



# **BUILDINGS**

## **Asset Management Plan**

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This Asset Management Plan is a supporting document used to inform Council's overarching *Strategic Asset Management Plan*.

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## 1.0 EXECUTIVE SUMMARY

### 1.1 The Purpose of the Plan

This Asset Management Plan details information on how Council manages its buildings. It details actions required to provide an agreed level of service in the most cost-effective manner, while outlining associated risks. The plan defines the services to be provided, how the services are provided, and what funds are required over the 20 year planning period. The Asset Management Plan links to a Long Term Financial Plan which typically considers a 10 year planning period. Council endeavours for continuous improvement in its asset management practices and this document is scheduled to be updated at regular intervals.

### 1.2 Asset Description

This plan covers all Council owned or maintained buildings and facilities (excluding land). These assets are used to provide a wide range of services to the community.

The buildings network comprises:

Asset Category	Number of Assets	Replacement Value
Amenities	4	\$1,238,800
Council office/admin buildings	9	\$3,058,029
Council work depots, sheds/garages	40	\$3,066,654
Community halls	13	\$9,160,600
Community building facilities (medical centres, libraries, waste centre/tip, emergency services buildings, community centres, child care centres, men's shed etc.)	33	\$9,435,530
Public toilet blocks	25	\$2,516,099
Residential houses/units/accommodation	11	\$1,993,954
Recreational buildings and structures incl. sporting facilities.	50	\$16,872,011
Shelters (BBQ, picnic, bus, info, etc.)	41	\$850,439
Other structures (e.g. retaining walls)	12	\$384,712
<b>TOTAL</b>	<b>238</b>	<b>\$48,576,828</b>

The above building assets have significant total renewal value estimated at **\$48,576,828**. Land is a non-depreciating asset and hence has not been included in this plan.

### 1.3 Levels of Service

The allocation in the planned budget sufficient to continue providing existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- Levels of service are not foreseen to be impacted over the planning period due to the forecast lifecycle costs being catered for in the planned budget.
- Asset management maturity is expected to gradually improve over the planning period.

## 1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Population and demographic changes
- Upgrades in building standards and regulations
- Climate change (and associated increase in frequency of extreme weather events)
- Societal trends

These demands will be approached using a combination of managing existing assets and upgrading existing assets to meet specific demand drivers. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Continue to monitor population and demographic changes.
- Continue to identify upgrades required to meet with current accessibility and general building standards and ensure these are included in the planned budget.
- Identify list of strategic improvements to reduce the risk of ongoing damage due to increased frequency of extreme weather events caused by climate change.
- Continue to monitor changes in societal trends.

## 1.5 Lifecycle Management Plan

### 1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this Asset Management Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the Asset Management Plan may be prepared for a range of time periods, it typically informs a Long Term Financial Planning period of 10 years. Therefore, a summary output from the Asset Management Plan is the forecast of 10 year total outlays, which for buildings is estimated as **\$27,268,328** or **\$2,726,833** on average per year.

## 1.6 Financial Summary

### 1.6.1 What we will do

Estimated available funding for the 10 year period is **\$27,850,340** or **\$2,785,034** on average per year as per the Planned Budget. This is **102.13 %** of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the Long Term Financial Plan can be provided. The informed decision making depends on the Asset Management Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget (currently included in the Long Term Financial Plan) for buildings provides a nominal surplus of **\$58,201** on average per year over the forecast lifecycle costs required to provide services noted in this Asset Management Plan. This is shown in the figure below.

### Forecast Lifecycle Costs and Planned Budgets

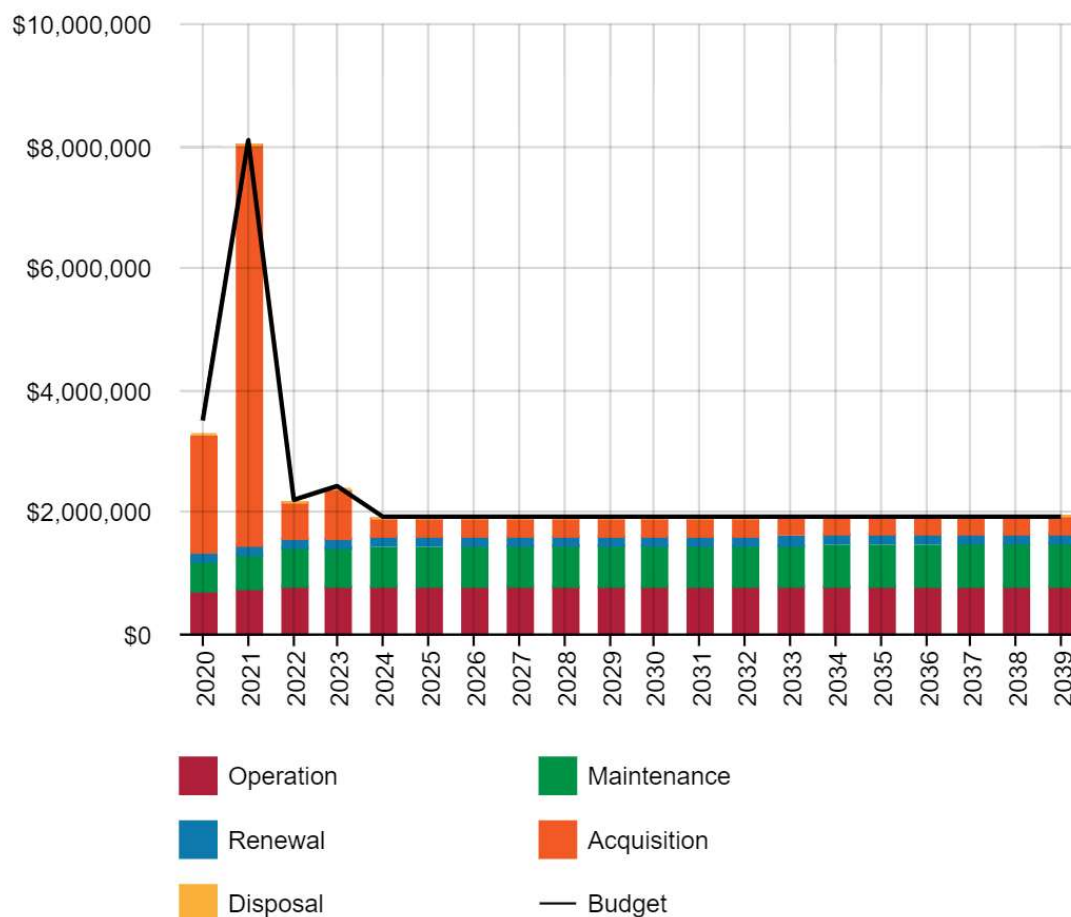


Figure values are in current dollars.

We plan to provide building infrastructure services for the following:

- Operation, maintenance and renewal of buildings to meet levels of service set by Council.
- Within the next 10 years the following renewals are forecasted: Refer Section 5.3 and Appendix D.

#### 1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Upgrade all Council buildings to the standard of new buildings (e.g. provision of double glazing, insulation, and heating to all buildings)
- Fund any major acquisitions from internal funding (reliant on external funding)
- Fund all community/management committee requests without external funding and long term planning.

### 1.6.3 Managing the Risks

Our present budget levels are considered sufficient to continue to manage the identified risks in the medium term.

The main risk consequences are:

- Loss of knowledge/key staff
- Asbestos exposure
- Financial constraints on infrastructure asset management.

We will endeavour to manage these risks by:

- Developing a succession plan for key staff and improve record keeping
- Continue to maintain Council's asbestos register
- Ensuring sufficient experienced staff are resourced to manage Council's building assets, including using and continual updating of Asset Management Plans and Long Term Financial Plans.

## 1.7 Asset Management Planning Practices

Key assumptions made in this Asset Management Plan are:

- No additional unplanned major building assets will be acquired by Council in the next 10 year period. If this changes the Asset Management Plan is to be updated to reflect this, and allocation in planned budget to meet full lifecycle costs.
- External funding will continue to be a significant source of funding for acquisitions.
- Future demand assumptions as mentioned in Section 4.0.
- Asset construction costs to remain stable in real (current dollar) terms - If asset construction costs rise faster than the general rate of inflation, then Council's projected future asset renewal costs will be higher than indicated by this plan.
- Financial data used in the development of this plan was from the end of the 2020-21 financial year.
- Several assumptions were required in the derivation of planned budget and lifecycle forecast figures. This is due to the nature of long term forecasting.
- Some success in grant funding application processes is achieved.
- Professional judgement has been applied in the absence of good quality data, however where applied, it has been noted for improvement in Section 8.0.
- All figures are presented in current day dollars.

Assets requiring renewal are identified from either the asset register, an alternative method, or a combination of the two.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

A combination of the asset register method and the alternate method was used to forecast the renewal lifecycle costs for this Asset Management Plan.

The estimated confidence level for and reliability of data used in this Asset Management Plan is considered to be in the **Medium** range (refer Table 7.5.1).



## 1.8 Monitoring and Improvement Program

The next steps resulting from this Asset Management Plan to improve asset management practices are:

- Customer service requests tracked by asset category so numbers can be tracked and included in Asset Management Plans.
- Improve confidence in condition ratings for all assets. Ensure asset register (Moloney) is updated from *iAuditor* information and that inspection and accounting information align.
- Improve confidence in useful lives within asset register, ensure correlates well with assessed condition. Some useful lives currently appear high.
- Assess yearly performance (budgeted vs. actual costs) and update Asset Management Plan and Long Term Financial Plan accordingly.
- Separate 'operation and maintenance' lifecycle activity into 'operation' and 'maintenance' in finance system to allow improved tracking and budgeting.
- Community/Council consultation required to ensure appropriate levels of service are being provided (reduce/improve level of service accordingly)
- Continue improvements to strategic maintenance and capital works programs for upcoming years (using renewal ranking criteria). Use to inform future Asset Management Plan and Long Term Financial Plan updates.
- Undertake detailed building component condition assessment to provide higher confidence condition data and better inform Asset Management Plan (every 4 years)
- Continually improve correlation between Long Term Financial Plan and Asset Management Plan. (Conduct regular meetings of responsible persons – aim for 'high' confidence level)
- Increase confidence and maturity of Asset Management Plan
- Develop appropriate Risk management plans

## 2.0 Introduction

### 2.1 Background

This Asset Management Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

This Asset Management Plan is to be read alongside Council's other key planning documents, being the:

- *Northern Midlands Strategic Plan – 2017-2027*
- *Asset Management Policy and Asset Management Strategy*
- *Strategic Asset Management Plan* (in development)
- *Northern Midlands Council Strategic Risk Register*
- *Long Term Financial Plan 2020-2030*
- *Financial Management Strategy*
- *Annual Plan* (for current year)
- *Annual Report* (for current year)

Council is continually improving its asset management practices to ensure they adhere to the *Local Government Act 1993* and best practice asset management. Part of this process is the regular updating and use of asset management plans, such as this document, and the above mentioned strategic documents. Council first began developing key asset management documents in 2011. Since then, Council has continually updated, maintained, improved, and created new documents as required, endeavouring to achieve best practice asset management.

The infrastructure assets covered by this Asset Management Plan include all Council owned or maintained buildings and facilities (land is a non-depreciating asset and hence has not been included in this plan). These assets are used to provide a variety of services to the community.

For a detailed summary of the assets covered, refer to Table 5.1.1.

The building assets included in this plan have a total replacement value of **\$48,576,828**.

Council employs a *Works Manager* and *Works Supervisor - Buildings* to oversee acquisition, operation, maintenance, renewal and disposal (where relevant) of Council building assets. There are also a number of facilities that are jointly managed with community user committees. Acquisitions and other major works are predominantly undertaken by private contractors, whereas building maintenance is generally undertaken by Council maintenance staff or by contractors.

Key stakeholders in the preparation and implementation of this Asset Management Plan are shown in Table 2.1.

