

Gwydir Shire Council

Buildings

Asset Management Plan

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Executive Summary

Introduction

This Asset Management Plan (AMP) has been developed to guide and provide a foundation for the responsible management of Gwydir Shire Council's buildings assets and services, aligned with contemporary best practice and standards and the requirements of the NSW Integrated Planning and Reporting framework.

The AMP has been developed with reference to Council's Asset Management Policy and Asset Management Strategy and should be read in conjunction with those documents. It also provides alignment between Council's Long-Term Financial Plan, Community Engagement Strategy, Community Strategic Plan, Operational and Delivery Plans.

Asset Portfolio

This AMP covers the key building assets owned or controlled by Council that underpin the delivery of critical services to the community. The number and value of assets in the building portfolio is summarised below¹.

Table 1 Buildings asset numbers and value

Buildings	Number	Value
Administration	1	\$240,380
Aged And Disabled Services-HACC	2	\$666,950
Aged And Disabled Services-Naroo	1	\$9,080,161
Camping Areas	1	\$423,769
Caravan Parks	3	\$2,694,321
Child Care	1	\$941,259
Community Centres	5	\$4,350,617
Corporate Support	1	\$116,783
Council Housing	13	\$12,722,426
Education	2	\$2,081,792
Emergency Services	3	\$2,163,130
Engineering Works	6	\$6,192,051
Fire Protection	16	\$2,186,251
Health Centres	2	\$2,269,311
Household Garbage Disposal	1	\$82,525
Museums	2	\$1,062,828

¹ 'Number' represents the count of assets of that type in the GSC Asset Register. 'Value' is estimated replacement value based on original acquisition costs recorded in the Asset Register.

Buildings	Number	Value
Other	1	\$74,884
Other Community Amenities	3	\$3,512,416
Other Cultural Services	1	\$11,557,326
Other Support Services	2	\$155,690
Public Cemeteries	3	\$118,184
Public Conveniences	15	\$2,325,192
Public Halls	11	\$10,117,779
Real Estate Development	9	\$4,108,714
Sewerage Network	1	\$176,512
Sporting Grounds	5	\$9,322,586
Swimming Pools	2	\$1,582,401
Tourism And Area Promotion	1	\$830,981
Water Supply Network	5	\$1,073,717
Total	119	\$92,230,936

The condition of Council's assets is assessed and rated on a five-point scale from 'Excellent' to 'Very Poor'. The breakdown of the buildings asset portfolio's condition by replacement value, based on the currently available asset register data, is shown in Figure 3.

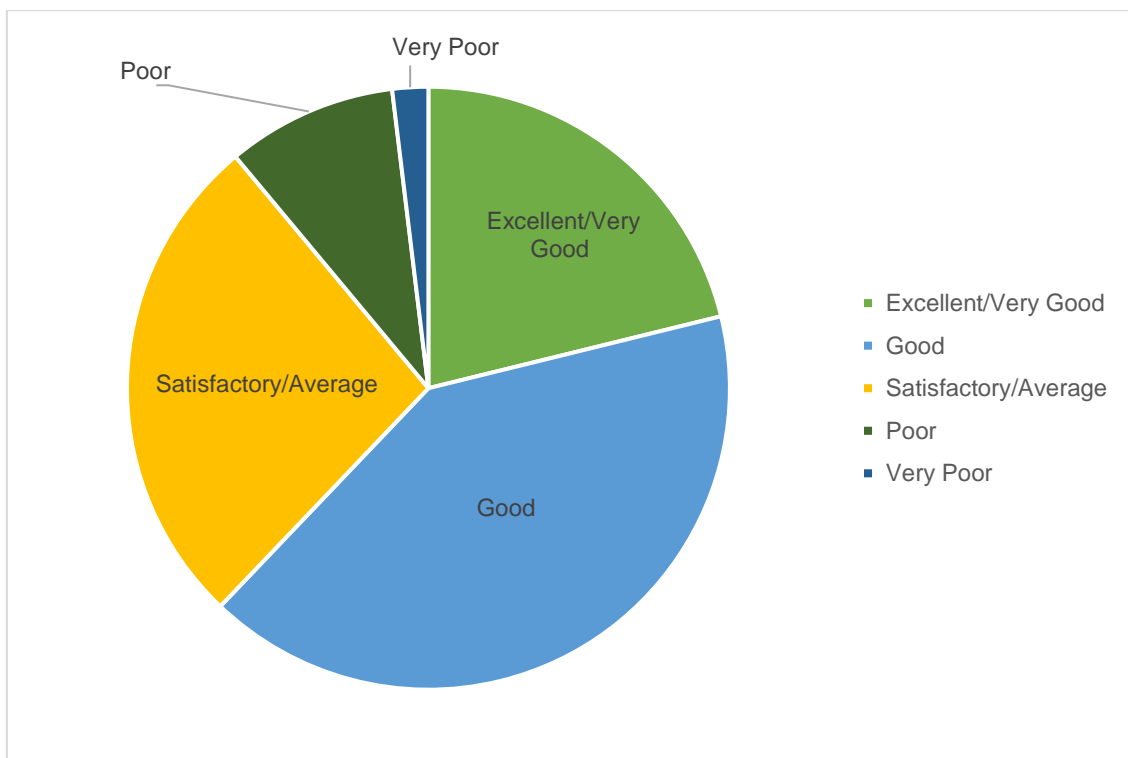


Figure 1 Asset condition breakdown by value

The majority (62%) of assets by value can be seen as being in the two highest levels of condition, 27% are in average condition and 11% in either poor or very poor condition.

Asset Demand

The primary drivers of demand - population growth, demographics, and climate change - have been considered in assessing likely building and facilities demand on assets, and together suggest minimal levels of growth in demand are likely to occur across the 10-year AMP planning period.

Changes in demand arising from these drivers will be managed through a combination of managing existing assets, upgrading of existing assets, providing new assets to meet demand, and demand management.

Levels of Service

Council maintains close and regular engagement with the community on levels of service, in line with its Community Engagement Strategy 2022-2026. Specific engagement on buildings levels of service was last conducted in 2015 and it is proposed that these be review and refreshed as an improvement initiative of the AMP.

Risk Management

Council's risk assessment processes are set out in the Gwydir Shire Council Risk Management Action Plan and asset-related risks are identified, treated and managed in accordance with both that plan and the Infrastructure Risk Management Plan. Critical risks are those assessed as either 'Very High' or 'High' under this framework and are regularly reported to Council. Climate change and associated asset resilience is an increasing source of buildings service and asset risk, and consequently an increasing area of management focus.

Financial Projections

Capital and operating expenditures for the buildings asset class have been based on life cycle modelling and include expenditures for operations, maintenance, renewal, growth and acquisitions, and disposal. The total expenditure forecast across these categories, and the breakdown across the ten-year planning horizon, are shown in Figure 2.

The total projected expenditure across the ten years 2024-2033 is \$17.93 million with an annual average of \$1.79 million. Anticipated peaks will be reviewed with a view to smoothing the overall expenditure profile.

In summary, this building AMP is anticipated to be fully funded, with total funding across the ten-year period expected to meet combined expenditure requirements. It is recognised, however, that this funding has historically been reliant on state and federal grants, and there is a risk of declining income if these grants are reduced in the future. This can result in fewer or smaller capital works budgets.

Council will continue to apply for funding from various agencies for asset renewal, replacement, or upgrades. In addition, Council will examine whether some useful lives can be extended and investigate whether derecognition of some buildings may be necessary.

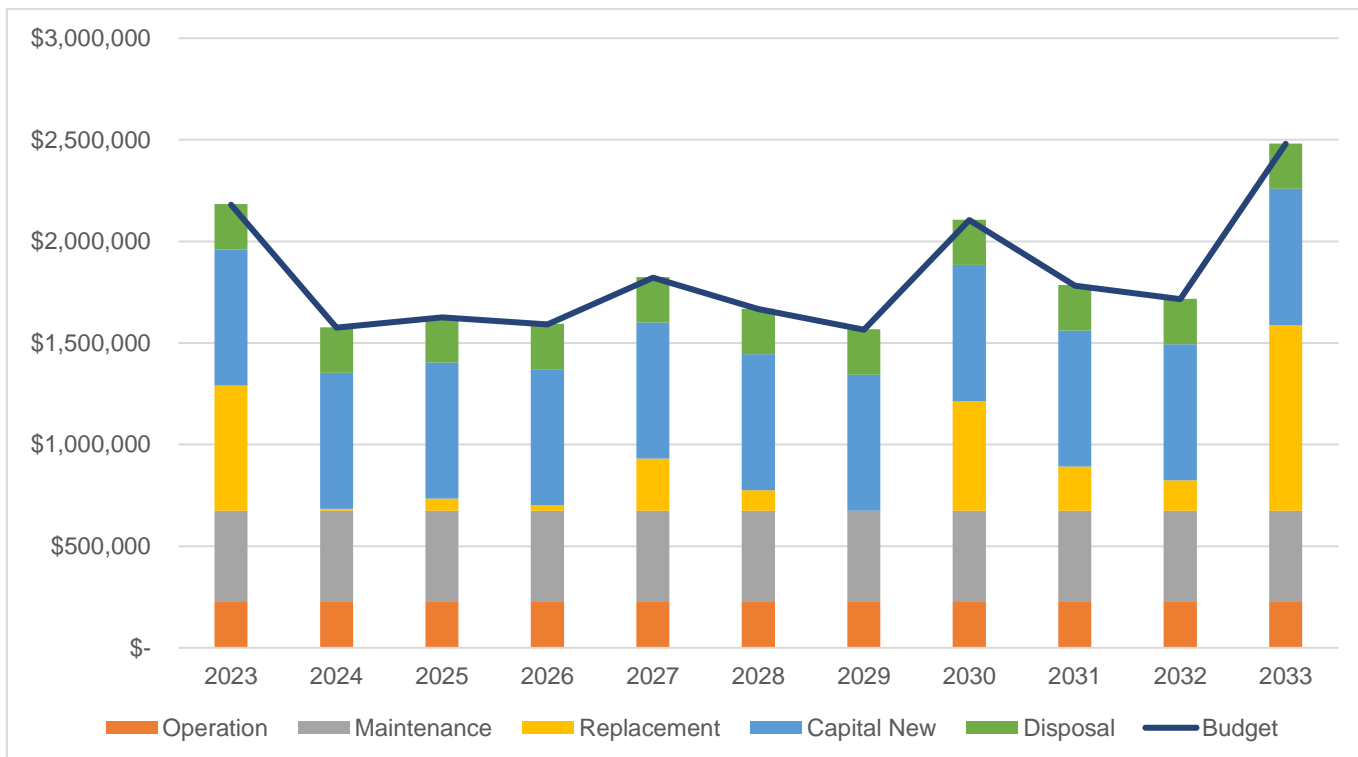


Figure 2 Life cycle expenditure forecast - building assets

Plan Improvement and Monitoring

This AMP has identified several specific improvement initiatives which are consolidated with those of other asset classes in Council's Asset Management Improvement Plan, which is part of its Asset Management Strategy document. Key among these are:

- Clarifying roles and responsibilities for buildings assets
- Developing and implementing an asset criticality assessment framework as a basis to identify and prioritise critical assets, and develop appropriate strategies to mitigate risks
- Improving and formalising condition assessment processes, data and reporting
- Reviewing Levels of Service with community input, and the development of appropriate measures and targets
- Further investigating climate related impacts on demand, resilience and risks
- Improving financial processes, tools and data to support more detailed budgeting.

