City of
Bayswater

Property Asset Management Plan 2023-2033

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June 2023

CITY OF BAYSWATER
The Garden City - Quality Lifestyle

Contents

Version Control

Version	Date	Details	Author	Ref.
1	8/05/2023	AMWG review of previous endorsed plan	Sonja Pienaar, Principal Asset and Mapping Services	Property Asset Management Plan Draft 23-33 v1.1.docx
2	26/5/2023	Reviewed draft	Luke Botica, Director Works and Infrastructure	Property Asset Management Plan Draft 23-33 v1.2.docx
3	19/6/2023	Endorsed	Executive Leadership Team	Property Asset Management Plan Final Draft 23-33 v1.2.docx
4				
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Approval

Name	Date	Details
Executive Leadership Team	19/6/2023	As per minutes of the meeting held on 19 June 2023

Approval Process

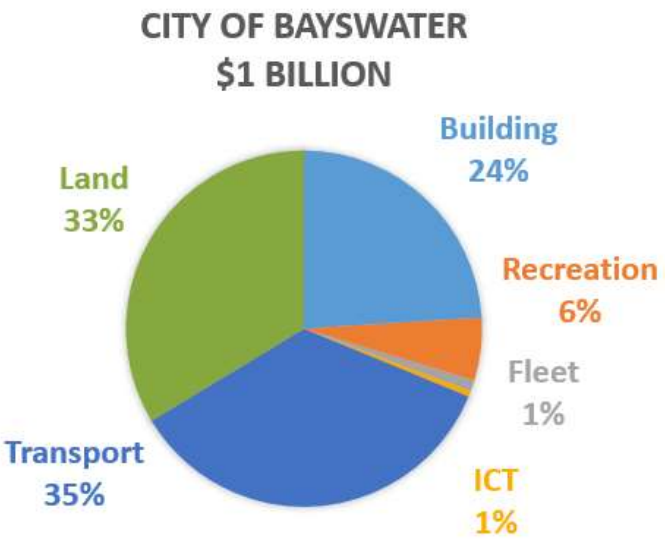
The City's Executive Leadership Team (ELT) to endorse an annual internal review with a full review every 4 years to be adopted by Council according to the *Asset Management Policy (2019).*

The previous Property Asset Management Plan 2021-2031 was endorsed by ELT in April 2021.

Executive Summary

The City of Bayswater maintains a range of assets to provide an integrated approach to the delivery of service. The City is responsible for community infrastructure with a replacement value of close to $1 billion.

In order to ensure that the City effectively manages this large portfolio of assets, the City's Asset Management Working Group renewed their commitment to continuous improvement of its asset management practices, including preparing a suite of asset management plans as informing strategies to the Strategic Community Plan (SCP) and the Long Term Financial Plan LTFP).



The purpose of an asset management plan is to assist the City to manage its infrastructure and other assets to an agreed level of service, and to ensure this is sustainable into the future. It is a plan for the appropriate acquisition, upgrade, maintenance, renewal, and disposal of assets, that balances aspirations with affordability.

This is the City's Asset Management Plan (AMP) for the Property portfolio (land and buildings). For the purposes of this plan Furniture and Equipment assets have not been included, but does play a vital role in the delivering of property services.

On 30 June 2022, the City's Property portfolio had a current replacement value of $540m. This includes $34m of property assets identified for disposal (held for sale). The available data indicates that approximately $3.2m will be required annually to renew property assets to sustain the current service levels. This excludes ongoing operation and maintenance expenditure and in 2021/22 financial year it amounted to approximately $2.8m.

It is anticipated that a number of likely changes will occur to property service demand. Some of the more significant changes will be the increasing population, increasing club participation and the expectation for the use of more sustainable energy sources and reducing water consumption.

While care has been taken to represent available information accurately, the City is committed to continuous improvement to ensure that the organisation's asset management maturity continues to evolve.

In order to improve asset management practices and the accuracy of this plan, a number of key tasks have been identified. These have been listed within the Improvement Plan for future implementation.

All readers of this asset management plan must understand its limitations and applied assumptions before acting on any information contained within it.

Background and Objectives

Purpose of this Asset Management Plan

As part of the integrated planning and reporting framework, the City has prepared asset management plans as informing strategies to the Strategic Community Plan (SCP) and the Long Term Financial Plan (LTFP).

This document is an Asset Management Plan (AMP) for the City's Property portfolio and documents the related management practices, processes and strategies. The objective of the Property AMP is to ensure that property assets are maintained to agreed service levels, balanced against long term resource availability and sustainability.

Information used in the Asset Management Plan

The City's financial asset register for Land and Building asset classes is required to hold assets at a current fair value as opposed to historic/purchase price. The financial register obtains its fair value valuations from the City's external valuations that provides details on each asset and its components. The values represented in this report has been obtained from a revaluation conducted in the past and aligns with the financial asset register. Revaluations are only required every four years. In subsequent years the purchase price is considered sufficient to represent fair value.

