



BUILDINGS

ASSET MANAGEMENT PLAN 2022-2032



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ACKNOWLEDGEMENT OF COUNTRY

Council respectfully acknowledges the Traditional Owners of the land which includes the Wurundjeri Woi Wurrung, Wadawurrung and Dja Dja Wurrung people. We pay our respects to the Elders past, present and emerging.

Executive summary

The purpose of the Plan

The purpose of this Buildings Asset Management Plan (BAMP) is to inform Moorabool Shire Council's (Council) commitment to best practice asset management and provide principles for sound building asset 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 (building assets) in order to cater for the community's required levels of service into the future as detailed in the Levels of Service Section. The BAMP defines the state of Council's building assets as at the 2022 Financial Year, the 10-year funding required to achieve Council's adopted asset performance targets and planned asset management activities over a 10-year planning period.

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

Current State of Council's Assets

The value of building assets covered by this BAMP are estimated at \$73.5M, as at 30th June 2021 and summarised in Table 1 - Assets Valuations as at 30th June 2021.

The following dashboard provides a high-level overview of the current condition (service state) of all buildings owned and maintained 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). Utilising predictive modelling software and techniques, we can then simulate each assets 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 4 – Asset Condition Rating Guidelines for condition definitions.

ASSET TYPE: Buildings and Structures

284	\$72,791,260	\$25,618,597	\$47,172,663	\$801,788
QUANTITY (NUMBER)	REPLACEMENT COST	ACCUMULATED DEPRECIATION	FAIR VALUE	ANNUAL DEPRECIATION

ASSET TYPE: Pool Structures

4	\$706,500	\$305,820	\$400,680	\$14,130
QUANTITY (NUMBER)	REPLACEMENT COST	ACCUMULATED DEPRECIATION	FAIR VALUE	ANNUAL DEPRECIATION

TOTAL

-	\$73,497,760	\$25,924,417	\$47,573,344	\$815,918
QUANTITY (NUMBER)	REPLACEMENT COST	ACCUMULATED DEPRECIATION	FAIR VALUE	ANNUAL DEPRECIATION

TABLE 1 Assets Valuations as at 30th June 2021

FIGURE 1 State of Assets Snapshot as at FY2022

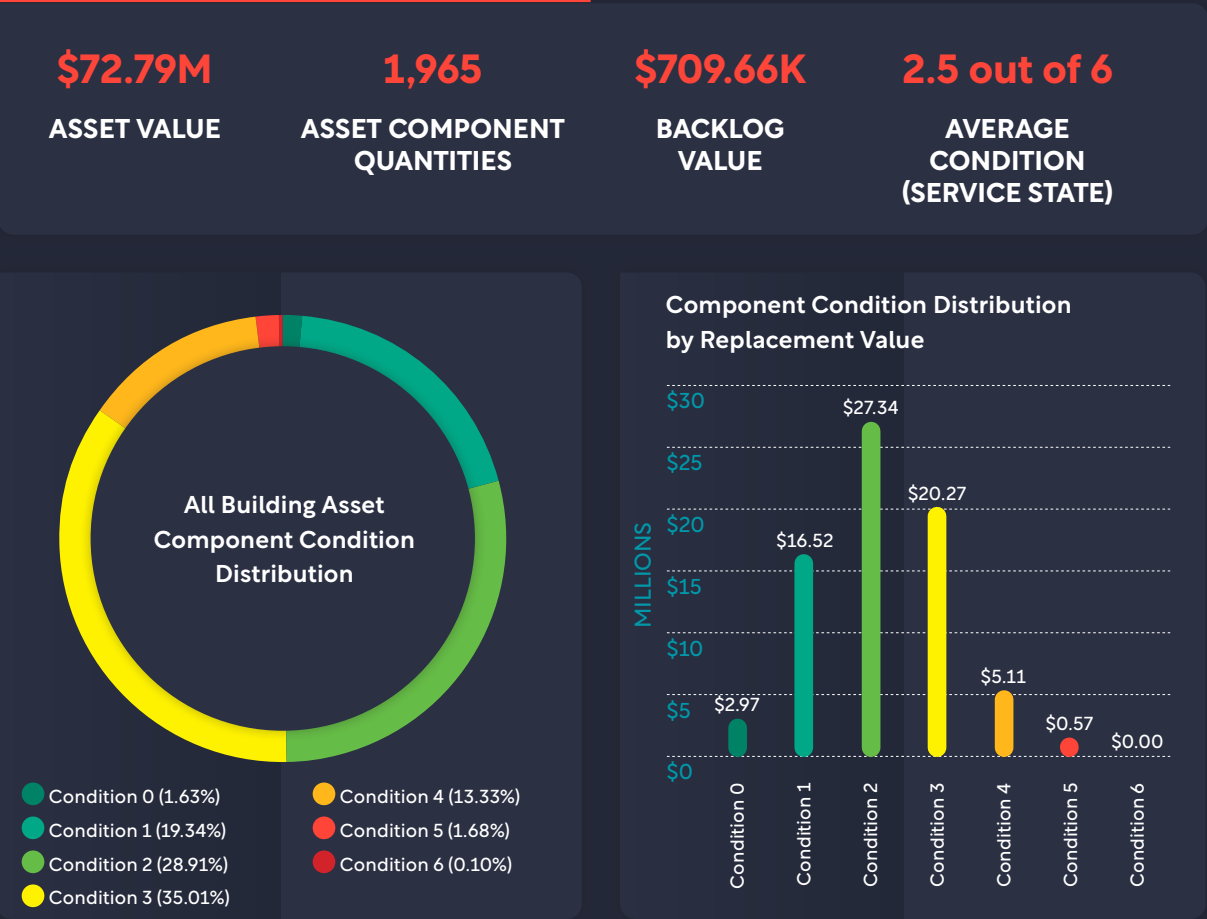
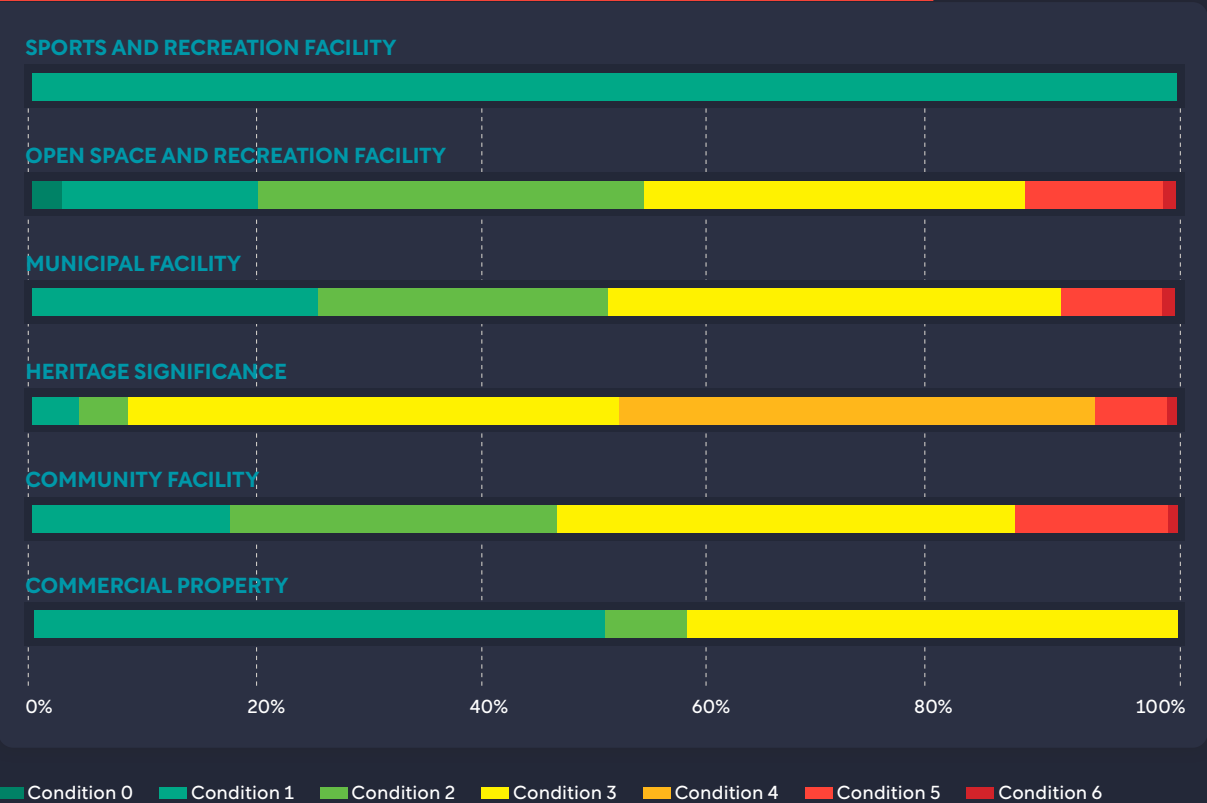


