CITY OF PROSPECT

Buildings

Asset Management Plan

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Contents

1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

This Asset Management Plan (AM Plan) 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 plan defines the services to be provided, how the services are provided and what funds are required to provide over the 10-year planning period. The AM Plan will link to a Long Term Financial Plan (LTFP) which typically considers a 10-year planning period.

1.2 Development of the Plan

City of Prospect has challenged its asset management practice and purpose to ensure it is being driven from a pure asset perspective that in the first instance and is supported by industry best practice in relation to service standards and levels. This has necessitated returning to first principles to ensure that Council is not being contained by our Long Term Financial Plan as an asset planning tool.

In reviewing assets and defining a way forward, a conservative approach has been taken to ensure that Council is setting a realistic financial target to keep assets in a functional and workable condition, but not at a level that is not financially supportable by the community.

This plan has been developed with the objective of lifting the service levels provided by a number of Council's buildings through renewal and refurbishment. It has used preliminary costings only in its development.

1.3 Asset Description

The open space assets comprise infrastructure on 67 buildings including:

- Civic Centre
- Clubrooms
- Hall
- Kindergarten
- Pavilions
- Toilets
- Outbuildings

The above infrastructure assets have valuation replacement value estimated at $26m.

1.4 Levels of Service

The planned budget (draft long term financial plan) has been developed from preliminary costing to deliver the improved service levels defined via renewals and upgrade.

As such the proposed service levels have informed the development of the draft long term financial plan (LTFP) rather than the LTFP dictating the levels of service that Council provides.

1.5 Future Demand

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

- Compliance with the DDA
- Change in service level expectations

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.

1.6 Lifecycle Management Plan

1.6.1 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. A summary output from the AM Plan is the forecast of 10-year total outlays, which is estimated as $10,723,105 or $1,072,311 on average per year.

1.6.2 What we will do

Estimated available funding for the 10 year period is $10,657,200 or $1,065,720 on average per year as per the Long-Term Financial plan or Planned Budget. This is 99.39% of the cost to sustain the current level of service at the lowest lifecycle cost.

The figure below shows the planned budget against the forecast lifecycle costs.

Forecast Lifecycle Costs and Planned Budgets

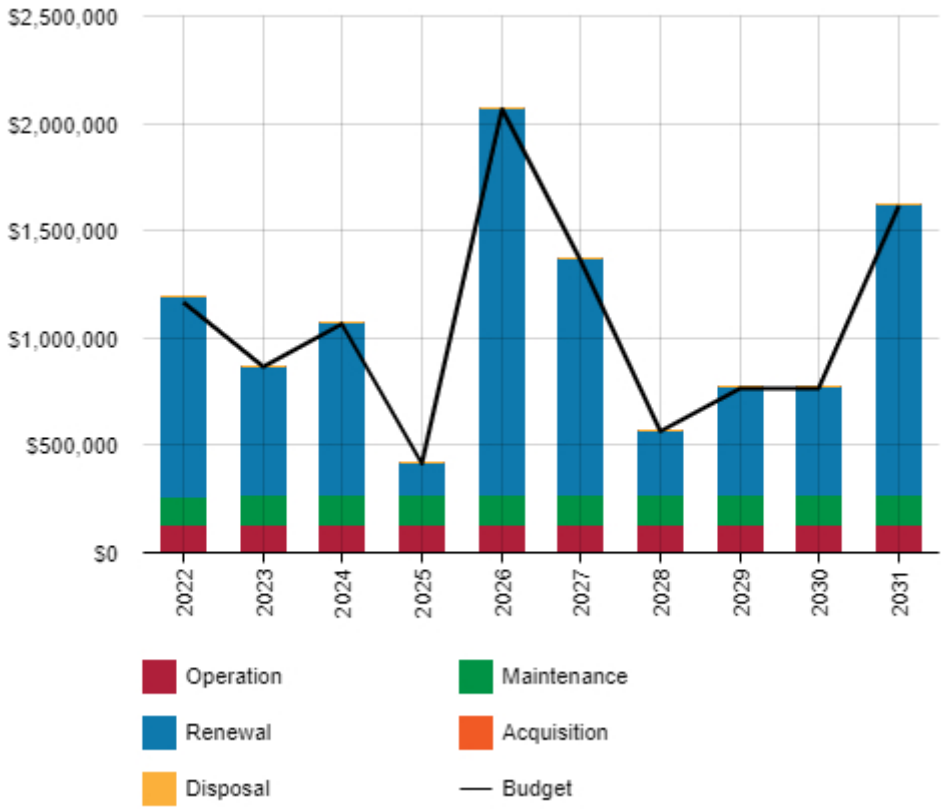


Figure Values are in current dollars.

