



Buildings Infrastructure Asset Management Plan 2021



Version 2

Adopted by Council 21 June 2021

Document Control		Asset Management Plan			
Document ID :					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	November 2010	Version 1	JL	MG	GW
2	June 2021	Version 2	JL & LB	DS	SC

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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 20 year planning period. The AM Plan will link to a Financial Management Strategy which typically considers a 10 year planning period.

1.2 Asset Description

This plan covers the infrastructure assets that provide building related services to the Waratah-Wynyard community delivered in a safe, timely, serviceable and cost effective manner while aspiring to cyclical improvements for the benefit of all stakeholders.

The buildings infrastructure portfolio comprises a total of 89 buildings across the following classes:

- Administration Offices
- Civic Amenities
- Community Group Facilities
- Public Halls
- Child Care Facilities
- Recreation Facilities
- Rental Properties
- Workshops & Utilities

The above infrastructure assets have replacement value estimated at \$30.2 million.

1.3 Levels of Service

The allocation in the planned budget will need annual review and increase to continue providing existing services at current levels given the high level of asset acquisitions for the planning period.

The main service consequences of not adequately planning for the increased operational budget driven by new asset acquisitions are:

- Potentially dissatisfied customers
- Periodic increased reactive maintenance requirements on affected buildings

1.4 Future Demand

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

- Aging population
- Sea change residents
- Increasing public health awareness
- Increasing safety standards
- Coastal inundation, climate change, or other factors identified in Integrated Council Environmental Plan (iCEP).

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.

- Continual monitoring & evaluation of community needs
- Evaluation of multi-use arrangements to maximise service benefits from existing facilities
- Evaluation of alternative use for existing facilities due to changing community needs
- Upgrade/replacement of existing facilities

1.5 Lifecycle Management Plan

1.5.1 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. Although the AM Plan may be prepared for a range of time periods, it typically informs a Financial Management Strategy period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10 year total outlays, which for building infrastructure is estimated as \$43,357,496 or \$4,335,750 on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is \$39,507,160 or \$3,950,716 on average per year as per the Financial Management Strategy or Planned Budget. This is 91.12% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the Financial Management Strategy 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 for buildings infrastructure requires an increase of \$385,034 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 Financial Management Strategy. This is shown in the figure below.

Figure 1: Forecast Lifecycle Costs and Planned Budgets

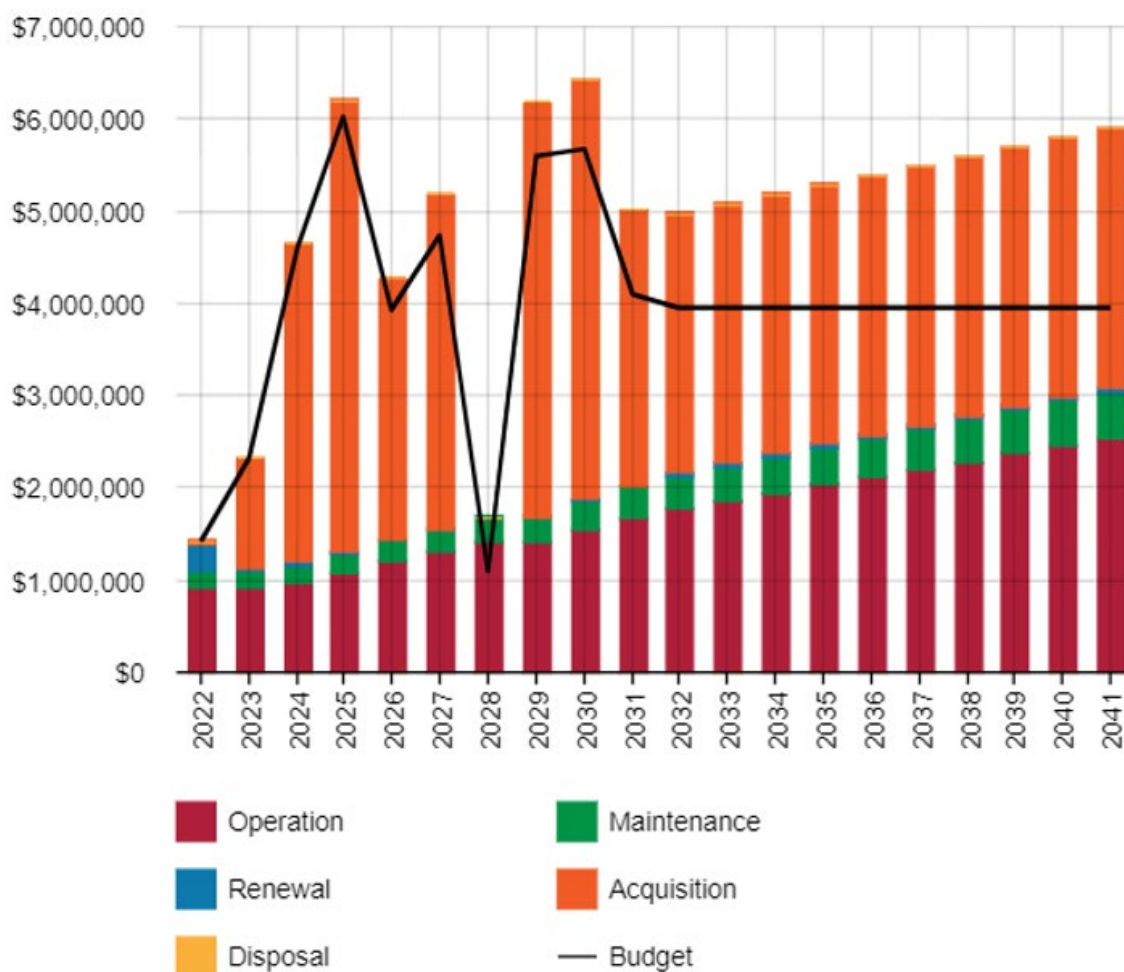


Figure Values are in current dollars.

We plan to provide buildings infrastructure services for the following:

- Operation, maintenance, renewal and acquisition of building infrastructure to meet service levels set by Council in annual budgets.
- Child-care upgrades, Loo with a View project, Athenaeum Hall renewals, Boat Harbour Beach masterplan objectives, and Outdoor Space, Sport & Recreation (OSSR) plan objectives across the municipality within the 10 year planning period (see Appendices A & D for full lists).

1.6.2 What we cannot do

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

- Renew the Waratah Veneer Mill
- Renew Council's security key system patent and re-key all Council managed facilities

1.6.3 Managing the Risks

At present budget levels there are a number of risks to be considered by Council as either acceptable or not acceptable in the medium term. All known risks for buildings infrastructure are listed in the Infrastructure Risk Register. The critical risks (high or very high ratings) are shown in Table 1.

Table 1: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan
Athenaeum Hall (heritage listed), Waratah	<ul style="list-style-type: none"> • Aged asset in very poor condition. Costly to fix. • Building becoming unusable/uninsurable • Has associated reputational risk • Windows leaking creating damage • Doors rotting - security issue • Birds in roof 	H	<ul style="list-style-type: none"> • Independent assessment • Fund recommended repair works
Wynyard Council Office Air Conditioner	<ul style="list-style-type: none"> • Inconsistent temperature control. • Possible unit failure. • Inadequate for purpose 	H	<ul style="list-style-type: none"> • Independent assessment of replacement options • Schedule/fund replacement
Langley Park Clubrooms Upstairs Social Space Access, Somerset	<ul style="list-style-type: none"> • Not DDA compliant • Exposed to complaints • Reputational risk 	H	<ul style="list-style-type: none"> • Schedule upgrade • Consider relocation and construction of single level asset
Wynyard Squash Centre	<ul style="list-style-type: none"> • Not DDA compliant • Exposed to complaints • Reputational risk 	H	<ul style="list-style-type: none"> • Schedule upgrade
Various Buildings Not On Council Key System	<ul style="list-style-type: none"> • Key copying is uncontrolled leading to security issues 	H	<ul style="list-style-type: none"> • Move to Council key system over time

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan
Council Key System Patent & Issuing of Keys	<ul style="list-style-type: none"> Patent expired Potential for uncontrolled key copying leading to security issues Unauthorised access to Council buildings 	H	<ul style="list-style-type: none"> Maintain and continue to review the key register Replace key system and revise key procedures Internal & external training Explore alternate locking systems
Public Toilets with Electronic Locks	<ul style="list-style-type: none"> Locks fail, locking people in the toilets 	H	<ul style="list-style-type: none"> Consider replacement with manual locks or other alternative
Somerset Tennis Courts Clubroom	<ul style="list-style-type: none"> Damage due to flooding and/or coastal erosion 	H	<ul style="list-style-type: none"> Coastal erosion protection or Possible future option to plan for relocation of the asset (OSSR)
Somerset Surf Lifesaving Clubroom	<ul style="list-style-type: none"> Damage due to flooding and/or coastal erosion 	H	<ul style="list-style-type: none"> Possible future options include coastal erosion protection works or relocation of building when replaced in the future

1.7 Asset Management Planning Practices

Key assumptions made in this AM Plan are:

- The services provided by assets in this category are consumed at a constant rate over the pre-defined standard useful lives recorded in council's asset management system for each of the asset components
- Present service levels will remain constant for the life of the plan
- Present levels of expenditure (and the relative distribution of planned & reactive maintenance, and capital renewals & new/upgrades) will remain constant for the life of the plan
- Legislative compliance will remain constant over the life of the plan

Assets requiring renewal are identified from either the asset register or an alternative method.

