SOUTH BURNETT
REGIONAL COUNCIL

ASSET MANAGEMENT PLAN

Buildings

10 June 2020

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Document Control

Buildings Asset Management Plan					
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Notes

1. Primary number changes to Versions (e.g. V1.00 to V2.00) will be made when the document undergoes its regular review and when significant changes are made to standards and guidelines for inspections, intervention levels or works.
2. Secondary number changes (V1.00 to V1.01) will apply to minor amendments that do not materially impact the documents and are intended only to clarify or update issues.
3. This template is based on the 2019 NAMSPLUS template purchased from the Institute of Public Works Engineering Australasia.

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Abbreviations

The following abbreviations are used in this document:

AMP	Asset Management Plan
ABS	Australian Bureau of Statistics
FWP	Forward Works Plan
LCC	Life Cycle Cost
LCE	Life Cycle Expenditure
LoS	Levels of Service
SBRC	South Burnett Regional Council
QAO	Queensland Audit Office
PI	Performance Indicator
RUL	Remaining Useful Life
SL	Service Level

1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

This plan covers the Building assets that support the provision of services to Council and the Community.

The purpose of this plan is to document current and required actions to sustainably provide Council-approved levels of service in the most cost-effective manner while appropriately managing the associated risks.

The plan sets out:

- What Buildings Council provides, to whom and to what level.
- The whole-of-life costs of the assets used to deliver these services.
- The constraints, risks, challenges, opportunities and options associated with delivery of these services.
- The level of funding required to sustainably deliver current levels of service for the foreseeable future.

1.2 Service Overview

Services included in this AMP are:

- Construction and maintenance services
  - Buildings
  - Other Structures (under Buildings Group responsibility)

Buildings related to the following services are excluded from this AMP are:

- Construction and maintenance services related to:
  - NRM & Parks
  - Waste Management
  - Water and Wastewater

1.3 Legislative Requirements

The pieces of legislation that inform and control how we deliver this service are shown here (Section 3.2).

1.4 Asset Description

Council's Buildings portfolio is comprised of the following assets:

Table 1: Building Asset Summary as at May 2020

Asset Category/ Sub-category	Qnty	Current Replacement Cost ($)	Written Down Value ($)	Annual Depreciation ($)
Amenities Blocks	76	10,191,000	6,611,556	196,974
Community Facilities (General)	71	22,257,715	12,360,849	518,294
Community Halls	13	19,539,000	9,348,460	469,335
Heritage Buildings	22	4,174,180	1,755,254	99,755

Asset Category/ Sub-category	Qnty	Current Replacement Cost ($)	Written Down Value ($)	Annual Depreciation ($)
Housing	41	4,071,400	2,135,674	100,462
Industrial	7	3,020,400	1,676,921	51,326
Minor Buildings	172	6,905,803	4,010,033	143,940
Municipal Buildings	55	21,865,541	11,786,082	506,824
Other Structure	102	4,961,004	3,303,836	115,839
Sporting Facilities	58	28,614,287	15,254,886	677,390
Grand Total		**$ 125,600,330**	**$ 68,243,552**	**$ 2,880,139**

This asset class makes up 13% of total asset gross value of the 2018-19 reported Council's total asset stock.[1]

1.5 Levels of Service

Council does not have formal Levels of Service defined for its Buildings or Other Structures, but it must ensure that all Statutory requirements are met including:

- Building Code and associated Australian Standards Compliance
- WH&S Legislated requirements
- Environmental Waste Disposal

Buildings Levels of Service are currently being developed and are discussed here (Section 3.0).

The main challenge facing the Building Asset class is that current maintenance and renewals are potentially underfunded, and the levels of service required of the buildings will decrease in time. Development of the Levels of Service and a Buildings Hierarchy will assist in prioritising maintenance and renewals and ensuring that available funding is utilised to focus on those buildings that are of most importance to Council and the Community in terms of service delivery.

1.6 Future Demand

South Burnett and the surrounding region had an estimated population of 32,747 in 2016. Using the medium series population projections[2] provided by the Queensland Government Statistician's Office (QGSO), it is estimated that the region's population will reach approximately 36,342 persons by the year 2036.

The other drivers of demand for Buildings are:

- The regulatory environment, including mandating higher energy efficiency targets for new buildings.
- National Construction Code requirements becoming more onerous.

[1] South Burnett Regional Council 2018-19 Annual Report (p.119)

[2] QGSO Population Projections 2016-2041

- A shift in community attitudes and expectations around buildings, including expectations of more air-conditioned spaces.
- Environmental factors (e.g., climate change).
- Regional economic development.
- Technological change.
- Changes in community needs which are reflected in buildings required for different functions.

Consequently, change in demand is viewed as an influencing factor in the provision of Council's Buildings over the next 20 years.

These 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 include non-asset solutions, insuring against risks and managing failures.

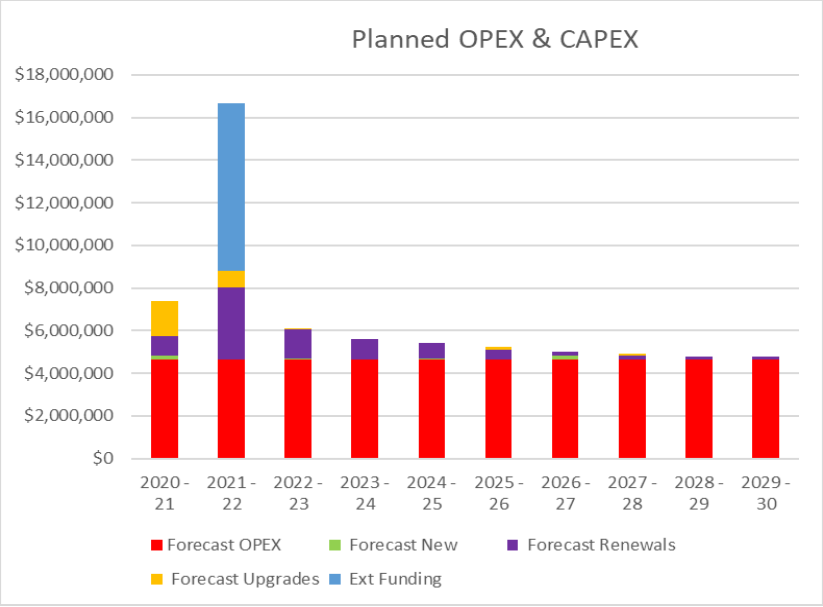
- Educating and consulting with the South Burnett community.
- Engaging in strategic planning with the State government and neighbouring Councils (shared facilities).
- Monitor utilisation of facilities to determine priorities for renewals.

1.7 Asset Lifecycle Management Plan

1.7.1 What does it cost to provide the current level of service?

The forecast lifecycle costs necessary to provide the services covered by this Asset Management Plan includes operation, maintenance, renewal, acquisition, and disposal of assets over the 10-year planning period is $65,887,300 or $6.6 Million on average per year.

Figure 1: 10 Year Cost Projections for Buildings



1.7.1.1 Operations and Maintenance (OPEX)

Maintenance

Reactive maintenance (breakdowns) is currently the norm, with little or no planned or scheduled maintenance occurring.

Addiitionally, Council has a significant buildings maintenance backlog due to a lack of maintenance funding in previous years.

The recent buildings condition assessment and 10 year maintenance identification will form the basis for a future planned maintenance program.

This issue is noted in the AMP Improvement Plan (Section 10.4).

Operations

Most of the costs associated with the management of Council's Buildings are operational in nature (i.e., maintenance and operation of Buildings).

Council does not currently separate Buildings Operations and Maintenance costs, but it intends to do so in future to enable more effective asset lifecycle planning.

Council does not currently benchmark OPEX expenditure against other similar size Councils.

This issue is noted in the AMP Improvement Plan (Section 10.4).

1.7.1.2 Capital (CAPEX)

Council takes an 'asset lifecycle' approach to managing its assets. This approach involves planning for asset Acquisition (Section 6.5), Renewal (Section 6.2), and Disposal (Section 6.6).

Renewals

Council's 10-year planned asset renewal forecast for Buildings assets is approximately $16.5 Million over the next 10 years, which is 13% of the gross replacement cost. Current observations are:

- SBRC are significantly underfunding maintenance and renewals for the Buildings portfolio and are on average, 57.4% of the annual depreciation of the asset class.
- Maintenance is almost entirely reactive ('break/ fix'), with little or no planned or cyclical maintenance

New and Upgrade Capital Works

Planned new and upgrade Buildings works over the next 10 years totals approximately $3.11 Million This amounts to a 2.5% increase on current replacement cost.

1.8 Financial Summary

Based on the current Long-Term Financial Forecast, the current levels of service for Buildings are not financially sustainable.

1.8.1 What we will do

The reality is that only what is funded in the long-term financial plan can be provided. The emphasis of the Asset Management Plan is to communicate the consequences that this will have on the service provided and risks, so that decision making is informed.

The 2019 asset condition and 10 year maintenance assessment identified that SBRC are underfunding maintenance and renewals in most years.

The anticipated, planned budget leaves a shortfall of $442,768 on average per year of the forecast lifecycle costs required to provide services in the Asset Management Plan compared with planned budget currently included in the Long-Term Financial Plan.

The average shortfall is higher if the Kingaroy Pool refurbishment planned for 21-22 is discounted from the proposed renewals.

In order to prioritise expenditure, it is recommended that Council utilises the Building Hierarchy and Levels of Service plus the risk scoring of maintenance to set future budgets.

This issue is noted in the AMP Improvement Plan.

1.8.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the specified standard.

Works and services that cannot be provided under present funding levels are:

- Renewal of existing building assets and sub-elements as they reach the end of their useful lives.

1.8.3 Managing the Risks

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

The main risk consequences are:

- Decreasing levels of service that the buildings can support.
- Increasing backlog maintenance.

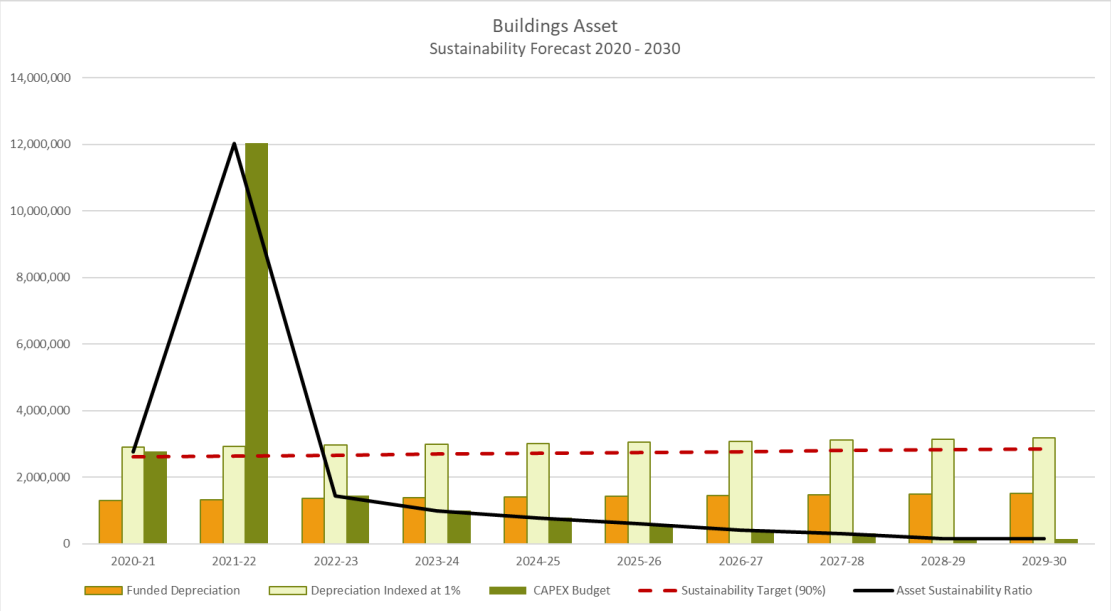
We will endeavour to manage these risks within available funding by:

- Prioritising maintenance by risk as identified in the 2019 condition assessment.
- Develop and implement the buildings hierarchy framework to prioritise future maintenance and renewals on those buildings assessed as being of higher priority to the Council and the Community.

1.9 Asset Sustainability Assessment

Council's Asset Renewal Funding Ratio[3] for Buildings assets is 57.4% the target set by the State government is 90%. This result indicates that Council's current service levels for Buildings are not sustainable in the medium term (10 years).

Figure 2: Buildings Asset Sustainability Forecast 2020-30



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

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

1.10 Asset Management Practices

Assets requiring renewal/replacement are identified by analysing asset condition. The method used is described here (Section 6.2).

Key observations about Council's asset management practices for Buildings are:

- Council is significantly underfunding maintenance.
- Maintenance is almost entirely reactive ('break/ fix'), with little or no planned or cyclical maintenance.
- Council is not renewing its Building assets at the rate their service potential is being consumed.

The consequences of this behaviour are that buildings are likely to deteroriate over the medium term (10 years) resulting in the delivery of lower levels of service than is currently the case.

1.11 Monitoring and Improvement Program

The next steps required to improve asset management practices are shown here (Section 10.4). The key elements of this improvement plan are:

- Confirm new asset hierarchies.
- Develop and confirm the Buildings Hierarchy and prioritise the levels of service.
- Develop priority and budget for renewals and maintenance based on hierarchy and risk.
- Split maintenance and renewals out of capital budget and further split maintenance into reactive and preventative maintenance.
- Develop a capital works prioritisation framework for new and upgrade Building projects

2.0 Introduction

2.1 Background

This Asset Management Plan communicates:

- the requirements for the sustainable delivery of Buildings and Other Structures that support services through management of assets, risk and compliance with regulatory requirements; and
- the required funding to provide the specified levels of service over the long-term planning period.

The Asset Management Plan should be read in conjunction with other Council planning documents, namely:

- Asset Management Policy (2019)
- Asset Management Strategy (2018)
- Corporate Plan

It is also informed by the following industry guides:

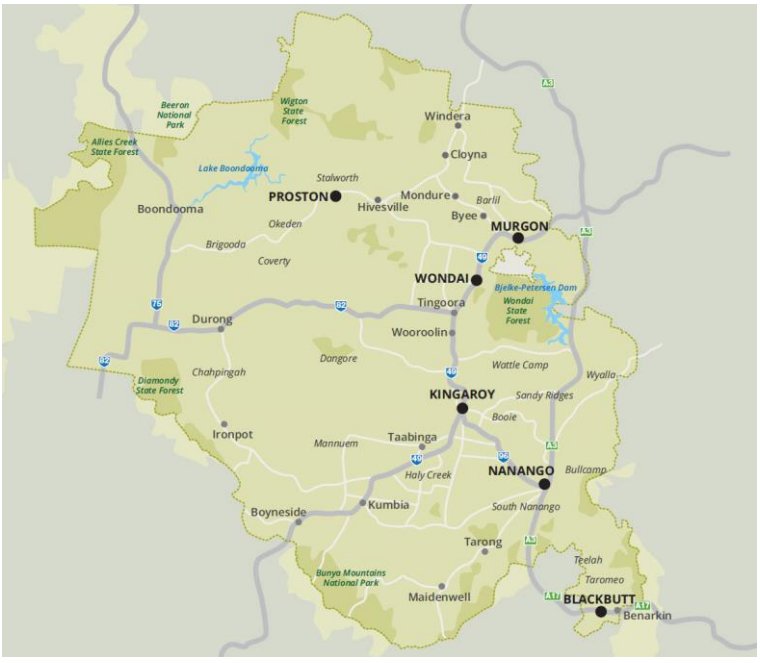
1. International Infrastructure Management Manual 2015[4]
2. ISO 55000[5]

Council owns, maintains and provides a significant number of buildings and other structures that support the provision of a wide range of services to the community. Property Group manage and maintain buildings for Council and to enable the provision of services to the entire South Burnett region.

This Asset Management Plan covers the major asset types that make up Council's Property portfolio. These assets include:

- Community Facilities
- Community Halls
- Heritage Buildings
- Housing
- Municipal Buildings
- Sporting Facilities
- Amenities
- Minor Buildings/Structures

Figure 3: South Burnett Region



[4] Refer to Section 2.1.3 of the International Infrastructure Management Manual (IIMM) 2015 for details.

[5] ISO 55000 Overview, principles and terminology

A detailed profile of the assets covered in this Asset Management Plan is shown here (Section 5.0).