**Table 2.1: Key Stakeholders in the Asset Management Plan**

Key Stakeholder	Role in Asset Management Plan
Councillors	<ul style="list-style-type: none"> <li>Represent needs of community/shareholders,</li> <li>Allocate resources to meet planning objectives in providing services, while managing risks,</li> <li>Ensure service is sustainable,</li> <li>Make informed decisions, in the best interests of the community.</li> </ul>
General Manager	<ul style="list-style-type: none"> <li>Custodian of the assets</li> <li>Maintain a proactive approach to holistic asset management practices and ensure staff do the same.</li> <li>Inform Councillors to enable educated decisions to be made.</li> </ul>
Works Manager & Works Supervisor - Buildings	<ul style="list-style-type: none"> <li>Manage acquisition, operation, maintenance, renewal and disposal of assets.</li> <li>Maintain a proactive approach to holistic asset management practices.</li> <li>Ensure the Asset Management Plan is used and updated regularly.</li> <li>Inform Councillors to enable educated decisions to be made.</li> </ul>
General Public	<ul style="list-style-type: none"> <li>Report shortcomings, damage, safety concerns and other issues with current buildings.</li> </ul>
Community Groups/Users	<ul style="list-style-type: none"> <li>Assist with the maintenance, planning and performance of relevant buildings.</li> <li>Providing input for the management and upkeep of the asset stock.</li> </ul>
State and Federal Government	<ul style="list-style-type: none"> <li>Provision of funding to assist with asset management</li> </ul>

Our organisational structure for service delivery from infrastructure assets is detailed below:

**Works Manager >> Works Supervisor - Buildings >> Team Leader – Buildings**

## 2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,

- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 <sup>1</sup>
- ISO 55000<sup>2</sup>

A road map for preparing an Asset Management Plan is shown below.

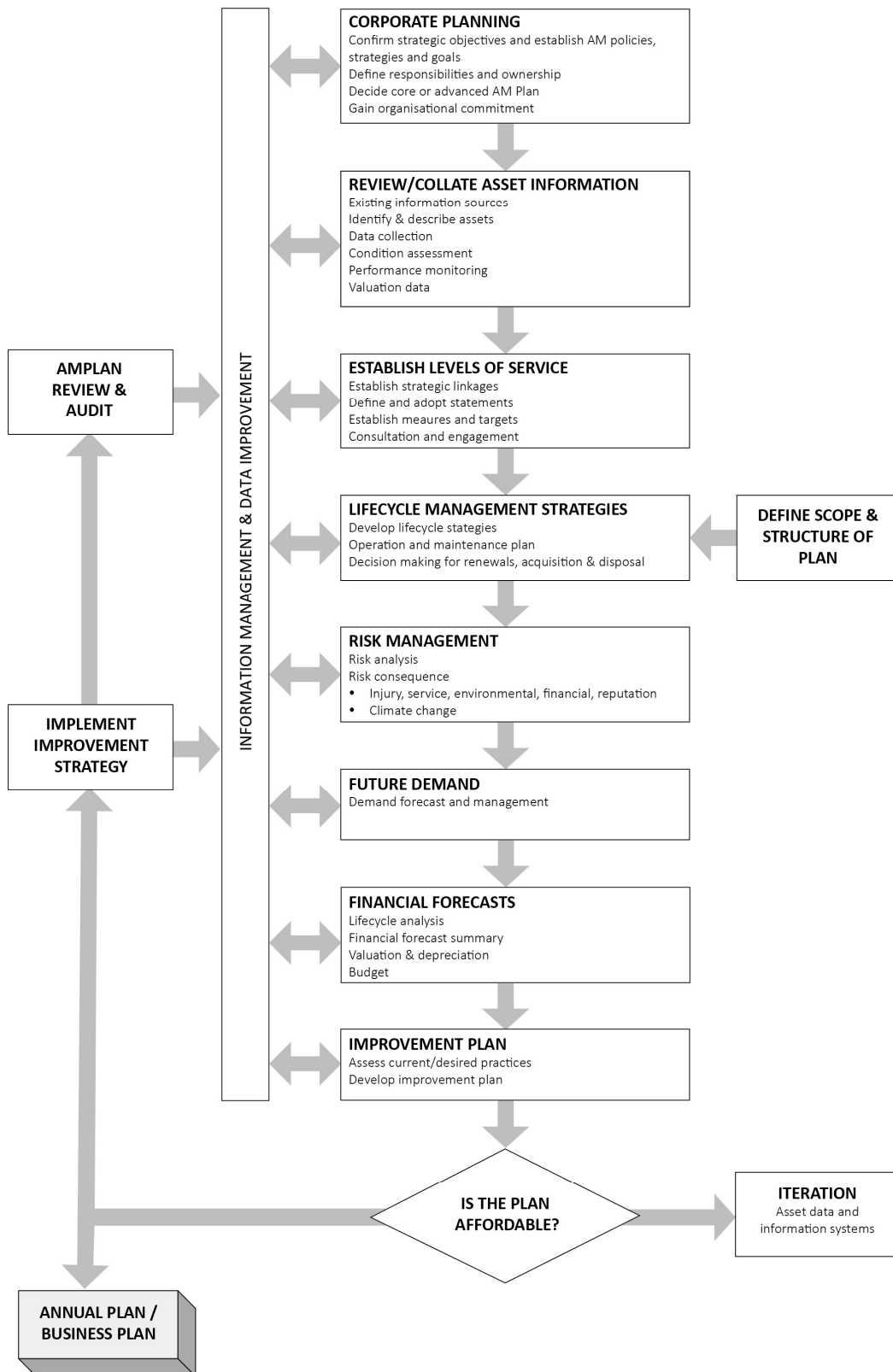
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<sup>1</sup> Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

<sup>2</sup> ISO 55000 Overview, principles and terminology

## Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



### 3.0 LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

This Asset Management Plan is prepared to facilitate consultation prior to adoption of formal levels of service by Council. Council has traditionally worked to the provision of a level of service that is assumed to be the community's. During any future consultation process Council will test this assumption.

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

Council undertakes community consultation for proposed developments and also receives vast community feedback on the services and facilities it currently provides. Council's customer request system is also used to determine trends in community expectations. Budget submissions are invited from local district committees and community groups for Council consideration. Council operates a Local District Committee Structure for the towns and villages of Ross, Campbell Town, Avoca/Rossarden, Perth, Longford, Cressy and Evandale. These forums provide Council advice on a wide range of issues. Information obtained from the above is used in developing key planning documents and in allocation of budget resources.

#### 3.2 Strategic and Corporate Goals

This Asset Management Plan is prepared under the direction of the Northern Midlands Council vision, mission, goals and objectives.

Our vision is:

***Northern Midlands is an enviable place to live, work and play. Connected communities enjoy safe, secure lives in beautiful historical towns and villages. Our clean, green agriculture products are globally valued. Local business and industry is strongly innovative and sustainable.***

Our mission is:

***Leadership – Serve with honesty, integrity, innovation and pride***

***Progression – Nurture and support economic health and wealth***

***People – Build a vibrant society that respects the past***

***Place – Nurture our heritage environment***

***Municipal Goals:***

- *Bold leadership guides innovation and growth*
- *Economically sound and flexible management*
- *Sustainable progress creates a vibrant future*
- *We strategically plan and deliver infrastructure*
- *Our culture respects the past in building the future*
- *Our historical landscapes are cherished and protected*
- *Connected communities are strong and safe*
- *The municipality is diverse and innovative*

Council's strategic goals and objectives, and how these are addressed in this Asset Management Plan, are summarised in Table 3.2.

**Table 3.2: Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in the Asset Management Plan
To provide safe and reliable building infrastructure for the community to enjoy.	Maintain and develop buildings to appropriate standards.	Continue to develop and maintain regular inspection of asset condition, defects and develop maintenance and capital works programs for inclusion in the Asset Management Plan.
Good Governance	Provide asset management services in a sustainable manner. Deliver services effectively and efficiently.	Constant review, use and updating of asset management plans (this plan)
Appropriate service levels	Identify current service levels and target sustainable levels	An ongoing task that will be monitored and improved. Refer Section 8.
Improved risk management	Identify and address all known high risk items relating to building assets	Implement a structured approach to identify and manage significant risks. Refer Section 6.
Financial sustainability	Identify financial inefficiencies and optimise lifecycle costs	Implement a structured approach to identifying financial inefficiencies and optimisation opportunities. Alignment of Asset Management Plan with Long Term Financial Plan.

### 3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of building service are outlined in Table 3.3.

**Table 3.3: Legislative Requirements**

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Building Act 2016 & Building Regulations 2016	Legislates the process and requirements for building works.
National Construction Code	New building works and upgrades/renovations to comply with the NCC. The NCC defines the standards for particular building types.
Director's Specified List	The Building Act requires a number of matters to be specified by the Director of Building Control, this document contains a full list of building requirements.
Work Health and Safety Act 2012	Legislates the requirements for design and building works. Sets out the roles and responsibilities to secure the health, safety and welfare of persons at work.
Disability Services Act 1992	Legislates the requirements in regard to provisions for people with disabilities in public buildings.

Council will exercise its duty of care to ensure public safety in accordance with the *Northern Midlands Council Strategic Risk Register*. Management of specific risks is discussed in Section 6.0.

### 3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

**Customer Values** indicate:

- what aspects of the service is important to the customer,
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

**Table 3.4: Customer Values**

Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Clean buildings and facilities	Number of works requests	Generally good user feedback	Expected to remain similar to existing
Accessible buildings and facilities	Number of customer service requests	Generally good user feedback. Small number of buildings require accessibility improvements	Expected to slightly improve
Suitable and safe buildings and facilities	Number of customer service requests	Generally good user feedback	Expected to remain similar to existing

### 3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

**Condition**      How good is the service? What is the condition or quality of the service?

**Function**      Is it suitable for its intended purpose? Is it the right service?

**Capacity/Use**      Is the service over or under used? Do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.



**Table 3.5: Customer Level of Service Measures**

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
<b>Condition</b>	Quality of Council owned buildings and facilities	Conditions in asset register and number of customer works requests	<p><b>13.4 %</b> of overall building replacement value in '<b>Very Good</b>' or '<b>Good</b>' condition</p> <p><b>83.9 %</b> of overall building replacement value in '<b>Fair</b>' condition</p> <p><b>0.3 %</b> of overall building replacement value in '<b>Poor</b>' or '<b>Very Poor</b>' condition</p> <p><b>2.4 %</b> of overall building replacement value currently has a ('0') condition rating (not yet assigned)</p> <p>Number of customer service requests not currently tracked by asset category. Note improvement task in Section 8.0.</p>	Expect reduction in percentage of building replacement value with '0' condition. Otherwise expected to remain relatively constant over the planning period with a good building maintenance programme in place.
	<b>Confidence levels</b>		Medium (professional judgement supported by data sampling)	Medium (professional judgement supported by data sampling)
<b>Function</b>	Appropriate and compliant Council buildings and facilities	Staff assessment and number of customer service requests	Majority of buildings considered compliant, with improvements required for a small number of assets	Required improvements to be gradually undertaken during planning period, hence a gradual improvement
	<b>Confidence levels</b>		Medium (professional judgement supported by data sampling)	Medium (professional judgement supported by data sampling)
<b>Capacity</b>	Appropriate number of accessible buildings and facilities	Number of customer service requests (including community group requests)	Based on number of customer service requests, existing service level considered generally adequate	Expected to remain similar to existing
	<b>Confidence levels</b>		Medium (professional judgement supported by data sampling)	Medium (professional judgement supported by data sampling)

### 3.6 Technical Levels of Service

**Technical Levels of Service** – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).
- **Operation** – the regular activities to provide services (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc).
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.<sup>3</sup>

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this Asset Management Plan.