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

The Alternate Method was used to forecast the renewal lifecycle costs for this AM Plan.

This AM Plan is based on a C (Uncertain) level of confidence information.

1.8 Monitoring and Improvement Program

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

- Ensure next valuation is informed by asset condition to a greater extent
- Expand documented service levels
- Improve 10 year works plan
- Develop Building Act compliant building maintenance schedule
- Formalise maintenance intervention levels for building infrastructure assets
- Assess infrastructure needs based on future demand drivers
- Undertake audit of energy usage in Council building facilities and implement energy efficiencies as per the Integrated Council Environmental Plan (iCEP)

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 Waratah-Wynyard Council's planning documents. This should include the Asset Management Policy and the Asset Management Strategy, where developed, along with other key planning documents:

- Waratah-Wynyard Council Strategic Asset Management Plan
- Waratah-Wynyard Council Financial Management Strategy
- Waratah-Wynyard Council Corporate Strategic Plan

The infrastructure assets covered by this AM Plan include all Council buildings such as administration offices, civic amenities, community group facilities, public halls, child care facilities, recreation facilities, rental properties, workshops & utilities. Assets not covered by this plan are land and non-building land improvements such as car parking and land drainage infrastructure. For a detailed summary of the assets covered in this AM Plan refer to Table 9 in Section 5.0

These assets are used to provide buildings related services to the Waratah-Wynyard community in a safe, timely, serviceable and cost effective manner while aspiring to cyclical improvements for the benefit of all stakeholders.

The infrastructure assets included in this plan have a total replacement value of \$30,152,330.

Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.

Table 2: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Waratah-Wynyard Councillors	<ul style="list-style-type: none">■ Represent needs of community/shareholders,■ Allocate resources to meet planning objectives in providing services while managing risks,■ Ensure service sustainable.
General Manager	Maintain Council's focus on strategic asset management and sustainable service provision.
Council Staff	To maintain a proactive approach to customer requests, and to utilise a holistic asset management system and procedures which can better inform decisions by Council
The Waratah-Wynyard Community (including residents and businesses)	Provide feedback to Council regarding the community's service level demands and their ability and willingness to pay for the costs of service delivery
Emergency Services	Report perceived shortcomings, damage, safety concerns, etc. with the current infrastructure in relation to their needs.
Federal & State Government Authorities and Agencies	Providing input with regard to overall infrastructure performance in conjunction with infrastructure under their jurisdiction.
Utility Companies	Providing input with regard to access to their assets.
Developers	Providing input with regard to their interests in future investment in the infrastructure.
Neighbouring Councils	Maintaining a dialogue with other municipal authorities with regard to asset management practices, construction standards, resource sharing, etc.

2.2 Goals and Objectives of Asset Ownership

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

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Financial Management Strategy 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:

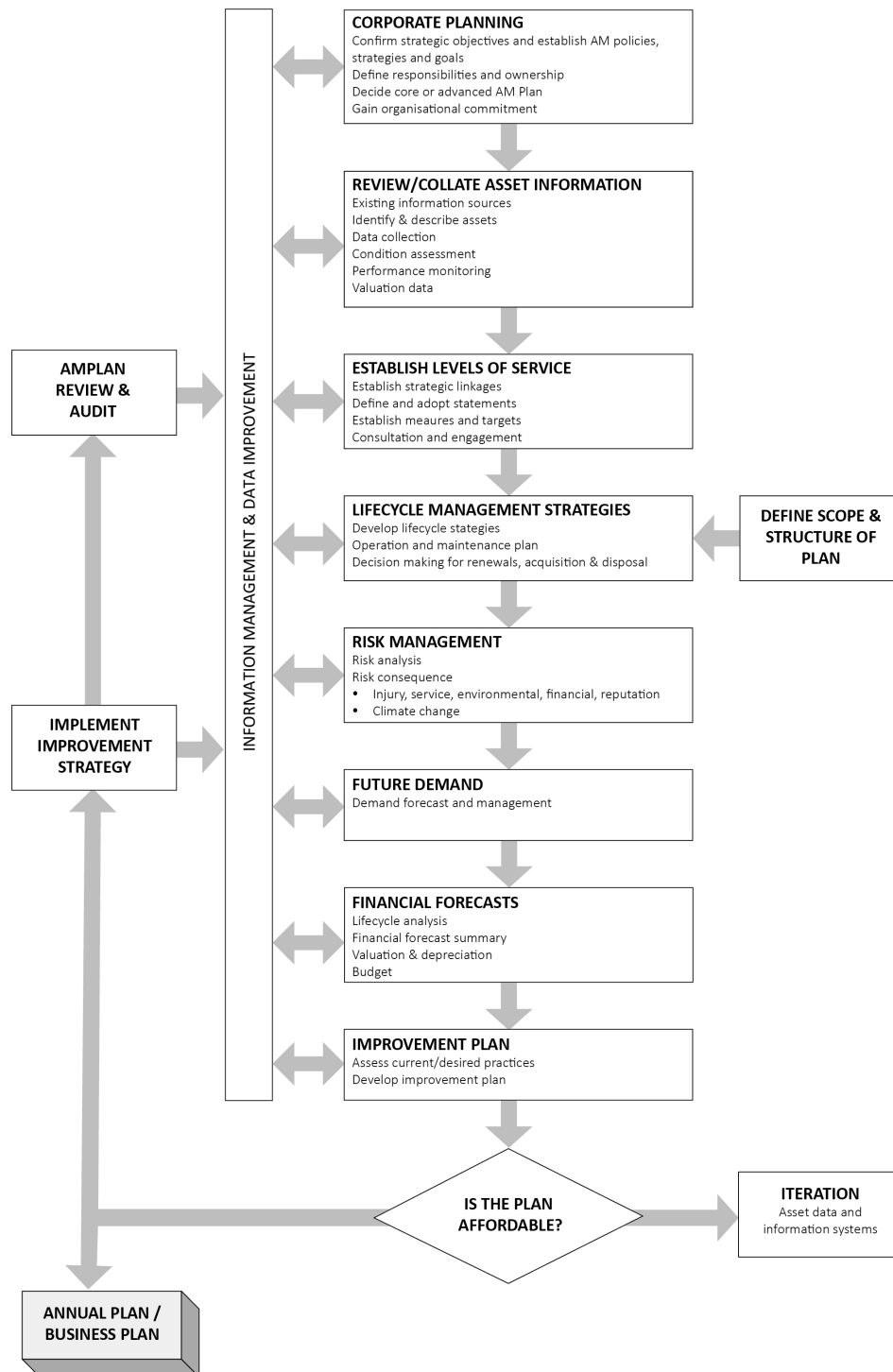
- International Infrastructure Management Manual 2015 ¹
- ISO 55000²

A road map for preparing an AM Plan is shown in Figure 2.

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

² ISO 55000 Overview, principles and terminology

Figure 2: Road Map for preparing an Asset Management Plan



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

3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

Table 3 shows current available community satisfaction levels for relevant services identified by the 2019 Community Satisfaction Survey carried out by *Insync Surveys* as well as comparison with previous surveys. The survey asked respondents to rate the importance of each of the identified service elements as well as their perception of Council's performance in delivering that service element. This allowed calculation of a mean gap score for each element where a large gap score signifies a perceived poor performance by Council in a service area relative to its importance to the community.

