Building Asset Management Plan 2023-2033

Strathfield Council

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Document Control

Document History

Version	Date	Status	Author	Summary of changes
1.1	20/10/2022	Draft	iinSights P/L	Initial draft BAMP.
1.1	21/11/2022	Draft	iinSights P/L	Updated post review

Definitions

Explanation of definitions and acronyms used in this plan.

Term/Acronym	Definition
AASB	Australian Accounting Standards Board
AM Strategy	Asset Management Strategy
AMSC	Asset Management Steering Committee
Backlog	The quantum of assets that meet the levels of service reflected in the modelling rule base and hence due for a capital treatment, however, funding is not enough to treat these assets. The current hypothetical cost of recouping this backlog (i.e. funding required to bring every asset in condition state 5, Very Poor, back to a condition state 1, being Very Good) by immediate capital renewal.
BAMP	Buildings Asset Management Plan
Condition or Service State	The service state involves the use of a single integer between 1 and 5 to describe the ability for the asset in question to fulfill its function; where 1 is very good and 5 is very poor.
IIMM	International Infrastructure Management Manual
ISO55000	55000 Series, International Suite of Asset Management Standards
LTFP	Long-Term Financial Plan
Net Strategy Cost	Total cost lifecycle scenario strategy. Calculation; Total Capital Cost over 20 Years + Total Maintenance & Operational Cost over 10 Years – Backlog Movement Over 20 Years.
Non-current assets	Physical and intangible infrastructure assets, including information and communication technology (ICT) assets, controlled by the organisation
SAM	Strategic Asset Management

1 Executive Summary

1.1 The purpose of the Plan

The purpose of this Building Asset Management Plan (BAMP) is to inform Strathfield Council's (Council) commitment to best practice asset management and provide principles for sound building asset investment decision making.

The BAMP documents the overall integrated planning framework to guide and improve Council's long-term strategic management of its buildings and major structures (property building assets) in order to cater for the community's required levels of service into the future as detailed in Section 3.6 Level of Service. The BAMP defines the state of Council's building assets as at the 2022 Financial Year, the 10-year funding required to achieve Council's adopted asset performance targets and planned asset management activities over a 10-year planning period.

This BAMP is to be read in conjunction with Council's Asset Management Strategy.

1.2 Current State of Council's Assets

The value of building assets covered by this BAMP is estimated at $65.93M, as at 30th June 2022 and summarised in the table below:

Asset Type	Quantity (Number)	Replacement Cost	Accumulated Depreciation	Current Value	Annual Depreciation
Buildings	49	$65,926,000	$21,316,091	$44,609,909	$726,400

Table 1 - Assets Valuations as at 30th June 2022[1]

The following dashboard provides a high-level overview of the current condition (service state) of all buildings owned and maintained by Council. The service state is a numerical score assigned to each major building component (asset) to represent its current performance (i.e. where is the asset on its lifecycle path). Utilising predictive modelling software and techniques, Council is able to simulate each asset's degradation (the way it moves from one condition state to another throughout its lifecycle) to predict when assets will fail and require future treatment intervention.

Refer to Table 7 – Asset Condition Rating Guidelines for condition definitions.

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[1] Source: External Council Revaluations as at 30 June 2022, Note Depreciation has been estimated from dataset

$37.12M	808	$2.77M	2.22 out of 5
Asset Value Modelled	Asset Component Quantities	Backlog Value	Average Condition (Service State)

All Building Asset Component Condition Distribution
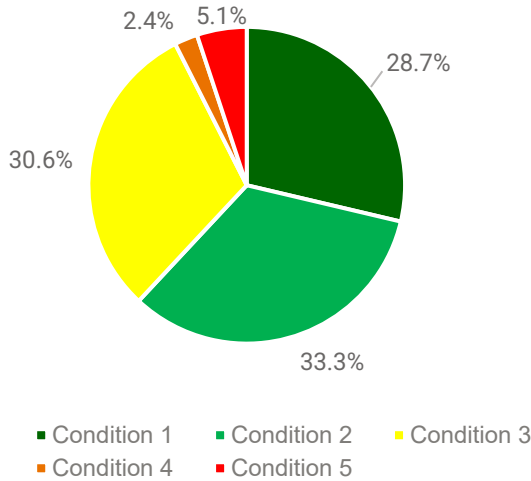
Component Condition Distribution by Replacement Value
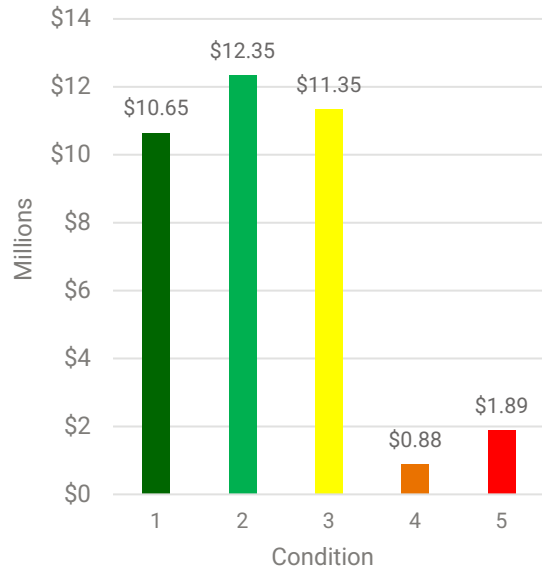
Figure 1 – State of Assets Snapshot as at FY2022

The following diagram provides a condition snapshot of Council's buildings assets by asset function.
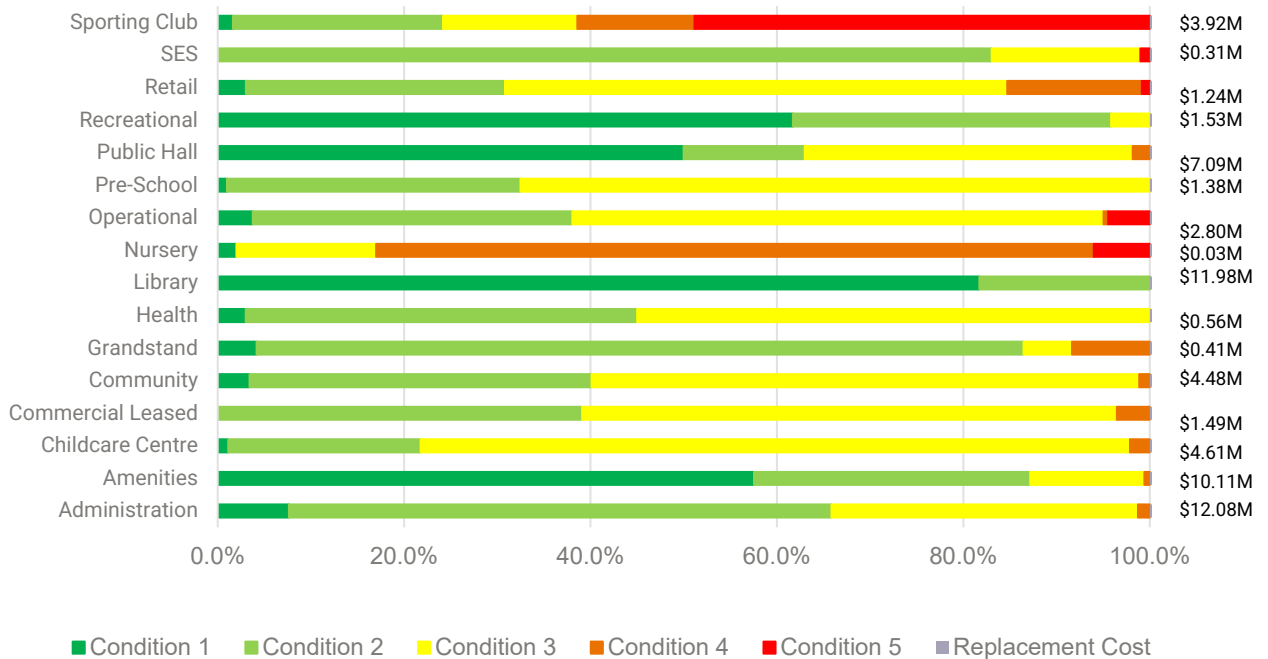
Figure 2 – Component Condition Distribution by Asset Function & Replacement Cost as at FY2022

1.3   Asset Funding Levels

The Financial Summary in this BAMP recognises that Council has considered multiple strategic predictive modelling scenarios in the process of deriving its 10-year long-term financial budget, in line with the guiding principles of best practice asset management.

Presently, there are plans to spend $28.5M over the following 10 years to upgrade Council's buildings and these have been documented in Council's current 10-Year Works Program.

In addition to the upgrading of building facilities funding, the current levels of funding reflected in Council's Long-Term Financial Plan (LTFP), relative to Council's existing buildings asset portfolio, have been determined as follows:

- Capital Renewal: $17.1M; and
- Maintenance & Operations: $4.9M or $495K on average per annum.

The total capital funding (including renewals and upgrades) over 10 years is $45.6M. This is the recommended funding option, which is expected to be sufficient to enable the building portfolio to achieve its current useful lives through capital and maintenance activities, thereby achieving the level of service targets.

Council has **recommended** the following LTFP figures to be adopted for its renewal strategy 2023-2033

Year	Buildings
23/24	1,499,903
24/25	1,499,590
25/26	1,498,837
26/27	1,499,942
27/28	1,699,931
28/29	1,699,993
29/30	1,899,954
30/31	1,899,415
31/32	1,994,386
32/33	1,989,451
Grand Total	17,181,402

Table 2 – Recommended 10-Year Funding Strategy

The summary average condition and PVP (Poor and Very Poor Condition) based on the recommended funding is set out below:

Asset Class	Replacement Value	Total Recommended Exp	Avg Recommended Annual Exp	Avg Condition Year 0	Avg Condition Year 10	PVP Year 0	PVP Year 10
Buildings	$37.12M	$17.2M	$1.72M	2.22	1.94	7.46%	0.29%

Table 3 – 10-Year Funding & Resulting Average Condition and PVP

A summary of funding options considered is provided in the table below. Further financial option details are detailed in the Financial Summary Section. It is envisaged the financial projections will be improved as further information becomes available on the desired levels of service, asset dataset and current asset performance.

	Initial Backlog ($,000)	Initial Condition	Backlog at Yr 10 ($,000)	Condition at Yr 10	Total Lifecycle Cost ($,000)	Change in Backlog ($,000)	Net Strategy Cost ($,000)
Buildings							
Option 1 - Current Budget	$2,767	2.22	2,681	2.14	$19,631	-$86,678	$19,554
Option 2 - Desired LOS	$2,767	2.22	$107	1.94	$22,127	-$2,660	$19,466
Option 3 - Zero PVP Target	$2,767	2.22	$0	1.92	$22,993	-$2,767	$20,225

Table 4 – 10-Year Funding & Strategy Results - Funding Option

1.4 Monitoring and Improvement Program

The improvement action items identified can be found in the Plan Improvement and Monitoring Section.

2 Asset Class Information

2.1 Background

The building asset portfolio of Strathfield Council (Council) provides a vital service to the local community. Council is widely known for its culturally diverse, and socially cohesive community. Council owns and maintains a network of building assets (such as public halls, libraries, recreational and sporting club assets) that support the local community and attract people from the wider Sydney region.