**Table 3.6: Technical Levels of Service**

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>TECHNICAL LEVELS OF SERVICE</b>				
<b>Acquisition</b>	Acquire assets that align with Council's strategic objectives	Value of acquisitions	Council has historically acquired assets on availability of external funding. Refer acquisition plan in Appendix A.	Only acquire assets that align with Council's strategic objectives and that Council can afford to maintain, operate, renew and/or dispose of (must consider full asset lifecycle costs)
		<b>Budget</b>	<b>\$1,170,000 per year</b>	<b>\$1,168,100 per year</b>
<b>Operation</b>	Keep buildings and facilities clean (e.g. public toilets and BBQ's)	Frequency of cleaning	Frequency of cleaning based on individual facility usage	Current performance is considered adequate based on user feedback
	Keep buildings and facilities operational and accessible	User feedback	User feedback suggests current performance is adequate	Current performance is considered adequate based on user feedback
		<b>Budget</b>	<b>\$779,202 per year</b>	<b>\$779,202 per year</b>
<b>Maintenance</b>	Keep buildings and facilities safe.	Frequency of maintenance	Improvement being made to inspection regime and ongoing	Continued development of a preventative

<sup>3</sup> IPWEA, 2015, IIMM, p 2|28.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
			maintenance. Refer also Appendix F.	maintenance programme. Refer also Appendix F.
	Keep buildings and facilities serviceable	Frequency of maintenance	Improvement being made to inspection regime and ongoing maintenance. Refer also Appendix F.	Continued development of a preventative maintenance programme. Refer also Appendix F.
		<b>Budget</b>	<b>\$535,832 per year</b>	<b>\$627,427 per year</b>
<b>Renewal</b>	Ensure buildings are in good condition for use	Frequency of renewal, condition inspections and routine maintenance	Buildings are renewed on a priority basis, depending on building type, condition, hierarchy etc. Refer Table 5.3.1.	Current performance is considered adequate based on condition of Council buildings and forecasted renewals.
	Ensure buildings remain modern and compliant with current standards	Frequency of renewal (including component renewal), compliance inspections and routine maintenance	Buildings are renewed on a priority basis, depending on building type, condition, hierarchy etc. Refer Table 5.3.1.	Current performance is considered adequate based on condition of Council buildings and forecasted renewals.
		<b>Budget</b>	<b>\$300,000 on average per year</b>	<b>\$152,104 on average per year</b>
<b>Disposal</b>	Identify assets and activities that do not align with Council's strategic goals	Number of assets and activities identified for disposal	Some potential disposals have been identified.	Council to decide on whether to proceed with strategic asset disposal.
	Dispose of assets and activities that do not align with Council's strategic goals	Number of identified asset and activity disposals undertaken	Two asset disposals are currently forecast over the planning period. Refer Table 5.7.	Develop a plan for, and dispose of, identified assets following Council approval.
		<b>Budget</b>	<b>\$0 per year</b>	<b>\$0 per year</b>

Note: \* Current activities related to Planned Budget.

\*\* Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

## 4.0 FUTURE DEMAND

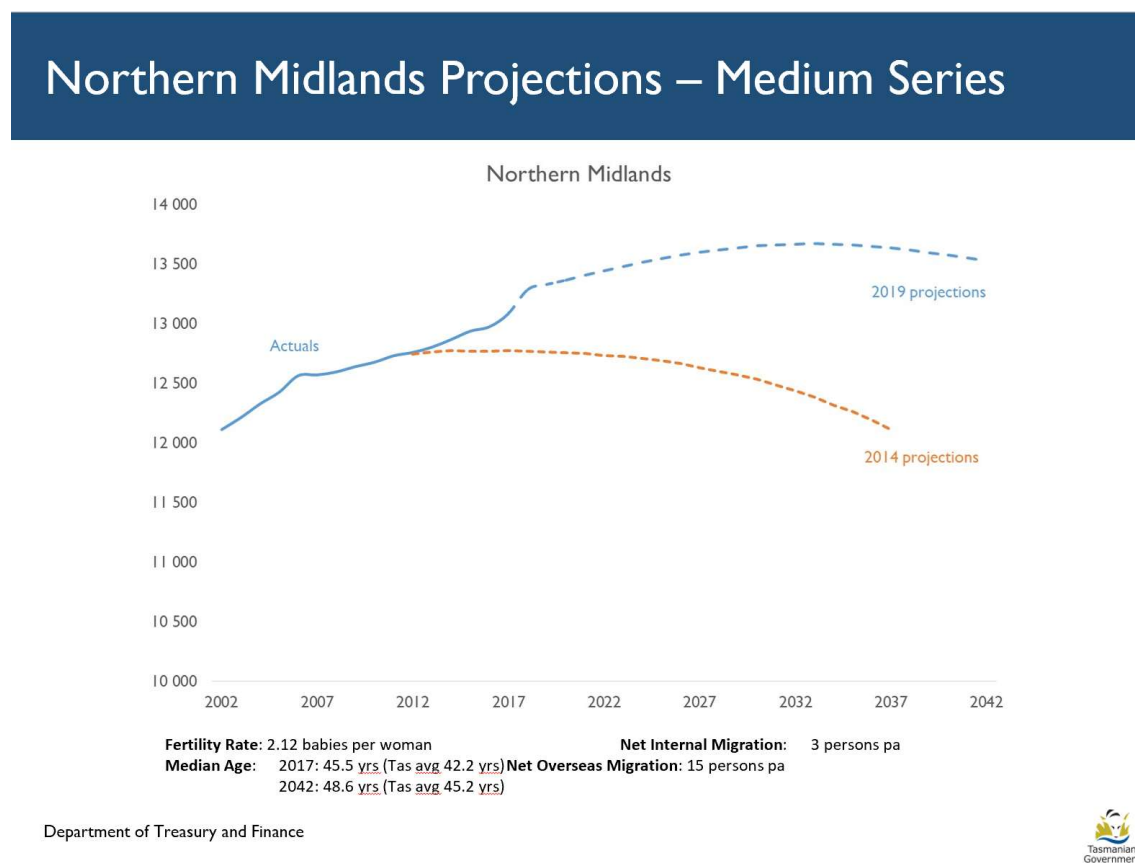
### 4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

### 4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

Population of the Northern Midlands Local Government Area was last estimated in 2020 to be 13,598 (*Australian Bureau of Statistics*). Figure 4.2 below shows the 2019 projected population over the planning period. Analysis of this figure shows a gradual projected rise in population of approximately 200 people from 2021 to around 2032, and then a gradual decline of approximately 100 people by the end of the planning period (2040). The discrepancy between the 2020 estimate and the 2019 projection line can be put down to greater than expected population growth over the last two years. Saying this, the magnitude of the projected rise is the best current source of information for population growth in the region, hence it is considered that a population of around 13,800 can be projected for 2032. Given current projections, it is anticipated that there will be little need for change to the adopted 'Levels of Service' relating to population growth. However, saying this, the rate of population increase is to be monitored regularly by Council to ensure the above projections remain valid.



**Figure 4.2** – Department of Treasury and Finance – Northern Midlands population projections (medium series).

It is considered that the existing capacity provided by the building network is sufficient to meet demands over the planning period. There is, however, a general expectation within the community for ongoing improvement to basic service. This is particularly relevant for building infrastructure where Council receives a number of requests for upgrades and improvements. Council's Long Term Financial Plan ensures that significant and

appropriate funds are provided in relation to the renewal of all building infrastructure assets in order to cater for these community expectations. It has also been identified that there Council building assets which no longer fit with Council's strategic objectives and hence these assets have been identified for potential disposal, refer Section 5.7.

### 4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this Asset Management Plan.

**Table 4.3: Demand Management Plan**

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	13,598 people (2020 estimate).	Refer Figure 4.2	Increase in population is not foreseen to require any significant increase building infrastructure services	No significant impact to services, hence management plan is not currently required.
Demographic	Median age of 45.5 years (2017)	Increase in median age to approx. 49 years by 2040	The change is not foreseen to impact services.	No impact to services, hence management plan is not required.
Climate change	Experiencing more extreme weather patterns and events	Continue to experience increased frequency and intensity of extreme weather events	May require increased maintenance of buildings to reduce risk of extreme weather related damage	Identify list of strategic improvements to reduce the risk of ongoing damage and include these in the maintenance plan.
Upgrade in building standards/ regulations	Most buildings have been upgraded to modern standards	Some upgrades required over planning period	Increased upgrade costs to enable buildings to meet current standards	Identify upgrades required to meet with current building standards and ensure these are included in the planned budget
Trends	Traditional recreational services provided (e.g. recreation grounds for football and cricket)	Possible increase in demand for other types of recreational activities and facilities (e.g. basketball and other indoor sports)	May increase costs of existing facilities, or endorsing of multi-use facilities.	Demand to be monitored over coming years. Hence management plan is not currently required.

#### 4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the Long Term Financial Plan (Refer to Section 5).

#### 4.5 Climate Change Adaptation

The impacts of climate change have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets varies depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.<sup>4</sup>

As a minimum we consider how to manage our existing assets given climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5.1

**Table 4.5.1 Managing the Impact of Climate Change on Assets and Services**

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Temperature extremes (hotter summers)	More demand for temperature controlled and well insulated buildings	Increased energy usage and costs	Fewer buildings of higher quality, or allowance for improved temperature control/insulation.
Increased frequency and intensity of extreme rainfall events	Increased stormwater drainage capacity	Increased roof/site drainage upgrade costs	Prioritise sites requiring upgrades (generally older buildings, or buildings with known stormwater drainage issues)
Flooding	Increase in flood heights and peak flows	Serviceability of some building assets may be threatened by projected increases.	Develop a register of assets likely to be affected by the projected rises and plan for resilience building when due for renewal. Refer also <i>Urban Stormwater System Management Plan</i>

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change;
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

<sup>4</sup> IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

**Table 4.5.2 Building Asset Resilience to Climate Change**

New Asset Description	Climate Change impact on these assets?	Build Resilience in New Works
Council buildings	Increased flood damage/risk	Floor levels to satisfy current flood modelling.

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this Asset Management Plan.

## 5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Northern Midlands Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

The assets covered by this Asset Management Plan are shown in Table 5.1.1.

**Table 5.1.1: Assets covered by this Plan**

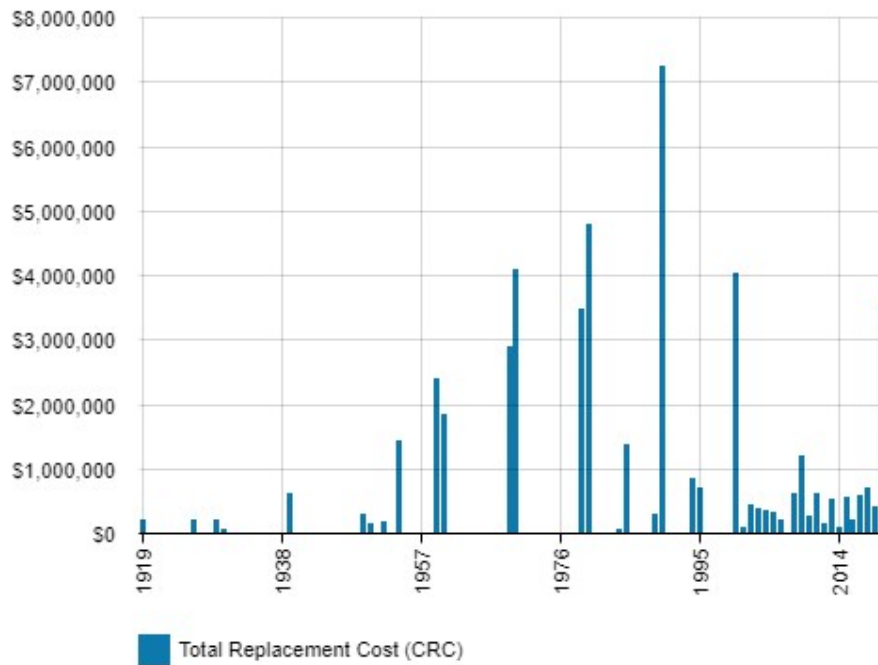
Asset Category	Number of Assets	Replacement Value
Amenities	4	\$1,238,800
Council office/admin buildings	9	\$3,058,029
Council work depots, sheds/garages	40	\$3,066,654
Community halls	13	\$9,160,600
Community building facilities (medical centres, waste centre/tip, emergency services buildings, libraries, community centres, child care centres, men's shed etc.)	33	\$9,435,530
Public toilet blocks	25	\$2,516,099
Residential houses/units/accommodation	11	\$1,993,954
Recreational buildings and structures incl. sporting facilities.	50	\$16,872,011
Shelters (BBQ, picnic, bus, info, etc.)	41	\$850,439
Other structures (e.g. retaining walls)	12	\$384,712
<b>TOTAL</b>	<b>238</b>	<b>\$48,576,828</b>

The age profile of the assets included in this Asset Management Plan are shown in Figure 5.1.1.

Land is a non-depreciating asset and hence has not been included in this plan.



**Figure 5.1.1: Asset Age Profile**



All figure values are shown in current day dollars.

The above asset age profile shows age of assets based on build or major renewal year. The build or major renewal year is displayed on the horizontal axis, and asset value on the vertical axis. As can be seen, relatively consistent renewal and acquisition funding has been provided over the past two decades.

### 5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

Location	Service Deficiency
Longford memorial hall	Requires improvement (has been budgeted)
Perth childcare centre	Requires upgrade (has been budgeted)
Ross recreation ground clubrooms	Changeroom and other upgrades required (has been budgeted)
Longford works depot	Office requires extension
Campbell Town War Memorial public toilets	Requires upgrade
Public toilets at Talisker Street, Perth	Requires upgrade

Public toilets required at Seccombe Street, Perth	None currently present
Lake Leake public toilets	None currently present

The above service deficiencies were identified from discussion with key staff.