The infrastructure assets included in this plan have a total replacement value of **$125,600,330.**

2.2 Goals and Objectives of Asset Ownership

Our goal in managing assets is to sustainably meet the defined level of service (as amended from time to time) in the most cost-effective manner while adequately controlling the risks associated with delivering those services.

The key elements of buildings asset management are:

- Providing a range of buildings that support the provision of services at a defined level of service and monitoring performance;
- Managing the impact of growth/changing community requirements 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 long-term financial plan which identifies required, affordable forecast costs and how it will be allocated.

2.3 Planning framework

Council's Asset Management Planning framework[6] helps deliver on both waste management and asset management goals.

Key components of the asset management planning framework are:

Figure 4: Asset Management Planning Framework Considerations

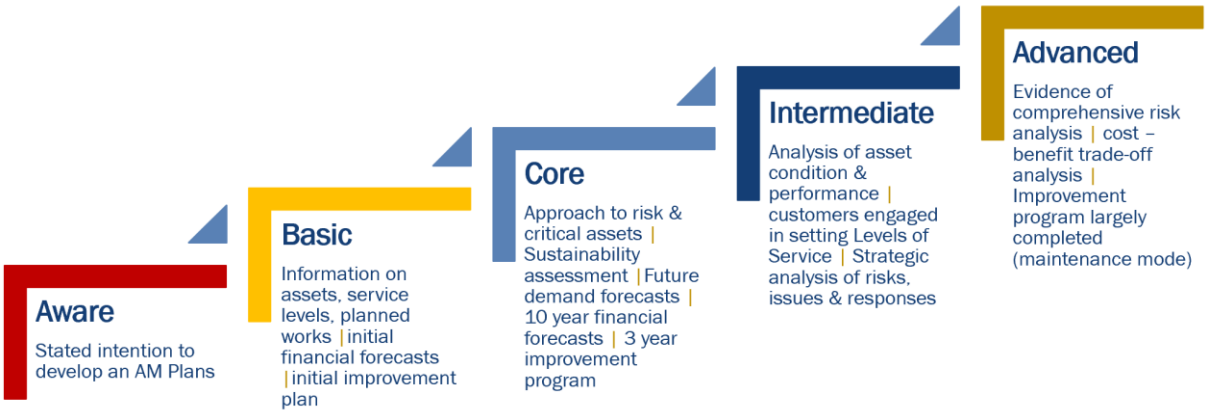
Planning Consideration	Purpose
Levels of Service	▪ Specify what services and levels of service will be provided.
Future Demand	▪ Forecast how future change will impact on service delivery and how any additional costs associated with this will be met.
Lifecycle Management	▪ Plan how to best manage existing and future assets to provide the specified levels of service.
Financial Forecasting	▪ Identify the level and timing of funding required to provide the specified levels of service over the life of this plan (10 years).
Asset Management Practices	▪ Identify how we deliver services and manage our assets over their lifecycle to maximise their value to Council.
Performance Monitoring	▪ Identify how this plan will be monitored to ensure our objectives are met.
Improvement Planning	▪ Plan to reach the appropriate level of asset management maturity for this asset class.

[6] Refer to Council's Asset Management Policy for details

2.4 Core and Advanced Asset Management Planning

The *International Infrastructure Management Manual* defines five levels of asset management maturity.

Figure 5: Asset Management Maturity Levels[7]



The content of this plan indicate Council's Buildings are at a **Basic** level of asset maturity but is developing towards a **Core** level. The evidence for this is:

- Council has long-term financial forecasts for renewals, new and that supports upgraded Buildings for the period from 2020/21 to 2030/31.
- Council has performed an asset audit, condition assessment and revaluation of all its building assets and other structures.
- Council is in the process of restructuring and cleaning its Buildings asset register and linking this data to their GIS.
- Council has developed a structured and timed asset management improvement plan for Buildings (this plan).
- Council has performed an initial assessment of the financial sustainability of the assets included in this plan based on the information available at this time.

Notwithstanding the above, the benefits of this plan are:

- It will assist Council to make informed decisions about Buildings, costs and risks.
- It documents Council's current methodology for managing Buildings assets across their respective lifecycles.
- It identifies opportunities to improve the way that Council operates and manages its Buildings.
- It provides an initial assessment of the financial sustainability of the current Buildings levels of service.

On-going investment and support are required to improve our asset lifecycle and information management practices for Buildings. The key improvements required are listed in the Improvement Plan section (Section 10.4). This investment will improve the quality of future iterations of this plan.

[7] International Infrastructure Management Manual 2015 (p. 4|21)

An initial attempt has been made at forecasting future Buildings OPEX and CAPEX requirements. However, the following caveats should be noted about the quality of information contained in this plan:

- Council does not currently have a structured asset data hierarchy and data model for Buildings assets to support analysis and modelling but is on the process of developing this.
- Council does not separate its OPEX expenditure into Maintenance and Operations.
- The split of assets between Buildings and NRM & Parks needs to be reviewed and confirmed.

A proposed Buildings Asset Hierarchy is shown in Appendix G.

Future versions of the plan will contain refined asset lifecycle cost forecasts based on improved asset data.

2.5 Stakeholders

Key stakeholders in this Asset Management Plan are shown below:

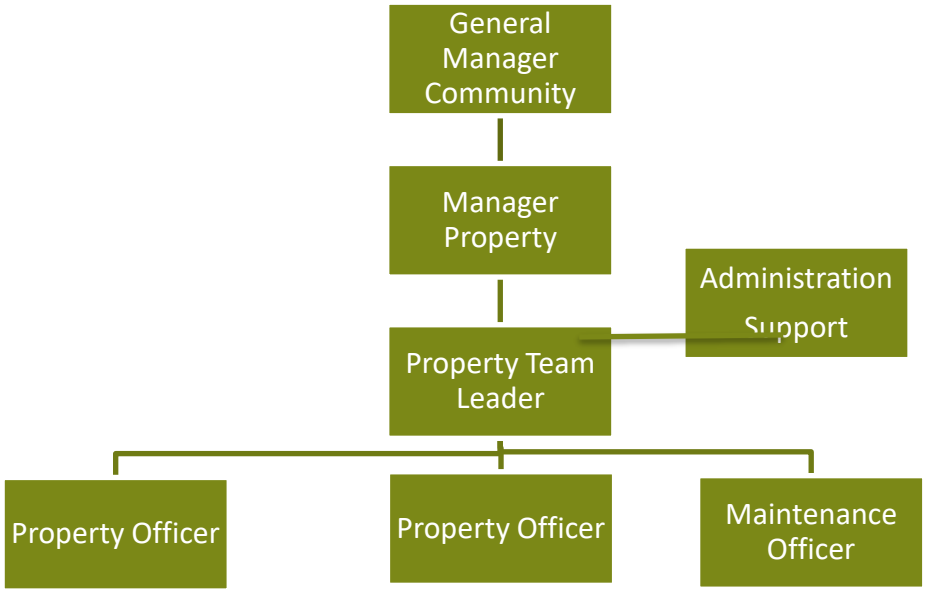
Table 2: Key Stakeholders in the Asset Management Plan

Key Stakeholder	Role in Asset Management Plan
Councillors	• Stewards of the community's resources and assets. • Represent the needs of community and service level expectations. • Endorse asset management policy and plans. • Ensure the organisation is financially sustainable.
Chief Executive Officer (CEO)	• Overall responsibility for developing an asset management policy, plans and procedures and reporting on the status and effectiveness of asset management within Council. • Allocate resources to meet the organisation's objectives in providing approved levels of service while managing risks; • Ensuring the organisation is financially sustainable.
Asset Management Group	• Custodian of the corporate asset register for Building assets and ensuring the asset valuations are accurate; • Preparation of asset sustainability and financial reports incorporating asset depreciation in compliance with current Australian accounting standards; • Asset Management System and Geographic Information System development and administration; • Develop 10 Year Capital Works Plans and budgeting; • Ensure approved funds are applied appropriately to ensure best value for money is delivered to the community; • Develop the maintenance standards required, so Council meets the specified technical and community levels of service.
Staff	• Verify the size, location, condition and performance of assets. • Provide local knowledge/history about Buildings assets.

Key Stakeholder	Role in Asset Management Plan
	• Perform Capital Works, Operation and Maintenance activities as directed to meet agreed levels of service; • Liaison internally with the Senior Management Team around asset activity prioritisation and planning.
The community (residents, businesses, property owners), Developers, Consultants/Contractors) Facility Users, Lessees/Tenants, SES Volunteers	• Be informed of service levels, risks and associated costs. • Participate in consultation processes. • Provide feedback on the quality and value for money of Council's services.
State and Federal Government	• Provide Leadership in promoting Best Practice Asset Management. • Recognising the importance of local government assets to the community. • Contribute funding to support the provision, maintenance and renewal of community assets.

Our organisational structure for service delivery for Buildings and Other Structures assets is detailed below.

Figure 6: Buildings Related Functions



2.6 Customer Research and Expectations

Council currently gauges customer satisfaction and expectations around Buildings levels of service through:

- Analysis of customer service requests.

- Gathering stakeholder feedback during community Listening Tours.

Future revisions of the Asset Management Plan will incorporate other customer consultation mechanisms around on service levels and costs of providing the service. This will assist the Council in matching the service types, levels, risks and consequences with the community's ability and willingness to pay for these services.

3.0 LEVELS OF SERVICE

3.1 Strategic and Corporate Goals

This Asset Management Plan has been prepared in accordance with the South Burnett Regional Council vision, mission, goals and objectives as set out in the *Corporate Plan 2018/19 to 2022/23*.

Our organisational mission is:

South Burnett Region, working together building a strong, vibrant and safe community

Council has articulated five strategic priorities in the Corporate Plan 2018-2023, namely:

- Enhancing our Community
- Growth and Opportunity
- Our Environment
- Infrastructure
- Organisational Excellence

Buildings support a wide arrange of Council services. Council's vision for this priority is:

Building a vibrant, healthy, supportive and inclusive community

Our goals and objectives for Building assets (and how these are addressed in this Asset Management Plan) are summarised below.

Table 3: Property Services Goals[8]

Goal	Objective	How Goal and Objectives are addressed in the Asset Management Plan
EC2 Sustainable community groups	EC2.1 – Encourage and support community organisations to enhance their sustainability	Identify and support good building maintenance practices in council maintained facilities through efficient and effective asset management practices
EC3 An active, safe and healthy community	EC3.1 – Facilitate the implementation of Council's Sport and Recreation Plan	Ensure efficient and effective asset management practices are in place for sports and recreation facilities
	EC3.2 – Enhance community culture through the support of initiatives and the provision of community facilities	Ensure efficient and effective asset management practices are in place for sports and community facilities

[8] From the Corporate Plan 2018 - 2023

3.2 Legislative Requirements

Legislative requirements that impact the delivery of the Buildings Assets are outlined below.

Table 4: Legislative Requirements

Legislation	Requirement
Local Government Act 2009 & Local Government Regulation 2012	Sets out role, purpose, responsibilities and powers of local governments, including the preparation of a long term financial plan supported by Asset Management Plans for sustainable service delivery.
Work Health and Safety Regulation 2011	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work.
Australian Accounting Standards	Comply with national accounting standards in relation to how Council's assets are valued and reported in its financial accounts.
Environmental Protection Act 1994	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the state.
Civil Liability Act 2003 and Civil Liability Regulation 2014	To manage negligence, elements of a claim, duty of care, standard of care and causation and to address the requirements of sections 35 and 37.
National Construction Code	Defines design requirements for buildings and linkages to Australian Standards across all aspects of building standards. NCC changes affect major renovations as well as new buildings. Refers to AS1428 Design for Access and Mobility standards. Defines energy efficiency targets for new buildings.
Building Act 1975 Building Regulation 2006 Building Fire Safety Regulations 2008 Disability Services Act 2006 Disability Services Regulation 2006 Disability (Access to Premises – Buildings) Standards 2010 Electrical Safety Act 2002 Electrical Safety Regulation 2013 Environment Protection Act 1994 Housing Act 2003 Housing Regulation 2015 Land Act 1994 Land Regulation 2009 Residential Services (Accreditation) Act 2002	Various Acts and Regulations that also inform and shape the Buildings Asset Management Planning process and set minimum standards and service levels in several significant areas.

Legislation	Requirement
Residential Services (Accreditation) Regulation 2002 Residential Tenancies and Rooming Accommodation Act 2008 Residential Tenancies and Rooming Accommodation Regulation 2008	

3.3 Service Strategy

3.3.1 CAPEX Strategy

The rationale for Buildings is that they support service delivery for other council services. As a result, Buildings do not generally have an overall service strategy, and CAPEX needs are a response to other service strategies generating future demands. Capex planning, therefore, is a response to maintaining current service levels and or upgrades/new as other services require buildings/other structures.

3.3.2 OPEX Strategy

At present, the OPEX strategy is to main current levels of service as initiated by customer and building user requests. The intent is to develop levels of service linked to a Buildings Hierarchy, and this will inform the future OPEX strategy.

This issue has been noted in the AMP Improvement Plan (Section 10.4).

3.4 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

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

The table below summarises typical performance measures being indirectly used, the current performance, and the expected performance based on the current funding level.

These are measures of fact related to service delivery outcomes (e.g. the number of occasions when service is not available, asset condition, percentages of Very Poor/Poor/Average/Good/Very Good). These indicators provide a balance in comparison to the customer perception that may be more subjective.

The intent is to develop levels of customer service linked to a Buildings Hierarchy, and this will inform the future OPEX and CAPEX strategies.

This issue has been noted in the AMP Improvement Plan (Section 10.4).

Table 5: Customer Level of Service Measures

Customer Levels of Service		
Type of Measure	**Level of Service Expectations/Outcomes**	**Current Performance Measure**
Location	Easy to find, (physical location as well as clear signage and marking).	Customer feedback >80% satisfaction level

Customer Levels of Service		
Type of Measure	**Level of Service Expectations/Outcomes**	**Current Performance Measure**
		Measure Utilisation and compare to what is an appropriate utilisation for catchment and usage
Features	Offer a range of civic and public services for the community as necessary. Style reflects usage and is attractive to the occupants and users	Customer feedback >80% satisfaction level Measure Utilisation and compare to what is an appropriate utilisation for catchment and usage
Distribution	Aligned with population and demand.	Convenience for the community as measured by customer feedback
Accessibility	Well located to offer convenient access for the total community.	Accessible for all of the community
Functionality	May cater for individual services or a mixture of public, community and civic services. Space and design match needs. Internal layout is practical and fit for purpose. The building is welcoming, clearly signed plus directional indicators as required	Customer feedback >80% satisfaction level Measure Utilisation and compare to what is an appropriate utilisation for catchment and usage
Security	Community and staff feel safe and confident accessing building and services.	Measure customer, user feedback Customer feedback >99% satisfaction level
Heating/Cooling	Building is maintained at a comfortable temperature and conditions appropriate to the building usage	Measure customer, user feedback Customer feedback >90% satisfaction level
Image and Character	Stand-out buildings reflect the image and character of the precinct – may include historical buildings. Any graffiti is removed	Condition of facilities – (Within agreed intervention condition score for hierarchy level Customer feedback >80% satisfaction level

3.4.1 Service Hierarchy

Council is utilising a building hierarchy to enable the development of differential levels of service for its buildings and facilities. This will then be used to better optimise future maintenance and renewal planning.

The Building hierarchy is a function of the building utilisation, occupancy, heritage value and impact on council operations and the community. The details on the hierarchy methodology are included in Appendix I

The hierarchy scale is a five-point scale ranging from low importance buildings (level 5) through to high importance to the community and/or buildings supporting critical services (level 1).

This means in terms of budgeting and asset Management planning; buildings rated as Level 1 are given higher priority than a level 2 - 5 building, for example.

It also means that higher importance and critical facilities must be funded or other solutions found to provide the level of service council has agreed (or needs) to deliver.

