



PROPERTY ASSET MANAGEMENT PLAN



Version 0.2

January 2014

PROPERTY ASSET MANAGEMENT PLAN

Prepared By: _____
Ben Symmons
Asset Infrastructure Management

Approved for Release By: _____
Stuart Billingham
Shire of Mukinbudin

Shire of Mukinbudin
15 Maddock Street
Mukinbudin WA 6479
Australia
Telephone: +61 8 9047 1102
Facsimile: +61 8 9047 1239

Date: 28/January/2014
Status: Draft V0.2

Contents

1.	Executive Summary	4
2.	Background and Objectives	5
2.1.	Purpose of this Asset Management Plan.....	5
2.2.	Focus of this Asset Management Plan.....	5
2.3.	Corporate Document Relationships	5
2.4.	Who is the Audience of the AMP?	6
2.5.	Time Period of the AMP and Next Review Data.....	6
2.6.	Asset Management Plan Stakeholders	7
3.	Service Levels	8
3.1.	Service Level Introduction	8
3.2.	Organisational Drivers and Objectives	8
3.3.	Customer Research and Expectations	10
3.4.	Legislation and Standards	10
3.5.	Property Assets' Function	10
3.6.	Service Level Targets and Performance	11
4.	Demand.....	12
4.1.	Historic Demand.....	12
4.2.	Future Demand Drivers (Factors)	14
4.3.	Demand Summary.....	16
5.	Risk Management	18
6.	Lifecycle Management Plan.....	19
6.1.	Background Data	19
6.2.	Asset Lifecycle Management - Buildings	22
6.3.	Asset Lifecycle Management – Vacant Freehold Land	29
7.	Financial	32
7.1.	Projected Expenditure.....	32
7.2.	Projected Revenue Sources.....	33
7.3.	Key Assumptions Made in Financial Forecasts	34
7.4.	Integrated Planning & Reporting KPIs	35
8.	Asset Management Practices	36
8.1.	Accounting/Financial Systems.....	36
8.2.	Asset Management Systems	36
8.3.	Information Flow Requirements and Processes.....	36
8.4.	Legislation, Standards, Policies and Guidelines.....	37
9.	Plan Improvement and Monitoring	38
9.1.	Performance Measures	38
9.2.	Improvement Plan.....	38

9.3. Monitoring and Review Procedures	39
---	----

Appendices

Appendix A – Legislation Acts and Regulations	41
Appendix B – AMP Stakeholders and Service Levels	43
Appendix C – Safety & Maintenance Inspection Guidelines.....	49
Appendix D – Condition Inspection Methodology.....	50
Appendix E – Property Demand	51
Appendix F – Capital Works Programme	60
Appendix G – Funding Sources.....	75
Appendix H – Risk Management Analysis.....	76
Appendix I – Building Inventory.....	80
Appendix J – Vacant Freehold Land Inventory	82

1. Executive Summary

The Shire of Mukinbudin owns and maintains a range of properties, consisting of buildings and vacant freehold land, which help to support the delivery of a range of services to its community. This is the Shire's first Asset Management Plan (AMP) to be produced for the property portfolio. It seeks to outline the activities and programmes that the Shire will carry out over the next 10 years. It details the service levels the Shire will provide and the resources required to deliver them. While the document is comprehensive, it is also considered a "first cut" AMP. As such there are a number of actions that have been identified that will improve its accuracy over time. All readers of this AMP must understand its limitations and applied assumptions before acting on any information contained within it.

Overall, the AMP has determined that there is a lack of accurate data held on the property portfolio. Key knowledge gaps exist on inventory, condition, cost and valuation. As such, there is an immediate need to commit to the improvement of the Shire's property asset management practices by prioritising, resourcing and undertaking many of the improvement actions identified in Section 9.2.

The property portfolio's alignment with the Shire's Strategic direction and stakeholder's service needs is also unclear. The Shire's population decline and demographic change (ageing population) that has occurred over the past 10 years may mean that some properties no longer align to service needs. In addition, it is not clear as to which properties provide value for money and those that don't. As such, there is a need to review the strategic alignment and whole of life costs of all properties in order to determine if changes to the portfolio are required. This may include the rationalisation of poorly performing properties or reconfiguration to meet emerging service needs.

Issues currently of key focus which require action over the short term are to:

- = **Develop an accurate, spatially referenced, asset inventory for all properties to a component level**
- = **Develop and implement a cyclical asset safety, maintenance and condition inspection programme**
- = **Develop and implement condition based works programmes**
- = **Refine the general ledger so that expenditure and revenue is accurately recorded by activity (e.g. renewal) and asset**
- = **Monitor properties' whole of life costs and usage levels**
- = **Secure appropriate resources to further develop the Shire's asset management programme/activities**
- = **Begin monitoring the portfolios' performance against the service levels**

2. Background and Objectives

2.1. Purpose of this Asset Management Plan

This document is an Asset Management Plan (AMP) for the Shire of Mukinbudin's Property Portfolio, covering all buildings (and the land they lie on) and vacant freehold land parcels. This AMP documents the management practices, processes and strategies that we (the Shire) apply to ensure that property assets are fit for purpose and maintained to agreed service levels that are balanced against long term resource availability.

2.2. Focus of this Asset Management Plan

The AMP focuses on assets that support property based services. The key assets that make up the portfolio and their current replacement costs are detailed in Table 2-1. However, it should be noted that there are low confidence levels in both the asset inventory and valuations.

Asset Type	Quantity	Historic Cost
Buildings	58	\$5,489,265
Vacant Freehold Land Parcels	13	\$77,908
Total	71	\$5,567,173

Table 2-1: Assets covered by the Property AMP

2.3. Corporate Document Relationships

This AMP integrates with many other key Shire documents. Furthermore, AMPs are also key informing documents of the Shire's integrated planning and reporting framework, as demonstrated in Figure 2-1. The principal documents that link to this AMP are:

- = Strategic Community Plan
- = Corporate Business Plan
- = Long Term Financial Plan
- = Capital Works Plan
- = Annual Budget



Figure 2-1: Integrated Planning and Reporting Framework

2.4. Who is the Audience of the AMP?

The principal audience of this AMP is the Shire of Mukinbudin Council and Chief Executive Officer, as well as regular users of the properties.

2.5. Time Period of the AMP and Next Review Data

The AMP covers a 10 year period and will be next reviewed by 1st July 2016.

2.6. Asset Management Plan Stakeholders

The following people and organisations are key stakeholders in the development of the AMP and/or of the final AMP. The Service Levels detailed in Section 3 support the interests of these stakeholders. An analysis of possible stakeholders and service levels is attached as Appendix B, as well as the process used to select the final service levels. Only those which have been deemed the most important to the key stakeholders have been included in this AMP.

Stakeholder	Key in AMP development?	Key AMP audience?
Shire of Mukinbudin Council		✓
Shire of Mukinbudin Staff	✓	✓
Residents & Landowners		✓
Emergency Services		✓
Tourists & Visitors		✓
Community & Sporting Groups		✓
Local Businesses		✓
Shire Ratepayers		✓

Table 2-2: Stakeholder Relationships to AMP

3. Service Levels

3.1. Service Level Introduction

This section details the service levels that the Shire has set out to achieve and provide for its property portfolio. The service requirements of all major stakeholders were considered (Appendix B) and those which were the most frequently occurring, or were needed, then formed the basis of the service levels. These levels are then used to monitor the performance of the service and identify areas of over or under delivery. The service level measures also allow the Shire to ensure that the portfolio is fit for purpose and provided at an efficient cost.

3.2. Organisational Drivers and Objectives

3.2.1. Strategic Community Plan

The Shire's Strategic Community Plan (2013-2023) was considered in order to identify organisational drivers and objectives that may affect service levels. The Shire defines its overall vision to be:

"To assist our community towards a prosperous future by providing a positive environment in which to work and live."

In order to achieve this Vision, The Strategic Community Plan contains a number of themes, strategies and actions. All identified actions must be considered and incorporated into this Plan. Those that align with the property portfolio are:

Theme	Strategy(s)	Action(s)
Social	1.1 – Encourage involvement in lifelong learning, skill enhancements and cultural involvement.	<ul style="list-style-type: none"> = Encourage the use of the library service = Support and encourage an annual program of sporting, social and cultural events for Mukinbudin, including the Mukinbudin Drive In, Community Shed, arts and crafts groups, programs by the Community Resource Centre etc = Create an outdoor amphitheatre
	2.2 – Protect and enhance the health and wellbeing of those who live in the Shire.	<ul style="list-style-type: none"> = Participate in local and regional aged care accommodation options, selecting best practice for the Shire, coupled with appropriate and complementary health, recreation and community

		<p>services e.g. Senior Citizens, frail aged care, Silver Chain, Community Shed</p> <ul style="list-style-type: none"> = Maintain the Swimming Pool as well as playing fields to accommodate for future sport, recreation and leisure needs, including the construction of a synthetic surface for tennis and hockey
	3.2 – Effectively plan, develop and manage infrastructure and facilities	<ul style="list-style-type: none"> = Protect and enhance the Mukinbudin Town Hall = Protect and maintain the cemetery with a view to constructing new entrances, a gazebo and ablution block at the site
	4.1 – Encourage positive community participation	<ul style="list-style-type: none"> = Annually review and update the Shire of Mukinbudin’s Disability, Access and Inclusion Plan = Maintain, enhance and continue to construct executive housing for Shire staff
Economic	6.1 – Seek innovative ways to promote and develop tourism whilst strengthening partnerships	<ul style="list-style-type: none"> = Construct additional self-contained units at the Caravan Park and maintain the RV Friendly status to increase visitors and tourists to the Shire
Environment	8.2 – Plan for water conservation, reuse and efficiency, water catchment and storage	<ul style="list-style-type: none"> = Practice and promote energy efficiency = Investigate alternative energy solutions for the Shire as well as information for households and businesses

Table 3-1: Strategic Community Plan Actions Aligned to the Property Portfolio

3.2.2. Asset Management Policy and Strategy

The Shire maintains both Asset Management Policy and Strategy documents. Broadly speaking, the Policy sets out the Shire’s key asset management principles, whilst the strategy describes the long term approach. The Policy’s principles include a number which must be considered by the service levels, they are:

- = **Define agreed asset service levels, matched with the associated resources and assets required to enable their delivery**
- = **Manage assets in a whole-of-life and economically, environmentally and socially sustainable manner**
- = **Balance decisions with other key Shire policies and functions**
- = **Give priority to the needs of existing assets and services before new ones**
- = **Commit to continuous improvement**
- = **Manage the risks associated with asset ownership and management**

3.3. Customer Research and Expectations

No historical consultation into stakeholder service level expectations has been undertaken. When future engagement occurs, the outcomes will be recorded here.

3.4. Legislation and Standards

The Shire has to meet many legislative requirements including Australian and State Legislation and State Regulations. Many of these requirements are drivers for minimum service levels in that they are the minimum which the Shire must meet. A list of relevant legislation can be found in Appendix A.

3.5. Property Assets' Function

Further to meeting legislative requirements and standards as part of the Shire's business context, consideration must also be given to the overall function of the property portfolio in setting service levels. In order to develop a functional statement for the Shire's property assets, the previously discussed corporate documents were considered. Considering all drivers, the following statement has been developed.

The Shire will seek to sustainably (environmentally, financially and socially) provide safe properties of an agreed quality, that are accessible to users of all abilities, and that meet all compliance obligations.

Figure 3-1: Property Portfolio Functional Statement

3.6. Service Level Targets and Performance

Table 3-2 details the service level targets and performance which the Shire will provide.