FIGURE 2 Component Condition Distribution by Asset Subclass as at FY2022



Asset Funding Levels

The Financial Summary in this BAMP 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.

Over the following 10 years, Council is committing over \$70M via its capital works program to deliver new building facilities to cater for current and future population growth in areas such as Ballan, Bacchus Marsh and Maddingley. This expenditure will be funded via a combination of Council's general rate revenue, developer contributions and government grants.

In addition to new building facilities funding, the predicted lifecycle costs necessary to maintain current levels of service over the following 10 years, relative to Council's existing buildings asset portfolio, have been determined as follows:

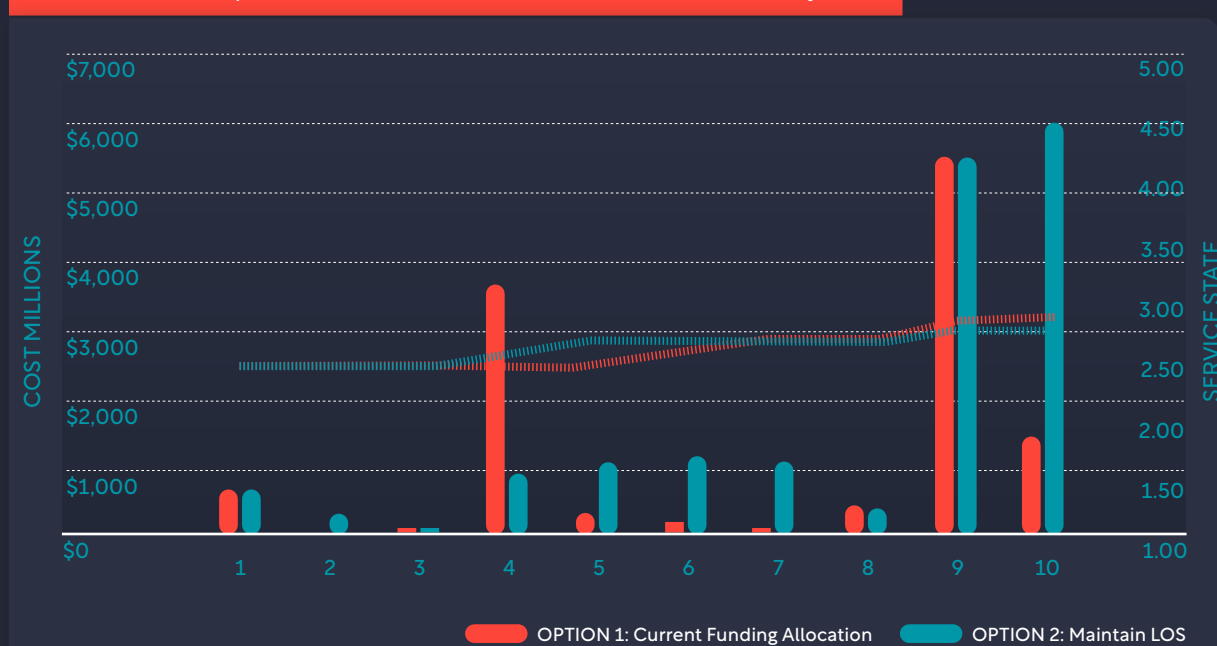
- Capital Renewal: \$16.9M; and
- Maintenance: \$13.92M or \$1.39M on average per annum.

This is the recommended funding option, which is expected to be sufficient to enable the buildings portfolio to achieve its current useful lives through capital and maintenance activities, thereby achieving the level of service targets.

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, asset dataset and current asset performance.

Monitoring and Improvement Program

The improvement action items identified can be found in the Plan Improvement and Monitoring Section.

FIGURE 3 Total Capital Renewal Cost and Service State (Condition) by Year**Strategic Predictive Renewal Modelling Scenario Comparisons**

FUNDING OPTIONS MODELLED	CURRENT LTFP* \$12,069,096 TOTAL 10-YEAR RENEWAL CAPITAL FUNDING	\$15,150,000 BACKLOG AT YEAR 10	2.8 AVERAGE CONDITION AT YEAR 10
	MAINTAIN CONDITION \$16,920,000 TOTAL 10-YEAR RENEWAL CAPITAL FUNDING	\$10,420,000 BACKLOG AT YEAR 10	2.7 AVERAGE CONDITION AT YEAR 10
	VARIANCE \$4,850,904 TOTAL 10-YEAR RENEWAL CAPITAL FUNDING	-\$4,730,000 BACKLOG AT YEAR 10	-0.10 AVERAGE CONDITION AT YEAR 10

* Long Term Financial Plan

Asset Class Information

Background

The building asset portfolio of Moorabool Shire Council (Council) provides a vital service to the local community.

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 upgrade building needs are identified through Council's integrated planning framework and various masterplans.

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

Buildings Included in this AM Plan

In all, this BAMP covers 272 buildings and structures and 4 pools as classified by their asset subclass and set out in Table 2 – Building Quantity by Asset Subclass.

This BAMP 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 with enclosing walls. Other structures included in this BAMP are classified under the BCA as class 10a non-habitable structures with open walls such as rotundas and park shelters, and class 10b structures such as swimming pools.

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

Buildings and Structures Exclusions

The BAMP excludes building assets which are subject to long term leases and those owned and maintained by Department of Environment, Land, Water and Planning (DELWP).

Other class 10a and 10b³ structures such as sports field lighting poles are classified under a separate asset portfolio entitled "Other Structures" and included as part of park infrastructure which are managed via Council's Open Space Asset Management Plan.