1.6.3 Managing the Risks

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

The main risk consequences are:

- Building access may be limited since a DDA audit has not been completed.
- Potential for premature building failure due to a structural survey of building not being completed

We will endeavour to manage these risks within available funding by:

- Undertaking a DDA audit
- Undertaking a structural building assessment

1.7 Monitoring and Improvement Program

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

- Undertake a level of service audit of buildings

2.0 Introduction

2.1 Background

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

The AM Plan is to be read with the City of Prospect's following planning documents.

- Our Community Plan – Towards 2040
- Annual Business Plan & Budget 2021/22

The infrastructure assets covered by this AM Plan include Civic Centre, Library, Clubrooms, Toilets, Kindergarten and Sheds. For a detailed summary of the assets covered in this AM Plan refer to Table in Section 5.

The infrastructure assets included in this plan have a total replacement value of $26m.

2.2 Goals and Objectives of Asset Ownership

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

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined levels of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

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

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

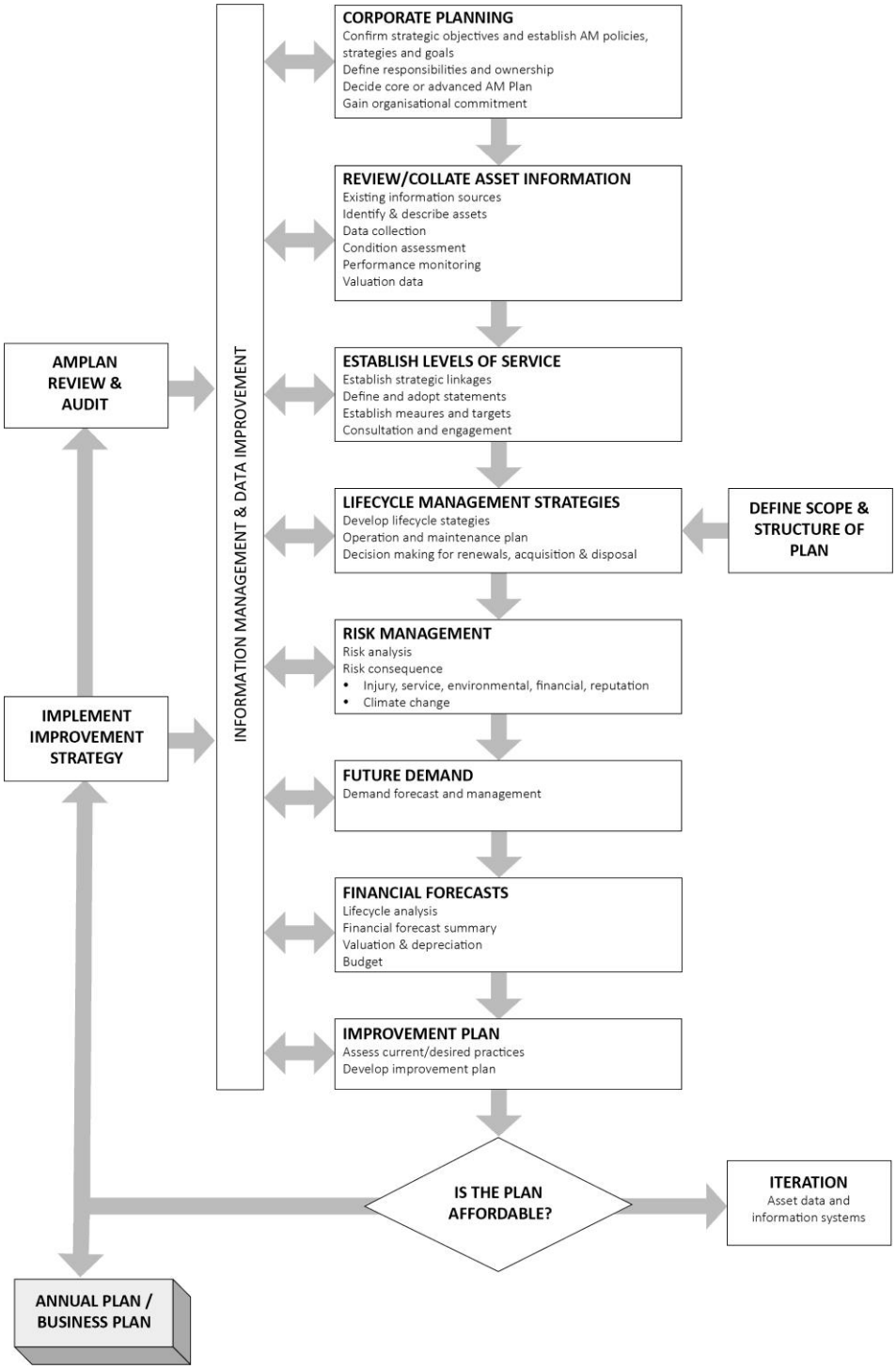
- International Infrastructure Management Manual 2015 [1]
- ISO 55000[2]

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

A road map for preparing an AM Plan is shown below.