Key Performance Indicator	Stakeholder	Level of Service	Asset Group	Performance Measure	Target	Current	Data Confidence
Accessibility	Shire, Emergency Services, Tourists & Visitors, Community & Sporting Groups, Local Business	Properties accessible to all users	All	Percentage of properties that comply with Disability and Discrimination Act requirements.	100%	TBC	-
Compliance and Safety	Shire	Ensure effective management of risks to health in accordance with relevant legislation and community needs.	All	Percentage of compliance, safety and maintenance defects corrected within intervention targets.	85%+	TBC	
Quality	Shire, Residents & Landowners, Emergency Services, Tourists & Visitors, Community & Sporting Groups, Local Business	Ensure that buildings are clean, inviting, damage and graffiti free and reflect heritage values where appropriate.	Buildings	Number of complaints per year.	Less than 5	TBC	-
		Buildings are maintained in a good condition.	Buildings	Percentage of building components, by value, within their renewal intervention level.	85%+	TBC	-

Table 3-2: Service Level Targets and Performance

4. Demand

This section summarises likely factors which may affect the demand for property services over the life of the AMP. Full details of potential demand factors are recorded in Appendix E.

4.1. Historic Demand

Whilst historical demand trends are not always an indication of what may happen in the future, they often help managers form a view of how likely they may influence future demand trends.

Analysis of ABS census data shows that the number of recorded people in the Shire at census night has fallen from 659 (2001), to 575 (2006), to 490 (2011). This decrease of -25.6% between 2001 and 2011 would suggest that demand for some of the services that the Shire's properties support would also have fallen. In addition, the population's median age has also increased from 35 in 2001 to 45 in 2011. This may suggest that services used by younger people would have experienced a decrease in demand, while services used by older people may have increased.

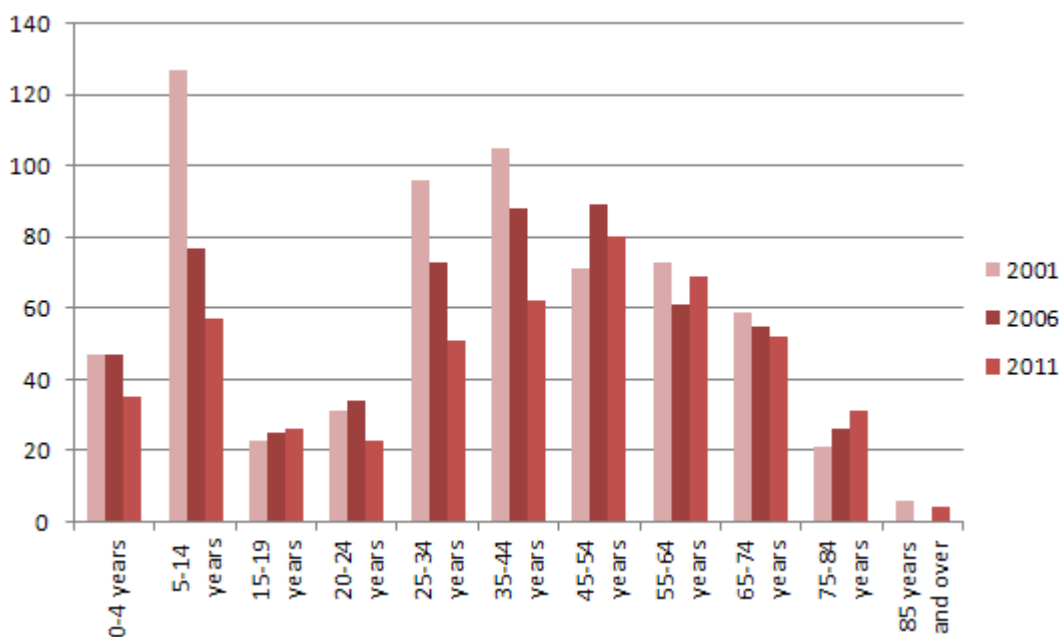


Figure 4-1: ABS Census Data - Mukinbudin Population and Demographic 2001-2011

Analysis of the 2009/10 and 2011/12 ABS Participation in Sport and Physical Recreation Surveys showed that on the whole, participation rates in sport and physical recreation across Australia have remained static at around 65%. Therefore demand for properties which support recreation services are affected more by population changes than social changes.

Outside of immediate local demand, there may be potential demand from visitors to the Shire, whether day trippers or tourists. Figures from Tourism WA (Figure 4-2) show that over the past 4 years, the estimated number of visitors to/within WA have risen from 18.7million in 2008/09 to 22.1million in 2012/13. Whilst figures show that only 7% of visitors go to the “golden outback” region of WA (within which the Shire lies), there remains some potential future demand growth for properties within the Shire, particularly at sites that visitors are likely to go to. This may mean an increase in demand for properties such as public toilets, attractions and accommodation.



Figure 4-2: WA Visitors (Source: Tourism WA December 2012)

In summary, it is likely that over at least the last 10 years, that demand for services supported by many of the Shire’s properties has fallen as the local population size has decreased. This may have been partially offset in some areas by the increase in tourism numbers. At the same time though, changes in median age and demographic profile mean that services required by younger people and young families may have fallen, whilst those demanded by older people risen. As such, the Shire’s service provision may no longer necessarily be in alignment with demand.

4.2. Future Demand Drivers (Factors)

Consideration was given to six possible future demand drivers (political, economic, social, technological, legal and environmental) that may influence demand on the provision of properties. Each of these drivers is discussed in Appendix E and summarised in Table 4-1.

Driver Type	Affect over life of AMP
Political	<p>The Shire reviews its Town Planning Scheme every 5 to 7 years. Revisions to the Scheme have the potential to change land use and therefore affect the demand of various properties and services. However, over the current life of this AMP, no significant change in demand is forecast due to Town Planning Scheme reviews.</p> <p>In 5 February 2009, the Minister for Local Government announced a suite of Local Government reforms. Future amalgamations in rural areas may occur, although the scope and timing are unknown. However if they were to occur, there would likely be a period of increased resource need for local governments to align their asset management practices. Amalgamation may also present opportunities for local governments to reduce their portfolio size through rationalisation. This could lower resource demand.</p> <p>Another feature of reform that will demand additional resources is the need to improve the Shire's asset management practices and processes over the coming years. A key goal of improved practices is to develop a long term balanced position between the service levels delivered and their costs of provision. However, the long term sustainability of the Shire is not currently known.</p> <p>Change Effect: Likely higher demand over the short term (2-3 years) to increase the level of resources to improve and sustain the Shire's asset management practices. Longer term, there may be additional demand to increase expenditure or lower service levels if, in the event that, the Shire is not currently sustainable.</p>
Economic	<p>Over the life of this AMP, it is highly likely that the cost of many consumables, including basic ones such as energy and water, will increase above normal CPI levels. As such, there may be an increasing need to monitor consumption levels and to identify where opportunities exist to reduce usage and costs. The introduction and use of some modern technologies such as solar power may help to reduce long term costs.</p> <p>The introduction of the IPRF will enable the Shire to determine its sustainability and potentially allow Council to change the service levels that it provides. The implementation of improved asset management practices will allow the Shire to align service levels to resource availability.</p> <p>Change Effect: Rising consumable costs will drive increased demand for either more financial resources and/or the acquisition of technologies and/or implementation of strategies to reduce usage and costs. The Shire's long term sustainability is not currently known and therefore its</p>

	effect on demand is also unclear.
Social	<p>The Shire's population has fallen from 659 in 2001 to 490 in 2011. This trend is generally in line with the State Government's Band B forecast which suggests that the population will continue to fall to approximately 320 people by 2026. If correct, then service demand will significantly decrease as well. This will potentially mean that the property portfolio will have to be reduced and rationalised.</p> <p>Historical census data shows that the Shire's median age changed from 35 in 2001 to 45 in 2011. With this expected to continue to increase over the foreseeable future, despite a decreasing population, services demanded of younger people, such as child care, youth recreation and sports etc. will likely fall, whilst services for older people such as health care and aged accommodation will rise.</p> <p>Change Effect: Negative overall demand change if population decreases further. Potential increase in demand for services used by older people and decrease in services used by younger people due to an ageing demographic.</p>
Technological	<p>An improvement in the Shire's asset management practices will likely mean that a higher volume of data will need to be captured and managed on its property portfolio. For example, a full inventory of property components, including condition ratings may need to be captured and stored. This position may mean that an increase in resource is needed to acquire and manage data, as well as a software management system.</p> <p>Some opportunity exists to provide guidelines to staff on the reuse or recycling of certain materials used in properties. This may not specifically affect demand but will support stronger environmental sustainability outcomes.</p> <p>Opportunity to reduce the consumption of materials and resources exists with the implementation of new technologies. For example, buildings with high levels of electricity consumption could have solar cells fitted to reduce energy costs and dependency on non-renewable fuels.</p> <p>Technologies also exist to network buildings and thus provide higher service levels and even central control.</p> <p>Change Effect: Opportunity exists to manage and maintain the property portfolio more efficiently and sustainably. Demand and cost for some consumables can be lowered with new technologies.</p>
Legal	<p>The introduction of a proactive safety and maintenance inspection regime would provide higher service levels to users while minimising exposure to risk of litigation.</p> <p>Change Effect: Slight increase in demand for a formalised safety inspection regime but lower exposure to risk.</p>
Environmental	<p>It is likely that over the term of this AMP that infrastructure managers will have to ensure that assets are maintained at increasingly environmentally sustainable levels.</p>

	Change Effect: Increased demand for clearer decision making around asset need. Rationalisation could reduce demand for resources and materials.
--	---

Table 4-1: Future Demand Drivers

4.3. Demand Summary

As the Shire's population size fell over the past 10 years, it is likely that so too did service demand. Therefore it is possible that some properties are currently underutilised. At the same time, changes in the demographic profile may also mean that demand changes are not occurring equally. For example, youth focused service demand may be falling, whilst older person service demand rises.

Whilst a range of historical and future demand factors have been investigated, the Shire does not have, nor has prepared, a long term forecast of future property based service demand in terms of key quantitative measures. The collection of data on a number of key areas such as energy and water consumption, building costs and building usage will be important in order to understand where changes can be made to closely align properties with stakeholder service demand. If this position can be achieved then the Shire will be able to ensure that services are delivered at a cost effective level.

The analysis shows that the key demand areas over the life of this AMP are likely to be:

- = An increased demand for skilled labour (internal or external) and financial resources to:
 - meet the needs of legislation reform
 - improve asset management practices and systems
 - meet potential amalgamation challenges
 - fund higher energy and material costs
 - implement environmental sustainability initiatives
 - bridge any possible infrastructure funding gap
- = Changing demand for services and thus changing requirements of properties due to:
 - a shrinking local population
 - an aging population
- = An opportunity to reduce demand and costs through:
 - the use of new technologies such as solar power
 - the rationalisation of the existing portfolio where opportunities exist and where the provision of services is found to not be cost effective

In order to quantify and meet the challenges that these major demand factors may pose, the following improvement actions have been listed:

- = investigate the options available to the Shire to secure appropriate asset management skills and resources to drive improved practices

- = quantify and budget for the approximate annual cost for the additional asset management resources
- = collect data on current property costs and utilisation levels in order to determine whether the retention of the asset is warranted or whether upgrade is required
- = engage with stakeholders to understand their current and future service needs
- = develop guidelines on asset material reuse and recycling
- = investigate technologies that can help to reduce costs

5. Risk Management

The Shire does not currently operate a risk management policy or corporate risk register. In lieu of these, a desktop risk analysis has been undertaken for the property portfolio and is included as Appendix H. Table 5-1 outlines the top identified risks. An improvement action for the Shire to develop a corporate risk management framework has been listed.

