



# BUILDINGS ASSET MANAGEMENT PLAN

JUNE 2021



## Contents

1	Executive Summary.....	1
1.1	Background .....	1
1.2	Current State of Council’s Assets.....	1
1.3	Key Achievements.....	1
1.4	Asset Funding Levels .....	2
1.5	Action Plan .....	2
2	Current State of Council’s Assets .....	4
2.1	Key Indicators.....	4
2.2	Asset Class Status.....	4
3	Levels of Service and Condition Assessment .....	7
3.1	Strategic Level of Service .....	7
3.2	Customer Values .....	8
3.3	Customer Levels of Service .....	9
3.4	Operational / Technical Level of Service.....	12
3.4.1	Remedy .....	16
3.5	Condition Assessment Framework .....	16
3.5.1	Building and Other Structures Condition Framework .....	17
3.5.2	Marine Structures Condition Framework .....	17
4	Key Achievements and Practices .....	18
4.1	AM Achievements.....	18
4.2	AM Practice .....	18
5	Demand Management / Risk Management.....	22
5.1	Demand Drivers .....	22
5.2	Demand Forecasts.....	22
5.3	Demand Management Plan / Current Controls .....	22
5.4	Asset Programs to Meet Demand.....	23
5.5	Climate Change Adaptation .....	24
5.6	Risks and Treatments.....	25
5.7	Infrastructure Resilience Approach .....	27
5.8	Service and Risk Trade-Offs .....	28
5.8.1	What we cannot do.....	28
5.8.2	Service trade-off.....	28

5.8.3	Risk trade-off.....	29
6	Asset Funding Levels.....	30
6.1	Asset Valuations.....	30
6.2	Forecast 10-Year Funding Required.....	31
6.3	Committed Funding.....	31
6.4	Financial Ratios.....	32
	Asset Renewal Funding Ratio.....	32
6.5	Key Assumptions.....	33
7	Action Plan.....	35
7.1	AM Document Register.....	35
7.2	AM Practice Improvements.....	35
7.3	Monitoring and Review Procedures.....	37
7.4	Performance Measures.....	37
8	REFERENCES.....	38
	Appendix A: Figures and Tables.....	39
	Appendix B: Valuation reference tables.....	40

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## 1 Executive Summary

### 1.1 Background

The Asset Management Plan is prepared to provide a record of:

- The state of Council’s infrastructure assets at the close of the past financial year;
- Key achievements in the past financial year;
- The 10-year funding required to achieve Council’s adopted asset performance targets; and
- Planned Asset Management activities for the current financial year.

This Plan encompasses the following Building Infrastructure Asset Categories:

- Buildings
- Marine Structures
- Other Structures

### 1.2 Current State of Council’s Assets

**Table 1. Financial Summary as of June 30 2021**

	Financial Class	Gross Replacement Cost (\$)	Accumulated Depreciation (\$)	Fair Value (\$)	Estimated Annual Depreciation (\$)	Fair Value / GRC %
<b>Revalued amount at 30 June 2021</b>	Market-Valued Buildings	9,622,154	140	9,622,015	223,127	100%
	Non-Market-Valued Buildings	8,369,647	1,937,465	6,432,182	214,221	77%
	Marine Structures	3,051,933	633,266	2,418,668	36,959	79%
	Other Structures	907,646	328,148	579,499	21,107	64%
<b>Total</b>		<b>21,951,382</b>	<b>2,899,019</b>	<b>19,052,363</b>	<b>495,413</b>	<b>87%</b>

### 1.3 Key Achievements

Achievements since the 2014 Building AMP have been:

- Buildings are now componentised based on building / Asset Type and their complexity;
- Independently valued at ‘Fair Value’;
- Development of maintenance cause and failure fault codes and their associated response times for buildings for Work Ticket system;
- Council completed its first condition based building assessment (Level 2) at the asset component level;
- Buildings and Other Structures were revalued by Assetic Pty Ltd in 2021; and
- Marine Structures valued by AusSpan in 2021.

### 1.4 Asset Funding Levels

The forecast lifecycle cost necessary to provide the services covered by this Buildings Asset Management Plan included maintenance and capital expenditure of assets over a 10-year planning period is demonstrated in table 2 below.

**Table 2 Long Term Financial Plan (LTFP) as of June 30 2021**

Year Ending 30 June:	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	Year 1 Plan \$'000	Year 2 Plan \$'000	Year 3 Plan \$'000	Year 4 Plan \$'000	Year 5 Plan \$'000	Year 6 Plan \$'000	Year 7 Plan \$'000	Year 8 Plan \$'000	Year 9 Plan \$'000	Year 10 Plan \$'000	Year 11 Plan \$'000	Year 12 Plan \$'000	Year 13 Plan \$'000	Year 14 Plan \$'000	Year 15 Plan \$'000	Year 16 Plan \$'000
Capital Expenditure on Renewal or Replacement of Existing Assets:																
Buildings	631	611	864	864	864	864	864	864	864	864	864	864	864	864	864	864

The LTFP discloses the Financial Indicators for the entire organisation and not per Asset Category / Financial Asset Class; as a result, this plan has calculated the Financial Indicators for the Buildings and Other structures financial class (including Marine structures) and they have been calculated as follows:

#### Asset Renewal Funding Ratio:

Based on Current LTFP Budget for High Level of Service 232%  
 Based on current LTFP Budget for Standard Level of Service 536%

#### Asset Consumption Ratios:

Market-Valued Buildings: 100%  
 Non-Market-Valued Buildings: 77%  
 Marine Structures: 79%  
 Other Structures: 64%

#### Asset Sustainability Ratio:

Based on Current LTFP Budget for High Level of Service 95%  
 Based on current LTFP Budget for Standard Level of Service 41%

### 1.5 Action Plan

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

- Obtain more robust condition, function and capacity data for Other Structures;
- Devise a more robust building and component hierarchy;
- Develop customer satisfaction and expectations survey;
- Annual review 10 year renewal program based on results from condition survey and Assetic Predictor;
- Review operations and maintenance budget as a result of new significant acquisition;

- Review capital work thresholds as part of Councils Capital Works Business Rules;
- Include Marine Structures in the revision of this document;
- Inform the Long-Term Financial Plan with appropriate renewal costs rather than use depreciation;
- Keep corporate risk registers up to date;
- Review the need for underutilised buildings (links to goal 3 in table 3.2) and create a community improvement plan. Both of which also link to Councils strategic plan objectives 1 and 4 under objective 2 responsible stewardship and a sustainable organisation and links to Annual plan 3.6 and 4.9; and
- Asset Management / Predictor modelling to start informing the Long term financial Plan.

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## 2 Current State of Council's Assets

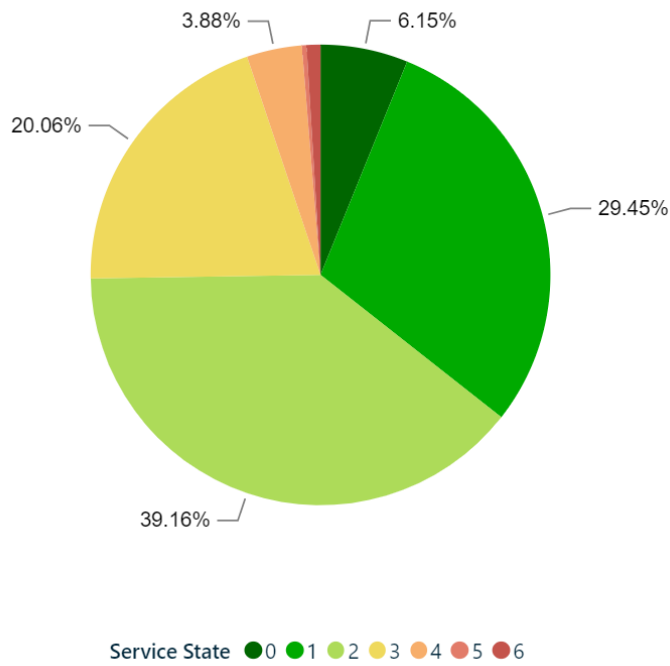
### 2.1 Key Indicators

The Buildings and Other structures financial class are comprised of a variety of different assets that make up 3 asset categories. The following table provides the quantum of these assets by asset category managed by Council as at 30<sup>th</sup> June 2021.