These building assets represent a significant investment by Council and are of vital importance to providing its residents and neighbouring communities with quality services.

New and upgrade building needs and project candidates are identified in the 'Strathfield 2035 Long Term Financial Plan. This strategy provides an assessment of

community asset needs based on a range of indicators (such as stakeholder engagement, capacity & utilisation) to identify priorities for existing and future community building asset needs to 2035.

Council's buildings have been constructed over time and serve a range of purposes from civic administration, town halls and depot facilities to libraries, childcare and amenities. These buildings may be owned by Council, leased or managed in order to facilitate the delivery of required services to the community.

Changing patterns of use and demand with differing maintenance practices and techniques have resulted in a complex network of buildings in varying conditions. As the responsible authority for the provision and maintenance of this infrastructure asset base, Council recognises the need to ensure the management of this valuable asset portfolio, to ensure that the current and future benefit to the community is delivered at a cost that the community can afford.

2.1.1 Buildings Included in this AM Plan

In all, this BAMP covers 56 buildings and structures as classified by their asset subclass (building function) and set out in Table 5 – Building Quantity by Asset Subclass.

This BAMP covers all buildings and structures (building assets) which are owned or controlled by Council. Buildings for which Council is the responsible authority are classified under the Building Code of Australia (BCA) as Class 1 through to Class 10a[2] with enclosing walls. Other structures included in this BAMP are classified under the BCA as class 10a non-habitable structures with open walls such as park shelters.

Asset Subclass (Function)	Quantity
Administration	5
Amenities	10
Childcare Centre	2
Commercial Leased	5
Community	3
Grandstand	1
Health	1

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[2] Class 10a – a non-habitable building being a garage, carport, shed or the like.

Library	2
Nursery	1
Operational	10
Pre-School	1
Public Hall	2
Recreational	5
Retail	3
SES	1
Sporting Club	4
Total Buildings	**56**

Table 5 – Building Quantity by Asset Subclass

A detailed list of all buildings and structures for which Council has included in this BAMP are recorded in Council's Asset Register.

2.1.2 Buildings & Structures Exclusions

The BAMP excludes building assets which are owned and maintained by the Department of Planning and Environment, NSW (DPIE) and other private organisations.

Other class 10a and 10b[3] structures such as sports field lighting poles, retaining walls etc. are classified within a separate asset portfolio entitled "Other Structures" and considered as part of park infrastructure which are managed via Council's Open Space Asset Management Plan.

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[3] Class 10b – a structure being a fence, mast, antenna, retaining or free-standing wall, swimming pool or the like, not associated to a building site.

2.2 Current State of the Assets

The distribution of Council's building asset portfolio by quantities is illustrated below in Figure 3.
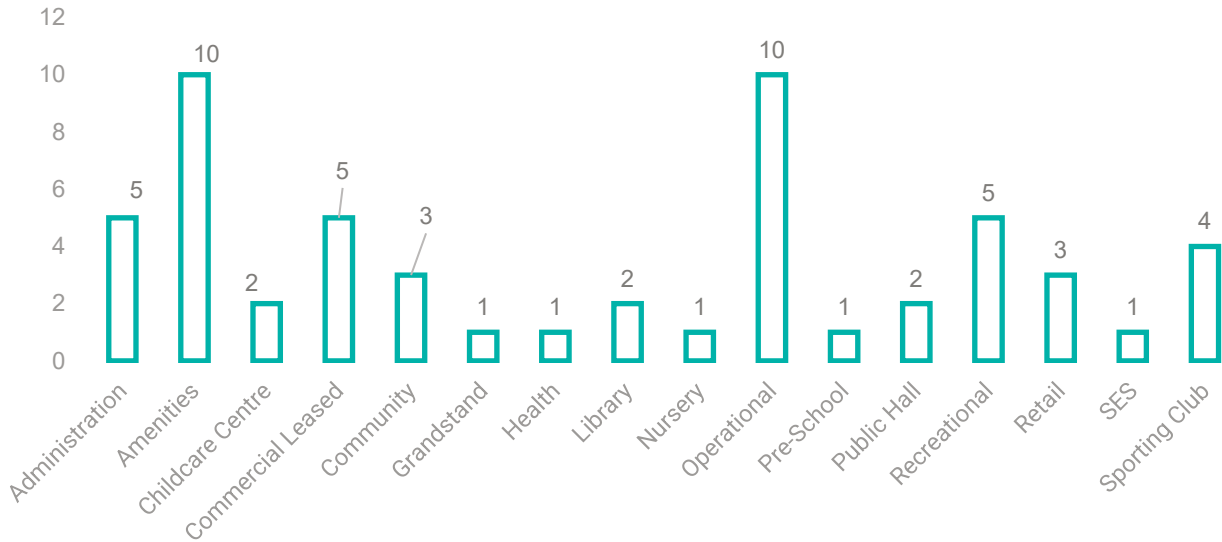
Figure 3 – Distribution of Building Assets by Function

At present, 55% of the asset portfolio is comprised of habitable buildings, which equates to $47.95M of the total $64.04M replacement modelling cost (representing 75% of the total portfolio replacement modelling cost).

2.2.1 Current Replacement Modelling Costs

The total model value of buildings and structures for which Council is responsible for is currently estimated at $64.04M. The break-up of the asset function by replacement value is illustrated in Figure 4.
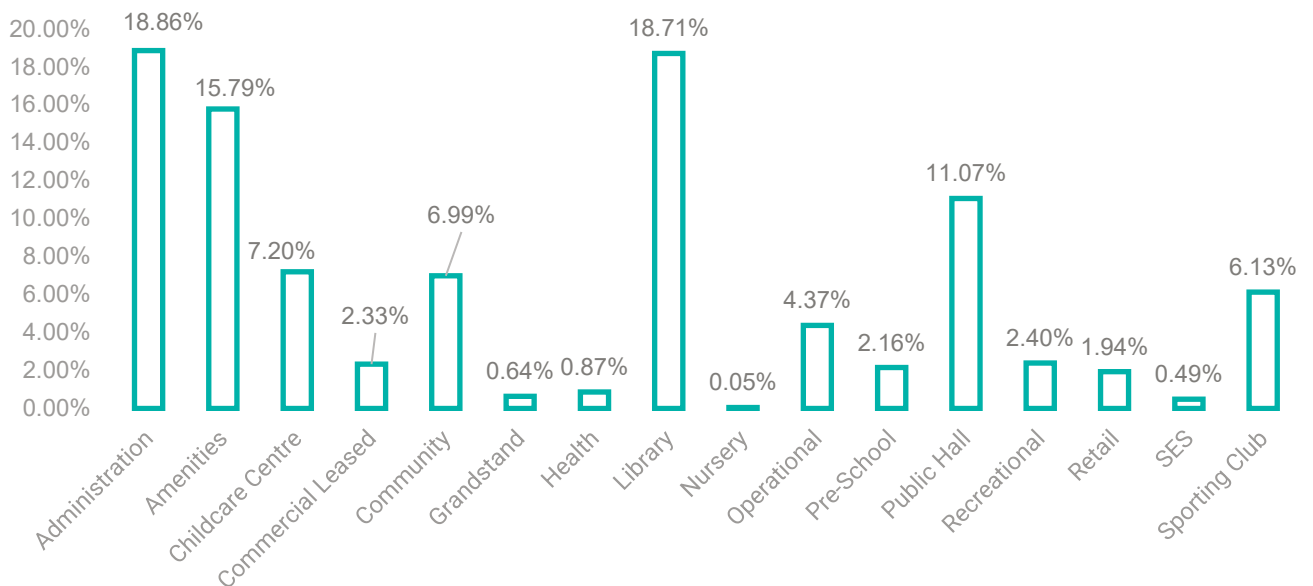
Figure 4 – Distribution of Building Asset Estimated Replacement Values by Function

Asset Type	Quantity (Number)	Replacement Cost	Accumulated Depreciation	Current Value	Annual Depreciation
Buildings	49	$65,926,000	$21,316,091	$44,609,909	$726,400

Table 6 - Assets Valuations as at 30th June 2021[4]

Table 6 identifies the annual asset depreciation of Council's building assets to be in the order of $0.73M per annum. The average annual depreciation (asset consumption) is considered a measure of the wearing out or other loss of value of the asset that arises from its use, passing of time or obsolescence due to environmental changes.

It should be acknowledged that depreciation is not an ideal measure and is seldom recommended now in modern practice with the focus more on sustainability-based analysis of asset service level (long term financial plans based on strategic lifecycle modelling & planning).

2.2.2 Building Information Management

All information pertaining to asset type and function, location, constructed year and condition of these building and structure assets are recorded and stored in Council's Asset Register which at present is a series of varied databases in MS Excel.

In 2022, Council engaged an external contractor to inspect its building's portfolio and perform visual inspections at the building component level. At the time of preparing this BAMP, it is estimated that Council's Asset Register is 98% complete with regards to the buildings list and around 98% up to date.

2.2.3 Current Asset Performance

The following dashboard provides a high-level overview of the current condition (service state) of all building assets owned and maintained by Council. The condition state is a numerical score assigned to each major building component (asset) to represent its current performance (i.e. where is the asset on its lifecycle path), with condition state 1 representing an excellent condition and condition state 5 representing a very poor condition.

Refer to Table 7 – Asset Condition Rating Guidelines for condition definitions.

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[4] Source: External Valuation as at 30 June 2022, noting that annual depreciation has been estimated from source dataset

$37.12M	808	$2.77M	2.22 out of 5
Asset Value Modelled	**Asset Component Quantities**	**Backlog Value**	**Average Condition (Service State)**