Road Map for preparing an Asset Management Plan

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



[2] ISO 55000 Overview, principles and terminology

3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has recently undertaken a customer satisfaction survey (November 2020). Almost Half (46%) surveyed are satisfied the Council provides after-hours family friendly activities in buildings, parks and open spaces. A moderate satisfaction rating of 3.6 out of 5 was recorded. A 60% importance rating was recorded against this service which placed the service within the 'improve – lower priority'.

3.2 Customer Values

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

Customer Values indicate:

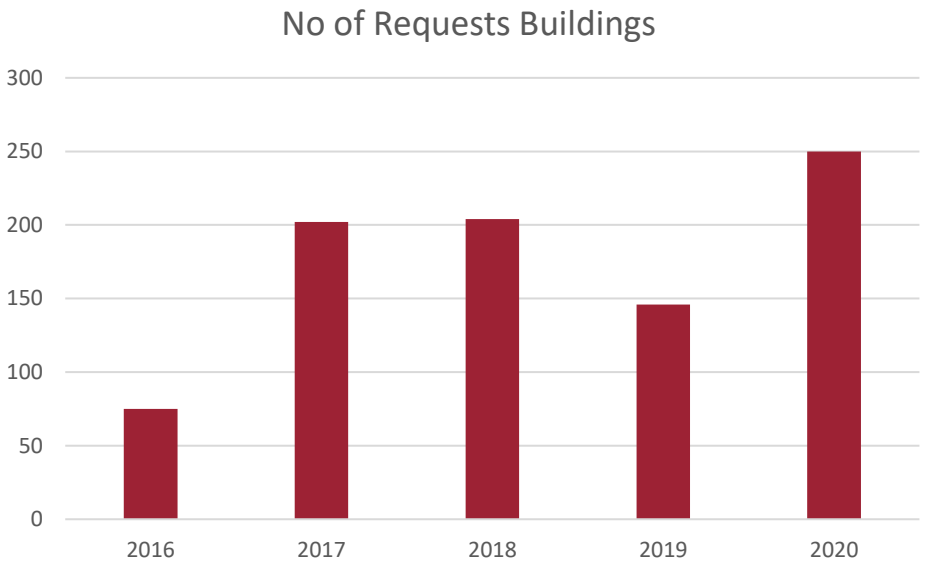
- what aspects of the service is important to the customer,
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

Table 3.4: Customer Values

Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Clean facility	Customer requests and inspection reports	Adequate	Adequate
Structurally sound building	Feedback of occupier / inspection report	Generally adequate except for one building which requires further investigation	All buildings structurally adequate
Watertight	Feedback of occupier/ inspection report	Generally adequate via audit reports	Generally adequate
Safety / Security	Feedback of occupier/ inspection report	Generally adequate	Generally adequate
Fit for purpose – functionality / useability / kitchen / toilet facilities	Improvement required, refer improvement plan – additional investigation needed	N/A	N/A
Efficient facilities (solar, insulation) / environmentally sustainable	Improvement required, refer improvement plan – additional investigation needed	N/A	N/A

Council has been tracking customer service requests since 2016 over which time it has been noted that the requests have generally been increasing on an annual basis. In response to this, the funding directed to infrastructure renewal has been increased substantially in the current draft LTFP to reflect an increase in the levels of service provided to the community and accordingly an anticipated reduction in customer service requests over time.

The graph below tracks customer service requests that have been received by Council since 2016 relating to buildings. Most of these requests relate to Council occupied premises however since for other facilities the leaseholder is responsible for maintenance activities.



3.3 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

Condition How good is the service … what is the condition or quality of the service?

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

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

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

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

Table 3.5: Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	General condition of facility	Condition assessment	Average condition 3.6 (all components, across all buildings)	Improvement in overall condition expected due to refurbishment and reconstruction program proposed
	Confidence levels		Moderate (condition assessment by valuer)	Low (Professional Judgement with no data evidence)
Function	Fit for purpose	Professional judgement	Average	Increase in fitness for purpose expected due to refurbishment and reconstruction program proposed
	Confidence levels		Low (Professional Judgement with no data evidence)	Low (Professional Judgement with no data evidence)
Capacity	Utilisation / storage / carparking	Professional judgement	Moderate	Moderate
	Confidence levels		Low (Professional Judgement with no data evidence)	Low (Professional Judgement with no data evidence)

3.4 Technical Levels of Service

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

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

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

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.[3]

[3] IPWEA, 2015, IIMM, p 2|28.