ASSET SUBCLASS	QUANTITY
Commercial Property	2
Community Facility	39
Heritage Significance	14
Municipal Facility	33
Open Space and Recreation Facility	176
Sports and Recreation	8
TOTAL	272

TABLE 2 Building Quantity by Asset Subclass¹ Class 10a – a non-habitable building being a garage, carport, shed or the like.² Class 10b – a structure being a fence, mast, antenna, retaining or free-standing wall, swimming pool or the like.³ Class 10b – a structure being a fence, mast, antenna, retaining or free-standing wall, swimming pool or the like.

Current State of the Assets

The distribution of Council building asset portfolio by quantities is illustrated in Figure 4 - Distribution of Building Assets by BCA Class.

While over 70% of the asset portfolio comprises of non-habitable buildings and structures, these assets represent approximately 18.9% of the total asset value of this portfolio which equates to \$13.75M of the total \$72.79M replacement cost.

Current Replacement Costs

The total value of buildings and structures for which Council is responsible for is currently estimated at \$73.5 million. The break-up of the asset subclass by replacement value is illustrated in Figure 5 - Buildings and Structures by Asset Subclass Estimated Replacement Values.

Table 3 - Buildings Asset Class Valuations, identifies the annual asset depreciation of Council's building assets to be in the order of \$816 thousand 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 environmental changes.

It should be acknowledged that depreciation is not an ideal measure 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 and planning).



FIGURE 4

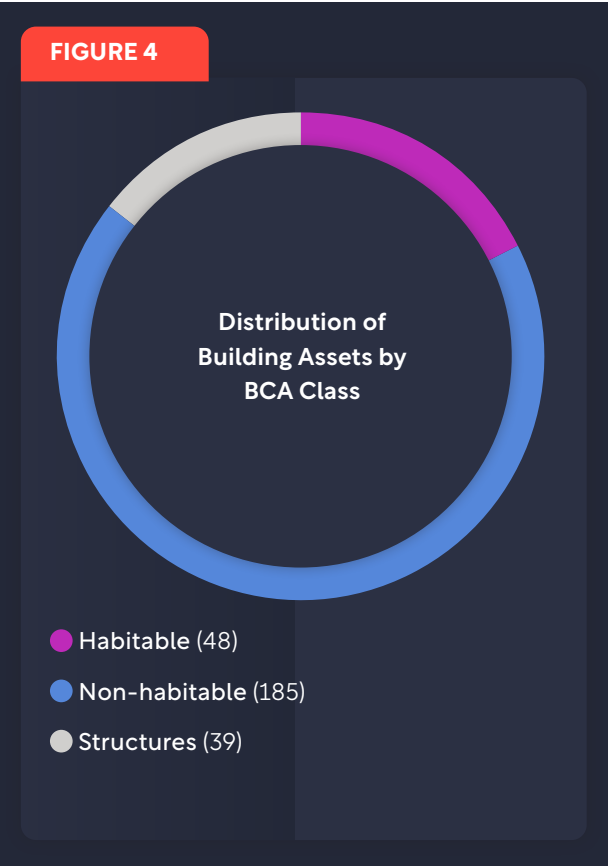
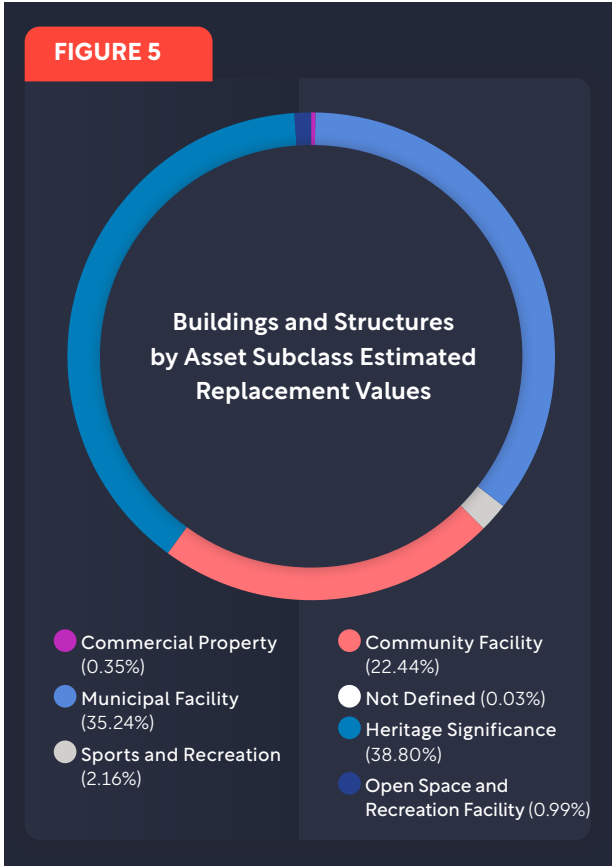


FIGURE 5



ASSET TYPE	REPLACEMENT COST	ACCUMULATED DEPRECIATION	FAIR VALUE	ANNUAL DEPRECIATION
Buildings and Structures	\$72,791,260	\$25,618,597	\$47,172,663	\$801,788
Pool Structures	\$706,500	\$305,820	\$400,680	\$14,130
TOTAL	\$73,497,760	\$25,924,417	\$47,573,344	\$815,918

TABLE 3 Buildings Asset Class Valuations⁴

⁴ Valuations completed by Assetic P/L as at 30 June 2021. Further details available in the Buildings Assey Accounting Methodology and Report 2021, prepared by Assetic.

Buildings Information Management

All information pertaining to location, type, dimensions, materials, known constructed dates and condition of these building and structure assets are recorded and stored in Council's Asset Register - Assetic Cloud®. At the time of preparing this BAMP, it is estimated that Council's Asset Register is 95% up to date.

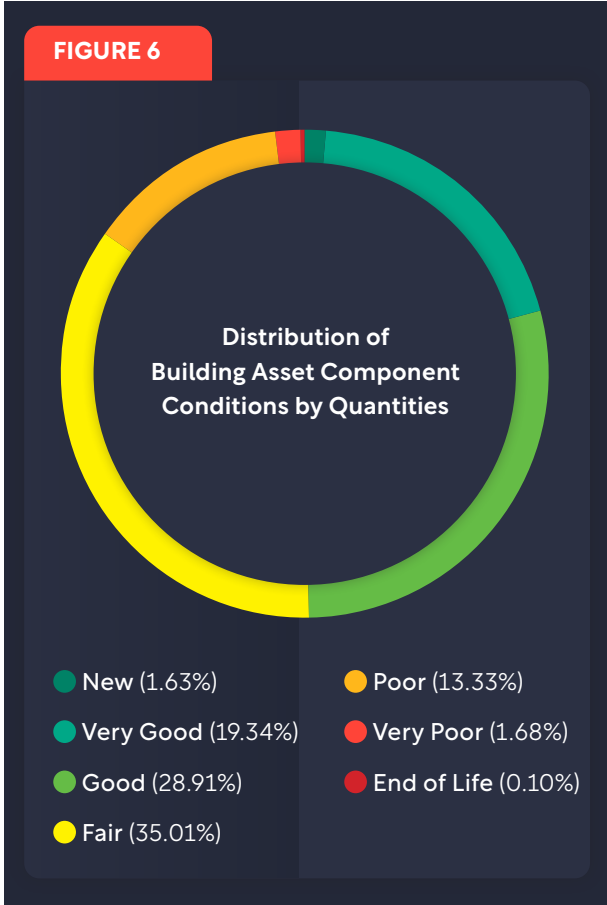
Current Asset Performance

Based on condition audits and inspections carried out by specialised consultants in 2021, Council's building assets (inspected at component level) are estimated to be in average condition as shown in Figure 6 - Distribution of Building Asset Component Conditions by Quantities, with 85% in fair or better condition. There are also 15% of asset components in poor and very poor condition. The average network portfolio condition is 2.5 out of 6 with condition 0 representing an asset in brand new condition and condition 6 representing an asset that has failed or exceeded its design life.