Table 6: Buildings Service Hierarchy

Category	Description	Examples
Level 1	High usage/importance/profile site/building, substantial infrastructure. Allows provision of essential services. These buildings are the most critical to Council operations and the community	Major Administration Centres Regional Customer Service Centres IT Buildings, Communication Facilities Regional Community Centres Key Tourism Facilities Major sporting facilities Buildings containing key Essential Services
Level 2	Medium usage sites/buildings utilised by the local community and operational council buildings	Key Depots Swimming Pools Town community halls Sporting Facilities Civic Centres Buildings containing Essential Services Libraries Airport Terminal
Level 3	Sites/Public Buildings with limited/local use. Buildings built for a specific purpose with limited variety of use.	Housing/Accommodation Amenities in tourist/higher use public areas Local/Rural Community Halls

Category	Description	Examples
		Sport & Recreational facilities Minor depot facilities Local Sporting facilities, PCYC Museums, Art Galleries, Heritage Homestead Saleyards
Level 4	Sites/Buildings with low usage and/or limited access and that have a specific use.	Amenities (level 4) Minor Depot Buildings Minor Sporting Facilities (Seasonal demand) or low usage Hangars Showgrounds Local low use community facilities
Level 5	Low use buildings - to be monitored to identify potential problems. Future consideration for usage or disposal	Amenities (level 5) Low impact/low use facilities /structures

Council recognises the need to balance stakeholder demand for new and upgraded facilities while concurrently maintaining appropriate and sustainable levels of service on its existing facilities. Consequently, Council intends to use the tables described above to define appropriately differentiated levels of service. Whether assets will be hierarchically or non-hierarchically differentiated depends on the nature of the asset.

Types of assets that are expected to have hierarchically defined levels of service:

- Amenities
- Administration/Customer Service Centres
- Depot Facilities
- Community halls
- Civic Centres
- Sport and Recreational facilities
- Swimming pools

Types of assets that are expected to have non-hierarchically defined levels of service include:

- Rental Properties, Houses/Units
- Disaster management buildings

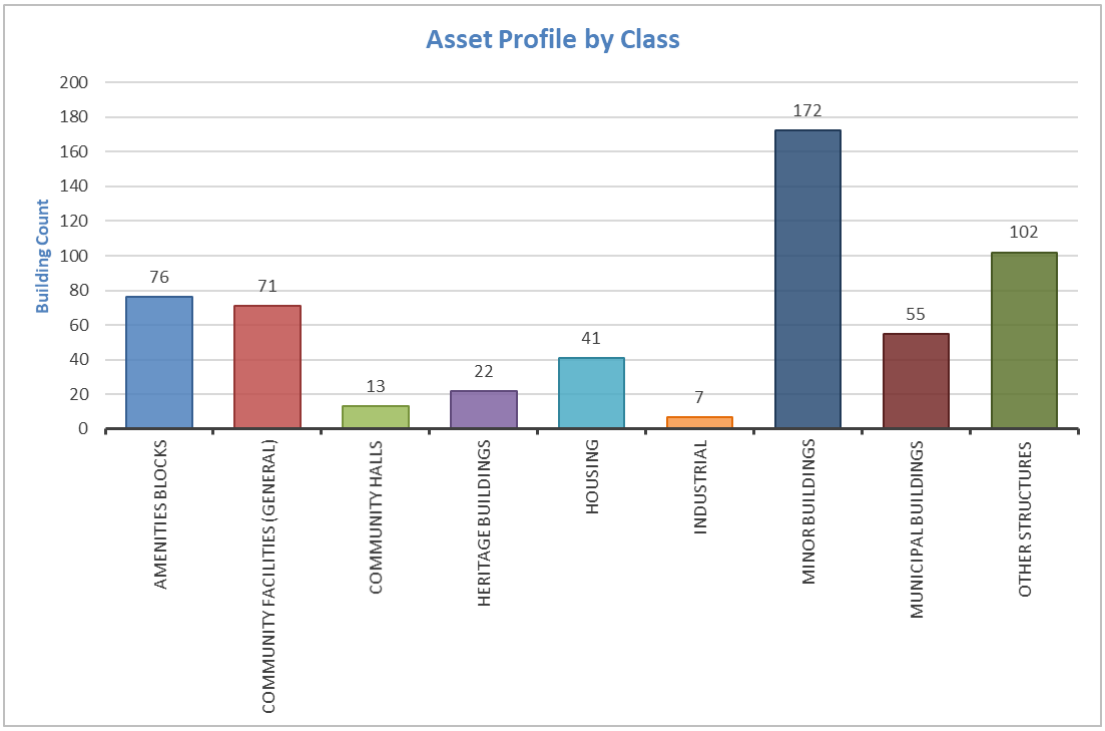
The distribution of Council's building assets is shown below.

Table 7: SBRC Buildings Asset Distribution as at Nov 2019

Service Group	Asset Type	Quantity
Buildings	Amenities Blocks	76
	Community Facilities (General)	71
	Community Halls	13
	Heritage Buildings	22
	Housing	41
	Industrial	7
	Minor Buildings	172
	Municipal Buildings	55
	Other Structures	102
	Sporting Facilities	58
Total (by Number):		**617**

In the above count, the minor buildings category examples are shelters, huts, sheds, small buildings, carports, bus stop shelters. Other structures include other minor assets such as fencing, lighting and carparks.

Figure 7: Building Asset Distribution by Class as at Nov 2019



3.5 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.

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.[9]

3.5.1 Technical Activities

The table below shows the activities expected to be provided under the current Planned Budget allocation, and the Forecast activity requirements being recommended in this Asset Management Plan.

3.5.2 Buildings

Table 8: Technical Levels of Service: Buildings

Performance Measure Category	Level of Service Expectations/Outcomes	Current Performance Measure
Statutory Level of Service		
Quality	Buildings are sufficiently free from defects that result from a non-compliance with the National Construction Code at the time of construction	Condition of facilities – (Within agreed intervention condition score for hierarchy level All identified non-compliances are rectified within the timelines specified in the Service Level Agreement (future document)
Service Function	Buildings are functional and support the delivery of the required services and within the respective classification of the building and related Australian Standards	Customer feedback >80% satisfaction level
Capacity	Buildings are configured to meet Building Classification requirements and meet all fire safety-related codes relevant to each building	100% compliance
Safety	Compliance with the NCC Code (at time of construction) Compliance with the requirements of Workplace Health & Safety legislation	Nil Injuries due to hazards All identified non-compliances are rectified within the timelines specified in the Service Level Agreement (future document)
Accessibility and Availability	Facilities comply with relevant basic accessibility standards relative to building function	Accessible facilities comply with standards at the time of construction
Environmental	Compliant with Trade Waste and EPA requirements	100% compliance

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

Performance Measure Category	Level of Service Expectations/Outcomes	Current Performance Measure
Functional Level of Service		
Quality	Fit for purpose	Condition of facilities – (Within agreed intervention condition score for hierarchy level Customer feedback >80% satisfaction level
Service Function	Buildings are functional and support the delivery of the required services	Customer feedback >80% satisfaction level
Capacity	Buildings are configured to meet Building Classification requirements and meet all fire safety-related codes relevant to each building	100% compliance Customer feedback >80% satisfaction level
Safety	Facilities are safe and free from hazards	Nil Injuries due to hazards All identified non-compliances are rectified within the timelines specified in the Service Level Agreement (future document)
Accessibility and Availability	Facilities comply with relevant basic accessibility standards relative to building function	Accessible facilities comply with standards at the time of construction
Sustainability/ Affordable	The use of energy and water in buildings is controlled to reduce running costs and the impact on the environment	Measure electricity and water consumption costs and benchmark against like Councils/organisations
Environmental	The use of energy and water in buildings is controlled to reduce running costs and the impact on the environment and reduce the carbon footprint	Measure electricity and water consumption costs and benchmark against like Councils/organisations
Technical Level of Service		
Quality	Buildings are sufficiently free from defects that result from a non-compliance with the National Construction Code at the time of construction	Condition of facilities – (Within agreed intervention condition score for hierarchy level All identified non-compliances are rectified within the timelines specified in the Service Level Agreement (future document)
Service Function	Buildings are functional and support the delivery of the required services	Customer feedback >80% satisfaction level Review functionality as part of building inspections at intervals identified in the Service Level Agreement (future document)
Capacity	Utilisation of building is appropriate for the types of services supported	Review utilisation as part of building inspections at intervals

Performance Measure Category	Level of Service Expectations/Outcomes	Current Performance Measure
		identified in the Service Level Agreement (future document)
Safety	Compliance with the NCC Code (at time of construction)	100% of Inspections carried out in time and recorded into logbooks and the annual report prepared
	Rectification works are completed within the timelines specified in Appendix A.	100% compliance
	Rectification works requiring renewal funding are assessed under the capital renewal Program within x days of being identified	100% compliance
	Asbestos Assessments carried out	Carried out on all buildings identified on the asbestos register and all identified risk items rectified
Accessibility and Availability	Buildings availableto provide the designated service during the prescribed hours of operation	Availability >95% of the time
Sustainability/ Affordable	To provide an appropriate and cost-effective building maintenance service	Maintenance >1% of replacement value across all facilities 70% Preventative Maintenance 30% Reactive Maintenance
Environmental	Compliant with Trade Waste Requirements and EPA requirements	100% compliance
	Compliant with WH&S requirements for the management of asbestos-containing materials in Council Buildings	100% compliance
	Appropriate Energy efficiency measures are adopted as part of building renewals and upgrades	100% compliance

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

4.2.1 Population Change

South Burnett and the surrounding region had an estimated population of 32,747 in 2016[10]. Using the medium series, the projected population will reach approximately 36,342 persons by the year 2036.

Total future population growth over the next 20 years is predicted to be 3,595 persons (11%).

Table 9: South Burnett Population Growth Estimates 2016-41 (QGSO)

Projected Population				Average Annual Change (Medium Series)	
Year	Low Series	Medium Series	High Series	Number	%
2016	32,747	**32,747**	32,747		
2021	32,799	**33,017**	33,255	**270**	0.82%
2026	33,422	**34,170**	34,955	**1,153**	3.49%
2031	34,009	**35,295**	36,650	**1,125**	3.29%
2036	34,469	**36,342**	38,320	**1,047**	2.97%
2041	34,720	**37,107**	39,643	**765**	2.11%

4.3 Demand Impact and Demand Management Plan

Council is currently developing a regional economic development strategy and strategic regional plans with Wide Bay Burnett Regional Organisation of Councils. This AMP will be refreshed following the completion of these documents.

The impact of demand drivers that may affect future service delivery and use of building assets are shown in the table below.

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.

Some opportunities identified to date for demand management are shown in the table below sourced from the Sport & Recreation Infrastructure & Strategic Plan 2018-2028. Other sources need to be added as plans are developed over time. A new Community Plan will be

[10] 'Projected population by local government area, Queensland, 2016 to 2041' Queensland Government Statistician's Office.

prepared in 2021, which will inform this asset class of future demands. Further opportunities will be developed in future revisions of this Asset Management Plan.

Table 10: Demand Management Plan

Location	Item	Source
Nanango, Murgon & Wondai Pools	Upgrades to Pools	Sport & Recreation Infrastructure & Strategic Plan 2018-2028
Murgon Sports Ground	Lighting Upgrades	
Bjelke – Petersen Recreation Reserve	Upgrades to Carparking	

Table 11: Demand Management Drivers

Demand Driver	Projected Change	Impacts on Service & Planned Actions
Statutory Requirement Changes	**Workplace Health and Safety Act** Defines the requirements for ensuring that Council provides (and maintains) a safe workplace for all council staff and other users	Council legal responsibilities to maintain a safe workplace and ensure it can demonstrate that "reasonable" steps were undertaken and documented. Ensure that Maintenance is carried out on identified WH&S building risk items.
	National Construction Code NCC Compliance - Defines design requirements for buildings and linkages to Australian Standards across all aspects of building standards. • NCC changes affect major renovations as well as new buildings • Refers to AS1428 Design for Access and Mobility standards – Cost implication to bring current buildings to latest access to premises requirements • Defines energy efficiency targets for new buildings	All new buildings and major refurbishments will require compliance with current NCC code. Noting that there are increased costs associated with building construction to meet code requirements. Risk manage accessibility issues in current buildings and plan upgrades as deemed necessary based on risk and utilisation.

Demand Driver	Projected Change	Impacts on Service & Planned Actions
	Residential Tenancies and Rooming Accommodation Act – Provides requirements for conduct and operation of rental and leased accommodation • Lease Agreements - Community and Sports Organisations define all parties rights and obligations under the agreements. • Inspections and maintenance obligations are tied into these agreements	Increased responsibilities on landlords. Ensure agreements including maintenance responsibilities are clearly defined to mitigate against potential future claims on Council
Technology Trends	Increased emphasis towards lower carbon emissions and better energy efficiency design and operation (Green Star, Nabers, NCC Section J	New buildings are required to incorporate them at increased capital cost to the buildings but lower operational costs
	Increased use of networked computer monitoring and management of Building Services, i.e. air conditioning, electricity usage, shade controls, lighting etc	Ability to remote monitoring and control of building services to lower energy costs.
	Increased usage of solar power grid connected electricity generation to offset electricity usage, and the next trend is the onsite storage of power via battery systems	Increased installation of solar power and battery systems on major buildings. Increased maintenance but lower operational costs
Social Trends	Changes in social behaviours mean that demands on Council Services and buildings changes over time	Usage and demand for community facilities such as Community Halls, tennis courts and some other sports facilities is decreasing over time Review utilisation of facilities and consider options for future use. Libraries functions are changing due to technology/internet impacts. Re-design and refit to suit community requirements

Demand Driver	Projected Change	Impacts on Service & Planned Actions
Community Expectations	Rising community expectations are likely to drive demand for upgrades to existing community facilities and provision of facilities in closer proximity to residential areas	Review LGIP requirements and monitor community feedback
	Increased reliance on tourism will continue to raise expectations of higher levels of service and regular renewals/upgrades to facilities in designated tourism spots	Monitor stakeholder and community feedback and make adjustments to maintenance and renewal programs as required.
	Increased demand for air-conditioned spaces	Increased capital and operational costs

4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. The planned new asset and upgrades for the next 10 years to cater for future demand projections and service requirements are discussed here (Section 6.5).

It should be noted that acquiring new assets will commit Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. Future operations, maintenance and renewal costs are identified here for inclusion in the long-term financial plan. Refer to the Lifecycle Management Plan (Section 5.7.3) and Financial Summary sections of this plan for details (Section 8.0).

4.5 Climate Change and Adaption

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

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

Opportunities identified to date for management of climate change impacts on existing assets are shown in the table below.

Table 12: Managing the Impact of Climate Change on Assets

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Planned Actions
Increased frequency and severity of storm events	Increasing number of declared disaster events.	Increased service disruption due to buildings/structures damage or ingress of	Increased focus on planned and preventative maintenance, particularly external shells, roofing & guttering.

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Planned Actions
		stormwater runoff. drainage maintenance	

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

- Assets will withstand the impacts of climate change
- Services can be sustained
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint
- The table below summarises some asset climate change resilience opportunities.

Table 13: Building Asset Resilience to Climate Change

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Building Design	Lower carbon emissions	Integrate requirements into designs and specifications for new renewals/new works

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.

4.6 Technological Change

The impacts of climate change can 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.

5.0 ASSET PROFILE

5.1 Asset Hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

Council does not have a formal Building asset hierarchy. A proposed Building Asset Hierarcht assessment is contained in Appendix G.

This issue has also been noted in the AMP Improvement Plan (Section 10.4).

5.2 Asset Quantities and Values

Council's Building assets are valued at fair value (cost to replace service capacity) and depreciated using the straight-line method over their useful lives.

The best available estimate of the value of the Buildings assets are shown below.

Current (Gross) Replacement Cost **$ 125,600,330**

Depreciated Replacement Cost[11] **$ 68,243,550**

Annual Depreciation **$ 2,880,140**

These values are comprised of the following components:

Table 14: Buildings Asset Valuation Summary as at May 2020[12]

Asset Category/ Sub-category	Qnty	Current Replacement Cost ($)	Written Down Value ($)	Annual Depreciation ($)
Amenities Blocks	76	10,191,000	6,611,556	196,974
Community Facilities (General)	71	22,257,715	12,360,849	518,294
Community Halls	13	19,539,000	9,348,460	469,335
Heritage Buildings	22	4,174,180	1,755,254	99,755
Housing	41	4,071,400	2,135,674	100,462
Industrial	7	3,020,400	1,676,921	51,326
Minor Buildings	172	6,905,803	4,010,033	143,940
Municipal Buildings	55	21,865,541	11,786,082	506,824
Other Structure	102	4,961,004	3,303,836	115,839
Sporting Facilities	58	28,614,287	15,254,886	677,390

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

[12] Source: Shepherd Services Buildings and Land Revaluation May 2020-V8b

Asset Category/ Sub-category	Qnty	Current Replacement Cost ($)	Written Down Value ($)	Annual Depreciation ($)
Grand Total	**617**	**$ 125,600,330**	**$ 68,243,552**	**$ 2,880,139**

This asset class was revalued in May 2020. The above valuation data was extracted from the overall valuation report and represents the Buildings Asset Class only and excludes NRM & Parks, Waste and Water/Wastewater assets.