All Building Asset Component Condition Distribution

Component Condition Distribution by Replacement Value
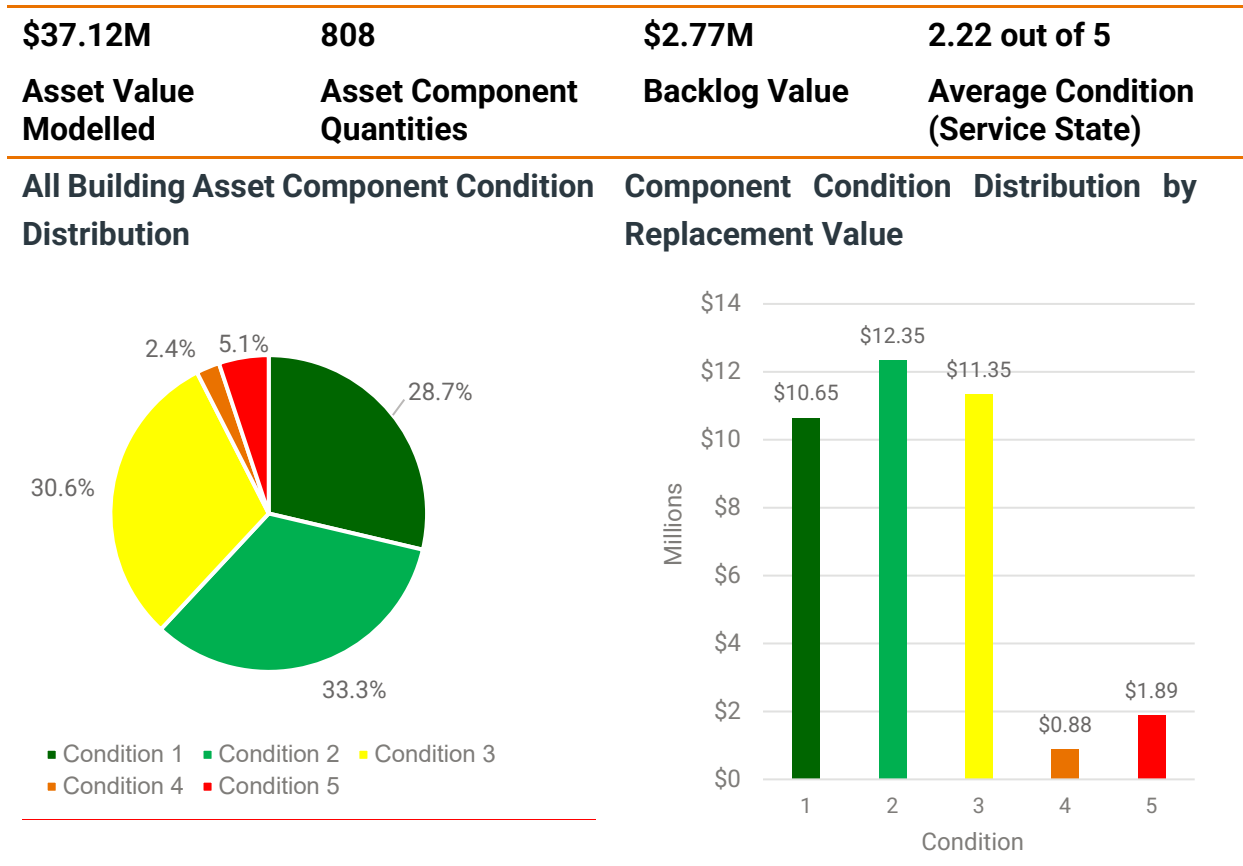
Figure 5 – State of Assets Snapshot as at FY2022

Building asset condition audits and inspections were carried out by Council contractors in 2022 with asset data updated within the Asset Register.

Council's building assets (inspected at the component level) are estimated to be in good condition as shown in Figure 5, with 62% in very good and good condition and 7.5% in poor and very poor condition. The average network portfolio condition is 2.22 out of 5.

Figure 6 below provides a condition snapshot of Council's building asset components by asset function. It informs us that the Sporting Clubs and Operational buildings are considered to have 48.8% and 5% of their components respectively, rated in condition state 5 (very poor). Nursery and Grandstands have also been identified to be in poor condition with some 77% and 14.4% respectively of their components rated in poor condition. Library, Amenities, Public Halls and Recreational buildings/structures are considered to be in good to very good condition.
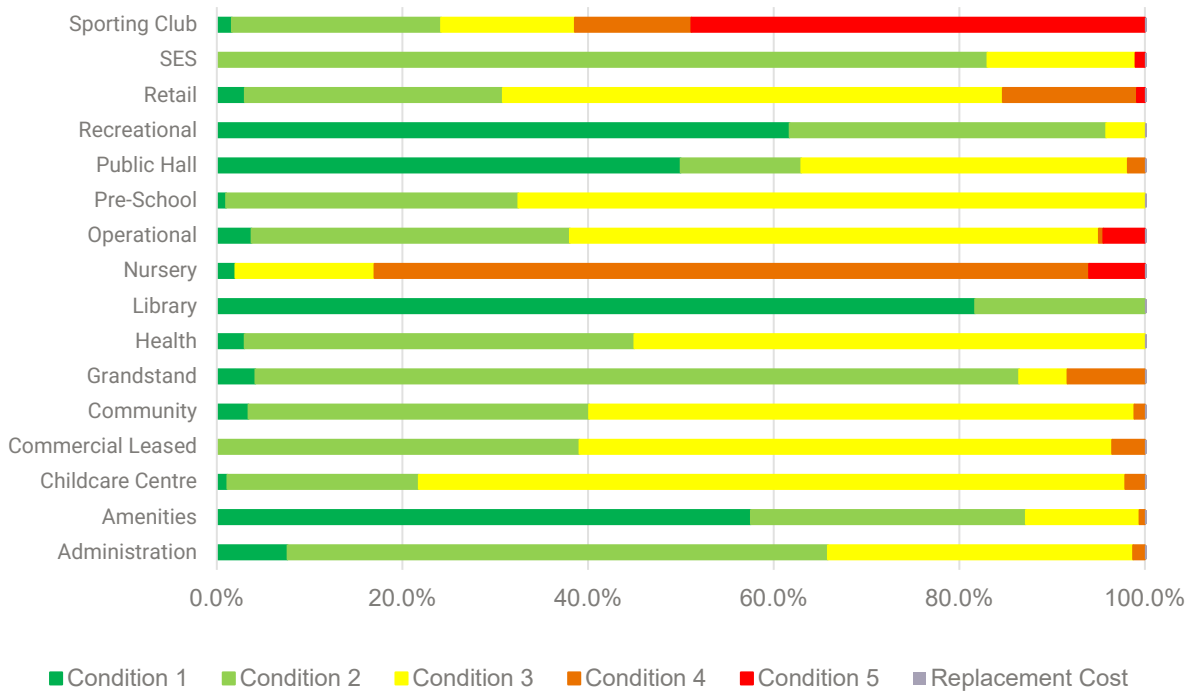
Figure 6 – Component Condition Distribution by Asset Function as at FY2022

Changing patterns of use and demand with differing maintenance practices and techniques have resulted in a complex network of buildings in varying conditions.

The framework documented in Council's Asset Management Policy, and the Strategies documented in the Asset Management Strategy and supported by this BAMP will place Council in a good position to address the asset issues currently faced.

2.2.4 Condition Assessment

Council will formally document a detailed building condition assessment manual that has been used to assess the building network condition. The Building Service Framework will provide further information on the methodology for rating and assessing the condition/performance of these assets.

Typically, network wide condition assessments are undertaken on a 4-year cycle (coinciding with the financial revaluations) and used to identify where building asset components are within their defined useful lives at any given point in time. The latest condition audit covering all buildings that Council is responsible for was completed in 2022.

The condition rating system is summarised in Table 7 – Asset Condition Rating .

Condition	Condition Score	Description
Good	1	**Very Good:** free of defects, only planned and/or routine maintenance. Only Normal Maintenance Required
Good	2	**Good:** minor defects, increasing maintenance required plus planned maintenance. Minor Maintenance Required.
Fair	3	**Fair:** defects requiring regular and/or significant maintenance to reinstate service. Significant Maintenance Required to Return to Acceptable Service Level.
Poor	4	**Poor:** significant defects, higher order cost intervention likely. Significant Renewal/Upgrade Required.
Poor	5	**Very Poor:** physically unsound and/or beyond rehabilitation, immediate action required. Asset / Component Requires Replacement.

Table 7 – Asset Condition Rating Guidelines

2.3 Lifecycle Management

Life Cycle Management is an essential component of any good asset management plan. This section of the BAMP identifies the processes required to effectively manage, maintain, renew and upgrade Council's building assets.

2.3.1 Operations & Maintenance Plan

Operations activities can be described as activities that are delivered on a day-to-day basis necessary to meet levels of service delivery requirements. Operational activities can include service delivery items such as security key/lock updates. Operational activities also include proactive and reactive inspections, undertaken by in-house technical staff and/or specialist contractors. Operations activities do not improve the condition of assets.

Over time, minor faults can occur within the building portfolio. Council addresses the repairs and maintenance of these faults (e.g. leaking faucet or damaged window or section of carpet) on the basis of defined intervention levels and response times. The intervention level defines the condition, state or risk level associated with an asset/component, i.e. the point in time at which the asset is considered to be below an acceptable level of service. Maintenance is scheduled as soon as the asset reaches this point.

Operations and maintenance activities do not improve the condition of the building, but rather enable the building to deliver its service levels as related to its building function.

For the Levels of Service delivered on a day-to-day nature (i.e. responding to customer requests for maintenance faults and responding to localised asset failures), these intervention levels[5] are currently documented in Council's maintenance management system. At present, Council considers that these current operations and maintenance service levels meet the community's needs and expectations.

The Improvement Plan identifies that Council will undertake a formal review of these operations and maintenance activities which will be formally documented in a Building Service Framework.

2.3.2   Renewal/Replacement Plan

Activities such as renewal, rehabilitation, reconstruction and replacement will return the degraded service of the asset back to its original condition. Renewal activities such as the replacement of a building's roof cladding or replacing the floor coverings will return the degraded service capability of the asset back to its original designed capability or modern-day equivalent.

Renewal and replacement strategies are based on the most current asset condition inspections available to Council at the time of developing the forward works programs. The rule bases which reflect the policy decisions that Council will employ to determine when they will select building assets for inclusion in their capital works program will be documented in a Building Service Framework.

The built nature of new, upgrade and renewed building assets will always be provided in accordance with Council's design standards, relevant Australian Standards, industry guidelines / best practices and the Building Code of Australia.

2.3.3   Upgrade/Expansion Plan

Upgrade and expansion works are associated with improving service levels beyond the originally designed capability or modern-day equivalent. Additionally, expansion works include activities that extend the capacity of an existing asset, to provide higher levels of service and/or meet changes in asset resilience requirements. Upgrade/expansion is different to renewal/replacement which only improves the degraded service capability within the boundaries of the original designed capability.

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[5] Intervention level incorporates the Building Service Area, activity or defect and response time to attendance or repair.

Building upgrades are usually undertaken where the building has been identified as deficient with regards to providing its intended function such as being fit for use and fit for purpose. Council assesses the building's capability of catering for the current and near future user numbers and also assesses the Buildings ability to be adapted or reconfigured to provide for changing user needs and service requirements (such as a building originally used as a senior citizens building to now providing maternal child and health services).

Typically upgrade/expansion works are identified from a combination of methods which include Councillor and/or community requests, project candidates identified via Council's Community Asset Needs Strategy or identified via other Strategic Plans and/or from building condition audits.

Presently, there are plans to upgrade buildings over the following 10 years and these have been documented in Council's current 10-Year Works Program.

2.3.4 Creation/Acquisition Plan

New works are those works that create a new asset that did not previously exist. Council can acquire existing built assets or new assets from developers or new assets via capital projects to meet community needs. Typically, new building asset candidates are identified from a combination of methods which include Councillor and/or community requests, project candidates can also be identified via other Strategic Plans and/or from building condition audits.

2.3.5 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition, relocation or transfer of ownership. At present there are no plans to dispose of any building assets.

2.4 Leadership and Accountability

Council's Asset Management Policy adopted in June 2021 defines at a high level, the roles and responsibilities within Council for asset management.

The Improvement Plan recognises that Council should establish an Asset Management Steering Committee (AMSC), drawn from across Council administration to coordinate asset management related matters.

The development of an Asset Management Responsibility Assignment Matrix which details the organisational relationships and lines of responsibility regarding asset management over the asset lifecycle has also been included in the Improvement Plan.