Focus of this Asset Management Plan

The AMP focuses on assets that support the property services. The key assets that make up the service and their values are detailed in Table 1. For the purposes of this plan furniture and equipment assets have not been included, but plays a vital role in the delivery of property services.

The figures in Table 1 align with the figures reported in the Annual Financial Report as on 30 June 2022 and include investment properties and properties held for sale.

Table 1: Assets covered by the Property AMP (as at 30 June 2022)

Asset Type	Description	Quantity of land parcels	Current Replacement Cost
Freehold Land	Land held by the City in Freehold		$303,816,980
Investment property	Land leased out commercially for 99 years		$8,989,890
Land held for sale	Land held for sale		$5,140,000
Land Total		380	$317,946,870

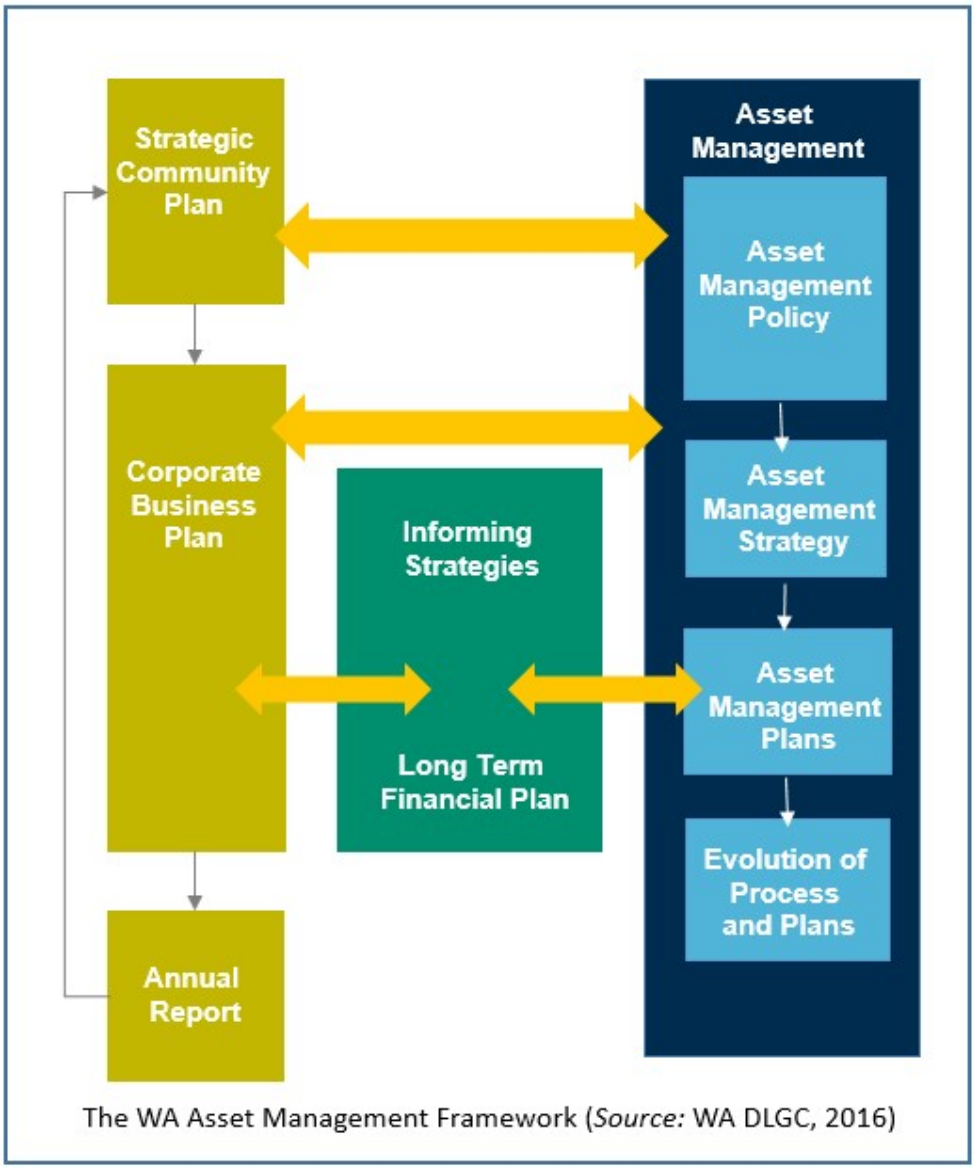
Asset Type	Description	Quantity of buildings	Current Replacement Cost
Change Rooms/ Public Toilets	Public Toilets; Change Rooms	35 buildings	$14,799,712
Community Buildings	Club Rooms; Club Sheds; Clinics; Education; Community Halls	106 buildings	$69,980,475
Corporate Buildings	Civic; Depot; Animal management facility; Libraries; Emergency Services; Rangers; Nursery	9 facilities with 30 buildings	$22,370,380
Golf Course	Caretaker Residence; Store; Workshop; Kiosk; Club Rooms	2 facilities with 9 buildings	$5,090,622
Other Buildings (including buildings held for sale)	Commercial; Age Care Facility – Hostel Independent retirement living;	6 aged care facilities with 206 buildings 3 commercially leased properties	$45,074,847
Sports and Recreation Buildings	Recreation Centres	3 facilities	$65,241,711
Waste Management Buildings	Buildings within the waste management facility	1 facility with 3 buildings	$4,271,388
Buildings Total		**398 buildings**	**$226,829,135**
Total Land and Buildings		775	$544,776,005

