

10.9. Property Asset Management Plan

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ATTACHMENTS:

1. Property AMP [10.9.1 - 45 pages]

PURPOSE:

The purpose of this report is to seek the adoption of Council's Property Asset Management Plan, in accordance with Integrated Planning & Reporting (IP&R) requirements.

EXECUTIVE SUMMARY:

NSW councils must account for and plan for all existing assets under its control as well as any new asset solutions proposed in its Community Strategic Plan and Delivery Program. This is done via the Asset Management Strategy, inclusive of an Asset Management Policy (a component of the long-term Resourcing Strategy) and Asset Management Plans for each class of assets.

The requirement to 'adopt' Asset Management Plans is new under the revised Office of Local Government's IP&R Guidelines, issued September 2021; previously Asset Management Plans did not require reporting to Council.

All Asset Management Plans were adopted by Council on 27 June 2022 except for the Property Asset Management Plan which was delayed due to the latest property condition data not being available at that time. The Property Asset Management Plan has now been updated and is ready for adoption.

FINANCIAL IMPLICATIONS:

All financial estimates in the Property Asset Management Plan cross-reference with the estimates within the Resourcing Strategy and the Delivery Program.

RECOMMENDATION:

1. **THAT** Council adopts this Property Asset Management Plan 2022-2032, which supersedes the previous Property Asset Management Plan 2018-2028.

LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

2. Our Built Infrastructure

2.1 Infrastructure and assets meet diverse community needs

BACKGROUND

Council has a significant portfolio of community infrastructure assets under its care and control. NSW councils must account for and plan for all existing assets under its control as well as any new asset solutions proposed in its Community Strategic Plan and Delivery Program. This is done via the Asset Management Strategy, inclusive of an Asset Management Policy (a component of the long-term Resourcing Strategy) and Asset Management Plans for each class of assets.

The requirement to 'adopt' Asset Management Plans is new under the revised Office of Local Government's IP&R Guidelines, issued September 2021. Previously Asset Management Plans did not require reporting to Council. The Guidelines are prescribed in the Local Government Act 1993, outlining the mandatory 'Essential Elements' that councils must have in each iteration of their suite of IP&R plans.

Council's suite of Asset Management Plans was last updated in June 2018, following finalisation of the 2018 IP&R plans, and have been publicly available via Council's website.

CONSULTATION REQUIREMENTS

Community engagement is not required. The Office of Local Government has confirmed that each Asset Management Plan does not require public exhibition prior to adoption.

DETAIL

Each of Council's Asset Management Plans encompass all assets under its control, identify asset service standards and risks, and contain long-term projections of asset maintenance, rehabilitation and replacement, including forecast costs (for reflection in the Long-Term Financial Plan).

The following Asset Management Plans were adopted by Council at its meeting on 27 June 2022:

- Bus Shelters
- Fences
- Footpaths
- Kerb and Gutter

- Marine Structures
- Open Space and Recreational Assets
- Public Lighting
- Retaining Walls
- Road Pavements
- Seawalls
- Specialised Buildings (Amenities)
- Stormwater Drainage and Gross Pollutant Traps
- Street Furniture
- Traffic Facilities

These Asset Management Plans were revised in line with newly prepared IP&R plans and have been cross-checked against the OLG self-assessment tool within the IP&R Handbook (2021) as part of continuous improvement. Each plan includes:

- Executive summary
- Summary of the assets
- Most recent asset valuation
- Summary of asset condition
- Levels of service
- Review of useful lives
- Risk management
- Funding strategy
- Renewal and replacement program
- Appendices (as relevant)

All Asset Management Plans were adopted by Council on the 27 June 2022 except for the Property Asset Management Plan which was delayed due to the latest Property condition data not being available at that time. The Property Asset Management Plan has now been updated and is ready for adoption.

Councils Property Portfolio – Summary

Council's current property portfolio, the subject of this Asset Management Plan 2022-2032, comprises 59 Council Buildings. Of these:

- 5 are Operational Properties
- 23 are Community Facilities
- 8 are Parking Stations
- 23 are Investment Properties

Overall 100% of the portfolio is in very good to fair condition (1-3), with 0% in poor to very poor condition (4-5).

A risk rating was assigned to each building. In terms of the overall conditions of the buildings, 100% of the portfolio has a low to medium risk rating, and 0% has a high to very high risk rating. In terms of individual building components and systems, there may be conditions on 4 or 5 components which are required to be replaced within 1 to 2 years.

A valuation of Council buildings within North Sydney LGA was undertaken in 2018. The 2018 valuation, with subsequent adjustments, as well as the 2021 property condition data were used as the basis for this Asset Management Plan.

The total Replacement Value of the portfolio is \$232,653,780.

Note: Council also has 24 properties that form part of the Affordable Housing Portfolio. These properties are not included in this Asset Management Plan because they are all managed and maintained separately under an Agreement by Link Wentworth (merger of Link Housing and Wentworth Community Housing in 2021).

Table 1: North Sydney Council – Current Property Portfolio

Asset Category	Number of Properties	Gross Floor Area (m ²)	Replacement Value (2021)	Accumulated Depreciation (2021)	Fair Value (2021)	Annual Depreciation Expense
North Sydney Council Properties	59	96,141	\$232,653,780	\$115,880,265	\$116,773,515	\$5,137,891

Table 2 below provides a summary of the quantities and replacement values for each building type. The portfolio is categorised into 4 groups, namely Operational, Community, Parking Stations and Investment properties.

Table 2: North Sydney Council Properties – Typology

Properties Category	Number of Properties	Gross Floor Area (m ²)	Replacement Costs
Operational Properties	5	13,050	\$56,794,000
Community Facilities	23	18,747	\$47,536,975
Parking Stations	8	52,350	\$76,086,855
Investment Properties	23	11,994	\$52,235,950
Grand Total	59	96,141	\$232,653,780

The attached Property Asset Management Plan 2022-2032 contains more detailed information on the condition and make-up of Council property portfolio.

It is recommended that the Property Asset Management Plan covering the period 2022-2032 be adopted in accordance with legislative requirements and supersedes the previous Property Asset Management Plan covering the period 2018-2028. Following adoption, the attached plan will be added to Council's website, replacing the 2018 plan.



NORTH SYDNEY COUNCIL
ASSET MANAGEMENT PLAN
PROPERTY 2022-2032



Sub Categories: Operational Properties, Community Facilities, Parking Stations and Investment Properties


Document Control		Asset Management Plan				
Document ID : NSC AMP Property 2022 Council Buildings						
Rev No	Date	Revision Details	Author	Reviewer	Approver	
1	28/9/2022	First Draft	AL	AL	DM	
2	05/10/2022	Second Draft	AL	AL	DM	
3	18/10/2022	Final version incorporating comments from Daniel Peacock	AL	AL	DM	

Table of Contents

Property Assets – Council Buildings.....	4
Executive Summary	4
Council Buildings – Future Demand.....	5
Council buildings – Levels of Customer Service	6
Council buildings – Levels of Technical Service	7
Council buildings condition as at June 2022.....	8
Council buildings – Review of Useful Lives	10
Council buildings – Funding Strategy and Asset Renewal Funding Ratio	12
Council buildings – Capital works	13
Council buildings – Managing the Risks.....	13
Council Buildings – Maintenance.....	16
Council buildings – Valuation Forecast	17
Council buildings – Key Assumptions – Financial Forecasts	17
Council buildings – Creation / Acquisition / Upgrade Program	17
Council buildings – Acquisition and Disposal Plan – Use of Funds raised through disposal.....	18
Council buildings – Forecast reliability and confidence.....	18
Council buildings – Improvement Plan	18
Council buildings – Monitoring and Review Procedures	18
Council buildings – Renewal and Replacement Program	19
Council buildings – Funding Scenarios.....	19
Council buildings – Service and Risk Tradeoffs.....	20
Service trade-off	20
Risk trade-off	20
Council buildings – Renewal and Replacement Program – FY2023-FY2032 (10 Year Plan)	20
Priority Projects 2022/23 (Year 1)	21
Priority Projects 2023/24 (Year 2)	22
Priority Projects 2024/25 (Year 3)	23
Works Identified – Year 2025/26 – 2031/32 (Year 4 - 10).....	25
Council Buildings – Performance Measures	41
Council Buildings – References	41
APPENDICES.....	42
Appendix A: Maintenance Management & Building Inspections	42

Property Assets – Council Buildings

Executive Summary

A valuation of Council buildings within North Sydney LGA was undertaken in 2018. The 2018 valuation with subsequent adjustments and the 2021 property condition data were used as the basis for this Asset Management Plan.