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

Table 3.6: Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	No acquisitions are planned over the course of the plan			
		Budget	$0	$0
Operation	Ensure building functionality & useability	Provision of power, water, utilities, cleaning & pest control	Satisfactory	Satisfactory
		Budget	$127,720	$129,705
Maintenance	Ensure building is functional based on current service level	Contracts in place for maintenance works either undertaken externally or internally	Proactive and reactive maintenance undertaken	Retain existing expenditure and service levels
		Budget	$138,000	$140,106
Renewal	Ensure buildings and structures achieves their overall expected life through proactive renewal program	Building infrastructure renewals undertaken as per program developed in the preparation of this plan	Capital renewal program developed	Renewals are undertaken and scheduled in accordance with the renewal program.
		Budget	$800,000	$802,500
Disposal	No disposals are planned over the course of the plan			
		Budget	$0	$0

Note: * Current activities related to Planned Budget.

** Expected performance related to forecast lifecycle costs.

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

4.0 FUTURE DEMAND

4.1 Demand Drivers

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

4.2 Demand Forecasts

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

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 AM Plan.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
DDA compliance	Council has not yet undertaken a comprehensive DDA audit across all its building assets.	Comprehensive DDA audit being completed.	It is likely that additional budget allocations will be required to meet DDA access requirements.	Undertake comprehensive DDA audit including anticipated costings to ensure compliance.
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.

4.4 Asset Programs to meet Demand

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

Acquiring new / upgraded assets will commit the City of Prospect to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

5.0 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 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

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

Table 5.1.1: Assets covered by this Plan

Asset Category	Number
Clubroom	17
Garage	2
Hall	1
Kindergarten	2
Kiosk	2
Pavillion	2
Shed	21
Shelter	2
Toilet	7
Unclassified	10
Civic Centre	1

5.2 Operations and Maintenance Plan

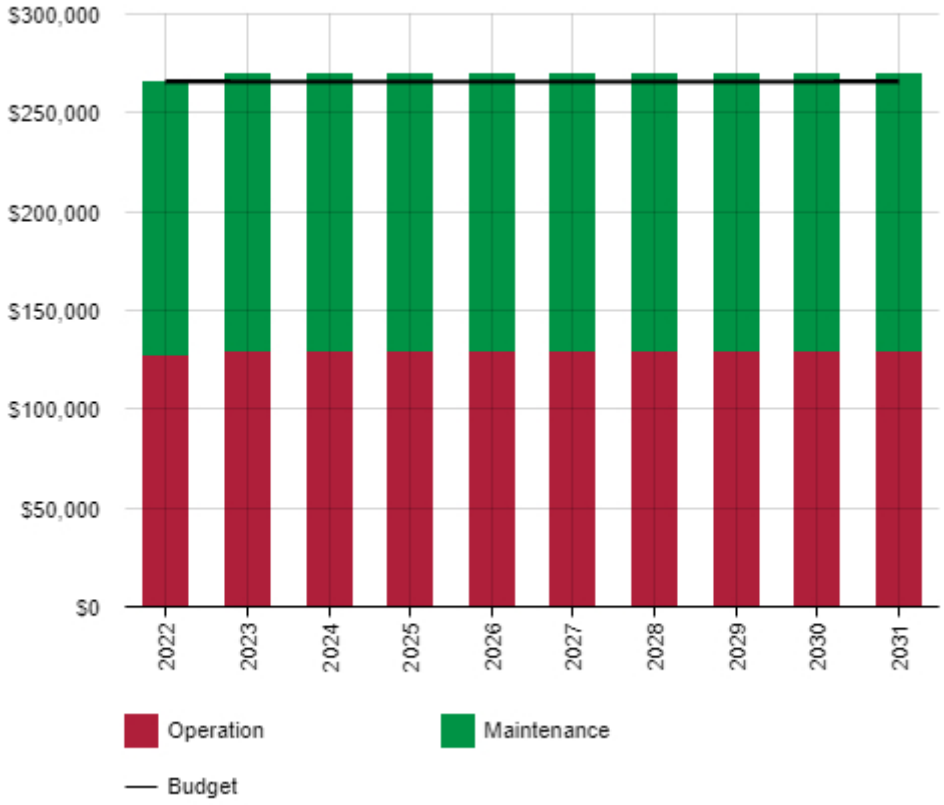
Operations include regular activities to provide services. Examples of typical operational activities include cleaning and utility costs.