Contents

Gwydir Shire Council

Executive Summary	i
Asset Portfolio	i
Asset Demand	iii
Levels of Service	iii
Risk Management	iii
Financial Projections	iii
Plan Improvement and Monitoring	iv
1. Introduction	1
1.1 Background	1
1.2 Context	1
1.3 Scope	1
1.4 Strategic Framework	2
1.5 Governance, roles and responsibilities	3
2. Asset Portfolio	4
2.1 Asset Types and Value	4
2.2 Asset Condition and Performance	5
3. Asset Demand	11
3.1 Demand Drivers	11
3.2 Demand Management	12
4. Levels of Service	13
4.1 Community Engagement	13
4.2 Levels of Service and Measures	14
4.3 Legislative Requirements	17
5. Risk Management	18
5.1 Risk Assessment Process	18
5.2 Critical Assets	18
5.3 Climate Risk and Resilience	19
6. Asset Lifecycle Management	21
6.1 Lifecycle Management Overview	21
6.2 Operations and Maintenance	21
6.3 Renewals and Replacement	22
6.4 Acquisitions	23
6.5 Disposals	24
7. Financial Plan	25
7.1 Operations Expenditure	25
7.2 Maintenance Expenditure	25
7.3 Renewal Capital Expenditure	26
7.4 New Capital / Acquisitions	27
7.5 Disposal Costs	27

7.6	Combined Asset Lifecycle Cost Summary	27
8.	Plan Improvements and Monitoring	30
8.1	Responsibility for Plan Reviews	30
8.2	Asset Management Plan Updates	30
8.3	Asset Management Plan Improvements	30

Table index

Table 1	Buildings asset numbers and value	i
Table 2	Key Council asset management documents	2
Table 3	Asset management roles	3
Table 4	Asset numbers and value	4
Table 5	Condition ratings and descriptions	5
Table 6	Assets in Poor condition requiring major reconstruction or replacement	7
Table 7	Assets rated Very Poor	10
Table 8	Levels of service definitions	14
Table 9	Desired building levels of service	15
Table 10	Legislative requirements	17
Table 11	Risk and management for building assets	18
Table 12	Climate change snapshot summary	19
Table 13	Impact of climate change on assets	20
Table 14	Historical operations expenses	22
Table 15	Historical maintenance expenses	22
Table 16	Historical new capital expenditure / acquisitions	24
Table 17	Historical asset disposals	24
Table 18	Life cycle expenditure forecast	28
Table 19	AMP update schedule	30
Table 20	AMP improvement actions	31

Figure index

Figure 1	Asset condition breakdown by value	ii
Figure 2	Life cycle expenditure forecast - building assets	iv
Figure 3	Asset condition breakdown by value	6
Figure 4	Gwydir LGA population	11
Figure 5	Gwydir LGA demographic distribution (2021)	12
Figure 6	Lifecycle management phases	21
Figure 7	Forecast operations expenditure	25
Figure 8	Forecast maintenance expenditure	26
Figure 9	Forecast renewals expenditure	27
Figure 10	10-year life cycle expenditure forecast	29

Appendices

Appendix A	References
Appendix B	Glossary

1. Introduction

1.1 Background

Gwydir Shire Council (Council) is required under the *Local Government Act 1993* (the Act) and the associated Integrated Planning and Reporting framework to develop and implement a series of plans, including Asset Management Plans (AMPs) for all critical assets owned or managed by Council.

Council views this framework as a foundation for the improvement of its asset management practices, and this AMP as a means to guide the responsible management of Council's building assets and services, aligned with contemporary best practice and standards.

1.2 Context

The goal for local governments in managing infrastructure assets is to meet customer-defined Levels of Service (LoS) in the most cost-effective manner for present and future stakeholders. The key elements of infrastructure asset management are:

- Providing defined LoS and monitoring performance in accordance with stakeholder expectations
- Undertaking works to maintain compliance with LoS
- Managing the impact of growth through demand management and infrastructure investment
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined LoS
- Identifying, assessing, and appropriately controlling risks
- Linking to and informing the Long-Term Financial Plan (LTFP) which identifies required forecast expenditures and how they will be allocated.

This AMP supports achievement of that goal by documenting how Council will manage its assets to sustainably deliver required building services, identify and manage associated risks, and responsibly plan and deploy Council funds and resources. It reflects and incorporates the latest available information and asset data as of June 2023.

The AMP has been developed with reference to Council's Asset Management Policy and Asset Management Strategy and should be read in conjunction with those documents. It also provides alignment between the Long-Term Financial Plan, Community Engagement Strategy, Community Strategic Plan, Operational and Delivery Plans.

The AMP is aligned to guidance provided in the ISO 55000 suite of Asset Management standards, the Institute of Public Works Engineering Australasia (IPWEA) NAMS+ toolkit and International Infrastructure Management Manual (IIMM), while meeting the requirements of the NSW Government's Integrated Planning and Reporting framework.

1.3 Scope

This AMP covers the key buildings assets owned or managed by Council that underpin the delivery of critical services to the community. These assets include Council administrative and corporate buildings, support buildings for water, sewerage, electrical and emergency services, various community halls and public toilets, facilities for aged care, sports clubs and recreation centres, tourism centres and museums. A more detailed summary of the building asset portfolio is provided in Section 2.

This AMP covers a 10-year timeframe to 2033 and will be reviewed annually in line with Integrated Planning and Reporting Framework requirements.

1.4 Strategic Framework

1.4.1 Integrated Planning & Reporting

The NSW Government’s Integrated Planning and Reporting framework (IP&R) mandates that all NSW Councils develop and implement an integrated hierarchy of planning documents, summarised briefly below².

- **Community Strategic Plan**, which outlines the goals and objectives of the community as defined through the Community Engagement Strategy.
- **Community Engagement Strategy**, which demonstrates how Council plans and undertakes community engagement activities.
- **Resourcing Strategy**, which details how the delivery of programs resulting from the Community Strategic Plan are managed and resourced. It includes:
 - Long Term Financial Plan
 - Workforce Management Plan
 - Asset Management Planning.

1.4.2 Asset Management Planning

The IP&R’s Asset Management Planning requirements are met by, and documented in, Council’s Asset Management Policy, Asset Management Strategy and asset class-specific AMPs. These are, in turn, supported by Council’s asset management processes, people, information and systems. The documents that together make up Council’s asset management framework are summarised in Table 2.

Table 2 Key Council asset management documents

Document Name	Key Document Contents
Asset Management Policy	Documents and confirms Council’s commitment to asset management, and the principles and approach to be adopted in its planning and implementation.
Asset Management Strategy	The Asset Management Strategy outlines: <ul style="list-style-type: none"> • The Asset Management Objectives (AMOs). • Strategies to meet the AMOs. • How the AMP is implemented. • How Council will develop, implement, and continually improve its asset management capability. • Relevant background information on matters including governance, roles and responsibilities, supporting information systems and processes that are applicable to all AMPs.
Asset Management Plan (this document)	The AMP outlines the approach to delivering asset management objectives for the relevant asset class. The document details the asset class-specific risks and strategies to support and align with Council-wide asset management policies and strategies, demand factors, levels of service, risk management practices, financial resources required, and improvement initiatives.

² Further details of the IP&R are contained in Council’s separate Asset Management Strategy document

Long Term Financial Plan	Provides a 10-year budget forecast to demonstrate financial sustainability and how the Operational Plan and Delivery Programs are resourced.
Delivery Plan	Describes Council's commitment to deliver over a 4-year period to meet the strategic goals and objectives. Describes what can be delivered with the available resources.
Operational Plan	Identifies annual projects and activities to deliver against the Delivery Plan.

1.5 Governance, roles and responsibilities

The successful delivery of asset management relies on a defined governance model and the relationships between executive management, corporate services, operational services and delivery services.

Council's organisational and governance structure, and the key asset management responsibilities, are described in Council's Asset Management Strategy.

In the context of building assets, the key asset management roles are currently performed by the following Council positions and/or business units, as shown in Table 3.

Table 3 Asset management roles

Broad Asset Management Role	Responsible Council Party
Asset Custodian	Building Services Manager
Asset Manager	Building Services Manager
Asset Maintainer	Varies depending on facility type

It should be noted that in the case of buildings assets there is currently less clarity of roles than with some of Council's other asset classes with, for example, maintenance often falling under the responsibility of the respective Council department operating the facility. While this is not necessarily a problem, there would be benefit from documenting and communicating roles and accountabilities in this area more clearly.



Improvement Action 1:

Review, document and communicate roles and responsibilities in relation to the management and maintenance of the various types of Council's building assets.

2. Asset Portfolio

This section provides an overview of the building assets covered by this AMP.

2.1 Asset Types and Value

The composition of the building asset base is summarised in Table 4 below³. In total, the asset portfolio has a current value of \$92,230,936.

Table 4 Asset numbers and value

Buildings	Number	Value
Administration	1	\$240,380
Aged And Disabled Services-HACC	2	\$666,950
Aged And Disabled Services-Naroo	1	\$9,080,161
Camping Areas	1	\$423,769
Caravan Parks	3	\$2,694,321
Child Care	1	\$941,259
Community Centres	5	\$4,350,617
Corporate Support	1	\$116,783
Council Housing	13	\$12,722,426
Education	2	\$2,081,792
Emergency Services	3	\$2,163,130
Engineering Works	6	\$6,192,051
Fire Protection	16	\$2,186,251
Health Centres	2	\$2,269,311
Household Garbage Disposal	1	\$82,525
Museums	2	\$1,062,828
Other	1	\$74,884
Other Community Amenities	3	\$3,512,416
Other Cultural Services	1	\$11,557,326
Other Support Services	2	\$155,690
Public Cemeteries	3	\$118,184
Public Conveniences	15	\$2,325,192
Public Halls	11	\$10,117,779
Real Estate Development	9	\$4,108,714

³ 'Number' represents the count of individual asset line items in the GSC Asset Register. 'Value' is estimated replacement value based on original acquisition cost recorded in the Asset Register.

Buildings	Number	Value
Sewerage Network	1	\$176,512
Sporting Grounds	5	\$9,322,586
Swimming Pools	2	\$1,582,401
Tourism And Area Promotion	1	\$830,981
Water Supply Network	5	\$1,073,717
Total	119	\$92,230,936

2.2 Asset Condition and Performance

2.2.1 Condition Assessment Process

The physical condition of assets provides an important indicator of their ability to perform their required function, their likelihood of failure, and their expected operations and maintenance costs, and is consequently a key input to asset management planning.

Condition assessments and capturing of condition data are undertaken as part of routine maintenance or as part of a program of rolling annual inspections which covers all building assets every few years, or as budget and resourcing allows. In the case of buildings and facilities it is now approximately four years since funding has permitted a detailed condition assessment and hence this data is due for an update – particularly for those assets identified as being most critical.

Council intends to continue to improve its collection of asset condition data and to document its approach in future revisions of this AMP.



Improvement Action 2:

Update future versions of this section of the AMP to include details of condition assessment frequencies, methodologies, and reporting.

In line with industry standards and NSW Office of Local Government guidance, Council uses a five-point scale to assess and rate asset condition, as summarised in Table 5.