### 5.1.3 Asset condition

Council currently endeavours to undertake annual building maintenance inspections and risk assessments for all Council owned building infrastructure. The purpose of these visual inspections is to identify defects and risk issues which are included in the annual maintenance program. Planned maintenance is vital for extending the useful life of building components.

Council has recently (2021) commenced use of *iAuditor*, which is an inspection, issue capture and corrective action software platform. This is a definite improvement in Council's asset management of building assets. *iAuditor* can be used by works crew out in the field, allowing real time capture and upload of site photos and data, which can then be accessed by all relevant parties. Progress of maintenance items, customer works requests and condition and compliance inspection schedules for particular building assets can all be found within the *iAuditor* system, with alerts sent to relevant parties when these items are, for example, due for action, updated, or completed.

Condition is measured using a 1 – 5 grading system<sup>5</sup> as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the Asset Management Plan results are translated to a 1 – 5 grading scale for ease of communication.

**Table 5.1.3: Condition Grading System**

Condition Grading	Description of Condition
1	<b>Very Good:</b> free of defects, only planned and/or routine maintenance required
2	<b>Good:</b> minor defects, increasing maintenance required plus planned maintenance
3	<b>Fair:</b> defects requiring regular and/or significant maintenance to reinstate service
4	<b>Poor:</b> significant defects, higher order cost intervention likely
5	<b>Very Poor:</b> physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

<sup>5</sup> IPWEA, 2015, IIMM, Sec 2.5.4, p 2 | 80.

**Figure 5.1.3: Asset Condition Profile**

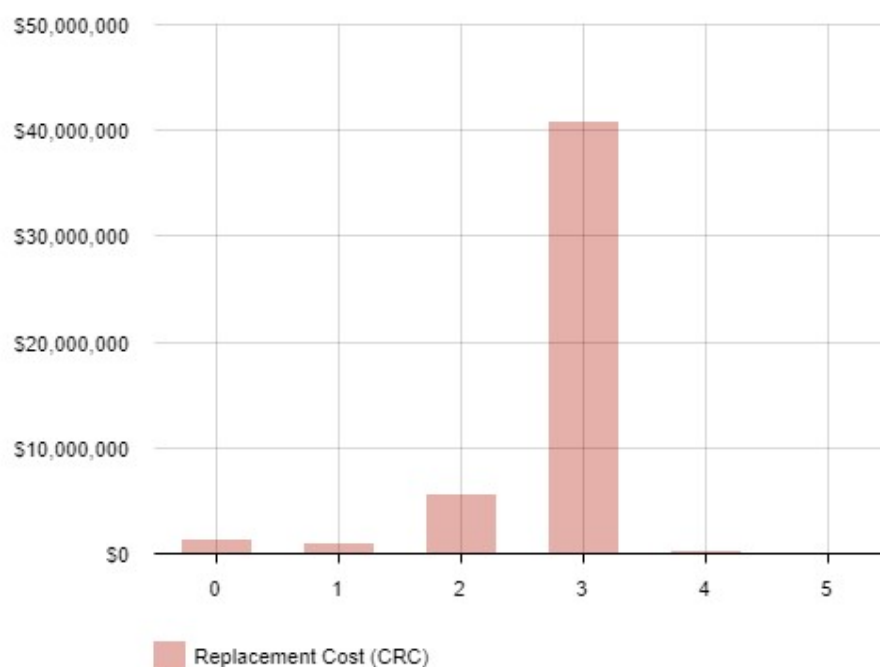


Figure 5.1.3 shows approximately **13.4 %** of Council's total building asset value (excluding land) is in **'very good'** or **'good'** condition (refer Table 5.1.3), **83.9 %** in a **'fair'** condition, **0.3 %** in a **'poor'** condition, **0 %** in a **'very poor'** condition, and **2.4 %** with a **'0'** condition rating (not yet assigned). It is to be noted that the 2017 version of this document Council had a significant value of assets in condition 4 and 5. Figure 5.1.3 now shows minimal assets in condition 4 and 5 and this is reflective of Council's targeted building infrastructure renewal and maintenance works program over the past 5 years. Continued good asset management by Council is foreseen to keep the building assets predominantly in at least 'fair' condition well into the planning period.

All figure values are shown in current day dollars.

## 5.2 Operations and Maintenance Plan

Council operates and maintains assets to provide the defined level of service to approved budgets in the most cost-efficient manner. The operation and maintenance activities include:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner,
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost),
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting *'Very High'* and *'High'* risks and residual risks after treatment to management and Council,
- Review current and required skills base and implement workforce training and development to meet required operations and maintenance needs,
- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options,
- Maintain a current hierarchy of critical assets and required operations and maintenance activities,
- Develop and regularly review appropriate emergency response capability,

- Review management of operations and maintenance activities to ensure Council is obtaining best value for resources used.

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, asset inspection, insurance, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include painting, component replacement, equipment repairs and any other activity that physically changes the asset.

Maintenance may be classified as preventative maintenance or reactive maintenance. Essentially, preventative maintenance is planned maintenance (repair work that is identified and managed through a maintenance management system such as *iAuditor*), and reactive maintenance is unplanned (identified by works requests or staff observation).

The trend in maintenance budgets are shown in Table 5.2.1.

**Table 5.2.1: Maintenance Budget Trends**

Financial Year	Maintenance Budget \$
2019/20	\$507,385
2020/21	\$534,548
2021/22	\$536,856

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this Asset Management Plan. Reference should also be made to the *Northern Midlands Council Strategic Risk Register*.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement. Reactive maintenance is generally carried out in accordance with response levels of service detailed in Appendix F.

Maintenance work is carried out in accordance with the National Construction Code (NCC) and Council standard operating procedures.

It is to be noted that Council maintains an asbestos register for building assets, and in addition to this, budget and utilise approximately \$20,000 each year undertaking an asbestos management program.

#### **Asset hierarchy**

An asset hierarchy provides a framework for structuring data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.2.

**Table 5.2.2: Asset Service Hierarchy**

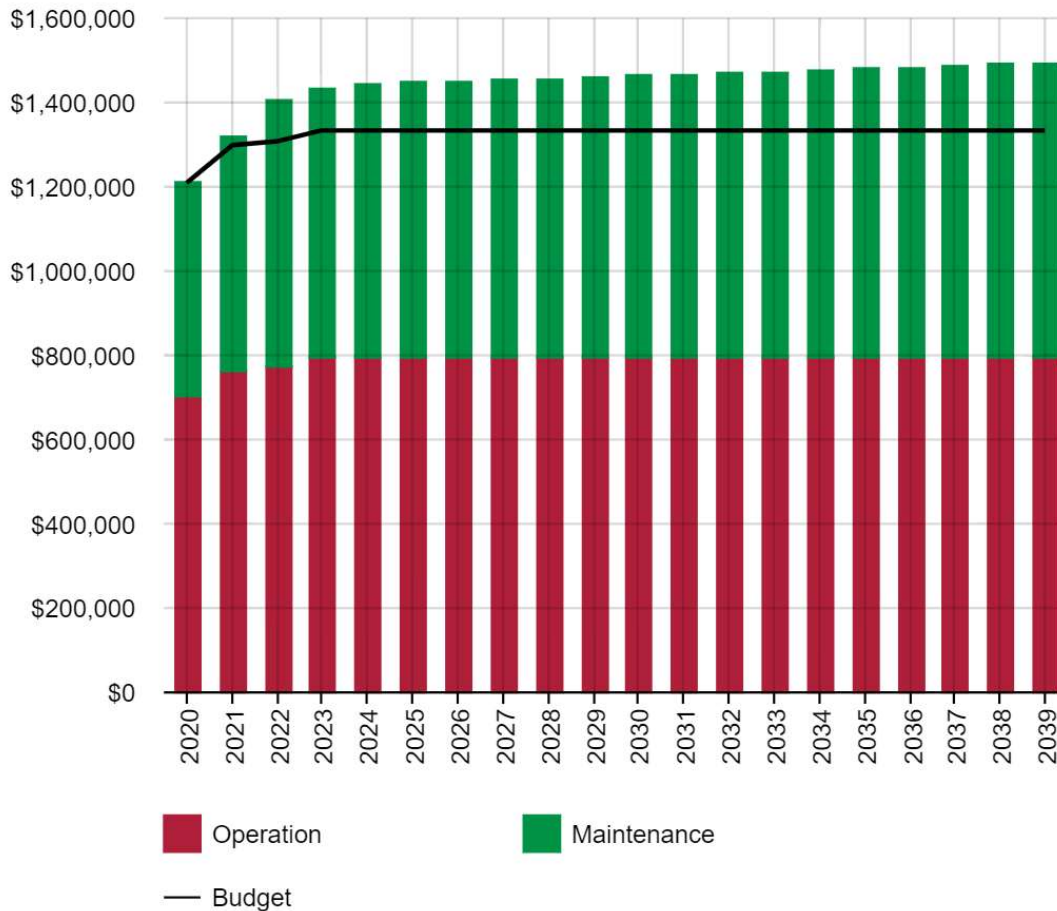
Service Hierarchy	Definition	Service Level Objective
Category 1 – Critical	High use business critical facilities essential to service delivery, (e.g. main buildings used to run the Council's operations)	<ul style="list-style-type: none"> <li>■ <b>Aesthetics</b> – As new or highest quality reasonably achieved.</li> <li>■ <b>Functionality</b> – All elements must function as intended at all times, with no down time tolerated during periods of intended use.</li> <li>■ <b>Legislative Requirements</b> – All legal responsibility must be met.</li> <li>■ <b>Financial</b> – Maximum efficiency of maintenance and cleaning operations is required, to minimise expenditure in achieving the desired outcomes.</li> </ul>
Category 2 – High	High use facilities essential to service delivery, (e.g. buildings which are used for Council business purposes).	<ul style="list-style-type: none"> <li>■ <b>Aesthetics</b> – Minor signs or deterioration when viewed closely may be acceptable. No deterioration when viewed from normal distance. Some deterioration may be tolerated for short period of time.</li> <li>■ <b>Functionality</b> – All elements must function as intended during periods of intended use, with a low probability of failure.</li> <li>■ <b>Legislative Requirements</b> – All legal responsibility must be met.</li> <li>■ <b>Financial</b> – Primary aim is to maximise the long term economic performance of the facility. Refurbishments, equipment replacements and maintenance planning should be above current standards to provide a high level of service and aesthetics.</li> </ul>
Category 3 – Moderate	Moderate use and key facilities important to service delivery (e.g. major Council buildings that have a predominant community use focus).	<ul style="list-style-type: none"> <li>■ <b>Aesthetics</b> – Some minor signs of deterioration when viewed from normal distance are acceptable.</li> <li>■ <b>Functionality</b> – All required elements should function as intended during period of intended use. Minor failures, excluding those which bring a threat to safety or security, can be tolerated.</li> <li>■ <b>Legislative Requirements</b> – All legal responsibility must be met.</li> <li>■ <b>Financial</b> - Primary aim is to maximise the long term economic performance of the facility. Refurbishments, equipment replacements and maintenance planning should be in a strategic framework, and decision taken on a life cycle basis.</li> </ul>
Category 4 – Low	Low use facilities that are not critical to service delivery (e.g. minor Council buildings that have	<ul style="list-style-type: none"> <li>■ <b>Aesthetics</b> – Some signs of deterioration are acceptable.</li> <li>■ <b>Functionality</b> – All elements requirement should function as intended during periods of intended</li> </ul>

	a community use focus or are used by community groups).	<p>use. Minor failures, excluding those which bring a threat to safety or security, can be tolerated.</p> <ul style="list-style-type: none"> <li>■ <b>Legislative Requirements</b> – All legal responsibility must be met.</li> <li>■ <b>Financial</b> – Limitation of short term maintenance costs is the primary objective.</li> </ul>
Category 5 – Infrequent use	Infrequently used buildings or facilities	<ul style="list-style-type: none"> <li>■ <b>Aesthetics</b> – Not important.</li> <li>■ <b>Functionality</b> – No requirement to retain any functional performance except to avoid degradation of asset value.</li> <li>■ <b>Legislative Requirements</b> – All legal responsibility must be met.</li> <li>■ <b>Financial</b> – Limitation of maintenance costs is the primary objective.</li> </ul>

#### Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

**Figure 5.2: Operations and Maintenance Summary**



All figure values are shown in current day dollars.