Asset Category	Asset Quantity
<b>Buildings Total</b>	<b>54</b>
<b>Buildings Asset Types</b>	
Admin	6
Amenities	20
Facility	12
Hall	6
Recreation	10
<b>Marine Structures Total</b>	<b>23</b>
<b>Marine Structures Types</b>	
Boat Ramps	9
Break Water / Sea Wall	3
Jetties	10
<b>Other Structures Total</b>	<b>102</b>
<b>Other Structures Asset Types</b>	
Access Ramp	1
BBQ	1
BMX Track	1
Creek Bed	3
Pump Station	1
Rainwater Tank	36
Rose Support Frame	1
RV Dump Point	1
Scoreboard	1
Septic Tank	5
Shed	13
Shelter	29
Shipping Container	1
Stairs	7
Wash Station	1
<b>Grand Total of Assets</b>	<b>179</b>

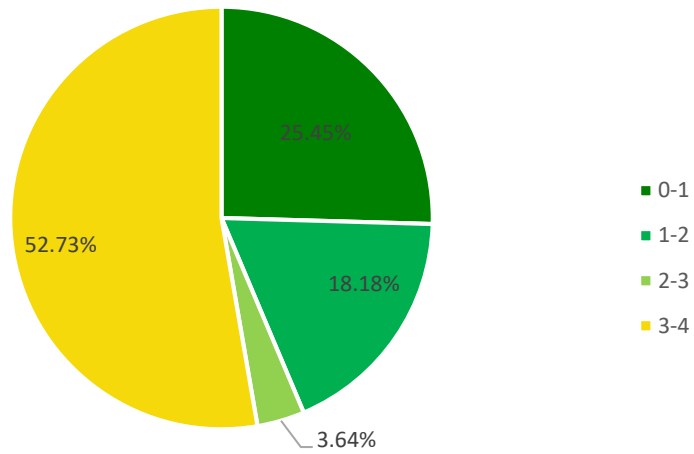
### 2.2 Asset Class Status

Below is the current condition status in graph form for each asset category, Buildings, Other Structures and Marine Structures.



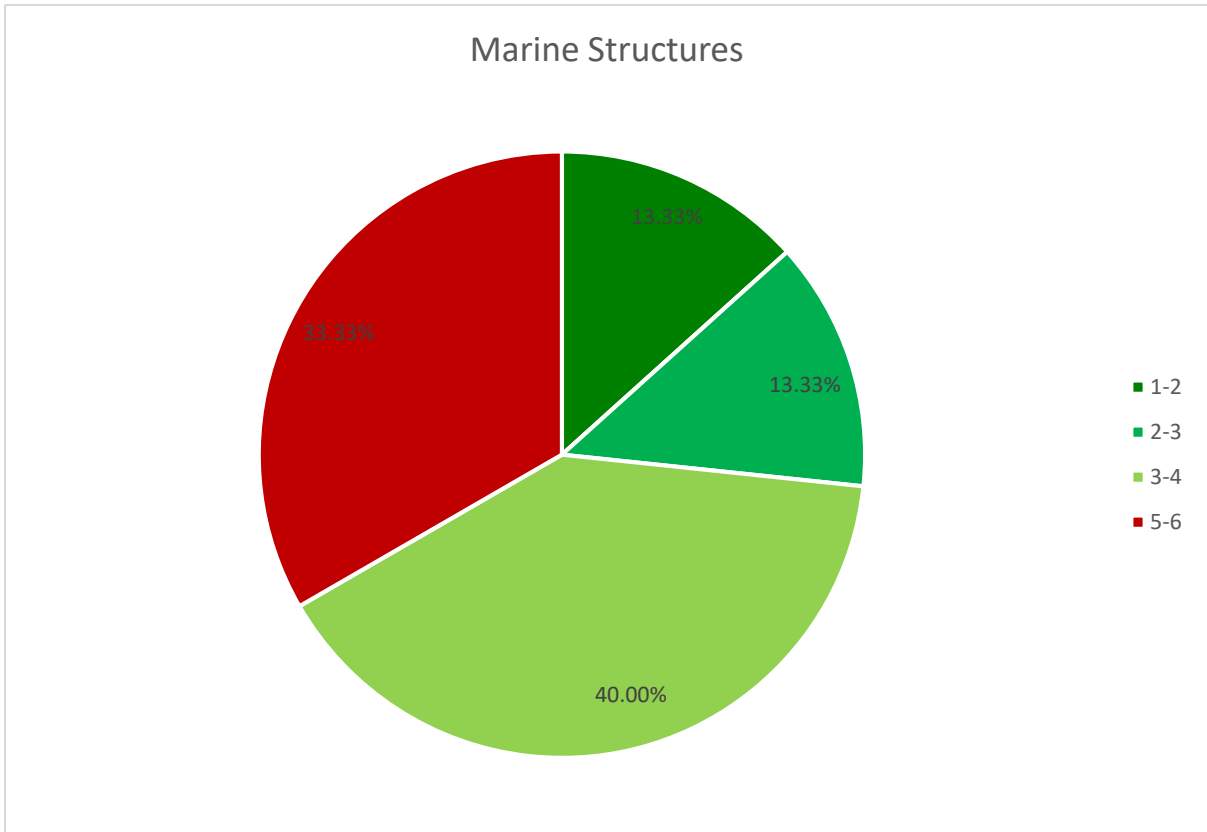
**Figure 1.** Current Overall Service State (OSI) of Buildings as of 30 June 2021 by Asset quantity.

Buildings

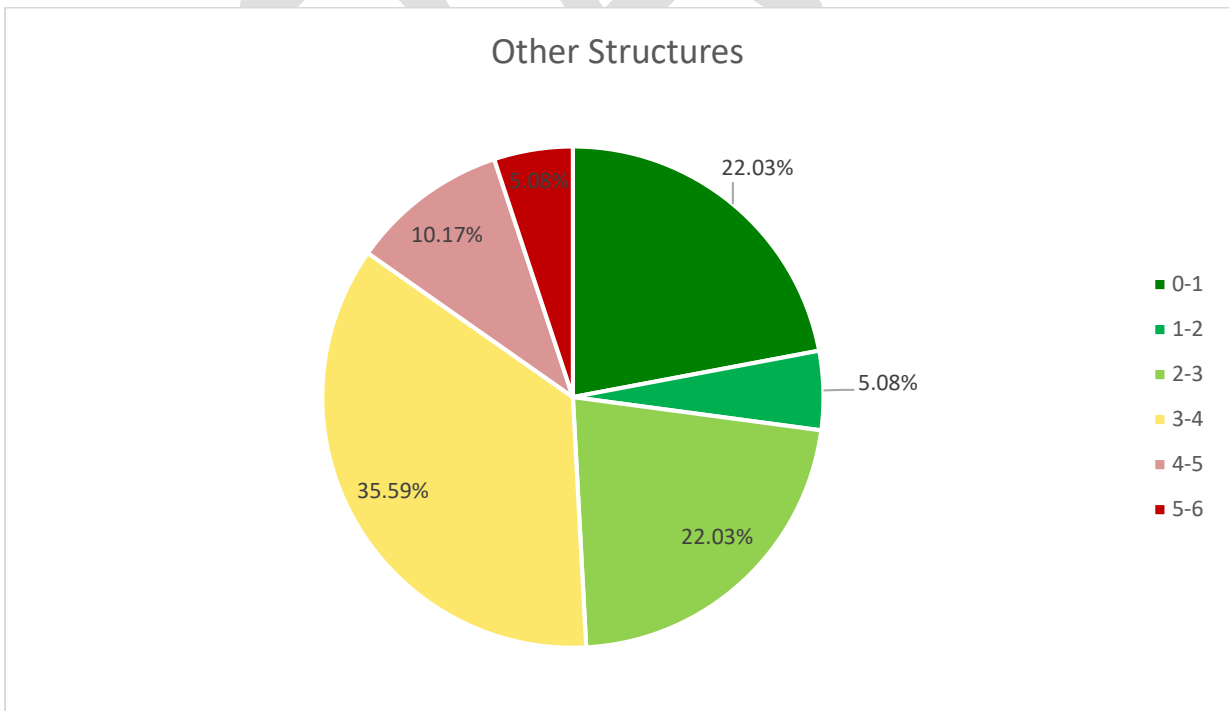


**Figure 2.** Building 'condition' when you summarise the building components Valuation Index (age based) from June 30 2021.





**Figure 3:** Current Overall Service State for Marine Structures



**Figure 4.** Current overall Service State for Other Structures

### 3 Levels of Service and Condition Assessment

#### 3.1 Strategic Level of Service

This AM Plan is prepared under the direction of Sorell Council’s vision, mission, goals and objectives.

**Our vision is:**

A proud, thriving and inclusive South East Community

**Our mission is:**

To facilitate a vibrant, sustainable and liveable South East Region.

Strategic goals have been set by Sorell Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2. These strategic goals link directly to Councils Strategic Plan 2019-2029 and can be found on Councils website.

**Table 3. Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
Long term financial sustainability	Responsible stewardship and a sustainable asset management for the organisation	Invest capital to minimise maintenance and maximise lifecycle value. Actively seek and maximise grant funding opportunities. Ensure decisions are financially responsible and sustainable.
Contemporary governance and compliance practices	Responsible stewardship for the safe delivery of services	Support sustainable environmental performance through responsible corporate behaviour and continuing to meet our statutory obligations. Commitment to transparent and accountable governance and well informed decision making.
Delivering the services our community requires	Engage with the community and establish future direction and Levels of Service Council can sustainably supply / deliver	Strategically manage our assets, facilities, services and structure, with a focus on continuous improvement. Give consideration to the potential impacts of growth and developments. Strategic increase in the supply of commercial and industrial rated land consistent with Sorell Land Supply Strategy

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Buildings service are outlined in Table 4.