Note: The definition of a building and a facility will be refined in future revisions of this plan as well as the classification.

Corporate Document Relationships

This AMP integrates with the following City documents as part of an integrated planning and reporting framework:

- Strategic Community Plan
- Corporate Business Plan
- Long Term Financial Plan
- Asset Management Strategy
- Annual Budget



The WA Asset Management Framework (*Source:* WA DLGC, 2016)

The Property AMP is also guided by the following informing strategies:

- Access and Inclusion Plan
- Advocacy Strategy
- Age Friendly Strategy

- CCTV Strategy 2018-2028
- Community Recreation Plan
- Emission Reduction and Renewable Energy Plan
- Land Acquisition and Disposal Strategy
- Local Homelessness Strategy

Time Period of the AMP and Review Process

The Property AMP covers a 10-year period and will be reviewed annually.

An internal review will be conducted annually and endorsed by the City's Executive Leadership Team (ELT) with a full review every four years for the approval of Council as per the *Asset Management Policy*. The Asset Management Plan review will inform the annual review of the LTFP/Budget process as part of the integrated planning and reporting framework.

The next review will commence shortly after 1 July 2023. The Asset Management Plans for 2024 to 2034 will inform the LTFP 2024-34, and the 2024-25 budget process to commence in January 2024.

Service Levels

Introduction

Service levels describe the outputs that the City provides from its property assets. These have been developed through the consideration of strategic and policy inputs, customer perceptions and needs.

Community Perceptions Survey

The City's last Community Perceptions Survey was in 2021 and indicated the following performance results and trends as shown in Table 2 below. A new survey is to be conducted in 2023.

Table 2: Community Perception Survey

Focus	Very Satisfied or Satisfied 2021	Very Satisfied or Satisfied 2018	Trend
Community sporting and Recreation facilities	86.40%	88.50%	Decreasing
Accessibility of City services and facilities	79.3%	74.3%	Increasing
Service provided within libraries	88.3%	83.4%	Increasing
Streetscape and building design and scale	73.1%	74.8%	Decreasing

Service Level Performance

Table 3 details the targeted service levels to be refined in future revisions of the plan.

Table 3: Service Level Performance

KPI	Service level - Target	Service level - Performance
Compliance & Safety	Monitor percentage of compliance, safety and maintenance defects corrected within intervention targets.	Monitoring and reporting annually.
Quality	Condition 1-3 for 80%+	Monitoring and reporting annually.
Fit for Purpose	Criteria to be identified for various Property Assets	Monitoring and reporting annually.
Sustainable	Monitor total amount of non-renewable energy and scheme water used by the portfolio per annum.	Monitoring and reporting annually.
Financial Sustainability	Asset Ratios	Monitoring and reporting annually.

Service Demand

This section summarises likely factors that may affect the demand for property assets over the life of the AMP.

Some of the more significant changes will be the increasing population, increasing club participation and the expectation for the use of more sustainable energy sources and reducing water consumption.

Historic Demand

The following table outlines the key factors that have affected historical service demand change.

Table 4: Historic Demand Drivers

Driver Type	Effect	Demand Change
Population	The population grew from 64,677 (2016) to 69,283 (2021). This is consistent with the growth rate between 2006 and 2016.	Consistent increase
Demographics	The median age declined slightly between 2006 and 2016 from 38 to 37 years of age and rose again to 38 by 2021 census.	Neutral
Sport Club Membership	Women's participation across a variety of organised sports has risen significantly and the expansion and diversity of club membership bases may impact service demand for property services. *(Source: Community Recreation Plan)*	Increase
Tourism	Tourist numbers in the 'Perth' region have almost risen back to pre-pandemic numbers according to Tourism WA. Further investigations are required to	Neutral

	determine if and how this would have impacted the City's Property services.	
Climate	According to the City's Waterwise Strategy 2020, climate change presents significant challenges for the City such as declining groundwater availability and increasing urban heat.	Changing patterns

Future Demand

Consideration was given to six possible future demand drivers for Property assets.

