 %	AVERAGE CONDITION SCORE
HVAC (air conditioning)	4	38	53	3	2	2.60
Kitchen Areas	3	46	42	7	0	2.52
Wet Areas (bathrooms)	4	45	45	5	1	2.53
Ceilings	5	43	46	6	0	2.55
Floor Coverings	8	35	53	4	0	2.53
Gutters and Downpipes	3	25	68	3	0	2.74
Internal Doors and Walls	7	37	52	23	0	2.55

Table 5-7 Asset condition rating as percentage by subcomponent

5.1.4 Useful Life

Building components and subcomponents 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 many buildings were built long before current standards and guidelines or for different uses entirely, for some buildings or their components the end of life may not be due to age or condition alone, but due to them no longer being fit for purpose. As part of the condition audit process, buildings are regularly reviewed on a case by case basis for suitability and function.

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.

Typical useful lives for building components and subcomponents can be seen below:

	COMPONENT/ SUBCOMPONENT	USEFUL LIFE
Superstructure	Component	60 – 100
Substructure	Component	80 – 150
Fitout	Component	25
Roofing	Component	40 to 50
Services	Component	50
HVAC	Subcomponent	15 to 20
Kitchen Areas	Subcomponent	30
Wet Areas and Bathrooms	Subcomponent	25
Ceilings	Subcomponent	30 – 50
Floor Coverings	Subcomponent	15 – 30
Gutters and Downpipes	Subcomponent	20
Internal Doors and Walls	Subcomponent	50 – 75

Table 5-8 Typical useful lives for building components and subcomponents

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 valuation of Council's building assets is summarised in the Table 5-9 across.

ASSET CATEGORY	REPLACEMENT COST	FAIR VALUE	ANNUAL DEPRECIATION
Civic Community	$14,778,000	$8,146,189	$270,237
Civic Operations	$29,012,000	$17,560,831	$563,469
Lease Commercial	$8,758,000	$4,182,796	$119,986
Lease Community	$33,613,120	$20,412,293	$331,627
Swimming Pool	$5,157,000	$2,421,214	$124,691
Public Toilets	$2,913,000	$1,547,511	$87,699
TOTAL	**$94,231,120**	**$54,270,834**	**$1,497,709**

Table 5-9: Building assets valuation

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. For building assets, this includes utility expenses such as water, power and gas, and also internet and security monitoring.

Council's core maintenance activities include repair and upkeep of building 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 and may include:
  - Internal and external paint programs
  - HVAC servicing and cleaning
  - Fire service and alarm service testing
  - Routine cleaning.
- Reactive maintenance is unplanned work carried out in response to customer service requests and management decisions. These may include:
  - Vandalism to toilets
  - Broken or damaged doors, windows, or carpets
  - Light replacements
  - Electrical repairs.

One of the highest sources of reactive maintenance is related to anti social behaviour and vandalism to public toilets including damage to internal fixtures and fittings, graffiti, and soiling. This requires almost daily repairs to be made by contractors and Council's internal response team.

Figure 5-6 outlines the asset maintenance process for planned and reactive maintenance:

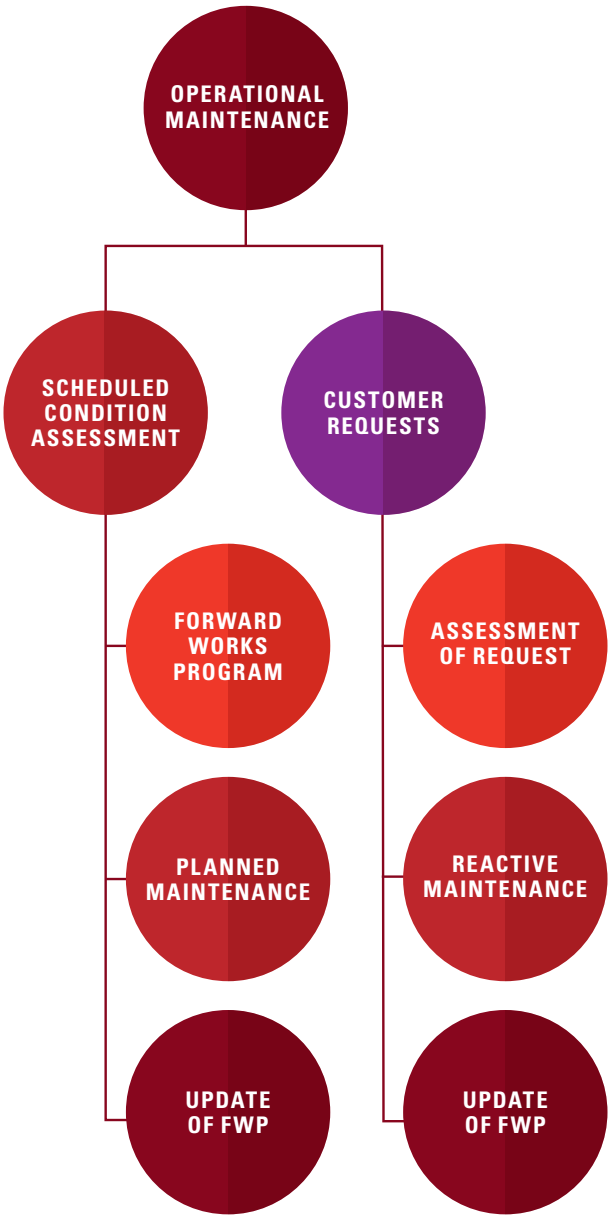


Figure 5-6: Asset maintenance process flowchart

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 2 (Response within 48 hours) During normal hours where feasible	◗ 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.

RESPOND	EXAMPLES
Respond 3 (Respond and fix within 10 working days)	◗ 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.
Respond 4 (Respond and fix within 20 working days)	◗ Broken WC seat ◗ Bathroom extractor fan faults ◗ Replace shower hose or head ◗ Minor joinery repairs ◗ Window faults not compromising security ◗ Minor fridge faults.
Respond 5 (Respond and fix within 30 working days)	◗ Replace sanitary fittings ◗ Making good holes in walls and ceilings or plaster repairs ◗ Minor joinery repairs nonurgent ◗ Repairs to room furniture.
Respond 6 (Programmed works – fixed by agreed date)	◗ 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 service levels for maintenance

5.2.2 Summary of Future Operating Costs

COUNCILS PLANNED EXPENDITURE FOR THE 2023/2024 FINANCIAL YEAR: $1,785,040.

Within the 2023/24 budgeted allowance for operational expenditure for buildings this includes the following recurrent costs that come with the running facilities:

- Utility costs (lighting/ heating/cooling) $313,000
- Cleaning $430,000
- Insurance $140,000

Regular planned maintenance activities that are funded by operational expenditure include:

- Gutter and drain cleaning (seasonal and varies by facility)
- Painting (both internal and external)
- Security monitoring (including fire alarms)
- Electrical testing and tagging
- HVAC servicing and cleaning.

Over time, the future costs are expected to be similar to present, with some reduction in cost through improvements to planned maintenance scheduling and planning. There may be reductions in utility costs through the addition and upgrade of solar panels to a majority of facilities, however, this saving has not been quantified at present.

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 and Planning

Renewals are primarily programmed based on condition, however, early replacement of assets may also be undertaken for upgrades or due to changes in function, standards, safety issues, changes in levels of service, funding opportunities or alignment with external projects, strategies and plans. Similarly, some assets may experience extended useful lives due to a high level of maintenance over its life.

Coupled with the future demand of the increasing age demographic of Council, as many community and civic facilities are historic buildings or buildings predating accessibility standards, in some cases there is the need to modify and improve the internal fitout. This includes changes to layout, flooring, internal and external doors, and bench and desk heights. This requirement can bring forward renewal before the assets reach the end of their useful life due to condition.

Many of Council's public toilet facilities were constructed several years ago, and due to the built form and location require significant amounts of maintenance and repair due to repeated vandalism. Where these problems exist, opportunities to consider renewal will occur to construct to contemporary standards, and aiming at reducing anti social behaviour and improving safety.

