HAWKESBURY CITY COUNCIL

ASSET MANAGEMENT PLAN

BUILDINGS & STRUCTURES

RESOURCING STRATEGY

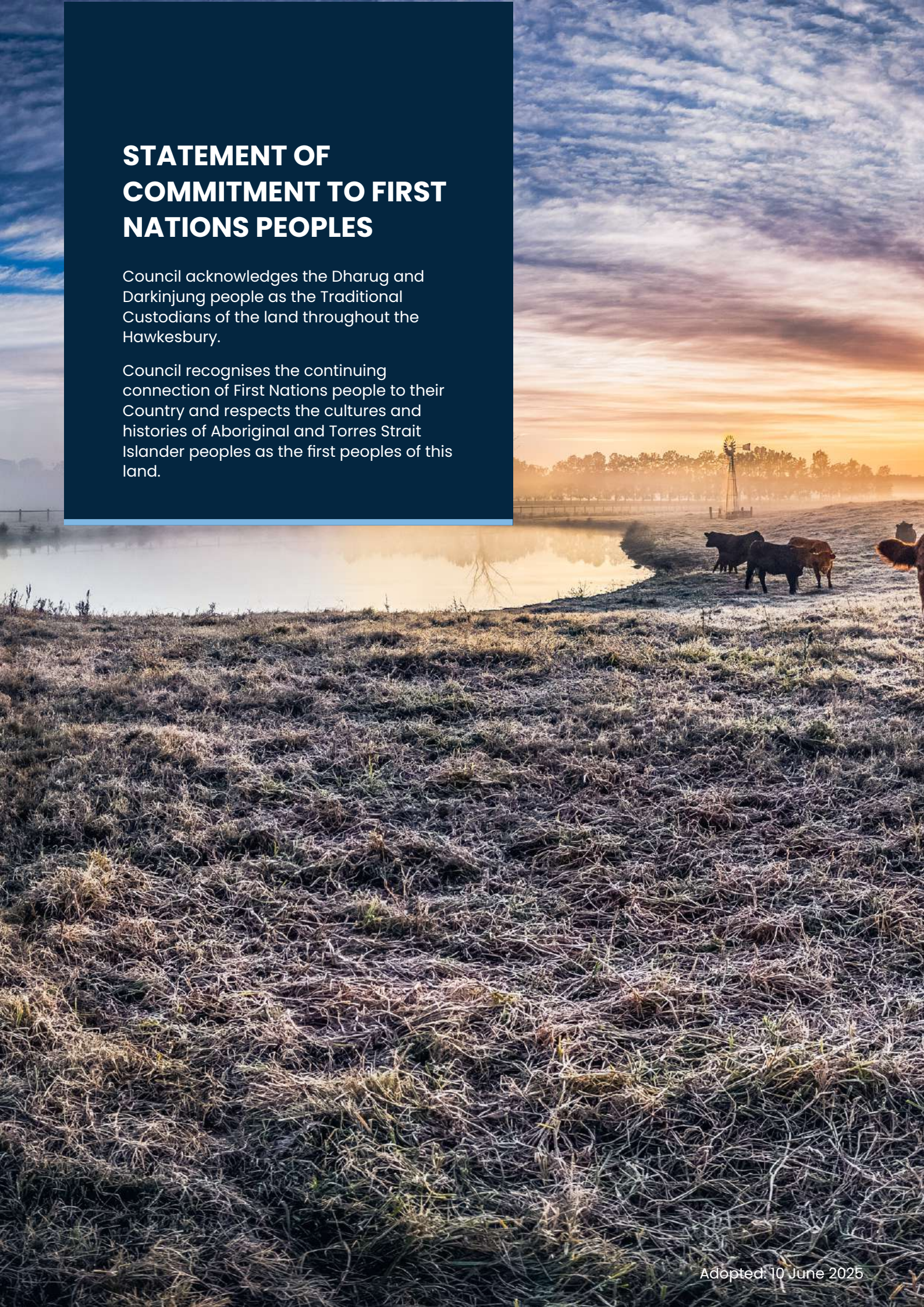
Hawkesbury City Council

www.hawkesbury.nsw.gov.au

STATEMENT OF COMMITMENT TO FIRST NATIONS PEOPLES

Council acknowledges the Dharug and Darkinjung people as the Traditional Custodians of the land throughout the Hawkesbury.

Council recognises the continuing connection of First Nations people to their Country and respects the cultures and histories of Aboriginal and Torres Strait Islander peoples as the first peoples of this land.



Adopted: 10 June 2025

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EXECUTIVE SUMMARY

This Buildings and Structures Asset Management Plan outlines the lifecycle management practices for the Buildings and Structures Infrastructure Assets group. This group includes various Council buildings and major structures, with an estimated total replacement cost of $220 million.

The primary goal of this plan is to deliver the defined levels of service in the most cost-effective manner, addressing both current and future needs of the community. The key objectives of this plan include:

- Establishing detailed technical and operational service level criteria to meet the community's expectations.
- Developing and managing whole-of-life models to enable affordable and cost-effective management of the Buildings and Structures Infrastructure assets.
- Developing and maintaining a 5-year forward works plan.
- Contributing to the development of Long-Term Financial Plan (LTFP) scenarios.
- Implementing ongoing auditing, compliance, and review practices for this plan.

To support the Long-Term Financial Plan (LTFP), three scenarios have been developed—Decline, Improve, and Resolve—to demonstrate the opportunities and risks associated with various funding models within the LTFP and Asset Management Strategy.

Hawkesbury Council is dedicated to delivering the service levels outlined in the AMS. Under Scenario 3: Resolve, which requires an annual investment of approximately $30 million across all asset classes, the estimated available funding for building assets over the next 10 years will increase to $4.4 million per year. While this is a significant improvement, it still leaves a budget shortfall compared to the actual needs for maintenance, renewal, and upgrades.

Although Scenario 3 will substantially reduce the backlog of unfunded renewals, some asset needs will remain unmet each year, particularly in lower-priority areas. This scenario represents a proactive approach, but achieving full funding for all building asset requirements will still demand careful prioritisation and ongoing efforts to secure additional resources.

Finally, a detailed plan, including strategic actions, has been developed to enhance the organisation's asset management maturity.

INTRODUCTION & BACKGROUND

OUR CITY

The Hawkesbury is a unique area located in the Hawkesbury River Valley. It is the largest Local Government Area in the Sydney Metropolitan Region, covering approximately 2,776km². Our population is relatively small with 68,704 people calling the Hawkesbury home.

The Hawkesbury and its townships, rural villages and landscapes share a rich and enduring Indigenous and European cultural heritage. The area has significant geographical range and diversity.

Prior to European settlement the area was inhabited by the Dharug and Darkinjung peoples for over 40,000 years. The Hawkesbury River (known as Dyarubbin by the Dharug people) was a focus for those people. Its tributaries and floodplains provided abundant natural resources and were places of strong social and spiritual significance for the First Australians. It has been estimated that there were up to 3,000 Aboriginal people living in the Hawkesbury area in 1788.

European explorers first arrived in the Hawkesbury in 1789. It is the third oldest European settlement in Australia. Windsor (originally Green Hills) which was established in 1794, is one of five 'Macquarie Towns', four of which are located within the Hawkesbury. Governor Macquarie had a profound influence on the development and landscapes of the Hawkesbury, which included naming the townships of Windsor, Richmond, Wilberforce and Pitt Town and the layout of their streets, cemeteries and town squares.

The Hawkesbury Local Government Area straddles the divide between the urban metropolitan councils to its east and the rural councils to its west. While it is classified as part of Metropolitan Sydney, its unique blend of urban and rural settlements is uncharacteristic of the metropolitan area.

The Hawkesbury is therefore classed as a metropolitan-rural area by virtue of its location and its natural assets, including its natural beauty, its five rivers and their tributaries, its mountains, national parks and wilderness areas. The heritage towns of Windsor, Richmond, Pitt Town, Wilberforce and Ebenezer are all located within the Hawkesbury.

The agricultural lands that surround the Hawkesbury's towns and villages represent the oldest rural land holdings under continuous cultivation within Australia. The Hawkesbury also contains the oldest church, hotel and public square. Thompson Square, located in Windsor, was named and established by the then Governor Lachlan Macquarie in 1811 as recognition of the emancipist Andrew Thompson. Thompson Square and its immediate surrounds is also recognised as the oldest surviving public square in Australia.

These historical and cultural assets are actively being used to support cultural expression, tourism and economic activity. They remain integral to the future identity and prosperity of the Hawkesbury.

Council is committed to engaging the community on its future plans and strategies. It is important that Council continues to develop and discuss options with its community on the future funding of asset renewal and maintenance and the key areas of priority. A snapshot of the range of Council's Building and Structures assets is shown on the following page.

BUILDINGS

COMMUNITY FACILITIES

46 different facilities including community, children's and other essential services

AQUATIC CENTRES

2 facilities constructed around the Hawkesbury

LIBRARIES

2 different libraries located in central locations around the Hawkesbury

RFS/SES BUILDINGS

28 facilities constructed around the Hawkesbury

MUSEUM & ART GALLERY

3 facilities constructed around the Hawkesbury

OTHER MAJOR STRUCTURES

3 Grandstands

3 Viewing Platforms

2 Outdoor Pools

OPERATIONAL BUILDINGS

13 different buildings for administration, operation and support services

PUBLIC AND SPORTS AMENITIES

86 unique park buildings which include amenities, club houses, gardener's sheds and more

COMMERCIAL BUILDINGS AND INVESTMENT PROPERTIES

35 different tenanted properties that are used for investment purposes

PURPOSE OF THE PLAN

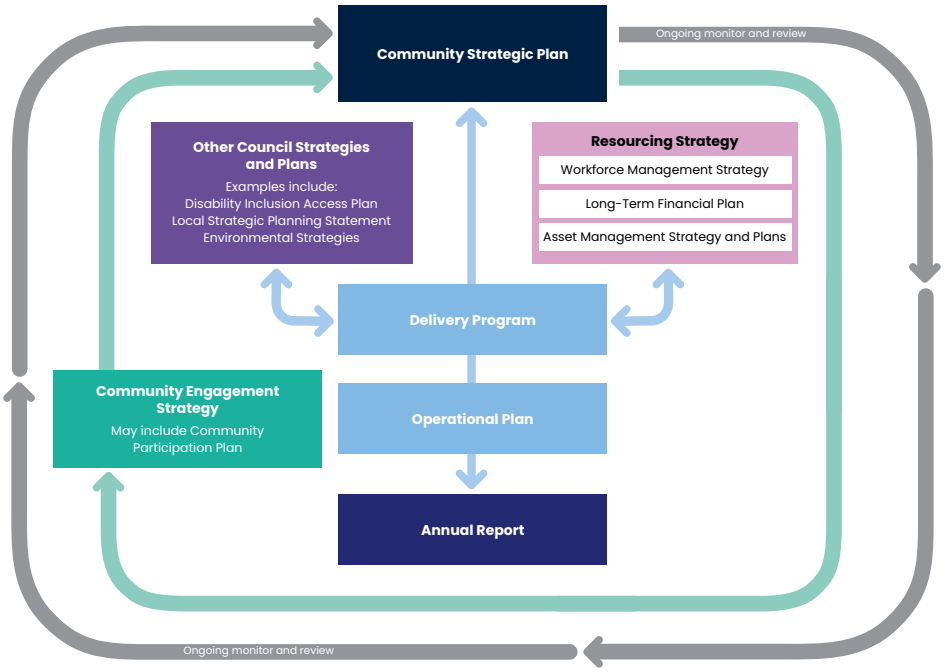
Asset management planning is a systematic process that aims to manage infrastructure and other assets on a lifecycle basis, with optimal funding to ensure the ongoing delivery of satisfactory levels of service to the community.