According to Insync Surveys, the mean gap score can be interpreted as follows:




	Good	Mean gap score <2
	Average	Mean gap score 2 – 3
	Poor	Mean gap score >3

Table 3: Customer Satisfaction Survey Levels

Service Element	2019 Community Satisfaction Survey			2016 Survey Mean Gap Score
	Importance (max score 7)	Performance (max score 7)	Mean Gap Score	
Public toilet amenities	6.2	4.0	2.2	1.62
Tourism services, facilities & museums	5.7	5.2	0.5	0.05
Physical access to Council buildings	5.6	5.3	0.3	0.22
Public halls and council facilities	5.4	4.7	0.7	0.38

3.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Waratah-Wynyard Council vision, mission, goals and objectives.

COUNCIL'S VISION

To deliver innovative, sustainable services to our Community through strong leadership, clear direction and collaborative relationships.

COUNCIL'S MISSION

Building our Community and region, providing leadership, a strong voice, and delivering outcomes based on value for money.

COUNCIL'S VALUES

Respect	Honest	Ethical
Pride	Fairness	Trustworthy

COUNCIL'S STRATEGIC GOALS

The relevant strategic goals set by Council, the objectives of these goals and how these are addressed in this AM Plan are summarised in Table 4.

Table 4: Goals and How These Are Addressed in This Plan

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
GOAL 1: Leadership and Governance	We make publicly transparent decisions on spending and future directions while encouraging feedback.	AM Plans provide Council with the long-term implications of service delivery for consideration in decision making. Plans are published publicly to improve community knowledge.
	We maintain and manage our assets sustainably.	Building assets are maintained in good, fit-for-purpose condition to facilitate the provision of services to the community.
Goal 2: Organisational Support	We are future-focussed and value continuous improvement.	The AM Plan improvement plan will meet this goal.
Goal 3: Connected Communities	Our natural and built environment aids the community with an active and healthy lifestyle.	Council decision making is aided by the AM Plan in determining appropriate provision of assets for community use.
Goal 4: Community Recreation and Wellbeing	Our community values, encourages and supports physical, social and cultural activities.	
	We provide recreational opportunities to the community for all ages and abilities.	

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the building infrastructure services are outlined in Table 5.

Table 5: Legislative Requirements

Legislation	Requirement
Local Government Act (1993)	Sets out role, purpose, responsibilities and powers of local governments including the preparation of the financial management strategy supported by asset management plans for sustainable service delivery.
Building Act (2000)	Regulates the construction and maintenance of buildings and building and plumbing matters and to provide for permits, enforcement matters and resolution of disputes
Disability Discrimination Act (1992)	Aims to eliminate discrimination against persons on the ground of disability across a variety of areas, including work, accommodation, education, access to premises, clubs and sport. It also ensures that persons with disabilities have the same rights to equality before the law as the rest of the community; and promotes recognition and acceptance within the community of persons with disabilities having the same fundamental rights as the rest of the community

3.4 Customer Values

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

Customer values indicate:

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

Measures of customer values are not significantly developed beyond the general understanding obtained from the community satisfaction survey (shown above in Section 3.1).

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

Condition	How good is the service... What is the condition or quality of the service?
Function	Is it suitable for its intended purpose.... Is it the right service?
Capacity/Use	Is the service over or under used... Do we need more or less of these assets?

Customer levels of service measures are not significantly developed beyond the general understanding obtained from the community satisfaction survey (shown above in Section 3.1).

3.6 Technical Levels of Service

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

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

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

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

Table 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.

³ IPWEA, 2015, IIMM, p 2|28.

Table 6: Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
Acquisition	Provide additional facilities to meet changing community needs	Drawn from masterplans and significant developments	Currently all identified upgrade works from major developments and council-initiated masterplans are scheduled to be funded	Complete all acquisitions as per the lifecycle forecast
		Additional developments not triggered from masterplans	Not funded	Evaluate and prioritise non-funded acquisitions (Would increase current lifecycle cost without furthering the service aim)
Operation	Provide for the ongoing operation of Council owned facilities	Annual Budget	The Operation activities can be done within the current planned budget constraints	The Operation activities are fully funded in the annual budget
Maintenance	Ensure facilities are maintained at fit-for-purpose standard	Annual Budget	The Maintenance activities can be done within the current planned budget constraints	The Maintenance activities are fully funded in the annual budget
Renewal	Replace utilised facilities at end of useful life	Annual Budget	Asset Renewal Funding Ratio of 100%	Asset Renewal Funding Ratio of 100%
Disposal	Reduce the financial burden of operating & maintaining facilities surplus to community needs	Annual Budget	The Disposal activities can be done within the current planned budget constraints	Asset disposals carried out in line with service aim

Note: * Current activities related to Planned Budget.

** Forecast required 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 7.

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

Table 7: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	Approx. 14,000	Municipal population expected to decline slightly over the next 5-10 years without intervention.	A declining population may result in reduction in capacity of the community to pay for maintenance and renewal.	Continue to investigate multi-use arrangements to maximise service benefits from existing facilities. Optimise maintenance, renewal, and upgrade practices.
Demographics	Aging population	Population continues to age with increased proportion of persons over 60 years of age.	Could result in a change in the types of building facilities being demanded by the community Increased importance on mobility access features.	Continue to monitor and evaluate community needs. Continue to review and develop service levels and asset management plans to ensure accessibility for all community members in line with changing needs.
Sea Change	Popularity of rural living and associated hobby farms has increased in recent times	Increased demand for small coastal residential allotments.	Increased expectation of high 'urban' quality services resulting in higher costs.	Continue to monitor and evaluate community needs. Clearly communicate service levels to the community.

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Tourism	Coach visits, local events	Increase in events and tourism generally.	Increased need for new and/or larger public event facilities with appropriate parking	Continue to monitor and evaluate community needs. Maximise on-street parking.
Planning scheme changes	WWC Planning Scheme 2000	More centralisation of population placing a higher burden on existing facilities	Push to duplicate or modernise urban facilities, increase levels of service, cater for larger seasonal events	Continue to review and develop service levels and asset management plans to ensure community needs are met Clearly communicate service levels to the community
Public health awareness/ passive building	Increasing	More diversity in types of activity, greater focus on healthy lifestyle pursuits available all seasons	Broader functionality of current facilities walking tracks, exercise points, indoor facilities	Investigate alternate uses of existing facilities in line with changing community needs.
Decline in committees and volunteer involvement	Many building facilities run by volunteer committee	Greater demand for Council involvement	Rationalisation of buildings and resources	Assessment of ongoing requirements, including possible disposal of under-utilised facilities
Safety Standards	Becoming more stringent	Ongoing revision of current safety standards requiring compliance	Some existing facilities not in line with updated standards	Continual monitoring of relevant standards. Instigate upgrades with new building works where possible. Replace / upgrade existing facilities to meet changes.

4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.5

Acquiring new assets will commit the Waratah-Wynyard 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 Financial Management Strategy (refer to Section 5.0).

4.5 Climate Change Adaptation

The effects of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the asset management planning process, climate change can be considered as both a future demand and a risk.

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

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

Risk and opportunities identified to date are shown in Table 8.

Table 8: Managing the Impact of Climate Change on Assets and Services

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Changing weather patterns and increased coastal erosion over recent years	Trending toward increased seasonal extremes – rainfall, tidal, wind, and storm events.	Increasing levels of maintenance work to maintain current standard of building infrastructure. Erosion and inundation of existing facilities. Increasing requirements for flood mitigation to protect building assets	Schedule long-term capital works program. Investigate cooperating with adjacent councils to achieve economies of scale and cost savings. Investigate new and innovative methods of construction, operation, maintenance and renewal. Consider retreat/defend strategies for vulnerable assets. Consider methods & costs of erosion mitigation

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

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

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

⁴ IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Waratah-Wynyard Council plans to manage and operate the assets at the agreed levels of service (refer to Section 3.0) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

Council's building portfolio is a diverse group of assets located across the entire municipality with uses which include Council administration, public utility, sport, recreation, tourism, storage and commercial rental.

These buildings are generally on land which Council owns or leases, however there may be instances where Council's legal right over the land is not adequately formalised. Further work needs to be done to identify and resolve such instances.

There are also buildings for which Council's legal responsibilities under the Building Act (2000) conflict with its historical responsibility for the building. For example, where the land is owned or leased by Council but where a community group originally paid part (or all) of the capital cost of the building and have managed it more-or-less independently ever since.

