



Buildings

Asset Management Plan

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1. EXECUTIVE SUMMARY

What Council Provides

Council provides Building Assets in partnership with Community and sporting groups to enable safe, functional and sustainable use relevant to the building type.

What does it Cost?

There are two key indicators of cost to provide the Building Assets.

- The life cycle cost being the average cost over the life cycle of the asset, and
- The total maintenance and capital renewal expenditure required to deliver existing service levels in the next 15 years covered by Council's long term financial plan.

Annual Forecast Maintenance	\$824,000
Annualised Renewal and Replacement Program	\$693,000
Total Annual Cost	\$1,517,000

Plans for the Future

Council plans to operate and maintain the Building Asset network to achieve the following strategic objectives.

1. Ensure Building Assets are maintained at a safe, secure, equitable and functional standard as set out in this asset management plan.
2. Ensure Building Assets are inspected regularly to the standard as set out in this asset management plan.
3. Ensure Building Assets meet the demand of future growth as set out in this asset management plan.

Measuring our Performance

Quality

Building assets will be maintained in a reasonably usable condition. Defects found or reported that are outside our service standard will be repaired. See our maintenance response service levels for details of defect prioritisation and response time.

Function

Our intent is that Building Assets are maintained adequately to provide the community, sporting groups and visitors with appropriate, safe, accessible and attractive buildings.

Building asset attributes will be maintained at a safe level and associated signage and equipment be provided as needed to ensure public safety and accessibility. We need to ensure key functional objectives are met.

Safety

We inspect all Buildings regularly and prioritise and repair defects in accordance with our inspection schedule to ensure they are safe.

The Next Steps

The actions resulting from this asset management plan are:

- Continue Formal Routine Inspections
- Action Community and User requests regarding building maintenance and improvements
- Community Survey of satisfaction of building service levels
- Review demand growth areas

2. INTRODUCTION

2.1 Background

This asset management plan seeks to: demonstrate responsive management of assets and associated services, comply with regulatory requirements, and communicate the level of funding necessary to provide the required levels of service.

The asset management plan is to be read with the following associated planning documents:

Maitland 2021 Community Strategic Plan 2011

Maitland Delivery Program 2011

Asset Management Policy 2011

Asset Management Strategy 2011

This asset management plan covers the following infrastructure assets:

The Council Assets & Infrastructure Planning buildings inventory consists of 143 buildings and 2 swimming pool complexes varying in age from new to over 100 years of age (such as the Town Hall). The buildings also have a wide range of uses such as libraries, office buildings, community buildings, childcare centres, historic buildings (such as Morpeth Court House), and sporting facilities (swimming pools, amenities blocks, sporting oval buildings, grandstands).

Table 2.1. Assets covered by this Plan

Asset category	Description	Replacement Value (\$M)
District Buildings	Council's 5 district buildings are located at (and built): Administration Building (1983), Art Gallery (1910 - 2009), Morpeth Court House Museum (1862), Town Hall (1889) and Visitors Centre (1997).	\$39M
Libraries	Council's 4 libraries are located at (and built): Maitland (1968), Thornton (1999), East Maitland (2004) and Rutherford (2003).	\$4.9M
Child Care Centres	Council's 4 child care centres are located at (and built): Metford (1984), Thornton (1987), Rutherford (1987) and East Maitland (1998).	\$3M
Community Halls	Council's 13 community halls/centres are spread across the Local Government Area.	\$10.4M
Amenities Buildings	Council's 34 amenities buildings are located in various parks and ovals throughout the Local Government Area.	\$13.5M
Toilet Blocks	Council's 23 public toilet blocks are located in various parks and ovals throughout the Local Government Area	\$1.4M
Grandstands	Council's 9 grandstands are located in various parks and ovals throughout the Local Government Area. The grandstands are generally associated with local sports clubs and some have toilets, change/meeting rooms, and storerooms	\$3.6M
Kiosks	Council's 12 kiosks are located in various parks and ovals throughout the Local Government Area. The kiosks are generally associated with local sports clubs and have kitchen and storage facilities.	\$0.8M
Council Works Depot	Council's Works Depot located at Metford comprises 19 buildings including various workshops, offices, storage sheds and amenities.	\$8.6M
Equipment Sheds	Council's 23 equipment sheds are located in various parks and ovals throughout the Local Government Area. The equipment sheds are generally associated with local sports clubs.	\$0.5M
Miscellaneous Buildings	Council's 14 miscellaneous buildings include: the historic Walka Water Works complex (1887/1913), historic Town Hall Café (1849), several residential rental properties and other	\$1.4M

	minor recreational structures.	
Nursery	Council's Nursery located in Maitland Park comprises 2 workshop/amenities buildings.	\$0.1M
Waste Depot	Council's Waste Depot located at Mt Vincent Road, East Maitland comprises 5 buildings including a weighbridge, offices & sheds.	\$1.5M
TOTAL		\$88.7M

Council also owns a number of buildings & complexes which are managed by other divisions within Council or externally and subsequently are not covered by this Plan. These buildings are generally Works related and are listed below in Table 2.2.

Table 2.2. Assets Additional to Council's Core Service Delivery

The following buildings with use to Council are additional to Council's Core Service Delivery. The Maitland Gaol is managed by Council however is not a Council asset.

Asset category	Description
Gaol	Council's Gaol located at East Maitland (1884) is an historic walled complex of 24 buildings.
Gaol Rental Houses	Adjacent to the Gaol complex are 3 residential houses that Council rents out commercially.
SES Headquarters	Council's emergency response headquarters building is located at Rutherford.
Rangers Headquarters	Council's rangers headquarters building is located at East Maitland.