Councils current property portfolio that is the subject of this Asset Management Plan is comprised of 59 Council Buildings in total. Of these:

- 5 are Operational Properties
- 23 are Community Facilities
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- 23 are Investment Properties

Overall 100% of the portfolio is in very good to fair condition (1-3) with 0% in poor to very poor condition (4-5).

A Risk rating was assigned to each building. Overall 100% of the portfolio has a low to medium risk rating and 0% has a high to very high risk rating – this is referring to Overall condition of the buildings. In terms of individual building components and systems, there may be condition 4 or 5 components which are required to be replaced within 1 to 2 years. The total Replacement Value of the portfolio is \$232,653,780.

Note: Council also has 24 x properties that form part of the Affordable Housing Portfolio. These properties are not included in this Asset Management Plan because they are all managed and maintained separately under an Agreement by Link Wentworth (merger of Link Housing and Wentworth Community Housing in 2021).

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Council Buildings – Future Demand

There were very few buildings that have been acquired by Council in the past few decades in North Sydney.

The only buildings that were acquired are in Hume Street Crows Nest for the Hume Street Park project. One of these properties – 90-92 Willoughby Road was compulsorily acquired. These properties included

- 43 Hume Street – Purchased by Council in December 2013 - for \$2,000,000
- 49 Hume Street - Purchased by Council in April 2014 - for \$2,750,000
- 45-47 Hume Street – Purchased by Council November 2015 - for \$3,750,000
- 90-92 Willoughby Road – Compulsorily Acquired by Council in July 2018 for \$6,130,000 as determined by the Land and Environment Court.

Total cost of the acquisitions **\$14,630,000**

Plus other associated costs which include Valuation costs, Legal Costs, due diligence reports prepared by Councils Property Consultants and staff cost.

Total \$550,000

Total acquisition costs for the four properties as at July 2018 - **\$15,180,000**

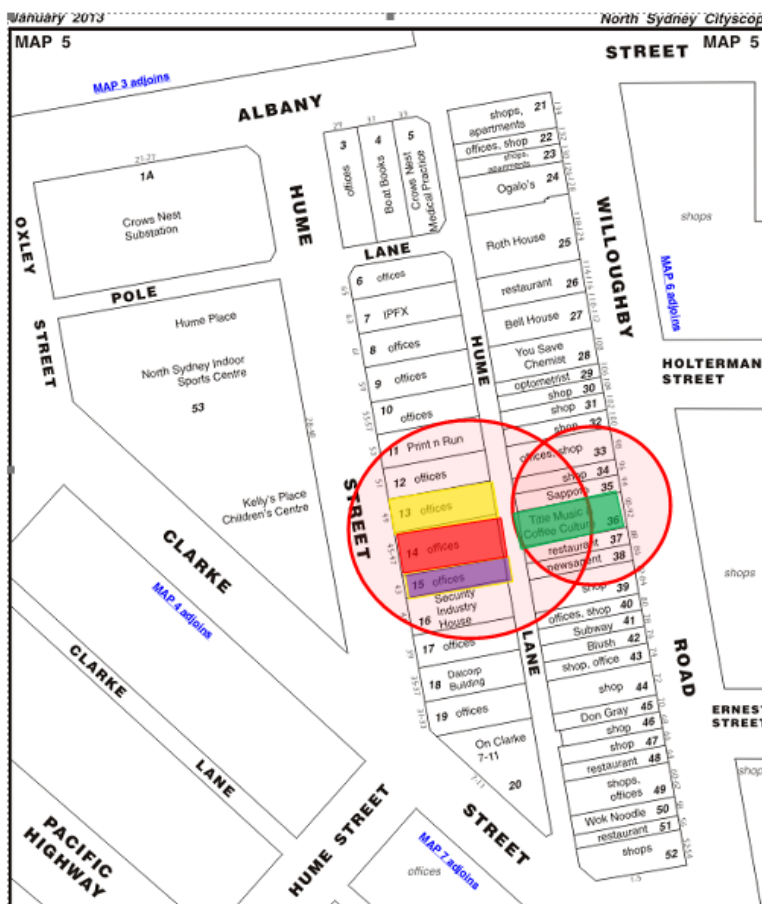


Figure 1. Properties acquired for the Hume Street Park – Through Site Link in Crows Nest
 These buildings have now been demolished to create a through site link to Hume Street Park.

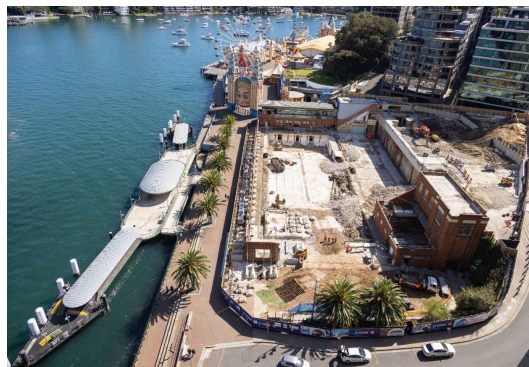
- 6 -

Property Portfolio - Building Acquisition and Disposal Plan

North Sydney Council has identified in its Strategic Property Review Report an Acquisition Plan for Investment and Community properties as well as land that would be suitable for Public Open Space purposes. The Strategic Property Review Report also has a Disposal Plan for those properties that are underperforming, and that Council may wish to sell in the future.

Property Portfolio - Building Upgrades

North Sydney Council has in the last 6 years undertaken the complete upgrade (re-Build) of a number of properties including projects like the Alexander Street Car Park Re-development in a public private partnership (PPP) with Woolworths (\$52million), completed in 2016 and currently the redevelopment of the North Sydney Olympic Pool (\$64 million), scheduled for completion in late 2023.



Alexander Street Carpark redevelopment - \$52million – completed 2016 North Sydney Olympic Pool redevelopment – currently under construction (\$64million)

Council over the last 5 years has undertaken a number of other significant upgrades of its properties and associated property components and systems that are in the order of \$1 - \$5million.

Council buildings – Levels of Customer Service

Service levels are defined service levels in two terms, customer levels of service and technical levels of service. These are supplemented by organisational measures.

Customer Levels of Service measure how the customer receives the service and whether value to the customer is provided.

Customer levels of service measures used in the asset management plan are:

Quality	How good is the service ... <i>what is the condition or quality of the service?</i>
Function	Is it suitable for its intended purpose <i>Is it the right service?</i>
Capacity/Use	Is the service over or under used ... <i>do we need more or less of these assets?</i>

The current and expected customer service levels are detailed in Table 3.

Table 3: North Sydney Council Properties – Levels of Customer Service

Service Attribute	Expectation	Performance Measure Used	Current Performance	Desired Position in 10 Years
Quality	Buildings are well maintained in safe, clean & presentable conditions	Percentage of buildings in 'very good', 'good' or 'Fair' (1, 2, 3) condition and Percentage 'poor' or 'very poor' (4, 5) Condition.	100% of the properties in 'very good', 'good' or 'Fair' (1, 2, 3) condition. 0% of properties in 'poor' or 'very poor' (4, 5) Condition.	Maintain – Condition 1-2-3
Function	Buildings are fit for purpose and suitable for lease on investment properties	Regular inspection to assess the building conditions; number of complaints & feedbacks from the building users on defects and improvements	Building facilities maintained or upgraded by qualified contractors meeting users' needs, legislative compliance and Australian Standards.	Buildings well maintained and upgraded to meet community needs
Capacity and Use	Buildings are sustainable for long term use and community use	Regular review with the building users to address the community demands from time to time; closely work with managing agent to keep the investment properties vacancy rate less than 5%	Operational buildings in 100% usage rate and about 95.2% occupied for investment properties	Maintain 100% usage rate in operational buildings & above 95% leased out rate for investment properties

Council buildings – Levels of Technical Service

Technical Levels of Service - Supporting the customer service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- Operations – the regular activities to provide services (e.g. cleaning, inspections, etc).
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. Building repair – painting, minor works).
- Renewal – the activities that return the service capability of an asset up to that which it had originally (e.g. Building services and or Building components replacement).
- Upgrade/New – the activities to provide a higher level of service (e.g. demolition of existing building and complete re-construction).

Table 4 shows the technical levels of service expected to be provided for Council properties. The 'Desired' column in the table documents the position being recommended in this Asset Management Plan.