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 trip step repairs, isolated lift and relay and works associated with isolated defects.

Summary of forecast operations and maintenance costs

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

Figure 5.2: Operations and Maintenance Summary



All figure values are shown in current day dollars.

The percentage of operations and maintenance expenditure for buildings as a percentage of the current replacement costs is as follows:

Operations 0.49%

Maintenance 0.52%

A sustainable goal for operations and maintenance funding for buildings is 2% i.e. 2% for operations and a further 2% for maintenance. It should be noted however that many of Councils building area leases with the occupier being responsible for maintenance and operations costs.

5.3 Renewal Plan

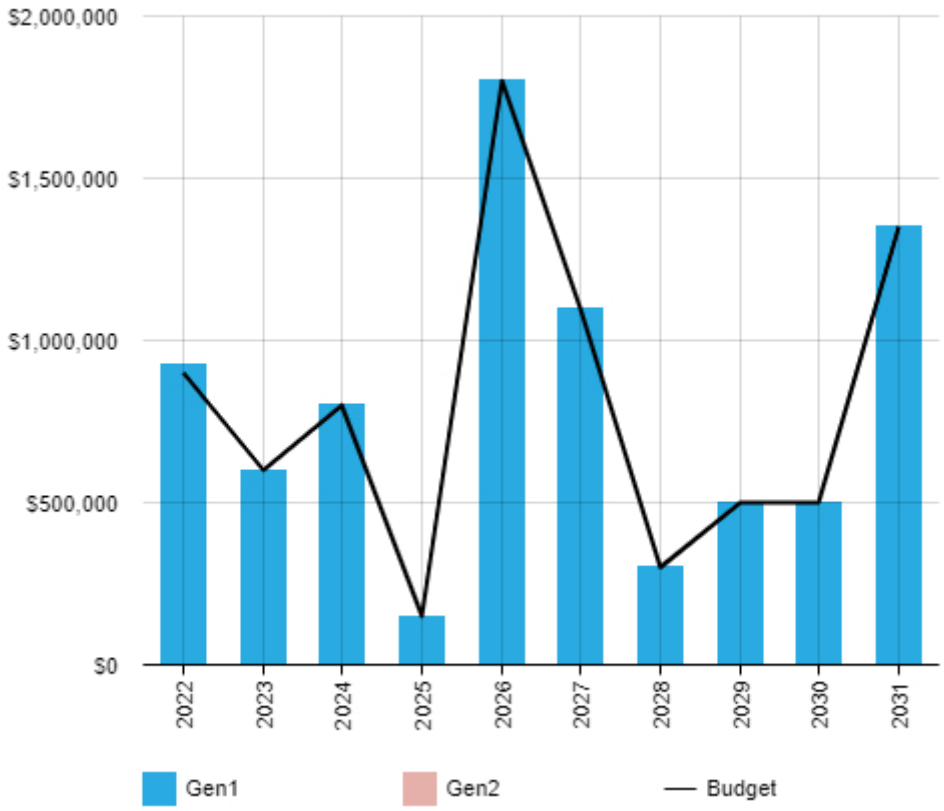
Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an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

The renewals in this plan have not been derived through consideration of an asset register where age and useful life of an asset are considered but rather based on addressing service level issues across Councils building asset portfolio given current information at hand. It is proposed to build on this information moving forward through undertaking a thorough service level review of all Council buildings.

5.4 Summary of future renewal costs

The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4.1: Forecast Renewal Costs



All figure values are shown in current day dollars.

Renewals comprise proposed refurbishment / renewal works associated with the following facilities over the period of 10 years. Detailed project level costings are yet to be prepared for these works.

Asset	Proposed Renewal Year
Petanque Pergola	2022
Broadview Oval Toilets	2022
Broadview Bowling Clubrooms	2022
Prospect Tennis Courts	2022
Memorial Gardens Toilet	2023
Memorial Gardens Pavilion	2023
To be allocated	2024
RSL Clubrooms and Hall	2025
Old North Adelaide Croquet Club	2026

Asset	Proposed Renewal Year
Prospect Cricket Club	2027
Prospect Tennis Club	2028
Charles Cane reserve Clubrooms and Change Rooms	2029
Charles Cane reserve Clubrooms and Change Rooms	2030
Broadview/ Collingrove Tennis Clubrooms	2031