Changing patterns of use and demand with differing 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 BAMP will place Council in a good position to address the asset issues currently faced.

FIGURE 6



Condition Assessment

Council has documented a detailed building condition assessment manual that has been used to assess the building network condition. Council’s draft Buildings Business and Structures Strategic Process Model (BPM), 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 three to four year cycle (co-inciding 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 2021.

The condition rating system is summarised in Table 4 – Asset Condition Rating Guidelines.

CONDITION	RATING	DESCRIPTION
0	New	A brand new asset.
1	Very Good	A building component that is in excellent overall condition however is not new and providing its intended level of service.
2	Good	A building component that is in good overall condition with some possible early stages of slight deterioration evident which is minor in nature and causing no serviceability issues. No indicators of any future obsolescence and providing a good level of service.
3	Fair	A building component that is in fair overall condition with some deterioration evident, which may be slight or minor in nature and causing some serviceability issues. Providing an adequate level of service with no signs of immediate or short-term obsolescence.
4	Poor	A building component that is in poor overall condition with moderate to high deterioration evident. Substantial maintenance required to keep the asset serviceable. Asset will need to be renewed, upgraded or disposed of in the near future. This is reflected via inclusion in the 10 year Capital Works Plan.
5	Very Poor	A building component that is in extremely poor condition or obsolete. The asset no longer provides an adequate level of service and/or immediate remedial action required to keep the asset in service in the near future.
6	End of Life	End of life provides no service potential.

TABLE 4 Asset Condition Rating Guidelines

Lifecycle Management

Life Cycle 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.

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.

Over time, minor faults can occur within the building portfolio. Council addresses the repairs and maintenance of these faults (i.e. leaking faucet 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.

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 will be documented in Council’s Building Management Plan, which is due for development in 2022.

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 replacement of a buildings roof cladding, will return the degraded service capability of the asset back to its original 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 on their capital works program are documented in the draft BPM.

The built nature of new buildings assets will always be provided in accordance with relevant Australian Standards, industry guidelines / best practice and Building Code of Australia.

Upgrade/Expansion Plan

Upgrade and expansion works are associated with improving service levels beyond the original designed capability or modern-day equivalent. Additionally, expansion works include activities that extends 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.

Creation/Acquisition Plan

New works create new assets. Candidates for new buildings, are typically identified from Precinct Structure Plans (PSPs) and demand needs identified through Council’s Community Infrastructure Framework, that identifies future priority community needs. Council can acquire existing built assets or new assets from developers or new assets via capital projects to meet community needs.

Presently, there are plans to construct some \$70M new buildings / facilities and these have been documented in Council’s 10 Year Capital Works Program.

Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition, relocation or transfer of ownership. At present there are no plans to dispose of any assets.

Leadership and Accountability

Council’s Asset Management Policy 2021, defines 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. Council is in the process of developing an Asset Management Responsibility Assignment Matrix that details the organisational relationships and lines of responsibility with regard to asset management over the asset lifecycle.

Levels of Service

Customer Research and Expectation

The most recent customer satisfaction survey⁵, which was conducted in 2021, asks the opinions of local people about the place they live, work and play and offers councils a long-term measure of how they are performing.

Figure 7 - Moorabool Community Survey Satisfaction Overall performance illustrates the satisfaction with Council's overall performance between 2017 to 2021 and provides comparison performance with the State-wide average and large municipal Victorian like municipalities.

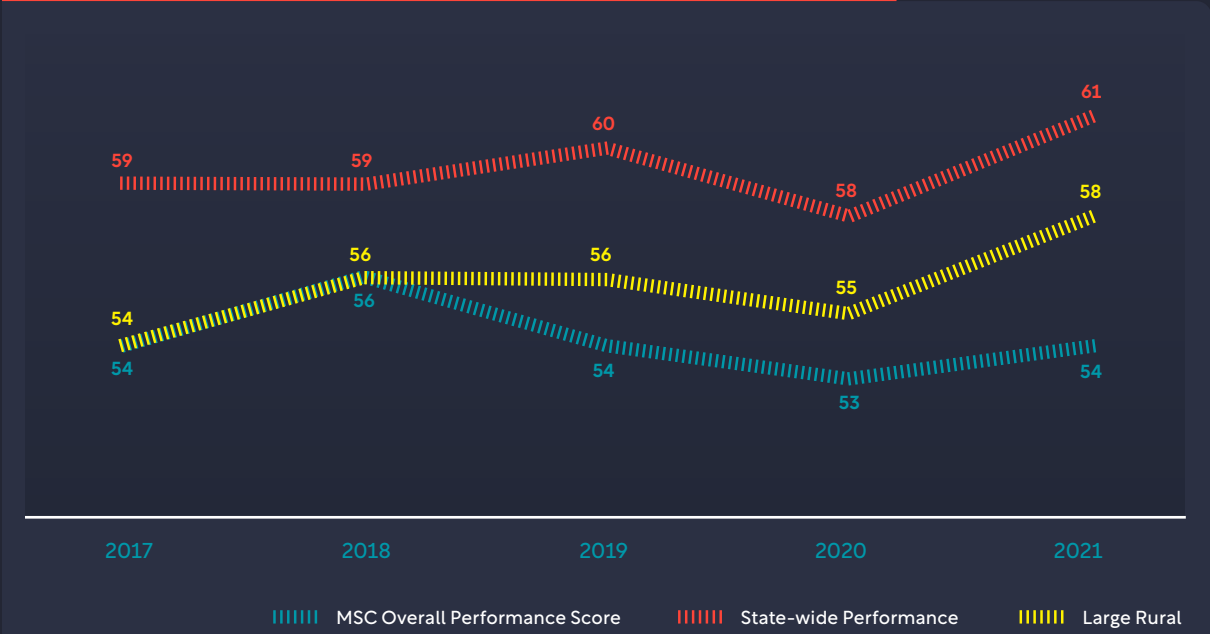
The overall performance index score of 54 (100 represents excellent and 50 represents average performance) for 2021 is in line with the 2020 result (up one index point).

The survey results identify that there has been a decline in Recreational Facilities in 2021 (index score of 57) compared to 2020 (index score of 58). Despite of a decrease, the net differential (importance vs performance) is relatively higher than the previous years. The Recreational Facilities performance is illustrated in Figure 8 - Overall Performance for Recreational Facilities.

Residents want to be better informed and consulted on key local issues. Good communication and transparency with residents about decisions Council has made in the community's interest provides the greatest opportunity to drive up overall opinion of Council's performance.

