

Building Asset Management Plan



27.04.2017

Adopted on 27th April 2017

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1. Introduction

Council's intention is to provide the Shire with a portfolio of Building assets that are serviced and maintained to a level which reflects the community's expectations and operates in a manner that is both functional and cost effective. The portfolio consists of Shire buildings with a current replacement cost of **\$22 million** as at the 30 June 2016.

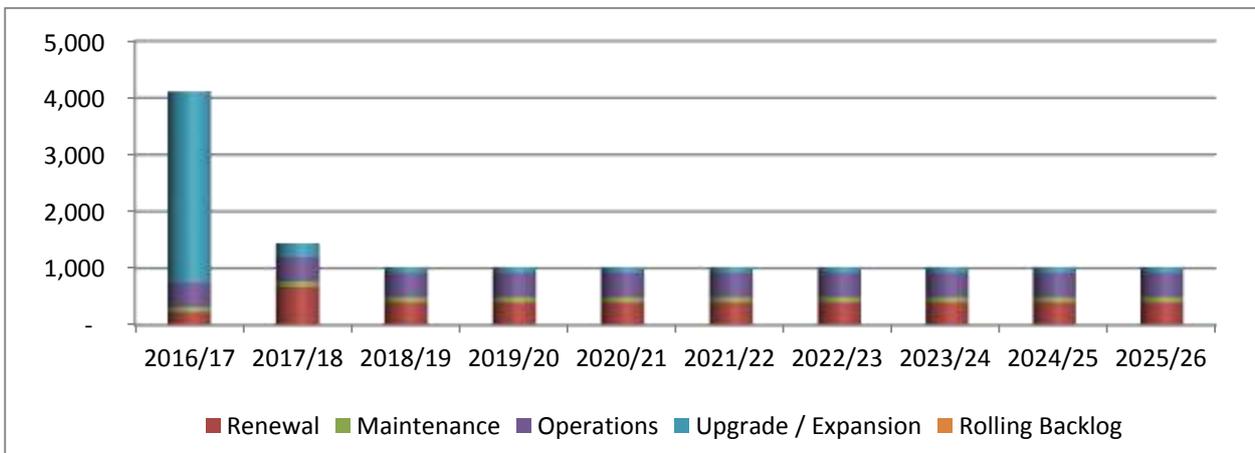
This plan assists Council in the decision making process to provide key information that can be used in the determination of levels of service and funding required. The following table identifies key asset categories in this plan, the ten (10) year total, and average costs. Figure 1.1 indicates the proposed expenditure over the next 10 years.

Table 1.1: Building Asset Portfolio Overview in 2016 (\$,000)

Asset	Operations & Maintenance 10 Year average	Average Renewal	Upgrade & New* 10 year average
		Budget over next 10year	
Operational Costs (Average) incl. Insurance, Cleaning, Utilities, Security	426		
Maintenance Costs (Average)	94		
Wall Structure		123	65
Roofing		123	64
Floor Structure		122	64
Other		41	21
	520	409	214

The following figure identifies the proposed expenditure over the next 10 years together with the backlog if one exists. The identified backlog in year 1 of the plan is **\$0** and would be \$0 after 10 years at current funding levels. The projected budget amounts are based on 2016 dollars.

Figure 1.1: What will we spend over the next 10 years (2016 \$'000)?



2. Strategic Objectives

Council plans to operate and maintain its building asset network to achieve the following strategic objectives.

1. Ensure the asset is maintained at a safe and functional standard.
2. To encourage and support the economic and social development in and around Bogan Shire.
3. Ensure that Building Assets are managed to deliver the requirements of Council's Asset Management Policy and Strategic Asset Management Plan.

Bogan Shire Council developed a comprehensive community engagement strategy to ensure a broad range of opinions; ideas and visions were captured to help shape the Bogan Shire Community Strategic Plan. The outcomes & strategies supported by that plan are detailed in the Strategic Asset Management Plan.

To assist in the delivery of the objectives in this plan, a number of key documents & systems have been prepared and should be referred to in considering the findings presented:

Table 2.1: Where can I find additional information?

Document / System	Content
Community Strategic Plan	Outcomes and Strategies identified by the community
Council Asset Policy	How we manage assets
Asset Management Strategy	Overall direction of asset management and portfolio summary
Asset Management Manual	Procedures and Processes that guide the management of assets
Condition Assessment Manual	Details on the process of assessing condition, including photographic examples of various conditions
Enterprise Risk Management Plan	The identification and management of risks across Council operations

3. Condition of Our Assets

Council maintains a Condition Assessment Manual that details the frequency of inspection and condition rating to be used for all assets. This data is recorded in the Council Asset Management System and used to predict the timing of renewal / maintenance requirements in the Long Term Financial Plan.