Key stakeholders in the preparation and implementation of this asset management plan are:

Community, Recreational Groups & Visitors	User Safety, Work requests & Satisfaction
Tenants	User Safety, Work requests & Satisfaction
Developers	Compliance and Financial Contribution
Heritage Bodies	Compliance & Information
Council Community & Recreation Services	Community, Recreation Group & Visitor Liaison & Feedback
Council Assets & Infrastructure Planning	Planning, Design and Management
Council City Works & Services	Provision of Services

2.2 Goals and Objectives of Asset Management

The Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by 'purchase', by construction via council staff or contractors and by donation via developers and others to meet increased demand and levels of service.

Council's goal in managing infrastructure assets is to meet the required level of service in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Taking a life cycle approach,
- Developing cost-effective management strategies for the long term,
- Providing a defined level of service and monitoring performance,
- Understanding and meeting the demands of growth through demand management and infrastructure investment,
- Managing risks associated with asset failures,
- Sustainable use of physical resources,
- Continuous improvement in asset management practices.¹

2.3 Plan Framework

Key elements of the plan are

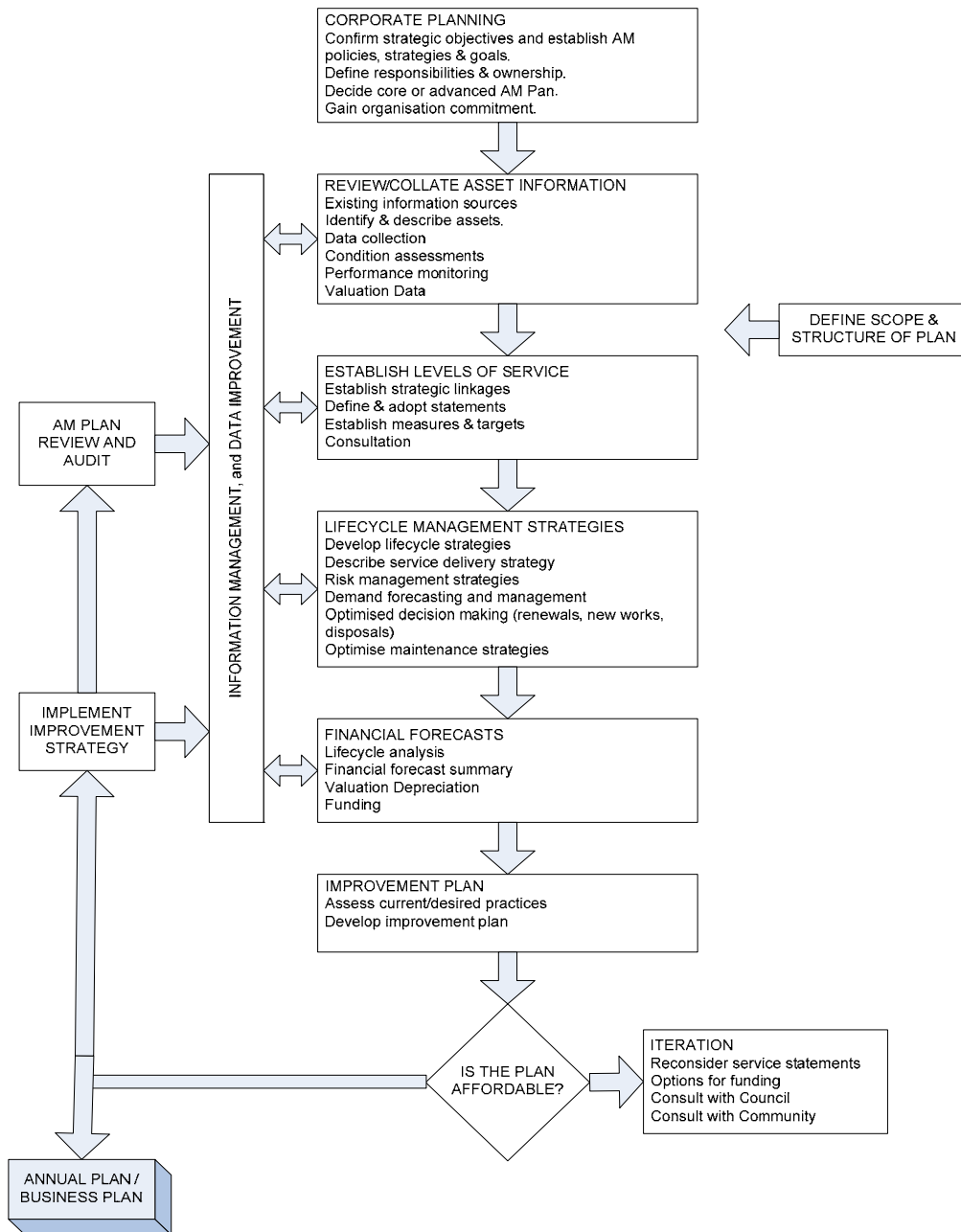
- Levels of service – specifies the services and levels of service to be provided by council.
- Future demand – how this will impact on future service delivery and how this is to be met.
- Life cycle management – how Council will manage its existing and future assets to provide the required services
- Financial summary – what funds are required to provide the required services.
- Asset management practices
- Monitoring – how the plan will be monitored to ensure it is meeting Council's objectives.
- Asset management improvement plan

¹ IIMM 2006 Sec 1.1.3, p 1.3

A road map for preparing an asset management plan is shown below.

Road Map for preparing an Asset Management Plan

Source: IIMM Fig 1.5.1, p 1.11



2.4 Advanced Asset Management

This asset management plan is prepared as an advanced asset management plan in accordance with the International Infrastructure Management Manual. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Advanced asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

Future revisions of this asset management plan will advance the 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels.

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has recently conducted a Community Survey (2009). This and future surveys will be investigated for future updates of the asset management plan.

Building Construction & Maintenance: Customer satisfaction has been measured via a Community Survey 2009. Comparison with the 2006 survey has customer opinion not changing. Customer Service complaints have actually decreased.

There are always some requests for service in this area. Building assets has a back log of works that needs addressing. This may have contributed in the very small drop in surveyed satisfaction. Complaints have decreased.