5.3 Asset Useful Lives

5.3.1 Typical Asset Useful Lives

As part of the preparations for the 2020 Buildings and Other Structures Asset Revaluation, the use of prescribed standards for useful lives was assessed. Standardising useful lives across this asset class has improved the accuracy of remaining useful life estimates.

These typical useful lives were developed through modelling, assessment and the application of engineering experience to Council's local conditions.

Table 15: Typical Useful Lives for Buildings Assets

Asset Category	Asset Sub-category	Average Useful Life (Years)
Buildings	Building Components - External Services	40
	Building Components - Fitout	20
	Building Components - Floor Coverings - Carpet	10
	Building Components - Floor Coverings - Tiles	40
	Building Components - Floor Coverings - Timber	80
	Building Components - Floor Coverings - Vinyl	50
	Building Components - Roof Cladding - Concrete	60
	Building Components - Roof Cladding - Other	40
	Building Components - Services (Plant)	40
	Building Components - Sub Structure - Concrete	100
	Building Components - Sub Structure - Steel	120
	Building Components - Sub Structure - Timber	60
	Building Components - Super Structure - Brick	100
	Building Components - Super Structure - Concrete	120
	Building Components - Super Structure - Steel	150

Asset Category	Asset Sub-category	Average Useful Life (Years)
	Building Components - Super Structure - Timber	80
	Building Components - Wall Finishes External	80
	Building Components - Wall Finishes Internal	25
	Carport	50
	Fence - Brick and Steel Gates	80
	Fence - Metal Construction	25
	Fuel Depot - Whole	50
	Garage	50
	Grandstand - Including Tiered seating	80
	Hardstand - Concrete	80
	Pavilion	55
	Shade sail Shelter	55
	Storage Shed	55
	Swimming Pool	50
	Swimming Pool - Pumps and Fittings	15
	Tennis Court - Playing Surface - Bitumen	30

5.3.2 Remaining Useful Lives

There is a relationship between asset useful life and some of the major service levels chosen by council. For Building assets, service levels relate to the condition of the asset and are measured differently for each asset type.

5.4 Asset Age Profile

Council Buildings asset data does not lend itself to the generation of an age profile. The age profile of the buildings assets will be included in future updates.

This issue has been noted in the AMP Improvement Plan (Section 10.4).

5.5 Asset condition

Asset condition is measured using the 0 (new) – 10 (failed) grading scheme shown below.

Table 16: Buildings Asset Condition Rating Scheme

Condition Rating	Description	% Asset Remaining[13]
0	Brand New	100
1	Near new with no visible deterioration	90
2	Excellent overall condition early stages of deterioration.	80
3	Very good overall condition with obvious deterioration evident.	70
4	Good overall condition, obvious deterioration, serviceability impaired very slightly.	60
5	Fair overall condition, obvious deterioration, some serviceability loss.	50
6	Fair to poor overall condition, obvious deterioration, some serviceability loss.	40
7	Poor overall condition, obvious deterioration, some serviceability loss, high maintenance costs	30
8	Very poor overall condition, severe deterioration, very high maintenance costs. Consider renewal.	20
9	Extremely poor condition, severe serviceability problems, renewal required immediately.	10
10	Failed asset, no longer serviceable. Should not remain in service.	0

Buildings asset condition are currently monitored via Council officer periodic safety inspections and via cyclic condition assessments:

5.5.1 Buildings Condition Assessments

In 2019, Council performed a comprehensive condition assessment of its Buildings and Other Structures.

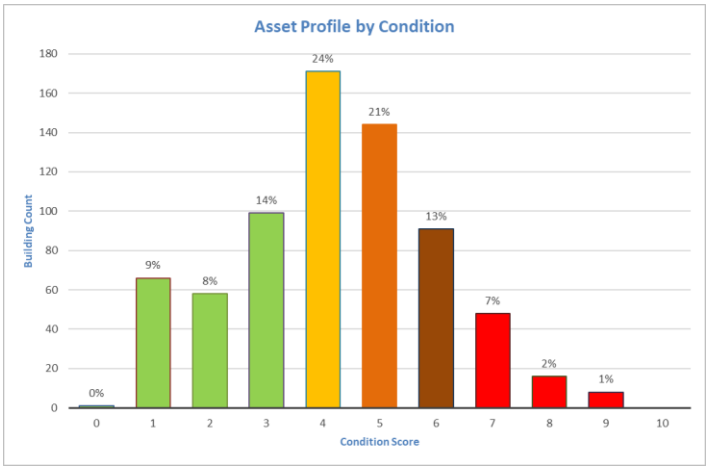
The distribution of buildings assets by overall condition score as well as by sub-components by condition is shown in the tables and charts below.

There are a slightly different number of assets noted in the condition profiles due to the recent adjustments of assets between Buildings, NRM & Parks and Waste Buildings assets. Once the final asset split is confirmed, this will be updated to reflect the actual building assets.

[13] Based on estimated delivery of future economic benefit.

Table 17: Overall Building Condition as at Dec 2019

Condition Score	Number of Buildings	% of Building Number
0	1	0.1%
1	66	9.4%
2	58	8.3%
3	99	14.1%
4	171	24.4%
5	144	20.5%
6	91	13.0%
7	48	6.8%
8	16	2.3%
9	8	1.1%
10	0	0.0%
TOTAL	**702**	**100.0%**



The above indicates that 44% of the total buildings and other structures are at condition 5 or worse, indicating that the overall portfolio is in average condition. There are 24 buildings/structures that are considered to be at, or above intervention level.

The following tables are condition profiles of the major building components.

Table 18: Substructure Condition as at Dec 2019

Condition Score	Number of Buildings	% of Building Number
0	0	0.0%
1	34	8.9%
2	40	10.5%
3	78	20.5%
4	88	23.1%
5	90	23.6%
6	33	8.7%
7	11	2.9%
8	7	1.8%
9	0	0.0%
10	0	0.0%
TOTAL	**381**	**100.0%**

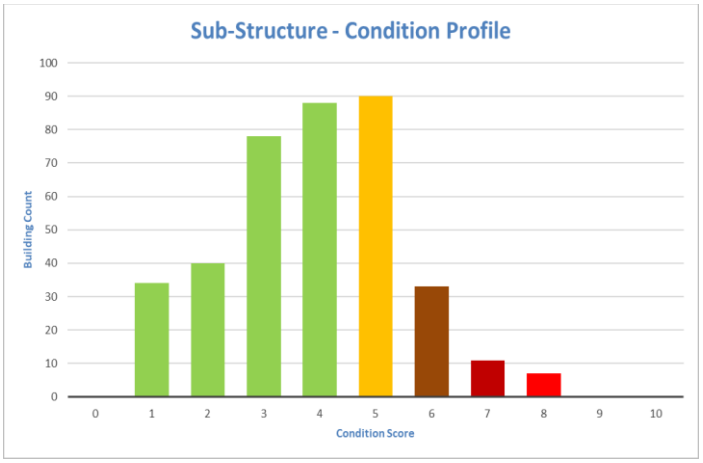


Table 19: Roof Cladding Condition as at Dec 2019

Condition Score	Number of Buildings	% of Building Number
0	0	0.0%
1	28	6.5%
2	31	7.2%
3	39	9.1%
4	89	20.8%
5	123	28.7%
6	70	16.4%
7	32	7.5%
8	13	3.0%
9	3	0.7%
10	0	0.0%
TOTAL	**428**	**100.0%**

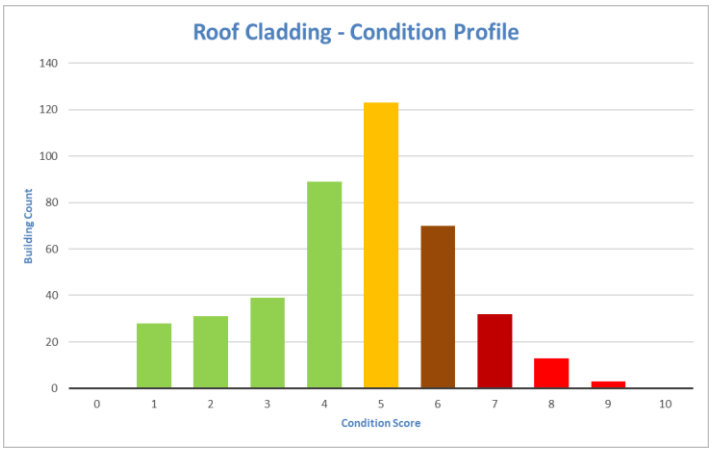


Table 20: Super Structure Condition as at Dec 2019

Condition Score	Number of Buildings	% of Building Number
0	1	0.2%
1	69	10.5%
2	49	7.5%
3	115	17.5%
4	143	21.8%
5	133	20.2%
6	72	11.0%
7	52	7.9%
8	14	2.1%
9	9	1.4%
10		0.0%
TOTAL	**657**	**100.0%**

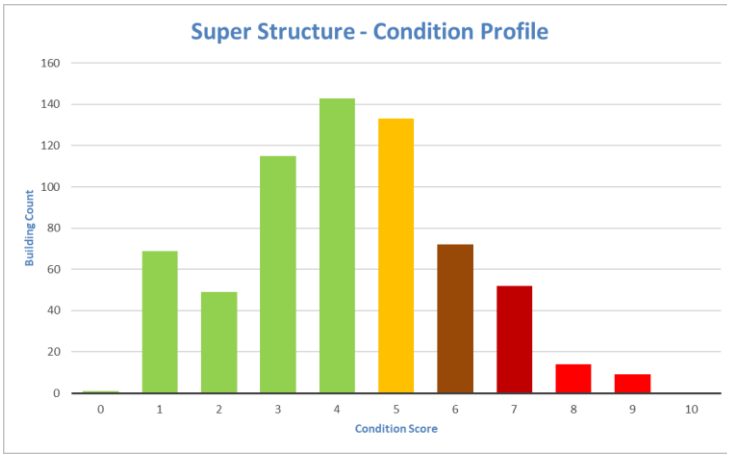


Table 21: External Finishes Condition as at Dec 2019

Condition Score	Number of Buildings	% of Building Number
0		0.0%
1	18	6.1%
2	20	6.8%
3	24	8.1%
4	63	21.4%
5	73	24.7%
6	59	20.0%
7	26	8.8%
8	10	3.4%
9	2	0.7%
10	0	0.0%
TOTAL	**295**	**100.0%**

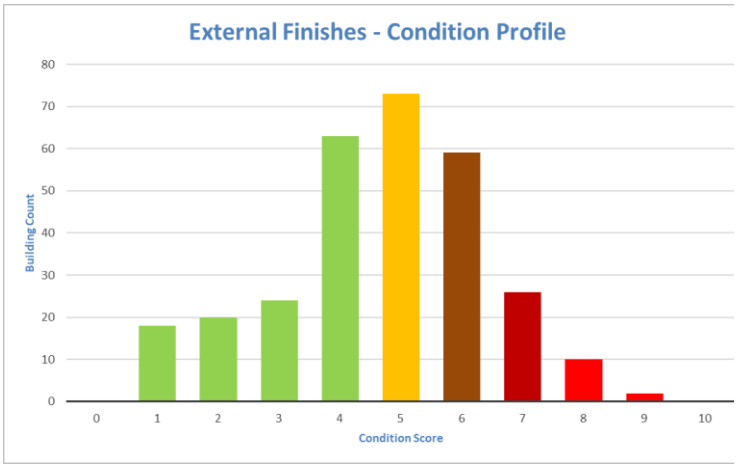


Table 22: Internal Finishes Condition as at Dec 2019

Condition Score	Number of Buildings	% of Building Number
0	1	0.4%
1	12	5.2%
2	17	7.4%
3	22	9.6%
4	65	28.4%
5	58	25.3%
6	40	17.5%
7	9	3.9%
8	4	1.7%
9	1	0.4%
10		0.0%
TOTAL	**229**	**100.0%**

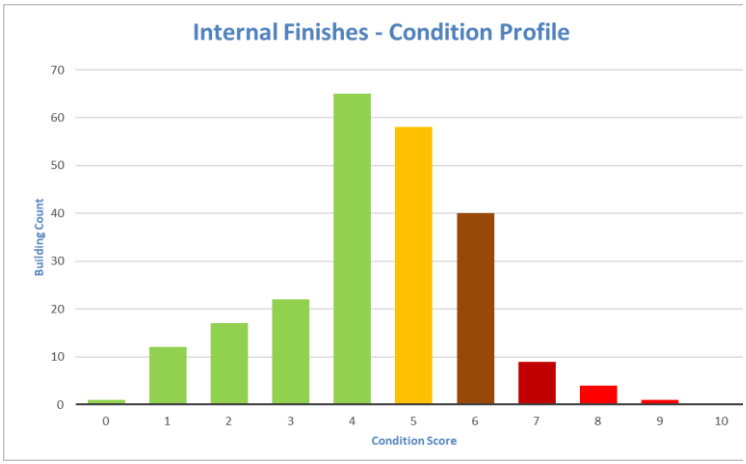


Table 23: Floor Coverings Condition as at Dec 2019

Condition Score	Number of Buildings	% of Building Number
0	1	0.5%
1	9	4.5%
2	23	11.6%
3	32	16.1%
4	37	18.6%
5	41	20.6%
6	29	14.6%
7	18	9.0%
8	7	3.5%
9	2	1.0%
10		0.0%
TOTAL	**199**	**100.0%**

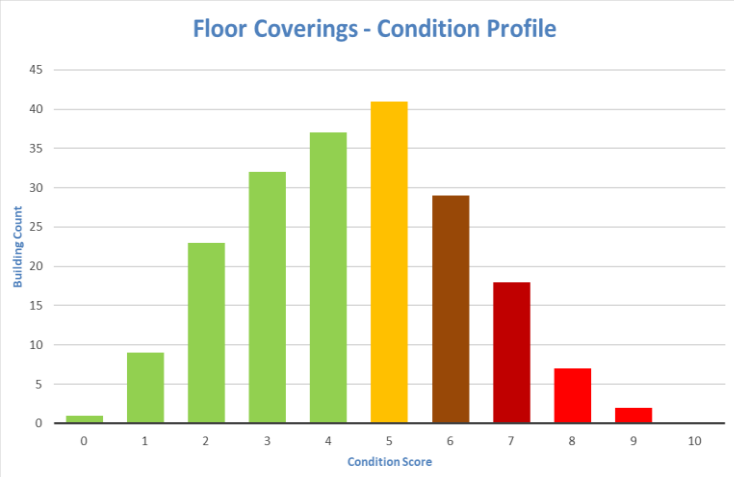


Table 24: Fittings Condition as at Dec 2019

Condition Score	Number of Buildings	% of Building Number
0	1	0.5%
1	5	2.3%
2	26	12.0%
3	28	12.9%
4	41	18.9%
5	49	22.6%
6	33	15.2%
7	26	12.0%
8	5	2.3%
9	3	1.4%
10		0.0%
TOTAL	**217**	**100.0%**

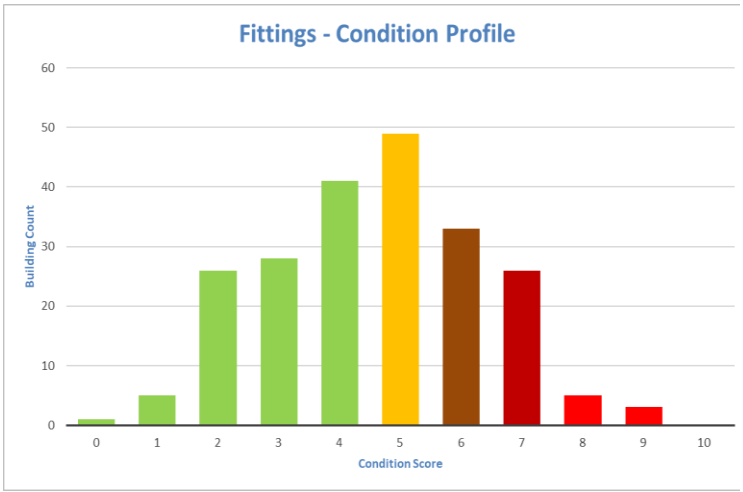
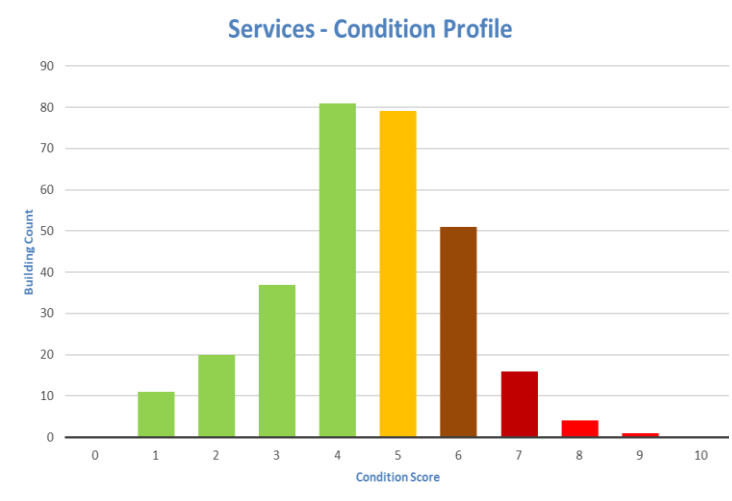


Table 25: Building Services Condition as at Dec 2019

Condition Score	Number of Buildings	% of Building Number
0		0.0%
1	11	3.7%
2	20	6.7%
3	37	12.3%
4	81	27.0%
5	79	26.3%
6	51	17.0%
7	16	5.3%
8	4	1.3%
9	1	0.3%
10		0.0%
TOTAL	300	100.0%



The condition profiles of the building components identifies that external finishes, roof claddings and fit-outs are those components in worse condition overall. This is not unusual given that the building envelopes are most exposed to environmental wear and tear. Fitouts have a shorter life and deteriorate due to the impact of use by occupants.