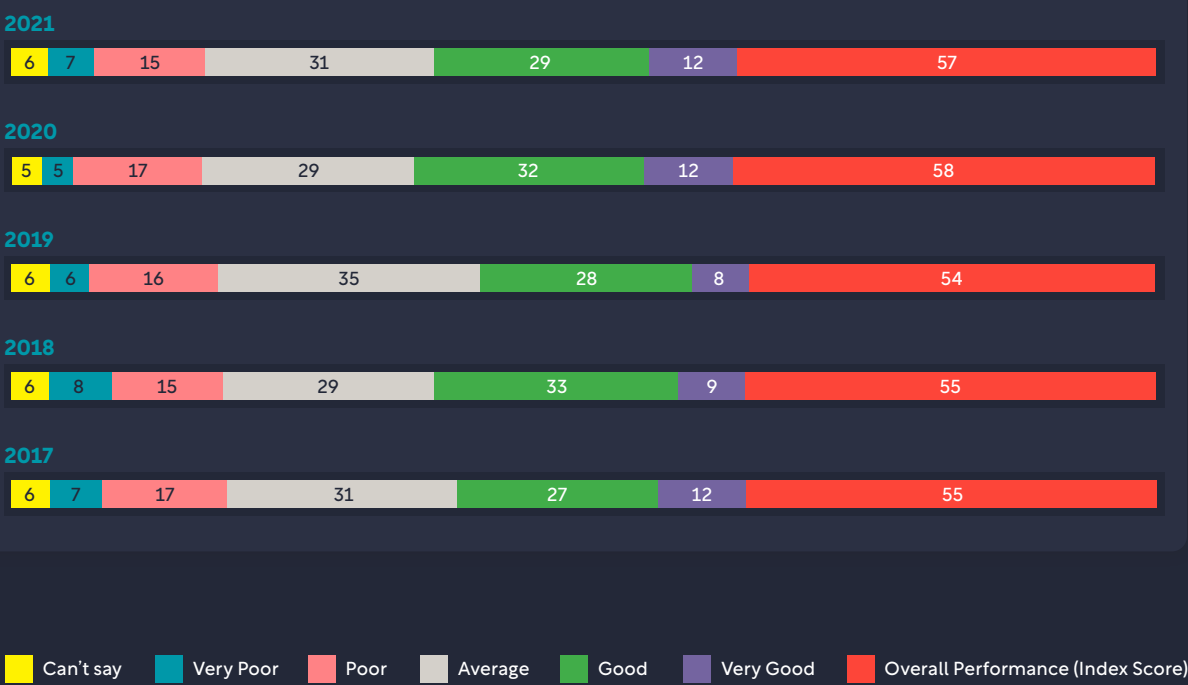
Future surveys should include specific questions to the community regarding building assets, to identify and measure performance in delivering this service to the community.

FIGURE 7 Moorabool Community Survey Satisfaction Overall Performance



⁵ 2021 Local Government Community Satisfaction Survey – Conducted by JWS Research

FIGURE 8 Overall Performance for Recreational Facilities



Strategic and Corporate Goals Alignment

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

Relevant Council goals and objectives and how these are addressed in this BAMP are detailed in Table 5 - Council's Goals and how these are addressed in this Plan.

STRATEGIC OBJECTIVE	OUTCOME	HOW GOAL AND OBJECTIVES ARE ADDRESSED IN BAMP
Providing good governance and leadership	Delivering services to communities by maintaining assets and infrastructure that is fit for purpose.	Provision of 10-year capital improvement programs in order to reduce asset renewal gap and to ensure that assets are for the purpose they were intended for.
Minimising environmental impact	Increasing health and wellbeing, improving amenity and creating great places to live.	Provision of design for capital works, built assets management, civil and landscape infrastructure planning.
Improving social outcomes	Improving health and wellbeing, increasing community connectedness and capacity	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 'just be'.

TABLE 5 Council's Goals and how these are addressed in this Plan

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 BAMP.

Table 6 - Key Stakeholders 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 Asset Management policy and strategy is 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 Personnel (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 is 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 on improvements
EXTERNAL STAKEHOLDERS	
Community	General users of the various facilities.
Community User Groups	Users of facilities that have been dedicated to 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 building 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, 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 6 – Key Stakeholders

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 the Council.
Public Health Act and Well Being Act 2008	The purpose of this Act is to enact a new legislative scheme which promotes and protects public health and wellbeing in Victoria. Impacts cooling towers.
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.
Council 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 7 Legislation Relevant to Management of Building Assets

Regulations, Standards and 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	<p>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 councils’ Council Plan, budget, and annual report, as well as continuing to provide a mandatory system of performance reporting for all councils.</p> <p>The only variations in the Regulations 2020 reflect the new strategic plans being introduced by the <i>Local Government Act 2020</i>, specifically the four-year budget, and the 10-year Financial Plan.</p>
ISO 55000 Suite, 2014	<p>The International Organization for Standardization’s <i>ISO 55000:2014 Asset Management</i> (ISO 55000) provides a global guide to better practice in asset management, including asset information management.</p> <p>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.</p>
Australian Accounting Standards Board (AASB)	<p>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:</p> <p>AASB 116 Property, Plant and Equipment – prescribes requirements for recognition and depreciation of property, plant and equipment assets.</p> <p>AASB 136 Impairment of Assets – aims to ensure that assets are carried at amounts that are not more than their recoverable amounts.</p> <p>AASB 1021 Depreciation of Non-Current Assets – specifies how depreciation is to be calculated.</p> <p>AAS 1001 Accounting Policies – specifies the policies that an organisation is to have for recognition of assets and depreciation.</p> <p>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</p> <p>AAS 1015 Accounting for acquisition of assets – method of allocating the value to new assets on acquisition.</p>
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)	<p>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.</p>
International Infrastructure Management Manual, Sixth Edition, IPWEA, V6.0, 2020	<p>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.</p>

TABLE 8 Regulations and Standards 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.

POLICY	REQUIREMENT
Asset Valuation and Revaluation Policy 2018 (currently under review and expected update by 30 June 2022)	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 longterm financial planning.
Asset Management Policy 2021	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 2019	Sets the overall framework for ongoing and systematic identification, assessment and management of risk within the framework of ISO 31000-2018, Risk Management - Guidelines.
Asset Capitalisation Policy 2018 (currently under review and expected update by 30 June 2022)	Provides consistent guidelines, in accord with relevant Accounting Standards and State Government Policy, regarding which Council assets are to be capitalised (as opposed to expensed).

TABLE 9 Policies Relevant to Management of Building Assets



Level of Service

The levels of service documented in this BAMP reflect the current levels of service provided by Council, for the benefit of the community, in the context of Council’s financial and human resources, whilst meeting its Statutory requirements.

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

KEY PERFORMANCE MEASURE	LEVEL OF SERVICE	PERFORMANCE MEASURE	2021 PERFORMANCE
COMMUNITY LEVELS OF SERVICE			
Availability and Accessibility	Building assets will be available and accessible during normal operating business hours	95% Compliance. In the instance where a building is closed to users for reasons such as maintenance, upgrading, renewal or a Council related public event or non-Council events, then appropriate notification shall be given to relevant users in accordance with Council’s public information policy.	Nil unplanned closures
Customer Satisfaction	Building assets meet community needs	>55 community survey satisfaction	57 (for recreational facilities only as others not currently measured)
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.	Not currently measured.
Quality	Well maintained and suitable Buildings	<900 requests per annum in relation to renewal and maintenance requests.	747
Quality	Heritage Preservation	Each Council building listed on the Victorian Heritage Register is preserved and maintained in accordance with its Conservation Management Plan.	100%
Safety	Buildings are routinely inspected for hazards and risk	No. of reportable incidents due to building defects per year <= 2	Data to be collected.
Safety	Legislative Compliance - Asbestos	An up-to-date Asbestos Register is available for each building in accordance with the applicable Occupational Health and Safety Regulations.	100%
Safety	Continued Compliance with Essential Safety Measure	98% or higher Compliance with Essential Safety Measure Inspections.	Data to be collected.