This plan demonstrates how Council utilises asset data to research, analyse and plan for the ongoing construction, maintenance and operation of the assets in the Buildings and Other Structures group. This enables informed decision-making to create a sustainable and reliable environment for the community. This plan details for Council's Buildings and Other Structures Assets group:

- The current state of assets
- The medium-term (10 Year) financial plan required to maintain the current levels of service
- A Five-Year Forward Works Program which outlines the renewal, upgrade, demolition, expansion or new construction of assets
- A set of strategic actions to enhance Council's asset management maturity
- Risks associated with infrastructure assets and critical assets
- The infrastructure assets health for various Long-Term Financial Plan (LTFP) scenarios
- The impact of future demand and changes of the technology on asset management practices
- The technical and customer levels of service

This plan reflects the Council's relevant strategic plans that outline community service levels and other critical planning matters required to ensure safe, equitable and quality access to the wide range of infrastructure and other assets owned and/or managed by Council.

This Buildings Asset Management Plan supports and is to be read in conjunction with Council's Asset Management Strategy (AMS) and Asset Management Policy (which are reviewed and adopted annually by Council as part of the Resourcing Strategy under Integrated Planning and Reporting) and other key planning documents.



Office of Local Government - Integrated Planning and Reporting Framework 2021

GOALS AND OBJECTIVES

The primary goal of this plan in managing Council's infrastructure assets to deliver the defined levels of service in the most cost-effective manner for both current and future consumers. This requires understanding the current needs of the community, the current performance levels of the Council's strategic plans and anticipating future needs and requirement. Hence the key asset management objectives of this plan are:

- Developing and maintaining a 5 year forward works plan including scope of the works and estimated budget
- Developing whole of life models to estimate the average 10-year required budget and annual gap, and predict the future state of assets for various financial scenarios
- Informing the Asset Management Strategy (AMS) and Long-Term Financial Plan (LTFP)
- Establishing detailed technical and operational service level criteria to meet the community service levels of Council's strategic plans together with suitable performance monitoring criteria and processes
- Managing the impact of social, financial, political and environmental growth and change through demand management and` effective investment
- Identifying, assessing, monitoring and controlling risks
- Integrating with Council's adopted strategies, plans, long term financial plans so that lifecycle asset management is implemented at an organisational level
- The ongoing review and updating of the lifecycle models to take advantage of new information and cost-effective asset management methods as they arise

ASSET MANAGEMENT PRACTICES

ASSET CATEGORISATION

A comprehensive Infrastructure Assets Categorisation Framework has been developed, covering various asset groups. The current infrastructure asset management groups are:

- Roads and Transport
- Buildings and Other Structures
- Stormwater
- Open Space

Assets are further categorised based upon how they are used:

- Infrastructure assets provide services directly to the community (e.g. roads provide pedestrian and vehicular transport services across the LGA and parks provide active and passive recreation services for the community)
- Community assets are used to enable services to be provided or are used in the delivery of services to the community (e.g. library buildings are used to deliver library services and park amenities support provision of recreational services)
- Operational assets are utilised by Council directly to administer and facilitate its operations (e.g. Council's depots support the field teams who maintain the parks; and
- Commercial assets provide an income to Council (e.g. commercial shopping centres or heritage buildings converted to offices)

Some assets are non-depreciable. Generally, the non-depreciable earthworks and the purchase of the land associated with an asset happens only once with the initial asset construction or acquisition. These costs are not usually included in the asset lifecycle calculations after the initial creation of the asset. Land comprises all lands owned and or managed by council, including crown land, community land and operational land.

Council also owns and/or manages bushland and street trees. These are known as Natural assets, and they are managed by Council on an ongoing basis for the benefit of the current and future generations.

At this stage, AMPs have been developed for the four major Asset Management groups only (Roads, Buildings and Other Structures, Open Space and Recreation, and Stormwater Drainage). Lifecycle plans are not required for non-depreciable assets and Plant and Equipment and Other Asset groups are treated as current assets and costed as expenses in the year of construction/acquisition.

BUILDINGS AND OTHER STRUCTURES ASSET PORTFOLIO

A breakdown of the Building and Structures assets covered by this plan is as follows:

- **Public amenities:** Public toilets – park, public places
- **Sports amenities:** Clubhouse, toilets/showers/referee room, kiosk, storage, gardener's shed
- **Operational buildings:** Council Works Depot, Council's Administration Building and Emergency Services buildings (Rural Fire Service and State Emergency Services)
- **Childcare centres**
- **Community buildings:** Library, arts and cultural centres, Museum, community and neighborhood centre, functions centre, Visitor Information Centre
- **Leisure and aquatics centres:** Leisure and Aquatics Facilities and Outdoor Pools
- **Commercial buildings and investment properties:** Shopping centres, shops, restaurants
- **Other structures:** Grandstands, wharves

It should be noted that Council is responsible for a vast majority of Buildings and Structures infrastructure assets situated within the Local Government Area (LGA).

The current state of the Buildings and Structures Portfolio is shown overleaf in **Dashboard – State of Buildings and Other Structures Portfolio**. The Dashboard is a visual presentation of the portfolio that includes the inventory, condition distribution, financial data, unfunded renewals, maintenance and renewal gap.

DATA COLLECTION AND ASSET MANAGEMENT SYSTEMS

Council utilises two software packages including Technology One and Brightly (formerly Assetic) to cover databases, works, financials, supply chain, mapping, and modelling tools as part of its asset management practices. The effectiveness and maturity of these practices can be enhanced through further integration of these tools. The asset software packages in use are:

- **Technology One (T1) Products Cloud Based:** Provides enterprise asset management for the corporate asset register, works management, asset accounting, request management, financial management, and supply chain management
- **Assetic Predictor:** A predictive tool for creating various models and scenarios for long-term financial planning and the development of capital works programs
- **ArcGIS Pro:** Council's corporate GIS (Geographic Information System) used to store all spatial data of assets
- **IntraMaps Cloud:** A GIS tool, also a T1 product, integrated with corporate systems for mapping queries, reporting, and visual presentation purposes
- **Field App:** A cloud-based, user-friendly mobile application from T1, working under an integrated platform used by staff for works management, asset inspections, on-site data collection, and register updates

State of Assets Infrastructure Portfolio

All Infrastructure Assets | Roads | Parks | Stormwater Drainage | Buildings and Other Structures

Current Replacement Cost
$220,532,000

Current Average Annual Budget
$1,000,001

Requried Average Annual Budget
$4,410,639

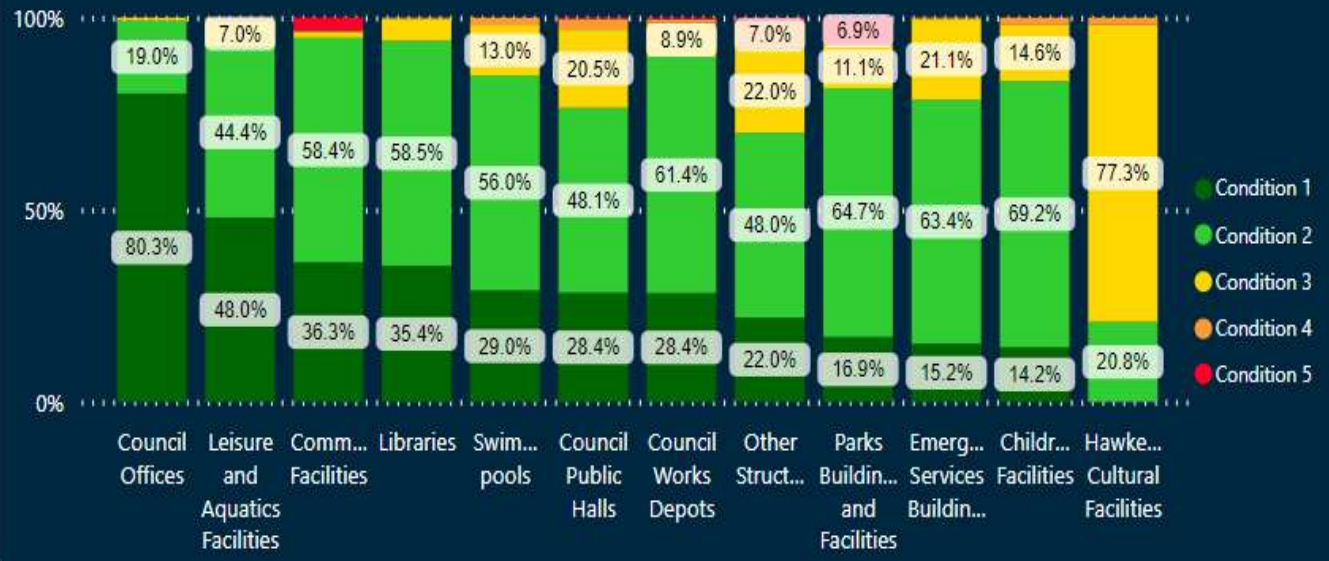
Annual Renewal Gap (10 Years)
$3,410,638