Risk Ref.	The Risk	Level of Risk	Further Action
16	The Shire does not have a land investment policy or strategy. This could result in land ownership not supporting strategic goals and poor capital investment performance.	VH	Develop a land investment policy and supporting strategy.
5	The Shire does not operate a formal safety and maintenance inspection programme. This results in defects being identified reactively which can increase costs.	VH	Develop a formal safety and maintenance inspection programme with associated intervention levels.
7	Shire does not have a property asset management system making data management and reporting difficult.	H	Develop a specification for a property management system and investigate options.
9	Shire does not have a formal asset rationalisation process.	H	Develop an asset rationalisation process.
10	Shire does not have a corporate risk management framework or policy	H	Develop a corporate risk management policy, framework and register.
12	Property asset inventories are not accurate as there are no records for component attributes, age, performance etc.	H	Develop a data dictionary for property. Develop a data collection programme. Collect inventory data.
13	Property portfolio expensive to provide due to whole of life costs and usage levels being unclear.	H	Monitor property usage levels and whole of life costs.
14	Shire has no defined maintenance service levels. This means that budget determines service levels rather than the other way around.	H	Develop property maintenance service levels linked to budgets.

Table 5-1: Major Property Portfolio Risks

Each of the top identified risks are recommended for further action (see Section 9).

6. Lifecycle Management Plan

The lifecycle management plan details how the Shire plans to manage and operate its property portfolio at the agreed service levels (Section 3). This section also specifically details the current condition of each asset group.

6.1. Background Data

6.1.1. Work Category Definitions

This AMP generally considers work within the following six areas of activity.

Activity	Definition
Operation	Continuously required expenditure which enables the asset to provide benefits to the community such as mowing, street sweeping, electricity costs etc.
Maintenance	Regular repair works to prevent deterioration of the assets' capability, such as minor repairs, servicing etc.
Renewal	Works to replace existing assets which are worn, poorly functioning or dated with assets of equivalent capacity or performance. For example, the renewal of an internal wall in a building, renewal of an engine in a grader, resurfacing a road (re-sheeting or resealing) or replacing girders on a bridge.
Upgrade	The significant upgrade of an asset to produce a higher service level, such as dualling or widening of a road, extension of a building, installation of reticulation to a dry park etc.
New Work	The creation of a new asset, in a location where that asset type has not existed before.
Asset Disposal	The process of removing and disposing of an asset upon the end of its useful life. For the purpose of this AMP this is only when an asset is not replaced.

Table 6-1: Activity Categories

6.1.2. Lifecycle Costing Basis

The financial projections within this section of the AMP have adopted life cycle costing (LCC) principles. LCC is the combination of all lifecycle costs associated with an asset, from conception and design through to eventual disposal. This concept is demonstrated by the Figure to the right. Lifecycle costing is important in order to understand the true costs of assets.



Figure 6-1: Asset Lifecycle

6.1.3. Property Portfolio Physical Parameters

The Shire’s property portfolio is one of its larger asset groups in terms of value and community impact. However at present, the Shire does not have a robust property inventory. Using the information that is available, the physical parameters and values of its components currently covered by this AMP are shown in Table 6-2 and the portfolio’s current replacement cost in Figure 6-2. It should be noted that at present, only historical costs are available. The table will be updated once current replacement costs are available.

AMP Section	Component	Quantity	Unit	Replacement Cost	Fair Value
6.2	Buildings	58	No.	\$5,489,265	Unknown
6.3	Vacant Freehold Land	13 Unknown	No. Ha	\$77,908	Unknown
TOTAL	ALL	71	No.	\$5,567,173	Unknown

Table 6-2: Property Portfolio Physical Parameters

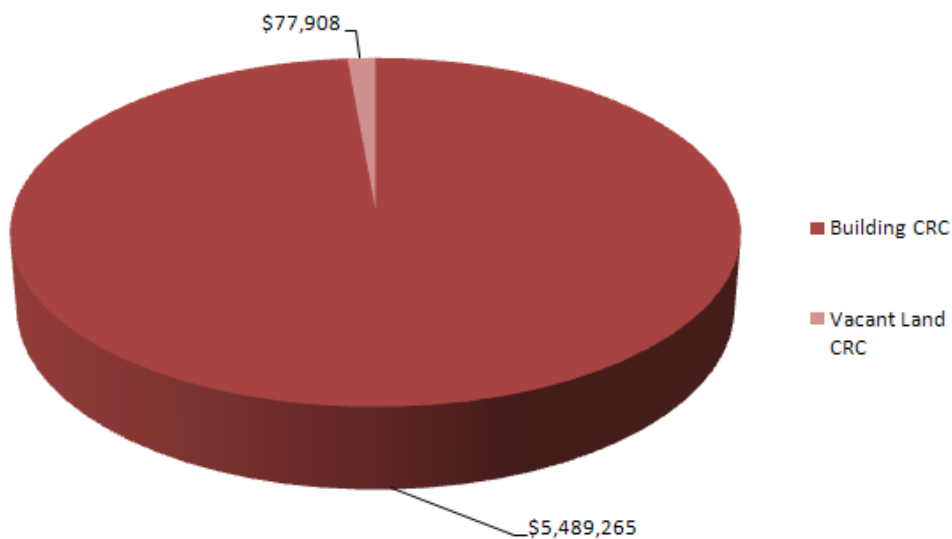


Figure 6-2: Property Portfolio Asset Current Replacement Cost

6.1.4. Property Portfolio Data Confidence and Reliability

To be able to effectively manage its assets, the Shire collects and maintains a range of data on its property portfolio. Understanding where gaps in this data exist is important to determine the confidence that we can put in the outcomes (e.g. valuations) that result. Table 6-4 details the reliability and confidence levels of the current asset data the Shire holds. In assessing the data, the Shire has applied the IIMM confidence framework as detailed in Table 6-3.

Confidence Grade	Description	Accuracy
1	Accurate	100%
2	Minor inaccuracies	± 5%
3	50% estimated	± 20%
4	Significant data estimated	± 30%
5	All data estimated	± 40%

Table 6-3: Data Confidence Measures

Asset Class	Inventory	Condition	Valuation
Buildings	4	5	4
Vacant Freehold Land Parcels	4	N/A	5

Table 6-4: Property Portfolio Data Confidence Levels

It is the Shire's intention to progress towards a position whereby data confidence levels for all areas are classified as either a 1 or 2.

6.2. Asset Lifecycle Management - Buildings

6.2.1. Asset Inventory

A copy of the Shire's current buildings inventory is attached in Appendix I. As described in Table 6-4, the accuracy of the Shire's building inventory is not strong and an improvement action to refine it has been listed. Furthermore, the Shire's buildings have not been placed into a formal category or hierarchy. The one provided has been done so temporarily as part of the development of this AMP. The development of a formal categorisation/hierarchy of buildings has been listed as an improvement action.

The Shire's inventory of buildings does not currently go down to a component level. That is, details on the individual attributes of components such as substructure, structure, roof, services etc. are not currently held by the Shire. The development of a data dictionary outlining a future data state for the Shire's buildings has been listed as an improvement action.

6.2.2. Asset Condition

The Shire does not have a formal condition assessment programme, nor does it hold data on buildings' component's condition. The development and implementation of a suitable programme is important so that key outcomes such as long term capital works programmes and condition based valuations can be produced. An improvement task to develop and implement such a programme has been listed.

6.2.3. Asset Valuation

At the end of each financial year, the Shire should review the valuation of its infrastructure assets. Building values may be revalued using desktop analysis but a licenced valuation must be undertaken once every three years. Results from future building valuations will be shown in Table 6-5.

In future, there would be merit in undertaking valuations using known quantities and replacement unit costs for different building components. If and when the Shire is able to produce this, the component unit rates and base lives will be recorded in this section of the AMP.

Year	Building Fair Value	Occupied Land Fair Value	Total Fair Value	Total Current Replacement Cost	Total Reinstatement Cost
2014	-	-	-	-	-

Table 6-5: Building Portfolio Valuation

6.2.4. Operation and Maintenance Plan

Operation activities and costs are those which are required to run an asset (e.g. electrical charges, gas costs, cleaning etc.). Maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again (e.g. minor repairs, servicing, painting etc.). This section of the AMP details the Shire's current operation and maintenance activities and costs.

Historical Expenditure

The Shire's actual past expenditure on operation and maintenance activities is shown in Table 6-6. While current levels of expenditure are considered adequate to meet the required service levels, future versions of this AMP need to be able to link required expenditure with service levels. This task has been listed as an improvement action.

Year	Operation Expenditure	Maintenance Expenditure
2012/13	\$23,839	\$417,793
2011/12	\$32,919	\$485,433
2010/11	\$12,940	\$451,106

Table 6-6: Historical Building Operation and Maintenance Expenditure 2010/11 - 2012/13

Maintenance Response and Prioritisation

At present, the assessment and prioritisation of maintenance activities is undertaken by operational staff using experience and judgement. An improvement task has been listed for the Shire to develop a formal framework and process aligned to service levels.

Standards and Specifications

Operation and maintenance work is carried out in accordance with the relevant standards and specifications listed in Appendix A.

Future Operation and Maintenance Expenditure

With the building portfolio not currently forecast to significantly change in size over the life of this AMP, operation and maintenance costs are expected to generally change in line with inflation levels. Where upgrades or new buildings are forecast for acquisition within the life of this AMP, allowances for additional operation and maintenance costs are allowed. Generally 1% of a new or upgraded building's current replacement cost has been allowed for additional annual operational costs and 2% for maintenance. The following figures are presented in future dollar values and an inflation factor of 4% has been applied.

Year	Operation Expenditure	Maintenance Expenditure
2014/15	\$24,162	\$488,282
2015/16	\$25,129	\$507,813
2016/17	\$26,134	\$528,126
2017/18	\$27,179	\$549,251
2018/19	\$28,266	\$571,221
2019/20	\$29,397	\$594,069
2020/21	\$30,573	\$617,832
2021/22	\$31,796	\$642,546
2022/23	\$33,068	\$668,247
2023/24	\$34,390	\$694,977

Table 6-7: Projected Building Operation and Maintenance Expenditure

6.2.5. Renewal/Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity 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 upgrade or new work expenditure.

Historical Expenditure

The Shire's actual past expenditure on building renewal activities should be shown in Table 6-8. However historical expenditure has been recorded as depreciation and therefore it is unclear if all expenditure was on renewal activities. Moving forward, improvements to the general ledger are required in order to more clearly and accurately assign expenditure by activity. This has been listed as an improvement task.

Year	Renewal Expenditure
2012/13	\$127,906
2011/12	\$102,453
2010/11	\$94,226

Table 6-8: Historical Building Renewal Expenditure 2010/11 - 2012/13

Renewal Selection

Building components requiring renewal are currently identified either by customer request or through staff inspection. Staff then use their experience and judgement to prioritise works. There would be clear benefit in moving towards a condition based regime whereby each building's components are assessed and those found to be in a poor condition programmed for renewal. An improvement task to develop and implement a cyclical inspection programme has been listed.

Renewal is undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Renewal Standards

Renewal work is carried out in accordance with the relevant standards and specifications listed in Appendix A.

Summary of Projected Renewal Expenditure

A summary of the planned expenditure on building renewal is provided below. The expenditure level is based upon the historical rate of depreciation. However, it should be noted that building components have different lives and depreciate at different rates. In order to produce a more robust figure, there is a strong need to undertake a new valuation, collect component level inventory and carry out building condition inspections.

No allowance for building rationalisation has been made in the following figures.