Over time, through the implementation of Council's Smart Plan (2023–2027) it is intended that the data captured on the way the community interact and engage with our buildings will help to better inform the way we identify assets for renewal, and plan and design our facilities to better meet the needs of our community.

5.3.2 Forecast Renewal Expenditure

Figure 5-7 shows the *projected* replacement value of assets reaching the end of their useful life in each year over a twenty year period, based on the 2022 condition assessment.

Many of the forecast renewals early in the twenty year period are subcomponents, such as air conditioning renewals and flooring, however, toward the end of the period it includes larger cost items such as full fitout renewals for facilities and full reconstruction of some assets.

Some of the major forecasted renewals include:

- Unley Oval and North Unley Public Toilets
- Swimming Pool Reconstruction (including Junior Pool) and Heat Pump Replacement
- Fitout Renewals to community facilities including Millswood, Sturt, and Unley Park Bowling Clubs
- Fitout renewals to Civic Community buildings including the Civic Centre (front counter), Clarence Park Community Centre, and Goodwood Library
- Internal Flooring Renewals at several facilities
- Major roof repairs and replacements to Civic Community buildings to address water ingress
- HVAC renewal to Goodwood Community Centre
- Renewal of Broughton Arts Society Building (Howard Florey Reserve).

$25.7M
Total Treatment Cost

$1.3M
Average Annual Treatment Cost

TWENTY YEAR RENEWAL EXPENDITURE FORECAST

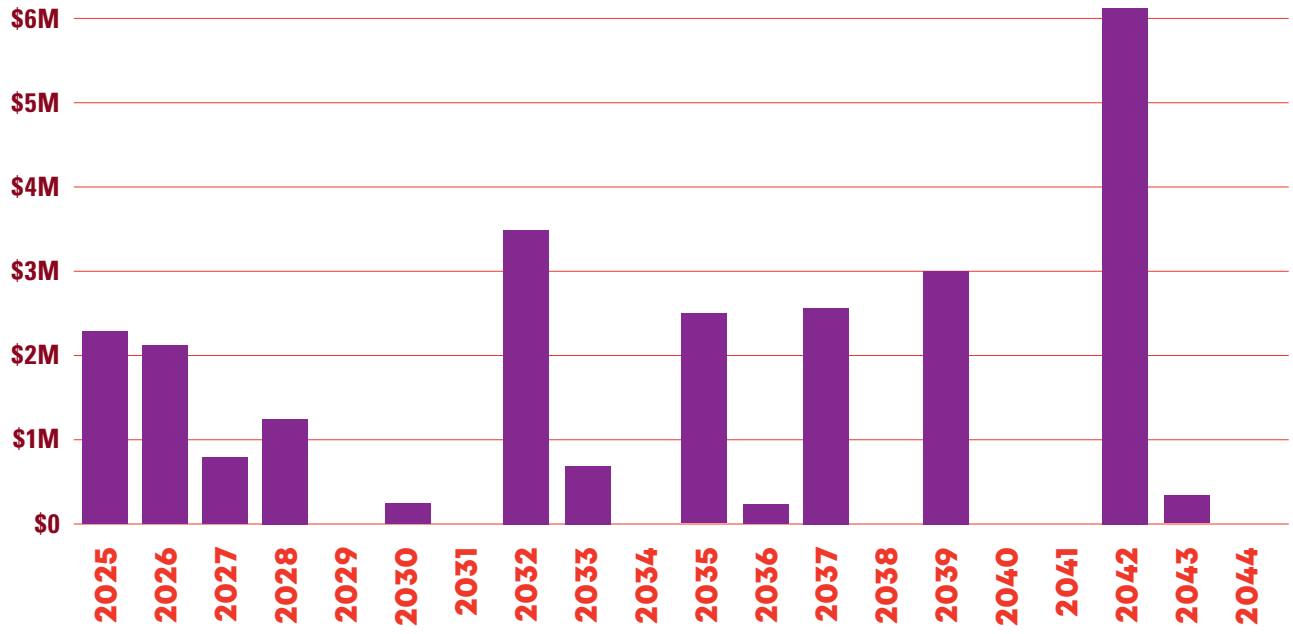


Figure 5-7: Building asset twenty year renewal expenditure forecast

5.3.3 Renewal Funding Strategy

It is recognised that matching these condition-based renewal fluctuations from year to year is not generally possible from both a budget and resourcing perspective, and that distributing the renewal costs evenly over the twenty year timeframe is preferable from a budget and resourcing perspective, as well as ensuring that the target condition score can be achieved.

When considering the projected building expenditure in 5.3.2, it can be seen there is lower expenditure required in the first 10 years compared to the second 10 years ($1.1m per year versus $1.5m per year) and this is consistent with the condition of the building assets currently being in good condition, however, there are a significant number of renewals forecast towards the end the twenty year period as the average condition of the asset stock overall deteriorates.

While Council's current target service level is to maintain the building asset stock (components and subcomponents) at a condition average under 3.0, allowing such a significant amount of assets to deteriorate toward the end of the time frame would push the average condition well above this target score.

The average annual planned expenditure to achieve a smoothed consistent spend for the next twenty years can be seen below with planned renewal $1,400,000 annually:

	TOTAL (20 YEARS)	AVERAGE (20 YEARS)
Planned Asset Renewal	$28,000,000	$1,400,000
Forecast Asset Renewal	$25,601,095	$1,280,054
