



2020
Asset Management Plan
Buildings Infrastructure



City of
Norwood
Payneham
& St Peters

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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Asset Management Plan

Asset management planning is a comprehensive process ensuring the delivery of services from infrastructure is financially sustainable.

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

This AMP covers City's Buildings Infrastructure Network.

1.2 Asset Description

The City's Buildings Infrastructure Network comprises:

- municipal buildings;
- community facilities;
- recreation and leisure buildings and facilities;
- swimming centres; and
- public toilets.

The Buildings Infrastructure Network has a significant total renewal value estimated at \$119,709,192.

1.3 Levels of Service

The Council's present funding levels are sufficient to continue to provide existing services at current service levels in the medium term.

The main service consequences of the Planned Budget expenditure are:

- assets are replaced accordingly with respect to condition and intended useful life; and
- assets are compliant to the relevant standards and guidelines.

1.4 Future Demand

The main demands for new services are created by:

- increased use of Building Infrastructure assets due to an increase in population; and
- increased demand for sustainability practices due to climate change.

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

- monitoring and auditing of asset condition and compliance; and
- understanding the expectations and needs of users.

1.5 Life-Cycle Management Plan

1.5.1 What does it Cost?

The forecast life-cycle costs necessary to provide the services covered by this AMP includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a long-term financial planning period of ten (10) years. Therefore, a summary output from the AMP is the forecast of ten (10) year total outlays, which for the Buildings Infrastructure Network is estimated as \$37,739,247 or \$3,773,925 on average per year.

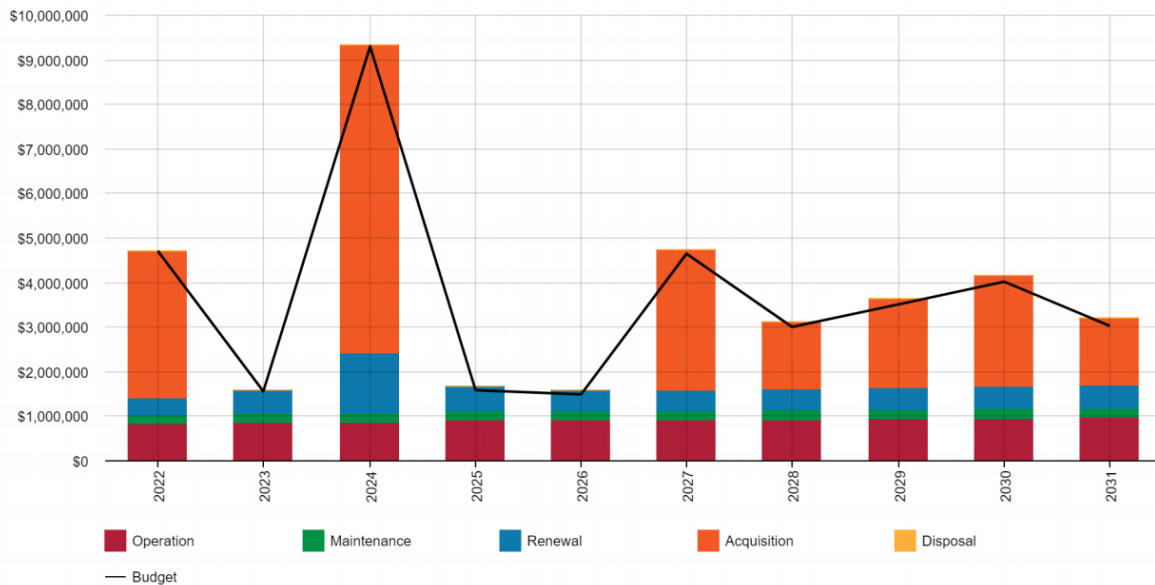
1.6 Financial Summary

1.6.1 What the Council will do

Estimated available funding for the ten (10) year period is \$36,866,281 (or \$3,686,628 on average per year) as per the Council's LTFP. This is approximately 98% of the cost to sustain the current level of service at the lowest life-cycle cost.

The life-cycle summary shown in Figure 1.6.1 shows the minor shortfall in allocated funding across the planning period. The master-plan upgrade of various buildings and facilities will lead to a projected increase in operations and maintenance costs which have not been allowed for in the LTFP. The budget will need to be monitored and amended accordingly in future years to avoid deferred operation and maintenance works.

Figure 1.6.1: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS



All figure values are shown in current (2020) dollars.

The Council plans to undertake the following in respect to the existing Buildings Infrastructure Network:

- operation, maintenance, renewal and upgrade of existing Building Infrastructure Network assets to meet current service levels which are set by annual budgets; and
- upgrade of the Payneham Memorial Swimming Centre, Norwood Swimming Centre, Norwood Library and Norwood Concert Hall facilities within the ten (10) year planning period as set out in the Council's LTFP.

1.6.2 What the Council cannot do

The Council currently allocates sufficient funding to sustain the Buildings Infrastructure Network at the proposed standard. Any operations and maintenance budget requirements derived from new or upgraded buildings infrastructure have not been allowed for, as the potential operations and maintenance which are required are unknown at this stage and will only be determined during the design of the renewal projects. As this information becomes available the AMP will be updated to reflect the changes.

1.6.3 Managing the Risks

The Council's budget expenditure levels are sufficient to continue to manage risks in the medium term, however, the costs associated with increasing maintenance and operations due to assets which are planned to be acquired have not been allowed for in the LTFP.

The main risk consequences are:

- increased risk of asset failure due to deferred operation and maintenance works;

- service provided by assets are not to the standard of the users; and
- loss of the Council's reputation.

The Council will endeavour to manage these risks within available funding levels by:

- finding efficiencies within the current maintenance and operations program; and
- increasing proactive inspections and maintenance.

1.7 Asset Management Practices

The Council's systems associated with the management of assets include:

- the Council's financial system; and
- the Council's asset management system.

Assets requiring renewal/replacement are identified from either the Council's Asset Register or the Alternative Method. These methods are part of the Life-Cycle Model.

If Asset Register data is used to forecast the renewal costs, the acquisition year and the useful life are utilised.

Alternatively, an estimate of renewal life-cycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Alternative Method was used to forecast the renewal life-cycle costs for this AMP.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- integrating building assets with asset management system;
- reviewing the Asset Register (including building categorisation) and asset renewal program data and subsequently implementing a proactive renewal plan;
- reviewing the needs and expectations of the users to assisting the development of the buildings strategy;
- developing risk assessment and management planning;
- reviewing resilience of critical infrastructure and condition data;
- assessing the adequacy of operations and maintenance budget; and
- continuing the development of integration between strategic plans, AMP and LTFP.

2.0 Introduction

2.1 Background

The Council's Buildings Infrastructure assets represent a major investment by the community over a long period of time and provides a wide range of essential services, such as facilitating civic, administrative and community-based functions and activities. These assets have been donated, acquired and constructed over several generations and must be appropriately maintained, enhanced and renewed, in order to continue to provide adequate services and benefits to the community for future generations.

This AMP 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 long term planning period.

This AMP is to be read in conjunction with the following key planning documents:

- *CityPlan 2030: Shaping Our Future*
- Long Term Financial Plan
- Annual Business Plan
- Public Buildings Policy (2008)
- Access & Inclusion Policy (2018)
- Asset Management Policy (2019)
- Community Surveys
- Resilient East - Regional Climate Change Adaptation Plan
- Resilient East - Climate Projections Report

The Council has a strong focus on asset management, with continuous improvements during the revision of the AMP. Integration of renewal and upgrade planning is undergoing continuous improvement to ensure the minimum required investment provides the greatest value outcomes.

The infrastructure assets covered by this AMP include municipal buildings, community buildings, recreation and leisure buildings swimming centres and public toilets. For a detailed summary of the assets covered in this AMP refer to Table 5.1.1 in Section 5.