Year	Renewal Expenditure
2014/15	\$112,523
2015/16	\$117,024
2016/17	\$121,705
2017/18	\$126,573
2018/19	\$131,636
2019/20	\$136,901
2020/21	\$142,377
2021/22	\$148,072
2022/23	\$153,995
2023/24	\$160,155

Table 6-9: Projected Building Renewal - 2014/15 to 2023/24

Renewals are to be funded from capital works programs and grants where available.

6.2.6. Acquisition/Upgrade Plan

New works (acquisition) are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development.

Historical Expenditure

The Shire's actual past expenditure on building acquisition/upgrade activities is shown in Table 6-10. Figures are not currently available due to limitations in the Shire's historical account keeping practices.

Year	Upgrade Expenditure	New Expenditure
2012/13	\$0	\$0
2011/12	\$0	\$0
2010/11	\$0	\$0

Table 6-10: Historical Building Acquisition/Upgrade Expenditure 2010/11 - 2012/13

Selection Criteria

New assets and the upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Proposals are then prioritised by Council based upon perceived need and available funds. The development of a process that quantifies project alignment with the Strategic Community Plan would have clear merit, but does not currently exist. The development of such a process that evaluates projects using weighted multi-criteria analysis has been listed as an improvement task.

Standards and Specifications

Upgrade and new work is carried out in accordance with the relevant standards and specifications listed in Appendix A.

Summary of projected upgrade/new asset expenditure.

A summary of planned upgrade and new building works is detailed in Table 6-11.

Year	Project	Upgrade Expenditure	New Expenditure
2014/15			
2015/16			
2016/17			
2017/18			

2018/19			
2019/20			
2020/21			
2021/22			
2022/23			
2023/24			

Table 6-11: Planned Building Upgrade & Acquisition Expenditure - 2014/15 to 2023/24

New assets and services are to be funded from the capital works programme and grants where available.

6.2.7. Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 6-12, together with estimated annual savings from not having to fund operations, maintenance and renewal of the assets. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any.

Where cash flow projections from asset disposals are not available, these will be developed in future revisions of this AMP.

Asset	Reason for Disposal	Timing	Net Disposal Expenditure (Expend +ve, Revenue -ve)	Operations & Maintenance Annual Savings

Table 6-12: Buildings Identified for Disposal

6.3. Asset Lifecycle Management – Vacant Freehold Land

6.3.1. Asset Inventory

A copy of the Shire's current vacant freehold land inventory is in Appendix J and summarised in Table 6-13.

Zoning/Use	No. of parcels	Total Size (m ²)
Unknown	13	-
TOTAL	13	-

Table 6-13: Vacant Freehold Land Inventory

6.3.2. Asset Condition

An assessment of vacant land condition is not required.

6.3.3. Asset Valuation

At the end of each financial year, the Shire reviews the valuation of its assets. However, a valuation of vacant freehold land parcels is not currently available. An improvement action to undertake a valuation of these parcels has been listed. The results of this will be shown in Table 6-14.

Year	Fair Value
-	-

Table 6-14: Vacant Freehold Land Valuation

6.3.4. Operation and Maintenance Plan

An operation and maintenance plan for vacant freehold land is not required.

6.3.5. Renewal/Replacement Plan

A renewal plan for vacant freehold land is not required.

6.3.6. Acquisition/Upgrade Plan

From time to time the Shire acquires new parcels of land for a variety of potential purposes. In addition, the possibility of it being “gifted” (e.g. from development) also exists.

Historical Expenditure

The Shire’s actual expenditure on the acquisition or upgrade of vacant freehold land is shown in Table 6-15.

Year	Upgrade Expenditure (Development)	Acquisition Expenditure
2012/13	\$0	\$0
2011/12	\$0	\$0
2010/11	\$0	\$0

Table 6-15: Vacant Freehold Land Upgrade and Acquisition Expenditure 2010/11 - 2012/13

Selection Criteria

The requirement for the acquisition of new vacant freehold land is identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Proposals are then prioritised by Council based upon perceived need and available funds. The development of a process that quantifies project alignment with the Strategic Community Plan would have clear merit, but does not currently exist. The development of such a process that evaluates projects using weighted multi-criteria analysis has been listed as an improvement task.

Summary of Projected new Vacant Freehold Land Expenditure.

Planned expenditure on the acquisition of vacant freehold land parcels is detailed in Table 6-16.

Year	Project	Upgrade Expenditure	Acquisition Expenditure
2014/15			
2015/16			
2016/17			
2017/18			
2018/19			
2019/20			

2020/21			
2021/22			
2022/23			
2023/24			

Table 6-16: Planned Land Upgrade and Acquisition Projects

Acquisition is to be funded from municipal funds and grants where available.

6.3.7. Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned or unrequired asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 6-17, together with estimated annual savings from not having to fund operations and maintenance of the assets. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any.

Where cash flow projections from asset disposals are not available, these will be developed in future revisions of this AMP.

Asset	Reason for Disposal	Timing	Net Disposal Expenditure (Expend +ve, Revenue -ve)	Operations & Maintenance Annual Savings

Table 6-17: Land Parcels Identified for Disposal

7. Financial

This section contains the financial requirements resulting from all the information presented in the previous sections of this AMP. The financial projections will be improved as further information becomes available on desired service levels and current and projected future asset performance.

All future monetary figures in this section are expressed in terms of real dollars, with a 2013 base year and an applied inflation rate of 4%. Historic figures are expressed in their respective real values.

7.1. Projected Expenditure

Table 7-1 and Table 7-2 detail the projected expenditure required for the property portfolio over the next 10 years. As previously discussed, there are areas of data weakness and therefore the following projections are likely to change as the Shire's asset management practises improve.

Asset Type	Year 1	Year 2	Year 3	Year 4	Year 5
	2014/15	2015/16	2016/17	2017/18	2018/19
Buildings	\$624,967	\$649,966	\$675,964	\$703,003	\$731,123
Vacant Freehold Land	\$0	\$0	\$0	\$0	\$0
Required Funds	\$624,967	\$649,966	\$675,964	\$703,003	\$731,123

Table 7-1: Projected Property Asset Expenditure - 2014/15 to 2018/19

Asset Type	Year 6	Year 7	Year 8	Year 9	Year 10
	2019/20	2020/21	2021/22	2022/23	2023/24
Buildings	\$760,368	\$790,782	\$822,414	\$855,310	\$889,523
Vacant Freehold Land	\$0	\$0	\$0	\$0	\$0
Required Funds	\$760,368	\$790,782	\$822,414	\$855,310	\$889,523

Table 7-2: Projected Property Asset Expenditure - 2019/20 to 2023/24

7.2. Projected Revenue Sources

Table 7-3 and Table 7-4 detail the likely revenue sources for the property portfolio.

Asset Type	Year 1	Year 2	Year 3	Year 4	Year 5
	2014/15	2015/16	2016/17	2017/18	2018/19
Rent & Hire	\$101,475	\$105,534	\$109,755	\$114,146	\$118,712
Fees	\$121,097	\$124,740	\$128,530	\$132,471	\$136,570
Grants & Subsidies	\$25,380	\$26,395	\$27,451	\$28,549	\$29,691
Municipal Funds	\$372,016	\$386,896	\$402,372	\$418,467	\$435,206

Table 7-3: Projected Property Asset Revenue - 2014/15 to 2018/19

Asset Type	Year 6	Year 7	Year 8	Year 9	Year 10
	2019/20	2020/21	2021/22	2022/23	2023/24
Rent & Hire	\$123,460	\$128,398	\$133,534	\$138,876	\$144,431
Fees	\$140,833	\$145,266	\$149,877	\$154,672	\$159,659
Grants & Subsidies	\$30,878	\$32,113	\$33,398	\$34,734	\$36,123
Municipal Funds	\$452,614	\$470,718	\$489,547	\$509,129	\$529,494

Table 7-4: Projected Property Asset Revenue - 2019/20 to 2023/24

7.3. Key Assumptions Made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this AMP and in preparing forecasts of required operating and capital expenditure, asset values and depreciation expense. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are that:

- = Property assets will remain in Council ownership throughout the period covered by this AMP, unless specifically detailed otherwise in Section 6.
- = Standards, Acts and Regulations associated with property assets will remain essentially the same over the AMP life.
- = Expenditure projections make allowance for likely inflation at a rate of 4% per annum.
- = Operation and maintenance costs are based on historical expenditure trends which are not necessarily a sound indicator of future need, nor are tied to actual activities.
- = Renewal programmes have been based on either historical cost or annual depreciation rates. Future versions of this AMP will move to condition based works programming and resourcing methods.
- = Inventory information used in calculations is the latest available at hand, but consideration of overall data confidence levels is critical when using this AMP.
- = Historical expenditure reports split by activity may contain expenditure which was actually expended on different activities.

Accuracy of future financial forecasts may be improved in future revisions of this AMP by the following actions.

- = Developing and applying unit costs and assumed lives for all asset components.
- = Improving the accuracy and data confidence of asset inventories where they are low.
- = Ensuring that accurate valuations of all asset types are produced annually.
- = Implementing condition based works programming with associated funding requirement projections.
- = Ensuring that all future upgrade, new and disposal projects, with funding expenditure/ revenue projections, are fully documented in Section 6.

7.4. Integrated Planning & Reporting KPIs

The Shire operates its business processes in-line with the WA Department of Local Government's Integrated Planning and Reporting Advisory Standard. Asset Management performance is measured by the application of three Key Performance Indicators (KPIs). The property portfolio's performance against each KPI is as follows.

KPI	Performance	Comment
Asset Consumption Ratio	78%	Target band is between 50% and 75%. Using historical cost data, a ratio of 78% is produced. However, the ratio should be produced using a portfolio CRC and DRC, neither of which are currently known.
Asset Sustainability Ratio	Unknown	Target band is between 90% and 110%. This ratio cannot be calculated because the portfolio's current annual depreciation rate is not known.
Asset Renewal Funding Ratio	102%	Target band is between 90% and 100%. The current performance is above the target band. However, further work is required to refine future resource requirements and it is anticipated that this ratio will change in future revisions of this AMP.

8. Asset Management Practices

8.1. Accounting/Financial Systems

The current financial package used by the Shire for recording expenditure and revenue from Property Assets is Quickbooks, although is moving to Synergysoft in 2014. The Shire's Deputy CEO is responsible for the system's maintenance and accuracy. In meeting its financial reporting obligations the Shire must comply with

- = AAS 4 Depreciation
- = AAS 5 Materiality
- = AAS 6 Accounting Policies
- = AAS 27 Financial Reporting by Local Governments
- = AAS 29 Financial Reporting by Government Departments
- = AAS 31 Financial Reporting for Governments
- = AAS 38 Revaluation of Non-Current Assets
- = AASB 1041 Revaluation of Non-Current Assets
- = SAC 4 Definition And Recognition of The Elements of Financial Statements
- = Local Government Act 1995 Part 6 – various financial management processes.

Any changes which have been identified as needing to occur to the accounting/financial system by this AMP are included in the improvement plan.

8.2. Asset Management Systems

The Shire does not currently operate an asset management system for its properties. The investigation of a suitable system has been listed as an improvement action.

8.3. Information Flow Requirements and Processes

The key information flows into this AMP are:

- = Council strategic and operational plans
- = Asset inventories
- = Valuation reports
- = Current service levels, expenditures, service deficiencies and service risks
- = Projections of various factors affecting future demand for services and assets owned by Council
- = Future capital works programmes
- = Financial asset values

The key information flows from this AMP are:

- = The resulting budget and long term financial plan expenditure projections
- = Financial sustainability indicators
- = The asset management improvement programme

These will impact the Long Term Financial Plan, Corporate Business Plan and Annual Budget.

8.4. Legislation, Standards, Policies and Guidelines

Standards, guidelines and policy documents referenced in this AMP are listed in Appendix A.