Table 5 Condition ratings and descriptions

Rating	Condition	Description
1	Excellent / Very Good	New or as new condition. Only planned cyclic inspection and routine maintenance required.
2	Good	Good condition with minor defects. Minor routine maintenance along with planned cyclic inspection and maintenance.
3	Satisfactory / Average	Average/fair condition with some significant defects requiring regular maintenance on top of planned cyclic inspections and maintenance.
4	Poor	Poor condition with asset requiring significant renewal/ rehabilitation, or higher levels of inspection and substantial maintenance to keep the asset serviceable.

5	Very Poor	Very poor condition. Asset physically unsound and/or beyond rehabilitation. Renewal required.
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2.2.2 Asset Condition Profile

A breakdown of the building asset portfolio's condition by replacement value, based on the currently available asset register data, is shown in Figure 3.

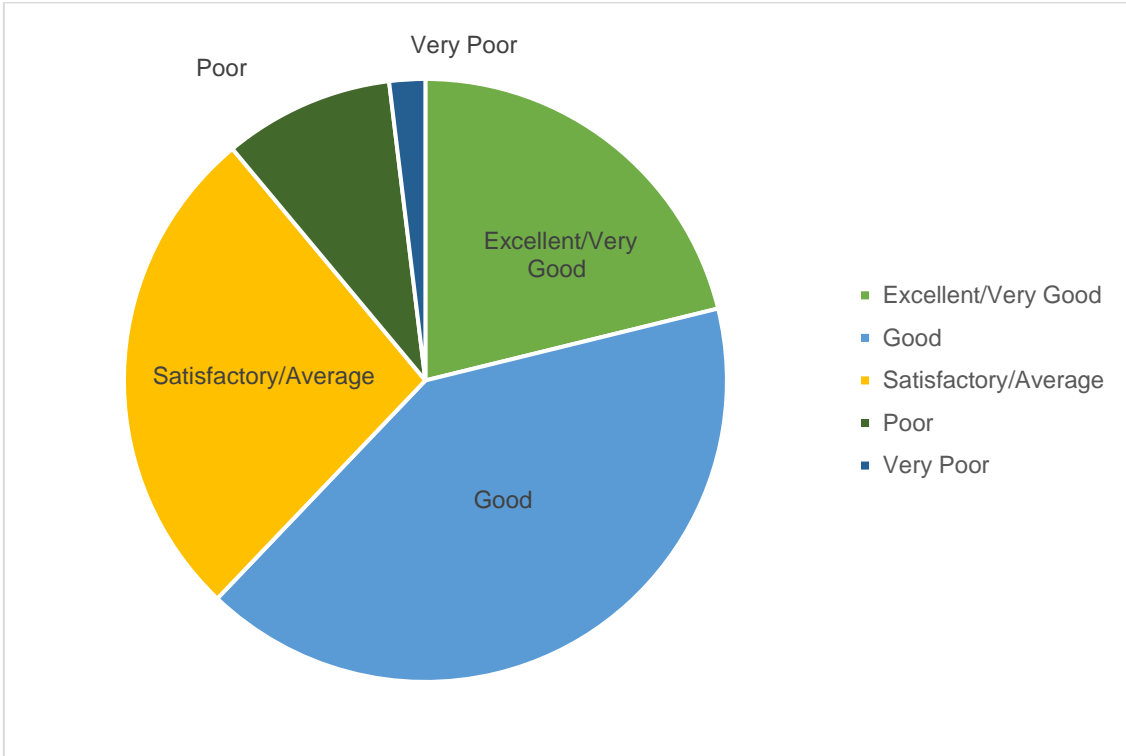



Figure 3 Asset condition breakdown by value

The majority (62%) of assets by value can be seen as being in the two highest levels of condition, 27% are in average condition and 11% in either poor or very poor condition. Given the elapsed time since the last comprehensive condition assessment it is possible that actual asset condition may be worse than depicted above.

Of those assets in poorer levels of condition, the following have been identified for investigation of appropriate rectification works and investment.

	<p>Improvement Action 3:</p> <p>Using the results of the recommended asset criticality assessment to determine priorities, undertake a building condition assessment and update the asset register, this section of the AMP, and expenditure projections, accordingly.</p>
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Building Assets Requiring Major Reconstruction

From the asset register, several individual assets were rating 'Poor' or requiring major reconstruction or renewal. These are summarised in Table 6 overpage.

Table 6 Assets in Poor condition requiring major reconstruction or replacement

Building Asset	Subcomponent
Bingara Administration Building	Electrical
Bingara Administration Building	Envelope
Bingara Administration Building	Floor Coverings
Bingara Administration Building	Hydraulic
Bingara Administration Building	Internal
Bingara Administration Building	Mechanical
Bingara Amenities Block	Electrical Services
Bingara Amenities Block	Envelope
Bingara Amenities Block	Floor
Bingara Amenities Block	Hydraulic Services
Bingara Announcement and Judges Block	Floor
Bingara Arts Centre Building	Internal Structures
Bingara Cattle Pavilion	Envelope
Bingara Cattle Pavilion	Sub-Structure
Bingara Concrete Ganger's Shed	Electrical Services
Bingara Concrete Ganger's Shed	Envelope
Bingara Court House	Electrical Services
Bingara Court House	Envelope
Bingara Court House	Floor Coverings
Bingara Court House	Hydraulic Services
Bingara Court House	Internal Structures
Bingara Cunningham Park Public Privy	Electrical Services
Bingara Cunningham Park Public Privy	Floor Coverings
Bingara Cunningham Park Public Privy	Roof
Bingara Disabled Amenities Block	Roof
Bingara Fuel Store	Electrical Services
Bingara Garages (13 Bay)	Envelope
Bingara Garages (13 Bay)	Roof
Bingara Glacial Area Public Privy: Male and Female	Envelope
Bingara Grandstand	Envelope
Bingara Grandstand	Floor
Bingara Gwydir Oval Scout Hall	Internal Structures
Bingara Hacc Offices	Electrical Services
Bingara Hacc Offices	Roof
Bingara Hatchery Main Building and Shed	Electrical Services
Bingara Hatchery Main Building and Shed	Envelope
Bingara Hatchery Main Building And Shed	Floor Coverings
Bingara Hatchery Main Building And Shed	Hydraulic Services
Bingara Hatchery Store Shed	Electrical Services
Bingara Hatchery Store Shed	Envelope
Bingara Men's Shed	Electrical Services

Building Asset	Subcomponent
Bingara Men's Shed	Envelope
Bingara Men's Shed	Fire Services
Bingara Men's Shed	Hydraulic Services
Bingara Men's Shed	Sub-Structure
Bingara Old Blacksmith Shop	Roof
Bingara Pipe Shed	Envelope
Bingara Preparation Building	Hydraulic Services
Bingara Preschool Main Building	Envelope
Bingara Preschool Main Building	Internal Structures
Bingara Public Privy Maitland Street	Electrical Services
Bingara Public Privy Maitland Street	Envelope
Bingara Public Privy Maitland Street	Hydraulic Services
Bingara Public Privy Maitland Street	Roof
Bingara Sale Yards Kiosk and Toilets	Envelope
Bingara Sale Yards Kiosk and Toilets	Floor
Bingara School Building	Floor Coverings
Bingara Senior Citizens Centre	Electrical Services
Bingara Senior Citizens Centre	Roof
Bingara Sewerage Treatment Works Amenities Block	Fit-Out & Fittings
Bingara Sewerage Treatment Works Amenities Block	Floor Coverings
Bingara Sewerage Treatment Works Amenities Block	Roof
Bingara Shed 5 (Barn)	Electrical Services
Bingara Shed 5 (Barn)	Envelope
Bingara Shed 5 (Barn)	Floor
Bingara Shire Depot Workshop and Store	Electrical Services
Bingara Shire Depot Workshop and Store	Envelope
Bingara Shire Depot Workshop and Store	Fire Services
Bingara Shire Depot Workshop and Store	Hydraulic Services
Bingara Showgrounds Food Pavilion	Electrical Services
Bingara Showgrounds Food Pavilion	Envelope
Bingara Showgrounds Food Pavilion	Fire Services
Bingara Showgrounds Food Pavilion	Fit-Out & Fittings
Bingara Showgrounds Food Pavilion	Hydraulic Services
Bingara Showgrounds Food Pavilion	Mechanical Services
Bingara Showgrounds Food Pavilion	Roof
Bingara Stables	Sub-Structure
Bingara Staff Amenities And Store Keeper's Office	Electrical Services
Bingara Staff Amenities And Store Keeper's Office	Hydraulic Services
Bingara Toilet Block 1	Electrical Services
Bingara Toilet Block 1	Hydraulic Services
Bingara Toilet Block 1	Roof
Bingara Toilet Block 2	Electrical Services
Bingara Toilet Block 2	Hydraulic Services
Bingara Toilet Block 2	Roof

Building Asset	Subcomponent
Bingara Truck Park Bay No 1	Structure
Bingara Truck Park Bay No 2	Sub-Structure
Bingara Whitfeld Place Aged Care Units (x6)	Hydraulic Services
Bingara Wool Pavilion	Electrical Services
Bingara Wool Pavilion	Envelope
Bingara Wool Pavilion	Floor
Bingara Wool Pavilion Yards	Roof
Captain Cook Park	Electrical Services
Coolatai Public Hall Toilets	Hydraulic Services
Crooble Public Hall	Internal Structures
Former Emergency Services Centre	Electrical Services
Former Emergency Services Centre	Envelope
Former Emergency Services Centre	Hydraulic Services
Former Emergency Services Centre	Roof
Gravesend Public Hall	Sub-Structure
Gulf Creek Public Hall Toilets	Hydraulic Services
Moffat Park	Electrical Services
Moffat Park	Hydraulic Services
Nicholson Oval	Electrical Services
Nicholson Oval	Hydraulic Services
Nicholson Oval	Roof
North Star Public Hall	Roof
North Star Residence	Floor Coverings
North Star WTP Shed	Electrical Services
North Star WTP Shed	Hydraulic Services
North Star WTP Shed	Mechanical
North Star WTP Shed	Roof
Public Hall Toilets	Electrical Services
Public Hall Toilets	Hydraulic Services
Public Hall Toilets	Roof
Store Shed	Electrical Services
War CCL Chamber	Building Envelope
Warialda Craft Shop	Electrical Services
Warialda Craft Shop	Envelope
Warialda Craft Shop	Fit-Out & Fittings
Warialda Craft Shop	Floor Coverings
Warialda Craft Shop	Hydraulic Services
Warialda Craft Shop	Mechanical Services
Warialda Craft Shop	Roof
Warialda Gym	Hydraulic Services
Warialda Masonic Lodge	Roof
Warialda Swimming Pool Office/Dressing Sheds	Electrical Services
Warialda Swimming Pool Office/Dressing Sheds	Fit-Out Internal

Building Asset	Subcomponent
Warialda Swimming Pool Office/Dressing Sheds	Hydraulic Services
Warialda Swimming Pool Office/Dressing Sheds	Roof
Warialda Swimming Pool Plant/Store	Electrical Services
Warialda Swimming Pool Plant/Store	Hydraulic Services
Warialda Swimming Pool Plant/Store	Roof
Yallaroi Public Hall Toilet	Hydraulic Services
Yallaroi Public Hall Toilet	Roof

Unserviceable Assets

Assets shown in the asset register to be rated as 'Very Poor' or unserviceable are shown in Table 7.