In some cases the distinction between land owner (Council) and building 'owner' (community group) has become increasingly blurred as a building starts to require significant maintenance and/or capital upgrade. Situations such as this typically have complex, largely undocumented histories, often spanning decades, and present significant challenges for Council to manage into the future.

A final point to note is that Council's building asset register is now compliant with the Australian Accounting Standards Board requirements for the valuation and reporting of complex assets to separate buildings into components with relevant useful lives. In 2020/21 Council engaged APV Valuers & Asset Management to complete a full revaluation and componentisation of building assets. This process is now complete, and the asset register updated to reflect the lifecycle of individual components in each building (e.g.: substructure, structure, roofing, electrical, etc.).

The assets covered by this AM Plan are shown in Table 9.

Table 9: Assets covered by this Plan

Asset Category	Dimension	Replacement Value
Administration Offices	4	5,822,800
Child Care Facilities	3	1,746,380
Civic Amenities	18	1,989,990
Community Group Facilities	6	4,611,300
Public Halls	3	1,696,000
Recreation Facilities	24	11,080,920
Rental Properties	4	947,300
Workshops & Utilities	27	2,257,640
TOTAL	89	30,152,330

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 10.

Table 10: Known Service Performance Deficiencies

Location	Service Deficiency
Wynyard Squash Centre	No elevator for DDA compliance
Langley Park Clubrooms	No elevator for DDA compliance
	Lack provision of female amenities

The above service deficiencies were identified from Infrastructure Risk Register.

5.1.3 Asset condition

With some exceptions, reliable and consistent data describing the current condition of all individual assets which make up the building asset group have not been recorded in any formal way. For this reason the remaining useful lives of assets have been updated according to the report provided by APV Valuers & Asset Management.

Regular and consistent assessment of asset condition has been identified as a key objective to better enable reliable calculation of the remaining life of assets in the future.. It is intended that condition be measured using a 1 – 5 grading system⁵ as detailed in Table 11. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

Table 11: Condition Grading System

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

Condition is not currently monitored in a formal way.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, 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 pipe repairs, asphalt patching, and equipment repairs.

⁵ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

The trend in maintenance budgets are shown in Table 12.

Table 12: Maintenance Budget Trends

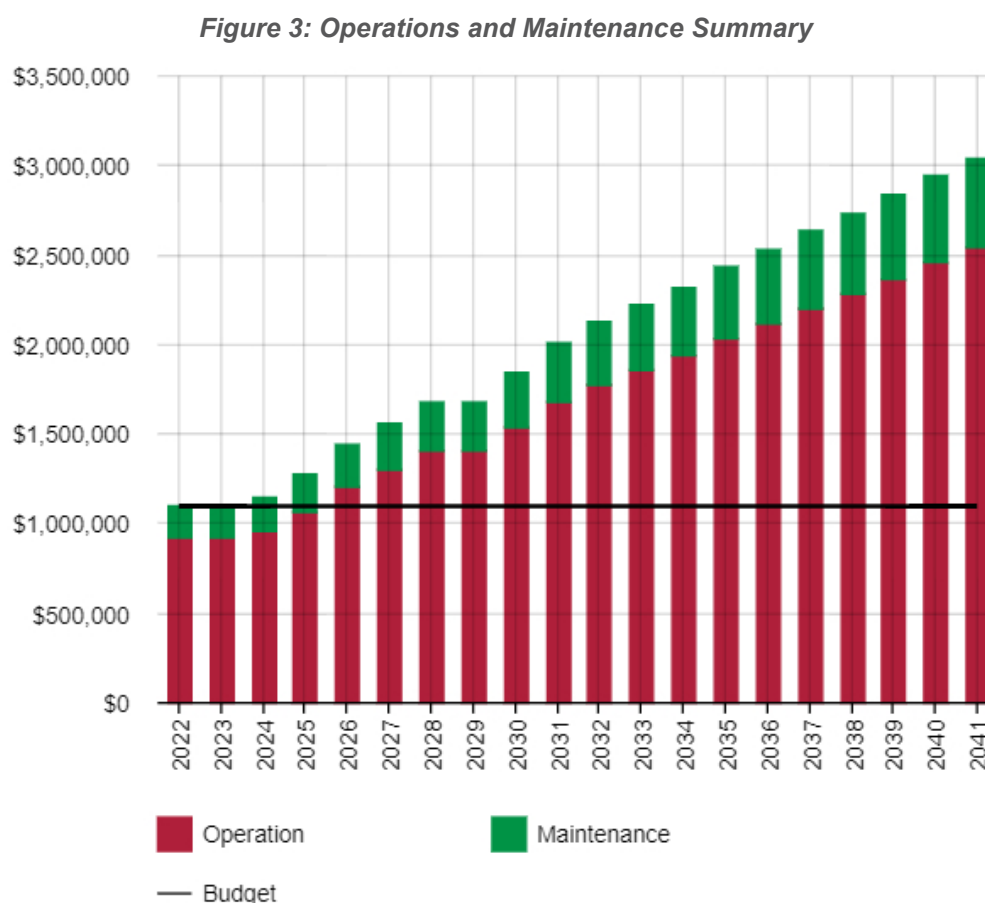
Year	Maintenance Budget \$
2019/2020	\$131,791
2020/2021	\$180,580
2021/2022	\$184,192

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Register.

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

Summary of Forecast Operations and Maintenance Costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 3 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.



All figure values are shown in current day dollars.

The step increases in operations and maintenance expenditure illustrated in the above figure are as a result of the projected capital acquisitions (new and/or upgraded assets) expenditure in Council's 10 year works plan 2022-2031. NB: The projections from 2032-2041 assume an annual expenditure on new/upgraded assets equal to the average annual expenditure of the first 10 years of the AM Plan.

Period 2022-2031 is considered to be a period of high capital investment in new/upgraded buildings infrastructure.

Any deferred maintenance (i.e. works that are identified for maintenance activities but unable to be completed due to available resources) will be included in the infrastructure risk register.

5.3 Renewal Plan

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

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

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

The useful lives of buildings infrastructure is a complex issue in that different components of each building diminish at different rates. As such, a more accurate method to record useful lives is to break down each building into its components and assign useful lives at the component level. Component examples include roofing, substructure, floorcovering, electrical, etc. Additionally, most of these components contain elements which have a long useful life and other elements which have a relatively short useful life. For example: the structural element of a roof has a long useful life, whereas the roof cladding element has a comparatively short useful life.

The typical useful lives of the components of building infrastructure used to develop projected asset renewal forecasts are shown in Table 13. Asset useful lives were last reviewed as part of APV Valuers & Asset Management's valuation report in 2020/21.⁶

Table 13: Useful Lives of Assets

Asset (Sub)Category	Useful Long Life	Useful Short Life
Substructure	150 years	60-120 years
Structure	100-150 years	50-120 years
Floor Coverings	N/A	14-40 years
Fit-Out	100-130 years	35-95 years
Roof	100-150 years	45-90 years
Mechanical Systems	50-80 years	18-50 years
Fire Systems	40 years	18-25 years
Electrical Systems	150-200 years	50-90 years
Hydraulic Systems	150-200 years	50-90 years
Security Systems	N/A	15-25 years
Transport Systems	150 years	95-100 years

⁶ 'Final Valuation of Waratah-Wynyard Council Building Assets' Report, APV Valuers & Asset Management

The estimates for renewals in this AM Plan were based on the Alternate Method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).⁷

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

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁸

Specific priority ranking criteria and associated weightings have not yet been developed for this asset class; however, this task is flagged for future revisions of this plan. A clear intention is that the priority ranking criteria be based on the technical levels of service that relate to the community levels of service.

Currently, asset renewal project submissions are prioritised using the weighted criteria in the Capital Works Request Form and then tabled with Council for consideration as part of the annual budget process. Table 14 details the elements considered during this process.

