

Town of Gawler Building Asset Management Plan Summary

Buildings

2025 - 2034

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1.0 Introduction & Summary

1.1 Background

This AM Plan covers the following asset types:

Asset Group	Asset Type	Quantity
Buildings	Building structures including community centres, sports clubrooms, toilet blocks and civic buildings.	117

1.2 Plan Development

This plan has been developed using the best information available at the time of preparation. It has been established with Council officers in defining some basic service levels for renewal intervention with the objective of developing a pathway for sustainable management of Councils infrastructure assets. The following process has been used in preparation of the plan:

- Undertake a desktop analysis of Councils existing data with regard to infrastructure assets and in particular the ability to use this data to predict required renewals of these assets over the first 9 years of this plan with the objective of maintaining existing service levels.
- Enhancement of existing data (including field audits) to more accurately reflect required renewals.
- Develop draft sustainable capital renewal requirements over a 9 year period (not 10 years due to limitations with existing data)
- Compare these renewal requirements against Councils existing Long Term Financial Plan.
- Revise the Long Term Financial Plan i.e. increase available funds for infrastructure renewal in Councils budget.
- Develop an improvement plan for action in the development of the next Asset Management Plan.

1.3 Lifecycle Costs

1.3.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. The AM Plan 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 is estimated as \$51,800,376 or \$5,180,038 on average per year (this does not however include year 10 of the renewals due to limitations with existing data)

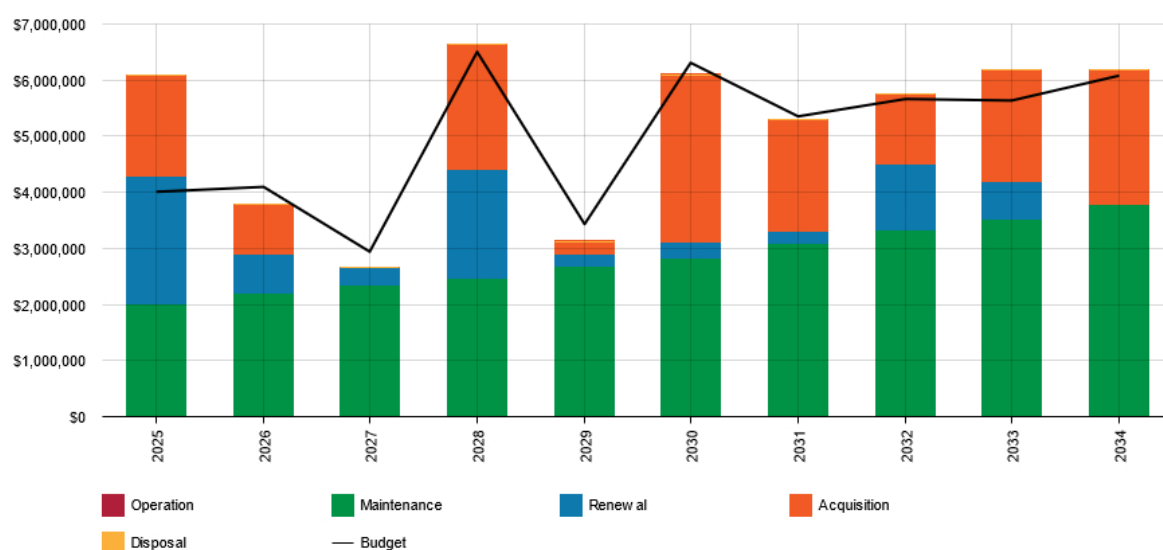
1.3.2 What we will do

Estimated available funding for the 10 year period is \$50,027,836 or \$5,002,784 on average per year as per the Long-Term Financial Plan or Planned Budget. This is 96.58% of the cost to sustain the current level of service at the lowest lifecycle cost. This does not however include an allowance for asset renewals in year 10 of this plan.

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 AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget leaves a shortfall of \$ -177,254 on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. As previously noted however this does not include an allowance for capital renewals in year 10 of the plan. This is shown in the figure below.

Forecast Lifecycle Costs and Planned Budgets



1.4 Levels of Service & Future Demand

Within constraints of existing data on infrastructure condition this Asset Management Plan has been based on maintaining existing service levels rather than improving service levels.

The plan has acknowledged that there are issues relating to the demand for a higher level of service through the provision of new or upgraded assets and will investigate these further as part of the detailed improvement plan as detailed in section 7.

1.5 Risk Management

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

This plan has identified additional risks for further investigation which are detailed in section 5.2.

1.6Improvement Plan

As noted in section 1.2 this plan has been developed from basic information that is currently available rather than waiting for updated data to become available. It will be important however to continuously improve available data to ensure sustainable solutions for infrastructure management are identified and implemented in a timely manner.