Table 7 Assets rated Very Poor

Building Asset	Subcomponent
Bingara Announcement and Judges Block	Not Specified
Bingara Announcement and Judges Block	Envelope
Bingara Announcement and Judges Block	Roof
Bingara Sale Yards Kiosk and Toilets	Electrical Services
Bingara Sale Yards Kiosk and Toilets	Hydraulic Services
Bingara Sale Yards Kiosk and Toilets	Roof
Bingara Caretakers Residence	Electrical Structures
Bingara Caretakers Residence	Envelope
Bingara Caretakers Residence	Floor
Bingara Caretakers Residence	Floor Coverings
Bingara Caretakers Residence	Hydraulic Structures
Bingara Caretakers Residence	Internal Structures
Bingara Caretakers Residence	Roof
Bingara Fuel Store	Envelope
Bingara Sewerage Treatment Works Amenities Block	Electrical Services
Bingara Sewerage Treatment Works Amenities Block	Hydraulic Services
Bingara Stables	Structure
Gravesend Public Hall	Electrical Services
Gravesend Public Hall	Envelope (To Be Demolished 2017)
Gravesend Public Hall	Fit-Out & Fittings
Gravesend Public Hall	Floor Coverings
Gravesend Public Hall	Hydraulic Services
Gulf Creek Public Hall	Envelope
Gulf Creek Public Hall	Roof
Gulf Creek Public Hall	Sub-Structure
Historical School House	Electrical Services
Historical School House	Envelope
Historical School House	Fit-Out & Fittings
Historical School House	Floor

Historical School House	Floor Coverings
Historical School House	Roof
Moffat Park	Floor Coverings
Warialda Masonic Lodge	Hydraulic Services
Warialda Shop & Sheds (Leased Building) Bradburn	Electrical
Warialda Shop & Sheds (Leased Building) Bradburn	Envelope
Warialda Shop & Sheds (Leased Building) Bradburn	Fit-Out
Warialda Shop & Sheds (Leased Building) Bradburn	Floor
Warialda Shop & Sheds (Leased Building) Bradburn	Hydraulic Services
Warialda Shop & Sheds (Leased Building) Bradburn	Roof

3. Asset Demand

Asset demand is driven by a range of factors including population growth, climate, technology, legislation requirements, economic factors, community trends and preferences. The following section outlines the key demand drivers relevant to Council’s building asset portfolio and their potential impacts.

3.1 Demand Drivers

3.1.1 Population Growth and Demographics

Population growth is one of the most direct drivers of building asset demand. Data from the latest Australian Bureau of Statistics Census of Population and Housing for the Gwydir Shire LGA shows a gradual long-term decline in population between 1996 and 2021 of approximately 17%. Looking forward, the online NSW Population Projections Explorer indicates the population of Gwydir Shire will gradually rise to 5,576 or approximately 11% by 2041. This represents a relatively small rate of growth over the next ten years, indicating that growth in asset demand will be gradual and manageable.

Historical changes in the population of Gwydir Shire since 1996 are shown below.

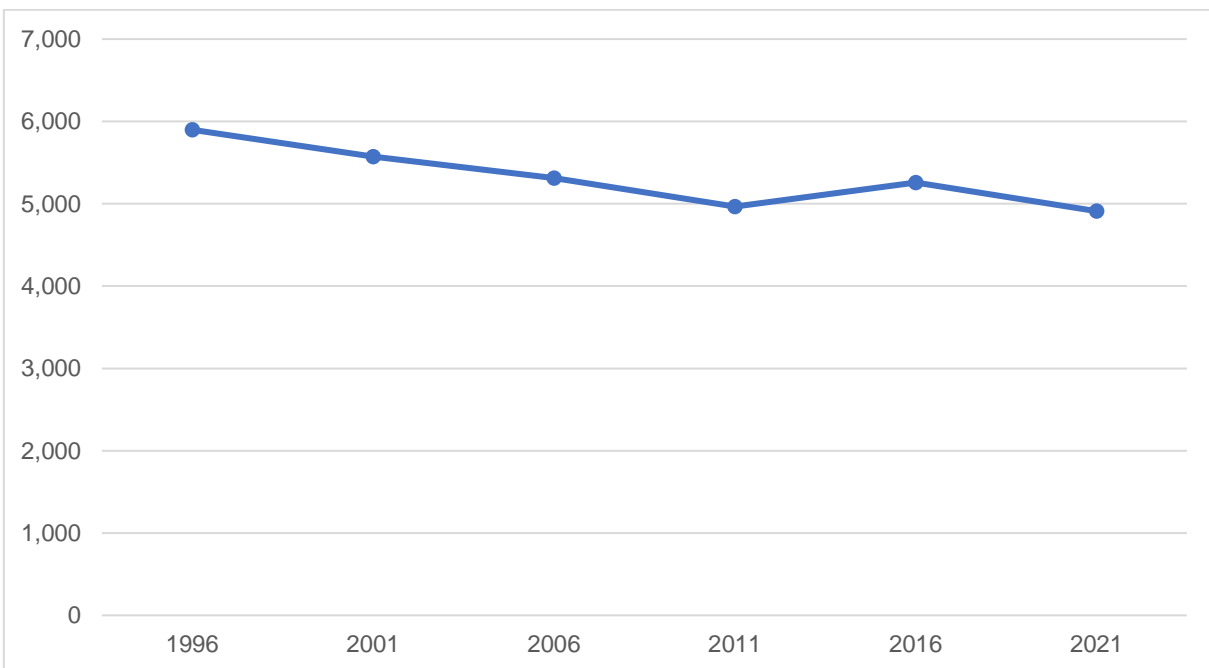


Figure 4 Gwydir LGA population

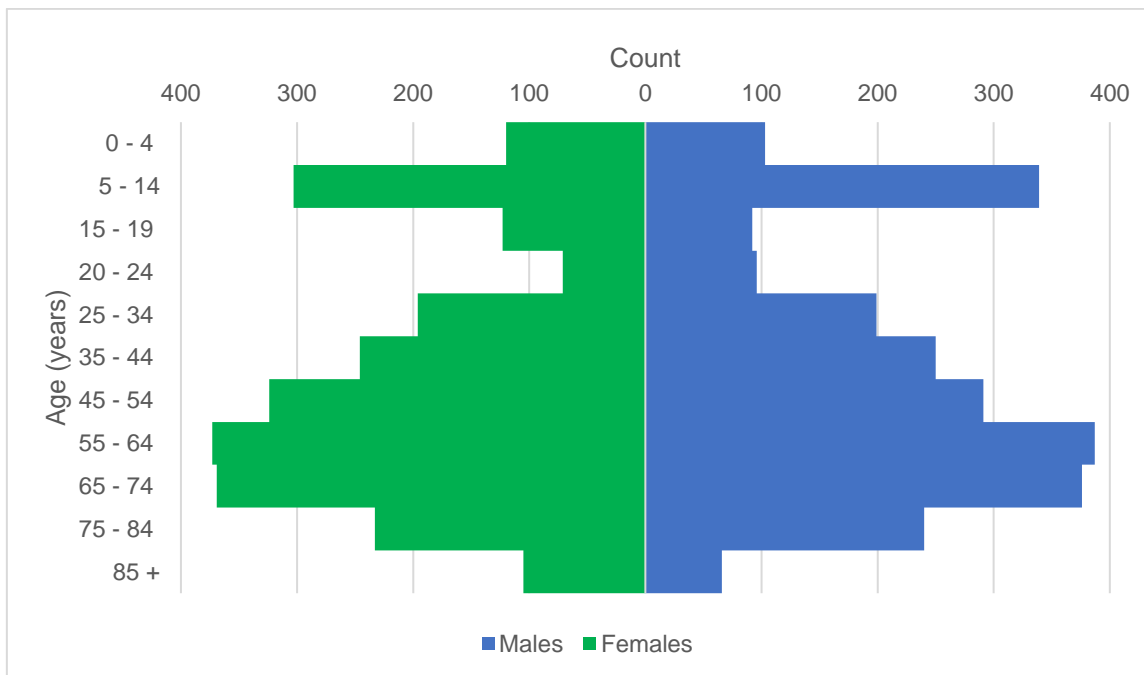


Figure 5 Gwydir LGA demographic distribution (2021)

The distribution of ages indicates a greater proportion of people over the age of 45, with a median age of 50 years. As with many regional areas, Gwydir Shire is also experiencing an ageing population trend.

An aging population has potential implications for the nature of services and associated facilities required, such as an increased demand for senior citizens’ centres, aged care facilities, libraries and mens’ sheds, and flat or declining demand for sporting and childcare facilities. When coupled with the relatively low population growth rates, these demographic factors suggest minimal and only gradual changes to demand are likely to occur across the 10-year AMP planning period. Council will nonetheless monitor this, and any changing requirements, through ongoing community engagement.

3.1.2 Climate Change

The results of climate change can have a significant impact on the assets being managed and the services that they provide. In the context of the asset management planning process, climate change can be considered as both a future demand driver and a risk.

With regard to building and facility assets, climate change is more likely to be a consideration in terms of asset risk and resilience, than as a driver of demand. For this reason, climate change and its implications are discussed in Section 0.

3.2 Demand Management

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets, providing new assets to meet demand, and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Non-asset solutions focus on providing the required service without the need for Council to own the assets, and management actions including reducing demand for the service, or reducing the level of service (eg. by allowing some assets to deteriorate beyond current service levels).

There are several forms of non-asset solutions that have proven to be effective for building demand management. These include:

- The population of residents in the Shire is observed to be between 5,000 and 6,000 and appears to be on a downward trend, although in the long term will be steady.
- Consider the requirements when looking at an aging population.
- New technologies including energy efficiency and resilient construction materials should be considered when capital upgrades or new buildings are being planned for.
- The climate is expected to move towards more frequent and hotter days, greater fire risks and greater chances of drought or flood conditions.

The need for such measures will vary according to rainfall patterns and drought events, but Council will continue to monitor best practice in this area and implement appropriate demand management responses as and when required.

4. Levels of Service

Levels of Service (LoS) are used to link the business outcomes of the asset owner with the assets used to provide the services. LoS are required to:

- Describe the service outputs the organisation intends to deliver to customers via the asset portfolio
- Relate to service attributes such as quality, reliability, timeliness, accessibility, and cost
- Be measurable and recordable
- Providing a basis for the setting of 'trigger points' for reviews of maintenance strategies, renewals and asset replacements, upgrades and provision on new assets.

4.1 Community Engagement

Key to the development of LoS is close and regular engagement with the community. Council's Community Engagement Strategy 2022-2026 lists the various strategies Council employs to inform the community and seek feedback. These include:

- Digital surveys and suggestion box
- Social media channels
- Staff newsletters
- Advertising
- Deliberative panels
- Rate notice flyers
- TV and radio
- QR codes
- Community meetings
- Newspaper articles
- E-newsletters
- Notice boards
- Community newsletter and mailouts
- Mayoral column
- YouTube posts
- Face to face and one on one discussions

4.2 Levels of Service and Measures

LoS are clear statements of the outcomes expected to ensure the relevant goals and outcomes for the asset portfolio are being met. They should align with Council's asset management objectives and strategies, and thereby provide a clear line of sight between Council's goals and its delivery of service outcomes.

4.2.1 Customer Levels of Service

Customer (or Community) LoS are statements or measures that describe the service outcomes as they are perceived by, and in terms relevant to and valued by, the customer receiving the services. They are often expressed in terms of quality, function, safety, capacity, etc. These are backed up by one or more Technical Levels of Service, and a practical means of measurement of achievement. Technical Levels of Service

4.2.2 Technical Levels of Service

Technical LoS state how a particular activity or service area is measured in a practical sense. Each technical performance measure is linked to a customer performance measure, in many cases providing a more detailed version or measure where the future target is a planned improvement from the current.