Table 4: North Sydney Council Properties – Technical Levels of Service

Service Attribute	Service Activity Objective	Activity Measure Process	Current Performance	Desired for Optimum Lifecycle Cost
Operations	Regular inspections to assess condition	Regular inspections and feedbacks from building users	Building portfolio inspected 6-monthly or annually, last done in 2021/22	Building portfolio inspected every 3 – 6 months depending on usage
Maintenance	Maintain existing assets and facilities operating properly and safely	Regular service provided by qualified contractors & responds to complaints	Regular service & repairs to any defects found	Regular service & repairs to any defects found
Renewal	Maintain existing assets to good condition	Replace the building components beyond their normal lifecycle	Renewal work done as per replacement schedule	Renewal work done as per replacement schedule
Upgrade	Upgrade existing assets to meet the needs of the community	Review with building users to achieve the optimal use of the assets	Upgrade or alteration work when required	Upgrade or alteration work as per Asset Management Plan
New	Maximize asset portfolio value and meeting public needs	Acquisition of new property or redevelopment of existing assets	Acquisition of new properties as required; redevelopment of existing assets	Simple, practical, maintainable, environmental friendly & sustainable

Council buildings condition as at June 2022

The condition data of council's 59 Buildings was based on the building inspections / condition survey done in 2021/22 and the information provided in the 2021 Building Inspection report prepared by CWT Real Estate & Property Consulting Services.

- 9 -

The Table below (Table 5) shows the Condition rating criteria used to grade each of Councils 59 x properties.

Table 5: North Sydney Council Properties Condition Survey Criteria

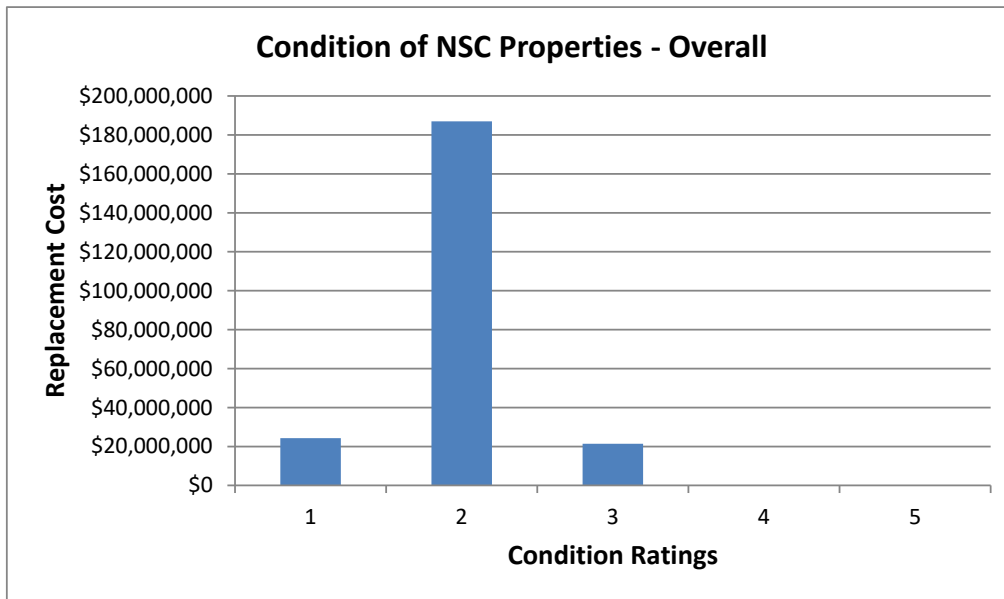
Grade	Condition	Description
1	Very Good	Newly constructed or renovated assets in very good overall condition. Only planned maintenance work required
2	Good	Assets generally in good condition. Planned maintenance with only minor repair work required
3	Fair	Assets generally in average condition. Planned maintenance with moderate to significant repair or renewal work required
4	Poor	Assets generally in poor condition. Service unable to operate in short or medium term. Significant renovation or upgrade work required
5	Very Poor	Assets in critical condition near failure or not safe to use. Urgent reconstruction or complete refurbishment required

The Table below (Table 6) shows the Condition rating and replacement cost for each of Council 59 x properties.

Table 6: North Sydney Council Properties Condition Results – Overall

CONDITION OF NORTH SYDNEY COUNCIL PROPERTIES				
Condition	Number of Properties	Gross Floor Area (m ²)	Replacement Cost	% Condition (based on replacement cost)
1 (Very Good)	3	11,119	\$24,310,000	10.45%
2 (Good)	44	71,831	\$186,954,925	80.36%
3 (Fair)	12	13,191	\$21,388,855	9.19%
4 (poor)	0	0	\$0	0.00%
5 (Very Poor)	0	0	\$0	0.00%
Total	59	96,141	\$232,653,780	100.00%

The Graph below shows the condition of Building / Property assets over the entire portfolio in terms of replacement cost.



Council buildings – Review of Useful Lives

There is some guidance in the IPWEA 2017 Practice Note – “Useful Life of Infrastructure” on Buildings. An extract of The IPWEA Practice Note provides a guideline on building components as follows:

Notes from IPWEA 2017 Practice Note – “Useful Life of Infrastructure”						
BUILDINGS - COMPONENTS						
Component	Low rates' description	High rates' description	Unit ID	Useful Lives		
				Std	Low	High
Electrical Cabling	Light	Heavy	sum	40	30	50
Main Switchboard	Small	Large public building	m2	40	32	48
Garage	6x3.5m Conc, timber frame, galv steel clad	Ditto, brick veneer, conc tile roof	m2	50	40	60
Block wall	150 block, footing, no finish	250 block, footing, no finish	m2	75	60	90
Brick wall	100 thick	200 thick	m2	50	40	60
Concrete Roof Slabs	75 thick	150 thick	m2	100	75	150
Tile Roofing - Clay	Portuguese clay tile	French profile clay tile	m2	60	50	80

- 11 -

Notes from IPWEA 2017 Practice Note – “Useful Life of Infrastructure”						
BUILDINGS - COMPONENTS						
Component	Low rates' description	High rates' description	Unit ID	Useful Lives		
				Std	Low	High
Aluminium Windows	Single glazed	Double glazed	m2	55	45	65
Fire Sprinkler Pipework	Pipework_25 dia, screw fittings	Pipework_150 dia, grooved end joints & fittings	sum	50	40	60
Floor Carpet	Nylon loop pile, direct stick	Heavy duty Axminster, double stick underlay	m2	15	10	22
Floor – Timber T&G	Jarrah incl finish	Heart Rimu incl finish	m2	75	60	90
Doors – solid core	Solid core single door incl frame	Solid core double incl frame	no	50	40	60
Sliding Doors	Aluminium glazed single door	Larger door	no	50	40	60
Wall Finish - Plywood	7 thick plywood	21 thick plywood	m2	75	60	90
AHU	Average product in severe environment	High quality product in less severe environment	no	35	30	40
FCU	Average product in severe environment	High quality product in less severe environment	no	25	20	30
Boiler – gas fired	Average product in severe environment	High quality product in less severe environment	no	28	20	35
Ventilation System	Average product in severe environment	High quality product in less severe environment	sum	43	35	50
Domestic water pipes	Average product in severe environment	High quality product in less severe environment	sum	40	30	50

Based on the standard useful lives from the IPWEA Practice Note the average useful lives of buildings in North Sydney Council is shown in the Table below. The useful lives of each building category is based on overall condition of the buildings and their building components.

- 12 -

Building Category	NSC Reviewed Useful Life (years)
Operational	70
Community	70
Parking Stations	70
Investment	70

Based on the reviewed useful lives, the Depreciation is as follows:

Capital funding to maintain a renewal ratio of 1	
	Annual Depreciation
Council buildings	\$5,137,891

Council buildings – Funding Strategy and Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio is the most important indicator. It compares funding with depreciation. An Asset Renewal Funding Ratio of 1 or greater sustained over the long term indicates the optimal renewal and replacement of assets.

The forecast for the 2021 Depreciation (or Long Term Average Annual Asset Consumption) is \$5,137,891. Therefore, an annual average capital renewal funding of \$5,137,891 (2021 dollars) will achieve an Asset Renewal Funding Ratio of 1.

Current FY2022/23 Asset Renewal Funding Ratio for Property is only 0.29.

This ratio will need to change significantly if Council is to maintain its property portfolio in a condition that is acceptable to customers who occupy Council properties and the community who utilize Council properties.