Table 5: Future Demand Drivers

Driver Type	Effect	Demand Change
Political	Increased demand to improve internal asset management practices to reach a desired future level of proficiency. Possible increased demand for additional municipal resources as a result of decreasing external grant funding.	Increase
Economic	The long-term outlook is for Property maintenance costs to at least match inflation increases. Possible demand pressure to reduce the use of non-renewable energy resources and to increasingly reuse water and/or reduce water usage may require initial investment.	Increase
Social	A forecasted increase of the City's future population will increase the demand for recreation services. At this point in time demographic and social disadvantage drivers seem not to be a cause of demand change.	Increase
Technological	Opportunity exists to manage and maintain the property portfolio more efficiently and sustainably through the use of innovative technologies.	Increase
Legal	Benefits (i.e. stronger risk mitigation) may be realised though improving the City's defect identification and correction practices. Compliance requirements for public buildings will require monitoring and servicing of these buildings to ensure these requirements are met and sustained.	Increase
Environmental	Increased demand for more environmentally sustainable construction and maintenance practices. Increased need to use more sustainable energy sources and reduce water consumption not just for sustainability reasons but also to manage increasing utility costs which may require initial investments.	Increase

Demand Management

A review of past and future demand factors shows that service demand change has occurred, and will also likely occur into the future. Looking forward, the following initiatives and improvements are proposed in order to meet demand changes.

- Using the findings and recommendations from the Access and Inclusion Plan, Advocacy Strategy, Age Friendly Strategy, CCTV Strategy 2018-2028, Community Recreation Plan, Emission Reduction and Renewable Energy Plan, Land Acquisition and Disposal Strategy, Local Homelessness Strategy and any future property orientated strategies to inform the Property Asset Management Plan and consequent 10-year Forward Capital Works Programs, as these demand management strategies have already included extensive community consultation.
- Regularly review useful life estimates and condition of property asset components against expected useful life and condition.
- Identify energy and water consumption targets for each building. Implement appropriate tactics in order to reach these targets;
- Identify (where appropriate) the capacity of each building in terms of usage;
- Monitor (where appropriate) building's usage levels;
- Identify future technologies that can facilitate more effective and cost-efficient building management practices; and
- Aligning the Long Term Financial Plan and annual budgets with the AMP supported 10-year Forward Capital Works Programs will ensure that demand is managed in a sustainable way.

Risk Management

The City intends to proactively monitor the condition of property assets. Having sufficient warning, and understanding the likelihood and consequence of an asset failing, will allow the City to take corrective action to avoid unplanned failures and meet agreed service levels.

A risk analysis of the current property asset and asset management practices have not been included in this document, and has been identified in the improvement plan as a high priority to address in future plans. Table 6 will in future outline the top identified risks according to the City's risk management policy and risk management framework currently under review.

Lifecycle Management

Lifecycle management refers to how the City intends to manage and operate its property assets at the agreed service levels. It considers the information and strategies used to guide lifecycle decisions, including decisions regarding acquisition, maintenance, renewal, upgrade and disposal. Future revisions of this AMP will consider the implementation of these lifecycle management strategies which will feed into the 10-year Forward Capital Works Program.

Property Physical Parameters

The following information is obtained from the City's inventories. A Fair Value Revaluation of the City's Property Assets are schedules to take place in July 2023.

Table 6: Property Asset Portfolio Physical Parameters

Asset Type	Asset subtype or facilities	Count	Current Replacement Cost	Depreciated Replacement Cost (Written Down Cost)	Annual Depreciation
Change Rooms/ Public Toilets	Public Toilets; Change Rooms	35	$14,799,712	$10,620,918	$201,547
Community Buildings	Club rooms; Club sheds; Clinics; Education; Community halls	106	$69,980,475	$43,968,705	$1,080,961
Corporate Buildings	Civic; Depot; Animal management facility; Libraries; Emergency Services; Rangers; Nursery	30	$22,370,380	$16,506,467	$323,931
Golf course	Caretaker Residence; Store; Workshop; Kiosk; Club rooms	9	$5,090,622	$3,404,351	$73,893
Other Buildings	Commercial; Age care Facility; Retirement living; Hostel	209	$45,074,847	$35,401,147	$605,268
Sports and Recreation Buildings	Recreation Centres	6	$65,241,711	$56,051,895	$896,282
Waste Management Buildings	Buildings within the waste management facility	3	$4,271,388	$2,671,979	$58,406
Buildings Total		398	$226,829,135	$168,625,462	$3,240,287

Note: The definition of a building and a facility will be refined in future revisions of this plan.

Property Portfolio Condition

Future revisions of the plan will show more detail on the condition rating for property assets (rating 1-5 with 1 being very good and 5 very poor) weighted by replacement cost. From current available data the condition is represented as a percentage of the remaining useful life or service potential and is presented in Table 8. This is calculated by dividing the depreciated replacement cost by the current replacement cost.