Annual depreciation	$29,954,180	$1,497,709

ASSET SUSTAINABILITY RATIO OVER THE TWENTY YEAR PERIOD: 93.5%

ASSET FUNDING RENEWAL RATIO OVER THE TWENTY YEAR PERIOD: 109.4%

There is some disparity between the target service levels (90% to 110%) for asset funding ratio and asset sustainability ratio against the planned smoothed spend. Like stormwater assets, many of the building assets have very long remaining lives (80 to 100 years) and a high replacement value which skews the depreciation to be notably different to the forecast renewal value. As such it is not seen as a risk to have a lower asset sustainability ratio, however noting that in future this will have to be planned for as the long lived assets reach the end of their life.

While initially the planned spend will be higher than the forecast renewals in the short term, this is not considered to be a risk as it will fund the initial replacements identified through years one to five. Managing the difference while achieving a smoothed consistent annual spend will then be achieved through taking a strategic planned approach to the renewal of buildings assets at the whole site or facility scale (for example where linked to a reserve or broader precinct) rather than individual component or subcomponent as identified in Section 5.3.1.

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.

5.4 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 New Capital Identification

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:

- The end life for existing building assets triggering a masterplan or upgrade to a site
- Increased service demand (such as through an increase in population or levels of service)
- Changes in the required services (for example as outlined in the Active Ageing Strategy)
- Masterplans for reserves
- Grant funding (this can be received by community groups leasing Council buildings)
- Legislative requirements including Workplace Health and Safety.

In some cases, there may be the strategic acquisition of new property to suit masterplan visions or long term plans for the broader precinct.

5.4.2 Summary of Future New Capital

Whilst Council has not budgeted for new constructions within the twenty year planning period, there are sites that are currently being considered as part of a masterplan process with design and preliminary costing being prepared.

These include:

- **Unley Museum**
  A complete refurbishment and modernisation of Unley Museum, consistent with the recently upgraded Edmund Ave cottages.
- **Ridge Park**
  Proposed new facilities and clubrooms at Ridge Park as part of the proposal to make the area a sporting hub.
- **Unley Swimming Centre**
  Linked with future renewals for the facility the upgrades consider making a multipurpose upgraded swimming centre for all abilities.

It should be noted that the above project list however does not take into account unplanned State Government and Federal Government grant programs that can lead to projects not previously considered to maximise the opportunity to leverage grant funding that can be received.

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.

