

BASS COAST

Building Asset Management Plan 2023-27

Acknowledgement of Country

Bass Coast Shire Council acknowledge the Bunurong as the Traditional Owners and Custodians of the lands and waters, and pays respect to their Elders past, present and emerging, for they hold the memories, the traditions, the culture and Lore.

Bass Coast Shire Council celebrates the opportunity to embrace and empower the Aboriginal and/or Torres Strait Island Communities in their diversity.

Bass Coast Shire Council will create opportunities for future recognition and respectful partnerships that will honour the Traditional Owners and Custodians, and Aboriginal and/or Torres Strait Islander Peoples.

Diversity and Inclusion

Bass Coast Shire Council is committed to providing communications and engagement that is welcoming, safe, accessible and inclusive for our community including First Nations, Culturally and Linguistically Diverse (CALD), Lesbian, Gay Bisexual, Transgender, Queer, Intersex and Asexual (LGBTQIA+) peoples, people with disability and of all ages.

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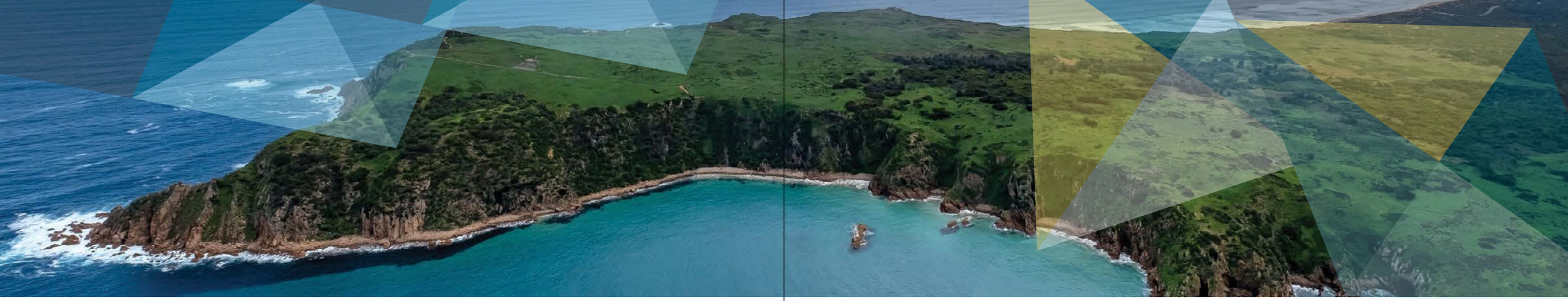
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Document Control

Document History

Version	Date	Status	Author	Summary of changes
0.1	20/03/2023	Draft	RN	Initial draft
0.2	23/03/2023	Draft	RN	Updated post initial review
0.3	24/03/2023	Draft	RN	Updated post final review
1.1	27/03/2023	Final Draft	SH	Formatted for comment
Adoption of the document | Council Meeting - **21 June 2023**				

Definitions

Explanation of definitions and acronyms used in this plan.

Term/Acronym	Definition
AASB	Australian Accounting Standards Board
AM Strategy	Asset Management Strategy
AMSC	Asset Management Steering Committee
Backlog	The amount of assets that do not meet the levels of service and are due for renewal
BAMP	Buildings Asset Management Plan
BPM	Business Process Manual
Condition or Service State	The Service State involves the use of a single integer between 1 and 5 to describe the ability for the asset in question to fulfill its function; where 1 is very good and 5 is very poor
IIMM	International Infrastructure Management Manual
ISO55000	55000 Series, International Suite of Asset Management Standards
LTFP	Long-Term Financial Plan
Net Strategy Cost	Total cost lifecycle scenario strategy. Calculation; Total Capital Cost over 20 Years + Total Maintenance & Operational Cost over 10 Years – Backlog Movement Over 20 Years
Non-current assets	Physical and intangible infrastructure assets, including information and communication technology (ICT) assets, controlled by the organisation
PSP	Precinct Structure Plan
SAM	Strategic Asset Management



1 Executive Summary

1.1 The purpose of the Plan

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

The BAMP documents the overall integrated planning framework to guide and improve Council's long-term strategic management of its buildings and major structures (property building assets) in order to cater for the community's required levels of service relating to building safety, quality, quantity, availability, cleanliness, environmental sustainability, utilisation and cost effectiveness into the future. Further details can be found in Section 3.5 Level of Service.

The BAMP defines the state of Council's building assets as at the 2022 financial year, the funding required to achieve Council's adopted asset performance targets and planned asset management activities over a 10-year planning period.

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

1.2 Current State of Council's Assets

The snapshot of building valuation as at 30 June 2022 is summarised in the table:

Asset Type	Quantity (Number)	Replacement Cost	Accumulated Depreciation	Current Value	Annual Depreciation
Buildings	410	$105.6M	$40.2M	$64.9M	$1.8M

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

The value of building assets that are modelled and covered by this Plan is estimated at $108.7M, as at 31 March 2022.

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

Refer to Table 9 – Asset Condition Rating Guideline for condition definitions.

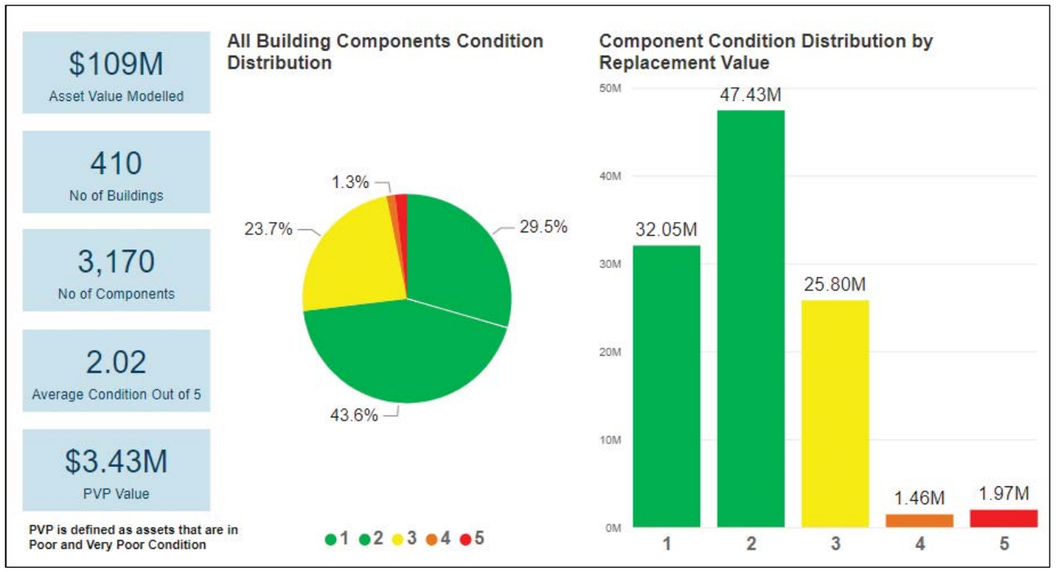


Figure 1 – State of Assets Snapshot as at 31 March 2023

The following diagram provides a condition snapshot of Council's buildings assets by asset function.

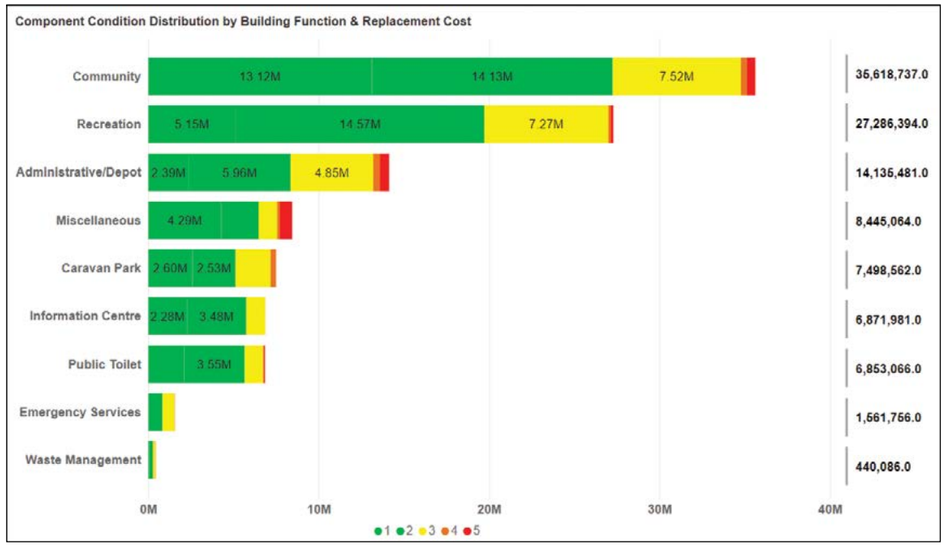


Figure 2 –Condition Distribution by Building Function & Replacement Cost as at 31 March 2023

1.3 Asset Funding Levels

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

Presently, there are plans to spend $8.8M over the following 10 years to upgrade Council's buildings and these have been documented in Council's current 10-Year Long Term Financial Plan (LTFP).

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

- Capital Renewal: $42.1M
- Maintenance & Operations: $6.1M or $611K on average per annum.

1 Source: 2021-22 Annual Report (Financial Statements, Note 6.1). The replacement cost does not include Cowes Cultural and Community Centre which when comissioned will add to the replacement cost by $27.2M.

The table below provides the breakdown of the adopted LTFP figures for Council's renewal and maintenance strategy 2023-2033.

Year	Current Renewal Funding	Current Maintenance Funding
23/24	$3,608,039	$611,470
24/25	$3,437,367	$611,470
25/26	$3,636,885	$611,470
26/27	$3,709,164	$611,470
27/28	$3,783,726	$611,470
28/29	$4,359,378	$611,470
29/30	$4,836,500	$611,470
30/31	$4,915,195	$611,470
31/32	$4,914,676	$611,470
32/33	$4,914,676	$611,470
Grand Total	**$42,115,606**	**$6,114,700**

Table 2 – Current adopted 10-Year funding strategy

The total capital funding (including renewals and upgrades) over 10 years is $50.9M which is expected to be sufficient to enable the building portfolio to achieve the required level of service targets.

Council has noted that the existing maintenance funding of $611K per annum is insufficient to ensure building components achieve their full useful lives. Inadequate maintenance activities will result in building components deteriorating quicker therefore requiring earlier capital renewal that costs significantly more. As a result, Council has recently undertaken a detailed analysis of scheduled or proactive maintenance activities. Council identified 16 activities which are incorporated into a criticality matrix.

The new forecasted 10-year scheduled maintenance activities are set out as follows:

Year	Scheduled Maintenance
23/24	$1,666,059
24/25	$1,851,686
25/26	$1,666,059
26/27	$1,666,059
27/28	$1,666,059
28/29	$1,666,059
29/30	$2,646,136
30/31	$1,666,059
31/32	$1,666,059
32/33	$1,666,059
Grand Total	**$17,826,296**

Table 3 –10-Year scheduled maintenance activity forecast

The increase in required funding in year 2024/25 and 2029/30 are driven by several buildings that are due for repainting. This is the recommended maintenance spend which is expected to enable the building portfolio to achieve its current useful lives through scheduled maintenance activities, thereby achieving the level of service targets. This Plan has noted this as a strong recommendation to incorporate the maintenance funding bid business case into 2024/25 Operating Budget process.

Climate change has seen an increased risk of extreme weather events including storm events, heatwaves, flooding, sea-level rise and fire events across the globe. Council has declared a Climate Emergency and adopted a Climate Change Action Plan with a vision

that our homes, buildings and infrastructure are comfortable, efficient and resilient to the impacts of climate change.

Considering this, Council has commissioned Strategic Asset Management (SAM) modelling that incorporated climate impacts factoring extreme temperature, extreme rainfall, flooding, sea level rises, dryness and storm surge which were sourced from the Infrastructure Asset Vulnerability Assessment (AVA) report by South East Councils Climate Change Alliance (SECCCA)[2].

