CITY OF
TEA TREE GULLY
Naturally Better

2020
Buildings
Asset Management Plan

Asset management plans (AMPs) are used to guide the planning, construction, maintenance and operation of our built environment.

These plans are key components of our Long-Term Financial Plan and include detailed information about each asset and define which services will be provided, how they will be provided and what funding is required to cost-effectively deliver them over a 10-year period.

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Introduction

The City of Tea Tree Gully's building assets provide valuable services that are part of our community's everyday life. They have been established over a long period of time and must be properly maintained and developed to ensure continued community benefit.

The primary purpose of our building assets is to facilitate and support the delivery of community services and associated benefits to our community.

This asset management plan is used to guide the planning, construction, maintenance and operation of Council's building assets.

It details our approach to managing our building assets, future demand and risk, and our compliance with regulatory requirements. It also identifies the estimated capital expenditure necessary to provide building assets and associated services to the community over a 10-year period.

Our goal in managing our building assets is to meet the required service levels in the most cost-effective manner for present and future customers. This means timing building renewals before unplanned maintenance costs become excessive, but not so soon that assets are renewed before it is really needed.

Our building asset network includes service delivery centres (Civic Centre and Service Centre), Waterworld Aquatic Centre, recreational centres, community centres, sporting facilities, public toilets and storage sheds. The total current replacement cost of these assets is about $117.8 million.

While community satisfaction with City of Tea Tree Gully buildings and associated community services offered is very promising, there is still room for improvement.

Approximately $4.27 million is required each year to maintain, operate, renew and upgrade our building assets in accordance with our current service levels.

Actual annual expenditure will vary from year to year as we acquire more assets, build new assets and undertake major renewal works.

This asset management plan should be read in conjunction with Council's key strategic management, planning and policy documents, including our Asset Management Policy, Long-Term Financial Plan and Annual Business Plan and Budget.

Collectively, these plans support the achievement of our vision for our City – *A thriving community that enjoys a quality lifestyle that values its people and natural environment*.

This plan is reviewed annually, with a full update completed every four years.

We incorporate community feedback into our Asset Management Plans through information provided via our annual community survey, the review of common customer requests, and formal community engagement.

Visit cttg.sa.gov.au/amp to view all of our asset management plans.

Buildings profile

Asset quantity

2 Service delivery sites	18 Sporting facilities
1 Aquatic centre	16 Public toilets
3 Recreation centres	20 Amenity facilities
29 Community facilities	75 Storage buildings

- Service delivery buildings - $40.52 million
- Recreational buildings - $20.73 million
- Community buildings - $19.56 million
- Sporting buildings - $17.6 million
- Waterworld Aquatic Centre - $9.7 million
- Public toilets/Amenity buildings - $5.89 million
- Storage buildings - $2.72 million
- Residential buildings - $0.64 million
- Other structures & equipment - $0.44 million

Service levels

The current building asset service levels are driven by Council's strategic plan and vision for the City, legislative requirements and community research.

Service level drivers

Community insight

Our annual Community Survey along with customer request data allows us to understand resident satisfaction with our asset management program and provides guidance for continuous improvement.

While suggested improvements may not directly relate to the maintenance or renewal of an asset, they can influence the use of an asset, which can impact its serviceable life.

Customer request data

Customer requests allow us to assess our performance against community expectations. Reviewing information such as the request type, number of requests and request response times is important in determining Council's building asset management program.

Community satisfaction survey

Our annual Community Satisfaction Survey provides a broad understanding of how we are tracking and allows us to identify areas for improvement.

While this survey focuses mainly on the services we deliver through our buildings, it does offer an important insight into how our buildings impact service delivery and the community.

The 2020 Community Satisfaction Survey provided the following results.

Provision of community centres and community services and programs	
Very satisfied	23%
Satisfied	45%
Neither satisfied or dissatisfied	29%
Dissatisfied	3%
Very dissatisfied	0%
Recreation centres	
Very satisfied	24%
Satisfied	46%
Neither satisfied or dissatisfied	27%
Dissatisfied	3%
Very dissatisfied	0%
Waterworld Aquatic Centre	
Very satisfied	29%
Satisfied	47%
Neither satisfied or dissatisfied	20%
Dissatisfied	4%
Very dissatisfied	0%
Library services	
Very satisfied	50%
Satisfied	40%
Neither satisfied or dissatisfied	9%
Dissatisfied	0%
Very dissatisfied	1%

Strategic and organisational goals

Our vision for a thriving community with a quality lifestyle that values its people and natural environment is the foundation of our strategic and organisational goals.

Council's Strategic Plan 2025[1] articulates the vision and aspirations for our community, and details objectives for these aspirations. The objectives listed below are linked to the Buildings Asset Management Plan.

Community

- People feel a sense of belonging, inclusion and connection with places, spaces and the community.
- There are opportunities for people to volunteer, give back and share their skills with others in the community.
- Our services are accessible to all and respond to changing community needs.

Environment

- A community that is protected from public and environmental health risks.
- The carbon footprint of our city is reduced through the collective efforts of community and Council, including business.
- Our consumption of natural resources is minimised by reducing, reusing and recycling products and materials, and using renewable resources.

Places

- Opportunities exist to experience art and culture.
- Buildings and places are well designed, energy efficient and display a uniqueness of character and identity.
- Infrastructure and community facilities are fit for purpose, constructed using sustainable practices and well maintained.

Leadership

- Planning considers current and future community needs.
- Decision making is informed, based on evidence and is consistent.
- Major strategic decisions are made after considering the views of our community.

Legislative requirements

There are many legislative requirements relating to the management of building assets. These include:

- *Local Government Act 1999*
- *Residential Tenancies Act 1995*
- *Retail & Commercial Leases Act 1995*
- *Planning, Development and Infrastructure Act 2016*
- *Crown Land Management Act 2009*
- *Disability Discrimination Act 1992*
- *Environment Protection Act 1993*
- *Work Health and Safety Act 2012 (SA)*
- *Work Health and Safety Regulations 2012 (SA)*
- *South Australian Public Health Act 2011*
- *Heritage Places Act 1993*
- *Road Traffic Act 1961*
- *Electrical Wiring Code AS3000*
- *National Construction Code 2019*
- *Disability Inclusion Act 2018 (SA)*

[1] *Strategic Plan 2025 - cttg.sa.gov.au/strategicplan*

Service level performance

The performance of our assets are measured in two ways:

Customer service levels

How the customer receives or experiences the service. The measures used in this asset management plan are quality, function and safety.