Unfunded Renewal
$6,873,721

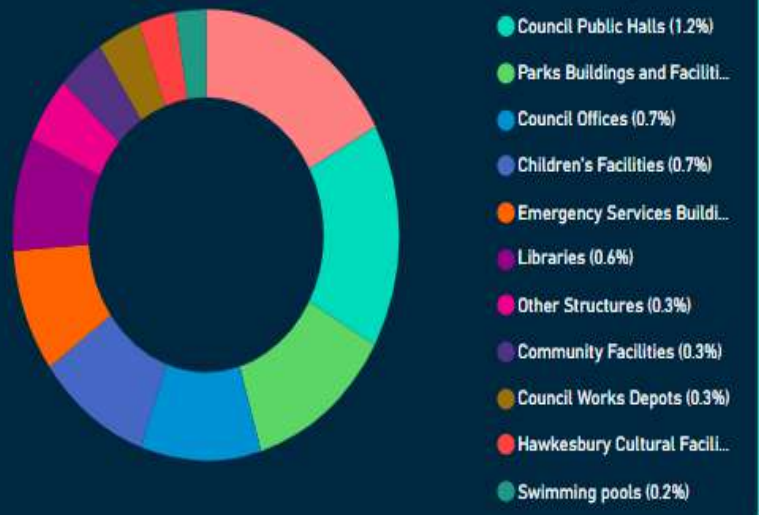
Annual Depreciation
$3,933,979.36

Asset Category	Current Replacement Cost	Annual Depreciation	Unfunded Renewal	Required Average Annual Budget (10 year)	Current Average Annual Budget (10 year)
Children's Facilities	$21,087,000	$428,250	$408,000	$421,740	$95,619
Community Facilities	$8,737,000	$72,680	$596,000	$174,740	$39,618
Council Offices	$22,231,000	$383,520	$0	$444,620	$100,806
Council Public Halls	$35,404,000	$675,350	$1,176,000	$708,080	$160,539
Council Works Depots	$8,033,000	$171,070	$140,000	$160,660	$36,426
Emergency Services Buildings	$19,439,000	$453,960	$66,000	$388,780	$88,146
Hawkesbury Cultural Facilities	$6,817,000	$169,960	$126,000	$136,340	$30,912
Leisure and Aquatics Facilities	$37,627,000	$682,060	$258,000	$752,540	$170,619
Libraries	$18,151,000	$335,440	$50,000	$363,019	$82,306
Other Structures	$10,318,000	$189,511	$196,241	$206,360	$46,787
Parks Buildings and Facilities	$27,080,000	$306,370	$3,857,480	$541,600	$122,794
Swimming pools	$5,608,000	$65,809	$0	$112,160	$25,429

Condition Distribution



Optimum Budget Breakdown (Average 10 Years)



LEVELS OF SERVICE

In part, this Asset Management Plan has been prepared to facilitate consultation about levels of service with the broader community. Future revisions will incorporate customer feedback on service levels and the costs of providing these services. This will help Council align the required level of service, associated risks, and consequences with the community's ability and willingness to pay.

Based on our current understanding of the performance of our buildings and structures, financial analysis indicates that Council is likely to underfund existing service levels in the medium to long term. If this funding shortfall persists, the following impacts are expected:

- **Deteriorating assets:** Without sufficient funding, the condition of buildings and structures will decline, leading to a reduction in service quality and potential safety concerns.
- **Widening asset renewal gap:** The gap between the required and available funding for renewing assets will continue to grow, further threatening long-term financial sustainability.
- **Generational cost shifting:** Future residents will bear the financial burden of renewing assets that have deteriorated due to underfunding today, resulting in significant generational cost-shifting.
- **Inability to meet demand for new or upgraded services:** The Council will be unable to accommodate growing demand for new, expanded, or upgraded facilities, limiting the community's access to modern services and infrastructure.
- **Backlog Impact:** Under the current funding scenario, the Council's backlog of unfunded asset renewal works will continue to grow. The existing budget shortfall means that a large proportion of required maintenance and renewal work will need to be deferred or carried out reactively. This reactive approach will increase long-term costs as assets deteriorate further and require more expensive interventions later. The backlog not only represents a financial liability but also contributes to the gradual degradation of service levels. Community expectations for asset quality and functionality will be harder to meet as more projects are delayed due to limited resources.
- **Prioritisation and Risk-Based Approach:** Given this shortfall, the Council will prioritise asset works based on asset condition, risk, and criticality, with a focus on ensuring legislative compliance and minimising safety risks. Non-critical assets and lower-priority projects will face delays, which could lead to further reductions in service quality and increased community dissatisfaction over time.
- **Impact of Significant Weather Events and Natural Disasters:** Over recent years, the Hawkesbury region has experienced a series of natural disasters including major floods (2020, 2021, 2022, and 2024), bushfires, and the COVID-19 pandemic, which have had a cumulative and compounding effect on Council's built infrastructure. Among these, flooding has had the most direct and severe impact on the Council's building assets, particularly those located in flood-prone or low-lying areas. Several Council-owned buildings have sustained structural damage, with some becoming inoperable or unsafe. Insurance payouts have, in some cases, been insufficient to meet the full cost of replacement or upgrades, leaving Council with limited options other than deferment or seeking substantial grant funding.

  These impacts have heightened the urgency of resilience planning within Council's broader lifecycle and risk management frameworks. As the frequency and severity of climate-related events increase, there is growing pressure to future-proof building assets by embedding resilience measures into design, renewal, and construction. This includes enhancing flood resistance, ensuring critical facilities remain operational during emergencies, and integrating adaptive features such as improved drainage, passive cooling, and back-up systems.

While Council will continue to improve its understanding of asset conditions and refine service level targets, the reality of the increasing funding gap means that the backlog of works will grow unless additional funding sources are identified.

Future updates to this Asset Management Plan will guide long-term financial planning to ensure that renewals and upgrades are strategically funded to meet capacity demands and essential service levels. As part of its implementation of the Integrated Planning and Reporting Framework (IP&R), Council's Corporate Planning Team consults the community during the development of the Community Strategic Plan (CSP).

This AMP relies on the consultation done during the development of the current CSP and ongoing engagement to establish the Community Levels of Service defined below:

CUSTOMER LEVELS OF SERVICE

The Customer Levels of Service are evaluated based on the following service attributes for both current and future expectations. In managing these attributes, Council must often balance them against one another, as efforts to improve one attribute may have a detrimental effect on another. For example, temporary closures to address quality or safety issues can limit capacity and utilisation, directly impacting service accessibility and availability:

- **Quality:** Assesses how well the service meets expected standards in terms of condition and overall satisfaction. This includes evaluating maintenance levels, condition assessments, and user satisfaction surveys. For example, council buildings are maintained and serviced adequately with an aim to reduce maintenance-based complaints by 10% and maintain high satisfaction levels through targeted improvements. However, closures required to manage quality and safety risks may impact on the functionality and capacity of these assets, introducing a trade-off between maintaining quality and ensuring continuous availability.
- **Function:** Determines whether the asset is fit for its intended purpose. This involves functionality assessments and user feedback. For instance, community buildings are evaluated to ensure they meet functional needs, with ongoing improvements based on evolving community requirements. However, prioritising functional improvements or addressing functionality issues may require adjustments that impact the quality or capacity of the asset, underscoring a balance between functionality and other service attributes.
- **Capacity and Utilisation:** Examines whether the service has adequate capacity and is utilised effectively. This includes analysing facility utilisation data and user feedback. The objective is to improve tracking and utilisation, with flexible space configurations to accommodate diverse activities and meet demand. Childcare centres, for instance, are assessed on enrolment rates and waiting lists to ensure they can meet user demand effectively.
- **Accessibility**: Ensures that community buildings are accessible to all members. This involves compliance reviews of accessibility standards. The goal is for all newly constructed buildings to be fully accessible and for existing buildings to have enhanced accessibility features.

A summary of the current performance measures, current performance data, and expected performance based on current funding levels is provided in **Table 1– Customer Level of Service** on the following page. These measures are designed to reflect service delivery outcomes and facilitate comparisons between customer expectations and the Council's ability to meet these demands sustainably

Balancing Community Demand and Statutory Requirements

The Council's service delivery is also influenced by changing community demand and evolving statutory requirements. As community expectations for modern and accessible facilities increase, the Council must prioritise asset management actions that may require trade-offs across service attributes. Additionally, new statutory requirements may necessitate reallocation of resources, potentially impacting the balance between quality, functionality, capacity, and accessibility.

Table 1– Customer Level of Service

Service Attribute	Service Objective	Asset Category	Performance Measures	Expected Trend (10 years)
Quality	All council buildings are maintained and serviced adequately	All Council Buildings	Customer request system and complaints related to maintenance Condition assessment Customer satisfaction survey results	Reduction in maintenance-based complaints by 10% Increase and maintain high satisfaction levels through targeted improvements
	Community Buildings are maintained and serviced adequately	All Community Buildings	Customer request system and complaints related to maintenance (works requests) Condition assessment User satisfaction survey (to be developed	Reduction in maintenance-based complaints by 10% Increase and maintain high satisfaction levels through targeted improvements
	Public and Sports amenities buildings are of high quality	All Public and Sports amenities buildings	Condition Assessments Customer Satisfaction, Frequency of major maintenance	Continuous improvement in building conditions, with a focus on maintaining high standards. Effective maintenance strategies and timely upgrades to ensure the long-term quality of the amenities.
Function	Community buildings are fit for purpose and meet the functional needs of the community	All community buildings	Functionality assessments and user feedback	Enhanced functionality based on evolving needs
Capacity and Utilisation	Community Buildings have Adequate capacity to meet user demand and well-utilised	Community Buildings and halls	Number of available facilities utilisation data. User feedback on capacity	Improved tracking and increased utilisation Flexible space configurations to accommodate diverse activities and increased capacity
	Childcare centres have adequate capacity to meet user demand	Childcare centres	Enrolment rates and waiting list	Higher user group and parent satisfaction
Accessibility	Community buildings are accessible to all community members	Community Buildings and halls	Compliance review of accessibility standards	All newly constructed buildings are fully accessible and existing buildings with enhanced accessibility

The key Community Levels of Service applicable to all asset groups, with a focus on balancing these competing priorities, are:

Alignment with Community Requirements: Ensuring all levels of service meet community needs identified through engagement and consultation processes, balanced with the Council's capacity to sustain these services.

Infrastructure Condition: Maintaining asset conditions through funding that considers community demand and compliance requirements, while recognising the impact on other service levels.

Commitment to Growth: Expanding and enhancing the Council's infrastructure network to address future community needs while managing trade-offs between service levels such as quality, function, and accessibility.

TECHNICAL LEVELS OF SERVICE

To deliver the Community Levels of Service Council's asset managers convert them to Technical Levels of Service which are operational and/or technical measures of performance, tailored to the assets concerned. These technical measures relate to the activities and resources required to best achieve the desired community outcomes at the least possible ongoing cost.