In the Property Industry it is recognised that best practice management of a diversified Property Portfolio like North Sydney Councils portfolio requires between 2-3% of the value of the Portfolio to be spent on capital works each year. This expenditure ensures that the value of the portfolio is maintained and also ensures that the portfolio is fit for purpose and meets community / user expectations.

North Sydney Council has had an annual budget for capital works on its Property Portfolio for the last 10 years of between \$900K and \$1.2million. This budget is spent every year. This annual allocation is significantly less than what is recognised as Industry best practice which if applying a % of the value of Councils Property Portfolio (\$232million) at 2-3% would indicate that Council should be spending between \$4.6 million – \$6.9 million annually on its Property Portfolio.

Note: The 2-3% calculation of what Councils should be spending on Capital Works on its Property Portfolio does not include general maintenance like fixing broken windows – electrical – plumbing repairs and the like which are required to just keep the properties operational. There are existing budgets in place that cover these costs.

Council buildings – Capital works

Replacement of a building component is assumed to be a Capital works project.

The ranking criteria used to determine priority of identified renewal and replacement proposals is detailed in Table 7. Building components proposed to be replaced have been given a priority based on the highest risk associated with the particular component to be replaced.

A priority for action of 1 to 5 has been assigned to each building component requiring capital works as described in the following table.

Council buildings – Managing the Risks

There are risks associated with providing and maintaining Council Buildings are primarily as follows:

- Sudden failure of Building components – damage due to environmental impact or disasters– causing property damage – public safety hazards, injury or death.

The following risk response table was used to identify those Building components requiring action within the next 10 years.

Table 7: North Sydney Council Properties – Risk Response Table for Capital Renewal

Level of Risk		Condition	Action Required	Time frame for upgrade or replacement
VH	Very High Risk	5	Immediate corrective action	1-12 months
H	High Risk	4	Prioritised action required	1-2 Years
M	Medium Risk	3	Planned action required	3-10 Years
L	Low Risk	2	Manage by routine procedures	Inspection 3-6 months
New	No Risk	1	Manage by routine procedures	Inspection 6 months – 1 year

Consideration has been given to each Council building, whether to replace a building component or perform maintenance on it.

Building components that have a **Very High or High** risk rating were considered to need replacement within the 1-2 year forecast period.

Building components with a **Medium** risk rating were considered needing replacement within the 3-10 year forecast period.



Examples of Operational Properties in the North Sydney LGA



Examples of Community Facilities in the North Sydney LGA



Examples of Parking Stations in the North Sydney LGA



Examples of Investment Properties in the North Sydney LGA

Table 8: North Sydney Council Properties – Capital Renewal Priorities based on Condition and Risk Rating

Risk Matrix – North Sydney Council Properties (Condition and Risk Rating)					
Overall Condition Rating (Refer to Table 5 – Condition Criteria)	Number of Properties				
	Properties Types	Operational Properties	Community Facilities	Parking Stations	Investment Properties
	Priority	a	b	c	d
Condition 1 – Very Good (10.45%)	5	None	None	1	2
Condition 2 - Good (80.36%)	4	5	20	5	14
Condition 3 – Fair (9.19%)	3	None	3	2	7
Condition 4 – Poor (0%)	2	None	None	None	None
Condition 5 – Very Poor (0%)	1	None	None	None	None

(Note: Also Refer to Table 6)

Note: This table has been based on the 2021/22 building inspection / condition survey data.

Note: The priority in which works are done could vary depending on associated works.

Note: Factors which are used to determine the priority include Equipment breakdown, WHS issues and functionality. The most critical factor is used to determine the priority.

It should be noted that this may vary based on other criteria, including:

- Accidental damage
- Replaced as part of a Building upgrade project

Council Buildings – Maintenance

Routine 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. Cleaning, regular service and minor repairs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating.

Current maintenance expenditure levels are considered the minimum required to meet projected service levels.

Over the longer term future operations and maintenance expenditure is forecast to be steady as the asset stock is not forecast to increase. The following table summarises the prioritised capital and maintenance works.

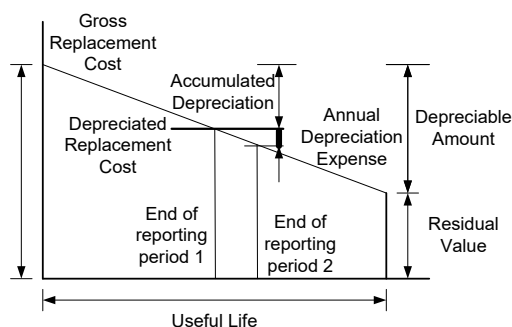
Table 9: North Sydney Council Properties – Prioritised Expenditure Forecast – 10 years FY2023-FY2032

Year		Priority	Capital Costs	Operation & Maintenance Costs	Total Cost
1	2022/23	1a -1d	\$1,300,000	\$6,628,000	\$7,928,000
2	2023/24	1a -1d	\$1,900,000	\$6,639,800	\$8,539,800
3	2024/25	2a -2d	\$1,919,000	\$6,637,500	\$8,556,500
4-10	2026/32	3a -3d	\$13,401,000	\$46,439,400	\$59,840,400
Grand Total			\$18,520,000	\$66,344,700	\$84,864,700

In summary the value of Council building assets in the Table below is based on 2018 valuation data with adjustments to some market-based valuations to reflect actual re-construction costs.

Table 10: North Sydney Council Properties – Valuation

VALUATION – North Sydney Council Properties				
Asset Category	Replacement Value (2021)	Accumulated Depreciation (2021)	Fair Value (2021)	Depreciation Expense (Annual)
Operational Properties	\$56,794,000	\$25,389,742	\$31,404,258	\$951,634
Community Facilities	\$47,536,975	\$23,139,537	\$24,397,438	\$3,425,331
Parking Stations	\$76,086,855	\$36,280,211	\$39,806,644	\$651,675
Investment Properties	\$52,235,950	\$31,070,775	\$21,165,175	\$109,251
TOTAL	\$232,653,780	\$115,880,265	\$116,773,515	\$5,137,891



Council buildings – Valuation Forecast

Asset values (Council buildings) are forecast to remain steady. It is forecast that no additional assets are expected to be added to the asset stock from new construction and acquisition by Council or from assets constructed by land developers or other assets donated to Council.

Council buildings – Key Assumptions – Financial Forecasts

Key assumptions made in this asset management plan for Council buildings are:

Table 11: Key Assumptions made in AM Plan and Risks of Change

Key Assumptions	Risks of Change to Assumptions
Useful Lives of building components in Council Properties	Low risk
Rate of deterioration	Low risk

Council buildings – Creation / Acquisition / Upgrade Program

New works are those that create a new asset that did not previously exist, or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. New assets identified include the completed redevelopment at Alexander Street Car Park (\$52million) and the current ongoing redevelopment at North Sydney Olympic Pool (\$64million).

- 18 -

Council buildings – Acquisition and Disposal Plan – Use of Funds raised through disposal

As outlined earlier in this plan, North Sydney Council has identified in its Strategic Property Review Report an Acquisition Plan for Investment and Community properties as well as land that would be suitable for Public Open Space purposes. The Strategic Property Review Report also has a Disposal Plan for those properties that are underperforming, and that Council may wish to sell in the future.

Once a building asset or property has been identified for disposal – for example the ANZAC Club site in Cammeray which Council entered into a long term (99 year lease) with the NSW Education Department in 2014 for \$21million. The revenue from that lease which Council received upfront was recommended by the Engineering and Property Division to be used to purchase more investment and community properties as well as upgrade other properties Council owned through the property portfolio capital works program.

A more recent example of a property Council disposed of was 261 Pacific Highway North Sydney which was identified in Councils disposal plan and was sold in November 2019 for \$4.5million.

The revenue raised from the sale was also recommended by staff from the Engineering and Property Portfolio to be used to purchase a better property for investment purposes or community use and or use the funds to upgrade other properties in Councils Property portfolio.



ANZAC Club Site – Leased to the Education Department in 2104 for \$21million – upfront payment – 261 Pacific Highway sold in 2019 for \$4.5million

Council buildings – Forecast reliability and confidence

The estimated confidence level and reliability of data used in this AMP is considered to be reliable as the data is based on a detailed condition report on Council buildings.

Council buildings – Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Tables 13-17 in this Asset Management Plan.

Task No	Task	Responsibility	Resources Required	Timeline
1	Research the Useful Life of North Sydney Council Properties	EPS	Staff Time	2024

Council buildings – Monitoring and Review Procedures

This Asset Management Plan will be reviewed during annual budget planning processes and amended to show any material changes in service levels and/or resources available to provide those services as a result of budget decisions.