Technical service levels

What we do to deliver the service.

The current building asset service levels are driven by Council's Strategic Plan 2025 and vision for the City, legislative requirements, community research and resources available within the current Long-Term Financial Plan.

These service levels will be used to:

- Clarify the level of service customers expect
- Identify the work required to meet these service levels
- Identify the costs and benefits of the services offered
- Enable Council and customers to analyse the quality, function and safety of transport assets based on the existing service levels
- Determine the impact (primarily financial) of increasing or decreasing the service levels.

Technical service levels

Supporting the customer service levels are operational or technical measures of performance. These technical measures relate to the 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:

- **Operations** – the regular activities to provide services (e.g. cleaning, alarm monitoring, gutter cleaning).
- **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. painting, replacing light fittings, removing plumbing blockages).
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally (e.g. roof cladding replacement, bathroom fit-out, carpet replacement).
- **Upgrade/New** – the activities to provide a higher level of service or a new service that did not exist previously (e.g. accessible toilet addition, new storage shed).

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

Customer service levels

Performance measure	Service level	Performance measure process	Current performance	Performance target
Quality *How good is the service, including its condition and quality*	Existing facilities are maintained effectively	Community survey results (2019)	Relatively high satisfaction (70-79%)	80% satisfaction
		Responsiveness to customer requests (CFS System)	98% attended within specified timeframe	90% attended within specified timeframe
Function *How suitable is the service for its intended purpose*	Facilities are suitable for intended use	Community survey results (2019) (community centres, Waterworld Aquatic Centre, recreation centres and Civic Centre)	76% satisfaction on average across the facility types	70% satisfied
	Existing facilities are being used by the community	Occupancy rate	Recreational: 73% Community: 70%	Average usage of facilities to be 75% occupancy for each building.
Safety *How safe is the asset for users of the service*	Provide healthy and safe buildings for the community and staff	Number of reported incidents directly related to our buildings	< 5 Incidents per annum	2 insurance claims (personal injury) from 2017 to June 2020

Technical service levels

Performance measure	Service level	Performance measure process	Current performance	Performance target
Responsiveness *How we respond to requests*	Respond to requests within the agreed service level timeframes	Number of requests completed. Customer request system and after hours call out information	98% completed within specified timeframe (approximately 2000 closed requests in the 2019-2020 financial year)	90% of requests completed with the allowed timeframe
Quality *How good is the service, including its condition and quality*	Provide facilities that are in a safe and well-maintained condition	Minimum two-yearly building condition audit rating 1 = Very Good 2 = Good 3 = Fair 4 = Poor 5 = Very Poor	Average condition rating – 2.7 (for building components that are condition assessed)	Average condition rating of 3 (Fair condition)
	Compliance with maintenance contracts and service agreements	Review effectiveness against budget, standards and timelines	100% maintenance contracts and service agreements completed	As per current performance
Safety *How safe is the asset for users of the service*	Provide buildings that are compliant with current legislative requirements	Regular servicing of Essential Safety Provisions (ESPs), firefighting equipment, emergency lighting, fire monitoring systems and integration with security systems	100% servicing carried out in accordance with legislation and building standards	As per current performance
		Provide annual certification (Form 3, Schedule 16) demonstrating essential safety provisions are being tested and maintained	100% of Form 3s completed	As per current performance

Performance measure	Service level	Performance measure process	Current performance	Performance target
Safety *How safe is the asset for users of the service*	Provide an Asbestos Management Plan in accordance with legislation and Codes of Practice for all building assets as required under the legislation	Asbestos Management Plan reviewed and updated every five years	Asbestos Management Plan reviewed and updated five-yearly	As per current performance
		Asbestos registers provided onsite and reviewed annually	Asbestos registers reviewed and updated (If required) annually	As per current performance
		Program in place to remove asbestos from our buildings	Continue to remove Asbestos Containing Materials (ACM) from buildings as part of the ACM Removal Plan	As per current performance
Function *How suitable is the service for its intended purpose*	Operational expenditure costs (annual average lifecycle cost)	Lease and license agreements in place for suited sites	45 leased sites, including 14 licensed sites	All available buildings for lease have an agreement in place
	Income (cost of entry, hiring costs, leasing of community facilities)	Annual fees and charges	2019-2020 Council Fees & Charges Register approved	No less than CPI increase
	Provision of disability accessible facilities for the community and staff	Survey/audit of *Disability Discrimination Act* (DDA) compliant facilities	Complete the DDA action plan for building upgrades by end of 2020, subject to funding approvals	Completed buildings upgrades carried out from DDA audits findings: 2016-2017 – 1 2017-2018 – 3 2018-2019 – 4 2019-2020 – 3 Undertake audits for building DDA upgrades subject to approved budgets and guided by the Disability Access Inclusion Plan


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Future demand

Population growth, social and technology changes can impact community demand for services. This section looks at these trends and examines the strategies required to address them.

Demand drivers

Drivers affecting demand include:

- Population change
- Demographic change
- Customer preferences and expectations
- Economic factors
- Seasonal factors
- Technological change
- Environmental awareness
- Legislative change
- Sporting codes.

Demand forecasts

Demographics

The median age of City of Tea Tree Gully residents is 41 years. The median age has increased from 39 in 2011 and 37 in 2006. In addition to an aging population, we have also seen a slight decrease in couples with children and an increase in couples with no children.

In order to accommodate the needs of people with a range of mobility levels, there is a need to plan and provide for these needs.

This has been addressed through the development of a Disability Access and Inclusion Plan (DAIP) 2020-2024.

The DAIP was developed to support and enhance our ongoing commitment to providing inclusive and equitable access to our services and facilities to people living with disabilities, their families and carers. The key themes of the DAIP are:

1. Inclusive communities for all
2. Leadership and collaboration
3. Accessible communities
4. Learning and employment.

The themes from this plan will be integrated in Council's decision making processes similar to existing strategic and organisational goals.