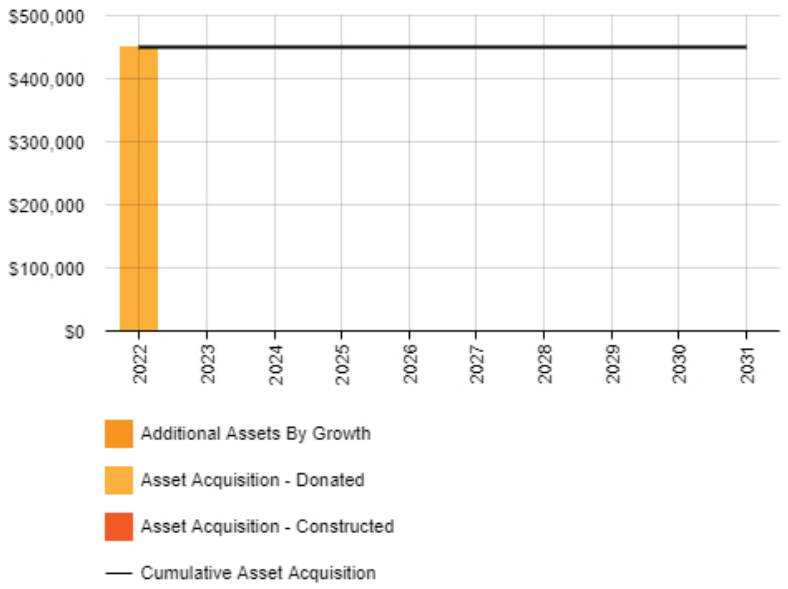
5.5 Acquisition Plan

Acquisitions reflect 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 City of Prospect.

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarized 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: Acquisition Summary



All figure values are shown in current day dollars.

The acquisition included in the graph above relates to anticipated grant funding attached to the Prospect Tennis Courts.

When an Entity 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.

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.

5.6 Disposal Plan

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

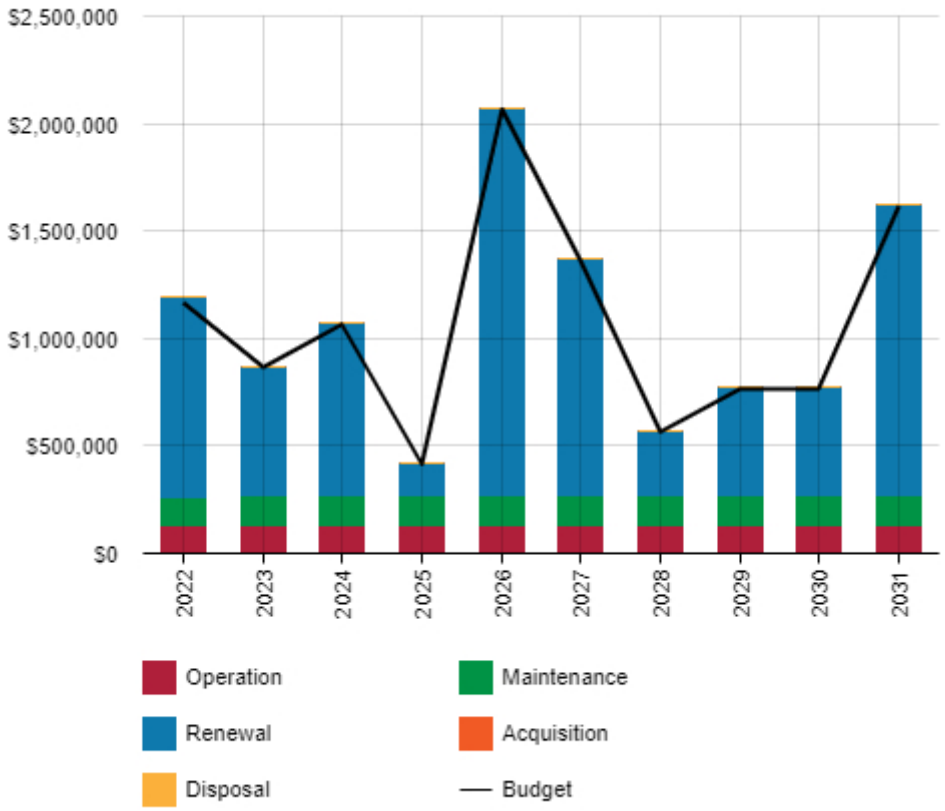
No disposal of building assets is proposed over the course of the plan.

5.7 Summary of Asset Forecast Costs

The financial projections from this asset plan are shown in Figure 5.4.3. These projections include forecast costs for operation, maintenance and renewal. 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: Lifecycle Summary



All figure values are shown in current day dollars.

