



Asset Management Plan Buildings



30 June 2026

Excludes assets classified as investment properties, specifically Blue Haven Terralong Retirement Village, as well as self-funded holiday parks

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Acknowledgment of Country

Kiama Municipal would like to acknowledge Elders, Traditional Owners and Custodians with their continuing connections to Land, Waters, Sky, Culture and Community. We pay our respects to the Traditional Custodians of the Dharawal Nation, and their Elders past, present and future.



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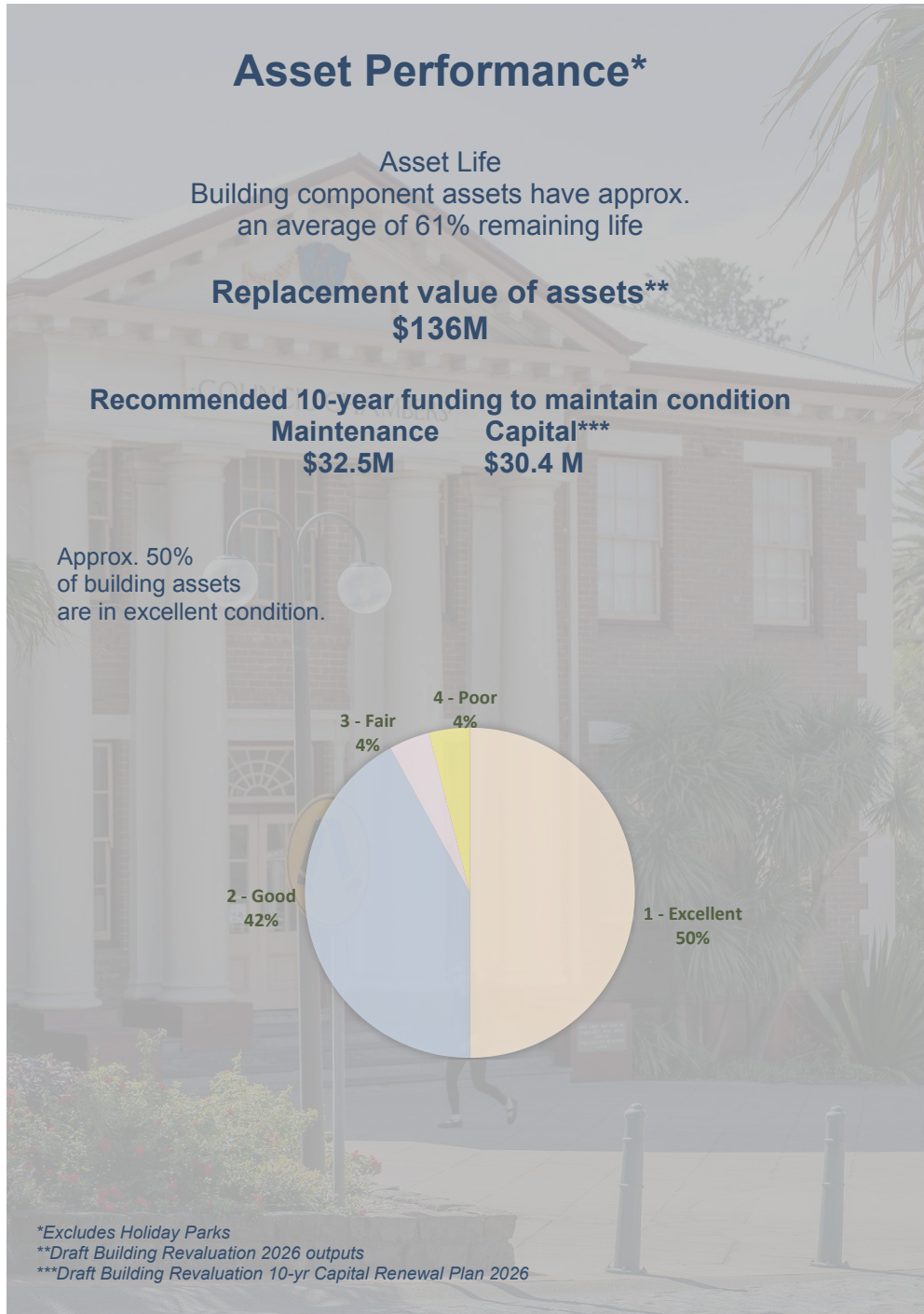
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Executive Summary

This Asset Management Plan (AMP) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining the associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 10-year planning period. The AMP will link to the Long-Term Financial Plan (LTFP) which typically also considers a 10-year planning period.

This AMP applies to building assets within Council's portfolio, with the exception of **investment properties (retirement/independent living villages)** and **self-funded holiday parks** under the business portfolio. There are 153 buildings (940 components) with a Gross Replacement (GRC) of \$136 million as of 30 June 2026.

Building assets are structured as a parent placeholder asset, supported by associated valuation component assets:

- Superstructure
- Superstructure/Roof
- Superstructure/Floor coverings
- Substructure
- Fittings
- Fittings kitchen
- Fittings bathroom
- Finishes
- Electrical services
- Fire services
- Hydraulic services
- Mechanical services – lift
- Mechanical services – HVAC
- Security and communications

Key Points

The Asset Sustainability Ratio indicates that Council is currently underinvesting in capital renewal expenditure relative to the rate of asset deterioration reflected through depreciation.

While maintenance funding is sufficient to support the ongoing functionality of assets, the shortfall in renewal investment suggests assets may not be replaced or upgraded at the optimal point in their lifecycle. Over time, this is likely to increase reliance on reactive maintenance and result in higher whole-of-life costs.

During the analysis phase of the AMP, it was identified that whole-of-life costing cannot yet be accurately assessed due to gaps in current financial and asset management practices including:

- The absence of structured income and expense accounts for Council-owned leased properties, which limits visibility of property performance and value for future evidence-based decision-making
- The lack of an integrated work order system linking asset data with financial systems which restricts the ability to capture and report costs against specific assets. This limits the accuracy of both capital and operational cost reporting and constrains long-term forecasting and planning.

Despite these constraints, Council is actively progressing improvements. Initiatives include implementation of the TechnologyOne work management system and strengthened budget controls for property assets. These actions will support better alignment of budgets, improved cost capture, and enhanced reporting capability to enable informed decision-making.

Financial Summary

Over the next 10 years (2026/27 to 2035/36), the Long-Term Financial Plan budgets \$52.6 million in total funding (an annual average of \$5.2 million). This is made up of \$32.5 million Operational (an annual average of \$3.2 million) and \$20.1 million Capital (an annual average of \$2.0 million).

However, the program requires \$62.9 million over the same period (an annual average of \$6.2 million) which includes \$32.5 million Operational (an annual average \$3.2 million) and \$30.6 million of Capital (an annual average of \$3.0 million).

Therefore, the current funding model meets 83% of the costs required to maintain building assets. This is summarised in Table 1 and Figure 1 below*.

Year	Forecast Maintenance / Operating Costs	Available Funding Operating / Maintenance Costs	Forecast Capital Lifecycle Costs	Available (LTFP) Capital Lifecycle Costs	Total Funding Required	Total Funding Available
2026/27	2,815,882	2,815,882	2,330,500	1,902,000	5,146,382	4,717,882
2027/28	2,919,445	2,919,445	2,672,100	1,928,820	5,591,545	4,848,265
2028/29	3,014,554	3,014,554	2,750,050	2,000,373	5,764,604	5,014,927
2029/30	3,097,249	3,097,249	2,733,400	2,075,037	5,830,649	5,172,286
2030/31	3,197,959	3,197,959	2,775,050	2,151,775	5,973,009	5,349,734
2031/32	3,292,754	3,292,754	2,885,200	2,011,601	6,177,954	5,304,355
2032/33	3,382,512	3,382,512	2,966,500	2,011,601	6,349,012	5,394,113
2033/34	3,492,043	3,492,043	3,238,850	2,011,601	6,730,893	5,503,644
2034/35	3,596,807	3,596,807	3,236,850	2,011,601	6,833,657	5,608,408
2035/36	3,695,987	3,695,987	4,818,150	2,011,601	8,514,137	5,707,588
Total 10 Yr	32,505,192	32,505,192	30,406,650	20,116,010	62,911,842	52,621,202
Total pa	3,250,519	3,250,519	3,040,665	2,011,601	6,291,184	5,262,120
LT Funding Gap \$10.2m Annual Funding Gap \$1.0m						

Table 1 Forecast Lifecycle Management Costs Compared to the Long-Term Financial Budget¹

*Forecast capital lifecycle costs based on Draft Building Revaluation 10-Year Plan estimates

**Operational & capital budgets sourced from LTFP aligning with the current budget adopted after exhibition period.

***Income & expenditure accounts for leased buildings managed by Property & Commercial were not available & have therefore been excluded from the lifecycle cost analysis.

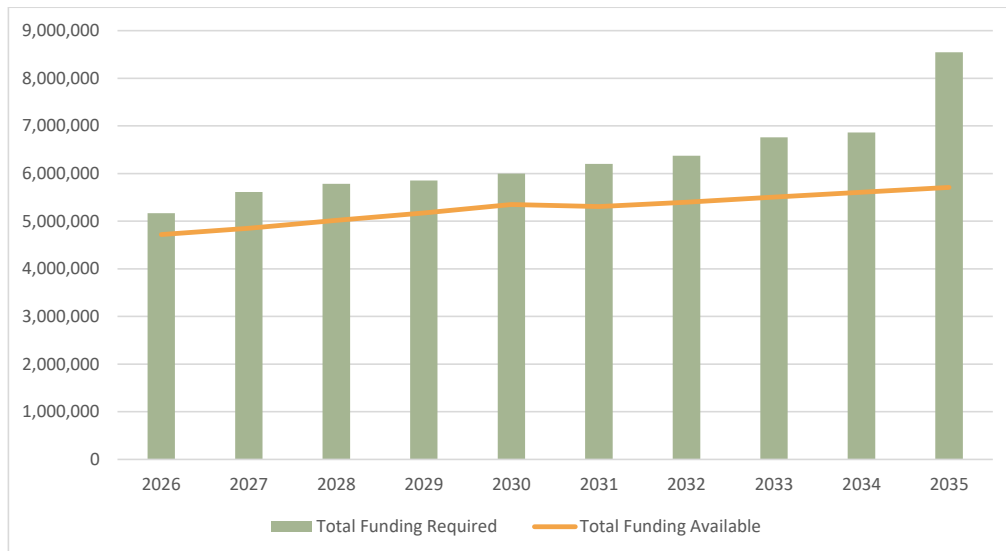


Figure 1 Lifecycle Maintenance and Capital Costs vs Budget

¹ Australis Asset Advisory Group – 2026 Revaluation Report

Asset Inventory

Building assets include the following components:

- Superstructure
- Superstructure\Roof
- Superstructure\Floor Coverings
- Substructure
- Fittings
- Fittings Kitchen
- Fittings Bathroom
- Finishes
- Electrical Services
- Fire Services
- Hydraulic Services
- Mechanical Services – Lift
- Mechanical Services – HVAC
- Security and Communications

The building assets have an estimated value of \$136 million as shown in Table 2.

Table 2 Breakdown of Asset Values

Asset Category	GRC	Accumulated Ave Depreciation	Rate (%)	Estimated Annual Depreciation	Fair Value / Carrying Amount
Superstructure	58,978,250	24,814,262	1.22	641,182	34,163,988
Roof	7,369,400	2,776,770	1.67	124,552	4,592,630
Floor Coverings	6,722,900	2,831,457	4.00	270,086	3,891,442
Substructure	10,663,950	4,459,835	1.21	121,517	6,204,115
Fittings	2,313,850	528,545	3.33	77,128	1,785,305
Fittings Kitchen	6,850,700	56,030	4.00	274,028	4,161,225
Fittings Bathroom	10,545,000	4,027,700	4.00	421,800	6,517,300
Finishes	8,831,700	3,512,177	2.51	221,867	5,319,522
Electrical Services	13,590,200	4,886,925	2.50	343,816	8,703,275
Fire Services	624,750	203,592	5.00	31,397	421,157
Hydraulic Services	4,420,350	1,331,005	2.63	109,533	3,089,345
Mechanical Services - Lift	1,114,550	233,617	3.33	37,151	880,932
Mechanical Services - HVAC	2,718,200	1,207,002	4.00	98,314	1,511,197
Security & Comms	405,650	130,155	5.00	20,282	275,495
Stand Alone Building Structures	1,835,950	810,000	2.59	38,655	1,025,950
Total	136,985,400	54,442,519	2.78	2,819,692	82,542,880

The building assets were categorized by **Asset Class** and **Asset Classification**, as illustrated in **Figure 2 (Pg. 11)**. The framework identifies two distinct pathways for buildings; **specialised** and **non-specialised**. The distinction between these classifications is outlined below.