5.6 Asset Utilisation

Data for building utilisation is generally not widely available at present. Some usage data is available such as records of bookings for hire of community and sporting facilities, library patronage and swimming pool numbers. Anecdotal evidence is that patronage of the following is decreasing and need to be monitored in future in regards to future prioritisation of maintenance, renewals and disposal strategies.

- Tennis Courts and Clubs
- Community Halls

5.7 Asset Capacity and Performance

5.7.1 Capacity

At present, there are no identified capacity issues with Council's buildings. More recent buildings have been designed and funded with an identified function and capacity as part of the pre-design processes and brief development.

5.7.2 Asset Performance

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

Table 26: Known Service Performance Deficiencies

Location	Service Deficiency
Kingaroy Council Admin Building	Airconditioning renewal is required in some locations and requires reconfiguring to suit fit-out and providing adequate cooling capacity in summer.
Mondure Hall	Building is at end of life, and current layout does not meet community needs or is Code compliant.

Location	Service Deficiency
Kingaroy Swimming Pool Complex	Complex assets are nearing end of life and require refurbishment and upgrading to meet community needs and be fully functional.
Wondai Showgrounds	Grandstand has structural deficiencies.

The above service deficiencies were identified from Council inspections

5.7.3 Asset Performance Trends

The recent condition assessment has identified that overall the Council Building assets are in average condition. The 2019 condition assessment was the first portfolio-wide inspection, so there is no historical data available for trend analysis prior to this date. The data will be utilised for future trend analysis over repeated condition inspection cycles.

6.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how South Burnett Regional Council plans to manage and operate its assets at the approved levels of service (Refer to Section 3) while managing life cycle costs.

6.1 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical building operational activities include:

- Security
- Access (keys and locks)
- Plumbing
- Electrical
- Cleaning/ hygiene services
- Electricity consumption monitoring
- Environmental control
- Fire and safety control
- Pest control

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:

- Painting
- Building repairs (including vandalism rectification)

The historical expenditure for the last three years from operations and maintenance job costing is summarised below:

Table 27: Average Historical OPEX Expenditure by Asset Type

Asset Type	3 Years Avg. Annual Expenditure ($)	% of Total OPEX	% of Replacement Costs
Buildings	$4,624,430		3.68%
Total	**$4,624,430**		

Average annual OPEX expenditure is approximately $4,624,430.

Future annual OPEX expenditure is based on a proposed budget of $3,819,260

The trend in operations/maintenance budgets are shown in the table below.

Table 28: Ops/Maintenance Budget Trends

Year	Ops/Maintenance Budget $
2018/19	$5,264,134
2019/20	$4,789,900
2020/21	$3,819,259

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. They are highlighted in this Asset Management Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement. In future, the management accessed under the recent condition assessment has been risk-rated to assist in prioritising maintenance, and the data is stored in the Delta S maintenance management system.

6.1.1 Summary of forecast operations and maintenance costs

At present, Council does not separately identify maintenance expenditure from renewal budgeting due to historical reasons for funding under Capital Expenditure requirements. As a recommended improvement action is that building, operational costs be determined individually by building so that future benchmarking can be undertaken. In addition, reactive and preventative (cyclic) maintenance be separately identified so that the maintenance can be optimised in the future.

This issue has been noted in the AMP Improvement Plan (Section 10.4).

6.2 Renewal Plan

Renewal is a significant capital work. While it does not significantly alter the original service provided by the asset, it restores, rehabilitates, replaces or renews an existing asset to its original service potential. Asset renewal should not increase future maintenance costs.

Work over and above, restoring an asset to original service potential is considered to be an acquisition or upgrade which will result 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).

South Burnett Regional Council uses the second method, i.e., projected long-term renewals are determined using recent asset condition assessments.

The typical useful lives of assets used to develop projected asset renewal forecasts are shown here (Section 5.3.1). Buildings asset useful lives were last reviewed on as part of the 2020 Buildings asset revaluation project.

The development of a standardised asset renewal requirements estimating methodology has been noted in the AMP Improvement Plan (Section 10.4).

6.2.1 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).[14]

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.[15]

Council does not currently have formal ranking criteria to determine renewal priorities for Buildings assets. The development of a standardised asset renewal prioritisation methodology has been noted in the AMP Improvement Plan (Section 10.4).

6.3 Summary of historical renewal costs

Council has not historically forecast asset renewal requirements for Buildings assets, nor has it separately recorded renewal expenditure related to these assets.

6.4 Summary of future renewal costs

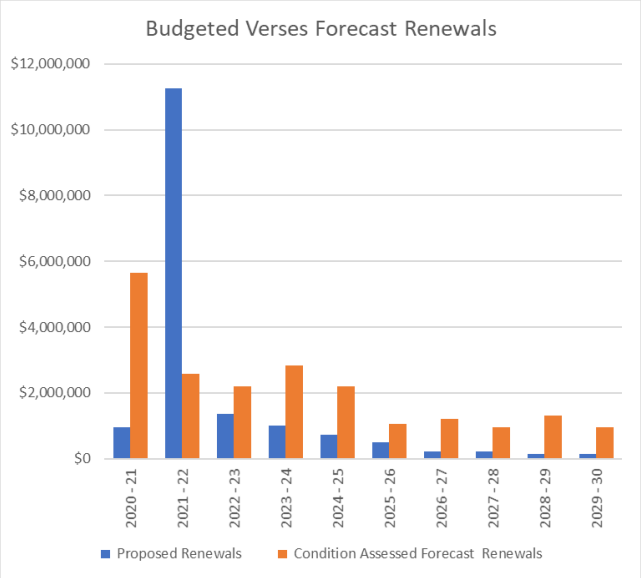
The amount budgeted for Building asset renewals for 2020/21 is $944,000 (including NRM & Parks building assets).

Forecast renewal costs are projected to decrease over time, assuming that backlog maintenance is undertaken. The table/chart below shows the forecast costs associated with renewals relative to the proposed renewal budget. The large amount budgeted for the 21-22 year is associated with the Kingaroy Pool renewals project which will require external or loan funding.

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

Discounting the Kingaroy Pool replacement project, SBRC are underfunding renewals in most years. In order to prioritise expenditure, it is recommended that Council utilises the Building Hierarchy and Levels of Service plus the risk scoring of maintenance to set future budgets.

Figure 8: Budgeted Renewals -v- Forecast Renewal Requirements



Council is focused predominately on asset renewals and strengthening its asset registers and systems to be able to confidently state its planned renewal position. This means that as our asset systems mature, we will need to review forward works programs on an ongoing basis.

[14] IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

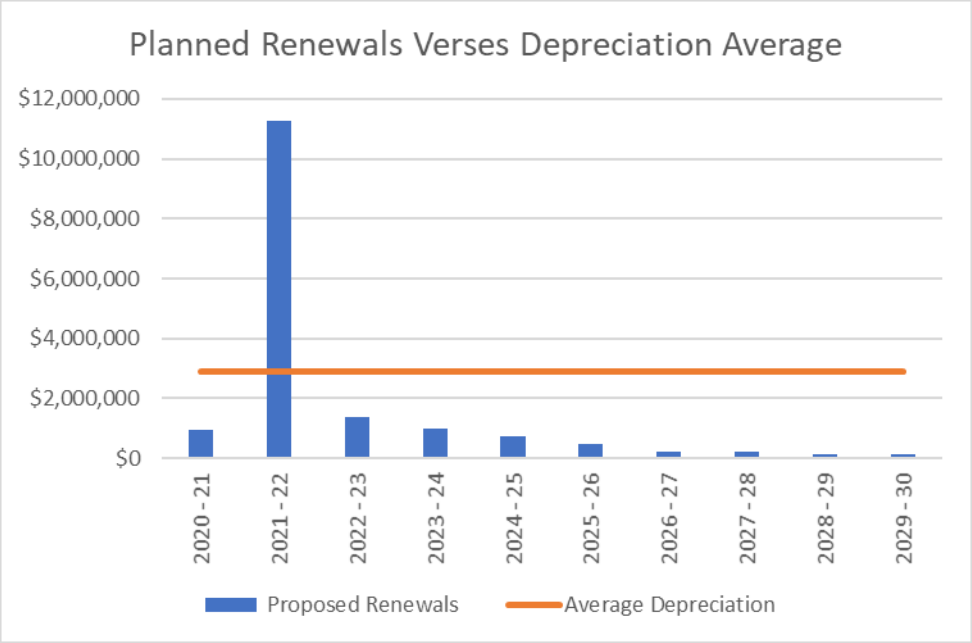
[15] Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

Total planned renewals (forward works program) spending is approximately $16,532,350 over the next 10 years, which is 13.16% of the gross replacement cost. The majority of these renewals are:

- Pool Related Renewal Projects
- Housing – Nanango
- Admin Building – Kingaroy
- Showgrounds – Various Locations
- PCYC – Murgon
- Community Halls – Various Locations
- Sporting Facilities – Various Locations
- Depots – Various Locations

The average annual renewals planned is $1,653,235. This is 57.4% of the average annual depreciation of $2,880,139 for buildings. This indicates that Council is significantly under-investing in Buildings renewals and the levels of service for these buildings will potentially lessen over time.

Figure 9: Planned Renewals versus Depreciation



The renewal averages for the next 10-years 2019/20 to 2029/30 are displayed below.

6.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its current service capacity. Acquisitions may be the result of growth, demand, social or environmental needs. Assets may also be donated to Council be developers or other levels of government.

6.5.1 Selection criteria

Proposed upgrade of existing assets, and new assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with

others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities 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 the table below.

Council has yet to adopt a formalised section process for upgrading and acquisition and construction of new building assets. The development of a standardised selection prioritisation methodology has been noted in the AMP Improvement Plan (Section 10.4).

6.5.2 Summary of future asset acquisition costs

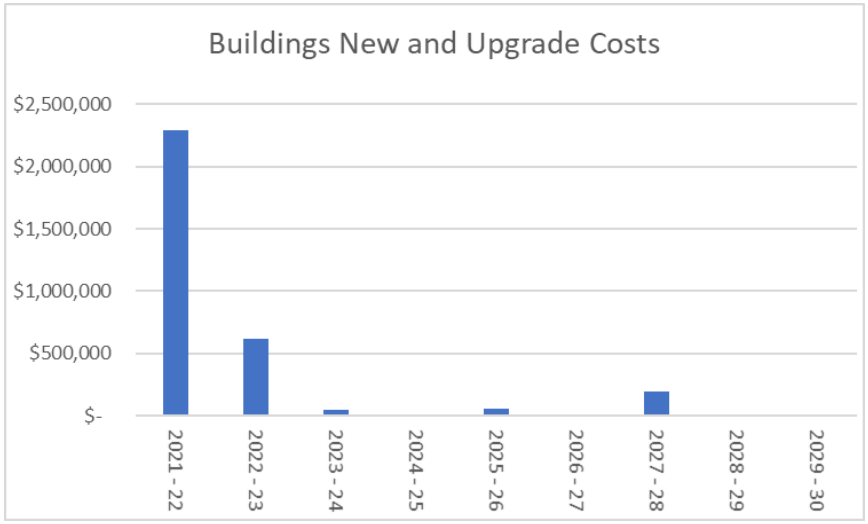
When Council commits to upgrading or new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability.

Table 29: Buildings Acquisition Forecast 2020-30

Year	CAPEX Acquisitions	Purpose
2020/21	90,000	Reverse Osmosis water system for the theatre (CSD) for sterilisation.
	40,000	Wondai Showgrounds Grandstand Replacement - construction and engineering plans
	820,000	Mondure Hall - replace with new purpose-built building
	15,000	Wondai Archive Room - firewall
	40,000	Compactus for Wondai Archive Room
	790,000	Kingaroy Swimming Pool Refurbishment
	500,000	Swimming Pool Refurbishment
2021/22	10,000	Sound system upgrade - Wondai Town Hall.
	7,500	21 & 22 Appin Place - Install security screens
	600,000	Wondai Showgrounds Grandstand Replacement - construction
2022/23	45,000	Compactus for Wondai Archive Room
2023/24		
2024/25	60,000	Compactus for Wondai Archive Room
2025/26		
2026/27	190,000	Mondure Tennis Courts Amenities
2027/28		
2028/29		
Total:	**3,207,500**	

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 annual value of all acquisition work, including assets that are constructed and contributed shown in the chart below:

Figure 10: Planned Buildings New and Upgrade Costs



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

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.

Add discussion about the forecast acquisition costs compared to the proposed upgrade new budget. Comment on any apparent trends and highlight significant projects. Highlight about the impact of new assets, e.g. 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.

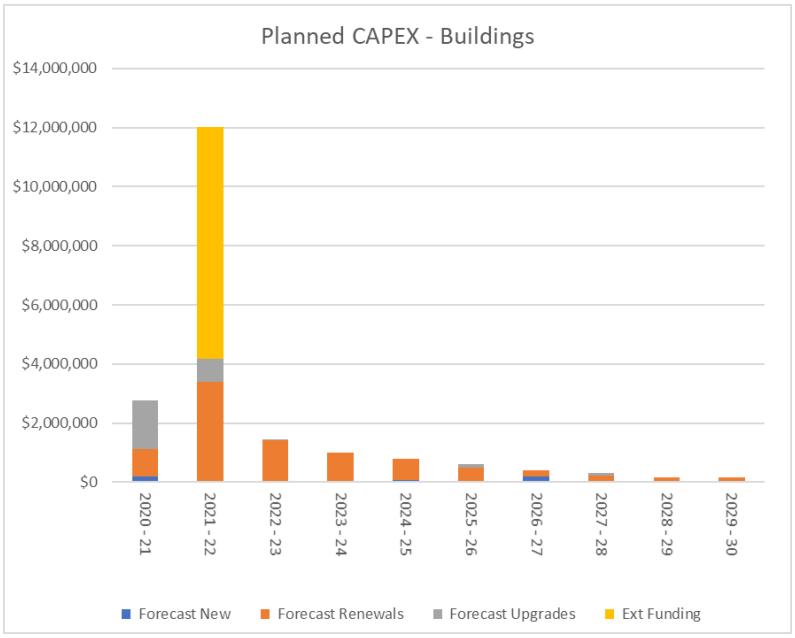
6.5.3 Summary of asset forecast costs

The financial projections from this asset plan are shown in the diagram below. These projections include forecast costs for acquisition, 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.

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

Figure 11: Planned Capex For Buildings



6.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and

disposal are shown in the table below. A summary of the disposal costs (and estimated reductions in the annual operations and maintenance costs) are also outlined in the table below. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

Table 30: Assets Identified for Disposal

Asset	Reason for Disposal	Timing	Disposal Costs	Annual OPEX Savings
Kingaroy Airport - Bunkhouse storage shed	Poor condition and no longer used	2019-20	N/A	Nil

7.0 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'[16].