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

- **Acquisition** – Addition of a new service that did not exist previously (e.g. New community centre or Public amenities)
- **Operation** – Regular activities required to provide services and maintain operational standards (e.g. opening hours, conducting routine inspections, and maintaining cleanliness)
- **Upgrade** – The activities required to provide a higher level of service (e.g. Renovating an old building to add modern facilities, or upgrading HVAC systems to improve energy consumption.)
- **Maintenance** – The activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. performing repairs to building structures, updating electrical systems, or maintaining plumbing to ensure ongoing functionality.)
- **Renewal** – The activities that return the service capability of an asset up to that which it had originally provided (e.g. Replacing worn-out roof sections, resurfacing floors, or upgrading outdated building components.)

Council aims to provide the following Technical Levels of Services across all asset groups:

- Action all required renewal, upgrade, maintenance, and acquisition plans through lifecycle modeling and budgeting.
- Continuously improve models through constant recalibration of logic and parameters used
- Continuously improve adopted plans by reflecting new funding scenarios (Grants and external funding options) and condition assessments of assets
- Continuously improve the technology used by monitoring technological advances, using such technology when it becomes cost-effective to do so, and participating in or leading research and innovation as opportunities arise

Specific Technical Levels of Service for the Buildings and Structures Asset Group are outlined in **Table 2 – Technical Level of Service** on the following page.

Table 2 – Technical Level of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance	Expected Trend Based on Planned Budget
Acquisition	Add new services that did not exist previously (e.g. a new public amenity)	Community survey HCC Social Infrastructure Strategy	HCC Social Infrastructure Strategy	Increased number of new services to meet evolving needs and new developments
Operation	Provide regular services (e.g. opening hours, inspections)	Efficiency and reliability of service delivery	Regular activities are ongoing	Improved efficiency and reliability of operations
Upgrade	Improve or expand existing facilities to meet higher service standards (e.g. Building refurbishment, HVAC upgrade	Performance improvement metrics	Limited upgrades undertaken due to budget constraints	Increased upgrades to enhance service levels and efficiency
Maintenance	Retain assets as near as practicable to an appropriate service condition	Adherence to maintenance schedules	Detailed schedules in place	Continued adherence and updates to maintenance schedules
Renewal	Reduce Unfunded Renewal of Buildings and Structures in poor or very poor condition	Current Unfunded Renewal	$ 6,873,721 Unfunded Renewal of assets in poor condition	Reduce Unfunded Renewal by 10%
Flood Risk Assessment	Evaluate and manage flood risk for all Council-maintained buildings	Frequency and comprehensiveness of flood risk assessments	Periodic assessments, detail and frequency may vary	Increase frequency and detail of assessments with improved budget

TECHNICAL LEVELS OF SERVICE - OPERATIONS AND COMPLIANCE

- **Compliance and Standards** - Ensure buildings adhere to safety regulations and standards.
- **Energy Efficiency and Sustainability** - Implement measures to enhance energy efficiency and environmental sustainability.
- **Flood Resilience Management** - Ensure buildings are resilient to flood events.

Asset Management Activity	Purpose of Activity	Activity Measure	Current Performance	Expected Trend Based on Planned Budget
Compliance and Standards	Ensure buildings adhere to safety regulations and standards	Compliance review	Ongoing compliance with current regulations	Maintain and improve compliance standards
Energy Efficiency and Sustainability	Improve building sustainability	Implement measures to enhance energy efficiency and environmental sustainability	Initial sustainability measures implemented	Enhanced energy efficiency and sustainability measures
Flood Resilience Management	Ensure buildings are resilient to flood events	Implementation and effectiveness of flood resilience measures	Basic measures in place; additional needed	Enhanced flood resilience measures and improved effectiveness with increased budget, and insurance
Flood Risk Assessment	Evaluate and manage flood risk for all Council-maintained buildings	Frequency and comprehensiveness of flood risk assessments	Periodic assessments, detail and frequency may vary	Increase frequency and detail of assessments with improved budget
Flood-Resilient Design and Construction	Ensure new and renovated buildings meet flood-resilient standards	Percentage of buildings meeting flood-resilient design standards	Some buildings with flood resilience features; older ones lack this	Increase percentage of flood-resilient buildings, including retrofits
Flood Mitigation Measures	Implement measures to reduce the impact of flooding	Number and effectiveness of flood mitigation measures	Basic measures in place; additional needed	Expand and enhance flood mitigation measures with additional funding
Emergency Preparedness and Response	Ensure effective preparedness and response to flood events	Development and testing of emergency preparedness plans	Plans exist but may not be tested regularly	Regular updates, testing, and community drills with improved funding
Maintenance of Flood Mitigation Infrastructure	Maintain infrastructure designed to mitigate flood impact	Frequency and quality of maintenance of flood mitigation infrastructure	Maintenance performed as needed; consistency may vary	Increase frequency and quality of maintenance with dedicated budget
Monitoring and Evaluation	Continuously monitor flood risks and evaluate resilience measures	Regular monitoring reports and evaluation of flood resilience measures	Periodic monitoring and evaluation	Enhanced monitoring and evaluation processes with advanced technology

DESIGN AND CONSTRUCTION STANDARDS

Hawkesbury City Council ensures all new buildings and upgrades comply with the National Construction Code (NCC) and all relevant Australian Standards (AS). These regulations guide structural integrity, safety, accessibility, and environmental performance.

Additionally, the Council aims to integrate sustainability principles aligned with its Environmental Sustainability Strategy. Where applicable, new projects aspire to meet Green Star or Infrastructure Sustainability Council of Australia (ISCA) accreditation to enhance long-term environmental outcomes.

MAINTENANCE STANDARD

Maintenance standards for building assets at Hawkesbury City Council are established to ensure the provision of high-quality, safe facilities for all users while aligning with the Council's budgetary constraints. These standards are informed by industry benchmarks, risk assessments, and community feedback, and they cover routine maintenance, repair, temporary measures, and emergency work.

Routine maintenance tasks are prioritised based on the asset's usage, susceptibility to deterioration, and cost-effectiveness, with specified response times for repairs to ensure timely completion. Temporary measures are implemented to mitigate risks until permanent solutions can be applied, and emergency works are promptly executed to address public safety concerns.

Comprehensive documentation and regular reporting on maintenance activities support informed planning and funding decisions, ensuring that the Council continues to meet the community's needs effectively. Future revisions of the Asset Management Plan will further refine these standards, incorporating new industry practices, technological advancements, and ongoing community engagement to continuously improve maintenance outcomes.

FUTURE DEMAND

DEMAND FORECAST

Hawkesbury City Council has a pivotal role in providing essential services and infrastructure to the community. The future demand for these assets extends beyond mere population growth; it encompasses a wide array of factors that could influence how services are delivered.

Hawkesbury City Council is committed to fostering a safe and sustainable environment for both current and future generations. To achieve this, the Asset Management Plan (AMP) identifies key drivers that may impact the provision of services to the community in the future. The objective is to ensure the assets can adapt flexibly to evolving demands, ensuring their relevance over the next decade and beyond. The drivers are summarised in **Table 3 - Future Demand** below.

KEY DRIVERS AFFECTING DEMAND FOR ASSETS

Changes in Demographics:

- Population Change: As population increases, so does the demand for community facilities, public amenities, and essential services. This AMP takes into account the projected growth from 68,704 residents to an estimated 85,050 by 2036.
- Aging Population: The demographic shift towards an older population may require different types of facilities, such as more accessible buildings and age-friendly recreational areas.
- Change in Population Density and Centre Boundaries: As urban centers such as Windsor and Richmond experience increasing population densities, the demand for infrastructure and services will intensify in these areas. The Asset Management Plan (AMP) anticipates that higher density will necessitate the expansion or upgrading of existing facilities to accommodate the concentrated population. Additionally, any adjustments to center boundaries will require strategic planning to ensure that infrastructure development keeps pace with shifting demographic trends.
- Culturally and Linguistically Diverse (CALD) Communities: As the CALD population grows, there may be an increased need for tailored facilities and services that support the diverse cultural and linguistic needs of these communities, fostering inclusivity and equitable access to public services.

Economic Factors:

- Economic Growth or Downturns: Economic conditions can affect community needs. A booming economy may lead to increased construction and demand for new infrastructure, whereas an economic downturn could necessitate the efficient use of existing assets and prioritisation of maintenance over expansion.

Legislative and Policy Changes:

- Compliance Requirements: New regulations or changes in government policy could require updates to building codes, accessibility standards, and environmental laws, necessitating upgrades or modifications to existing assets.

Community Expectations:

- Service Quality: As resident's expectations for high-quality, modern amenities grow, there will be increased pressure on the Council to deliver state-of-the-art facilities.

Environmental Factors:

- Climate Change: The increasing frequency and severity of natural disasters, such as floods and extreme heat, necessitate the development of more resilient infrastructure. As climate challenges escalate, Council buildings must not only be designed or upgraded to withstand these environmental impacts but also adapt to serve crucial roles in community resilience. For example, buildings can function as heat refuges during extreme weather events, providing safe, air-conditioned spaces for vulnerable populations.

  To enhance resilience in flood-prone areas, the Council will prioritise investments in flood-resistant construction techniques and materials, ensuring that infrastructure can effectively mitigate risks while continuing to support essential services. This approach reinforces the importance of adaptive building designs that not only safeguard physical structures but also enhance the overall safety and well-being of the community during climate-related disruptions.

- Sustainability Initiatives: The shift towards sustainable development and energy efficiency will impact how assets are managed, potentially increasing the demand for green buildings and renewable energy sources.

Aging Infrastructure:

- The Council's aging buildings and structures are resulting in increased maintenance costs and reduced efficiency. As these assets continue to age, maintenance challenges are expected to worsen, which may heighten safety risks and diminish service quality. In worst-case scenarios, specific facilities may face temporary or permanent closures if they become unsafe or unviable, impacting service delivery and necessitating contingency planning.

DEMAND MANAGEMENT STRATEGIES

To address these identified drivers, the following demand management strategies will be employed:

- **Monitoring and Review:** Regular monitoring of demographic trends, economic conditions, and environmental factors will guide the timely adaptation of infrastructure to meet community needs. This will be supported by an ongoing program of service reviews, ensuring that services remain aligned with community needs, operational efficiencies, and Council's strategic objectives.

- **Strategic Planning and Asset Rationalisation:** Aligning capital projects with strategic plans ensures that the development of new assets and the upgrading of existing ones are in harmony with projected demand. This approach includes a rationalisation of underutilised or non-essential assets where feasible to better match demand and resource allocation. For example, if a facility experiences declining utilisation, the Council may consider repurposing, consolidating with another nearby asset, or divesting the asset to reduce costs and reinvest in higher-demand services. Asset rationalisation decisions will be grounded in demand forecasts, community engagement outcomes, and service priorities.

