ASSET MANAGEMENT PLAN

BUILDINGS

2025

GANNAWARRA
Shire Council

Document Control	**Asset Management Plan** - Alternate Method

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V1.11	May 2021	Update	IPWEA		
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NAMS+ offers several Asset Management templates.

The asset owner can choose the template that best suits their circumstances.

The structure and content of this template is aligned to the International Infrastructure Management Manual and the ISO 550xx and 31000 series of standards. In some instances, the asset owner may choose to reformat/restructure content or only use the Executive Summary. IPWEA takes no responsibility for the end product.

This Asset Management Plan should be prepared in line with the Strategic Asset Management Plan (also referred to as an AM Strategy) and AM Policy and used to inform the Long-Term Financial Plan.

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1.0 EXECUTIVE SUMMARY

Our community relies on a diverse portfolio of infrastructure assets including transport, stormwater, buildings and open space valued at approximately $426M.

The Asset Management Plan (AM Plan) provides a strategic framework for managing our community's infrastructure assets, ensuring they remain safe, reliable, and capable of meeting current and future demands.

1.1 Purpose of the Plan

The AM Plan aims to:

- Provide a systematic approach to asset management.
- Address critical risks associated with aging infrastructure and limited funding.
- Ensure infrastructure supports the community's social, economic, and environmental goals.

This AM Plan details information about Buildings assets with key actions required to maintain service levels, optimise lifecycle costs and support long-term financial sustainability.

The plan defines the services, how they are provided and what funds are required to provide the services over the 20 year planning period. The AM Plan expenditure forecasts inform the Long-Term Financial Plan which typically considers a 10-year planning period.

1.2 Asset Description

The "Buildings" assets comprises:

- Buildings (incl. operational buildings, public halls, indoor pools and shed structures)

The above infrastructure assets have replacement value estimated at $41,265,000.

1.3 Levels of Service

This plan covers the infrastructure assets that provide community, recreational, operational and civic buildings services including: public halls, indoor aquatic centres, community centres, Council offices, sheds and other Council-managed buildings.

Current service levels are generally informal but well established, based on historical maintenance practices, facility use patterns and available budget. These services include routine maintenance, cleaning, utilities management, and reactive repairs, with frequency and intensity varying by asset type, usage levels, and function (e.g. community use vs internal operations).

The allocation in the planned budget is sufficient to continue providing these services at current levels for the planning period.

The main service consequences of the planned budget are:

- Limited ability to enhance facilities or expand service provision to meet future community needs without external funding.
- Ongoing reliance on reactive maintenance for lower-priority or low-use buildings and minor structures.
- Targeted renewals and upgrades will proceed based on asset condition, criticality, and alignment with available funding.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Changing climate patterns, such as more extreme weather events and higher temperatures, increasing the need for building resilience, energy efficiency and indoor comfort improvements.
- Population growth, placing pressure on community facilities, particularly in growing townships (Kerang, Cohuna and Koondrook).
- Technological advancements, influencing building systems (e.g. energy management, security, communications) and enabling new modes of service delivery.

- Demographic shifts, including an ageing population and greater cultural diversity, resulting in changing community expectations and usage needs.
- Community aspirations, with growing demand for accessible, safe, inclusive and multi-purpose buildings that support a wide range of social, cultural, and recreational activities.

Strategies to manage these demands are discussed in Section 4.0.

1.5 Lifecycle Management Plan

How we plan to manage and operate the assets at the agreed levels of service throughout their lifecycle is contingent on 10-year Long-Term Financial Plan (LTFP).

Furthermore, when Gannawarra Shire Council commits to the upgrade of existing and acquisition of new assets, future operations, maintenance and renewal costs including depreciation will increase.

1.5.1 What does it Cost?

The lifecycle costs necessary to provide the services covered by this AM Plan include operations, maintenance, renewal and upgrade of existing assets, and the acquisition of new assets to meet demand. Disposal of assets is also considered.

When lifecycle costs are prepared for a minimum 10-year planning period, they can be used to inform the 10-year LTFP. The first 10-year lifecycle forecast is estimated to cost $34070496 or $3407050 on average per year.

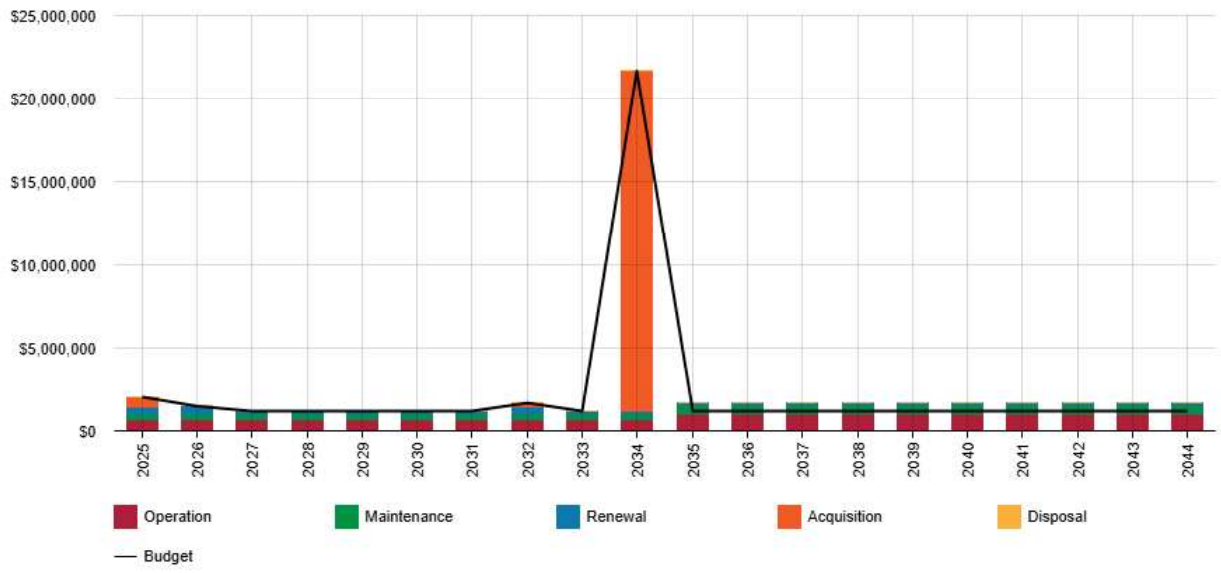
Depreciation is excluded from these cost estimates.

1.5.2 What we will do

The funding made available in the first 10-years' of the LTFP is $33933000 or $3393300 on average per year which is approximately 99.6% of the cost to undertake the lifecycle activities.

The reality is, only what is funded in the LTFP can be provided. Informed decision making depends on the AM Plan emphasising the consequences of planned budgets on the service levels provided and communicating the residual risks. It is important to ensure the organisation is delivering the services in a financially sustainable manner.

The 10-year LTFP results in a shortfall of $-13750 on average per year of the forecast lifecycle costs required to provide services. This is shown in the figure below.



Forecast Lifecycle Costs and Planned Budgets

Amounts are shown in real values (i.e., current values, net of inflation).

We plan to provide Buildings services for the following:

- Operation, maintenance, renewal and acquisition of Buildings to meet service levels set by Gannawarra Shire Council in annual budgets.
- Implement the budgeted activities within the 10-year planning period.

1.5.3 What we cannot do

We currently do allocate enough budget to sustain services at the proposed standard including the provision of new assets. Works and services that cannot be provided under present funding levels are:

- Major upgrades or redevelopment of ageing buildings, such as public halls or community centres.
- Construction of new buildings to address emerging demand or expand existing services.
- Entering into large-scale, multi-year maintenance or service contracts beyond essential operational needs.
- Delivery of new assets or significant enhancements is generally reliant on the availability of external grant funding.

1.6 Risk Management

The planned budget is sufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Deterioration of ageing building components, potentially affecting safety and functionality.
- Public injury risks arising from building defects or non-compliance with accessibility or safety standards.
- Failure of essential building systems (e.g. electrical, HVAC, fire safety), leading to service disruptions.
- Reduced community access or service delivery capacity due to asset degradation or functionality issues.
- Reputational and liability risks, including claims or complaints due to unsafe or poorly maintained buildings.

Strategies and actions to manage these risks are discussed in Section 6.0.

1.7 Financial Summary

Providing financially sustainable and affordable services from infrastructure requires the careful management of service levels, costs and risks.

The 10-year LTFP is $3393300 on average per year providing affordable and sustainable services for the foreseeable future. This indicates that 99.6% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the LTFP.