Table 8 provides some examples of LoS and their outcomes from an asset management perspective.

Table 8 Levels of service definitions

Performance Measure	Definition
Customer Levels of Service	
Quality	The asset is in a reasonable operating condition and meets its intended purpose.
Function	The asset meets operational / user requirements, fulfils its purpose and is compliant to all legislative/regulatory criteria/requirements.
Safety	The asset is safe to operate / use and maintain.
Technical Levels of Service	
Operations	The asset is managed in a manner that ensures that it meets the operational requirements and, delivers its intended purpose at the highest standard as practical.
Maintenance / Renewal / Upgrade	The asset is managed throughout its lifecycle at a standard to ensure the asset reliably meets its design performance requirements.
Cost Effectiveness (Budget)	The asset is managed to meet service levels in a cost-effective effective manner throughout its lifecycle.


Table 9 provides examples of the building LoS that are currently adopted by Council based on community consultation and engagement undertaken in 2015.

Table 9 Desired building levels of service

Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Optimal Level of Service
Quality	Provide clean and accessible facilities	Current: Customer Service requests, complaints, customer surveys	Current: < 2 complaints per year	Current: < 4 complaints per building per year
		Potential: Buildings and fittings/fixtures are kept to an agreed condition e.g. define a “desired condition” for buildings (by type or function). X% of buildings will be brought up to their desired condition rating by 2050.	Potential: Customer-facing buildings (public use, amenities, reception centres) at condition 2 – 3; depots, GSC staff offices at condition 3.	Potential: Customer-facing buildings (public use, amenities, administration centres) at condition ≥ 2; depots, GSC staff offices at condition 2 – 3.
Function	Facilities are fit for purpose, meet user’s requirements and industry standards	Current: Customer Service requests, complaints, customer surveys	Current: < 2 complaints per year	Current: < 4 complaints per building per year
	Facilities are being utilised to their greatest potential	Potential: Records of utilisation, customer bookings, daily visitor numbers	Potential: X% utilisation of facilities per month	Potential: Increased % utilisation of facilities per month
Safety	Ensure facilities are safe	Current: Reported incidents	Current: Measured by submitted incident reports	Current: Zero reported incidents
	Facilities meet current national construction codes for safety	Potential: Formalised, regular inspections against design guidelines/code requirements		
	Facilities with safety critical assets are in a good condition	Potential: Regular condition assessments of safety critical assets		

Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Optimal Level of Service
Operations	Building functionality is not compromised by condition	Current: Regular building inspections	Current: Each building inspected every 12 months	Current: Each building inspected every 6 months
	Reduce running costs	Potential: Water and power bills, heating and cooling costs	Potential: X% of budget	Potential: A reduction in operational costs
	Sustainable practices	Potential: Install solar panels on all council buildings by 2040	Potential: 50% of sites running off solar by 2030	Potential: 100% of sites running off solar by 2040
Maintenance / Renewal / Upgrade	Legislative compliance	Current: Provide access and service for all user groups	Current: 80% compliance	Current: 100% compliance
	Facilities are maintained to a high standard	Potential: <ul style="list-style-type: none"> Reactive maintenance requests, completion rates and timeframes Proactive maintenance frequencies are set Regular condition assessments 	Potential: X% of work orders successfully rectified within 5 working days	Potential: An increase in percentage rectification, or decrease in timeframes
Cost Effectiveness		Current: Budget	Current:	Current: Increased resources Funding and resources

Council recognises that community service and value expectations change over time, and that it is now opportune to re-engage with the Gwydir Shire community to review and, if necessary, revise building LoS.

	<p>Improvement Action 4:</p> <p>Review existing and potential performance measures, Level of Service metrics, and targets with stakeholders, and publish and adopt these as the basis for future asset management planning decision making. Update this section of future versions of this AMP accordingly.</p>
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4.3 Legislative Requirements

There are many legislative requirements applicable to the management of building assets, examples of which are shown in Table 10.

Table 10 Legislative requirements

Legislation	Requirement
Australian Accounting Standards	The Australian Accounting Standards Board Standard, AASB 116 Property Plant & Equipment requires that assets be valued, and reported in the annual accounts, which also includes depreciation value (i.e. how fast are these assets wearing out).
Environmental Planning and Assessment Act 1979	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the state.
Local Government Act 1993	Sets out the role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
Local Government (General) Regulation 2021	Specifies boundaries and local laws around Council structure and operations.
Building Compliance, the National Construction Code, the Building Code of Australia	The Building Code of Australia (BCA) is contained within the National Construction Code (NCC) and provides the minimum necessary requirements for safety, health, amenity and sustainability in the design and construction of new buildings (and new building work in existing buildings) throughout Australia.
National Disability Discrimination Act	Provides protection against discrimination based on disability, in this case in connection with access to buildings.
Workplace Health and Safety Act 2011	Sets out roles, responsibilities to secure the health, Safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Organisations are to provide a safe working environment and supply equipment to ensure safety.
Protection of Environment Operations Act (1997)	Requirements to provide protection of the environment
Residential Tenancies Act (2010)	Governs landlord obligations and requirements for residential/retail tenants and leases
Retail Lease Act	Governs landlord obligations and requirements for residential/retail tenants and leases
Workplace Health and Safety Act (2011)	Sets out roles, responsibilities to secure the health, safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Organisations are to provide a safe working environment and supply equipment to ensure safety
Australian Heritage Council Strategic Plan 2023 – 2025	Provides for the identification, registration, protection and conservation of items of State or Local Heritage significance.
NSW Heritage Act (1977)	The NSW Heritage Act also provides for the conservation of environmental heritage items
Australian Standards	Australian Standards are published documents setting out specifications and procedures designed to ensure products, services and systems are safe, reliable, and consistently perform the way they were intended to. Where an Australian Standard is referenced in legislation (Acts or Regulations), they are a statutory requirement and should be referenced in asset activities.
Children and Young Persons (Care and Protection) Act 1998	Provides protection of children in public spaces.
Public Health Act 2010	Prevention of the spread of disease. Effluent disposal methods. Supply and delivery of water .

There are also often requirements under Australian Standards regarding the design, construction/installation, operation, maintenance, and disposal of assets that are not legislative (referenced in an Act or Regulation) but should be considered as part of “best practice” asset

management. Council will continue to monitor applicable standards and reflect any changes in future versions of the AMP.

5. Risk Management

5.1 Risk Assessment Process

Risk Management is defined in ISO 31000:2018 Risk Management – Principles and Guidelines as: “coordinated activities to direct and control with regard to risk”.

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure.

Under Councils’ risk management process, risks are rated as Very High, High, Medium and Low. Examples of critical risks, being those assessed as ‘Very High’ (requiring immediate corrective action) and ‘High’ (requiring prioritised corrective action identified in the Infrastructure Risk Management Plan together with the estimated residual risk after the selected treatment plan is implemented), are summarised in Table 11. These risks, when apparent, are reported to management and Council.

Table 11 Risk and management for building assets

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan
All buildings	Deterioration of building assets.	H	<ul style="list-style-type: none"> 6 monthly condition inspections. Improved allocation of appropriate funding. Improvement of Buildings AM practices
All buildings	Significant loss from disaster.	M	<ul style="list-style-type: none"> Keep insurances current with correct valuations. Undertake and implement Business Interruption Plan.
All buildings	Injury to staff or community member.	M	<ul style="list-style-type: none"> Prioritise capital and renewal works based on condition. Allocate applicable funding and resources. Ensure staff and community are notified and aware of specific dangers.
All buildings	Non-compliance with legislation or regulations.	L	<ul style="list-style-type: none"> Undertake regular inspections and maintenance. Non-compliance works to be given priority.


5.2 Critical Assets

Contemporary best practice in relation to asset risk management is to use a process of asset **criticality assessment** to rate and identify critical assets as the basis for development of priorities and strategies to minimise asset risk.

According to ISO 55000:2014, a critical asset is “an asset that has potential to significantly impact on the achievement of the organisation’s objectives”.

Assets can be safety-critical, environment-critical or performance-critical and can relate to legal, regulatory or statutory requirements.

Council does not currently have a formal asset criticality framework, and recognises that this would improve upon its current, less formal process, help it to conform with leading practice, and fully meet the requirements of the IP&R. Accordingly, it is proposed that this be pursued as a priority item in the Asset Management Improvement Plan.

	<p>Improvement Action 5:</p> <p>Formulate and implement an asset criticality framework and apply to all assets, as the basis for development and prioritisation strategies for risk mitigation. Update this section of future versions of this AMP accordingly.</p>
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5.3 Climate Risk and Resilience

As noted in Section 3.1.2, climate change has the potential to affect both demand for assets and the risks associated with owning and managing them. For building and facility assets, risk and resilience are the key areas of focus.

As an increasingly important input to its asset management planning, Council is increasingly needing to consider both how to manage existing assets given potential climate change impacts, and then also how to create resilience to climate change in any new works or acquisitions.

A NSW government climate report⁴ projects anticipated changes to temperature, frequency of hot days and cold nights, rainfall and fire conditions for the medium and long terms for the New England Northwest region, which includes, but is not specific to, Gwydir Shire. The projections nonetheless provide a good starting point for undertaking a hazard risk assessment and identifying potential management options.

Table 12 Climate change snapshot summary

Effect	Trend	Near Future (2020-2039) Projection	Far Future (2060-2079) Projection
Temperature	Increase	Maximum temperatures to increase by 0.7 °C. Minimum temperatures to increase by 0.7 °C.	Maximum temperatures to increase by 2.2 °C. Minimum temperatures to increase by 2.3 °C
Number of hot days (maximum temperature above 35 °C)	Increase	7 additional hot days per annum	24 additional hot days per annum

⁴ NSW Government Office of Environment & Heritage, New England North West Climate change snapshot, November 2014.


Number of cold nights (minimum temperature below 2 °C)	Decrease	9 fewer cold nights per annum	26 fewer cold nights per annum
Rainfall	Variable	Changes in annual rainfall ranging from -9 % to +13 %	Changes in annual rainfall ranging from -8 % to +24 %
Forest Fire Danger Index (FFDI)	Increase	Increase in number of days with a FFDI above 50 (Severe). Increase in average FFDI.	Further increase in number of days with a FFDI above 50 (Severe). Additional increase in average FFDI.

Some examples of the impacts and potential responses to these changing climatic conditions for building and facility assets are shown in Table 13.

Table 13 Impact of climate change on assets

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Example Management Actions
Storm intensity	More extreme weather events	Flooding damage. Loss of access	Locate or relocate buildings away from flood-prone areas. Improve stormwater handling
Drought	Increased drought conditions (hotter and drier) for extended periods.	Increased need for air-conditioning	Upgrade cooling. Thermally efficient design.
Fire	Longer, more severe fire seasons	Destruction of facilities. Loss of service.	Manage potential vegetation fuel sources with hazard reduction. Use fire resistant building materials. Appropriate site selection for assets and infrastructure.

Council recognises the importance of understanding climate implications and that these continue to be monitored and addressed in future versions of this AMP.

	<p>Improvement Action 6:</p> <p>Undertake a climate change impact review and risk assessment to determine what mitigation measures and management strategies are appropriate for the asset class.</p> <p>Update this Section of the AMP to include key findings and any mitigation measures.</p>
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6. Asset Lifecycle Management

Reliably and cost-effectively delivering value from assets across their full life cycle is a fundamental principle of asset management. This section outlines the core lifecycle activities employed by Council in managing its assets.