The Asset Management Plan has a life of 4 years and is due for complete revision and updating within 1 year of each Council election.

Council buildings – Renewal and Replacement Program

Renewal and replacement 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 considered to be an upgrade/expansion or new work expenditure resulting in additional future operations and maintenance costs.

Building component assets requiring renewal/replacement have been identified by ongoing routine inspection.

Council buildings – Funding Scenarios

The Long Term Financial Plan includes three scenarios, all of which maintain current services levels but propose differing levels of capital expenditure on the renewal of Council's ageing infrastructure assets.

Based on an overall useful life of 70 years for Council building assets the rate of deterioration is 1.43%. Hence, over 10 years 57% of condition 3 building assets will become condition 4 during this period. Therefore, the cost to repair or replace the condition 2 building assets which will become condition 4 over the next 10 years is \$18,520,000.

In summary:

- Scenario 1 - (Base Case) - assumes a continuation of normal business.
- Scenario 2 - (Financial Sustainability - Maintain real operating surplus)
- Scenario 3 - (Financial Sustainability Improvement - Maintain real operating surplus with continual growth) - assumes a continuation of normal business, incorporating additional efficiency savings.

Table 12: Funding Scenarios –North Sydney Council Properties 10 Year Plan – Capital Works

Scenario	Capital Funding Level Required Per Annum	10 Year Plan \$ Total
Scenario 1.	\$1,300,000/year	\$13,000,000
Scenario 2.	\$1,852,000/year	\$18,520,000
Scenario 3.	\$1,852,000/year	\$18,520,000

Note: Scenario 1 is based on the sum of the 2022/23 budget (normally \$1,300,000 per year)

Scenario 2 and 3 are based on average sum of 2022/23 to 2031/32 estimates on the 10-year Long Term Financial Plan.

Note: In the Property Industry it is recognised that best practice management of a diversified Property Portfolio like North Sydney Councils portfolio requires between 2-3% of the value of the Portfolio to be spent on capital works each year. This expenditure ensures that the value of the portfolio is maintained and also ensures that the portfolio is fit for purpose and meets community / user expectations.

If Council was to apply industry best practice as a % of the value of Councils Property Portfolio (\$232million) at 2-3% would indicate that Council should be spending between \$4.6 million – \$6.9million annually on its Property Portfolio.

- 20 -

Note: these costs do not allow for *inflation / building escalations costs which can vary between 3-8% each year.*

They do include a %10 construction contingency and associated oncosts for project and construction management.

Council buildings – Service and Risk Tradeoffs

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

Service trade-off

If funding Scenario 3 is adopted, then the Level of Service will be maintained.

Risk trade-off

If funding Scenario 3 is adopted, then there is less risk of a sudden failure of building components.

Council buildings – Renewal and Replacement Program – FY2023-FY2032 (10 Year Plan)

Council's projected 10 year Capital Renewal Program is shown in the Tables 13 to 17 below. It is based on the funding required to replace building component assets identified by the 2021 inspection.

It should be noted that components of Council buildings may also be replaced based on other criteria including:

- Accident Damage
- Related Property Developments

Project priorities may also be subject to change due to accelerated deterioration, sudden failure, accidents or finalization of detailed designs and project costings.

Table 13: North Sydney Council Properties – Capital Renewal and Upgrade Program**Priority Projects 2022/23 (Year 1)**

Year	Priority	Buildings	Risk Rating / Category	Condition	Capital Cost
2022/23	1a	Council Chambers – Building upgrade & internal repainting	Very High (5)	Fair	\$350,000
2022/23	1a	Central Depot – Engineers office renovation, Archive store A/C upgrade, solar PV extension & batteries replacement	Very High (5)	Fair	\$220,000
2022/23	1a	Stanton Library – Building upgrade & water leak repair	Very High (5)	Fair	\$100,000
2022/23	1b	Kirribilli Neighbourhood Centre – Lift upgrade	Very High (5)	Fair	\$60,000
2022/23	1b	McMahons Pt Community Centre – Kitchen & toilets refurbishment	Very High (5)	Fair	\$100,000
2022/23	1b	Neutral Bay Community Centre – Install Tesla battery	High (4)	Fair	\$16,750
2022/23	1d	1 James place – Façade waterproofing works, upgrade A/C & BMS	Very High (5)	Fair	\$80,000
2022/23	1b	Don Bank Museum – Roof replacement	Very High (5)	Fair	\$40,000
2022/23	1a	North Sydney Oval Grandstands & Depot – Repainting schedule	Very High (5)	Fair	\$26,500
		North Sydney Oval Grandstands & Depot – Urban Forest Management office fit-out works (OSES Division Project)	High (4)	Fair	\$200,000 (Funding via OSES)
2022/23	1c	Ward St Carpark – Internal repainting	Very High (5)	Fair	\$60,000
2022/23	1b	Nutcote Museum – External repainting	Very High (5)	Fair	\$30,000
2022/23	1d	240-248 Miller St – Structural improvement works & external repainting	Very High (5)	Poor	\$200,000
2022/23	1b	Forsyth Park Community Centre – Install Tesla battery	High (4)	Fair	\$16,750
2022/23 Subtotal					\$1,300,000
2022/23 Subtotal (Funding via OSES)					\$200,000

Note: These Cost estimates do not include inflation / building escalations costs which can vary between 3-8% each year. They do include a %10 construction contingency and associated oncosts for project and construction management.

Based on current 2022/23 budget.

Table 14: North Sydney Council Properties – Capital Renewal and Upgrade Program**Priority Projects 2023/24 (Year 2)**

Year	Priority	Buildings	Risk Rating / Category	Condition	Capital Cost
2023/24	1a	Council Chambers – Replace A/C chiller & office renovation	Very High (5)	Fair	\$580,000
2023/24	1a	Central Depot – Archive store A/C upgrade & external repainting	Very High (5)	Fair	\$65,000
2023/24	1a	North Sydney Oval Function Centre – Repainting & A/C chiller upgrade	Very High (5)	Fair	\$247,000
2023/24	1a	Stanton Library – External repainting, water leak repair, toilets upgrade, building & lift upgrade	Very High (5)	Fair	\$180,000
2023/24	1b	North Sydney Community centre – Internal repainting	High (4)	Fair	\$25,000
2023/24	1b	Kendall Community Centre – Toilets refurbishment	High (4)	Fair	\$35,000
2023/24	1b	Kirribilli Neighbourhood Centre – Building & lift upgrade	Very High (5)	Fair	\$90,000
2023/24	1b	Crows Nest Community Centre – Building upgrade	High (4)	Fair	\$150,000
2023/24	1b	Forsyth Pk Community Centre – Fencing upgrade	High (4)	Fair	\$25,000
2023/24	1d	1 James place – Façade waterproofing works	High (4)	Fair	\$50,000
2023/24	1d	232 Miller St – External repainting	High (4)	Fair	\$30,000
2023/24	1a	North Sydney Oval Grandstands & Depot – Repainting schedule	High (4)	Fair	\$50,000
2023/24	1b	Family Day Care Centre – Replace gutters / downpipes & external repainting	High (4)	Fair	\$23,000
2023/24	1b	Kelly's Pl – Internal repainting	High (4)	Fair	\$15,000
2023/24	1b	Ros Crichton Pavilion – External repainting	High (4)	Fair	\$10,000
2023/24	1b	Forsyth Pk Scout Hall – Replace A/C units	High (4)	Fair	\$20,000
2023/24	1c	Holtermann St Carpark – Carpark repainting	High (4)	Fair	\$25,000
2023/24	1c	Ward St Carpark – Internal repainting	High (4)	Fair	\$40,000
2023/24	1b	North Sydney Olympic Pool – Install batteries for solar PV	High (4)	Fair	\$200,000

Year	Priority	Buildings	Risk Rating / Category	Condition	Capital Cost
2023/24	1b	Grandstand Kindergarten – Toilets refurbishment	High (4)	Fair	\$40,000
2023/24 Subtotal					\$1,900,000

Note: These Cost estimates do not include inflation / building escalations costs which can vary between 3-8% each year. They do include a %10 construction contingency and associated oncosts for project and construction management.