**Table 4. Legislative Requirements**

Legislation	Requirement
Local Government Act	Sets out role, purpose, responsibilities and powers of local government, including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
Work Health & Safety	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Organisations are to provide a safe working environment and supply equipment to ensure safety.
Building Code	The goal of the Building Code is to enable the achievement of nationally consistent, minimum necessary standards of relevant, health, safety (including structural safety and safety from fire), and amenity and sustainability objective efficiently.
Historical Cultural Heritage Act 1995	To promote the identification, assessment, protection and conservation of places having historic cultural heritage significance and to establish the Tasmanian Heritage Council
Environmental Protection Act	This act sets out requirements in respect to environmental protection
Building Act 2016	Ensures that building work, plumbing work and demolition work, including the design and maintenance of domestic, commercial and industrial buildings, meets, or exceeds, the minimum national constructions standards
Australian Standards - Building and Construction	Sets out the specification, procedures and guidelines that aim to ensure products, services, and systems are safe, consistent and reliable (source: <a href="https://www.standards.org.au/standards-development/what-is-standard">https://www.standards.org.au/standards-development/what-is-standard</a> )

### 3.2 Customer Values

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

**Customer Values indicate:**

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

**Table 5. Customer Values**

Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Facility cleanliness	Customer surveys and or via compliments and complaints via Customer Service. Measure the Quantity of CRMs and tasks	Currently only ad hoc calls /Customer Relationship Management (CRMs). A reduction in CRM tasks due to an even more robust cleaning contract in place due to Covid.	Facilities are regularly inspected and have a regular cleaning contract built into the maintenance and operations budget. This has improved as a result
Municipal Reputation (Vandalism / Graffiti)	Complaints about Graffiti, and other vandalism. These can be measured via Councils CRM system	No formal feedback other than ad hoc calls into Council regarding notification of the presence of any vandalism / graffiti	Frequent inspections reduce the number of CRM's or at least have an answer for Customer about the ETA of fixing it. Budget to remain the same
Sufficient parking	Customer surveys and or via compliments and complaints via Customer Service	Nothing formal received	Remain the same
Reasonable opening hours	Customer surveys and or via compliments and complaints via Customer Service	Nothing formal received	Remain the same
Fully stocked kitchen where applicable / building hire	Customer surveys and or via compliments and complaints via Customer Service	Nothing formal received	Remain the same
Easy access	Customer surveys and or via compliments and complaints via Customer Service	Nothing formal received	Remain the same
Convenient locations of public toilets	Customer surveys and or via compliments and complaints via Customer Service	Nothing formal received	With the growth of the municipality, the expectations may increase and require further budget for acquisition of assets.
Pricing	Complaints	Ongoing issue and complaints via customer service / CRMs	Community awareness, education, and benchmarking against like facilities.

### 3.3 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

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

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

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

In Table 6 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

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

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**Table 6. Customer Level of Service Measures Type**

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
<b>Condition</b>	Condition of facilities and the equipment / contents	Condition rating on the facility by asset component.	Currently accounting / age driven condition put the majority of the buildings in a good / very good condition. Council’s current Inspection regime inspects the components of the buildings for routine maintenance required	Trend and budget expected to remain the same for the foreseeable future. Note: that the Dunalley Rec Ground building is our poorest condition and further investigation is required on its viability
	<b>Confidence levels</b>		High Professional Judgement supported by extensive data) Supported by robust inspection regime by the Facilities Maintenance Coordinator. Documented against each building asset for essential services and for the general condition of the building.	High  Professional Judgement supported by extensive data
<b>Function</b>	Measure the asset for whether it’s fit for purpose.	Council can measure the vacancy of building hire and the hours of usage	All but 2 buildings are fully booked with permanent bookings and the hours of usage indicates good fit for purpose of community groups. There are 2 buildings that are being underutilised and deemed surplus to current requirements	Budget is allowing and will remain the same for those buildings that are fit for purpose for the foreseeable future. The 2 underutilised buildings are in the short term costing maintenance budget for little benefit.
	<b>Confidence levels</b>		High  Professional Judgement supported by extensive data	High  Professional Judgement supported by extensive data
<b>Capacity</b>	Measure whether the capacity of the building and its contents are sufficient	Measure the bookings, what is the availability of the buildings we hire.	Most of our facilities have regular and permanent bookings by user groups. There are however 2 buildings in particular that have been identified as under utilised	Expected to remain the same unless the underutilised buildings are managed differently and or consolidated.
	<b>Confidence levels</b>		High  Professional Judgement supported by extensive data	Medium  Professional judgement supported by data sampling

### 3.4 Operational / Technical Level of Service

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

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

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

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

Table 7 shows the activities expected to be provided under the current 10-year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

**Table 7. Technical Levels of Service**

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>TECHNICAL LEVELS OF SERVICE</b>				
<b>Acquisition</b>	Stadium Construction	Budget Approved	To the limit of the adopted budget while assuming functionality	To implement the master plan / current stadium design drawings to budget
	New 'level the playing field' change room facilities.	Budget Approved	To the limit of the adopted budget	To implement the master plan / current stadium design drawings to budget
		<b>Budget</b>	<i>\$9.127M over 2 years</i>	<i>\$9.127M over 2 years</i>  <i>If budget is maintained.</i>

<sup>1</sup> IPWEA, 2015, IIMM, p 2 | 28.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>Operation</b>	Building Inspections / compliance	Frequency	Monthly, quarterly, biannually inspections depending on building type and year of construction.	This frequency meets our compliance requirements. Stadium maintenance and utility cost part of Council approval
	Utility Costs	Annual invoices	Annual budget allocation from previous years	Annual budget allocation from previous years and must consider 2 new major facilities operating costs
		<b>Budget</b>	\$590,000 for Utilities (annual) and annual Staff resource costs	\$640,000 with new building acquisitions (Stadium only)
<b>Maintenance</b>	Proactive Maintenance	Maintenance frequency	Monthly compliance / scheduled maintenance	Budget is sufficient to maintain building compliance as is, but will need to be increased as the new stadium and change rooms have been built.
	Reactive Maintenance	Ad hoc: Customer Requests, Complaints, damage, vandalism	The reactive maintenance activities that can be done within the current Planned Budget restraints	Reactive budget is currently sufficient. There is also a \$25K contingency for water supply should Council require it
		<b>Budget</b>	Proactive: \$37,720 Reactive: \$72,000 Current budgets	+ \$25,000 water contingency is in place. \$50,000 extra has been budgeted for Acquisitions after at 2023 (New Stadium)
<b>Renewal</b>	Sorell Memorial Hall:  Sand and renew floor protection.	Capital Budget approved	Renewal activities are identified and prioritised annually based on condition and level of service requirements.	Renewal activities are identified and prioritised annually based on condition and level of service requirements.



Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	External Painting and supper room			
		<b>Budget</b>	\$94,000 for these 3 capital jobs for the year 2020/21.	Capital Budget for Renewals are planned annually based on what the facilities manager prioritises and that the jobs meet the adopted capitalisation business rules.
<b>Disposal</b>	Financial Disposal buildings may be required at revaluation time of those buildings that were historically entered into asset register that aren't currently owned by Council.	These buildings are currently being identified with the appropriate staff and will be disposed of during the revaluation process in 2020/21 financial year	Disposals occur generally if buildings are sold or during the revaluation process or as required.	Optimal frequency or annual amount spent on activity.
		<b>Budget</b>	<i>\$0 – No disposals planned</i>	<i>\$0 – No disposals planned</i>

Note: \* Current activities related to Planned Budget.

\*\* Expected performance related to forecast lifecycle costs.

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

In addition to the above tables summarising the lifecycle activities, Sorell Council has adopted Assetic's operational and tactical maintenance workflows across all asset classes recognised in Assetic. Below is a diagram of these 2 work flows and how they relate to each other.

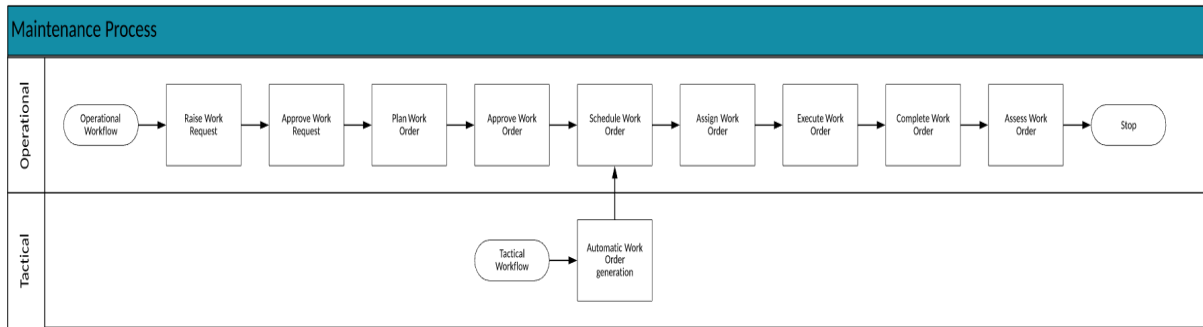


Figure 5. Assetic Maintenance Workflows (ref: Sorell SCADMS document by Assetic, page 30).

Operational maintenance workflow is primarily used for the non-repeatable work that can be planned and scheduled. Whereas the tactical workflow is used as the preventative maintenance strategy and the work as prior approval by management including funding, number of treatments and their frequency. This allows for high confidence in maintaining the acceptable asset condition throughout its life.

