

# Building Assets Management Plan

**December 2010**

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## Version Control

This Document is a live Council document and is subject to periodic review. The validity and currency of the document is critical in applying its content as it contains significant asset management and performance data that is “real-time” based.

If you are reading this document please check the version date and the endorsement date below to make sure that the document is current.

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## 1. Executive Summary

### 1.1 Purpose of the Plan

The fundamental purpose of this Buildings Asset Management Plan (BAMP) is to improve Council's long-term strategic management of its Building assets in order to cater for the community's desired levels of service in the future, in accordance with Council's key strategic documents and demonstrate reasonable management in the context of Council's available financial and human resources.

The BAMP achieves this by setting standards, service levels and programmes which Council will develop and deliver. The standards and service levels have been set in accordance with user needs, regulations, industry practice and legislative codes of practice.

### 1.2 Assets Description

In all, this BAMP covers 288 buildings in the 6 categories set out in the Buildings hierarchy table in Section 3 of this BAMP.

The Buildings which Tweed Shire is the responsible authority are classified under the BCA (Building Code of Australia) as Class 1 through 10a<sup>1</sup> with enclosing walls, but not 10a structures with open walls such as carports and park shelters, and exclude class 10b<sup>2</sup> non-habitable structures such as sports field lighting poles, wind shelters at sporting grounds , retaining walls and bus shelters.

These later structures are classified under a separate asset portfolio entitled "Other Structures" and include park furniture, playgrounds, grand stands and are managed via Council's Open Space Asset Management Plan.

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<sup>1</sup> Class 10a – a non-habitable building being a private garage, carport, shed or the like.

<sup>2</sup> Class 10b – a structure being a fence, mast, antenna, retaining or free-standing wall, swimming pool or the like.

## Building Assets Management Plant

Council Department	Number of Buildings
Recreation Services	163
Community & Cultural	65
Building & Health	19
Business Undertakings	8
Water	14
Works	13
Other	6

In complying with the Department of Local Government revaluation program, the Tweed Shire engaged the services of an external consultant who undertook a revaluation of its Land and Buildings as at 30 June 2009.

Asset	Fair Value	Accumulated Depreciation	Written Down Value
Non Specialised	\$100,294,000	\$14,268,000	\$86,026,000
Specialised	\$5,989,000	\$469,000	\$5,520,000
<b>Total</b>	<b>\$106,283,000</b>	<b>\$14,737,000</b>	<b>\$91,546,000</b>

As at 30 June 2009, the Annual Depreciation (annual asset consumption) for Building assets was calculated at \$1.21 million.

### 1.3 Levels of Service

Levels of Service define the assets performance targets, in relation to reliability, quantity, quality, responsiveness, safety, capacity, environmental impacts, comfort, cost/affordability and legislative compliance.

A key objective of this BAMP has been to match the level of service provided by Council's Building network portfolio, to the expectations of the users (i.e the community) with available resources. This requires a clear understanding of the user needs, expectations and preferences.

To achieve and sustain acceptable standards of service for Council's Building assets requires an annual commitment of funds. These funds provide for regular and responsive maintenance and for timely renewal or replacement of the asset. The provision of adequate financial resources ensures that the Buildings asset network are appropriately managed and preserved. Financial provisions below requirements impacts directly on community development and if prolonged, results in substantial needs for "catch up" expenditure imposed on ratepayers in the future. Additionally, deferred renewal results in increased and escalating reactive maintenance as aged assets deteriorate at increasing rates.

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

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

### **1.3.1 Building's Asset Hierarchy**

No Authority can deliver everything, all the time. In fact, in line with good practice and affordable service delivery, it may not be practical or cost-effective to deliver the same level of service across the entire asset portfolio.

Therefore the Tweed Shire has documented a hierarchy that classifies the Building's asset portfolio / network into appropriate groups based.

The Buildings asset hierarchy comprises of assets which provide a measure of the Buildings service provision to the community and documented in the tables below.

In developing the building hierarchy/classification system (as documented in the following table below), Council has established the building hierarchy using the following guiding principles:

1. Profile of building from a public perspective.
2. Communal importance.
3. Level of usage.
4. Frequency of usage.
5. Service criticality in terms of demand and risk.
6. Responsiveness and equity.

## Building Assets Management Plant

<b>Classification</b>	<b>Building Hierarchy based on Importance to Community/ Residents</b>	<b>Building Function / Description</b>
Civic Centres	Premium	Including the Auditoriums
Depots	Standard Level 1	Buildings utilised to deliver Council's infrastructure services
Libraries	Standard Level 1	Buildings specifically designed for the provision of library services
Halls	Standard Level 1	For Halls that include child care and minding services
Halls	Standard Level 2	All other halls for general public use such as dancing & yoga classes & functions events
Maternal Child Health	Standard Level 1	Buildings specifically designed for the care and minding of children
Aquatic Centre	Premium	Swimming centre
Recreation Building Facilities	Standard Level 1	Sporting Club Facility e.g. Rowing, Tennis, Croquet, Soccer & Cricket
Recreation Structures	Standard Level 2	E.g. Grandstand, Pavilions, Sheds, Sports field toilets
Community Centres	Standard Level 1	E.g. Pottsville Beach Neighbourhood Centre
Cultural Buildings	Premium	Art Gallery
Cultural Buildings	Standard Level 1	Museum, Historical Society Centres
Emergency Services	Standard Level 2	E.g. Rural Fire Services
Residential	Standard Level 1	Residential properties owned and maintained by Council which are leased
Public Toilets	PT Level 1	E.g. Chris Cunningham Park
Public Toilets	PT Level 2	E.g. McIlrath Park
Auxiliary	Standard Level 3	Work Sheds

This BAMP therefore has different maintenance interventions, inspection frequencies and response times for each Building classification.

In accordance with the International Infrastructure Management Manual, Council acknowledges that the primary purpose of an asset hierarchy is to ensure that appropriate management, engineering standards and planning practices are applied to the asset based on its function. It also enables more efficient use of limited resources by allocating funding to those assets that are in greater need and the costs are better justified.

Without an adequate Building's portfolio hierarchy, there may be inefficient allocation of resources, user expectations may vary and the maintenance of these assets made more difficult.

### 1.4 What are Council's Current Levels of Service being delivered?

At The Tweed Shire Council, we have defined two tiers of service levels:

The first being '**Strategic Levels of Service**' – what we expect to provide in terms of key customer outcomes:

- Appropriateness of service.
- Accessibility to users 24 hours a day, 7 days a week.
- Affordability – acknowledging that we can only deliver what we can afford.
- Relevance of the service being provided – in terms of demand characteristics, future demographics, current back-logs and where the pressure points are.

The second being '**Operational Levels of Service**'

- What we will do in real terms, i.e. reliability, functionality and adequacy of the services provided. Typically, this BAMP has documented our standards – i.e. at what point will we repair, renew or upgrade to meet the customer outcomes listed in the strategic levels.
- Operational levels of service are also referred within Council as Technical Levels of Service and have been defined for each of the following:
  - **New Asset** – If we provide new Building structures / assets, then what design and maintainability standards shall apply to make them meet our strategic outcomes.
  - **Upgraded or Reconstructed Asset to original standard** - If we upgrade or reconstruct Building assets, then what design and maintainability standards shall apply to make them meet our strategic outcomes.

## Building Assets Management Plan

- **Maintenance** – When will we intervene with a maintenance repair and what will be our responsiveness in terms of customer requests for maintenance faults.

### 1.4.1 Strategic Levels of Service

Tweed Council's Strategic Levels of Service that have been adopted as a result of this BAMP are tabulated in the table below as:

Service Criteria	What will Council do?	Performance Standard / Measure
<b>Community</b>		
Quality	Well maintained and suitable Buildings	<200 requests / complaints per annum
Customer Satisfaction	Building assets meet community needs	>60% customer survey satisfaction
Accessibility	Building assets will be accessible during normal operating business hours.	95% Compliance. In the instance where a building is closed to users for reasons such as maintenance, upgrading, renewal or a Council related public event or non-Council events, then appropriate notification shall be given to relevant users in accordance with Council's public information policy.
Responsiveness	Response time to customer requests	> 70% of all requests adequately responded to within target.
<b>Technical</b>		
Condition	Condition assessment of Building network every 3 years.	Building Condition index to be no worse than an average 2.5 out of a possible 5.
Affordability	Reduce funding gap to 20%.	Life Cycle asset costs and renewal gaps in future. Current target is to meet the gap in less than 5 years.

### **1.4.2 Capital Levels of Service – New Assets, Reconstructed Assets, Upgraded Assets**

The built nature of new Building assets will always be provided in accordance with:

- Council's design standards; and
- Relevant Australian Standards.

### **1.4.3 Maintenance Levels of Service**

For the Levels of Service delivered on a day to day nature (i.e. responding to customer requests for maintenance faults and responding to breakdowns), refer to the following manuals, available for display at Council's offices:

- Tweed Building Maintenance LoS V1.0

The service manuals documents:

1. The task or work expected to be undertaken, e.g. replace broken window.
2. The quantity of work expected to be undertaken (workload indicators), e.g. 1 Air-conditioning Unit.
3. The schedule of inspections to be undertaken of specified matters at specified intervals;
4. The circumstances under which intervention action is to be taken with respect to repair or maintenance needs for defects reported or found on inspection;
5. The priority to be given to intervention level;
6. The type of priority intervention action that will be carried out;
7. Provision, as far as practicable, for the unpredictable, i.e. emergencies, natural disasters; and
8. Assessment of resources required delivering the specified maintenance services.

Responsibility for immediate dangerous situations with respect to Buildings is initially assessed or undertaken by Councils operational staff or the after-hour's response team.

This BAMP acknowledges the importance of understanding and monitoring the linkage between workload indicators and intervention actions. A substantial increase in the overall number of Buildings within Council's portfolio which will need to be maintained can materially impact upon intervention action (and citizen satisfaction and duty of care requirements) if not accompanied by a comparable increase in budget allocation or productivity improvement.

Given the outcomes of the internal and external review with respect to Council's Buildings maintenance services, the standards of maintenance detailed in this BAMP are considered reasonable and meeting community expectations in the context of responsible and reasonable Building management.

### 1.5 Future Demand

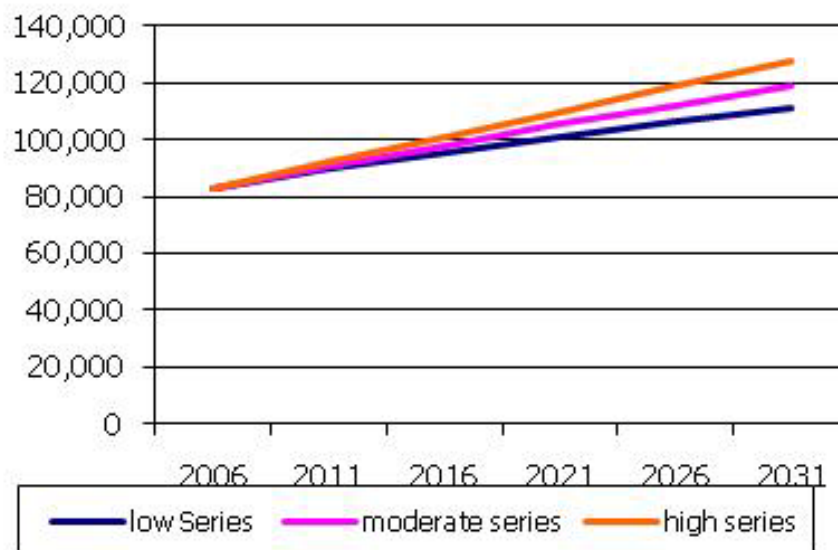
Statistical information from Australian Bureau of Statistics in March 2008 confirms that The Tweed is experiencing and will continue to experience growth.

Tweed Shire is home to an estimated 82,955 people (Australian Bureau of Statistics (ABS) 2006), this is an increase of 10.34% from the 74,380 residents which were living in Tweed in 2001.

The following table illustrates that substantial population increase is expected to occur in the Tweed LGA up to 2031. This is in line with recent population trends in the Shire which has seen it grow at an average annual rate of 2.1%, compared to the NSW average of 0.7%. Tweed Heads continues to grow at the fastest rate of all the Shire's planning districts.

The total population is projected to grow from a 2001 base of 74,580 people past the 2006 figure of 82,955 to 90,870 by 2011. This growth is not expected to occur evenly across the age groups, with relatively little growth anticipated in the younger age groups, especially those under 15 years of age.

This projected population profile reflects the socio-demographic changes which have resulted in middle to older age groups undertaking a sea change. This movement to the Shire up and out from the rest of NSW, as well as the movement of people down from South East Queensland, along with improved access to the Shire facilitated by upgrading of the Pacific Highway, is expected to result in the continuation of the rapid growth rate over the next two decades.





**1.5.1 Current Issues Influencing Service Demand**

In the absence of comprehensive service strategies, population trends can be used as a guide to ascertain future demand.

Age Group	Population 2001	Forecast Population 2031	Forecast Population Change
Whole population	74,590	133,390	44%
0 to 14 Years	14,630	30,220	52%
15 to 29 Years	10,900	13,060	17%
30 to 49 Years	19,740	24,420	19%
50 to 64 Years	13,330	23,760	44%
64 Years +	15,990	41,930	62%

Projected Population Changes for Tweed: Source New South Wales Statistical Local Area Projections Report 2005

Although there are many factors that influence the demand for Council's services and consequently Council's Building asset portfolio, a 52% increase across the municipality in the population of residents aged between 0 to 14 years and a 62% increase across the municipality in the population of residents aged 64 and over will have a significant impact on service levels.

For example, if the service levels are to be retained, Council will have an increase in its asset stock via developer contributed asset and will also need to increase the number of staff it has providing services to these residents.

## Building Assets Management Plan

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Matching the availability of Council assets to community demand is a cyclic process as demonstrated in the following diagram.



The best entry point to the cycle is through the assessment of community wants and needs, condition, functionality and capacity assessment of Council's current Building asset portfolio and forward projections of Council's financial capacity.

This framework enables the preparation of forward-looking service strategies that compare forecast demands to current capacities. Gap analyses lead into asset strategies that in turn inform Capital Works Programs of asset renewal, upgrade and improvement works.

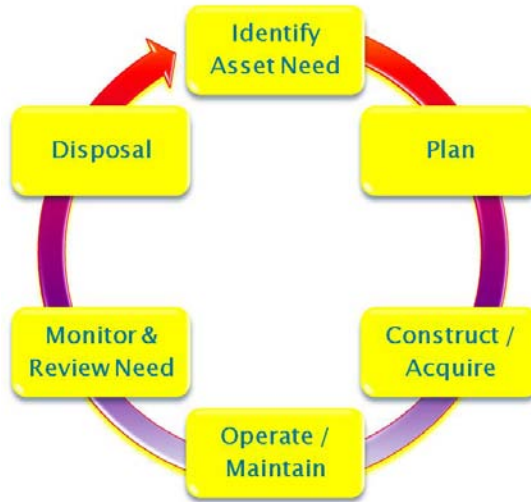
This process in conjunction with Council's demand management plan will seek to address any service demand issues which will arise in future.

### 1.6 Lifecycle Management Plan

Life Cycle Management is recognised by The Tweed as an essential component of this BAMP. This section of the BAMP will provide details of Tweed's data and processes required to effectively manage, maintain, renew and upgrade Council's Building portfolio. It also documents the analysis that Tweed undertakes regularly to predict and monitor expected future expenditure required to effectively manage Council's Building portfolio.

To undertake lifecycle asset management, means considering all management options and strategies as part of the asset lifecycle, from planning to disposal. The objective of managing the assets in this manner is to look at long-term cost impacts (or savings) when making asset management decisions.

The diagram below provides a graphical representation of the asset lifecycle including each of the stages an asset passes through during its life.



**1.7 Building Asset Stock**

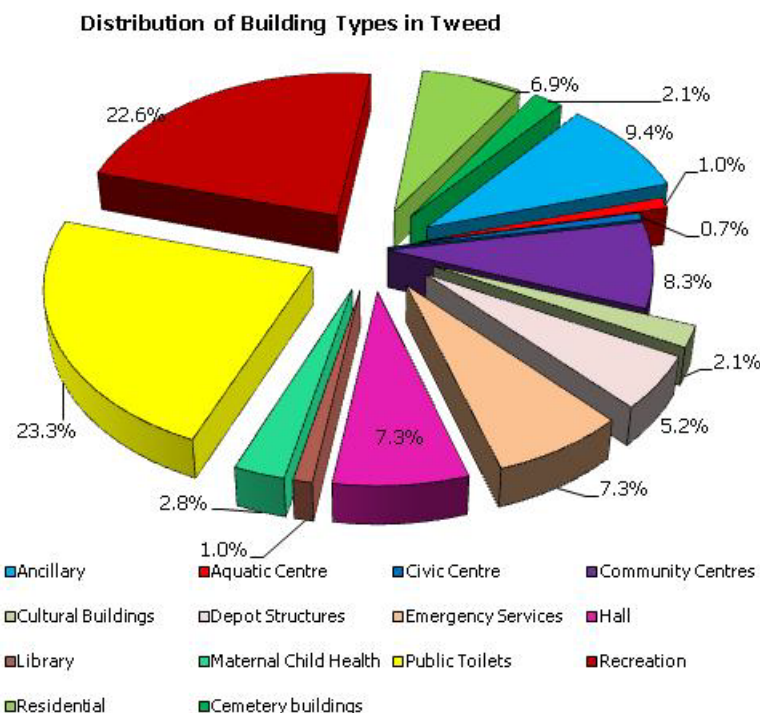
The following table provides a summary of Tweed’s Building asset stock, based on building types.