The infrastructure assets included in this AMP have a total replacement value of \$119,709,192.

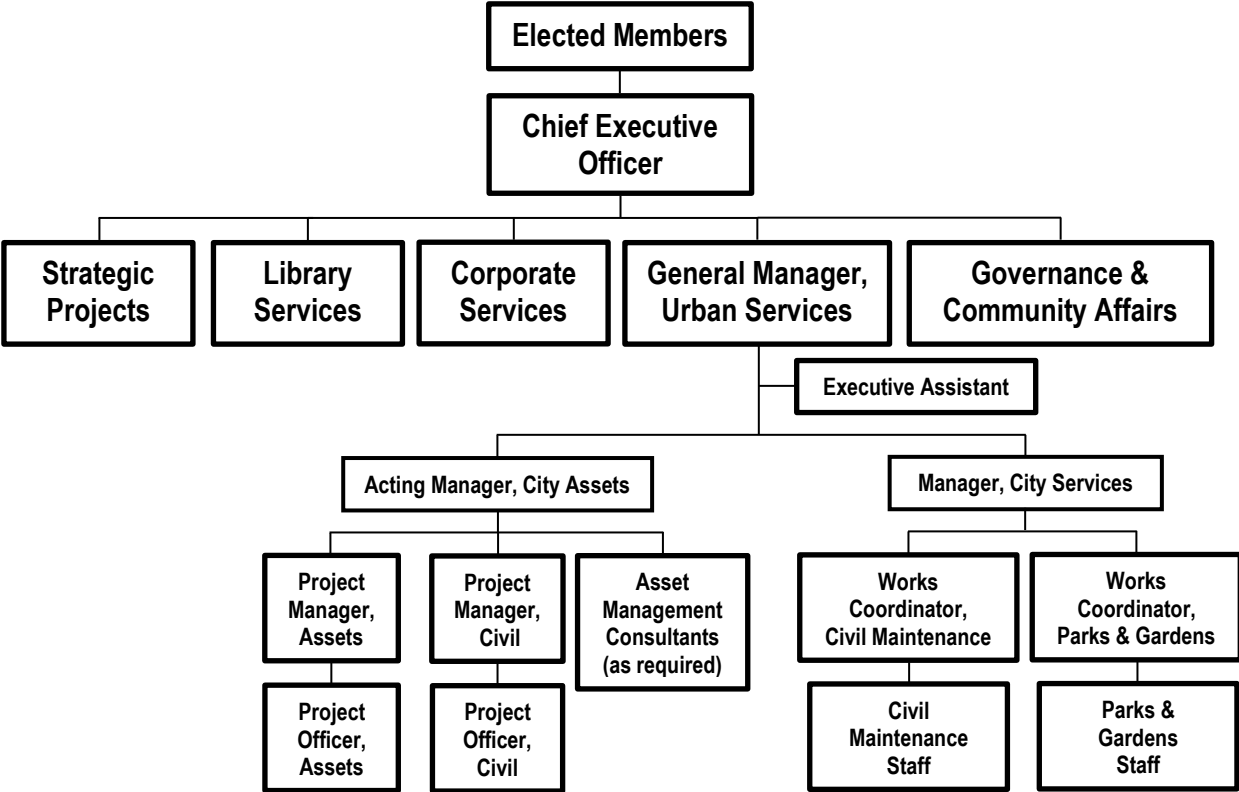
Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: KEY STAKEHOLDERS IN THE AMP

Key Stakeholder	Role in AMP
Elected Members	Represent needs of community/shareholders, allocate resources to meet planning objectives in providing services while managing risks and ensure services are sustainable.
Chief Executive Officer	Endorse the development of the AMP and provide resources required to complete the task.
General Manager, Urban Services and Acting Manager, City Assets	Set high level priorities for asset management development and support the implementation of actions resulting from this AMP.
Corporate Services	Develop supporting policies such as capitalisation and depreciation. Provide GIS applications and support. Provide local knowledge level of detail on the Buildings Infrastructure Network. Describe the maintenance standards deployed and the ability to meet the technical and customer levels of service.
Asset Management Consultants	Prepare asset sustainability and financial reports incorporating asset depreciation in compliance with the current accounting standards. Host and consolidate asset register including valuation, capitalisation and disposal. Provide support for the development of the AMPs and the implementation of effective asset management principles. Independently endorse asset revaluation methodology.
Project Manager, Assets Project Officer, Assets	Responsible for the overall development of the AMP. Coordinate input of other stakeholders into the AMP. Manage the periodic collection of asset condition data.
Building Maintenance Officer	Assists with coordinating Council’s resources to deliver capital works and maintenance programs
Governance & Community Affairs	Manage the leasing and licensing of Council property assets
City Assets and Strategic Projects	Assist the Project Manager, Assets and Project Officer, Assets in the development and implementation of the AMP.
City Services and Library Services	Provide local knowledge level of detail on the Buildings Infrastructure Network. Describe the maintenance standards deployed and the ability to meet the technical and customer levels of service.
External Parties	Local Residents; Local Businesses; Utilities; Developers; and Federal and State Governments.

The Council’s organisational structure for service delivery of infrastructure assets is detailed in Figure 2.1.

Figure 2.1: ORGANISATIONAL STRUCTURE



2.2 Goals and Objectives of Asset Ownership

The Council’s goal in the management of 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 life-cycle 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 the LTFP which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

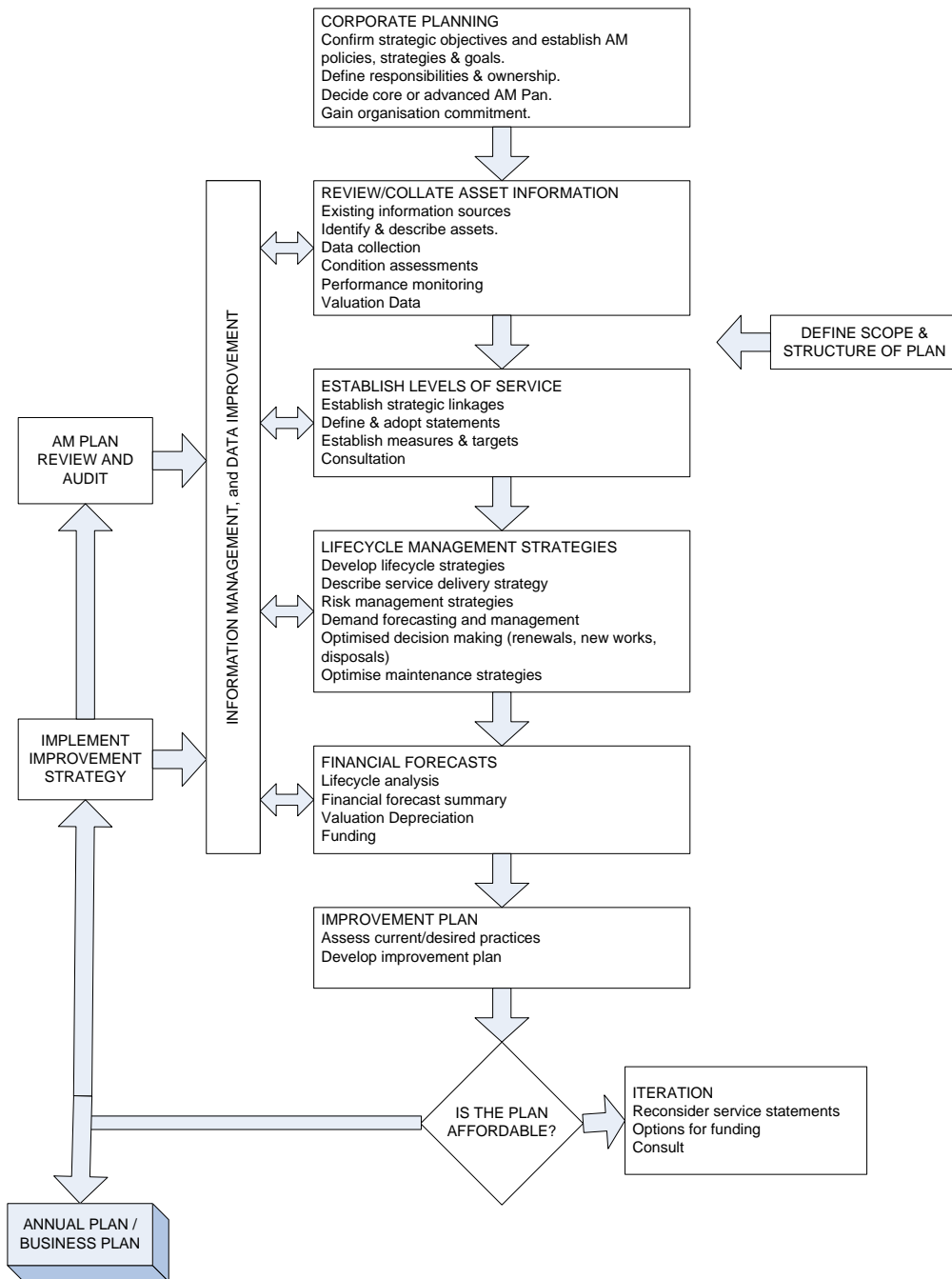
- **levels of service** – specifies the services and levels of service to be provided;
- **future demand** – how this will impact on future service delivery and how this is to be met;
- **life-cycle management** – how to manage its existing and future assets to provide defined levels of service;
- **financial summary** – what funds are required to provide the defined services;
- **asset management practices** – how the Council manages the provision of the services;
- **monitoring** – how the AMP will be monitored to ensure objectives are met; and
- **asset management improvement plan** – how the Council increases asset management maturity.