The SAM model simulated the expected impacts of climate risks to building assets by shortening useful lives and increasing treatment costs. The projected percentage of assets with climate impacts on buildings is as follows:

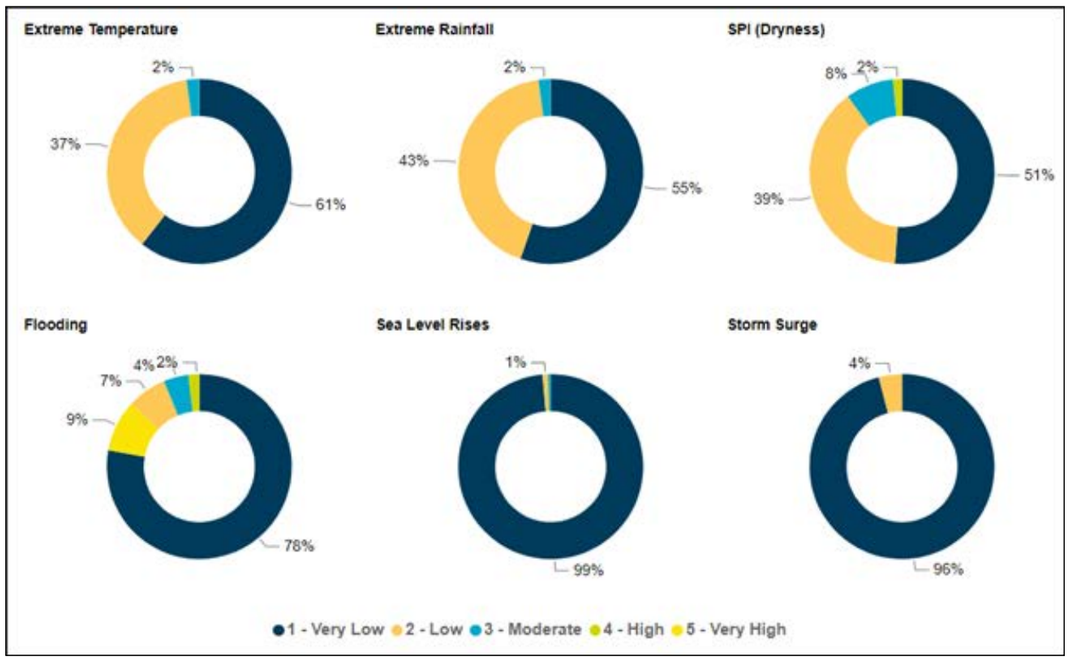


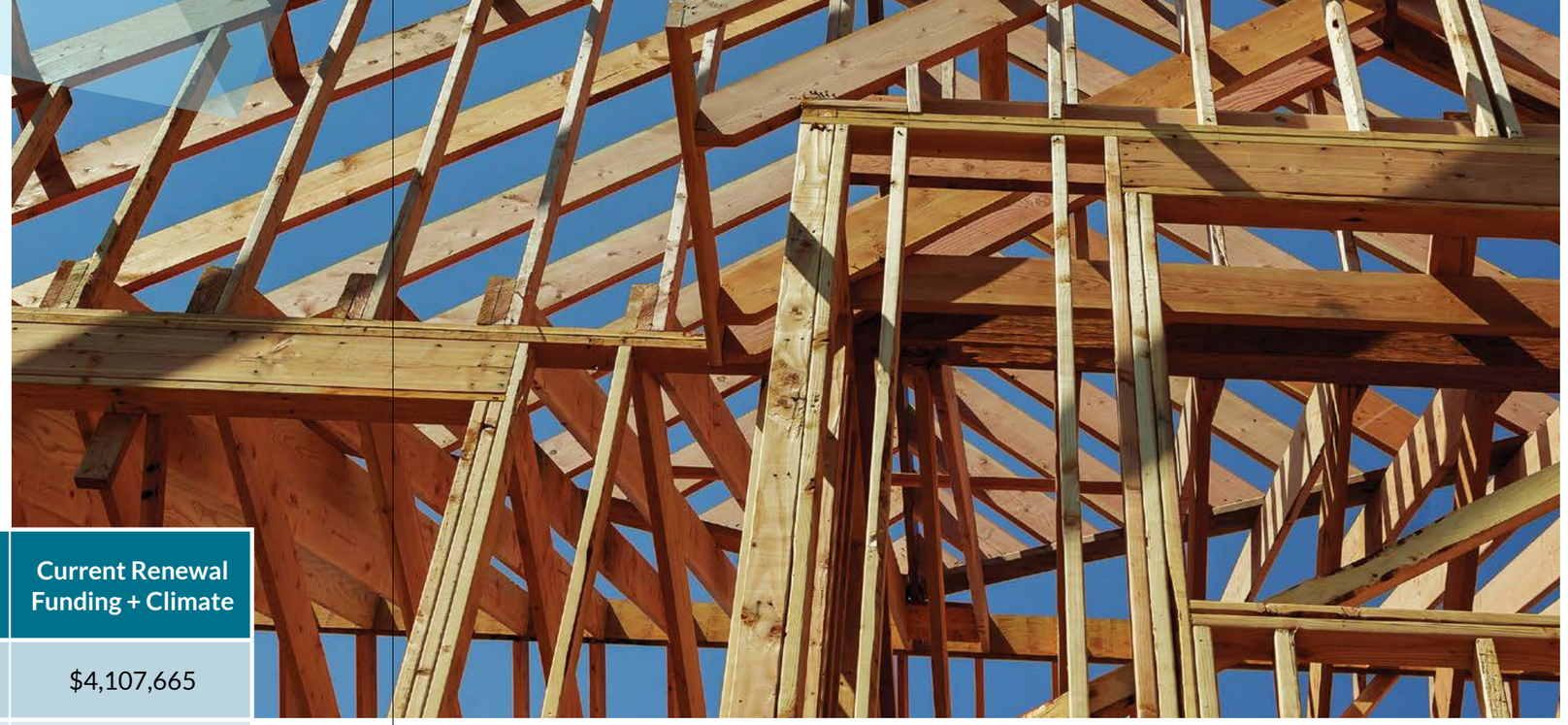
Figure 3 –State of assets report with climate impact risks

2 SECCCA is a collaboration of nine councils in Victoria's south-east making a regional response to climate change.

Hot spot areas where buildings are more prone to be impacted by climate change risks are generally located on the coastline as depicted in the diagram below:



Figure 4 – Climate impact hot spot areas



The model recommended additional funding to the tune of $6.8M over 10 years to ensure buildings components in identified hot spot areas are renewed or upgraded with climate resilient materials.

Year	Current Renewal Funding	Modelled Additional Funding Required Due To Climate Impact	Current Renewal Funding + Climate
23/24	$3,608,039	$499,626	$4,107,665
24/25	$3,437,367	$498,976	$3,936,343
25/26	$3,636,885	$499,836	$4,136,721
26/27	$3,709,164	$500,370	$4,209,534
27/28	$3,783,726	$799,736	$4,583,462
28/29	$4,359,378	$799,813	$5,159,191
29/30	$4,836,500	$800,055	$5,636,555
30/31	$4,915,195	$799,195	$5,714,390
31/32	$4,914,676	$798,628	$5,713,304
32/33	$4,914,676	$800,597	$5,715,273
Grand Total	**$42,115,606**	**$6,796,832**	**$48,912,438**

Table 4 – Recommended 10-Year funding strategy using climate impact scenario

It is noted that the current renewal funding in the LTFP was adopted without the climate impact projection. To ensure Council adequately provides funding to mitigate the modelled climate impacts on Council's buildings, it is recommended that Council allocates additional $6.8M funding over 10 years on top of the adopted current renewal budget.

The projected average condition and percentage of building components in a very poor condition (classified as backlog) based on current funding with and without climate factors are set out below:

Modelling Current Budget Scenario	Total Funding Over 10 Years	Avg Annual Funding	Avg	Avg Condition Year 10	Backlog Year 0	Backlog Year 10
Current Budget	$42.1M	$4.21M	2.02	1.43	1.81%	0.09%
Current Budget (C)[3]	$42.1M	$4.21M	2.02	1.64	1.81%	2.06%

Table 5 –10-Year Current Budget & Resulting Average Condition and % Backlog Condition

3 (C) Means modelling scenario with climate impacts. In this case, using the same current budget has seen climate elements accelerated the degradation of assets in hot spot areas resulting in increased very poor condition in year 10.

A summary of funding options considered is provided in the table below.

SAM Modelling Scenario	Avg Annual Funding	Avg	Backlog (%) Year 0	Backlog ($) Year 0	Avg	Backlog (%) Year 10	Backlog ($) Year 10
Option 1 - Current Budget	$4.21M	2.02	1.81%	1.97M	1.43	0.09%	0.10M
Option 1(C) - Current Budget (Current + Climate)	$4.21M	2.02	1.81%	1.97M	1.64	2.06%	2.24M
Option 2 - Desired Budget	$4.21M	2.02	1.81%	1.97M	1.43	0.09%	0.10M
Option 2(C) - Desired Budget (Desired + Climate)	$4.89M	2.02	1.81%	1.97M	1.54	0.00%	0.00M
Option 3 - Zero Backlog[4] Target	$4.40M	2.02	1.81%	1.97M	1.49	0.00%	0.00M
Option 3(C) - Zero Backlog Target (Zero Backlog + Climate)	$5.29M	2.02	1.81%	1.97M	1.48	0.00%	0.00M

Table 6 –10-Year Funding & Strategy Results - Funding Option

Further financial option details are detailed in the financial summary section. It is envisaged the financial projections will be improved as further information becomes available on the desired levels of service, current asset performance, empirical evidence of climate impact on building component useful lives and the actual cost of incorporating climate resilient materials in building renewal and construction.

4 Backlog is defined as building assets/components that are in Very Poor condition

1.4 Monitoring and Improvement Program

The improvement action items identified can be found in the Plan Improvement and Monitoring Section. A summary of actions to progress toward better practice asset management are set out below:

- Incorporate the maintenance business case funding bid into 2024/25 operating Budget.
- Develop specific treatment costs and useful life impacts of climate risk over time to inform future modelling exercises.
- Strengthen the understanding of climate change impact by expanding climate modelling into other major asset classes to know the total projected cost of climate change impact on Council owned infrastructure. Perform trade off analysis on the additional funding needs to ensure balanced and most equitable distribution between buildings and other major asset classes.
- Explore opportunities for future community consultations to incorporate to identify and measure the importance and performance of delivering building services to the community.
- Development, communication and acceptance of roles and responsibilities for all stakeholders including asset managers, service managers, facility managers and community groups in relation to the management of Council buildings.
- Review all aspects of the management of Council buildings, develop a specific improvement plan bringing together all building management practices to improve on existing systems and processes (eg. asbestos management, essential service measure inspections, building condition audits, renewal programming etc.).
- Document a comprehensive service framework that outlines service classification, financial classification and the mandatory attributes of each asset type that will form the basis of measuring the service.
- Develop a matrix of ‘must have’ attributes and ‘nice to have’ attributes for each asset type and document the asset family tree showing the relationship between parent, child and grandchild asset.
- Document ownership, management and maintenance liabilities for all leased Council buildings and incorporate key management attributes such as ownership, capital works, operations and breakdown of the maintenance and routine maintenance liabilities in asset register. Introduce lessee and lessor asset management responsibilities matrix in all new leases.



- Develop an alert system for imminent urgent building closure due to capital and maintenance related works.
- Implement the building maintenance framework. Review maintenance response time in building's BPM. Make it clear who does what (cyclic/reactive).
- Start classifying customer requests pertaining to new, renewal and maintenance.
- Implement a tracking system to assess the usage of Level 1 and Level 2 buildings
- Investigate and source for panel supply contractors to improve the efficiency of maintenance programming.
- Formally document the policy decisions to determine selection of building assets for inclusion in the capital works program.
- Review Customer Request Management System to include maintenance service levels and develop reports to measure performance.

- Review financial forecasts annually as better data becomes available, update and submit any supporting budget bids.
- Implement lifecycle costing of building maintenance work activities into council Asset Management Information System (AMIS).
- Review resourcing plan to ensure adequate resources to deliver this Plan.



2 Asset Class Information

2.1 Background

The building asset portfolio of Council provides a vital service to the local community. Council owns and maintains a number of building assets (such as public halls, libraries, recreational and sporting club assets) that support the local community and attract people from the wider Bass Coast region.

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

New and upgraded building needs and project candidates are identified in the 'Long Term Capital Works Program'[5] . This strategy provides an assessment of community asset needs based on a range of indicators (such as stakeholder engagement, capacity & utilisation) to identify priorities for existing and future community building asset needs to 2026.

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

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

5 Source: Long Term Capital Works Program 2022 - 2032



2.1.1 Buildings Included in this Plan

In all, this Plan covers 410 buildings and structures as classified by their asset type (building function) and asset subtype (building classification) which are set out in Table 7 – building quantity by asset /asset subtype.

This Plan covers all buildings and structures (building assets) which are owned or controlled by Council. Buildings for which Council is the responsible authority are classified under the Building Code of Australia (BCA) as Class 1 through to Class 10a[6] with enclosing walls. Other structures included in this Plan are classified under the BCA as class 10a non-habitable structures with open walls such as park shelters.

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

Asset Type/Subtype	Number of Buildings	Floor Area of Buildings in m2	Replacement Value ($)
Administrative/Depot			
Administrative Office	8	43,958	$9,351,809
Depot/Store	36	34,937	$4,783,672
Caravan Park			
Caravan Park	37	34,296	$7,498,562
Community			
Child Care Centre	2	6,798	$1,301,563
Clubroom	1	9,348	$2,255,205
Community Hall/Centre	20	89,251	$19,454,491
Library Assoc Structure	2	8,364	$1,924,586
Maternal Child Health	1	3,355	$422,425
Museums	2	6,787	$1,153,586
Pre School/Kindergarten	31	39,623	$6,944,016
Resid'l Unit/House	2	2,880	$421,920
Senior Citizen Centre	2	13,827	$1,740,945
Emergency Services			
Emergency Services Department	8	9,797	$1,561,756
Information Centre			
Information Centre	20	32,959	$6,871,981
Miscellaneous			
Commercial Operation	3	1,531	$156,875
Heritage Buildings	1	288	$131,140
Memorials	2	282	$69,750
Minor Buildings	6	2,296	$444,723
Miscellaneous Building	66	36,101	$6,087,959
Miscellaneous Structure	62	14,220	$1,554,617
Public Toilet			
Public Toilet	48	20,904	$6,853,066
Recreation			
Leisure/Swimming Pool	8	56,044	$10,469,375
Sporting Facilities	35	72,473	$16,817,019
Waste Management			
Waste Management	7	4,167	$440,086
Grand Total	**410**	**544,486**	**$108,711,127**

Table 7 – Building quantity by asset type/subtype



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

2.1.2 Buildings & Structures Exclusions

This Plan excludes building assets which are subject to long term leases[7] and those owned and maintained by the Department of Energy, Environment and Climate Action (DEECA).