Asset values are forecast to increase as additional assets are added into service.

1.8 Monitoring and Improvement Program

Key assumptions made in this AM Plan are:

- Forecast is in “today’s” (2025 / 26) dollars.
- Staffing needs are resourced adequately – for Asset data work and Operational & Maintenance tasks,
- No significant changes to Legislation / Standards will occur over the planning period.

The Alternate Method was used to forecast the renewal lifecycle costs for this AM Plan.

This AM Plan is based on an low level of confidence information.

The next steps resulting from this AM Plan to improve asset management practices are:

- Development of a comprehensive asset register for all buildings assets to improve data completeness.
- Buildings assets condition assessment program implemented to inform renewal planning and prioritisation.
- Approach to risk management reviewed and additional attribute data collection is considered / implemented to enhance decision-making.
- Asset Management Plan to be reviewed on a four-yearly basis, aligned with the condition assessment program and the statutory requirements.

2.0 INTRODUCTION

2.1 Background

This AM Plan communicates the actions and necessary funds required to sustainably deliver services through the careful management of assets for the foreseeable future.

The AM Plan is to be read with the Gannawarra Shire Council planning documents. This should include the Asset Management Policy and Strategy, where developed, along with the following planning documents:

- Other related Asset Management Plans
- Delivery Program and Operational Plan
- 2025-2029 Gannawarra Shire Council Plan
- Long Term Financial Plan

The infrastructure assets covered by this AM plan include community, recreational, operational and civic buildings (incl. public halls, indoor pools and shed structures) around Gannawarra municipality. For a detailed summary of the assets covered in this AM Plan refer to Table in Section 5.

These assets are used to provide buildings services.

The infrastructure assets included in this plan have a total replacement value of $41265000.

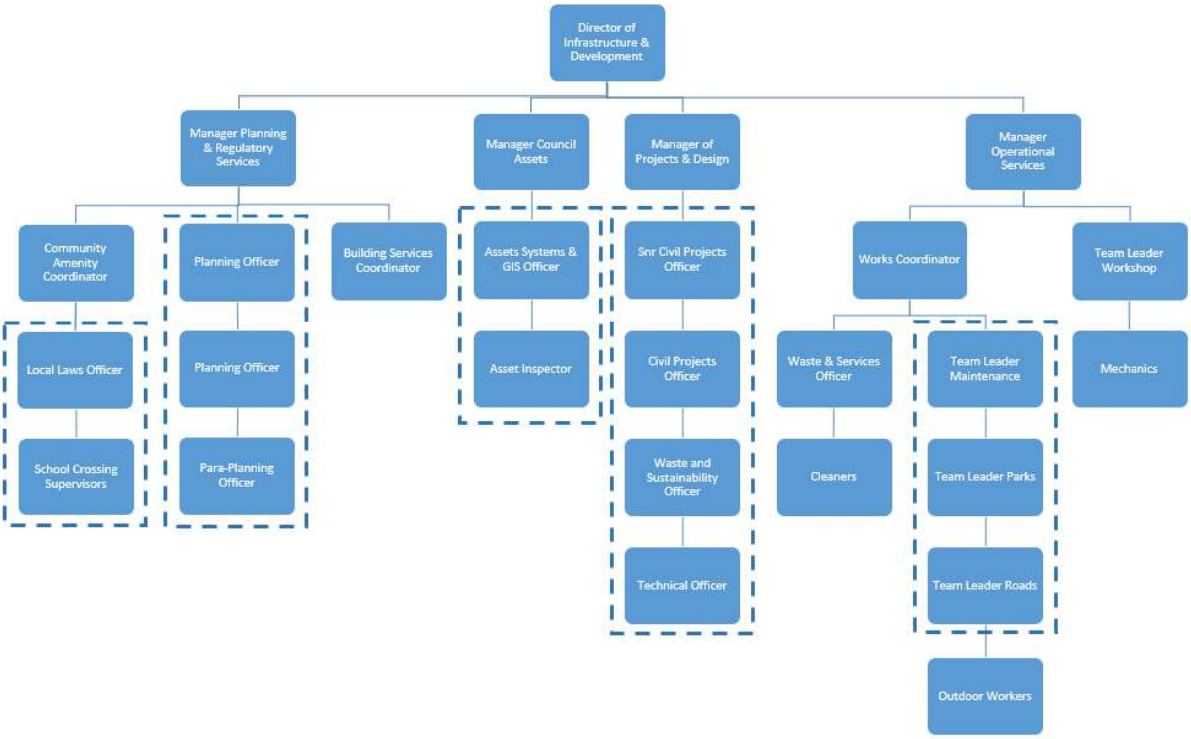
Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Gannawarra Shire Council (Councillors)	■ Represent needs of community/shareholders. ■ Allocate resources to meet planning objectives in providing services while managing risks. ■ Ensure service sustainable.
Gannawarra Shire Council - CEO	■ Key accountability for all aspects of service operation / delivery. ■ Allocate resources to meet the organisation's objectives in providing services while managing risks.
Gannawarra Shire Council - Director Infrastructure and Development	■ Oversight of Buildings assets. ■ Provide strategic direction in the management of assets. ■ Ensure agreed checks and reporting frameworks are adhered to and enforced.
Gannawarra Shire Council - Asset Officers	■ Custodian of Asset data, responsible for keeping data up to date. ■ Preparation and implementation of AMP.
Gannawarra Shire Council – Works Depot & Field Workgroups	■ Operation & Maintenance delivery to meet agreed levels of service. ■ Refer critical issues to senior management for attention.
State & Federal government (Authorities / Agencies)	■ Guidelines provision and approvals. ■ Service delivery support (funding grants / guidance). ■ Reinstatement support following natural disaster impairment.
Local Community, Businesses and General Public	■ Key service Customer. ■ Provision / source of data for further planning. ■ Service performance and defects reporting.

Key Stakeholder	Role in Asset Management Plan
Visitors to the Shire	■ Service performance and defects reporting. ■ "Fresh eyes" feedback provision.
Council's Insurer	■ Asset related incident support. ■ Funding coverage for service reinstatement.
Emergency Agencies (Police, Fire, Ambulance, VICSES)	■ Emergency incidents investigation / resolution.

Our organisational structure for service delivery from infrastructure assets is detailed below.



2.2 Principles, Goals and Objectives of Asset Management

The principles of asset management as per the International Standards for asset management are:

- **Value**: asset management focuses on the value assets provide to the organization over time.
- **Alignment**: asset management aligns financial, technical and operational decisions with the organizational objectives, promoting vertical and horizontal coordination.
- **Leadership**: leadership and sustained commitment at all levels are crucial for successful asset management.[1]

Our goal for managing infrastructure assets is to deliver the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers.

The key objectives of infrastructure asset management as defined by the International Infrastructure Management Manual are:

- Defining levels of service and monitoring performance,
- 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 level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which accommodates the required expenditure and how it will be funded.[2]

[1] ISO 55000:2024 Asset Management – Vocabulary, overview, and principles

[2] IPWEA International Infrastructure Management Manual (IIMM), Sec 1.2.1

3.0 LEVELS OF SERVICE

Levels of service define the standards and performance targets that infrastructure assets are expected to meet to ensure they provide reliable, safe, and efficient services to the community.

3.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the Gannawarra Shire Council. Future revisions of the AM Plan will incorporate customer consultation on service levels and costs of providing the service. This will assist the Gannawarra Shire Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

We currently have no research on customer expectations. This will be investigated for future updates of the AM Plan.

3.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Gannawarra Shire Council vision, goals and objectives.

Our vision is:

- Our community is proud, connected and inclusive, and we actively seek opportunities that enhance lifestyle and liveability.
- Gannawarra is growing and is economically diverse, with unique tourism destinations, cultural and natural assets.
- We recognise and appreciate the value of the natural environment and how it connects our communities. We are resilient to a changing environment through innovation and collaboration.