An overview of Councils adopted technical maintenance levels of service and response times are outlined below in **Table 9. Buildings Response times**

Table 8. Buildings Response times

Priority Code	Priority Description	Response Time (hr)
1	Urgent (Today)	24
2	Important (2 Weeks)	336
3	Required (4 Weeks)	672
4	Maintenance (12 Weeks)	2016
5	Monitor (52 Weeks)	8760

In addition to dedicated response times Council have customised its Failure, Cause and Remedy categorisations within the maintenance module of Assetic. The following tables demonstrates the details the types of Failure, Cause and Remedy codes

**Failure items are only available for those work orders related to corrective maintenance and is much like a defect checklist. The full list of failure codes for Buildings can be found in the following two tables. These can be applied to ‘Other Structures’ as well, but Marine Structures has yet to have its own specific failure, cause and remedy codes. This will be looked at in future versions of this AMP.**

Table 9. Buildings FCR Failure Items (source SCADMS document Table 39 prepared by Assetic 2018)

Failure Code	Failure Notation	Sub Failure Code	Sub Failure Notation
01	External	01	Cladding / Roof
		02	Cleaning Requirements
		03	Electrical
		04	Landscaping / Watering System
		05	Other
		06	Paths / Car Park / Stairs / Deck
		07	Plumbing / Drainage
		08	Security Fence / Fencing
		09	Water Tank / Septic Tank / Grease Trap / AWTS
02	Internal	01	Cleaning Requirements

Failure Code	Failure Notation	Sub Failure Code	Sub Failure Notation
		02	Doors and Latches
		03	Electrical
		04	Floors / Walls / Ceilings
		05	Other
		06	Plumbing
		07	Windows

Cause Code	Cause Notation	Sub Cause Code	Sub Cause Notation
01	Cause of Failure	01	Accidental Damage
		02	Asset Age
		03	Faulty Element
		04	General Wear & Tear
		05	Other
		06	Vandalism
		07	Vehicle Damage
		08	Weather Event

### 3.4.1 Remedy

Remedy items are a new concept in the Assetic Maintenance and available for selection on any type of Work Order raised in the Plan area. They are similar to Work Activities in myData, but are used more so as a summary of the work to be performed (any Tasks, Crafts and Service Activities assigned to the Work Order will define the activity more specifically).

The Remedy items configured in Assetic's default FCR Categorisation were used as a starting point and then simplified for use across all custom FCR Categorisations. SC may add or remove Remedy items from these lists as required. Remedy items can also have an optional description and example entered for each, which SC may wish to populate (e.g. a remedy of 'Repair' on a road might have a description of "Pothole greater than 400mm wide and 50mm deep" and an example of "Repair of road surface defects such as potholes").

Table 10. FCR Remedy items

Remedy Code	Activity	Remedy Use
01	Repair	Corrective
02	Replace	Corrective & Preventative
03	Inspect	Corrective & Preventative
04	Modify	Corrective & Preventative
05	Monitor	Corrective & Preventative
06	Other	Corrective & Preventative

### 3.5 Condition Assessment Framework

The condition of Council's sealed roads were assessed in 2019. The condition rating was based on a 0-6 rating scale obtained from Assetic. The condition survey has allowed for a more strategic maintenance program, capital budgeting and further scheduling of road asset renewals and or upgrades.

### 3.5.1 Building and Other Structures Condition Framework

**Table 11. Condition Rating Scale and respective description used in Building data collection.**

Condition Grading	Description of Condition	Remaining Life
0	<b>New:</b> Brand new asset.	100% to 95% Useful life remaining
1	<b>Very Good:</b> No maintenance required	95% to 80% Useful life remaining
2	<b>Good:</b> Only planned maintenance required	80% to 60% Useful life remaining
3	<b>Fair:</b> Minor maintenance required plus planned maintenance	60% to 40% Useful life remaining
4	<b>Poor:</b> Significant maintenance required	40% to 20% Useful life remaining
5	<b>Very Poor:</b> Significant renewal/rehabilitation required	20% to 5% Useful life remaining
6	<b>Abandoned:</b> Asset no longer in use	5% to 0% Useful life remaining

### 3.5.2 Marine Structures Condition Framework

**Table 12. Marine Structures Condition Summary by AusSpan:**

Condition Rating	Description
1	<b>Very Good</b> overall condition
2	<b>Good</b> overall condition - deterioration minor
3	<b>Fair</b> overall condition - deterioration obvious
4	<b>Poor</b> overall condition - deterioration severe
5	<b>Very Poor</b> overall condition - renewal required

## 4 Key Achievements and Practices

### 4.1 AM Achievements

Since the first generation of Council's Buildings AMP in 2014 which also included Open Space, Council now have, Council have re-defined the asset categories that fall under the financial class called *Buildings and Other Structures*. As described in Section 1.1, these are Buildings, Other Structures and Marine Structures. The remaining asset categories from the 2014 Building AMP now fall within a new Asset Class of Land Improvements for which Council adopted this AMP in 2020. Council have also followed through with the last AMPs improvement plan. These are:

- Captured level 1 and level 2 data on all Buildings;
- Conditionally assessed all Building Assets;
- A more comprehensive data collection on Other Structures along with condition collected;
- Buildings and Other Structures were revalued by Assetic Pty Ltd in 2021; and
- Marine Structures revalued by AusSpan in 2021.

Other achievements made since the 2014 Buildings and Opens Space AMP, were:

- Buildings are now componentised based on building / Asset Type and their complexity;
- Independently valued at 'Fair Value';
- Council implemented electronic Assessments for both essential services and overall condition inspections via the Assetic mobile app, which proved to be more efficient i.e. time saved in capturing the data and now stored against the asset in one system instead of paper based and scanned. The one system also allows for better transparency with regards to audits. It fulfils Council's objectives found in the *Asset Management Strategy 2018 (Table 7, page 23) - Ensuring buildings are maintained to a safe and functional standard;*
- Council completed its first condition based building assessment (Level 2) at the asset component level. The completion of the building condition component assessment has allowed Council to input this data this into Assetic's Predictor Platform that results in a more realistic 10-year capital program for which Council has not previously had and used building depreciation to set renewal budgets. Refer to section **6 Asset Funding Levels** to see these results;
- Development of maintenance cause and failure fault codes and their associated response times for buildings for Work Ticket system;
- More efficient CRM / work request work flow has been established between community services and facilities maintenance coordinator /depot; and
- Building and Land ownership issues have largely been resolved as part of the most recent re-valuation process.

### 4.2 AM Practice

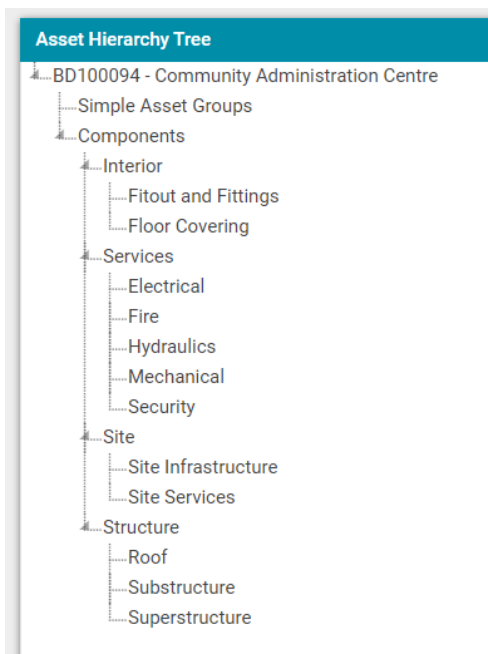
Council typically does not have a long-term capital works program for buildings and other structures as the majority of works required is at the maintenance / OPEX budgets. Council has a \$5,000 Capitalisation threshold meaning, expenditure below \$5K is to considered maintenance and above \$5K will be a candidate for Capital expenditure.

Marine structures however, through AusSpan we do have recommended works along with our Bridge assets.

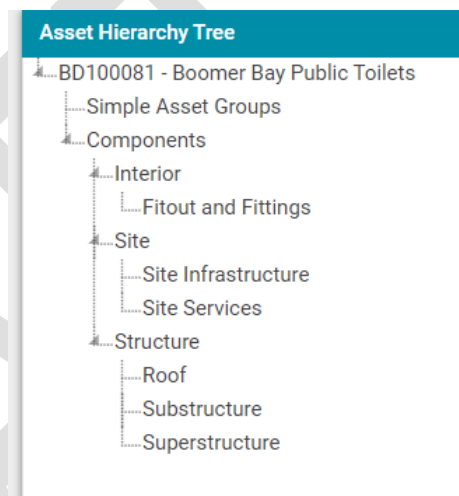
**Table 13. 2020/21 capital works summary**

Financial Subclass	Addition Cost	Addition Acc Dep	Addition WDV	Upgrade Cost	Renewal Cost	Disposal Cost	Disposal Acc Dep	Disposal WDV
Other Structures	13,340.94	0.00	13,340.94	0.00	47,229.07	-20,450.00	-7,205.58	-13,244.42
Buildings	1,177,014.83	0.00	1,177,014.83	0.00	63,536.45	0.00	0.00	0.00

Below are two examples of the level of componentisation Council has implemented for a complex administration building and a simpler to building complex like toilet blocks.