3.2 Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. These include:

Table 3.2. Legislative Requirements

Legislation	Requirement
Local Government Act 1993 Local Government Regulation 2005	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery
Building Code of Australia	Compliance to Code
Aust/NZ Standards	General compliance to required standards
Occupational Health and Safety Act 2000 Occupational Health and Safety Regulation 2001	Compliance to safety and workplace laws
Federal Laws and Regulations	General compliance
Legislation	Requirement
Disability Discrimination Act 1992	To ensure that the persons with disabilities have the same rights as the rest of the community
Heritage Act 1977	Protection of historic buildings, structures and precincts
Electricity Act 2004	Electricity safety provisions in NSW
Hunter Water Act 1991	Provision of water, sewerage and drainage services in the Hunter region by the Hunter Water Board
Gas Supply Act 1996 Gas Supply Regulation 2002	Provisions to regulate the supply of gas in NSW
Occupational Health and Safety Amendment (Dangerous Goods) Act 2003 Occupational Health and Safety Amendment (Dangerous Goods) Regulation 2005	Provisions to protect the health and safety of the public from hazards arising from the storage and handling of dangerous goods
Crowns Lands Act 1989	Sets out requirements for work and leases on Crown Land

3.3 Current Operating & Maintenance Level of Service

Council has defined service levels in two terms.

Community Levels of Service relate to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost/efficiency and legislative compliance.

Supporting the community service levels are operational or technical measures of performance developed to ensure that the minimum community levels of service are met. These technical measures relate to service criteria such as:

Service Criteria	Technical measures may relate to
Fit for purpose User Access Safety	Maintenance Usage Statistics Number of injury accidents

Prioritisation of works ensures the cost effective maintenance of building assets throughout Maitland.

Council's current service levels as expenditure are detailed in Table 3.3.

Table 3.3. Current Operating & Maintenance Service Levels as Expenditure

ITEM/ CATEGORY	FIRE PROTECTION (6 MONTHLY)	SECURITY MONITORING	AIR CONDITIONING (MONTHLY)	AUTOMATIC DOOR SERVICING (3 MONTHLY)	LIFT SERVICING (YEARLY)	CONTRACT CLEANING	GROUNDS MAINTENANCE	TOTAL ANNUAL COST (\$)
DISTRICT BUILDINGS	15,000	10,000	18,000	5,000	8,000	Council Staff	12,000	68,000+
LIBRARIES	3,000	6,000	7,000	6,000	500	60,000	9,000	91,500
CHILD CARE CENTRES	2,500	100	Lessees Pay	N/A	N/A	Lessees Pay	Lessees Pay	2,600
COMMUNITY HALLS	12,000	14,000	5,000	1,000	N/A	69,000	26,000	127,000
AMENITIES BUILDINGS	200	N/A	N/A	N/A	N/A	N/A	N/A	200
TOILET BLOCKS	N/A	N/A	N/A	N/A	N/A	130,000	N/A	130,000
GRANDSTANDS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
KIOSKS	500	N/A	N/A	N/A	N/A	N/A	N/A	500
COUNCIL WORKS DEPOT	10,000	10,000	20,000	4,124	N/A	10,000	10,000	64,124
EQUIPMENT SHEDS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MISCELLANEOUS BUILDINGS	200	N/A	N/A	N/A	N/A	500	N/A	700

Table 3.3. Preventative Maintenance Program

System	Level of Service	Current Performance
Air Conditioning	Monthly service, repairs as necessary	Achieved, contract in place
Cooling Towers	Monthly service, quarterly legionella tests, repairs as necessary	Achieved, contract in place
Electrical Services	Periodical regulatory devices service, repairs as necessary	Achieved, contract in place
Plumbing Services	Annual regulatory devices & quarterly services, repairs as necessary	Achieved, contract in place
Fire Services	6 monthly service, repairs as necessary	Achieved, contract in place
Security Services	6 monthly service, after-hours electronic monitoring, night patrols, repairs as necessary	Achieved, annual agreements in place

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target	Current Performance
COMMUNITY LEVELS OF SERVICE				
Customer Satisfaction score	Customer Satisfaction	Conduct Community Surveys	Satisfaction score >7.6 (Community Survey 2009)	Current Score is 7.6
TECHNICAL LEVELS OF SERVICE				
Statistics on maintenance, usage and accidents	Functional buildings, safe and fit for purpose.	Monitor seasonally adjusted complaints and expenditure patterns	Improve function and appearances.	Buildings are generally safe and fit for purpose. There exists a backlog of work that effect appearances.

3.4 Desired Levels of Service

At present, indications of desired levels of service are obtained from various sources including future customer satisfaction survey, residents' feedback to Councillors and staff, service requests and correspondence. Council has yet to quantify desired levels of service. This will be done in future revisions of this asset management plan. In the meantime current service levels will be maintained.

Generally, a lift in appearance is desirable, but not at the expense of 'necessary' works.

4. FUTURE DEMAND

4.1 Demand Forecast

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices, environmental awareness, etc.

Demand factor trends and impacts on service delivery are summarised in Table 4.1.

Table 4.1. Demand Factors, Projections and Impact on Services

Demand factor	Present position	Projection	Impact on services
Population	2001 Census - 53,803	2026 – 96,000	Proportional increase in the number of buildings &/or extensions to existing buildings to meet projected population growth primarily in urban residential areas

4.2 Changes in Technology

Technology changes are forecast to have little effect on the delivery of services covered by this plan. Any advance in materials and methods of operation will be considered on merit and cost.

4.3 Demand Management Plan

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

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

Table 4.3. Demand Management Plan Summary

Service Activity	Demand Management Plan
Building Rationalisation	Determine usage, obsolesce & costs
Non Asset Solutions	User management plans, joint use, multi use, etc

4.4 New Assets from Growth

The new assets required to meet growth will be acquired from land development contributions, government grants and construction by Council. Acquiring these new assets will commit council to fund ongoing operations and maintenance. Over the last several years Council has acquired the following significant buildings:

- Maitland Regional Art Gallery - \$8 M
- Extension to Rutherford Community Centre - \$1M
- Woodberry Family Centre - \$2M

Future demand will impact on several buildings in the short to medium term.