The next steps resulting from this AM Plan to improve asset management practices include:

- Develop a costed disability access implementation plan (DAIP) for all Council facilities
- Undertake a review of public toilets and develop a budget allocation for a rolling program of renewal and upgrade of toilet facilities
- Undertake a review of the minimum service level standards for buildings by type. The review will include a review of existing buildings and undertake a gap analysis based on the minimum service levels
- Review existing condition data with the objective of developing a detailed capital renewal program for consideration in the development of the next LTFP.

A detailed improvement plan is included in section 7.

2.0 Levels of Service

2.1 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 2.1.1: Customer Values – Buildings

Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Clean facility	customer relationship manager (CRM) and inspection reports	Adequate	Adequate
Structurally sound building	Feedback of occupier / audit report	Generally adequate via audit reports	Steady
Watertight	Feedback of occupier / audit report	Generally adequate via audit reports	Steady
Safety / Security	CRM and inspection report	Generally adequate via audit reports	Steady
Fit for purpose – functionality / useability / kitchen / toilet facilities	Improvement required, refer improvement plan – additional investigation needed	Anecdotal evidence would suggest that facilities are generally adequate.	Steady
Efficient facilities (solar, insulation) / Environmentally sustainable	Extensive solar installation on buildings current	Good	Good
Heating & cooling	Airconditioning units at end of life have been identified	Poor	Good
Technology (Wi Fi, PA, visual display equipment)	Buildings generally have this provision	Average	Average
Utilisation	Good utilisation across the asset portfolio	Good	Good
Storage	Improvement required, refer improvement plan – additional investigation needed	Anecdotal evidence would suggest general lack of storage in some areas	Expected to continue pending further investigation and additional funding

2.2 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 2.2.1 & 2.2.2 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 2.2.1: Customer Level of Service Measures -- Buildings

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Quality /Condition	General condition of facility	Condition assessment (1-5, 1 good, 5 bad)	Average condition 2.17 (all components, across all 48 buildings that have been audited)	Steady
	Renewal funding	Asset renewal funding ratio (based on limitations of existing data-does not include forecast renewals in year 10)	114%	114%
Function	<i>Confidence levels</i>		Moderate (based on condition assessment)	Moderate (Professional Judgement)
	Fit for purpose	Professional judgement	Average	Steady
	Energy efficient facility	Professional judgement	Average	Steady
	Technology	Professional judgement	Average	Steady
	Safety & security	Professional judgement	Good	Steady
	<i>Confidence levels</i>		Moderate (Professional Judgement)	Moderate (Professional Judgement)
Capacity	Utilisation / storage / carparking	Professional judgement	Low	Stay same (increase pending review)
	<i>Confidence levels</i>		Moderate (Professional Judgement)	Moderate (Professional Judgement)

2.3 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. new building or change room) or a new service that did not exist previously.
- **Operation** – the regular activities to provide services (e.g. 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. fire services, electrical),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. refurbishment, air conditioning replacement),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.¹

Tables 2.3.1 & 2.3.2 shows the activities expected to be provided under the **current** 10-year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

The budget figures in these table have been calculated as an annual average over the 10 years of the long term financial plan (LTFP) i.e. the budget under ‘current performance’ is calculated by taking the total in the LTFP over 10 years (under the relevant lifecycle activity) and dividing it by 10. In a similar manner the ‘recommended performance’ is calculated by taking the total recommended forecast funds over 10 years and dividing it by 10.

¹ IPWEA, 2015, IIMM, p 2 | 28.

Table 2.3.1: Technical Levels of Service - Buildings

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
Acquisition	Provision of new facilities to the community	Facilities delivered on time and budget	Satisfactory	Satisfactory
		Budget (p.a. average)	\$1,577,860	\$1,577,860
Maintenance / Operations	Ensure building is functional based on current service level	Contracts in place for maintenance works either undertaken externally or internally	Average	Good
		Budget (p.a. average)	\$2,537,824	\$2,828,823 (growth incl)
Renewal	Ensure buildings and structures achieve their overall expected life through proactive renewal program	Programs in place for proactive renewal works either undertaken externally or internally	Average	Good
		Budget (p.a. average)	\$887,100	\$773,355
Disposal	Not considered due to high use	N/A	N/A	N/A
		Budget (p.a. average)	\$0	\$0

Note: * Current activities related to Planned Budget.

** Expected performance related to forecast lifecycle costs.

With relation to renewal it should be noted that due to the limitations of existing data a renewal projection for year 10 of this plan was unable to be made. This has the end result that the renewal forecast over the 10 years is less than the renewal budget.

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.

3.0 Future Demand

3.1 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.

3.2 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.

3.3 Demand Impact & Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table series 3.3.

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 3.3. Further opportunities will be developed in future revisions of this AM Plan.