TABLE 10 Customer Levels of Service



“
Levels of service are a key business driver and influence all asset management decisions.
”

Technical Levels of Service

Supporting the community service levels are operational or technical measures of performance.

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	2021 PERFORMANCE
TECHNICAL LEVELS OF SERVICE			
Accessibility	Facilities comply with relevant minimum accessibility standards relative to building function	Compliance of available facilities with current standards relative to building function	Data to be collected.
Condition	Condition assessment of Building network every 3 years	Average portfolio condition of building assets/ components to be less than condition 3	2.5

TABLE 11 Technical Levels of Service

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 population and visitors.

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 municipality must serve both the local resident population needs as well as the commuter and visitor needs.

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 Table 12 - Demand Factors, Projections and Impact on Services.

The emerging needs of the population growth suggests that demand for facilities will need to cater for additional new / upgraded maternal health and child care facilities, community facilities such as libraries with new smart technology and recreational and social facilities such s aquatic centres, over the next 10 years.

Changes in Technology

Council is continuously monitoring new asset treatments that may be available to increase the life of its assets.



New Assets from Growth

Currently Moorabool Shire has a population of around 36,000 which is set to grow to around 64,000 by 2041. Several growth and strategic areas are currently going through the re-zoning applications due to population and demand growth. Table 14 – New Assets From Growth, summarises projected growth in Moorabool which will result in an increase in residents and subsequently will require new building assets to accommodate this population growth.

Council is currently proposing to committ over \$70M via its capital works program to deliver new building facilities to cater for population growth in areas such as a new library in Ballan and a new early years facility in Maddingley. This expenditure will be funded via a combination of Council’s general rate revenue, developer

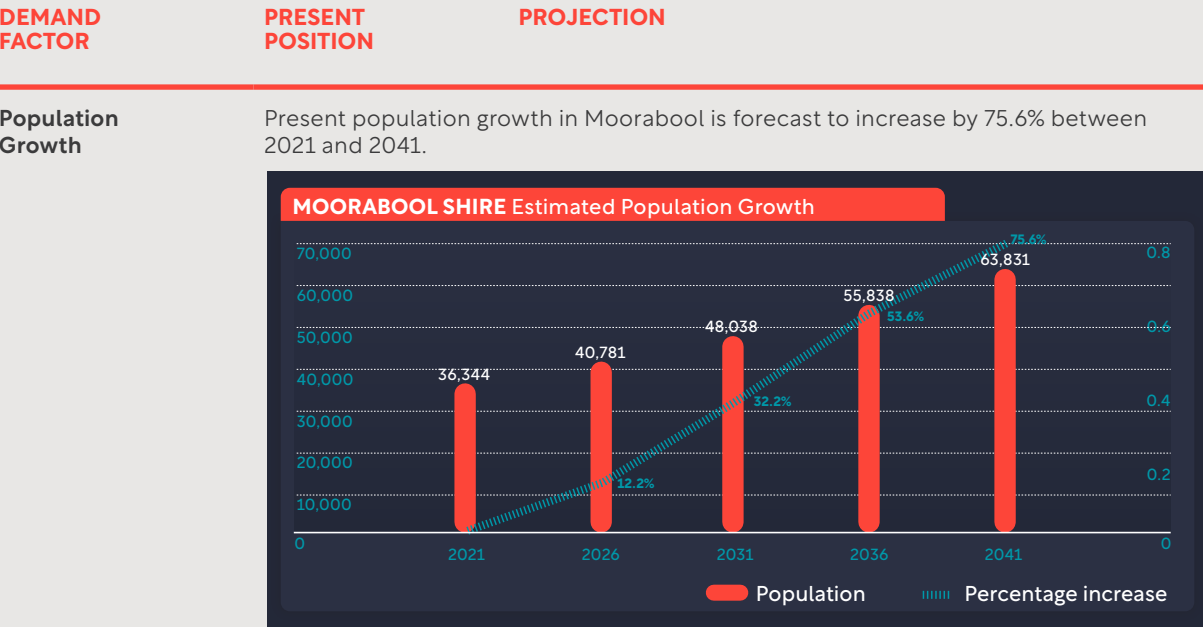
contributions and government grants. As additional information becomes available with regards to new growth and development areas, Council will continue to identify the community infrastructure needs via PSP’s and masterplans and these will be included in future revisions of this BAMP.

With the commitment of new building growth, Table 13 - Financial Impacts from Growth, identifies the predicted impacts to replacement values, annual depreciation and maintenance.

When new assets are acquired, or assets are expanded or upgraded, this results in an increase in commitment of annual operational and maintenance and renewal funding to ensure continued service delivery of the asset over its lifecycle.

	CURRENT	PREDICTED	IMPACT BY 2032
Replacement Value	\$72.79M	\$143M	+96.5%
Annual Depreciation	\$801.7K	\$1.6M	+99.5%
Maintenance	\$800k	\$2.86M	+257%
Renewal	Impact to renewal is beyond life of this BAMP and will be reviewed in future BAMP updates.		

TABLE 13 Financial Impacts from Growth



Source: Population and household forecasts, 2016 to 2041, prepared by .id (informed decisions), November 2020.

TABLE 12 Demand Factors, Projections and Impact on Services

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 provisions of recreational facilities have scored high as priority for increased services 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 15 - Demand Management Plan Summary.



AREA	ANTICIPATED GROWTH
Ballan	Approximately 3,000 lots with construction anticipated to commence in 2023/2024.
Hopetoun Park North	Approximately 850 lots with construction anticipated to commence in 2023/2024.
Merrimu	Approximately 7,200 lots with construction anticipated to commence in 2023/2024.
Parwan Employment and Parwan Station	Approximately 4,000 lots and over 5,000 job opportunities with construction anticipated to commence in 2024/2025.

TABLE 14 New Assets From Growth

SERVICE ACTIVITY	DEMAND MANAGEMENT PLAN
Increase in demand for all services	Encourage sharing existing buildings to maximise the utilisation allows planning for optimum use of all buildings. Review existing facilities to ensure continuing suitability. 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 the Service Managers and the community. Incoprorate total asset lifecycle costings into asset management.

TABLE 15 Demand Management Plan Summary

Risk Management Planning

Asset Criticality / Hierarchy

In order to manage Council’s building assets more effectively, they have been categorised based on the level of importance and criticality. The scoring methodology and an explanation of the indications are set out in Council’s draft BPM.

The Buildings hierarchy adopted by Council takes into account the varying risk and service levels associated with the building asset portfolio and is summarised in Table 16 - Asset Criticality / Hierarchy for Buildings and Structures.

Risk Management Plan

Council’s Risk Management Policy sets the overall framework for addressing risk within the framework of ISO31000-2018. 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 9 - Risk Management Process, Source: ISO31000:2018.

Risks Assessment

Council has also developed a Risk Framework⁶ which documents Council’s risk management processes and procedures and the rationale behind them. The risk assessment process identifies credible risks, the likelihood of the risk event occurring and the consequences should the risk event occur.