- A new administration facilities and city precinct areas.
- A new library for Maitland CBD

5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in section 3) while optimising life cycle costs.

5.1 Background Data

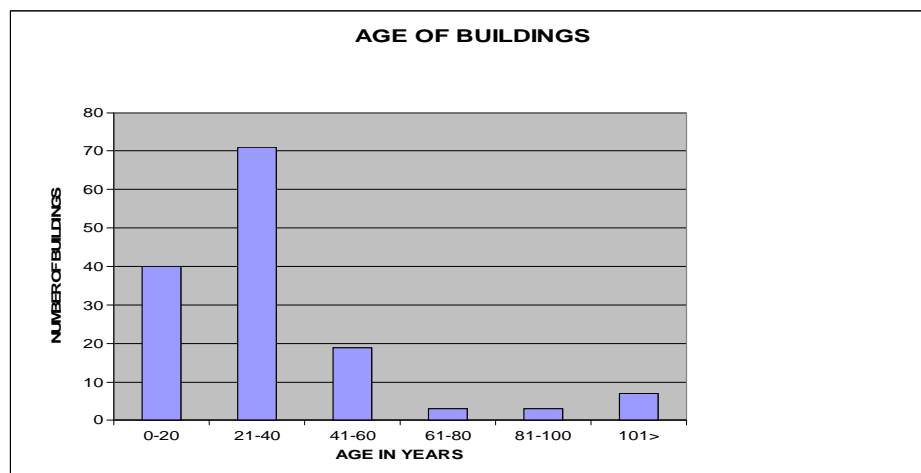
5.1.1 Physical parameters

The assets covered by this asset management plan are shown below.

Building Asset Class	Quantity (No)
District	5
Libraries	4
Childcare	4
Community	13
Amenities	34
Aquatic Buildings	2
Toilets	23
Grandstands	9
Kiosks	12
Council Works Depot	1
Equipment Sheds	23
Miscellaneous Buildings	14
Nursery	1
Waste Depot	1
TOTAL	144

The age profile of Council's assets is shown below.

Fig 2. Asset Age Profile



5.1.2 Asset capacity and performance

Council's services are generally provided to meet design standards where these are available.

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2. Known Service Performance Deficiencies and Required Capital Works in the Short to Medium Term

Category	Location	Works	Cost
East Maitland Library	East Maitland	Carpark Extension and fencing	\$250,000
Art Gallery	Maitland	Internal Refurbishments	\$240,000
Metford Works Depot	Metford	Depot Improvement Program Stage 4 and 5	\$237,000
Building Access	Various	Access Improvements To Council Buildings	\$170,000
Building Components	Various	Refurbishment of Building Components	\$200,000
East Maitland Pool	East Maitland	Olympic Pool Repairs - Deep End Floor Slab & Lateral Joints	\$100,000
Minor Building Works	Various	Minor Capital Upgrades and Major Maintenance Items	\$190,000
Recreation Buildings	Various	Improvements to Recreation Buildings	\$65,000
Art Gallery	Maitland	Progressive Refurbishments	\$72,000
Walka Water Works	Oakhampton	Eastern Annex Building - Install wall chair rails	\$20,000
Community Buildings	Various	Kitchen Refurbishments – Metford, Tenambit, Rutherford	\$150,000
Minor Building Works	Various	Minor Capital Upgrades and Major Maintenance Items	\$74,000
Recreation Buildings	Various	Improvements to Recreation Buildings	\$300,000
Administration Building	Maitland	Progressive Refurbishments	\$240,000
Maitland Library	Maitland	Services/New Airconditioning	\$100,000
Art Gallery	Maitland	Structural/Conservation Management Plan	\$250,000
East Maitland Community Hall	East Maitland	Structural/Repairs to dance studio	\$150,000
Minor Building Works	Various	Minor Capital Upgrades and Major Maintenance Items	\$80,000
Toilet Blocks	Various	Disabled Toilet Blocks in 4 locations, including Maitland Park and Maitland Library	\$600,000
Town Hall	Maitland	General Heritage Refurbishments	\$500,000
TOTAL			\$3,988,000

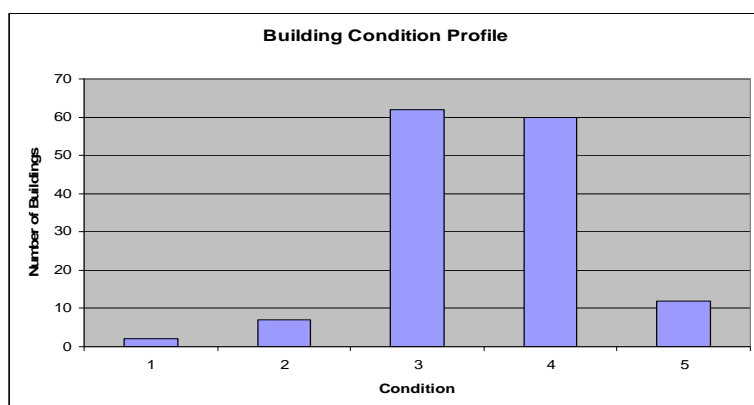
The above service deficiencies were identified from Inspections and customer requests. The works are listed in Councils rolling works program and ranked by priority.

Further to the above programmed works are deficiencies identified in the asset condition profile. These deficiencies must be added to obtain the works required to bring up to satisfactory condition.

5.1.3 Asset condition

The condition profile of Council's assets is shown below.

Fig 3. Asset Condition Profile



Condition is measured using a 1 – 5 rating system.²

Rating	Description of Condition
5	Only planned maintenance required.
4	Minor maintenance required plus planned maintenance.
3	Significant maintenance required.
2	Significant renewal/upgrade required.
1	Unserviceable.