Other class 10a and 10b[8] structures such as sports field lighting poles, retaining walls etc. are classified within a separate asset portfolio entitled "Other Structures" and considered as part of park infrastructure which are managed via Council's Open Space Asset Management Plan.

2.2 Current State of the Assets

The distribution of Council's building asset portfolio by quantities is illustrated in Figure 5.

7 Council has no liability on these long term leased buildings
8 Class 10b – a structure being a fence, mast, antenna, retaining or free-standing wall, swimming pool or the like, not associated to a building site.

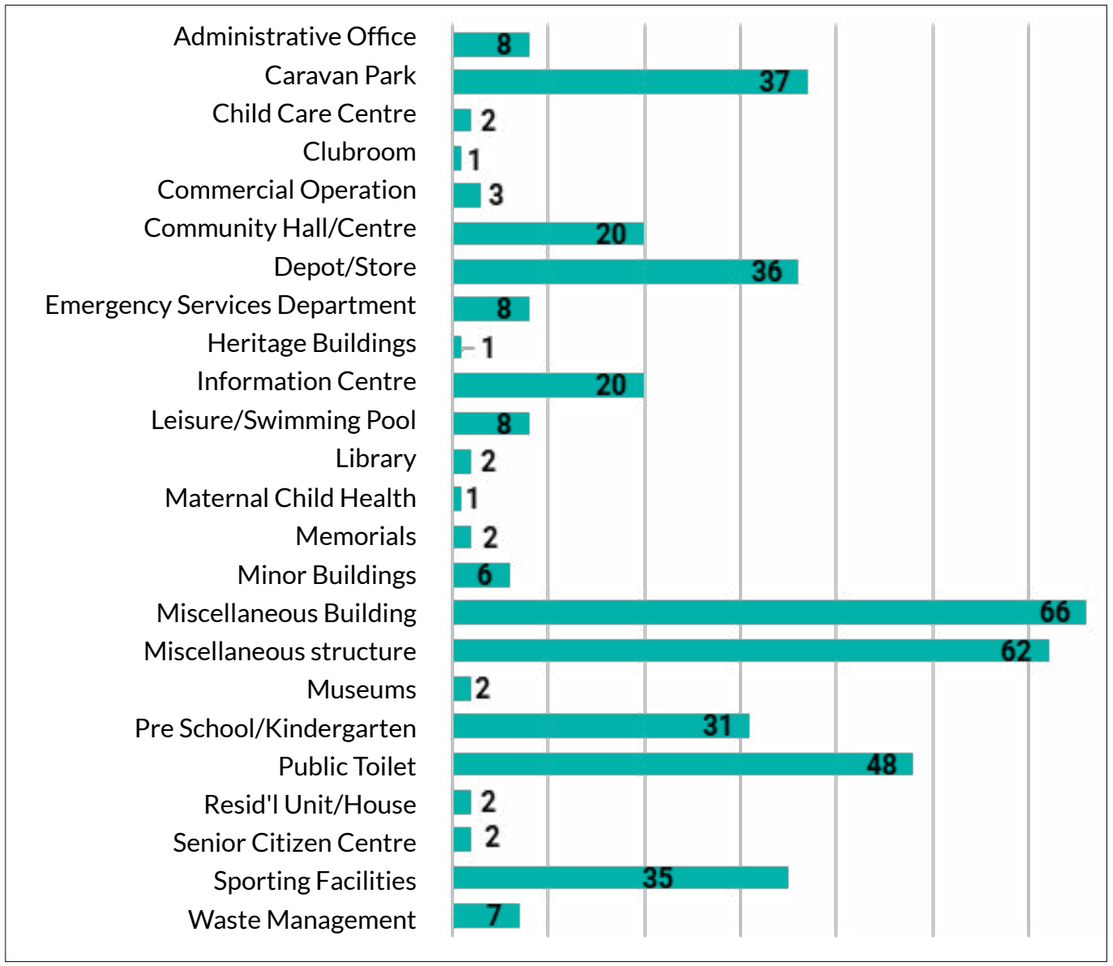


Figure 5 – Distribution of Building Assets by Asset Type (Function)

At present, 77.8% of the asset portfolio is comprised of enclosed buildings, which equates to $107.5M of the total $108.7M replacement modelling cost (representing 98.9% of the total portfolio replacement modelling cost). Other building structures made up the other 22.2% of the asset portfolio, which equates to $1.2M replacement modelling cost (representing 1.1% of the total portfolio replacement modelling cost).

2.2.1 Current Replacement Modelling Costs

The total model value of buildings and structures for which Council is responsible for is currently estimated at $108.7M. The break-up of the asset function by replacement value is illustrated in Figure 6.

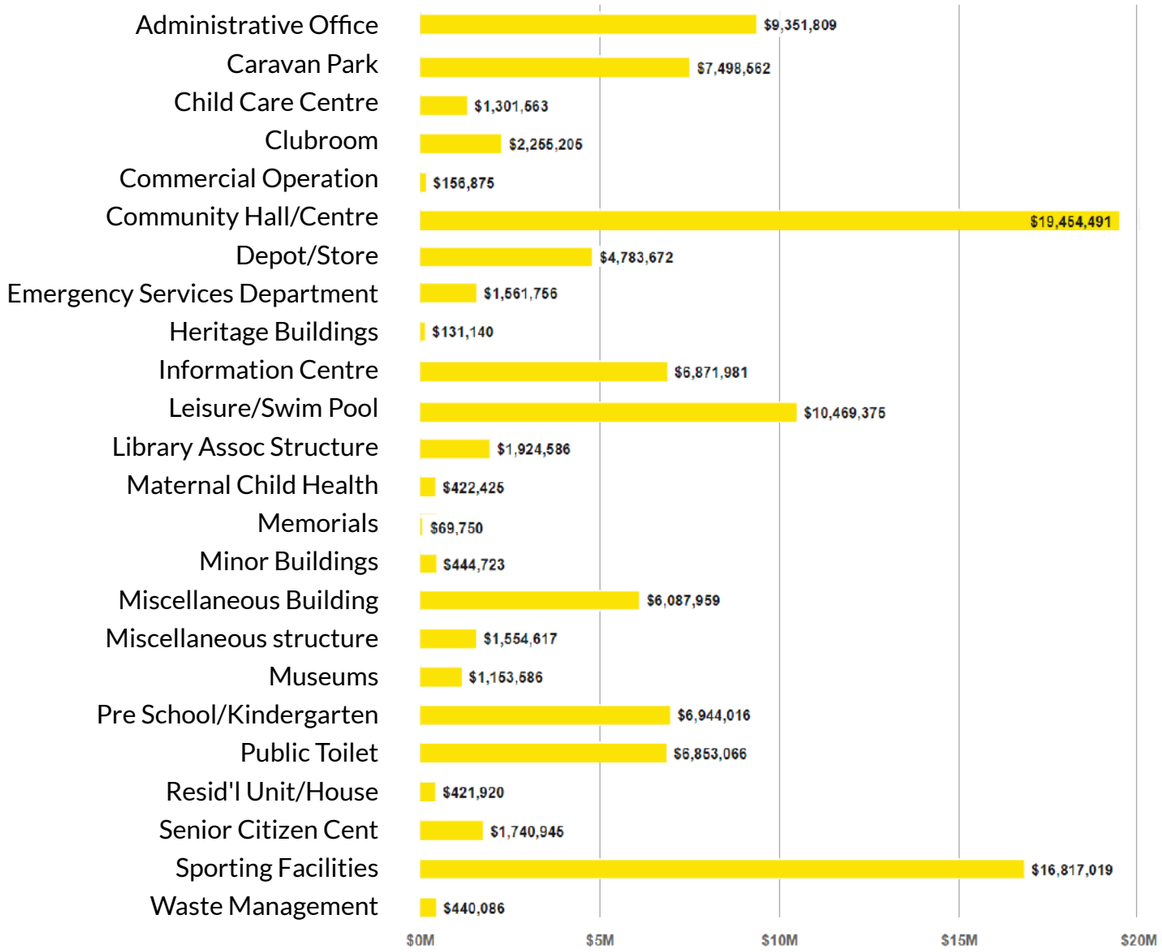


Figure 6 – Distribution of Building Asset Estimated Replacement Values by Function

It is expected the replacement value will increase by $27.2M once Cowes Cultural and Community Centre is commissioned in late 2023.

From the asset valuation standpoint, the table below provides a summary at 30 June 2022.

Asset Type	Quantity (Number)	Replacement Cost	Accumulated Depreciation	Current Value	Annual Depreciation
Buildings	410	$105.6M	$40.2M	$64.9M	$1.8M

Table 8 - Assets Valuations as at 30 June 2022[9]

Table 8 identifies the annual asset depreciation of Council's building assets to be in the order of $1.8M per annum. The average annual depreciation (asset consumption) is considered a measure of the wearing out or other loss of value of the asset that arises from its use, passing of time or obsolescence due to environmental changes.

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

2.2.2 Building Information Management

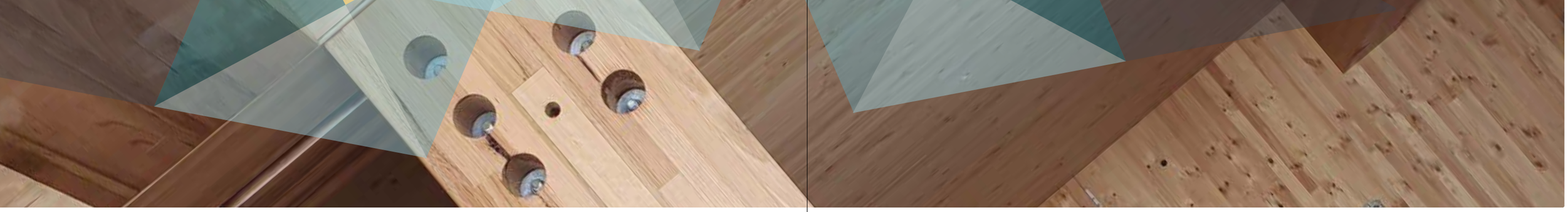
All information pertaining to asset type and function, location, constructed year and condition of these building and structure assets are recorded and stored in Council's Asset Register – One Council Asset Lifecycle Module.

In 2022, Council engaged an external contractor to inspect its building's portfolio and perform visual inspections at the building component level. At the time of preparing this Plan, it is estimated that Council's Asset Register is 100% complete with regards to the buildings list and 100% up to date. All completed capital works program since 2022 are earmarked to reset the condition of affected building components prior to undertaking SAM modelling.

2.2.3 Current Asset Performance

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

9 Source: 2021-22 Annual Report (Financial Statements, Note 6.1). Note the difference in the replacement cost compared to modelled value of 108.7M. The modelled Replacement Cost used for this BAMP is as at 31st March 2023



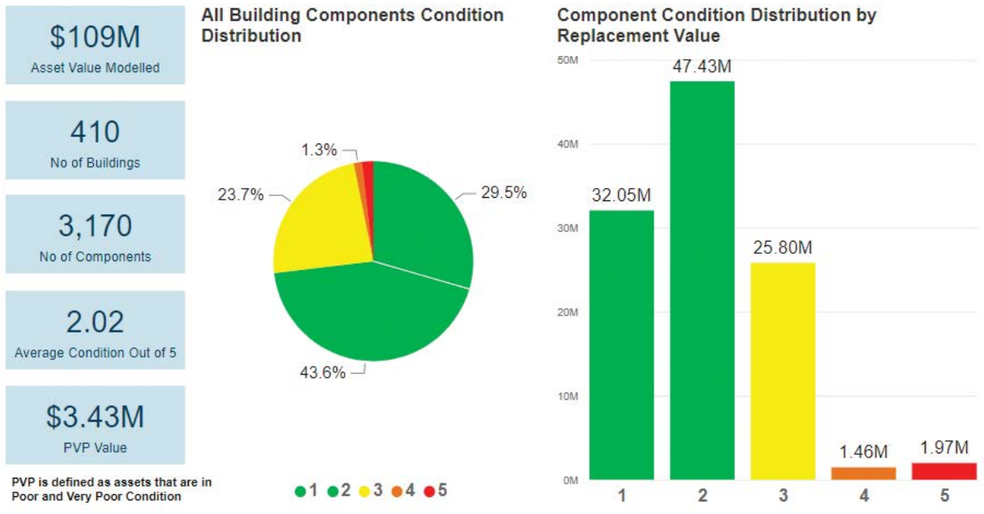


Figure 7 – State of Assets Snapshot as at 31 March 2023

Refer to Table 9 – Asset Condition Rating Guideline for condition definitions.

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

Council's overall building assets (inspected at the component level) are estimated to be in good condition as shown in Figure 7, with 73.1% ($79.5M) in very good and good condition and 3.2% ($3.4M) in poor and very poor condition. The average network portfolio condition is 2.02 out of 5.

Figure 8 provides a condition snapshot of Council's building asset components by asset function. It informs us that most of the buildings are in good to very good condition. Council has however identified the recreation, administrative/depot and community buildings to have 5.7% ($1.5M), 1.5% ($212K) and 0.8% ($274K) of their components respectively, rated in condition state 5 (very poor).

Figure 8 – Condition distribution by building function and replacement cost as at 31 March 2023

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

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

2.2.4 Condition Assessment

Council has documented a detailed building business process manual (BPM) that has been used to assess the building network condition. This manual provides further information on the methodology for rating and assessing the condition/performance of these assets.