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

- International Infrastructure Management Manual 2015 ¹; and
- International Organisation for Standardisation (ISO) 55000².

A road map for preparing an AMP is shown in Figure 2.2.

Figure 2.2: ROAD MAP FOR PREPARING AN AMP



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

¹ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

² ISO 55000 Overview, principles and terminology

3.0 LEVELS OF SERVICE

3.1 Community Research and Expectations

The Council conducts Community Surveys at regular intervals to establish how the Council is performing in a number of key indicators. Community Surveys have been conducted in 2009, 2011, 2013 and 2017, with the most recent survey undertaken in 2019. The survey uses a 5-point scale to determine satisfaction, with 1 being very dissatisfied, 5 being very satisfied and a 'don't know' response. The mean score is derived from the five-point satisfaction scale. Table 3.1 summarises the results from the Council's Community Surveys.

Table 3.1: CUSTOMER SATISFACTION SURVEY LEVELS

Performance Measure	Satisfaction Level				
	2019	2017	2013	2011	2009
Overall Infrastructure Satisfaction	3.8	3.8	4.0	4.0	3.6
The Presentation & Cleanliness of the Council Area	4.1	4.1	4.2	4.1	4.0

3.2 Strategic and Corporate Goals

This AMP has been prepared in accordance with the Council's Vision, Mission, Goals and Objectives as set out in *CityPlan 2030: Shaping our Future*.

The Council's Vision is:

'A City which values its heritage, cultural diversity, sense of place and natural environment.

A progressive City which is prosperous, sustainable and socially cohesive, with a strong community spirit.'

Strategic goals have been set by the Council and how these are addressed in this AMP is 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 AMP
Social Equity - A connected, accessible and pedestrian friendly community	Convenient and accessible services, information and facilities.	Development of service levels provided by the infrastructure and the balancing of this with the available funding and acceptable risk.
Social Equity - A connected, accessible and pedestrian friendly community	A people-friendly, integrated, sustainable and active transport and pedestrian network.	Building assets exist to support and provide services to the community. Planning the long term management of these assets is essential to the sustainability of these services.
Environmental Sustainability – A leader in environmental sustainability	Mitigating and adapting to the impacts of a changing climate.	Planning of long term sustainable infrastructure is important and to enable appropriate resources to be identified and provided.

3.3 Legislative Requirements

There are a number of legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Buildings Infrastructure Network are set out in Table 3.3.

Table 3.3: LEGISLATIVE REQUIREMENTS

Legislation	Requirement
Aboriginal Heritage Act 1988	An Act to provide for the protection and preservation of the Aboriginal heritage, and for other purposes.
Australian Accounting Standards	Standards applied in preparing financial statements, relating to the valuation, revaluation and depreciation of transport assets.
Australian Standards	All of the Council's infrastructure projects are undertaken in accordance with Australian Standards, or in the absence of, best practice techniques.
Building Code of Australia 2007	Sets out minimum standards for construction of new assets. Also provides minimum standards for new properties.
Development Act 1993	An Act to provide for planning and regulate development in the State; to regulate the use and management of land and buildings, and the design and construction of buildings; to make provision for the maintenance and conservation of land and buildings where appropriate; and for other purposes.
Disability Discrimination Act 1992	Provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.
Environmental Protection Act 1993	Sets out requirements for any works to comply with, as well as water quality standards.
Local Government Act 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by infrastructure and asset management plans for sustainable service delivery.
Planning Development and Infrastructure Act 2016	An Act to provide for matters that are relevant to the use, development and management of land and buildings.
Retail and Commercial Leases Act 1995 Retail and Commercial Leases Amendment Act 2019	An Act regulating the leasing of certain properties.
Work Health and Safety Act 2012	Provides minimum standards for health and safety of individuals performing works.

3.4 Citizen Values

Service levels are defined in three (3) ways, Citizen Values, Citizen Levels of Service and Technical Levels of Service.

Citizens Values indicate:

- what aspects of a service is important to the citizen;
- whether they see value in what is currently being provided; and
- the likely trend over time based on the current budget provision.

A summary of the satisfaction measure being used, the current feedback and the expected performance based on the current funding level is set out in Table 3.4.

Table 3.4: CITIZEN VALUES

Citizen Values	Citizen Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Function	Community Survey & Complaints	Minimal number of complaints	Demand for long-term strategies expected to increase due to aging infrastructure
Quality	Community Survey & Complaints	Minimal number of complaints	Complaints maintaining current levels

3.5 Citizen Levels of Service

The Citizen Levels of Service are considered in terms of:

- **quality:** 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:** Is the service over or under used? Does the Council need more or less of these assets?

A summary of the performance measure being used, the current performance and the expected performance based on the current funding level is set out in Table 3.5.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available, condition %'s of Very Poor, Poor/Average/Good, Very Good) and provide a balance in comparison to the citizen perception that may be more subjective.

Confidence levels of current performance and expected trend are set out in Table 3.5 and are categorised as follows:

- **high:** professional judgement supported by extensive data;
- **medium:** professional judgement supported by data sampling; or
- **low:** professional judgement with no data evidence.