Population

The City of Tea Tree Gully has experienced increasing infill development in the area, where two or three dwellings are built on an existing allotment. Growing dwelling numbers, with minor localised population density increases, may see greater demand for community services provided through our community centres and recreational / sporting facilities.

Consumer preferences and expectations

As the City continues to grow and our built environment evolves to enable us to deliver services that achieve our strategic objectives, a new standard of service delivery then develops over time.

From external funding contributions and Council funding, new buildings have been constructed, and existing buildings refurbished and/or extended, with a focus on developing our building assets to meet the changing preferences and expectations of our community.

We are experiencing greater demand for services such as our Strength for Life programs for the over 50s and unisex changing facilities within our sporting facilities. These types of demand changes have and will impact our building renewal and upgrade/new programs.

Economic factors

Rate capping, if it were to occur, also has the potential to affect the way City of Tea Tree Gully delivers services to the community. If there is a funding shortfall to manage existing assets to the agreed levels or service, the level of service will likely need to decrease or priorities be re-established. A shortfall could also result in the inability to provide new assets or upgrades desired by the community.

Seasonal factors

Our ability to adapt to extreme winter and summer weather conditions and temperature fluctuations involves more than just maintaining our existing building assets.

Future extreme weather events will influence how we manage our entire built environment. Smart planning and actions such as scheduled gutter cleaning will reduce the risk of flooding during extreme rain events.

Technological change

Technological advancements are impacting the way the built environment is constructed and maintained.

The use of automated sensors to turn on and off lights, air-conditioning and other building services can significantly reduce power consumption. While the use of auto-door locking systems on public toilets and other facilities not only saves time and money, but increases security.

Efficiencies gained in use of emerging technology not only reduces the potential impact on the environment, but the financial savings gained can be redistributed to other Council initiatives.

Environmental awareness

Buildings represent a key opportunity to deliver on the needs and expectations of our community with regard to environmental sustainability. Benefits include reduced operating costs by consuming less energy and water, reducing our carbon footprint, and providing healthy indoor environments and improved comfort levels for occupants. The construction sector is maturing to use improved materials selection, building methods, equipment and processes to maximise on opportunities to build more efficiently and in harmony with the environment.

Buildings are contributing approximately 30% of our emissions profile. It is for this reason that ecologically sustainable development (ESD) principles will be incorporated into buildings projects including refurbishments, renewals, and new buildings. This may increase the costs to deliver new capital building projects, which will likely be offset with financial savings of operating costs over the lifecycle of the building stock.

Legislative changes

Legislative change can significantly impact our ability to meet minimum service levels. Changes in environmental standards and to the Building Code, in particular, may require us to reconsider the way we approach building improvements.

The need to improve the cost-effectiveness of our building assets and increased concern over water usage and electricity consumption are also impacting the way we manage these assets.

Sporting codes

Sporting codes can influence our building asset programs, as they provide specific design requirements which must be met (e.g. size and number of change rooms and referee rooms, first aid provisions, media provisions etc.).

Where our facilities are covered by multiple sporting codes, providing buildings that are flexible and multi-use in approach will continue to influence our building asset programs.

We must also consider the level and type of activity being offered and the ability for our building assets to adapt to future use.

Demand management plan

Demand for new services will be met through the management of existing assets, the upgrade and renewal of assets, the provision of new assets and demand management practices.

Demand driver	Demand management plan
Managing operational buildings *Buildings primarily used by Council staff to deliver services i.e. office space, workshops, storage facilities.*	As part of our continuous improvement programs we consider how we can utilise space more efficiently. New facilities such as the Service Centre provide greater opportunity for efficiencies in this area.
Incentives and demand substitution	We consider rationalisation of building assets, providing incentives for consolidation of sporting clubs and other groups to better use existing facilities.
Delivery of community services	We ensure our building assets fulfil the services most required – we collect information from satisfaction surveys and from facility managers.
Financial	Our asset management plans integrate into the Long-Term Financial Plan, ensuring we have financial sustainability to meet future demand.
Sustainability	Sustainability will have an impact in future legislation with increased demand for energy efficient buildings. This is likely to be enacted through changes to the Building Code of Australia. We consider energy efficient solutions in our renewals and upgrade/ new capital works.
Education	Educate about energy efficiency and waste management solutions to reduce the impact on the environment.

Asset programs to meet demand

Community expectation

Demand for new services will be managed through a combination of maintaining and upgrading existing building assets and providing new building assets.

The acquisition of new assets will increase Council's operation, maintenance and renewal costs over the life of the asset. Future costs are forecasted and included in the development of our Long-Term Financial Plan.

Growth

Future growth will likely be driven by the needs of our aging demographic, with an increased demand for more accessible and inclusive facilities as well as the increasing demand for the provision of more diverse community activities.

State and Federal government grants will play a key role in both the renewal or upgrade of existing assets and the delivery of new assets. Growth in this area is difficult to measure as grant applications are not always successful and future grant availability is uncertain.

Potential growth areas by building class

Operational buildings

Council's Civic Centre in Modbury has the possibility for future growth by repurposing/ restructuring existing spaces or extensions to the building to deliver more community activities.

The Library, which is located on the lower ground floor of the Civic Centre complex, was developed 15 years ago and is capable of accommodating an increase in demand.

The Service Centre, opened in 2019, provides opportunities for future development, however it is too soon to explore and report on this future growth area and this will be explored in future updates of this management plan.

Recreational buildings

Council's recreation and aquatic centres are ageing and therefore future planning considerations for renewal, upgrade or replacement is required to ensure their serviceability to the community.

Burragah Recreation Centre (Modbury North) has only one sports stadium, however as a venue for hire, it caters for a wide range of indoor sports and community groups on a regular basis. Current demand warrants the future construction of a replacement space, which could be a new multipurpose 2-3-court stadium or consolidation of buildings through the extension of an existing recreational building.