Strategic goals have been set by the Gannawarra Shire Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

Table 3.2: Goals and how these are addressed in this Plan

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
GOAL 1: LIVEABILITY	Prioritise maintenance, renewal and improvement of assets including local roads, footpaths, and community infrastructure that support accessibility and safety.	Detailing of financial performance ratios including asset renewal funding ratio and lifecycle finding ratio.
GOAL 1: LIVEABILITY	Support vibrant town centres by maintaining amenity and enabling businesses and community events.	Asset service categories (service levels) support the work to maintain town centres facilities.
GOAL 2: GROWTH	Support local businesses, employment pathways, digital connectivity and attract strategic investment.	Buildings investment planning supports tourism, liveability, and local employment through buildings maintenance and upgrades.
GOAL 2: GROWTH	Promote tourism and events that showcase Gannawarra.	Prioritised upgrades of community and tourism buildings supports economic and community activation.
GOAL 3: SUSTAINABILITY	Manage Council's budget responsibly by delivering cost-effective services, pursuing new revenue opportunities, and ensuring long-term financial sustainability.	Providing options to achieve goals including balancing budgets, reducing levels of service and the risk consequences of both.
GOAL 3: SUSTAINABILITY	Protect our environment and prepare our community for a changing climate.	Climate resilience considerations are incorporated into asset renewal, operational and maintenance actions.

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Buildings service are outlined in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
Local Government Act 2020 (Vic)	Establishes the powers and responsibilities of Councils, including the requirement to develop and maintain long-term financial and asset management plans. These plans must ensure sustainable service delivery across building assets such as public halls, offices, community facilities, and aquatic centres.
Building Act 1993 (Vic)	Regulates building standards, safety, occupancy, and certification. It requires all building works, including upgrades and maintenance of Council buildings, to comply with prescribed codes and obtain the necessary permits. Councils must ensure their buildings meet structural and safety obligations at all times.
Building Regulations 2018 (Vic)	Provides detailed technical and procedural requirements under the Building Act, including essential safety measures (ESMs), building inspections, occupancy permits, and maintenance of safety systems. Councils are obligated to monitor, document, and maintain compliance for public buildings.
Disability Discrimination Act 1992 (Cth)	Requires public buildings to be accessible to all individuals, including those with disabilities. Councils must ensure that new and existing facilities are upgraded or maintained in accordance with access standards.
Disability Act 2006 (Vic)	Requires Councils to actively promote inclusion and remove physical barriers within public infrastructure. In the context of building assets, this includes designing and maintaining facilities that are accessible to people with disabilities.
Occupational Health and Safety Act 2004 (Vic)	Ensures that Council-managed buildings provide a safe environment for employees, contractors, and public users. Obligations include maintaining safe access, compliance with fire safety systems, and hazard reduction within all operational and public buildings.
Essential Safety Measures Maintenance Requirements (Part 12 – Building Regulations 2018)	Requires ongoing inspection, testing, and maintenance of fire protection and emergency systems in buildings. Councils must keep records and ensure compliance with prescribed standards for exits, alarms, extinguishers, and other safety systems in facilities under their management.
Public Health and Wellbeing Act 2008 (Vic)	Obligates Councils to manage buildings in a way that protects public health. This is particularly relevant to indoor aquatic facilities, community kitchens, and event spaces where hygiene, ventilation, and environmental safety standards must be upheld.
Heritage Act 2017 (Vic)	Applies to heritage-listed Council buildings and requires appropriate permits and conservation planning for any proposed works. Councils must preserve the cultural and architectural value of heritage assets when performing maintenance, upgrades, or adaptive reuse.
Charter of Human Rights and Responsibilities Act 2006 (Vic)	Requires Council infrastructure and services to respect and uphold human rights, including the right to access public services and facilities without discrimination. Asset planning and design for buildings must incorporate fairness, dignity, and inclusion.
Climate Change Act 2017 (Vic)	Requires Councils to consider climate risks in infrastructure planning. For building assets, this includes improving energy efficiency, reducing carbon emissions, and incorporating design elements that build resilience to extreme heat and weather events.
Gender Equality Act 2020 (Vic)	Obligates Councils to consider the needs of all genders when planning and delivering public infrastructure. Buildings such as halls, change rooms, and community centres must support safe, inclusive, and equitable access for people of all gender identities.
Environment Protection Act 2017 (Vic)	Introduces the General Environmental Duty (GED), which applies to the design, construction, and operation of buildings. Councils must minimise waste, noise, and environmental impacts associated with their building assets, including energy and water usage.

3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

Customer Values indicate:

- what aspects of the service is important to the customer,
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

Table 3.4: Customer Values

Service Objective: To provide safe, functional, accessible, and well-maintained buildings that meet community needs and support the effective delivery of Council services.

Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Safe, clean and accessible public buildings	Number of customer service requests related to safety, cleanliness, or accessibility.	Occasional reports regarding safety concerns and cleanliness at some facilities.	With targeted maintenance and cleaning schedules, performance expected to improve.
Availability and reliability of facilities	Percentage of scheduled hours buildings are open/available for public use.	Most facilities meet availability targets, with rare instances of closures for maintenance.	Continued investment in planned maintenance will maintain or improve availability.
Comfort and amenity in indoor facilities	Community satisfaction survey results for comfort (temperature, lighting, amenities).	Lack of consistent data, data currently available indicated mixed feedback.	Gradual improvement expected with future facility upgrades and improvements.
Efficient response to issues or complaints	Average response time to customer requests or reported faults.	Varies across buildings, maintenance response times are not measured in most cases.	Improved asset management system expected to measure / improve response times.
Suitability of facilities for intended use	Community and user group feedback on facility functionality and layout.	Mostly positive, with concerns occasionally raised around limited space or aging infrastructure.	Minor improvements as part of renewal program, major upgrades dependent on grant funding.
Value for money in facility management	Stakeholder perceptions and benchmarking of operating costs per m².	Status generally perceived to be in line with peer Councils. Data is limited and not suitable for further analysis.	Optimisation strategies and new asset management system expected to reduce costs in the future.

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

Condition How good is the service … what is the condition or quality of the service?

Function Is it suitable for its intended purpose …. Is it the right service?

Capacity/Use Is the service over or under used … do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 3.5: Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Buildings are safe, structurally sound, and well maintained.	Percentage of buildings rated as "Fair" or better in condition audits.	Majority of assets are believed to be is "Fair" or better condition. However, no formal condition data available.	Formal condition assessment will be completed. Proactive maintenance and renewal planning expected to sustain or improve condition.
	Internal finishes and carpets are clean and functional.	Number of cleanliness or minor repair requests per building.	Minor recurring complaints for older buildings (e.g. flooring, paint, fittings).	Gradual reduction in complaints as relevant renewals are addressed.
	Confidence levels		Low	Medium
Function	Buildings meet functional needs of users and service providers.	Percentage of user groups satisfied with functionality in surveys.	Some issues with older layouts and equipment. No surveys conducted / no data for further analysis available.	Minor refurbishments and fit-out updates expected to improve service delivery.
	Essential building systems are operational and compliant.	Compliance with HVAC, fire safety, and accessibility requirements.	Compliance generally achieved, but with isolated gaps in older facilities.	Continued investment in compliance upgrades expected to improve performance.
	Confidence levels		Low	Medium
Capacity	Buildings provide sufficient space and access for intended use.	Ratio of booked vs. available capacity for key community buildings.	Demand is generally met, occasional concerns raised at times.	Utilisation is likely to be measured in the future for key high-value buildings. Building component updates expected to improve service delivery.
	Facilities are accessible to all community members.	Percentage of facilities with DDA-compliant access.	New facilities meet full DDA compliance. Older buildings have compliance issues.	Gradual increase in compliance % through accessibility upgrades as part of renewals.
	Confidence levels		Medium	Medium

3.6 Technical Levels of Service

Technical Levels of Service – To deliver on the customer values, and impact they have on Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the lifecycle activities (see Section 5) and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.[3]

Table 3.6 shows the lifecycle activities related to the current 10 year planned budget, and the forecast costs recommended in this AM Plan.

[3] IPWEA, 2015, IIMM, p 2|28.