3   Levels of Service

3.1   Social Infrastructure Planning

Council provides over 100 services and our building assets support the provision of services such as libraries, recreational facilities, community centres and children & family services. A service centric approach starts with determining what services we need and then connecting assets to those services. It ensures that our assets are in the most appropriate locations for future community use, that they are functionally adequate for future demographics and take into account demand and Council's vision. It also ensures that there is a clear prioritisation of capital and maintenance based on criticality of the service and considers repurposing, redundancy or relocation of services when balancing future budgets.

Council is currently preparing a Social Infrastructure Strategy (SIS) to plan for the future of open space, parks, sports fields and community facilities in the Strathfield Local Government Area. The SIS will identify the need for new and improved community facilities, which will be incorporated into future BAMP revisions.

In addition, Council is also putting together a review and set of recommendations for planning in our municipality, as part of the work on the Councils' Local Strategic Planning Statements. This will ensure the community's assets are being properly managed and protected for the long-term best interests of the community.

3.2   Customer Research and Expectations

Council undertakes customer surveys to understand and identify community priorities for the Strathfield LGA and identify the community's overall level of satisfaction. The most recent customer satisfaction survey[6], which was conducted in 2021 offers Council a long-term measure of how they are performing.

The results of the survey indicated that generally, the provision of swimming pools and aquatic centres, community centres and facilities, childcare services, libraries and protection of heritage buildings is of importance to the community. The community is generally satisfied with the provision of these services.

Library buildings were rated with 98% (unchanged from 2020 and 2019) of those giving a favourable rating, (37% Excellent, 51% Good, 10% Fair); 2% rated this as Poor.

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[6] 2021 Community Satisfaction Survey – Conducted by

Sportsgrounds were rated with almost all (98%, effectively unchanged from 97% in 2020 and 2019) having favourable opinions, (25% Excellent, 56% Good, 17% Fair) 2% rated this facility Poor. Community centres and halls were rated with 93% (96% in 2020 and 2019) of those giving a favourable rating, including 14% Excellent, 60% Good and 19% Fair; 7% rated these facilities as Poor.

Some of the top 10 emerging community issues as they relate to this plan are:

- Healthy tree coverage, green spaces and corridors throughout the Strathfield are
- Population and housing growth are supported by infrastructure and services
- Access to quality open space, parks and natural environment
- High standards of built and natural environments which are sympathetic to local
- character and streetscapes
- Managing urban heat impacts and promoting the efficient use of water, energy and waste resources

Figure 7 illustrates the satisfaction with Council's overall performance between 2017 to 2021.
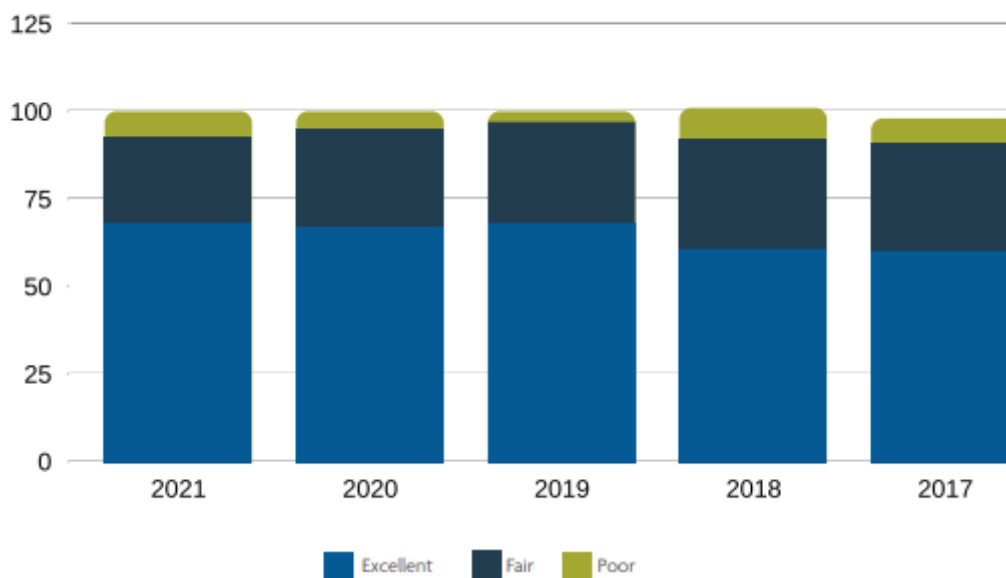
Figure 7 – Strathfield Community Survey Satisfaction Overall Performance

The figure below illustrates Council's performance for 2021 as rated by residents, along with the community programs and services for 2021.

Facilities and Infrasture 2021
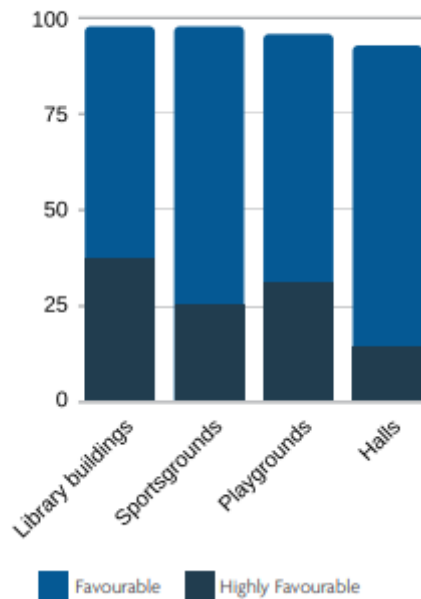
Community Programs and Service 2021
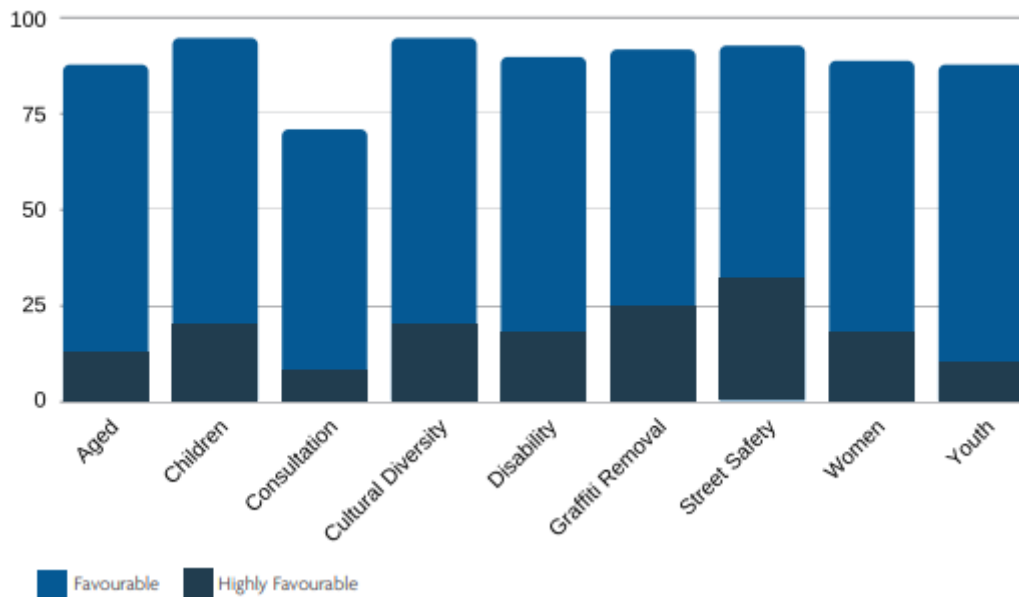
The survey results identify that since 2017, community satisfaction has been improving and as at 2021, the community is on average satisfied with the current levels of service delivered by Council in these service areas.

Residents want to be better informed and consulted on key local issues with the ability to influence Council's decision making. Good communication and transparency with residents about decisions Council has made in the community's interest is of importance, however the community is on average not very satisfied. Improvement in

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his area provides the greatest opportunity to drive up the overall opinion of Council's performance.

Residents place a high value on and have positive local area experiences regarding social cohesion and cultural diversity. Community engagement highlighted diverse needs for community based programs and facilities. Many raised concerns with the cost of hire of facilities, difficulties in accessing community transport to attend events and programs, lack of local programs and activities especially for seniors, lack of migrant support resources as well as insufficient local community facilities.

3.3   Strategic and Corporate Goals Alignment

This BAMP is prepared and aligned with Council's vision, mission, goals and objectives and has been aligned to deliver cost-effective, transparent, realistic and affordable service levels in accordance with community expectations.

Relevant Council goals and objectives and how these are addressed in this BAMP are detailed in Table 9.

Issue Statement	Key Community Issues	How Goal and Objectives are addressed in BAMP
Population growth is supported by planned and high quality infrastructure and services.	Impact of population growth and increased development must be supported by well-planned infrastructure and services which support liveable, healthy and active lifestyles.	Provision of community facilities that are fit for use and purpose, accessible, safe and well maintained. Supports the provision of facilities that foster and facilitate positive health and wellbeing outcomes. Ensure facilities are designed and built to accommodate growth, diverse needs and future flexibility.
Keep Strathfield a beautiful garden suburb.	Maintain consistent approach to management of the public domain and natural environment. Promote and protect biodiversity and natural environment.	Where possible, Council facilities when renewed will be designed to utilise grey & harvested water to minimise reliance on potable water. Where possible, Council facilities when renewed will be designed to utilise solar power to reduce our carbon footprint.
Strathfield has facilities and programs to support the diverse need of the community.	Availability and access to wide range of community and recreation facilities and programs for the whole community.	Planning and provision of swimming pools and aquatic centres that are fit for use and purpose, accessible, safe and well maintained.

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Issue Statement	Key Community Issues	How Goal and Objectives are addressed in BAMP
	Both indoor (such as Leisure Centre) and outdoor facilities are needed. Integrate technology into facilities and service delivery.	Levels of service allow Council to better define its service requirements and ensure they are met by new developments. Provision of 10-year capital improvement programs to reduce asset renewal gap and to ensure that assets are fit for the purpose they were intended for.

Table 8 - Council's Goals and how these are addressed in this Plan

3.4 Key Stakeholders

Assets controlled by Council are utilised by a broad cross-section of the community. It is critical that assets are maintained and renewed based on need and fit for purpose. Asset users are key stakeholders of this BAMP.

Table 10 identifies stakeholders where consultation is necessary when Council seeks input in relation to the determination of Levels of Service and intervention levels.

Stakeholder Group	Role or Involvement
Internal Stakeholders	
Elected Council	Custodian of the asset, with Councillors representing the residents and setting strategic direction as per the Corporate & Operational Plans.
Executive Team	To ensure that the Asset Management policy and strategy are being implemented as adopted, and to ensure that long-term financial needs to sustain the assets for the services they deliver are advised to Council for its strategic & financial planning processes.
Managers of the various Building & Property assets	As the designated Strategic Custodian of property assets, responsible for the overall management of the assets from planning, design, maintenance, capital works and monitoring and updating the plan and ensuring its outcomes are realised to achieve the levels of service being required from utilisation of the assets;
Engineering Department	Maintaining Council's asset registers and performing strategic predictive modelling analysis works to inform Council's Long Term Financial Plans and Capital Works Program. Responsible for coordinating the development and implementation of asset management processes and frameworks within the Council.
Finance Department	Ensuring that the asset valuations are accurate. Development of supporting policies such as capitalisation and depreciation. Preparation of asset sustainability and financial reports incorporating asset depreciation in compliance with current Australian accounting standards, AM, GIS support and admin.