It is not anticipated that Turramurra (Highbury) or Golden Grove Recreation and Arts Centre (Golden Grove) will change significantly in the foreseeable future. However, the educational institutions utilising Golden Grove Recreation and Arts Centre under a Joint Use Agreement until the year 2043 are expanding in size and therefore any potential expansion plans are likely to be instigated by or will involve these key stakeholders.

Waterworld Aquatic Centre (Ridgehaven) celebrated 50 years of operation in 2019. A major upgrade in 2010 provided improvements to the majority of plant and equipment and new water slides, however the age of the facility will mean that maintenance costs for the facility are likely to increase over time.

Community centres

Neighborhood Development Programs include the management, development and implementation of activities which are

predominately delivered from our four major community centres across the City of Tea Tree Gully. Further demand for these services is likely to increase, however, site specific opportunities for growth will be addressed in future updates of this management plan.

Sporting buildings

The majority of buildings accommodating sporting clubs are leased, with clubs required to maintain the facilities in accordance with the conditions within their lease agreements.

Many of Council's sporting facilities are ageing (e.g. Modbury Soccer Club, Modbury Sporting Club, Burragah Amenities Building, Heysen Avenue Amenities Building) and are subject to upgrade due to their age.

The impact of State and Federal government grants targeting specific upgrade projects (e.g. multi-use change rooms) has an impact on Council's capital works program in any given financial year. The receipt of external funding not only supports the improvement of community infrastructure, but places pressure on meeting unplanned financial demands. This is similar for changing sporting code requirements from state and national sporting organisations, which have an impact on building design compliancy (e.g. minimum size and number of change rooms, wet areas, first aid rooms, referee rooms, etc.).

Residential buildings

Council currently owns four residential buildings: three units on Wright Road which are used for Youth Housing and one single storey house on Grenfell Road, leased with long-term tenant.

The longer term ownership of these properties should be investigated.

Amenities buildings

Ladywood Reserve Amenities Building is currently used by a local sporting group, who have undertaken improvements to the internal surfaces of the building (kitchen, walls and furnishings).

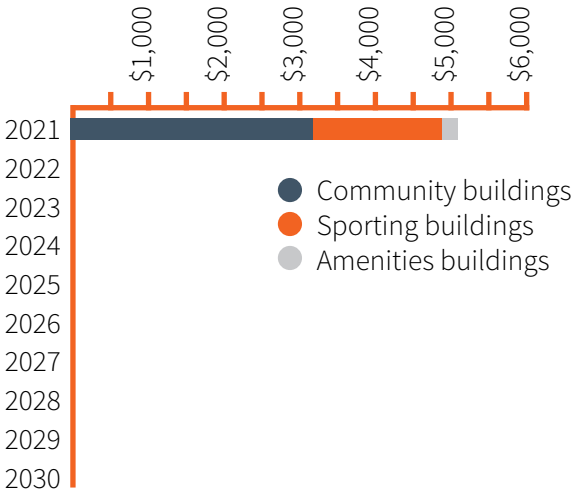
Ashley Avenue Community Building is hired by Modbury Tennis Club, Council's Dog Obedience Program and other community groups, and due to its age also requires review for renewal potential.

New assets from growth

The City of Tea Tree Gully is principally a fully developed urban area with relatively few opportunities for new assets as a result of growth. However, the Council Property Strategy provides a means to continually assess the current condition and utilisation of buildings to identify opportunities to reconfigure, enhance or repurpose buildings to meet changes in demand.

Council is undertaking a major redevelopment of Richardson Reserve, Wynn Vale, between 2019 and 2021, to provide new synthetic soccer pitches and associated community buildings, including clubrooms for Modbury Vista Soccer Club.

Upgrade and new assets to meet demand



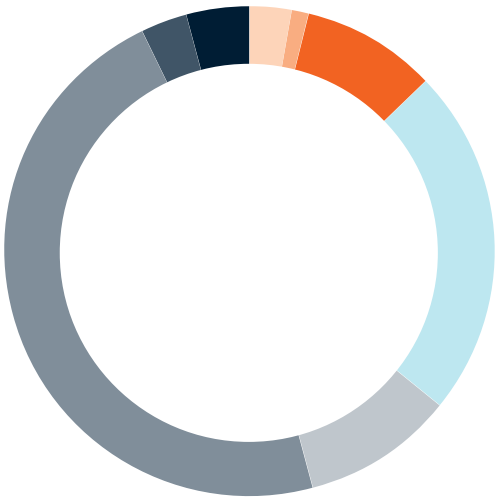
Lifecycle management

This section outlines asset performance and condition information, and uses asset management principles to develop broad strategies and specific work programs to achieve the agreed service levels.

The assets covered by this plan include:

- Operational buildings (including the Civic Centre and Service Centre)
- Recreational buildings (including Waterworld Aquatic Centre)
- Community buildings
- Sporting buildings
- Amenities buildings
- Storage buildings
- Residential buildings
- Other structures and equipment.

Asset age profile by decade (% based on asset cost)



1840-1890 - 3%
1920 - 1%
1950 - 0%
1960 - 9%
1970 - 23%
1980 - 10%
1990 - 47%
2000 - 3%
2010 - 4%

Asset capacity and performance

To achieve the desired service and performance levels, we apply the following standards, guidelines and criteria to our building assets maintenance, renewal, and upgrade program.

- Acts of Parliament
- Regulations and Mandatory Standards
- Codes of Practice and Non-Mandatory Standards
- Australian Standards
- Industry Standards and Guidance Notes.

While capacity is influenced by current and future demand, data acquired through audits, customer requests, maintenance inspections and condition inspections is used to identify performance deficiencies.

A *Buildings Optimisation Internal Audit* is underway and covers how Council buildings are maintained, operated, utilised, located, conditioned and several other factors that are considered in the function and use of our buildings.

Asset condition

Council is committed to regular condition data collection in order to mitigate risk and make informed decisions when formulating forward capital works programs. Asset condition is usually determined through visual assessments of building components on a minimum two-yearly basis (three-yearly is optimal).

Building components that cannot be visually assessed, such as wall studs, roof framing, plumbing pipes, electrical wiring and the like that are located within walls or hard to reach locations, revert to being assessed using an age-based approach. Engaging specialist consultants with purpose-built equipment to determine the condition of these components is useful, but not cost-effective to be undertaken on a regular basis.