Typically, network wide condition assessments are undertaken on a 4-year cycle (coinciding with the financial revaluations) and used to identify where building asset components are within their defined useful lives at any given point in time. The latest condition audit covering all buildings that Council is responsible for was completed in December 2021.



The condition rating system is summarised in Table 9 – Asset Condition Rating

Condition	Condition Score	Description
Good	1	**Very Good**: Free of defects, only planned and/or routine maintenance. Only normal maintenance is required
	2	**Good**: Minor defects, increasing maintenance required plus planned maintenance. Minor maintenance is required.
Fair	3	**Fair**: Defects requiring regular and/or significant maintenance to reinstate service. Significant maintenance is required to return to an acceptable service level.
Poor	4	**Poor**: Significant defects, higher order cost intervention likely. Significant renewal/upgrade is required.
	5	**Very Poor**: Physically unsound and/or beyond rehabilitation, immediate action is required. Asset/component requires replacement.

Table 9 – Asset condition rating guidelines

2.3 Lifecycle Management

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

2.3.1 Operations and Maintenance Plan

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

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

Council has developed a schedule maintenance forecast that uses a criticality matrix. The matrix takes into account the frequency and cost of identified maintenance activities as follows:

- Roof Inspection/Gutter Cleaning
- Internal Paint
- External Paint
- Essential Services
- Mechanical/HVAC
- Kitchen Fitouts
- Electrical Serv
- Security System
- Transport/Movement Access
- Pool
- Solar Panel
- Hydraulic/Plumbing System
- Building Cleaning
- Public Toilet
- Landscaping
- Pest Control

The forecasted 10-year scheduled maintenance activities are set out as follows:

Year	Scheduled Maintenance
23/24	$1,666,059
24/25	$1,851,686
25/26	$1,666,059
26/27	$1,666,059
27/28	$1,666,059
28/29	$1,666,059
29/30	$2,646,136
30/31	$1,666,059
31/32	$1,666,059
32/33	$1,666,059
Grand Total	**$17,826,296**

Table 10 – 10-Year scheduled maintenance activity forecast

It is noted that operations and maintenance activities do not improve the condition of the building, but rather ensure the asset lifecycle is maintained to enable the building to deliver its service levels as related to its building function.

For the levels of service delivered on a day-to-day nature (i.e. responding to customer requests for maintenance faults and responding to localised asset failures), these intervention levels[10] are currently documented in Council's building business process manual. At present, Council considers that these current operations and reactive maintenance service levels meet the community's needs and expectations.

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

2.3.2 Renewal/Replacement Plan

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

Renewal and replacement strategies are based on the most current asset condition inspections available to Council at the time of developing the forward works programs. The rule bases which reflect the policy decisions that Council will employ to determine when they will select building assets for inclusion in their capital works program are currently documented in Council's predictive modelling software. Council envisages this information to be appended to the building business process manual and this Plan has noted this under the improvement action plan.

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

2.3.3 Upgrade/Expansion Plan

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

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

Typically upgrade/expansion works are identified from a combination of methods which include Councillor and/or community requests and project candidates identified via Strategic Plans and/or building capacity and functionality audits undertaken by the service manager.

Presently, there are plans to upgrade the following buildings over the next 10 years:

- Cowes Cultural and Community Centre
- Corinella Bowls Club Accessible toilet
- Pioneer Bay Reserve, toilets and community meeting space
- Kindergarten upgrades
- Pavilion upgrades

These have been documented in Council's Long Term Capital Works Program and a high level summary is available in Council's Annual Budget 2022-23.

2.3.4 Creation/Acquisition Plan

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

Council's recently completed major projects are as follows:

- Phillip Island - Croquet Club Pavilion - Construction of a new pavilion at Blue Gum Reserve, Cowes
- Newhaven - Soccer Pavillion - Construction of new changerooms, showers, toilets and storage area
- Phillip Island Community and Learning Centre relocation and rebuild

The ongoing major project is the $27.2M Cowes Cultural and Community Centre with anticipated completion in 2023.

Presently, there are plans to construct some $16M new buildings/facilities and these have been documented in Council's Long Term Capital Works Program. Furthermore other state agencies at times fund new facilities in partnership with Council such as pre-schools and libraries. The Victorian School Building Authority (VSBA) is currently constructing an expansion to the Wonthaggi Preschool and a new preschool on the Newhaven Primary School site with an aim to create more kindergarten places for local 3 and 4-year-olds.



2.3.5 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition, relocation or transfer of ownership. Council has recently disposed the Cowes Cultural Centre valued at $4.0M where within there was library/historical building, service centre, office, auditorium, meeting rooms, public toilet and old water board offices.

Council has identified several buildings for disposal in the upcoming years as follows:

- Cowes Community House and Phillip Island Kids House Shade Sail
- Cowes Community House Mckenzie Cottage
- Phillip Island Community and Learning Centre (PICAL)
- Records storage facility in Baillieu St East, Wonthaggi
- Civic Centre Portable No. 2, Wonthaggi

2.4 Leadership and Accountability

Council's Asset Management Policy 2022-26 defines at a high level, the roles and responsibilities within Council for asset management.

In addition, an Asset Management Steering Committee (AMSC) has been drawn from across Council administration to coordinate asset management related matters. Meetings are held regularly and chaired by the Manager Asset Management.

Wonthaggi Recreation Reserve

3 Levels of Service

3.1 Customer Research and Expectations

Council undertakes customer surveys to understand and identify community priorities for Bass Coast Shire and identify the community's overall level of satisfaction.

The most recent customer satisfaction survey[11], which was conducted in 2022 offers Council a long-term measure of how they are performing. The table and graph below illustrate Council comparing favourably with other Victorian councils and most favourably with other large rural municipalities.

Noted high performing areas in the results of the survey where Council's buildings have direct and indirect influence are set out below:

- Art centres and libraries
- Community and cultural activities
- Recreational facilities

11 2022 Local Government Community Satisfaction Survey



Cowes Cultural Centre

The summary of index scores with 100 representing excellent and 50 representing average across core measures related to buildings are as follows:

Focus Areas	2022	2021	2020	2019	2018
Art centres & libraries	73	73	74	74	74
Appearance of public areas	71	73	72	72	71
Recreational facilities	69	71	70	70	69
Overall performance	59	61	58	60	59

Table 11 – Summary of Core Measures

Figure 9 illustrates the satisfaction with Council's overall performance between 2018 to 2022 and provides a comparison performance with the state-wide average and large rural municipalities.

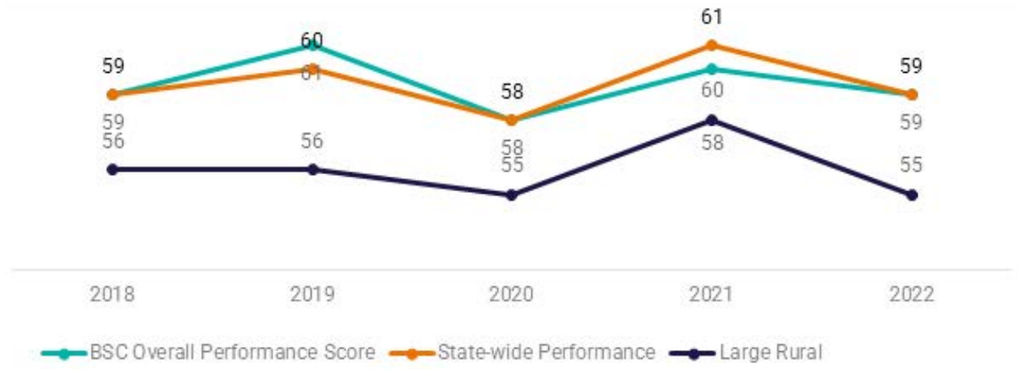


Figure 9 – Bass Coast Community Survey Satisfaction Overall Performance

3.2 Strategic and Corporate Goals Alignment

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

Relevant Council Strategic Objectives and Priorities[12] and how these are addressed in this Plan are detailed in Table 12.

Strategic Objectives	Priorities	How Strategic Objectives and Priorities are addressed in BAMP
Protecting our natural environment: Building resilience and protecting and enhancing our natural assets	- Ensure Council's planning instruments protect the environmental assets of Bass Coast - Encourage the prioritisation of renewable energy and energy efficiency through partnerships, policies and initiatives that reduce costs and increase local uptake - Improve biodiversity through careful management of land, water and ecosystems that protect and enhance our native flora, fauna and biolinks	- Where possible, Council facilities when renewed will be designed to utilise harvested water to minimise reliance on potable water - Where possible, Council facilities when renewed will be designed to utilise solar power to reduce our carbon footprint
Healthy Community: An inclusive community that embraces its lifestyle and supports health and wellbeing	- Support individuals, community groups and local organisations to enhance community connection and wellbeing - Foster creativity through promoting and supporting arts and cultural opportunities - Provide opportunities for residents to be active in a range of leisure and, recreational activities - Enhance and maximise the use of Council's open space and community facilities to deliver community benefit	- Supports the provision of facilities that foster and facilitate positive health and wellbeing outcomes - Established a linkage between BAMP and community infrastructure planning to ensure Council provides access to places, spaces and services where and when people need them the most - Provision of design for capital works, built assets management, civil and landscape infrastructure planning - Provision of facilities that are accessible, safe and well maintained - Ensure facilities are designed and built to accommodate growth, diverse needs and future flexibility - Provision of spaces and places for the community to meet, reflect and interact
Growing our Economy: Progressing opportunities for visitor economy and business growth in harmony with our natural environment and sustainable values.	- Take a Shire-wide approach to enhancing and diversifying our visitor economy and attraction - Partner with key stakeholders to grow and deliver signature events that showcase Bass Coast	- The redevelopment of the Cowes Cultural and Community Centre to bring together the cultural and social aspirations of the community and draw visitors in to showcase the history and culture of the region. The new facility will encourage a range of community activities and events - Upgrade visitor facilities, experiences and accommodation
Sustainable Development: Prepare for growth while ensuring the intrinsic values and character of Bass Coast are retained	- Plan for housing growth and development that is inclusive, affordable, resilient and complements the nature of individual townships - Manage urban growth and define town boundaries to deliver future focused infrastructure that is innovative, sustainable and adaptable - Ensure land use planning and economic development are aligned to facilitate business investment - Promote environmentally sustainable and universal design principles as standard	- Provision of community facilities that are fit for use and purpose, accessible, safe and well maintained - Supports the provision of facilities that foster and facilitate positive health and wellbeing outcomes - Ensure facilities are designed and built to accommodate growth, diverse needs and future flexibility - Advocate, planning and provision of swimming pools and aquatic centres that are fit for use and purpose, accessible, safe and well maintained - Provision of 10-year capital improvement programs to reduce asset renewal gap and to ensure that assets are fit for the purpose they were intended for
Leading for our Community: Demonstrating leadership through good governance, transparency and accountability	- Advocate to State and Federal Governments, philanthropic and not-for-profit organisations for improved services, policies and infrastructure delivery in Bass Coast - Foster partnerships and engage with the community, Traditional Owners and businesses to deliver the Climate Change Action Plan and achieve the zero net emissions target by 2030 - Build partnerships that enhance service provision, infrastructure delivery and funding opportunities - Lead an adaptable, innovative and financially sustainable organisation that delivers maximum community benefit - Demonstrate good governance, integrity and accountability through decision making that is ethical, informed and inclusive	- Incorporating climate factors into strategic asset modelling to simulate climate impact analysis for decision making - Implement the Council's Climate Change Action Plan 2020-30 - This BAMP will help lead Council to establish mature asset management practices for its building assets enabling a strong understanding of what funding is required to sustain the asset base and identification of opportunities for new initiatives - Asset management has the long-term goal of providing services that meet community expectations most cost-effectively. This BAMP describes proactive approaches to asset management, and the use of data to inform decision-making - Provision of 10-year capital improvement programs in order to reduce the asset renewal gap and to ensure that assets are fit for purpose and fit for the future

Table 12 - Council's Strategic Objectives and how these are addressed in this Plan

12 Source: 2021-25 Council Plan

3.3 Key Stakeholders

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

Table 13 identifies stakeholders where consultation is necessary when Council seeks input in relation to the determination of Levels of Service and intervention levels.