Assets are rated on a 1 (Near New) to 5 (Completely Failed) scale consistent with the Maloney model and advanced asset management practices as outlined in the IPWEA International Infrastructure Management Manual. Details on how Council assesses condition and further information on the rating scale are contained in the Condition Assessment Manual.

The intent of Council is not to undertake renewal on an asset until it reaches its 'Intervention Level', that is the condition at which the community has determined renewal is required based on the LOS analysis. Typically, assets will be renewed between condition 4 & 5, which ranges from fair/poor to very poor depending on their classification.

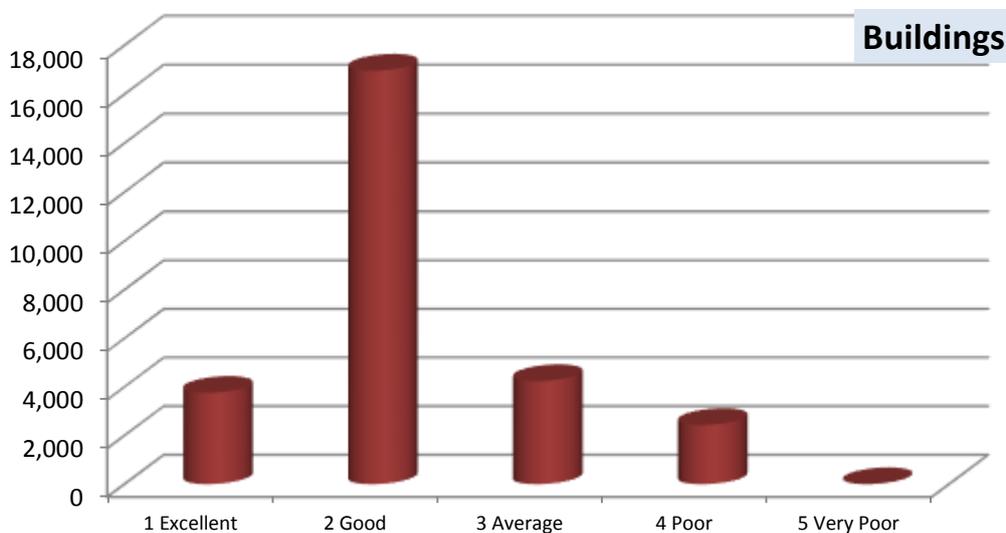
The estimated useful life for each asset component and class is detailed below:

Table 3.1: What are the expected useful lives of our assets (years)?

Category	Useful life (Years)
Community Buildings	40
Corporate Buildings	40
Housing & Public Amenities	40
Other Buildings	40

Each asset's condition is maintained in the Asset Register and the graphs below gives the condition profile based on the value of the top 4 valued assets in each condition.

Figure 3.1: What Conditions are our assets in (\$0,000)?



4. Operations

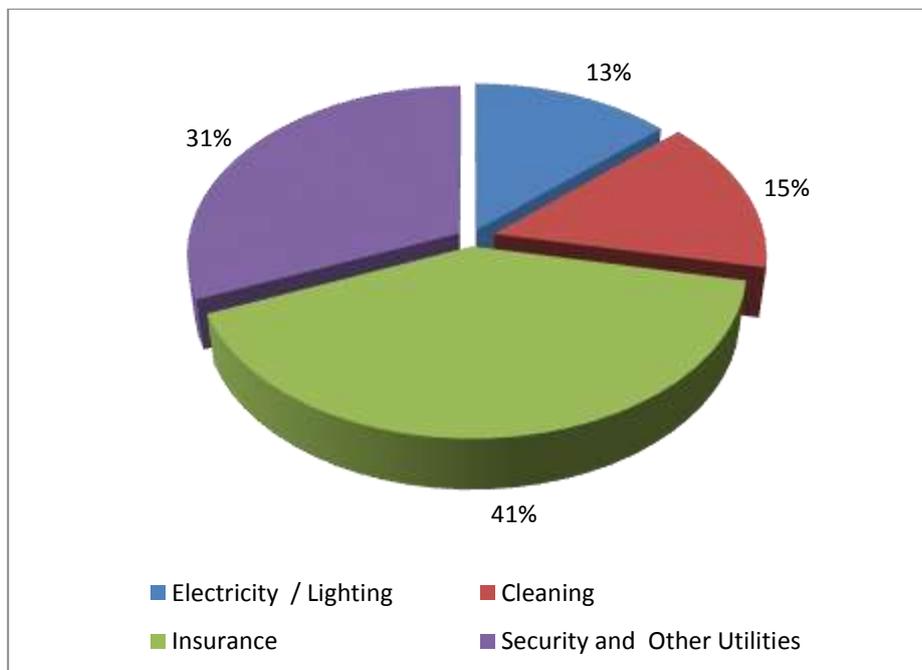
Operational activities are those costs that are required to operate the asset. These costs include rates, (including water & sewer), security, cleaning, electricity and insurance.