Table 14: Renewal Priority Ranking Criteria

Category	Criteria	Score	Weighting
Safety/Risk	Project creates additional risk/safety implication/s for Council	1	3
	Project has no risk/safety implications/impact for Council	3	
	Project is necessary to address identified issues in risk/safety assessment carried out	5	
Adopted Plan Alignment	Project is a new idea that does not align with an existing plan or strategy adopted by Council	1	2
	Project indirectly supports an adopted plan or strategy of Council	3	
	Project directly supports an adopted plan or strategy of Council	5	
Operational Financial Implications	Project creates a new operational burden on Council greater than \$10,000 p.a.	1	1
	Project creates a new operational burden on Council less than \$10,000 p.a.	3	
	Project reduces or does not create a additional maintenance burden on Council	5	
	Project has no regulatory implications	1	2

⁷ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

⁸ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

Category	Criteria	Score	Weighting
Regulatory or Statutory Implications	Project/action supports code of practice/guideline recommendations	3	
	Project/action required to meet statutory/regulatory requirements	5	
Type of Project	New asset	1	1
	Asset upgrade	3	
	Asset renewal	5	
Level of Service & Community Satisfaction	Current level of service satisfactory	1	2
	Level of service has reduced – minor complaint levels	3	
	Level of service has reduced <25% of expected level, service interruptions, additional maintenance inputs required, frequent user complaints	5	

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 benefit of the asset by renewing the assets at a cost less than replacement cost.

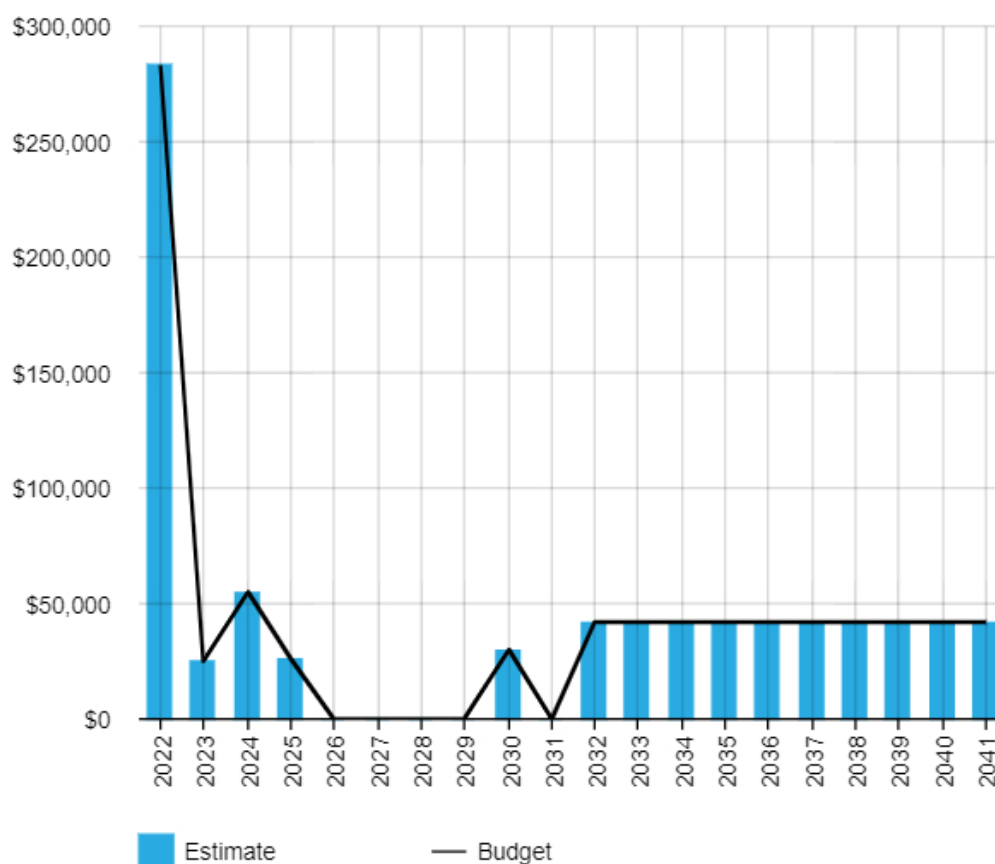
Renewal work is carried out in accordance with the following Standards and Specifications:

- The Building Code of Australia
- Building Act 2000
- Building Regulations 2004
- Plumbing Regulations 2004

5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 4. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 4: Forecast Renewal Costs



All figure values are shown in current day dollars.

Renewals and replacement expenditure in the capital works program will be accommodated in the financial management strategy.

Some of these renewal projects may require a decision on disposal or demolition of the asset. For example: residential property holdings.

Any deferred renewal (assets identified for renewal and not scheduled in capital works programs) will be included in the risk analysis process in the infrastructure risk register.

5.5 Acquisition Plan (Upgrade & New)

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 Waratah-Wynyard Council.

5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to Council's needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 15.

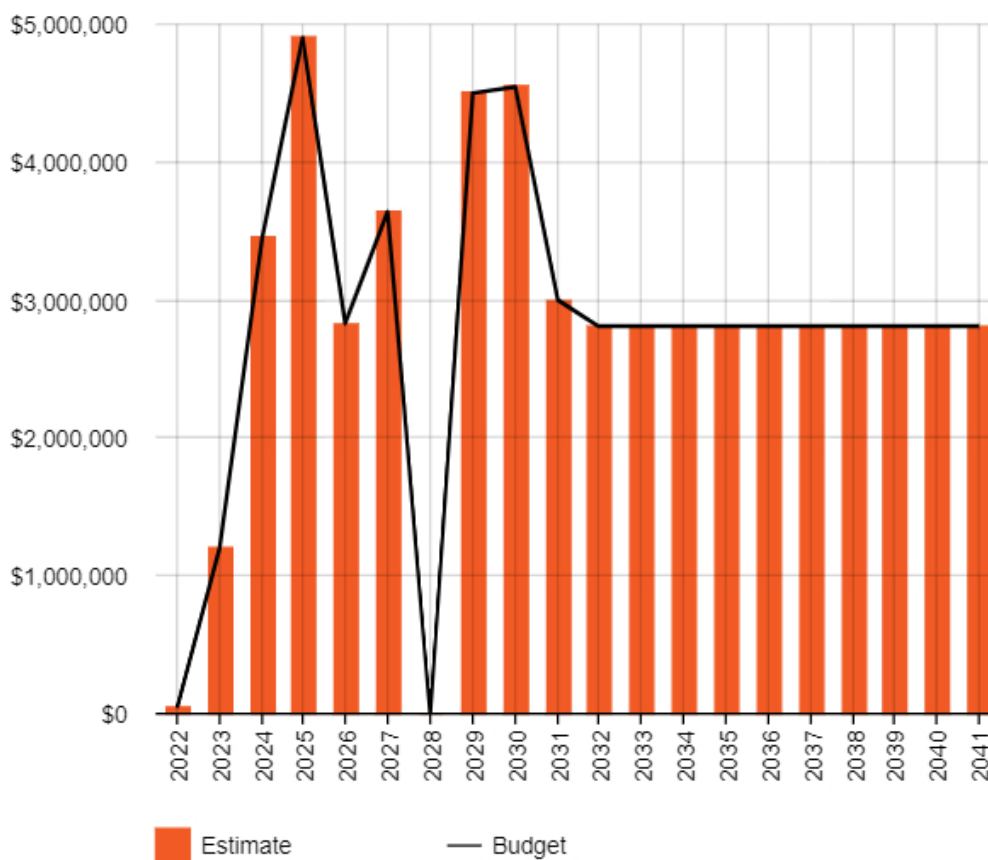
Table 15: Acquired Assets Priority Ranking Criteria

Category	Criteria	Score	Weighting
Safety/Risk	Project creates additional risk/safety implication/s for Council	1	3
	Project has no risk/safety implications/impact for Council	3	
	Project is necessary to address identified issues in risk/safety assessment carried out	5	
Adopted Plan Alignment	Project is a new idea that does not align with an existing plan or strategy adopted by Council	1	2
	Project indirectly supports an adopted plan or strategy of Council	3	
	Project directly supports an adopted plan or strategy of Council	5	
Operational Financial Implications	Project creates a new operational burden on Council greater than \$10,000 p.a.	1	1
	Project creates a new operational burden on Council less than \$10,000 p.a.	3	
	Project reduces or does not create a additional maintenance burden on Council	5	
Regulatory or Statutory Implications	Project has no regulatory implications	1	2
	Project/action supports code of practice/guideline recommendations	3	
	Project/action required to meet statutory/regulatory requirements	5	
Type of Project	New asset	1	1
	Asset upgrade	3	
	Asset renewal	5	
Level of Service & Community Satisfaction	Current level of service satisfactory	1	2
	Level of service has reduced – minor complaint levels	3	
	Level of service has reduced <25% of expected level, service interruptions, additional maintenance inputs required, frequent user complaints	5	

Summary of Future Asset Acquisition Costs

Forecast acquisition asset costs are summarised in Figure 5 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