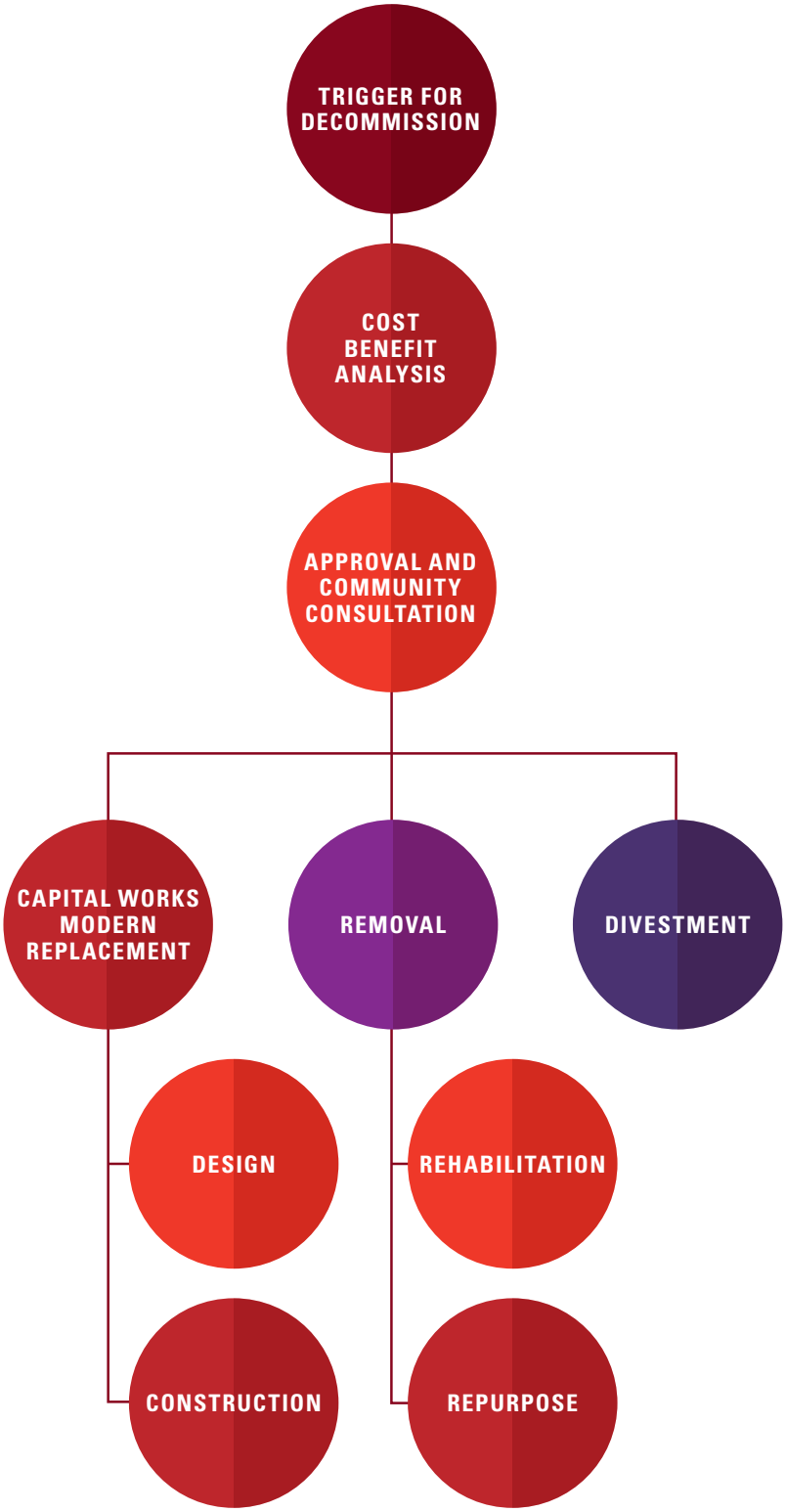


Figure 5-12: Asset decommission process flowchart

6 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.