As can be seen in Figure 5.2, operations and maintenance cost forecasts rise slightly above the planned budget from 2022 onwards. This indicates that Council may not currently have sufficient planned budget to undertake all forecast operations and maintenance over the planning period. Saying this, these forecasts are to be updated yearly and are likely to vary throughout the planning period. Operational costs are mostly fixed, but maintenance can vary with available funding.

When acquiring assets over the planning period, it is expected for operation and maintenance costs to also increase over the planning period, as can be noted by the gradual rise in operation and maintenance over the planning period in Figure 5.2.

Deferred maintenance (i.e. works that are identified for maintenance activities but unable to be completed due to available resources) should be included in Section 6.0 of this plan where it poses a 'high' or 'very high' risk to Council – refer Table 6.2.

### 5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed in July 2021, refer to improvement plan in Section 8.0.

**Table 5.3: Useful Lives of Assets**

Asset (Sub)Category	Useful life
Amenities	75 years
Council office/admin buildings	100 years
Council work depots, sheds/garages	75 years
Community halls	100 years
Community building facilities (medical centres, waste centre/tip, emergency services buildings, visitor information centres, libraries, community centres, child care centres, men's shed etc.)	100 years
Public toilet blocks	75 years
Residential houses/units/accommodation	100 years
Recreational buildings and structures incl. sporting facilities.	100 years
Shelters (BBQ, picnic, bus, info, etc.)	75 years
Other structures (e.g. retaining walls)	50 years

The estimates for renewals in this Asset Management Plan were based on a combination of both the asset register and alternate methods.

### 5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).<sup>6</sup>

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,

<sup>6</sup> IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.



- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.<sup>7</sup>

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.4.1.

**Table 5.4.1: Renewal Priority Ranking Criteria**

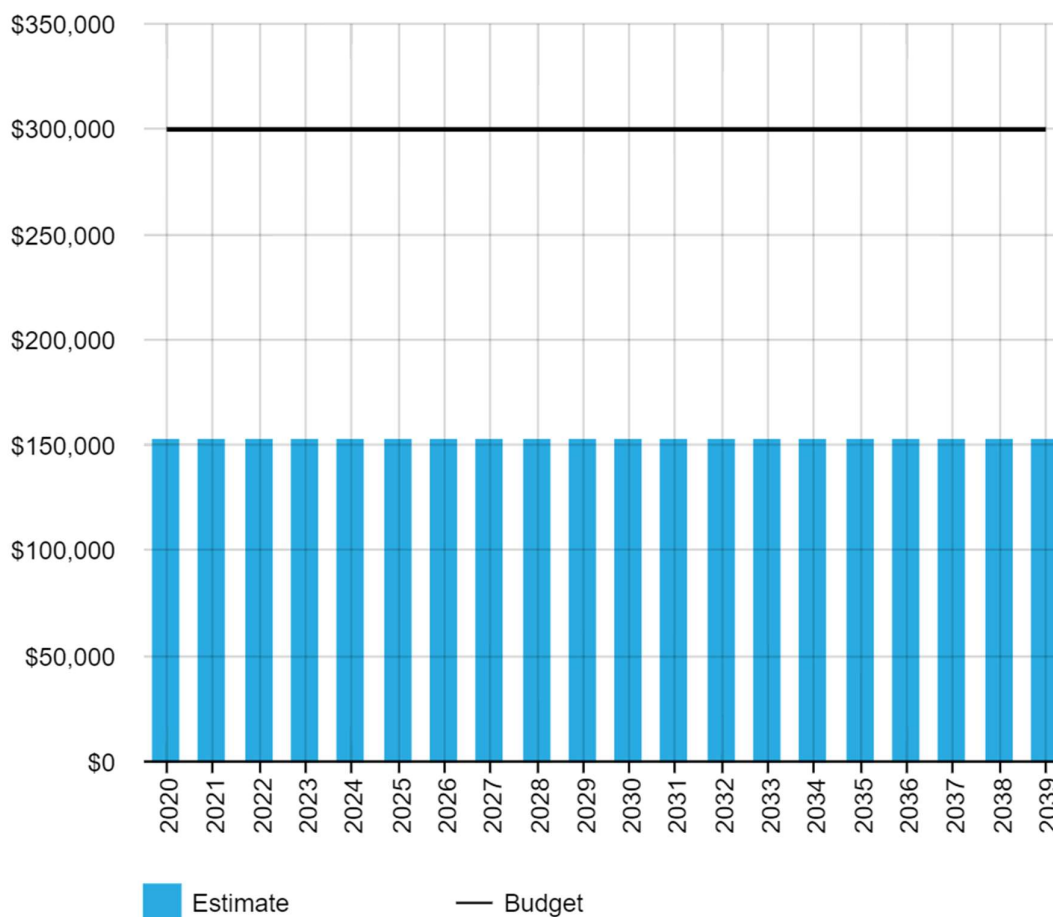
Criteria	Weighting
Condition	30 %
Usage/demand	30 %
High operation & maintenance costs that could be reduced significantly by renewal	20 %
Risk/failure consequence	20 %
<b>Total</b>	<b>100%</b>

#### 5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.5.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

<sup>7</sup> Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

**Figure 5.5.1: Forecast Renewal Costs**



All figure values are shown in current day dollars.

The forecast renewal costs are covered by the proposed renewal budget over the planning period. The discrepancy between budget and forecast renewals here is due to the accuracy of the current asset register renewal year data, which along with assets generally being renewed before they explicitly reach the end of useful life. Improvements to useful life data within the asset register is noted for improvement in Section 8.0.

There are currently no deferred building renewals forecasted. Deferred renewal (assets identified for renewal and not scheduled in capital works programs) should be included in Section 6.0 of this plan where it poses a 'high' or 'very high' risk to Council – refer Table 6.2.

## 5.5 Acquisition Plan

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

### 5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as Councillor and community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to Council's needs. Proposed

upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.6.1.

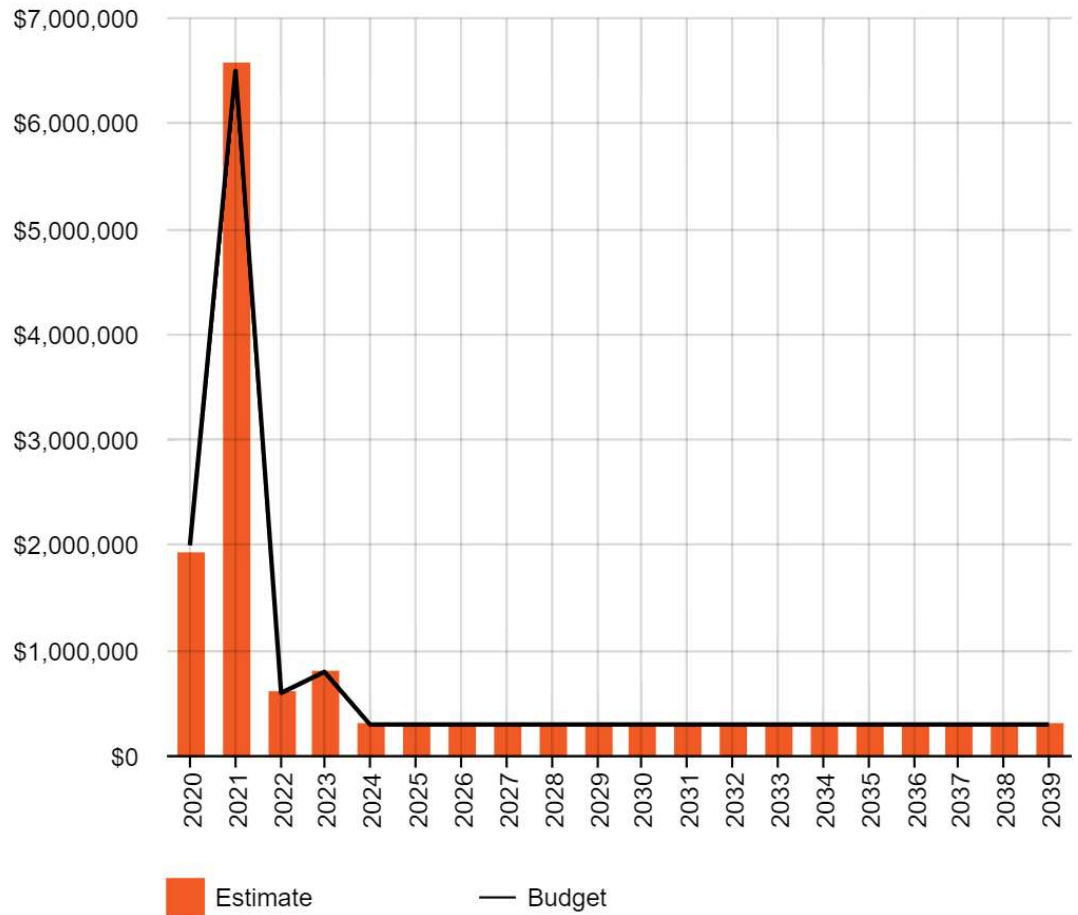
**Table 5.6.1: Acquired Assets Priority Ranking Criteria**

Criteria	Weighting
Risk/safety	25 %
Technical	20 %
Corporate	20 %
Building usage	15 %
Social/community impact	10 %
Environmental	10 %
<b>Total</b>	<b>100%</b>

#### **Summary of future asset acquisition costs**

Forecast acquisition asset costs are summarised in Figure 5.6.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

Figure 5.6.1: Acquisition (Constructed) Summary



All figure values are shown in current day dollars.

When Council commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by Council.

**Figure 5.6.2: Acquisition Summary**



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the Long Term Financial Plan, but only to the extent that there is available funding.

Referring to Figure 5.6.2, the spike in ‘constructed’ asset acquisitions in 2020/21 and 2021/22 relates to the following acquisitions: Longford Sports Centre; Morven Park Changerooms; Ross Accommodation Units; Seccombe Street Toilets; Perth Childcare Centre; Evandale Medical Centre Extension; Longford Memorial Hall Extension; Cressy Rec Changerooms; Cressy Pool Kiosk & Entrance; Talisker Street Toilets, Perth and an additional \$300,000 set aside for asset acquisition in 2021/22. The ‘constructed’ forecasts then fall over the next two years to \$300,000 per year for the remainder of the planning period.

As can be seen in Figure 5.6.2, approximately \$15M in accumulated acquisitions is forecast to be added to Council’s asset stock over the planning period. These acquisitions will commit the funding of ongoing operations, maintenance, and renewal costs over the asset service life.

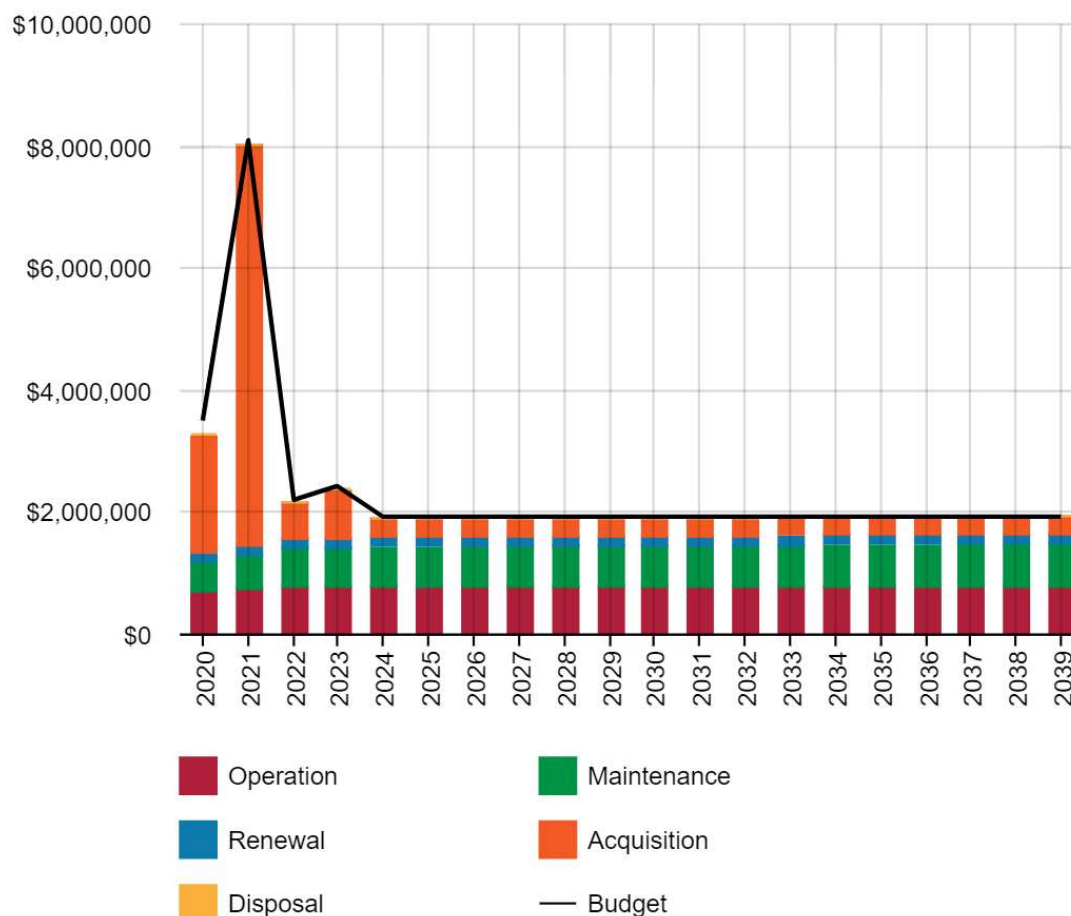
#### Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.6.3. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the

forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

**Figure 5.6.3: Lifecycle Summary**



All figure values are shown in current day dollars.