Table 3.3.1: Demand Management Plan - Buildings

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Multiple Heritage / old buildings	There are several heritage / old buildings used in the provision of services to the community that are either occupied by Council or others.	Lifecycle costs are expected to increase moving forward as these buildings require renewal to current building standards.	High lifecycle costs for small number of buildings	Undertake a review of building age and lifecycle costs with a view to rationalisation
Legislation changes – Disability Access and Inclusion Plan (DAIP)	Council has developed a Disability Access and Inclusion Plan (DAIP) for two buildings only.	The DAIP is currently undergoing costing	It is likely that additional budget allocations will be required to meet this legislative change.	The budget impact of the DAIP is currently being developed and will inform how Council manages its implementation. Additional DAIP's to be developed for all Council's significant facilities.
Service levels (change)	No minimum service standards have been set by Council for provision of buildings by type i.e. air conditioning, kitchen type (commercial / domestic), toilets, roof access for air conditioning, insulation, solar, technology, audio visual provision and security (by example)	It is expected that the situation will continue until action is taken	Ad hoc requests by building occupiers made to Council regarding service level upgrades of buildings.	Undertake a review of the minimum service level standards for buildings by type. The review will include a review of existing buildings and undertake a gap analysis based on the minimum service levels.

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Service levels of public toilet facilities and building toilets	Public toilets have no set service standards i.e. handwashing, access, auto opening doors, vision impairment (braille) contrasting colours	Higher standard will be required in the future to meet minimum requirements via legislation	Higher costs through required upgrade of toilet facilities	Undertake review of public toilets and upgrade requirements.

3.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 4.3.

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 long-term financial plan (Refer to Section 4).

4.0 Lifecycle Management Plan

The lifecycle management plan details how the Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 2) while managing life cycle costs.

The development of this plan has predominantly focussed on developing a sustainable capital renewal profile, accordingly, rates have been used that replicate Councils actual renewal costs in estimating the renewal requirements.

4.1 Operations and Maintenance Plan

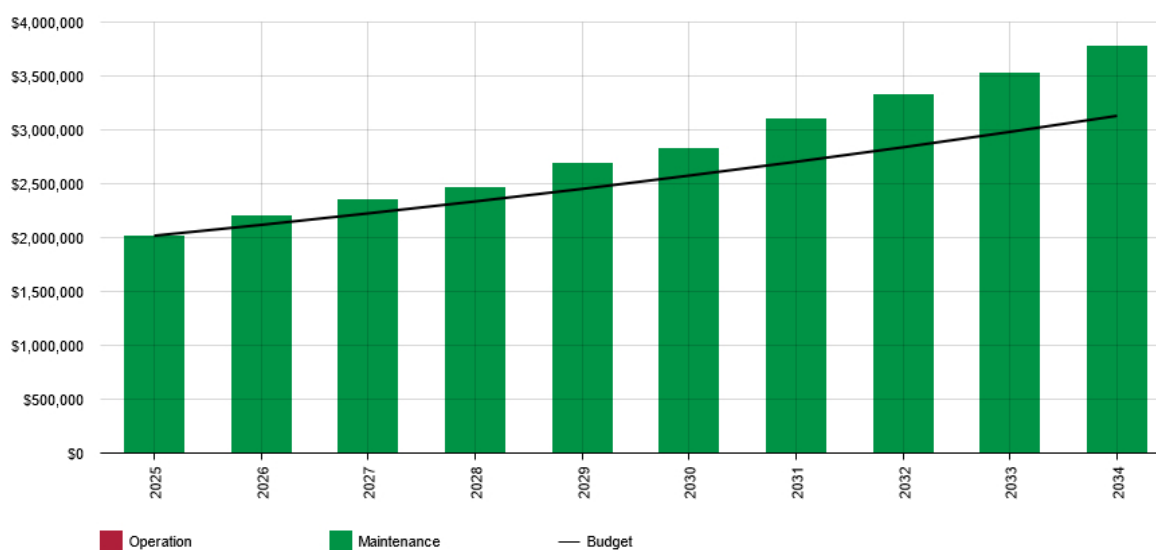
Operations include regular activities to provide services. Examples of typical operational activities include cleaning, pest control, and utility costs.

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 fire services inspection and repair, electrical repair and air conditioning inspection/ maintenance).

Summary of forecast operations and maintenance costs

Forecast 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 maintenance costs are expected to decrease. Figure 4.1 shows the forecast maintenance and operation costs relative to the proposed Planned Budget which is static based on 2025 values. Additions to the budget to allow for additional maintenance costs will be considered in future revisions of the long term financial plan

Figure 4.1: Operations and Maintenance Summary – Buildings



All figure values are shown in current day dollars.

4.2Renewal 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.

The development of this plan has predominantly focussed on developing a sustainable capital renewal profile for infrastructure assets.

Rather than wait for the development of mature data sets that can be directly used for the establishment of actual capital works programs and valuations, this asset management plan has focussed on enhancing and using existing datasets wherever possible. The improvement plan includes recommendations for improved data gathering with the objective of delivering a more precise plan in the future.