Specialised Building

A building is generally considered specialized when:

- It is designed for a specific operational purpose.
- There is little or no active market for the building in its current form
- It is rarely sold separately from the service it provides

Non-Specialised Building

A building is generally consistent non-specialised when:

- There is an active market for similar properties
- The building can be readily sold, leased, or repurposed by market participants

Figure 2 Recreation, Open Space and Other Structures by Asset Category and Group



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Background Information

Kiama Municipal Council (KMC) serves an area of 259 square kilometres with a current population of 23,173 in the Illawarra region of New South Wales. Its major towns and villages include Minnamurra, Kiama Downs, Kiama, Jamberoo, Gerringong and Gerroa. Its terrain is diverse, characterised by beaches, rainforest, mountains, the Great Dividing Range (the Escarpment) and rural landscapes. Two notable features are the Kiama Blowhole and Saddleback Mountain which is a volcanic formation.

Notably, the median population is 48 years and 36% of the Kiama community are over 60 years old with 40% not in the labour force and a very low unemployment rate (1.2%); 82% of the population live in separate owner-occupied dwellings.

Tourism is very important to the regional economy, supporting an estimated 774 jobs, which is 11.4% of the total employment in the local government area (LGA). Tourism output as a visitor economy was \$330 million in 2024.

Some of the most relevant organisational challenges and priorities listed in the Community Strategic Plan 2025-35 for the management of assets are:

Livable

- Growing responsibly, in partnership with the community supported by essential infrastructure
- Advocacy for infrastructure upgrades and required investment decisions by State and Federal Government
- Provide accessible places and spaces where community can congregate and share in opportunities to socialise and celebrate

Sustainable

- Effectively manage the impacts from natural disasters that may affect our municipality
- Provide infrastructure and services that are adequate and equitable for a growing population and annual influx of tourists, without disadvantaging longer term residents

Resourceful

- Meet the revised Performance Improvement Order
- Reduce expenditure through operational efficiencies and a focus on core Council services
- Reduction in services that do not support ratepayers, allowing staff and resources to be diverted to areas of business need

Responsible

- Clearly communicate Council decisions, progress and achievements
- Review, update and implement Community Engagement Strategy
- Continued rollout of One Council software to further support operational efficiency across Council
- Implementation to commence on approved recommendations from 2024-25 Services Review

The LGA comprises several major towns and villages including Kiama, Minnamurra, Jamberoo and Gerringong.



Figure 3 Map of Kiama Municipal Council

The services provided by KMC include the construction and maintenance of building facilities on Council and public property.



Purpose of the Asset Management Plan

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements and the required funding to provide the appropriate levels of service over the 10-year planning period. This AMP solely focuses on the building assets class which have been revalued in 2026 by Australis Asset Advisory Group. The valuation assessments have been completed to comply with the Australian Accounting Standards of AASB 13, AASB 116 and AASB 2022-10.

The AMP is to be read in conjunction with KMC's planning documents including:

- Asset Management Policy 2025-2035
- Community Strategic Plan 2025-2035
- Delivery Program 2025-2029
- Operational Plan and Budget 2026-2027
- Strategic Asset Management Plan 2025-2035

The AMP is a 10-year framework to determine:

- The desired level of service for Building assets, considering the needs and priorities of the community
- How Building assets will be maintained and renewed throughout their lifecycle considering their age, condition and usage
- Funding required to maintain and upgrade the building assets considering sustainability and the most cost-effective operations
- Proactive maintenance and renewal strategies
- Mitigation of potential risks
- A prioritised plan for maintenance, upgrade and investment in Building assets



Levels of Service

Understanding the desired levels of service of Building assets within a fixed asset portfolio is fundamental to match assets to service delivery objectives and community expectations. The asset-related requirements are documented as levels of service which should align with the organisation's objectives.

The level of service is the basis for the assessment of the portfolio and the long-term financial planning of operational and capital expenditure. The asset plan targets expenditure to address immediate shortfalls (deferred renewals/backlog) and future requirements as planned expenditure.

The key principles are:

- Clearly defined strategic objectives
- In support of the strategic objectives, an understanding of the difference between technical and customer related objectives
- Defined targets
- Statement of how the performance will be measured against the targets
- Current performance measurement against the level of service to identify the shortfalls

Levels of service and performance measures are developed using:

- Community surveys and service requests, feedback to Councillors and staff
- Corporate and strategic planning
- Legislative requirements
- Customers levels of service
- Technical levels of service

Strategic and Corporate Objectives

Council plans for the community within the Integrated Planning and Reporting Framework, required by the Local Government Act (1993). It is a rigorous approach to strategic planning which reflects the community's expectations around priorities and service levels. This approach also ensures compliance with regional and state priorities.

The Resourcing Strategy identifies resources (time, money, assets and people) to deliver the service in the Delivery Program (DP) and the annual Operational Plan (OP) along with the Long- Term Financial Plan (LTFP), the Workforce Management Plan, the Strategic Asset Management Plan (SAMP), Asset Management Policy and the Asset Management Plans (AMP) for each asset class. There is a traceable link between the strategic documents which provide direction and accountability for Council's activities. Objectives in the AMP should also align with the overall SAMP objectives.

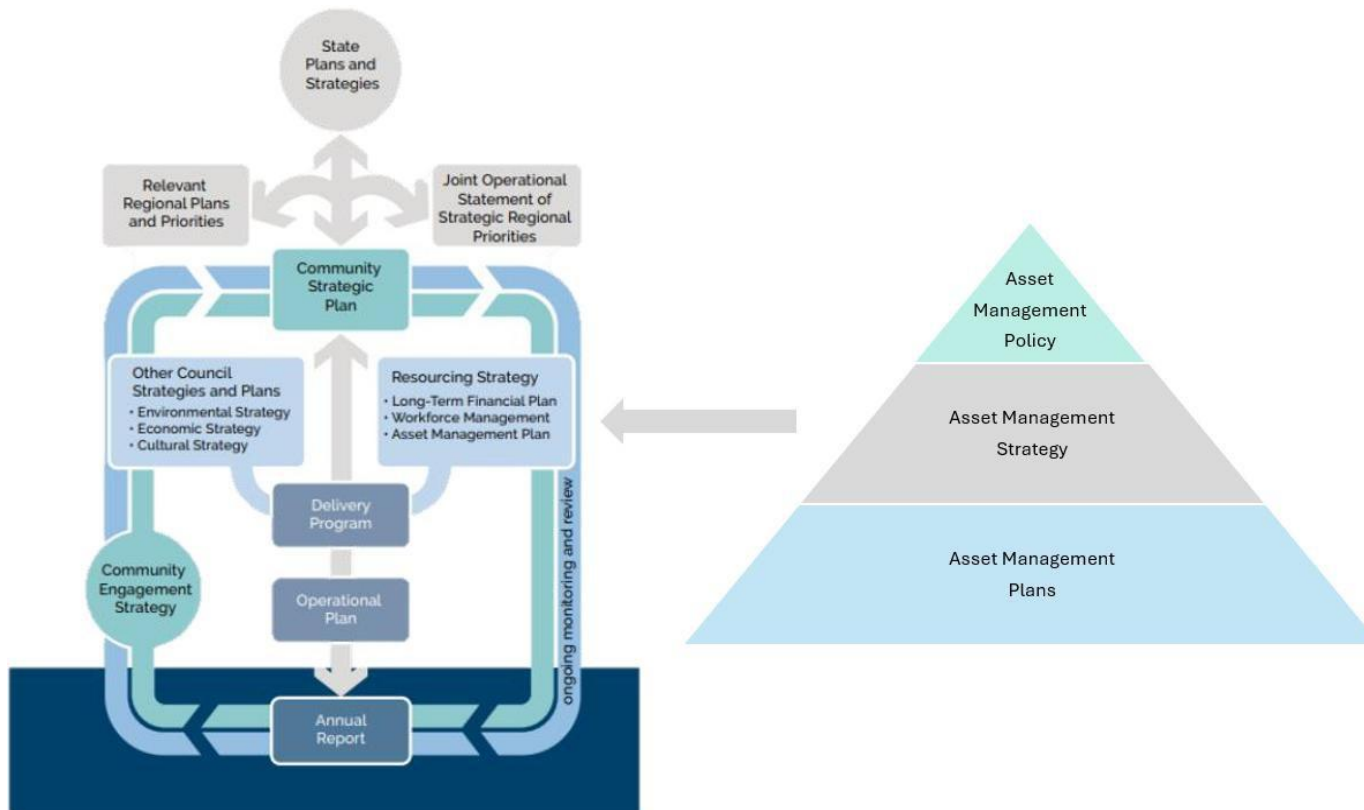


Figure 4 Asset Management Planning Framework

The agreed corporate strategies, benefits, activities and measures / targets are detailed in the Delivery Program 2025-2029 and Operational Plan 2026-2027.

Table 3 Corporate Strategies, Objectives and 1-Year Action Plan

Delivery Program activity supporting Goal 1.1	Operational Plan Action	Annual Measure
<i>Livable – We are part of a connected and livable community.</i>		
Empower and build a connected, resilient, safe and cohesive community through partnership and community development programs and initiatives	Develop key action list from the Fire Safety Order and Building compliance matters	Key action list developed for 26/27 addressing building compliance
Deliver programs and activities that support lifelong learning, build social inclusion and promote a sense of belonging	Commence and complete review of existing disability Inclusion Action Plan (DIAP)	Desktop review. Community and stakeholder' consultation Revised DIAP is drafted
Create welcoming, vibrant and accessible library spaces to build a stronger library community	Subject to receiving appropriate grant funding, prepare and accessibility audit priority program of Council owned or managed public space and public buildings	Audit undertaken (funding dependent)
Develop customer-driven dynamic and sustainable collections	Prepare a holistic business case for the Kiama Library to analyse the existing and potential layout to maximise flexibility	Business case and strategic recommendations reported to Council and included in future Asset Management Plan/s for Kiama Library
Support access, equity and inclusion through current emerging technology		

Delivery Program activity supporting Goal 2.1	Operational Plan Action	Annual Measure
<i>Sustainable – We thrive in a sustainable environment.</i>		
Effectively manage impacts from natural disaster	Evaluate built assets identified as being at risk of coastal hazards. Modify existing asset management plans and/or develop new plans, where required, to address coastal hazards and risks	Recommendations implemented from Coastal Risk Built Assets Evaluated

Delivery Program activity supporting Goal 4.1	Operational Plan Action	Annual Measure
<i>Responsible – Our primary obligation is achieving long-term financial sustainability. This responsibility involves making prudent use of public funds, ensuring the responsible management of community assets and preventing unnecessary financial burdens on future ratepayers</i>		
Implement maintenance and capital renewal and improvement programs for Council's built assets and infrastructure	Undertake capital work, in line with grant allocation funding and resources available	Capital works undertaken in line with successful grant funding applications or other funding sources
Delivery major capital works and projects utilising external funding opportunities		
Asset revaluations on all classification of assets undertaken, responding to the management letters from external auditors	Undertake asset revaluations on all classification of assets, responding to management letters from external auditors	Undertake assets re-evaluation in line with re-evaluations timetable. 2026-27 focus on road assets re-evaluation
Review and update asset management plans for Kiama Councils, including policy, plans and procedures	Undertake annual review of asset management plans	Asset Management Plans reviewed and updated as necessary in line with Operational Plan development in Q1

Legislative Requirements

There are many legislative requirements relating to the management of assets. The legislative requirements that impact on the delivery of the building service are outlined in Table 4.

Table 4 Legislative Requirements

Legislation	Purpose	Relevance
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.	Councils are required to maintain safe and operational public infrastructure. The Act grants Council the authority to manage and maintain recreation, open spaces and other structures within their area including construction, maintenance and regulation of activities that use these assets.
National Asset Management Framework Legislation 2010	Focus on long-term financial sustainability and provides a mandate to have a long-term strategy, financial statement and annual reporting mechanisms	The National Asset Management Framework legislation underpins the need for long-term financial sustainability, requiring organizations to plan, fund and manage assets over their full lifecycle. A Building Asset Management Plan supports this by aligning asset decisions with long-term strategy, financial planning and reporting requirements
Local Government Act 1993 and Local Government (General) Regulation 2021	Key requirements are to integrate community plans with operational and delivery plans	The NSW Integrated Planning and Reporting (IP&R) framework requires alignment between community strategic plans and an organization's operational and delivery plans. A Building Asset Management Plan supports this by ensuring asset decisions and investments directly contribute to agreed community outcomes and service delivery priorities
Public Works and Procurement Act 1912	Authorisation by the NSW Parliamentary Standing Committee on Public Works of the construction of infrastructure valued more than \$1 million.	The Act establishes the framework for public works and procurement processes, including principles of achieving value for money, ethical conduct, and transport processes.
Environmental Planning & Assessment Act 1997, Environmental Planning & Assessment Regulation 2000	Encourages the proper management of natural and man-made resources, the orderly use of land, the provision of services and protection of the environment.	The legal foundation for Council's planning and development activities. The Act empowers Council to manage growth, protect the environment and ensure that development occurs in a way that benefits the community.