SBRC is gradually introducing a Building Hierarchy (a five-level category scale) which incorporates a risk component to measure the failure impact/criticality. The matrix is based on the SBRC Corporate Risk Matrix.

7.1 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 in the table below. Also listed are their typical failure mode and the impact on service delivery. Failure modes may include physical failure, collapse or essential service interruption. The following have been identified as key building assets (Level 1) under the draft building hierarchy.

Table 31: Critical Assets

Critical Assets	Failure Mode	Impact
Kingaroy - Lady Bjelke-Peterson Community Hospital	Loss of service or equipment	Loss of medical services/contamination could have Health & Safety as well as community impacts due to the loss of local services
Kingaroy - Glendon Street - ICT Office	Loss of service and/or damage to ICT infrastructure	Critical ICT infrastructure for Council-wide operations
Kingaroy Council Administration Building	Loss of use of all or part of building by damage or service loss.	Loss of key Council facility/interruptions will impact on the delivery of services/operations to community and across Council.
Kingaroy Economic development, Library and finance	Loss of use of all or part of building by damage or service loss.	Loss of key Council facility/interruptions will impact on the delivery of services/operations to community and across Council.
Nanango - Nanango Council Office	Loss of use of all or part of building by damage or service loss.	Loss of key Council facility/interruptions will impact on the delivery of services/operations to community and across Council.

[16] ISO 31000:2009, p 2

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.

7.2 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', 1 and to respond to possible disruptions to ensure continuity of service.

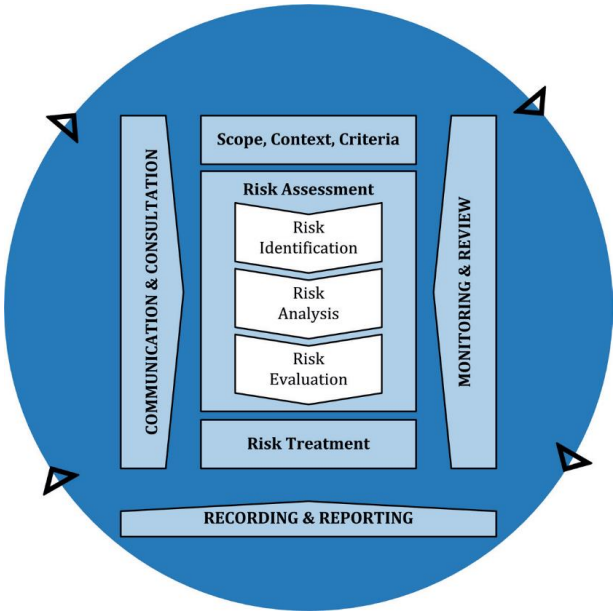
Resilience is built on aspects such as response and recovery planning, financial capacity, climate change and crisis leadership.

We do not currently measure our resilience in service delivery. This will be included in future iterations of the Asset Management Plan.

7.3 Risk Assessment

The risk management process used is shown in the figure 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. This process is based on the fundamentals of International Standard ISO 31000:2018[17].

Figure 12 Risk Management Process (Abridged)



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[18] 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.

7.4 Risk Treatment

Building Assets consist of multiple components which all have differing functions, different materials and useful lives. The major mitigation and least-cost strategy is to ensure that preventative maintenance activities are in place and are programmed at an appropriate to suit the type of risk and at a service, level dictated by the Building Hierarchy.

SBRC undertakes programmed maintenance for legislated compliance for fire protection services, emergency lighting, EWIS, HVAC and air conditioning systems.

[17] Source: ISO 31000:2018, Figure 1, p9

[18] SBRC Corporate Risk Plan

In addition, the following reactive maintenance items, designated as higher risk items, were identified as part of the 2019 Condition Assessment.

Table 32: Risk Management Treatment – Maintenance Items

Building Name	Problem	Action	Est_Cost	Risk Rating
Bjelke-Petersen Dam - Kiosk - Yallakool Tourist Park	No wheel chair access to Kiosk	Provide Threshold Rubber Ramps for door way	$200.00	H-75
Bjelke-Petersen Dam - Toilets - Male & Female - Located by Ten	Stringers and treads rotted	Replace steps to male toilet	$2,400.00	H-75
Bjelke-Petersen Dam - Villa 1	Ground around concrete eroding	Construct a retaining wall two metres back from	$5,000.00	H-75
Cloyna Hall - Cloyna Hall	Deteriorating timber and no longer meets code	Replace ramp for disability access to building	$12,000.00	H-75
Ficks Crossing - Chelmsford House - Ficks Crossing Camp Ground	You can here water running between walls.	Remove s/steel panel to access water pipes to ascertain water leak.	$600.00	H-75
Murgon - MURGON SHOWGROUNDS - Open sided storage shelter	Structure coming to the end of it's life span	Remove and replace structure	$35,000.00	H-75
Murgon - Murgon Swimming Pool	Missing tiles west end	Replace missing tiles	$320.00	H-75
Murgon - Murgon Swimming Pool	Broken tile corner of starter block	Replace broken tiles	$420.00	H-75
Murgon - Murgon Swimming Pool Lower storage shed	electrical lead left on	Provide post and external power point and remove	$1,500.00	H-80
Murgon - Murgon Swimming Pool Toddler shade sail	Hole in sail	Remove shade sail and have it repaired	$450.00	H-75
Wondai - Toilet Block	fascia rotting	Fix metal corner capping to protect timber from	$250.00	H-75
Wondai Showgrounds Race Callers Box	Timber treads rotting	Replace treads on stairs	$2,880.00	E-80

7.5 Service and Risk Trade-Offs

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

7.5.1 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 have not as yet been fully identified.

7.5.2 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:

- Disruption to building users and activities being carried on within the buildings

7.5.3 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:

- Possible harm to building users (WH&S Breaches).
- Lower levels of services potential due to building failures or restrictions of usage.

8.0 FINANCIAL SUMMARY

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

8.1 Long-Term Financial Forecast

Council's is currently developing a Long-Term Financial Forecast (LTFF) for the next 10 years.

Since this information is not currently available, it is not possible to compare future forecast asset lifecycle costs to the LTFF.

8.2 Forecast costs for long term financial plan

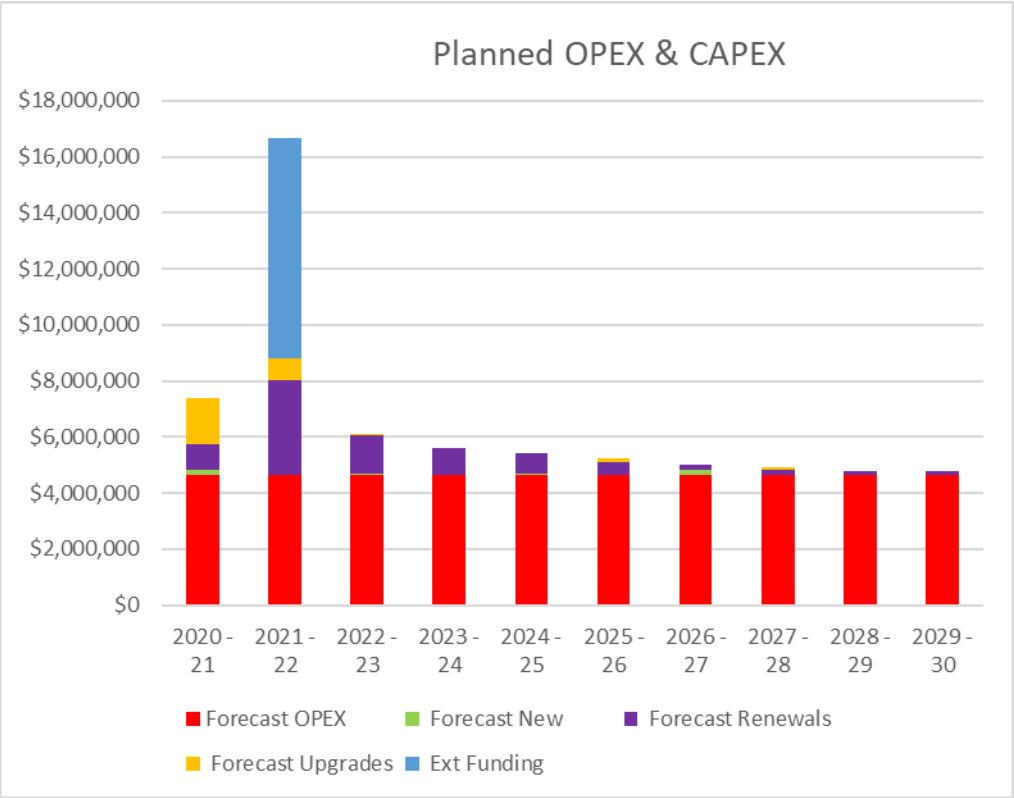
This Asset Management Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period.

Forecast costs are shown in 2019/20 current year dollars.

Table 33: Forecast Asset Life Cycle Costs for Long Term Financial Plan

Year	Forecast OPEX	Forecast Acquisition (New)	Forecast Renewals	Forecast Upgrades	Forecast Disposal
2020/21	$4,624,430	$185,250	944,000	$1,640,250	$0
2021/22	$4,624,430	$0	11,261,400	$772,100	$0
2022/23	$4,624,430	$45,000	1,374,950	$18,050	$0
2023/24	$4,624,430	$0	998,000	$0	$0
2024/25	$4,624,430	$60,000	721,000	$0	$0
2025/26	$4,624,430	$0	500,000	$100,000	$0
2026/27	$4,624,430	$190,000	219,000	$0	$0
2027/28	$4,624,430	$0	210,000	$100,000	$0
2028/29	$4,624,430	$0	154,000	$0	$0
2029/30	$4,624,430	$0	150,000	$0	$0
Total:	**$46,244,300**	**$480,250**	**$16,532,350**	**$2,630,400**	**$0**

Figure 13: Planned OPEX & CAPEX



8.3 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the Asset Management 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 the next 10 years), and
- medium-term forecast costs/proposed budget (over 10 years of the planning period).

8.3.1 Medium-term – 10 year financial planning period

The 10-year forecasting process is currently linked to depreciation forecasts. It needs to be clearly driven more closely by maintenance and renewals requirements as a function of agreed levels of service and building hierarchy.

8.3.2 Asset Renewal Funding Ratio

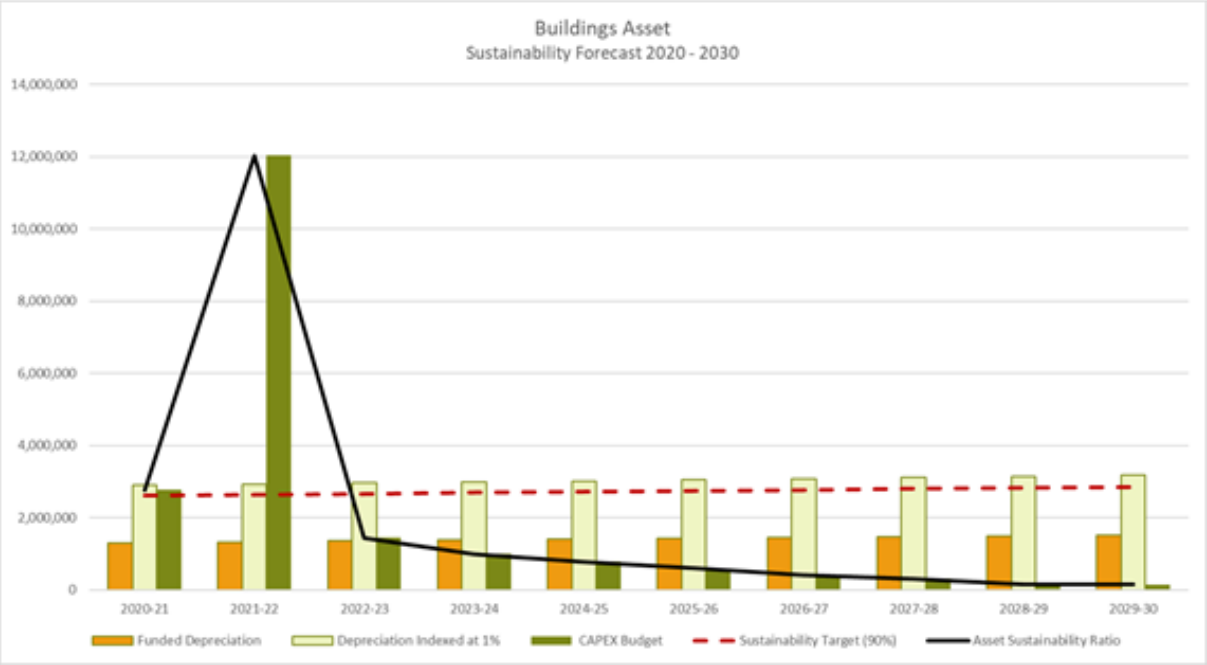
The Asset Renewal Funding Ratio (ARFR) indicates whether Council is replacing its assets as fast as it is consuming their service potential. The annual Asset Renewal Funding Ratio target set by the State government is 90%.

Council's Asset Renewal Funding Ratio[19] for Buildings assets is: 57.4%

The current ARFR indicates that,over the next 10 years, planned renewals are well below the level required to sustainably manage these assets. Over time, this is to likely result in a degradation of the current service levels.

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

Figure 14: Asset Sustainability & Planned Renewals



The forecast costs, proposed budgets, and valuation projections in this Asset Management Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate.

8.3.3 Observations

Key observations about the financial forecasts for Buildings Assets are:

- Building asset renewal expenditure is (on average) 57.4% of the annual depreciation of the asset class when the State benchmark is 90%.
- The current Capital Works Program has a short-term focus (i.e., 2-3 years) and has not identified sufficient renewal projects in the out years.
- SBRC are significantly underfunding maintenance
- Maintenance is almost entirely reactive ('break/ fix'), with little or no planned or cyclical maintenance.

8.3.4 Implications

The current levels of service for Buildings are not financially sustainable.

If the current trend continue, the overall condition profile of the buildings portfolio will decrease and the levels of service provided will decrease.

Future renewal and maintenance requirements are expected to increase significantly as these assets wear out prematurely.

8.4 Funding Strategy

The proposed funding for assets is outlined in the Council's budget and long term financial plan.

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

8.5 Valuation Forecasts

Over the next 10-years, Council is expected to add approximately $3,110,650 to the value of its Buildings assets. This will increase the current replacement cost to approximately $128,710,980 as these additional assets are added.

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.

8.6 Key Assumptions Made in Financial Forecasts

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

Key assumptions made in this Asset Management Plan are:

- Valuation Data is assumed to be accurate, and the data was split between the new designated asset classes of Buildings, NRM and Parks, Waste, Water and Wastewater.
- Renewals and Maintenance Forecasting was extracted from the 2019 CTMG condition assessments and maintenance forecasts
- Opex Data was provided by SBRC
- Capex Data was provided by SBRC

8.7 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this Asset Management 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 scale[20] in accordance with the table below.

Table 34: 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 ± 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 ± 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 ± 25%

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

Confidence Grade	Description
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 ± 40%
E. Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this Asset Management Plan is shown in the table below.

Table 35: Data Confidence Assessment for Data used in Asset Management Plan

Data	Confidence Assessment	Comment
Demand drivers	C	Demand drivers for the Building Class are derived from the various services that require buildings to support service delivery. There are limited strategic service delivery plans available to support the identification of service needs across the board.
Growth projections	B	SBRC has access to a number of services and needs to agree on a specific data source
Acquisition forecast	C	Forecasting of new assets needs to have more process in terms of capital works prioritisation and business case processes
Operation forecast	C	Pro-rata split of 2020-21 OPEX budget based on account type. More granular costing detail not available
Maintenance forecast	C	Pro-rata split of 2020-21 OPEX budget based on account type. More granular costing detail not available
Renewal forecast - Asset values	B	Recent data is available for 2019 condition assessment and maintenance identification
- Asset useful lives	B	Reliance was on recent Valuation data
- Condition modelling	A	Recent data is available for 2019 condition assessment and maintenance identification
Disposal forecast	C	Disposal of assets needs to have a clear process in terms of identification and business case process.

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

9.0 INFORMATION MANAGEMENT

9.1 Asset Information Management Systems

9.1.1 Asset Register

Council uses *TechnologyOne* as its corporate asset management system. The asset register is part of this solution. The *TechnologyOne* asset register holds both structured non-spatial asset data and financial information about the assets (e.g., valuations).