As discussed previously, the renewal program has been developed through an initial review of buildings requiring refurbishment and are based on preliminary estimates only. It is expected that projects may be moved between years to facilitate a match with the budget in any one year.

6.0 RISK MANAGEMENT PLANNING

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

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[4].

An assessment of risks[5] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

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

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Buildings generally	Compliance – DDA compliance & fire safety	Litigation & potential injury
Public Toilets	Vandalism Plumbing Accessibility	Health & safety & exclusion of users
Building structures	Potential for collapse	Unplanned demolition of building

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

6.2 Risk Assessment

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

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

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

[4] ISO 31000:2009, p 2

[5] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

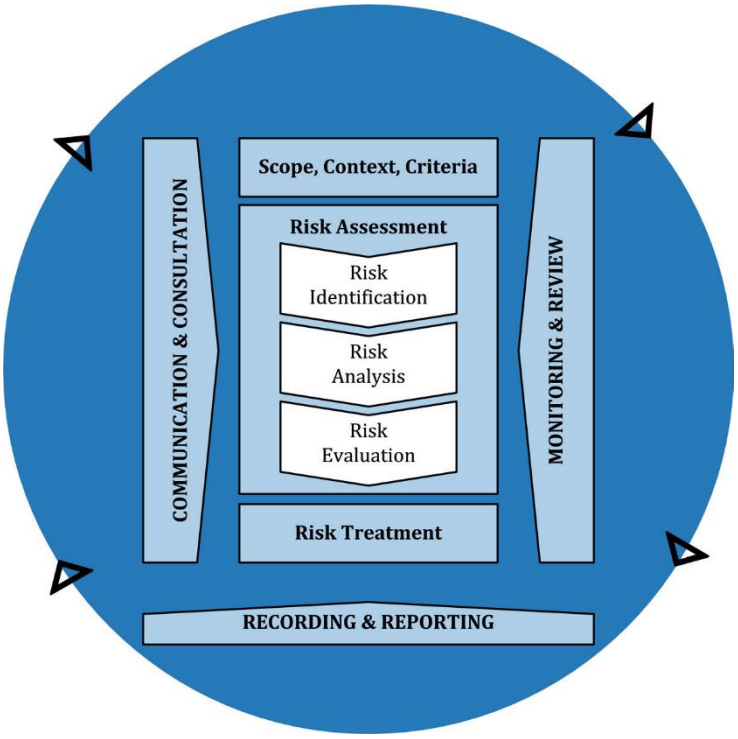


Fig 6.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

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

An assessment of risks[6] 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.

[6] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

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 ($)
Buildings generally	Buildings are non-compliant with DDA and fire prevention requirements	H	Undertake a DDA and fire prevention audit. The audit is to include costed works.	L if works are funded	$30,000 (Audit only)
Building Structures	Building collapse or forced demolition	H	Undertake structural investigation of buildings	M	$20,000 (selected buildings only)

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

6.3 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.

6.3.1 What we cannot do

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

- Cannot address all potential DDA compliance issues

6.3.2 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:

- There may be issues limiting access by people with a disability

6.3.3 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:

- Potential for additional risks of premature structural problems with buildings

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 AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

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

Asset Renewal Funding Ratio[7] 99.69%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 99.69% of the funds required for the optimal renewal of assets.

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

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 operations, maintenance and renewal costs over the 10 year planning period is $1,072,311 average per year.

The proposed (budget) operations, maintenance and renewal funding is $1,065,720 on average per year giving a nominal 10 year funding excess of only $-6,590 per year. This indicates that 99.39% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

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

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

Table 7.1.3 shows the forecast costs (outlays) used in the development of the current 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.

[7] AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

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).

There is only a nominal gap that has been identified between the draft LTFP and the estimated renewals & operations / maintenance costs idented in the development of this plan.

Forecast costs are shown in 2020/21 dollar values.

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

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2022	0	127,720	138,000	925,000	0
2023	0	129,925	140,340	600,000	0
2024	0	129,925	140,340	800,000	0
2025	0	129,925	140,340	150,000	0
2026	0	129,925	140,340	1,800,000	0
2027	0	129,925	140,340	1,100,000	0
2028	0	129,925	140,340	300,000	0
2029	0	129,925	140,340	500,000	0
2030	0	129,925	140,340	500,000	0
2031	0	129,925	140,340	1,350,000	0

7.2 Funding Strategy

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

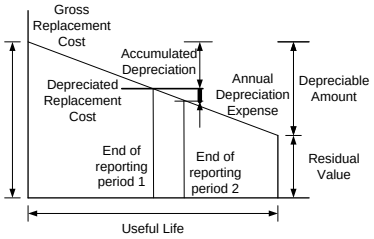
The financial strategy of the Council determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below:

Replacement Cost (Current/Gross)	$26,333,798
Depreciable Amount	$26,333,798
Depreciated Replacement Cost[8]	$10,945,682
Depreciation	$762,932



7.4 Key Assumptions Made in Financial Forecasts

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

Key assumptions made in this AM Plan are:

- Draft renewal program is optimised across all buildings

[8] Also reported as Written Down Value, Carrying or Net Book Value.