<b>Building Type</b>	<b>Quantity</b>
Ancillary	27
Aquatic Centre	3
Civic Centre	2
Community Centres	24
Cultural Buildings	6
Depot Structures	15
Emergency Services	21
Hall	21
Library	3
Maternal Child Health	8
Public Toilets	67

## Building Assets Management Plant

Building Type	Quantity
Recreation	65
Residential	20
Cemetery buildings	6

The following diagram below illustrates that of the 288 buildings maintained by the Tweed Shire, that the most predominant buildings type with 23.3% are public toilets, followed by recreation facilities with 22.6%.



### 1.8 How Council Measures its Building Assets Portfolio Condition

Tweed Council has a documented “Building Rating Manual” which is available for viewing at Council’s Offices.

The overall condition of Council’s building assets take into account condition, functionality and capacity criteria in regards to the following building components:

- Envelope/Structural
- Roof
- Floor
- Floor Coverings
- Fitouts
- Safety

- Functionality
- Capacity
- Transportation
- Services
- Equitable Access

These components are measured in accordance with the criteria defined in Council's Data Collection Manual.

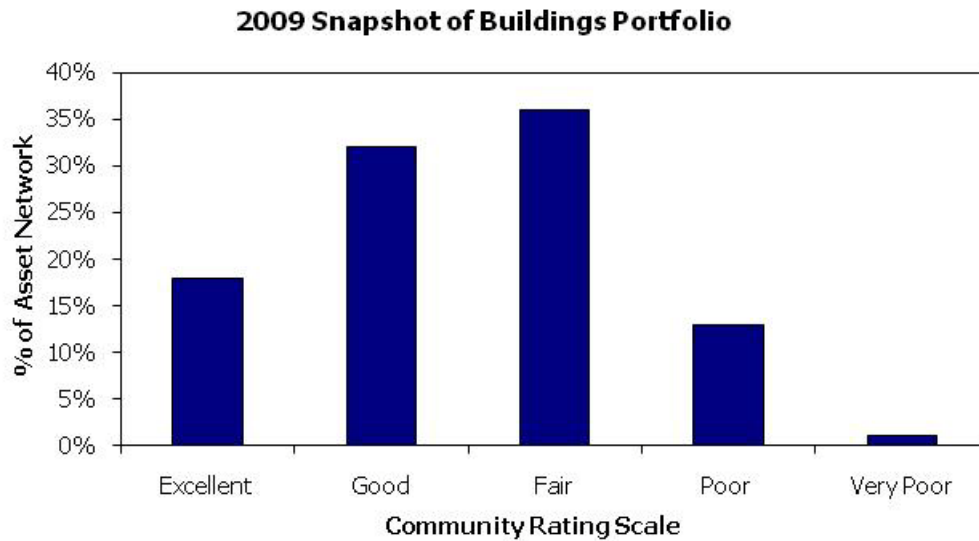
### 1.9 What is the Useful Lives of Council's Building Assets?

The following table below describes the useful life/expected lives that Council has adopted for each Building included in this BAMP.

Building Component	Useful Life (Years)
Floor	60 – 100
Envelope / Structure	40 – 125
Fitouts Floor	15 – 80
Fitouts Screens	20 – 45
Roof	40 – 90
Mechanical Services	25 – 35
Fire Services	40

#### 1.9.1 Snapshot of Council's Building Asset Condition

The following graph illustrates Tweed's Building Portfolio Condition, taking into account its condition rating scales. The graph shows the percentage of Council's portfolio in each category of community condition scale, based on condition information ascertained from a desktop exercise utilising 2008 valuation data.



At present, the current hypothetical cost of recouping the back-log being any asset that represents poor or very poor condition ie. by immediate capital renewal is **\$7.34 million**. It should be noted that this current condition data has been based on data that was collected in 2008.

### 1.10 Council's Adopted Financial Strategy for Building Assets?

Section 6.3 of this BAMP has a detailed table documenting the assumptions and required financial strategy allocation required over the following 10 years.

In summary however, it has been calculated that Tweed Shire should allocate over the 10 year period as a minimum, \$29.5 million with regards to renewing its current building portfolio of assets. This equates to a commitment of approximately \$2.95 million per annum.

This expenditure profile will ensure that the current level of service is maintained into the future. If the building renewal expenditure is funded at a lower level, the model projections show that Council's this level of renewal expenditure will be insufficient and significant degradation will occur to the buildings asset portfolio.

In addition, the Tweed Shire's 7 Year Infrastructure and Services Plan has also identified \$6.5 million of building upgrades. These funds would be allocated to either upgrade buildings to ensure that the assets meet current capacity and functionality requirements as opposed to renewals where the condition of the building is the main driver for allocation of funds to fix the building.

The 7 Year Infrastructure and Services Plan has been largely built around the priorities identified in the development of various Shire plans, through the Community Perceptions Survey and through recognition of Council's role in governance, community protection and regulation.

It should be noted that the majority of the funding for these projects is expected to be funded from either grant funding or Section 94 Developer Contributions collected for these projects to proceed. The planning of projects and ability to deliver these projects may be delayed dependent upon the timings of these funds.

### **1.11 Monitoring and Improvement Program**

Any Asset Management Plan must be a dynamic document, reflecting and responding to changes over time. A full review of the Building Assets Management Plan should take place every three to five years to document progress and set out proposals for the next five years.

Any review of this BAMP will, in addition to that set out above have, regard to:

- Asset performance following delivery of maintenance program;
- The level of achievement of asset management strategies against the expected benefits to Building users, stakeholders and the community; and
- The consideration of any external factors that is likely to influence the contents of this BAMP.

An Improvement Program in Section 8 has been developed in which it is recommended that Council undertakes a number of actions with an aim to improve the accuracy and confidence in the information and improve its practices with respect to Council's Building assets.

## 2. Introduction

### 2.1 Tweed Shire Background

Tweed Shire is located in the north east corner of New South Wales, in a diverse area featuring coastal villages, urban centres, rural villages and agricultural activities.



Diagram 1 – Tweed Shire – Location Map

The centrepiece of the Shire, is Mount Warning, where the sun first hits the Australian continent most of the year. The surrounding McPherson, Tweed, Burringbar and Nightcap ranges form the caldera of the fertile Tweed Valley.

The shire stretches over 1303 square kilometres and adjoins the NSW shires of Byron, Lismore and Kyogle with the Gold Coast City Council area and Scenic Rim Regional Council to its north.

The Shire has 37 kms of natural coastline, wetlands and estuarine forests, and some of the richest pastoral and farm land in NSW. The Tweed River basin is a unique and diverse mountainous region, containing three world-heritage listed national parks.

Prior to European settlement, the area was blanketed in sub-tropical forest and was home to the Bundjalung people. Many of the Shire's towns and villages derive their names from the language of the local Aboriginal people.



The Tweed River was the first highway and conduit of people and goods through the district. Farms, settlements and villages formed along its banks and tributaries. The area was settled by timber-getters around 1844; the first school opened in 1871; and by the 1890's, the river port of Tumbulgum was the centre of population. The focus of population moved to Murwillumbah when the municipality was created in 1902. The current Tweed Shire was formed in 1947 when the Municipality of Murwillumbah was amalgamated with the Shire of Tweed.

Today some 84,325<sup>3</sup> people live in Tweed, scattered through 17 villages, two towns, and the major urban areas of Tweed Heads and South Tweed. The last twenty years have seen enormous growth, with the population increasing, 11% between the 1996 and 2001 census, largely due to southern retirees drawn by the temperate climate and relaxed lifestyle. Trends suggest that Tweed's population is projected to increase to 133,390 (by 49,065) persons over the next 21 years to 2031<sup>4</sup>.

The retail, hospitality, and tourism industries are major employers, while construction, fishing, health, and light industry are other significant contributors to the local economy. The retail sector is the largest employer in the Tweed Shire, accounting for

18.5% of total employment, well above the NSW average of 14.2%. This reflects the importance of tourism in the economy of the Shire. Agriculture also plays a major part in the economy of the Tweed (5.5%) compared to the rest of NSW (3.4%), although the numbers employed in this sector have declined over the last decade.

The Tweed Shire is one of the most rapidly growing areas of Australia and it has undergone dramatic changes over the last 20 years, particularly on the coast. The sea change trend is behind many of these changes. In 2001, 23% of the population was over 65, twice the NSW average. However, the Shire also has a high proportion of children under 19, 25%. Youth unemployment is twice the state average. Incomes in the north coast region are the lowest in NSW. In 2001 over 43% received some form of Centrelink income support, compared to 27% in NSW.

The Tweed Shire Council faces major challenges in accommodating high rates of population growth, while protecting the environment of the Shire, providing services for an aging population, and employment opportunities for its large population of young people.

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<sup>3</sup> Source: ABS - Regional Population Growth, Australia, 2007

<sup>4</sup> Tweed Shire Urban Land Release Strategy, February 2008

The Tweed Shire Council has identified the upgrading of its Buildings infrastructure as one of the major areas to be addressed. This is reflected in the Capital Works Programs and in this Buildings Asset Management Plan (BAMP).

### 2.2 What is the Purpose of Tweed's BAMP?

The fundamental purpose of this BAMP, is to improve Council's long-term strategic management of its Building assets in order to cater for the community's desired levels of service in the future, in accordance with Council's key strategic documents and demonstrate reasonable management in the context of Council's available financial and human resources. The BAMP achieves this by setting standards, service levels and programmes which Council will develop and deliver. The standards and service levels have been set in accordance with user needs, regulations, industry practice and legislative codes of practice.

### 2.3 What will this BAMP Achieve?

The focus of this BAMP is to be pro-active. It will enable Council to:

1. Have precise knowledge of what we own or have responsibility or legal liability for.
2. Record and extract information on these assets in a register down to an identifiable level.
3. Report on Council's annual depreciations and asset consumption at an asset component level.
4. Measure and monitor the condition, performance, utilisation and costs of assets down to the managed component level and aggregate this data up to give outputs of cost and performance at the portfolio level.
5. Understand and record the current levels of service in terms of responsiveness and performance.
6. Understand the likely future levels of service required based on, demographic changes and community expectations.
7. Understand the long term (10-20 years) funding needs of Council's Buildings asset portfolio to meet Council's strategic expectations in both capital and maintenance expenditure.
8. Measure, monitor and report on the condition, performance and functionality of Council's assets against prescribed service levels and regulatory requirements.
9. Have uniform processes across Council's whole organisation for the evaluation of any investment in:
  - Renewal, upgrades and expansions of existing assets.
  - Creation of new assets.
  - Maintenance of existing assets.
  - Operational expenditure to deliver services.

### 2.4 Plan Framework

In the application of this BAMP, Council has developed a whole of life approach to the management of its Buildings asset portfolio. Council has focused on providing an interdisciplinary view of asset management with the development of an Asset Management Policy and framework for the organisation.

The specific elements considered in this BAMP are to:

- Demonstrate accountability and responsible stewardship of Building assets;
- Identify least-cost options to provide agreed levels of service;
- Assess existing Buildings asset stocks and their capacity, condition and functional adequacy;
- Document the Levels of Service that will be provided to the community;
- Identify future demand for Building assets;
- Manage the risks of Buildings asset failures and risks of capacity failures;
- Undertake Life Cycle Management;
- Provide the basis for long-term financial planning; and
- Monitor the plan to ascertain if it is meeting Council's objectives.

The implementation of this BAMP reflects a financially responsible approach to meeting the needs of the communities that make up the Tweed Shire in regard to:

1. The level of service provided by the Buildings assets
2. Economic development
3. Intergenerational equity
4. Environmental sustainability
5. Sustainable development

Through its documented Draft Management Plan 2010-2013, Council has identified a need to develop long-term financial management plans for its Buildings network provision as part of a process to adopt continuous improvement programs for the management of this asset class. The purpose of this BAMP will therefore enable this to occur in a structured manner. This is of particular importance as Council's investment in its Building assets is valued at approximately \$106.28 million<sup>5</sup>.

### **2.5 Key Assets Covered by this BAMP**

In all, this BAMP covers 288 buildings in the 6 categories set out in the Buildings hierarchy table in Section 3 of this BAMP.

The Buildings which Tweed Shire is the responsible authority are classified under the BCA (Building Code of Australia) as Class 1 through 10a<sup>6</sup> with enclosing walls, but not 10a structures with open walls such as carports and

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<sup>5</sup> Source: Tweed Financial Statements 2008/2009

<sup>6</sup> Class 10a – a non-habitable building being a private garage, carport, shed or the like.

## Building Assets Management Plant

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park shelters, and exclude class 10b<sup>7</sup> non-habitable structures such as sports field lighting poles, wind shelters at sporting grounds , retaining walls and bus shelters.

These later structures are classified under a separate asset portfolio entitled “Other Structures” and include park furniture, playgrounds, grand stands and are managed via Council’s Open Space Asset Management Plan.

Council Department	Number of Buildings
Recreation Services	163
Community & Cultural	65
Building & Health	19
Business Undertakings	8
Water	14
Works	13
Other	6

**Table 1- Building Asset Stock**

While the management responsibility for the non-habitable structures is generally defined, the allocation of roles is not always consistent or determined in the context of the skills required. Greater clarity is required with the relationship between buildings and the other asset classes and the establishment of a universally agreed definition of “buildings” has been identified as a key improvement in Section 8.

### **2.6 Council’s Role and Responsibility**

The Councils statutory requirements for asset management are derived from the NSW Local Government Act 1993.

The powers, functions and duties of the Council are detailed in Chapter 6, of the Act.

This legislation together with regulations, environmental standards, and responsibilities under common law, impact on the management of Council’s Building assets.

In addition, there are also specific statutory requirements relating to Buildings and these are:

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<sup>7</sup> Class 10b – a structure being a fence, mast, antenna, retaining or free-standing wall, swimming pool or the like.

- Building Code of Australia
- Environmental Planning and Assessment Act
- Disability Discrimination Act
- Environment Protection Act
- Occupational Health and Safety Act
- Food Act
- Australian Standards relating to property and key building elements such as electrical, lifts, AC units etc.

Council is also responsible for undertaking forward planning and administering development control through planning and building assessment

### **2.7 Relationship of this BAMP with other Council Policies, Strategies and Plans**

This BAMP documents how Council's Buildings assets are managed and maintained to meet the needs of the community. In order to do this effectively, other Council policies, strategies and plans have been considered to determine how this impacts on the BAMP.

These related policies and plans include the following.

#### **2.7.1 Relationship between BAMP and Community Strategic Plan**

The Community Strategic Plan and Delivery Program set the course for the delivery of services and projects over the next four years.

The objectives and strategies of the Community Strategic Plan align with Council's vision that "*The Tweed will be recognised for its desirable lifestyle, strong community, unique character and environment, and the opportunities its residents enjoy*".

Council acknowledges that it will need to prepare sustainable social, environmental and financial strategic plans, policy and infrastructure specifications aligned to Council's Vision, Mission and Charter to ensure capacity availability and essential infrastructures can be provided prior to the approval of development whilst maintaining and improving existing levels of services.

Council has also identified that it needs to 'Deliver quality community services that are responsive to the needs of the community' to deliver on these actions and visions.

This BAMP has therefore been aligned to deliver Council's Objectives and Strategies as documented in Council's Community Strategic Plan, in terms of

## Building Assets Management Plant

providing cost-effective, transparent, quality and affordable service levels in accordance with community expectations.

### 2.8 Stakeholders in Preparation of this BAMP

The owner of the Building asset portfolio is the Tweed Shire Council. The elected members of Council have a stewardship responsibility for the care and control of these assets.

The responsibility for the management of all Building assets within the Tweed Shire municipality rests with the following Business Units within Council.