Legislation	Purpose	Relevance
Work Health & Safety Act 2011	Council's responsibility to ensure health, safety and welfare of employees and others at places of work.	The Act establishes a framework for protecting the health, safety and welfare of workers and others in workplaces, including those within Council operations.
Civil Liability Act 2002 No 22	The Act defines the legal guidelines for determining responsibility for personal injuries and other harm, ensuring people can seek compensation for their losses through the courts. It outlines the duty of care owed by individuals and organisations, sets out specific thresholds for different injury types and specifies maximum compensation amounts.	Council's need to consider their duty of care and ensure their activities comply with their statutory duty to exercise the function of their authority. The AMP is required to plan their activities subject to financial and other resource limits.
Disability Inclusion Act 2014	Aims to promote the inclusion of people with a disability in the community and improve access to services, facilities, and opportunities.	The Act sets out a framework for reducing barriers and supporting equal participation, including Disability Inclusion Action Plans that must be prepared and implemented every 4 years.

Council Policies and Guidelines

KMC's policies and guidelines that are relevant to Building assets as well as asset management in general are included in Table 5.

Table 5 KMC Policies and Guidelines

Council Policies & Guidelines	Purpose	Relevance
Asset Management Policy	To establish a framework for the sustainable and effective management of KMC's assets to achieve the best possible value.	Guidelines for Council's asset management system including strategic and tactical plans developed as part of the Integrated Planning and Reporting Framework.
Strategic Asset Management Plan (SAMP)	The SAMP is an integral part of Council's Resourcing Strategy and is used to ensure that Council has long-term vision for Infrastructure Asset management.	Informs the decision-making for operations and maintenance, asset renewals, and upgrades that support the sustainability of service delivery
Enterprise Risk Management Policy	Organisation wide principles, systems and processes to ensure consistent, effective and efficient assessment and management of risk.	Framework to manage infrastructure risk.

Council Policies & Guidelines	Purpose	Relevance
Condition Assessment and Valuation reports and registers - Australis Asset Advisory Group – May 2026	An independent and comprehensive assessment of Building class.	Valuation prepared for financial reporting purposes. An asset management report was also developed to inform asset investment decisions. These reports should be read in conjunction with this report.
Open Spaces and Recreation Strategy	Identify future priorities and investment over the next 10 years.	Enable future investment in the highest priority areas for all Council-managed sporting facilities, play spaces and open space recreational areas.
Community Strategic Plan (CPS)	The community Strategic Plan is a high level 10-year plan developed collaboratively by Council with the community. It identifies the community's vision and objectives for Municipality and strategies to achieve them.	CPS sets the long-term vision, priorities and desired outcomes for the community. A Building Asset Management Plan supports this by ensuring building assets are planned, maintained and renewed in a way that enables delivery of those long-term community goals
Delivery Program and Operational Plan (DPOP)	The Delivery Program details a broad plan for the activities, services, programs and infrastructure Council conduct. The Operational Plan details the specific projects, events and services Council carry out in the year to achieve the Delivery Program activities in the timeframe.	DPOP translates strategic objectives into specific actions, projects and budgets over the short to medium term. A Building Asset Management Plan supports this by identifying and prioritizing asset works and funding requirements needed to delivery these commitments
Climate Change	An assessment of risks from climate change and Adaptation Action Plan.	Council's role includes providing infrastructure and services that facilitate community climate mitigation, adaptation and resilience.

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Standards and Guidelines

The standards and guidelines relevant to Building assets as well as asset management in general are included in Table 6.

Table 6 Standard and Guidelines

Standards & Guidelines	Purpose	Relevance
International Standards Organisation (ISO)	Standards for asset management, risk etc.	Council's asset management planning aligns with the ISO asset management standards.
National Construction Code (NCC)	The primary set of technical design and construction provisions for buildings in Australia.	Sets the minimum required level for the safety, health, amenity, accessibility, and sustainability of certain buildings.
Building Code Australia (BCA)	The BCA sets minimum standards for various aspects of building performance, including structural integrity, fire safety, energy efficiency, and accessibility.	The BCA serves as a framework for building and construction in Australia ensuring that buildings are safe, healthy, energy-efficient, and accessible
Australian Accounting Standards	Sets out the financial reporting standards relating to infrastructure assets.	Councils are required to prepare a long-term financial plan including funds to manage recreation, open space and other structure assets, and report on activities.
International Infrastructure Management Manual (IPWEA)	Best management practice for all infrastructure assets.	Guidelines for management of infrastructure assets.
International Infrastructure Financial Management Manual (IPWEA)	Best management practice for all infrastructure assets and finance.	Guidelines to assist organisations with the financial management of assets.

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Customer Levels of Service

Customer levels of service are important to residents. They are assessed on the following criteria:

1. Quality - is the service safe, reliable, and responsive? What is the quality or condition of the service?
2. Function - is the asset 'fit for purpose' to provide the required level of service? Is it the right service?
3. Capacity/utilisation - is the asset accessible and able to provide the required level of service? How much is it used? Do we need more or less of these assets?

Council's current and expected community service levels are detailed and aligned with the Community Strategic Plan and shown in Table 3. Corporate Strategies, Objectives and 1 Year Plan. The agreed expected community levels of service based on resource levels in the current long-term financial plan and community consultation/engagement.

Customer Satisfaction Survey

In previous years a Customer Satisfaction Survey was carried out by IRIS Research to measure customer satisfaction and expectations from all infrastructure areas. The objectives were to:

- Measure and track the performance of Council in delivering services and facilities
- Uncover Council's areas of improvement and priorities for the near future
- Understand community perceptions regarding Council's customer services
- Understand community perceptions regarding the future of Kiama

The key points relating to Building assets include:

- Library services and The Pavilion recorded the highest average satisfaction score for Facilities and also in the Community Satisfaction Survey.
- 78% of respondents were satisfied with 'Library Services', with an average satisfaction score of 4.4
- 75% of respondents were satisfied with 'Pavilion', with an average satisfaction score of 4.4
- Community Services, facilities for children and youth are the lowest rating facilities, and the sixth and third lowest rating services and facility in the Community Satisfaction Survey.

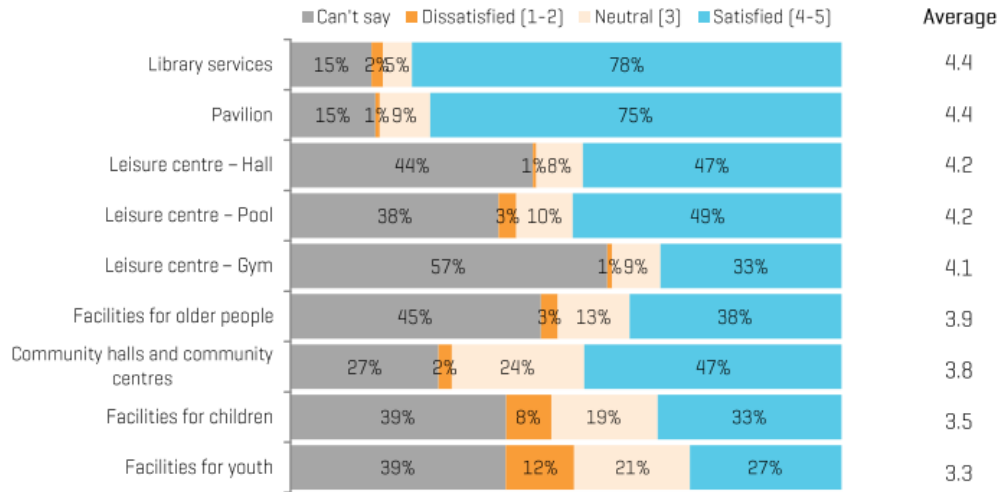


Figure 5 Satisfaction ratings for maintenance of KMC facilities

Customer Requests

KMC are currently developing a procedure to manage Building asset maintenance requests from the community. The system will monitor the numbers of customer requests, enable a process to prioritise tasks and respond within target timelines. Maintaining a record in the Customer Request Management system (CRM) will inform funding decisions for future capital and maintenance work.

The current CRM system has not been configured to effectively measure and track service standards, particularly in relation to response times for different work types. At present, this functionality is limited to the booking of Council-owned public halls, where the target response timeframe is 14 days applies, as outlined below:

“Customer Service currently manage bookings for Jamberoo School of Arts, Gerringong School of Arts, Gerringong Town Hall & Werri Beach Progress Hall. Requests will generally be responded to within 14 days”

Accessibility

Accessibility audits of 12 selected building facilities were completed by Access Matters specialist consultants in May 2025 as part of Council's Disability Inclusion Action Plan. The objective was to ensure Council-owned facilities are compliant with accessibility standards, enabling people with disabilities or mobility issues to fully access facilities and participate in programs and services. Following consultation with internal stakeholders, the following facilities were shortlisted for audits:

- Accessible Amenity Block – Werri Beach (South) Gerringong
- Amenity Block – Kiama Surf Life Saving Club – Surf Beach Manning St Kiama
- Sanitary Facilities Block – Kiama Showground No.2 Bong Bong St
- Amenity Block – Jones Beach Kiama Downs
- Sanitary Facilities Block – Kevin Walsh Oval, Churchill St Jamberoo
- Accessible Amenity Block – Bombo Beach (North)
- Werri Beach Progress Hall – Pacific Ave Gerringong
- North Kiama Neighbourhood Centre – 28A Meehan Drive Kiama Downs
- Jamberoo Youth Hall – 1A Allowrie St Jamberoo
- Kiama Leisure Centre – 1 Havilah Place Kiama
- Jamberoo Arts Centre – 30 Allowrie St Jamberoo
- Gerringong Town Hall – Fern St Gerringong

The report identified recommended actions for each facility; however, further investigation is required to determine the scope and cost estimates of the proposed works. This additional analysis will support the development of an operational maintenance program and inform the capital works program for inclusion in the Long-Term financial Plan (LTFP).

It should also be noted that there are several other accessible facilities across the LGA that are yet to be audited and may require similar improvements. The outcomes of these future audits, and any resulting upgrade requirements, will also need to be considered as part of the LTFP to ensure a coordinated and adequately funded approach to accessibility improvements across the network.

The 2026/27 Delivery Program, Operational Plan has the following action to support future accessibility compliance:

"Subject to receiving appropriate grant funding, prepare an accessibility audit priority program of Council owned or managed public space and public buildings"

Technical Levels of Service

Technical levels of service are internally monitored Council activities which deliver the customer values and impact the Customer Levels of Service achieved. These technical measures relate to the activities and allocations of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical LoS governs the level of severity a defect becomes severe enough to allocate resources for repair. This involves the typical response times to assess an operational hazard and the prioritization of defects.

Table 8 Technical LoS - Operational

Class	Action	LoS
Buildings	Clean community buildings	Dependent on bookings
	Clean operational buildings	Site specific
	Clean Public Amenities	Cyclic cleaning schedule
	Clean Sports field Amenities	Dependent on bookings
	General building maintenance	Repair as required and as resourcing permits
	Roof, gutter, downpipe cleaning	Quarterly/Annually
	Water quality – rainwater tanks (public amenities)	Quarterly
	Air conditioning servicing	3 monthly
	Essential fire measures inspection & servicing	Monthly, 6 monthly, quarterly or annual depending on measure & annual certification
	Pest Control	Quarterly/Bi-annually

Action	LoS
Security, alarms, inspections & monitoring	Monthly
Testing & tagging – electrical compliance checks	Quarterly/Annually
Sanitary servicing	Daily/weekly
Asbestos monitoring & removal	Future program
Graffiti / vandalism	Clean as notified
Painting	Prioritised as funding allows
Height safety systems – inspections, testing & certification	Annually
Waste removal	As required
Service operations	Provide sufficient staff to operate Council service buildings & run community programs

Item 16.1

Enclosure 1

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

- Acquisition - the activities to provide a higher level of service (e.g. replacing playground with a larger one) or a new service that did not exist previously (e.g. a new sports complex).
- Operation - the regular activities to provide services (e.g., opening hours, cleaning, energy, inspections, etc.)
- Maintenance - the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. structural repairs, inspections, vegetation management)
- Renewal - the activities that return the service capability of an asset up to that which it had originally provided (e.g. replacing a roof)

Table 9 Technical LoS – Lifecycle Management

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Target**
Operations	Assets are serviced and cleaned regularly	Building Assets are inspected, serviced and cleaned Number of complaints in CRM	As per seasonal demands	Continually review cleaning schedule over all periods in different utilization areas and overcrowded areas and increase cleaning in peak periods for high utilized facilities, decrease in off peak periods
Maintenance	Scheduled maintenance planned annually and implemented on a priority system. Reactive maintenance requests prioritised based on risk.	Number of complaints. Report on 5 yearly condition report and programmed maintenance of asset servicing	Reactive maintenance is actioned as per CRM. Scheduled maintenance increasing as assets age and are not renewed.	Infrastructure renewed when nearing end of design life, reducing maintenance costs
Budget			\$3,250,519	\$3,250,519
Component Renewal	Component renewals in accordance with Lifecycle Forecast and future demand	Continuation of asset functionality. Population and tourism growth, Asset Lifecycle Management	Some components being renewed but not before failure	The renewal activities we would like to do as per the Lifecycle Forecast
New / Replace Upgrade / Dispose	New assets commissioned in accordance with future demands	Upgrades completed as per AMP and LTFP Population and tourism growth	Some buildings being commissioned in-line with demand created from other infrastructure	New assets consider whole of life costing consideration. The disposal activities we would like to do as per the Lifecycle Forecast
Budget			\$2,011,601	\$3,040,665

Note: * Current activities related to available Planned Budget annual average.