Asset conditions are measured using a 1-5 rating system where 1 relates to an asset that is 'as new' and 5 relates to an asset that is at the 'end of its useful life'.

Condition grading

1. Very good
New or like new, only planned maintenance required.

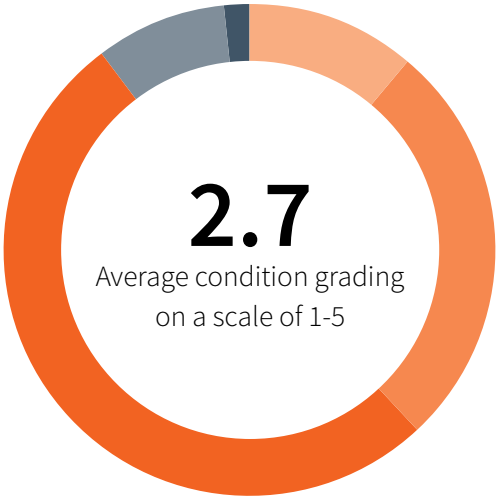
2. Good
Minor maintenance required, plus planned maintenance.

3. Fair
Significant maintenance required.

4. Poor
Significant renewal/rehabilitation required.

5. Very poor
End of useful life, and/or beyond rehabilitation.

Buildings condition



- Very good - 3%
- Good - 26%
- Fair - 69%
- Poor - 2%
- Very poor - 0%

Building condition by component

Building component	Average condition
Floor coverings	2.76
Joinery	2.67
Roof cladding	2.90
Gutters and downpipes	2.88
Windows	2.73
Doors	2.71
External walls	2.86
Ceiling linings	2.68
Wall linings	2.66
Foundations	2.92

Operations and maintenance plan

To improve the usability and amenity of our building assets, we regularly undertake operational activities such as floor and surface cleaning, gutter cleaning, roof safety checks, fire system testing and backflow annual certification. While this work will not change the condition of the asset, it will help prolong its useful life and comply with legislative requirements.

We also undertake regular maintenance work including external and internal painting, patching of holes and cracks, replacing light fittings and removing plumbing blockages. This work will improve the condition and functionality of the asset and is necessary to keep them operational.

Maintenance works are classified as planned and reactive:

Reactive maintenance

Reactive maintenance is undertaken in response to customer requests or when assets fail and need immediate repair.

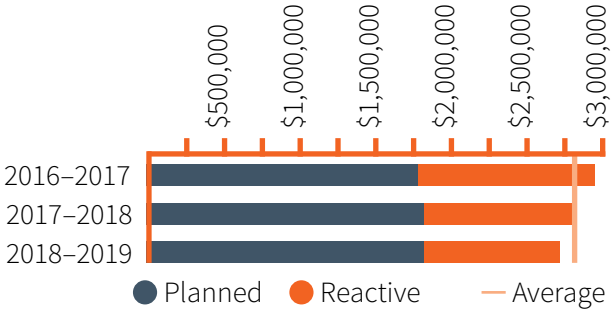
Planned maintenance

Planned maintenance relates to repair work that arises from proactive activities such as inspections and condition assessments, where actioning repair work is then prioritised, scheduled and reviewed against previous maintenance history.

Inspections are undertaken to determine planned maintenance work as follows:

- Council operated sites – Once-yearly
- Leased sites – Twice-yearly

Previous maintenance and operational expenditure



While reactive maintenance costs have continued to decrease year-on-year, operations and maintenance expenditure has been relatively consistent. The average percentage of expenditure for planned maintenance against total maintenance expenditure is 65% and 35% for reactive maintenance.

Future operations and maintenance expenditure is forecast to trend in line with previous years' spend and budgets, except a likely moderate increase in planned expenditure due to the Service Centre being operational since September 2019.

Renewal plan

Renewal is the process of restoring an existing asset to its original service potential. This does not usually increase the functionality or usability of the asset.

Work over and above restoring an asset to its original service potential is classified as upgrade/ expansion or new works expenditure, incurring additional operations and maintenance costs in the future.

Assets requiring renewal or replacement are identified using the following methods:

- **Aged-based approach**
  Using acquisition year and useful life to determine the renewal year.
- **Condition-based approach**
  Using condition predictive modelling systems.
- **Manual-based approach**
  Using a combination of visual inspections and maintenance history to determine the remaining useful life of the asset.

Renewal plan methods by asset type

Type of asset	Renewal/ Replacement method
Ceiling linings Doors External walls Floor coverings Gutters and downpipes Joinery Roof cladding Wall linings Windows	Condition-based
Wall framing Roof framing Foundations	Age-based and condition-based
Electrical Fire Mechanical Plumbing Security	Age-based and condition-based

Renewal prioritisation drivers

Asset renewal and replacement is typically undertaken in accordance with two major community expectations in mind:

Reliability
The asset can reliably deliver the service it was constructed to do so (e.g. gutters and downpipes direct stormwater away from the building).

Quality
The asset is of sufficient quality to meet the target service levels (e.g. hot water service delivers instant hot water).

Renewal prioritisation

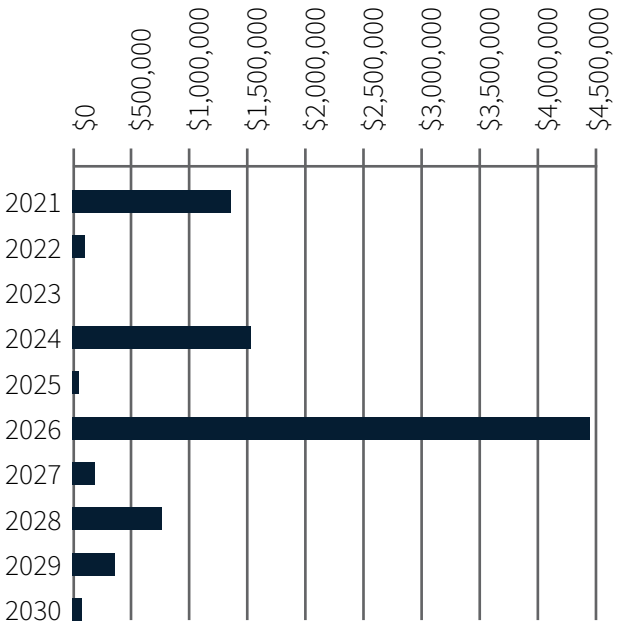
The renewal of an existing asset is prioritised using the following criteria:

- **Risk**
  The consequence of asset failure is high.
- **Consumer usage**
  The asset is highly used and the subsequent impact on users would be greatest.
- **High-cost asset**
  Total value represents the greatest net value to the organisation.
- **Age profile**
  The asset is close to the end of its useful life.
- **Maintenance**
  The asset has high operational or maintenance costs.
- **Community expectations**
  Asset renewal would provide better service levels.