Responsible Unit	Building Types
Recreational Services Unit	Murwillumbah Civic Centre (offices for 300 + Council Chambers), Tweed Regional Aquatic Centre and Swimming pools at Tweed Heads and Kingscliff, Multi storied car park, Sporting buildings such as club houses, amenities and canteens, Parks depot, Parks work and storage sheds, Cemetery buildings, Public amenities, Residences, Public Toilets
Community and Cultural Unit	Art gallery, Museums, Auditoria, Tweed Heads Civic Centre, Halls, Child care centers, Libraries, Restaurant
Health and Building Unit	SES buildings, Rural Fire buildings and Volunteer Marine Rescue buildings.
Water Unit	Water and Sewer Plant buildings, Storage Sheds, Laboratory, Residential
Works Unit	Depots, Residential, Quarry buildings
Business Unit	Caravan Parks, Airport, Tourist Information Centres
Natural Resources Unit	Residential and Ancillary

**Table 2 – Building Responsible Units**

Tweed Shire recognises varying needs of external and internal stakeholders depending on whether these stakeholders are the business community, residents, or visitors and they include:

- Tweed Council staff;
- Tweed Councillors;
- Residents;
- Sporting Clubs;
- Facility Users;
- Tourists;
- Council Business Units and
- Developers.

### 3. Levels of Service

A key objective of this BAMP has been to match the level of service provided by Council's Building network portfolio, to the expectations of the users (i.e the community) with available resources. This requires a clear understanding of the user needs, expectations and preferences.

To achieve and sustain acceptable standards of service for Council's Building assets requires an annual commitment of funds. These funds provide for regular and responsive maintenance and for timely renewal or replacement of the asset. The provision of adequate financial resources ensures that the Buildings asset network are appropriately managed and preserved. Financial provisions below requirements impacts directly on community development and if prolonged, results in substantial needs for "catch up" expenditure imposed on ratepayers in the future. Additionally, deferred renewal results in increased and escalating reactive maintenance as aged assets deteriorate at increasing rates.

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

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

#### **3.1 Strategic Service Objectives and Strategic Basis for Developing Service Levels**

In developing the levels of service as documented in this BAMP, Council has given due regard to the objectives and strategies in the Community Strategic Plan.

Tweed Shire Council's major challenges like many other coastal communities, is the task of servicing an expanding population with finite resources. It is always a challenge to strike a balance between the needs and desires of residents and what can realistically be achieved.

Council is managing these challenges by ensuring that all future works and planning for assets is consistent with the framework of this BAMP and ensuring that the natural environment, economic development, and community well-being, are all considered in the decision making process.

The objectives as documented in Tweed's Community Strategic Plan clearly acknowledge that Council is committed to developing clearly defined service levels in consultation with the community. Council is clearly committed to the

orderly development, maintenance and replacement / renewal of infrastructure to provide these services at the lowest sustainable lifecycle cost whilst achieving triple bottom line outcomes and balancing inter-generational equity.

### **3,2 What Customer Research and Expectations were used in setting these Service Levels?**

Council currently receives feedback from the community from the following various sources:

- Consultation and research when developing the Community Strategic Plan; and
- CWR<sup>8</sup> – customer work requests and reactive asset complaints.

It is important to note that Council uses this information in developing the Community Strategic Plan and in the allocation of resources in the Long Term Financial Plan.

It should also be noted that Tweed Shire has also taken into consideration the outcomes and recommendations from the Tweed Shire Regional Sports & Recreational Facility Plan (Dec 2005) and Generic Plan of Management for Community Land (April 2005).

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<sup>8</sup> Council's Customer Request System can provide regular reports on infrastructure request/complaint numbers, locations and priorities.



### 3.3 Legislative and Statutory Requirements Relevant to NSW Buildings Management

This BAMP is governed by the following Acts and Regulations as follows:

Legislation	Purpose
NSW Local Government Act 1993	<p>This Act provides the purpose, objectives, functions and powers of municipal Councils in relation to the management of municipal Buildings assets.<sup>9</sup></p> <p>Examples of these functions include the provision, management or operation of:</p> <ul style="list-style-type: none"> <li>• community services and facilities</li> <li>• public health services and facilities</li> <li>• sporting, recreational and entertainment services and facilities</li> <li>• environment conservation, protection and improvement services and facilities</li> <li>• public transport services and facilities</li> <li>• waste removal, treatment and disposal services and facilities</li> <li>• water, sewerage and drainage works and facilities</li> <li>• stormwater drainage and flood prevention, protection and mitigation services and facilities</li> <li>• fire prevention, protection and mitigation services and facilities</li> </ul>
Building Code of Australia	<p>The Building Code of Australia (BCA) is a uniform set of technical provisions for the design and construction of buildings and other structures throughout Australia.</p>
Occupational Health & Safety Regulations 2001	<p>This Regulation is made under the Occupational Health and Safety Act 2000.</p> <p>It sets regulations with regards to work-risk management.</p> <p>It is important to note that Chapter 4 is divided into 5 Parts. Part 4.1 deals with preliminary matters. Part 4.2 deals with the responsibilities of controllers of</p>

<sup>9</sup> Refer to Division 2, Part 3, Chapter 6 of the Local Government Act 1993

## Building Assets Management Plant

Legislation	Purpose
	<p>premises as to hazard identification, risk assessment, risk control and provision of information generally and as to fall prevention, electricity and asbestos installed in the workplace in particular. Part 4.3 deals with the use of places of work and the responsibilities of employers as to working space, lighting, heat and cold, noise management, atmosphere, working at heights, fire prevention, electricity and working in confined spaces. Part 4.4 deals with manual handling. Part 4.5 deals with long distance truck driver fatigue.</p>
Occupational Health and Safety Act 2000 No 40	<p>The objects of this Act is to secure and promote the health, safety and welfare of people at work and hence when Council employees undertake works, must do so with regards to the various requirements of this act.</p>
Disability Discrimination Act 1994	<p>The objects of this Act are:</p> <p>(a) to eliminate, as far as possible, discrimination against persons on the ground of disability in the areas of:</p> <ul style="list-style-type: none"> <li>(i) work, accommodation, education, access to premises, clubs and sport; and</li> <li>(ii) the provision of goods, facilities, services and land; and</li> <li>(iii) existing laws; and</li> <li>(iv) the administration of Commonwealth laws and programs; and</li> </ul> <p>(b) to ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community; and</p> <p>(c) to promote recognition and acceptance within the community of the principle that persons with disabilities have the same fundamental rights as the rest of the community.</p>

## Building Assets Management Plant

Legislation	Purpose
Food Safety Act 2003	<p>The objects of this Act include the following:</p> <p>(a) to ensure food for sale is both safe and suitable for human consumption,</p> <p>(b) to prevent misleading conduct in connection with the sale of food,</p> <p>(c) to provide for the application in this State of the Food Standards Code.</p> <p>In particular, Part 5 Improvement notices and prohibition orders for premises or equipment impact on this BAMP.</p>

In addition, Tweed Shire where appropriate complies with the following design specifications and Australian Standards:

Standards / Specifications	Purpose
Council Master Buildings Specification	Provides the standards of design and construction for those assets that will vest in Council following new property developments and refurbishment of existing.
<p>Australian Standards as called up by the Building Code of Australia such as;</p> <p>AS/NZS 2293.3:1995 Emergency Evacuation Lighting</p> <p>AS 1891:1995 Fire Services</p> <p>AS 1735.15:2002 Lift Services</p> <p>AS: 1657:1992 Australian Standard – Fixed Platforms, Walkways, Stairways &amp; Ladders – Design, Construction &amp; Installation.</p>	Provides standards for design and construction and also sets out procedures to meet Australia's need for contemporary, internationally aligned Standards and related services.

### 3.4 What is Council's Building Hierarchy?

No Authority can deliver everything, all the time. In fact, in line with good practice and affordable service delivery, it may not be practical or cost-effective to deliver the same level of service across the entire asset portfolio. Therefore Tweed Shire has documented a Buildings asset hierarchy that classifies the Buildings portfolio / network into appropriate groups based on the appropriate levels of service.

In accordance with the International Infrastructure Management Manual, Council acknowledges that the primary purpose of an asset hierarchy is to ensure that appropriate management, engineering standards and planning practices are applied to the asset based on its function. It also enables more efficient use of limited resources by allocating funding to those assets that are in greater need and the costs are better justified.

Without an adequate Buildings hierarchy, there may be inefficient allocation of resources, user expectations may vary and the scheduling of Building works and priorities made more difficult.

#### 3.4.1 Tweed Buildings Hierarchy

The Buildings asset hierarchy comprises of assets which provide a measure of the Buildings service provision to the community and documented in the tables below.

In developing the building hierarchy/classification system (as documented in the following table below), Council has established the building hierarchy using the following guiding principles:

1. Profile of building from a public perspective.
2. Communal importance.
3. Level of usage.
4. Frequency of usage.
5. Service criticality in terms of demand and risk.
6. Responsiveness and equity.

## Building Assets Management Plant

Classification	Building Hierarchy based on Importance to Community/ Residents	Building Function / Description
Civic Centres	Premium	Including the Auditoriums
Depots	Standard Level 1	Buildings utilised to deliver Council's infrastructure services
Libraries	Standard Level 1	Buildings specifically designed for the provision of library services
Halls	Standard Level 1	For Halls that include child care and minding services
Halls	Standard Level 2	All other halls for general public use such as dancing & yoga classes, functions events etc
Maternal Child Health	Standard Level 1	Buildings specifically designed for the care and minding of children
Aquatic Centre	Premium	Swimming centre
Recreation Building Facilities	Standard Level 1	Sporting Club Facility e.g. Rowing, Tennis, Croquet, Soccer & Cricket
Recreation Structures	Standard Level 2	E.g. Grandstand, Pavilions, Sheds, Sports field toilets
Community Centres	Standard Level 1	E.g. Pottsville Beach Neighbourhood Centre
Cultural Buildings	Premium	Art Gallery
Cultural Buildings	Standard Level 1	Museum, Historical Society Centres
Emergency Services	Standard Level 2	E.g. Rural Fire Services
Residential	Standard Level 1	Residential properties owned and maintained by Council which are leased
Public Toilets	PT Level 1	E.g. Chris Cunningham Park
Public Toilets	PT Level 2	E.g. McIlrath Park
Auxiliary	Standard Level 3	Work Sheds

**Table 3 – Building Hierarchy**

This BAMP therefore has different maintenance interventions, inspection frequencies and response times for each Building classification.

### 3.5 Current Council Practices

The following are special service level consideration processes with the provision of Building assets currently carried out by Council or others.

It is important to note that Council's buildings have different asset managers and therefore each individual building manager is responsible for identifying Capital Works Program requirements such as roof replacement, mechanical system upgrades etc.

#### 3.5.1 Use of Contractors

Council is considered to be in a better position than other Council's who manage building assets.

Typically most work on council buildings is outsourced to external contractors who require much lag time to respond to requests to fix defects.

The Tweed Shire is in a more favourable position as Council has 30 staff comprising of carpenters, plumbers, painters, cleaners, asset inspectors and sign writers, who are able to deliver on most of Council's day to day maintenance requirements. This ensures that all work is responded to within a reasonable response time and undertaken to Council's standards.

On occasion contractors are required to assist Council officers if the works are of a very specialist nature or on a large scale.

#### 3.5.2 Council Owned Buildings – Leased / Licenses

Council owns some buildings such as the Bilambil Sports Complex and Child Care Centres which are leased by Council to a third party organisation.

These leases are considered to be a long term lease as it is greater 12 months and gives the lessee exclusive use of the facility.

During the terms of the lease, the lessee is responsible for the building contents, fitout and operational needs, whilst Council is responsible for works required to maintain the building structure.

However, these leases can vary and the terms and conditions are documented in the lease.

Council also has short term licenses such as the Kingscliff District Soccer Club.

Short term licenses allow seasonal use of the building and facilities. The licensee is responsible for the upkeep and maintenance of operational needs. Council is responsible for the building and essential services.

Each building has a documented lease and/or license which details responsibilities. This lease is signed by a Council responsible officer and/or authorised delegate of Council and by the sporting clubs Office Bearer, which is then stored in Council records management system.

### 3.5.3 Contracts for Works Carried Out

Council's Recreation and Services Department is responsible for managing external consultants/contractors who undertake maintenance works and Capital works (i.e. Typically, capital projects up to the value of \$500,000).

In addition to Council's Building and Recreation Unit who manage capital projects, Council's Contracts Department manages contractors who undertake the upgrade or renewal works as identified via Council's capital works program.

The consultants/contractors are awarded the work through a competitive invitation tender process for works above \$25,000. For works above \$25,000, these are required to be awarded in accordance with Council's Tender Policy.

For works between \$5,000 and \$25,000, written quotations are required prior to awarding works.

### 3.6 What are Council's Current Levels of Service being delivered?

Tweed Shire Council has defined two tiers of levels of service:

The first being '**Strategic Levels of Service**' – what Council expects to provide in terms of key customer outcomes:

- Appropriateness of service.
- Accessibility to users 24 hours a day, 7 days a week.
- Affordability – acknowledging that Council can only deliver what it can afford.
- Relevance of the service being provided – in terms of demand characteristics, future demographics, current back-logs and where the pressure points are.

The second being '**Operational Levels of Service**'

- What Council will do in real terms, i.e. reliability, functionality and adequacy of the services provided. Typically, this BAMP has documented Council's standards – i.e. at what point will Council repair, renew or upgrade to meet the customer outcomes listed in the strategic levels.

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- Operational levels of service are also referred within Council as Technical Levels of Service and have been defined for each of the following:
- **New Asset** – If Council provides new Building / assets, then what design and maintainability standards shall apply to make them meet Council’s strategic outcomes.
  - **Upgraded or Reconstructed Asset to original standard** - If Council upgrades or reconstructs Buildings, what design and maintainability standards shall apply to make them meet Council’s strategic outcomes.
  - **Maintenance** – When will Council intervene with a maintenance repair and what will be Council’s responsiveness in terms of customer requests for maintenance faults.

### 3.6.1 Strategic Levels of Service

Tweed Council’s Strategic Levels of Service that have been adopted as a result of this BAMP are tabulated in the table below as:

Service Criteria	What will Council do?	Performance Standard / Measure
<b>Community</b>		
Quality	Well maintained and suitable Buildings	<200 requests / complaints per annum
Customer Satisfaction	Building assets meet community needs	>60% customer survey satisfaction
Accessibility	Building assets will be accessible during normal operating business hours.	95% Compliance. In the instance where a building is closed to users for reasons such as maintenance, upgrading, renewal or a Council related public event or non-Council events, then appropriate notification shall be given to relevant users in accordance with Council’s public information policy.
Responsiveness	Response time to customer requests	> 70% of all requests adequately responded to within target.



<b>Technical</b>		
Condition	Condition assessment of Building network every 3 years.	Building Condition index to be no worse than an average 2.5 out of a possible 5.
Affordability	Reduce funding gap to 20%.	Life Cycle asset costs and renewal gaps in future. Current target is to meet the gap in less than 5 years.

**3.6.2 Capital Levels of Service – New Assets, Reconstructed Assets, Upgraded Assets**

The built nature of new Building assets will always be provided in accordance with:

- Council’s design standards; and
- Relevant Australian Standards.

**3.6.3 Maintenance Levels of Service**

For the Levels of Service delivered on a day to day nature (i.e. responding to customer requests for maintenance faults and responding to breakdowns), refer to the following manuals, available for display at Council’s offices:

- Tweed Building Maintenance LoS V1.0

The service manuals documents:

1. The task or work expected to be undertaken, e.g. replace broken window.
2. The quantity of work expected to be undertaken (workload indicators), e.g. 1 Air-conditioning Unit.
3. The schedule of inspections to be undertaken of specified matters at specified intervals;
4. The circumstances under which intervention action is to be taken with respect to repair or maintenance needs for defects reported or found on inspection;
5. The priority to be given to intervention level;
6. The type of priority intervention action that will be carried out;
7. Provision, as far as practicable, for the unpredictable, i.e. emergencies, natural disasters; and
8. Assessment of resources required delivering the specified maintenance services.

Responsibility for immediate dangerous situations with respect to Buildings is initially assessed or undertaken by Councils operational staff or the after-hour’s response team.

This BAMP acknowledges the importance of understanding and monitoring the linkage between workload indicators and intervention actions. A substantial increase in the overall number of Buildings within Council's portfolio which will need to be maintained can materially impact upon intervention action (and citizen satisfaction and duty of care requirements) if not accompanied by a comparable increase in budget allocation or productivity improvement.

Given the outcomes of the internal and external review with respect to Council's Buildings maintenance services, the standards of maintenance detailed in this BAMP are considered reasonable and meeting community expectations in the context of responsible and reasonable Building management.

### 3.7 Community Expectations and Perceptions

At present, Council does not participate in an Annual/Bi-annual Community Survey with regards to detailed community engagement on their satisfaction with Council's Building assets.

It is proposed that prior to the review of this BAMP, that a Community Survey or Participation Focus Group will be undertaken to gauge the community's satisfaction. These results will then feed back into the review BAMP.

#### 3.7.1 Customer Requests – Data Analysis

The Building and Recreation Unit undertakes an analysis of annual customer service requests and complaints. The number of requests / complaints received throughout the last three years, with respect to Buildings issues is shown in the following table below.