Stakeholder Group	Role or Involvement
Internal Stakeholders	
Elected Council	Custodian of the asset, with Councillors representing the residents and setting strategic direction as per the corporate and operational plans
Executive Team	To ensure that the Asset Management policy and strategy are being implemented as adopted, and to ensure that long-term financial needs to sustain the assets for the services they deliver are advised to Council for its strategic and financial planning processes
Managers of the various building and property assets	As the designated strategic custodian of property assets, responsible for the overall management of the assets from planning, design, maintenance, capital works and monitoring and updating the plan and ensuring its outcomes are realised to achieve the levels of service being required from utilisation of the assets
Asset Management Department	Maintaining Council's asset registers and performing strategic predictive modelling analysis works to inform Council's Long Term Financial Plans and Capital Works Program. Responsible for coordinating the development and implementation of asset management processes and frameworks within the Council
Finance Department	Ensuring that the asset valuations are accurate. Development of supporting policies such as capitalisation and depreciation. Preparation of asset sustainability and financial reports incorporating asset depreciation in compliance with current Australian accounting standards, AM, GIS support and admin
Maintenance Department (Internal)	To ensure provision of the required/agreed level of maintenance services for asset components
Information Technology Managers	To ensure that the relevant IT systems are functioning and that any data within the systems are secure, and its integrity is not compromised
Risk Managers	To ensure that risk management practices are conducted as per Council policy and assist operations managers with advice on risk issues
Internal Auditors	To ensure that appropriate policy practices are carried out and to advise and assist in improvements to manage strategic asset management risks
External Stakeholders	
Community	General users of the various facilities
Community User Groups	Users of facilities that have been dedicated to the provision of a specific service (e.g. clubs, child care, senior citizens)
Service Providers	Those external bodies or agencies that provide services to the community utilising council owned buildings and facilities
Maintenance Personnel (contractors)	To ensure provision of the required/agreed level of maintenance services for asset components
Utility Service Providers	Agencies that provide utility services such as electricity, gas, water, sewerage and telecommunications necessary to facilitate services from a building
State and Federal Government Depts	Periodic provision of advice, instruction and support funding to assist with management of the drainage network
Council's Insurer	Insurance and risk management issues

Table 13 – Key Stakeholders

3.4 Legislative Requirements

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

Legislation	Requirement
Local Government Act 2020	Sets out role, purpose, responsibilities and powers of local governments including the requirement to develop, adopt and keep in force an Asset Plan The scope of the Asset Plan is a period of at least the next 10 financial years and must include information about maintenance, renewal, acquisition, expansion, upgrade, disposal and decommissioning in relation to each class of infrastructure asset under the control of Council
Public Health Act and Wellbeing Act 2008	The purpose of this Act is to enact a new legislative scheme which promotes and protects public health and wellbeing in Victoria. The Act places obligations on the owner of any land on which there is a cooling tower system
Building Act 1993 and Building Regulations 2018	The Act sets out the legal framework for the regulation of construction of buildings, building standards and maintenance of specific building safety features in Victoria The Regulations are derived from the Act and contain, amongst other things, the requirements relating to building permits, building inspections, records of maintenance inspections and service and repair works for essential safety, occupancy permits, and enforcement of the Regulations and maintenance of buildings The Regulations call up the BCA as a technical reference that must be complied with
Heritage Act 1995	Provides for the protection and conservation of places and objects of cultural heritage significance and the registration of such places and objects
Planning and Environment Act 1987	The purpose of this Act is to establish a framework for planning the use, development and protection of land in Victoria in the present and long-term interests of all Victorians
Bass Coast Planning Scheme	Planning matters as they relate to the siting and use of buildings
Building Code of Australia (BCA)	A uniform set of technical provisions for the design and construction of buildings and other structures. It is fully performance based and allows for state variations to provide additional requirements or cater for specific community expectations. A performance based approach defines the way of achieving a specified outcome without prescribing a particular method. This code has direct relevance for building maintenance, renewals and upgrades
Occupational Health and Safety Act (Vic) 2004 and Occupational Health and Safety Regulations 2007	Includes Asbestos 2003; Manual Handling 1999; Noise 2004; Prevention of Falls 2003; and Lead 2000
Environment Protection Act 1970	The purpose of this Act is to create a legislative framework for the protection of the environment in Victoria having regard to the principles of environmental protection
Landlord and Tenant Act 1958	This legislation defines roles, responsibilities and obligations of landlords and tenants with respect to lease and hire of buildings
Disability Act (Vic) 2006	The Disability Act establishes a framework for providing support and services to people with disabilities throughout Victoria
Graffiti Prevention Act 2007	The purpose of this Act is to reduce the incidence of graffiti
Essential Safety Measures Legislation	Life and fire safety systems required in commercial, industrial and public buildings to ensure the safety of occupants in the event of a fire or emergency

Table 14 -Legislation relevant to management of building assets

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

Regulation / Standard / Guide	Requirement
Local Government (Planning and Reporting) Regulations 2020	The Local Government (Planning and Reporting) Regulations 2020 have replaced and substantially replicated the Local Government (Planning and Reporting) Regulations 2014, by prescribing the information to be included in the Council Plan, budget and annual report, as well as continuing to provide a mandatory system of performance reporting for all councils. The only variations in the Regulations 2020 reflect the new strategic plans being introduced by the Local Government Act 2020, specifically the four-year budget, and the 10-year Financial Plan
ISO 55000 Suite, 2014	The International Organization for Standardization's ISO 55000:2014 Asset Management (ISO 55000) provides a global guide to better practice in asset management, including asset information management ISO 55000 specifies that entities should align information requirements to asset management needs and risks, along with requirements for collecting, managing, evaluating, and ensuring consistency and availability of information for asset management decision-making
Australian Accounting Standards Board (AASB)	Provides direction and guidance on the financial and reporting expectations of entities, to ensure a consistent approach to accounting records. The following regulations apply to Council: **AASB 116 Property, Plant & Equipment** – prescribes requirements for recognition and depreciation of property, plant and equipment assets **AASB 136 Impairment of Assets** – aims to ensure that assets are carried at amounts that are not more than their recoverable amounts **AASB 1021 Depreciation of Non-Current Assets** – specifies how depreciation is to be calculated **AAS 1001 Accounting Policies** – specifies the policies that an organisation is to have for recognition of assets and depreciation **AASB 1041 Accounting for the reduction of Non-Current Assets** – specifies the frequency and basis of calculating depreciation and revaluation basis used for assets; and **AAS 1015 Accounting for acquisition of assets** – method of allocating the value to new assets on acquisition
All other relevant Australian Standards	AS/NZ Standards such as Risk Management Standard
All Local Laws and relevant policies of the Organisation	Construction standards, Maintenance contracts, etc
Asset Management Accountability Framework 2016 (AMAF)	The Department of Treasury and Finance's (DTF), AMAF establishes a flexible and non-prescriptive set of requirements which aim to ensure Victorian public sector Accountable Officers manage asset portfolios appropriately. The AMAF, although not compulsory for Victorian councils, provides useful guidance on how councils can manage their asset information. The AMAF sets out that agencies must maintain asset information both financial and non-financial to support asset planning, and performance monitoring and reporting
International Infrastructure Management Manual, Sixth Edition, IPWEA, V6.0, 2020	The IIMM has been developed with public and private sector industry input from Australia, New Zealand, United States Canada, South Africa and the United Kingdom to promote best management practice for all infrastructure assets

Table 15 - Legislation relevant to management of building assets

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

Regulation / Standard / Guide	Requirement
Asset Accounting Policy	To define Council's asset classes and associated methodologies in capturing and recording asset related information, guided by relevant accounting and industry standards as well as legislation
Asset Management Policy	The Policy acknowledges Council's commitment to asset management and provides a consistent asset management approach with clear principles and guidelines in order to manage Council's assets for the current and future community. It establishes a framework to ensure a structured, coordinated, cost effective and financially sustainable approach to asset management across the organisation
Risk Management Policy	The Policy acknowledges that Council will adopt a structured and disciplined approach to risk management by developing and implementing cost effective measures to reduce litigation, claims and the cost of losses in accordance with International Standard AS/NZS ISO 31000-2018 and the principles of Enterprise Risk Management (ERM)
Asset Capitalisation Policy	Provides consistent guidelines, in accordance with relevant Accounting Standards and State Government Policy, regarding which Council assets are to be capitalised (as opposed to expensed)
Asset Valuation and Revaluation Policy	Provides direction for the development of Guidelines for the financial valuation of assets, under the control of Council, including the initial recognition, valuation and subsequent revaluation together with the frequency of revaluation of those assets. The Policy's associated guidelines are to assist Council's commitment to sustainable long term financial planning

Table 16 - Policies relevant to management of building assets

3.5 Level of Service

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

The levels of service defined are intended:

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

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

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

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

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

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

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

3.5.1 Customer Levels of Service

Council's customer levels of service that have been adopted for this Plan are detailed as follows:

Key Performance Measure	Level of Service	Performance Measure	Target Performance
COMMUNITY LEVELS OF SERVICE			
Safety	Essential Safety Measures	- Compliance with the Building Act - Rectification works are completed within the timelines specified in Appendix A - Rectification of emergency works requiring renewal funding will be assessed under the capital renewal Program within two weeks of being identified. For jobs that exceed the capital threshold, they will be considered as part of the annual renewal program	- 95% or higher Compliance with Essential Safety Measure Inspections - 95% compliance with rectification for both normal and emergency works
Safety	Asbestos Audit	Compliance with the Code of Practice	Audit conducted once every five years
Cleanliness	Buildings are cleaned to an agreed level	Cleaning contract in place	Compliance as per the terms of any contract in place
Quality	Building renewal program funded and completed	Completion of the program within the financial year	90% of renewal program value delivered
Quantity	Renewal Program	Development of annual renewal program	Developed within the prescribed time frame
Availability	Buildings available to provide the service	Time to undertake maintenance and other works	- 90% availability for high criticality buildings - 80% availability for low criticality buildings
Quality	Ensure Council's property assets are well managed	Condition assessments every four years and on as needed basis and completion of the annual capital building relating to Council's operational and community facilities	Completion of condition audits every four years
Quality	Buildings and carparks are suitable for all users, replacement of assets with an asset of improved quality or quantity	- Completion of Council's upgrade and new facilities program, including major projects - Compliance with the Disability Discrimination Act - Capital upgrade and capital expansion to a suitable standard	On-going implementation of capital upgrade programs including major projects
Quality	Provide well maintained facilities that are affordable to the community	Annual condition assessment planned vs reactive maintenance distribution	Greater than 50% of maintenance expenditure is undertaken through planned maintenance schedules
Quality	Provide property facilities services in a cost-effective manner	Regular testing of the market to ensure the best value for money by tendering building services every two-five years (minimum) e.g. security, fire, lift maintenance, air conditioning, sanitary	- Sought for panel supply contractor to improve efficiency - Contracts are being sought for periods between two to five years. Higher risk contracts will be shorter in length to reduce the impacts of poor performance

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Key Performance Measure	Level of Service	Performance Measure	Target Performance
Quality	Well maintained and suitable buildings	Number of requests per annum in relation to renewal and maintenance requests	Council to start tracking customer requests pertaining to renewal and maintenance
Quality	Heritage preservation	Each Council building listed on the Victorian Heritage Register is preserved and maintained in accordance with its Conservation Management Plan	100% compliance
Environment	A commitment to continually improve environmental efficiencies, reduce dependence on foreign oil and fossil fuels that emits greenhouse gases and promote sustainability	- Reduction in power consumption by using solar panels and LED lighting - All high use energy consumption buildings will be fitted with solar panels and LED lighting by 2030, wherever possible	Reduction in overall power usage by Council
Sustainability	- Design new buildings and facilities that are energy efficient. - Upgrade and retrofit buildings. - Switch to renewable energy	- Using sound environmental practices. - A commitment to continually improve environmental efficiencies, eg incorporation of solar energy for critical energy hungry buildings	Ongoing improvement
Cost effectiveness	A commitment to continually provide services in the most cost-effective manner	Lifecycle costs are captured within building modelling work	100% compliance
Utilisation	Buildings are used to their full potential (high volume service provider)	Annual assessment of usage levels and buildings used within capacity	Baseline audit of patron attendance

Table 17 - Customer levels of service

3.5.2 Technical Levels of Service

As Council is responsible for a substantial number and range of property types it has been determined that different standards are necessary for different building functions. For example, the service provided at an operational building e.g. storage would be lower than that provided by a library or childcare facility. Each of the buildings/structures within Council's building portfolio has been assigned to one of these five categories as documented in Table 23 - Asset Criticality / Hierarchy for Buildings.

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

Key Performance Measure	Level of Service	Performance Measure	Target Performance
TECHNICAL LEVELS OF SERVICE			
Accessibility	Buildings comply with relevant minimum accessibility standards relative to building function	Compliance of available facilities with current standards relative to building function	95% compliance
Condition	**Service Level 1** - Condition assessment of building network every 3-4 years	- Average network condition 1 out of 5 - Percentage of stock in condition state 5	Average network condition <= 2.5 out of 5 and with < 5% of stock in condition state 5
	Service Level 2 - Condition assessment of building network every 3-4 years	- Average network condition 1 out of 5 - Percentage of stock in condition state 5	Average network condition <= 3 out of 5 and with < 5% of stock in condition state 5
	Service Level 3 - Condition assessment of building network every 3-4 years	- Average network condition 1 out of 5 - Percentage of stock in condition state 5	Average network condition <= 3 out of 5 and with < 10% of stock in condition state 5
	Service Level 4 - Condition assessment of building network every 3-4 years	- Average network condition 1 out of 5 - Percentage of stock in condition state 5	Average network condition <= 3.5 out of 5 and with < 10% of stock in condition state 5
	Service Level 5 - Condition assessment of building network every 3-4 years	- Average network condition 1 out of 5 - Percentage of stock in condition state 5	Average network condition <= 3.5 out of 5 and with < 10% of stock in condition state 5