Table 3.5: CITIZEN LEVELS OF SERVICE MEASURES

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Quality	Condition of building assets	Condition assessment by external auditor	Majority of assets are in good condition and fit-for-purpose	Building assets to be replaced as required to ensure compliant condition
	Confidence levels		High	Medium
Function	Accessibility	Public areas of Council buildings to provide access to people with disabilities	Buildings review has been completed with DDA-compliance deficiencies identified and will be targeted as part of the Capital Works Program	New assets installed as part of building assets will highly consider DDA access requirements
	Confidence levels		High	Medium
Capacity	Availability	Community Survey	The usage of various Council services is seen to have increased over the last ten (10) years but is not at capacity	Expected upward trend to continue, ample capacity to facilitate this projected increase in usage
	Confidence levels		Medium	Medium

3.6 Technical Levels of Service

To deliver the Citizen Values, and impact the achieved Citizen Levels of Service, operational or technical measures of performance are used. These technical measures relate to the activities and allocation of resources to best achieve the desired community 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. swimming centre upgrades) or a new service that did not exist previously (e.g. a new library);
- **operation:** the regular activities to provide services (e.g. cleaning, utilities, inspections);
- **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. wall patch repairs);
- **renewal:** the activities that return the service capability of an asset up to that which it had originally provided (e.g. like-for-like replacement of security systems); and
- **disposal:** the activities associated with the disposal of a decommissioned asset including sale, demolition or relocation (e.g. demolition of a building).

Service and Asset Managers plan, implement and control technical service levels to influence the service outcomes.³

Table 3.6 shows the activities expected to be provided under the current Planned Budget allocation and the forecast activity requirements being recommended in this AMP.

³ IPWEA, 2015, IIMM, p 2|28.

Table 3.6: TECHNICAL LEVELS OF SERVICE

Life-Cycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
Acquisition	Upgrade of the Council's Swimming Centre facilities, Norwood Library and Norwood Concert Hall	Quantity	The Payneham Memorial Swimming Centre, Norwood Swimming Centre, Norwood Library and Norwood Concert Hall are programmed to be upgraded	The Payneham Memorial Swimming Centre, Norwood Swimming Centre, Norwood Library and Norwood Concert Hall to be upgraded
		Budget	\$20,839,742 over ten (10) years	\$20,839,742 over ten (10) years
Operation	Operation works (e.g. cleaning, utilities, inspections) conducted on building assets	Frequency	As required and based on previous years' budgets	Increased level and frequency of operation works due to increased usage as a result of assets being new / upgraded
		Budget	\$8,412,000 over ten (10) years	\$9,122,554 over ten (10) years
Maintenance	Maintenance works (e.g. repairs) conducted on building assets	Frequency	As required and based on previous years' budgets	Increased level and frequency of maintenance works due to increased usage as a result of assets being new / upgraded
		Budget	\$1,881,500 over ten (10) years	\$2,043,912 over ten (10) years
Renewal	Replacement of critical assets	Frequency	As required based on standard useful life	As required based on standard useful life
		Budget	\$ 5,733,038 over ten (10) years	\$ 5,733,038 over ten (10) years
Disposal	Disposal of assets no longer in use	As identified in the AMP	No assets identified as no longer in use	No assets identified as no longer in use
	Sale of assets to developer	Strategic benefit of sale demonstrable	Opportunities to be identified on an ad hoc basis	Opportunities to be identified on an ad hoc basis
		Budget	\$0 over ten (10) years	\$0 over ten (10) years

Note: *Current activities related to Planned Budget.

**Forecast required performance related to forecast life-cycle costs.

It is important to regularly monitor the service levels provided by the Council as these will change. The current performance is influenced by work efficiencies and technology and community 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 and environmental awareness.

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.

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 AMP.

Table 4.3: DEMAND MANAGEMENT PLAN

Demand Driver	Current Position	Projection	Impact on Services	Demand Management Plan
Change in frequency of use	A number of the current residential properties within the Council have a swimming pool	More land sub-divisions will lead to smaller properties with no room for swimming pools	Increased use of swimming centres, increased rate of deterioration of building assets	Increase condition assessment and inspections of assets.
Change in user requirements	Some building facilities do not have DDA-compliant access	A significant push from the community to ensure access into facilities for the disabled	Some facilities will not be DDA compliant	Ensure that DDA-compliance is included in designs of building facility upgrades and renewals.

4.4 Asset Programs to Meet Demand

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

Acquiring new assets will commit the 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 LTFP (refer to Section 5)

4.5 Climate Change and Adaptation

The impacts of climate change can have a significant impact on the assets which the Council manages and the services which are provided. 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 will impact on assets can vary significantly depending on the location and the type of asset and services provided, as will the way in which the Council responds and manage these impacts.

As a minimum, the Council should consider both how to manage existing assets given the potential impacts of climate change and how to create resilience to climate change in any new works or acquisitions.

Opportunities which have been identified to date to manage the impacts of climate change on existing assets are shown in Table 4.5.1.

Table 4.5.1: MANAGING THE IMPACT OF CLIMATE CHANGE ON ASSETS

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Temperature	Higher maximum temperatures, lower minimum temperatures	Increased deterioration of externally-located assets	Increase monitoring of externally-located assets as required
Storm Events	Increase rainfall and wind intensity during rainfall events	Increased deterioration of externally-located assets	Increase monitoring of externally-located assets as required

The way in which the Council constructs new assets should recognise that there is opportunity to build in resilience to the impacts of climate change. Building resilience has a number of benefits including but not limited to:

- assets will be able to withstand the impacts of climate change;
- services can be sustained; and
- assets that can endure the impacts of climate change may potentially lower the life-cycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

Table 4.5.2: BUILDING ASSET RESILIENCE TO CLIMATE CHANGE

New Asset Description	Climate Change Impact These Assets?	Build Resilience in New Works
Externally-located building assets	Higher maximum temperatures, lower minimum temperatures	Investigate environmentally sustainable and environmentally resilient assets with lower carbon emission footprint, increase use of renewable materials where possible

The impact of climate change on assets is a new and complex issue and opportunities will be developed in future revisions of this AMP.

5.0 LIFE-CYCLE MANAGEMENT PLAN

The Life-Cycle Management Plan details how the 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 AMP are shown in Table 5.1.1.

Table 5.1.1: ASSETS COVERED BY THIS AMP

Asset Category	Replacement Value
Municipal Buildings	\$49,978,541
Community Buildings	\$30,068,063
Recreation & Leisure Buildings	\$33,921,237
Swimming Centres	\$2,999,818
Public Toilets	\$2,741,533
TOTAL	\$119,709,192

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
Access into facilities	The standards and guidelines for access may have changed after the construction of the facilities and building assets
Painting	Painting of external and internal walls and ceilings not renewed when required leading to poor condition and performance

The above service deficiencies have been identified through the asset condition assessments completed in the 2017 – 2018 financial year.

5.1.3 Asset condition

The condition of assets is currently monitored by undertaking a complete condition assessment of the building assets once every five (5) years. The last being in the 2017 – 2018 financial year. This will now be amended to once every four (4) years. Yearly inspections of the worst conditioned assets are completed to inform the following year's asset renewal program.

A formal condition rating has not been historically provided with buildings condition assessments. The output has consisted of defects lists and associated maintenance requirements. It is planned to formalise a condition assessment rating system commencing with the next condition data collection.

5.2 Operations and Maintenance Plan

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

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 repairs to pipework, wall patching, and equipment repairs.

The trend in operation and maintenance budgets are shown in Table 5.2.