9. Plan Improvement and Monitoring

This Section of the AMP outlines the degree to which it is an effective and integrated tool within the Shire's business processes as well detailing the future tasks required to improve its accuracy and robustness.

9.1. Performance Measures

The effectiveness of the AMP can be measured in the following ways:

- = The degree to which the required cash flows identified in this AMP are incorporated into council's long term financial plan; and
- = The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the AMP.

Suitable measures to continuously monitor the performance of this AMP will be developed after such a time when the Shire's corporate integrated planning reaches a suitable maturity and robustness.

9.2. Improvement Plan

The asset management improvement plan generated from this AMP is shown in Table 9-1.

Task No	Task	Responsibility	Resources Required	Timeline
1	Investigate the resources required to carry out the asset management programme and determine suitable/available source(s).			
2	Engage with stakeholders to determine their service needs.			
3	Refine the general ledger so that property revenue and expenditure is recorded accurately by asset and activity.			
4	Monitor the usage levels of each property and calculate their individual hourly costs using recorded whole of life costing.			
5	Develop a property rationalisation process.			
6	Develop a data dictionary for property assets to help guide future data collection activities.			

7	Develop a robust asset inventory for buildings and vacant freehold land.			
8	Develop and implement a safety and maintenance defect inspection programme with associated intervention levels.			
9	Develop preventative maintenance service levels and programmes linked to budgets.			
10	Develop and implement a cyclical condition inspection programme with associated renewal triggers.			
11	Develop an upgrade / new project evaluation procedure.			
12	Develop a corporate risk management policy and register.			
13	Develop a specification for a property management system and investigate options.			
14	Monitor properties' consumption levels of energy and water.			
15	Categorise and place properties into a hierarchy.			
16	Develop guidelines on property material reuse and recycling options.			
17	Investigate and cost options for new technologies which may help to reduce long term costs (e.g. solar power)			
18	Undertake a full valuation of the property portfolio.			

Table 9-1: Property AMP Improvement Plan

9.3. Monitoring and Review Procedures

This AMP will be reviewed during annual budget preparation and amended to recognise any changes in levels of service and/or resources available to provide those services as a result of the budget decision process.

APPENDICES

Appendix A – Legislation Acts and Regulations

This section provides details on all legislation, standards, policies and guidelines which should be considered as part of the management practices of the Shire's property assets.

Legislation / Standard / Organisation	Requirement / Document
Local Government Act 1995	<p>Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by AMPs for sustainable service delivery.</p> <p>The Act also provides guidance on the rules around local governments who derive revenue from operations such as non-core business.</p>
Building Code of Australia	The Building Code of Australia (BCA) is Volumes One and Two of the National Construction Code (NCC). The BCA is produced and maintained by the Australian Building Codes Board (ABCB) on behalf of the Australian Government and State and Territory Governments. The BCA has been given the status of building regulations by all States and Territories.
Aboriginal Heritage Act 1972	Regulations and requirements that the Shire must comply with relating to aboriginal heritage.
Aboriginal Heritage Regulations 1974	Preservation of the community places and objects used by traditional owners.
Native Title Act 1999	Regulations and requirements that the Shire must comply with in relation to the use of land.
Dangerous Goods Safety Act 2004	Relates to the safe storage, handling and transport of dangerous goods.
Health Act 1911	Relates to the handling and disposal of hazardous materials including asbestos.
Dividing Fences Act (1961)	Local government exemption from 50/50 contribution for dividing fences abutting public open space.
Occupational Health and Safety Act 1984	The Occupational Health and Safety Act is concerned with protecting the safety, health and welfare of people engaged in work or employment. Full consideration and application of the Act should be given in order to identify, manage and reduce or mitigate the risk of harm to the Shire's employees.

OSH Regulations 1996	The guidelines for employees and employers to undertake within the work environment
Disability Discrimination Act 1992	<p>The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.</p> <p>Disability discrimination happens when people with a disability are treated less fairly than people without a disability. Disability discrimination also occurs when people are treated less fairly because they are relatives, friends, carers, co-workers or associates of a person with a disability.</p>
Disability Services Act 1993	An Act for the establishment of the Disability Services Commission and the Ministerial Advisory Council on Disability, for the furtherance of principles applicable to people with disabilities, for the funding and provision of services to such people that meet certain objectives, for the resolution of complaints by such people, and for related purposes.
Disability Services Regulations 2004	Current amendments to Disability Services Act (1993)
Other Standards and Regulations	<p>Other relevant documents include, but are not limited to:</p> <p>AS/NZS 4360: 1995 Risk Management</p> <p>All other relevant State and Federal Acts & Regulations</p> <p>All Local Laws and relevant policies of the organisation</p> <p>Refer to Section 7 for the relevant financial legislation and regulatory requirements.</p>
Shire of Mukinbudin	<ul style="list-style-type: none"> = 1.2.4 – Occupational Health and Safety = 1.2.7 – Drug and Alcohol Testing = 1.4.3 – Smoke Free Zones = 1.4.4 – Tenancy Agreements = 1.4.11 – Alcohol Consumption – Council Facilities = 1.4.13 – Funding of Recreation Building = 1.6.2 – Regional Price Preference Policy = 1.6.3 – Licence Fees, Rentals and Charges = 1.6.9 – Revaluation of Non-Current Assets = 1.6.10 – Purchasing and Tender Policy

Table 9-2: Legislative Requirements, Standards, Policies and Guidelines

Appendix B – AMP Stakeholders and Service Levels

AMP Stakeholders

Analysis of the Shire’s property portfolio revealed that there are 7 key stakeholder groups. These stakeholders are identified below and while there may be other minor stakeholders, they have not been specifically considered by this AMP.

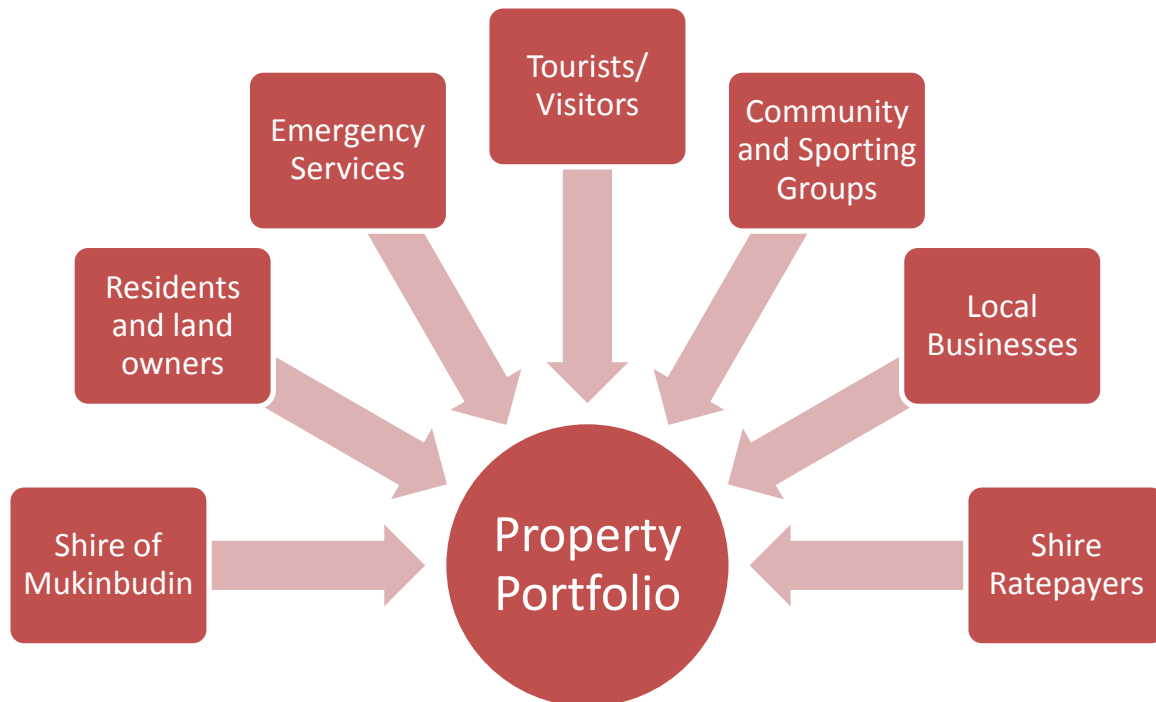


Figure 9-1: Property Stakeholders

= Shire of Mukinbudin (Council and Staff)

Council are the owner/maintainer of the Shire’s property portfolio. Council are responsible for balancing service level provision against cost. The AMP contains relevant information around which the Council is able to make long term strategic decisions.

The Shire’s CEO and staff are responsible for the day to day operation of the portfolio as well as being direct users and even residents. They use the AMP for a range of business activities such as financial, performance, risk and works management.

= Residents and Land Owners

While residents and land owners may be users of the Shire’s properties, they would also be interested in how the portfolio may affect local town aesthetics, services and even property values.

= Emergency Services

Emergency services organisations such as the SES or Bush Fire Brigade(s) are tenants of the Shire's properties. They would be focussed on their service outcomes and would likely require their properties to be fit for purpose and safe.

= Tourists/Visitors

Tourists and visitors to the Shire would be looking for a number of key services which the Shire's portfolio may provide. This would include toilets, information bays, rest stops and places of interest such as museums. Features such as quality, availability, accessibility, safety and aesthetics may be important to this group.

= Community and Sporting Groups

Community and sporting groups are a key user of the Shire's portfolio. While each of their expectations and service needs may differ slightly, they would be interested in core outcomes such as quality, aesthetics, availability, accessibility, safety and flexibility.

= Local Businesses

Many (but not all) local businesses would support both local and passing trade. As such, they would be interested in the Shire's portfolio being able to enhance the local area so as to retain and possibly grow the population base, as well as attract passing customers (e.g. tourists/visitors). Some local businesses are also tenants. This group may be interested in aesthetics, function and quality.

= Shire Ratepayers

Ratepayers may be interested in the financial and capital works aspects within the AMP. They would be principally interested in the service levels that the Council provides and at what cost.

Process for Developing Potential Service Levels

In developing the service levels for the Property Portfolio, the Shire has generally applied the framework as set out in the IIMM - 2011. The process broadly applies 5 steps, being:

- = Identify service attributes important to customers;
- = Define the customer service levels the Shire delivers;
- = Develop performance measures;
- = Consult with customers; and
- = Make service level based decisions.

Identifying Service Attributes Important to Customers

For this AMP, stakeholders were identified and then segmented into groups, as detailed in Figure 9-1. Each stakeholder group has different interests and may seek different services outcomes.

The identification of these service outcomes and interests was undertaken internally, by taking on each group's position. In this instance no stakeholder consultation occurred, however in future revisions of this AMP, it would be advantageous to do so.

Define the Customer Service Levels the Shire Delivers

Using the values that were developed, key drivers/service levels were selected. These provided the basis from which the final service level table was produced. Typically, those service levels which were frequently occurring or were "needed" (as opposed to "wanted"), were selected.

Develop Performance Measures

Performance measures for each service level were developed and which used the "SMART" rule, being; **S**pecific, **M**easurable, **A**chievable, **R**elevant and **T**imebound. Where possible, ratios (percentages) were also used in the final measurement in order to accommodate possible changes in base data.

Consult With Customers

At this point in time, no consultation has occurred with key customers (stakeholders). It is envisaged that this will occur over the medium term. Before this occurs though, a suitable framework for consultation with stakeholders will need to be developed.

Make Service Level Based Decisions

Once the Shire has reached a future point whereby it has confidence in both customers' required service levels and property portfolio performance, it will be able to make informed strategic decisions.