** Expected performance related to forecast lifecycle costs annual average.

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

Proposed Technical Levels of Service

An indicative building quality standard could be established across Council’s entire building portfolio. This standard would comprise both a target Condition Grade Index (CGI) and a maintenance funding target, measured as an annual percentage of Capital Replacement Value (CRV). The quality standard would be reviewed and updated in line with Council’s cyclical five-year revaluation program and the associated AMP review process, ensuring that performance targets remain current, achievable, and aligned with service delivery expectations.

Table 10 Building Quality Standard Definition

Standard	Building Type	Definitions
A	Heritage/Local Significance	CGI < 1.7, Maintenance > 0.5% No backlog. Noncritical assets can be in moderate condition. Regular preventative maintenance.
	Administration Aquatic Centres Childcare	CGI < 2.0, Maintenance > 0.4%.
B	Commercial Community Libraries Public Halls	No backlog. Noncritical assets can be moderate to poor conditions. Regular preventative maintenance
C	Recreational Public Amenities	CGI < 2.2, Maintenance > 0.3% Some backlog allowed for non-critical assets. Selected assets will undergo reactive maintenance, preventative planned maintenance to be utilised otherwise.
		CGI < 2.5, Maintenance > 0.25%
D	Depot Storage Utilities	High backlog allowed for non-critical assets. The majority of assets will undergo reactive maintenance, preventative planned maintenance to be limited.

A further generic quality standard can be applied to all buildings that relate to the condition of critical components. In order to meet quality standards a building is required to have all critical components in a fair condition or better. No functional or compliance targets have been included in this standard.

Item 16.1

Enclosure 1

Asset Base Growth

It is anticipated that Council's asset base will expand over the next 10 years through committed and expected upgrade expenditure, assets contributed by development through conditions of consent. It can be decreased through asset disposals; however, no significant disposals are currently committed for this asset class.

New Assets and Upgrades

New assets and upgrades are capital projects delivered by Council and are resourced by Council funds, grant funding, loans or development contributions. This involves existing assets being enhanced or new assets being constructed to improve community infrastructure.

Grant Funding

Grant funding forms a portion of asset upgrades, and this Plan assumes Council will receive grant funding in line with average grant funding from previous 5 years. Grant funded building projects can include upgrades and additions.

Loans

Council explores all options for the funding of infrastructure to better serve the community including the limited utilisation of loans on major projects.

Development Contributions

An important funding source for new infrastructure is Development Contributions collected under Section 7.12 of the Environment Planning and Assessment Act. These contributions fund a reasonable portion, though not all, of the infrastructure required by new development. Under the present Contributions Plan (KMC, 2024), Section 7.12 contributions currently allocated to projects account for \$537,308 of the infrastructure projects within the 2026/27 capital program with \$30,000 of this amount specifically allocated to Council building upgrades.

Forecast Growth

It is assumed that assets contributed by development through conditions of consent will grow the existing asset base at a rate similar to the dwelling growth rate. As stated in the Section 7.12 Contributions Plan (2024) historically, Kiama has experienced low growth. Moving forward, the Illawarra Shoalhaven Regional Plan 2041 identifies that Kiama will need to play a role in delivering regional housing supply. The redevelopment of Bombo Quarry has potential reuse for employment, residential and recreational uses.

The forecast population growth by 2046 is 31,733, an additional increase of 14,822 between 2021 and 2046, and an additional 3,971 dwellings by 2046. This will see an average dwelling growth rate of 1.5% per year which should increase the asset base growth at a similar rate through developer contributions.

Lifecycle Management Plan

The Lifecycle Management Plan details how KMC plans to manage and operate the assets at the agreed levels of service while managing lifecycle costs.

The Gross Replacement Cost of the Building assets by component category is outlined in Table 11.

The majority of the asset costs is attributed to superstructure component category with 136 assets (\$58.9 million) making up 44% of the overall sum of components. Building superstructure components are defined as the primary structural elements that make up the largest portion of the building.

Table 11 Gross Replacement Cost by Asset Category*

Asset Category	No.	GRC
Superstructure	136	58,978,250
Roof	119	7,369,400
Floor Coverings	64	6,722,900
Substructure	122	10,663,950
Fittings	37	2,313,850
Fittings\Kitchen	48	6,850,700
Fittings\Bathroom	89	10,545,000
Finishes	72	8,831,700
Electrical Services	106	13,590,200
Fire Services	15	624,750
Hydraulic Services	85	4,420,350
Mechanical Services - Lift	7	1,114,550
Mechanical Services - HVAC	23	2,718,200
Security & Comms	17	405,650
Total	940	135,149,450

*Excludes 17 stand-alone building structures not componentized at \$1,835,950. These building structures have been classified as asset types that, under the relevant standards, are not required to be componentized and have therefore been valued as a single asset and excluded from the total of the above table.

The useful lives of the different asset categories are included in Table 12.

Table 12 Useful Lives by Asset Category

Asset Category	Useful Life	Average Useful Life
Superstructure Major	80 – 150 years	87 years
Superstructure Minor	60 - 80 years	64 years
Roof	30 - 100 years	60 years
Substructure Major	100 - 150 years	104 years
Substructure Minor	60 - 100 years	77 years
Hydraulics	40 - 100 years	40 years
Fittings General	15 - 40 years	30 years
Fittings Bathroom	15 – 25 years	25 years
Fittings Kitchen	15 – 25 years	25 years
Finishes	40 – 75 years	40 years
Electrical	25 – 40 years	40 years
Fire	20 – 30 years	20 years
Mechanical - HVAC	20 – 30 years	25 years
Mechanical - Lift	20 – 30 years	30 years
Security & Comms	10 – 20 years	20 years
Floor Coverings	15 – 75 years	25 years

Based on IPWEA standards

Note: Heritage masonry buildings are generally considered long life assets. As a result, their assigned useful lives may be deemed **indefinite** or may extend to **200 years** or more, subject to their condition and expected ongoing maintenance.

An assessment of the useful lives applied to building assets was undertaken by comparing them with the asset life assumptions adopted by comparable councils. Details of this analysis are presented in **Appendix 3: Useful Life Benchmarking Analysis**.

Asset Condition

The building assets condition assessments were completed by Australis Asset Advisory Group between February and April 2026. All condition assessments were visually based and where any major structural defects were identified, recommendations for further monitoring were included. The condition of each asset was assessed. Table 13 below includes a definition of the condition grades

Table 13 Definition of Condition Grades

Condition Grade	Description	Percentage of Remaining Life
1 - Excellent	The asset is in immaculate condition, few blemishes in finishes, with all items functioning satisfactorily and no safety issues. Only planned maintenance is required.	55 - 100%
2 - Good	The assets are in generally good condition, some blemishes in finishes, with virtually all items functioning satisfactorily and no safety issues. Minor maintenance required plus planned maintenance. (Minimal short term failure risk but potential for deterioration in long term - 10 years plus).	35 - 55%
3 - Fair	The asset is in reasonable condition, occasional blemishes in finishes, with most items functioning satisfactorily and no major safety issues. Significant maintenance required. (Failure is unlikely within next 2 years but further deterioration is likely and replacement/repair likely for some minor components or isolated sections of the asset from now to the next 10 years).	25 - 35%
4 - Poor	The asset is in unsatisfactory condition, extensive blemishes in finishes, with a number of items not functioning and possibly with safety issues. Significant renewal/upgrade required. Failure is likely in the short term & works required within the next 2 years to replace most or all of the assets).	10 - 25%
5 - Very Poor	The asset is in a poor state of repair, failures in finishes, with most items not functioning satisfactorily and possibly with a number of safety issues. Unserviceable. (Failure imminent and major work or replacement required urgently).	0 -10%

Overall Condition

A total of 153 buildings were assessed containing 940 associated components with a Gross Replacement Cost (GRC) of \$136 million. The condition assessment is based on visual inspections undertaken to determine asset condition ratings in accordance with IPWEA standards. Buildings have been assigned an overall condition score derived from the weighted average condition of their individual components. The remaining useful life of each building has been estimated based on the visual condition assessment, aligned with IPWEA condition assessment guidelines and tools. The condition profile of the building assets is shown in Figure 6.

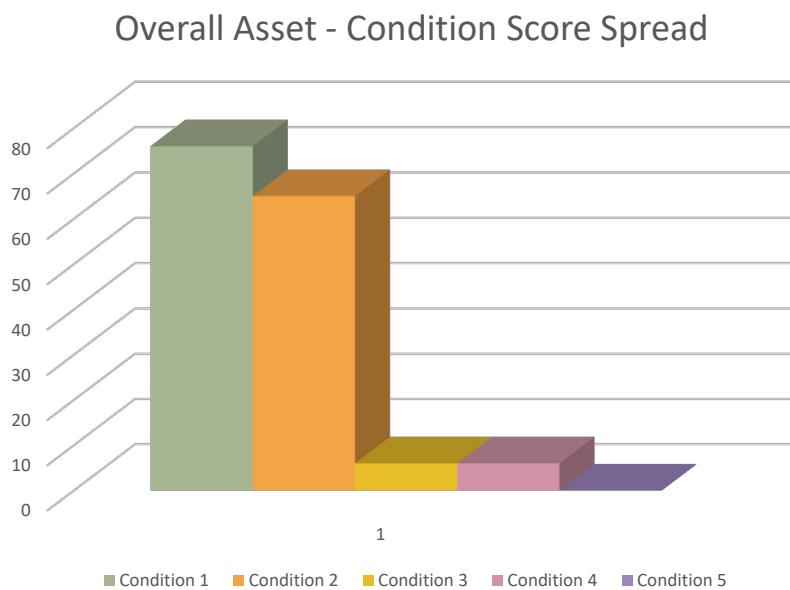


Figure 6 Asset Condition Profile

Overall the assessed assets of Council owned buildings are in good condition, in which 50% of assets were assessed to be in excellent **condition 1** (by value \$58.1 million), 42% in a good **condition 2** (by value \$72.6 million), 4% in a fair **condition 3** (by value \$4.3 million), 4% in a poor **condition 4** (by value \$1.8 million), there are no assessed assets in very poor **condition 5**. All figure values are shown in current day dollars.

The \$1.8 million assets in poor condition relate to the buildings in Table 14.

Table 14 Poor Assets

Asset Component Category	Gross Replacement Cost
Saddleback Mountain Reserve/Storeroom 1	48,850
Saddleback Mountain Reserve/Storeroom 2	45,850
Kiama Gasworks/Office	418,200
Gasworks/Industrial Shed	412,150
Gasworks/Two Storey Structure + Racking	670,250
Gasworks/Shed 1	248,850
Total	\$1,844,150

Renewals

Renewals are major capital works that do not significantly alter the original service provided by the asset, but restore, rehabilitates, replaces, or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

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

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

Renewal Ranking Criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g., replacing a roof that is deteriorated or that is high maintenance)
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g., upgrade of fixtures and fittings)

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

- Have a high consequence of failure,
- Having a high use and subsequent impact on users would be greatest,
- Have a total value representing the greatest net value,
- Have the highest average age relative to their expected lives,
- Are identified in the AMP as key cost factors
- Have high operational or maintenance costs, and
- Have replacement with a modern equivalent asset that would provide the equivalent service at a savings

Figure 7 shows that a total of \$30.4 million, or an annual average of \$3.0 million, of lifecycle renewal expenditure is required over the next 10 years. In comparison, only \$20.1 million of lifecycle funding is available over the next 10 years. There are no deferred renewals - any asset with a renewal date prior to 2026/27. The lifecycle has assumed that all assets will be replaced prior to reaching a very poor condition (condition grade 5).

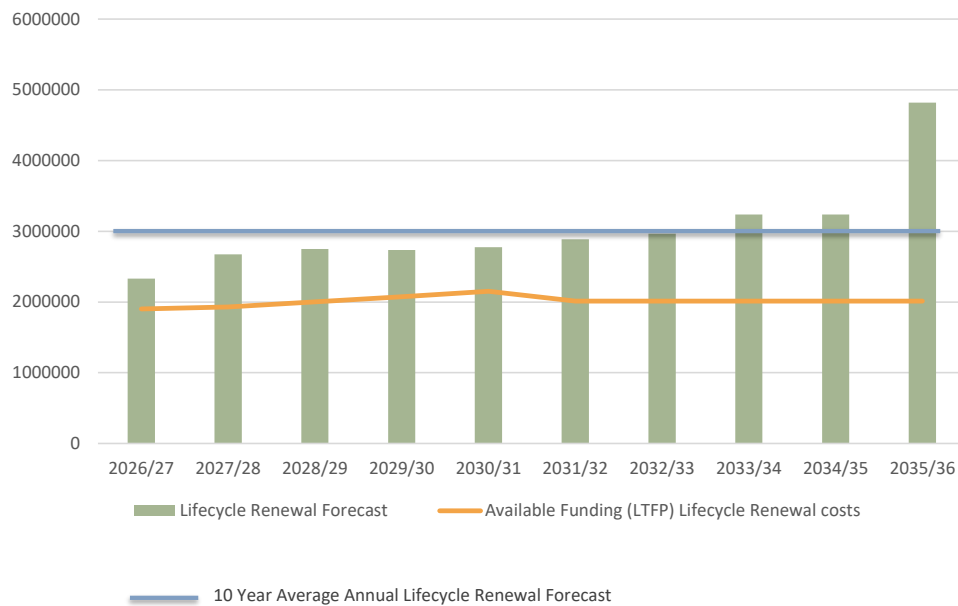


Figure 7 10 Year Lifecycle Plan for Renewals

The 10-year capital program does not include major asset renewals, as renewal demand is predominantly long-dated. No parent assets are currently beyond their useful life, and none are expected to reach end-of-life within the planning period. Of the asset base, 139 assets (valued at \$134.5M, representing 98.6% of GRC) have more than 20 years remaining life, while a further 14 assets (\$2.4M) fall within the 10–20-year remaining life band.