Table 5.2: OPERATION AND MAINTENANCE BUDGET TRENDS

Year	Operation and Maintenance Budget
2019 – 2020	\$1,029,350
2020 – 2021	\$1,029,350
2021 – 2022	\$1,029,350

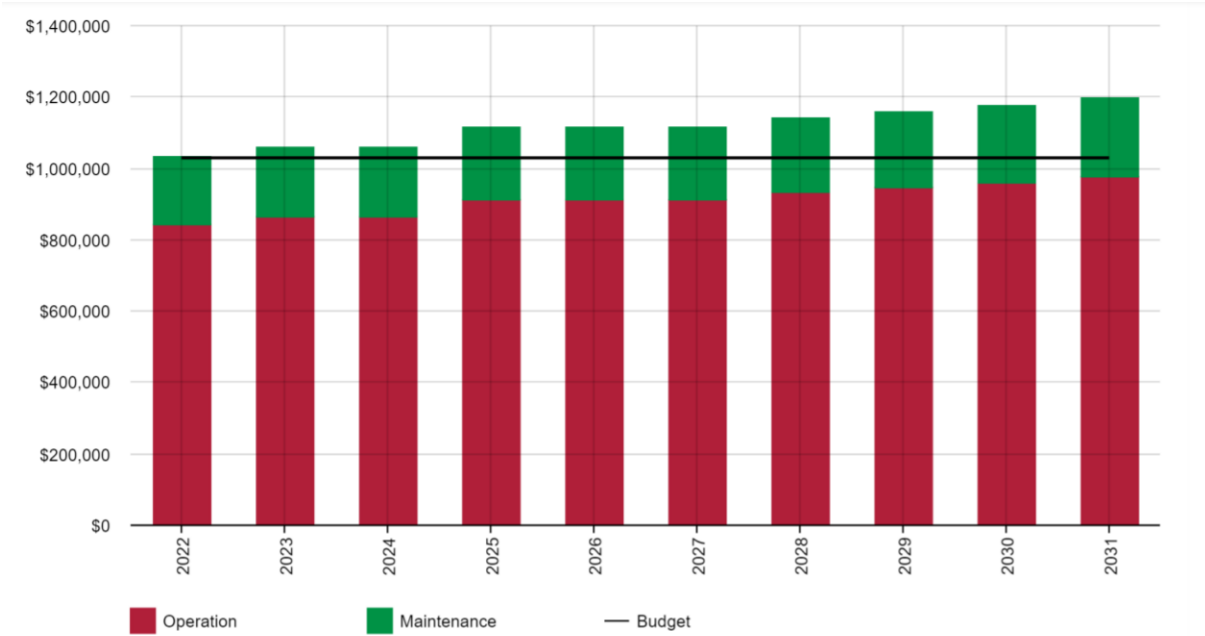
A combination of additional assets and increase usage of assets as a result of buildings upgrades will lead to a steady increase in maintenance and operation costs. Where budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AMP and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

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, 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 (2020) dollars.

Due to significant acquisition of assets and expected increase of popularity and usage through buildings upgrades, the forecast operations and maintenance expenditure is expected to rise. The budget will need to be monitored and amended accordingly in future years to avoid deferred operation and maintenance works.

5.3 Renewal Plan

Renewal involves 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.

Towards the end of an asset’s useful life, the asset is inspected more closely to determine whether renewal is required. On some occasions, expected life can be greater than its standard useful life mainly due to efficient and timely operational and maintenance works program. As a result, the condition of the asset, as well as the asset’s useful life, is closely considered when formulating the annual Capital Works Program.

Assets requiring renewal are identified from either of the following approaches in the Life-Cycle 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 during the 2019 – 2020 financial year.

Table 5.3: USEFUL LIVES OF ASSETS

Asset Category	Useful life
Air Conditioning	15 – 30 years
Communications Systems	20 – 25 years
Doors	15 – 30 years
Electrical Infrastructure	15 – 30 years
Fire System	10 – 30 years
Floors	15 – 50 years
Kitchens	20 – 30 years
Lifts	25 – 30 years
Plumbing	15 – 40 years
Roof	30 – 40 years
Security Systems	25 years
Smoke Alarm Systems	25 years
Solar Systems	25 years
Stairs	50 years
Ventilation Systems	15 – 30 years
Walls	15 – 30 years
Windows	30 years

The estimates for renewals in this AMP have been based on the Alternative Method.

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; or
- to ensure the infrastructure is of sufficient quality to meet the service requirements.⁴

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;
- 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.⁵

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

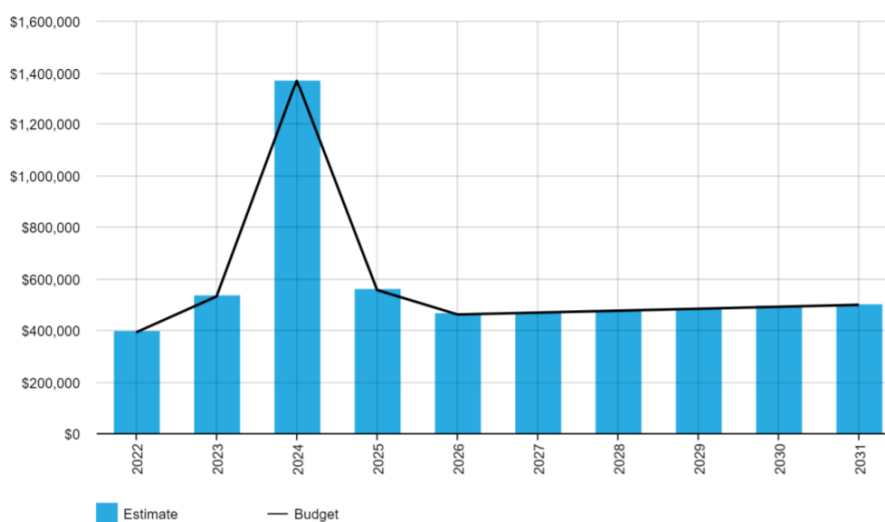
Table 5.3.1: RENEWAL PRIORITY RANKING CRITERIA

Criteria	Weighting
Injury / death as a result of asset failure or non-compliance	75%
Closure of building facilities due to condition deterioration leading to significant reputational risk	15%
Ongoing operations and maintenance financial costs due to condition deterioration	10%
TOTAL	100%

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 5.4. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4: FORECAST RENEWAL COSTS



All figure values are shown in current (2020) dollars.

⁴ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

⁵ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

There are various years where multiple high-value assets are due for renewal at approximately the same time. Should there be resourcing issues, prioritisation of these renewals will need to be determined, with high-risk assets to be renewed when required and lower-risk assets being deferred.

5.5 Acquisition Plan

Acquisition reflects 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 the Council.

5.5.1 Selection criteria

Proposed upgrading of existing assets, and constructing new assets, are identified from various sources such as 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 the Council 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 5.5.1.

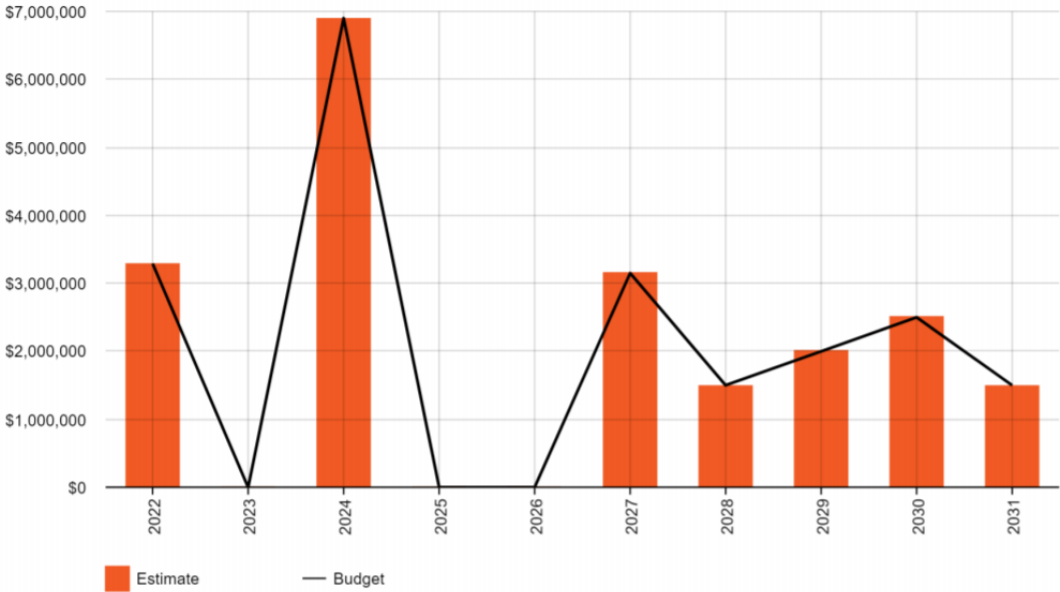
Table 5.5.1: ACQUIRED ASSETS PRIORITY RANKING CRITERIA