Future renewal and replacement expenditure summary

Projected future renewal and replacement expenditures are show in the below graph.

Projected capital renewal and replacement expenditure



Below is the projected capital renewal expenditure over the 10-year planning period for each asset type.

Renewal expenditure by building classification

Building classification	Renewal expenditure
Operational	$1,410,304
Recreational	$1,083,381
Community	$389,450
Sporting	$660,524
Amenities	$1,956,387
Storage	$1,157,751
Residential	$104,578
Waterworld Aquatic Centre	$1,788,421
Total	**$8,550,795**

Assets identified for renewal an/or replacement may be deferred or brought forward in capital works programs is the cost if unable to be funded within the optimal replacement year.

Deferring renewal works can be the case when there is a backlog of assets to be renewed, higher priority projects are required for other assets classes, or upgrade/new works have been committed based on consumer preferences, e.g. strategic projects.

Deferring the renewal of an asset may not impact its short-term performance. If work is deferred for a prolonged period of time, the cost of renewal may increase as the asset deteriorates.

Bringing forward renewal works allows Council to undertake projects earlier than the optimal replacement year and evenly spread the amount of work. Renewal works can be managed this way to better fit within Council's Long-Term Financial Plan annual budgets but to also work within the boundary of Council's resources to deliver projects.

In reference in the graph to the left, projected 2024 financial year renewal works could be brought forward into 2023, and similarly with years 2026 and 2025.

Creation/Acquisition/Upgrade plan

The creation of a new asset or works that improves an asset beyond its current capacity may result from growth, social or environmental needs. These additional assets are considered in the future demand section of this plan.

The upgrade or expansion of existing assets are identified from various sources such as community or Elected Member requests, proposals identified from strategic plans or partnerships with other organisations. Project proposals are investigated to verify the need and to develop a preliminary budget estimate. Project proposals that are approved are ranked by priority and available funds and scheduled in future works programs.

Asset disposal plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. For building assets, there are no proposals to decommission any services at this time.

As a result of the current *Buildings Optimisation Internal Audit*, building assets may be identified for disposal and included in any future revisions of this asset management plan.


TEA TREE GULLY COMMUNITY
MENS SHED
TEA TREE GULLY COMMUNITY
Men's Shed

Risk management

Effective risk management is integral to all aspects of Council business including how infrastructure assets risks are identified and managed.

The risk assessment process which is aligned to the Risk Management Standard ISO 31000:2018 – Guidelines provides the logical approach for the identification, assessment and management of risks in order to protect Council's assets and to minimise risks to the community.

Once risks have been assessed and rated, for the most significant risks (those rated as high or extreme), treatment options must be considered and implemented. Risks identified as moderate or low are monitored and reviewed to determine if circumstances change.

The following risk management principles have been applied to our building assets:

- Integration of risk management in all decision making and business processes
- Applying a systematic and structured approach to manage risks
- A tailored risk management approach to suit the context
- Applying an evidence-based approach in assessing and mitigating risks
- Determining the Council's risk tolerance
- Applying a transparent and inclusive approach in the management of risks
- Applying risk management practices to continuously improve City of Tea Tree Gully's operations.

Risk identification

For building assets, risks can be identified from a number of sources:

- Minor operational routine inspections
- Major condition/maintenance inspections
- Customer requests
- History of performance
- Stakeholder advice.

Risk analysis

The City of Tea Tree Gully uses a risk assessment matrix (as pictured below) that is designed to define the level of risk by combining the consequence and the likelihood to arrive at a risk rating.

Consequence	Likelihood				
	Rare	**Unlikely**	**Possible**	**Likely**	**Almost certain**
Critical	High	High	Extreme	Extreme	Extreme
Major	Medium	Medium	High	High	Extreme
Moderate	Medium	Medium	Medium	High	High
Minor	Low	Low	Medium	Medium	Medium
Insignificant	Low	Low	Low	Low	Low

Risk treatment

All risks that have been assessed as having an extreme or high risk rating require the implementation of mitigation strategies and/or risk treatment options (controls). The residual risk rating and treatment cost post implementation of treatment/controls is shown in the table on the next page.

Critical risks and treatment strategies

Service or asset at risk	What can happen	Risk rating	Risk treatment strategies/control	Residual risk *	Treatment costs
Structural failure of timber roof truss	Risk of full or partial structural failure should roof trusses fail	High	Consultants completed an audit of timber trusses requiring inspection. Development Assessment staff inspected the high risk roof trusses where repairs were completed. The following buildings are inspected every two years due to having large span timber truss roof frames with tiles roofs: • Modbury North Kindergarten • House 404 Grenfell Road • Tea Tree Gully Senior Citizens Club	Low	Consultant inspection costs ongoing
Structural failure of buildings super structure / sub-structure	Risk of full or partial structural collapse either from component failure, movement or impact damage	High	Inspections of buildings undertaken on regular basis. Identified structural failures are actioned usually by engaging a consulting structural engineer.	High	Staff time (as part of their defined roles) and potential further consultant inspection costs