Table 18 - Technical levels of service



4 Future Demand

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

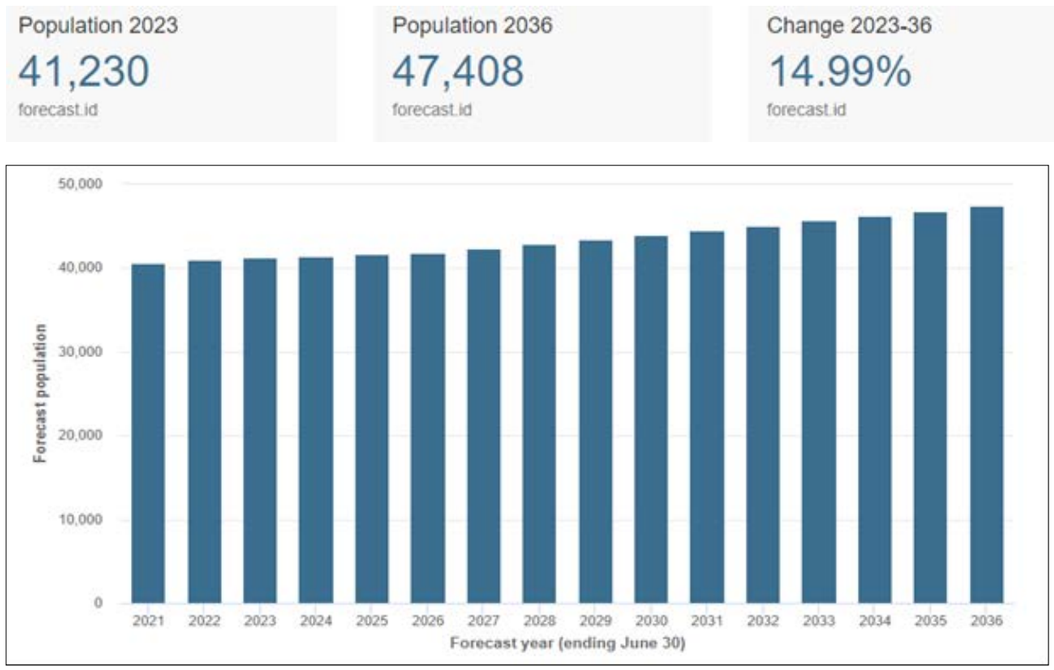
4.1 Demand Drivers

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

4.2 Demand Forecasts

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

Demand Factor [13]	Demand Factor [13]
Population Forecast	Forecast Age Structure – 5 Year Age Groups



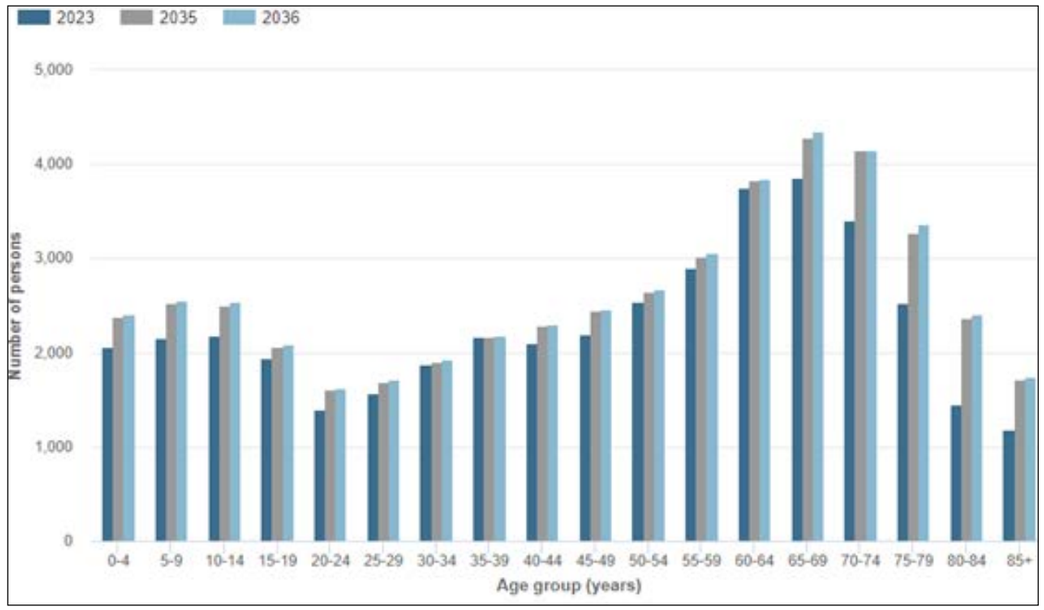


Table 19 - Demand Factors, Projections and Impact on Services

Bass Coast Shire's estimated residential population is 41,230 in 2023 and is forecast to grow to 47,408 by 2036, at an average annual change of 0.77%.

Between 2023 and 2036, the age structure forecasts for Bass Coast Shire indicate a 15.7% increase in population under working age, a 27.1% increase in population of retirement age, and a 5.5% increase in population of working age. Key findings are set out on opposite page: →

- In 2023, the dominant age structure for persons in Bass Coast Shire was ages 65 to 69, which accounted for 9.4% of the total persons.
- The largest increase in persons between 2023 and 2036 is forecast to be in ages 80 to 84, which is expected to increase by 958 and account for 5.1% of the total persons.
- The largest 5 year age group in 2036 is 65 to 69 years, with a total of 4,349 persons.

13 Source: .idcommunity

The emerging needs of the population growth suggest that demand for facilities will need to cater for demand drivers over the following 10 years as illustrated in Table 20.

Demand Driver	Impact on Services
Increase in population	General increase in occupancy for all building services
Growing number of families in the area driven by both couple families with dependents and couples without dependents	Increase need for quality family care, libraries and recreation facilities. Older population require appropriate community facilities and their access needs are more important
Climate change will see an increased risk of extreme weather events including storm events, heatwaves, flooding, sea-level rise and fire events	There will be an increased risk of structural damage caused by extreme events and an increase in deterioration rates of building assets. Provides consistent guidelines, in accordance with relevant accounting standards and State Government Policy, regarding which Council assets are to be capitalised (as opposed to expensed)
Sustainability	Introducing new sustainability technology when renewing and upgrading buildings will ensure that ratepayer dollars go further meaning the cost savings can be put towards improving additional buildings

Table 20 – Demand drivers, projections and impacts on services

4.3 Changes in Technology

Council is continuously monitoring new asset treatments that may be available to increase the life of its assets. Table 21 details technology changes that are forecasted to affect the delivery of services covered by this plan.

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

Table 21 – Changes in technology and forecast on service delivery

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



4.4 New Assets from Growth

Currently Bass Coast Shire has a population of around 41,000 which is set to grow to around 47,000 by 2036. This population growth will result in demand for almost 10,000 additional dwellings. The outcome of the Wonthaggi North-East Precinct Structure Plan (PSP) and Distinctive Areas and Landscapes will result in an increase in residents and subsequently will require a combination of higher utilisation of existing buildings and new buildings through service planning to accommodate this population growth.

Whilst growth has a direct impact on the quantum of new buildings constructed, tourism which is one of the main economic drivers of Bass Coast has a direct influence on the type of buildings constructed. In fact, Bass Coast is the second most dependent area on tourism in Australia, after Uluru. Over a third of the population is employed by the tourism industry, which attracts over 1.85 million visitors annually. Visitor numbers are projected to grow by 4.2 per cent per year to reach over 4 million visitors by 2035. This Plan has noted that the Cowes Cultural and Community Centre which commenced construction in 2021 will be completed in late 2023. It is reasonable to anticipate that Council's building asset portfolio replacement values will increase by $27.2M.

Council is currently proposing to commit over $16M via its capital works program to deliver new building facilities as set out below:

- Grantville Memorial Park Shelter
- Pioneer Bay Community Facility
- Dinosaurs Trail Project
- Kilcunda Bass Football Club Pavilion

This expenditure will be funded via a combination of Council's general rate revenue, developer contributions and government grants. As additional information becomes available with regards to new growth and development areas, Council will continue to identify the community infrastructure needs via Precinct Structure Plan (PSP) and masterplans and these will be included in future revisions of this Plan.

With the commitment to new building growth, it is reasonable to anticipate that Council's building asset portfolio replacement values will increase from $108.7M as at 2023 to approximately $151.9M by 2033. The current annual depreciation is also expected to increase from $1.8M per annum to approximately $2.5M per annum by 2033.

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



4.5 Demand Management Plan

The demand for building assets at Council will increase proportionally with the predicted population growth and predicted demographic changes. This is also in line with the community expectation where the provision of swimming pools and aquatic centres, community centres and facilities, childcare services, libraries and protection of heritage buildings is of importance to the community and results from the 2022 Local Government Community Satisfaction Survey indicated these as high performing areas by Council.

Demand for new services will be managed through a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions, insuring against risks and managing failures. Opportunities identified to date for demand management are shown in Table 22. Further opportunities will be developed in future revisions of this Plan.

Service Activity	Demand Management Plan
Increase in demand for all services	- Encourage sharing of existing buildings to maximise the utilisation allows planning for optimum use of all buildings - Review existing facilities to ensure continuing suitability - Monitor population growth through census data and traffic counts and use the data as input into developing future works programs - Conduct PSPs of identified areas to assess needs
Improved access to services required	- Upgrade existing building access over time and ensure new or upgraded buildings are Disability Discrimination Act compliant
Increased need for maintenance and renewal costs	- Review and document levels of services after consultation with service managers and the community - Incorporate total asset lifecycle costings into asset management - Procure large services contracts to get better economies of scale to minimise costs
Changing service needs and changing building requirements, particularly relating to accessibility.	- Plan new projects to incorporate best practice and review compliance and accessibility needs for existing sites - Prioritise upgrade projects which have the most positive impact
Community expectations	- Monitor community expectations through annual and targeted community surveys or deliberative engagement
There will be an increase in structural damage caused by extreme events and an increase in deterioration rates of building assets.	- Utilise and implement the BSC Climate Change Adaption Toolkit - Council will progressively implement the Climate Change Action Plan 2020-30 over the next ten years with regular review. Council will use this Plan to guide internal decision making about operational priorities, investment, budgets and resource allocations

Table 22 - Demand management plan summary

5 Risk Management Planning

5.1 Asset Criticality / Hierarchy

To manage Council's building assets more effectively, they have been categorised based on the level of importance and criticality/hierarchy. The criticality/hierarchy is used to prioritise effort and works to ensure the most critical buildings are inspected, maintained and renewed in the most appropriate timeframes within available resources.

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

Criticality / Hierarchy	Description	Example Building Type
Level 1	- High level of management and service being a highly important facility to both the Community and Council - Community has high expectations on proper maintenance and management - Building aimed to serve a wider community including patrons outside of the LGA - Or building utilisation or occupancy on average higher than 80%	- Community Centre - Library - Administration - Aquatic Centre
Level 2	- High to moderate level of management and service being an important facility to both the community and Council - Community has high expectations on proper maintenance and management - Building typically aimed to serve community within LGA - Or building utilisation or occupancy on average between 60% to 80%	- Childcare - Community Centre - Stadium - Administration
Level 3	- Average level of management and service being a medium importance facility to both the community and Council - Community has medium expectations on proper maintenance and management - Building aimed to serve community within LGA - Or building utilisation or occupancy on average between 40% to 59%	- Amenities - Public Halls - Recreational - Commercial Lease - Residential
Level 4	- Reasonable level of management and service being a medium importance facility to both the community and Council - Community has low expectations on proper maintenance and management - Building uses for Council operational services and/or aimed to service community within surrounding suburbs	- Operational - Storage - Amenities
Level 5	- Reasonable level of management and service being a low-level importance facility to both the community and Council - Community has negligible expectations on proper maintenance and management - Building used typically for Council operational services	- Operational, - Storage - Caretaker Residence

Table 23 - Asset Criticality / Hierarchy for Buildings

Council's building business process manual documents the measures used to determine building hierarchy by assigning a score for each building on the following input:

- Number of days per week the week is usually used.
- Duration of occupancy for the majority of building users.
- Typical number of people in the building during normal use.
- The impact on the community if use of the facility was lost.

5.2 Risk Management Plan

Council's Risk Management Policy which sets the overall framework for addressing risk within the context of International Standard ISO31000-2018, Risk management – Principles and Guidelines.

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

The Policy outlines Council's commitment to manage its resources and responsibilities in a manner which is intended to minimise harm or loss. The elements of this framework are illustrated in Figure 10.

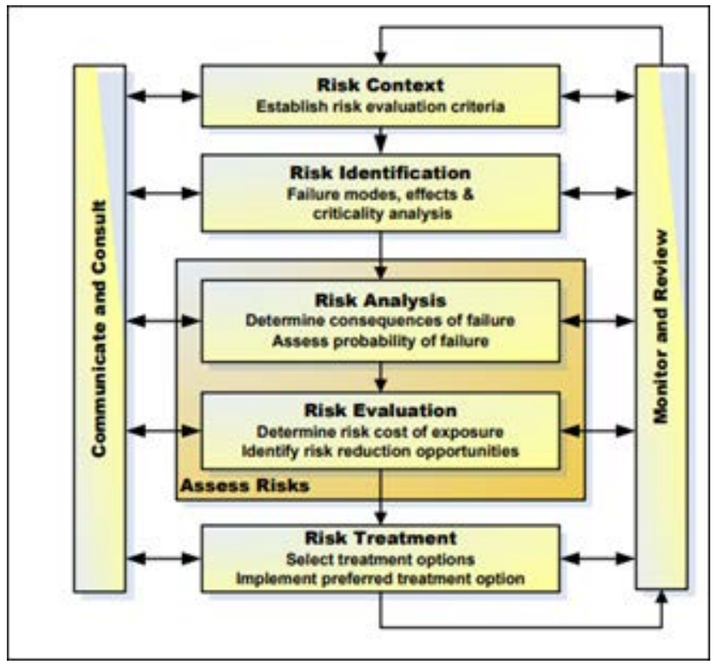


Figure 10 –
Risk Management Process,
Source: ISO31000:2018

5.3 Risks Assessment

Council has developed an asset criticality, giving higher importance to risk assessment and the appropriate levels of inspection and maintenance for each classification as documented in Table 23.

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

5.3.1 Risk Plan

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

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment cost after the selected treatment plan is implemented is shown in Table 24 over the page.