Table 15: North Sydney Council Properties – Capital Renewal and Upgrade Program

Priority Projects 2024/25 (Year 3)

Year	Priority	Buildings	Risk Rating / Category	Condition	Capital Cost
2024/25	2a	Council Chambers – Replace boiler & upgrade security access equipment	High (4)	Fair	\$130,000
2024/25	2a	Central Depot – Internal repainting, repaint structural steel works, upgrade fire services & access control system	High (4)	Fair	\$150,000
2024/25	2a	North Sydney Oval Function Centre – Replace carpet	Medium (3)	Fair	\$30,000
2024/25	2a	Stanton Library – Internal repainting, overhaul sewage / drainage pumps, upgrade lift, solar PV & batteries	High (4)	Fair	\$400,000
2024/25	2b	Kendell Community Centre – External & internal repainting, building refurbishment	Medium (3)	Fair	\$88,000
2024/25	2b	Kirribilli Neighbourhood Centre – Internal repainting, toilets & kitchen refurbishment	Medium (3)	Fair	\$122,000
2024/25	2b	Crows Nest Community Centre – Internal repainting, repair roof & repaint external arcade roof structure	Medium (3)	Fair	\$112,000
2024/25	2b	McMahons Pt Community Centre – External repainting & upgrade fire system & panel	Medium (3)	Fair	\$65,000
2024/25	2b	Neutral Bay Community Centre – Internal repainting & upgrade fire system & panel	Medium (3)	Fair	\$67,000
2024/25	2b	Forsyth PK Community Centre – External & internal repainting, upgrade kitchen	Medium (3)	Fair	\$71,000

- 24 -

Year	Priority	Buildings	Risk Rating / Category	Condition	Capital Cost
2024/25	2c	Alexander St Carpark – Carpark & line mark repainting	Medium (3)	Fair	\$110,000
2024/25	2d	1 James place – Façade waterproofing	High (4)	Fair	\$50,000
2024/25	2b	Sextons Cottage – External repainting & renovation works	Medium (3)	Fair	\$35,000
2024/25	2a	North Sydney Oval Grandstands & Depot – Repainting schedule	Medium (3)	Fair	\$50,000
		North Sydney Oval Grandstands & Depot – Refurbish public toilets (OSES Division Project)	High (4)	Fair	\$900,000 (Funding via OSES)
2024/25	2b	Primrose Pk Art & Craft and Gallery – External repainting	Medium (3)	Fair	\$20,000
2024/25	2b	Cremorne Early Childhood Health Centre – External & internal repainting, building renovation	Medium (3)	Fair	\$53,000
2024/25	2b	Kelly's Place – External repainting & replace lithium smoke alarms	Medium (3)	Fair	\$35,000
2024/25	2b	Music Shell – Internal repainting	Medium (3)	Fair	\$8,000
2024/25	2b	Smoothey Pk Scout Hall – Internal repainting	Medium (3)	Fair	\$10,000
2024/25	2c	Hume St Carpark – Toilets upgrade	High (4)	Fair	\$100,000
2024/25	2b	Greenwood Childcare Centre – Toilets refurbishment	High (4)	Fair	\$30,000
2024/25	2b	NS Indoor Sports Centre – Internal repainting	Medium (3)	Fair	\$20,000
2024/25	2b	Nutcote Museum – Tea room toilets & kitchen upgrade	Medium (3)	Fair	\$40,000
2024/25	2d	53-57 Ridge St – External repainting	Medium (3)	Fair	\$20,000
2024/25	2d	O'Reilly – Colonnade Shops – External repainting	Medium (3)	Fair	\$15,000
2024/25	2d	40A McDougall St Shop – External repainting	Medium (3)	Fair	\$15,000
2024/25	2d	Hume St Shops – External repainting	Medium (3)	Fair	\$16,000
2024/25	2d	Primrose Pk Tennis Court – External repainting	Medium (3)	Fair	\$10,000
2024/25	2d	Cammeray Croquet Club – External & internal repainting	Medium (3)	Fair	\$10,000
2024/25	2d	Waverton Coal Loader Site – External repainting	Medium (3)	Fair	\$25,000
2024/25	2b	Early Education Centre – Internal repainting	Medium (3)	Fair	\$12,000
2024/25 Subtotal					\$1,919,000

- 25 -

Year	Priority	Buildings	Risk Rating / Category	Condition	Capital Cost
2024/25 Subtotal (Funding via OSES)					\$900,000

Note: These Cost estimates do not include inflation / building escalations costs which can vary between 3-8% each year. They do include a %10 construction contingency and associated oncosts for project and construction management.

Table 16: North Sydney Council Properties – Capital Renewal and Upgrade Program

Works Identified – Year 2025/26 – 2031/32 (Year 4 - 10)

Year	Priority	Buildings	Risk Rating / Category	Condition	Capital Cost
2025/32	3a	Council Chambers – Repainting, replace carpet, upgrade BMS, fire detection system & security access equipment, re-coat Wyllie Wing roof, clean A/C duct & building upgrade	Medium (3)	Fair	\$1,440,000
2025/32	3a	Central Depot – Repainting, replace carpet, solar PV extension / batteries, upgrade fire services & A/C units including Archive store A/C	Medium (3)	Fair	\$375,000
2025/32	3a	North Sydney Oval Function Centre – Repainting, replace roof gutters, upgrade lift & fire system & panel	Medium (3)	Fair	\$287,000
2025/32	3a	Stanton Library – Repainting, replace carpet & A/C chiller, overhaul sewage / drainage pumps, A/C duct cleaning, BMS for A/C controls, fire services & LED lighting	Medium (3)	Fair	\$870,000
2025/32	3b	North Sydney Community Centre – Repainting, replace roof gutters, renewal of kitchen area & building refurbishment	Medium (3)	Fair	\$230,000
2025/32	3b	Kendall Community Centre – Repainting, replace roof gutters / downpipes, install solar PV system & batteries, upgrade fire system & panel	Medium (3)	Fair	\$228,000
2025/32	3b	Kirribilli Neighbourhood Centre – Repainting, replace carpet, roofing works, upgrade A/C & fire system & panel, refurbish toilets & kitchen	Medium (3)	Fair	\$687,000
2025/32	3b	Crows Nest Community Centre – Repainting, roof repair, replace carpet, upgrade A/C system &	Medium (3)	Fair	\$1,264,000

- 26 -

Year	Priority	Buildings	Risk Rating / Category	Condition	Capital Cost
		BMS, chiller replacement, A/C duct cleaning, upgrade solar PV system & batteries, upgrade fire system & panel, lighting upgrade & refurbish building incl. toilets			
2025/32	3b	McMahons Pt Community Centre – Repainting, replace roof gutters & paling fence, renovate kitchen / toilets & upgrade A/C units	Medium (3)	Fair	\$278,000
2025/32	3b	Neutral Bay Community Centre – Repainting, upgrade public toilets & A/C system incl. duct cleaning, awning repair	Medium (3)	Fair	\$357,000
2025/32	3b	Forsyth PK Community Centre – Repainting, replace roof gutters / downpipes & timber decking, upgrade toilets, movable partition, electrical power & fire system & panel	Medium (3)	Fair	\$326,000
2025/32	3c	Alexander St Carpark – Line mark repainting, boom gate & pay machines, install solar PV system & batteries, upgrade fire services, exit signs / emergency lights, toilets, CCTV, LED signage & lighting	Medium (3)	Fair	\$1,080,000
2025/32	3c	Ridge St Carpark – Repainting, replace hydrant pumps, refurbish tennis court toilets, upgrade exit signs / emergency lights & tennis court lights	Medium (3)	Fair	\$232,000
2025/32	3d	1 James place – External repainting, façade waterproofing works, upgrade A/C system & BMS & chiller replacement, upgrade fire system & toilets	Medium (3)	Fair	\$1,655,000
2025/32	3d	232 Miller Street – External repainting & awning repair	Medium (3)	Fair	\$48,000
2025/32	3b	Don Bank Museum – Repainting & upgrade fire detection system	Medium (3)	Fair	\$68,000
2025/32	3b	Sextons Cottage – Repainting	Medium (3)	Fair	\$27,000
2025/32	3a	North Sydney Oval Grandstands & Depot – Waterproofing works, repainting & refurbish Bob Stand & Ken Irvine Stand toilets	Medium (3)	Fair	\$560,000
2025/32	3b	Primrose Pk Art & Craft and Gallery – Repainting, roof repair	Medium (3)	Fair	\$168,000