Overall, the asset condition of the buildings in Maitland is 3, being of average condition with significant maintenance required. This being the average means that there are buildings with conditions rating from 1 through to 5. Overall, 70% of the building network has a rating of 3 to 5, and 30% of the network has a rating of 1 to 2. The target standard for the building network is to maintain this standard.

² IIMM 2006, Appendix B, p B:1-3 ('cyclic' modified to 'planned')

Buildings Rated 1 & 2 includes:

Building	Rating	Comment	Estimate
Morpeth Court House Museum	2	Major refurbishment (Part2)	\$300,000
East Maitland Community Centre	2	Site & building works	\$250,000
St. Ethel's Band Buildings	2	Refurbishment/Refit	\$100,000
Maitland Youth Centre	2	Refurbishment/Asbestos	\$150,000
Scobies Lane Dairy & Home	1	Refurbish or demolish	\$75,000
Maitland Park Toilet Block	2	Rebuild	\$150,000
Elgin St Toilet Block	1	Demolish	\$10,000
Largs Park Equipment Shed	2	Replace	\$50,000
Tenambit Oval Weather Shelter	2	Demolish	\$20,000
TOTAL			\$1.1M

Estimate of works required to bring the building asset up to satisfactory standard is \$3.2M.

5.1.4 Asset valuations

The value of assets as at June 30th 2010 covered by this asset management plan is summarised below. Assets were last re-valued at \$87.1Million.

Current Replacement Cost	\$88.5M
Depreciable Amount	\$35.6M
Depreciated Replacement Cost	\$37.2M
Annual Depreciation Expense	\$1.2M

Sustainability analysis reports the rate of annual asset consumption and compares this to asset renewal and asset upgrade and expansion as set-out below:

Asset Consumption (1.2M/87.1M)	1.37%
Asset Renewal (0.37M/87.1M pa)	0.42%
Annual Upgrade (Major Recon 0.323M/87.1M pa)	0.37%
Sustainability Index 0.85/1.37	62%

5.2 Risk Management Plan

An assessment of risks associated with service delivery from infrastructure assets has identified critical risks to Council. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the infrastructure risk management plan are summarised in Table 5.2.

Table 5.2. Critical Risks and Treatment Plans

Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan
Substructures	Foundation failure	M	Inspect, Monitor, Report and Planned Maintenance program.
Superstructure	Structural damage	H	Inspect, Monitor, Report and Planned Maintenance program.
Finishes & Fittings	General wear and tear	H	Inspect, Monitor, Report and Planned Maintenance program.
Services	System failure and Mechanical failure	H	Inspect, Monitor, Report and Planned Maintenance program.

The risk assessment process is furthered in the Building, Recreation and Open Space Risk Management Plan.

5.3 Routine Maintenance Plan

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

5.3.1 Maintenance plan

Maintenance includes reactive, planned and cyclic maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through regular inspections. Activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Maintenance expenditure trends are shown in Table 5.3.1

Table 5.3.1. Maintenance Expenditure Trends

Year	Maintenance Expenditure
2008/09	\$803,000
2009/10	\$839,000
2010/11	\$824,000

Planned maintenance work is about 50% of total maintenance expenditure.

Maintenance expenditure levels are considered to be adequate to meet minimum service levels required. Future revision of this asset management plan will improve the linking of required maintenance expenditures with required service levels.

Future assessment and prioritisation of reactive and planned maintenance is undertaken at regular maintenance delivery program meetings are held between Assets and Infrastructure Planning and City Works and Services and Recreational/ Community Services divisions within Council. The aim of the meeting is to synchronise priorities, such that the maintenance program is managed within the levels of service and resources available. To ensure the effectiveness of this program, it is essential that these meetings are formally conducted and actioned appropriately.

5.3.2 Standards and specifications

Maintenance work is carried out in accordance with the following Standards and Specifications.

- Building Code of Australia
- Australian Standards
- Manufacturer's requirements for proprietary products

5.3.3 Future maintenance expenditures

Future maintenance expenditure is a function of growth, industry cost factors, amount of renewal and unplanned events.

Deferred maintenance, i.e. works that are identified for maintenance and unable to be funded is to be included in the risk assessment process in the infrastructure risk management plan above.

Maintenance is funded from Council's operating budget and grants where available. This is further discussed in Section 6.2.

5.4 Renewal/Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its existing service potential. Work over and above restoring an asset to original service potential is upgrade or new works expenditure.

5.4.1 Renewal plan

Assets requiring renewal are identified from estimates of remaining life obtained from the asset register worksheets and the *'Building Works Model'* (Appendix B). Candidate proposals are inspected to verify accuracy of remaining life estimate and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.4.1.

Table 5.4.1 Renewal Priority Ranking Criteria

Criteria	Weighting
Fit for purpose – Public usage	25%
The age of the assets	15%
The condition of the asset services	30%
The ongoing maintenance demand	30%
Total	100%

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

5.4.2 Renewal standards

Renewal work is carried out in accordance with the following Standards and Specifications.

- Building Code of Australia
- Australian Standards
- Project-specific Technical Specifications

5.4.3 Summary of future renewal expenditure

Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs used to estimate 75 year renewal costs and useful life are summarised in Fig 5. Note that any costs are shown in current 2009/10 dollar values.

The projected capital renewal program is shown in Appendix B.