- Availability of grant funding
- Outbuildings have not been considered in the development of the renewal program

7.5 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 C level scale[9] in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 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 ± 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 ± 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 ± 40%
E. Very Low	None or very little data held.

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

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices[10]

8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is Council June 2020 valuations.

8.1.2 Asset management data sources

This AM Plan also utilises asset management data. The source of the data is revised condition data in Councils Asset Management System 'Conquest'.

8.2 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 8.2.

Table 8.2: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	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.	Mgr. Infrastructure & Assets	25,000	22/23
2	Undertake a DDA and fire prevention audit. The audit is to include costed works.	Mgr. Infrastructure & Assets	$30,000	22/23
3	Undertake structural investigation of buildings	Mgr. Infrastructure & Assets	$20,000	22/23

[10] ISO 55000 Refers to this as the Asset Management System

9.0 REFERENCES

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- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- Our Community Plan – Towards 2040
- Annual Business Plan & Budget 2021/22

10.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

Acquisitions comprise upgrades associated with renewals for open space infrastructure, the split between upgrades and renewals is 50:50. This methodology has been implemented since it has been observed that open space infrastructure is rarely renewed to the same standard as the existing infrastructure.

A.2 – Acquisition Project Summary

Acquisitions relate to grant funding expected to be received for the refurbishment / upgrade of the

A.3 – Acquisition Forecast Summary

Table A3 - Acquisition Forecast Summary

Year	Constructed	Donated	Growth
2022	0	450,0000	0
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

The operations forecast has been prepared using Councils existing operations budget as the base. The forecast has been increased moving forward using a figure of 0.49% of new / upgrade assets.

B.2 – Operation Forecast Summary

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2022	127,720	2,205	127,720
2023	127,720	0	129,925
2024	127,720	0	129,925
2025	127,720	0	129,925
2026	127,720	0	129,925
2027	127,720	0	129,925
2028	127,720	0	129,925
2029	127,720	0	129,925
2030	127,720	0	129,925
2031	127,720	0	129,925

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

The maintenance forecast has been prepared using Councils existing maintenance budget as the base. The forecast has been increased moving forward using a figure of 0.52% of new / upgrade assets.

C.2 – Maintenance Forecast Summary

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2022	138,000	2,340	138,000
2023	138,000	0	140,340
2024	138,000	0	140,340
2025	138,000	0	140,340
2026	138,000	0	140,340
2027	138,000	0	140,340
2028	138,000	0	140,340
2029	138,000	0	140,340
2030	138,000	0	140,340
2031	138,000	0	140,340

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

The renewal program has been established from an initial review of buildings / facilities requiring la level of service improvement/ refurbishment or addressing structural issues.

D.2 – Renewal Forecast Summary

Recommend using NAMS+ Outputs Summary for Renewal

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2022	925,000	900,000
2023	600,000	600,000
2024	800,000	800,000
2025	150,000	150,000
2026	1,800,000	1,800,000
2027	1,100,000	1,100,000
2028	300,000	300,000
2029	500,000	500,000
2030	500,000	500,000
2031	1,350,000	1,350,000

D.3 –Renewal Plan

Detail output from NAMS+ Report for the Register Method

Appendix 10 Year Report

Appendix E Disposal Summary

No disposals are planned during the term of this Asset Management Plan.

Appendix F Budget Summary by Lifecycle Activity

Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2022	0	127,720	138,000	900,000	0	1,165,720
2023	0	127,720	138,000	600,000	0	865,720
2024	0	127,720	138,000	800,000	0	1,065,720
2025	0	127,720	138,000	150,000	0	415,720
2026	0	127,720	138,000	1,800,000	0	2,065,720
2027	0	127,720	138,000	1,100,000	0	1,365,720
2028	0	127,720	138,000	300,000	0	565,720
2029	0	127,720	138,000	500,000	0	765,720
2030	0	127,720	138,000	500,000	0	765,720
2031	0	127,720	138,000	1,350,000	0	1,615,720