- 27 -

Year	Priority	Buildings	Risk Rating / Category	Condition	Capital Cost
		& building refurbishment			
2025/32	3b	Cremorne Early Childhood Health Centre – Repainting, replace carpet, roof gutters & A/C equipment, upgrade fire system & panel & building refurbishment	Medium (3)	Fair	\$138,000
2025/32	3b	Family Day Care Centre – Repainting	Medium (3)	Fair	\$25,000
2025/32	3b	Kelly’s Place – Repainting	Medium (3)	Fair	\$25,000
2025/32	3b	Music Shell – Repainting & toilets refurbishment	Medium (3)	Fair	\$83,000
2025/32	3b	Ros Crichton Pavilion – Repainting & replace A/C units	Medium (3)	Fair	\$38,000
2025/32	3b	Smoothey Pk Scout Hall – Repainting & roof ventilators / skylights	Medium (3)	Fair	\$15,000
2025/32	3b	Forsyth Pk Scout Hall – Repainting, facia board repair, replace roof / ceiling & security grilles	Medium (3)	Fair	\$72,000
2025/32	3c	Holtermann St Carpark – Repainting, upgrade fire pumps & exit signs / emergency lights	Medium (3)	Fair	\$65,000
2025/32	3c	Hume St Carpark – Repainting, upgrade exit signs / emergency lights & carpark lighting	Medium (3)	Fair	\$140,000
2025/32	3c	Nicholson St Carpark – Repainting, upgrade exit signs / emergency lights & smoke extraction system	Medium (3)	Fair	\$46,000
2025/32	3c	Ward St Carpark – Repainting, upgrade fire services & carpark lighting	Medium (3)	Fair	\$315,000
2025/32	3b	Greenwood Childcare Centre – Repainting & upgrade Plaza lift motor room equipment	Medium (3)	Fair	\$195,000
2025/32	3b	NS Olympic Pool – Repainting, upgrade BMS & A/C controls, building refurbishment	Medium (3)	Fair	\$405,000
2025/32	3b	NS Indoor Sports Centre – Repainting incl. roof & metal roof inspection / repair	Medium (3)	Fair	\$210,000
2025/32	3b	Nutcote Museum – Repainting, review conservation plan, external lighting upgrade & restoration works	Medium (3)	Fair	\$140,000

- 28 -

Year	Priority	Buildings	Risk Rating / Category	Condition	Capital Cost
2025/32	3d	11 Ernest Pl – External repainting	Medium (3)	Fair	\$24,000
2025/32	3d	240-248 Miller Street – External repainting & structural improvement works	Medium (3)	Fair	\$360,000
2025/32	3d	35-41 Ridge Street – External repainting	Medium (3)	Fair	\$20,000
2025/32	3d	43-51 Ridge Street – External repainting & replace A/C units	Medium (3)	Fair	\$160,000
2025/32	3d	53-57 Ridge Street – External repainting, replace carpet & kitchen	Medium (3)	Fair	\$45,000
2025/32	3d	O'Reilly – Colonnade Shops – External repainting & replace carpet	Medium (3)	Fair	\$25,000
2025/32	3d	Shop 8 / 80 Pacific Hwy - Repainting	Medium (3)	Fair	\$10,000
2025/32	3d	McCartney Shops – External repainting & replace roof gutters	Medium (3)	Fair	\$45,000
2025/32	3c	Barry St Carpark - Repainting	Medium (3)	Fair	\$10,000
2025/32	3c	Harnett St Carpark – Repainting & security lights	Medium (3)	Fair	\$28,000
2025/32	3d	Camden Villa – External repainting	Medium (3)	Fair	\$20,000
2025/32	3b	Grandstand Kindergarten – Repainting	Medium (3)	Fair	\$39,000
2025/32	3d	165 Blues Point Road Café – External repainting & windows upgrade / repair	Medium (3)	Fair	\$55,000
2025/32	3d	40A McDougall Street – External repainting	Medium (3)	Fair	\$15,000
2025/32	3d	Alexander St Shops – External repainting	Medium (3)	Fair	\$30,000
2025/32	3d	Hume St Shops – External repainting	Medium (3)	Fair	\$16,000
2025/32	3d	Neutral Bay Community Centre Shops – External repainting	Medium (3)	Fair	\$26,000
2025/32	3d	Primrose Pk Tennis Centre – Repainting & roofing repair	Medium (3)	Fair	\$32,000
2025/32	3d	Cammeray Croquet Club – Repainting & toilet renovation	Medium (3)	Fair	\$25,000
2025/32	3d	Cammeray Tennis Club – External repainting, replace wire mesh fence & resurfacing of courts	Medium (3)	Fair	\$106,000
2025/32	3d	Kirribilli Boat Shed – Repainting	Medium (3)	Fair	\$47,000
2025/32	3d	Bradfield Pk Community Centre – External repainting & replace A/C units	Medium (3)	Fair	\$39,000

- 29 -

Year	Priority	Buildings	Risk Rating / Category	Condition	Capital Cost
2025/32	3d	Nutcote Residence Units – External repainting	Medium (3)	Fair	\$20,000
2025/32	3d	Waverton Coal Loader Site – External repainting, upgrade solar PV & fire detection system	Medium (3)	Fair	\$70,000
2025/32	3b	Early Education Centre – Repainting	Medium (3)	Fair	\$42,000
2025/26 – 2031/32 Subtotal					\$13,401,000

Note: These Cost estimates do not include inflation / building escalations costs which can vary between 3-8% each year. They do include a %10 construction contingency and associated oncosts for project and construction management.

Table 17: North Sydney Council Properties – Summary of 10 Years Capital Renewal and Upgrade Program (FY2023 – FY2032)

Year	Capital Cost
2022/23 (Year 1)	\$1,300,000
2023/24 (Year 2)	\$1,900,000
2024/25 (Year 3)	\$1,919,000
2025/26 – 2031/32 (Year 4 – 10)	\$13,401,000
2023 – 2032 Total	\$18,520,000
2022/23 (Year 1)	(OSES Funding) \$200,000
2023/24 (Year 2)	(OSES Funding) --
2024/25 (Year 3)	(OSES Funding) \$900,000
2025/26 – 2031/32 (Year 4 – 10)	(OSES Funding) --
2023 – 2032 Total	(Funding via OSES) \$1,100,000

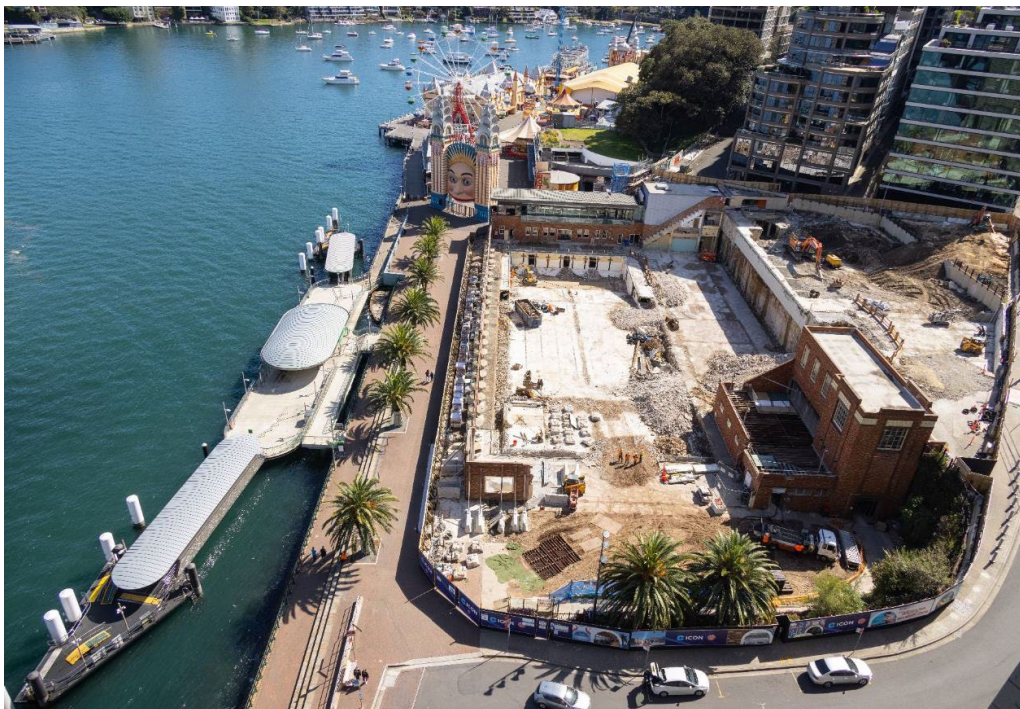
Note: These Cost estimates do not include inflation / building escalations costs which can vary between 3-8% each year. They do include a %10 construction contingency and associated oncosts for project and construction management.