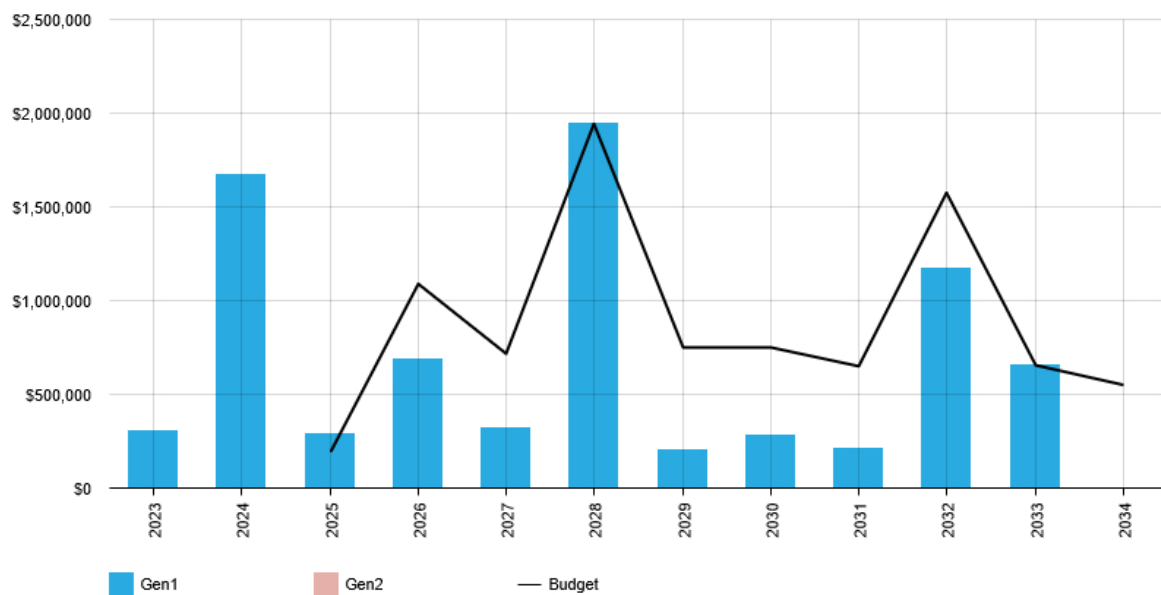
Summary of future renewal costs

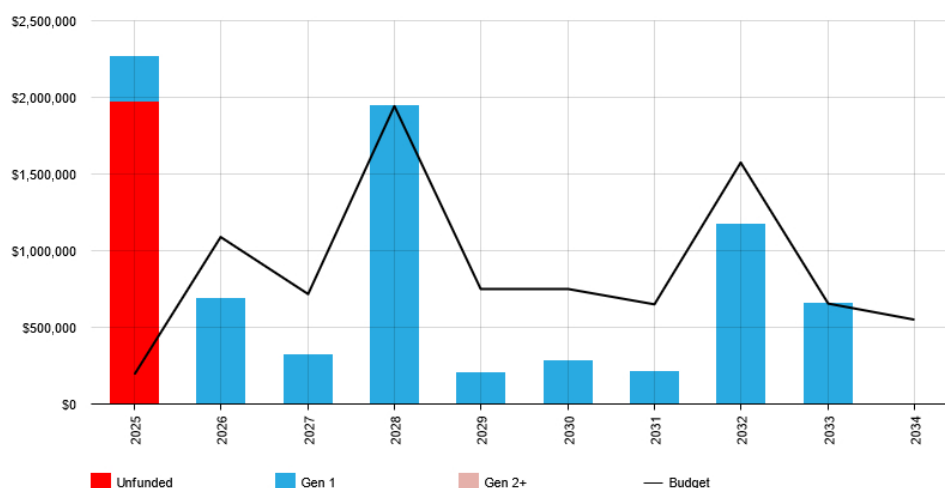
Forecast renewal costs are projected to increase over time as the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 4.2. A detailed summary of the forecast renewal costs is shown in Appendix C.

A discussion has been included as to how existing data has been leveraged for the purpose of the preparation of this asset management plan under the graph in Figure 4.2.

It should be noted that due to the limitations of existing data a renewal projection for year 10 of this plan was unable to be made. The result of this is that the renewal forecast over the 10 years is less than the renewal budget.

Figure 4.2: Forecast Renewal Costs – Buildings





In 2022 Council (via an external consultant) undertook a condition audit of all Council buildings. The report that accompanied this assessment recommended capital renewal expenditure (together with maintenance expenditure) against Council buildings over the period of 20 years.

The capital renewals identified through the above project were found to be low when compared to industry standards. In response to this the following additional work has been undertaken by Council:

- Inspection of each facility with a view to developing an estimated costed list of capital renewals and refurbishments.
- Analysing Council register of air conditioning plant with the aim of developing a capital program of renewals.