Table 3.6: Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Support service delivery and meet growing or emerging community needs.	Number of new assets delivered per 5 years.	New assets only delivered with external funding.	Continue targeted investment, subject to external funding availability.
	Provide facilities aligned with demographic changes and accessibility needs.	Number of accessible or upgraded buildings.	Limited improvements made to meet DDA standards.	Proactively identify and prioritise accessibility improvements.
		Budget	$2130800	$2130800
Operations	Maintain facility functionality and user safety through routine activities (cleaning, inspections, utilities).	% of buildings serviced per routine schedules.	Majority of high-use buildings receive regular servicing.	Maintain servicing levels, optimise scheduling based on usage.
	Ensure timely response to user issues and service requests.	% of service requests responded within target timeframe.	No formal data available, available data indicates responses generally occur within 3 - 5 days.	Improve responsiveness / response quality via the new Asset Management System.
		Budget	$672620	$681621
Maintenance	Preserve facility usability and condition by addressing wear, minor repairs, and preventative works.	% of minor defects repaired within 30 days.	Reactive maintenance prioritised for high-risk issues.	Implement a budgeted works program for proactive (preventative) maintenance.
	Conduct preventative inspections (e.g., HVAC, roof, lighting).	No. of inspections completed annually.	Limited coverage, largely reactive.	Improve inspection schedules and expand inspections to all assets to occur on annual basis.
		Budget	$354880	$359629
Renewal	Replace aged or failing assets to maintain safety and function.	% of buildings assets renewed based on age or condition.	Renewal rate at sustainable level.	Maintain renewals works and funding to align with lifecycle modelling recommendations.
	Target facilities with high usage and strategic community value.	Renewal priority score based on usage/condition/ risk.	Prioritised via ad hoc assessment.	Adopt structured renewal prioritisation framework.
		Budget	$235000	$235000
Disposal	Provide fit for purpose buildings.	Obsolete “legacy” assets are decommissioned in a safe manner.	No disposals are planned.	Disposals driven by need / demand analysis.
		Budget	$0	$0

Note: * Current activities related to planned budget.

** Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged that circumstances such as technology and customer priorities will change over time.

4.0 FUTURE DEMAND

Future demand refers to the anticipated need for infrastructure services driven by factors such as population movement, economic development, technological advancements, and changing environmental or community expectations.

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

Demand drivers help predict future infrastructure needs and guide planning and investment decisions.

4.2 Demand Forecasts

The current position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented in Table 4.3.

4.3 Impacts and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

The impact on service delivery will be managed through a combination of managing and upgrading existing assets and the provision of new assets to meet demand. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to manage demand are shown in Table 4.3. Further opportunities will be developed in future revisions of this AM Plan.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population / demographic change	Modest growth in main townships, limited rural increase.	Continued growth in Kerang, Cohuna and Koondrook.	Greater use of buildings, need for new or upgraded facilities.	Monitor growth areas, prioritise assets through planning and grant funding options.
Community expectation change	Community seeking more inclusive, modern and multi-functional facilities.	Ongoing demand for higher quality and multipurpose public buildings.	Upgrades required to meet DDA and amenity standards.	Incorporate inclusive design into renewals and upgrades.
Climate Change	More intense rainfall and hotter summers.	Continued climate variability and extreme weather events.	Impacts on structures, thermal efficiency and HVAC capacity.	Integrate climate resilience into asset design.
Ageing Infrastructure	Some building assets are reaching end of useful life	Continued asset deterioration without adequate renewal investment.	Increased maintenance demand, reduced service quality or usability.	Develop componentised asset register and initiate condition assessment program, align renewals with risk and usage.

4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Gannawarra Shire Council to ongoing operations, maintenance and renewal costs, and depreciation expenses for the period that the service provided from the assets is required. These future costs and expenses are identified and considered in developing the long-term financial plan.

4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk that needs to be managed.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.[4]

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5.1

Table 4.5.1 Managing the Impact of Climate Change on Assets and Services

Climate change risk	Projection	Impact on services	Climate Change Management Plan
Intense rainfall and storm events	Increase in frequency and intensity of localised storm events	Water ingress, roof damage, drainage overflow, and mould/mildew risks in public-use buildings	Upgrade guttering and roof drainage systems, ensure overland flow paths are maintained
Increased temperature and heatwaves	More frequent and prolonged extreme heat days	Higher energy demand for cooling, occupant discomfort in poorly insulated buildings	Improve passive design in new builds, retrofit insulation and shading in existing assets, prioritise HVAC upgrades
Flooding and overland flow	Localised urban flooding becoming more common	Damage to ground-floor spaces, service interruptions, and costly repairs	Site-level drainage assessments, raise floor levels in new builds, install flood barriers or modify entrances
Bushfire risk	Longer and more severe fire seasons, especially in rural areas	Risk to rural and interface-area buildings, particularly timber or aged structures	Apply asset-level bushfire risk assessments, implement fire-resistant cladding, asset clearing zones, and egress planning
Drought and reactive ground movement	Increased frequency and severity of drought conditions leading to ground shrinkage and swelling in reactive soils	Structural cracking and subsidence in buildings, particularly slab-on-ground and older masonry structures	Identify high-risk areas through geotechnical mapping, implement foundation design suitable for reactive soils in new buildings, monitor and remediate early signs of subsidence in existing assets
Energy grid strain and outages	More blackouts during heat or storm events	Service interruptions for facilities like halls, libraries, or offices	Install backup power supplies (solar + batteries or generators), optimise building energy performance
Material degradation	Accelerated wear from UV and heat exposure	Reduced lifespan of building external finishes, paints, sealants, and external fixtures	Use durable, climate-adapted materials in maintenance and new works, revise maintenance schedules

Additionally, the way in which we construct new and upgrade existing assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change;
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

Table 4.5.2 summarises opportunities to build climate change resilience into new and existing assets.

[4] IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

Table 4.5.2 Building Climate Change Resilience into New and Existing Assets

Asset Description	Climate change risk	Resilience Plan for New Assets	Resilience Plan for Existing Assets
Buildings	Increased extreme heat and bushfire risk	Incorporate passive design, heat-resilient materials, fire-rated construction, and appropriate bushfire setbacks	Retrofit insulation, shading, and ventilation, install fire-resistant cladding where feasible
Buildings	Higher temperatures and energy demand	Design for energy efficiency and heat minimisation, integrate solar options and sustainable HVAC systems	Upgrade HVAC systems, add ceiling insulation and explore solar installation
Buildings	Localised flooding and increased storm intensity	Design with elevated floor levels, overland flow considerations and resilient external drainage	Audit and improve perimeter drainage, seal building openings, and apply water-resistant materials at high-risk locations
Buildings	Wind and storm damage	Use stronger wind rated fixings and structural reinforcements in design	Inspect and reinforce structural elements, secure roof sheeting and openings
Buildings	Prolonged drought and soil movement (subsidence)	Construct using foundations appropriate for reactive soils and use drought-tolerant landscaping	Monitor for cracking or movement, prioritise sites for underpinning or structural repair as needed

The impact of climate change on new and existing assets is evolving and new opportunities will be developed in future revisions of this AM Plan.

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Gannawarra Shire Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) throughout their entire lifecycle, from acquisition or creation to disposal. The goal is to maximise the value of the assets while minimising costs and risks, ensuring they continue to meet performance requirements over time.

From a financial perspective, infrastructure activities tend to be classified as being either Operating or Capital. The lifecycle activities used in the asset management and financial planning and reporting process cover:

- **Capital**
    - **Acquisition –** the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).
    - **Renewal –** the activities that replace or restore assets to the standard it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement).
- **Operating**
    - **Operations** - the routine activities that keep services accessible and effective, balancing efficiency with user expectations (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc.)
    - **Maintenance –** the preventative and corrective actions to sustain asset functionality and minimise unexpected failures. Maintenance activities enable an asset to provide service for its planned life (e.g., road patching, unsealed road grading, building and structure repairs).
    - **Disposal –** the decommissioning, removing, or repurposing of assets that are no longer cost-effective, safe, or necessary (e.g. shutting down an old water treatment plant, demolishing unsafe buildings, dismantling old bridges, etc.).

A pictorial representation of the asset lifecycle activities is shown below in Figure 5.0.

Figure 5.0: Asset Lifecycle Activities

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this AM Plan are shown in Table 5.1.1.

Table 5.1.1: Assets covered by this Plan

Asset Category	Dimension	Replacement Value
Buildings (Inc Improvements)	153 No.	$ 41,265,000
TOTAL		**$41,265,000**

Amounts are shown in real values (i.e., current values, net of inflation).

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Public buildings (various)	Ageing infrastructure, including HVAC and lighting systems, impacting comfort and usability.
Older Buildings	Limited DDA accessibility features such as ramps, handrails, etc.
Council offices	Non-optimal internal space layout for modern work requirements.
Various buildings	Structural wear and tear reflecting deterioration of aging buildings, occasional roof leaks and other various maintenance issues arising at times.

The above service deficiencies were identified from buildings assets reviews and applied professional judgment.

5.1.3 Asset condition

Condition is not currently monitored in a formal way (ad-hoc assessments only).