Stakeholder Key Service Attributes

Each of the key stakeholders were considered as to what they value and expect from the property portfolio. These needs and wants were captured and have been presented in the table below. Those considered of high importance, that is occur frequently, and those which are needed, were then chosen to form the basis of the AMP's Service Levels.

Stakeholder	Specific Needs/Wants	Need or Want?	Service Attribute
Shire (Council & Staff)	Properties are managed to meet all applicable regulations	Need	Compliance
	Properties are managed in a financially sustainable manner	Want	Financial Sustainability
	Properties are maintained in a safe condition so as to minimise the Shire's and users' risk exposure	Want	Safety
	Properties are accessible to all legal users	Want	Accessibility
	Properties are available for use when user's want them.	Want	Availability
	Properties are managed to reduce and where possible avoid, negative environmental outcomes	Want	Environmental Sustainability
	Users are satisfied with the properties	Want	Customer Satisfaction
	Properties are of a suitable quality to attract and retain staff	Want	Quality
	Properties have function flexibility to be able to provide multiple services	Want	Flexibility
Residents and Landowners	Property portfolio adds to local aesthetics	Want	Aesthetics
	Property portfolio enhances local property values	Want	Quality
	Property portfolio supports services which encourage a stable or growing population	Want	Quality
	Properties are designed and maintained in order to discourage anti-social behaviour	Want	Safety
Emergency Services	Properties are accessible	Need	Accessibility
	Properties are available	Want	Availability

	Properties are safe	Need	Safety
	Properties are maintained to an agreed quality	Want	Quality
Tourist & Visitors	Properties are accessible	Want	Accessibility
	Properties are available	Want	Availability
	Properties are well maintained and to a high standard	Want	Quality
	Properties are safe	Want	Safety
	Properties are well signed	Want	Signage
	Properties add to the Towns' aesthetic appeal	Want	Aesthetics
Community & Sporting Groups	Properties are accessible	Want	Accessibility
	Properties are available	Want	Availability
	Properties are well maintained and to a high standard	Want	Quality
	Properties are safe	Want	Safety
	Properties can be adapted to suit different services	Want	Flexibility
	Properties add to the Towns' aesthetic appeal	Want	Aesthetics
Local Business	Properties are accessible	Want	Accessibility
	Properties are available	Want	Availability
	Properties are well maintained and to a high standard	Want	Quality
	Properties adds to the aesthetic appeal of the Town	Want	Aesthetics
	Properties represent value for money	Want	Financial Sustainability
	Properties enhance trade	Want	Business Development
	That consultation occurs on major property projects	Want	Consultation
Shire Ratepayers	Property adds to the aesthetic appeal of the Town	Want	Aesthetics
	Property maintained in a safe condition so as to minimise the Shire's and users' risk exposure	Want	Safety

	Property managed in a financially sustainable manner	Want	Financial Sustainability
--	--	------	--------------------------

Table 9-3: Stakeholder Service Levels

The following service attributes were selected for Service Levels:

- = **Quality – Frequency: 7**
- = **Safety – Frequency: 6 and Needed**
- = **Accessibility – Frequency: 5 and Needed**
- = **Compliance – Frequency: 1 and Needed**

In addition, the service levels for availability and aesthetics were also frequently appearing service attributes. These will be held as possible future service levels that will be considered as and when the Shire is able to successfully establish and monitor the performance of the above 4 service levels.

Appendix C – Safety & Maintenance Inspection Guidelines

Background

To be developed in future versions of this AMP.

Inspection Process

To be defined.

Appendix D – Condition Inspection Methodology

Portfolio Asset Condition Rating Scale

The Shire undertakes condition ratings of many of its infrastructure assets in order to determine their remaining useful life and to prioritise future capital works. By undertaking regular inspections, the Shire is able to understand at what rate assets are deteriorating and then monitor the effectiveness of maintenance and renewal activities in extending the life of assets.

In assessing asset's condition, the Shire has adopted a 1 to 5 scale of rating which allows the overall condition of different asset classes to be compared. Table 9-4 details the scale applied and what each rating means.

Grade	Condition	Description
1	Very Good	A new or near new asset, or an asset recently rehabilitated back to new condition, with no visible signs of deterioration. The asset or component will have no drop in level of service.
2	Good	An asset in excellent overall condition. There would be only very slight condition decline but it would be obvious that the asset was no longer in new condition.
3	Average	An asset in fair overall condition deterioration in condition would be obvious and there would be some serviceability loss.
4	Poor	An asset in fair to poor overall condition. The condition deterioration would be quite obvious. Asset serviceability would now be affected and maintenance costs would be rising.
5	Very Poor	An asset in poor to unserviceable overall condition deterioration would be quite severe and would be starting to limit the serviceability of the asset. Maintenance cost would be high.

Table 9-4: Condition Rating Measures

The Shire aims to minimise the amount of assets that are rated as a 5 unless assets are in this state as part of a specific management program (i.e. part of an asset decommission plan).

Appendix E – Property Demand

Background

Council's fundamental role is to provide services to its community and stakeholders. Amongst a range of services, the Shire supports operations, administration, sports clubs, community clubs, emergency services and so on, through the provision of property.

Predicting future demand for services is an important element of any organisation's asset management practices. It enables practitioners to plan ahead and identify the best way of meeting future demand.

This section of the AMP looks at both historical and future levels of property demand. Whilst future demand is arguably the more important focus, crucial evidence and trends can be learned from examining what has happened, and what is happening. Readers should be aware though that as with any demand forecasting, prediction is rarely ever 100% correct. As this is the Shire's first Property AMP, the Demand Section takes a broad view to possible demand influences and as an outcome, attempts to identify those most likely to have the greatest impact on demand over the life of the AMP.

Historic Property Demand

Demand for services is generally measured by how many customers use the assets. However, the Shire has not historically monitored individual property usage levels. An improvement action to begin monitoring this has been listed. To ascertain the historical property demand, the Shire has used statistics to consider factors such as demographic change, population change, recreation activity change and tourist change.

Population Change

When the overall population change of the Shire (Figure 9-2) between 2001 and 2011 is considered, the number of recorded people at census night has fallen from 659 (2001), to 575 (2006), to 490 (2011). The decrease of -25.6% between 2001 and 2011 would suggest that demand for some of the services that the Shire's properties support may also have decreased. As such, the Shire may have to monitor utilisation levels of individual properties in order to understand where capacity does, and does not, exist and whether there is opportunity for rationalisation. An analysis of current usage levels and comparison to whole of life costs has been listed as an improvement action.

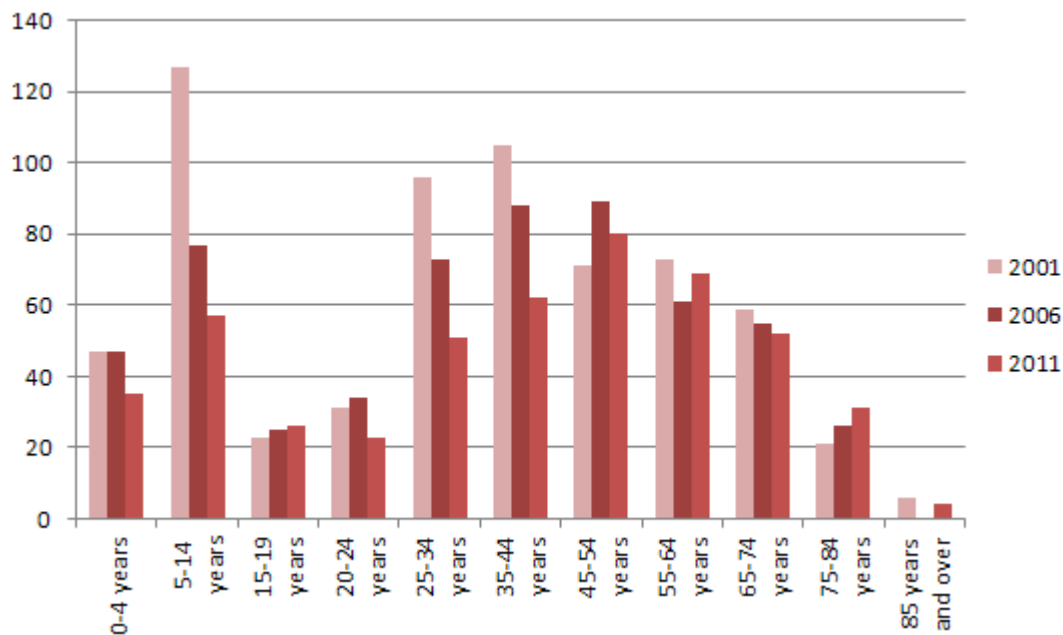


Figure 9-2: ABS Population & Demographic - Shire of Mukinbudin 2001-2011

Demographic Change

Figure 9-2 also shows that between 2001 and 2011 there has been a significant change in the Shire's demographic profile. While the Shire's median age has risen from 35 (2001) to 45 (2011), representative of an ageing population, there are also some interesting trends that are apparent.

Further analysis of the nature of population decline shows that it is not occurring evenly. Figure 9-2 shows that population decline has occurred in the 0-4, 5-14, 20-24, 25-34, 35-44, 55-64, 65-74 and 85+ age groups. At the same time though, population growth has occurred in the 15-19, 45-54 and 75-84 age groups. This change in demographic may mean that demand for certain services will have fallen, while others have risen. For example, with the fall in the number of children aged between 0 and 14, demand for services aligned to young families (e.g. child care) may have fallen.

Due to the demographic changes, there is a need to ensure that properties align to service demand. An improvement action to consult on the types of services required by the community, and monitor usage levels, has been listed.

Recreation Participation Change

The ABS Participation in Sport and Physical Recreation Survey was last conducted in 2011-12 and can also be compared to the 2009-10 survey to identify trends. The surveys showed that there was no significant change in national sport and physical recreation participation rates

between 2009–10 and 2011–12 (64% and 65% respectively). Therefore, as the Shire’s population has fallen, it can be assumed that so too has demand.

The ABS statistics show that the most popular type of facility used for sport and physical recreation activities in 2011-12 were parks and reserves, at 40%. Within WA, walking for exercise remained the most popular activity over time with a participation rate of 22.5%. The second and third most popular activities were fitness/gym (17.1%) and swimming/diving (9.6%) respectively. Understanding what recreational activities the Shire’s residents currently participate in would allow properties to be aligned to demand. Undertaking a survey of participation has been listed as an improvement action.

Tourist & Visitor Numbers Change

Outside of immediate local demand, there may be potential demand from visitors to the Shire, whether day trippers or tourists. Figures from Tourism WA (Figure 9-3) show that over the past 4 years, the estimated number of visitors to/within WA have risen from 18.7million in 2008/09 to 22.1million in 2012/13. Whilst figures show that only 7% of visitors go to the “golden outback” region (within which the Shire sits), there remains some potential future demand growth for properties within the Shire, particularly at sites that visitors are likely to go to. This may mean an increase in demand for properties such as public toilets, attractions and accommodation.

Visitors (+ 5.3%)

- 22.1 million visitors
- 9.1% of visitors to/within Australia



Figure 9-3: WA Visitors (Source: Tourism WA October 2013)

Future Demand Drivers

In order to identify future demand pressures on the Property Portfolio (both positive and negative), six driver categories, being political, economic, social, technological, legal and environmental have been considered. Drivers such as these will not only influence actual usage levels, but also possibly require future resources in order to meet specific needs or goals. Each of these demand drivers are discussed below and their effect summarised. The exact effects of many of these drivers are difficult to quantify and may also require further study and research.

Political Demand

Town Planning Scheme review

The Shire reviews its Town Planning Scheme every 5 to 7 years. Revisions to the Scheme have the potential to change land use and therefore affect the demand of the property portfolio. At present, it is believed that only major changes in land use would have an effect on demand. As and when such change may occur, consideration of the demand effects should be given. Over the current life of this AMP, no significant demand is forecasted from the Town Planning Scheme review.