Table 7: Property Asset Portfolio Condition

Asset Type	Asset subtype	Count	% Remaining useful life or Service potential	Overall Condition
Change Rooms/ Public Toilets	Public Toilets; Change Rooms	35	72%	Average
Community Buildings	Club rooms; Club sheds; Clinics; Education; Community halls	106	63%	Average
Corporate Buildings	Civic; Depot; Animal management facility; Libraries; Emergency Services; Rangers; Nursery	30	74%	Average
Golf course	Care taker Residence; Store; Workshop; Kiosk; Club rooms	9	67%	Average
Other Buildings	Commercial; Age care Facility; Retirement living; Hostel	209	79%	Good
Sports and Recreation Buildings	Recreation Centres	6	86%	Good
Waste Management Buildings	Buildings within the waste management facility	3	63%	Average
		398	74%	Average

Table 8b shows the component level visual condition assessment results for 132 of the 199 buildings as on 30 June 2022.

Property Portfolio Data Confidence and Reliability

Table 8 details the reliability and confidence levels of the current asset data the City holds (1-5 with 1 being very good and 5 very poor). It is the City's intention to progress towards a position whereby data confidence levels for all areas are classified as either a 1 or 2.

Table 8: Portfolio Data Confidence Level

Asset Type	Inventory	Condition	Valuation
Land	2	NA	2
Buildings	3	4	2

Lifecycle Management Strategies

This section details all the strategies and practices that are currently employed to manage Property assets at the lowest lifecycle cost.

Operation and Maintenance (O&M) Strategy

Land and building assets are predominately maintained through scheduled maintenance activities, but a substantial amount of activities are conducted on a reactive basis. The level of service of scheduled activities is governed by historic budget allocations. Future operation and maintenance strategies will document various activities, the service standards of these activities, and first principle cost associated with these activities. Current systems do not effectively track cost to allow for direct linking of cost to specific activities and to monitor service levels.

Land assets are not renewed, but do require ongoing site or building surround maintenance. Vacant land requires minimal maintenance, but developed properties require varied levels of maintenance either done by the City or by the lessee as specified in the lease agreement.

Public buildings have specific compliance requirements that require regular servicing and maintenance. Buildings must comply with the Building Regulations / Building Code of Australia (BCA) and the Health (Public Buildings) Regulations 1992. However, where there is conflict between the two, the Health (Public Buildings) Regulations 1992 prevail.

Currently the following are some of the scheduled servicing and maintenance taking place:

- Pest and termite inspections;
- Asbestos inspections;
- Eye wash station inspections;
- Gutter cleaning;
- Internal cleaning of buildings;
- Backflow prevention or reduced pressure zone (RPZ) valves testing;
- Water filter testing;
- Back-up generators servicing;
- Bayswater Waves gas pool boiler servicing;
- Residual current devices (RCDs) / safety switches testing;
- Inspection and testing of all emergency lighting, fire extinguishers, fire blankets, fire hose reels, hydrants, fire doors;
- Fire alarm systems testing and servicing;
- Air conditioning servicing;
- Automatic doors and gates servicing;
- Lifts Servicing; and
- Hydro Dynamic Sewer Pumps Servicing.

Renewal Strategy

All building assets are currently being inspected to determine their condition. City staff will then consider asset components conditioned rated as poor to determine the timing, scope and budget of any future renewal project. The identified projects are scheduled within the 10-year program and strive to balance cost, safety, reliability and functionality.

The purpose of the asset management plan is to ensure that these strategies are effective to manage the required renewals and maintain a set level of service.

In line with the City's *Asset Management Policy (2019*), when considering asset renewal, consideration should also be given to disposal, rationalisation and non-asset solutions.

Table 9: Property Assets – Useful Life Estimates

Asset Component Group	Asset Component Type	Average of Useful Life (Yrs)	Minimum Useful Life (Yrs)	Maximum Useful Life (Yrs)
Fit Out	BLINDS	15	15	15
	CEILING	30	10	30
	DOORS	22	10	40
	ELECTRICAL	19	10	25
	FLOORING	33	5	100
	INTERIOR WALLS	27	10	50
	LIGHTING	25	10	25
	PLUMBING	19	15	25
	WINDOWS	40	10	40
Fit Out Total		28	5	100
Mechanical Services	AIR-CONDITIONING	15	10	20
	DEFIBRILLATOR	8	8	10
	DUCTLINE	16	15	20
	FANS	20	10	20
	FIRE SERVICES	11	10	15
	HAND DRYER	12	12	12
	HEATING	18	6	20
	HOT WATER SYSTEMS	15	10	15
	HYDRAULICS	24	10	30
	OTHER	13	4	30
	PUMPS	12	3	20
	RESIDUAL CURRENT DEVICE	20	20	20
	SANITARYWARE	19	10	30
	SECURITY SYSTEM	13	7	20
	SOLAR POWER SYSTEMS	20	15	25
Mechanical Services Total		16	3	30
Roof Structure	FLAT	36	32	50
	PITCHED	39	10	60
	UNKNOWN	23	10	35
Roof Structure Total		38	10	60
Structure Long Life	LONG LIFE EXTERIOR ASSET	37	10	50
	MAJOR STRUCTURE WALL TYPE	45	30	50
	SUBSTRUCTURE	99	60	100
Structure Long Life Total		52	30	100
Structure Short Life	MINOR STRUCTURE WALL TYPE	7	7	7
	PAINTING	10	10	10
	SHORT LIFE EXTERIOR ASSET	18	8	25
Structure Short Life Total		17	7	25
Total		23	7	100