9.1.2 GIS

Council uses the MapInfo geographical information system (GIS) to store structured spatial information about its Building assets. The GIS is also used to capture and display spatial data (e.g., cadastral, topographic and aerial information).

9.1.3 Records Management System

Council uses the *TechnologyOne* Records Management solution to capture, store and organise unstructured documents (e.g., letters, reports, etc.).

Design and As Constructed drawings are stored in a shared network drive.

9.1.4 Customer Request System

Council uses *TechnologyOne* to record and manage all incoming Customer Requests or complaints.

9.1.5 Work Management System

Buildings Group is utilising Delta S Maintenance Management System to maintain maintenance data, develop works programs and Works Order generation. This an interim solution until Council implements a cross-Council asset management solution.

9.1.6 Work Category Definitions

Council's Finance Department is currently reviewing work category definitions to support more consistent reporting of activity. We expect the following work categories to be implemented:

Table 36: Work Category Definition

Work Type	Work Category	Description
CAPEX	New/ Expansion	Expenditure, which creates a new asset to meet additional service level requirements, e.g. new building, road, etc.
	Renewal/ Refurbishment	Expenditure on an existing asset, which, restores, rehabilitates, replaces existing asset to its original capacity, e.g. resurfacing of roads.
	Upgrade	Expenditure, which enhances an existing asset to provide a higher level of service, e.g. widening of road seal.
OPEX	Maintenance	Recurrent expenditure, periodically or regularly required as part of the anticipated schedule of works required keeping assets operating, edge road patching.
	Operations	Recurrent expenditure or regular activities to provide public health, safety and amenity, e.g. street sweeping, grass mowing, street lighting, cost of supply from utilities, such as water, electricity etc.
	Disposal	Expenditure related to the disposal of an asset.

The development of a standardised method for allocating asset-related costs has been identified in the AMP Improvement Plan.

9.1.7 Financial Management System

Council uses *TechnologyOne* as its corporate financial management system. It records and stores and reports on all financial and business operations. *TechnologyOne* is used for the entire spectrum of financial activity, including:

- General Ledger
- Job costing
- Procurement
- Inventory
- HR and payroll

Data is entered into (or generated within) the system from source documentation (e.g., staff timesheets for payroll transactions or purchase orders for goods and services).

Technology One also generates all statutory and financial management reports that are available to all levels of staff and elected representatives.

9.1.8 ICT Infrastructure Platform

The Delta S system is located on a local Desktop and is based on MS Access. The mobile field solution is a windows based tablet which is synced to the desktop program to upload field-collected data.

9.1.9 Systems Fitness-for-Purpose Assessment

The information system used to manage buildings assets is fit-for-purpose because it enables the following:

- Recording and storing of attributes to identify individual asset clearly;
- Define relationship (components) within and between assets;
- Enables customisation including description fields;
- Provides Capital, maintenance and condition-based reports (either customised or delivered by manipulating the database);
- Provides an Export selected data; and
- This system will assist in determining asset information for long-term capital and maintenance funding requirements to ensure that assets do not fall below their nominated minimum asset condition rating.

9.2 Asset Data Management

9.2.1 Accounting and financial data sources

This Asset Management Plan utilises accounting and financial data. The source of this data is the *TechnologyOne* enterprise application suite.

9.2.2 Financial Management Data Requirements

9.2.2.1 Asset Valuation

In accordance with Accounting Standard AASB1041, Council is required to account for all its assets, including the value of current and non-current assets in financial reports thereby identifying to the community the level of investment in assets. These assets are then depreciated on an annual basis to reflect the community usage of its infrastructure assets.

Council splits its Assets into classes for valuation purposes. Council asset classes are:

- Land
- Buildings
- Plant & Equipment
- Roads, Drainage & Bridges
- Water
- Sewerage
- Other Infrastructure

Each class is valued in its entirety to reflect its fair value. Council uses independent external valuers to undertake the valuation process. Verification of the completeness of Council's Asset Register will be conducted as part of the development of the Individual Asset Plans.

9.2.2.2 Asset Depreciation

Council's infrastructure assets are non-current assets, and their depreciation is treated as follows:

- Buildings, plant and equipment, infrastructure, and other assets which have limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis. Depreciation rates and methods are reviewed annually.
- Where infrastructure assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values, and a separate depreciation rate is determined for each component.

9.2.2.3 Capitalisation of Assets

Each class of assets have been recognised in accordance with Council's Asset Management Policy. The asset recognition thresholds detailed in the policy have applied when recognising Building assets unless otherwise stated here.

9.2.2.4 Asset management data sources

This Asset Management Plan also utilises asset management data. The primary source of this data is the *TechnologyOne* enterprise application suite.

TechnologyOne data is augmented with other asset-related data stored in:

- MapInfo (GIS)
- Shared network drives (Drawings)
- Spreadsheets (asset modelling data)

9.2.3 Asset Management Data Requirements

Electronically stored data is vital to sound management of assets. It is used for several purposes and for development of rolling works programs based on priority of needs. These programs are then used for strategic financial modelling for the organisation.

9.2.4 Data Management Roles and Responsibilities

9.2.4.1 Asset Data Manager

The manager of the asset will determine the extent of additional information required in order to manage, maintain and report on infrastructure assets to ensure optimal asset function and asset lifecycle as well as management.

9.2.4.2 Asset Section

Asset Section staff are responsible for ensuring the updating and maintaining of the asset data to meet the organisational operational and financial requirements in delivering efficient and effective asset management.

This means ensuring that inspection data and information from Works Orders, is entered into the system when appropriate. Assistance may well be required for undertaking data installation into the system. However, the Asset Officers are responsible for ensuring its integrity.

It should be noted that procedures for Works Orders are still in development, and there is no formal system currently in place. However, it is an aim to have a functioning Works Order system to support sound asset management.

9.2.5 Data Quality Assessment

A key issue with collecting and storing this information is the recognition that it must be kept up-to-date. Obsolete data can produce meaningless information when efforts are made to use it for works programming and financial modelling.

As there may be a prohibitive cost to data collection, it is essential that consideration be given to collecting and storing only that data which will be useful to management needs.

9.3 Technological Change

The following technology changes are expected over the life of this plan (i.e. 10 years). These changes will help improve Council's management of Buildings assets.

Table 37: Technological Change: Buildings Asset Information Management

Technology	Expected Change
Remote sensing, monitoring and control	It is expected that remote sensing, monitoring and control systems will become cheaper and more prevalent over the life of this plan (i.e., 10 years). If this occurs, it will enable Council to collect asset performance data more frequently and less expensively (i.e., without having to conduct physical site inspections).
Integration of data sources	The current trend towards the integration of spatial, non-spatial and unstructured asset and service data within Council is likely to accelerate. This will provide Council with a more holistic view of its assets.
External data sharing	Council will be able to link its data with other Councils and government departments for planning, benchmarking and reporting purposes.
Drones	It is expected that in future, drones will play an increased role in asset survey and monitoring.

10.0 PLAN IMPROVEMENT AND MONITORING

10.1 Status of Asset Management Practices[21]

The current level of asset management maturity is Basic.

10.2 Improvement Priorities

Buildings asset management improvement priorities are:

- Formalise and confirm asset data structures, including:
  - Asset hierarchy
  - Asset data model
  - Asset work types and cost structures
- Develop asset recognition (capitalisation) and revaluation thresholds for Buildings assets.
- Develop a capital works project prioritisation framework for Buildings assets.
- Include asset renewal requirements in the CAPEX program.
- Load the latest asset data into Council's Asset Registers and GIS.
- Integrate Council's non-spatial (asset register) and spatial (GIS) asset data for Buildings
- Split out maintenance from renewals and further segregate into reactive and preventative maintenance

10.3 Key Performance Indicators (Improvement)

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

- The degree to which the required forecast costs identified in this Asset Management Plan are incorporated into the long-term financial plan.
- The degree to which the detailed multi-year works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the Asset Management Plan.
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Plan and associated plans.
- Progress towards the achievement of Council's Asset Renewal Funding Ratio target (this target is currently 0.9).

[21] ISO 55000 Refers to this the Asset Management System

10.4 Improvement Plan

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

Table 38: Buildings Asset Management Improvement Plan

ID	Activity	Expected Benefit	Timing
1	Continue to develop the Buildings hierarchy framework, identify and confirm buildings against each Level. Obtain Council support for it.	Implementation of the framework will enable Council to commence prioritising maintenance and renewals to suit budget constraints	Dec 2020
2	Utilising the Building hierarchy, set maintenance and response times	This will enable maintenance to be linked to established set levels of service and assist in prioritising ongoing expenditure on buildings	Dec 2020
3	Review planned renewals and update the 10-year work program by prioritising based on the hierarchy and risk.	This will enable clearer decision making on allocation of expenditure and also decision making.	Annually
4	Record and report on expenditures, with separate costs for operations, maintenance and capture capital expenditures as renewal or upgrade. Identify and separate Preventative and Reactive Maintenance activities and costs	Maintenance expenditure can be better optimised once costings are known for ratio of Reactive Versus Preventative Maintenance (Ideally approx. 30:70)	June 2021
5	Measure and record Building Utilisation noting that there are different type of measures depending on building function & use.	This will enable underutilised buildings to be identified to enable future building re-use/rationalisation options to be considered	Ongoing

ID	Activity	Expected Benefit	Timing
6	Buildings/structures identified as being at condition 7 and above as part of any disposal /re-use reviews should be reviewed against identified renewals/maintenance costs	Poor condition assets with higher maintenance, renewal costs need to be reviewed as part of re-use/rationalisation options for these buildings	June 2020
7	Implement a capital works decision-making process across Council and develop business case templates for new and upgrade projects as part of the formal process. Include expected maintenance (life cycle impacts) for upgrades/new projects.	Improved rigour in Capex expenditure and decision-making process across Council.	Sept 2020
8	Maintain data in Building Maintenance Management System (Delta S) to support decision making and reporting.	Build a more accurate asset register ready for the next comprehensive revaluation of the building assets	Ongoing
9	Confirm new asset hierarchy for buildings and other structures	Enables more consistent recording in the finance system for reporting and valuation processes	Sept 2020
10	Ensure that regular planned condition assessments are carried out and recorded in Delta S	Up to date base data is critical for informed decision making	Ongoing but at minimum, every 3 years
11	Review and update AMP as new data and processes are identified/implemented to ensure that it reflects Councils practices	More consistent approach across Council, better data and improved decision making	Ongoing, but at least annually
12	Start componentising construction jobs into appropriate assets as per a defined Asset Accounting Manual specifically to standardise	Build a more accurate asset register ready for the next comprehensive revaluation of the building assets	July 2020

ID	Activity	Expected Benefit	Timing
	the process of capitalising the completed works within Delta S and the Financial System.		
13	Develop a valuation plan and methodology for determining component lives and remaining lives, with detail assessment for assets requiring renewal in the medium term (next 1-20 years) to ensure more consistency in Valuations in future	More consistent valuations and depreciation in future	June 2021
14	Ensure that the Delta S system is the point of truth for all maintenance management and run automated scripts on a regular interval into the financial system to check they match noting that Tech One Finance is the point of truth for all asset records and finance data	Consistent and more accurate financial management and reporting	Ongoing

10.5 Monitoring and Review Procedures

This asset management plan will be reviewed bi-annually. This review shall include, but not be limited to:

- Condition and performance of assets:
  - Changes in overall condition;
  - Levels of service achieved;
  - Financial forecasts;
  - Validation of estimated costs for asset works.
- Progress on Capital Works Development Program;
- Recommendations for amendments;
- The performance and appropriateness of asset documents, including:
  - Asset Management Policy;
  - Asset Management Strategy;
  - Individual Asset Management Plans;
  - Individual Asset Class Specifications.

10.5.1 Audit Review Process

Council will implement an audit process to ensure:

- Assets are recorded accurately within Council's asset management system;
- Condition assessments and maintenance inspections are conducted in accordance with Council's Individual Asset Class Specifications frequency, methodology and criteria;
- Works programs are developed according to relevant criteria;
- Works are completed as per Council's Individual Asset Specifications;
- Completed works are recorded in the asset management system; and
- Expenditure is correctly allocated between capital and maintenance in accordance with Council's guidelines.

10.5.2 Reviewing Maintenance Management Performance

Part of the annual budget process is to review asset performance following delivery of the maintenance program. Actual expenditures are compared to those budgeted, and any significant variances are analysed with any necessary remedial action accounted for in the new budget.

Effectiveness of the various maintenance activities is reviewed to ensure that they are delivering what is required to keep the asset performing at the required level of service.

Part of this process is to determine whether it is effective to continue funding maintenance or in fact that the particular asset or asset component requires rehabilitation, renewal or upgrading or even being downgraded.

10.5.3 Reporting Asset Achievements

Council's Annual Report is the vehicle that is used by Council to report asset management achievements of maintenance and refurbishment and renewal strategies against planned targets and programs to the community.

11.0 REFERENCES

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Appendix A: Glossary

The following terms defined/ described to clarify concepts referred to in this document.

Table 39: Glossary

Term	Description
Asset Condition Assessment	The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset to determine the need for some preventative or remedial action.
Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets to provide the required level of service in the most cost-effective manner.
Asset Management Plan	A plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to provide specified level of service. A significant component of the plan is a long-term cash flow projection for the activities.
Asset Renewal	Replacement or rehabilitation to original size and capacity of a road or drainage asset or the component of the asset. Renewals are “capitalised” so that the cost can be depreciated over the future life of the asset.
Core Asset Management	Asset management which relies primarily on the use of an asset register, maintenance management systems, job/resource management, condition assessment and defined levels of service, in order to establish alternate treatment options and long term cash flow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than risk analysis and optimised renewal decision making).
Infrastructure Assets	Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally, the components and hence the assets have long lives. They are fixed in place and are often have no market value.
Level of Service	The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost).
Life Cycle Cost	The life cycle cost (LCC) is the average cost to provide the service over the longest asset life cycle. It comprises annual maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Term	Description
Life Cycle Expenditure	The Life Cycle Expenditure (LCE) is the actual or planned annual maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Cost to give an initial indicator of life cycle sustainability.
Maintenance and Renewal Sustainability Index	Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. 5, 10 and 15-years).
Performance Measure	A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.
Reactive Maintenance	Unplanned repair work carried out in response to service requests and management/supervisory directions.
Scheduled Maintenance	Maintenance carried out in accordance with a routine maintenance schedule, e.g. scheduled maintenance grading.
Planned Maintenance	Repair work that is identified and managed through the customer requests system (Dataworks). These activities include inspections, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.
Rate of Annual Asset Renewal	A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/ depreciable amount).
Reactive Maintenance	Unplanned repair work carried out in response to service requests & management / supervisory directions.
Recurrent Expenditure	Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operating and maintenance expenditure.
Remaining Life	The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining life is economic life (also useful life).
Renewal Expenditure	Major works which do not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential.
Upgrade/Expansion Expenditure	Work over and above, restoring an asset to original service potential.

Term	Description
Useful Life (also economic life)	Either:(a) the period over which an asset is expected to be available for use by an entity, or (b) the number of production or similar units expected to be obtained from the asset by the entity. It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the Council.
New Assets	Activities that create a road or drainage asset that did not exist previously or extend an asset beyond its original size or capacity. New assets are also “capitalised”, but they increase the asset base rather than restore its capacity to perform.

Appendix B: Acquisition Forecast

Describe the assumptions and include relevant information relating to the Acquisition Forecast.

Table 40: Acquisition Forecast Summary

Year	Constructed	Contributed	Growth
2020/21	$2,295,000		
2021/22	$617,500		
2022/23	$45,000		
2023/24	$0		
2024/25	$60,000		
2025/26	$0		
2026/27	$190,000		
2027/28	$0		
2028/29	$0		
Total:	**$3,207,500**		

Appendix C: Operation Forecast

Describe the assumptions and include relevant information relating to the Operation Forecast.

Table 41: Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2019/20	$4,789,900	$0	$4,789,900
2020/21	$3,819,260	$0	$3,819,260
2021/22	$0	$0	$0
2022/23	$0	$0	$0
2023/24	$0	$0	$0
Total:	**$8,609,160**	**$0**	**$8,609,160**

The estimates are based on data extracted from Council financial reports for Opex expenditure for the various Business units associated with Buildings as of May 2020. The amounts require confirmation based on the assumptions made with some expenses excluded as they were not assessed as being directly related to operational costs for the respective building asset.