- **Community Engagement:** Ongoing consultation with residents will help prioritise projects that reflect community preferences and particularly around rationalising or enhancing key assets, ensuring service quality and accessibility. Implementing a proactive maintenance and replacement plan will mitigate the impacts of aging infrastructure, ensuring continued safety and efficiency while potentially extending the life of assets deemed essential through service reviews.

- **Proactive Maintenance:** Implementing a proactive maintenance and replacement plan will mitigate the impacts of aging infrastructure, ensuring continued safety and efficiency while potentially extending the life of assets deemed essential through service reviews.
- **Legislative Compliance:** Staying ahead of legislative changes by proactively planning for necessary upgrades ensures that all assets remain compliant with current standards and regulations, particularly for assets with high community dependency.
- **Resilience and Contingency Planning:** Adapting facilities to meet evolving environmental and social challenges is essential, particularly given Hawkesbury's flood-prone nature. Strategies will include implementing flood-resilient designs and preparing for temporary facility closures if necessary. In flood-prone areas, infrastructure investments will prioritise resilience, ensuring that Council can continue to support the community during periods of disruption. To optimise resource allocation, asset rationalisation will focus on facilities that offer greater resilience and community value. For example, if certain assets become underutilised or unsustainable due to frequent flood risks, the Council may consider options such as repurposing, relocating, or divesting these assets. This strategic approach enhances infrastructure resilience and provides adaptable, long-term solutions that safeguard both community needs and Council resources.

Demand Driver	Current Position	Projection	Impact on Services	Demand Management Plan
Population Growth	68,704 – the number of people based on last Estimated Resident Population	Projected Growth of 85,050 by 2036	Increased demand and need for community facilities, pools, recreational areas and essential services	Manage and review proposed Strategic plans to better align capital projects to optimise secured funding for further community development and growth
Change in population density and centre boundaries	Varying population densities across the council area with urban centers such as Windsor and Richmond experiencing higher densities	Population density in urban centers is expected to rise, leading to increased usage of facilities	Change in population density of local centres may require Buildings and Structures to be upgraded in order to accommodate the rising usage	Monitor trends on increasing population density and amend building and structure capacity to suit the trends
Legislative requirement or government policy change	Current compliance with existing regulations	Potential changes in legislation requiring updates to building codes and standards	Mandatory upgrades to ensure compliance with new regulations, potentially leading to increased costs	Stay updated with legislative changes and proactively plan for necessary upgrades to ensure compliance
Climate change	Existing council buildings may not fully incorporate flood resilience	Potential changes in legislation requiring updates to building codes and standards	Enhanced need for flood-resilient infrastructure to minimise service disruptions and damage	Incorporate flood resilience into building designs and consider relocating vulnerable structures to safer areas
Increase in customer expectation	High expectations for modern, accessible, and well-maintained facilities	Rising expectations for state-of-the-art amenities and sustainable buildings	Increased pressure to deliver high-quality services and infrastructure	Regularly engage with the community to understand expectations and prioritise projects that enhance service quality and user satisfaction
Ageing infrastructure	Existing Buildings continue to age, leading to higher maintenance costs and reduced efficiency	Continued aging of infrastructure leads to higher maintenance costs and reduced efficiency	Increased maintenance costs, potential safety hazards, and decreased user satisfaction	Implement a proactive maintenance and replacement plan to ensure aging infrastructure is upgraded or replaced timely

RISK MANAGEMENT

Effective risk management is vital for Hawkesbury City Council to safeguard its infrastructure, community, and service assets, many of which are essential for the community's day-to-day functioning. Key assets, such as community buildings that provide critical services, must remain operational to avoid disruptions that could affect the livelihoods and well-being of Hawkesbury residents. The Enterprise Risk Management Framework (ERMF) guides the Council's approach to managing infrastructure risks, while the Risk Appetite Statement sets acceptable risk levels, ensuring that all risk treatments are aligned with the Council's tolerance for risk exposure.

The council's risk management approach for infrastructure assets is rooted in the principles of ISO 31000:2018 and complies with guidelines from the Office of Local Government. These principles ensure a structured approach to identifying, assessing, managing, and mitigating risks.

Key Risk Categories

A comprehensive assessment of the Council's asset portfolio identified risks in several impact categories. Each risk is evaluated based on likelihood and impact, and risks are assigned ratings aligned with Council's Risk Appetite Statement. Categories include:

- People Impacts: Civil unrest, workforce health and safety (WHS), and community relations.
- Environmental Impacts: Climate change, biodiversity loss, natural hazards, and public health concerns.
- Financial Impacts: Economic fluctuations, fraud, theft, and financial management.
- Reputational Impacts: Risks to Council's public image, influenced by media coverage, community feedback, and corporate values.
- Compliance Impacts: Legislative adherence, contractor management, and Council policy compliance.

These risk categories ensure Council's actions align with the RMF while adhering to Council's risk tolerance, supporting sustainable, high-quality service delivery within acceptable risk boundaries.

Risk Assessment and Mitigation

Each identified risk is prioritised based on risk appetite. Risks that exceed the Council's risk tolerance are escalated to appropriate management levels, including the General Manager if required. Risk owners are tasked with implementing SMART risk treatments (Specific, Measurable, Achievable, Relevant, Time Framed), ensuring all actions are aligned with the RMF and are regularly monitored for effectiveness.

For risks that cannot be mitigated to within the risk appetite, the Risk Owner must escalate these to the Council for review and potential intervention, following the escalation protocol set forth in the Risk Appetite Statement. Specific risk registers have been developed for the Buildings and Structures asset group as per **Table 4 - Risk Register** below.

Table 4 - Risk Register

Asset or service at Risk	What can happen	Rating	Risk Treatment plan	Residual Risk
All Building Assets	Increased probability of structural integrity not meeting satisfactory conditions due to under-funding maintenance and renewal programs. Can cause disruption to services and human casualties	High	Consistent review and adaptation of current strategies and renewal/maintenance budgeting models. If risks remain unmitigated beyond an acceptable threshold, closure, divestment, or asset rationalization will be considered as part of the Council's risk treatment strategy	Medium
All Building Assets	Deferred Renewal activities. Can cause disruption to community services or human casualties	High	Secure funding through SRV or Grants and account for necessary human resources If funding remains unavailable, consider rationalisation or staged renewal strategies	Medium
All Building Assets	Poor design of asset, not meeting the relevant council standard or required legislation. Hence unfit for purpose	Medium	Process review and enforce stronger policies to ensure consistently high-quality designs	Low
All Building Assets	Failure to meet response times for identified defects or reported complaints	High	Initiate a defect-based budget for maintenance of building assets by introducing building assets to Council's proactive defect maintenance program	Low
All Building Assets	Council officer injured as a result of Council activities (Renewal/operational/maintenance/upgrade/ acquisition)	Medium	Audit of WHS Systems and relevant SOPS, SWMS, training, procurement of equipment, education/ license revaluation and site risk assessments	Low
All Building Assets	Emergency situations due to unforeseen extreme weather conditions. Events such as flooding, blackouts, failure of key building services. can result in major service disruptions	Medium	Develop and regularly test emergency response plans with SES, RFS, and Fire & Rescue NSW. Identify buildings critical for emergency response	Low
All Building Assets	Lack of Internal resources (Designers, project managers) to resolve issues identified on critical assets	Medium	Revaluation of operational strategies to assess staff requirements and capabilities to deliver all strategies and plans	Low

CRITICAL ASSETS

Critical assets are defined as those which have a high consequence of failure and would result in significant loss, reduction and/or a complete halt in the service provided. Such assets must be identified along with their mode of failure and their impact on the community. Through the proactive investigation of these assets, Council can plan for appropriate actions to prevent premature failure. Such actions are:

- Condition assessment programs: Regular evaluations to monitor asset health and identify potential issues before failure occurs.
- Regularly scheduled maintenance: Ensuring assets receive timely upkeep to prevent costly repairs and service interruptions.
- Adequate funding to execute planned renewal: Aligning renewal budgets with risk priorities to ensure that critical assets have adequate resources to maintain reliable service.

Critical Buildings and Structures Infrastructure assets have been identified and listed in **Table 5 - Critical Assets** below.

Table 5 - Critical Assets

Critical Asset(s)	Failure Mode	Impact
Operational Administrative building (Such as Windsor Administration Building)	Structural failure or major defects that renders the building inoperable	Unplanned closure of Operational Administrative Centres will disrupt normal Council workflow, impacting Council services
Operational Buildings (Such as Depot Buildings)	Structural failure or major defects that renders the building inoperable	Unplanned closure of Operational Buildings will disrupt normal Council workflow, impacting Council services
Children's Facilities	Structural failure or major defects that renders the building inoperable	Unplanned closure of Council maintained Children's Facilities will cause disruptions to residents that depends on this service
Major Libraries (Such as Deerubbin centre precinct Windsor)	Structural failure or major defects that renders the building inoperable	Unplanned closure of Major Libraries and Knowledge Centre will cause disruptions to residents utilise this service as well as diminishing Council's Reputation
Heritage buildings	Structural failure, degradation of historically significant elements, or major defects that compromise the integrity or safety of the building	Unplanned closure or degradation of Heritage Buildings will result in a loss of cultural and historical heritage, impacting the community's connection to its past. he inability to maintain such buildings can diminish the Council's reputation for preserving its heritage. Delays in identifying and addressing issues can result in significantly higher restoration and maintenance costs.

LIFECYCLE MANAGEMENT PLAN

Strategic Asset Management Objectives

One of the primary goals of Strategic Asset Management is to minimise long-term costs while achieving the service levels expected by the community. Lifecycle asset management plans are essential for prioritising renewals at optimal times and utilising the most effective methods to ensure the lowest possible whole-of-life cost for each asset.

Forecasted Asset Lifecycle Costs

To provide the required service levels, this Lifecycle Management Plan includes all costs necessary for asset operation, maintenance, renewal, upgrade, acquisition, and disposal across their lifecycle. Forecasted funding estimates help determine when and how much to invest in each phase to minimise overall costs.

Funding Required

To adequately sustain and improve building assets, the Council requires approximately $8.9 million per year for the building's assets. This figure includes:

- Renewal Needs: An estimated $4.4 million annually is required specifically for asset renewals to replace assets nearing the end of their useful life, preventing deterioration and sustaining long-term asset functionality and safety. Without this dedicated renewal funding, assets are likely to degrade more quickly, leading to increased costs and potential disruptions to community services.
- Operations and Maintenance: Approximately $4.5 million annually, which is essential to ensure safe, functional, and well-maintained assets for the community.