Figure 5: Acquisition (Constructed) Summary

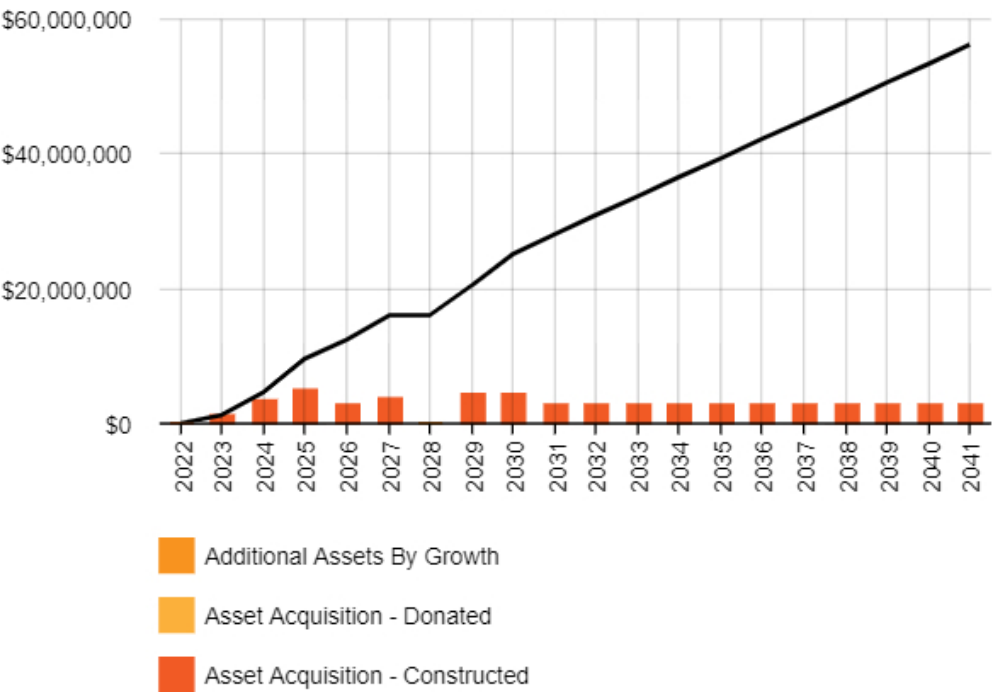


All figure values are shown in current day dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the financial management strategy but only to the extent of the available funds.

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. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by Council. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 6.

Figure 6: Acquisition Summary



All figure values are shown in current dollars.

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

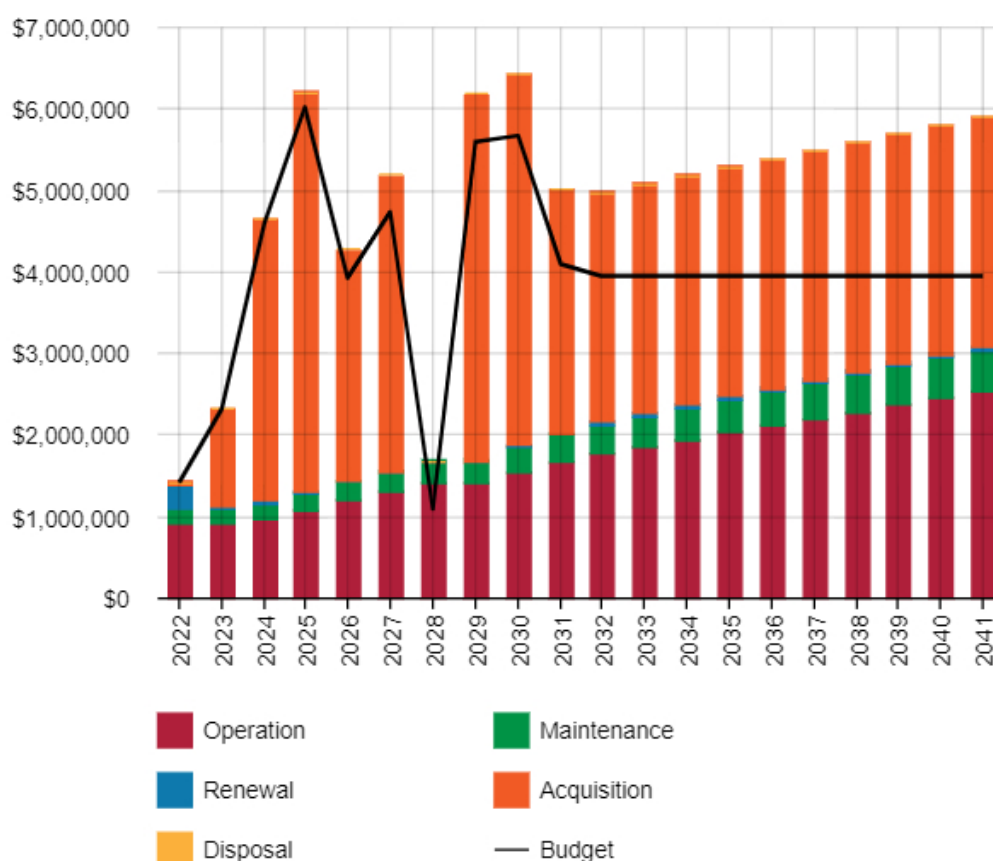
Acquiring these new assets will commit the funding of ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required.

Summary of Asset Forecast Costs

The financial projections from this asset plan are shown in Figure 7. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 7: Lifecycle Summary



All figure values are shown in current day dollars.

Continued annual comparison of planned asset acquisitions against the Financial Management Strategy capacity to fund is key to financial sustainability. Rationalisation of asset acquisition aspirations may be required as part of this process.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets to be replaced are disposed of as a normal part of the accounting process of asset renewal (e.g. replace item of plant or bitumen surface reseal).

Wynyard Showground Grandstand is budgeted in 2020/21 for demolition. No additional assets are identified for decommissioning at this stage. This will be reviewed in future versions of this plan as necessary.

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’⁹.

An assessment of risks¹⁰ 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 16. Failure modes may include physical failure, collapse or essential service interruption.

Table 16: Critical Assets:

Critical Asset(s)	Failure Mode	Impact
Wynyard Council Office	Building Collapse or Fire	Council day-to-day operations affected Alternate premises required during reconstruction
Wynyard Depot Buildings	Fire	Council day-to-day operations affected Alternate premises required during reconstruction

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.

⁹ ISO 31000:2009, p 2

¹⁰ Waratah-Wynyard Council Infrastructure Risk Register

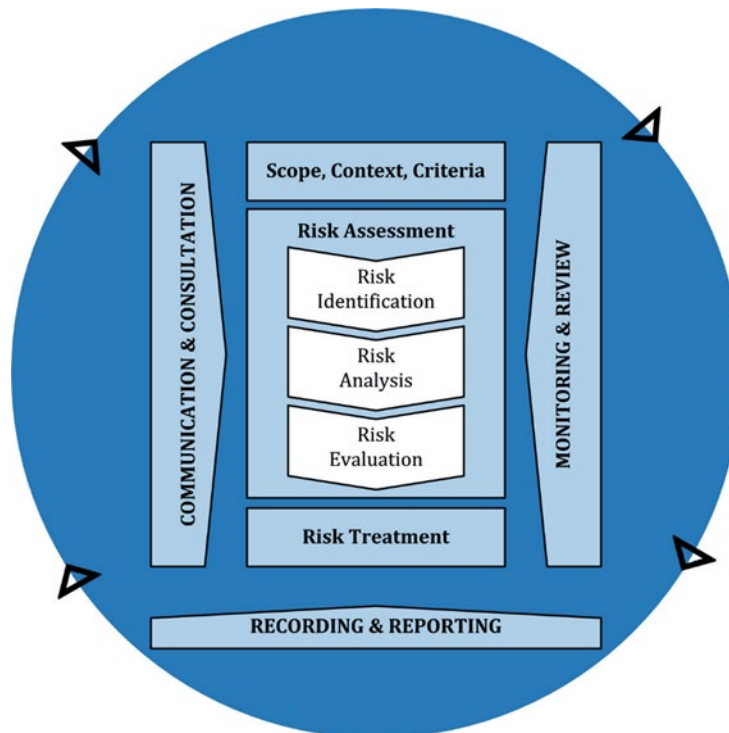
6.2 Risk Assessment

The risk management process used is shown in Figure 8 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.

Figure 8: 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 risks¹¹ 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.