LIKELIHOOD	CONSEQUENCE				
	Catastrophic	**Major**	**Moderate**	**Minor**	**Insignificant**
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

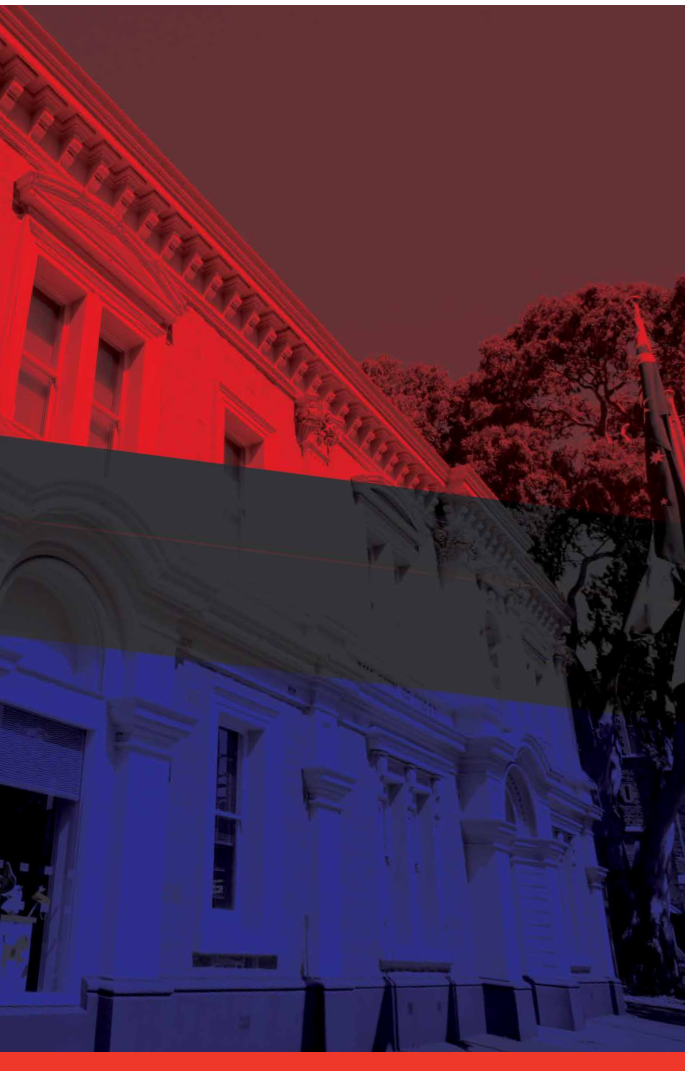
	RISK DESCRIPTION (Event or potential event focused and their impact upon objectives)	INHERENT RISK Level of risk with NO controls in place Consequence	Likelihood	Risk Rating	CONTROLS ALREADY IN PLACE (What existing controls are in place to prevent and/or manage the risk?)
1	**Unsustainable management 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.

Table 6-2: Building risks

Are the Controls effective at managing the risk?	RESIDUAL RISK Level of risk if existing controls are effective Consequence	Likelihood	Risk Rating	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 If treatments implemented are effective Consequence	Likelihood	Risk Rating
Effective	Catastrophic	Rare	Medium	Yes	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	Rare	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 Planned Renewal Expenditure

Figure 7-1 outlines the financial projection for forecast asset renewal and planned renewal. These figures are based on current costs and no indexation has been applied, and will inform Council's future LTFP:

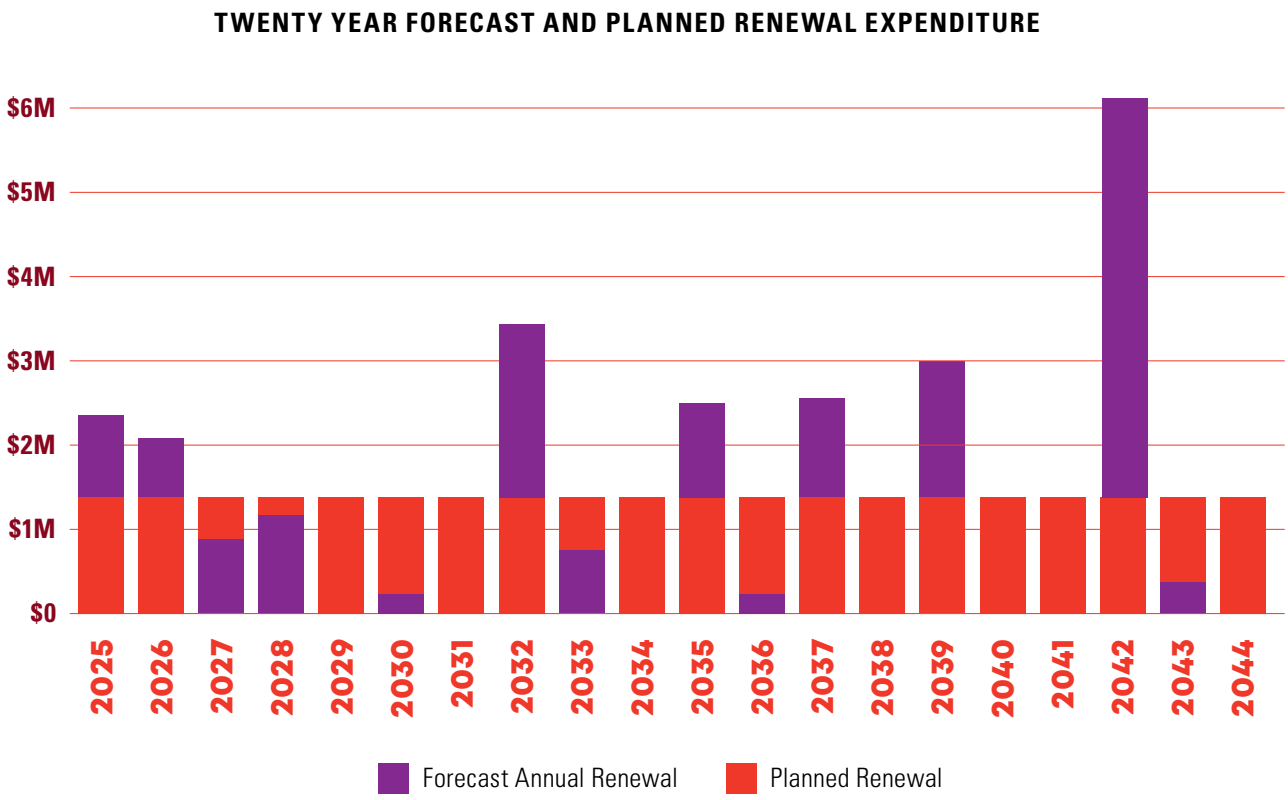


Figure 7 1 Building twenty year forecast and planned renewal expenditure

7.3 Asset Renewal Funding and Sustainability Ratio

This ratio indicates whether Council has the financial capacity to fund asset renewal at continued existing service levels. Council's target is to achieve between 90 to 110% average.

This ratio is an important budget indicator over the period of planned expenditure as it demonstrates Council is adequately planning for and funding the replacement of open space assets as they reach the end of their life

ASSET SUSTAINABILITY RATIO OVER THE TWENTY YEAR PERIOD: 93.5%

ASSET FUNDING RENEWAL RATIO OVER THE TWENTY YEAR PERIOD: 109.4%

7.4 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 2022
- 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 LTFP
- There will be no natural disasters.

7.5 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 +-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 are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated +-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 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 thorough 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.

8 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	Ongoing
2	Condition audit to be completed.	Coordinator Property and Facilities	Internal/ External	Ongoing
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	2025/26
5	Inclusion of a dedicated asset sustainability and resilience section for future Asset Management Plans outlining how the management of building assets caters for climate change and carbon neutrality. This includes the standards for new construction of building assets.	Assets and Engineering Lead	Internal/ External	Ongoing

Table 8-1: Improvement program

8.3 Monitoring and 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
5. Stakeholder feedback.

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