Current Funding Levels

According to the Long-Term Financial Plan (LTFP), the Council's current annual budget provides only $1 million for renewals, significantly below the $4.4 million required to maintain asset condition. Combined with $4.5 million for operations and maintenance, this brings total funding to $5.5 million per year, leaving a substantial gap in renewal funding. This limited renewal allocation significantly restricts Council's ability to replace aging assets in a timely manner, increasing the likelihood of accelerated asset deterioration and higher future costs.

Funding Gap

The $3.4 million annual shortfall in renewal funding has more than doubled since the $1.6 million shortfall identified in the 2017 Asset Management Plan. This widening gap reflects rising costs and mounting pressures on asset management resources. Closing this gap is critical for sustaining asset conditions and aligning with community expectations, especially as environmental and regulatory demands continue to increase.

Achieving Optimal Renewal at the Lowest Whole-of-Life Cost

Council's renewal strategies are designed to minimise lifecycle costs by timing renewals effectively, balancing initial investments with long-term maintenance needs. While the baseline approach relies on like-for-like replacements, community demands are evolving toward enhancements in recreational areas and accessible spaces. The council actively seeks grant funding (e.g., Western Sydney Infrastructure Grants) to address these needs and enhance facilities, extending beyond standard renewal efforts.

Given the escalation of climate-related risks, the Council's Lifecycle Management Plan prioritises future-proofing assets through resilient designs, such as incorporating heat refuges or flood-resistant features, where feasible. However, without closing the renewal funding gap, many of these resilience improvements may remain underfunded, underscoring the need for immediate and strategic financial adjustments.

PHYSICAL PARAMETERS

Data Collection

The first step in achieving asset management objectives is to build a highly reliable database that includes inventory, condition, and financial information. A condition assessment of building assets for revaluation purposes has recently been completed, with the next comprehensive revaluation scheduled for the 2026/27 financial year. However, an additional building inspection program needs to be developed to collect condition data at the component level and to establish a maintenance defect register for buildings.

Asset Categorisation and Useful Lives

The design useful lives of Council's infrastructure assets are based on numerous factors, including:

- Usage of each asset
- Advice and discussion with asset stakeholders
- The cost and frequency of proactive and reactive maintenance
- Lifecycle cost and degradation models

The useful lives used for Council's lifecycle asset management practices are listed in Attachment C – Useful Lives of Assets Categories and Subcategories.

Model Scenarios

Council has utilised an asset lifecycle modelling tool called 'Assetic MyPredictor' to develop unique financial models for various scenarios based on the nature and behaviour of each asset category. Each model has been tailored with different triggers and criteria for treatments to best reflect currently practiced methodologies for renewal, maintenance, upgrade, acquisition and disposal of assets.

Life-cycle models are used to estimate future funding requirements needed to maintain the current level of service or to predict the future state of assets under various funding scenarios.

LONG-TERM FINANCIAL PLAN SCENARIOS

A financially sustainable Council, as defined by the NSW Government, is one that over a long term can generate sufficient funds to provide the level and scope of services and infrastructure agreed with its community through the Integrated Planning and Reporting Process. (Source: NSW Government, 2012).

The Long-Term Financial Plan considers various lifecycle asset management funding strategies, over a 10-year period, to address three key issues that pose significant financial risk to Council:

Unfunded Renewal: Value of assets that have been delayed from their planned renewal

Renewal Gap: The gap between the required and current average annual renewal expenditure

Maintenance Gap: The gap between the required and current average annual maintenance expenditure

Council's Long Term Financial Plan 2024 – 2034 (LTFP) has been developed with the aim of having an appropriately funded capital works program and maintaining a "fit for purpose" asset base as described by the Asset Management Strategy.

The objective of the LTFP is to allocate sufficient funds each year to an asset reserve and capital budget to cover the required funds for the maintenance and renewal of the Council's existing infrastructure, as outlined in the asset lifecycle models.

The 10-year asset lifecycle model has been develop using Assetic Predictor. The model identifies the optimal strategy to fund the maintenance and renewal of infrastructure assets and to address and clear current unfunded renewals, based on budget availability.

Three scenarios have been developed (Decline, Improve and Resolve) to demonstrate the opportunities and risks of various funding models across the Long Term Financial Plan and Asset Management Strategy. These documents link directly, with the LTFP providing the necessary long term funding strategy to achieve the effective asset management described in this plan. The scenarios demonstrate what would occur to Council's assets under different funding models across the next 10 years.

This information helps Council and the community understand the financial needs and effects of various levels of funding. This Asset Management Plan focuses on the assumed spending on asset maintenance and renewal, with the LTFP describing further variables within each scenario. As asset renewal is the major financial challenge facing Council, these variables are the predominant factor impacting each scenario.

The specification of funding for new assets has not been addressed in this iteration of the Asset Management Plan (AMP). Typically, allowances are made for the acquisition of new assets through construction and other sources to support growth in Council's infrastructure network annually. This is achieved through various grants and commitments made by the Council for the community. Generally, new assets are funded through grants (with or without a Council contribution), Section 7.12 (formerly s94) funds, and/or the sale of other assets.

However, predicting these funding sources with certainty is challenging until the new asset projects are developed. A strategic action of this plan is to develop methods, if possible, to account for the likely impact of new assets on existing renewal funding sources.

Based on recent estimates, the annual depreciation, operational, and maintenance costs of infrastructure assets have increased by approximately $850K due to donated, newly built, and upgraded assets in the 2023/24 financial year. The acquisition of new assets due to development or construction, as well as the upgrading of existing assets, will increase the funding required for the maintenance, operation, and renewal of infrastructure assets. This could exacerbate the unfunded renewal and renewal gap. Below is the Scenario Overview – Whole Asset Portfolio (Roads, Stormwater, Building and Open Space)

Scenario 1: Decline

Scenario one describes the current trajectory of business as usual and is driven by Council's current level of spending ($14m annually) and business as usual practices on asset maintenance and renewal, without significant increases across the 10 year life of the strategy. The modelling on this scenario suggests that legislative and assumed increases to Council's revenue will not provide sufficient funding to maintain the condition of assets and current service levels.

This level of investment will lead to a significant decline in asset condition over time and an accelerating deterioration of assets, increasing the projected unfunded renewal and growing costs. The issue will continue to compound if funding strategies are not in place. Under this scenario, assets would only be renewed when they become unsafe or completely unusable.

It is likely that Council would need to reduce community, cultural and recreation services or close unsafe facilities so that funds can be redirected to keeping essential infrastructure such as roads safe and functioning. This option provides no capacity to fund new programs, take advantage of key grant opportunities or delivery on emerging community priorities.

Scenario 2: Improve

Scenario two will allow Council to shift towards a more preventative asset management approach, rather than waiting for assets to deteriorate to the point of failure and where renewal is at its most costly. This scenario assumes a $25m annual investment. Under this funding arrangement, it would take approximately 20 years to clear Council's unfunded renewals gap. All assets would gradually improve across the Hawkesbury under this arrangement.

This option will also provide some scope to reconfigure resources to fund new programs, leverage grant opportunities and invest in emerging community priorities within the Hawkesbury Community Strategic Plan.

Scenario 3: Resolve

Scenario three involves the optimisation of Council's asset renewal by matching the required funding with actual investment across the life of the strategy. This would allow Council to take a proactive asset management approach, focusing on betterment and resilience for the long term. Essentially, the quicker Council invests the more long lasting the financial benefits will become.

This scenario assumes a $30m annual investment. Under this funding arrangement, it would take approximately 10 years to fully resolve Council's unfunded renewals gap. Assets conditions would significantly improve across the Hawkesbury under this arrangement.

This option will also provide significant scope to reconfigure resources to fund new programs, leverage grant opportunities and invest in emerging community priorities within the Hawkesbury Community Strategic Plan. The accelerated investment in assets will lead to greater future opportunities for service delivery.

ALIGNMENT OF SCENARIOS WITH CAPITAL WORKS PROGRAM FUNDING FOR BUILDING ASSETS

The table below illustrates how the three scenarios—Decline, Improve, and Resolve—translate into specific funding levels and strategic priorities for building assets under the Capital Works Program (CWP). It highlights the implications of each scenario in terms of budget allocation, maintenance strategies, compliance upgrades, community impact, and future planning.

Aspect	Scenario 1: Decline	Scenarion 2: Improve	Scenario 3: Resolve
Budget Range	$1,000,000	$3,520,000	$4,400,000
Strategic Focus	Reactive repairs and essential maintenance.	Introduction of preventative maintenance and compliance upgrades	The balance between proactive maintenance and modernisation
Preventative Maintenance	Minimal preventative actions; primarily reactive.	Targeted preventative maintenance introduced for key systems to reduce long-term reactive costs.	Comprehensive maintenance strategy targeting all major asset systems.
Accessibility and Compliance	No compliance upgrades; limited to emergency repairs.	Gradual upgrades in 1-2 buildings per year to meet basic compliance	Significant compliance improvements in 1-2 buildings per year.
Refurbishments	Small-scale refurbishments in 1-2 buildings.	Expanded refurbishments in 1-2 buildings, focusing on usability and basic modernisation.	Moderate refurbishments, aligning with aging asset upgrades and community needs
New Buildings	None.	Small-scale fit-for-purpose amenity building as needed.	Introduction of fit-for-purpose facilities as required
Lifecycle Cost Management	High costs due to reactive reliance.	Reduced reactive costs via preventative actions and limited modernisation.	Balanced lifecycle costs, emphasising asset durability
Community Impact	A reactive approach leads to dissatisfaction due to frequent service disruptions.	Gradual improvement in service delivery through modernisation and maintenance.	Enhanced user satisfaction with proactive asset improvements and increased service availability
Growth and Future Planning	Neglects future growth; focuses on keeping current assets operational.	Limited planning for growth; focuses on addressing critical compliance, usability, and gradual improvement	Strategic new builds and modernisation for growth.