Based on current 2022/23 budget & projected expenditures for 2023/24 – 2031/2032

Council Building Renewal Program



Artists Impression - North Sydney Olympic Pool Redevelopment – commenced March 2021- Scheduled for completion late 2023. (\$64million)



Under Construction - North Sydney Olympic Pool Redevelopment – commenced March 2021- Scheduled for completion late 2023. (\$64million)



Before



After

Alexander Street Car park Re-development- completed 2016 (Public Private Partnership) with Woolworths \$52million



Ward Street Carpark – North Sydney Centre – Council took back possession of this 3 x storey car park in the middle of North Sydney in August 2020 from Wilson Parking after the 50years lease expired. The property in 2016 was valued at over \$80million on the open market in terms of development potential.



Primrose Park – Arts Center – refurbished in April 2019 at a cost of \$2.1 million

- 33 -



Councils Property team organise and undertake significant maintenance works on North Sydney Oval including roof replacement of the grandstands- painting and structural repairs each year.



Councils Property team organise and undertake significant maintenance works on North Sydney Oval including roof replacement of the grandstands- painting and structural repairs each year



New Public Toilets have been built in the Barry Street Carpark – Neutral Bay in 2016 – costs \$450K



New Public Toilets have been built in the Barry Street Carpark – Neutral Bay in 2016 – costs \$450K



Primrose Park – Arts Center – refurbished in April 2019 at a cost of \$2.1 million



Solar Panels have been rolled out across a number of Councils Community and operational buildings over the last 5 years as part of an ongoing program. North Sydney Community Centre



Solar Panels have been rolled out across a number of Councils Community and operational buildings over the last 5 years as part of an ongoing program. North Sydney Council Chambers Wyllie Wing roof



Solar Panels have been rolled out across a number of Councils Community and operational buildings over the last 5 years as part of an ongoing program. Stanton Library



Stanton Library Foyer and Courtyard Upgrade 2017 - \$350K



Stanton Library Foyer and Courtyard Upgrade 2017 - \$350K



Upgrade of the Neutral Bay Community Centre – completed April 2019



Upgrade of the Neutral Bay Community Centre – completed April 2019



Holtermann Street Car park Redevelopment – undergrounding the carpark and construction of a roof top park. Project includes the architectural treatment of the Northern façade of the Crows Nest Center. Currently in design – Existing Carpark.



Holtermann Street Car park Redevelopment – undergrounding the carpark and construction of a roof top park. Project includes the architectural treatment of the Northern façade of the Crows Nest Center. Currently in design – Artists Impression – April 2022



Holtermann Street Car park Redevelopment – undergrounding the carpark and construction of a roof top park. Project includes the architectural treatment of the Northern façade of the Crows Nest Center. Currently in design – Artists Impression – April 2022



Holtermann Street Car park Redevelopment – undergrounding the carpark and construction of a roof top park. Project includes the architectural treatment of the Northern façade of the Crows Nest Center. Currently in design – Artists Impression – April 2022

Council Buildings – Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required projected expenditures identified in this asset management plan are incorporated into the long term financial plan,
- The degree to which 1-5 year detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the asset management plan,
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the target of 1.0.

Council Buildings – References

- North Sydney Vision 2040 - Community Strategic Plan
- North Sydney Council Delivery Program 2022 – 2026
- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/namsplus.
- IPWEA, 2015, 2nd edn., 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMM.
- IPWEA, 2015, 3rd edn., 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2012 LTFP Practice Note 6 PN Long Term Financial Plan, Institute of Public Works Engineering Australasia, Sydney
- IPWEA, 2017 LTFP Practice Note 12 PN Useful Life of Infrastructure, Institute of Public Works Engineering Australasia, Sydney
- IPWEA, 2016 LTFP Practice Note 3 V2 PN Buildings, Institute of Public Works Engineering Australasia, Sydney

APPENDICES

Appendix A: Maintenance Management & Building Inspections

Levels of Services – Council buildings

Maintenance programs for property assets comprise two main categories, namely reactive maintenance and preventive maintenance.

Reactive maintenance includes corrective or repair works arising from the CRM (Customer Request Module). They are prioritised in accordance with urgency and put into the property maintenance program. The repair work are organised by the Property Maintenance Supervisor under the supervision of the Depot Works Manager.

Preventive maintenance programs are designed to deliver maintenance and servicing to property assets and building services on a regular basis. The Preventive maintenance program for each facility has been developed to encompass:

- cyclic programs for the servicing, cleaning and routine repairs and replacement of building elements and building services items
- scheduled tests and inspections to ensure that all statutory obligations such as Work Health and Safety, Building Code and Australian Standards are complied with

The levels of service delivered by these programs can be defined or stipulated by the frequency of delivery. The table below details the frequencies of service for various types of work.

Systems	Levels of service
Air conditioning	Monthly service (and repairs as necessary)
Passenger lifts	Monthly service (and repairs as necessary)
Fire services	Monthly service on sprinklers, Monthly for alarms Six monthly for fire extinguishers, hose reels
Exit and emergency lighting	Six monthly testing and repairs
Kitchen exhaust system	Six monthly service and repairs
Pest control	Quarterly or bi-monthly for most services
Cleaning contracts	Daily services for most buildings
Sanitary waste removal	Monthly service
Graffiti	Regular inspection, removal in two days
Roof gutter cleaning	Quarterly
Building inspection	Quarterly or monthly (See Inspection Regime table)
Cooling towers (currently Nil)	Monthly inspection, Legionella testing quarterly
Electrical appliances testing	Yearly for workshops and depots Two-yearly for office environments

- 43 -

Response times required from the service provider will be based on a risk management approach with faster response time assigned for high risk situations. The following table shows the various response times in relation to different scenarios and risk ratings.

Scenario	Risk Rating	Priority	Response Time within
Equipment breakdown or WH&S issues eg Air Handling Unit fault, trip hazard, electrical faults	High	Top	3 hours
General building repairs eg Rainwater tank pump failure, repair to roof guttering or downpipes	Moderate	High	24 hours
Non-urgent repairs eg Furniture repairs, signage repairs, touch up painting	Low	Medium	7 days
Preventive maintenance eg Routine service of lift and automatic doors	Nil	Low	30 days

Inspections and Condition Survey – Council buildings

All Council premises in the property portfolio are currently inspected and visited on a regular basis by the Property Maintenance Supervisor, Property Asset Manager, Property Officer, Council's property consultant and Fire Audit Inspector.

An external Fire Audit Inspector is engaged annually to check and ensure that emergency services are maintained and tested in accordance with statutory requirements and that all fire doors and egress routes are clear of obstruction. The Inspector also performs general building inspection at the same time as the Fire Audit inspection.

A program of building inspection and condition survey is formalised in the Property Asset Management Manual to ensure that each property is up to the required maintenance standard and that any WH&S issues will be addressed and attended to as necessary. This proactive approach of an inspection regime is important in dealing with any future public liability claims to demonstrate Council's due diligence in undertaking our maintenance responsibilities as the owner of the buildings.

Inspection Regime

Property Type	Statement of use	Level of Inspection	Performed by
Council Premises	General offices, meeting rooms and amenities	Quarterly Yearly, as and when required	Building Supervisor & Property Officer Property Asset Manager & Fire Audit Inspector
Community Facilities			
<ul style="list-style-type: none"> • High usage 	Community Centres and Early Childhood Health Centres	Monthly Quarterly	Building Supervisor & Property Officer
<ul style="list-style-type: none"> • Low usage 	Scout Halls	Half-yearly Yearly, as and when required	Building Supervisor & Property Officer Property Asset Manager & Fire Audit Inspector
Parking Stations	Permanent parking and casual parking	Quarterly Yearly, as and when required	Building Supervisor & Property Officer Property Asset Manager & Fire Audit Inspector
Rental Properties	Commercial offices, retail shops, cafeteria and residences	Quarterly Yearly, as and when required	Rental Property Agent Property Asset Manager Property Officer & Fire Audit Inspector

Maintenance service reports, Inspection reports are registered and scanned into ECM. In addition, inspection results are kept in the Asset and Infrastructure Management (AIM) module in Authority. They are linked to each property so that any enquiries in relation to the building can be traced.

Scheduled Maintenance

Council building services maintenance and cleaning are undertaken as per Property Maintenance Program. Refer to Property Asset Maintenance Manual – this document can be found in ECM Doc ID 9064534.