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

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. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: Maintenance Budget Trends

Year	Maintenance Budget $
2024 / 25	$354,880
2025 / 26	$354,880
2026 / 27	$354,880

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

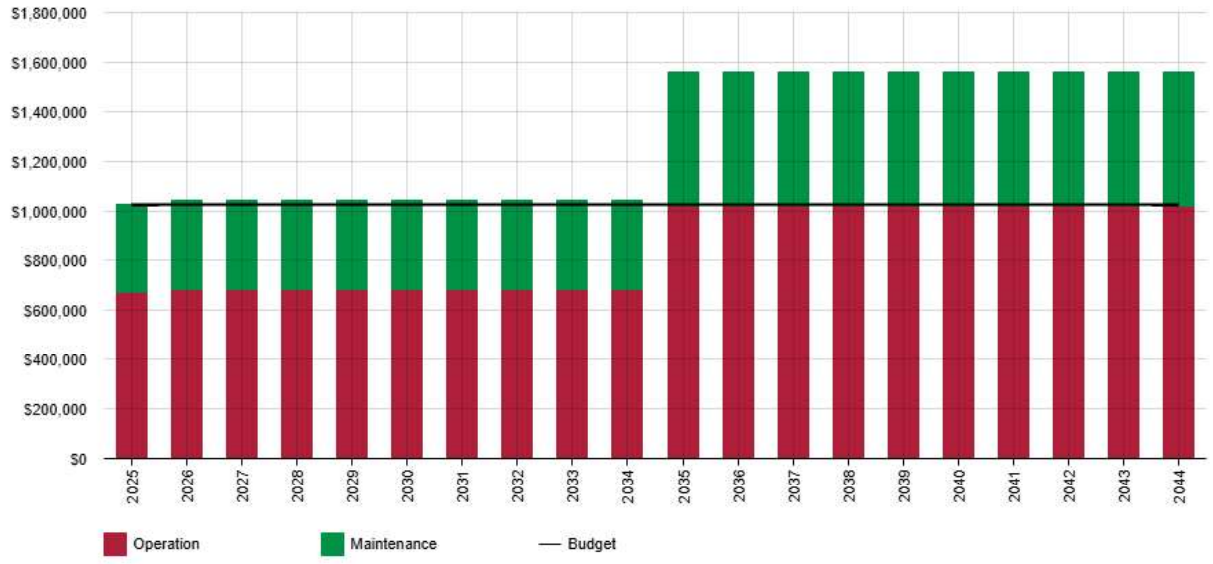


Figure 5.2: Operations and Maintenance Summary

Amounts are shown in real values (i.e., current values, net of inflation).

Council is currently maintaining a funding level for building maintenance and operations that is marginally below the forecast requirement. While this shortfall is considered manageable in the short term, it will need to be addressed in the medium to long term due to the anticipated increase in the asset base from planned acquisitions, which will place additional pressure on operational and maintenance resources.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed in 2008 (Buildings Asset Management Plan – 2008, Gannawarra Shire Council).[5]

[5] Enter Reference to Report documenting Review of Useful Life of Assets

Table 5.3: Useful Lives of Assets

Asset (Sub)Category	Useful life
Short Life Structures	60 years
Long Life Structures	100 years

The estimates for renewals in this AM Plan were based on the alternate Method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).[6]

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.[7]

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

Table 5.3.1: Renewal Priority Ranking Criteria

Criteria	Weighting
Asset condition is poor or very poor based on recent assessment data	30%
Building serves a critical community function (e.g. public safety, high daily use)	25%
Non-compliance with building codes, accessibility (DDA), or OH&S standards	20%
Recurrent maintenance issues or operational disruptions recorded	15%
Alignment with planned capital works or opportunity to co-deliver improvements	10%
Total	**100%**

5.3.2 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.3.2. A detailed summary of the forecast renewal costs is shown in Appendix D.

[6] IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.
[7] Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

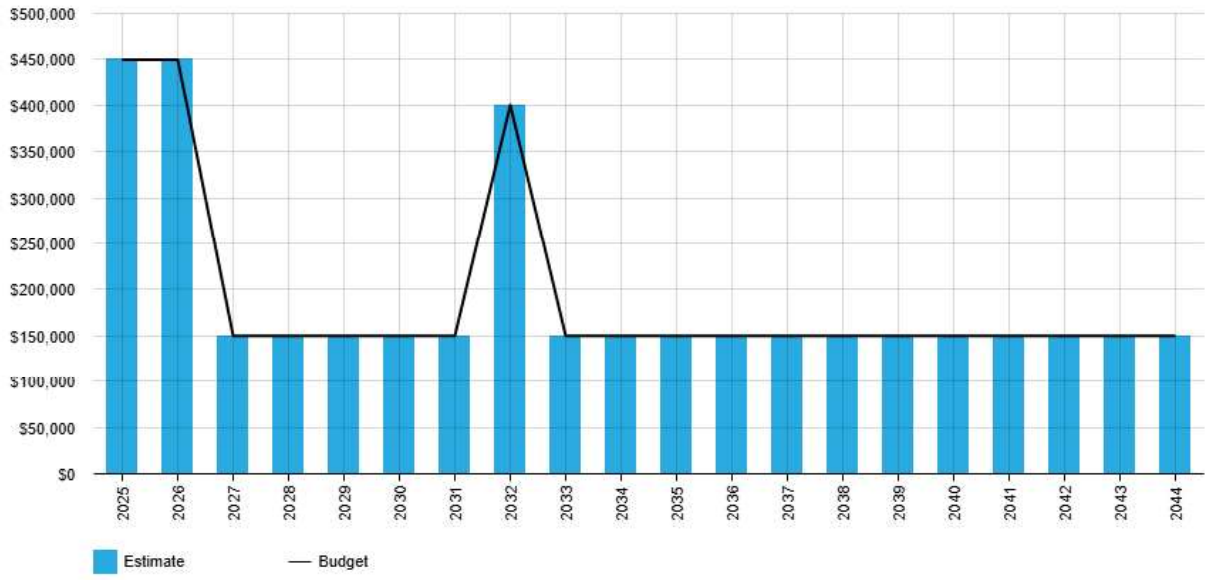


Figure 5.3.2: Forecast Renewal Costs

Amounts are shown in real values (i.e., current values, net of inflation).

Available data indicates that routine annual asset renewals will continue across the 20-year planning horizon to maintain the serviceability of buildings infrastructure.

5.4 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its original service level. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Gannawarra Shire Council.

5.4.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.4.1.

Table 5.4.1: Acquired Assets Priority Ranking Criteria

Criteria	Weighting
Addresses an identified gap in community service delivery or access	30%
Aligns with Council's strategic plans and supports population growth or demographic change	25%
Improves building functionality, compliance (e.g. DDA), or service integration	20%
Enables co-location or consolidation of services for operational efficiency	15%
Supports improved environmental performance or climate resilience (e.g. energy-efficient design)	10%
Total	**100%**

5.4.2 Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarized in Figure 5.4.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

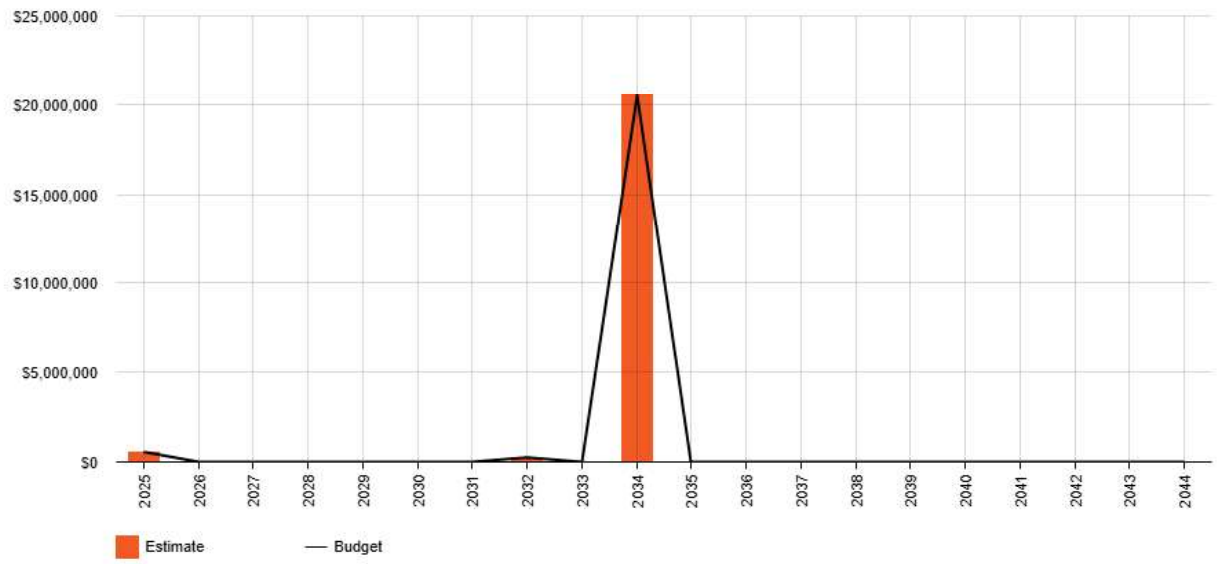


Figure 5.4.1: Acquisition (Constructed) Summary

Amounts are shown in real values (i.e., current values, net of inflation).