The following graphic visualises each scenario and the impact on the overall required renewal budget and unfunded renewals. Below is the Scenario Overview – Whole Asset Portfolio (Roads, Stormwater, Building and Open Space)

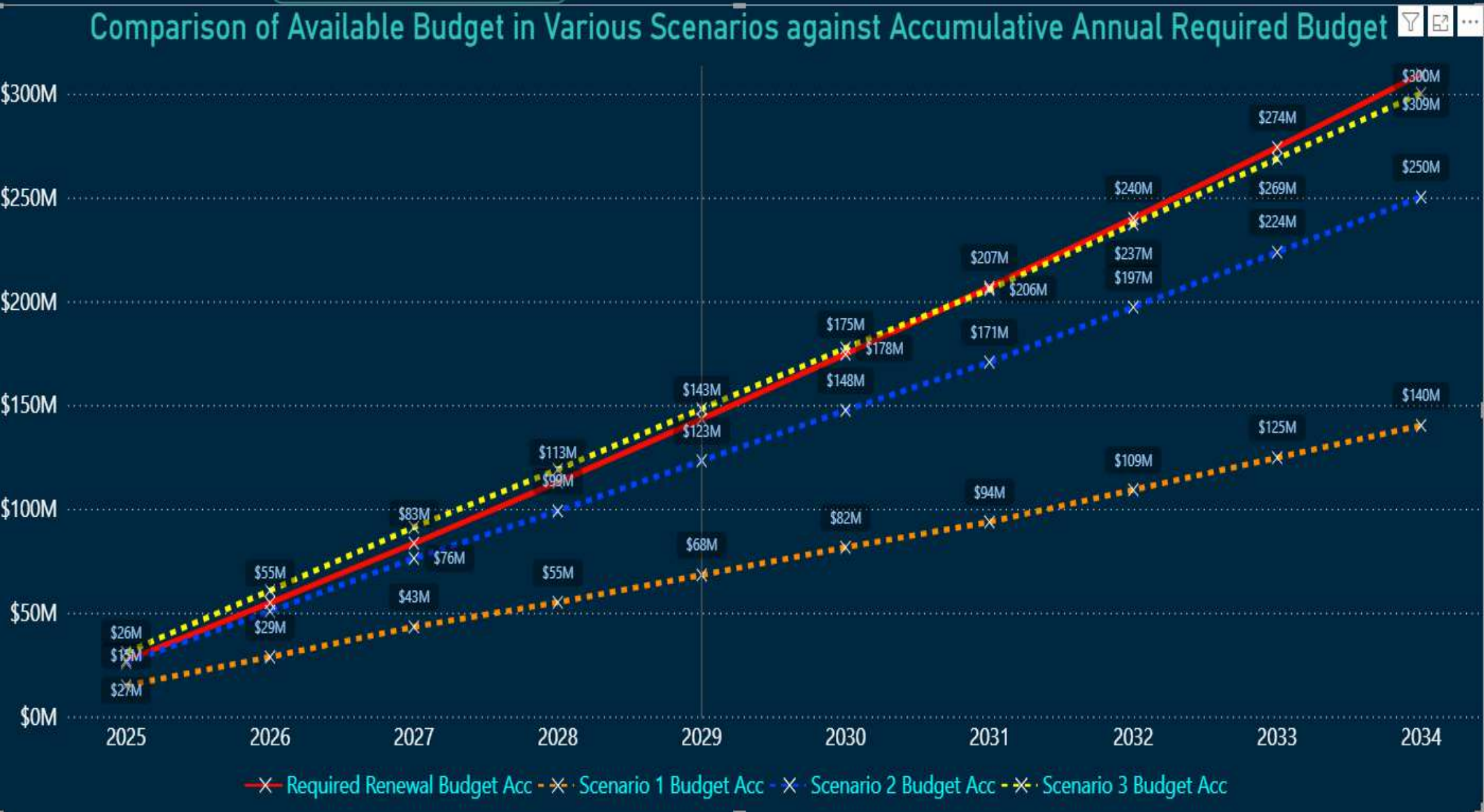
Required Budget

LTFP Scenarios

LTFP Scenarios Accumulative

Average Annual Required Budget	Scenario 1 Available Budget	Scenario 2 Available Budget	Scenario 3 Available Budget
$31M	$14M	$25M	$30M

Scenario 1 Annual Renewal Gap	Scenario 2 Annual Renewal Gap	Scenario 1 Unfunded Renewal at 2034	Scenario 2 Unfunded Renewal at 2034
-$17M	-$6M	-170M	-60M



FINANCIAL SUMMARY

Hawkesbury City Council is committed to delivering the service levels outlined in this Asset Management Plan. To achieve this, adopting Scenario 3 (Resolve) is critical, with an estimated annual renewal budget of $4.4 million for building assets over the next 10 years. This funding level enables proactive asset management, focusing on modernisation, preventative maintenance, and the delivery of new, fit-for-purpose infrastructure to meet future community needs.

Currently, the Five-Year Buildings Works Program has been developed based on Scenario 1 (Decline), reflecting the available budget of $1 million annually. This program prioritises reactive repairs and essential maintenance to keep critical buildings functional. The program is reviewed and adjusted annually to address changing project priorities and immediate needs.

The following table demonstrates how the Capital Works Program (CWP) for building assets would evolve under each scenario, providing examples of budget allocation, key actions, and their focus areas:

Example ONLY – Annual Building Renewal Program (following page)

Scenario	Annual Budget	CWP Program	Allocation ($)	Key Focus
1. Decline- Prioritises reactive repairs and essential minor alterations to keep critical assets functioning	$1,000,000	Minor Renewal Program (HVAC/Electrical/ Flooring)	$300,000	Limited improvements to essential building systems
		Roofing and Gutter Renewal Program	$300,000	Reactive repairs to address immediate issues
		Maintenance Capital in nature. Unplanned/reactive renewal program. High-priority repairs/renewals	$100,000	Address high-priority unplanned or emergency repairs
		Minor Internal alterations (1-2 Building Only)	$300,000	Small-scale refurbishments
2. Improve - Shifts toward preventative maintenance and gradual compliance upgrades	$3,520,000	Minor Renewal Program (HVAC/Electrical/ Flooring)	$500,000	Enhanced preventative maintenance to reduce long-term reactive costs
		Roofing and Gutter Renewal Program	$500,000	Improved durability to extend asset life
		Maintenance Capital in nature. Unplanned/reactive renewal program. High-priority repairs/renewals	$300,000	Buffer for unplanned critical repairs
		Minor Internal alterations (1-2 Building Only)	$300,000	Small-scale refurbishments
		Accessibility/Compliance Improvements (1-2 buildings)	$500,000	Gradual modernisation to meet standards for 1-2 buildings annually
		Building refurbishment/ renewal (1-2 building)	$500,000-$600,000	Proactive upgrades for aging assets.
		New small-scale fit-for-purpose amenity building	$820,000-$920,000	Construction of small-scale purpose-built amenities building

Scenario	Annual Budget	CWP Program	Allocation ($)	Key Focus
3. Resolve- Balances proactive maintenance, comprehensive upgrades, and new builds for future growth.	$4,400,000	Minor Renewal Program (HVAC/Electrical/ Flooring)	$500,000	Comprehensive preventative maintenance
		Roofing and Gutter Renewal Program	$500,000	Focus on long-term durability and functionality.
		Maintenance Capital in nature. Unplanned/reactive renewal program. High-priority repairs/renewals	$300,000	Covers high-priority emergency repair needs.
		Minor Internal alterations (1-2 Building Only)	$300,000	Small-scale refurbishments
		Accessibility/Compliance Improvements (1-2 buildings)	$600,000	Significant accessibility upgrades for 2-3 buildings annually.
		Building refurbishment/ renewal (1-2 buildings)	$500,000-$800,000	Proactive upgrades for aging assets to improve resilience and service.
		New Fit-for-Purpose Buildings (as needed)	$1,000,000-$1,500,000	Construction of modern, purpose-built facilities to address gaps and future demands

FALLBACK STRATEGY

If Scenario 3 (Resolve) is not adopted, fallback strategies will be employed to maximise the effectiveness of the reduced works program under Scenario 1 (Decline). This would include:

- Limiting maintenance and renewal to only critical repairs.
- Prioritising safety-related works to mitigate risks associated with deteriorating buildings.
- Accepting that ongoing degradation of building assets will result in reduced service levels and potential facility closures.

Without sufficient funding, Council will be unable to minimise the degradation of its building assets, address compliance issues, or meet growing community expectations. Securing increased investment under Scenario 3 is essential to achieving sustainable outcomes and delivering the highest level of service to the Hawkesbury community.

OPERATIONAL ROLES AND RESPONSIBILITIES

In accordance with ISO 55000 Asset Management standards, the proposed roles and responsibilities of staff and contract resources across the organisation have been developed. This proposal will be refined through consultation with Council staff and various teams and then presented to the Council's Executive Team for approval.

A detailed matrix for all roles and responsibilities over Council's buildings have been outlined in **Attachment D – Roles and Responsibility Matrix**.

PLAN IMPROVEMENT AND MONITORING (AUDITING)

This plan is a live document that will change and improve as the skills and capabilities of the various asset management resources across Council are developed. Further, in accordance with ISO 55000 Asset Management, the compliance with this plan will be audited by the Assets Management Team. The Audit Process will initially focus on the achievement of the core organisation's asset management maturity. Later it will focus on compliance with the service levels, future demand, lifecycle asset management systems developed for this plan and the identification of areas for skills and capabilities improvement.

The Audit Process has yet to be developed and will be a future Strategic Action in later versions of the AMPs. Nonetheless, a number of skills and capability improvement actions have been identified in the development of this plan and they are detailed in the **Attachment E - Strategic Actions.**

ATTACHMENTS

ATTACHMENT A - DEFINITIONS

Term	Definition
Asset	An asset is an item, thing or entity that has potential or actual value to an organisation. The value will vary between different organisations and their stakeholders, and can be tangible or intangible, financial or non-financial.
Asset Condition Assessment	The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset to determine the need for preventative or remedial action.
Asset Group	An asset group refers to an umbrella of assets that have similar characteristics or purpose. For example, "Stormwater Drainage" assets all help to contribute towards.
Asset Management	The balancing of costs, opportunities and risks against the desired performance of assets, to archive the organisational objectives. The balancing might need to be considered over different timeframes. Additionally, it enables the application of analytical approaches towards managing an asset over the different stages of its lifecycle.
Capital Expenditure	Expenditure which contributes or results in a physical asset.
Capital Grants	Funding received from a third party which are generally tied to specific projects.
Component	An individual part of an asset which contributes to the composition of the whole and can be separated/attached from the whole. It may also require different types of treatments and have differing useful lives and lifecycle costs.
Componentisation	The practice of considering the components of a fixed asset individually, to account for the fact that these components have unique physical and economic lives.
Condition	Assessed and given a value on a scale of 1 (new) to 5 (end of life). The Average Condition of a group of assets is the GRC weighted average of all assets in the group.
Current Average Annual Expenditure	An estimate of the current total maintenance and capital works expenditure on the Asset Group, being the annualised present worth of the value of the maintenance and capital renewals expenditure.
Depreciation	The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.
Fair Value	The amount for which an asset can be exchanged, or a liability settled between knowledgeable, willing parties, in an arm's length transaction.
Gross Replacement Cost (GRC) aka Current Replacement Cost (CRC)	The amount it would cost at the revaluation date to acquire or construct a brand- new substitute asset that has comparable utility and no obsolescence. Also referred to as Current Replacement Cost (CRC).