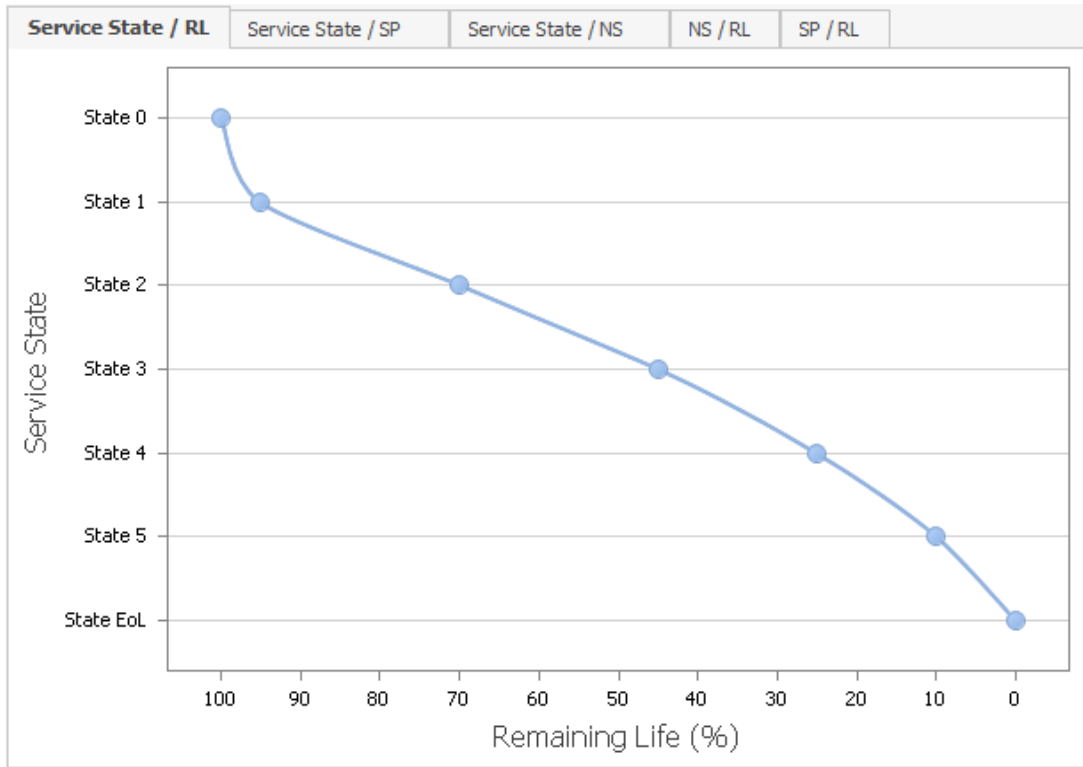
**Figure 6. Complex Building Component breakdown**



**Figure 7. Toilet block components**

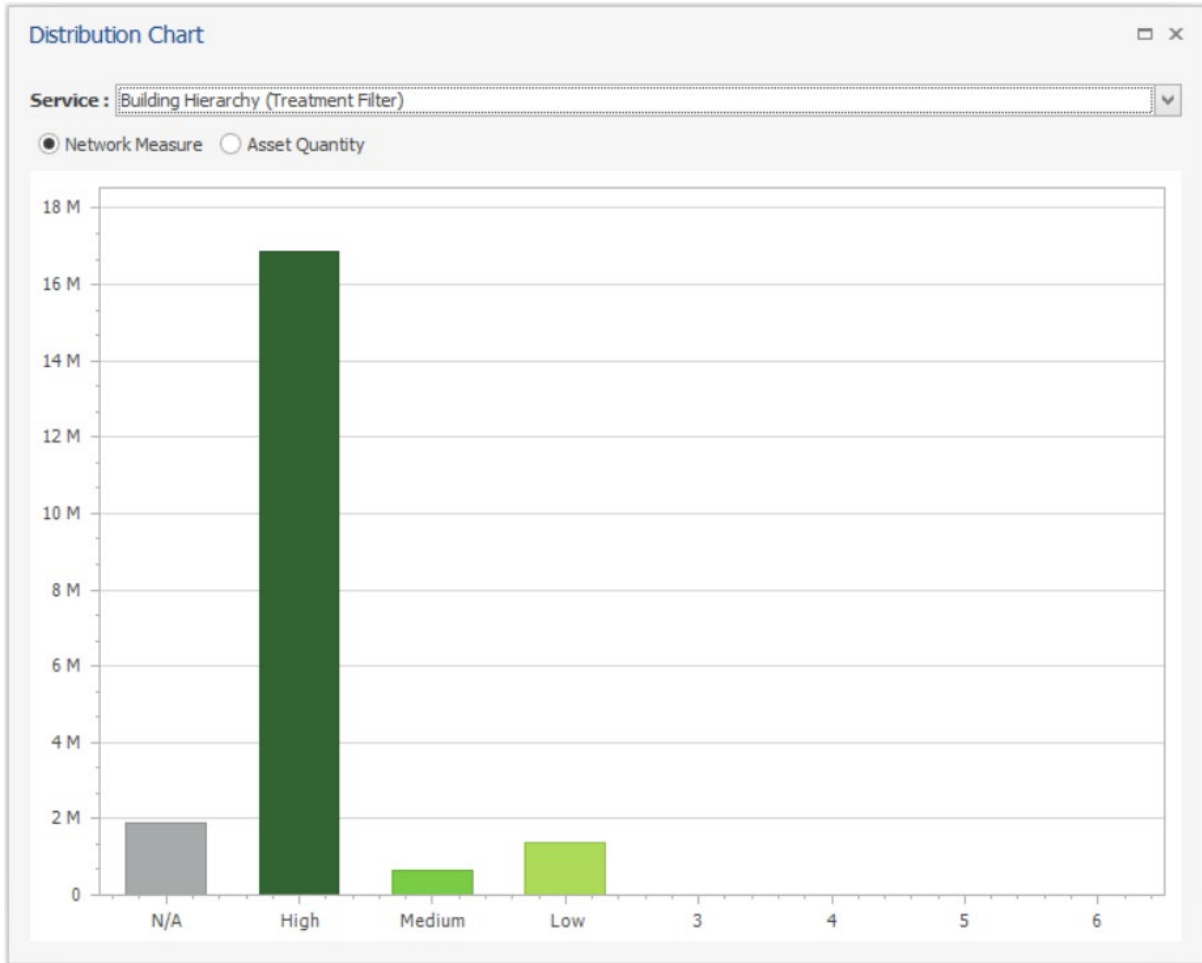
**Table 14. Previous and future Maintenance Budgets**

Year	Maintenance Budget \$
2019/20	\$110,000
2020/21	\$198,275
2021/22	\$218,275
2022/23	\$268,275



**Figure 8. Degradation Profile applied to all Building Components when predicting 10-year renewal Capital Program.**

For the purpose of treatment modelling, a hierarchy for the buildings only was established. A basic high, medium or low was attributed to each building based on its usage within the community. The distribution of this is shown in the following chart. Demonstrating that the majority of our buildings, in context of quantity and value, are considered ‘high’. The high hierarchy comprises of Council’s admin building, community halls, Public toilets / clubrooms in high demand.



**Figure 9** the distribution of building assets by hierarchy.



## 5 Demand Management / Risk Management

### 5.1 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.

### 5.2 Demand Forecasts

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

### 5.3 Demand Management Plan / Current Controls

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

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

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

**Table 15. Demand Management Plan**

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Increasing Population Particularly with interstate families moving to Tasmania in General and to Sorell due to relative housing affordability	Population now is 15,709 (2020; Treasury Dept. Tas).	19,278 (2039; Treasury Dept. Tas).	There will be a growing need for additional Council owned buildings to deliver various services to the community. If the current level of building coverage to current population is to be continued as the standard level of service into the future. There are impacts on the current expectation on level of service, i.e. having higher expectations especially in our Southern Beaches area because they see other parts of the community with these services / facilities that the Southern Beaches does not, i.e. more halls, change	Keep monitoring usage hours of the buildings that are currently hired, and the frequency at which they are hired.  Based on the results, compare to previous years and investigate or do some cost benefit analysis of online booking systems to free up resourcing and make it easier for the public to book online 24/7.

			rooms for playing fields etc.	
Environmental / Bush Fire	Relatively dry	Even drier conditions are expected.	More fire abatement notifications and potentially resourcing. Fire savvy buildings, more park and reserves management surrounding buildings. Investigate the cost impact to Council in implementing sprinkler systems for those ‘critical’ building assets.	Planting of trees around buildings in such a manner that is bush fire savvy. Consult Planning Scheme bush fire overlay when designing and building new assets. Robust fire abatement inspections on both private and Council and even Crown land (opportunistically). Keep up to date with Bush fire management plans. Consult TasFire for advice on further management. Invest in sprinklers in critical buildings, but not all as we have ascertained that we cannot do this for all our buildings (section 1.6.2)
Regulatory changes to Building Standards.	Building inspections are managed by the Facilities Coordinator.	Further time and training on new standards. Making sure contractors are compliant with new standards.	Accessibility concerns, compliance issues.	All new buildings must comply however there is no plan to retrospectively make these buildings comply. We are currently only complying with when the building was constructed and not to contemporary standards.
Underutilisation	Good to Average usage depending on the building asset.	Less usage	No longer the culture of the general community resulting in low usage of some facilities (typically halls)	Utilise for an alternate community function e.g. arts and culture meeting places, community displays, day conferences. Investigate expanding the allowable activities that can be run in a Council Facility. Look at consolidating halls where they are close or in neighbouring suburbs.