Nature of Request / Complaint	2006	2007	2008
Public Toilets - Cleaning	10	8	4
Carpenters - Maintenance	73	68	70
Electricians - Maintenance	24	55	58
Plumbers - Maintenance	64	62	59
Vandalism Public Toilets	4	2	8
Sign writers	8	7	9

Table 4 – Customer Requests Data Analysis

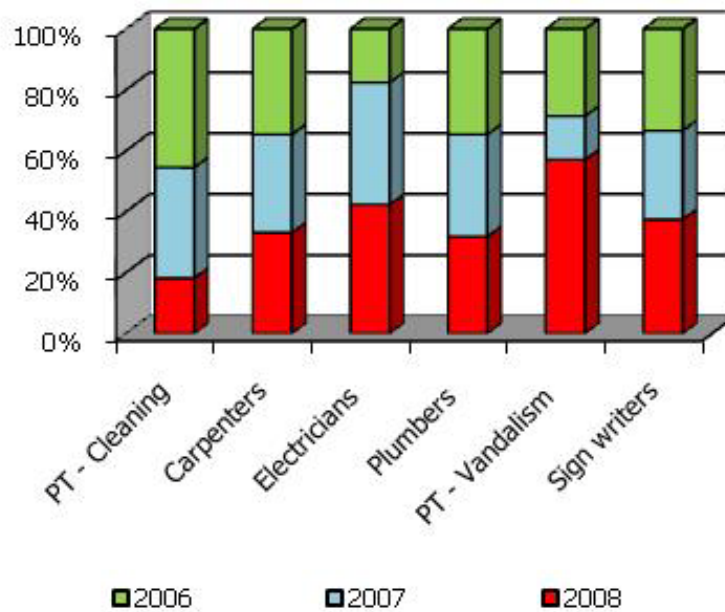


Diagram 2 – Trends in Customer Complaints – 2006 to 2008

The above graph indicates that there has been a constant demand in the amount of requests / complaints received from the community with respect to Council's Building assets between the years 2006 to 2008 (NB the colours indicate the number of requests for each year based on the demand/request type). This however, does not mean Council's service levels have dropped; it indicates that the community's expectations are changing in terms of the levels of service being currently delivered.

### 3.8 How will Council Identify and/or Measure the Continuous Improvement of its Services?

The internal review process is intended to gain corporate ownership of service level standards. The process employed (each step) is described below and for all BAMP reviews, this same process is applied.

1. Draft service levels are developed in consultation with key maintenance and capital staff.
2. The draft levels, along-with associated data and parameters are then presented to the internal executive committee for feed-back and comments. Revisions are made where appropriate, with reasons for revisions clearly documented.
3. The Revised frameworks then presented to Councillors and Executive Team for draft approval. Valid suggestions are incorporated and further revisions made where necessary and reasons for revisions are documented.
4. Once Council approves the service levels/resource levels, these will be deemed as draft adopted levels and presented to Community, via this BAMP.

5. Community feedback will be constructively utilised to refine service/resource levels and the adopted service levels will be locked in. Adopted service levels will take into account total funding available and the skills and resource base of Council.
6. The frameworks will be reviewed at-least once every four years or at more regular intervals if required for any other compelling reason.

### 3.9 Desired Levels of Service

Indications of desired levels of service are obtained by Council from a variety of various sources including feedback from Councillors, Community Satisfaction Surveys, residents' feedback to Councillors and staff, service requests and correspondence.

Given the outcomes of the internal and external review with respect to Council's Building asset services, the standards of maintenance detailed in this BAMP are considered reasonable and meet community expectations.

In the preparation of the Community Strategic Plan, community consultation was undertaken. The consultations with the community identified the importance of considering sustainability in Council's decision-making. In terms of asset management, this translates to the following key principles:

- Making informed decisions with a long-term view – aiming to balance current community needs and expectations with the future needs of the community.
- Integrating social, economic and environmental criteria in the management and assessment of Council's assets – aiming for a more holistic, systems based approach.

Given the outcomes of the internal and external review with respect to Council's Building services, the standards detailed in the BAMP are considered reasonable and meet community expectations.

**3.10 Building Service Delivery**

The provision of Building services to the Tweed municipality is the responsibility of the Director Engineering Services, who is responsible for the management of the Engineering Department. The role of the Engineering Department is:

- Public Assets and Building Maintenance

The following organisational chart identifies the roles and the reporting structure of the Engineering Department.

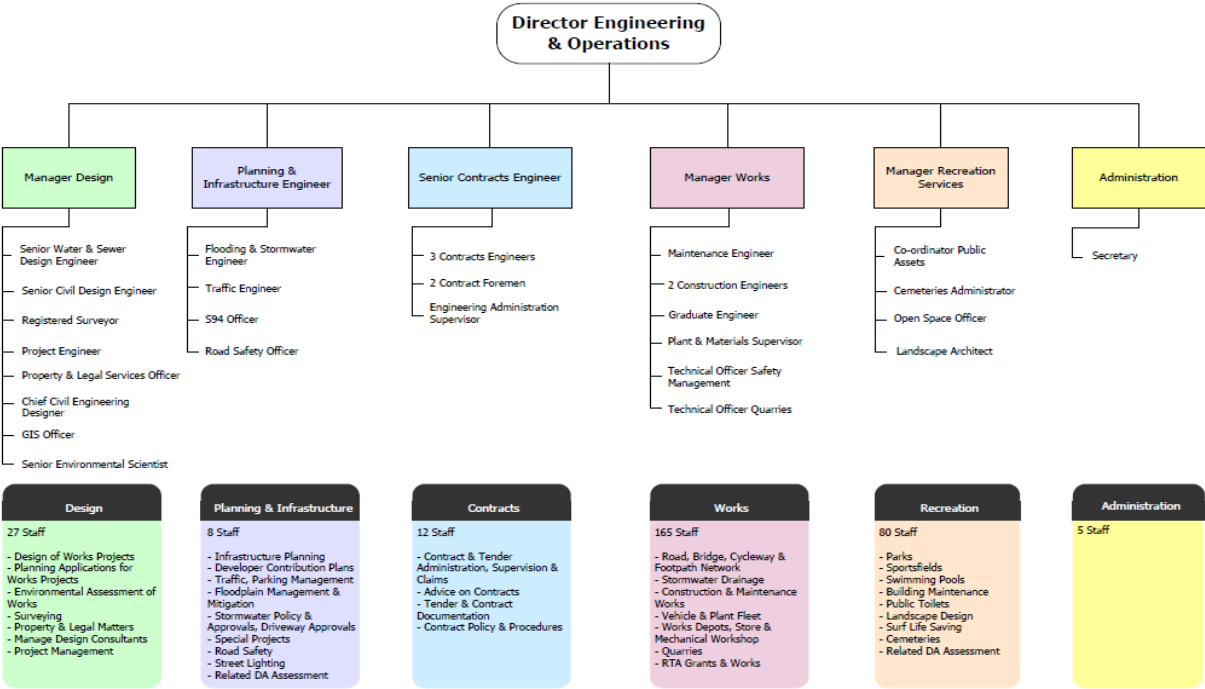


Diagram 3 – The Tweed Building Organisational Structure

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However, as previously identified, other areas within Council are also responsible for the management of various Buildings and as a result, those departments manage the budgets and set the priorities for those building assets. The Recreation and Services Department have the specialist knowledge and responsibility for setting the Levels of Service for all Council owned Buildings and budgets and setting the forward works programs for the Buildings under their management.

Building Type	Asset Owner	Asset Manager	Asset Data Manager	Use Manager	Routine Inspection	Seasonal or Annual Inspection	Condition Assessment	Infrastructure Maintenance	Cleaning	Fitout	GIS	Valuation	Renewal Refit	Replacement	Disposal
<b>Airport Facility Buildings (Murwillumbah)</b>	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	EMT	BUS
<b>Aquatic Facility Buildings</b>	RS	RS	RSA	RS	RS	RS	RS	RS	RS	RS	RSA	FIN	RS	EMT	RS
<b>Cemetery Buildings</b>	RS	RSA	RSA	RSA	RSA	N/A	RSA	RSA	RSA	RSA	RSA	FIN	RS	EMT	RS
<b>Child Care Facilities</b>	CC	CC	RSA	TEN	TEN	CC	RSA	RSA	TEN	TEN	RSA	FIN	CC	EMT	CC
<b>Community Service Buildings (incl Bridge Club)</b>	CC	CC	RSA	TEN	TEN	CC	RSA	RSA	TEN	TEN	RSA	FIN	CC	EMT	CC
<b>Coolamon Centre – offices and workrooms</b>	CC	CC	RSA	CC	CC	N/A	RSA	RSA	RSA	CC	RSA	FIN	CC	EMT	CC
<b>Cultural Buildings eg Art Gallery, Museums</b>	CC	CC	RSA	CC	CC	N/A	RSA	RSA	CC	CC	RSA	FIN	CC	EMT	CC
<b>Depot Buildings</b>															
Works Unit	WK	WK	RSA	WK	WK	N/A	RSA	WK	RSA	TEN	RSA	FIN	TEN	EMT	WK
Recreational Services Unit (Coastal)	RS	RSP	RSA	RSP	RSP	N/A	RSA	RSA	RSP	RSP	RSA	FIN	RS	EMT	RS
Waste Unit	CNR	CNR	RSA	TEN	CNR	N/A	RSA	CNR	CNR	CNR	RSA	FIN	CNR	EMT	CNR

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<b>Emergency Services</b>	HB	HB	RSA	TEN	TEN	HB	RSA	RSA	TEN*	TEN	RSA	FIN	HB	EMT	HB
<b>Halls</b>															
Community Halls	CC	RSA	RSA	CC	CC	CC	RSA	RSA	TEN	CC	RSA	FIN	CC	EMT	CC
Recreational Service Halls (PEC, CBSC)	RS	RSA	RSA	RSA	RSA	RSA	RSA	RSA	CT	RSA	RSA	FIN	RSA	EMT	RS
<b>Libraries</b>	CC	CC	RSA	CC	CC	CC	RSA	RSA	CC	CC	RSA	FIN	CC	EMT	CC
<b>Murwillumbah Civic Centre</b>															
Auditorium	CC	CC	RSA	CC	CC	CC	RSA	RSA	TEN	CC	RSA	FIN	CC	EMT	CC
Basement Carpark	RS	RSA	WK	TEN	TEN	RSA	WK	WK	RSA	RS	RSA	FIN	RS	EMT	RS
Office & Chambers	RS	RSA	RSA	TEN	TEN	RSA	RSA	RSA	RSA	TEN	RSA	FIN	RS	EMT	RS
Restaurant (Canvas & Kettle)	CC	CC	RSA	TEN	TEN	CC	RSA	RSA	TEN	CC	RSA	FIN	CC	EMT	CC
<b>Murwillumbah Multi-Storey Carpark</b>	RS	RSA	RSA	RS	RSA	N/A	RSA*	RSA	WK	RSA	RSA	FIN	RS	EMT	RS
<b>Nursery</b>	RS	RSP	RSA	RSP	RSP	N/A	RSA	RSA	RSP	RSP	RSA	FIN	RS	EMT	RS
<b>Park Buildings (stores and sheds)</b>	RS	RSP	RSA	RSP	RSP	N/A	RSA	RSA	RSP	RSP	RSA	FIN	RS	EMT	RS
<b>Pound</b>	PLN	REG	RSA	REG	REG	N/A	RSA	RSA	REG	REG	RSA	FIN	REG	EMT	PLN
<b>Public Amenities</b>	RS	RSA	RSA	RSA	RSA	N/A	RSA	RSA	RSA	RSA	RSA	FIN	RS	EMT	RS
<b>Quarry Buildings</b>	WK	WK	RSA	WK	WK	N/A	WK	WK	WK	Wk	RSA	FIN	WK	EMT	WK
<b>Sport Facility Buildings – Seasonal licenced</b>	RS	RSA	RSA	TEN	TEN	RSA	RSA	RSA	TEN	TEN	RSA	FIN	RS	EMT	RS
<b>Sport Facility Buildings – Sole Use Lease</b>	RS	RSA	RSA	TEN	TEN	RSA	RSA	RSA	TEN	TEN	RSA	FIN	RS	EMT	RS
<b>Tourist Buildings (Info centres, caravan parks)</b>	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	FIN	BUS	EMT	BUS
<b>Tweed Heads Civic Centre</b>															
Auditorium and Meeting Rooms	CC	CC	RSA	CT	CT	N/A	RSA	RSA	CT	CC	RSA	FIN	CC	EMT	CC
Catering facilities	CC	CC	RSA	CT	CT	N/A	HB	RSA	CT	CC	RSA	FIN	CC	EMT	CC
Offices	CC	CC	RSA	TEN	CT	N/A	RSA	RSA	CT	TEN	RSA	FIN	CC	EMT	CC

## Building Assets Management Plant

<b>Residential</b>															
General	EMT	LO	RSA	TEN	N/A	LO	RSA	RSA	TEN	LO	RSA	FIN	EMT	EMT	EMT
Community and Cultural	CC	CC	RSA	TEN	N/A	CC	RSA	RSA	TEN	CC	RSA	FIN	CC	EMT	CC
Planning and Infrastructure Unit	PI	PI	RSA	TEN	N/A	PI	RSA	RSA	TEN	PI	RSA	FIN	PI	EMT	PI
Recreational Services Unit	RS	RSA	RSA	TEN	N/A	RS	RSA	RSA	TEN	RS	RSA	FIN	RS	EMT	RS
Water Unit	WAT	WAT	RSA	TEN	N/A	WAT	RSA	RSA	TEN	WAT	RSA	FIN	WAT	EMT	WAT
Works Unit	WK	WK	RSA	TEN	N/A	WK	RSA	RSA	TEN	WK	RSA	FIN	WK	EMT	WK
<b>Sale Yards - Murwillumbah</b>	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	BUS	EMT	BUS
<b>Water Unit Facilities</b>															
Chinderah Depot (Dave Burn's Shed)	WAT	WAT	RSA	WAT	WAT	N/A	RSA	WAT	WAT	WAT	RSA	FIN	WAT	EMT	WAT
Banora Point Laboratory	WAT	WAT	RSA	WAT	WAT	N/A	RSA	WAT	WAT	WAT	RSA	FIN	WAT	EMT	WAT
M & E Facilities	WAT	WAT	RSA	WAT	WAT	N/A	RSA	WAT	WAT	WAT	RSA	FIN	WAT	EMT	WAT
Murwillumbah Depot (Sheds on Buchannon St Pad)	WAT	WAT	RSA	WAT	WAT	N/A	RSA	WAT	WAT	WAT	RSA	FIN	WAT	EMT	WAT
Sewer Plant offices & amenities	WAT	WAT	RSA	WAT	WAT	N/A	RSA	WAT	WAT	WAT	RSA	FIN	WAT	EMT	WAT
Sewer Plant operational buildings	WAT	WAT	WAT	WAT	WAT	N/A	WAT	WAT	WAT	WAT	WAT	FIN	WAT	EMT	WAT
Sustainable Living Centre	WAT	WAT	RSA	WAT	WAT	N/A	RSA	WAT	WAT	WAT	RSA	FIN	WAT	EMT	WAT
Water Treatment Plant offices and amenities	WAT	WAT	RSA	WAT	WAT	N/A	RSA	WAT	WAT	WAT	RSA	FIN	WAT	EMT	WAT
Water Treatment Plant operational buildings	WAT	WAT	WAT	WAT	WAT	N/A	WAT	WAT	WAT	WAT	WAT	FIN	WAT	EMT	WAT

**Table 5 – Building Responsibility Matrix**



## Building Assets Management Plant

BUS	Relevant Business Unit	PI	Planning & Infrastructure Unit	FIN	Finance Unit	EMT	Executive Management Team
CC	Community & Cultural Unit	REG	Regulatory Services Unit	HB	Health & Building Unit	TEN	Tennant
CNR	Community & Nat Resources Unit	RS	Recreational Services Unit	LO	Legal Officer		
CON	Contractor	RSA	Recreational Services Assets	WAT	Water Unit		
CT	Care Taker	RSP	Recreational Services Parks	WK	Works Unit		

The above Responsibility Matrix identifies which Department with the Shire is responsible for which asset management provision to provide a clearer set of guidelines.

### Asset Management Responsibility Matrix - Definitions

#### Asset Owner

The Asset Owner is the general manager or external party that has the ultimate responsibility/accountability for the building.

The Asset Owner is the person who makes the decision to create or dispose of a building. This decision to create or dispose of a building would be made by the Asset Owner in consultation with the Asset Manager maker and the use manager. The Asset Owner would engage the constructor or the disposer to undertake the requisite works.

#### Asset Manager

The Asset Manager for the building is responsible for lifecycle planning for that building. This involves maintenance of suitable information on the asset, financial planning and prioritisation of major works to the building. In consultation with the Asset Owner, the use manager and the works planner, the Asset Manager is responsible for making the capital works submission/s for the building. The Asset Manager is also responsible for the concept design of a building in consultation with the client, the creator, the use manager and the designer.

In the case of the creation of a building by an external source for the eventual consumption/absorption by council, this position is accountable for the compliance of the building with council standards.