As can be seen in Figure 5.6.3, the forecasted lifecycle costs are relatively well matched to the planned budget (black line) over the planning period.

As Council undertakes large acquisitions over the next two years, ongoing operation and maintenance cost forecasts are to be closely monitored to ensure they remain within the planned budget.

## 5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for potential disposal are shown in Table 5.7. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.7. Any costs or revenue gained from asset disposals is included in the Long Term Financial Plan.

**NOTE:** The assets identified for potential disposal in Table 5.7 are preliminary only and will ultimately require Council approval before any disposals are undertaken.

**Table 5.7: Assets Identified for Potential Disposal**

Asset	Reason for Disposal	Timing	Disposal Costs	Operations & Maintenance Annual Savings
Campbell Town Hall	Strategic decision by Council	2023	Nil – If sold Council would obtain funds	All operation and maintenance costs
32 Norfolk Street, Perth	Purchased for strategic stormwater management planning purposes. Project complete. No longer required by Council.	2022	Nil – If sold Council would obtain funds	All operation and maintenance costs

## 6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’<sup>8</sup>.

An assessment of risks<sup>9</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

### 6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

**Table 6.1 Critical Assets**

Critical Asset(s)	Failure Mode	Impact
<u>Emergency evacuation centers:</u> <ul style="list-style-type: none"><li>- Town Hall Longford</li><li>- Campbell Town Recreation complex</li></ul>	Any failure mode (fire, dilapidation, flooding etc.)	Loss of emergency evacuation centre
Emergency Services Buildings	Any failure mode (fire, dilapidation, flooding etc.)	Loss of critical service
Council Offices and Depots	Any failure mode (fire, dilapidation, flooding etc.)	Loss of critical service

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

### 6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

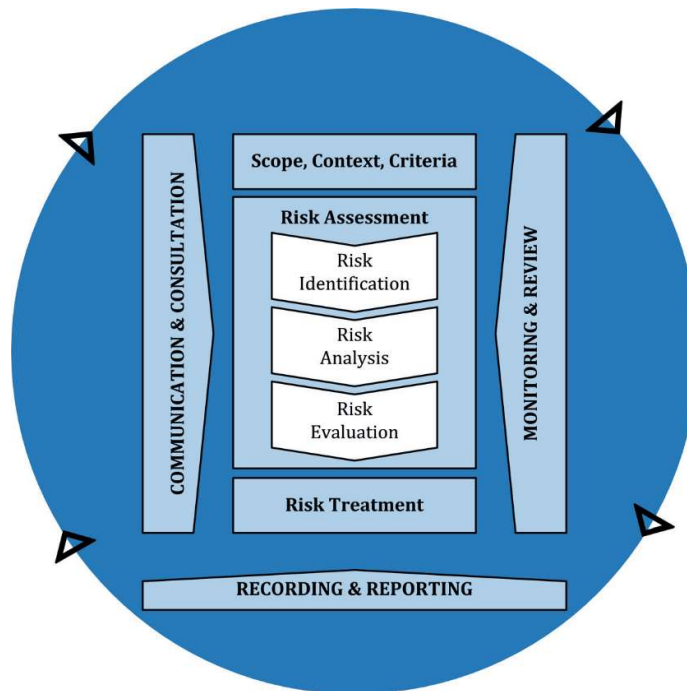
The process is based on the fundamentals of International Standard ISO 31000:2018.

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<sup>8</sup> ISO 31000:2009, p 2

<sup>9</sup> REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote





**Fig 6.2 Risk Management Process – Abridged**  
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks<sup>10</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Councillors.

<sup>10</sup> Refer Northern Midlands Council Strategic Risk Register

**Table 6.2: Risks and Treatment Plans**

Service or Asset at Risk	What can Happen	Risk Rating (Very High, High)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Council Buildings	Loss of knowledge/key staff	High	Develop a succession plan and improve record keeping	Low	TBC
Council Buildings	Asbestos exposure	High	Asbestos register has been developed and ongoing program to remove high risk asbestos from Council buildings	Low	\$20,000 per year (included in planned budget)
Council Buildings	Financial constraints on infrastructure asset management.	High	Continued use and updating of Asset Management Plan and Long Term Financial Plan	Low	TBC

Note \* The residual risk is the risk remaining after the selected risk treatment plan is implemented.  
Refer also *Northern Midlands Council Strategic Risk Register*

### 6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

We do not currently measure our resilience in service delivery. This will be included in future iterations of the Asset Management Plan.

### 6.4 Service and Risk Trade-Offs

The decisions made in adopting this Asset Management Plan are based on the objective to achieve the optimum benefits from the available resources.

#### 6.4.1 What we cannot do

There are some operations, maintenance and capital works (acquisitions and renewals) that are unable to be undertaken within the next 10 years. These include:

- Upgrade all Council buildings to the standard of new buildings (e.g. provision of double glazing, insulation, and heating to all buildings)
- Fund any major acquisitions from internal funding (reliant on external funding)
- Fund all community/management committee requests without external funding and long term planning.

#### **6.4.2 Service trade-off**

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. The service consequences will generally be related to a reduction in level of service provided.

#### **6.4.3 Risk trade-off**

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- A reduction to the level of service provided
- Reputational consequences

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

## 7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

### 7.1 Financial Sustainability and Projections

#### 7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the Asset Management Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

##### Asset Renewal Funding Ratio

Asset Renewal Funding Ratio<sup>11</sup>      **197.23 %**

The Asset Renewal Funding Ratio is an important indicator and illustrates (based on current asset register data) that over the next 10 years we expect to have **197.23 %** of the funds required for the optimal renewal of assets.

**NOTE:** To have greater than 100 % of the forecast renewal costs included in the planned budget suggests overfunding is occurring. However, in this instance, it does not necessarily represent a true funding surplus. The reason for this is inaccuracies in asset register data that informs this percentage. Future improvement of this data has been noted in Section 8.0. The improvement relates to the accuracy of the 'useful life' of each asset and the associated forecast renewal year. Currently the useful lives are considered high, and hence many renewal works are forecast to occur well into the future, beyond the current planning period. Whereas some renewal funding will be required prior to the forecast renewal year. This being the case, the forecast inaccuracies have been compensated for by providing more realistic funding levels in the planned budget, which align with successful historical funding levels.

The forecast renewal work along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

##### Medium term – 10 year financial planning period

This Asset Management Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is **\$1,558,733** on average per year.

The proposed (budget) operations, maintenance and renewal funding is **\$1,615,034** on average per year giving a 10 year funding excess of **\$56,301** on average per year. This indicates that **103.61 %** of the forecast costs needed to provide the services documented in this Asset Management Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the Asset Management Plan and ideally over the 10 year life of the Long Term Financial Plan.

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<sup>11</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

### 7.1.2 Forecast Costs (outlays) for the Long Term Financial Plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year Long Term Financial Plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the Long Term Financial Plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the Asset Management Plan (including possibly revising the Long Term Financial Plan).

We will manage the 'gap' by developing this Asset Management Plan to provide guidance on future service levels, and resources required to provide these services, in consultation with the community.

Forecast costs are shown in 2020/21 financial year dollar values.

**Table 7.1.2: Forecast Costs (Outlays) for the Long Term Financial Plan**

Financial Year	Acquisition	Operation	Maintenance	Renewal*	Disposal
2020/21	\$1,920,000	\$701,792	\$507,385	\$152,104	\$0
2021/22	\$6,561,000	\$764,154	\$555,668	\$152,104	\$0
2022/23	\$600,000	\$771,238	\$630,147	\$152,104	\$0
2023/24	\$800,000	\$793,548	\$639,824	\$152,104	\$0
2024/25	\$300,000	\$793,548	\$648,624	\$152,104	\$0
2025/26	\$300,000	\$793,548	\$651,924	\$152,104	\$0
2026/27	\$300,000	\$793,548	\$655,224	\$152,104	\$0
2027/28	\$300,000	\$793,548	\$658,524	\$152,104	\$0
2028/29	\$300,000	\$793,548	\$661,824	\$152,104	\$0
2029/30	\$300,000	\$793,548	\$665,124	\$152,104	\$0
2030/31	\$300,000	\$793,548	\$668,424	\$152,104	\$0
2031/32	\$300,000	\$793,548	\$671,724	\$152,104	\$0
2032/33	\$300,000	\$793,548	\$675,024	\$152,104	\$0
2033/34	\$300,000	\$793,548	\$678,324	\$152,104	\$0
2034/35	\$300,000	\$793,548	\$681,624	\$152,104	\$0
2035/36	\$300,000	\$793,548	\$684,924	\$152,104	\$0
2036/37	\$300,000	\$793,548	\$688,224	\$152,104	\$0
2037/38	\$300,000	\$793,548	\$691,524	\$152,104	\$0
2038/39	\$300,000	\$793,548	\$694,824	\$152,104	\$0
2039/40	\$300,000	\$793,548	\$698,124	\$152,104	\$0

\*Renewal values are the average over 20 year planning period.

## 7.2 Funding Strategy

The proposed funding for assets is outlined in Council's budget and Long Term Financial Plan.

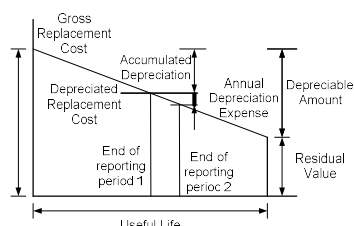
The financial strategy of Council determines how funding will be provided, whereas the Asset Management Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

## 7.3 Valuation Forecasts

### 7.3.1 Asset valuations

The best available estimate of the value of building assets included in this Asset Management Plan (excluding land) is shown below. The asset renewal/replacement cost for each asset has been determined by *LG Valuation Services* (1 July 2019). Useful lives are as per the *Moloney Asset Management System* asset register.

Replacement Cost (Current/Gross)	<b>\$48,576,828</b>
Depreciable Amount	<b>\$48,576,828</b>
Depreciated Replacement Cost <sup>12</sup>	<b>\$30,909,488</b>
Annual Depreciation Expense	<b>\$562,151</b>



### 7.3.2 Valuation forecast

Asset values are forecast to increase over the planning period, taking into account forecast acquisitions and potential disposals.

Additional assets will generally add to the operations and maintenance needs over the planning period. Acquired assets increase future renewal and depreciation forecasts.

## 7.4 Key Assumptions Made in Financial Forecasts

In compiling this Asset Management Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this Asset Management Plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- No additional unplanned major building assets will be acquired by Council in the next 10 year period. If this changes the Asset Management Plan is to be updated to reflect this, and allocation in planned budget to meet full lifecycle costs.
- External funding will continue to be a significant source of funding for acquisitions.
- Future demand assumptions as mentioned in Section 4.0.
- Asset construction costs to remain stable in real (current dollar) terms - If asset construction costs rise faster than the general rate of inflation, then Council's projected future asset renewal costs will be higher than indicated by this plan.
- Financial data used in the development of this plan was from the end of the 2020-21 financial year.
- Several assumptions were required in the derivation of planned budget and lifecycle forecast figures. This is due to the nature of long term forecasting.
- Some success in grant funding application processes is achieved.
- Professional judgement has been applied in the absence of good quality data, however where applied, it has been noted for improvement in Section 8.0.
- All figures are presented in current day dollars.