Criteria	Weighting
Master plan upgrade of facilities	75%
DDA-compliant building facilities and assets	25%
TOTAL	100%

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

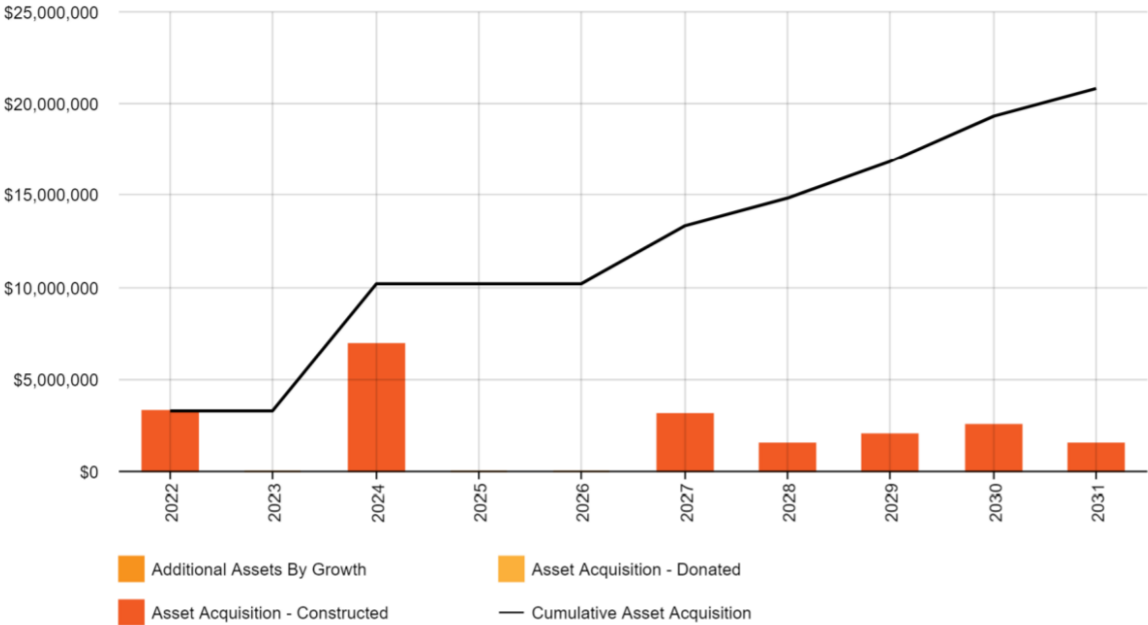
Figure 5.5.1: FORECAST ACQUISITION COSTS



All figure values are shown in current (2020) dollars.

When the Council commits to constructing new assets, the Council will be prepared to fund future operations, maintenance and renewal costs. The Council will 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 the Council. The cumulative value of all acquisition work, including assets that are constructed and contributed, are shown in Figure 5.5.2.

Figure 5.5.2: ACQUISITION SUMMARY



All figure values are shown in current (2020) dollars.

Expenditure on new assets and services in the Council’s Capital Works Program will be accommodated in the LTFP, but only to the extent that there is available funding.

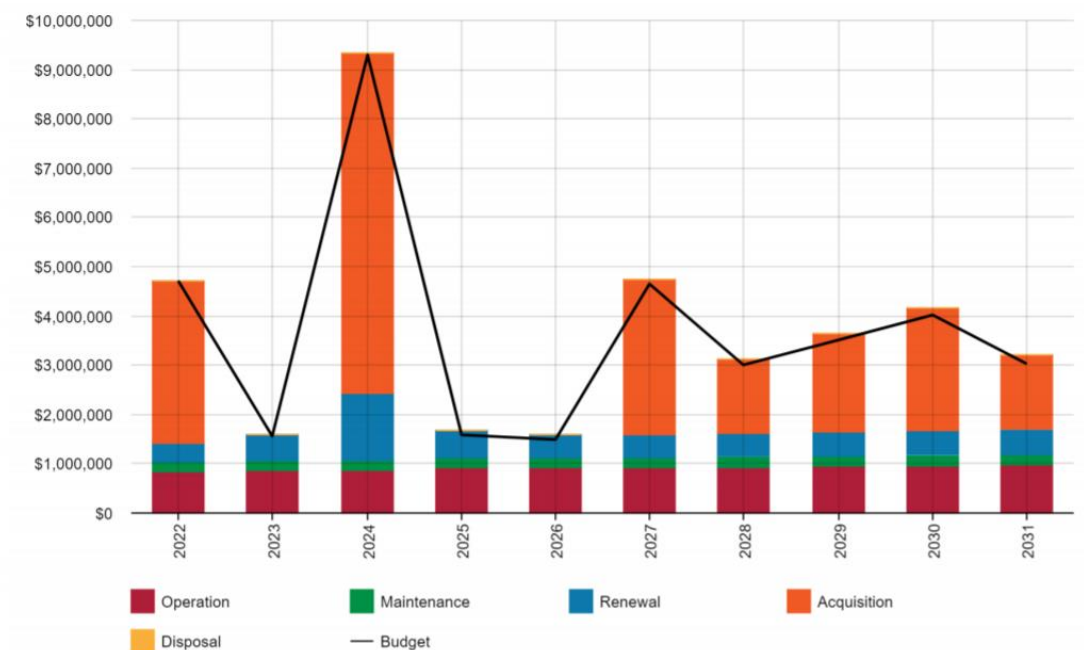
Acquisition of assets through master plan upgrades is in line with the Council’s plans and policies. These acquisitions will increase the Council’s asset base by adding new assets and will in the long term increase the operation, maintenance and renewal requirements of the buildings assets.

Summary of asset forecast costs

The financial projections based upon this AMP are shown in Figure 5.5.3. 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 5.5.3: SUMMARY OF LIFE-CYCLE COSTS



All figure values are shown in current (2020) dollars.

The life-cycle summary shown in Figure 5.5.3 shows a minor shortfall in allocated funding across the ten (10 year) planning period. Any operations and maintenance budget requirements derived from new infrastructure (namely as a result of master-plan upgrades) have not been allowed for, as the potential operations and maintenance works which are required are unknown at this stage and will only be determined during the design of the projects. The budget will need to be monitored and amended accordingly in future years to avoid deferred operation and maintenance works.

The main risk consequences are:

- increased risk of asset failure due to deferred operation and maintenance works;
- service provided by assets not to the standard of the users; and
- loss of the Council’s reputation.

The Council will endeavour to manage these risks within available funding by:

- finding efficiencies within the current maintenance and operations program; and
- increasing proactive inspections and maintenance.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the LTFP.

Table 5.6: ASSETS IDENTIFIED FOR DISPOSAL

Asset	Reason for Disposal	Timing	Disposal Costs	Operations & Maintenance Annual Savings
No disposals have been identified in the plan	Nil	Nil	\$0	\$0

6.0 RISK MANAGEMENT PLANNING

The purpose of risk management associated with infrastructure assets 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’⁶.

