



August 2021

Overall Asset Management Plan

City of Busselton

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Informing Technical Documents

This Overall Asset Management Plan has been informed by various Individual Asset Management Plans. These individual plans are technical documents containing key data, asset information and recommendations by asset category. These plans are shown below.

Name of Plan	Date of Plan
Buildings Asset Management Plan	2021
Carparks Asset Management Plan	2021
Coastal Infrastructure Asset Management Plan	2021
Footpaths and Cycleways Asset Management Plan	2021
Parks and Gardens Asset Management Plan	2021
Roads Asset Management Plan	2021
Signs Asset Management Plan	2021
Stormwater Drainage Asset Management Plan	2021
Street Lights Asset Management Plan	2021

Informing Policies

Name of Policy	Date of Policy
Asset Management Policy	2019

The purpose of the Asset Management Policy is to outline the principles which guide the City of Busselton in the management of its infrastructure assets, with the objective being to ensure they are well maintained and responsibly managed.

Informing Strategies

Name of Strategy	Date of Strategy
Asset Management Strategic Objectives - DRAFT	2020

The purpose of this document is to detail a set of objectives addressing the principles outlined within the City's Asset Management Policy. These strategic objectives provide the link between organisational priorities and asset management actions to ensure a common focus.

Executive Summary

The City's first overall Asset Management Plan (AMP) was adopted by the Council in June 2013, since then the City has undergone some significant change in both the value of its infrastructure assets and also the type and criticality of the assets to be managed. To assist with this management, funding is allocated on an annual basis, within the Long Term Financial Plan (LTFP) towards renewal of infrastructure assets. Renewal allocations according to asset type, have been reviewed to ensure adequacy. As detailed within this AMP, Carparks and Stormwater Drainage are two asset areas requiring adjustments to the allocations. Other asset areas are considered to be adequate based on the assessment – provided a renewal priority is maintained within the allocation of the funding.

As well as managing the current assets base, it is also important that funding mechanisms for maintenance, operations and renewal of assets from growth are embedded within the LTFP Planning process. Additional funding and resources allocated as required, for newly constructed and donated assets will ensure that as the asset base grows, so does the available funds to manage it.

This is a network level assessment aimed at updating the asset renewal renewal-based management strategies affecting capital budget allocations for the upcoming LTFP period 22/23 – 31/32. Outcomes from this assessment can be implemented within the LTFP review and subsequent annual budgets.

Changes and adjustments to maintenance strategies for existing assets have not been covered within this network level assessment. These will need to be undertaken and presented at a more micro level in order to effectively articulate any changes required.

Scope

The scope of this document is infrastructure assets as detailed within the City's Asset Management Policy. The definition of an infrastructure asset, outlined within the policy is as follows:

*"Stationary systems forming a network and serving whole communities, where the system as a whole is intended to be maintained indefinitely, at a particular level of service potential by the continuing replacement and refurbishment of its components. The network may include normally recognised ordinary assets as components."*¹

The objectives cover all infrastructure assets, whether constructed, purchased or donated that are owned and directly managed by the City of Busselton. This includes, but is not limited to, roads, bridges, footpaths, cycle ways, stormwater drains, park & recreation space components, buildings and facilities. Reserves (land) area under Management Order with the City is not included, however the physical infrastructure they contain such as footpaths, furniture, roads, seawalls, jettys, boatramps, drains and any facilities are included as assets being managed by the City.

The specific assets contained within this assessment are shown in the table below. This table is expanded upon within each section of the plan.

Table 1 Asset Types Covered Under This Plan

Asset Type
Buildings
Carparks
Footpaths and Cycleways
Parks and Gardens
Roads
Stormwater Drainage
Signs
Street Lights
Coastal Infrastructure

Table 2 Assets Covered Under Separate Plans

Asset	Asset Value \$	Document Name
Busselton Jetty	\$34.5M	Busselton Jetty 50 Year Maintenance Plan
Busselton Jetty Tourist Park	\$2.5M	Busselton Jetty Tourist Park Master Plan
Busselton Margaret River Airport	\$75M	Busselton Margaret River Airport Master Plan

Table 2 shows the facilities that are subject to separate planning processes for major renewal and upgrade requirements. Each of these facilities is renewed and upgraded via specific reserves and plans are reviewed and updated as required.

¹ International Infrastructure Management Manual – 2015

The Plan

This AMP provides an updated status check for the selected infrastructure assets in terms of required renewal expenditure and is a key informing document for long term financial planning at the City. The various management strategies outlined in this plan are designed to provide guidance to the Council for determining ongoing asset renewal funding.