<sup>12</sup> Also reported as Written Down Value, Carrying or Net Book Value.

## 7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this Asset Management Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale<sup>13</sup> in accordance with Table 7.5.1.

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<sup>13</sup> IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

**Table 7.5.1: Data Confidence Grading System**

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example 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. Medium	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. Low	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. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this Asset Management Plan is shown in Table 7.5.2.

**Table 7.5.2: Data Confidence Assessment for Data used in Asset Management Plan**

Data	Confidence Assessment	Comment
Demand drivers	Medium	Requires Council input, review and acceptance
Growth projections	Medium to High	State government provided projections used
Acquisition forecast	Medium	Some estimates and assumptions made. Estimated acquisition cost used over planning period after 2023/24.
Operation forecast	Medium	Some estimates and assumptions made.
Maintenance forecast	Medium	Some estimates and assumptions made.
Renewal forecast	Medium to High	
- Asset values		Based on <i>LG Valuation Services</i> (2019)
- Asset useful lives	Low	Based on professional judgement of staff
- Condition modelling	Low to Medium	Based on visual inspection and professional judgement of staff. Condition rating to updated useful life correlation to be improved.
Disposal forecast	Medium	Some options for disposal have been identified and are noted within this plan.

The estimated confidence level for and reliability of data used in this Asset Management Plan is considered to be in the **Medium** range (refer Table 7.5.1).



## 8.0 PLAN IMPROVEMENT AND MONITORING

### 8.1 Status of Asset Management Practices<sup>14</sup>

#### 8.1.1 Accounting and financial data sources

This Asset Management Plan utilises accounting and financial data. The source of the data is Council's accounting and finance software *Open Office Local Government Solutions*. The Corporate Services Department is responsible for the management of the financial systems. This system includes fully integrated creditor, debtor, payroll, general ledger and receipting modules. The system has a fully integrated asset system however this is only currently used for fleet operating management.

#### ***Accounting standards and regulations***

Council is required to prepare its annual financial report in accordance with *Australian Accounting Standards* and other authoritative pronouncements of the *Australian Accounting Standards Board* and the *Local Government Act 1993* (as amended).

AASB 116 Property, plant and equipment, AASB 136 Impairment of Assets, AASB 140 Investment Property and AASB 5 Non-current Assets held for Sale and Discontinued Operations are applied when preparing Council's annual financial statements.

The cost method of accounting is used for the initial recording of all assets acquired. Cost is determined as the fair value of the assets given as consideration plus cost incidental to the acquisition including architects fees, engineering design fees, consulting fees, administration charges and all other costs incurred in getting the assets ready for use. In addition the cost of non-current assets constructed by Council, 'cost' includes all material used in construction, direct labour used on the project and an appropriate proportion of overheads.

Non-monetary assets received in the form of grants and donations are recognised as assets and revenues at their fair value at the date of receipt. Fair value means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The asset management policies and references used by Northern Midlands Council include:

- Northern Midlands *Asset Management Policy*
- Northern Midlands *Strategic Asset Management Plan*
- International Infrastructure Management Manual, Institute of Public Works Engineering Australia 2020
- Australian Infrastructure Financial Management Guidelines, Institute of Public Works Engineering Australia 2016

#### ***Capitalisation threshold***

Generally maintenance, repair costs and minor renewals are charged as expenditure when incurred unless the total value exceeds 10% of the assets written down value, or increases the economic life by more than 10%.

Expenditure is capitalised when it provides a future economic benefits which extends beyond one year and can be measured reliably. As per the *Northern Midlands Council Accounting Policy*, the following limits apply to the recognition of the acquisition of new assets:

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<sup>14</sup> ISO 55000 Refers to this as the Asset Management System

**Table 8.1.1: Capitalisation threshold**

Asset Class	Capitalisation threshold
Buildings	\$5,000
Heritage	\$1,000
Land	NIL

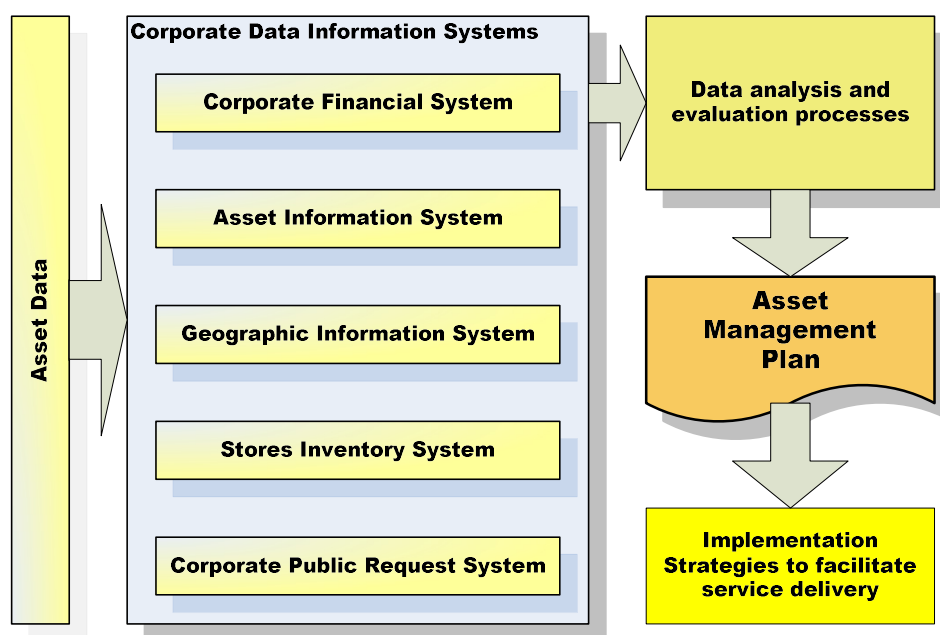
### 8.1.2 Asset management data sources

This Asset Management Plan also utilises asset management data. The source of the data is generally from Council's *Moloney Asset Management* system, but also utilises data from *Intramaps* (Geographic Information System), *Technology One 'ECM' Customer Request System*, and individual asset registers.

The *Moloney Asset Management* system is not linked to, however is constantly reconciled to, the *Open Office Local Government Solutions* accounting system.

The ongoing responsibility of Council's Asset Management system is primarily that of the Asset Management Officer, however strategic oversight and provision of required resources for best practice asset management is the responsibility of the General Manager, the Corporate Services Manager, and the Works Manager.

The following chart illustrates the relationship between the Council's information management systems:



## 8.2 Improvement Plan

It is important that Council recognise areas of their Asset Management Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this Asset Management Plan is shown in Table 8.2.

**Table 8.2: Improvement Plan**

Task	Task	Responsibility	Resources Required	Timeline
1	Customer service requests tracked by asset category so numbers can be tracked and included in Asset Management Plans.	Corporate Services Manager	Internal	2021
2	Improve confidence in condition ratings for all assets. Ensure asset register (Moloney) is updated from iAuditor information and that inspection and accounting information align.	Works Manager, Corporate Services Manager, Works Supervisor - Buildings	Internal	2022
3	Improve confidence in useful lives within asset register, ensure correlates well with assessed condition. Some useful lives currently appear high.	Corporate Services Manager, Works Manager	Internal	2022
4	Assess yearly performance (budgeted vs. actual costs) and update Asset Management Plan and Long Term Financial Plan accordingly.	Corporate Services Manager, Works Manager	Internal	2022
5	Separate 'operation and maintenance' lifecycle activity into 'operation' and 'maintenance' in finance system to allow improved tracking and budgeting.	Corporate Service Manager	Internal	2023
6	Community/Council consultation required to ensure appropriate levels of service are being provided (reduce/improve level of service accordingly)	General Manager	Internal	2025
7	Continue improvements to strategic maintenance and capital works programs for upcoming years (using renewal ranking criteria). Use to inform future Asset Management Plan and Long Term Financial Plan updates.	Works Manager, Works Supervisor - Buildings	Internal	Ongoing
8	Undertake detailed building component condition assessment to provide higher confidence condition data and better inform Asset Management Plan (every 4 years)	Works Manager	Works Supervisor – Buildings	Ongoing
9	Continually improve correlation between Long Term Financial Plan and Asset Management Plan. (Conduct regular meetings of responsible persons – aim for 'high' confidence level)	General Manager, Corporate Services Manager, Works Manager	Internal	Ongoing
10	Increase confidence and maturity of Asset Management Plan	Corporate Services Manager, Works Manager	Internal	Ongoing
11	Develop appropriate Risk management plans	General Manager	Internal	Ongoing

### **8.3 Monitoring and Review Procedures**

This Asset Management Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The Asset Management Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long Term Financial Plan or will be incorporated into the Long Term Financial Plan once completed.

The Asset Management Plan has a maximum life of 4 years (Council election cycle) and is due for complete revision and updating within 6 months of each Council election.

### **8.4 Performance Measures**

The effectiveness of this Asset Management Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this Asset Management Plan are incorporated into the Long Term Financial Plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the Asset Management Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving Council's target (100%).

## 9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, [www.ipwea.org/IIMM](http://www.ipwea.org/IIMM)
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- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- *Northern Midlands Strategic Plan 2017 – 2027*
- *Northern Midlands Council Annual Plan: 2021-2022*
- *Northern Midlands Council Budget Report: 2021-2022*

## 10.0 APPENDICES

### Appendix A Acquisition Forecast

#### A.1 – Acquisition Forecast Assumptions and Source

A key assumption in the writing of this Asset Management Plan is that no major unplanned acquisitions are to be undertaken during the planning period (e.g. acquisitions where full lifecycle costs have not been allocated in the Long Term Financial Plan).

Several estimates and assumptions were required to be made in the acquisition forecast figures due to the extent of information currently available. This has been noted for improvement in Section 8.0.

#### A.2 – Acquisition Project Summary

The acquisitions included in this plan and accommodated in the Long Term Financial Plan are detailed in Table A2 and A3 below. The spike in 'constructed' assets in 2020/2021 and 2021/22 relates to the significant acquisitions listed in Table A2 for those years. For the remainder of the planning period the 'constructed' forecasts are assumed at \$300,000 per year (based on financial assumptions), with the exclusion of the 2022/23 and 2023/24 years where \$600,000 and \$800,000 has been assigned respectively.

**Table A2 - Acquisition Forecast Summary**

Year	Project	\$ Estimate
2020/21	Longford Sports Centre	\$700,000
2020/21	Morven Park Changerooms	\$1,000,000
2020/21	Ross Accommodation Units	\$220,000
2021/22	Seccombe Street Toilets	\$60,000
2021/22	Perth Childcare Centre	\$2,600,000
2021/22	Evandale Medical Centre Extension	\$300,000
2021/22	Lfd Memorial Hall extension	\$1,501,000
2021/22	Cressy Rec Changerooms	\$900,000
2021/22	Cressy Pool Kiosk & Entrance	\$800,000
2021/22	Perth Talisker St Toilets	\$100,000
2021/22	Various	\$300,000
2022/23	Various	\$300,000
2022/23	Longford Depot	\$300,000
2023/24	Longford Police Station Offices	\$500,000
2023/24	Various	\$300,000
2024/25	Various	\$300,000
2025/26	Various	\$300,000
2026/27	Various	\$300,000
2027/28	Various	\$300,000
2028/29	Various	\$300,000
2029/30	Various	\$300,000
2030/31	Various	\$300,000
2031/32	Various	\$300,000
2032/33	Various	\$300,000
2033/34	Various	\$300,000
2034/35	Various	\$300,000
2035/36	Various	\$300,000
2036/37	Various	\$300,000
2037/38	Various	\$300,000
2038/39	Various	\$300,000
2039/40	Various	\$300,000

### A.3 – Acquisition Forecast Summary

Table A3 displays the forecast acquisition value each year over the planning period.