When the Gannawarra Shire Council commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.4.2.

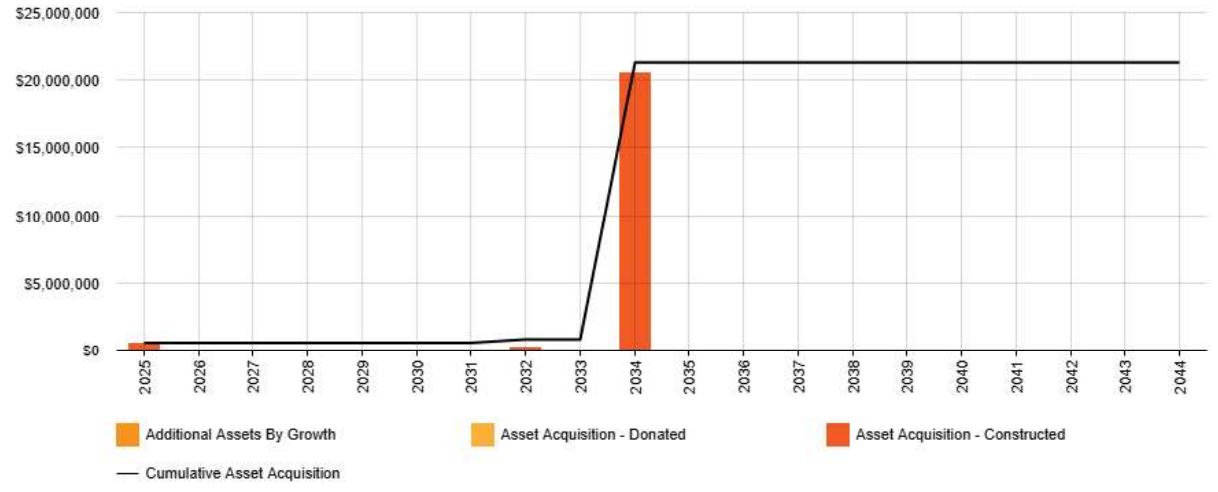


Figure 5.4.2: Acquisition Summary

Amounts are shown in real values (i.e., current values, net of inflation).

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

The forecast acquisition costs over the planning period are closely aligned with the proposed new capital budget allocations. These are currently limited to Gannawarra Glasshouse, Murrabit Hall Public Toilet Upgrade and New

Gannawarra Indoor Aquatics Facility assets acquisitions (all being subject to the availability of external grant funding.). Additional acquisitions may occur during the period if approved by Council, however, delivery of these works is highly dependent on the availability of external grant funding.

5.5 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.5. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.5. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

Table 5.5: Assets Identified for Disposal

Asset	Reason for Disposal	Timing	Disposal Costs	Operations & Maintenance Annual Savings
No disposals identified in this plan	Nil	Nil	$0	$0

5.6 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.6. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

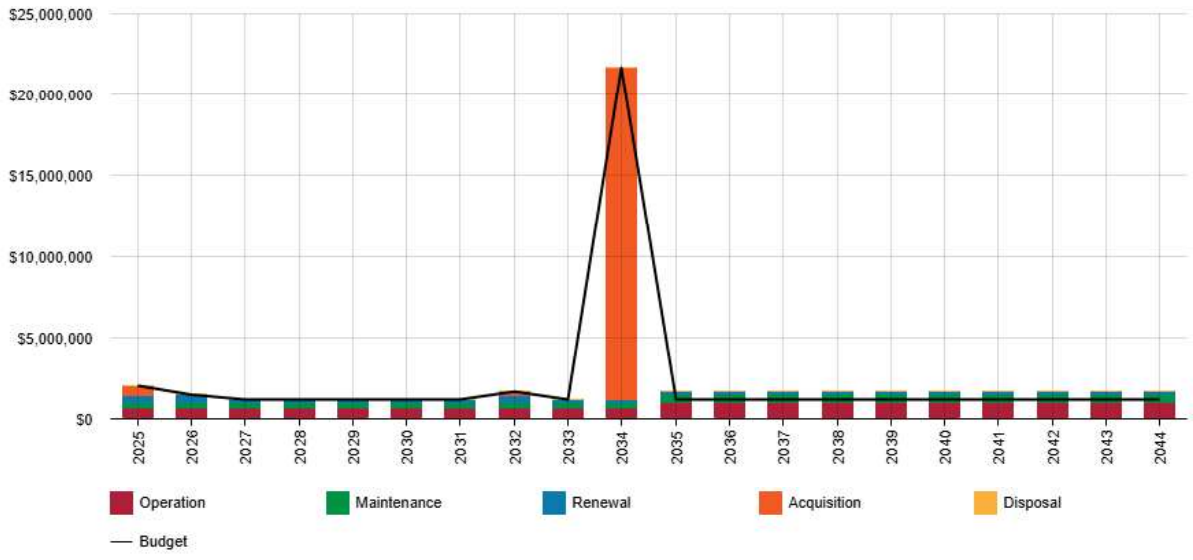


Figure 5.6: Lifecycle Summary

Amounts are shown in real values (i.e., current values, net of inflation).

While major deficiencies are not currently evident, the limitations of the buildings assets data pose a risk of unforeseen spike of renewal expenditure in the future. If not addressed, this creates a moderate risk that service levels may gradually decline over time, particularly if unanticipated asset failures or increasing service demands arise.

6.0 RISK MANAGEMENT PLANNING

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, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[8].

An assessment of risks[9] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Emergency and operational buildings	Structural damage, utility failure	Disruption to essential services, emergency response delays.
High-use community buildings	Roof leaks, HVAC, structural or accessibility failure	Facility closures, event cancellations, community dissatisfaction.
Aquatic and leisure centres	Plant or building system failure	Service shutdowns, public amenity loss, increased maintenance costs.
Administrative buildings	Power, IT, or structural failure	Disruption to Council operations and customer service delivery.
Public toilets and amenities	Structural, plumbing or infrastructure failure	Hygiene issues, service complaints, reputational risk.
Buildings with regulatory or heritage obligations	Compliance or conservation failure	Legal exposure, high repair costs, loss of cultural or regulatory compliance value.

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

[8] ISO 31000:2009, p 2

[9] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

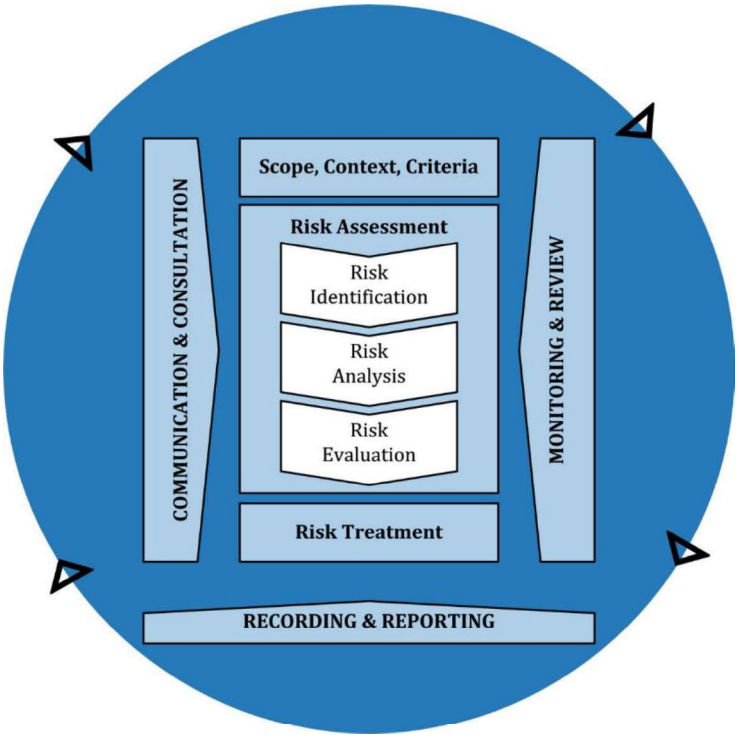


Fig 6.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks[10] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Gannawarra Shire Council.