The Asset Management Plan has been prepared with reference to the Government of Western Australia's Integrated Planning Framework required by legislation since 30 June 2013. This legislation is enforced through the Local Government Act 1995 S5.56 (1) which requires the Local Government to develop a "plan for the future"; and S5.56 (2) that Local Government's develop a strategic community plan that links community aspirations with the Council's long term strategy. Also that the Local Government has a corporate business plan linking to long term financial planning that integrates **asset management** , workforce planning and specific council plans (informing Strategies) with a strategic plan.

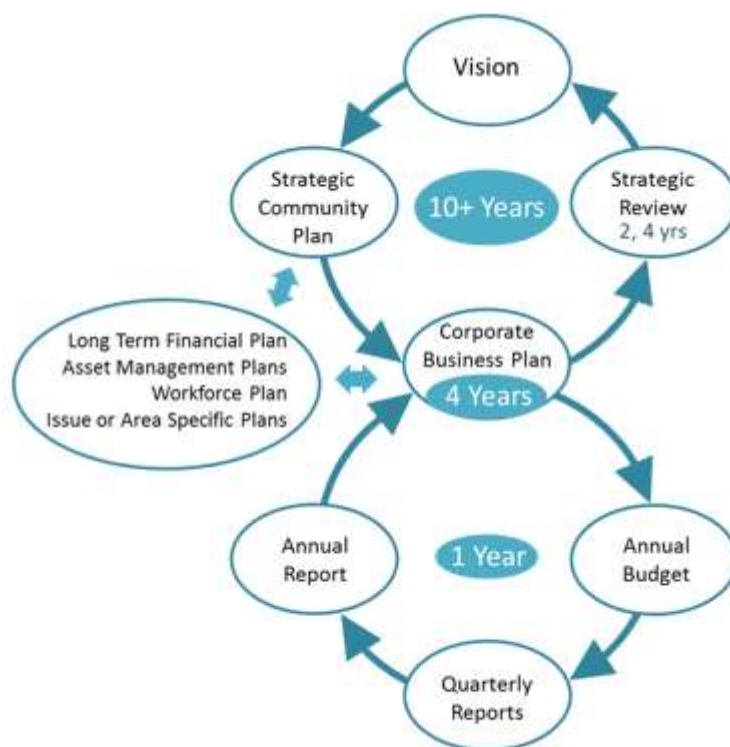


Chart 1 Integrated Planning and Reporting Cycle²

The intention of the Integrated Planning Framework is to make councils more focussed on community aspirations and priorities. This is to be achieved through increased and targeted community engagement and also to ensure a consistent "whole of organisation" approach to strategic and long term financial planning.

² Department of Local government and Communities Integrated Planning and Reporting Framework and Guidelines September 2016.

Background

The City's first overall AMP was adopted by the Council in June 2013. The AMP was a culmination of a series of workshops held with staff and the Council to provide information pertaining to any "funding gaps" that existed within the relevant asset category. i.e. situations where historically spending has been less than what is required in future years.

Historical expenditure on renewing the existing assets as opposed to potential expenditure on new and upgraded assets was also scrutinised, recognising that the renewal of existing assets is critical in ensuring the maximum asset life is achieved in the most cost effective manner.

Through the initial workshop in April and subsequent workshops in May 2013, the Council agreed in principle to include within the draft LTFP a 1 per cent rate increase per year over a period of six years (2013/14 – 2018/19). This was to rectify the 50 year funding gap for the renewal of roads and provide some funds to assist with major upgrades and new infrastructure. This additional funding has since been instrumental in reducing the amount of intervention on roads as detailed within this plan.

The 2013 plan did not outline any funding increases required for other assets at the time, but did note the need to increase renewal expenditure within existing expenditure levels.

Subsequent plans developed and adopted by the Council since 2013 are Drainage (2014), Footpaths and Cycle Ways (2014), Carparks (2016) and Signs (2016).

Worth noting from these plans is the comment in the 2014 Drainage plan regarding future funding "***Whilst no recommendations for increased funding are made within this DAMP (Drainage Asset Management Plan), it is perhaps prudent to note that future revisions are likely to recommend an increase in expenditure for Drainage assets.***" This is explored further within this plan.



Photo: Sea Play by the Bay Busselton Foreshore

Continued Growth

Since 2013, the City has undergone some significant change in both the value of its infrastructure assets and also the type and criticality of the assets to be maintained. During this time also, the population of the City has grown to a current population of around 40,000³, an increase of around 7,000 since 2013.

The City also continues to be a popular tourist destination with an estimated 860,000⁴ visitors per annum.

The growth of infrastructure and populations has been as a result of continued property development within the City, as well as significant infrastructure construction by the Council. This has increased the overall value of the City's infrastructure and created the need for increased expenditure on infrastructure renewal to ensure assets are maintained at the appropriate standard.

As a proactive approach to keeping pace with an ever-growing portfolio, the Council has allocated additional renewal expenditure across asset classes within the LTFP at various points. The benefits of this are outlined within the body of this AMP.