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Stakeholder Group	Role or Involvement
Maintenance Department (Internal)	To ensure provision of the required/agreed level of maintenance services for asset components.
Information Technology Managers	To ensure that the relevant IT systems are functioning and that any data within the systems are secure, and its integrity is not compromised.
Risk Managers	To ensure that risk management practices are conducted as per Council policy and assist operations managers with advice on risk issues.
Internal Auditors	To ensure that appropriate policy practices are carried out and to advise and assist in improvements
External Stakeholders	
Community	General users of the various facilities.
Community User Groups	Users of facilities that have been dedicated to the provision of a specific service (e.g. Clubs, Child Care, Senior Citizens).
Service Providers	Those external bodies or agencies that provide services to the community utilising council owned buildings & facilities.
Maintenance Personnel (contractors)	To ensure provision of the required/agreed level of maintenance services for asset components.
Utility Service Providers	Agencies that provide utility services such as electricity, gas, water, sewerage and telecommunications necessary to facilitate services from a building.
State & Federal Government Depts	Periodic provision of advice, instruction and support funding to assist with management of the drainage network.
Council's Insurer	Insurance and risk management issues.

Table 9 – Key Stakeholders

3.5 Legislative Requirements

There are many legislative requirements relating to the management of Council assets. Legislative requirements that impact the delivery of Council building services include:

Legislation	Requirement
Local Government Act 1993	Sets out the role, purpose, responsibilities and powers of local governments. The purposes of this Act are as follows: (a) to provide the legal framework for an effective, efficient, environmentally responsible and open system of local government in New South Wales, (b) to regulate the relationships between the people and bodies comprising the system of local government in New South Wales, (c) to encourage and assist the effective participation of local communities in the affairs of local government,

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Legislation	Requirement
	(d) to give councils: • the ability to provide goods, services and facilities, and to carry out activities, appropriate to the current and future needs of local communities and of the wider public • the responsibility for administering some regulatory systems under this Act • a role in the management, improvement and development of the resources of their areas, (e) to require councils, councillors and council employees to have regard to the principles of ecologically sustainable development in carrying out their responsibilities. The land management provisions of the Act require that Council prepare plans of management for all community land. The plan of management identifies the management objectives for the land category, performance indicators and performance measures to meet the objectives identified.
Local Government Amendment (Planning and Reporting) Act 2009	Local Government Amendment (Planning and Reporting) Act 2009 includes the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Local Government Act – Annual Reporting Section 428(2)(d)	A report of the condition of the public works (including public buildings, public roads and water sewerage and drainage works) under the control of Council as at the end of that year; together with • An estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard; and • An estimate (at current values) of the annual expense of maintaining the works at that standard; and • The Council's programme for maintenance for that year in respect of the works.
Disability Discriminations Act, 1992	The Disability Act establishes a framework for providing support and services to people with disabilities throughout New South Wales.
Building Act 1993 & Building Regulations 2018	The Act sets out the legal framework for the regulation of construction of buildings, building standards and maintenance of specific building safety. The Regulations are derived from the Act and contain, amongst other things, the requirements relating to building permits, building inspections, records of maintenance inspections and service & repair works for essential safety, occupancy permits, and enforcement of the Regulations and maintenance of buildings. The Regulations call up the BCA as a technical reference that must be complied with.
Building Code of Australia (BCA)	A uniform set of technical provisions for the design and construction of buildings and other structures. It is fully performance based and allows for state variations to provide additional requirements or cater for specific community expectations. A performance based approach defines the way of achieving a specified outcome without

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Legislation	Requirement
	prescribing a particular method. This code has direct relevance for building maintenance, renewals and upgrades.
Work Health & Safety Act 2011	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. Council is to provide a safe working environment and supply equipment to ensure safety.
Environmental Planning and Assessment Act 1979	An Act to institute a system of environmental planning and assessment for the State of New South Wales. Among other requirements the Act outlines the requirement for the preparation of Local Environmental Plans (LEP), Development Control Plans (DCP), Environmental Impact Assessments (EIA) and Environmental Impact Statements.
Environmental Protection Act 1994	This act sets out requirements with respect to environmental protection.
Public Works and Procurement Act 1912	Sets out the role of Council in the planning and construction of new assets.
Heritage Act 1977	Provides for the protection and conservation of places and objects of cultural heritage significance and the registration of such places and objects.
Strathfield Development Control Plans	The primary purpose of a Development Control Plan (DCP) is to guide development according to the aims of the corresponding Local Environmental Plan (LEP).
Residential Tenancies Act 2010	This legislation defines the roles, responsibilities and obligations of landlords and tenants with respect to lease and hire of buildings.

Table 10: Legislation Relevant to Management of Building Assets

Regulations, Standards & Guideline requirements that impact the delivery of Council's building services are outlined below.

Regulation / Standard / Guide	Requirement
Integrated Planning and Reporting (IP&R) framework	All councils in NSW are required to work within the IP&R framework to guide their planning and reporting activities. IP&R provides a pathway for elected representatives to: • work directly with their community to identify long-term priorities for local identity, growth and lifestyle; • understand the range of services the community wants, the service standards they expect and the infrastructure that will be required; • report to the community on their success in achieving these goals; and • be assured that their council is meeting planning, consulting and reporting requirements under other laws.

Regulation / Standard / Guide	Requirement
Environmental Planning and Assessment Regulation 2000	Fire safety systems are required in commercial, industrial & public buildings to ensure the safety of occupants in the event of a fire or emergency. The Act includes provisions relating to fire safety and matters concerning the Building Code of Australia (Part 9).
ISO 55000 Suite, 2014	The International Organization for Standardization's *ISO 55000:2014 Asset Management* (ISO 55000) provides a global guide to better practice in asset management, including asset information management. ISO 55000 specifies that entities should align information requirements to asset management needs and risks, along with requirements for collecting, managing, evaluating, and ensuring consistency and availability of information for asset management decision-making.
Australian Accounting Standards Board (AASB)	Provides direction and guidance on the financial and reporting expectations of entities, to ensure a consistent approach to accounting records. The following regulations apply to Council: AASB 116 Property, Plant & Equipment – prescribes requirements for recognition and depreciation of property, plant and equipment assets. AASB 136 Impairment of Assets – aims to ensure that assets are carried at amounts that are not more than their recoverable amounts. AASB 1021 Depreciation of Non-Current Assets – specifies how depreciation is to be calculated. AAS 1001 Accounting Policies – specifies the policies that an organisation is to have for recognition of assets and depreciation. AASB 1041 Accounting for the reduction of Non-Current Assets – specifies the frequency and basis of calculating depreciation and revaluation basis used for assets; and AAS 1015 Accounting for the acquisition of assets – method of allocating the value to new assets on acquisition.
All other relevant Australian Standards	AS/NZ Standards such as Risk Management Standard.
All Local Laws and relevant policies of the Organisation	Construction standards, Maintenance contracts, etc.
International Infrastructure Management Manual, Sixth Edition, IPWEA, V6.0, 2020	The IIMM has been developed with public and private sector industry input from Australia, New Zealand, the United States Canada, South Africa and the United Kingdom to promote best asset management practice for all infrastructure assets.

Table 11: Regulations & Standards Relevant to Management of Building Assets

The following is a summary of policies relevant to this asset class. Many of these policies are available from Council.

Policy	Requirement
Asset Accounting Policy	To define Strathfield Council's asset classes and associated methodologies in capturing and recording asset related information, guided by relevant accounting and industry standards as well as legislation.
Asset Management Policy 2022	The Policy acknowledges Council's commitment to asset management and provides a consistent asset management approach with clear principles and guidelines in order to manage Council's assets for the current and future community. It establishes a framework to ensure a structured, coordinated, cost effective and financially sustainable approach to asset management across the organisation.
Risk Management Policy 2021	The Policy acknowledges that Council will adopt a structured and disciplined approach to risk management by developing and implementing cost effective measures to reduce litigation, claims and the cost of losses in accordance with International Standard AS/NZS ISO 31000-2018 and the principles of Enterprise Risk Management (ERM).

Table 12: Policies Relevant to the Management of Building Assets

3.6 Level of Service

It is considered that this BAMP has improved the level of sophistication in the documentation of the levels of service that will be delivered by Council's building assets. The levels of service delivered by Council's buildings have been documented considering the expectations of Council's residents/customers. This has required a clear understanding of customer needs, expectations and preferences that will be explored in this Section and continually reviewed and updated as required in future BAMP iterations.

The levels of service defined are intended:

- to inform customers and Council of the proposed type and level of service to be offered;
- to enable customers and Council to assess suitability, affordability and equity of the services offered;
- to measure the effectiveness of the services provided by Council; and
- to identify the costs and benefits of the services offered.

Council has defined two tiers of levels of service, which are based on:

Community Levels of Service – what Council expects to provide in terms of key customer outcomes based on perceptions of expected quality and future financial allocations:

- Appropriateness of service;
- Accessibility to users 24 hours a day, 7 days a week;
- Affordability – acknowledging that Council can only deliver what it can afford; and
- Relevance of the service being provided – in terms of demand characteristics, future demographics, current backlogs and where the pressure points are.

Technical Levels of Service – which relates to the outputs the customer receives:

- What Council will do in real terms, i.e. reliability, functionality and adequacy of the services provided. Typically, this BAMP has documented Council's standards – i.e. at what point will Council repair, renew or upgrade to meet the customer outcomes listed in the strategic levels; and
- Technical Levels of Service have been defined for each of the following:
  - New Asset – If Council provides new Building assets, then what design and maintainability standards shall apply to make them meet Council's strategic outcomes;
  - Upgraded or Reconstructed Asset to original standard - If Council upgrades or reconstructs Buildings, what design and maintainability standards shall apply to make them meet Council's strategic outcomes; and
  - Maintenance – When will Council intervene with a maintenance repair and what will be Council's responsiveness in terms of customer requests for maintenance faults.

The levels of service that have been adopted are considered reasonable as demonstrated by industry standards and benchmarks.

3.6.1 Customer Levels of Service

Council's Customer Levels of Service that have been adopted for this BAMP are detailed as follows:

Key Performance Measure	Level of Service	Performance Measure	2022 Performance
COMMUNITY LEVELS OF SERVICE			
Safety	Legislative Compliance Ensure all Council buildings comply with all relevant regulatory requirements	Regular Compliance Audits including: AFSS (Annual Fire Safety Statements) Backflow testing TMV's testing Emergency Lighting and Exit Signs audits	Data to be collected.
Safety	Buildings are routinely inspected for hazards and risk	No. of reportable incidents due to building defects per year <= 2	Data to be collected.
Safety	Legislative Compliance - Asbestos	An up-to-date Asbestos Register is available for each building in accordance with the applicable Occupational Health and Safety Regulations.	Data to be collected.
Quality	Well maintained and suitable Buildings	<1000 requests per annum in relation to maintenance requests.	Data to be collected.
		<100 requests per annum in relation to renewal and maintenance requests.	Data to be collected.
Quality	Heritage Preservation	Each Council building listed on the NSW Heritage Register is preserved and maintained per its Conservation Management Plan.	Baseline audit yet to be undertaken.
Availability and Accessibility	Building assets will be available and accessible during normal operating business hours	95% Compliance. In the instance where a building is closed to users for reasons such as maintenance, upgrading, renewal or a Council related public event or non-Council events, then	Data to be collected.