[10] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

Table 6.2: Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Aged public buildings	Structural or roof failure leads to safety hazard or building closure	High	Condition inspections, prioritised renewal works, roof replacement program	Medium	$10,000–$1M per site, staged in capital works program
Indoor pools	Plant failure, humidity damage, or compliance breach causes service disruption	High	Preventative maintenance, plant upgrades, and pool compliance audits	Medium	Included in Operational budgets
Buildings with poor accessibility	Lack of DDA features limits access for all users	High	Progressive upgrades to meet accessibility standards (ramps, toilets, signage, etc.)	Medium	Included in Renewals budgets
Aging electrical and HVAC systems	Failure of systems causes service outage or OH&S risk	High	Scheduled servicing, staged upgrades, replacement as part of renewal cycle	Medium	Included in Renewals budgets
Buildings in bushfire-prone areas	Asset loss or damage due to bushfire exposure	Medium	Asset-level bushfire protection measures, vegetation control, insurance	Medium	Insurance funded
Limited asset data (older sites)	Poor records delay response or lead to inefficient investment decisions	Medium	Building condition assessments and asset data capture	Low	$50,000 every 4–5 years

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

Table 6.3: Resilience Assessment

Threat / Hazard	Assessment Method	Current Resilience Approach
Overheating of indoor spaces during heatwaves	Building use profile, thermal comfort complaints, HVAC system reviews	Medium
Roof failure due to storm / high winds	Roof age / condition audit, historical weather event review, structural design checks	Medium
Water ingress from heavy rainfall	Maintenance records, gutter / downpipe inspections, water damage reports	Medium

Threat / Hazard	Assessment Method	Current Resilience Approach
Bushfire exposure (rural assets)	Location-based bushfire risk overlay, construction material reviews	Low
Ground movement from drought / soil shrinkage	Site geotechnical data, damage reports (cracks, movement)	Low

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- No new assets to be acquired without external grant funding.
- Renewals will have to be prioritised – due dates for some renewals will have to be pushed out.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Reduced asset condition and visual amenity in some buildings
- Deferred upgrades to non-compliant or ageing infrastructure, potentially affecting user experience
- Increased variability in service levels between higher and lower priority building assets

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Increased likelihood of building component failure (e.g., roofing, cladding, or structural elements), resulting in safety hazards or service disruptions.
- Reduced compliance with accessibility, fire safety, and occupational health and safety standards, exposing Council to regulatory or legal liabilities.
- Escalation of minor defects into major issues due to deferred maintenance, increasing long-term renewal costs.
- Loss of functionality or closure of community buildings due to system failures (e.g., HVAC, electrical, or plumbing).
- Decline in user satisfaction and reputational risk if public facilities deteriorate below acceptable service levels.

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

7.0 FINANCIAL SUMMARY

This section contains the financial and valuation forecasts resulting from the information presented in the previous sections of this plan. Forecasts will be improved as the discussion on sustainable levels of service, risk and cost matures in line with the financial strategy.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- Asset Renewal Funding Ratio (planned renewal budget for the next 10 years / forecast renewal outlays for the next 10 years identified as warranted in the AM Plan), and
- Lifecycle Funding Ratio (planned lifecycle budget for the next 10 years / forecast lifecycle outlays for the next 10 years identified as warranted in the AM Plan).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio[11] 100.0%

The Asset Renewal Funding Ratio illustrates that over the next 10 years we expect to have 100.0% of the funds required for the optimal renewal of assets.

The forecast renewal works along with the planned renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

Lifecycle Funding Ratio – 10-year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide the levels of service to the community over a 10 year period. This provides input into 10 year long-term financial plan (LTFP) aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the planned budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is $1276250 average per year.

The 10-year LTFP is $1262500 on average per year providing affordable and sustainable services for the foreseeable future. This indicates that 98.92% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude depreciation and the acquisition of new and upgrade of existing assets.

Providing sustainable and affordable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.2 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

Forecast costs are shown in 2025/26 dollar values.

Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2025	558000	672620	354880	450000	0
2026	0	681715	359679	450000	0
2027	0	681715	359679	150000	0

[11] AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2028	0	681715	359679	150000	0
2029	0	681715	359679	150000	0
2030	0	681715	359679	150000	0
2031	0	681715	359679	150000	0
2032	250000	681715	359679	400000	0
2033	0	685790	361829	150000	0
2034	20500000	685790	361829	150000	0
2035	0	1019940	538129	150000	0
2036	0	1019940	538129	150000	0
2037	0	1019940	538129	150000	0
2038	0	1019940	538129	150000	0
2039	0	1019940	538129	150000	0
2040	0	1019940	538129	150000	0
2041	0	1019940	538129	150000	0
2042	0	1019940	538129	150000	0
2043	0	1019940	538129	150000	0
2044	0	1019940	538129	150000	0

7.2 Valuation Forecasts

The best available estimate of the value of assets included in this AM Plan are shown below. The assets are valued at fair value at cost to replace service capacity (in accordance with the AASB 13 Fair Value Measurement standard).

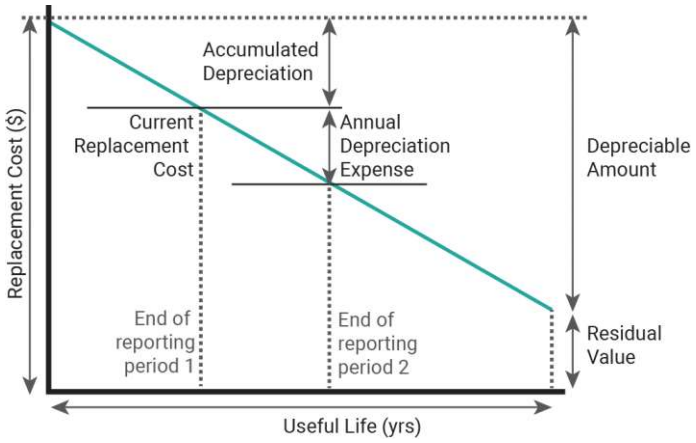


Figure 7.2.1: Valuation Terminology

Replacement Cost (Gross)	$41265000
Depreciable Amount	$41265000
Current Replacement Cost[12]	$21798000
Depreciation	$682413.0

Asset values are forecast to increase as additional assets are added into service.

Acquiring new assets will add to existing operations, maintenance, future renewal, and depreciation expenses.

[12] Also reported as Written Down Value, Carrying or Net Book Value.

8.0 ASSUMPTIONS AND IMPROVEMENT PLANNING

8.1 Data and Information Sources

8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is Synergy Financial System. The system has been capturing all Operational and Capital expenses since 2017.

8.1.2 Asset management data sources

This AM Plan also utilises asset management data. The source of the data is the Gannawarra Shire Council's GIS and Confirm Asset Management systems which control the Asset Register and store all asset maintenance / operational records including customer requests.

8.2 Key Assumptions

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the forecasts.

Key assumptions made in this AM Plan are:

- Forecast is in "today's" (2025 / 26) dollars.
- Staffing needs are resourced adequately – for Asset data work and Operation & Maintenance tasks.
- No significant changes to Legislation / Standards occur over the planning period.

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge. When doing so, the forecast remaining useful life in the asset register should be adjusted where necessary.

The Alternate Method was used to forecast the renewal lifecycle costs for this AM Plan.

8.3 Forecast Reliability and Confidence

The forecast demands, costs, planned budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset management and financial planning and reporting, it is critical that the information is reliable and up to date. Data confidence is classified on an A to E level scale in accordance with the guidance provided in the International Infrastructure Management Manual. [13]

Table 8.3.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are

[13] IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
	available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 8.3.2.

Table 8.3.2: Data Confidence Assessment for Data used in AM Plan

Data	Confidence Assessment	Comment
Demand drivers	Medium	Climate change well documented. Population growth based on ABS Data.
Growth projections	Medium	Based on ABS data
Acquisition forecast	Medium	Based on CAPEX projects plan
Operation forecast	Low	Based on LTFP % allocations
Maintenance forecast	Low	Based on LTFP % allocations
Renewal forecast - Asset values	Low	Based on budget allocations
- Asset useful lives	Low	No componentised Asset Register or U/L projections for individual assets
- Condition modelling	Low	No condition info
Disposal forecast	Medium	Data is based on verbal reports

The estimated confidence level for and reliability of data used in this AM Plan is considered to be Low.