#### 5.4 Asset Programs to Meet Demand

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

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. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

## 5.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.<sup>2</sup>

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

Risk and opportunities identified to date are shown in Table 16

**Table 16. Managing the Impact of Climate Change on Assets and Services**

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Rainfall	A drier climate is predicted	Water costs will likely increase. Cost more to fill water tanks in many of the areas that are not connected to mains water.	Factor in a budget increase in the lifecycle cost for maintenance & operations.
Rainfall / storm intensity	When it does rain the intensity is increased	Flooding will occur	SW management plan utilised. Continue with strict SW drain inspection and maintenance regime in practice. Particularly before storm event i.e. at the time of forecast.
Extreme Events <sup>^</sup>	Increased evaporation and longer dry periods coupled with more extreme temperatures	likely to enhance the occurrence and intensity of bushfires	Bushfire management policies need to be current.

<sup>^</sup>More information on climate change specifically for the Sorell Geographical area can be found in a document written for Sorell Council by University of Tasmania, *Climate Change Information for Decision Making*.

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

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

Table 17

summarises some asset climate change resilience opportunities.

<sup>2</sup> IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

**Table 17. Building Asset Resilience to Climate Change**

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Water usage	Our facilities and surrounds aesthetics due to requires water.	Increase water sensitive designs in planning phase. Plant natives only that are equipped to withstand drier environments
Storm intensity	More extreme weather events.	Consult current Stormwater management plan and plan for capacity issues with new building developments
Flood modelling	Floods as result of extreme weather events.	Create stormwater diversions or stormwater detention basins or wetlands. For example Gatehouse Drive in Sorell is getting a detention basin as a result of flood modelling Council has invested in.

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

## 5.6 Risks and Treatments

Critical risks are those assessed with ‘Very High’ (requiring immediate corrective action) and ‘High’ (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in *Table 18*. It is essential that these critical risks and costs are reported to management and the elected Councillors.

**Table 18. Risks and Treatment Plans**

Sorell Council – Buildings Asset Management Plan– 2020/21

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All Council owned building assets.	Fire: Loss of life or buildings destroyed, not salvageable.	High	<p>Minimum fire safety requirements for all buildings and regularly inspected i.e. Fire extinguishers, smoke detectors, test and tag procedures for electrical equipment, switchboard inspections and maintenance procedures.</p> <p>Regular Fire drills</p> <p>Investigate Sprinklers installation on critical / highly used buildings or where staff are present every day.</p> <p>Insurances up to date.</p> <p>Evacuation plan up to date.</p>	Low	\$10,000 (total cost of annual inspections / testing included in the operations and maintenance budget. Further investigation required for sprinkler installation in critical assets
Council owned building assets documented in Asbestos Register.	Asbestos: long term illness, possible death.	High	<p>Consult the asbestos register before any work is to be done. Communicate with contractors.</p> <p>Identify the WHS procedure for asbestos specifically.</p> <p>Train staff or use contractors with asbestos handling qualifications.</p> <p>Keep asbestos register up to date and socialised.</p> <p>Building material disposal procedures if asbestos present.</p> <p>Appropriate PPE.</p>	Low	Ongoing OPEX Cost. And more about making sure procedures are being followed. Inspection and Audits.

Functionality and Capacity of Dunalley and Copping Halls	Not being utilised, not fit for purpose, high maintenance costs, little revenue, high insurance premiums	High	<p>More marketing / promote outside our municipality. i.e. use social media to reduce costs</p> <p>Lower hiring costs.</p> <p>Broaden clients allowed to hire, i.e. 18<sup>th</sup> and 21<sup>st</sup> Birthday are currently not allowed.</p> <p>Potentially look at leasing building to a third party to manage.</p> <p>What financial impact would there be to increase insurance premium to broaden the activity usage.</p> <p>Change external cladding to resist marine environment and solar impacts.</p>	Low	<p>Ongoing OPEX costs. Further Opex may be required to promote / market the Hall</p> <p>Cost of insurance premium on a \$1.7M hall with contents.</p>
Operation and Maintenance affordability with new Stadium and \$1M change room facility	Can't maintain to the level of standard we are currently for all others facilities and buildings	High	<p>The importance of developing a building hierarchy for O&amp;M practices. Stadium will likely take more priority over low usage buildings.</p> <p>Re-tender for cleaning contracts to achieve best possible prices.</p>	unknown	Unknown at this stage. Further investigation required.

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

### 5.7 Infrastructure Resilience Approach

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

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

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

**Table 19. Resilience Assessment**

Threat / Hazard	Assessment Method	Current Resilience Approach
Power Outage	Backup generator available for Critical Buildings i.e. Council Administration Building and Depot Facilities	High
Global Pandemic	Follow State health procedures, building hire can continue as a result of implementing safe Covid safe plans and adhere to current restrictions and number of people in each building	High
Extreme temperatures	Heating and cooling measures i.e. heat pumps in buildings so that staff and the public can still utilise them comfortably in extreme temperatures	High

## 5.8 Service and Risk Trade-Offs

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

### 5.8.1 What we cannot do

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

- Bring all buildings up to the current building standards / codes. (They are currently only compliant in the year they were built);
- Upgrade all buildings with better fire protection, i.e. sprinklers in all buildings. (They are currently compliant due to the year they were built);
- No New or upgrades of buildings unless it's financially affordable and sustainable; and
- Insurance that allows for specific activity based user groups.

### 5.8.2 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:

- Not all Council Buildings will be wheelchair accessible as a result of not upgrading to contemporary standards;
- Some buildings may not recover in the event of fire due to lack of sprinklers installed;
- Community expectations on the lack of new and upgraded facilities may impact the Council's reputation or underutilisation and capacity consequences on the existing infrastructure; and
- Loss of user group bookings because they don't have their own insurance and rely on Council. Underutilisation of buildings as a result.

### 5.8.3 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:

- Council reputation, backlash from the community;
- The loss of assets due to fire;
- Function and Capacity concerns i.e. not for purpose or not enough capacity; and
- Underutilisation consequences.

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

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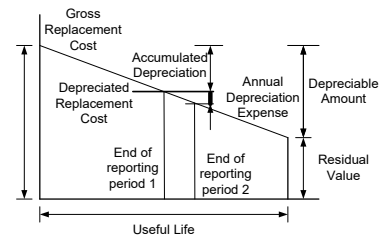


## 6 Asset Funding Levels

### 6.1 Asset Valuations

The financial class of Building and Other structures (including marine structures) were recently re-valued in June 2021. All assets were valued using level 3 valuation inputs using the cost approach. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

Replacement Cost (Current/Gross)	\$21,951,382
Depreciable Amount	\$21,951,382
Depreciated Replacement Cost <sup>3</sup>	\$19,052,363



Sorell Council, based on the directive of the Tasmanian Audit Office, also revised further the valuation methodology of 'replacement value' to a combination of replacement value and market value. The results of which are summarised in the following table and broken into market and non-market values for the buildings asset category.

**Table 20. Valuation Summary, revalued amount at 30 June 2021**

Financial Class	Gross Replacement Cost (\$)	Accumulated Depreciation (\$)	Fair Value (\$)	Estimated Annual Depreciation (\$)	Fair Value / GRC %
Market-Valued Buildings	9,622,154	140	9,622,015	69,312	100%
Non-Market-Valued Buildings	8,369,647	1,937,465	6,432,182	214,221	77%
Marine Structures	3,051,933	633,266	2,418,667	36,959	79%
Other Structures	907,647	328,148	579,499	21,107	64%
<b>Totals</b>	<b>21,951,382</b>	<b>2,899,019</b>	<b>19,052,363</b>	<b>341,598</b>	<b>87%</b>

Assetic's approach is considered asset centric consumption which can be interpreted as a straight-line depreciation where the annual depreciation = replacement value / useful life.

Council's useful lives (in years) have been derived from:

1. Reference and bench-marking with the *IPWEA Asset Management and Financial Management Guidelines, Practise Note 12 2017 Useful Life of Infrastructure*.
2. Where known construction dates, assessing remaining service potential as derived from visual condition inspections to determine total estimated useful lives.

<sup>3</sup> Also reported as Written Down Value, Carrying or Net Book Value.

Assetic provided Sorell Council a valuation manual that details the methodology used. Please refer to for valuation patterns used / Remaining service potential, useful lives and components adopted in accordance with AASB 116.