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

Service or asset at risk	What can happen	Risk rating	Risk treatment strategies/control	Residual risk *	Treatment costs
Electrical power failure	Loss of power to essential services such as lighting, heating and cooling equipment, IT infrastructure	High	Regular testing and tagging of portable equipment. Regular RCD testing. Inspections of outlets, switches, distribution boards. Education – awareness not to use equipment that is not tested and tagged.	Moderate	Approximately $35,000 to $40,000 per annum
Stormwater damage	Significant water damage to buildings or surrounding infrastructure due to flooding	High	Annual roof inspections of all building assets undertaken by buildings officers and contractors. Regular cleaning program in place for roofs, gutters, sumps, downpipes.	Low	Gutter cleaning approximately $60,000 per annum
Building accessibility management	Buildings are not accessible by all	Moderate	DDA action plan for progressive improvements (ramps/access, toilets etc).	Low	Staff time Capital costs to fund DDA improvements (TBC per project)

Service or asset at risk	What can happen	Risk rating	Risk treatment strategies/control	Residual risk *	Treatment costs
Asbestos	Risk of exposure to asbestos fibers from disturbance and/or detrition of known and unknown asbestos containing materials within buildings	High	Asbestos management plan reviewed at least every five years or when requested by a health and safety representative, or when asbestos is removed, disturbed, sealed or enclosed, or when changes to a control measure are made or when the plan is no longer adequate.	Low	Approximately $6,000 per five-yearly cycle
Asbestos	Risk of exposure to asbestos fibers from disturbance and/or detrition of known and unknown asbestos containing materials within buildings	High	Annual inspections undertaken by contractor of known asbestos, labelling and recording in asbestos register. Registers located at each site as required.	Low	Approximately $12,000 per annum
		High	Asbestos containing materials removed where practicable when undertaking building works and asbestos register updated.	Low	TBC per project
		High	Annual budget to allow for planned removal of known asbestos.	Low	$50,000 per annum

Service or asset at risk	What can happen	Risk rating	Risk treatment strategies/control	Residual risk *	Treatment costs
Fire system management	Risk of building fire	Moderate	Provide annual certification (Form 3, Schedule 16) demonstrating essential safety provisions are being tested.	Low	Fire warning systems and firefighting equipment maintenance and servicing approximately $25,000 per annum
New building work	Risk of non-compliant or unapproved building work taking place	Moderate	Annual inspections of all building assets undertaken by buildings officers. Procedure in place to lodge request/notice of any new works from leased sites.	Low	Staff time (as part of their defined roles)
Security system management	Risk of unsecured buildings susceptible to theft and/or vandalism	Moderate	Systems maintained and serviced annually. Central alarm monitoring service in place. Call-out officer system in place for rapid response. Security devices at selected sites (CCTV, monitored alarms, access cards).	Low	Approximately $9,500 per annum for alarm monitoring. Maintenance and call outs as required
Waste/ hygiene management	Risk of ground contamination from general waste disposal and sewerage	High	Septic tanks pumped on a regular basis. Grease arrestors in place. Contract in place for rubbish collection and disposal. Cleaning contract in place.	Low	Maintenance contracts in place to service waste management and cleaning

Service or asset at risk	What can happen	Risk rating	Risk treatment strategies/control	Residual risk *	Treatment costs
Building contents	Risk of loss due to lack of information on contents, ownership and insurance	Moderate	Asset register of contents. Insurance cover in place.	Low	Insurance policy in place
Building asset management	Risk to service levels, maintenance, renewals, capital upgrades/new if asset data is inaccurate	Moderate	Buildings asset register exists and is maintained. Lease buildings register exists and is maintained. Annual inspection program in place for all buildings.	Low	Staff time (as part of their defined roles)
Financial management	Risk of insufficient funding to maintain, operate renew and upgrade buildings	High	Council budget and budget review process in place. Budget line for unplanned work is included in the annual budget, and reviewed yearly to inform the Long-Term Financial Plan.	Low	Staff time (as part of their defined roles)
Buildings insurance	Risk of insufficient building cover to replace damaged structures	Moderate	Insurance cover is reviewed annually and values are increased. Assets are valued for insurance purposes every five years.	Low	Insurance policy in place
Community expectations	Reputational risk associated with community perception of buildings	Moderate	Buildings are maintained to service levels determined through community consultation. All new works comply with the relevant legislation, building codes and standards.	Low	Staff time (as part of their defined roles)

Service or asset at risk	What can happen	Risk rating	Risk treatment strategies/control	Residual risk *	Treatment costs
Community Land Management	Risk of non-compliance with the requirements of community land management plans.	Moderate	Council records all customer requests. Asset management principles are applied. Community consultation is undertaken as per legislation and Council Policy.	Low	Staff time (as part of their defined roles)
Building user groups	Risk surrounding the management of user groups	Moderate	Delegations in place. Standard hire agreements in place. Information on Intranet and Internet. Specific staff are allocated at specific buildings. Fees and charges register in place.	Low	Staff time (as part of their defined roles)

Financial summary

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan.

Asset valuations

The value of our building assets as at 30 June 2020 are shown below.

Asset type	Current replacement cost	Depreciated replacement cost	Accumulated depreciation	Depreciation expense
Building	$107,660,875	$84,193,390	$23,467,485	$1,716,654
Waterworld Aquatic Centre	$9,674,370	$6,967,645	$2,706,725	$197,271
Other structures and equipment	$442,392	$423,552	$18,840	$14,202

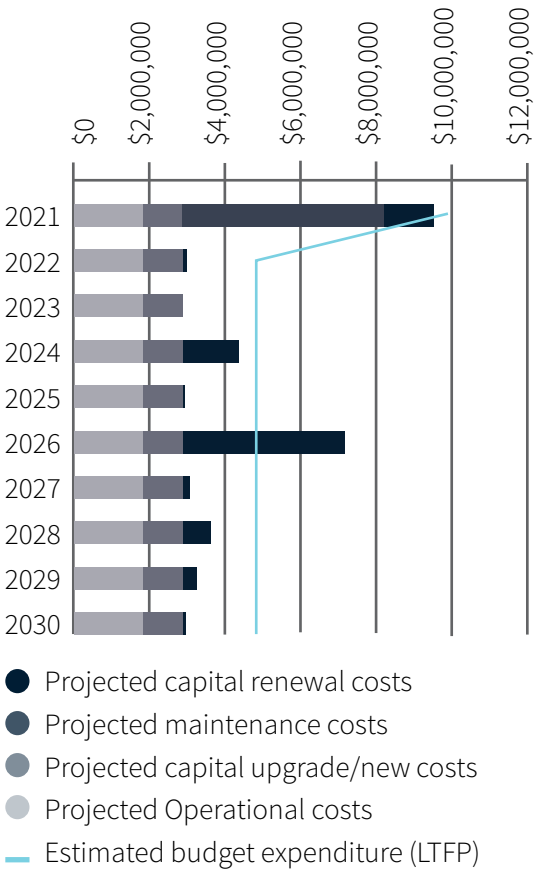
Financial projections

This plan sets out the projected operations, maintenance and capital renewal expenditure required to provide the agreed service levels to the community over a 10-year period in a sustainable manner and informs our Long-Term Financial Plan.