¹¹ Waratah-Wynyard Council Infrastructure Risk Register

Critical risks are those assessed with risk ratings of 'Very High' – requiring immediate corrective action, and 'High' – requiring corrective action. Critical risks identified in the Infrastructure Risk Register and their possible treatment plans are summarised in Table 17. These risks are included in the Corporate Risk Register and regularly reported to management and Council.

Table 17: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan
Athenaeum Hall (heritage listed), Waratah	<ul style="list-style-type: none"> • Aged asset in very poor condition. Costly to fix. • Building becoming unusable/uninsurable • Has associated reputational risk • Windows leaking creating damage • Doors rotting - security issue • Birds in roof 	H	<ul style="list-style-type: none"> • Independent assessment • Fund recommended repair works
Wynyard Council Office Air Conditioner	<ul style="list-style-type: none"> • Inconsistent temperature control. • Possible unit failure. • Inadequate for purpose 	H	<ul style="list-style-type: none"> • Independent assessment of replacement options • Schedule/fund replacement"
Langley Park Clubrooms Upstairs Social Space Access, Somerset	<ul style="list-style-type: none"> • Not DDA compliant • Exposed to complaints • Reputational risk 	H	<ul style="list-style-type: none"> • Schedule upgrade • Consider relocation and construction of single level asset
Wynyard Squash Centre	<ul style="list-style-type: none"> • Not DDA compliant • Exposed to complaints • Reputational risk 	H	<ul style="list-style-type: none"> • Schedule upgrade
Various Buildings Not On Council Key System	<ul style="list-style-type: none"> • Key copying is uncontrolled leading to security issues 	H	<ul style="list-style-type: none"> • Move to Council key system over time
Council Key System Patent & Issuing of Keys	<ul style="list-style-type: none"> • Patent expired • Potential for uncontrolled key copying leading to security issues • Unauthorised access to Council buildings" 	H	<ul style="list-style-type: none"> • Maintain and continue to review the key register • Replace key system and revise key procedures • Internal & external training • Explore alternate locking systems
Public Toilets with Electronic Locks	<ul style="list-style-type: none"> • Locks fail, locking people in the toilets 	H	<ul style="list-style-type: none"> • Consider replacement with manual locks or other alternative
Somerset Tennis Courts Clubroom	<ul style="list-style-type: none"> • Damage due to flooding and/or coastal erosion 	H	<ul style="list-style-type: none"> • Coastal erosion protection or Possible future option to plan for relocation of the asset (OSSR)
Somerset Surf Lifesaving Clubroom	<ul style="list-style-type: none"> • Damage due to flooding and/or coastal erosion 	H	<ul style="list-style-type: none"> • Possible future options include coastal erosion protection works or relocation of building when replaced in the future

6.3 Infrastructure Resilience Approach

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

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

While Council's Business Continuity Plan addresses this to some degree, we do not currently formally measure our resilience in service delivery. This will be included in future iterations of the AM Plan.

6.4 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.

6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are not funded to be undertaken within the next 10 years. These include:

- Renew Waratah Veneer Mill
- Renew Council's security key system patent and re-key all Council owned/managed buildings

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Lower standard of service in these areas

6.4.3 Risk trade-off

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

- Potentially dissatisfied customers
- Periodic increased reactive maintenance requirements on affected buildings

These actions and expenditures were considered but not included in the forecast costs. Where applicable, these items are included in the Infrastructure Risk Register.

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 Ratio¹² 100.0%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 100.0% of the funds required for the optimal renewal of assets.

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

Medium Term – 10 Year Financial Planning Period

This 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 \$1,525,100 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$1,140,066 on average per year requiring additional funding of \$385,034 per year. This indicates that 74.75% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note: these calculations exclude the capital costs of 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 Financial Management Strategy.

7.1.2 Forecast Costs (outlays) for the Financial Management Strategy

Table 18 shows the forecast costs (outlays) required for consideration in the 10 year Financial Management Strategy.

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 Financial Management Strategy.

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 Financial Management Strategy).

¹² AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

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 are shown in 2020/21 dollar values.

Table 18: Forecast Costs (Outlays) for the Financial Management Strategy

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2022	41,500	917,586	180,580	283,000	0
2023	1,200,000	918,848	180,829	25,000	0
2024	3,450,000	955,328	188,029	55,000	0
2025	4,900,000	1,060,208	208,729	26,000	0
2026	2,830,000	1,209,168	238,129	0	0
2027	3,640,000	1,295,200	255,109	0	0
2028	0	1,405,856	276,949	0	0
2029	4,500,000	1,405,856	276,949	0	0
2030	4,545,000	1,542,656	303,949	30,000	0
2031	3,000,000	1,680,824	331,219	0	0
2032	2,810,650	1,772,024	349,219	41,900	0
2033	2,810,650	1,857,467	366,083	41,900	0
2034	2,810,650	1,942,911	382,947	41,900	0
2035	2,810,650	2,028,355	399,811	41,900	0
2036	2,810,650	2,113,799	416,675	41,900	0
2037	2,810,650	2,199,243	433,539	41,900	0
2038	2,810,650	2,284,686	450,402	41,900	0
2039	2,810,650	2,370,130	467,266	41,900	0
2040	2,810,650	2,455,574	484,130	41,900	0
2041	2,810,650	2,541,018	500,994	41,900	0

7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Financial Management Strategy.

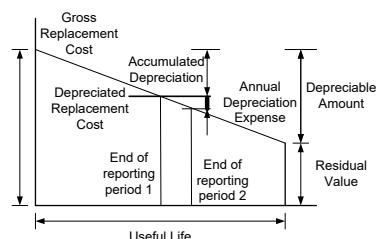
The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

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. The assets are valued at current replacement cost.

Replacement Cost (Current/Gross)	\$30,152,330
Depreciable Amount	\$30,152,330
Depreciated Replacement Cost ¹³	\$21,372,332
Depreciation	\$420,647



7.3.2 Valuation forecast

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

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

Annual comparison with Financial Management Strategy as part of setting annual plan and budgets will be required to ensure financial sustainability.

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:

- The services provided by assets in this category are consumed at a constant rate over the pre-defined standard useful lives recorded in council's asset management system for each of the asset components
- Present service levels will remain constant for the life of the plan
- Present levels of expenditure (and the relative distribution of planned & reactive maintenance, and capital renewals & new/upgrades) will remain constant for the life of the plan
- Legislative compliance will remain constant over the life of the plan

¹³ Also reported as Written Down Value, Carrying or Net Book Value.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this 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 an A - E level scale¹⁴ in accordance with Table 19.

Table 19: Data Confidence Grading System

Confidence Grade	Description
A - Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B - Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C - Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D - Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E - Unknown	None or very little data held.

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

¹⁴ IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹⁵

8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is:

- Authority
- Waratah-Wynyard Council Budget 2020/2021
- Waratah-Wynyard Council Financial Management Strategy
- Final Valuation of Waratah-Wynyard Council Building Assets – Report by APV Valuers & Asset Management

8.1.2 Asset management data sources

This AM Plan also utilises asset management data. The source of the data is:

- Waratah-Wynyard Council 10 Year Works Plan
- Final Valuation of Waratah-Wynyard Council Building Assets – Report by APV Valuers & Asset Management

8.2 Improvement Plan

8.2.1 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 20.

Table 20: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Ensure next valuation is informed by asset condition to a greater extent	Asset Services	Third Party Consultancy Estimated \$8,000	2025
2	Expand documented service levels	Asset Services	Staff Time	2025
3	Improve 10 year works plan	Asset Services	Staff Time	Annually
4	Develop Building Act compliant building maintenance schedule	Asset Services	Staff Time	Annually
5	Formalise maintenance intervention levels for building infrastructure assets	Asset Services	Staff Time	Annually
6	Assess infrastructure needs based on future demand drivers	Asset Services	Staff Time	2026+
7	Undertake audit of energy usage in Council building facilities and implement energy efficiencies as per the Integrated Council Environmental Plan (iCEP)	Asset Services	Staff Time Possible third party assistance	2022

¹⁵ ISO 55000 Refers to this as the Asset Management System

8.2.2 Status of Previous Improvement Plan Tasks

The status of improvement tasks from the previous Building Infrastructure AM Plan are shown below in Table 21.