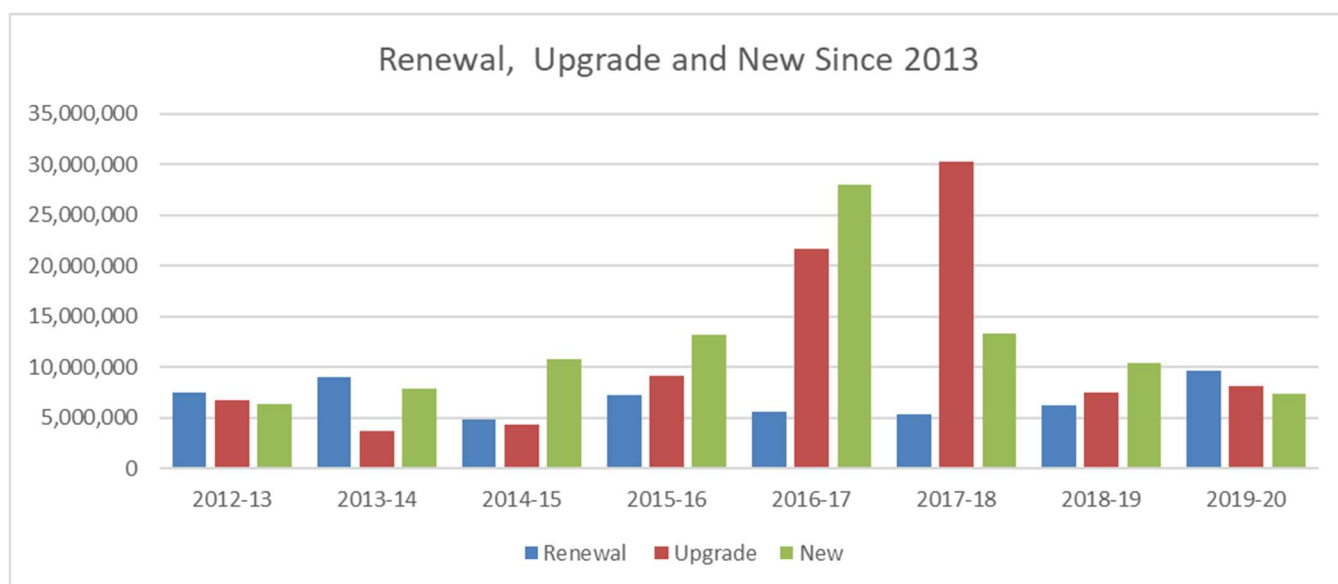


Chart 2 Renewal, Upgrade and New Expenditure 2012/13 – 2019/20

Chart 2 demonstrates the growth in the asset base through total infrastructure asset expenditure since 2013. The growth can be seen both through new and also upgrade expenditure. This has also translated to increases in infrastructure replacement costs as outlined within the plan.

³ Western Australia Tomorrow Population Report No11, Band 11A

⁴ City of Busselton Overnight Visitor Fact Sheet 2017/18/19, prepared by Tourism WA Strategy and Research September 2020

The overall net increase in replacement costs since 2013 is approx. \$300M. Although some of this increase can be attributed to improved data collection and knowledge of the asset base; it is also as a result of growth and expenditure shown in Chart 2.

Table 3 Changes in Infrastructure Replacement Costs

Asset Type	Replacement Value 2013 \$	Replacement Value 2020** \$
Buildings	104,000,000	158,037,783
Carparks	10,177,724*	12,940,000
Footpaths and Cycleways	30,000,000	49,180,000
Parks and Gardens	25,000,000	74,390,000
Roads	284,000,000	409,051,484
Stormwater Drainage	69,000,000	103,850,000
Signs	2,300,000*	3,180,000
Street Lights	Not calculated	1,020,000
Coastal Infrastructure	8,000,000	19,513,444
Total	532,477,724	831,162,711

*Value Calculated in 2016

**final 2021 replacement values currently being finalised. Use of 2020 values in this context does not affect the sentiment intended within this plan.



Photo: Eastern Link Works In Progress⁵

⁵ Image courtesy of Leeuwin Civil

Current Capital Renewal Allocations

Within the City's LTFP, funding is allocated on an annual basis towards renewal of infrastructure assets. This funding was originally informed in 2013 by the overall asset management plan, as well as subsequent asset plans adopted since that time. The Council has also allocated additional asset renewal expenditure across asset classes at various points since 2013. Table 4 below shows the current allocations based on 21/22 budget and 22/23 – 30/31 LTFP.