An assessment of risks 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 Assets	Failure Mode	Impact
Essential building services (e.g. electrical, fire, mechanical, security)	Deterioration and fault within the system	Building deemed non-compliant
Council-operated buildings providing essential services	Deterioration (age, third-party damage)	Unable to provide essential services to the community

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

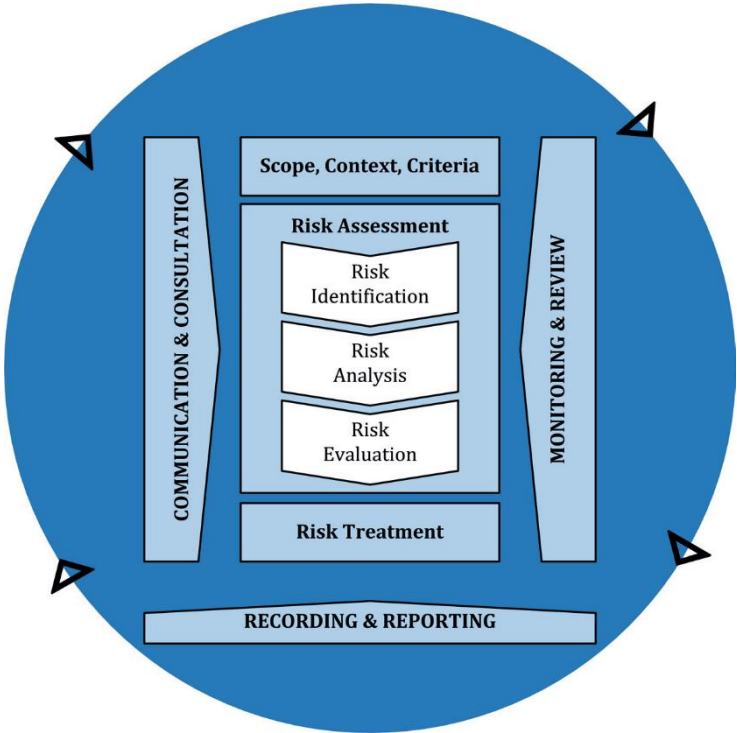
The risk management process used is shown in Figure 6.2.

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.

⁶ ISO 31000:2009, p 2

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 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 Council.

Table 6.2: RISKS AND TREATMENT PLANS

Service or Asset at Risk	What Can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Building Assets	Asset life is less than expected	H	Review and consolidate the asset register and asset renewal program data	L	\$20,000 (one-off)
Building Assets	Asset life is less than expected	H	Increase frequency of database condition assessment updates	L	\$50,000 every four years (instead of \$50,000 every five years)
Building Assets	Operation and maintenance is under-funded	H	Liaise with relevant project teams to understand and budget for future increase in maintenance requirements	L	Internal

Note *The residual risk is the risk remaining after the selected risk treatment plan is implemented.

6.3 Infrastructure Resilience Approach

The resilience of the Council’s critical infrastructure is vital to the ongoing provision of services to the community. To adapt to changing conditions the Council needs to understand its capacity to ‘withstand a given level of stress or demand’ and to respond to possible disruptions to ensure continuity of service.

Resilience is built on aspects such as response and recovery planning, financial capacity, climate change and crisis leadership.

The Council does not currently measure our resilience in service delivery. This will be included in future iterations of the AMP.

6.4 Service and Risk Trade-Offs

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

6.4.1 What the Council cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next ten (10) years. These include:

- new and upgrade projects identified that are unaffordable with the AMP timeframe.

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. These service consequences include:

- decreased levels of service;
- potential asset failures; and
- limited acquisition of assets through building master-plan upgrades.

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:

- unsafe condition of assets leading to user risk;
- service provided by assets not to the standard of the users; and
- loss of the Council's reputation.

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

7.0 FINANCIAL SUMMARY

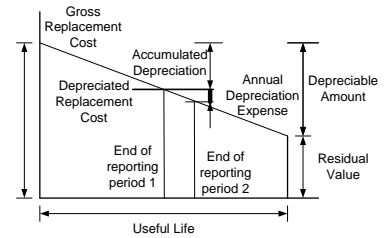
This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Statements and Projections

7.1.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at cost to replace existing service capacity:

Current (Gross) Replacement Cost	\$119,709,192
Depreciable Amount	\$119,709,192
Depreciated Replacement Cost ⁷	\$55,934,433
Depreciation during 2019 – 2020 Financial Year	\$1,566,937



7.1.2 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area, namely:

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

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio⁸ 100%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next ten (10) years the Council expects to have 100% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget is illustrated in Appendix D.

Medium term – ten (10) year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a ten (10) year period. This provides input into ten (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 ten (10) year period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the ten (10) year planning period is \$1,689,950 on average per year.

The proposed (budget) operations, maintenance and renewal funding is \$1,602,654 on average per year giving a ten (10) year funding shortfall of \$87,296 per year. This indicates that 95% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget. This excludes acquired assets.

⁷ Also reported as Written Down Value, Carrying or Net Book Value.

⁸ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

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 AMP and ideally over the ten (10) year life of the LTFP.

7.1.3 Forecast Costs (outlays) for the LTFP

Table 7.1.3 shows the forecast costs (outlays) for the ten (10) year LTFP.

Table 7.1.3: FORECAST COSTS (OUTLAYS) FOR THE LTFP

Year	Forecast Acquisition	Forecast Operation	Forecast Maintenance	Forecast Renewal	Forecast Disposal
2022	\$3,289,742	\$841,200	\$188,150	\$392,796	\$0
2023	\$0	\$864,228	\$193,413	\$531,577	\$0
2024	\$6,900,000	\$864,228	\$193,413	\$1,369,529	\$0
2025	\$0	\$912,528	\$204,453	\$556,645	\$0
2026	\$0	\$912,528	\$204,453	\$462,013	\$0
2027	\$3,150,000	\$912,528	\$204,453	\$469,222	\$0
2028	\$1,500,000	\$934,578	\$209,493	\$476,543	\$0
2029	\$2,000,000	\$945,078	\$211,893	\$483,979	\$0
2030	\$2,500,000	\$959,078	\$215,093	\$491,531	\$0
2031	\$1,500,000	\$976,578	\$219,093	\$499,201	\$0

All figure values are shown in current (2020) dollars.

7.2 Funding Strategy

The proposed funding for assets is outlined in the Council’s Annual Budget and LTFP.

The Council’s financial strategy outlines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added into the service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

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

Key assumptions made in this AMP are:

- all figures are shown in current (2020) dollars;
- acquisition costs have been based on professional judgement and previous works; and
- current operation and maintenance budget have been used.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP 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 an A – E level scale⁹ in accordance with Table 7.5.1.

Table 7.5.1: DATA CONFIDENCE GRADING SYSTEM

Confidence Grade	Description
A. Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. Reliable	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. Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Unknown	None or very little data held.

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

Table 7.5.2: DATA CONFIDENCE ASSESSMENT FOR DATA USED IN AMP

Data	Confidence Assessment	Comment
Demand drivers	B	Based on Community Surveys
Growth projections	B	Based on Community Surveys
Acquisition forecast	C	Based on previous projects
Operation forecast	C	In line with previous years
Maintenance forecast	C	In line with previous years
Renewal forecast	B	As per approved methodology
- Asset values	B	Current estimates from asset register
- Asset useful lives	B	Detailed data capture and condition audit survey undertaken once every five (5) years (to be changed to one every four (4) years)
- Condition modelling	B	
Disposal forecast	NA	NA

The estimated overall confidence level for and reliability of data used in this AMP is considered to be reliable.

⁹ IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is the Council's accounting and financial system.

8.1.2 Asset management data sources

This AMP also utilises asset management data. The source of the data is the data obtained from the 2018 – 2019 condition assessment inspections.