6.1 Lifecycle Management Overview

Lifecycle management brings together and 'joins up' the decision making associated with each stage of an asset's life, including acquisition, maintenance and operation, and eventual refurbishment, renewal or disposal.

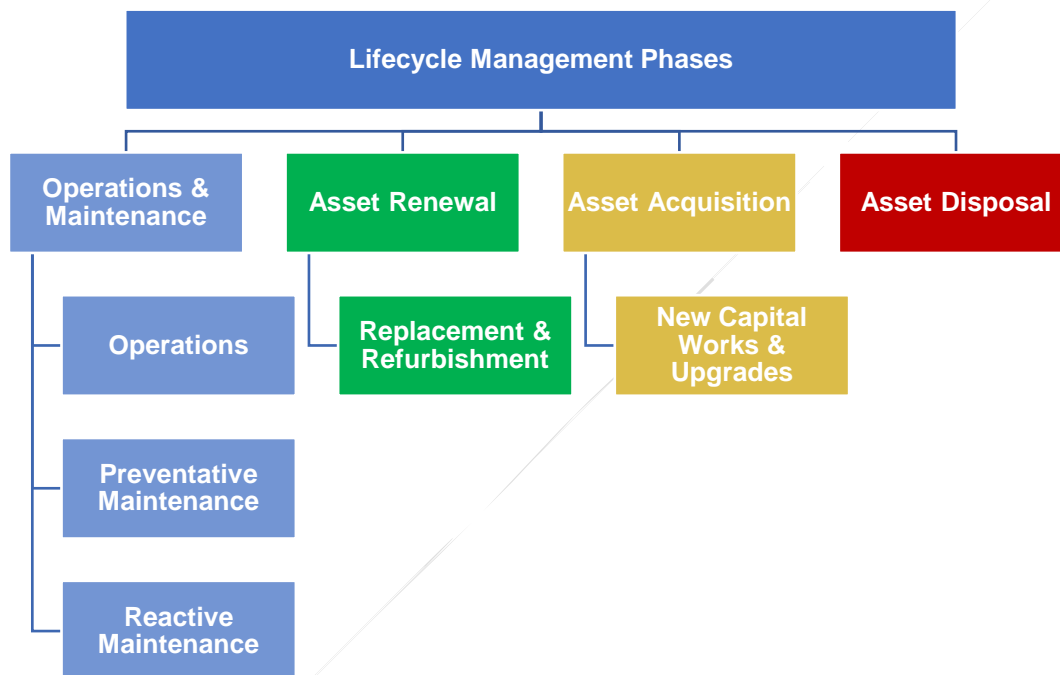


Figure 6 Lifecycle management phases

6.2 Operations and Maintenance

Operations and maintenance strategies determine and guide how the asset will be operated and maintained both on a day-to-day and longer-term basis.

Operations includes regular activities to provide services. Examples of typical operational activities include cleaning, caretaking and security. |

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Council's maintenance tasks typically fall under three categories:

- Reactive maintenance: correction of malfunctions and failures on an as-required basis.
- Preventative maintenance: regular and predictable maintenance activities which can be scheduled, such as inspections, painting, lubrication, replacement of defective or worn components, etc.

- Mandatory maintenance: activities that are required to ensure legislative compliance such as test and tagging fire equipment, lift inspections, or safety equipment testing.

Historical costs associated with operations and maintenance are discussed below.

6.2.1 Operations

Council captures and reports operational costs at a detailed level. Historical costs from the past five years have been compiled, adjusted for inflation and used to forecast expenditure for the next 10 years for this AMP. Council's historical operations costs are shown in Table 14.

Table 14 Historical operations expenses

Operations Cost Description	2019	2020	2021	2022	2023	Total
Council Housing	\$ 13,746	\$ 21,447	\$ 7,321	\$ 35,367	\$ 17,936	\$ 13,746
Aerodrome Operations	\$ 4,548	\$ 4,782	\$ 19,146	\$ 10,965	\$ 10,913	\$ 4,548
Cemetery Operations	\$ 562	\$ 664	\$ 411	\$ -	\$ -	\$ 562
Work Depot Operations	\$ 35,481	\$ 34,648	\$ 38,056	\$ 31,731	\$ 49,452	\$ 35,481
Swimming Pool(s) Operations	\$ 2,309	\$ 4,039	\$ 1,229	\$ 974	\$ 819	\$ 2,309
Tourism Operations	\$ 5,355	\$ 15,180	\$ 6,900	\$ 5,268	\$ 6,836	\$ 5,355
Caravan Parks Operations	\$ 183,084	\$ -	\$ -	\$ -	\$ 7	\$ 183,084
Cranky Rock and Myall Creek Operations	\$ 736	\$ -	\$ -	\$ -	\$ -	\$ 736
Total	\$ 245,819	\$ 80,759	\$ 73,063	\$ 84,305	\$ 85,963	\$ 569,911

The majority of operations costs are derived from Caravan Parks operations. As this has not been recorded for the last 4 years, an average from the last 10 years is used instead. The calculated average annual operations cost assumed in the lifecycle cost modelling for this AMP is \$223,713 in current (2023) dollars.

6.2.2 Maintenance

Council also captures and reports maintenance costs at a detailed level. Historical costs from the past five years, adjusted for inflation, have been used to forecast expenditure over the next 10 years. Council's historical maintenance costs are show in Table 15.

Table 15 Historical maintenance expenses

Expenditure	2019	2020	2021	2022	2023	Total
Maintenance	\$ 430,637	\$ 413,757	\$ 513,902	\$ 465,751	\$ 418,709	\$ 2,242,756

The average annual maintenance cost used for lifecycle cost modelling is \$448,551 in 2023 dollars.

6.3 Renewals and Replacement

Renewal, Replacement and Refurbishment are capital investment works aimed at restoring the service potential of an existing asset to its original level of performance (but not to a higher level⁵). The terms

⁵ Increasing the service potential to a higher level of performance or capacity is regarded as new capital or acquisition.

are often used interchangeably or collectively referred to as Renewals, which is the term used in this AMP.

Replacement strategies are designed to provide for the progressive replacement of individual assets that have reached the end of their useful lives. This is managed at a rate that maintains the standard and value of the portfolio as a whole.

Refurbishment strategies allow existing assets to be restored to original service potential through reconditioning or rehabilitation of component parts.

Council's renewal planning approach is to endeavour to refurbish where possible, rather than replace, subject to asset condition and the best value-for-money solution. For planning purposes, however, like-for-like replacement costs are generally assumed.

Developing forecast models for renewals based on expected deterioration and asset lives is a practical way of identifying future expenditure requirements. In their simplest form, and in the approach used by Council, life cycle renewal models use rules such as 'replace at end of standard useful life' to identify the timing and quantum of renewal expenditures.

Required levels of expenditure on the renewal plan will vary from year to year and will reflect:

- Age profile of assets
- Condition and performance profiles
- Ongoing maintenance demands, and
- Varying useful lives of individual assets across the portfolio.

Failure to maintain an adequate renewal program will be reflected in a decline in the overall standard of the asset portfolio. Where the actual program falls below budget targets, the shortfall will be reflected in the depreciation of the overall asset portfolio value, resulting in a lower level of service and an increased need for reactive maintenance.

Estimates of asset replacement year are included in the asset register. All assets with a replacement year within the forecast are included in the financial profile.

6.4 Acquisitions

Acquisitions are new assets that did not previously exist, or works which will upgrade, augment or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated or contributed to Council by developers.

Upgrades to assets should be considered when there is an inability to meet capacity or other LoS requirements, to address new safety risks, or to meet regulatory or statutory requirements. They may also be considered if there is a compelling business case benefit to implementing new technology, or when sourcing of components becomes impractical due to obsolescence. Opportunities for upgrades and new works are generally identified through development plans, corporate planning processes and monitoring of the latest regulations.

Council's evaluation and approval of acquisitions generally includes consideration of the associated future life cycle costs (operations, maintenance, depreciation and replacement) to ensure long-term sustainability of funding. Council's historical capital acquisition expenditure over the past 5 years is shown in Table 16. *(Note that any missing data will be provided in future updates of the AMP.)*

Table 16 Historical new capital expenditure / acquisitions

Expenditure	2019	2020	2021	2022	2023	Average
Acquisitions	\$ 333,184	\$ 153,878	\$ 1,641,402	\$ 1,005,553	\$ 215,896	\$ 669,983

6.5 Disposals

Disposal is the retirement or sale of assets that have become surplus to requirements or superseded by new or improved systems. Assets may become surplus to requirements for any of the following reasons:

- Underutilisation
- Obsolescence
- Undeveloped
- Provision exceeds required level of service
- Assets replaced before end of predicted economic life
- Uneconomic to upgrade or operate
- Policy changes
- Service provided by other means
- Potential risk of ownership (financial, environmental, legal, social, vandalism).

Costs associated with the loss of value on sale, decommissioning, demolition, removal and disposal of assets can be significant and are considered in the life cycle costing of the portfolio. Historically, Council’s annual disposal costs have been relatively volatile, with figures ranging from \$25,000 to \$0.5 million, as shown in Table 17.

Table 17 Historical asset disposals

Expenditure	2019	2020	2021	2022	2023	Average
Disposals	\$ 25,845	\$ 354,075	\$ 26,774	\$ 207,828	\$ 501,435	\$ 223,192

The five-year average of disposal costs of \$223,192 has been assumed in the forward forecasts.

7. Financial Plan

This section summarises the whole-of-life asset expenditure forecasts for management of this asset class in accordance with established asset management strategies, the desired levels of service, and planned budgets. Projections have been developed using a life cycle cost model (LCCM). There continue to be opportunities for Council to improve its accounting systems and processes to support improved forecasting, and these will be addressed as part of its continuous improvement.

Unless otherwise stated, all values are in current (2023) dollars.



Improvement Action 7:

Progressively improve financial processes to allow budgeting at the level of operations, maintenance, renewal capital, and new capital, for each AMP asset class.

7.1 Operations Expenditure

The forecast operations expenditure shown in Figure 7 is reflective of an assumed continuation of the expenditure levels of the past 5 years. This represents an annual expenditure of \$223,713 in real terms. This is considered reasonable given the expected minimal growth of the physical asset portfolio over the forecast period.

The forecast operations expenditure is expected to be in line with available budget across the 10-year planning period.