Local Government Reform

In 5 February 2009, the Minister for Local Government announced a suite of Local Government reforms. The reforms requested each Local Government to consider structural reform options with its neighbouring Councils and encouraged voluntary amalgamations or development of regional collaborative groups. While the Shire did not amalgamate with any other Local Governments, it is currently unclear whether compulsory amalgamations will occur in the future. If they were to do so, the following outcomes could be expected:

- = There would be a 2-5 year period of increased demand for resources, as asset systems, practices, processes and resources are aligned
- = That there may be some reduction in property demand through economies of scale

Therefore the areas of expected demand change as part of the reform process is in the development and implementation of more robust asset management practices and medium to long term disposal of properties where services could be rationalised. However, a limitation in Shire resources to handle an increased asset management programme exists. Furthermore, a rationalisation procedure would also have to be developed. Consideration of these would have merit and therefore have been listed as improvement actions.

Council Policy

Whilst historic data suggests that there has probably been falling demand levels of the Shire's properties, Council policy changes can also influence demand. A good example of this is

whereby Council opts to provide different service levels (higher or lower) than that which is currently provided. The introduction of more formal asset and financial management practices will in theory provide Council will greater ability to change service levels, while also providing the opportunity to ensure financial sustainability. However, it is likely that it will take the Shire a number of years to reach this informed position and as such, the exact effects of future Council Policy changes on asset demand cannot be currently determined.

Change Effect: Likely demand over the short term (2-3 years) to increase the level of resources to improve and sustain the Shire's asset management practices. Longer term, there may be additional demand to increase infrastructure renewal spending, although this has not been ascertained. Furthermore, if amalgamation was to occur, there may be some scope for the rationalisation of the Shire's property portfolio.

Economic Demand

Energy and Water Costs and Availability

The use of the Shire's buildings often results in basic commodities such as energy (e.g. electricity and gas) and water being consumed. Energy costs, typically in the form of electricity, have increased sharply over the last 15-20 years due to the higher costs of supply and transmission/transportation. Equally, with decreasing annual rain falls and higher median maximum temperatures, water security and cost have also become increasingly important.

It is likely that prices for basic commodities will continue to rise above normal inflation levels over the life of this AMP. To help protect itself against future price increases, there is value in the Shire investigating alternative sources, such as whether the installation of technologies such as solar power have benefit. This has been listed as an improvement action.

Council Financial Sustainability

In recent years there has been a moderate level of publicity and investigation into the long term sustainability of WA local governments. Recently the WA State Government has initiated a process of reform, as part of which Council investigated the potential to merge with neighbouring Councils. While no merger occurred, there remains a possibility that the Shire may be forcibly amalgamated by state government. Despite this, considering the Shire in its current state, its financial sustainability will be determined over the coming months as the various aspects of its asset management framework and outputs from the AMPs are meshed with its Long Term Financial Plan. Until this point, the Shire's long term sustainability position is not currently known.

Change Effect: Rising costs will drive increased demand for resources. Long term financial sustainability position is unclear.

Social Demand

Population

The Western Australian Department for Planning along with the Western Australian Planning Commission produce population forecasts for WA local government areas. The last forecast profile for the Shire (February 2012) contains a population forecast produced in 2006, spanning from 2006 until 2026. The forecast contains 5 bands of population forecast, with A being the most pessimistic and E the most optimistic. The results are shown in Table 9-5.

Year	Band A	Band B	Band C	Band D	Band E
2006	610	610	610	610	610
2007	570	590	600	610	630
2008	530	570	590	610	640
2009	490	540	570	600	650
2010	450	510	550	600	650
2011	410	490	540	590	660
2012	390	470	530	580	660
2013	370	450	510	570	660
2014	350	440	500	560	650
2015	340	430	490	550	640
2016	330	420	480	540	630
2017	320	410	470	530	620
2018	310	400	460	520	610
2019	300	390	450	510	600
2020	290	380	440	500	600
2021	280	360	430	490	590
2022	270	360	420	480	580
2023	260	350	410	480	570
2024	250	340	400	470	560
2025	250	330	390	460	560
2026	240	320	390	450	550

Table 9-5: Western Australian Planning Commission - Population Forecasts by Bands 2006 to 2026

When the census results are considered, it suggests that the Shire is currently tracking generally in line with the projection of Band B. The forecast suggests that the population of the Shire will continue to decline down to approximately 320 people by 2026. If this scenario were to occur, it could be expected that service demand due to population change would decrease

significantly. As such, there would then be a very strong case to rationalise the property portfolio in order to align services to demand and maximise its cost efficiency. However, the Shire will need to monitor actual population change to determine whether decline continues to occur.

Demographics

Historical census data showed that the Shire's median age changed from 35 in 2001 to 45 in 2011. With projections suggesting that the population will continue to fall, it is likely that the median age will continue to increase over the life of this AMP. Therefore services demanded for younger people, such as child care, youth recreation and sports etc. will likely fall, whilst services for older people such as health care and aged accommodation will rise. This means that there is a strong need to plan for future service demand and review the current alignment of the property portfolio.

Change Effect: Demand decrease in younger person services, but increase in aged person's services. Need to ensure portfolio aligns to future emerging service demand trends.

Technological Demand

Building Construction Technology

It is likely that over the life of this AMP, that development in building construction technology will occur. In recent years, industry has seen change across a number of areas, with the most notable being in energy efficiency and technology integration. This means that over the life of this AMP that there will be opportunities for the Shire to retrofit buildings in order to reduce energy consumption (and thus carbon footprint). In addition for some buildings, the use of technology such as "smart wiring" may allow them to have a networked, integrated, and intelligent building management system.

Condition Monitoring and Building Management Systems

Changes and improvements to the way WA local governments are managing their infrastructure means that there will likely be a growing need to develop and manage data in the form of inventories, condition ratings, financial performance etc. To do so in an efficient manner so that data can be interrogated and knowledge extracted, a building management system will likely be required. Therefore, over the life of this AMP it is expected that additional resources will be needed in order to acquire and maintain a system. These resources will also be required to acquire data in the form of property component attributes (inventory) and condition ratings. An improvement action to define the scope and requirements for such a system has been listed as an improvement action.

Material Recycling/Reuse

Technology currently exists whereby building components can often be reused or recycled once they have reached the end of their initial useful life. While levels of waste material are currently low, there would be merit in developing a simple set of guidelines that would help staff to plan for material reuse or recycling of building components. This has been listed as an improvement action.

Change Effect: Opportunity exists to manage and maintain the property portfolio more efficiently and sustainably. Opportunity also exists to incorporate technology improvements into selected buildings and to plan for the future reuse or recycling of waste materials.

Legal Demand

Litigation

Historically, exposure to litigation resulting from building accidents has been almost non-existent. However in theory, there is a risk that as the Shire's property portfolio continues to age, that if not properly maintained, those in poor condition could expose the Shire and users to higher levels of risk of harm. Ensuring that a suitable programme of asset inspection and defect correction exists will limit this exposure to risk. The development of a formal inspection regime has been listed as an improvement action.

Change Effect: Slight increase in demand for formalised safety and maintenance inspection regime.

Environmental Demand

Environmental Awareness

In recent years, the community's awareness of environmental issues, including climate change, has resulted in some change to habits and broader government legislation (e.g. carbon tax). It is likely that over the term of this AMP that infrastructure managers will have to ensure that assets are maintained at increasingly environmentally sustainable levels. This will include:

- = Questioning whether assets are required
- = Ensuring that maximum life is obtained from assets
- = That construction and maintenance techniques reduce and avoid the use of virgin materials wherever possible

Opportunities to reduce the Shire's energy and material consumption have already been discussed and remain valid. An improvement task to monitor current consumption levels has been listed.

Change Effect: Increased demand for clearer decision making around asset need. Increased demand for more environmentally sustainable properties.

Appendix F – Capital Works Programme

A condition based capital works programme will be developed for the Property Portfolio in future versions of this AMP.

Appendix G – Funding Sources

There are several funding sources that are available to the Shire in order to operate, maintain, renew, upgrade, acquire and dispose of properties. These sources are, but are not limited to, the following:

- = Council's own resources
- = Property rents
- = Property hire charges
- = Property admission fees
- = General government grants and subsidies

Appendix H – Risk Management Analysis

This appendix details the desktop risk analysis undertaken on the management of the Property Portfolio. The risk analysis has been undertaken to be compliant with AS 4360.

Risk Context

The risk analysis applies only to the management activities undertaken on the property portfolio. It does not seek to identify physical risks. In-lieu of a corporate risk policy and objectives, the following statement defines what an 'acceptable' level of risk is with regards to property infrastructure.

Through risk management, the Shire of Mukinbudin aims to:

- = Protect the quality of the property portfolio;
- = Protect users of properties;
- = Protect the Shire's assets and public image;
- = Reduce the Shire's exposure to risk; and
- = Promote effective financial and asset management practices.

This will be achieved through:

- = Identifying, decreasing the likelihood, and mitigating the consequences of risk, within the constraints of sensible commercial objectives and practices;
- = Applying risk based practices to the management of property assets and associated decision making;
- = Maintaining safe and reliable plant, equipment and infrastructure;
- = Preparing appropriate contingencies;
- = Reviewing the risk profile of the property portfolio at appropriate intervals and when circumstances dictate; and
- = Maintain an up to date property AMP.

Risk Criteria

The following criteria have been applied as part of the risk analysis.

Likelihood Levels

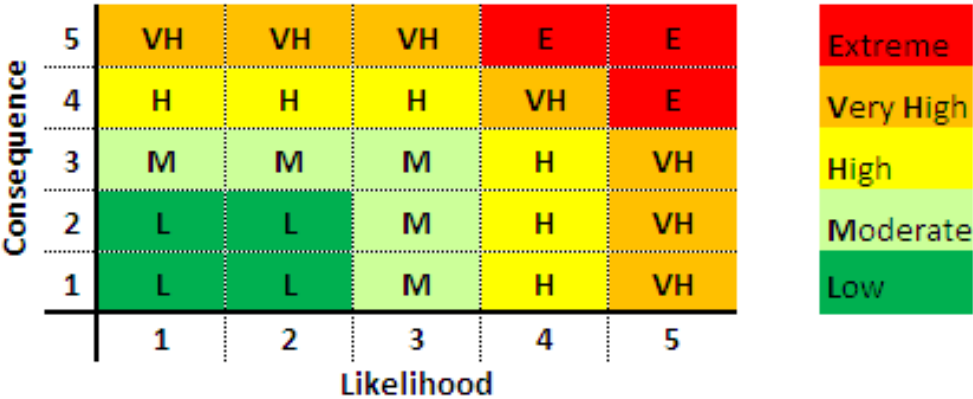
Level	Likelihood Scale	
	Descriptor	Indicative Frequency (expected to occur)
5	Almost certain	The event will likely occur once a year or more frequently.
4	Likely	The event will likely occur every three years.
3	Possible	The event will likely occur every ten years.
2	Unlikely	The event will likely occur every thirty years.
1	Rare	The event will likely occur every one hundred years.