Appendix D: Operations/Maintenance Forecast

Describe the assumptions and include relevant information relating to the Maintenance Forecast.

Table 42: Ops/Maintenance Forecast Summary

Year	Ops/Maintenance Budget $
2018/19	$5,264,134
2019/20	$4,789,900
2020/21	$3,819,259
Total:	**$13,873,293**

Note that maintenance costs are included as CAPEX expenditure and are included in the renewals budgets.

It is recommended that maintenance be separately identified from other Capex expenditures, i.e. from renewals and further, be split up into reactive and preventative maintenance so that maintenance can be better optimised in accordance with appropriate best practice for maintenance management.

Appendix E: Renewal Forecast Summary

Describe the assumptions and include relevant information relating to the Renewal Forecast.

Table 43: Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2020 - 21	$5,661,090	$944,000
2021 - 22	$2,587,400	$11,261,400
2022 - 23	$2,205,440	$1,374,950
2023 - 24	$2,826,080	$998,000
2024 - 25	$2,187,500	$721,000
2025 - 26	$1,062,410	$500,000
2026 - 27	$1,222,690	$219,000
2027 - 28	$947,760	$210,000
2028 - 29	$1,308,450	$154,000
2029 - 30	$951,210	$150,000
Total:	**$20,960,030**	**$16,532,350**

Renewals forecast is based on the 2019 condition assessment maintenance identification. The forecast is based on the adjusted buildings 10 yr. capital works submitted a budget as of May 2020

Appendix F: Budget Summary by Lifecycle Activity

Describe the assumptions and include relevant information relating to the Planned Budget estimates.

Table 44: Budget Summary by Lifecycle Activity

Year	Forecast OPEX	Forecast Acquisition (New)	Forecast Renewals	Forecast Upgrades	Forecast External Funding	Forecast Disposal
2020 - 21	$4,624,430	$185,250	$944,000	$1,640,250	$0	$0
2021 - 22	$4,624,430	$0	$3,401,400	$772,100	$7,860,000	$0
2022 - 23	$4,624,430	$45,000	$1,374,950	$18,050	$0	$0
2023 - 24	$4,624,430	$0	$998,000	$0	$0	$0
2024 - 25	$4,624,430	$60,000	$721,000	$0	$0	$0
2025 - 26	$4,624,430	$0	$500,000	$100,000	$0	$0
2026 - 27	$4,624,430	$190,000	$219,000	$0	$0	$0
2027 - 28	$4,624,430	$0	$210,000	$100,000	$0	$0
2028 - 29	$4,624,430	$0	$154,000	$0	$0	$0
2029 - 30	$4,624,430	$0	$150,000	$0	$0	$0
Total:	**$46,244,300**	**$480,250**	**$8,672,350**	**$2,630,400**	**$7,860,000**	**$0**

Appendix G: Proposed Building Hierarchy

BUILDING HIERARCHY

The Building hierarchy is a function of the building utilisation, occupancy, heritage value and failure impacts.

The hierarchy scale is a five point scale ranging from low importance buildings (level 5) though to high importance to the community and/or buildings supporting critical services (level 1).

The intent of developing a building hierarchy to enable the development of differential levels of service for buildings and facilities and therefore optimise maintenance and renewal expenditures according to the defined service levels. For example Level 1 buildings will have higher priority then say buildings assessed as being Levels 2-5

Category	Description	Examples
Level 1	High usage/importance/profile site/building, substantial infrastructure. Allows provision of critical services. These buildings are the most critical to Council operations and the community.	Major Administration Centres /Libraries Buildings containing key Critical Services eg IT/Coms
Level 2	Medium usage sites/buildings utilised by the local community and operational council buildings	Key Depots Swimming Pools Town community halls Sporting Facilities Key Tourism Facilities Buildings containing Essential Services ie pounds
Level 3	Sites/Public Buildings with limited/local use. Buildings built for a specific purpose with limited variety of use.	Housing/Accommodation Amenities in tourist/higher use public areas Local/Rural Community Halls Showgrounds Minor depot facilities Local Sporting facilities Saleyards/Dips
Level 4	Sites/Buildings with low usage and/or limited access and that have a specific use.	Amenities (level 4) Minor Depot Buildings Minor Sporting Facilities (Seasonal demand) or low usage Local low use community facilities
Level 5	Low use buildings - to be monitored to identify potential problems. Future consideration for usage or disposal	Amenities (level 5) Low impact/low use facitities/structures

BUILDING HIERARCHY SCORING CRITERIA

Building Hierarchy – the hierarchy is a function of the building utilisation, occupancy, failure impact/criticality and heritage significance .

Hierarchy Criteria

Occupied Buildings

UTILISATION			OCCUPANCY	IMPACT	HERITAGE VALUE	HIERARCHY
How many days per year is the building used?	How long is a typical visit or use?		How many persons occupy the facility on days of use?	What is the impact of failure of the building? How critical is the facility?	Does the building have heritage significance?	Level 1 - Most Important Level 5 - Least Important
5 = > 260 days a year or 5 days a week **4 = 208 days a year or 4 days a week** **3 = 156 days a year or 3 days a week** **2 = 104 days a year or 2 days a week** **1 = 52 days a year or 1 day or less a week**	Typical visit duration 1 = Full Day .6 = 1/2 Day .3 = Short Visit	**Usage =** Days of use X Typical visit duration	Average full day or 1/2 day occupancy on days of use 5 = > 50 on days of use 4 = 35 to 49 on days of use 3 = 20 to 34 on days of use or > 50 short visits 2 = 5 to 19 on days of use or < 50 short visits 1 = < 5 on days of use	Impact on the community and/or council if the building was non-functional 5 = Catastrophic (Council wide) 4 = Major (Town & surrounding district) 3 = Moderate (Town only) 2 = Minor (Building User Group only) 1 = Insignificant (No Impact)	Heritage Significance to the Community **2** = Significant Heritage Value **1** = Minor Heritage Value 0 = No Heritage Value	**Level 1 Buildings = 13 to 15** **Level 2 Buildings = 10 to 12.9** **Level 3 Buildings = 7 to 9.9** **Level 4 Buildings = 4 to 6.9** **Level 5 Buildings =1 to 3.9**

Non-Occupied Buildings

(Operational Buildings- ie plant rooms, pump stations etc)

UTILISATION / OPERATION			OCCUPANCY	IMPACT	HERITAGE VALUE	HIERARCHY
How many days per year is the building used?	Operational Duration = 2 (default score)		Unoccupied Building - Default Score is 0	What is the impact of failure of the building on operations? Does the building house critical plant?	Does the building have heritage significance?	Level 1 - Most Important Level 5 - Least Important
5 = 365 days a year or 7 days a week 4 = 208 days a year or 4 days a week 3 = 156 days a year or 3 days a week 2 = 104 days a year or 2 days a week 1 = 52 days a year or 1 day or less a week	Typical operational duration Duration = 2 (default score)	Usage = Days of use X Default visit duration	Insert 0 assuming building is non-occupied. Default score is 0.	Impact on the community and/or council if the building was non-functional 5 = Catastrophic (Council wide) 4 = Major (Town & surrounding district) 3 = Moderate (Town only) 2 = Minor (Building User Group only) 1 = Insignificant (No Impact)	Heritage Significance to the Community **2** = Significant Heritage Value **1** = Minor Heritage Value 0 = No Heritage Value	**Level 1 Buildings = 13 to 15** **Level 2 Buildings = 10 to 12.9** **Level 3 Buildings = 7 to 9.9** **Level 4 Buildings = 4 to 6.9** **Level 5 Buildings =1 to 3.9**

Impact on the Community and/or Council if the building was non-functional

5	Catastrophic, council wide impact on delivery of Services	
4	Major impact on delivery of services to entire town & surrounding district	
3	Moderate impact on delivery of services, affects an entire town	
2	Minor impact of delivery of services - affects Building User Group only	
1	Insignificant impact to delivery of services	

CRITICALITY / IMPACT SCORING

Consequence	Rating	Operational / Governance & Legal	Financial	Reputation / Community Impact	People	Property and Infrastructure	Environmental
Catastrophic	5	Critical system failure, core service collapse, significant prosecution/ fines/ class actions	Extensive financial loss ($1M+); loss of program or business operation	Adverse national/ metro media, long term impact on a significant portion of the community	Death, multiple life threatening injuries	Long term loss of key facility or asset	Major, irreversible damage
Major	4	Core service disruption, major breach of regulation, major litigation	Major financial loss ($500,000 -$1M); severe impact on program or business operations	Intense metro media scrutiny (TV), long-term impact on part of the community	Life threatening injury, multiple hospitalisations	Long term loss of smaller facility or asset, replacement of property	Significant harm requiring restorative work
Moderate	3	Service disruption, breach of regulation involving authority or investigation, strategic plans not met	Significant financial loss ($50,000 -$500,000); considerable impact on program or business operations	Adverse local/regional media, community impacted	Hospitalisation, multiple medical treatments	Significant partial loss of asset or facility	Residual harm requiring clean up work
Minor	2	Service inconveniences, non compliance with policy/procedure or regulation	Minor financial loss ($10,000 -$50,000); minimal impact on program or business operations	Some local media interest, part of community impacted	Medical treatment	Minor damage with limited downtime, mostly repairable through normal operations	Contained, temporary harm
Insignificant	1	Minor system/process error, unnoticed service disruption, isolated non-compliance	Negligible financial loss (<$10,000); no impact on program or business operations	Very little local media interest, minimal impact on community	Minor injury/ailment without treatment	Minimal loss, short-term impact, repairable through normal operations	Brief, non hazardous, temporary harm

Example Output – Levels 1 & 2 Buildings

Building Name	SBRC Asset Class	Overall Building Condition Score	CTMG Building Classification	Visits	Duration	Occupancy	Impact	Heritage Significance	Calculation	Hierarchy Level
Kingaroy - Glendon Street - ICT Office		4	Municipal Buildings	5	2	0	5	0	15	Level 1
Kingaroy Council Administration Building		5	Municipal Buildings	5	1	5	5	1	16	Level 1
Kingaroy Economic development, Library and finance		3	Municipal Buildings	5	1	5	4	0	14	Level 1
Nanango - Nanango Council Office		5	Municipal Buildings	5	1	5	3	0	13	Level 1
Kingaroy - Lady Bjelke-Peterson Community Hospital		5	Community Facilities (General)	5	1	3	4	0	12	Level 2
Kingaroy - Lady Bjelke-Peterson Community Hospital laundry building		6	Community Facilities (General)	5	1	3	4	0	12	Level 2
Kingaroy Depot - Mechanical Workshop		4	Municipal Buildings	5	1	2	3	0	10	Level 2
Kingaroy Depot - Stores, Soil Lab and Foremans offices		4	Municipal Buildings	5	1	2	3	0	10	Level 2
Kingaroy SES - Building		5	Community Facilities (General)	3	2	2	3	0	11	Level 2
Kingaroy Town Hall		6	Community Halls	4	0.6	4	4	0	10.4	Level 2
Murgon - Old Council Offices		6	Municipal Buildings	5	1	3	3	0	11	Level 2

Appendix H: Condition Assessment – Maintenance Risk Prioritisation

Maintenance items identified during the condition assessment process were risk assessed and rated on consequence and likelihood. The individual scores were then multiplied together, and the score is ranked via a matrix based on AS/NZS ISO 31000 Risk Management Standard.

The Risk Assessment Risk Impact matrix utilised to assess the impact of defects was the SBRC Corporate Risk Table, as shown below:

Consequence	OHS	Financial Impact	Legal & Regulatory	Environmental	Infrastructure	Asset, Property and Utilities	Human Resources	Fraud & Corruption	Service Delivery	Reputation/ Political
Insignificant	No injury	Less than $5,000	Minor complaint/issue. No legal action against Council	Little impact Brief or non-hazardous transient damage	Meets all current & foreseeable regulation No damage/loss	Fully operational; no downtime	Staff issues cause negligible impact of day to day service delivery; Limited impact on staff morale	Risk of complaint, No legal action against Council No breach of legislation	Negligible impact on quality of service Brief interruption for several hours IT - Individual user experiencing fault for ≤ 1 working day but still operational	Issue promptly resolved No effect Single complaint
Minor	First aid treatment	$5,000 to <$50,000	Isolated complaint; cause threat of legal action with penalty up to $50,000 ; Minor delay to compliance with legislation	Minor damage or contamination Remote or temporary pollution	Meets all current regulations& with some modifications will meet future regulation Minor loss/damage	Downtime up to 1 day per year; still well maintained with early signs of wear and tear	Staff issues cause several days interruption of day to day service delivery Minimal impact on staff morale	Criminal offence Minor loss to Council < $1,000 Asset < $500 Cash	Service delivery affected but quality maintained Require staff redirection Intermittent service interruption from a day but not more than a week IT -Individual user experiencing faults and not operational for > 1 to ≤ 2 working days IT -Group, experiencing faults and not operational for ≤ 4 working hours IT -Organisation experiencing faults and not operational for ≤ 1 working hour	Minor local community concern manageable through good public relations
Moderate	Medical treatment Loss Time Injury Rehabilitation – Return to work Plan	$50,000 to < $200,000	Significant level of complaints; cause high threat of legal action with penalty up to $300,000; Moderate delay to compliance with legislation	Moderate impact on the environment Damage requiring restitution or internal clean up	Meets all current regulation but does not meet foreseeable regulation Short - medium term loss of key assets and infrastructure Moderate damage	Up to 3 days out of service per year; functions normally with early signs of wear	Staff issues cause failure to deliver minor strategic objectives and temporary recoverable failure of day to day service delivery Moderate impact on staff morale	Breach of the Legislation Criminal offence Risk of Moderate loss to Council >$1,000 Asset >$500 Cash	Service delivery and quality temporarily impacted. Temporary out sourcing of service Intermittent service interruption for a week IT - Individual user experiencing faults and not operational for > 2 working days to ≤ 3 working days IT-Group experiencing faults and not operational for > 4 to ≤ 8 working hours IT -Organisation experiencing faults and not operational for >1 to ≤ 4 working hrs	Loss of reputation with extensive local media coverage QAO and/or Information Commissioner involvement
Major	Serious injuries	$200,000 to $1,000,000	Civil and/or criminal law suit against Council with penalty up to $1,000,000; Major delay to compliance with legislation	Severe environmental impact. Minor breach of legislation Significant contamination requiring third party clean up;	Meets some current regulations but does not meet foreseeable regulation Widespread, short-medium term loss of infrastructure Significant damage	Up to 5 days out of service per year ; functions only with high level maintenance	Staff issues cause widespread failure to deliver several major strategic objectives and long term failure of day to day service delivery Significant impact on staff morale	Breach of the Legislation Criminal offence Risk of Major loss to Council >$20,000	Service delivery at risk of cessation Prolonged and extensive out sourcing Long term failure causing lengthy service interruption IT - Organisation experiencing faults and not operational for >4 to ≤ 24 working hours	Loss of reputation with extensive State/Regional media Coverage CCC involvement
Catastrophic	Death	More than $1,000,000	Civil and/or criminal law suit against Council with penalty >$1,000,000 Unable to comply with legislation	Widespread environmental damage Major breach of legislation Extensive contamination requiring third party intervention	Does not meet current or future regulation Wide spread, long term loss of substantial key assets and infrastructure Extensive damage	Not functioning; immediate replacement required	Staff issues cause continuing failure to deliver essential services Highly significant impact on staff morale	Breach of Legislation Criminal offence Risk of Significant loss to Council >$50,000	Service delivery terminated Permanent out sourcing of service Removal of key revenue generation IT - Organisation experiencing faults and not operational for >4 to ≤ 24 working hours	Permanent loss of reputation with extensive national media coverage Loss of power and influence restricting decision making capabilities

SBRC Likelihood/Consequence Matrix is as below:

Likelihood	Consequences Table B (1)				
	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain *Is expected to occur a number of times in the next year.*	L-15	M-35	H-75	E-85	E-100
Likely *Will probably occur on one occasion in the coming year. 20%-90% probability the event will occur in the next year.*	L-10	M-30	H-65	E-80	E -95
Unlikely *Could occur at some time. 5% probability the event will occur in the next year.*	L-10	L-25	M-35	H -70	H-80
Rare *May occur only in exceptional circumstances*	L-5	L-20	M-30	H -60	H-75

The overall risk rating is the multiplication of Consequence x Likelihood and then assessed as per the above risk ratings, L5 to E-100.