Table 21: Status of Improvement Tasks from Previous AMP

Task No	Task	Responsibility	Timeframe	Status
1.	Review and adopt Council's Asset Management Policy	Assets Coord	1 year	Complete
2.	Develop and adopt Levels of Service	Assets Coord	3-5 years	Commenced
3.	Estimate new assets from growth factor	Assets Coord	1 - 2 years	Not started
4.	Audit and revaluation of building asset group	Assets Coord	1 year	Complete
5.	Develop asset condition inspection program	Assets Coord	5+ years	Commenced
6.	Develop Infrastructure Risk Management Plan	Assets Coord	2-3 years	Commenced
7.	Formalise maintenance intervention levels for building infrastructure assets	Assets Coord	2-3 years	Not started
8.	Develop and adopt weighted capital works priority ranking criteria	Assets Coord	1-2 years	Commenced
9.	Investigate fully depreciated assets still in service and reassess remaining lives	Assets Coord	1 year	Complete

8.3 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 annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Financial Management Strategy.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 4 years of plan adoption.

8.4 Performance Measures

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

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the Financial Management Strategy,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

9.0 REFERENCES

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- Waratah-Wynyard Council Corporate Strategic Plan 2017 - 2027
- Waratah-Wynyard Council Annual Plan/s, Annual Report/s and Budget/s
- Waratah-Wynyard Council Financial Management Strategy
- Waratah-Wynyard Council Asset Management Maturity Assessment 2019
- Waratah-Wynyard Council Strategic Asset Management Plan
- Waratah-Wynyard Council 10 Year Works Plan
- Integrated Council Environmental Plan (iCEP)
- 'Final Valuation of Waratah-Wynyard Council Building Assets' Report: 30 June 2021, APV Valuers & Asset Management

10.0 APPENDICES

APPENDIX A Acquisition Forecast

APPENDIX B Operation Forecast

APPENDIX C Maintenance Forecast

APPENDIX D Renewal Forecast Summary

APPENDIX E Disposal Forecast

APPENDIX F Budget Summary by Lifecycle Activity

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

The Acquisitions forecast was sourced from the 10 Year Works Plan.

A.2 – Acquisition Project Summary

Year	Project	Estimate (\$)
2022	Public Toilets - Install Spinner Vents	16,500
2022	Wynyard Foreshore Toilets - Stainless Steel Lining	25,000
2023	Yolla - Public Toilet	100,000
2023	Loo with a View	1,100,000
2024	WarWyn Childcare	1,000,000
2024	OSSR Cardigan Street Rec	2,450,000
2025	Tourism Projects (Destination Action Plan (DAP))	50,000
2025	Sustainable Murchison Projects	1,000,000
2025	BHB Masterplan	3,850,000
2026	OSSR Frederick Street Rec	2,830,000
2027	OSSR Somerset Rec - relocate Langley Park to School	3,640,000
2029	OSSR Wynyard Indoor Rec Centre (Basketball)	4,500,000
2020	OSSR Wynyard High School Ground	995,000
2020	OSSR Wynyard Rec Ground	3,550,000
2031	Sustainable Murchison Projects	1,000,000
2031	OSSR Other - Somerset (Sports Centre, Streetscape, Cam River)	2,000,000
TOTAL		28,106,500

A.3 – Acquisition Forecast Summary

Year	Constructed	Donated	Growth
2022	41,500	0	0
2023	1,200,000	0	0
2024	3,450,000	0	0
2025	4,900,000	0	0
2026	2,830,000	0	0
2027	3,640,000	0	0
2028	0	0	0
2029	4,500,000	0	0
2030	4,545,000	0	0
2031	3,000,000	0	0
2032	2,810,650	0	0
2033	2,810,650	0	0
2034	2,810,650	0	0
2035	2,810,650	0	0
2036	2,810,650	0	0
2037	2,810,650	0	0
2038	2,810,650	0	0
2039	2,810,650	0	0
2040	2,810,650	0	0
2041	2,810,650	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

The Operation forecast was sourced from the 2020/21 budget.

B.2 – Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2022	917,586	1,262	917,586
2023	918,848	36,480	918,848
2024	955,328	104,880	955,328
2025	1,060,208	148,960	1,060,208
2026	1,209,168	86,032	1,209,168
2027	1,295,200	110,656	1,295,200
2028	1,405,856	0	1,405,856
2029	1,405,856	136,800	1,405,856
2030	1,542,656	138,168	1,542,656
2031	1,680,824	91,200	1,680,824
2032	1,772,024	85,444	1,772,024
2033	1,857,467	85,444	1,857,467
2034	1,942,911	85,444	1,942,911
2035	2,028,355	85,444	2,028,355
2036	2,113,799	85,444	2,113,799
2037	2,199,243	85,444	2,199,243
2038	2,284,686	85,444	2,284,686
2039	2,370,130	85,444	2,370,130
2040	2,455,574	85,444	2,455,574
2041	2,541,018	85,444	2,541,018

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

The Maintenance forecast was sourced from the 2020/21 budget.

C.2 – Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2022	180,580	249	180,580
2023	180,829	7,200	180,829
2024	188,029	20,700	188,029
2025	208,729	29,400	208,729
2026	238,129	16,980	238,129
2027	255,109	21,840	255,109
2028	276,949	0	276,949
2029	276,949	27,000	276,949
2030	303,949	27,270	303,949
2031	331,219	18,000	331,219
2032	349,219	16,864	349,219
2033	366,083	16,864	366,083
2034	382,947	16,864	382,947
2035	399,811	16,864	399,811
2036	416,675	16,864	416,675
2037	433,539	16,864	433,539
2038	450,402	16,864	450,402
2039	467,266	16,864	467,266
2040	484,130	16,864	484,130
2041	500,994	16,864	500,994

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

The Renewals forecast was sourced from the 10 Year Works Plan.

D.2 – Renewal Project Summary

Year	Project	Estimate (\$)
2022	Public Toilets - Replace Electronic Door Locks with Manual Locks	3,500
2022	WOW - Renew Fire Detectors	4,500
2022	32 Jackson St - Windows Painting	8,000
2022	41 Dodgin Street - Exterior Painting & Eave Partial Replacement	17,000
2022	Athenaeum Hall - Windows replacement	250,000
2023	Wynyard Childcare Centre - Electrical Upgrade for Emergency Power	5,000
2023	Police Station Building - Renew Roof	20,000
2024	Boat Harbour Beach Toilets - Renew Roof & Fascia	25,000
2024	Artscape - Renew Roof	30,000
2025	32 Jackson St - Renew Fence	5,000
TOTAL		419,000

D.3 – Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2022	283,000	283,000
2023	25,000	25,000
2024	55,000	55,000
2025	26,000	26,000
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	30,000	30,000
2031	0	0
2032	41,900	41,900
2033	41,900	41,900
2034	41,900	41,900
2035	41,900	41,900
2036	41,900	41,900
2037	41,900	41,900
2038	41,900	41,900
2039	41,900	41,900
2040	41,900	41,900
2041	41,900	41,900

Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source

No additional assets are identified for decommissioning in this planning period.

Appendix F Budget Summary by Lifecycle Activity

F.1 – Budget Assumptions and Source

The Budget forecast was sourced from the 10 Year Works Plan and the 2020/21 Annual Budget.

All figures are in current year dollars.

F.2 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2022	41,500	917,586	180,580	283,000	0	1,422,666
2023	1,200,000	917,586	180,580	25,000	0	2,323,166
2024	3,450,000	917,586	180,580	55,000	0	4,603,166
2025	4,900,000	917,586	180,580	26,000	0	6,024,166
2026	2,830,000	917,586	180,580	0	0	3,928,166
2027	3,640,000	917,586	180,580	0	0	4,738,166
2028	0	917,586	180,580	0	0	1,098,166
2029	4,500,000	917,586	180,580	0	0	5,598,166
2030	4,545,000	917,586	180,580	30,000	0	5,673,166
2031	3,000,000	917,586	180,580	0	0	4,098,166
2032	2,810,650	917,586	180,580	41,900	0	3,950,716
2033	2,810,650	917,586	180,580	41,900	0	3,950,716
2034	2,810,650	917,586	180,580	41,900	0	3,950,716
2035	2,810,650	917,586	180,580	41,900	0	3,950,716
2036	2,810,650	917,586	180,580	41,900	0	3,950,716
2037	2,810,650	917,586	180,580	41,900	0	3,950,716
2038	2,810,650	917,586	180,580	41,900	0	3,950,716
2039	2,810,650	917,586	180,580	41,900	0	3,950,716
2040	2,810,650	917,586	180,580	41,900	0	3,950,716
2041	2,810,650	917,586	180,580	41,900	0	3,950,716