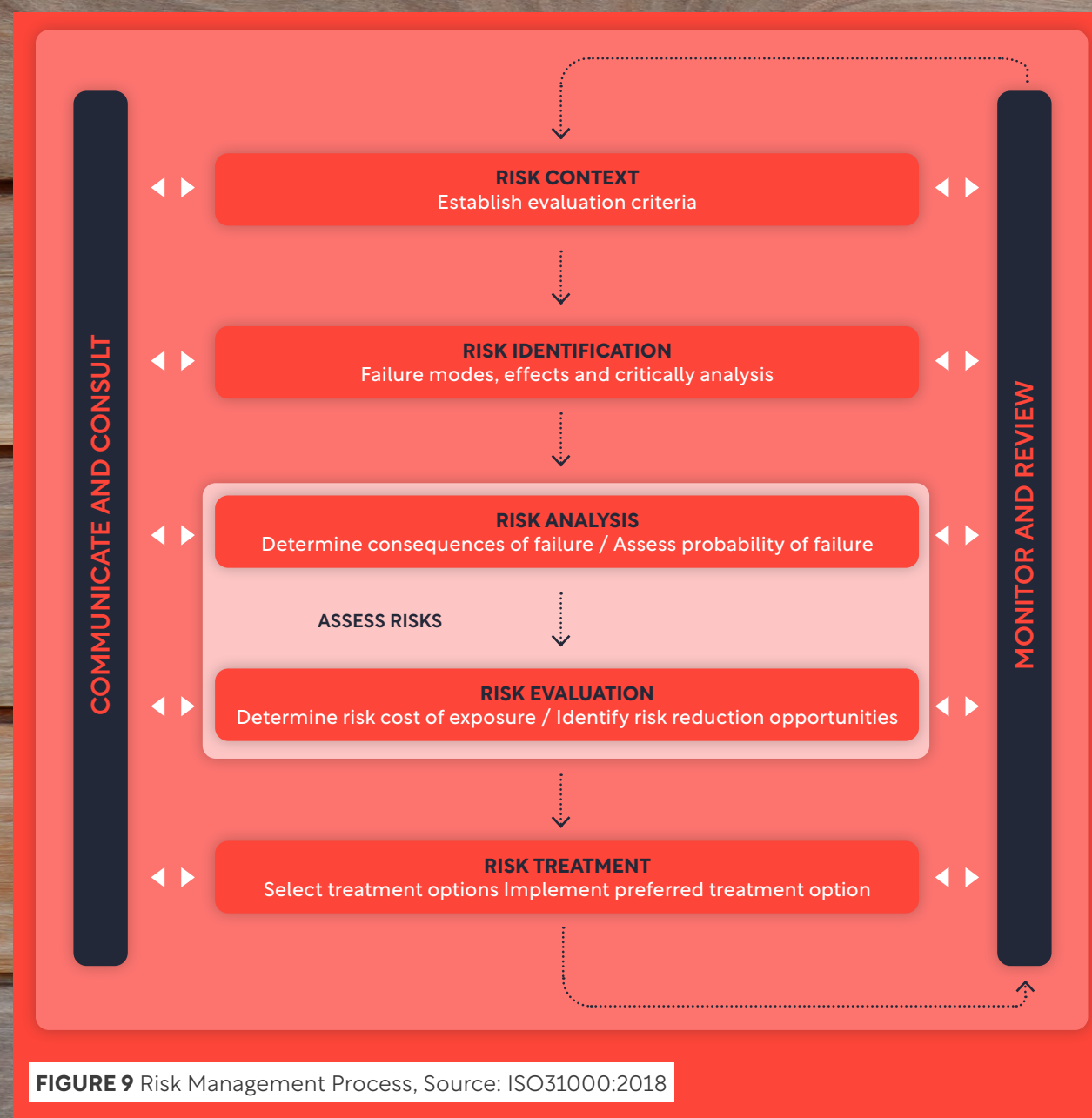
Risk Plan

An assessment of risks associated with service delivery from building assets has identified critical risks to Council. The asset risk and risk treatment plan will be documented in Council’s Buildings Management Plan.

CRITICALITY / HIERARCHY	DESCRIPTION
Regional (LV1)	High level of management and service being a highly important facility to both the Community and Council.
District (LV2)	Average level of management and service being a medium importance facility to both the Community and Council.
Local (LV3)	Reasonable level of management and service being a medium importance facility to both the Community and Council.
Neighbourhood (LV4)	Reasonable level of management and service being a low-level importance facility to both the Community and Council.

TABLE 16 Asset Criticality / Hierarchy for Buildings and Structures

⁶ Risk Management Framework 2021-2024, May 2021



Financial Summary

The provision of adequate financial resources ensures that Council's building assets are appropriately managed and preserved.

Financial provisions below requirements impacts directly on community development and if prolonged, results 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.

Forecasted Funding Requirements

The objective of this Section has been to model the deterioration of Council's building assets portfolio, by developing a simulation model using Assetic's Predictor® modelling software.

This process typically involves setting up life cycle 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 matching will drive a treatment based on the condition).

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 also to predict the future condition of these assets under varying funding scenarios.

Funding Scenarios

The 2022 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 2021. The length of time predicted for each funding option is for a period of 10 years until the year 2031/2032. The results of the analysis have been graphed in Figure 10 - Forecast 10-Year Capital Renewal Funding Analysis and Average Condition by Year.

The condition graphs in Figure 10, 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 17 - Predictive Modelling Funding Options.

The current average condition as at 2021 for the entire building asset portfolio is an average condition 2.5 out of 6. Refer to Table 4 - Asset Condition Rating Guidelines for condition descriptions.

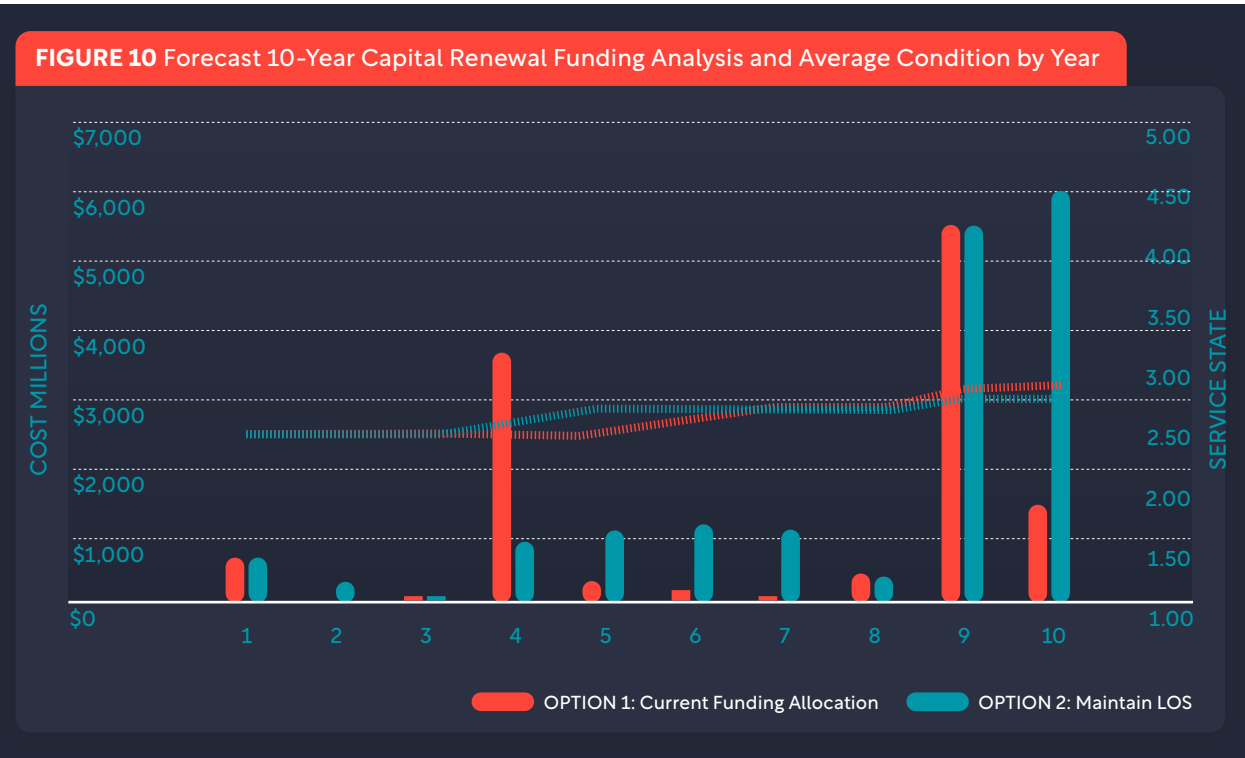
The net strategy comparison outcomes of the financial options that have been modelled are detailed in Table 18 - Predictive Modelling Funding Options - Net Strategy Comparison.