Fig 5. Projected Capital Renewal Useful Life

Building Categories	Frequency (Years Average)					
	District	Community Halls	Libraries	Childcare	Amenities	Toilets
Renewal Activity Building						
Substructures	50	50	50	50	50	50
Superstructures	50	30	50	30	50	50
Finishes & Fittings	25	20	30	20	20	20
Services	25	40	40	40	40	30
Building Categories	Frequency (Years Average)					
	Sheds	Grandstands	Kiosks	Misc.	Aquatic	
Renewal Activity Building						
Substructures	50	50	50	50	50	
Superstructures	50	50	50	50	50	
Finishes & Fittings	20	20	20	20	20	
Services	30	30	40	30	30	

Applying the above table to each building and its component has derived a model of consumption for the building stock. This model predicts a total renewal budget (annualised) of **\$760,000 per annum is required.**

A detailed list of the 75 year Building Works Model is in Appendix B

Deferred renewal, i.e. those assets identified for renewal and not scheduled for renewal in capital works programs are to be included in the risk assessment process in the risk management plan.

Renewals are to be funded from Council's capital works program and grants where available. This is further discussed in Section 6.2.

5.5 Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development. These assets from growth are considered in Section 4.4.

5.5.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes or from development contributions.

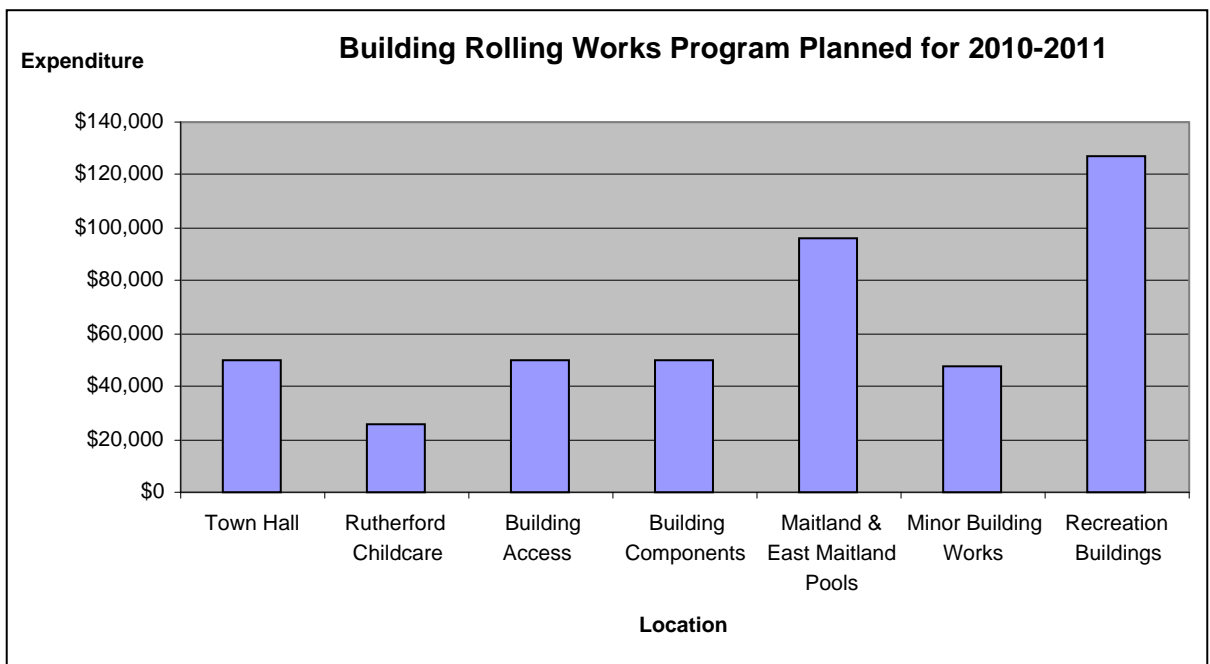
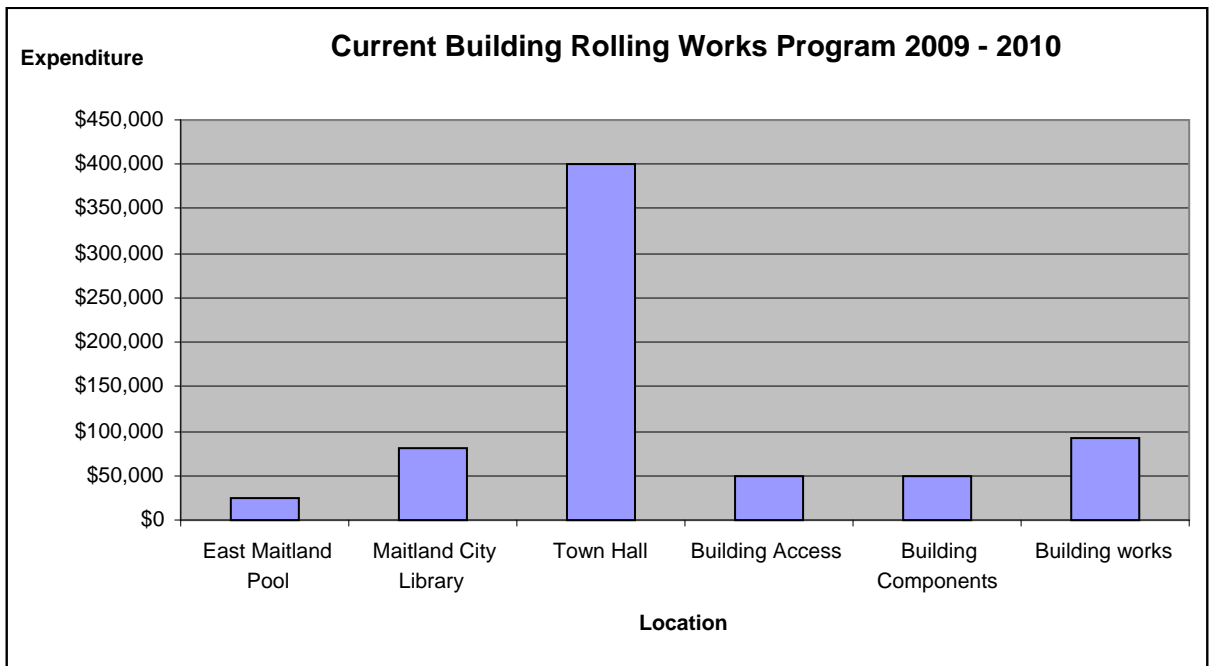
5.5.2 Standards and specifications