The required capital building renewals \$773k per annum (averaged over 10 years) in this plan have been drawn from these sources.

Overall, the annualised average (over 10 years) rate of annual asset renewal is 1.47% for buildings i.e. average annual renewal / replacement cost whereas the rate of annual asset consumption is 1.72%. It is considered that this gap is nominal considering the maturity of data used in the preparation of this plan

Table 4.2.1: Renewal Funding Shortfall

Table 4.2.1 illustrates difference between the forecast renewals developed as part of this Asset Management Plan against provisions for asset renewal in council's LTFP.

Year	Forecast Renewal	Planned Renewal Budget (LTFP)	Annual Renewal Budget Shortfall	Cumulative Renewal Budget Shortfall
2025	2,263,225	192,000	-2,071,225	-2,071,225
2026	689,000	1,089,000	400,000	-1,671,225
2027	317,000	717,000	400,000	-1,271,225
2028	1,943,280	1,943,000	-280	-1,271,505
2029	200,000	750,000	550,000	-721,505
2030	281,507	750,000	468,493	-253,012
2031	210,000	650,000	440,000	186,988
2032	1,175,200	1,575,000	399,800	586,788
2033	654,336	655,000	664	587,452
2034	0	550,000	550,000	1,137,452

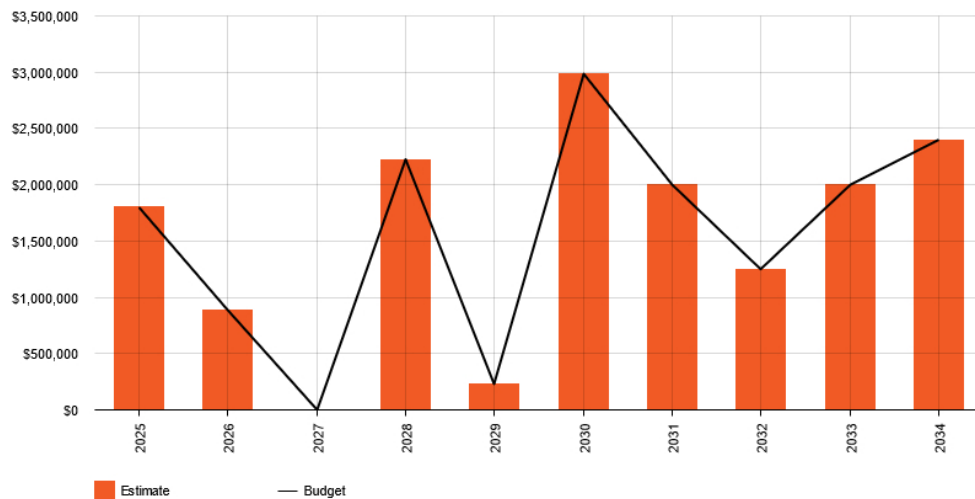
4.3 Acquisition Plan

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.

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 4.3.1 and shown relative to the proposed acquisition budget.

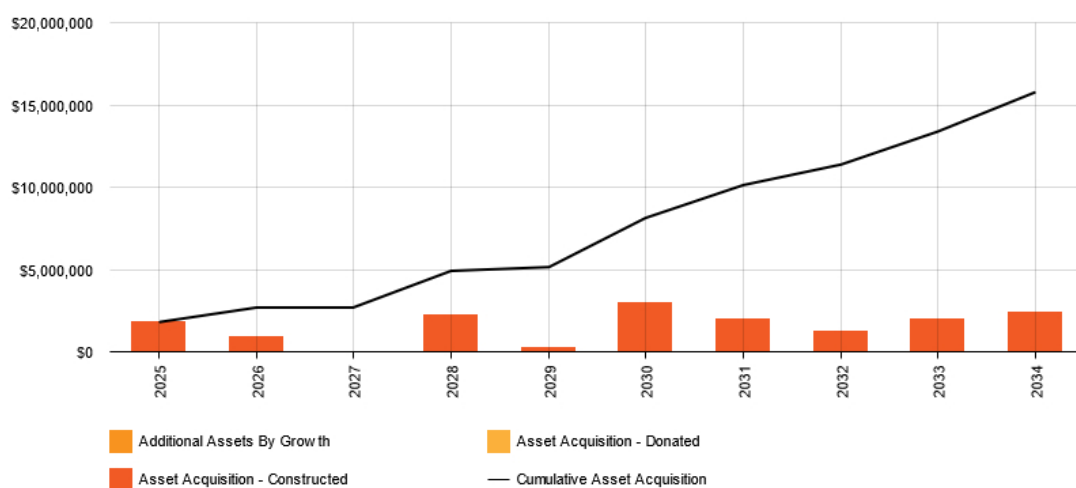
Figure 4.3.1: Acquisition (Constructed) Summary – Buildings



When a 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 the Council.