Table 10: Property Renewal Programs

Asset Class	Renewal Strategy
Fit Out	Identify any renewal required and align with other upgrade/new programs for buildings for the following components: • Blinds • Ceiling • Doors • Electrical • Flooring • Interior walls • Lighting • Plumbing • Windows
Mechanical Services	Identify any renewal required and align with other upgrade/new programs for buildings for the following components: • Air-conditioning • Defibrillator • Duct line • Fans • Fire Services • Hand dryer • Heating • Hot Water System • Hydraulics • Pumps • Residual Current devices • Sanitary ware • Security systems • Solar Power Systems
Roof Structure	Once major structural components are failing the need to reassess the complete structure is required. Renewing roofing cover may however still be feasible if the remainder of the building is still fit for purpose.
Structure Short Life	By their nature these assets are expected to be replaced and may include wall rendering or cladding. In some cases, internal painting can be an outcome of renewing these internal structures. Exterior assets include exterior lighting, CCTV, signage and patios. A facility may include building assets but also items that are classified as Recreation assets (i.e. outdoor park furniture, flag poles, and drinking fountains).
Structure Long Life	Once major long life or structural components are failing the need to reassess the complete structure is required, such as footings, slabs, walls. Long life exterior assets include paving, exterior ceilings and fencing. A facility may include building assets but also items that are classified as Recreation assets (i.e. water features) and even Transport assets (i.e. car parks).

A framework for building renewal programs should also in future consider separate programs for different types of facilities.

Renewal and Facility Redevelopment

The aim is to synchronise the above renewal programs so that work can be done by building or facility (i.e. a works package) and not only by asset type or component. In many cases like for like replacements (renewal) for individual building component are not practical and instead a building needs to be considered as a functional unit. Once a significant number of assets or components in a building require renewal, the building or facility needs to be considered for redevelopment. The extent of the redevelopment will identify if it is a renewal or an upgrade. This will be refined in future revisions of the plan. The City commits to community consultation and engagement for any redevelopment initiatives.

Some renewals can also be scheduled during building upgrades to allow for economies of scale and reduce interruption to the community. The savings due to economies of scale can contribute to the offset of costs resulting from the early renewal of some components or the maintenance required for component renewals that had been deferred to coincide with the substantive project.

It is also worth mentioning that the City has acquired residential properties over time that are currently used for non-residential community purposes and that they may not be fit for purpose and require redevelopment to comply with contemporary standards and expectations.

In line with the City's *Asset Management Policy* when considering asset renewal, consideration should also be given to disposal, rationalisation and non-asset solutions to reduce the whole of life cost of providing the asset and the service.

Upgrade/New Strategy

Land and Building assets are upgraded or new assets are acquired when the demand has been identified in a strategy and plan that informs the asset management plan, such as the Land Acquisition and Disposal Strategy, Community Recreation Plan or the Advocacy Strategy.

Building assets on occasion require upgrade to improve its functionality and plans such as the Access and Inclusion Plan, Community Recreation Plan and the Emission Reduction and Renewable Energy Plan informs these decisions. By considering upgrade and new projects together with renewal and disposal activities within an integrated asset management approach appropriate consideration can be given to whole of life cost while prioritising renewal activities.

Table 11: Property Upgrade/New Programs

Asset Class	Upgrade/New Strategy
Minor Upgrades - Fit Out	Identify any improvements to stakeholder key design and operational requirements (functional requirements) as well as those requirements identified in various strategies such as the access and inclusion plan for the following: • Blinds • Ceiling • Doors • Electrical • Flooring • Interior walls • Lighting • Plumbing • Windows
Minor Upgrades - Mechanical Services	Identify any improvements to stakeholder key design and operational requirements (functional requirements) as well as those requirements identified in various strategies such as the access and inclusion plan for the following: • Air-conditioning • Defibrillator • Duct line • Fans • Fire Services • Hand dryer • Heating • Hot Water System • Hydraulics • Pumps • Residual Current devices • Sanitary ware • Security systems • Solar Power Systems
Major Upgrade	Consider recommendations from the Land Acquisition and Disposal Strategy, Community Recreation Plan and the Advocacy Strategy for upgrade of buildings.
New Buildings	Consider recommendations from the Land Acquisition and Disposal Strategy, Community Recreation Plan and the Advocacy Strategy for new buildings.