Key Performance Measure	Level of Service	Performance Measure	2022 Performance
		appropriate notification shall be given to relevant users in accordance with Council's public information policy.	
Customer Satisfaction	Building assets meet community needs	>=65% community survey satisfaction score	Data to be collected.
Environment	A commitment to continually improve environmental efficiencies, reduce dependence on foreign oil and fossil fuels that emits greenhouse gases and promote sustainability	Reduction in power consumption by using solar panels and LED lighting. All high use energy consumption buildings will be fitted with solar panels and LED lighting by 2030, wherever possible.	Baseline audit yet to be undertaken.
Utilisation	Buildings are used to their full potential (high volume service provider)	Annual assessment of usage levels and buildings used within capacity	Baseline audit yet to be undertaken.

Table 13 - Customer Levels of Service

Over time these standards and levels of service will be further enhanced and may differ between customer segments and between buildings.

It is therefore important to consider for future BAMP revisions, if different customer groups need to be identified and if the results of future customer surveys need to be aggregated by customer types.

3.6.2 Technical Levels of Service

Supporting the community service levels are technical measures of performance.

As Council is responsible for a large number and range of property types it has been determined that different standards are necessary for different building functions. For example, the service provided at an operational building would be lower than that provided by a library or childcare facility. Each of the buildings/structures within Council's building portfolio has been assigned to one of these five categories as documented in Table 20 - Asset Criticality / Hierarchy for Buildings.

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Technical service measures are linked to annual budgets covering operations, maintenance, renewal and upgrade activities as defined in the Lifecycle Management Section.

Key Performance Measure	Level of Service	Performance Measure	2022 Performance
TECHNICAL LEVELS OF SERVICE			
Accessibility	Buildings comply with relevant minimum accessibility standards relative to building function	Compliance of available facilities with current standards relative to building function	Baseline audit is yet to be undertaken.
Condition	**Service Level 1** - Condition assessment of Building network every 3-4 years	Average network condition <= 2 out of 5 and with < 5% of stock in condition state 5.	1.9 out of 5 0% in condition state 5
	Service Level 2 - Condition assessment of Building network every 3-4 years	Average network condition <= 3 out of 5 and with < 5% of stock in condition state 5.	2.4 out of 5 0.44% in condition state 5
	Service Level 3 - Condition assessment of Building network every 3-4 years	Average network condition <= 3 out of 5 and with < 10% of stock in condition state 5.	2.4 out of 5 9% in condition state 5
	Service Level 4 - Condition assessment of Building network every 3-4 years	Average network condition <= 3.5 out of 5 and with < 5% of stock in condition state 5.	2.4 0% in condition state 5
	Service Level 5 - Condition assessment of Building network every 3-4 years	Average network condition <= 3.5 out of 5 and with < 10% of stock in condition state 5.	2.2 0% in condition state 5

Table 14 - Technical Levels of Service

4 Future Demand

This section identifies the effect of expected growth and consequent demand on Council's building asset infrastructure. Forecasting future demand is essential in determining lifecycle management for assets. The management of building and facilities assets is directly affected both by growth in the number of assets and growth in the resident as well as visiting populations.

4.1 Demand Drivers

Drivers affecting building assets demand include factors such as population change, changes in demographics, technological changes and environmental changes. Building assets within the Council area must serve both the local resident population needs as well as the commuter and visitor needs.

4.2 Demand Forecasts

The present position and projection for demand drivers due to population growth that may impact future service delivery and utilization of assets are identified and documented in the table below:
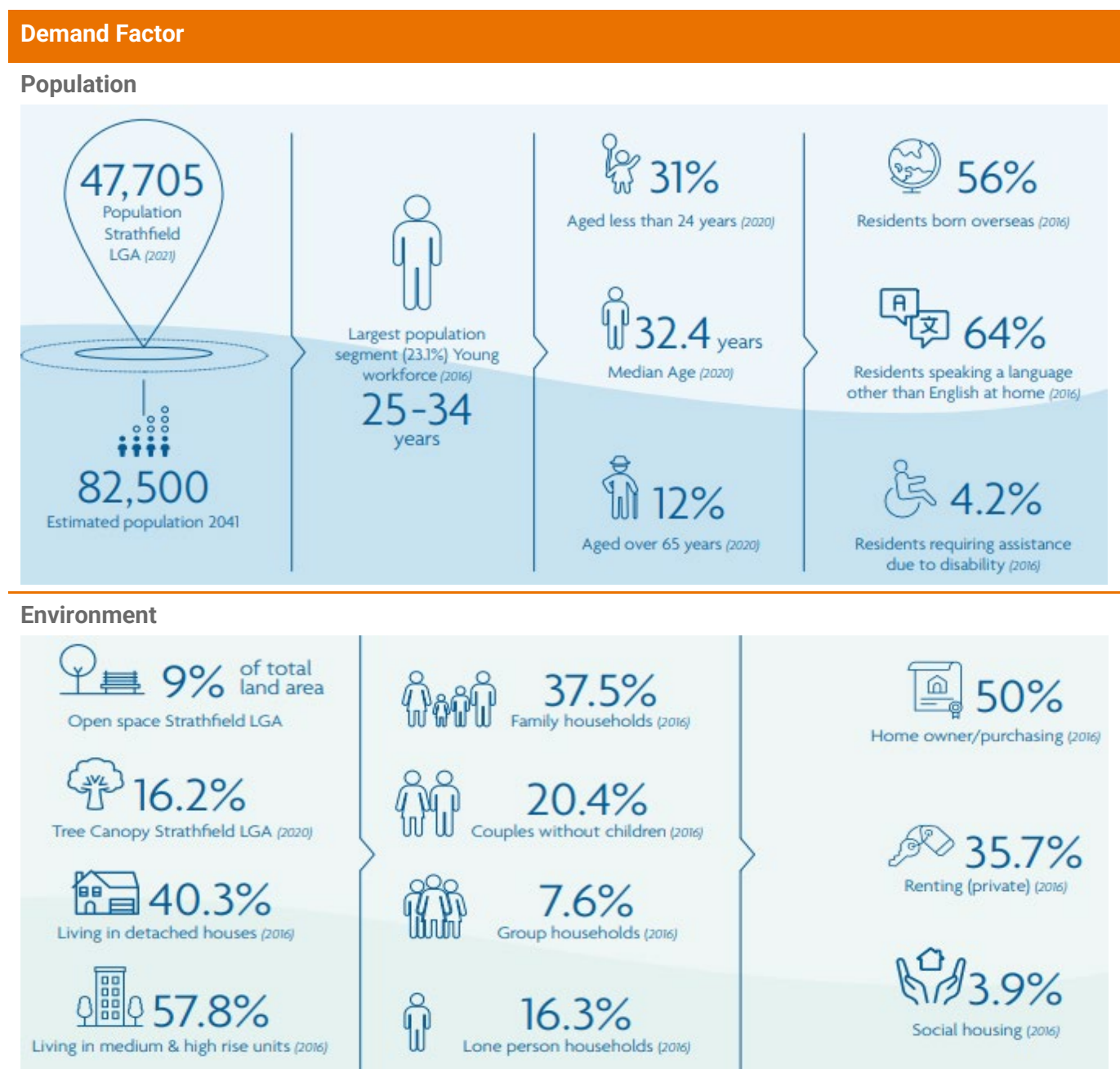
Demand Factor

Population

Environment

Table 15 - Demand Factors, Projections and Impact on Services

Strathfield Council's estimated residential population is 47,705 (2021). The LGA is experiencing a significant and steady increase in population, primarily in response to greater housing supply in the form of new unit developments located near major transport hubs and along Parramatta and Liverpool Roads. The NSW Governments population target for Strathfield LGA is 82,500 people by 2041 residing in around 30,000 dwellings. The population is expected to increase by roughly 73%.

The emerging needs of the population growth suggests that demand for facilities will need to cater for demand drivers over the following 10 years as illustrated in Table 17.

Demand Driver	Impact on Services
Increase of population and population density.	General increase in demand for all building services.
Growing number of families in the area.	Increase need for quality family care, libraries and recreation facilities.
Climate change will see an increased risk of extreme weather events including storm events, heatwave, flooding, sea-level rise and fire events.	There will be an increase in structural damage caused by extreme events and an increase in deterioration rates of building assets. Introducing climate risk assessments will determine the impact on building performance and useful lives.
Sustainability	Introducing new sustainability technology when renewing and upgrading buildings will ensure that ratepayers' dollars go further meaning the cost savings can be put towards improving additional buildings.

Table 16 – Demand Drivers, Projections and Impacts on Services

The community has significant concerns about population and housing growth and their impact on the local area. Impacts range from increasing demand for transport, parking and additional traffic congestion, demand for new and upgraded local facilities and infrastructure to support new populations with diverse needs and the impact of new development on the built and natural environment and streetscapes of the Strathfield LGA.

4.3   Changes in Technology

Council is continuously monitoring new asset treatments that may be available to increase the life of its assets. Table 18 details technology changes that are forecasted to affect the delivery of services covered by this plan.

Technology Change	Effect on Service Delivery
Improvement in techniques and materials	Changes in methodology, longer life materials and better rehabilitation techniques enable building assets to be maintained and managed more cost effectively, with a potentially longer useful life.
Low energy design	Increased efficiencies of low energy design therefore certain new building designs for example lights can incorporate energy efficient and sustainable practices.
Solar Power	Installation of buildings with solar power panels will reduce greenhouse gas emissions.
Asset Information System	Improved information systems for mapping, recording information and managing assets. Adjustment of the building inspection regime to match the amount of public usage and deterioration on certain components for example kitchen and toilet fitouts and floor coverings.
Material	Moving away from timber especially CCA treated products to materials with a longer asset life such as recycled plastic.

Table 17 – Changes in Technology and Forecast on Service Delivery

These technological factors need to be assessed in determining the scoping requirements for maintenance works, renewal, upgrade and new building projects. There will be changes to asset management technology, in particular the monitoring and data collection roles. These upgrades in technology may require consideration of modifications to service levels as and when appropriate.

4.4   New Assets from Growth

At present Council seeks to negotiate with developers to provide more affordable housing with the management of these properties outsourced. Council envisages that over the following 10 years, it will acquire new buildings and/or construct new buildings to meet demand needs, however, these have yet to be quantified and will be reflected in future BAMP revisions as details become available.

As additional information becomes available with regards to new growth and development areas, Council will continue to identify the community infrastructure needs, and masterplans and these will be included in future revisions of this BAMP.

It is important to note that when new assets are acquired, or assets are expanded or upgraded, this results in an increase in commitment of annual operational and maintenance funding to ensure continued service delivery of the asset over its lifecycle.