The **cumulative** value of all acquisition work, including assets that are constructed and contributed are shown in Figure 4.3.6.

Figure 4.3.6: Acquisition Summary – Buildings



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.

4.4 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

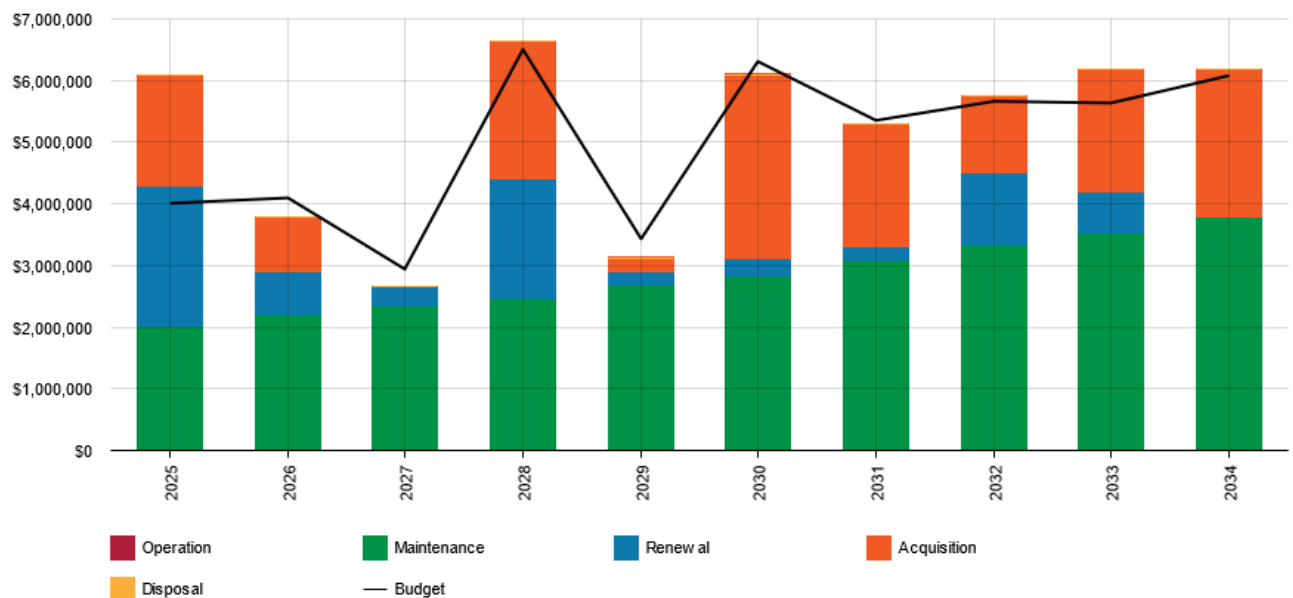
Cost associated with disposal of assets have not been considered in the preparation of this plan.

4.5 Summary of Asset Forecast Costs

The financial projections from this asset plan are shown in Figure 4.5. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget. The projections do not include acquisitions through 'donated' assets.

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 4.5: Lifecycle Summary -Buildings



All figure values are shown in current day dollars.

5.0 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’².

An assessment of risks³ 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.

5.1 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 the 5.1 series tables. Failure modes may include physical failure, collapse or essential service interruption.

Table 5.1.1 Critical Assets- Buildings

Critical Asset(s)	Failure Mode	Impact
Heritage buildings	Potential structural failure through the action of salt damp	High cost of repair unless preventative treatment is undertaken
Heritage buildings	Compliance – DDA (disability discrimination act) compliance & fire safety	Litigation
Public Toilets	Vandalism Plumbing Accessibility	Health & safety & exclusion of users

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.

² ISO 31000:2009, p 2

³ REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

5.2Risk Assessment

The risk management process used is shown in Figure 5.2 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.