Overall asset condition is sound. The GRC-weighted average IPWEA condition is 1.58 (between Very Good to Good). Approximately 96% of replacement value (\$130.7 of \$136.9M) is assessed at condition ratings 1-2, with only six assets (\$1.8M ~1% of GRC) in condition 4 and none in condition 5. Consequently, short-term condition-driven renewal pressure is very low.

Accordingly, the 10-year program is driven primarily by defect remediation and estimated minor component capital renewal, assuming a 3% CPI increase annually, rather than significant capital renewals.

Notes:

- The projected renewals program is based on the 2026 condition assessment and draft revaluation of Building assets. The remaining useful life of assets was determined by a specialist asset consultant by assessment of asset conditions and its age.

- The renewal forecast assumes investment in operation and maintenance of the assets over their life
- The forecast is an indication only. Renewals will be programmed following inspection verification or history of failure
- Renewal budgets are verified in the Long-Term Financial Plan (LTFP). The 2026/27 LTFP has allocated \$ 20.1 million over the next 10 years or an annual average of \$2.0 million for capital works
- Ongoing maintenance and renewal programs will increase useful lives and reduce costs in the long term
- Future forecasting may be optimised with predictive modelling and condition-based renewal forecasts

New Acquisitions

Acquisitions are new assets that did not exist previously or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to KMC.

KMC plans to invest in new assets based on the following:

- Operational Plan (1 year)
- Delivery Program (4 years)
- Long term plans (10+ years) based on modelling and Council's masterplans

There are no planned acquisitions.

Disposals

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. There were no assets identified for decommissioning during the revaluation process.

A disposal plan would consider the following strategic objectives:

1. Location - to ensure the adequate provision of Recreation, Open Space and Other Structures assets meet the needs of the local government area's community and visitors
2. Safety and risk management - to ensure Recreation, Open Space and Other Structures assets are designed and planned appropriately to minimise risk
3. Utilisation - to ensure Recreation, Open Space and Other Structures assets are sufficiently used to justify existence and maintenance funding

Operations and Maintenance

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, labour, asset inspection, and utility costs. Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include structural repairs and equipment repairs.

As shown in figure 8, the operational and maintenance budget is projected to be adequate over the next 10 years, with a total of \$32.5 million in available funding expected to cover the forecast maintenance costs.

Suggested improvements to ascertain the optimum funding level include:

- Developing and scheduling of regular operations and maintenance tasks
- Recording the cost of all operations and maintenance by activity
- Investigate resources and systems to implement the operations and maintenance schedule

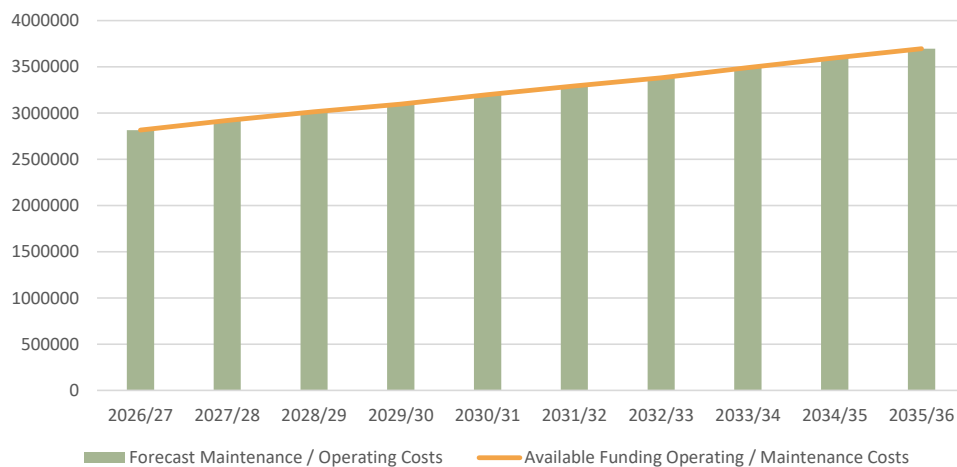


Figure 8 Forecast maintenance cost vs budgeted maintenance costs

To sustain the Technical LoS described in section Technical Levels of Service, Figure 8 shows the recommended maintenance and operations expenditure of \$32.5M over 10 years. This assumes that the current LoS is satisfactory and increases the existing budgets by 2.5% indexation each year.

The forecast operating lifecycle costs representing the income and expense accounts for properties managed by Property and Commercial, could not be obtained and are therefore excluded from the lifecycle cost analysis. It is recommended that improvements to the management of these accounts be reviewed and implemented to ensure that expenditure and income are accurately captured. This will support more informed decision making regarding commercial properties and service level requirements in the future.

In future revisions of this plan, estimates will be based on the cost of required maintenance activities rather than using the previously mentioned assumption. It is anticipated that this methodology will reveal a funding gap in recommended expenditure but will be necessary to meet the useful life of assets as they're currently predicted.

Notes:

- The forecast is for a 10-year period, based on the budget in the Long-Term Financial Plan (LTFP), previous expenditure trends, and assumptions of continuous funding ratios and indexation
- It includes funding for operations, planned and reactive maintenance
- Monitoring expenditure on preventive versus reactive maintenance and operations requirements could result in cost savings and prolong asset life with a more systematic maintenance process
- A key financial sustainability strategy noted in the LTFP to be implemented in the next two years is a review of service provision, including a re-evaluation of operational models for essential services
- An assessment of whole of lifecycle costs when acquiring new or upgrading assets is important for financial and operational sustainability

Summary of Maintenance and Renewal Costs

Figure 9 shows the total lifecycle maintenance and renewal costs versus the available budget over the next 10 years. The total funding required is \$62.9 million while the total available funding is \$52.6 million - a funding gap of \$10.2 million. The current funding model meets only 83% of costs required to maintain the assets. However, ongoing maintenance and renewal programs may increase useful lives and reduce costs in the long term by moving away from reactive maintenance. It should also be noted that future forecasting may be optimised with predictive modelling and condition-based renewal forecasts.

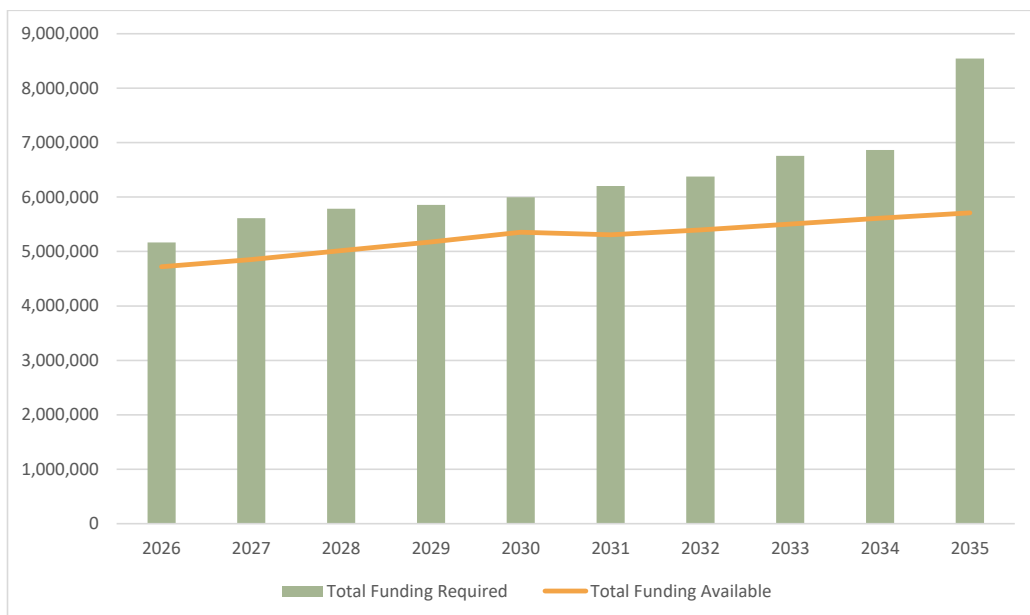


Figure 9 Lifecycle Maintenance and Renewal Costs vs Budget

Future Demand

Demand Drivers

Drivers affecting demand include things such as climate change, extreme weather, natural disasters, human activities, recovery from natural disasters, preparation for natural disasters, population change, regulations, changes in demographics, seasonal factors, consumer preferences and expectations, technological changes, economic factors, and agricultural practices.

Demand Impact

The impact of demand drivers that may affect future service delivery and use of assets are shown in the Table 15 below.

Demand for new services will be managed through a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are also included in the table below. Further opportunities will be developed in future revisions of this AMP.

Table 15 Demand Drivers

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population growth, demographic change	The current population of Kiama is 23,173	Expected to increase to 27,678 by 2036	Higher utilization, increased deterioration of assets	- Manage and upgrade existing buildings - Increase maintenance on older buildings
Tourism	Growing. In the year ending September 2024, total nights stayed was up 29% year on year and total visitor spend was up \$14 million year on year to \$362 million	Expected to continue to increase	Increased use of amenities during summer and weekends	- Expand and modernize public toilets - Decommission underutilized amenities - Use port-a-loos for peak periods - Distribute visitors across the LGA through signage, digital apps and marketing that highlights lesser-known attractions - Encourage off-peak visitation
Demographic Change – Ageing Population	Position today	Expected position	Increase accessibility to public buildings/amenities and provision of amenities to cater for older demographic	- Update existing amenities, increase unisex (single use/non-share) facilities to enable equitable use by person rather than gender - Develop an accessibility upgrade program

Demand Management

Data-Driven Decisions

Building asset management will move away from reactive maintenance towards a more data-driven, predictive approach, using real-time data and analytics to optimize resource allocation and maintenance scheduling.

It is essential to establish a single, accurate online asset inventory database with an agreed naming convention, clear asset hierarchy, and reliable, up-to-date data that integrates both financial and technical information. Additionally, a work management system should be implemented to feed into the asset register, capturing whole-of-life costs for each asset through links to the financial system and records of all completed works, including capital and operational/maintenance activities.

Collaboration

Increased collaboration between various internal and external stakeholders, including government agencies, private contractors, and researchers, will be necessary to develop and implement effective Building asset management strategies.

Managing Demand

Changes in Building facilities demand due to population growth, demographics, and climate change will be addressed through a combination of managing existing assets, upgrading assets, and potentially implementing new assets or demand management strategies. The focus will be on renewals and upgrades of existing infrastructure.

New assets are assessed as required considering whole of life costs and the impact on operations and maintenance budgets. Council will seek grant funding for all new assets.

Council is taking a proactive approach to climate change and coastal hazards by engaging specialist consultants to improve asset resilience, inform strategic planning, and support sustainable service delivery.

A recent study was commissioned to review the Kiama Surf Life Saving Club (KSLSC). The study evaluated the condition of the asset, identified structural and safety concerns, assessed coastal hazard risks, and recommended actions and resilience strategies. The purpose of the report was to identify critical vulnerabilities and recommend appropriate responses such as protection, relocation, or design adaptation.

These strategies, along with the resulting programs, support efforts to address coastal erosion impacting Council assets. The study identified a total forecast expenditure of \$1.2 million over the next 10 years, which has been incorporated into the forward renewal program.

In relation to coastal hazards, there is currently no erosion risk, nor is any expected beyond 2040. However, assets located at the northern end of Surf Beach are projected to become increasingly vulnerable to erosion beyond 2040. It is noted that the Surf Life Saving Club building was founded on rock which provides some resilience.

Based on the assessed erosion and inundation risks for the SLSC and surrounding assets, coastal hazard recommendations include:

- Clubhouse Building: raising electrical fittings to be 1m above floor/ground level and installing sealed doors.
- Amenity-garage Building: ensuring sealed doors
- Pathways around Buildings: Sand removal for inundated areas following major storms, and monitoring shoreline recessions and back-beach condition after storms.
- Access Road: Ensuring drainage back to sea
- Carpark: Ensuring drainage back to sea – also in terms of rainfall
- Retaining walls and footpath 5: Sand removal from inundated areas following major storms, monitoring shoreline recession and back-beach condition after storms
- Footpath 4: Inspecting near the SLSC building after major storms
- Seawall: Monitoring back-beach erosion following major storms

Service Standards

Council will adopt service standards in consultation with the community to provide functional Building facility assets which meet their needs.