Consequence Scale

Consequences Scale

Severity Level	Consequence Types					
	Political (P)	Economic (E)	Social (S)	Legal (L)	Environmental (E)	Health & Safety (HS)
5		Annual economic benefit or cost change of greater than +/- \$1,000,001.		Significant prosecution and fines. Very serious litigation including class actions	Very serious, long term environmental impairment of ecosystem functions.	Multiple fatalities, or significant irreversible effects to >50 persons.
4	Serious public or media outcry (international coverage).	Annual economic benefit or cost change of between +/- \$200,001 to \$1,000,000.	On-going serious social issues. Significant damage to structures/items of cultural significance.	Major breach of regulation. Major litigation		Single fatality and/or severe irreversible disability (>30%) to one or more persons.
3	Significant adverse national media/ public/ NGO attention.	Annual economic benefit or cost change of between +/- \$50,001 to \$200,000.			Serious breach of regulation with investigation or report to authority with prosecution and/or moderate fine possible.	Serious medium term environmental effects.
2	Attention from media and/or heightened concern by local community. Criticism by NGOs.	Annual economic benefit or cost change of between +/- \$10,001 to \$50,000.	On-going social issues. Permanent damage to items of cultural significance.	Minor legal issues, non compliances and breaches or regulation.	Moderate, short term effects but not affecting ecosystem functions.	Objective but reversible disability requiring hospitalisation.
1	Minor, adverse local public or medical attention or complaints.	Annual economic benefit or cost change of upto +/- \$10,000.	Minor medium term social impacts on local population. Mostly repairable.		Minor effects on biological of physical environment.	No medical treatment required.

Risk Matrix



Risk Analysis

Asset: Property Portfolio		Compiled by: Ben Symmons (Asset Infrastructure Management)					Date: 17-Jan-14					
Date of risk review:		Reviewed by:					Date:					
Reference	The Risk	Event (what can happen)	Cause (how this can happen)	Consequence (What can happen)	Existing controls	Effectiveness of existing controls	Analysis (1 (Low) - 5 (High))			Risk priority	Treat Risk (Y/N)	Further Action
							Likelihood	Consequence	Level of risk			
1	AMP service levels have not been adopted by Council	Funding required to meet service levels may not be allocated	Council allocate funding elsewhere	Asset(s) condition may deteriorate with time, exposing users to potential harm. (HS & E)	Production of AMP and LTFF	High.	2	3	M	13	N	
2	AMP service levels not in alignment with stakeholders' needs	Shire can provide property based services which don't meet stakeholders' needs.	Lack of consultation and long term demand forecasting.	Inefficient and costly services which may be underutilised and don't align with stakeholder needs (\$).	Production of AMP.	Moderate	3	2	M	13	N	
3	AMP is not supported by Council	Funding and management decisions made in isolation of AMP	AMP is not adopted, Council do not understand AM principals.	Assets incorrectly managed, resulting in potential for increased risk as well as sub-optimal whole of life costs. (E)	Production of AMP	Moderate, AMP not adopted.	2	3	M	13	N	
4	No formal condition rating procedure	Condition data held of poor quality. Unable to predict renewal needs.	No formal inspection procedure.	Assets become unsafe, and/or are replaced at sub-optimum times (HS & E).	Periodical Inspection	Moderate.	2	3	M	13	N	
5	No formal safety and maintenance inspection procedure exists.	Assets are inspected periodically or reactively or not at all.	No formal inspection procedure.	Assets become unsafe, maintenance issues allowed to get worse. (HS & E).	Ad-hoc Inspections	Low	4	4	VH	1	Y	Develop formal safety and maintenance inspection programme with associated intervention levels
6	Poor maintenance management	Maintenance items are corrected ad-hoc	No formal maintenance management strategy exists	Maintenance items are not corrected in a timely fashion, critical infrastructure not functional (HS).	Reactive maintenance regime.	Moderate	3	3	M	9	N	
7	Shire does not have a property asset management system	Data control and management is difficult, leading to inaccuracies	Shire not aware of the benefits of a system, unable to resource a system.	AM practices are more difficult, data hard to manage and interrogate/report on (E).	Informal inventories within the Shire	Low	4	3	H	3	Y	Develop a specification for a property management system and investigate options
8	Shire unable to resource AM programme	Formalised AM programme may not be resourced by the Shire.	Lack of financial and/or staff resource.	Shire breaches legislation (L).	AMP and LTFF	Moderate	3	3	M	9	N	
9	Shire does not have a formal rationalisation process.	Excess assets are not disposed of.	Lack of process.	High financial liability, inefficient service outcomes (E).	None	N/A	4	3	H	3	Y	Develop an asset rationalisation process
10	No Corporate risk management framework or policy.	Shire has not corporate risk management framework or policy	Lack of Policy	Risk failed to be identified and managed in a coordinated manner (L)	None	N/A	3	4	H	3	Y	Develop a corporate risk management policy, framework and register
11	General ledger does not allow expenditure to be captured by activity (e.g. maintenance, renewal, upgrade)	AMP statistics and modelling inaccurate.	Misaligned general ledger.	Shire breaches legislation (L).	AMP and LTFF	Moderate	3	3	M	9	N	
12	Asset inventories not accurate to a component level.	Asset inventories are inaccurate.	Lack of resource and expertise. Lack of property AM system.	AMP inaccurate, risks not identified, asset mismanaged (E).	AMP and LTFF	Moderate	4	3	H	3	Y	Develop a data dictionary for property. Develop a data collection programme.
13	Property portfolio expensive to provide	Lack of data on property costs and usage levels means poor performance not identified.	Lack of data on usage levels, service needs and whole of life costs	Poor financial performance, poor service delivery, alternative opportunities not possible (E).	AMP and LTFF	Low	4	3	H	3	Y	Monitor property usage levels and whole of life cost
14	Shire has no defined maintenance service levels.	Budget determines service levels rather than the other way around.	Historical practices.	Inefficient maintenance, poor cost capture, poor service delivery (E).	AMP	Low	4	3	H	3	Y	Develop property maintenance service levels linked to budgets
15	No upgrade or new project evaluation procedure.	Projects are not evaluated against strategic goals and whole of life cost basis.	Lack of a formal evaluation procedure.	Projects are financially unsustainable, do not align with strategic objectives, poor outcomes (E).	AMP	Low	3	3	M	9	N	
16	No land investment strategy or policy	Land acquisition and ownership is not linked to strategic goals and investment principles.	Lack of an investment policy and strategy.	Capital investment performs poorly, lack of strategic support, erosion of capital (E).	AMP	Low	4	4	VH	1	Y	Develop a land investment policy and supporting strategy

Appendix I – Building Inventory

Asset Number	Category	Name	Historic Cost	Calculated DRC
149	Operations	Depot, shed and additions	\$59,714	\$36,978
2	Operations	Administration Centre Maddock Street	\$396,034	\$228,832
217	Staff Housing	Lot 16 Salmon Gum Alley	\$105,831	\$73,130
218	Staff Housing	Lot 5 Cruickshank Road	\$134,002	\$92,755
219	Staff Housing	Lot 10 Cruickshank Road	\$95,753	\$66,175
221	Public Hall	Railway Station (Restoration)	\$15,443	\$10,749
241	Community Housing	Share	\$8,750	\$6,169
242	Community Housing	Share	\$8,750	\$6,169
243	Community Housing	Share	\$8,750	\$6,169
244	Community Housing	Share	\$8,750	\$6,169
254	Cemetery	Pergola & Walls	\$5,521	\$3,633
255	Public Hall	Lot 30 Maddock Street Playgroup Building	\$4,899	\$4,864
260	Community Housing	Lot 8 Cruickshank Road & Pergola	\$176,070	\$134,236
273	Community Housing	Contribution to Single	\$22,210	\$17,768
274	Community Housing	4 X 2 McGrath Homes Lot 13, No 1 Salmon Gum Alley	\$147,668	\$121,050
292	Other	2 x Cavalier Park Unit	\$65,879	\$55,338
322	Community Centre	Community Resource Centre	\$485,572	\$337,877
351	Community Centre	50s Community Farm Shed	\$241,576	\$219,819
352	Aged Care	2x2 Bedroom Aged Units	\$61,961	\$55,838
354	Caravan Park	Caravan Park Cabin	\$57,147	\$51,605
366	Staff Housing	Lot 7, 11 Cruickshank Road	\$241,245	\$227,269
372	Health	Medical Centre	\$25,000	\$23,652
39	Education	Preschool Centre	\$14,217	\$7,997
421	Other	Unknown	\$15,895	\$15,825
422	Industrial	3 Strugnell Street - Industrial Unit	\$51,361	\$51,151
51	Aged Care	Lots 27 & 28 Maddock Street	\$52,349	\$29,446
56	Community Housing	25 A & B Calder Street	\$33,594	\$20,736
58	Community Housing	8 Lansdell Street	\$29,885	\$17,144
59	Community Housing	16 Calder Street	\$41,952	\$23,716
60	Community Housing	2 Ferguson Street	\$41,952	\$23,716
61	Community Housing	25 Cruickshank Road	\$62,683	\$35,674

	Community Housing	12 White Street	\$15,000	\$9,900
63	Community Housing	6 Lansdell Street	\$15,000	\$9,900
79	Industrial	Lot 164 Strugnell Street	\$74,892	\$47,918
95	Public Hall	Sandlewood Arts Hall Lots 44 & 45 Shadbolt Street	\$9,879	\$5,557
100	Toilets	Bonnie Rock Pony Club Ablution	\$10,225	\$6,861
101	Sports	Mukinbudin Polocrosse	\$21,460	\$12,071
102	TV & Radio	TV Rebroadcasting Stat	\$28,506	\$16,280
103	Sports	Pistol Club	\$6,065	\$3,411
207	Other	Unknown	\$40,898	\$37,679
208	Caravan Park	Caravan Park Ablutions	\$180,134	\$156,650
258	Toilets	Public Toilet	\$56,353	\$41,546
29	Emergency Services	Lot 9 Shadbolt Street	\$3,686	\$3,686
385	Swimming Pool	Swimming Pool	\$48,581	\$44,219
326	Sports	Sports Centre	\$408,124	\$367,842
368	Emergency Services	New Fire Shed - Lot 143 Strugnell Street	\$134,530	\$127,126
389	Other	Unknown	\$5,298	\$5,050
406	Caravan Park	Campers Kitchen	\$27,273	\$26,455
414	Swimming Pool	Swimming Pool Pump Shed & Bowl	\$792,193	\$724,302
426	Other	Unknown	\$272	\$271
443	Other	Water Tanks	\$9,340	\$8,788
444	Caravan Park	Caravan Park	\$12,000	\$12,000
89	Community Centre	Lots 4,5 & 6 Shadbolt Street	\$9,578	\$9,578
93	Sports	Sports Centre	\$553,977	\$325,274
94	Entertainment	Drive-in Theatre	\$15,195	\$8,548
96	Public Hall	Bonnie Rock Hall	\$40,729	\$31,971
97	Public Hall	Memorial Hall	\$217,970	\$148,380
98	Sports	Bowling Clubhouse	\$31,696	\$17,828

Table 9-6: Shire Building Inventory

Appendix J – Vacant Freehold Land Inventory

Asset Number	Street Address	Historic Cost
1	Lots 58, 59 & 60 Maddock Street	\$10,126
147	Depot - Strugnell/Bent St Lots 143,150, 144	\$3,000
148	Aerodrome Reserve 32391	\$7,267
213	Lot 25 Maddock Street	\$3,000
261	Lot 8 Cruickshank Road	\$10,000
38	Lot 74 Maddock Street	\$3,000
41	Lots 27, 28 & 29 Maddock Street	\$9,000
46	Lot 21, 25 Calder Street	\$3,000
48	Lot 70, 8 Lansdell Street	\$3,000
49	Lot 64, 16 Calder Street & 2 Ferguson St	\$2,837
50	Lot 52, 25 Cruickshank	\$3,000
75	Lot 164 Strugnell Street	\$19,678
90	TV Station Lot 18 Watkins Street	\$1,000

Table 9-7: Shire Vacant Freehold Land Inventory