### **Construction**

The building constructor is responsible for the construction phase of the building. This responsibility may range from actual hands on construction to preparation and letting of tenders to appoint an external contractor to undertake the works.

In the case of construction of a council building by an external contractor the constructor is responsible for the construction of that asset to the satisfaction of council.

### **Inspection**

The building inspector is responsible for the inspection of the building during its life following the conclusion of the building defect liability period until the disposal of the building. The inspector reports any defects and/or required works to the works planner.

### **Valuation**

The building valuer is responsible for the accurate financial reporting of the value and extent of an asset. Generally, this function is undertaken by finance through the use of asset registers in consultation with the strategic planner. In other cases, often with complex depreciation methodology, the strategic planner undertakes the valuation.

### **Works planning**

The works planner is responsible for planning of maintenance works for the building. Where maintenance works are identified that are outside the scope of the works planner's parameters for a given building, these works are forwarded to the strategic planner for consideration in the capital works program. The works planner is required to take the needs of the client, the strategic planner and the use manager into account when planning maintenance works to a building.

### **Repair**

In accordance with the directions given by the works planner, the repairer is accountable for the correct physical maintenance (repair) of the building.

### **Cleaning**

The cleaning of a building is undertaken either by a council cleaner. In most cases the cleaner works to the direction of the works planner or the strategic planner.

### **Use management**

The day to day management and planning for the usage of the building is undertaken by the use manager. The use manager works closely with the strategic planner and designer in the creation of a new building. The use manager also provides valuable input and direction to the works planner. The use manager is accountable for contact with customers having enquiries and/or complaints regarding a building.

### **Renewal & refit**

The responsibility for the renewal or refit of a building lies with this position. In practice this is usually a decision made by the client, strategic planner and the use manager.

### **Replacement**

The responsibility for the replacement of a building lies with this position. In practice this is usually a decision made by the client, strategic planner and the use manager.

### **Disposal**

The disposer is responsible disposal/removal/demolition of an asset when it is no longer required and is often the same person as the constructor.

It is considered that the above structure and responsibilities are adequate at present in terms of being able to effectively provide the services to the community. However, this may be reassessed in the near future in terms of number of staff who undertake inspections and staff positions in terms of undertaking the management aspects. Should these resources be required, it may not necessarily involve the employment of additional staff, but could involve the shifting of resources and responsibilities from one area to another after a further detailed assessment is undertaken.

### 4. Demand Management

Council's fundamental role is to provide services to the community and its building assets are a means to support this. Consequently, future demand for buildings is tied to the demand for Council's services and this is a more complex consideration than population growth.

Issues such as changing demands for particular services, changing mixes in the balance between public and private service provisions and changing community expectations of service levels, all affect the need for building assets.

Building asset management plans are critically driven by the needs of the services to be accommodated and meaningful building asset strategies cannot be developed in isolation or the absence of comprehensive service strategies. Maintaining Council's building assets without adequate regard for service needs may result in a well-maintained portfolio of Buildings but it may also result in an asset portfolio which does not meet the community's needs.

The following sub-sections discussing forecasted demographic trends and documented service strategies will assist The Tweed Shire in understanding the Building asset portfolio needs across the municipality.

#### 4.1 Understanding Demand and Growth in the Tweed Region

Statistical information from Australian Bureau of Statistics in March 2008 confirms that The Tweed is experiencing and will continue to experience growth.

Tweed Shire is home to an estimated 82,955 people (Australian Bureau of Statistics (ABS) 2006), this is an increase of 10.34% from the 74,590 residents which were living in Tweed in 2001.

##### 4.1.1 Council's Future Population Change?

The following table illustrates that substantial population increase is expected to occur in the Tweed LGA up to 2031. This is in line with recent population trends in the Shire which has seen it grow at an average annual rate of 2.1%, compared to the NSW average of 0.7%. Tweed Heads continues to grow at the fastest rate of all the Shire's planning districts.

The total population is projected to grow from a 2001 base of 74,590 people past the 2006 figure of 82,955 to 90,870 by 2011. This growth is not expected to occur evenly across the age groups, with relatively little growth anticipated in the younger age groups, especially those under 15 years of age.

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This projected population profile reflects the socio-demographic changes which have resulted in middle to older age groups undertaking a sea change. This movement to the Shire up and out from the rest of NSW, as well as the movement of people down from South East Queensland, along with improved access to the Shire facilitated by upgrading of the Pacific Highway, is expected to result in the continuation of the rapid growth rate over the next two decades.

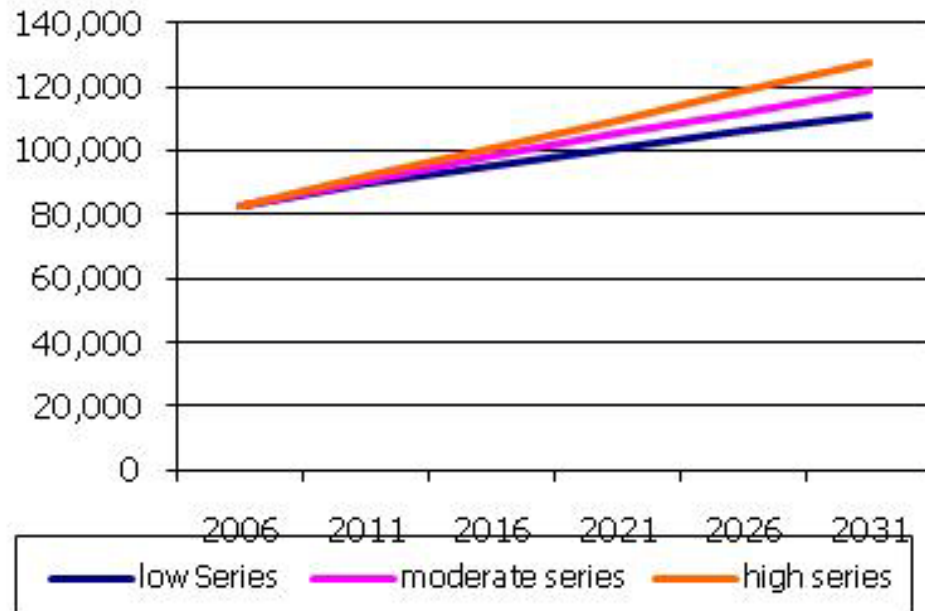


Diagram 3 – Tweed Projected Population Figures

### 4.2 Current Building Asset Utilisation

In the context of this BAMP, it is assumed that all existing Building assets are being utilised at their optimal level.

However, Council acknowledges that the following Building's within its asset portfolio are not being utilised to their full extent due to a variety of reasons and these are:

- Auditoriums (have not been refurbished to keep up with modern performance requirements) which were constructed over 30 years ago;
- Pottsville Environment Centre;
- Cabarita Sports Facility; and
- Select Community Halls.

Further analysis regarding asset utilisation will be considered in future revisions of this BAMP.

### 4.3 Current Issues Influencing Service Demand

In the absence of comprehensive service strategies, population trends can be used as a guide to ascertain future demand.

<b>Age Group</b>	<b>Population 2001</b>	<b>Forecast Population 2031</b>	<b>Forecast Population Change</b>
Whole population	74,590	133,390	44%
0 to 14 Years	14,630	30,220	52%
15 to 29 Years	10,900	13,060	17%
30 to 49 Years	19,740	24,420	19%
50 to 64 Years	13,330	23,760	44%
64 Years +	15,990	41,930	62%

Projected Population Changes for Tweed: Source New South Wales Statistical Local Area Projections Report 2005

Although there are many factors that influence the demand for Council’s services and consequently Council’s building portfolio, a 52% increase across the municipality in the population of residents aged between 0 to 14 years and a 62% increase across the municipality in the population of residents aged 64 and over will have a significant impact on service levels.

For example, if the service levels are to be retained, Council will have to increase the number of staff it has providing services to these residents. This will mean an increase in the administrative and supervisory staff supporting the operational staff and, in turn, a possible increase in the building and information technology assets required to support the activities.

Matching the availability of Council assets to community demand is a cyclic process as demonstrated in the following diagram.



**Diagram 4 – Tweed Strategy Development Cycle to Match Assets to Future Demand**

## Building Assets Management Plan

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The best entry point to the cycle is through the assessment of community wants and needs, condition, functionality and capacity assessment of Council's current Building portfolio and forward projections of Council's financial capacity.

This framework enables the preparation of forward-looking service strategies that compare forecast demands to current capacities. Gap analyses lead into asset strategies that in turn inform Capital Works Programs of asset renewal, upgrade and improvement works.

This process in conjunction with Council's demand management plan will seek to address any service demand issues which will arise in future.

### 4.4 Changes in Technology

Council is continuously monitoring new asset treatments that may be available to increase the life of its assets or improve efficiencies in terms of how the assets are managed.

Tweed Shire is moving away from paper based recording to electronic recording techniques. This will improve how data is captured and will ultimately reduce errors in terms of data capture and speed up the process of data uploading into Council's works management system.

Tweed Shire is also implementing greenhouse emissions techniques through the use of solar power, compact fluorescent globes, insulation, time flow tap wear and low water use shower heads.

These greenhouse gas standards are documented in Council's Sustainable buildings document – 'Environmental Design Guidelines for Council Facilities' which developers must comply with when constructing buildings for handover to Council.

### 4.5 Demand Management Plan

The expected growth in population, business and commerce has a direct impact on the demand for services and ultimately the number and size of assets to support those services.

Some of the challenges facing the Tweed Shire include:

**Population Growth** – Ensuring Building assets contribute to and encourage population growth;

**Economic Growth & Investment** - Ensuring that Building assets contribute to and encourage economic growth;

**Good Governance** – Providing Building assets that enable access to the functions of local government in a fair and equitable manner;



**Social** – Ensuring Building assets enhance the quality of facilities and services that Council provides for all members of the community;

**Environment** – Ensuring that Building assets minimise impacts on the natural environment; and

**Cultural** – Ensuring that Building assets contribute to an environment that reinforces the distinctive and diverse character and heritage of the municipality.

Clearly Tweed's demand of Buildings asset use is going to increase proportionally with the predicted population growth and predicted demographic changes.

Council has already identified:

- Sports Ground Canteens which need to be upgraded due to State Government Legislative Changes; and
- Future Child Care Facilities which will be required to be purpose built as they can no longer be accommodated within Community Halls.

These factors have been taken into account in the financial planning.

However, Council's future demand management plan can be improved upon as more data on demographics is collected to review the impacts and pressures of population growth on these building assets.

The key drivers that have been recognised in the preparation of this BAMP with respect to Building asset capacity and maintenance are as follows.

For capacity, the demand drivers include:

- rapid population growth;
- peak tourism requirements; and
- changes in user expectations.

For capital and maintenance works, the demand drivers include:

- rapid asset growth;
- increased age of these assets;
- increased community expectation of accountability of asset maintenance;
- increased community expectation of, for example, quality of buildings owned by Council;
- remaining useful life of existing buildings;
- early failure of some donated assets; and

## Building Assets Management Plan

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- increased costs associated with in managing an ageing building portfolio.

In conjunction with implementing and utilising the risk analysis matrices for prioritising renewal and maintenance works, the Tweed Shire will also consider non-asset/alternative asset solutions as an appropriate method of managing demand.

### 4.6 New Assets from Growth

Since 2001, on average 2 to 3 facilities per annum mainly from the Casuarina, Salt, Seabreeze and Koala Beach areas have been added to Council's building asset stock.

These buildings are considered to have increased the replacement value of the Buildings portfolio in the vicinity of \$400,000. This equates to a total increase of \$2 million over the past 5 years.

Greenfield's developments within the, Depot Road development, Kings Forest, Cobaki Lakes, Seaside City, Black Rocks, Terranora Village, will continue to contribute to Council's building asset portfolio.

It is estimated that the additional values of these assets will increase Council's building portfolio stock from \$91.8 million to \$94 million within the following 4 years.

These new assets will require additional maintenance and operational funds in the order of \$60,000 per annum.

## 5. Lifecycle Management Plan

Life Cycle Management is recognised by Tweed Shire Council as an essential component of this BAMP. This section of the BAMP will provide details of Tweed's data and processes required to effectively manage, maintain, renew and upgrade Council's Building portfolio. It also documents the analysis that Tweed undertakes regularly to predict and monitor expected future expenditure required to effectively manage Council's Building portfolio.

To undertake lifecycle asset management, means considering all management options and strategies as part of the asset lifecycle, from planning to disposal. The objective of managing the assets in this manner is to look at long-term cost impacts (or savings) when making asset management decisions.

The diagram below provides a graphical representation of the asset lifecycle including each of the stages an asset passes through during its life.



Diagram 5 – Asset Lifecycle Diagram

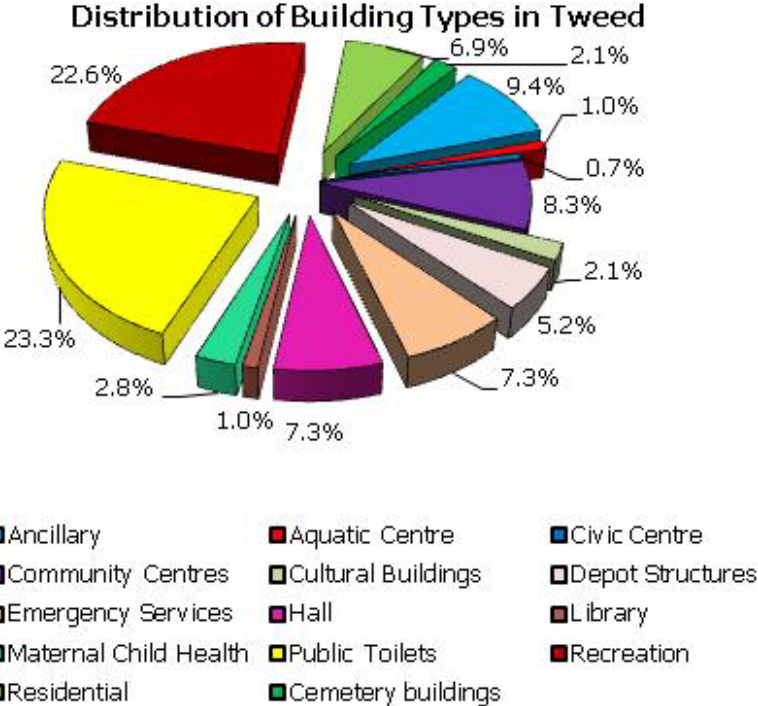
### 5.1 Buildings Asset Stock

The following table provides a summary of Tweed’s Building asset stock, based on building types.

Building Type	Quantity
Ancillary	27
Aquatic Centre	3
Civic Centre	2
Community Centres	24
Cultural Buildings	6
Depot Structures	15
Emergency Services	21
Hall	21
Library	3
Maternal Child Health	8
Public Toilets	67
Recreation	65
Residential	20
Cemetery buildings	6

Table 6- Building Asset Stock

The following diagram below illustrates that of the 288 buildings maintained by the Tweed Shire, that the most predominant buildings type with 23.3% are public toilets, followed by recreation facilities with 22.6%.



**Diagram 6 – Distribution of Building Portfolio**

**5.2 Buildings Information Management**

All information pertaining to location, type, dimensions, materials, known constructed dates and condition of these Building assets are recorded and stored in Council’s Asset Register which is myData. At the time of preparing this BAMP, it is estimated that Council’s Asset Register is 95% up to date.

**5.3 How Council Measures its Building Assets Portfolio Condition**

Tweed Council has a documented “Building Rating Manual” which is available for viewing at Council’s Offices.

The overall condition of Council’s building assets take into account condition, functionality and capacity criteria in regards to the following building components:

- Envelope/Structural
- Roof
- Floor
- Floor Coverings
- Fitouts
- Safety
- Functionality
- Capacity
- Transportation
- Services
- Equitable Access

These components are measured in accordance with the criteria defined in Council's Data Collection Manual.

**5.4 What is the Useful Lives of Council's Buildings?**

The following table below describes the useful life/expected lives that Council has adopted for each Building included in this BAMP.

<b>Building Component</b>	<b>Useful Life (Years)</b>
Floor	60 – 100
Envelope / Structure	40 – 125
Fitouts Floor	15 – 80
Fitouts Screens	20 – 45
Roof	40 – 90
Mechanical Services	25 – 35
Fire Services	40

**Table 7- Building Component Useful Lives**

**5.5 Buildings Issues in Tweed**

Council is continually improving the manner in which it manages its assets. Council has identified the following issues with regards to the provision of buildings;

- High impact of vandalism and graffiti;
- Demand;
- Undertaking works during tourist seasons, with regards to public amenities;
- Undertaking works during business hours, with regards to Libraries, Civic Buildings, Community Centres, Aquatic Centres etc;
- Undertaking works during schools holidays, with regards to auditoriums;
- High levels of rainfall which can often delay projects from their scheduled completion time frames and also increase the cost of the works; and
- Volunteer organisations not complying with their license or lease requirements.