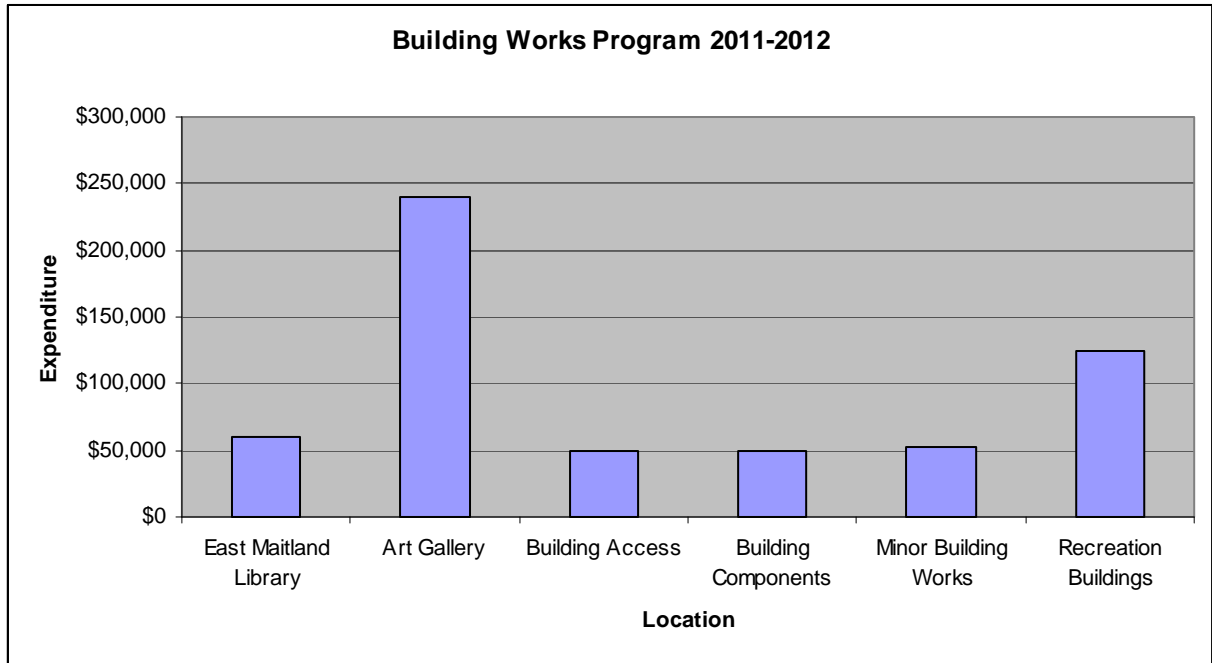
Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.4.2.

5.5.3 Summary of future upgrade/new assets expenditure

Planned upgrade/new asset expenditures are summarised in Fig 6. The planned upgrade/new capital works program is shown in Appendix C. All costs are shown in current 2009-2010 dollar values.

Fig 6. Planned Capital Upgrade/New Asset Expenditure





New assets and services are to be funded from Council's capital works program and grants where available. This is further discussed in Section 6.2.

5.6 Disposal Plan

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

Rationalisation of buildings and the services they provide will be considered in future development of this plan.

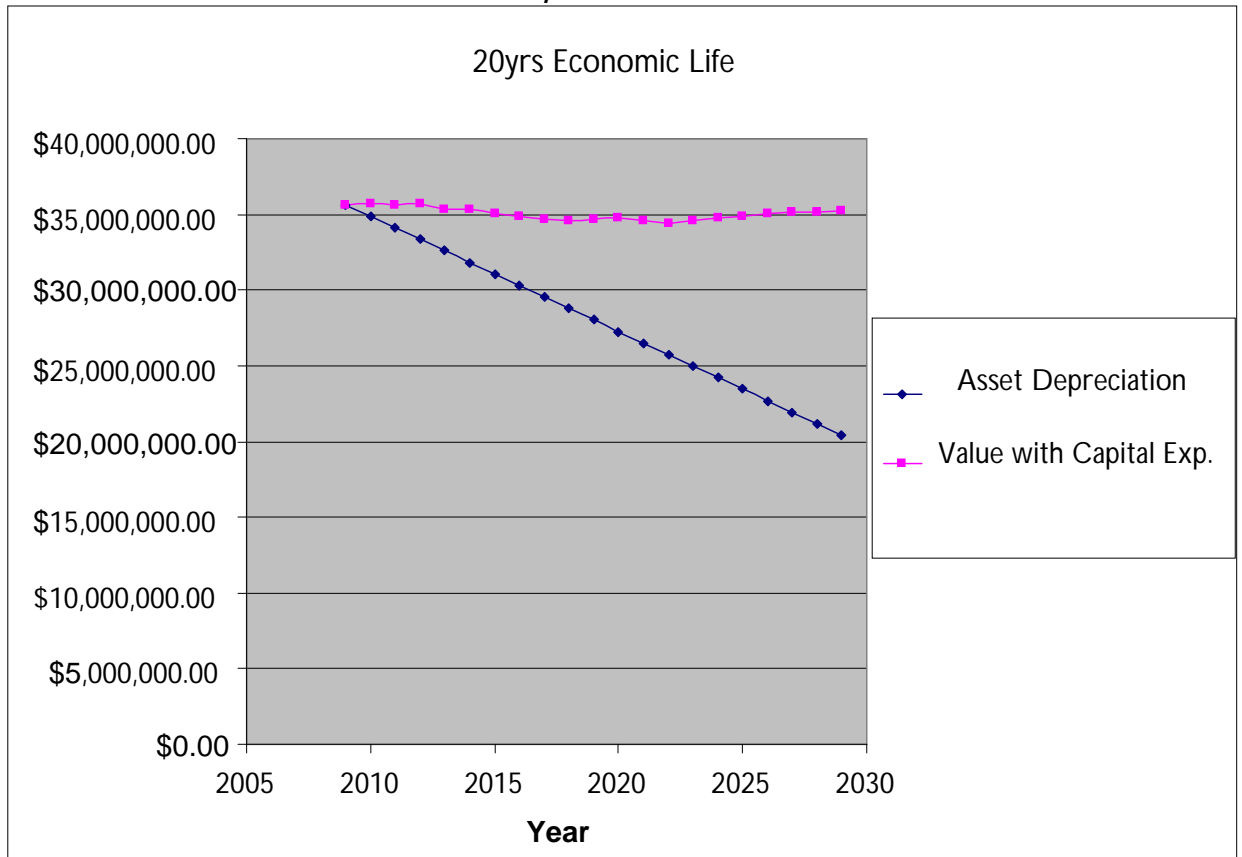
6. FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