8.4 Improvement Plan

It is important that we recognise gaps in the planning process that require improvement to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 8.4.

Table 8.4: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Develop a complete and componentised Buildings Asset Register covering all owned and managed facilities	Asset Management Team	Internal staff, site audits, capable AM system	FY 2027/28
2	Establish a structured building condition assessment program (e.g. halls, offices, pools)	Asset Management Team	Internal staff time, consultant support, budget	FY 2027/28
3	Implement a renewal modelling tool for building lifecycle planning	Asset Management Team	Internal staff time, asset software, funding	FY 2027/28

4	Formalise capitalisation procedures to capture building asset data from new / upgrade works	Asset Management Team	Internal staff time, integrated systems	FY 2026/27
5	Develop a building risk and criticality framework to support prioritisation of renewals	Asset Management Team	Internal staff time, asset management software	FY 2026/27
6	Implement a centralised Asset Management System (AMS) to consolidate asset data and improve accessibility.	Asset Management Team	Software procurement, training resources	FY 2026/27
7	Integrate asset management with financial planning by aligning AMPs with the Long-Term Financial Plan (LTFP).	Finance and Asset Management Teams	Internal staff time, staff collaboration	FY 2026/27
8	Integrate Asset Management System (AMS) with Financial System to improve alignment of asset and budget data. Revise budgets hierarchy to enhance expenditure monitoring.	IT, Finance and Asset Management Teams	Internal staff time, software procurement	FY 2028/29
9	Implement GIS-based Asset Register Map for all Building assets.	Asset Management Team	GIS software, Internal staff time	FY 2027/28
10	Improve data collection, review and update asset inventory to improve data accuracy and completeness.	Asset Management Team	Internal staff time, GIS/AM system access	FY 2028/29

8.5 Monitoring and Review Procedures

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 12 months of Gannawarra Shire Council election.

8.6 Performance Measures

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,
- The degree to which the 1 to 5-year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 110%).

9.0 REFERENCES

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- IPWEA, 2014, Practice Note 8 – Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8
- ISO, 2024, ISO 55000:2024 Asset Management – Vocabulary, overview, and principles
- ISO, 2018, ISO 31000:2018 Risk management – Guidelines
- Gannawarra Shire Council Plan and Budget.

10.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source
The key assumptions are that the current financial climate will not improve, growth projections are sufficiently accurate and strategic plans / priorities will remain in-place with no substantial alterations.

A.2 – Acquisition Project Summary
The project titles included in the lifecycle forecast are included here:

- Gannawarra Glasshouse - $558,000
- Murrabit Hall Public Toilet Upgrade - $250,000
- Gannawarra Aquatics: New Indoor Aquatics Facility - $20,500,000

A.3 – Acquisition Forecast Summary

Table A3 - Acquisition Forecast Summary

Year	Constructed	Donated	Growth
2025	558000	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	250000	0	0
2033	0	0	0
2034	20500000	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0
2040	0	0	0
2041	0	0	0
2042	0	0	0
2043	0	0	0
2044	0	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

Assumptions and relevant information relating to the Operation Forecast:

- Reactive tasks from community requests or weather events are included in forecasts.
- Assumes stable in-house staffing and contractor availability.
- Assumes current service levels are maintained throughout the forecast period.
- Includes operational costs for new assets listed in Acquisition Forecast.
- No major savings assumed, minor efficiencies expected through digital tools.
- Based on the current register data
- Forecast costs are in “today’s” (2025 / 26) dollars.

B.2 – Operation Forecast Summary

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2025	672620	9095	672620
2026	672620	0	681715
2027	672620	0	681715
2028	672620	0	681715
2029	672620	0	681715
2030	672620	0	681715
2031	672620	0	681715
2032	672620	4075	681715
2033	672620	0	685790
2034	672620	334150	685790
2035	672620	0	1019940
2036	672620	0	1019940
2037	672620	0	1019940
2038	672620	0	1019940
2039	672620	0	1019940
2040	672620	0	1019940
2041	672620	0	1019940
2042	672620	0	1019940
2043	672620	0	1019940
2044	672620	0	1019940

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

Assumptions and relevant information relating to the Maintenance Forecast:

- Reactive tasks from community requests or weather events are included in forecasts.
- Assumes stable in-house staffing and contractor availability.
- Forecast supports maintaining current maintenance service standards.
- Assumes existing routine and cyclic maintenance schedules remain unchanged.
- Includes maintenance costs for new assets listed in Acquisition Forecast.
- No major savings assumed, minor efficiencies expected through digital tools.
- Based on the current register data
- Forecast costs are in “today’s” (2025 / 26) dollars.

C.2 – Maintenance Forecast Summary

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2025	354880	4799	354880
2026	354880	0	359679
2027	354880	0	359679
2028	354880	0	359679
2029	354880	0	359679
2030	354880	0	359679
2031	354880	0	359679
2032	354880	2150	359679
2033	354880	0	361829
2034	354880	176300	361829
2035	354880	0	538129
2036	354880	0	538129
2037	354880	0	538129
2038	354880	0	538129
2039	354880	0	538129
2040	354880	0	538129
2041	354880	0	538129
2042	354880	0	538129
2043	354880	0	538129
2044	354880	0	538129

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source
Assumptions and relevant information relating to the Renewal Forecast:

- Renewals are scheduled based on in-house inspections data / customer complaint driven investigations.
- Renewal of assets with low-risk defects will be deferred beyond planning period.

D.2 – Renewal Project Summary
The project titles included in the lifecycle forecast are included here:

- Buildings assets components deemed to be in poor condition.
- Cohuna Waterfront Stage 2 - $600,000.
- Murrabit Hall Public Toilet Upgrade - $250,000

D.3 – Renewal Forecast Summary

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2025	450000	450000
2026	450000	450000
2027	150000	150000
2028	150000	150000
2029	150000	150000
2030	150000	150000
2031	150000	150000
2032	400000	400000
2033	150000	150000
2034	150000	150000
2035	150000	150000
2036	150000	150000
2037	150000	150000
2038	150000	150000
2039	150000	150000
2040	150000	150000
2041	150000	150000
2042	150000	150000
2043	150000	150000
2044	150000	150000

Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source

Assumptions and relevant information relating to the Disposal Forecast:

- No disposals are anticipated during this planning period

E.2 – Disposal Project Summary

The project titles included in the lifecycle forecast are included here.

- No disposals are anticipated during this planning period

E.3 – Disposal Forecast Summary

Table E3 – Disposal Activity Summary

Year	Disposal Forecast	Disposal Budget
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0
2040	0	0
2041	0	0
2042	0	0
2043	0	0
2044	0	0

Appendix F Budget Summary by Lifecycle Activity

The assumptions relating to the Planned Budget estimates:

- The funding is allocated based on the annual asset depreciation and high-level estimates.
- The project timing to construct Gannawarra Glasshouse and upgrade Murrabit Hall Public Toilet is realistic / attainable and (grant) funding is available.
- The projects timing to construct Gannawarra Aquatics: New Indoor Aquatics Facility is realistic / attainable, (grant) funding is available and operational funding is available for maintenance / operational budget uplift.
- Operational and maintenance forecast costs are in "today's" (2025 / 26) dollars.
- Forecast budgets do not currently include provision for climate resilience driven major redesigns or upgrades of existing assets (unless integrated within planned upgrade projects).

Renewal forecasts are prioritised by asset condition and risks, assuming no asset impairments or other major unforeseen failures will be occurring.

Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2025	558000	672620	354880	450000	0	2035500
2026	0	672620	354880	450000	0	1477500
2027	0	672620	354880	150000	0	1177500
2028	0	672620	354880	150000	0	1177500
2029	0	672620	354880	150000	0	1177500
2030	0	672620	354880	150000	0	1177500
2031	0	672620	354880	150000	0	1177500
2032	250000	672620	354880	400000	0	1677500
2033	0	672620	354880	150000	0	1177500
2034	20500000	672620	354880	150000	0	21677500
2035	0	672620	354880	150000	0	1177500
2036	0	672620	354880	150000	0	1177500
2037	0	672620	354880	150000	0	1177500
2038	0	672620	354880	150000	0	1177500
2039	0	672620	354880	150000	0	1177500
2040	0	672620	354880	150000	0	1177500
2041	0	672620	354880	150000	0	1177500
2042	0	672620	354880	150000	0	1177500
2043	0	672620	354880	150000	0	1177500
2044	0	672620	354880	150000	0	1177500