4.5   Demand Management Plan

The demand for building assets at Council will increase proportionally with the predicted population growth and predicted demographic changes. This is also in line with the community expectation where the provision of swimming pools and aquatic centres, community centres and facilities, childcare services, libraries and protection of heritage buildings is of importance to the community.

Demand for new services will be managed through a combination of managing existing assets, upgrading 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. Opportunities identified to date for demand management are shown in Table 19. Further opportunities will be developed in future revisions of this BAMP.

Service Activity	Demand Management Plan
Increase in demand for all services	• Encourage sharing of existing buildings to maximise the utilisation allows planning for optimum use of all buildings. • Review existing facilities to ensure continuing suitability. • Investigate possibility of developing a Community Asset Needs (CANS) Strategy to identify areas and assess needs. • Document a Social Infrastructure Plan framework that will drive future CAN reviews.
Improved access to services required	• Upgrade existing building access over time and ensure new or upgraded buildings are Disability Discrimination Act compliant.
Increased need for maintenance and renewal costs	• Review and document levels of services after consultation with the Service Managers and the community. • Incorporate total asset lifecycle costings into asset management. • Procure large services contracts to get better economies of scale to minimise costs.
Changing service needs and changing building requirements, particularly relating to accessibility.	• Plan new projects to incorporate best practice and review compliance and accessibility needs for existing sites. Prioritise upgrade projects which have the most positive impact.
Community expectations	• Monitor community expectations through annual and targeted community surveys or deliberative engagement.

Table 18 - Demand Management Plan Summary

5 Risk Management Planning

5.1 Asset Criticality / Hierarchy

To manage Council's building assets more effectively, they have been categorised based on the level of importance and criticality.

The Building hierarchy adopted by Council takes into account the varying risk and service levels associated with the building asset portfolio and is summarised as follows:

Criticality / Hierarchy	Description	Example Building Type
Level 1	• High level of management and service being a highly important facility to both the Community and Council. • Community has high expectations on proper maintenance and management. • Building aimed to serve a wider community including patrons outside of the LGA. • Or building utilisation or occupancy on average higher than 80%.	Community Centre, Library, Administration Major, Aquatic Centre
Level 2	• High to moderate level of management and service being an important facility to both the Community and Council. • Community has high expectations on proper maintenance and management. • Building typically aimed to serve community within LGA. • Or building utilisation or occupancy on average between 60% to 80%.	Childcare, Community Centre, SES, Administration
Level 3	• Average level of management and service being a medium importance facility to both the Community and Council. • Community has medium expectations on proper maintenance and management. • Building aimed to serve community within LGA. • Or building utilisation or occupancy on average between 40% to 59%.	Amenities, Public Halls, Recreational, Commercial Lease, Residential
Level 4	• Reasonable level of management and service being a medium importance facility to both the Community and Council. • Community has low expectations on proper maintenance and management. • Building uses for Council operational services and/or aimed to service community within surrounding suburbs.	Operational, Storage, Amenities

Criticality / Hierarchy	Description	Example Building Type
Level 5	• Reasonable level of management and service being a low-level importance facility to both the Community and Council. • Community has negligible expectations on proper maintenance and management. • Building used typically for Council operational services.	Operational, Storage, Caretaker Residence

Table 19 - Asset Criticality / Hierarchy for Buildings

5.2 Risk Management Plan

Council has recognised the need to develop a corporate Risk Management Policy which sets the overall framework for addressing risk within the context of International Standard ISO31000-2018, Risk management – Principles and Guidelines.

Risk Management is defined in ISO31000:2018 as: 'coordinated activities to direct and control with regard to risk'.

The development and adoption of this Policy outlines Council's commitment to manage its resources and responsibilities in a manner which is intended to minimise harm or loss. The elements of this framework are illustrated in Figure 8.

Figure 8 – Strathfield Council Enterprise Risk Management Framework, Source: Council Risk Management Policy 2021

5.3   Risks Assessment

Council has developed an asset criticality, giving higher importance to risk assessment and the appropriate levels of inspection and maintenance for each classification as documented in Table 20.

Critical assets are those which have a high consequence of failure causing significant loss or reduction of service. Similarly, critical failure modes are those which have the highest consequences. By identifying critical assets and failure modes, investigative activities, condition inspection programs, maintenance and capital expenditure plans can be targeted at the critical areas. Activities may include items such as increased inspection frequency and higher maintenance intervention levels.

5.3.1   Risk Plan

As a result of this BAMP revision, an assessment of risks associated with service delivery from Council's building assets has identified the critical risks that will result in significant loss, 'financial shock' or a reduction in service.

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 cost after the selected treatment plan is implemented is shown in Table 21.

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk	Treatment / Costs
Childcare facilities	Closure of facilities and alternate care requirements for infants. Failure to provide Service Delivery	High	Ensure facilities are maintained and comply with relevant Legislation and Australian Standards.	Medium	Routine maintenance and inspections are carried out. Reactive maintenance requests are reviewed and actioned within appropriate time frames.
All Buildings	Fire	High	Ensure that all Council buildings comply with relevant Legislation and Australian Standards relating to Fire Safety & Evacuation Procedures.	Medium	Undertake annual fire equipment maintenance and building fire certification using annual operating budgets. Seek additional capital funds to support any identified additional requirements. Estimated cost per annum $25k.

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk	Treatment / Costs
All Buildings	Electrical Fault / Electrocution	High	Any known electrical faults and deficiencies are repaired as a High Priority. Regular Tagging & Testing of Electrical equipment in hostile environments to comply with requirements of Australian Standards Upgrade all switchboards and install Residual Current Devices (RCD's) on all power circuits (to meet WH&S requirement 1 Jan 2013).	Medium	Annual tagging and testing of equipment carried out by external service providers. Estimated cost per annum $15k.
All Building	Structural Failure	High	Adopt a systematic inspection regime to regularly assess the structural integrity of critical building elements.	Medium	Undertake building asset inspections every 4 years. Estimated cost per inspection cycle $60k.
All Building	Flooding	High	Identify buildings that are impacted by severe flooding and plan for remediation works where possible and/or prepare evacuation plans.	Medium	Undertake analysis of critical impacts, building RLs and areas. Costs to be determined.

Table 20 – Critical Risks and Treatment Plan

6   Financial Summary

The provision of adequate financial resources ensures that Council's building assets are appropriately managed and preserved. Financial provisions below requirements impact directly on community development and if prolonged, results in substantial needs for "catch up" expenditure imposed on the community in the future. Additionally, deferred renewal results in increased and escalating reactive maintenance as aged assets deteriorate at increasing rates.

6.1   Forecasted Funding Requirements

The objective of this Section has been to model the deterioration of Council's building assets portfolio, by developing a simulation model using predictive modelling software.

This process typically involves setting up lifecycle paths for each building asset / component, along with their inspected condition, identifying the appropriate treatments and unit rates to deliver these treatments and configuring the treatment

rule base (matrices based on selected condition criteria that when matching will drive a treatment based on the condition).

By utilising the above process and setting up the criteria and logic within the predictive modelling software, it is possible to model the future costs of Council's building asset portfolio renewal requirements and to predict the future condition of these assets under varying funding scenarios.

6.2   Funding Scenarios

The 2022 strategic modelling analysis predicts the deterioration of Council's building asset portfolio by calculating the results of different funding options, utilising a core dataset that is current as at 2022. The length of time predicted for each funding option is for a period of 10 years until the year 2033. The results of the analysis have been graphed in Figure 9.

The condition graphs in Figure 9, illustrates the predicted results of the building asset portfolio modelling analysis for each of the different funding options. These funding options are described in Table 22 – Predictive Modelling Funding Options.

The current average condition[7] as at 2022 for the entire building asset portfolio is an average condition of 2.1 out of 5. Refer to Table 7 – Asset Condition Rating Guidelines for condition descriptions.

Financial Option	Description
Option 1	This funding option models how the building asset portfolio condition would improve or deteriorate and resulting maintenance funding needs, if Council were to fund the current proposed capital works financial allocation over the following 10 years.
Option 2	This funding option identifies and models the current building asset portfolio at the necessary funding levels each year in order to maintain current levels of service at the end of 10 years.
Option 3	This funding option identifies and models the current building asset portfolio at the necessary funding levels each year to ensure there are no assets in poor and very poor condition in year 10.

Table 21 – Predictive Modelling Funding Options

The net strategy comparison outcomes of the financial options that have been modelled are detailed in the table below:

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7 The sum average of every building component within Council's building portfolio.

	Initial Backlog ($,000)	Initial Condition	Backlog at Yr 10 ($,000)	Condition at Yr 10	Total Lifecycle Cost ($,000)	Change in Backlog ($,000)	Net Strategy Cost ($,000)
Buildings							
Option 1 - Current Budget	$2,767	2.22	2,681	2.14	$19,631	-$86,678	$19,554
Option 2 - Desired LOS	$2,767	2.22	$107	1.94	$22,127	-$2,660	$19,466
Option 3 - Zero PVP Target	$2,767	2.22	$0	1.92	$22,993	-$2,767	$20,225

Table 22 – Predictive Modelling Funding Options - Net Strategy Comparison

6.3 Forecast 10-Year Capital Renewal Funding

Funding the current budget levels detailed in the current LTFP (Option 1) will result in Council delivering slightly lower than current levels of service into the future. It is predicted that there will be a slight improvement in the average condition state from 2.22 to 2.14, which equates to slight decrease in backlog from $2.77M to $2.68M by year 2033.

The funding strategy (Option 2) predicts that to improve existing average condition into the future, that current funding levels could be increased slightly by around $2.5M over the following 10 years. It is predicted that by adopting this funding option, that the average condition state of 2.22 will be improved to 1.94 by year 2033. This funding strategy also predicts that there will be an $2.6M decrease in backlog from $2.77M to $107K by year 2033.

Funding Option 3 predicts that to ensure there are no assets in poor and very poor condition in year 10, the current funding levels could be increased by $3.3M over the following 10 years. It is predicted that by adopting this funding option, that the average condition state of 2.22 will be improved to 1.92 by year 2033. This funding strategy also predicts that there will be an $2.7M decrease in backlog from $2.77M to $0 by year 2033.