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk	Treatment
Childcare facilities	Closure of facilities and alternate care requirements for infants. Failure to provide service delivery	High	Ensure facilities are maintained and comply with relevant legislation and Australian Standards	Medium	Routine maintenance and inspections are carried out. Reactive maintenance requests are reviewed and actioned within appropriate time frames
All Buildings	Fire	High	Ensure that all Council buildings comply with relevant Legislation and Australian Standards relating to fire safety and evacuation procedures	Medium	Undertake annual fire equipment maintenance and building fire certification using annual operating budgets. Seek additional capital funds to support any identified additional requirements
All Buildings	Electrical Fault / Electrocution	High	Any known electrical faults and deficiencies are repaired as a high priority. Regular tagging and testing of electrical equipment in hostile environments to comply with requirements of Australian Standards Upgrade all switchboards and install Residual Current Devices (RCD) on all power circuits (to meet Workplace Health and Safety requirement 1 Jan 2013).	Medium	Annual tagging and testing of equipment carried out by external service providers
All Buildings	Structural Failure	High	Adopt a systematic inspection regime to regularly assess the structural integrity of critical building elements	Medium	Undertake building asset inspections every 4 years
All Building	Flooding	High	Identify buildings that are impacted by severe flooding and plan for remediation works where possible and/or prepare evacuation plans	Medium	Flood modelling and analysis of storm surge/ sea level rise has been undertaken, impacts are known and incorporated in the Asset Vulnerability Assessment (AVA) framework and project scoping processes

Table 24 – Critical risks and treatment plan

6 Financial Summary

The provision of adequate financial resources ensures that Council's building assets are appropriately managed and preserved. Financial provisions below requirements will lead to more building components deteriorating to very poor condition. This will have a direct impact on community development and if prolonged the backlog will increase resulting in substantial needs for "catch-up" expenditure imposed on the community in the future. Additionally, deferred renewal results in increased and escalating reactive maintenance as aged assets deteriorate at increasing rates.

Previous modelling undertaken in 2022 indicates that by 2032 the proportion of Council's building portfolio in a very poor state will shift from currently 1.96% to 2.97%. Council's adopted 10 year Asset Plan[14] service target is to maintain this service level (backlog of not more than 3%) across all asset classes by the end of the 10 year period under a "balanced budget" approach to funding. This approach took into consideration trade off analysis between other major asset classes to ensure Council's entire portfolio is balanced ie no more than 3% backlog across board and funding is sustainable into the future.

14 The Victorian Local Government Act 2020 (Planning and Reporting) and Regulations require Councils to record their compliance with section 92 (the Asset Plan) of the Act

6.1 Forecasted Funding Requirements

The section shows the output of modelling the deterioration of Council's building assets portfolio using predictive modelling software.

This process typically involves setting up lifecycle paths for each building asset / component, along with their inspected condition, identifying the appropriate treatments and unit rates to deliver these treatments and configuring the treatment rule base (matrices based on selected condition criteria that when matched will drive a treatment).

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

6.2 Funding Scenarios and Climate Change Impacts Analysis

The 2023 strategic modelling analysis predicts the deterioration of Council's building asset portfolio by calculating the results of different funding options, utilising a core dataset that is current as at 2023. The length of time predicted for each funding option is for a period of 10 years until the year 2033. The results of the analysis have been graphed in Figure 11.

Council has also simulated building condition outcomes and additional funding required due to the potential impacts of climate change which has seen an increased risk of extreme weather events including storm events, heatwaves, flooding, sea-level rise and fire events across the globe. The climate elements incorporated into SAM Modelling referenced the SECCCA Infrastructure Asset Vulnerability Assessment (AVA)[15].

The condition graph in Figure 11, illustrates the predicted results of the building asset portfolio modelling analysis for each of the different funding options. These funding options are described in Table 25 – Predictive Modelling Funding Options.

The current average condition[16] as at 2023 for the entire building asset portfolio is an average condition of 2.02 out of 5. Refer to Table 9 – Asset Condition Rating Guideline for condition descriptions.

Service Activity	Demand Management Plan
Option 1 - Current Budget	This funding option models how the building asset portfolio condition would improve or deteriorate and the resulting maintenance funding needs, if Council were to fund the current proposed capital works financial allocation over the following 10 years.
Option 1(C) [17] - Current Budget (Current + Climate)	This funding option models how the building asset portfolio condition would improve or deteriorate and the resulting maintenance funding needs if Council were to maintain the current proposed capital works financial allocation over the following 10 years in a scenario where the potential impacts of climate change are considered, affecting buildings with higher treatment costs and shorter useful lives.
Option 2 - Desired Budget	This funding option identifies and models the current building asset portfolio at the necessary funding levels each year in order to maintain current levels of service at the end of 10 years. The simulated results confirmed that Option 1 – Current Budget is projected to maintain current levels of service, hence it's also the desired budget.
Option 2(C) - Desired Budget (Desired Budget + Climate)	This funding option identifies and models the current building asset portfolio at the necessary funding levels each year to maintain current levels of service at the end of 10 years in a scenario where the potential impacts of climate change are considered, affecting buildings with higher treatment costs and shorter useful lives. The simulated results projected the additional funding required on top of Option 1 – Current Budget to maintain current levels of service.
Option 3 - Zero Backlog[18] Target	This funding option identifies and models the current building asset portfolio at the necessary funding levels each year to ensure there are no assets in very poor condition in year 10. It's an idealistic funding option where if the budget is unconstraint what exactly is needed to ensure all backlog is eliminated.
Option 3(C) - Zero Backlog Target (Zero Backlog + Climate)	This funding option identifies and models the current building asset portfolio at the necessary funding levels each year to ensure there are no assets in very poor condition in year 10 in a scenario where the potential impacts of climate change are considered, affecting buildings with higher treatment costs and shorter useful lives. It's an idealistic funding option where if the budget is unconstraint what exactly is needed to ensure all backlog is eliminated.

Table 25 – Predictive Modelling Funding Options

15 Source: SECCCA Asset Vulnerability Assessment Project First Pass Methods Report (Final 1.0) by Spatial Vision

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

17 (C) Means modelling scenario with climate impacts. In this case, using the same current budget has seen climate elements accelerated the degradation of assets in hot spot areas resulting in increased very poor condition in year 10.

18 Backlog is defined as building assets/components that are in Very Poor condition

The funding profile across all the financial options are set out in the table below:

Financial Year	Option 1 - Current Budget	Option 1(C) - Current Budget (Current + Climate)	Option 2 - Desired Budget	Option 2(C) - Desired Budget (Desired Budget + Climate)	Option 3 - Zero Backlog Target	Option 3(C) - Zero Backlog Target (Zero Backlog + Climate)
2023/24	3.6M	3.6M	3.6M	4.1M	6.4M	6.7M
2024/25	3.4M	3.4M	3.4M	3.9M	2.3M	3.2M
2025/26	3.6M	3.6M	3.6M	4.1M	3.7M	4.M
2026/27	3.7M	3.7M	3.7M	4.2M	4.7M	5.4M
2027/28	3.8M	3.8M	3.8M	4.6M	9.8M	9.5M
2028/29	4.4M	4.4M	4.4M	5.2M	6.4M	7.7M
2029/30	4.8M	4.8M	4.8M	5.6M	3.3M	3.4M
2030/31	4.9M	4.9M	4.9M	5.7M	1.9M	2.5M
2031/32	4.9M	4.9M	4.9M	5.7M	1.7M	2.6M
2032/33	4.9M	4.9M	4.9M	5.7M	3.8M	8.M
Total	**42.1 M**	**42.1 M**	**42.1 M**	**48.9 M**	**44. M**	**52.9 M**

Table 26 – Predictive modelling funding profile across all financial options

The average condition across all the financial options are set out in the table below:

Financial Year	Option 1 - Current Budget	Option 1(C) - Current Budget (Current + Climate)	Option 2 - Desired Budget	Option 2(C) - Desired Budget (Desired Budget + Climate)	Option 3 - Zero Backlog Target	Option 3(C) - Zero Backlog Target (Zero Backlog + Climate)
Mar 2023	2.02	2.02	2.02	2.02	2.02	2.02
2023/24	1.95	1.96	1.95	1.95	1.86	1.87
2024/25	1.92	1.96	1.92	1.92	1.87	1.88
2025/26	1.87	1.91	1.87	1.86	1.83	1.83
2026/27	1.87	1.88	1.87	1.82	1.80	1.77
2027/28	1.84	1.85	1.84	1.77	1.55	1.56
2028/29	1.74	1.82	1.74	1.69	1.40	1.43
2029/30	1.65	1.75	1.65	1.61	1.37	1.45
2030/31	1.56	1.69	1.56	1.57	1.42	1.51
2031/32	1.47	1.67	1.47	1.55	1.49	1.57
2032/33	**1.43**	**1.64**	**1.43**	**1.54**	**1.49**	**1.48**

Table 27 – Average condition across all financial options

Financial Year Option 1 - Current Budget	Avg Annual Funding	Avg Cond Year 0	Backlog (%) Year 0	Backlog ($) Year 0	Avg Cond Year 10	Backlog (%) Year 10	Backlog ($) Year 10
Option 1 - Current Budget	$4.21M	2.02	1.81%	1.97M	1.43	0.09%	0.10M
Option 1(C) - Current Budget (Current + Climate)	$4.21M	2.02	1.81%	1.97M	1.64	2.06%	2.24M
Option 2 - Desired Budget	$4.21M	2.02	1.81%	1.97M	1.43	0.09%	0.10M
Option 2(C) - Desired Budget (Desired Budget + Climate)	$4.89M	2.02	1.81%	1.97M	1.54	0.00%	0.00M
Option 3 - Zero Backlog Target	$4.40M	2.02	1.81%	1.97M	1.49	0.00%	0.00M
Option 3(C) - Zero Backlog Target (Zero Backlog + Climate)	$5.29M	2.02	1.81%	1.97M	1.48	0.00%	0.00M

Table 28 – Predictive modelling funding options - 10-year funding and strategy results

6.3 Forecast 10-Year Capital Renewal Funding

6.3.1 Option 1 – Current Budget

Funding the current budget levels detailed in the current LTFP (Option 1) will result in Council delivering improved levels of service into the future. It is predicted that there will be an improvement in the average condition state from 2.02 to 1.43, which equates to a decrease in backlog from $1.97M to $0.1M by year 2033.

6.3.2 Option 1(C) – Current Budget (Current + Climate)

The funding Option 1(C) that incorporated climate impact whilst it is projected to improve levels of service into the future the quantum of improvement is diminished compared to the scenario without climate impact. It is predicted that the diminished improvement gain in the average condition state from 2.02 to 1.64 resulted in the backlog increase from $1.97M to $2.24M by year 2033 which exceeds the current funding baseline.

6.3.3 Option 2 – Desired Budget

The funding strategy (Option 2) validates the current LTFP (Option 1) where the target is to maintain or improve the current levels of service into the future.

6.3.4 Option 2(C) - Desired Budget (Desired Budget + Climate)

The funding Option 2(C) that incorporated climate impact simulated the additional amount required to ensure the current levels of service is maintained into the future. The model recommended additional funding of $6.8M over 10 years to ensure buildings components impacted by climate change risks are renewed or upgraded with climate resilient materials. It is predicted that by adopting this funding option, the average condition state of 2.02 will be improved to 1.54 by year 2033. This funding strategy also predicts that there will be no backlog in year 2033.

6.3.5 Option 3 - Zero Backlog Target

Funding Option 3 predicts that to ensure there are no assets in very poor condition year on year over the next 10 years, the current funding levels could be increased by a total of $1.9M. It is predicted that by adopting this funding option, the average condition state of 2.02 will be improved to 1.49 by year 2033. This funding strategy ascertains that there will be no very poor assets or backlog each year over the next 10 years.

6.3.6 Option 3(C) - Zero Backlog Target (Zero Backlog + Climate)

The funding Option 3(C) that incorporated climate impact simulated the additional amount required to ensure there will be no very poor building assets each year over the next 10 years. The projected additional funding required to achieve this totalled $10.8M on top of the current funding levels over 10 years. It is predicted that by adopting this funding option, the average condition state of 2.02 will be improved to 1.48 by year 2033. There will be no very poor building assets or backlog each year over the next 10 years under this funding strategy.