A framework for building upgrade/new programs should also in future consider separate programs for different types of facilities.

Disposal Strategy

The City has identified the need to disposes of property assets by agreeing to the Land Acquisition and Disposal Strategy's principles and implementation program.

The *Asset Management Policy (2019)* not only prioritises renewal of assets but also identifies that consideration should be given to rationalisation or non-asset solutions when considering renewal of assets.

Future revisions of the plan may provide more detail on property disposals identified in the next 10 years.

Table 12: Property Disposal Program

Asset Class	Disposal Strategy
Land and Building	Land Acquisition and Disposal Strategy provides a framework for the disposal of Property Assets which includes Land and Building assets.

Financial

This section contains the financial requirements resulting from all the information presented in this AMP.

Current operation and maintenance, renewal, upgrade and new expenditure

Future revisions of this plan will report on historical expenditure for operation and maintenance, renewal, upgrade and new expenditure.

Table 13 provides a summary of capital expenditure related to property assets during the 2021-22 financial year.

Table 13: Capital Expenditure 2021-2022 Financial Year

Project Class Description	Capital Expenditure 21-22 FY
Administration Buildings	$9,924
Aged care facilities	$391,234
Aquatic facilities	$392,191
Building	$7,370
Building major capital works	$1,503,668
Building minor capital works	$267,878
Building new	$6,883
Building renewal	$125,513
Building upgrade	$9,086
Childcare & Education Buildings	$32,457
Community capital requests	$30,194
COVID-19 $5m Stimulus Package Projects	$5,566,538
Libraries	$9,000
Other Buildings	$17,960
Sport & Recreation Facilities	$8,923
Sustainable environment	$109,061
Water Facilities	$5,309
Grand Total	$8,493,189

Note: Future revisions will review expenditure classification.

Projected Expenditure Requirements

Projected Renewal Expenditure

Widely used indicators for long-term renewal requirements are annual depreciation figures. These figures represent the annual replacement cost to maintain the service at current service levels.

More refined estimates of the required renewal expenditure require data that is reliable in terms of inventory, valuation and condition.

As the City's asset management maturity, data reliability and systems improve, the reliability of these estimates will improve.

For purposes of this document, the annualised replacement cost will present the official indicators of required renewal expenditure as an annual average over the next 10 years. This number excludes the impact of any growth of the portfolio due to new and upgrade projects over the next 10 years.

All replacement costs are presented as they were in June 2022, and no consumer or construction price index (CPI) has been applied to adjust for inflation.

Table 14 provides a summary of estimated renewal requirements as described above.

Table 14: Property Assets Projected Renewal Expenditure Requirements.

Asset Type	Asset subtype	Quantity	Annual Depreciation – Annualised Replacement Cost
Change Rooms/ Public Toilets	Public Toilets; Change Rooms	35 buildings	$201,547
Community Buildings	Club rooms; Club sheds; Clinics; Education; Community halls	106 buildings	$1,080,961
Corporate Buildings	Civic; Depot; Animal management facility; Libraries; Emergency Services; Rangers; Nursery	9 facilities with 30 buildings	$323,931
Golf course	Caretaker Residence; Store; Workshop; Kiosk; Club rooms	2 facilities with 9 buildings	$73,893
Other Buildings	Commercial; Age care Facility; Retirement living; Hostel	6 aged care facilities with 206 buildings; 3 commercially leased properties	$605,268
Sports and Recreation Buildings	Recreation Centres	3 facilities	$896,282
Waste Management Buildings	Buildings within the waste management facility	1 facility with 3 buildings	$58,406
		398 buildings	$3,240,287

Projected Upgrade and New Expenditure

Future revisions of the Property AMP will identify upgrades and new projects that will impact the Property asset portfolio.

Planned Expenditure Requirements

In future revisions of this plan the 10-year Forward Capital Works Program (FCWP) and the Long Term Financial Plan (LTFP) will provide information on planned expenditure.

Plan Improvement and Monitoring

This section of the AMP outlines the degree to which it is an effective and integrated tool within the City. It also details the future tasks required to improve its accuracy and robustness.

Performance Measures

The effectiveness of this asset management plan will be monitored by the performance of three statutory asset management ratios that the City reports on.

These KPIs are useful in determining:

- the current physical state of the asset portfolio;
- how sufficient past renewal expenditure was; and
- whether sufficient future renewal expenditure is being allowed for.