**5.6 Asset Valuations**

Tweed Council's accepted practice of asset valuations is based on 'fair-value' method covering replacement cost, useful life and depreciation of Council's assets, in conformity with the Australian Accounting Standards Board. Under accounting guidelines, all Building assets at Tweed Council are valued on the basis of 'replacement cost of the asset's future economic benefits'.

**5.6.1 Valuation Summary Based on Replacement Costs**

In complying with the Department of Local Government revaluation program, the Tweed Shire engaged the services of an external consultant who undertook a revaluation of its Land and Buildings as at 30 June 2009.

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Asset	Fair Value	Accumulated Depreciation	Written Down Value
Non Specialised	\$100,294,000	\$14,268,000	\$86,026,000
Specialised	\$5,989,000	\$469,000	\$5,520,000
<b>Total</b>	<b>\$106,283,000</b>	<b>\$14,737,000</b>	<b>\$91,546,000</b>

**Table 8- 2009 Building Financial Values**

As at 30 June 2009, the Annual Depreciation (annual asset consumption) for Building assets was calculated at \$1.21 million.

### 5.7 Maintenance Inspections of Buildings Assets

The frequency of proactive and reactive maintenance inspections is undertaken as per the frequency, documented in Council's maintenance levels of service.

### 5.8 Network Inspections of Building Assets

Condition inspections of the Shire's entire building portfolio are undertaken on a three to four year cycle. This includes assessing the condition of building components, including functionality and capacity aspects as per Council's Data Collection Manual.

### 5.9 New Buildings - Initial Design and Construction

The creation and construction of new buildings involves two distinct processes - first design and then the construction.

Council sets the design standards for these buildings so that the proposed assets take into account site features and the level of use of the asset.

All new buildings required for new developments are built by the developers and their contractors, in accordance with Council's design standards and the Building Code of Australia and approved by Council. Council staff supervises the works to ensure compliance to Council's specifications.

When the works are completed the developer hands the building over to Council for ownership and maintenance for the remainder of its useful life.

It should be noted that under the Fair Trading Department of NSW who handle all licenses for new buildings, these buildings have a defects liability period of 7 years.

### 5.10 Routine Maintenance

Over time, minor faults can occur within the Shire's Building portfolio. Council addresses the repairs and maintenance of these faults on the basis of defined intervention levels and response times.

The intervention level defines the condition, state or risk level associated with each building component, i.e. the point in time at which the building component is

considered to be below an acceptable level of service. Maintenance is scheduled as soon as the component reaches this point.

Response time defines a reasonable time frame within which the residents can expect Council to remedy the defect. The intervention levels and response times are contained in Council's maintenance levels of service documents, (available for inspection at Council's offices).

### **5.11 Renewal and Upgrade Works**

The cost to undertake building works, vary from year to year and depend on the quantity and quality of works undertaken. However, typical average unit rates applicable to these treatments are contained in Council's asset management system and/or financial system.

#### **Building Total Reconstruction Treatment**

The most extensive form of building rehabilitation involves the reconstruction or replacement of all or the vast majority of the building components. Typically this would involve the replacement of the roof facade and frame, internal fitout (i.e. internal walls, doors etc), services (i.e. air-condition systems, gas line, water pipes), floor coverings, fixtures and building envelope and foundations.

Occasionally, some of the building components can be retained allowing the costs to be reduced whilst gaining the benefits of a full reconstruction. This is more likely to be the case where the building structure has not suffered extensive failures.

Full reconstruction is usually applied where multiple building components have been considered to have failed (i.e. considered to have a condition score of 4 or 5 out of a possible 5 with 5 being the worst).

#### **Building Upgrade Treatment**

A building upgrade treatment is usually applied where multiple building components have not been considered to have failed as a result of condition, but as a result of a functionality or capacity score. This is the case where an existing building which may have been designed for a particular use such as a library, but in future is required as a meeting space, condition can play a part but is not the main driving factor in this treatment option.

Building upgrade involves the reconstruction or replacement of all or the vast majority of the building components. Typically this will involve the replacement of the roof facade and frame, internal fitout (i.e. internal walls, doors etc), services (i.e. air-condition systems, gas line, water pipes), floor coverings, fixtures and building envelope and foundations.

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Occasionally, some of the building components can be retained allowing the costs to be reduced whilst gaining the benefits of a full building upgrade. This is more likely to be the case where the certain aspects of the building are considered to meet the functionality or capacity requirements.

### **Public Amenities Renewal**

This treatment requires the replacement of a toilet block with a new standard Landmark or equivalent toilet block.

Typically age is used as the driving factor such as where existing public amenities are considered to be generally older than 30 years.

Project level analysis may recommend a bigger or smaller asset but this will be decided on-site, taking into account usage and location factors.

### **Public Amenities Refurbishment**

This treatment requires the replacement of internal fitouts of the existing toilet block, where the plumbing and building structure is in good condition. Typically the fitouts are old and require updating and also make allowance for disabled cubicle/s.

This treatment is not viable when the asset has plumbing or structural issues.

### **Building Fitout Refurbishment – Standard**

This treatment comprises the replacement of the buildings internal fitouts with standard quality finishes for buildings categorised as a Standard Hierarchy.

This treatment is also considered when fitouts are old and considered from an aesthetically position to require updating.

This treatment is not viable when the building has structural issues.

Project level analysis will be required to ascertain the full extent of capital works.

### **Building Fitout Refurbishment – Premium**

This treatment comprises the replacement of the buildings internal fitouts with high quality finishes for buildings categorised as a Premium Hierarchy.



This treatment is also considered when fitouts are old and considered from an aesthetically position to require updating.

This treatment is not viable when the building has structural issues.

Project level analysis will be required to ascertain the full extent of capital works.

### **Building Envelope Renewal**

This treatment will involve major works to renew the building's walls, beams, columns, windows, doors. It is typically considered an effective treatment where structural issues are present and major maintenance work will not bring the condition of this component back to an acceptable level.

This treatment is not considered viable when the buildings foundations are in poor condition.

It should be noted that when undertaking a project level analysis, this will ascertain the true extent of the capital works requirements.

### **Roof Renewal**

This treatment will typically involve major works to renew the building's roof cladding, frame and roof plumbing.

It is typically considered an effective treatment where structural issues are present and major maintenance work will not bring the condition of this component back to an acceptable level.

This treatment is not considered viable when the buildings structure or foundations are in poor condition.

It should be noted that when undertaking a project level analysis, this will ascertain the true extent of the capital works requirements.

### **Floor Renewal**

This treatment will typically involve major works to renew the building's foundations.

This treatment is not considered viable when the buildings structure or roof are in poor condition.

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### Floor Covering Renewal

This treatment will typically involve major works to renew the building's floor coverings.

This treatment is not considered viable when the buildings foundations are in poor condition.

### Services Renewal

This treatment will typically involve major works to renew the building's electrical, air-conditioning, fire services and other essential unit components.

The building's services components no longer provide an acceptable level of service, or pose a safety risk and/or are constantly breaking down or fail.

This treatment is not considered viable when the buildings foundations and/or structure are in poor condition.

It should be noted that when undertaking a project level analysis, this will ascertain the true extent of the capital works requirements.

### 5.12 Disposal Plan

Disposal is any activity associated with removing an asset from 'service' through decommissioning, including sale, demolition or relocation.

Tweed Shire has identified the following Building's within its portfolio that are excess to requirements or not required and they are:

- Lions lookout Toilet Block, which is due for disposal as it has lost its sewer connection (which runs through multiple private properties).
- The Toilet Block at Jack Evans Boat Harbour, due to redevelopment of this site.

However, this is a continuous process which will be reviewed on an as required basis.

### 5.13 Risk Management Plan

It is important to note that any approach that an organisation takes with respect to the management and maintenance of its assets involves the acceptance of an inbuilt level of risk. This risk arises from the potential for events or failures to occur, and will vary depending on the capacity, age and state of the asset. Mitigation of risks occurs primarily through the level of initial investment, and putting processes in place to ensure that maintenance and renewals occur in a timely manner.

**5.13.1 Risk Management Context**

The Tweed acknowledges that risk management is an essential part of best practice asset management. Council considers risk management as the application of formal processes of a range of various and possible factors which can be associated to risk to determine the resultant scenarios of outcomes and their possibility to occur. Council has implemented an Enterprise Risk Management Policy and associated systems.

**5.13.2 Evaluation of Risk**

In terms of evaluating risk, Tweed has undertaken the following initiatives to mitigate its risk in relation to managing its building portfolio:

**Development of a Building Hierarchy and Maintenance Analysis:**

Tweed has developed a building hierarchy, giving higher importance to risk assessment and the appropriate levels of inspection and maintenance for each classification. This BAMP has set different maintenance interventions, inspection frequencies and response times for each Building asset classification taking into consideration the Risk Management Standards, AS/NZS 4360:2004.

The following tables have been utilised to determine the maintenance response times dependent upon the asset hierarchy and documented in Council's BAMP.

Level	Descriptor	Detailed Description
1	Insignificant	No injuries, very low financial loss
2	Minor	Typically first aid type treatment required, low financial loss
3	Moderate	Medical treatment required, medium financial loss
4	Major	Extensive injuries, major financial loss
5	Catastrophic	Resultant in death, huge financial loss

*Qualitative Measures of Consequence – AS/NZS 4360:2004*

## Building Assets Management Plant

Level	Descriptor	Detailed Description
A	Almost certain	Is expected to occur in most circumstances
B	Likely	Will probably occur in most circumstances
C	Possible	Might occur, some time
D	Unlikely	Could occur, some time
E	Rare	May occur, but only in exceptional circumstances

*Qualitative Measures of Likelihood – AS/NZS 4360:2004*

Likelihood	Consequences				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
A	H	H	E	E	E
B	M	H	H	E	E
C	L	M	H	E	E
D	L	L	M	H	E
E	L	L	M	H	H

*Qualitative Risk Analysis Matrix – AS/NZS 4360:2004*

Legend:

E – extreme risk, immediate action

H – high risk, attention required

M – moderate risk, manage responsibly

L – low risk, manage by routine procedures

### Major Condition Assessments:

It is proposed that Tweed Shire undertake a condition audit of the entire building portfolio to identify the current condition of the buildings at a component level. It is envisaged that this round of full network wide data collection will be undertaken in 2011.

Tweed will use its building management system (myPredictor) to develop forward programs based on objective condition based rules.

These project level programs from myPredictor that require Capital Works, are then prioritised based on a Project Level Risk Prioritisation Matrix. This risk matrix is based on AS/NZS 4360:2004.

**Project Level Risk Assessment Criteria**

<b>Consequence of not Undertaking the Potential Project</b>	
<b>Criteria</b>	<b>Definition</b>
Catastrophic	Personal loss and/or damage to community or stakeholders. In excess of \$10 million financial impact to Council
Very High	Community and stakeholder outrage. Between \$5 million and \$10 million financial impact
High	Community and stakeholder anger. Between \$0.5 million and \$5 million financial impact
Low	Community and stakeholder concerned. Between \$500 and \$0.5 million financial impact
Negligible	Community and stakeholder unconcerned. Less than \$500 financial impact to Council

<b>Likelihood of occurrence/consequence</b>	
<b>Criteria</b>	<b>Definition</b>
Almost certain	Likely to occur, once every day
Highly likely	Likely to occur, once every week
Likely	Might occur, once every month
Unlikely	Possible but unlikely to occur, once every year
Rare	Highly unlikely, might occur once in 10 years/once in 50 years

## Project Level Risk Evaluation Process

Likelihood		Consequences				
		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
	Rare	H	H	E	E	E
A	Un-likely	M	H	H	E	E
B	Likely	L	M	H	E	E
C	Highly likely	L	L	M	H	E
D	Almost certain	L	L	M	H	H

### Priority Ratings Legend

<b>Extreme (E)</b>	Imperative that project be programmed immediately. Cannot wait until next budget period.
<b>High (H)</b>	Important that action be taken as soon as possible. Response Time rules as per the Performance Standards apply.
<b>Medium (M)</b>	Action should be taken as soon as practicable. Response Time rules as per Performance Standards apply. Budget may dictate timing.
<b>Low (L)</b>	Action should be taken when possible. May be dealt with after other, more immediate priorities actioned. Evaluation may be made to defer action until other, more immediate priorities are completed.  Action may take place whilst undertaking normal working practices & utilising general budget.

The Tweed Shire recognises that prioritisation based on the project prioritisation risk matrix is critical in demonstrating reasonable and responsible asset management practices.

### 5.13.3 Current Building Risk Management Matrix

The Tweed Shire acknowledges that risk management is an essential part of best practice asset management. Council considers risk management as the application of formal processes of a range of various and possible factors which can be associated to risk to determine the resultant scenarios of outcomes and their possibility to occur.

A risk assessment of the Tweed Shire's buildings and associated activities is shown in the table below:

Risk	Likelihood	Consequence	Rating	Existing Controls	New Strategies
Asbestosis	Rare, May occur in exceptional circumstances	Death, Catastrophic	High	Inspection of buildings to identify those which have asbestos products.  Asbestos Register Continually Updated.	Carry out further detailed risk assessment for those buildings containing asbestos.  Develop plan to remove / contain asbestos from these buildings.
Legionella outbreak	Rare, May occur in exceptional circumstances	Death, Catastrophic	High	Air-conditioning Maintenance Contract	Regular inspection and chemical treatment.
Hit by falling objects such as ceiling panels, light covers etc	Unlikely, could occur at some time.	Moderate, Medical treatment required.	Low	Proactive OH&S Inspections.	Undertake proactive inspections as per Maintenance Level of Service.
Tripping on a step, change in level, entry mats, leads etc. Slips on tiles, carpet joins, vinyl	Possible, could occur at some time	Moderate, Medical treatment required.	Moderate	Proactive OH&S Inspections.	Undertake proactive inspections as per Maintenance Level of Service.
Exit doors being blocked off or locked and not available during an emergency	Unlikely, could occur at some time.	Death, Catastrophic	Extreme	Regular Fire Compliance Inspections	Undertaken regular OH&S inspections.

## Building Assets Management Plan

Risk	Likelihood	Consequence	Rating	Existing Controls	New Strategies
Walking through glass doors or sidelights	Unlikely, could occur at some time.	Moderate, Medical treatment required.	Moderate	None	Inspect and identify all glass doors and side lights to determine whether safety glass is fitted.  Prepare a plan for rectifying these (such as installing visibility bands), including priorities.
Fall from stages or other raised platforms	Rare, May occur in exceptional circumstances	Death, Catastrophic	High	Induction and removable hand rails	Undertake hazard inspections on a regular basis.
Incorrectly operating door closers	Unlikely, could occur at some time.	Moderate, Medical treatment required.	Moderate	Maintenance Contract.	Regularly inspect door closers as part of hazard inspections.
Building Structural Defects	Rare, May occur in exceptional circumstances	Death, Catastrophic	High	None	Undertake hazard inspections on a regular basis.
Electrical overload and burnout / electrocution	Rare, May occur in exceptional circumstances	Death, Catastrophic	High	Program to install circuit breakers and RCD's as opposed to fuses.	To document and maintain a register of building protection and electrical compliance.

Table 9 – Building Risk Management Matrix

### 5.14 Life Cycle Costing Plan

#### 5.14.1 How Much Capital Expenditure has been spent on Buildings Assets in the Past?

Capital expenditure refers to works undertaken to address major condition or service capacity issues such as reconstructing or rehabilitation of a building (considered to be renewal expenditure as it returns the life or service potential of the asset to that which it had originally) or constructing an additional meeting room or second storey, so that it can cater for increased patronage (considered to be upgrade expenditure as it enhances the existing asset to provide a higher level of service).



These treatment works are undertaken to improve the overall condition and provide an improved service to users of Council's Buildings.

The following table below identifies the past Buildings capital expenditure and expenditure for the 2008/2009 financial year.

<b>Year</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Building Category</b>	<b>(\$,000)</b>	<b>(\$,000)</b>	<b>(\$,000)</b>
Public Toilets	\$87	\$85	\$107
Art Gallery	\$1,338	\$0	\$130
Auditoriums	\$14	\$0	\$130
Civic Centres	\$974	\$1,631	\$308
Community	\$8	\$36	\$14
Depots	\$3,270	\$350	\$1,059
Museums	\$66	\$119	\$30
Other	\$12	\$10	\$37
Pools	\$341	\$10,550	\$7,775
Tourist Centres	\$0	\$17	\$157
<b>Total Capital</b>	<b>\$6,110</b>	<b>\$12,798</b>	<b>\$9,747</b>

**Table 10 – Building Past Capital Expenditure**

**5.14.2 How Much Maintenance Expenditure has been spent on Buildings in the Past?**

Routine maintenance refers to works undertaken to address minor defects such as fixing a door that will not close properly, servicing the air-conditioning unit or electrical works to fix an electrical short. These treatment works are undertaken to keep Council's Buildings in a safe and operational condition, but not necessarily to improve the overall condition of the Building.