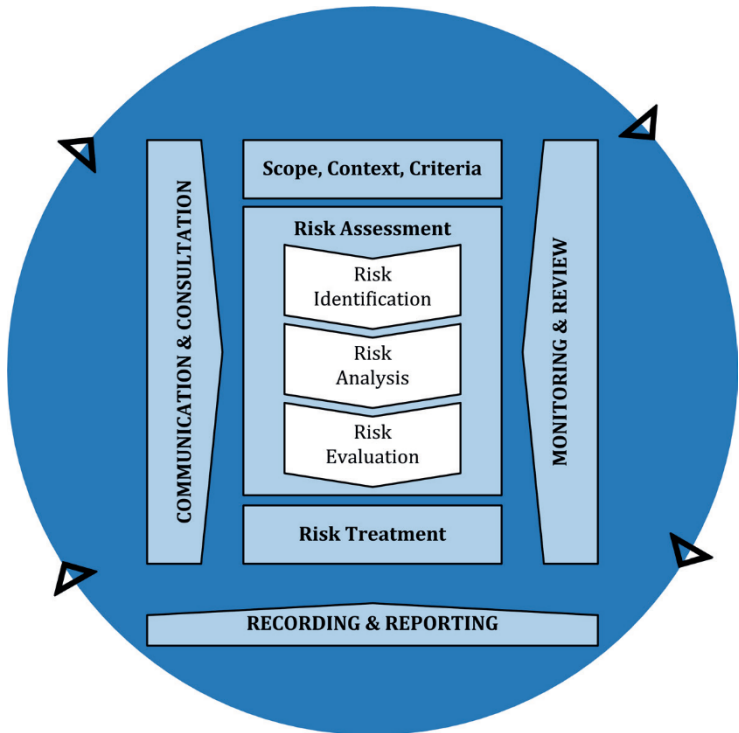


Fig 5.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

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 risks⁴ 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 the table 5.2 series.

⁴ REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

Table 5.2.1: Risks and Treatment Plans - Buildings

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Heritage Buildings	Very high costs in remediation of salt damp & compliance / access issues	H	Undertake review of salt damp in building structures	Low if study implemented	\$40,000
			Develop costs associated with implementation of DDA access	Low if associated program of works is implemented	\$10,000
Buildings generally	Poor access for persons with a disability	H	Undertaken development of a DAIP for all Council buildings	Low if study completed and implemented	\$25,000

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

5.3 Service and Risk Trade-Offs

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

5.3.1 What we cannot do

The budget allows for the implementation of all requirements of the plan, excluding DDA works that are yet to be costed.

5.3.2 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:

- DDA access not adequately provided

5.3.3 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:

- Expose to risk associated with inadequate access to Council facilities

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

6.0 Financial Summary

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

6.1 Financial Sustainability and Projections

6.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM 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

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have (in total, for assets considered in this asset management plan) 114% of the funds required for the optimal renewal of assets.

It should be noted that due to the limitations of existing data, a renewal projection for year 10 of this plan was unable to be made. The result of this is that the renewal forecast over the 10 years is less than the renewal budget.

Medium term – 10 year financial planning period

This AM 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 maintenance and renewal costs over the 10 year planning period (averaged) are compared against the budgeted maintenance and renewal costs in the table below:

Infrastructure Group	Forecast (maintenance, operations and renewal) annual average costs (\$)	Budgeted (maintenance and renewal) annual average costs (\$)	Annual average shortfall (-Ve) or surplus (+Ve) (\$)	10 Year Indicator(%)
Buildings	3,602,178	3,424,924	-177,254	95%

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 AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

6.1.2 Forecast Costs (outlays) for the long-term financial plan

Tables 6.1 (series) shows the forecast costs (outlays) required for consideration in the next revision of 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 AM Plan (including possibly revising the long-term financial plan).

We will manage the ‘gap’ by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs (not budget costs) are shown in 2024/25 dollar values and have not been indexed. The increase in forecast maintenance costs is due to an increase in the asset stock associated with acquisitions.

Table 6.1.1: Forecast Costs (Outlays) for the Long-Term Financial Plan –Buildings

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2025	1,799,480	0	2,017,686	2,263,225	0
2026	889,118	0	2,205,486	689,000	0
2027	0	0	2,354,358	317,000	0
2028	2,225,000	0	2,465,583	1,943,280	0
2029	230,000	0	2,689,837	200,000	0
2030	2,985,000	0	2,823,572	281,507	0
2031	2,000,000	0	3,096,504	210,000	0
2032	1,250,000	0	3,328,298	1,175,200	0
2033	2,000,000	0	3,530,628	654,336	0
2034	2,400,000	0	3,776,280	0	0

6.2 Funding Strategy

The proposed funding for assets is outlined in the Council's budget and Long-Term financial plan.

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

6.3 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM 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 scale⁵ in accordance with Table 6.3.1.

Table 6.3.1: 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 AM Plan is shown in Table 6.3.2.

⁵ IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Table 6.3.2: Data Confidence Assessment for Data used in AM Plan

Data	Confidence Assessment	Comment
Demand drivers	C	Future demand in this AMP has been considered mostly from the point of view of a change in service levels
Growth projections	D	No growth modelling has been undertaken
Acquisition forecast	C	Refer to 'Demand Drivers' above. Additional investigation needs to be conducted to quantify the costs associated with the transition from unsealed to sealed rural roads.
Operation forecast	B	Existing expenditure has been used as the basis for forecast expenditure without any further modelling associated with whether existing resources are adequate.
Maintenance forecast	B	Existing expenditure has been used as the basis for forecast expenditure without any further modelling associated with whether existing resources are adequate.
Renewal forecast - Asset values	C	Traditional asset values have not been considered in the preparation of this plan, but rather estimated costs associated with renewals.
- Asset useful lives	B	Traditional useful lives have not been considered in the preparation of this plan, but rather estimated costs associated with renewals.
- Condition modelling	C	Further work is required on condition assessment and data gathering to more accurately reflect required renewals to ensure sustainability. Particularly with relation to estimating year 10 re
Disposal forecast	C	Costs associated with disposals have not been considered in the preparation of this asset management plan.