Systematic Analysis

Improved data management and asset planning will incorporate systematic analysis to prioritise and establish cost-effective work programs.

Long Term Planning

Improved long term plans such as Community Strategic Plan (CSP) will address the needs of Building facilities by planning strategic investment decisions aligned with long-term goals.

Risk Management

Several strategic risks are beyond the scope of this Plan as they relate to all asset classes. These include:

- Increase in contributed assets from bursts in historical growth and current growth
- Unit rates VS construction costs for renewal funding
- Renewal gap
- Revaluation increments
- Developer maintenance periods

Building asset class related risks covered within this plan are scored using the risk matrix seen in Table 16 and align with the Council's Risk Management Framework.

Table 16 Risk Matrix

			Consequence				
			1	2	3	4	5
			Insignificant	Minor	Significant	Major	Extreme
Likelihood	5	Almost Certain	Medium - 5	High - 10	Very High - 15	Extreme - 20	Extreme - 25
	4	Likely	Medium - 4	Medium - 8	High - 12	Very High - 16	Extreme - 20
	3	Moderate	Low - 3	Medium - 6	Medium - 9	High - 12	Very High - 15
	2	Unlikely	Very Low - 2	Low - 4	Medium - 6	Medium - 8	High - 10
	1	Rare	Very Low - 1	Very Low - 2	Low - 3	Medium - 4	Medium - 5

For the purpose of this plan the risks listed in Table 17 have been identified as specific to building class assets categorised using the types below:

- People
- Service & Project Delivery
- Legal & Regulatory
- Financial
- Environmental
- Governance & Reputation

Table 17 Building Class Asset Risks

Asset Class	Risks	Risk Type	C	L	R	Controls	C	L	R
Building	Vandalism, break & enter unauthorised usage	Service & project delivery risk Governance & reputation risk	4	3	12	Install alarm systems. Increase lighting around the building perimeter. Implement regular security patrols. Upgrade doors and windows.	3	2	6
Building	Non-return of keys	Service & project delivery risk Governance & reputation risk	3	5	15	Use key management system with strict protocols for issuing and returning keys (current). Use electronic access control systems that can be deactivated remotely (future).	2	4	8
Building	Broken locks and/or unsecured entry points	Service & project delivery risk Governance & reputation risk	3	5	15	Regularly inspect and maintain locks and entry points. Use electronic access control systems. Upgrade doors and windows.	4	1	4
Building	Structural integrity	Service & project delivery risk Legal & regulatory risk Financial risk	5	4	20	Conduct regular structural assessments and inspections. Implement a preventative maintenance program. Address any structural issues promptly	5	2	10
Building	Electrical issues	People risk Service & project delivery risk Financial risk	5	4	20	Perform regular electrical inspections and maintenance. Ensure all electrical work is done by licensed professionals. Install surge protectors and circuit breakers.	2	5	10
Building	Plumbing issues	People risk Service & project delivery risk Financial risk	4	3	12	Conduct regular plumbing inspections and maintenance. Address leaks and blockages promptly. Use quality and anti-vandal plumbing materials and fixtures	1	4	4

Asset Class	Risks	Risk Type	C	L	R	Controls	C	L	R
Building	HVAC system issues	People risk Service & project delivery risk Financial risk	3	4	12	Schedule regular HVAC system maintenance and inspections. Replace filters and clean ducts regularly. Upgrade to energy-efficient HVAC systems	3	2	6
Building	Cleaning	Service & project delivery risk	3	3	9	Regular cleaning schedule. Use professional cleaning services. Ensure proper waste disposal and sanitation practices	1	1	1
Building	Wear and tear	People risk Service & project delivery risk Financial risk	4	4	16	Conduct regular inspections to identify wear and tear. Implement a preventative maintenance program. Use durable materials for repairs and replacements	3	1	3
Building	Graffiti & vandalism	People risk Service & project delivery risk Financial risk	4	5	20	Use anti-graffiti coatings on surfaces. Respond quickly to remove graffiti and repair vandalism	4	3	12
Building	Non-compliance with current building standards due to age - e.g., accessibility standards for disabled individuals	Legal & regulatory risk Governance & reputation risk	3	4	12	Conduct regular compliance audits. Upgrade facilities to meet current standards	3	1	3
Building	Fire-safety - inadequate or non-compliant fire safety measures	Legal & regulatory risk People risk	5	3	15	Maintain required fire safety measures. Ensure compliance with fire safety regulations	5	1	5

Asset Class	Risks	Risk Type	C	L	R	Controls	C	L	R
Building	Presence of hazardous materials (asbestos, lead paint)	Legal & regulatory risk People risk	5	3	15	Conduct regular inspections for hazardous materials. Implement a hazardous materials management plan. Use certified professionals for removal and remediation.	5	1	5
Building	Not meeting the expectation of community and/or customers	Governance & reputation risk Service & project delivery risk	4	3	12	Engage with the community to understand their needs and expectations. Implement a feedback system to address concerns and improve services	3	1	3
Building	Slips, trips, falls	People risk	4	4	16	Conduct regular safety inspections. Use non-slip flooring and mats. Ensuring proper lighting and clear walkways	4	2	8
Building	Cost increase to building maintenance activities	Financial risk Service & project delivery risk	4	4	16	Implement a preventative maintenance program to reduce unexpected costs. Regularly review and optimise maintenance budgets. Use cost-effective materials and methods for repairs.	4	1	4
Building	Insufficient funding for building renewals	Financial risk Service & project delivery risk	4	4	16	Develop a long-term capital improvement plan. Seek alternative funding sources (grants, partnerships). Prioritise renewals based on critical needs and risks	4	2	8
Building	Building functionality - fit for purpose	Governance & reputation risk Service & project delivery risk	4	5	20	Conduct regular assessments of building functionality. Engage with users to understand their needs. Prioritise renewals based on critical needs and risks. Implement necessary modifications and upgrades.	2	2	4
Building	Building closures	Service & project delivery risk	4	3	12	Develop contingency plans for building closures. Communicate effectively with users about closures and alternative arrangements. Engage timely repairs and reopening	3	2	6

Asset Class	Risks	Risk Type	C	L	R	Controls	C	L	R
Building	Inefficient energy use leading to high operational costs.	Environmental risk Governance & reputation risk	3	4	12	Implement energy-efficient upgrades (LED lighting, insulation). Conduct energy audits and monitor usage. Use renewable energy sources where possible.	3	1	3
Building	Poor waste management practices	Environmental risk Governance & reputation risk	3	4	12	Promote recycling and waste reduction initiatives	3	1	3
Building	Vulnerability to floods, storms, and other natural events	People risk	5	3	15	Conduct risk assessments for natural disasters. Implement flood protection measures (drainage systems, barriers). Develop and update evacuation plans.	4	1	4
Building	Backlog of building maintenance	Service & project delivery risk Financial risk	4	5	20	Prioritise maintenance tasks based on risk and urgency. Allocate sufficient resources to address the backlog (future). Implement a preventative maintenance program to prevent future backlogs (future).	3	3	9

Enterprise Risk Management Policy

The objectives of KMC's Enterprise Risk Management Policy are to:

- Provide a framework for the management of risk to support the achievement of corporate objectives, to protect employees and business assets and to ensure regulatory compliance and financial sustainability, while minimising the risk of fraud and corruption
- Provide a reference for Council, Executive Leadership team and Management to make informed business decisions based on risk assessment methodology in line with AS/NZS ISO 31000:2018.

The Framework consists of:

- The Enterprise Risk Management Policy
- Enterprise Risk Management Framework
- Assurance and attestation from the Audit, Risk and Improvement Committee
- Internal and external audit
- Strategic and Operational Risk Registers and reviews
- Insurance program for transferable risk
- Incident reporting, escalation and trend analysis
- Supporting policies and processes

Council will implement risk management by making the strategy operational through all the measures listed:

- Align risk management processes to existing planning and operational processes
- Allocate sufficient funding and resources to risk management activities
- Provide employees with appropriate training in risk management principles
- Assign clear responsibilities to employees at all levels for managing risk
- Embed key controls to manage risks into business processes
- Establish appropriate mechanisms for measuring and reporting risk management performance
- Communicates risk management policies, plans and issues to employees and other stakeholders
- Take human and cultural factors into account
- It is dynamic, iterative and facilitates continual improvement

Critical Risks

As KMC works to update asset data it is important to develop risk-based management programs. The first step would be to work with cross departmental staff to develop a list of key infrastructure and associated inspections and preventive maintenance activities to mitigate high level and catastrophic risks.

Climate Change Risks and Adaptation

The KMC Climate Change Adaptation Strategy and Action Plan (2009) was developed following a Climate Change Risk Assessment. It recommends adaptation actions to mitigate the risks associated with climate change as shown in Table 18.

Table 18 Climate Change Risks and Adaptation Action

Identified Risk	Adaptation Action	Risk Rating
Damage to existing and future development and infrastructure from flooding / sea level rise	Prepare flood risk mapping for the LGA to inform which areas are at risk from flooding. Include climate change allowance in all technical studies Include guidance provided by DECC in the draft sea level rise policy statement	High
Increase rainfall intensity reduces asset life	Prepare technical studies which model the impacts of increased rainfall intensity Review the Recreation, Open Space and Other Structures AM annually	Medium
Sea level rise increases likelihood of submerged outlets and increased system upgrades	Prepare Coastal hazard assessments for key assets	Low
Increased coastal erosion of beaches and foreshores and inundation	Use Coastal Management Plan hazard maps to identify at-risk areas and prioritise protective works	High
Increased maintenance, refurbishment and replacement of marine structures, rockpools and bridges due to higher water levels and increased floor return	Update Asset Management Plans Review budget allocations	High

Business Continuity Plan

Councils are required to have a Business Continuity Plan to ensure critical business objectives in the face of uncertainty or disruption based on AS ISO 22301:2020 Security and Resilience - Business Continuity Management Systems - Requirements. KMC are currently meeting this requirement by having a documented Business Continuity Management Plan and a Crisis Management and Business Continuity Team to monitor and update the plan.

Emergency Management Plans

Council has established plans for responding to disasters, including procedures for assessing damage, prioritising repairs and communicating with the public - for example, flood warning signs. Good maintenance can significantly reduce the risk of damage to assets during floods and other natural disasters.

There are several grant programs available to KMC for disaster relief. They have programming and eligible expenditure guidelines to fund a range of activities that best meet the community's recovery needs.

Asset Management System

The management of asset data is important in modelling future requirements, capital and operational planning and asset valuations. The design of the asset hierarchy provides the framework to build the asset register. To design or enhance the asset hierarchy, the nature and use of the asset should be considered as well as components that are required to be managed independently from other elements.

Other elements that may be included:

- Quality and complexity of design
- Materials
- Size / dimensions
- High level location issues (region / town)
- Specific locations (rural, CBD)
- Geographical issues (coastal, plateau, mountainous)
- Environmental issues (acidic soil, sand, salt)
- Technology and obsolescence
- Service levels, standards and regulations

Data Confidence

Building assets overall have a moderate level of data integrity due to undergoing a recent draft revaluation project as per AASB and ISO standards. Data confidence in relation to asset lifecycle information in the Asset Register however is low. This is due to a lack of robust asset management practices in place to ensure reconciliation of the multiple systems that support the management of KMC assets:

- IFM GIS
- TechnologyOne
 - Enterprise Asset Management
 - Enterprise Financial Management
 - Enterprise Works System

Asset data quality improvements are highlighted as part of the improvement initiatives program as an outcome of strategic asset management plans.

Condition assessments and asset lifecycle data collection is being managed within the revaluation program. Comprehensive revaluations are intended to be undertaken on each asset class every 5 years in a rolling program, consistent with Table 19. The building asset revaluation has been bought forward to FY2026 to align with this AMP. To support this approach, the revaluation and inspection program has been structured to progressively distribute asset valuations across individual asset classes, ensuring they align with the review and renewal of cycle of the relevant AMPs. As a result, asset classes will be inspected and revalued at staggering intervals from FY2026 to FY2031. By FY2031 all asset classes will have transitioned to the required five-year revaluation frequency, fully aligning with the AMP review process and providing current asset information to inform decision-making and influence AMP outcomes.

Table 19 Condition Assessment and Revaluation Program

Asset Class (Measured at Fair Value)										
	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Condition Assessment	Revaluation			Condition Assessment	Revaluation			Condition Assessment	Revaluation
Buildings	√	√			√	√			√	√

Financial Summary

Levels of Funding

The forecasted lifecycle management costs required to provide the agreed levels of service, which includes the operation and maintenance, renewal, acquisition and disposal over 10 years is an average of \$6.2 million per year.