**Table A3 - Acquisition Forecast Summary**

Financial Year	Constructed	Donated	Growth
2020/21	\$1,920,000	\$0	\$0
2021/22	\$6,561,000	\$0	\$0
2022/23	\$600,000	\$0	\$0
2023/24	\$800,000	\$0	\$0
2024/25	\$300,000	\$0	\$0
2025/26	\$300,000	\$0	\$0
2026/27	\$300,000	\$0	\$0
2027/28	\$300,000	\$0	\$0
2028/29	\$300,000	\$0	\$0
2029/30	\$300,000	\$0	\$0
2030/31	\$300,000	\$0	\$0
2031/32	\$300,000	\$0	\$0
2032/33	\$300,000	\$0	\$0
2033/34	\$300,000	\$0	\$0
2034/35	\$300,000	\$0	\$0
2035/36	\$300,000	\$0	\$0
2036/37	\$300,000	\$0	\$0
2037/38	\$300,000	\$0	\$0
2038/39	\$300,000	\$0	\$0
2039/40	\$300,000	\$0	\$0

## Appendix B      Operation Forecast

### B.1 – Operation Forecast Assumptions and Source

Several estimates and assumptions were required to be made in the operation forecast figures. This has been noted for improvement in Section 8.0.

### B.2 – Operation Forecast Summary

Table B2 displays the forecast operation costs each year over the planning period. Note the 'Additional Operation Forecast' is zero as additional funds required due to acquisitions has already been included in the operation forecast.

**Table B2 - Operation Forecast Summary**

Financial Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2020/21	\$701,792	\$0	\$701,792
2021/22	\$764,154	\$0	\$764,154
2022/23	\$771,238	\$0	\$771,238
2023/24	\$793,548	\$0	\$793,548
2024/25	\$793,548	\$0	\$793,548
2025/26	\$793,548	\$0	\$793,548
2026/27	\$793,548	\$0	\$793,548
2027/28	\$793,548	\$0	\$793,548
2028/29	\$793,548	\$0	\$793,548
2029/30	\$793,548	\$0	\$793,548
2030/31	\$793,548	\$0	\$793,548
2031/32	\$793,548	\$0	\$793,548
2032/33	\$793,548	\$0	\$793,548
2033/34	\$793,548	\$0	\$793,548
2034/35	\$793,548	\$0	\$793,548
2035/36	\$793,548	\$0	\$793,548
2036/37	\$793,548	\$0	\$793,548
2037/38	\$793,548	\$0	\$793,548
2038/39	\$793,548	\$0	\$793,548
2039/40	\$793,548	\$0	\$793,548



## Appendix C Maintenance Forecast

### C.1 – Maintenance Forecast Assumptions and Source

Several estimates and assumptions were required to be made in the maintenance forecast figures. This has been noted for improvement in Section 8.0.

### C.2 – Maintenance Forecast Summary

Table C2 displays the forecast maintenance costs each year over the planning period. Note the 'Additional Maintenance Forecast' is the forecast amount required to account for maintenance of acquisitions undertaken over the planning period.

**Table C2 - Maintenance Forecast Summary**

Financial Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2020/21	\$507,385	\$21,120	\$507,385
2021/22	\$534,548	\$72,171	\$555,668
2022/23	\$536,856	\$6,600	\$630,147
2023/24	\$539,933	\$8,800	\$639,824
2024/25	\$539,933	\$3,300	\$648,624
2025/26	\$539,933	\$3,300	\$651,924
2026/27	\$539,933	\$3,300	\$655,224
2027/28	\$539,933	\$3,300	\$658,524
2028/29	\$539,933	\$3,300	\$661,824
2029/30	\$539,933	\$3,300	\$665,124
2030/31	\$539,933	\$3,300	\$668,424
2031/32	\$539,933	\$3,300	\$671,724
2032/33	\$539,933	\$3,300	\$675,024
2033/34	\$539,933	\$3,300	\$678,324
2034/35	\$539,933	\$3,300	\$681,624
2035/36	\$539,933	\$3,300	\$684,924
2036/37	\$539,933	\$3,300	\$688,224
2037/38	\$539,933	\$3,300	\$691,524
2038/39	\$539,933	\$3,300	\$694,824
2039/40	\$539,933	\$3,300	\$698,124

## **Appendix D      Renewal Forecast Summary**

### **D.1 – Renewal Forecast Assumptions and Source**

The renewal forecast of \$152,104 per year is based on the total sum of the forecast renewal costs (asset register generated) over the planning period, averaged over 20 years (the planning period). As noted in Section 7.0 the renewal costs are estimates based on the *LG Valuation Services 2019* report.

### **D.2 – Renewal Project Summary**

The below Table D2 is an extract from the Buildings asset register and shows assets forecast for renewal within the planning period (up to 2040). It is to be noted that the 'estimated renewal year' is calculated as the year acquired/last major renewal, plus the 'updated useful life' of the asset. Further professional judgement will be required in prioritising the below renewals (refer also Table 5.3.1), with the 'estimated renewal year' being a guide only.

**Table D2 – Asset Register Forecast Renewals**

Asset ID	Asset Name	Location	Town	Estimated Renewal Cost	Estimated Renewal Year
3110.9	Cricket Nets	Barclay Street	Evandale	10,000	2022
9302	BBQ Shelter	Train Park	Perth	14,000	2022
3176.3	Rotunda	Main Street	Cressy	10,800	2022
3033.2	Ticket Box	Church Street	Ross	10,000	2030
9166.0	Waste Transfer Station	Marlborough Street	Longford	9,000	2024
9121.0	Retaining Wall	Waste Transfer Station	Avoca	50,000	2024
3156.3	Stockyards for Rodeo	Park Street	Ross	30,000	2025
3130.0	Public Toilets	Russell Street	Evandale	168,000	2026
8734.0	Toilet Block	Waste Transfer Station	Avoca	30,000	2027
3008.0	Mens Shed	Old Works Depot	Ross	208,000	2027
3110.2	Skate Park	Barclay Street	Evandale	45,000	2028
3094.61	Interchange Box	Smith Street	Longford	28,000	2028
3094.6	Scoreboard	Smith Street	Longford	30,000	2029
7730.0	Shack	Public Housing	Lake Leake	198000	2030
3070.9	Shed	Fairtlough Street	Perth	32,400	2023
8005.0	Stables	Bridge Street	Ross	60,000	2031
3110.8	Interchange Boxes	Barclay Street	Evandale	6,000	2033
3046.2	Waste Oil Recovery Site	Marlborough Street	Longford	15,000	2035
8395.1	Toilet Block	Lee Street	Rossarden	72,000	2036
3048.3	Retaining Wall	Logan Road	Evandale	90,000	2036
3046.5	Shower/Lunch Room Amenities	Marlborough Street	Longford	66,000	2036
3046.0	Tip Buildings	Marlborough Street	Longford	135,000	2036
3033.1	Library	Church Street	Ross	728,000	2036
3156.7	Covered Areas	Park Street	Ross	21,600	2038
3078.2	Shed	Macquaire Street	Cressy	80,000	2038
3033.7	Covered Areas	Church Street	Ross	66,000	2038
3192.0	Old Police Garage	Falmouth Street	Avoca	44,000	2040
3146.7	Toilets	High Street	Campbell Town	56,000	2040
3110.6	Railway Shed	Barclay Street	Evandale	75,600	2040
3110.4	Railway Station	Barclay Street	Evandale	42,000	2040
3078.0	Pavillion	Macquaire Street	Cressy	494,000	2040
3018.6	Ticket Box	Archer Street	Longford	7,200	2040

All figures shown are in current day dollars.

### D.3 – Renewal Forecast Summary

Table D3 displays the forecast renewal costs and budget each year over the planning period. The renewal budget is \$147,896, per year, higher than the averaged renewal forecast.

**Table D3 - Renewal Forecast Summary**

Financial Year	Renewal Forecast*	Renewal Budget
2020/21	\$152,104	\$300,000
2021/22	\$152,104	\$300,000
2022/23	\$152,104	\$300,000
2023/24	\$152,104	\$300,000
2024/25	\$152,104	\$300,000
2025/26	\$152,104	\$300,000
2026/27	\$152,104	\$300,000
2027/28	\$152,104	\$300,000
2028/29	\$152,104	\$300,000
2029/30	\$152,104	\$300,000
2030/31	\$152,104	\$300,000
2031/32	\$152,104	\$300,000
2032/33	\$152,104	\$300,000
2033/34	\$152,104	\$300,000
2034/35	\$152,104	\$300,000
2035/36	\$152,104	\$300,000
2036/37	\$152,104	\$300,000
2037/38	\$152,104	\$300,000
2038/39	\$152,104	\$300,000
2039/40	\$152,104	\$300,000

\*Renewal forecast values are the 20 year average.

## Appendix E Disposal Summary

### E.1 – Disposal Forecast Assumptions and Source

Through discussion with relevant staff, the noted potential disposals have been identified. No disposals with foreseen costs to Council are forecast to occur over the planning period.

### E.2 – Disposal Project Summary

No disposals with foreseen costs to Council are forecast to occur over the planning period.

### E.3 – Disposal Forecast Summary

Table E3 displays the disposal forecast and disposal budget over the planning period. No disposals with foreseen costs to Council are forecast to occur over the planning period, hence the zero values shown.

**Table E3 – Disposal Activity Summary**

Financial Year	Disposal Forecast	Disposal Budget
2020/21	\$0	\$0
2021/22	\$0	\$0
2022/23	\$0	\$0
2023/24	\$0	\$0
2024/25	\$0	\$0
2025/26	\$0	\$0
2026/27	\$0	\$0
2027/28	\$0	\$0
2028/29	\$0	\$0
2029/30	\$0	\$0
2030/31	\$0	\$0
2031/32	\$0	\$0
2032/33	\$0	\$0
2033/34	\$0	\$0
2034/35	\$0	\$0
2035/36	\$0	\$0
2036/37	\$0	\$0
2037/38	\$0	\$0
2038/39	\$0	\$0
2039/40	\$0	\$0

## Appendix F      Budget Summary by Lifecycle Activity

Several estimates and assumptions were required to be made in the development of the planned budget figures shown in Table F1. This was due to the maturity of information currently available. Future improvements are noted in Section 8.0.

**Table F1 – Budget Summary by Lifecycle Activity**

Financial Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2020/21	\$2,000,000	\$701,792	\$507,385	\$300,000	\$0	\$3,509,177
2021/22	\$6,500,000	\$764,154	\$534,548	\$300,000	\$0	\$8,098,702
2022/23	\$600,000	\$771,238	\$536,856	\$300,000	\$0	\$2,208,094
2023/24	\$800,000	\$793,548	\$539,933	\$300,000	\$0	\$2,433,481
2024/25	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2025/26	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2026/27	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2027/28	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2028/29	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2029/30	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2030/31	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2031/32	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2032/33	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2033/34	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2034/35	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2035/36	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2036/37	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2037/38	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2038/39	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481
2039/40	\$300,000	\$793,548	\$539,933	\$300,000	\$0	\$1,933,481

## Appendix F Maintenance Response Levels of Service Guide

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target	Current Performance
<b>COMMUNITY LEVELS OF SERVICE – Relating to Maintenance</b>				
Quality	Provide buildings that meet community expectations	Number of customer service requests / complaints	<1 per month	
Function	Provide facilities that are suitable for intended use	Number of customer service requests / complaints	All properties meeting minimum standards	Nil properties not meeting standard
Safety	Provide hazard free facilities	Inspect regularly – number of reports of inconvenience, health or safety claims.	<10 per annum	
Responsiveness	Council's response to various community raised works requests	(a) Provision of a 24 hour, 7 day per week call-out service to attend to issues (b) Percentage of issues responded to in set timeframes	100% of time  95% of time	
<b>TECHNICAL LEVELS OF SERVICE – Relating to Maintenance</b>				
Condition	Undertake inspections, routine maintenance tasks and repairs in a timely manner	Frequency of inspections, maintenance or repairs	Inspect every 24 months and repair within 3 months. Monitor cleaning contractors or management committees.	95% of time
Accessibility	Ensure adequate building assets are available	Master planning, capital works budget, and number of customer service requests / complaints	Improvement program exists. Regular inspections. Access Plan developed.	
Cost Effectiveness	Provide services in a cost effective manner	Benchmarking against other Councils or contractors	Validate cost of Council compared to contractor undertaking works or cost to maintain system is < or = to that of other municipalities	On a case-by-case basis. No current benchmarking against other Councils.
Safety	Ensure building infrastructure poses low risk to community and provides physical barriers or signage to identify and protect from hazards.	Number of injury / damage claims, defect and condition survey results and site specific risk assessments	Less than 1 claim for compensation per building network and any high risks identified are addresses within 3 months	No currently measured