To ensure that buildings remain viable and well maintained, it is essential that inspections are undertaken on a regular basis to assess the condition of each building. In addition, we need to update risk management plans and ensure that the building portfolio is adequately insured.

Table 4.1: What are our Operational Costs?

Activity	10 year average (2016 \$,000)
Electricity / Lighting	57
Cleaning	63
Insurance	173
Security & Other Utilities	133
Total	426

Figure 4.1: What is the breakup of our Operational Costs?



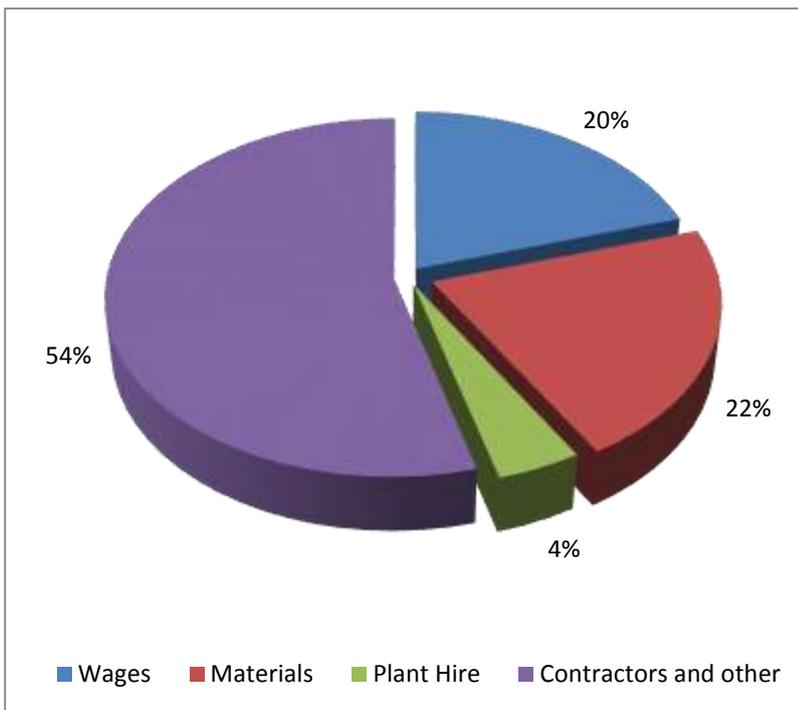
5. Maintenance

Routine maintenance is the regular on-going work that is necessary to keep assets operating to ensure they reach their useful life. It includes work on an asset where a portion may fail and need immediate repair to make it operational again. It may be either planned, where works are programmed in, or cyclic in nature or reactive in response to storm damage, vandalism etc.

Table 5.1: What are our Maintenance Costs?

Activity	10 year average (2016 \$,000)
Wages	19
Materials	20
Plant Hire	4
Contractors & Other	51
Total	94

Figure 5.1: What is the breakup of our Maintenance Costs?



6. Capital Renewal / Upgrades & New Assets

It has been identified that renewal works for the following assets are required. Whether or not renewal works are undertaken will be determined by Council priorities, including whether or not existing buildings should be retained, and as these decisions have yet to be made, the costs have not been included in the Long Term Financial Plan as this would be unrealistic. It would be expected that if Council does not receive funding or cannot borrow funds that some of these projects will not be viable.

- Administration Building
- Town Hall
- Palais Theatre/Youth centre

Council will be required to do a full study of assets over the next 2-3 years to enable a full Capital Renewal and Rehabilitation Program to be developed.

In 2017/2018 Council is considering Seniors Living Accommodation as a new Capital project.