“ Council requires approximately \$16.9M over the following 10 years for renewal works to preserve current asset conditions. ”



Forecast 10-Year Funding Plan

The 10-year funding* considered sufficient to enable the building asset portfolio to achieve its current useful lives through capital and maintenance activities is as follows:



FINANCIAL OPTION	DESCRIPTION
Option 1	This funding option models how the building asset portfolio condition would improve or deteriorate and resulting maintenance funding needs, if Council were to fund the current proposed capital works financial allocation over the following 10 years.
Option 2	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.

TABLE 17 Predictive Renewal Modelling Funding Options

FINANCIAL OPTION	TREATMENT COST	BACKLOG VALUE	FINAL OSI
Option 1	\$12,068,990	\$15,150,000	2.80
Option 2	\$16,924,433	\$10,416,682	2.70

TABLE 18 Predictive Renewal Modelling Funding Options - Comparison

2022/23 (\$,000)	2023/24 (\$,000)	2024/25 (\$,000)	2025/26 (\$,000)	2026/27 (\$,000)	2027/28 (\$,000)	2028/29 (\$,000)	2029/30 (\$,000)	2030/31 (\$,000)	2031/32 (\$,000)
SPEND TYPE: Capital New / Upgrade*									
\$30,950	\$23,000	\$5,700	\$7,700	\$7,700	\$200	\$200	\$200	\$200	\$200
SPEND TYPE: Capital Renewal									
\$708.80	\$300.00	\$3.00	\$864.90	\$1,026.60	\$1,108.10	\$1,048.60	\$363.70	\$5,499.90	\$5,999.80
SPEND TYPE: Total Capital									
\$31,658.80	\$23,300.00	\$5,703.00	\$8,564.90	\$8,726.60	\$1,308.10	\$1,248.60	\$563.70	\$5,699.90	\$6,199.80
SPEND TYPE: Maintenance*									
\$858.10	\$886.60	\$959.90	\$1,011.90	\$1,439.50	\$1,553.40	\$1,651.30	\$1,967.40	\$1,889.30	\$1,708.90

* Excludes assets which will be gifted by developers.
+ Excludes operational costs

TABLE 19 Desired 10-Year Funding Strategy

* This funding plan will be reviewed in conjunction with the next BAMP update in 2026. As new information becomes available on growth demand needs and asset lifecycle, these will be reflected in the 10-Year Funding Strategy.

There are a number of studies / investigations being undertaken which may identify additional funding needs to upgrade existing assets to meet required service levels, over the following 4 years.

Financial Ratios

Asset management ratios provide insight into an organisation’s performance and success in managing its assets. Council’s asset management ratios for its asset portfolio calculated as at 30 June 2021 are shown in Table 20 – Key Asset Management Ratios.

RATIO	DESCRIPTION	CALCULATION	TARGET	2021 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 (fair value of the portfolio) divided by the total current replacement value.	>70%	65%
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%	1.2%

* The Improvement Plan, identifies action items that will assist Council in improving its future Financial ratio Performance.

TABLE 20 Key Asset Management Ratios



Plan Improvement and Monitoring

This section outlines how Council will measure its asset management performance.

The identified action items in Table 22 - Improvement Actions will enable Council to improve its asset management capability, to enhance asset value and deliver more for stakeholders while balancing cost, risk and performance.

Assumptions

The key assumptions made in this BAMP and risks that these may change are shown below.

KEY ASSUMPTION	RISK OF CHANGE TO ASSUMPTION / IMPACT TO MODEL
The allocation of renewal funds have been based on the asset replacement costs developed as part of the valuations in June 2021.	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
Asset register currency pertaining to asset quantities.	Low
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 21 Key Assumptions made in BAMP and Risks of Change

Improvement Plan

The Asset Management Improvement Plan which is set out in Table 22 – Improvement Actions 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.	Ensure information relating to capacity, functionality and fit for purpose from Council’s Community Infrastructure Plan is used to inform renewal planning for buildings.	Asset Manager	June 2024
2.	Review and formally document the current maintenance Levels of Service with regard to all building assets owned or maintained by Council.	Asset Manager	December 2022
3.	Finalise the draft Building’s Business Process Manual for adoption and implementation.	Asset Manager	December 2022
4.	Develop and implement an asset handover process to enable 100% asset data capture of new building assets gifted or constructed by others to be captured in Council’s asset register on an annual basis.	Asset Manager	December 2022
5.	Ensure that new asset needs identified from the PSPs and masterplans are reflected in the BAMP and LTFP.	Asset Manager, Manager Connected Communities, Executive Manager Community Planning and Economic Development and Finance Manager	June 2024
6.	Future community surveys should include specific questions to the community regarding building assets, to identify and measure performance in delivering this service to the community.	Asset Manager	January to June 2022
7.	Review and finalise the draft responsibility matrix with a view to identify and streamline roles and responsibilities.	Asset Manager	June 2022
8.	Develop and implement frameworks to improve and further develop its lifecycle AM processes to ensure that all lifecycle costs are identified and included in all capital investment decisions.	Asset Manager, Project Managers, Finance Manager	June 2024
9.	Incorporate BAMP forecast 10-Year funding plan into Council’s annual and long-term budgeting and undertake a review of inputs into buildings valuations. Will assist in improving Council’s remaining service index performance ratio performance.	Asset Manager, Finance Manager	June 2023
10.	Undertake analysis to identify financial and accomplishment data on maintenance works to improve alignment with annual capital funding process, ensuring allocation of appropriate annual maintenance funding.	Asset Manager, Finance Manager, Operations Manager, Civil Maintenance Coordinator	June 2023
11.	Review Council’s operational and resource costs to ensure funding is at required levels.	Asset Manager, Finance Manager	June 2023

TABLE 22 Improvement Actions

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.

Performance Measures

The effectiveness of this BAMP can be 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.





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