## 6.2 Forecast 10-Year Funding Required

**Table 21. Net Strategy Cost Summary for Buildings June 30 2021**

Simulation	Total Treatment Cost over 10 years	
Annual Funding = 1.5% of RV (311.4K)- Higher LoS	\$	2,644,477.00
Annual Funding = 1.5% of RV (311.4K)- Standard LoS	\$	1,268,581.94
Current Funding (LTFP) - High LoS	\$	3,243,871.00
Current Funding (LTFP) - Standard LoS	\$	1,402,499.94
Unlimited Funding Scenario - High LoS	\$	3,642,605.60
Unlimited Funding Scenario - Standard LoS	\$	2,273,582.94

*LoS = Level of Service, LTFP = Long Term Financial Plan (based on Depreciation)*

Table 21 describes the treatments necessary for a number of different funding strategies. The different treatment scenario outputs have been generated from Assetic’s Predictor for a 10-year period. The outputs are based on two models, High Level of Service and a Standard Level of Service.

The high LoS is hierarchy based and treatment intervenes with the condition is 4 or greater. (Refer to table 11 for condition scale) .The Standards LoS is not hierarchy based and the treatment intervention is at a 5 or greater.

**Table 22. Maintenance Summary cost requirements for Marine Structures derived from AusSpan 30/06/2021**

Year	Treatment Cost
0 (This Year)	\$17,200.00
1	\$0.00
2	\$179,458.66
3	\$0.00
4	\$172,878.15
5	\$68,306.60
6	\$0.00
7	\$111,229.79
8	\$0.00
9	\$256,280.29
10	\$0.00

## 6.3 Committed Funding

**Table 23. A summary of the committed funding over the next 10 years**

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2020	0	590000	168275	0	0
2021	1126838	590000	168275	19065	0

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2022	7500000	590000	168275	0	0
2023	0	590000	218275	0	0
2024	0	590000	218275	56776	0
2025	0	590000	218275	0	0
2026	0	590000	218275	0	0
2027	0	590000	218275	0	0
2028	0	590000	218275	51224	0
2029	0	590000	218275	0	0
2030	0	590000	218275	57825	0

#### 6.4 Financial Ratios

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period)

#### Asset Renewal Funding Ratio

Asset Renewal Funding Ratio<sup>4</sup> - 232% based on our current funding and a High Level of Service

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 232% of the funds required for the optimal renewal of assets. The figure is over 100% due to the LTFP using depreciation of buildings to fund this asset class. Note that the LTFP budget figure for buildings is inclusive of Marine Structure and Other Structures. Improvements can be made that componentises these asset classes to derive a budget for marine structures and other structures separately.

**Table 24. Asset Renewal Funding ratio's calculated based on the predicted treatments cost per strategy**

Simulation / Strategy	Planned Capital Renewals (10 years) (\$)	Required Capital Expenditure i.e. Predictor Treatment cost over 10 years (\$)	Asset Renewal Ratio
Annual Funding = 1.5% of RV (311.4K)- Higher LoS	7523000	2644477	284%
Annual Funding = 1.5% of RV (311.4K)- Standard LoS	7523000	1268582	593%
Current Funding (LTFP) - High LoS	7523000	3243871	232%
Current Funding (LTFP) - Standard LoS	7523000	1402500	536%
Unlimited Funding Scenario - High LoS	7523000	3642606	207%
Unlimited Funding Scenario - Standard LoS	7523000	2273583	331%

Table 24 shows us that depending on the treatment strategy used how the Asset Renewal Funding Ratio can change.

<sup>4</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

## Asset Consumption Ratio

**Table 25. Consumption Ratios for the Building Asset Classes.**

	Financial Class	Gross Replacement Cost (\$)	Written Down Value (\$)	Consumption Ratio
Revalued amount at 30 June 2021	Market-Valued Buildings	9,622,154	9,622,015	100%
	Non-Market-Valued Buildings	8,369,647	6,432,182	77%
	Marine Structures	3,051,933	2,418,667	79%
	Other Structures	907,647	579,499	64%
<b>Totals</b>		<b>21,951,382</b>	<b>19,052,363</b>	

## Asset Sustainability Ratio

The Sustainability ratio has been calculated based on the different outcomes of the modelling.

Simulation	Predicted Capital Renewal expenditure over 10 years (\$)	Depreciation Expense (\$)	Sustainability Ratio
Annual Funding = 1.5% of RV (311.4K)- Standard LoS	1,268,581.94	3,415,976.94	37%
Current Funding (LTFP) - High LoS	3,243,871.00	3,415,976.94	95%
Current Funding (LTFP) - Standard LoS	1,402,499.94	3,415,976.94	41%
Unlimited Funding Scenario - High LoS	3,642,605.60	3,415,976.94	107%
Unlimited Funding Scenario - Standard LoS	2,273,582.94	3,415,976.94	67%

## 6.5 Key Assumptions

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

Key assumptions made in this AM Plan are:

- Current rates of maintenance, operational and depreciation expenditure are an indicator for future assets.
- Renewal forecasting has used an updated useful life approach using the current useful life held in the asset register for each component.
- The Condition value 0-6 was calculated using the current valuation index per component within the asset register and was derived from an age based / straight line accounting valuation process rather than a true component condition survey results.

- Sorell municipality will increase in population as per ABS projections.
- The AMP used only current day dollars, no indenting on lifecycle forecast costs.
- All assets valued at fair value are being used for their highest and best use.
- Council does not have Residual Values applied to any Building assets or asset components.
- All Building assets have been assessed for impairment and no assets were identified to be held in excess of their recoverable amount.
- High Level of Service see treatment intervention at condition 4 and above.
- Standard Level of Service sees treatment intervention at condition 5 and above.
- Building Hierarchy has been assigned based on usage and functionality to maintain services on a high, medium and low scale.

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## 7 Action Plan

### 7.1 AM Document Register

**Table 26. Document Register**

Document Type	Asset Category	Adopted Version / Date	Planned Revision
Strategic Plan (10 year)		Aug 2019-29	2023-23
Asset Management Policy		Aug 2018	Sept 2022
Asset Management Objectives			
Strategic Asset Management Plan		V2 18/09/2018	
Asset Management Plans:			
	Transport	V2 Draft 2017	Current Draft: 2 <sup>nd</sup> generation 2020
	Buildings	V1 2014	V2 2020
	Stormwater Drainage	V1 2014	V2 2021
	Land Improvements	current (V1 2019)	V2 2022
Asset Capitalisation Business Rules		V2 June 2021	V2 2022 after SW revaluation

### 7.2 AM Practice Improvements

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 27.

**Table 27. Improvement Plan**

Task No.	Task Description	Responsibility	Resources Required	Timeline
1	Further rigour in obtaining Function, Capacity, Condition. A survey of these is underway currently (November 2020) by the Facilities Maintenance Coordinator	Facility Maintenance Coordinator undertaking survey. Assets Team developed the IT to undertake the survey and scaling procedure by Component	Manager – Assets, GIS & ICT and Facility Maintenance Coordinator	2021
2	A review of useful lives and replacement costs at the time of revaluation.	Independent valuation (by Assetic) with consultation with Manager – Assets, GIS & ICT	Asset Team & Assetic as part of Council's managed service	2021

Sorell Council – Buildings Asset Management Plan– 2020/21

3	More formal investigation on asset service hierarchy of the buildings and components.	Manager – Assets, GIS & ICT and Facility Maintenance Coordinator	Manager – Assets, GIS & ICT and Facility Maintenance Coordinator. Consult also Works Supervisor	2021
4	Develop a customer satisfaction and expectations survey in order to better understand and fulfil Council’s levels of Service, in particular, customer values. Results to inform a community improvement plan.  Fulfilling Council’s customer levels of service, strategic and annual plans.	Manager – Assets, GIS & ICT with Communications Officer	Manager – Assets, GIS & ICT with Communications Officer	Within next 2 years (2022)
5	Develop a 10-year renewal program (component level) from the results of the function, capacity and condition survey.	Assets Team with Independent Asset management expertise (Assetic, as part of Council’s managed service arrangement of one asset class each year)	Assets Team and external resources with Assetic.	2021
6	Review operations and maintenance budget as a result of new significant assets being constructed in the next 2-3 years, i.e. change rooms and stadium at Pembroke Park.	Finance Team, Assets Team, Facility Maintenance Coordinator	Finance Manager, Assets Team, Facility Maintenance Coordinator	2022
7	Review capital work thresholds as part of Councils Capital Works Business Rules.	Manager – Assets, GIS & ICT and Asset Manager	Assets and Finance Teams, Assetic (external)	2022
8	Inform the LTFP more appropriate renewal budget requirements instead of using depreciation. Look at Marine Structure and Other structures separately from buildings.	Manager – Assets, GIS & ICT	Asset and Finance Teams	2021
10	Keep corporate risk registers up to date.	WHS officer, GM, SMT, Councillors	Asset Team, WHS Officer. GM	Ongoing

### **7.3 Monitoring and Review Procedures**

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 5 years and is due for complete revision and updating by the 2024/2025 financial year by the Councillors that reside in that year.

### **7.4 Performance Measures**

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

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%). It's understood that our current asset renewal funding ratio for buildings is not realistic by using depreciation as it's basis for funding and as such capital works and preventative maintenance are discussed, prioritised and actioned annually based on professional judgement.