The estimated confidence level for and reliability of data used in this AM Plan is considered to be **C**.

7.0 Plan Improvement & Monitoring

7.1 Improvement Plan

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in table 7.1

Table 7.1: Improvement Plan - Buildings

Task	Task	Responsibility	Resources Required	Timeline
1	Undertake DDA access investigation for Council Facilities	Team Leader Property and Facilities	\$25,000	2025/26
2	Undertake review of public toilets and develop a budget allocation for a rolling program of renewal and upgrade of toilet facilities	Team Leader Property and Facilities	Internal	2026/27
3	Undertake a review of the minimum service level standards for buildings by type. The review will include a review of existing buildings and undertake a gap analysis based on the minimum service levels.	Team Leader Property and Facilities	Internal	2026/27
4	Review existing condition data with the objective of developing a detailed capital renewal program for consideration in the development of the next LTFP.	Team Leader Property and Facilities	\$50,000	2026/27

7.2 Monitoring and Review Procedures

This AM 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 AM Plan will be reviewed and updated every 2 years 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 AM Plan has a maximum life of 4 years and is due for complete revision and updating within 2 years of Council election.

8.0 APPENDICES

Appendix A Acquisition Forecast

Table A1 - Acquisition Forecast Summary

The table below shows the total proposed costs associated with new / upgrade assets over the course of the plan. Note that no costs have been considered against building disposals in this plan.

Year	Constructed	Donated	Growth
2025	1,799,480	0	0
2026	889,118	0	0
2027	0	0	0
2028	2,225,000	0	0
2029	230,000	0	0
2030	2,985,000	0	0
2031	2,000,000	0	0
2032	1,250,000	0	0
2033	2,000,000	0	0
2034	2,400,000	0	0

Appendix B Maintenance & Operations Forecast

Table B1 - Maintenance Forecast Summary

Table B1 illustrates the following

Maintenance Budget	Is base maintenance & operations budget (via LTFP)
Additional Maintenance Forecast	Is additional forecast maintenance and operations costs associated with new / upgrade assets
Total Maintenance Forecast	Is the total anticipated maintenance and operations requirements

The Maintenance and Operations Budget includes the following:

- Building maintenance
- Fire Services
- Electrical Maintenance
- Air Conditioning maintenance
- Plumbing
- Lift Services
- Unplanned maintenance
- Pest Control
- Security Cleaning
- Hygiene Services
- Cleaning
- Electrical Testing & Tagging
- Indoor Plant Hire
- Utilities Budget

Year	Maintenance Budget	Additional Maintenance Forecast	Total Maintenance Forecast
2025	2,017,686	86,915	2,017,686
2026	2,118,571	42,944	2,205,486
2027	2,224,499	0	2,354,358
2028	2,335,724	107,468	2,465,583
2029	2,452,510	11,109	2,689,837
2030	2,575,136	144,176	2,823,572
2031	2,703,893	96,600	3,096,504
2032	2,839,087	60,375	3,328,298
2033	2,981,042	96,600	3,530,628
2034	3,130,094	96,600	3,776,280

Appendix C

Renewal Forecast Summary

Table C1 - Renewal Forecast Summary

Note that given the limitations of existing data the modelling of renewal costs has been unable estimate renewal requirements for year 10 of this plan.

Year	Renewal Forecast	Renewal Budget
2025	2,263,225	192,000
2026	689,000	1,089,000
2027	317,000	717,000
2028	1,943,280	1,943,000
2029	200,000	750,000
2030	281,507	750,000
2031	210,000	650,000
2032	1,175,200	1,575,000
2033	654,336	655,000
2034	0	550,000

Appendix D Disposal Summary

The costs associated with disposals have not been considered in the development of this Asset Management Plan.

Appendix E Budget Summary by Lifecycle Activity

Table E1 details Council's existing budget provisions (not forecast developed by this Asset Management Plan)

Table E1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2025	1,799,480	657,687	311,785	192,000	0	2,960,952
2026	889,118	657,687	311,785	1,089,000	0	2,947,590
2027	0	657,687	311,785	717,000	0	1,686,472
2028	2,225,000	657,687	311,785	1,943,000	0	5,137,472
2029	230,000	657,687	311,785	750,000	0	1,949,472
2030	2,985,000	657,687	311,785	750,000	0	4,704,472
2031	2,000,000	657,687	311,785	650,000	0	3,619,472
2032	1,250,000	657,687	311,785	1,575,000	0	3,794,472
2033	2,000,000	657,687	311,785	655,000	0	3,624,472
2034	2,400,000	657,687	311,785	550,000	0	3,919,472