The projected operations, maintenance and capital renewal expenditure required over the 10-year planning period is $4.27 million on average per year.

Estimated (budget) operations, maintenance and capital renewal and upgrade/new funding is $5.34 million on average per year giving a 10-year funding surplus of $1.07 million per year.

Projected operating and capital expenditure



Asset renewal funding ratio

The asset renewal funding ratio (Long-Term Financial Plan renewal budget/Projected capital renewal and replacement expenditure) indicates that over the next 10 years of forecasting that we expect to have 100% of the funds required for the optimal renewal and replacement of assets.

Knowing the extent and timing of any required increase in expenditure and knowing the service level consequences if funding is not available will assist in providing services in a financially sustainable manner.

A key tool in financial forecasting will be modelling the predictive behaviour of assets. Testing and verifying the intervention variables will determine if an increase in funding is required, or whether the serviceability of assets is decreased due to the budget allocation from the Long-Term Financial Plan.

Key assumptions made in financial forecasts

Key assumptions made in this asset management plan are:

- Asset values are based on valuations data performed by APV Valuers and Asset Management.
- The required renewal expenditure assumes that the community is content with the current levels of service across the entire asset class. Should these levels of service be refined through future community consultation, it could have a significant impact on the intervention levels used and funding required.
- The Long-Term Financial Plan is grouped by asset type, and is based upon the depreciation expense values.
- Replacement works will be valued based on actual costs of work, e.g. predictive modelling building components determines the treatment cost input into the modelling software, and not the current replacement cost.
- The assumed useful lives of assets will be achieved.
- All assets with the same construction/material type will deteriorate at the same rate regardless of locational or environmental considerations.
- It is understood that the Long-Term Financial Plan funding values are subject to change year upon year based upon expenditure in other sections of Council, not just asset management related expenditure.

Forecast reliability and confidence

The expenditure and valuation projections in this plan are based on best available data. The estimated confidence level of this data is considered to be reliable (level B), using the five level scale below.

A. Highly reliable
Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%.

B. Reliable
Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%.

C. Uncertain
Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete (up to 50% is extrapolated data) and estimated to be accurate ± 25%.

D. Very uncertain

Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy ± 40%.

E. Unknown

None or very little data held.


Unisex Ambulant Toilet
This toilet will be automatically locked out of daylight hours.
Unisex Toilet LH

Plan improvement & monitoring

The figures within this plan will be reviewed annually as part of our Long-Term Financial Plan review process and will be amended to recognise any changes in service levels, valuations, conditions and/or resources available to provide those services.

Status of asset management practices

Accounting and financial systems

We use Civica Authority to manage our financial information. This system is used in conjunction with our asset management information system, Assetic Cloud.

Financial transactions are processed using Assetic Cloud against asset components, which update financial depreciation values as the transactions are performed.

Accounting standards and regulations

The Australian Accounting Standards provide the benchmark against which we report on asset accounting.

Asset management systems

We use Assetic Cloud to manage our asset information. This system integrates with our GIS system and our Customer Request Management system.

Assetic Cloud is managed through modules including asset register, accounting, valuations and assessments

Our asset register contains important asset information such as material, construction date, and hierarchy, which is used to develop this asset management plan and to forecast the renewal of our assets.

Improvement plan

The asset management improvement plan generated from this asset management plan is shown on the next page.

Monitoring and review procedures

The Buildings Asset Management Plan is reviewed annually, during the annual business plan and budget process, to ensure it reflects:

- Current service levels
- Actual asset values
- Projected operations, maintenance, capital renewal and replacement
- Capital upgrade/new and asset disposal expenditures
- Projected expenditure values incorporated into the Long-Term Financial Plan
- Any changes to the available resources and the resultant service levels.

The Plan has a life of four years and is due for full revision and updating within two years of each Council election.

Performance measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required projected expenditure identified in the asset management plan are incorporated into the Long-Term Financial Plan.
- The degree to which the works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the asset management plan.

Asset management improvement plan

	Task	Responsibility	Resources required	Timeline
1	Service Levels - refine and collect information to establish quantifiable service level information with community, staff and Council input for each building type.	Building Assets	Community Engagement, Strategic Assets, Recreation and Leisure Services	Ongoing
2	Occupancy Levels - refine and collect information to establish quantifiable occupancy level information with community, staff and Council input for each building type.	Building Assets	Community Engagement, Strategic Assets, Recreation and Leisure Services	Ongoing
3	Data Collection – conduct regular condition assessments for all Council buildings including, updating condition ratings, life expectancy, unit rates and replacement costs in asset management software system.	Building Assets	Strategic Assets	Review annually Assessments performed two-yearly optimal
4	Asset Management Plan - update when data changes or assessments realise a change in the renewal forecast.	Building Assets	Strategic Assets	Ongoing
5	Asset management software – explore the potential of my predictor within the asset management software to improve renewal forecasts and to develop forward works programs.	Building Assets	Strategic Assets	Ongoing
6	Asset management software – create structure for component level data and import all current component level data into AMIS.	Building Assets	Strategic Assets	Dec 2020
7	Useful Lives - review useful lives of assets for projected renewal projections.	Building Assets	Strategic Assets	Annually
8	Review risk management plan.	Building Assets	Strategic Assets	Annually
9	Review the performance of Council's standing offer panel of builder companies who undertake capital works to improve outcomes such as 'as-built' data collection.	Building Assets	Strategic Assets	Annually

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