Either funding Option 1, Option 2 or Option is preferable for this BAMP. Council has chosen to adopt Option 2 Desired Level of Service.
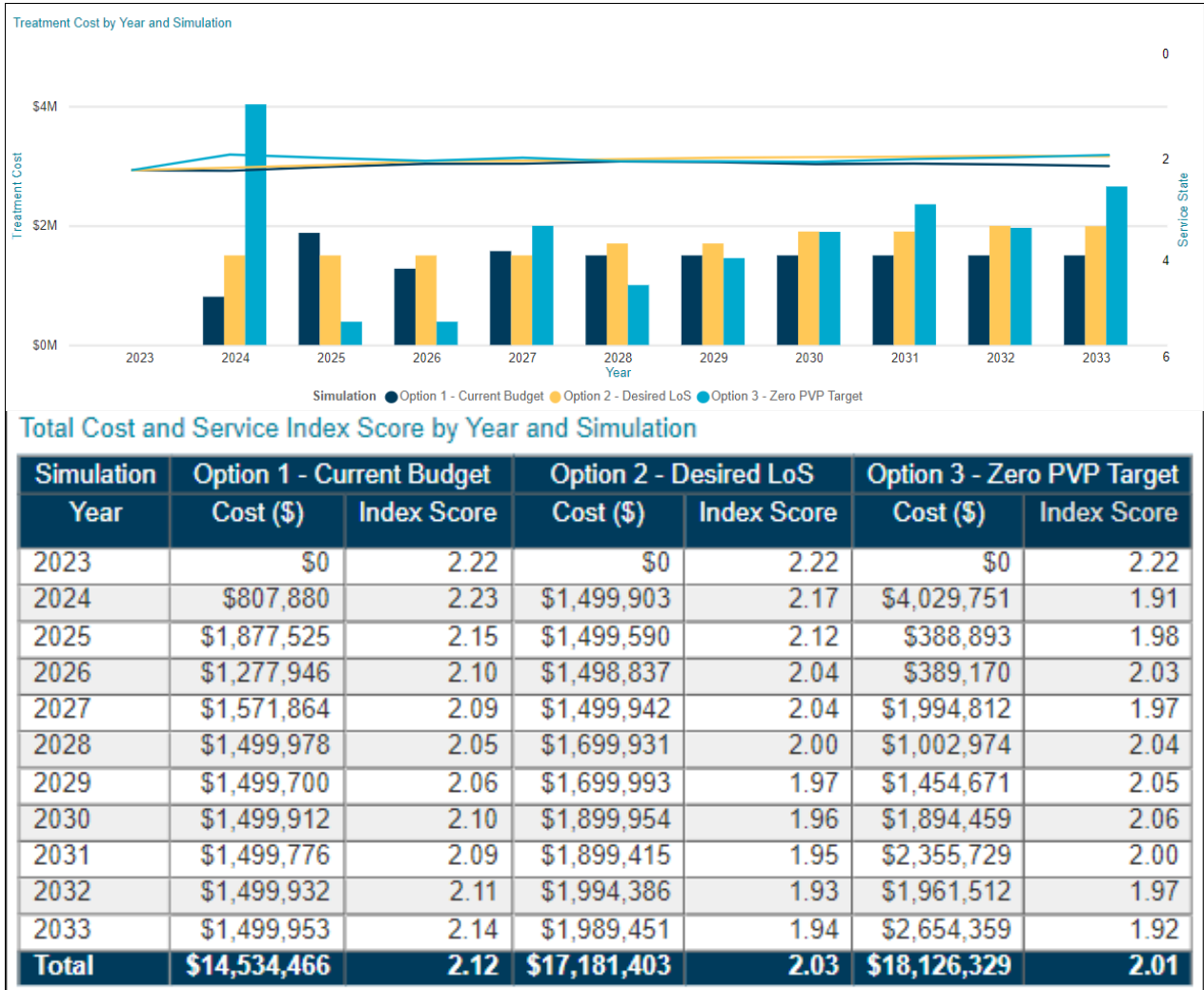
Treatment Cost by Year and Simulation

Total Cost and Service Index Score by Year and Simulation

Simulation	Option 1 - Current Budget		Option 2 - Desired LoS		Option 3 - Zero PVP Target	
Year	Cost ($)	Index Score	Cost ($)	Index Score	Cost ($)	Index Score
2023	$0	2.22	$0	2.22	$0	2.22
2024	$807,880	2.23	$1,499,903	2.17	$4,029,751	1.91
2025	$1,877,525	2.15	$1,499,590	2.12	$388,893	1.98
2026	$1,277,946	2.10	$1,498,837	2.04	$389,170	2.03
2027	$1,571,864	2.09	$1,499,942	2.04	$1,994,812	1.97
2028	$1,499,978	2.05	$1,699,931	2.00	$1,002,974	2.04
2029	$1,499,700	2.06	$1,699,993	1.97	$1,454,671	2.05
2030	$1,499,912	2.10	$1,899,954	1.96	$1,894,459	2.06
2031	$1,499,776	2.09	$1,899,415	1.95	$2,355,729	2.00
2032	$1,499,932	2.11	$1,994,386	1.93	$1,961,512	1.97
2033	$1,499,953	2.14	$1,989,451	1.94	$2,654,359	1.92
Total	**$14,534,466**	**2.12**	**$17,181,403**	**2.03**	**$18,126,329**	**2.01**

Figure 9 – Forecast 10-Year Capital Funding Analysis and Average Condition by Year

2023-24 ($,000)	2024-25 ($,000)	2025-26 ($,000)	2026-27 ($,000)	2027-28 ($,000)	2028-29 ($,000)	2029-30 ($,000)	2030-31 ($,000)	2031-32 ($,000)	2032-33 ($,000)
New/Upgrade[8]									
$5,805	$5,805	$2,114	$2,114	$2,114	$2,114	$2,114	$2,114	$2,114	$2,114
Renewal									
$1,500	$1,500	$1,499	$1,500	$1,700	$1,700	$1,900	$1,899	$1,994	$1,989
Total Capital									
$7,305	$7,305	$3,613	$3,614	$3,814	$3,814	$4,014	$4,013	$4,108	$4,103
Maintenance & Operational									
$1,776	$1,729	$1,747	$1,741	$1,750	$1,767	$1,778	$1,789	$1,810	$1,821

Table 23 – Recommended 10-Year Funding Strategy

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[8] This funding plan will be reviewed in conjunction with the next BAMP update in 2026. As new information becomes available on building project needs from the Service providers, growth demand needs and asset lifecycle, these will be reflected in the 10-Year Funding Strategy.

6.4   Financial Ratios

Asset management ratios provide insight into an organisation's performance and success in managing its assets. Council's asset management ratios for its asset portfolio calculated as at 30 June 2022 are shown in Table 25 – Key Asset Management Ratios.

Ratio	Description	Calculation	Target	2022 Performance
Asset Renewal Funding Ratio	The extent with regards to how the organisation is funding their capital works program when comparing allocated capital works expenditure with the desired expenditure which has been derived from prediction modelling and/or service level agreements.	Funded capital expenditure on renewals divided by the planned/desired capital expenditure.	>75%	100%
Remaining Service Index Ratio	The overall health of the organisation's asset stock in terms of measuring past asset consumption, via the amount of accumulated depreciation. The lower this ratio is, the more the asset stock has been consumed, which also indicates that not enough capital expenditure has been allocated to the asset.	Written down value (Current Value of the portfolio) divided by the total current replacement value.	>70%	68% (Buildings, Structures)
Maintenance Sustainability Ratio	Measures the level of maintenance funding spent per annum, as a % of asset replacement value on the asset portfolio.	Total maintenance funding per annum / Total Replacement Value, expressed as a percentage.	2-5%	2.7%

Table 24 – Key Asset Management Ratios

7   Plan Improvement and Monitoring

This section outlines how Council will measure its asset management performance. The identified action items in Table 27 will enable Council to improve its asset

management capability, to enhance asset value and deliver more for stakeholders while balancing cost, risk and performance.

7.1 Assumptions

The key assumptions made in this BAMP and risks that these may change are shown below.

Key Assumption	Risk of Change to Assumption / Impact to Model
Building asset and component conditions reflect the assets current condition as at 2022.	Low
The allocation of renewal funds have been based on the asset replacement costs developed as part of the valuations in June 2022.	Medium to Low
Maintenance funding levels will be progressively increased to represent as a minimum, 3% of the asset base replacement value or at the very least maintained at current levels.	Medium
The funding needs for new &/or upgrade building assets will be identified via studies, masterplans and funding sought from grants and/or developer contributions. As identified, these will be incorporated into future BAMP revisions.	Medium
Capital renewal treatments are like for like and do not account for additional costs to upgrade and/or utilise new technologies and materials.	Medium to Low
Current Levels of Service are considered appropriate and meet community needs.	Medium
Existing Essential Safety inspections and maintenance contracts will not change.	Medium
Asset register currency pertaining to asset quantities.	Low
Network strategic condition inspections will be funded on a 3-4 year cyclic basis and incorporated into the Operational budget.	Low
Current human resource plan will not change in the near future.	Low

Table 25 – Key Assumptions made in BAMP and Risks of Change

7.2 Improvement Plan

The Asset Management Improvement Plan which is set out in Table 27 below details the key improvement tasks. Completion of these tasks will improve Council's asset management capabilities for this asset class.

OFFICIAL-Sensitive

Buildings Asset Management Plan 2023-2033

Task No	Improvement Items	Responsibility	Timeline
1.	Setup an Asset Management Steering Committee.	Cathy E/ Param	June 2023
2.	Develop a Building responsibility matrix with a view to identify and streamline roles and responsibilities.	Cathy E /Param	June 2023
3.	Formally document the rule bases which reflect the policy decisions that Council employs to determine when they will select building assets for inclusion on their capital works program.	Param	June 2023
4.	Review and formally document the current operations and maintenance Levels of Service with regard to all building assets owned or maintained by Council. These activities should take into account the building function, legislative requirements and utilisation needs when documenting activities and response times.	Chris R/ Param	December 2023
5.	Review and formally document Council's building condition assessment manual methodology framework. Review should incorporate assessment of building components (such as floor coverings, mechanical, electrical etc) within assessment to assist with long-term strategic planning outcomes.	Chris R /Param	December 2023
6.	Develop and implement an asset handover process to enable 100% asset data capture of new building assets gifted or constructed by others and those renewed, to be captured in Council's asset register on an annual basis.	Param	December 2023
7.	Review and update activities within the Customer Request Management System following development of maintenance service levels and develop reports to measure performance in accordance with the levels of service documented in Section 3.5.1. Incorporate activity to capture resident request for renewal, upgrade or new requests.	Chris R	June 2024
8.	Review and formally document the criticality framework which will be incorporated into the asset register and second-generation prediction models.	Param	June 2024
9.	Ensure that new asset needs identified strategies, reports and other studies are reflected in future BAMP and the LTFP.	Param	June 2026

Task No	Improvement Items	Responsibility	Timeline
10.	Implement and schedule network wide building condition assessments on a 4-year cycle, to coincide with Council's building revaluation requirements.	Param	On-going
11.	Explore opportunities for future community surveys to incorporate additional specific questions to the community regarding building assets, to identify and measure the importance and performance in delivering this service to the community.	Param	On-going
12.	Review financial forecasts annually as better data becomes available, update and submit any supporting budget bids.	Francis /Param	On-going
13.	Review resourcing plan to ensure adequate human resources are available to deliver this BAMP.	Cathy E	On-going

Table 26 – Improvement Actions

7.3   Monitoring and Review Procedures

The BAMP has a planning horizon of 10 years, and it is based on details documented within the Asset Management Strategy. The BAMP will be reviewed and updated in the year following Council Local Government elections.

This BAMP will be reviewed and amended to recognise any changes in service levels, needs arising from strategies, studies and master plans and/or resources available to provide those services as a result of the budget decision process.

7.4   Performance Measures

The effectiveness of this BAMP will be measured and monitored on the basis of annual strategic Council indicators as follows:
- The performance of Council against the Levels of Service documented in this BAMP; and
- Performance against the Asset Management Ratios.