Term	Definition
Infrastructure assets	Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and cycle ways. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally, the components and hence the assets have long lives. They are fixed in place and are often have no market value.
Level of service	The defined service quality for a particular service from an asset. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost.
Lifecycle Cost	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
Minimum Average Annual Expenditure	The average annual expenditure required to keep the Asset Group in good condition after the Unfunded Renewal (if any) has been addressed.
Reactive maintenance	Unplanned repair work that carried out in response to service requests and management/supervisory directions.
Remaining life	The time remaining until an asset ceases to provide the required service level or economic usefulness.
Renewal	Refer capital renewal expenditure.
Renewal Gap	The gap between the average required and available annual budgets.
Risk management	The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.
Satisfactory Condition	As designated in Special Schedule 7 of Council's Annual Financial Report, being condition 3 or fair condition.
Unfunded Renewals	The total cost of all asset treatments (maintenance and component/asset renewals) due or past due at the date of review.
Useful Life	The period over which an asset is expected to be available for service by an entity. The estimated period from installation till removal of the asset upon the end of its serviceability
Written Down Value (WDV)	Also referred to as the book value, WDV reflects the assets present value from an accounting perspective. It is calculated by subtracting the depreciated value from its original value.

ATTACHMENT B – ASSETS INSPECTIONS AND CONDITION ASSESSMENT SCHEDULE

Condition Assessment Plan		
Asset Class	**Asset Sub Class**	**Condition Assessment Due**
Stormwater and Sewerage Network	Stormwater CCTV Camera Inspections, Sewer CCTV Camera Inspections	2024-25
Stormwater and Sewerage Network	Stormwater CCTV Camera Inspections, Sewer CCTV Camera Inspections	2025-26
Stormwater and Sewerage Network	Stormwater CCTV Camera Inspections, Sewer CCTV Camera Inspections	2026-27
Buildings	Buildings	2027-28
Roads, Land Improvement, Other Structures and Stormwater	Road Pavement, Footpaths, Kerb and Gutter, Bridges, Traffic Management Devices, Street Furniture, Bus Shelters, Other Structures, Park Furniture, Playgrounds, Sportfields, Irrigation, Lighting, Park Signs, Stormwater CCTV Camera Inspections and Stormwater CCTV Camera Inspections	2028-29

Comprehensive Revaluation Plan		
Asset Class	**Asset Sub Class**	**Condition Assessment Due**
Land Improvement, Other Structures and Investment Properties	Other Structures, Playgrounds, Park Furniture, Sportfields, Irrigation, Lighting, Park Signs	2024-25
Stormwater Drainage	Drainage Conduits, Drainage Structures, Water Quality Devices, Flood Mitigation, Artworks	2025-26
Artworks	Artworks	2026-27
Land and Buildings	Community and Operational Land, Buildings and Land under Roads	2027-28
Roads, Sewerage Network, Waste management	Road Pavement, Road Signs, Footpaths, Boardwalks, Open Carparks, Kerb and Gutter, Bridges, Traffic Management Devices, Street Furniture	2028-29

ATTACHMENT C - USEFUL LIVES OF ASSET CATEGORIES AND SUBCATEGORIES

Asset Group Category	Useful Life
Plant and Equipmant	
Office equipment	3 to 35
Office furniture	3 to 25
Computer equipment	4
Vehicles	5 to 12
Heavy plant / road making equipment	5 to 35
Other plant and equipment	2 to 25
Water and Sewer Assets	
Dams and reservoirs	100 to 200
Bores	20 to 40
Pipes	25 to 140
Pump Stations	80 to 120
Wastewater Treatment Plant	5 to 200
Water Recycling Plant	5 to 70
Sewer Valves	25 to 100
Pumps and telemetry	10 to 50
Transportation Assets	
Sealed roads: surface	15 to 100
Sealed roads: structure	100 to 200
Unsealed roads	25 to 200
Bridge: concrete	100 to 200
Bridge: other	80 to 200
Kerb, gutter and footpaths	15 to 120

Asset Group Category	Useful Life
Other Equipment	
Playground equipment	7 to 60
Benches, seats etc.	5 to 60
Buildings	
Buildings: structure	45 to 100
Buildings: other	20 to 50
Stormwater Assets	
Drains	80 to 100
Culverts	100
Flood control structures	60 to 100
Other Infrastructure Assets	
Bulk earthworks	20 to 200
Swimming pools	10 to 120
Other open space / recreational assets	3 to 150
Other infrastructure	4 to 200

ATTACHMENT D - SUMMARY OF INFRASTRUCTURE SERVICES ROLES AND RESPONSIBILITIES

Infrastructure Services Team	Key Roles	Key Responsibility- General	Key Responsibility- Buildings asset-related task
Asset Systems & Planning (AS&P)	- Asset owner responsible for lifecycle planning of Roads, Stormwater, Buildings, and Open Space. - Oversees asset management systems for evidence-based decision-making. - Develops statutory asset planning documents. - Aligns asset management outcomes with LTFP, Operational Plan, and Delivery Program. - Coordinates asset management practices.	- Handles customer requests for asset installation or renewal. - Conducts asset condition assessments. - Prepares and updates lifecycle models and budgets. - Processes legislative reports. Manages interfaces with external utilities.	- Handles customer requests for building installations or renewals. - Develops and updates the Capital Works Program. - Coordinates grant applications and milestone reporting. - Maintains the hazmat register and prepares related reports.
Infrastructure Operations (IO)	- Coordinates preventative, reactive, and planned maintenance of Council assets. - Ensures compliance and safety of assets. - Manages Capex and Opex tenders. - Leads emergency and resilience planning.	- Manages customer requests for asset defects and servicing. - Conducts minor capital replacements. - Leads emergency planning and compliance. - Manages vehicle, plant, and equipment replacement programs.	- Handles customer requests for maintenance of building systems (e.g., HVAC, lighting, security, etc.). - Performs various maintenance activities, including graffiti removal, fire services, cleaning, pest control, pool maintenance, etc
Project Delivery (PD)	- Leads and ensures accountability in Capital Works Program delivery. - Streamlines project delivery processes. - Manages contracts and stakeholder deliverables. - Reviews designs and ensures approval compliance.	- Addresses customer requests for construction project updates. - Develops delivery strategies. - Ensures efficient contract and project management. - Conducts asset handovers post-project completion.	- Manages customer requests for building-related capital works projects. - Prepares and awards contracts. - Oversees site administration, stakeholder management, and risk. - Completes asset handovers with stakeholders.
City Services (CS)	- Manages City Services Branch for development engineering, mapping, open space, and traffic management. - Handles development-related customer requests. - Manages the SIS mapping system. - Supports cemetery operations.	- Addresses customer requests for services like parks, tree permits, road openings, and traffic management. - Provides mapping services and asset location tracking.	- Oversees aquatic facilities and seasonal swimming pools. - Maps assets and provides spatial data access to asset officers through Intramaps.

ATTACHMENT E - STRATEGIC ACTIONS

Task No	Task	Importance	Urgency	Risk	Responsibility	Target Completion Date
1	Streamline processes for Building projects intitiation, planning, design, procurement, delivery and hand over	High	High	High	Assets, Delivery, Operations, Procurement	30/06/2025
2	Review and update the Buildings five-year rolling program	High	High	High	Assets	30/06/2025
3	Undertake data gap analysis on Buildings - Sporting Amenities and Community Centres including asset condition data, system and process.	High	High	High	Assets	30/12/2025
4	Identify sites and prepare a plan for development of Facility Management Plans for individual buildings or groups of buildings with similar functions.	Medium	Medium	Medium	Assets, Operations, Property	30/6/2025
5	Implement an update HAZMAT and Asbestos registers	High	High	High	Assets, Operations, External consultant	30/6/2025
6	Initiate and continue a facility needs assessment on Building Sporting Infrastructure and Community Facilities through conducting a user survey and facility adequacy inspections.	Medium	Medium	Medium	Assets, Operations, Hawkesbury Sports Council and Management Committees	30/12/2025

ATTACHMENT E – STRATEGIC ACTIONS

Task No	Task	Importance	Urgency	Risk	Responsibility	Target Completion Date
7	Develop a proactive maintenance and defect register program for tracking Buildings.	High	Medium	Medium	Assets, Operations	30/12/2025
8	Review and update lifecycle modelling for Buildings.	High	High	High	Assets, External Consultant	30/11/2024
9	Implement mobility solutions for building asset inspections including capture of building defects and asset condition data	Medium	Medium	Medium	Assets, GIS Team	30/06/2025
10	Review Building capital works and operational planning and budget allocation for 2025/26.	High	Medium	Medium	Assets, Operations	30/12/2024

ATTACHMENT F - REFERENCES AND RELATED INFORMATION

- HCC Asset Management Strategy
- IPWEA International Infrastructure Management Manual
- IPWEA Financial Management Guidelines
- NSW Office of Local Government Integrated Planning and Reporting Framework Guidelines and Manual
- HCC Asset Management Policy
- HCC Asset Valuation Methodology Manual
- Local Government Financial Sustainability Nationally Consistent Frameworks, Frameworks 1, 2 and 3, May 2009
- National State of the Assets, Roads and Community Infrastructure Report, Nov 2018
- AS ISO 55000-2014 Asset Management-Overview, Principles and Terminology
- AS ISO 5001-2014 Asset Management-Management Systems- Requirements
- AS ISO 5002-2019 Asset Management-Management Systems- Guidelines for the Application of ISO 55001
- AASB 116 Property, Plant and Equipment – prescribes requirements for recognition and depreciation of property, plant and equipment assets
- AASB 13 Fair Value Measurement – sets out methods for determining Fair Value
- AASB 136 Impairment of Assets – aims to ensure that assets are carried at amounts that are not in excess of their recoverable amounts
- AASB 1021 Depreciation of Non-Current Assets – specifies how depreciation is to be calculated
- AAS 1001 Accounting Policies – specifies the policies that Council is to have for recognition of assets and depreciation
- AASB 1041 Accounting for the reduction of Non-Current Assets – specifies the frequency and basis of calculating depreciation and revaluation basis used for assets
- AAS 1015 Accounting for acquisition of assets – method of allocating the value to new assets on acquisition
- AAS 1010 Recoverable Amounts of Non-Current Assets – specifies requirement to test the reasonableness of valuations.

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