The current level of funding available is \$5.2 million per year over the next 10 years which represents 83% of the cost to sustain the required level of service and therefore is insufficient to maintain the levels of service. The consequences of not maintaining the assets to their forecasted funding requirements are:

- Decline in service level
- Inability to maintain compliance with legislated statutory requirements
- Increase in risk to patrons and users of Recreation, Open Space and Other Structures assets
- Deterioration of assets, facilities and buildings over time
- Increase in maintenance costs

Asset Performance Indicators

Renewal is defined as the replacement of existing assets to equivalent capacity of performance capability. This measure is intended to indicate the extent to which Council is replenishing the assets as they deteriorate.

The Special Schedule 7 in the annual financial statements requires the asset sustainability ratio as an indicator of Council's asset management performance. The implication of the benchmark is that Council's annual depreciation expense is the indicative level of required annual renewal of its assets. A renewal ratio greater than 100% is the benchmark. However, depreciation (an accounting concept) patterns do not necessarily match the decline of asset service potential, so the figures are a guideline only.

Asset Sustainability Ratio

$$\text{ASR} = \text{Asset renewal expenditure} / \text{annual depreciation} \\ \$ 2,011,601 / \$ 2,819,692 = 71\%$$

A ratio of 100% (1.0) means renewal spending matches depreciation (ideal long-term sustainability). The benchmarking result of 71% indicates:

- Renewal spending is below the rate of asset consumption
- This suggests a potential backlog or underinvestment in asset renewal over time if sustained.

A more useful indicator is the Asset Renewal Funding ratio. The figures in this indicator are based on this Asset Management Plan.

Asset Renewal Funding Ratio

= Planned capital expenditure (year 1 - budgeted) / required capital expenditure (1 year)
 $\$1,902,000 / \$2,330,500 = 81.61\%$

Asset Maintenance Funding Ratio

= Planned maintenance (year 1 - budgeted) / required maintenance expenditure (1 year)
 $\$2,816,882 / \$2,815,882 = 100\%$

The benchmark for this ratio is 100%.

The Asset Renewal Funding Ratio indicates the extent to which planned capital expenditure aligns with the identified renewal needs of the asset portfolio.

For the current year, the ratio is 81.61% based on planned capital expenditure of \$1.9 million compared to a required renewal expenditure of \$2.3 million. This result indicates that renewal funding is below the level required to fully address asset renewal needs, resulting in an estimated 18.39% (\$428,500) shortfall for **year 1 of the 10-year plan**. If sustained, this may contribute to a growing renewal backlog and increased risk to asset conditions and service delivery over time.

In contrast, the maintenance funding ratio of 100% demonstrates the planned maintenance expenditure fully meets the identified maintenance requirements for the portfolio. This indicates that routine and reactive maintenance activities are adequately funded in the short term.

While maintenance is adequate and maintenance funding supports the ongoing functionality of assets, the shortfall in renewal funding suggests that assets may not be replaced or upgraded at the optimal time in their lifecycle. Over time, this can lead to increased reliance on maintenance interventions and higher whole-of-life costs.

It is recommended that renewal funding levels be reviewed and progressively increased to better align with required expenditure, with a target of achieving a ratio closer to 100% to support long-term asset sustainability.

Depreciation

The current accumulated depreciation of Council's building asset base is \$54.4 million representing approximately 39% of the total gross replacement cost. This indicates that the building portfolio is generally within the mid-stage of its lifecycle, with a significant proportion of asset life remaining.

The annual depreciation for building assets is approximately \$2.8 million, with a total gross replacement cost of around \$136 million. Based on these figures, the average useful life of the building asset class is estimated to be approximately 50 years. However, this estimate should be treated with caution, as building assets are valued on a component basis, with individual components having significantly different useful lives. These can range from approximately 25 years for short-life components such as building services and fit outs, to up to 120 years for major structural elements, such as superstructure. In addition, heritage masonry buildings may be assigned an indefinite useful life or a life expectancy of up to 200 years, depending on their condition, construction, and conservation requirements.

This reflects relatively long-lives asset class, with increasing renewal requirements expected as assets continue to age and move towards latter stages of their lifecycle.

The Asset Sustainability Ratio indicates that KMC are not investing enough in capital renewal expenditure of these assets to align with the rate of asset degradation through depreciation.

Options for consideration

The LTFP outlines strategies to return Council to a sustainable operating surplus within two years. Multiple scenario-based options have been considered, with Scenario 6 identified as the preferred approach.

Scenario 6 assumes that, after incorporating Level 1 initiatives, the Base Case operating result (excluding capital grants) reflects a \$3.6 million deficit. This scenario demonstrates that, when combined with the unsolicited proposal, natural attrition, and an organisational structure review to be completed within the next 12 months, a balanced budget can be achieved by June 2027. Under this approach, service levels for discretionary services—previously excluded from the original Budget—would be maintained.

While Scenario 6 achieves a balanced budget by June 2027, any associated reductions in operational maintenance funding may affect Council's reported Asset Maintenance Funding Ratio, currently at 100%. Should maintenance budgets be reduced below identified maintenance requirements, the ratio would decline accordingly, impacting Council's ability to fully fund asset maintenance needs and potentially influencing future asset condition and service outcomes. This consideration should be reflected in the ongoing review of the LTFP and asset management planning processes.

Progress toward achieving a balanced operating result will be monitored through the Quarterly Budget Review (QBR) process during 2026/27.

Local Government Act 1993 Section 8B

- a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
- b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- c) Councils should have effective financial and asset management, including sound policies and processes for the following:
 - (i) performance management and reporting,
 - (ii) asset maintenance and enhancement funding decisions,
 - (iii) risk management practices.
- d) Councils should have regard to achieving intergenerational equality, including ensuring the following:
 - (i) policy decisions are made after considering their financial effects on future generations,
 - (ii) the current generation funds the cost of its services.

Roles and Responsibilities

The Executive Leadership Team (ELT) is responsible for providing strategic, operational and cultural leadership to inspire staff to work together to achieve the Delivery Program and Operational Plan.

The ELT consists of:

- Chief Executive Officers (CEO)
- Director Corporate and Commercial
- Director Infrastructure and Operations
- Director Strategies and Communities
- Chief Financial Officer (CFO)
- Executive Manager Organisational Reform

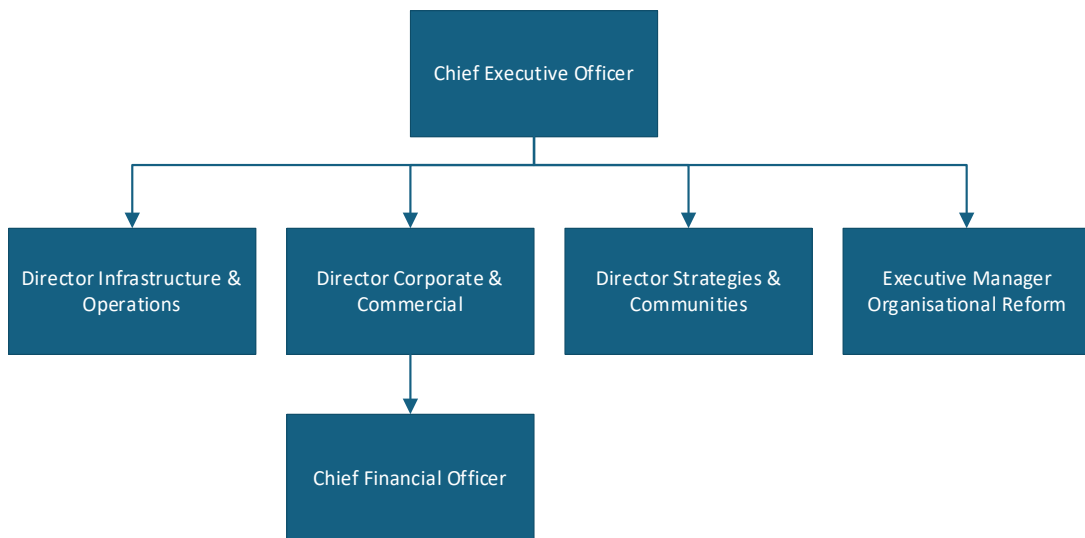


Figure 10 KMC Organisational Chart

Improvement Plan

Responsibility and Review

The AMP reflects KMC's commitment to effective asset management and alignment with key strategic frameworks, including the IP&R, the International Infrastructure Management Manual (IIMM), and compliance with the NSW Local Government Act 2021.

The Asset Management team is responsible for overseeing the asset management planning process. The AMP will be reviewed and updated in accordance with the schedule outlined in Table 19 Condition Assessment and Revaluation Program, to ensure it remains current and accurately reflects required services levels and projected financial requirements across operations, maintenance, renewals and upgrades. In addition, the Long-Term Financial Plan (LTFP) will be updated annually to reflect any adopted changes to the budget.

Asset Management Plan Improvements

During the development of this AMP, several improvement opportunities were identified, with corresponding actions documented. A summary of these improvement actions is provided in Table 20. The assigned due dates indicate relative priority and are intended as a guide only.

Table 20 AMP Improvement Plan

Item	Improvement	Completed by
1	Review assets found in condition audit which were not previously in the asset register, and update register.	August 2026
2	Review defects identified in the condition audit, carry out remediation works for High priority defects, and decide on action for Medium and Low priority defects	August 2026
3	Amend the current asset register hierarchy for building assets to enable condition assessment and revaluation results to be recorded as componentized valuation assets. This will support improved lifecycle management, including more accurate planning for asset renewal and maintenance. The process will also involve migrating updated data into the asset register, creating new component assets and establishing links to the parent assets they replace	August 2026
4	Review assets forecast for renewal over the next 10 to 15 years and update capital program	May 2027
5	Review available budgets against the forecast capital renewal requirements in the LTFP for identified deficit years to manage expenditure. This may involve deferring or bringing forward works to better align with funding availability if additional funds are not approved.	May 2027
6	Strengthen existing property management practices to ensure income and expenditure accounts accurately capture the full cost to Council or providing property services, incorporate whole-of-life asset costs, and support informed decision-making regarding leased buildings	May 2027
7	Implement the TechnologyOne Work System to capture whole-of-life costs, enabling more informed decision-making	June 2027
8	Implement the TechnologyOne Enterprise Mapping system, ensuring all assets are accurately configured & maintained within the relevant spatial layers	June 2027

Appendix One: Risk Register

Section	Risk	Long Description	Inherent Risk Rating	Residual Risk Rating	Next Review	Controls
Works	RISK01104	Inaccurate data for infrastructure planning resulting in poor decision making, financial loss	Significant Risk	Minor Risk	17 June 2027	Project planning of annual works plan, reviewed quarterly Asset management system Data validation and cleansing Inspection program SAMP
	RISK01132	Asset failure or reduced life due to use of substandard materials, construction methods etc. leading to financial loss, injury, property damage, increased maintenance costs	Minor Risk	Minor Risk	17 June 2027	Compaction testing Design standards Quality accredited suppliers Supervision Tender specifications Replacement programs
	RISK01133	Excessive wet weather resulting in delayed works program increasing the risk of injury or property damage	Minor Risk	Minor Risk	17 June 2027	Weather is monitored for weather-dependent daily tasking Alternative tasking on wet days
	RISK01134	Failure of key supplier resulting in unavailability of materials to complete works	Minor Risk	Moderate Risk	17 June 2027	Preferred supplier list Resource sharing Supply chain diversity

Section	Risk	Long Description	Inherent Risk Rating	Residual Risk Rating	Next Review	Controls
	RISK01136	Maintenance or construction activities result in environmental damage leading to fines, remediation costs, damage to reputation	Moderate Risk	Minor Risk	17 June 2027	Emergency procedures Review of Environmental Factors Site specific environmental risk assessments for larger projects Tree Preservation Order Pesticide/ herbicide policy and procedures
	RISK01138	Time and/or cost blow out in works delivery due to latent conditions etc. resulting in financial impact, damage to reputation	Minor Risk	Minor Risk	17 June 2027	Budget Contingency Geotech investigations Sound project planning for works activities
	RISK01140	Asset defect not detected or properly acted upon by Council resulting in asset failure, injury, property damage, litigation, financial loss, damage to reputation	Minor Risk	Minor Risk	17 June 2027	Asset management plan CRM system to record complaints Incident investigation process Proactive maintenance program Intervention levels for repair Regular inspections
	RISK01252	Unsafe work practices, defective or not fit for purpose equipment, moving plant risks, compliance with PPE	Moderate Risk	Moderate Risk	12 November 2026	Designated walk areas to separate vehicle & pedestrians at depot Low volumes and safe storage of chemicals or hazardous materials

Section	Risk	Long Description	Inherent Risk Rating	Residual Risk Rating	Next Review	Controls
						Prestart checks, maintenance program of plant & equipment manual handling training SWMS, on site risk assessment, toolbox talks Incident and hazard reporting procedures Depot based WHS committee member Safety management system
	RISK01253	Loss of key staff member, system access or facility access impediment	Moderate Risk	Moderate Risk	12 November 2026	5 direct reports could cover short term Succession planning/ recording of processes Appropriate budget for adequate resourcing Alternative location has been identified as waste depot Admin staff accommodation Plant & equipment hire should be readily sourced
Design & Project Management	RISK01105	Budget overruns due to poor and inaccurate planning or cost assessment, latent conditions etc. resulting in financial impact, damage to reputation	Significant Risk	Minor Risk	12 November 2026	Financial assessment of contractors in tendering process QS cost guides Resources (Project

Section	Risk	Long Description	Inherent Risk Rating	Residual Risk Rating	Next Review	Controls
						Management Framework) Staff resources On site contractor supervision Standard spec and scoping procedure
	RISK01107	Errors in design resulting in asset failure or defects, cost increases, injury or property damage	Significant Risk	Minor Risk	12 November 2026	Consultation with internal/external stakeholders to verify assumptions & inputs Use of expert consultants Safety in Design review and consultation with stakeholders Brief and scope document clear (standards, key outcomes and objectives) Peer Review (inhouse - smaller projects; external - larger projects)
	RISK01108	Non-compliance with tendering legislation or procurement policies resulting in increased costs, invalid contracts, legal action.	Extreme Risk	Minor Risk	12 November 2026	Contract register updated as per LG Act (projects over \$150,000) Procurement policy and procedures Control documents to be reviewed and revised to meet better delivery outcome standardized documents for procurement.