8.2 Improvement Plan

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

Table 8.2: IMPROVEMENT PLAN

Task	Task	Responsibility	Resources Required	Timeline
1	Integrate building assets with asset management system	City Assets Section	Asset Consultants	Ongoing staged approach
2	Review the asset register (including building categorisation) and asset renewal program data and subsequently implement a proactive renewal plan	City Assets Section	Asset Consultants	1 year
3	Review the needs and expectations of the users to assist the development of the buildings strategy	Manager, Economic Development & Strategic Projects	Strategic Projects Section and City Assets Section	1 year
4	Further develop risk assessment and management planning	Project Manager, Assets	Project Officer, Assets and Asset Consultants	1 year
5	Review resilience of critical infrastructure and condition data	Project Manager, Assets	Project Officer, Assets and Asset Consultants	2 years
6	Assess adequacy of operations and maintenance budget	Manager, City Assets	City Assets Section	3 years
7	Continue the development of integration between strategic plans, AMP and LTFP	Chief Executive Officer and General Manager, Urban Services	City Assets Section and Finance Section	4 years

8.3 Monitoring and Review Procedures

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, upgrade/new and asset disposal costs and proposed budgets. These forecast costs and proposed budget are incorporated into the LTFP or will be incorporated into the LTFP once completed.

The AMP has a maximum life of four (4) years and is due for complete revision and updating within two (2) years of each Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- the degree to which the required forecast costs identified in this AMP are incorporated into the LTFP;
- the degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the AMP;
- the degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Plan and associated plans; and
- the Asset Renewal Funding Ratio achieving the Organisational Target (this target is often 1.0).

9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/namsplus.
- IPWEA, 2015, 2nd edn., 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMM.
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- IPWEA, 2012 LTFP Practice Note 6 PN Long-Term Financial Plan, Institute of Public Works Engineering Australasia, Sydney
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- *CityPlan 2030: Shaping Our Future*
- Long Term Financial Plan
- Annual Business Plan
- Public Buildings Policy (2008)
- Access & Inclusion Policy (2018)
- Asset Management Policy (2019)
- Community Surveys
- Resilient East - Regional Climate Change Adaptation Plan
- Resilient East - Climate Projections Report

10.0 APPENDICES

Appendix A

Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

The Council has policies and procedures in place that outlines the master plan upgrades of various buildings throughout the City. The master plan concept design, detailed design and construction stages are planned to be staged over multiple financial years.

A.2 – Acquisition Project Summary

Table A2: ACQUISITION PROJECT SUMMARY

Year	Project	Estimate
2022	Payneham Swimming Centre Upgrade	\$3,189,742
2022	Norwood Concert Hall Upgrade	\$100,000
2024	Payneham Swimming Centre Upgrade	\$6,900,000
2027	Norwood Swimming Centre Upgrade	\$3,150,000
2028	Norwood Swimming Centre Upgrade	\$1,500,000
2029	Norwood Library Redevelopment	\$1,000,000
2029	Norwood Concert Hall Upgrade	\$1,000,000
2030	Norwood Concert Hall Upgrade	\$1,000,000
2030	Norwood Library Redevelopment	\$1,500,000
2031	Norwood Library Redevelopment	\$1,500,000

A.3 – Acquisition Forecast Summary

Table A3: ACQUISITION FORECAST SUMMARY

Year	Constructed	Donated	Growth
2022	\$3,289,742	\$0	\$0
2023	\$0	\$0	\$0
2024	\$6,900,000	\$0	\$0
2025	\$0	\$0	\$0
2026	\$0	\$0	\$0
2027	\$3,150,000	\$0	\$0
2028	\$1,500,000	\$0	\$0
2029	\$2,000,000	\$0	\$0
2030	\$2,500,000	\$0	\$0
2031	\$1,500,000	\$0	\$0

Appendix B

Operation Forecast

B.1 – Operation Forecast Assumptions and Source

The Council has extensive operation expenditure, such as cleaning and utilities costs. Audits of the building assets are conducted by asset management consultants. The forecast includes acquisitions that will add to the asset base and result in additional operations cost.

B.2 – Operation Forecast Summary

Table B2: OPERATION FORECAST SUMMARY

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2022	\$841,200	\$23,028	\$841,200
2023	\$841,200	\$0	\$864,228
2024	\$841,200	\$48,300	\$864,228
2025	\$841,200	\$0	\$912,528
2026	\$841,200	\$0	\$912,528
2027	\$841,200	\$22,050	\$912,528
2028	\$841,200	\$10,500	\$934,578
2029	\$841,200	\$14,000	\$945,078
2030	\$841,200	\$17,500	\$959,078
2031	\$841,200	\$17,500	\$976,578

Appendix C

Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

The Council undertakes maintenance activities such as equipment repair and patching. The forecast includes acquisitions that will add to the asset base and result in additional maintenance cost.

C.2 – Maintenance Forecast Summary

Table C2: MAINTENANCE FORECAST SUMMARY

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2022	\$188,150	\$5,263	\$188,150
2023	\$188,150	\$0	\$193,413
2024	\$188,150	\$11,040	\$193,413
2025	\$188,150	\$0	\$204,453
2026	\$188,150	\$0	\$204,453
2027	\$188,150	\$5,040	\$204,453
2028	\$188,150	\$2,400	\$209,493
2029	\$188,150	\$3,200	\$211,893
2030	\$188,150	\$4,000	\$215,093
2031	\$188,150	\$4,000	\$219,093

Appendix D

Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Through building asset audits and asset renewal modelling, the Council has developed a forecast of required renewals for the forecast period.

D.2 – Renewal Forecast Summary

Table D2: Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2022	\$392,796	\$392,796
2023	\$531,577	\$531,577
2024	\$1,369,529	\$1,369,529
2025	\$556,645	\$556,645
2026	\$462,013	\$462,013
2027	\$469,222	\$469,222
2028	\$476,543	\$476,543
2029	\$483,979	\$483,979
2030	\$491,531	\$491,531
2031	\$499,201	\$499,201

Appendix E

Disposal Summary

E.1 – Disposal Forecast Assumptions and Source
No disposals have been forecast over the AMP period.

E.2 – Disposal Project Summary
No disposals have been forecast over the AMP period.

E.3 – Disposal Forecast Summary

Table E3: DISPOSAL ACTIVITY SUMMARY

Year	Disposal Forecast	Disposal Budget
2022	\$0	\$0
2023	\$0	\$0
2024	\$0	\$0
2025	\$0	\$0
2026	\$0	\$0
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0
2031	\$0	\$0

Appendix F

Budget Summary by Life-Cycle Activity

The Planned Budget matches the forecast budget for acquisition and renewal, while the Planned Budget for operation and maintenance has not incorporated increases due to new and upgrade projects which have been allowed in the forecasts. Any additional operations and maintenance requirement from new and upgraded works will be factored into revisions of this AMP.

Table F1: BUDGET SUMMARY BY LIFE-CYCLE ACTIVITY

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2022	\$3,289,742	\$841,200	\$188,150	\$392,796	\$0	\$4,711,888
2023	\$0	\$841,200	\$188,150	\$531,577	\$0	\$1,560,927
2024	\$6,900,000	\$841,200	\$188,150	\$1,369,529	\$0	\$9,298,879
2025	\$0	\$841,200	\$188,150	\$556,645	\$0	\$1,585,995
2026	\$0	\$841,200	\$188,150	\$462,013	\$0	\$1,491,363
2027	\$3,150,000	\$841,200	\$188,150	\$469,222	\$0	\$4,648,572
2028	\$1,500,000	\$841,200	\$188,150	\$476,543	\$0	\$3,005,893
2029	\$2,000,000	\$841,200	\$188,150	\$483,979	\$0	\$3,513,329
2030	\$2,500,000	\$841,200	\$188,150	\$491,531	\$0	\$4,020,881
2031	\$1,500,000	\$841,200	\$188,150	\$499,201	\$0	\$3,028,551