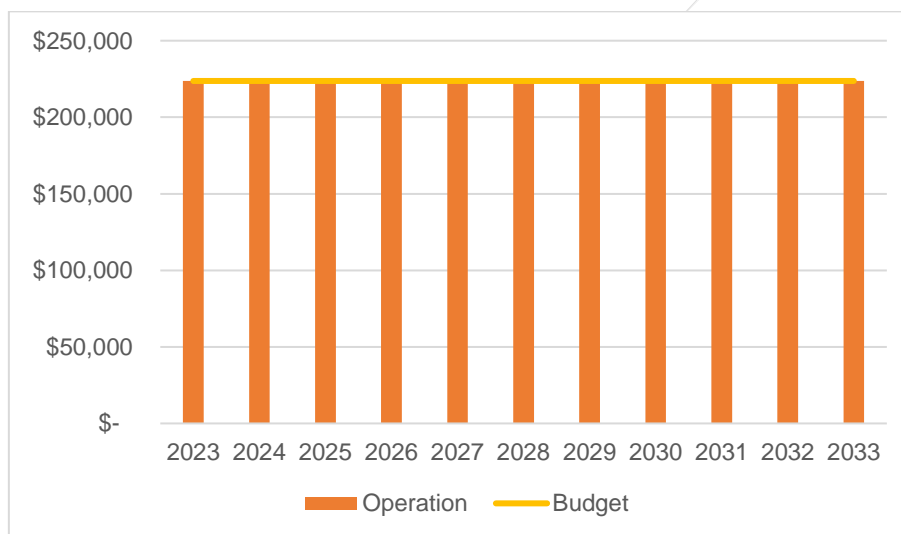


Figure 7 Forecast operations expenditure

7.2 Maintenance Expenditure

The forecast maintenance expenditure shown in Figure 8 is reflective of an assumed continuation of the maintenance expenditure levels of the past 5 years. This represents an annual expenditure of \$448,551 in real terms. This is considered reasonable given the expected minimal growth of the physical asset portfolio over the forecast period, and the expected continuation of existing maintenance strategies and practices. It is expected that as Council's asset data quality and asset management practices improve over time, savings in unplanned maintenance, in particular, should reduce. Such efficiency dividends have not been incorporated into the projections, however.

As with operations expenses, maintenance expenditure is expected to be within or in line with budgeted funds.

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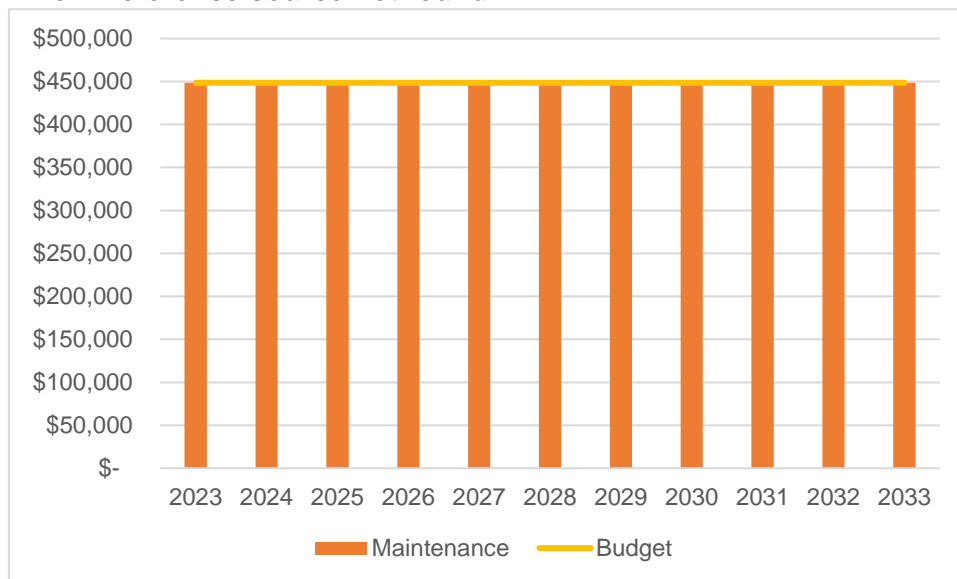


Figure 8 Forecast maintenance expenditure

7.3 Renewal Capital Expenditure

The capital renewal expenditure forecasts include asset renewals, replacement, and capital refurbishment. They do not include upgrades or enhancements of existing assets, or new assets, which are covered in the next section. Capital renewals expenditure is projected to vary year by year as shown in Figure 9, but the sum of the ten-year expenditure is expected to be within the total budgeted funds for the period.

The anticipated peak in 2023 is due to forecast renewal of the mechanical services fire services and internal structures of the Bingara Civic Centre (valued at \$ 562k). The further peak in 2033 are for various assets within the buildings register. The largest of these assets are the mechanical services (valued at \$ 240k) and the fit out and fittings of Gravesend Public Hall (valued at \$ 114k). These projected peaks will be the subject of more detailed investigation in the lead-up to those years with a view to smoothing the overall expenditure profile.

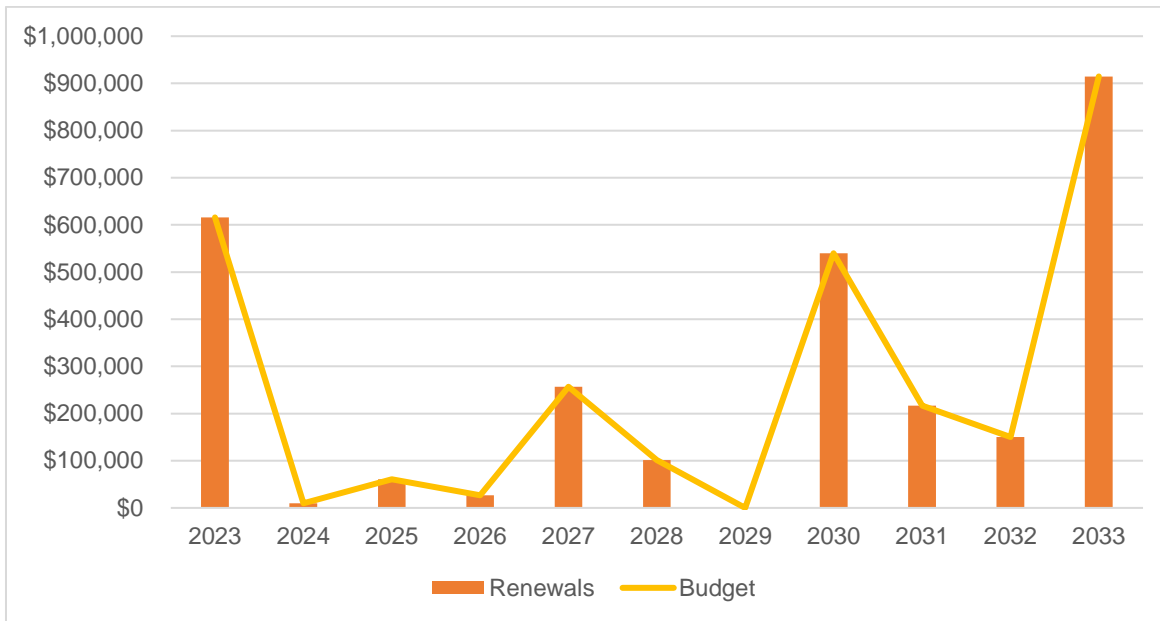


Figure 9 Forecast renewals expenditure

7.4 New Capital / Acquisitions

The forecasted expected acquisitions costs are reflective of the forecast over the previous 5 years. There are presently no specific assets identified for acquisition within the life of the plan, however provision has been made for an annual equivalent to the average of the past five years. This is reflected as \$669,983 in real terms. Future changes to this outlook will be incorporated in subsequent versions of the AMP.

7.5 Disposal Costs

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. There are presently no specific assets identified for disposal within the life of the plan, however provision has been made for an annual equivalent to the average of the past five years.

7.6 Combined Asset Lifecycle Cost Summary

The combined asset lifecycle forecast summary is presented in Table 18, and graphically in Figure 10 overpage. The total projected expenditure across the ten years is \$20.2 million with an annual average of \$2.02 million. The expenditure profile varies between \$1.57M and \$2.48M annually.

Table 18 Life cycle expenditure forecast

Year	Operations Expenditure	Maintenance Expenditure	Renewal Capital	New Capital / Acquisition	Disposal Costs	Total
2023	\$ 223,713	\$ 448,551	\$615,807	\$669,983	\$223,192	\$ 2,181,245
2024	\$ 223,713	\$ 448,551	\$10,002	\$669,983	\$223,192	\$ 1,575,440
2025	\$ 223,713	\$ 448,551	\$60,402	\$669,983	\$223,192	\$ 1,625,840
2026	\$ 223,713	\$ 448,551	\$26,565	\$669,983	\$223,192	\$ 1,592,003
2027	\$ 223,713	\$ 448,551	\$256,665	\$669,983	\$223,192	\$ 1,822,103
2028	\$ 223,713	\$ 448,551	\$101,448	\$669,983	\$223,192	\$ 1,666,886
2029	\$ 223,713	\$ 448,551	\$0	\$669,983	\$223,192	\$ 1,565,438
2030	\$ 223,713	\$ 448,551	\$539,604	\$669,983	\$223,192	\$ 2,105,042
2031	\$ 223,713	\$ 448,551	\$217,030	\$669,983	\$223,192	\$ 1,782,468
2032	\$ 223,713	\$ 448,551	\$150,172	\$669,983	\$223,192	\$ 1,715,610
2033	\$ 223,713	\$ 448,551	\$914,683	\$669,983	\$223,192	\$ 2,480,121

In summary, this building AMP is anticipated to be fully funded, with total funding across the ten-year period expected to meet combined expenditure requirements. It is recognised, however, that this funding has historically been reliant on state and federal grants, and there is a risk of declining income if these grants are reduced in the future. This can result in fewer or smaller capital works budgets.

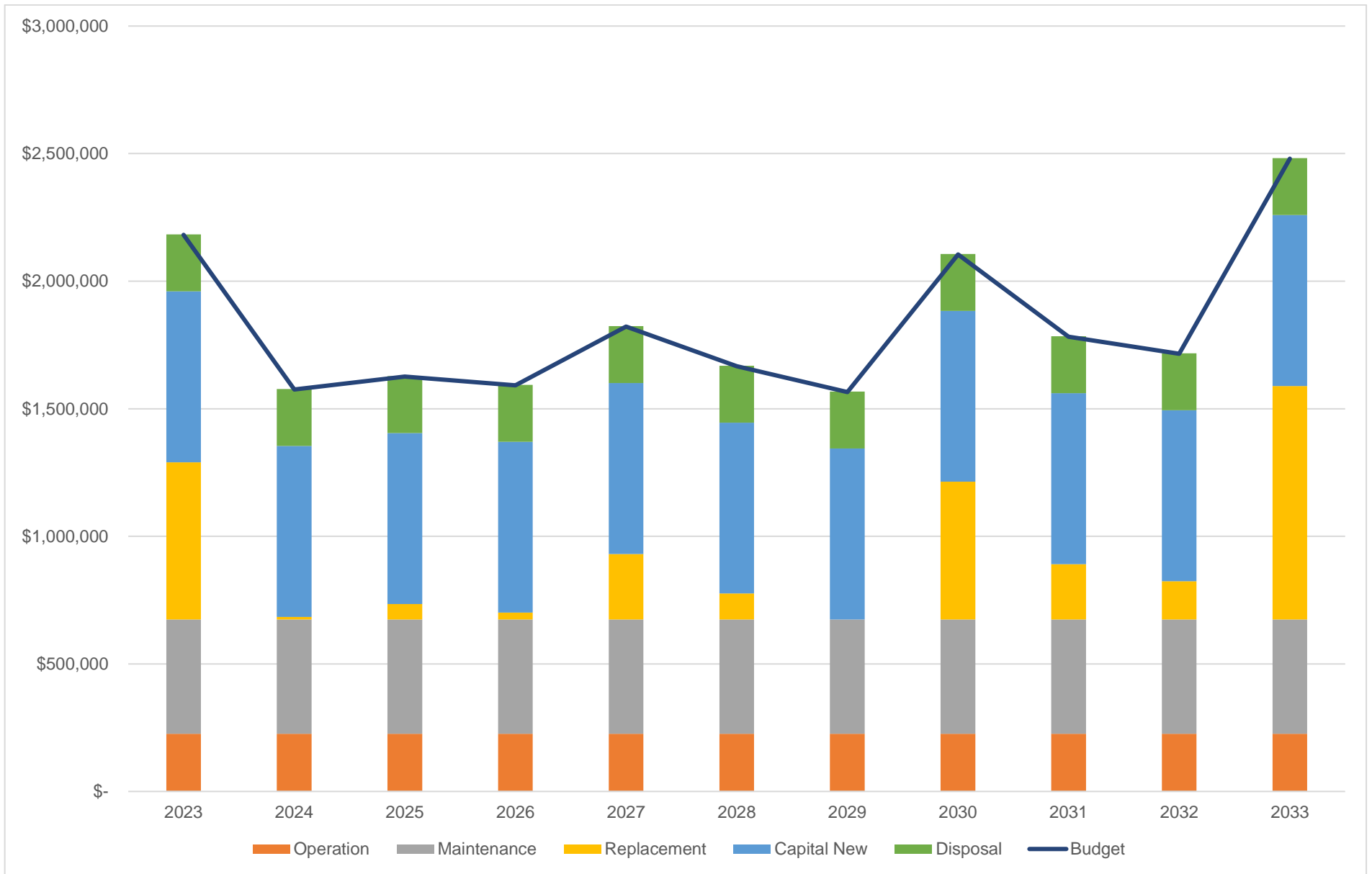


Figure 10 10-year life cycle expenditure forecast

8. Plan Improvements and Monitoring

8.1 Responsibility for Plan Reviews

This plan reflects the desire of Council to effectively manage their assets and ensure alignment with their strategic documents and ISO 55000 best practice standards.