It should be noted that when undertaking the lifecycle modelling, these types of costs are taken into consideration by assuming that, each year; a percentage of these distresses will be repaired as part of Council's routine maintenance. If the Buildings are left to deteriorate (i.e. sufficient capital expenditure is not allocated), then the amount of distresses being fixed under routine maintenance will increase and hence the routine maintenance expenditure required will also increase. Equally, if the condition of the Buildings improves then the routine maintenance expenditure required will decrease.

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In addition, operation costs are costs that are required on a day to day basis to keep providing the service or to keep the service working. Such operational costs for delivery of the services provided by the Shire's Buildings include wages, utility fees (such as electrical bills, water bills) and disposal fees.

Tweed Shire's past maintenance expenditure along with the operational and maintenance expenditure allocated for the 2008/2009 financial year is shown in the following table below:

<b>Year</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Building Category</b>	<b>(\$,000)</b>	<b>(\$,000)</b>	<b>(\$,000)</b>
Art Gallery	\$17	\$22	\$17
Community	\$64	\$68	\$135
Depots	\$7	\$5	\$2
Laboratory	\$19	\$68	\$19
Libraries	\$36	\$22	\$20
Museums	\$23	\$19	\$18
Other	\$17	\$21	\$23
Parks	\$3	\$12	\$7
Pools	\$37	\$73	\$75
Civic Centre	\$677	\$757	\$659
Public Toilets	\$496	\$613	\$588
<b>Total Maintenance</b>	<b>\$1,396</b>	<b>\$1,680</b>	<b>\$1,563</b>

Table 11 – Building Past Maintenance Expenditure

### 5.15 Forecasted Buildings Asset Funding Requirements

The objective of this Section has been to model the deterioration of Tweed Shire's Buildings portfolio, by developing a simulation model using the **myPredictor** modelling software.

This process typically involves setting up life cycle paths for each of the Shire's Building component conditions, identifying the current treatments and unit rates to deliver these treatments and setting up treatment decision matrices (matrices based on selected condition criteria that when matching will drive a treatment based on the condition).

By utilising the above this process and setting up the criteria and logic within the **myPredictor** modelling software, it is typically possible to model the future costs of

Council's Buildings portfolio renewal requirements and also to predict the future condition of Council's Buildings portfolio based on the current expenditure.

**5.15.1 Asset Data Confidence Levels**

This BAMP is based upon the best available information that was available at the time the plan was written. The following Table below summarises the confidence levels of information contained in this BAMP.

Building Type	Confidence Rating				
	Quantity	Condition	Age	Performance	Overall
Ancillary	A	C	D	C	C
Aquatic Centre	A	C	B	C	B
Civic Centre	A	C	B	C	B
Community Centres	A	C	D	C	C
Cultural Buildings	A	C	C	C	C
Depot	A	C	B	C	B
Emergency Services	A	C	D	C	C
Hall	A	C	D	C	C
Library	A	C	C	C	C
Maternal Child Health	A	C	C	C	C

**Table 12 – Building Data Confidence Rating**

Confidence Grade	General Meaning
<b>A</b>	<p><b>Highly Reliable &lt; 2% uncertainty</b></p> <p>Data based on sound records, procedure, investigations and analysis which is properly documented and recognised as the best method of assessment</p>
<b>B</b>	<p><b>Reliable ± 2-10% uncertainty</b></p> <p>Data based on sound records, procedures, investigations, and analysis which is properly documented but has minor shortcomings' for example the data is old, some documentation is missing and reliance is placed on unconfirmed reports or some extrapolation.</p>
<b>C</b>	<p><b>Reasonably Reliable ± 10 – 25 % uncertainty</b></p> <p>Data based on sound records, procedures, investigations, and analysis which is properly documented but has minor shortcomings' for example the data is old or incomplete, some documentation is missing and reliance is placed on unconfirmed reports or significant extrapolation.</p>
<b>D</b>	<p><b>Uncertain ± 25 –50% uncertainty</b></p> <p>Data based on uncertain records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolation from a limited sample for which grade A or B data is available.</p>
<b>E</b>	<p><b>Very Uncertain &gt; 50% uncertainty</b></p> <p>Data based on unconfirmed verbal reports and/or cursory inspection and analysis</p>

**Table 13 – Building Data Confidence Grade**

Note that uncertainty is cumulative. Therefore the uncertainty limits in financial forecasts will be the sum of the inaccuracies of the data and quality of assumptions that is used to produce it.

**5.15.2 Snapshot of Council’s Building Portfolio Condition - Current Levels of Service**

The following table below provides details of Council’s adopted condition rating scales and community assessment scales for its Building portfolio.

Building Condition Index	Condition Ranges Between	Community Rating
1	0 to 1	Brand new or Excellent
2	1.01 to 2	Good
3	2.01 to 3	Fair
4	3.01 to 4	Poor
5	4.01 to 5	Very Poor

**Table 14 – Overall Building Condition State Definitions**

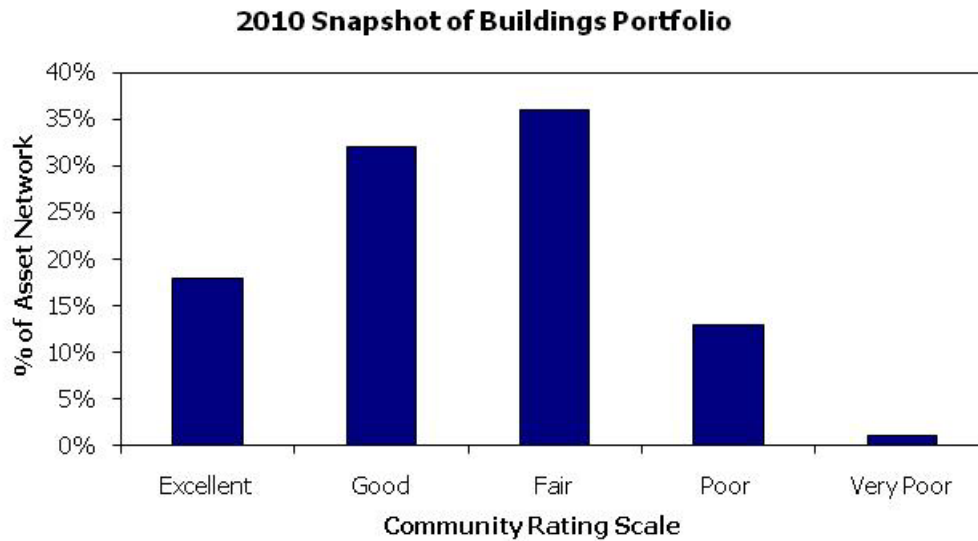
For this first generation Asset Management Plan, the above rating scales have been determined utilising a combination of condition distress criteria to determine a single overall score that can effectively represent the condition of the Shire’s Buildings. It is acknowledged that future revisions of this plan with new condition data, will improve on this rating scale.

<b>Condition</b>										
Building Envelope	Capacity	Equitable Access	Fit-out	Floor Covering	Foundation	Functionality	Mechanical	Roof	Safety	BCI
2	2	3	3	3	2	2	3	2	3	2.4
<b>Weighting</b>										
5	3	3	4	3	5	4	3	5	5	2.4

**Table 15- Building Condition Weightings**

In this example, the overall Building Condition Index (BCI) is a score of 2.4 out of 5, with 5 being the worst possible score.

The following graph illustrates Tweed’s Building Portfolio Condition based on Council’s historical condition data, taking into account the above condition rating scales. The graph shows the percentage of Council’s portfolio in each category of community condition scale, based on condition information ascertained from a desktop exercise utilising 2008 valuation data.



**Diagram 7 – 2010 Snapshot of Condition of Building Portfolio**

At present, the current hypothetical cost of recouping the back-log being any asset that represents poor or very poor condition ie. by immediate capital renewal is **\$7.34 million**. It should be noted that this current condition data has been based on data that was collected in 2008.

### **5.15.3 Financial Scenarios**

The diagrams below illustrate the predicted Tweed Buildings average condition scores for the various levels of expenditure projected into the future.

Scenario 1 recognises that \$2,000,000 will be allocated annually, whilst scenario 2 recognises that \$3,000,000 will be allocated annually and scenario 3 recognises that \$4,000,000 will be allocated annually. These budget allocations are based on renewing the current building portfolio and hence exclude any required funding with regards to the provision of new buildings to Council's building portfolio.

The condition assessment for Buildings is based on condition score ranges from 1 to 5 with 5 being the worst. The average network condition score for Buildings as at 2010 is considered to be at an average score of **2** out of **5**.

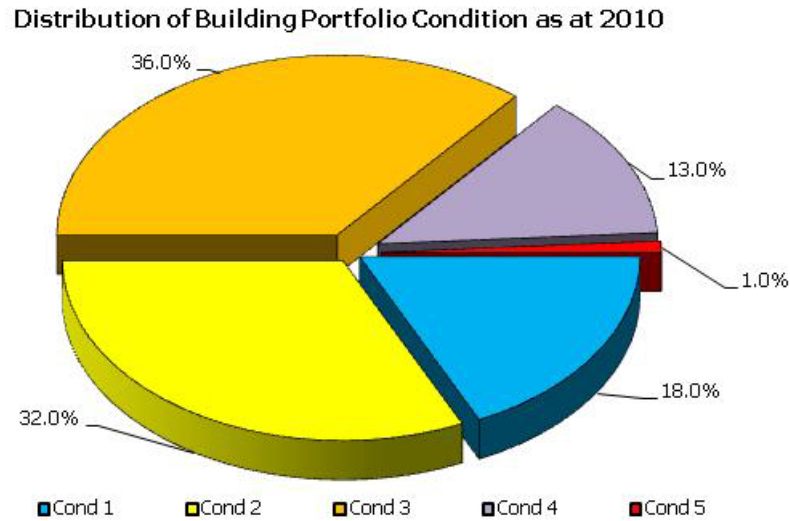


Diagram 8 – Distribution of Building Portfolio

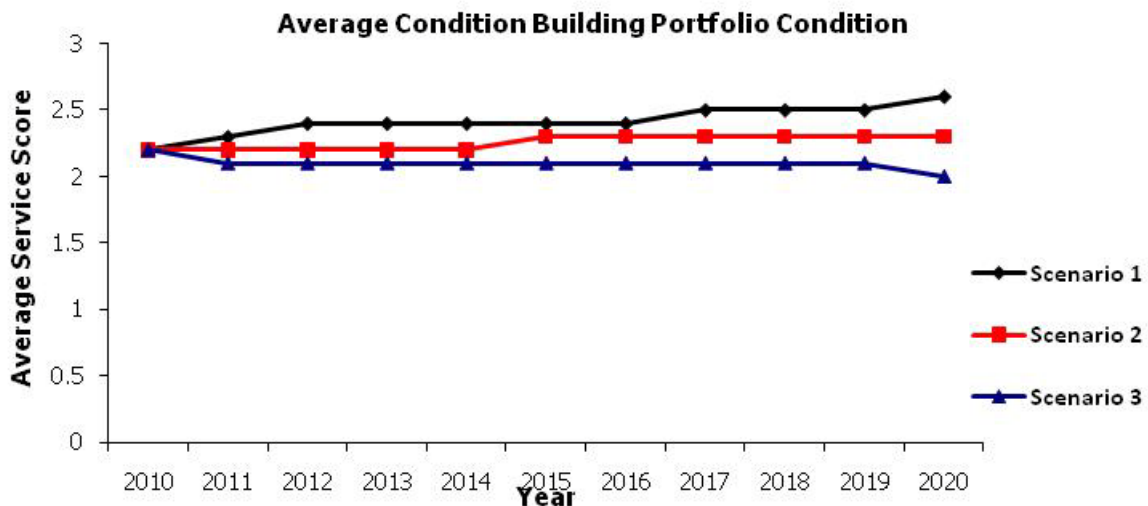


Diagram 9 – Predicted Outputs for Building Portfolio

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Scenario 1</b>	2.2	2.3	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.6
<b>Scenario 2</b>	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3
<b>Scenario 3</b>	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.0

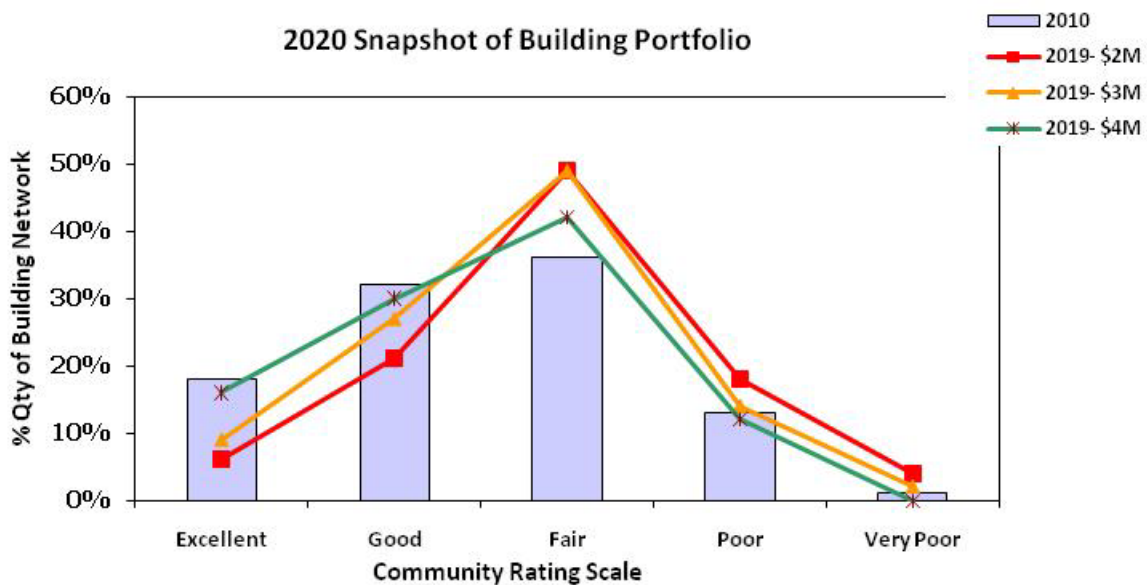
Table 16 – Predicted Outputs for Building Portfolio

The above graph illustrates that for the cases of Scenarios 1 through to 2 that the average condition score for Council’s Building portfolio will not exceed the fair

## Building Assets Management Plant

condition score, while Scenario 3 indicates that on average the good condition score will not be exceeded.

Whilst the average condition scores for the Shire's Building portfolio are within the tolerance range of good to fair, it must be noted that each scenario will have a different effect on the Building portfolio in terms of the current backlog and this effect is further analysed in the following graph below.



**Diagram 10 – 2020 Predicted Snapshot of Building Portfolio**

Condition States	1	2	3	4	5
<b>Scenario 1</b>	6%	21%	49%	18%	4%
<b>Scenario 2</b>	9%	27%	49%	14%	2%
<b>Scenario 3</b>	16%	30%	42%	12%	0%
<b>2010 Condition</b>	18%	32%	36%	13%	1%

**Table 17 – 2020 Predicted Snapshot of Building Portfolio**

The above graph illustrates that should funding be allocated as per Scenario 1 or 2 (being in the order of \$2 million and \$3 million per annum respectively) that the number of Buildings considered to be in condition states poor and very poor will increase by approximately 8% for Scenario 1 and 2% for Scenario 2. Out of a current asset stock of 288 buildings, that equates to 22 buildings if the funding was allocated as per Scenario 1 and 6 buildings if funding were allocated as per Scenario 2.

However, if funding is allocated as per Scenario 3 (being in the order of \$4 million per annum) there will be no Buildings in condition state very poor and a minor reduction in the buildings in the poor condition state.



Whilst reducing this current backlog of buildings in poor and very poor, Scenario 3 is considered to be slightly a lower level of funding than what is currently required. This observation is made as there are buildings which are slipping from Condition States Excellent and Good into the Fair category, which indicates that this level of funding is not entirely adequate to slow down the rate of assets falling from one condition state into the other.

Therefore, by allocating this expenditure profile, this will significantly improve the overall network condition and also mitigate any risk of additions to the current asset backlog. However, it should be noted that an annual expenditure of \$4 million is required per annum to keep the current status quo.

## 6. Financial Summary

The provision of adequate financial resources ensures that the Building portfolio is appropriately managed and preserved. Financial provisions below requirements impacts directly on community development and if prolonged, results in substantial needs for “catch up” expenditure imposed on ratepayers in the future. Additionally, deferred renewal results in increased and escalating reactive maintenance as aged assets deteriorate at increasing rates.

For The Tweed Shire, additional factors occur compared to those experienced by more established regions in NSW. These refer to the urbanisation of areas within the municipality with impacts on parts of the Building portfolio, which was not originally designed for these increased / changing population trends.

In-fact during the 2005-2006 budget period, Council's then Administrators wrote an open letter to the Tweed community signalling their intention to plan for infrastructure provision over a longer (7 year) period and to seek the communities endorsement to implement a series of rate rises above the CPI in order to finance any new initiatives.