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## Appendix A: Figures and Tables

TABLE 1. FINANCIAL SUMMARY AS OF JUNE 30 2021 .....	1
TABLE 2 LONG TERM FINANCIAL PLAN (LTFP) AS OF JUNE 30 2021.....	2
TABLE 3. GOALS AND HOW THESE ARE ADDRESSED IN THIS PLAN.....	7
TABLE 4. LEGISLATIVE REQUIREMENTS.....	8
TABLE 5. CUSTOMER VALUES.....	9
TABLE 6. CUSTOMER LEVEL OF SERVICE MEASURES TYPE .....	11
TABLE 7. TECHNICAL LEVELS OF SERVICE .....	12
TABLE 8. BUILDINGS RESPONSE TIMES .....	15
TABLE 9. BUILDINGS FCR FAILURE ITEMS (SOURCE SCADMS DOCUMENT TABLE 39 PREPARED BY ASSETIC 2018).....	15
TABLE 10. FCR REMEDY ITEMS.....	16
TABLE 11. CONDITION RATING SCALE AND RESPECTIVE DESCRIPTION USED IN BUILDING DATA COLLECTION.....	17
TABLE 12. MARINE STRUCTURES CONDITION SUMMARY BY AUSSPAN:.....	17
TABLE 13. 2020/21 CAPITAL WORKS SUMMARY.....	19
TABLE 14. PREVIOUS AND FUTURE MAINTENANCE BUDGETS .....	19
TABLE 15. DEMAND MANAGEMENT PLAN .....	22
TABLE 16. MANAGING THE IMPACT OF CLIMATE CHANGE ON ASSETS AND SERVICES.....	24
TABLE 17. BUILDING ASSET RESILIENCE TO CLIMATE CHANGE .....	25
TABLE 18. RISKS AND TREATMENT PLANS .....	25
TABLE 19. RESILIENCE ASSESSMENT.....	28
TABLE 20. VALUATION SUMMARY, REVALUED AMOUNT AT 30 JUNE 2021 .....	30
TABLE 21. NET STRATEGY COST SUMMARY FOR BUILDINGS JUNE 30 2021.....	31
TABLE 22. MAINTENANCE SUMMARY COST REQUIREMENTS FOR MARINE STRUCTURES DERIVED FROM AUSSPAN 30/06/2021 ....	31
TABLE 23. A SUMMARY OF THE COMMITTED FUNDING OVER THE NEXT 10 YEARS .....	31
TABLE 24. ASSET RENEWAL FUNDING RATIO'S CALCULATED BASED ON THE PREDICTED TREATMENTS COST PER STRATEGY .....	32
TABLE 25. CONSUMPTION RATIOS FOR THE BUILDING ASSET CLASSES. ....	33
TABLE 26. DOCUMENT REGISTER .....	35
TABLE 27. IMPROVEMENT PLAN .....	35
FIGURE 1. CURRENT OVERALL SERVICE STATE (OSI) OF BUILDINGS AS OF 30 JUNE 2021 BY ASSET QUANTITY. ....	5
FIGURE 2. BUILDING 'CONDITION' WHEN YOU SUMMARISE THE BUILDING COMPONENTS VALUATION INDEX (AGE BASED) FROM JUNE 30 2021. ....	5
FIGURE 3: CURRENT OVERALL SERVICE STATE FOR MARINE STRUCTURES .....	6
FIGURE 4. CURRENT OVERALL SERVICE STATE FOR OTHER STRUCTURES.....	6
FIGURE 5. ASSETIC MAINTENANCE WORKFLOWS (REF: SORELL SCADMS DOCUMENT BY ASSETIC, PAGE 30). ....	15
FIGURE 6. COMPLEX BUILDING COMPONENT BREAKDOWN                      FIGURE 7. TOILET BLOCK COMPONENTS .....	19
FIGURE 8. DEGRADATION PROFILE APPLIED TO ALL BUILDING COMPONENTS WHEN PREDICTING 10-YEAR RENEWAL CAPITAL PROGRAM. ....	20
FIGURE 9 THE DISTRIBUTION OF BUILDING ASSETS BY HIERARCHY.....	21

## Appendix B: Valuation reference tables

**Table B- 1. Remaining service potential has been determined and applied in line with the following valuation matrices.**

Valuation Pattern	Description	Condition	Remaining Useful Life (%)
Buildings	Brand New	0	100
	No Defects to Very Good	1	95
	Very Good to Good	2	80
	Good to Minor Defects	3	60
	Minor Defects to Fair	4	40
	Fair to Poor	5	10
	Out of Service	6	0
Superstructure / Long Life / Marine	Brand New	0	100
	No Defects to Very Good	1	97.5
	Very Good to Good	2	90
	Good to Minor Defects	3	65
	Minor Defects to Fair	4	47.5
	Fair to Poor	5	30
	Out of Service	6	0
Electrical	Brand New	0	100
	No Defects to Very Good	1	90
	Very Good to Good	2	80
	Good to Minor Defects	3	60
	Minor Defects to Fair	4	35
	Fair to Poor	5	15
	Out of Service	6	0
Mechanical	Brand New	0	100
	No Defects to Very Good	1	92.5
	Very Good to Good	2	80
	Good to Minor Defects	3	62.5
	Minor Defects to Fair	4	40
	Fair to Poor	5	20
	Out of Service	6	0
Short Life	Brand New	0	100
	No Defects to Very Good	1	95.5
	Very Good to Good	2	79
	Good to Minor Defects	3	55
	Minor Defects to Fair	4	32
	Fair to Poor	5	15
	Out of Service	6	0
Equipment	Brand New	0	100

Valuation Pattern	Description	Condition	Remaining Useful Life (%)
	No Defects to Very Good	1	96
	Very Good to Good	2	74
	Good to Minor Defects	3	50
	Minor Defects to Fair	4	28
	Fair to Poor	5	6
	Out of Service	6	0
Open Space	Brand New	0	100
	No Defects to Very Good	1	95
	Very Good to Good	2	83
	Good to Minor Defects	3	50
	Minor Defects to Fair	4	30
	Fair to Poor	5	15
	Out of Service	6	0

**Table B- 2. Council's useful lives (in years).**

Component Type	Material /Type	Useful Life
Building Sub-Structure	All	100
Building Super-Structure	All	100
	Nursery Building	50
Building Roof	Concrete	100
Building Fitouts (Floor Coverings)	All	25
Building Fitouts & Fittings	All	30
Services (Hydraulics)	All	20
Services (Fire)	All	20
Services (Electrical)	All	20
Services (Transport)	All	50
Services (Security)	All	20
Site Services	All	30
Marine Substructure	Timber	60
Marine Substructure	Metal	80
Marine Substructure	Concrete	100
Marine Substructure	Rock	200
Marine Superstructure	Timber	60
Marine Superstructure	Metal	80
Marine Decking	All	60
Park Stairs	Timber	40
Park Stairs	Concrete	100
Rainwater Tank	PE	20

Rainwater Tank	Metal	30
Septic Tank	PE	40
Septic Tank	Concrete	50
Park Shelter	Timber	80
Park Shelter	Rock	200
Shed	All	60
Access Ramp	All	40
Wash Bay	All	40
BBQ Shelter	All	20
Creek Bed	Rock	200
BMX Track	Gravel	40
Dump Point	All	40

**Table B- 3**

Asset Type	Component	Description	
Buildings	Sub-Structure	Under floor, footings, floor frames &/or concrete slabs on ground or suspended.	
	Super-Structure	External and internal walls, windows, doors and all external components associated with the structural integrity of the building.	
	Roof	The roof frame, cladding and associated components that ensure roof environment is sound and weatherproof, such as gutters, downpipes and flashings.	
	Fitouts & Fittings	All fittings and fixtures excluding floor coverings that are permanent built into the building.	
	Fitouts (Floor Coverings)	All floor coverings including soft and hard finishes that are permanently in the building.	
	Services	Hydraulic	All water based services including fittings and fixtures used to deliver hydraulic services to the building.
		Mechanical	All air based services including fittings and fixtures used to deliver heating and cooling services to the building.
		Fire	All preventative measures including fittings and fixtures used to ensure the health & safety of occupants and the built environment itself.
		Electrical	All electrical based services including fittings and fixtures used to deliver light, power and data services to the building.
		Transport	All services that enable the movement of persons or other assets between levels using mechanical means.
	Security & Others	The security systems that are installed in a building to allow only permitted access. Any other relevant services that may not be included in the categories above in specialised asset categories.(e.g.: bollards and wheel stops in a carpark for traffic control)	
Site Services		The presence of services into the building that generate the necessary energy and resources for the services and building to function. (e.g.: external power supply, water supply or gas supply)	
Site Infrastructure		The elements of the building that are not directly attached to the structure, but perform a pivotal role in the assets overall	

			performance. (e.g.: driveways & fencing in dwellings; lighting on a recreational field or pool)
Marine Structures	Substructure		The element in contact of ground or seabed can be fully or partially submerged in water, e.g. piers or concrete base.
	Superstructure		The element above the substructure can be fully or partially submerged in water, e.g. headstock or beams.
	Decking		The elevated decking situated upon superstructure.
Other Structures	Main		The whole structure.

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