The Asset and Services Team will provide the overarching management of the Asset Management planning process. The AMP will be reviewed and updated regularly to ensure it remains current and reflects the required levels of service and forecasted financials across operations, maintenance, renewals and capital expenditures.

8.2 Asset Management Plan Updates

The AMP includes three elements that need to be reviewed and updated on the following recurrent cycle by the relevant asset custodian, shown in Table 19 below.

Table 19 AMP update schedule

Element	Update Plan	Minimum Recurrent Cycle
Asset Management Plan	Up-to-date data from condition assessments and valuations will be recorded in the asset register.	Annual
	Update the asset summary sections based on condition and asset data.	Annual
	Review the document and update as changes occur with governance structures, new asset management systems, procedures or practices are implemented.	Four Yearly (coinciding with change of Council)
Lifecycle Cost Model	Update when condition data changes, new assets have been created or existing disposed. Update rates used to calculate refurbishment and replacement costs and update upgrades and new works lists.	Annual
Support Documents	Review and update sections on levels of service, risk, criticality, and improvement plan.	Annual

8.3 Asset Management Plan Improvements

In developing this AMP document areas of improvements were identified, and actions developed. The list of improvement actions for this asset class is summarised in Table 20 below. Due dates are given to provide an indicative priority only. Reference should also be made to Council's Asset Management Strategy where a consolidated list of initiatives is provided in the Asset Management Improvement Plan, across all asset classes.

Table 20 AMP improvement actions

Item	AMP Section	Improvement Initiative	Responsibility	Due Date
1	1.6	Review, document and communicate roles and responsibilities in relation to the management and maintenance of the various types of Council's building assets.	Engineering Services Director	30/09/24
2	2.2.1	Update future versions of the AMP to include details of condition assessment frequencies, methodologies, and reporting.	Building Services Manager	30/06/25
3	2.2.2	Using the results of the asset criticality assessment (Item 5 below) to determine priorities, undertake a building condition assessment and update this section of the AMP, and expenditure projections, accordingly.	Building Services Manager	30/06/25
4	□	Review potential buildings performance measures and Level of Service metrics with stakeholders to identify measures of customer and technical objectives. A process should be initiated to develop measures that are SMART (Specific, Measurable, Attainable, Relevant and Time-based) for each Level of Service	TBA	30/06/25
5	5.2	Formulate and implement an asset criticality framework and apply to all assets, as the basis for development and prioritisation strategies for risk mitigation.	Engineering Services Director	31/03/25
6	3.1.2, 5.2	Undertake a climate change impact review and risk assess outcomes to determine what mitigation measures or other management strategies are appropriate for the asset class. Further guidance on risk management due to climate change can be found in the Climate Risk Ready NSW Guide.	Building Services Manager	31/12/24
7	7	Progressively improve financial processes to allow budgeting at the level of operations, maintenance, renewal capital, and new capital, for each AMP asset class.	TBA	30/06/25

Appendix A

References

References

Gwydir Shire Council – Asset Data.xlsx

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Gwydir Shire Council, Integrated Planning and Reporting Long Term Financial Plan 2019 – 2028.

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Gwydir Shire Council, Community Engagement Strategy 2022/2026.

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Gwydir Shire Council, Community Strategic Plan 2017/2027.

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Gwydir Shire Council, Operational Plan 2022/2023.

Gwydir Shire Council, Asset Management Strategy 2023.

ISO 31000:2018 Risk Management – Guidelines

Appendix B

Glossary

Term	Description
Asset	An item, thing or entity that has potential or actual value to an organisation (such as plant, machinery, buildings, etc).
Asset Management (AM)	The coordinated management of activities of an organisation to deliver on its objectives.
Asset Management Framework (AMF)	The overarching AM hierarchy including the AM Policy, Objectives, Strategy and Asset Management Plans.
Asset Management Objectives	Results to be achieved with respect to asset management.
Asset Management Plan (AMP)	<p>Long-term plans (usually 10-20 years or more for infrastructure assets) that outline the asset activities and programmes for each service area and resources applied to provide a defined level of service in the most cost effective way.</p> <p>OR</p> <p>Documented information that specifies the activities, resources and timescales required for an individual asset or a grouping of assets, to achieve the organisation's asset management objectives.</p>
Asset Management Policy	A high level statement or an organisation's principles and approach to asset management.
Asset Management Strategy	<p>A high level action plan that gives effect to an organisation's Asset Management Policy. Documents and specifies how the organisational objectives are to be converted into AM objectives, the approach for developing AM Plans and the role of the AM system in supporting the achievement of AM Objectives.</p> <p>OR</p> <p>ISO55000 definition: Documented information that specifies how the organisational objectives are to be converted into asset management objectives, the approach for developing Asset Management Plans. And the role of the AM system in supporting achievement of the AM objectives.</p>
Asset Management System	A set of interrelated or interacting elements of an organisation, including the AM Policy, AM Objectives, AM Strategy, AM Plans, and the processes to achieve these objectives.
Capital Expenditure (CAPEX)/Capital Investment	Expenditure used to create new assets, renew assets, expand or upgrade assets or to increase the capacity of existing assets beyond their original design capacity or service potential. CAPEX increases the value of asset stock.
Condition	The physical state of the asset.
Condition Assessment (Condition Monitoring)	The inspection, assessment, measurement and interpretation of the resultant data, to indicate the condition of a specific component so as to determine the need for some preventive or remedial action.
Condition Grade	A measure of the physical integrity of an asset or component.
Customer	Any person who uses the asset or service, or is affected by it or has an interest in it either now or in the future. This definition does not necessarily require that payment is made for use of the assets.
Decommission	Actions required to take an asset out of service.
Demand Management	Actions taken to influence demand for services and assets, often undertaken as part of sustainability initiatives and/or to avoid or defer required asset investment.
Disposal	Actions necessary to decommission and dispose of assets that are no longer required.

Facility	A complex comprising many assets which represents a single management unit for financial, operational, maintenance or other purposes.
Infrastructure	Stationary systems forming a network or a portfolio of assets serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components. The network may include normally recognised ordinary assets as components.
ISO 55000: International Standard for Asset Management	<p>The globally recognized standard for asset management. Consists of three separate documents:</p> <ol style="list-style-type: none"> 1. ISO 55000 – the concepts and definitions which underpin the standards, 2. ISO 55001– the requirements that make up the standard for effective and efficient AMS, and 3. ISO 50002 – guidance on implementing, maintaining and controlling the AMS. <p>The standard was released in early 2014 and replaced the long-standing British Standard commonly known as PAS 55.1</p>
Leadership	A process of guiding and maximising the efforts of a team towards the achievement of a shared vision.
Level of Risk	The level of risk is its magnitude. It is estimated by considering and coming consequences and likelihoods. A level of risk can be assigned to a single risk or to a combination of risks. A consequence is the outcome of an event and has an effect of objectives. Likelihood is the chance that something might happen.
Level of Service	The parameters or combination of parameters that reflect social, political, economic and environmental outcomes that the organisation delivers. Levels of service statement describe the outputs or objectives an organisation or activity intends to deliver to customers.
Life	A measure of the anticipated life of an asset or component, such as time, number of cycles, distance intervals, etc.
Lifecycle	The time interval that commences with the identification of the need for an asset and terminates with the decommission of the asset or any liabilities thereafter.
Lifecycle Cost	Encompasses all AM strategies and practices associated with an asset or group of assets that results in the lowest lifecycle cost.
Long Term Financial Plan (LTFP)	Provides a framework for delivering cost effective services, maximising value and financial sustainability.
Maintenance	Details the specific planned and unplanned maintenance actions for an asset or facility.
Maintenance Plan	Details the specific planned and unplanned maintenance actions for an asset or facility.
Operation	The active process of utilising an asset which will consume resources such as manpower, energy, chemicals and materials.
Performance Measure	Continuous or periodic quantitative and qualitative assessments of the actual performance compared with specific objectives, targets or standards.
Planned Maintenance	<p>Planned maintenance activities fall into three categories:</p> <ul style="list-style-type: none"> • Periodic – necessary to ensure the reliability or to sustain the design life of an assets.

	<ul style="list-style-type: none"> • Predicative – condition monitoring activities used to predict failure. • Preventive – maintenance that can be initiated without routine or continuous checking (e.g. Using information contained in maintenance manuals or manufacturer’s recommendations) and is <u>not</u> condition-based.
Refurbishment	Major (capital) works to restore the capacity or performance capability of a life-expired asset to its as-new level.
Renewal	Works to replace existing assets or facilities with assets or facilities of equivalent capacity or performance capability, or the refurbishment of such assets to achieve similar performance and service outcomes. (see also Refurbishment, Replacement)
Remaining Useful Life	The time remaining until an asset ceases to provide the required service level or economic usefulness.
Replacement	The complete replacement of an asset that has reached the end of its life, so as to provide a similar, or agreed alternative, level of service.
Risk	The effect of uncertainty on objectives. Risk events are events which may compromise the delivery of the organisation’s strategic objectives.
Stakeholder	A person or entity that can affect, be affected by, or perceived themselves to be affected by a decision or activity.
Strategic Plan	A plan containing the long-term goals and strategies of an organisation. Strategic plans have a strong external focus, cover major portions of the organisation and identify major targets, actions and resource allocations relating to the long-term survival, value and growth of the organisation.
Sustainability	Sustainability is the capacity to endure. In the context of AM it is about meeting the needs of the future by balancing social, economic, cultural and environmental outcomes or needs when making decisions today.
Unplanned Maintenance	Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.
Useful Life	The period over which an asset or component is expected to be available for use by an entity.
Valuation	The process of determining the worth of an asset or liability. Assessed asset value which may depend on the purpose for which the valuation is required, i.e. replacement value for determining maintenance levels, market value for lifecycle costing.
Whole life cycle	Refer Lifecycle.