Section	Risk	Long Description	Inherent Risk Rating	Residual Risk Rating	Next Review	Controls
						Procurement & Contracts Coordinator for advice Using approved procurement platforms e.g. Tenderlink, Vendorpanel etc.
	RISK01109	Error leads to inadequate or invalid determination resulting in possible legal challenge, civil action, financial loss. This includes human error.	Extreme Risk	Minor Risk	12 November 2026	Engineering development referral checklist Peer review with planning department Amendments to or review of DA consent Standard conditions of consent
	RISK01111	Substandard developer delivered infrastructure (roads/drainage/footpaths/playgrounds/detention basins) resulting in reduced asset life, asset failure, financial impact	Moderate Risk	Minor Risk	12 November 2026	Certification from designers Defect liability period Critical Stage Inspections QA systems Security bond Testing Work as executed plans

Appendix Two: Capital Works Program (LTFP)

LTFP allocation (FY27)

Program	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Buildings & Facilities	1,902,000	1,928,820	2,000,373	2,075,037	2,151,775	2,011,601	2,011,601	2,011,601	2,011,601

*Total Capital Works Program by Program sourced from 2026-27 LTFP aligning with the current budgets adopted after exhibition period

Year 1 (FY27)

Project	Project Description	Adopted Annual Budget	Parent Program
200257	Library	90,000	Buildings & Facilities
201009	Council Buildings upgrade & renewal program (Annual alloc)	120,000	Buildings & Facilities
201024	Works Depot Review & Masterplan	300,000	Buildings & Facilities
201223	Infrastructure Design	40,000	Buildings & Facilities
201233	Gerry Emery Reserve Clubhouse Amenities Upgrade (Developer)	840,000	Buildings & Facilities
201277	Kiama Surf Life Saving Club Upgrades MLCIP058	512,000	Buildings & Facilities
	Total	1,902,000	

Appendix Three: Useful Life Benchmarking Analysis

Benchmarking was undertaken across selected councils participating in the Asset Managers Network forum to compare the useful lives applied to building asset components.

The analysis indicates that most councils apply useful lives that generally align with the expected period over which components maintain their intended functionality, taking into account factors such as material type, environmental conditions, and operational use.

Variations in useful life assumptions are evident across some component groups and may be attributable to differences in how councils define and categorise building components. For example, items such as fit-outs, fittings, and finishes can be interpreted differently within componentisation methodologies. Kiama and Shoalhaven Councils, for instance, apply a shorter useful life to fit-out elements such as cupboards/shelves, while assigning longer useful lives to finish items such as architraves and skirting boards. As a result, the useful life assigned to these component groups may reflect council-specific definitions and treatment methodologies rather than a consistent industry-wide classification.

A further consideration when interpreting the benchmarking results is the application of extended useful life assumptions for structural (superstructure) and substructure components. Some councils apply extended or indefinite useful lives to heritage masonry buildings where comprehensive conservation, maintenance, and renewal programs are in place to preserve structural integrity and ensure ongoing functionality. However, it should be noted that such treatment is an exception rather than the norm. The assignment of extended or indefinite useful lives to structural components should be supported by appropriate evidence, including asset condition assessments, maintenance histories, and demonstrated long-term asset performance. Kiama has three buildings recognised as heritage assets (masonry) for which the 200-year exception useful life has been applied: (1) Old Council Chambers, (2) Pilots Cottage, and (3) Gerringong Town Hall. This is consistent with other benchmarking councils who have adopted the same approach to heritage buildings. This includes examples such as Wollongong City Council, where several building assets have useful lives extending beyond 200 years to reflect their heritage value and continued operational use.

Key Observation: The benchmarking indicates that Kiama's building useful lives are generally reasonable and sit within the range adopted by comparable NSW councils and industry standards. Kiama council's useful life assumptions for structural components are broadly consistent with peer councils. Greater variation exists in other component categories such as fit-out, HVAC and hydraulic asset lives, reflecting differing renewal strategies and asset management practices. Overall, Kiama's assumptions do not appear materially outside benchmark ranges and can be considered reasonable for financial reporting and long-term asset planning purposes. Benchmark observations can be viewed from **Table 2. Analysis of Kiama's Useful Life Assumptions** on page 67.

Table 1. Benchmarking of Building Asset Useful Lives presents a comparison of useful life ranges applied to building asset components across participating councils. The benchmarking sample includes three coastal councils and two inland councils, providing an opportunity to assess whether geographic location influences useful life assumptions and component management practices. The graphs on page 66 of this appendix offer a visual comparison of the minimum and maximum useful life assumptions across councils.

Table 1. Benchmarking Building Asset Useful Lives **

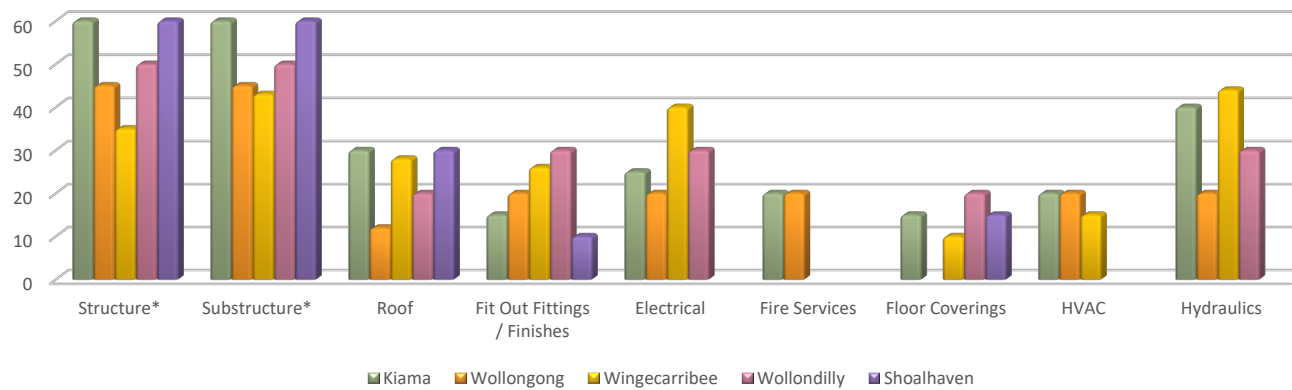
Benchmarking Building Asset Useful Lives					Expected Useful Life (Years)								
Council	Area (Km ²)	OLG group	Council Classification	Population Density (residents per Km ²)	Structure*	Substructure*	Roof	Fit Out Fittings / Finishes	Electrical	Fire Services	Floor Coverings	HVAC	Hydraulics
Kiama	257.7	4	Illawarra Shoalhaven	90	60 - 150	60 - 150	30 - 100	15 - 75	25 - 40	20 - 30	15 - 75	20 - 30	40 - 100
Wollongong	684.3	5	Illawarra Shoalhaven	324	45 - 120	45 - 120	12 - 106	20 - 30	20 - 30	20 - 30	Unavailable	20 - 30	20 - 115
Wingecarribee	2689.3	4	Southeast and Tablelands	20	35 - 195	43 - 179	28 - 104	26 - 75	40 - 105	15	10 - 36	15 - 46	44 - 115
Wollondilly	2555.4	6	Metropolitan Sydney	23	50 - 100	50 - 100	20 - 100	30 - 60	30 - 45	40	20 - 100	30	30 - 45
Shoalhaven	4567.2	5	Illawarra Shoalhaven	24	60 - 150	60 - 150	30 - 100	10 - 75	30	25	15 - 75	27	35

* Heritage buildings are recognised as an exception and may have useful lives for structural components extending to 200 years or be considered to have an indefinite useful life. For the purposes of this benchmarking assessment, it has been assumed that any structural useful life significantly exceeding normal practice relates to assets with heritage status and is supported by ongoing conservation and maintenance programs.

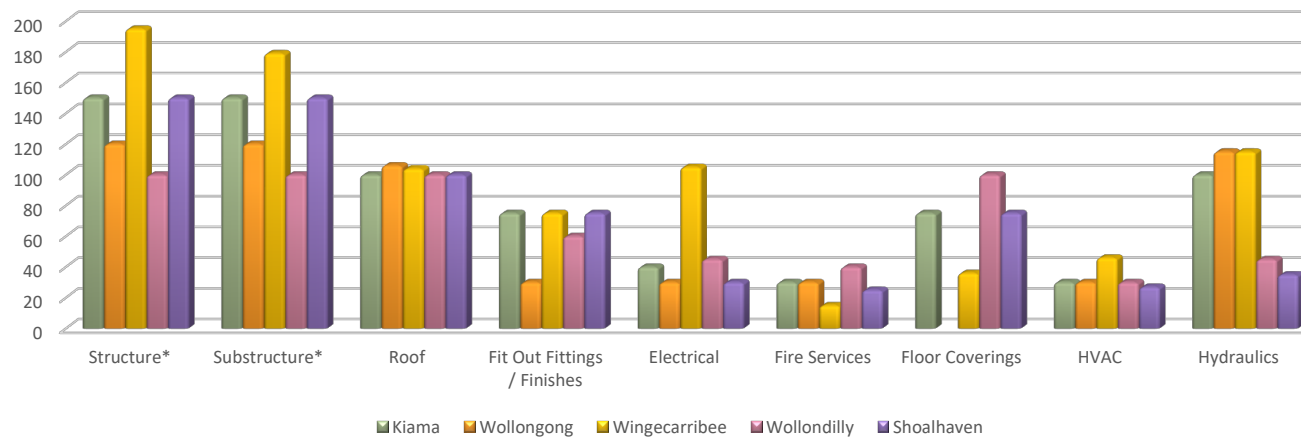
The building's structural design basis aligns with the AS/NZS 1170 framework, which generally assumes a nominal 50-year design working life. Notwithstanding this, masonry construction is widely recognised as a long-life asset class, well-maintained primary structural elements commonly achieving an operational service life of 80 to 150 years before replacement of the primary structure is required.

**Data compiled from Your Council NSW 2023/24, publicly available Asset Management Plans, and Strategic Asset Management feedback.

Minimum Expected Useful Life (Yrs)



Maximum Useful Life (Yrs)



Kiama generally adopts mid-to-high useful life assumptions. Compared with the benchmark councils, Kiama's useful life ranges are generally in line with industry practice but tend toward the upper end for several asset categories as seen in Table 2:

Table 2. Analysis of Kiama's Useful Life Assumptions

Asset Component	Kiama Useful Life Range	Benchmark Observation
Structure	60-150 yrs	Similar to Shoalhaven and Wollondilly. More conservative than Wingecarribee's upper range of 195 years
Substructure	60-150 yrs	Among the highest and consistent with Shoalhaven
Roof	30-100 yrs	Comparable with Shoalhaven and Wollondilly
Fit Out / Finishes / Floor	15-75 yrs	Broad range indicating varied building types and refurbishment cycles
Electrical	25-40 yrs	Lower than Wingecarribee (40-105 yrs), suggesting more frequent renewal expectations
Fire Services	20-30 yrs	Comparable to Wollongong and shorter than Wollondilly (40 yrs)
HVAC	20-30 yrs	Comparable with Wollongong
Hydraulics	40-100 yrs	Consistent with market practice and similar to Shoalhaven

Authorisation and version control

Author	Jacqueline Russell – Senior Asset Engineer
Reviewer	Rachel Zhang – Manager Engineering & Technical Services
Approver	Darren Brady – Director Infrastructure & Operations
Owner/Responsible Officer	Darren Brady – Director Infrastructure & Operations
Department	Engineering and Technical Services
Date adopted/endorsed	[date]
Resolution number (if applicable)	[number]
Next review date	30 June 2032
TRIM reference	26/

Variation and review

The Strategy should be reviewed within 3 months of the local government elections as part of the broader review of the Community Strategic Plan.

Variation or Review

Reviewer	Date reviewed	Date adopted endorsed	Brief detail of amendments
Manager Engineering & Technical Services	[date]	[date]	[insert detail here]
	[date]	[date]	[insert detail here]
	[date]	[date]	[insert detail here]

Council reserves the right to review, vary or revoke this Strategy.

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