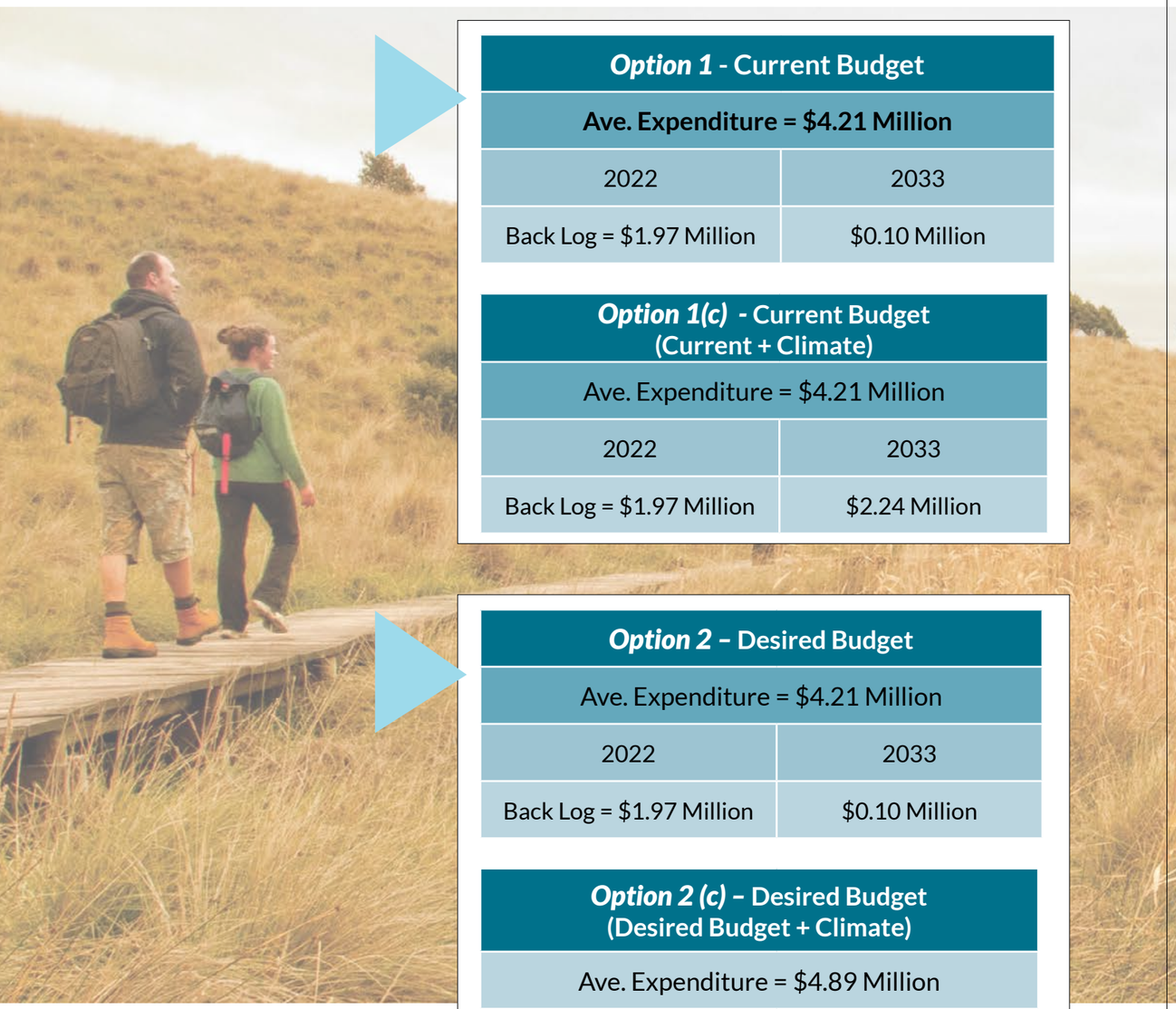
6.3.7 Recommendation

Option 1 is recommended as it is Council adopted 10 year Asset Plan funding which took into consideration trade off analysis between other major asset classes to ensure Council's entire portfolio is balanced ie no more than 3% backlog across board and funding is sustainable into the future.

If the impacts of climate change are incorporated into future renewal works then this BAMP recommends Option 2(C) which means that existing funding projections are retained, the expected costs of climate impacts are funded within available budgets and the backlog is forecasted to decrease from $1.97M to zero by year 2033.

Council envisages to incorporate climate change impacts into modelling other asset classes next year. This enables Council to view holistically the total additional funding required to alleviate the impact of climate change and to perform trade off analysis between asset classes to balance the funding.

Forecast 10-Year Capital Funding Analysis and Average Condition by Year



Option 1 **- Current Budget**	
Ave. Expenditure = $4.21 Million	
2022	2033
Back Log = $1.97 Million	$0.10 Million

Option 1(c) **- Current Budget (Current + Climate)**	
Ave. Expenditure = $4.21 Million	
2022	2033
Back Log = $1.97 Million	$2.24 Million

Option 2 **– Desired Budget**	
Ave. Expenditure = $4.21 Million	
2022	2033
Back Log = $1.97 Million	$0.10 Million

Option 2 (c) **– Desired Budget (Desired Budget + Climate)**	
Ave. Expenditure = $4.89 Million	
2022	2033
Back Log = $1.97 Million	$0 Million

Option 3 – Zero Backlog Target	
Ave. Expenditure = $4.40 Million	
2022	2033
Back Log = $1.97 Million	$0 Million

Option 3 (c) – Zero Backlog Target (Zero Backlog + Climate)	
Ave. Expenditure = $5.29 Million	
2022	2033
Back Log = $1.97 Million	$0 Million

2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
New [19]									
1.M			5.M	5.M	5.M				
Upgrade									
4.1M	1.3M	1.3M	1.M	1.2M					
Renewal (No Climate Change Impact Consideration)									
3.6M	3.4M	3.6M	3.7M	3.8M	4.4M	4.8M	4.9M	4.9M	4.9M
Renewal (With Climate Change Impact Consideration)									
4.1M	3.9M	4.1M	4.2M	4.6M	5.2M	5.6M	5.7M	5.7M	5.7M
Maintenance & Operational[20]									
1.7M	1.9M	1.7M	1.7M	1.7M	1.7M	2.6M	1.7M	1.7M	1.7M

Table 29 – Recommended 10-Year Funding Strategy

There are a number of studies and investigations being undertaken which may identify additional funding needs to acquire new and upgrade existing building assets to meet required service levels, over the following 10 years.

19 This funding plan will be reviewed in conjunction with the next BAMP update in 2027. As new information becomes available on building project needs from the Service providers, growth demand needs and asset lifecycle, these will be reflected in the 10-Year Funding Strategy.

20 The increase in required funding in year 2024/25 and 2029/30 are forecasted to be driven by several buildings that are due for repainting.

6.4 Financial Ratios

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

Ratio	Description	Calculation	Target	2022 Performance
Asset Renewal Funding Ratio	The extent with regards to how the organisation is funding their capital works program when comparing allocated capital works expenditure with the desired expenditure which has been derived from prediction modelling and/or service level agreements	Funded capital expenditure on renewals divided by the planned/ desired capital expenditure	>75%	100%
Remaining Service Index Ratio	The overall health of the organisation's asset stock in terms of measuring past asset consumption, via the amount of accumulated depreciation. The lower this ratio is, the more the asset stock has been consumed, which also indicates that not enough capital expenditure has been allocated to the asset	Written down value (Current Value of the portfolio) divided by the total current replacement value	>70%	61%
Maintenance Sustainability Ratio	Measures the level of maintenance funding spent per annum, as a % of asset replacement value on the asset portfolio	Total maintenance funding per annum / total replacement value, expressed as a percentage	2-5%	0.6%

Table 30 – Key asset management ratios

7 Plan Improvement and Monitoring

This section outlines how Council will measure its asset management performance. The identified action items in Table 32 will enable Council to improve its asset management capability, to enhance asset value and deliver more for stakeholders while balancing cost, risk and performance.

7.1 Assumptions

The key assumptions made in this Plan and risks that these may change are shown below:

Key Assumption	Risk of Change to Assumption / Impact to Model
Building asset and component conditions reflect the assets current condition as at 2023	Low
The allocation of renewal funds have been based on the asset replacement costs developed as part of the valuations in June 2022	Medium to Low
Maintenance funding levels will be progressively increased to represent as a minimum, 2% of the asset base replacement value	Medium
The funding needs for new and/or upgrade building assets will be identified via PSPs and masterplans and funding sought from grants and/or developer contributions. As identified, these will be incorporated into future BAMP revisions	Medium
Capital renewal treatments are like for like and do not account for additional costs to upgrade and/or utilise new technologies and materials	Medium to Low
Current Levels of Service are considered appropriate and meet community needs	Medium
SAM modelling scenario incorporating climate variables utilised Representative Concentration Pathway (RCP) at 8.5 on ACCESS 1.0 projection in year 2050 from the SECCCA report. The other two projections are HadGEM2-CC and NorESM1-M Useful life is decreased by 10% with very high impact, 5% with high impact and 1% with moderate impact. Replacement costs on building components are increased by 100% with very high impact and 50% with high impact	Medium
Network strategic condition inspections will be funded on a 3-4 year cyclic basis and incorporated into the operational budget	Low
Current human resource plan will not change in the near future	Low

Table 31 – Key assumptions made in Plan and risks of change

7.2 Improvement Plan

The Asset Management Improvement Plan which is set out in Table 32 below details the key improvement tasks. Completion of these tasks will improve Council's asset management capabilities for this asset class.

Task No	Improvement Items	Responsibility	Timeline
1	Review resourcing plan to ensure adequate human resources are available to deliver this BAMP	Coordinator AM	On-going
2	Incorporate the maintenance funding bid business case following the scheduled maintenance forecast into 2024/25 OPEX Budget process	Coordinator AM	January 2024
3	Management of risk in Council buildings: The development, communication and acceptance of roles and responsibilities for all stakeholders including asset managers, service managers, facility managers and community groups in relation to the management of all Council buildings	Coordinator AM	December 2025
4	Management of risk in council buildings: Undertake a gap analysis which considers all aspects of the management of Council buildings. From this, develop a specific improvement plan including funding strategy to address these gaps in the most effective and efficient way bringing together all building management practices to improve on existing systems and processes (eg asbestos management, essential service measure inspections, building condition audits, renewal programming etc)	Coordinator AM	December 2025
5	Develop context specific plus capture treatment costs and useful life impacts of climate risk over time to inform future modelling exercises	Coordinator AM / Coordinator Building	December 2025

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Task No	Improvement Items	Responsibility	Timeline
6	Document a comprehensive service framework that outlines service classification, financial classification and the mandatory attributes of each asset type that will form the basis of measuring the service	Coordinator AM / Coordinator Building	December 2024
7	Develop a matrix of 'must have' attributes and 'nice to have' attributes for each asset type. These should be implemented as part of the asset for gifted assets handover	Coordinator AM / Coordinator Building	December 2024
8	Develop and document the asset family tree showing the relationship between parent, child and grandchild asset. This relationship should be service based i.e. a pathway belonging to a public hall should be a child asset related to the hall	Coordinator AM / Coordinator Building	December 2024
9	Document ownership, management and maintenance liabilities for all leased Council Buildings. Inspection of Council owned buildings to identify who is responsible for rectification of leased buildings. Building asset register to incorporate key management attributes such as ownership, capital works, operations and breakdown of the maintenance and routine maintenance liabilities. Note: certain leases may require interpretation by an external solicitor	Coordinator AM / Asset Inspector / Asset System Lead	
10	Introduce lessee and lessor AM responsibilities matrix in all new leases	Coordinator AM / Coordinator Building	December 2024

Task No	Improvement Items	Responsibility	Timeline
11	Develop an alert system for imminent urgent building closure due to capital and maintenance related works	Coordinator AM	December 2023
12	Implementing building maintenance framework and providing clarification of Council's undertaking from a maintenance perspective. Review maintenance response time in Buildings BPM. Explain who does what (cyclic/ reactive)	Coordinator AM / Coordinator Building	June 2024
13	Council to start classifying customer requests pertaining to renewal and maintenance	Coordinator AM / Asset System Lead	June 2024
14	Implement a tracking system to assess the usage of Level 1 and Level 2 buildings	Coordinator AM / Asset System Lead / Service Managers	December 2025
15	Investigate and source for panel supply contractors to improve the efficiency of maintenance programming	Coordinator AM / Coordinator Buildings & Facilities / Coordinator Infrastructure Delivery	December 2023
16	Formally document in the Building BPM rule bases which reflect the policy decisions that Council employs to determine when they will select building assets for inclusion on their capital works program	Coordinator AM	December 2023

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Task No	Improvement Items	Responsibility	Timeline
17	Review and update activities within the Customer Request Management System following the development of maintenance service levels and develop reports to measure performance in accordance with the levels of service documented in Section 3.5.1 Incorporate activity to capture resident requests for renewal, upgrade or new requests	Coordinator AM / Asset System Lead	December 2024
18	Review financial forecasts annually as better data becomes available, update and submit any supporting budget bids	Coordinator AM	On-going
19	Explore opportunities for future community consultations to incorporate additional specific questions to the community regarding building assets, to identify and measure the importance and performance in delivering this service to the community	Coordinator AM	On-going
20	Update BPM to reflect the outcome of this BAMP particulary the processes, asset hierarchy, rule bases for renewal and maintenance response time	Coordinator AM	On-going
21	Interface between works and finance systems to ensure costing of maintenance linked to assets	Finance / Asset System Lead / Coordinator AM	December 2025
22	Strengthen the understanding of climate change impact by expanding climate modelling into other major asset classes to enable Council to know the total projected cost of climate change impact on Council owned infrastructure. This information will enable Council to perform trade off analysis on the additional funding allocated for mitigating climate change impact and to ensure balanced and most equitable distribution between buildings and other major asset classes	Coordinator AM	December 2024

Table 32 – Improvement Actions

7.3 Monitoring and Review Procedures

The BAMP has a planning horizon of 10 years, and it is based on details documented within the Asset Management Strategy. The BAMP will be reviewed and updated in the year following Council general elections, as required by the Local Government Act (LGA) 2020 Section 92.4.

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

7.4 Performance Measures

The effectiveness of this BAMP will be measured and monitored on the basis of annual strategic Council indicators as follows:

- The performance of Council against the Levels of Service documented in this BAMP; and
- Performance against the Asset Management Ratios.

Building Asset Management Plan

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1300 BCOAST (226 278) or (03) 5671 2211 or via the National Relay Service (if you are deaf and/or find it hard hearing or speaking with people who use a phone) on their website:

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