Asset Consumption Ratio

This ratio is a measure of the condition of the City's physical assets, by comparing their depreciated replacement cost or fair value (replacement cost, less deductions, for physical deterioration) against their current replacement cost (cost to replace). The ratio highlights the aged condition of the portfolio and has a target band of between 50%-75%. Non-depreciating assets should be excluded from the calculation.

According to the available data, these ratios indicate that overall, property assets fall within the target range, indicating that the condition and age profile of these assets are within an acceptable range. The reliability of the ratios will improve as the reliability of the data improves. However, it is still important to report on these ratios using the data on hand. If technical indicators such as condition ratings and the City's customer satisfaction levels do not reflect the same trends as the ratios, the valuation methodologies should be reviewed.

Table 15: Property Asset Consumption Ratios

Asset Type	Depreciated Replacement Cost (Fair Value) DRC (FV)	Current Replacement Cost of Depreciable CRC	Asset Consumption Ratio ACR
Change Rooms/ Public Toilets	$10,620,918	$14,799,712	72%
Community Buildings	$43,968,705	$69,980,475	63%
Corporate Buildings	$16,506,467	$22,370,380	74%
Golf course	$3,404,351	$5,090,622	67%
Other Buildings	$35,401,147	$45,074,847	79%
Sports and Recreation Buildings	$56,051,895	$65,241,711	86%
Waste Management Buildings	$2,671,979	$4,271,388	63%
Total	$168,625,462	$226,829,135	74%

Asset Sustainability Ratio

This ratio is a measure of the extent to which assets managed by the City are being replaced, as they reach the end of their useful lives. The ratio is essentially based on information from previous years, and is calculated by dividing the average annual depreciation expense of the recreation asset portfolio, by the average annual renewal expenditure. The ratio has a target band of between 90%-110%.

Future revisions of this plan will collect and refine the reporting of actual renewal expenditure. Once data reliability has improved, these ratios can be accurately calculated.

Table 16: Property Asset Sustainability Ratios

Asset	4 Year Average	Annual Depreciation Expense	Asset Sustainability Ratio
Change Rooms/ Public Toilets	TBC	$201,547	TBC
Community Buildings	TBC	$1,080,961	TBC
Corporate Buildings	TBC	$323,931	TBC
Golf course	TBC	$73,893	TBC
Other Buildings	TBC	$605,268	TBC
Sports and Recreation Buildings	TBC	$896,282	TBC
Waste Management Buildings	TBC	$58,406	TBC
Total	TBC	$3,240,287	TBC

Asset Renewal Funding Ratio

The ratio is a measure as to whether the City has the financial capacity to fund asset renewal as and when it is required over the future 10 year period. The ratio is calculated by dividing the net present value of planned renewal expenditure over the next 10 years in the LTFP, by the net present value of planned renewal expenditure over the next 10 years in the AMP. The

same net present value discount must be applied in both calculations. The ratio has a target band of between 95%-105%.

Future revisions of this plan will collect planned renewal form the LTFP and refine the required renewal expenditure required. Once data reliability has improved, these ratios can be calculated.

Table 17: Property Asset Renewal Funding Ratio

Asset	NPV of LTFP Planned Renewal Expenditure over the next 10 years according to LTFP	NPV of AMP Required Renewal Expenditure over the next 10 years	Asset Renewal Funding Ratio
Change Rooms/Public Toilets	TBC	TBC	TBC
Community Buildings	TBC	TBC	TBC
Corporate Buildings	TBC	TBC	TBC
Golf course	TBC	TBC	TBC
Other Buildings	TBC	TBC	TBC
Residential Buildings	TBC	TBC	TBC
Sports and Recreation Buildings	TBC	TBC	TBC
Waste Management Buildings	TBC	TBC	TBC
Total	TBC	TBC	TBC

Improvement Plan

It is important to further develop the City's Asset Management Plans. This will ensure that the City's asset management continues to mature and can provide accurate data and information for effective decision-making to ensure that the City's infrastructure and assets are managed sustainably into the future.

The asset management improvement plan generated from this AMP is shown in Table 18.

Table 18: Property AMP Improvement Plan

Task No	Task	Timeline
1	Identify main risks for assets and asset management practices	Dec 2023
2	Improve inventory reliability. Review classification and definitions to form the basis of a review of the inventory. The definition of a building and a facility will be refined in future revisions of this plan.	Dec 2023
3	Improve valuation reliability for renewal planning by reviewing replacement cost estimates and useful life triggers.	Dec 2023
4	Improve condition data reliability and review the renewal and other lifecycle strategies to align with current practices. Include considering structuring programs to reflect different facility types.	Dec 2023
5	Improve reporting on historic renewal costs to inform the calculation of asset sustainability ratios.	May 2024
6	Prepare 10-year Forward Capital Works Programs that feed into the Long Term Financial Plan and allow for calculating asset renewal funding ratios.	May 2024