6.1 Financial Statements and Projections

The financial projections are shown in Fig 7 for planned operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets).

Fig 7. Planned Operating and Capital Expenditure



Note that all costs are shown in current 2009/10 dollar values.

6.1.1 Sustainability of service delivery

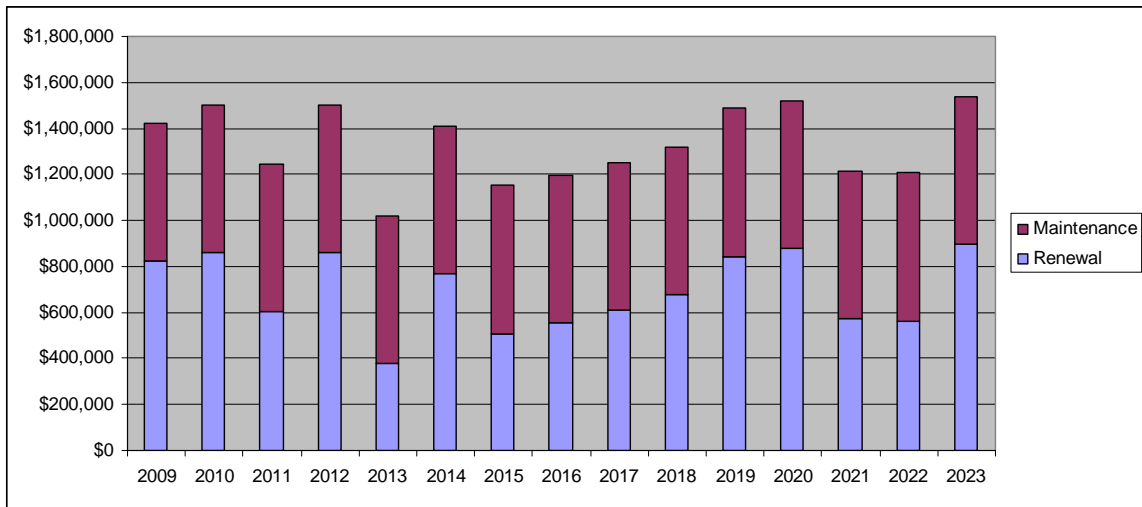
There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs and medium term costs over the 15 year financial planning period.

Medium term – 15 year financial planning period

This asset management plan identifies the estimated maintenance and capital expenditures required to provide a level of service to the community based on the 75 year model in Appendix B.

A 15 year forecast of costs has been determined for input into Council's financial and revenue plan to provide the service in a sustainable manner. See figure 8 for a detailed financial outlook.

Fig 8. Projected Budget 15years



	2009	2010	2011	2012	2013	2014	2015
Renewal	\$823,022	\$861,324	\$603,776	\$860,940	\$379,630	\$765,827	\$509,466
Maintenance	\$598,267	\$642,275	\$642,275	\$642,275	\$642,275	\$642,275	\$642,275
TOTAL	\$1,421,289	\$1,503,599	\$1,246,051	\$1,503,215	\$1,021,905	\$1,408,102	\$1,151,741

	2016	2017	2018	2019	2020	2021	2022	2023
Renewal	\$552,537	\$608,573	\$678,028	\$843,523	\$876,934	\$572,194	\$564,282	\$896,443
Maintenance	\$642,275	\$642,275	\$642,275	\$642,275	\$642,275	\$642,275	\$642,275	\$642,275
TOTAL	\$1,194,813	\$1,250,848	\$1,320,303	\$1,485,798	\$1,519,210	\$1,214,469	\$1,206,557	\$1,538,718

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue.

A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap.

Council will manage the 'gap' by developing this asset management plan to provide guidance on future service levels and resources required to provide these services.

7. PLAN IMPROVEMENT AND MONITORING

7.1 Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required cash flow identified in this asset management plan are incorporated into council's long term financial plan and Strategic Management Plan;
- The degree to which 1-4 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the asset management plan.

7.2 Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 7.2.

Table 7.2 Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1.	Monitor Building Maintenance Activities	Asset	Internal	TBA
2.	Monitor Building Renewal Program	Asset	Internal	TBA
3.	Monitor Building Upgrade / Expansion Program	Asset	Internal	TBA
4.	Monitor Building Safety	Asset	Internal	TBA
5.	Monitor Building Access and Egress	Asset	Internal	TBA
6.	Building Utilisation – investigate rationalisation of building stock and usage patterns	Asset	Internal	TBA

7.3 Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

The Plan has a life of 4 years and is due for revision and updating within 2 years of each Council election.

REFERENCES

- DVC, 2006, 'Asset Investment Guidelines', 'Glossary', Department for Victorian Communities, Local Government Victoria, Melbourne, <http://www.dvc.vic.gov.au/web20/dvclgv.nsf/allDocs/RWP1C79EC4A7225CD2FCA257170003259F6?OpenDocument>
- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au