They identified that it was imperative that the community gets the infrastructure and services it needs. Tweed Shire Council's relatively low rates coupled with high community expectations, did not match Council's ability to fund new or expanded services without reducing existing service levels.

Conservative population growth projections suggest that the Tweed population may increase by an additional 40,000 people.

## **Building Assets Management Plan**

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This Section supports the strategic allocation of financial resources over the long term so as to ensure that adequate provision is made by Council in order to sustain the benefits sought from the investment made.

### **6.1 Financial Statements and Projections**

#### **6.1.1 Past Financial Statement Expenditure**

The following documents contain information pertaining to Council's past and future financial expenditure profiles and projections:

- Tweed Shire Council 2007-2008 and 2008-2009, 2009-2010 Budgets;
- Tweed Shire Council Management Plan 2007-2008, 2008-2009, 2009-2010; and
- Tweed Shire Council 2007-2008, 2008-2009 and 2009-2010 Annual Reports.

#### **6.1.2 Future Financial Statement and Projections**

The future financial projections for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets) are documented in the:

- Long Term Financial Plan

### **6.2 What are Council's Sources of Funding?**

Funding for creating, renewing or maintaining Council's Building portfolio is obtained from a number of sources. The annual budget is set and prioritised based on a rigorous process of consultation that enables Council to assess needs and develop sound business cases for all projects and programs.

#### **6.2.1 General Rate Revenue**

Funding required for the maintenance, renewal and construction of the Shire's Building portfolio is heavily reliant on Council's rate revenue as the main source of funds and as such, competes with other Council projects and programs for funds, such as road reseals, park improvements and stormwater drainage works.

#### **6.2.2 Developer Contribution Plan**

Council obtains funds from developers under Section 94 and 96 of Developer Contributions for Community Facilities. Developers who undertake works within the Shire are required to pay a contribution<sup>10</sup> which is utilised by Council to fund the upgrade of existing Buildings to be able to meet the service needs of the community in future due to the population growth.

#### **6.2.3 NSW Local Infrastructure Fund**

The NSW Local Infrastructure Fund has been established as an interest-free loan scheme for Councils to bring forward infrastructure projects which have been delayed due to a lack of funding and are essential to urban development.

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<sup>10</sup> Refer to Tweed's Section 94 and 96 Developer Contributions for Community Facilities for exact details of contribution requirements and formulas

### 6.3 What is Council's Adopted Financial Strategy for Building Assets?

The scenarios discussed in Section 5.15.3 clearly indicate that Council should take action to increase its spending on asset renewal of its buildings portfolio. While Scenario 3 best provides for intergenerational equity, it is acknowledged that such an increase in renewal capital spending is not something that is easily achievable.

The proposed capital renewal, upgrade and new expenditure is shown in the following table below. It should be noted that these financial allocations are based on the prediction modelling outcomes utilising the Scenario 2 funding allocations which is considered to be the most affordable and achievable based on Council's human and financial resources. It is envisaged that this funding strategy will provide the second best intergenerational benefit (apart from Scenario 3) for the current building asset stock, while Scenario 1 provides the lowest benefit, due to the building asset stock loss.

It should be noted that a 3% increase annually has been applied to the capital and maintenance expenditure to account for changes in unit rates for the materials and resources required to undertake these works.

Building Renewal's By Department	2010/11 (\$,000)	2011/12 (\$,000)	2012/13 (\$,000)	2013/14 (\$,000)	2014/15 (\$,000)	2015/16 (\$,000)	2016/17 (\$,000)	2017/18 (\$,000)	2018/19 (\$,000)	2019/20 (\$,000)
Recreation	\$1,860	\$1,576	\$2,657	\$2,441	\$2,606	\$1,597	\$2,287	\$391	\$1,648	\$1,586
Cultural and Community Buildings	\$950	\$1,267	\$62	\$546	\$0	\$1,030	\$175	\$443	\$886	\$1,349
Other i.e Water, Depot	\$170	\$16	\$41	\$82	\$82	\$222	\$144	\$113	\$206	\$134
	\$16	\$206	\$288	\$0	\$288	\$206	\$391	\$2,070	\$278	\$0
<b>Building Upgrades</b>										
Murwillumbah Museum	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tweed Heads Museum	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Centre Murwillumbah	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Kingscliff Community Centre	\$0	\$0	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Capital Total</b>	<b>\$2,996</b>	<b>\$8,065</b>	<b>\$4,549</b>	<b>\$3,069</b>	<b>\$2,977</b>	<b>\$3,055</b>	<b>\$2,997</b>	<b>\$3,018</b>	<b>\$3,018</b>	<b>\$3,069</b>
<b>Building Type</b>										
Art Gallery	\$17	\$18	\$18	\$19	\$19	\$20	\$20	\$21	\$22	\$22
Community	\$135	\$139	\$143	\$148	\$152	\$157	\$161	\$166	\$171	\$176

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Depots	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3
Laboratory	\$19	\$20	\$20	\$21	\$21	\$22	\$23	\$23	\$24	\$25
Libraries	\$20	\$21	\$21	\$22	\$23	\$23	\$24	\$25	\$25	\$26
Museums	\$18	\$19	\$19	\$20	\$20	\$21	\$21	\$22	\$23	\$23
Other	\$23	\$24	\$24	\$25	\$26	\$27	\$27	\$28	\$29	\$30
Parks	\$7	\$7	\$7	\$8	\$8	\$8	\$8	\$9	\$9	\$9
Pools	\$75	\$77	\$80	\$82	\$84	\$87	\$90	\$92	\$95	\$98
Civic Centre	\$659	\$679	\$699	\$720	\$742	\$764	\$787	\$810	\$835	\$860
Public Toilets	\$588	\$606	\$624	\$643	\$662	\$682	\$702	\$723	\$745	\$767
<b>Maintenance Total</b>	\$1,563	\$1,610	\$1,658	\$1,708	\$1,759	\$1,812	\$1,866	\$1,922	\$1,980	\$2,039

Table 18 – Building Adopted 10 Year Financial Strategy

It must be noted that confidence in the current maintenance expenditure profile is based on the capital expenditure levels being adopted.

It should also be noted that the proposed upgrade projects will be primarily funded from either grant funding or Section 94 Developer Contributions and hence these projects may be delayed dependent upon timings of receiving these monies.

## 7. Asset Management Practices

This section outlines the decision-making tools Council currently uses, to determine long term maintenance, renewal and upgrade expenditure for Building assets. Asset Management systems are generally categorised as follows:

- **Asset Management Systems** – The information support tool used to store and manipulate asset data.
- **Data** – Data available for interrogation by information systems to produce outputs.

### Accounting / Financial Systems

Tweed Shire Council currently has the Technology One - Financials software system.

The Manager Financial Service has accountability and responsibility for this system.

#### 7.1 Asset Management Systems

Tweed Shire Council currently utilises the 'myData' and 'Works & Assets' software systems for Asset Management purposes. The system stores inventory, attribute, condition, financial and historical data.

The Engineering and Operations Directorate has accountability and responsibility for this system.

In addition, Tweed utilises 'myPredictor' for prediction analyses and determining future strategies and capital expenditure (Capex) planning.

Tweed also utilises Open Spatial and Enlighten as its Geographical Information System (GIS). The GIS system stores asset and other information spatially.

### 7.2 Accounting Framework

The following Accounting Framework applies to Local Government in New South Wales:

- Local Government Code of Accounting Practice and Financial Reporting
- AASB 116 Property, Plant & Equipment – prescribes requirements for recognition and depreciation of property, plant and equipment assets
- AASB 136 Impairment of Assets – aims to ensure that assets are carried at amounts that are not in excess of their recoverable amounts
- AASB 108 Accounting Policies – specifies the policies that Council is to have for recognition of assets and depreciation

### 7.3 Tweed Corporate Accounting Policy

The Tweed's Corporate Accounting Procedures, identifies that the asset materiality threshold limit has been set at \$5,000. This means that if Council spends less than this amount, that the created or purchased object is not considered an asset in terms of the accounting practices.

It is also considered that at this stage that there will not be any changes to the accounting/financial systems resulting from this BAMP.

### 7.4 Information Flow Requirements and Process

The key information flows into this BAMP are:

- The asset register data on material types, dimensions, age, replacement cost, remaining life of the asset;
- The unit rates for categories of work/material;
- The adopted service levels;
- Projections of various factors affecting future demand for services;
- Historical maintenance and capital works treatments;
- Correlations between maintenance and renewal, including decay models; and
- Data on new assets acquired by Council.

The key information flows from this infrastructure and asset management plan are:

- The assumed Capital Works Program and trends;
- The resulting budget, valuation and depreciation projections; and
- The useful life analysis.

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These will impact the Long Term Financial Plan, Council Plan, annual budget and departmental business plans and budgets.

As the 'myData' system maintains core asset data and financial data, the flow of information is entered directly into this one system.

Information is updated within 'myData' on an as required basis.

## 8. Improvement Plan

### 8.1 Review of BAMP

Any Asset Management Plan must be a dynamic document, reflecting and responding to changes over time. A full review of the Buildings Assets Management Plan should take place every three to five years to document progress and set out proposals for the next five years.

Any review of this BAMP will, in addition to that set out above have, regard to:

- Asset performance following delivery of maintenance program;
- The level of achievement of asset management strategies against the expected benefits to Building users, stakeholders and the community; and
- The consideration of any external factors that is likely to influence the contents of this BAMP.

**8.2 BAMP Improvement Program**

Improvements	Urgency	Importance	Responsible Officer	Time Line	Policy or Procedure Required?
<b>Policies and Guidelines</b>					
Obtain Council approval : <ul style="list-style-type: none"> <li>Levels of service.</li> <li>Funding Gaps and Future Funding Levels.</li> <li>Capex Prioritisation.</li> </ul>	H	H	Manager Recreation Services	Immediate	Asset Management Policy endorsement.
<b>Service Levels and Life Cycle Analysis</b>					
Collect condition information for entire building portfolio to refine prediction models, utilising Council's data collection manuals.	H	H	Co-ordinator Recreation Services	Immediate	Yes
Undertake work to monitor future demand requirements for new buildings within the Shire.	M	H	Co-ordinator Recreation Services	18 months	No
Test the current levels of service, to determine 'a confidence level' for reasonableness.	M	M	Co-ordinator Recreation Services	18 months	No
Test the current levels of service to determine if they are achievable for current budgets.	M	M	Manager Recreation Services	18 months	No
Undertake work to ascertain future service delivery and demand requirements for Council's Buildings.	M	H	Manager Recreation Services	18 months	No
<b>Financial Planning</b>					
Incorporate the prediction modelling process into Council's annual budgeting and capital works identification.	M	H	Manager Recreation Services	12 months	Yes
Continue with condition audits of the building asset network to enable financial modelling and capital works program development.	M	M	Co-ordinator Recreation Services	ongoing	No
Evaluate maintenance priorities and allocate appropriate funding.	M	H	Manager Recreation Services	12 months	No
<b>Asset Management Practices</b>					
Implement integration within the Asset Management System software that has integrated capability for: <ul style="list-style-type: none"> <li>Asset register.</li> <li>Works management.</li> <li>Prediction</li> </ul>	M	L	Manager Recreation Services & Finance Manager	24 months	No.

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Improvements	Urgency	Importance	Responsible Officer	Time Line	Policy or Procedure Required?
Develop process to ensure that asset condition data is transferred into Council's asset register, in a timely manner.	H	M	Co-ordinator Recreation Services	18 months	Procedures only
Develop process to ensure that treatment data is transferred into Council's asset register on an annual basis.	H	M	Co-ordinator Recreation Services	18 months	No but update business process manual.
Develop process to ensure that new asset data from developments, is transferred into Council's asset register on an annual basis.	H	M	Co-ordinator Recreation Services	18 months	Procedures only
Undertake work to ascertain if current Building stock has any assets surplus to needs and if so, implement a plan to dispose of these assets.	H	M	Manager Recreation Services	18 months	Procedures only
Look at current human resources to implement the BAMP.	H	H	Manager Recreation Services	12 months	No
Review current responsibility matrix with a view to simplify and stream line roles and responsibilities.	H	H	Manager Recreation Services	12 months	No



## 9. References

1. Community Strategic Plan
2. NSW Local Government Act 1993
3. Roads Act 1993
4. Tweed Shire Financial Statements 2009 - 2010
5. Tweed Shire Annual Report 2009-2010
6. Australian Bureau of Statistics Website
7. Tweed Shire Council Annual Report 2009-2010
8. Tweed Shire Urban Land Release Strategy February 2008
9. Tweed Shire Council, Community profile, communities working together May 2008

### 10. Glossary of Terms

**Accrual Accounting:** Recognition of revenues as they are earned and expenses as they are incurred.

**Administration:** Council staff.

**Asset:** Is an item with service potential or future economic benefits controlled by Council as a result of past transactions or other past events.

**Asset Accounting:** Is financial accounting as it relates to assets.

**Asset Management:** The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

**Asset Register:** A record of asset information considered worthy of separate identification including inventory, historical, financial, condition, construction, and technical information about each.

**Asset Renewal:** The process of improving the service potential an asset delivers through such methods as upgrade, refurbishment or replacement.

**Asset Values:** A determination of the value of the asset, which depends on the purpose for which it is required.

**Capital Expenditure:** Expenditure used to create new assets or to increase the capacity of existing assets beyond their original design capacity or service potential. Capital expenditure increases the value of the asset.

**Components:** Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.

**Condition Monitoring:** Continuous or periodic inspection, assessment, measurement and interpretation of the resultant data, to indicate the condition of a specific component so as to determine the need for some preventative or remedial action.

**Current Replacement Cost:** The cost of replacing the service potential of an existing asset, by reference to some measure of capacity, with an appropriate modern equivalent asset.

**Data Management** The management of data that is held within the Corporate computer system to ensure its structure complies with the requirements and specifications of the system.

**Depreciated Replacement Value:** The replacement cost of an existing asset less an allowance for wear or consumption having regard for the remaining economic life of the existing asset.

**Depreciation :** The wearing out, consumption or other loss of value of an asset whether arising from use, passing of time or obsolescence through technological and market changes. It is accounted for by the allocation of the cost (or revalued amount) of the asset less its residual value over its useful life.

**GIS:** Geographic Information System. GIS is a system of computer software, hardware and data and personnel to help manipulate, analyse and present information that is tied to a spatial location.

**Level of Service:** The defined service quality for a particular activity (i.e. pit repair) against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

**Maintenance:** All actions necessary for retaining an asset as near as practical to its original condition, but excluding rehabilitation.

The work needed to maintain an asset in a condition that enables it to reach its service potential and may expand the assets service life.

*Note maintenance does not include modification of an asset from its original design.*

**Maintenance Program:** A specific plan of identified maintenance activities to be undertaken & recorded for an asset or aggregation of assets.

**Community Strategic Plan:** A plan containing the long-term objectives and strategies of the community. Strategic plans have a strong external focus and identify major targets, actions and resource allocations relating to the long term survival, value and growth.

**Performance Monitoring:** Continuous or periodic quantitative assessments of the actual performance compared with specific objectives, targets or standards.

**Planned Maintenance:** Planned maintenance activities fall into three categories:

- (i) Periodic - necessary to ensure the reliability or to sustain the design life of an asset.
- (ii) Predictive - condition-monitoring activities used to predict failure.
- (iii) Preventive - maintenance that can be initiated without routine or continuous checking (eg using information contained in maintenance manuals or manufactures' recommendations) and is not condition based.

**Rehabilitation:** Works to rebuild or replace parts or components of an asset, to restore it to a required functional condition and extend its life, which may incorporate some modification. Generally involves repairing the asset to deliver its original level of service (i.e. heavy patching of roads etc.) without resorting to significant upgrading or renewal, using available techniques and standards.

**Renewal:** Works to upgrade, refurbish or replace existing facilities with facilities of equivalent capacity or performance quality.

**Repair:** Action to restore an item to its previous condition after failure or damage.

**Replacement:** The complete replacement of an asset that has reached the end of its life, so as to provide a similar, or agreed alternative, level of service.

**Replacement Cost:** The cost of replacing an existing asset with a substantially identical new asset, in today's dollar terms.

**Residual Value:** The net market or recoverable value, which would be realised from disposal of an asset or facility at the end of its life.

**Risk Assessment:** The process used to determine risk measurement priorities by evaluating and comparing the level of risk against predetermined standards, target risk levels and other criteria.

**Risk Management:** A management technique used to identify and analyse potential risks and to implement appropriate responses.

**Useful life:** The period over which a depreciable asset is expected to be used. The period over which a depreciable asset is expected to be used.

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**Valuation:** Assessed asset value which may depend on the purpose for which the valuation is required, i.e. replacement value for determining maintenance levels, market value for lifecycle costing and optimised deprival value for tariff setting.

**Written Down Value:** Is the appropriate value of an asset in current dollar terms minus its accumulated depreciation.





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