Table 4 Asset Renewal Allocations 2021/22 – 2030/31

	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Reserves by Asset Type	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Buildings	2,721,827	2,732,060	2,923,951	3,362,873	3,851,388	4,263,224	4,578,249	4,858,863	5,082,195	5,309,623	39,684,252
Car Parks	935,595	549,804	574,514	600,334	627,315	654,234	682,309	711,589	742,125	773,971	6,851,789
Coastal	860,961	1,844,609	1,269,028	1,200,668	1,254,629	1,308,468	1,364,618	1,423,177	1,484,249	1,547,942	13,558,350
Drainage	363,427	370,508	379,771	389,265	398,997	408,971	419,196	429,676	625,949	838,414	4,624,172
Footpaths and Cycle ways	1,242,385	1,274,519	1,313,723	1,356,175	1,400,162	1,526,250	1,746,192	1,982,528	2,236,270	2,411,736	16,489,939
Parks and Gardens	2,236,043	2,210,196	2,294,985	2,387,590	2,470,882	2,596,582	2,897,291	3,159,251	3,439,197	3,738,209	27,430,227
Roads	4,790,938	4,923,967	5,133,868	5,354,140	5,584,077	5,813,760	6,053,075	6,302,431	6,562,254	6,832,987	57,351,497
Street Lights	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Total	13,201,176	13,955,663	13,939,839	14,701,045	15,637,449	16,621,490	17,790,929	18,917,515	20,222,238	21,502,882	166,490,226

The table provides a summary of funds planned to be transferred to specific City reserves for the purpose of renewing the various infrastructure assets over the course of the LTFP. Expenditure of these funds is then prioritised by Asset Management Plans and allocated through each year's annual budget. This plan provides a review of these figures and makes recommendations on any adjustments that are required.

Summary of Current Status

The City has been proactively increasing infrastructure asset renewal expenditure to keep pace with the growing asset base. Table 5, below provides a 'status update' in terms of how asset Replacement Costs are tracking measured against planned renewal expenditure. The table provides a summary, with more detail provided within the individual AMP's. Allocations for review are highlighted within the table in red.

Table 5 Allocations and Replacement Costs

Asset Type	Replacement Cost	Available Renewal Funding 21/22 - 30/31	% p.a.	Comment	Status
Buildings	158,037,783	39,684,252	2.48%	Percentage is representative of multiple components with shorter useful lives. This includes: External components subject to the elements, Internal components subject to wear and tear, Components relating to service items, Feature elements and renewal of spaces such as toilets, change rooms, meeting rooms, common areas and kitchens	✓
Carparks	12,940,000	6,851,789	5.30%	Percentage is high considering the asset type and current renewal priorities	X
Footpaths and Cycleways	49,180,000	16,489,939	3.35%	Available funding is split between new and renewal as per Footpath and Cycle Ways funding policy – 70% for new and 30% for renewal.	✓
Parks and Gardens	74,390,000	27,430,227	3.69%	Percentage is representative of multiple components with shorter useful lives. This includes items such as BBQ's, furniture, play equipment, irrigation components, POS signage etc.	✓
Roads	409,051,484	57,351,497*	1.40%	Percentage is adequate. Renewal focus should be given to intervention roads *includes Major Traffic Upgrades, which have some renewal elements within major upgrade works	✓
Stormwater Drainage	103,850,000	4,624,172	0.45%	Percentage is low, given current renewal priorities and criticality of the assets, needs to be increased.	X
Signs	3,180,000	Included above	0.00%	The lower replacement costs of signage allow them to be renewed from maintenance budgets, Parks and Gardens and Roads as funds allow.	✓
Street Lights	1,020,000	500,000	4.90%	The Street Light specific funds of \$500,000 allocated through the LED Streetlight Replacement Program Reserve is anticipated to be available for Street Light renewal expenditure between 2021/22 and 2030/31.	✓
Coastal	19,513,444	13,558,350	6.95%	This is consistent with the ever-changing and often damaging, coastal environment that these assets reside in.	✓
Total	831,162,711	166,490,226	2.00%		

As Table 4 highlights, Carparks and Stormwater Drainage are two asset areas requiring adjustments to the allocations. Other asset areas are considered to be adequate based on the assessment – provided a renewal priority is maintained within the allocation of the funding. Ongoing renewal management strategies are detailed within the individual AMP's and summarised below.

Table 6 Asset Renewal Management Strategy 22/23 – 31/32

Asset Type	Asset Renewal Management Strategy 22/23 – 31/32
Buildings	The City's \$32M worth of high profile buildings are less than 10 years old. All will age at around the same pace and required expenditure on these buildings will increase over time. In response, increased levels of Building Condition Reporting is required to ensure building degradation is accurately captured over time. Continued application of buildings funding methodology with ongoing review and update of parameters will ensure correct amounts of funds are being set aside for building renewal for the short and medium term. Ongoing critical review of existing asset portfolio to determine if any further rationalisation is also required.
Carparks	<ul style="list-style-type: none"> • Current planned renewal allocations into reserves should be reviewed for appropriateness and adjusted as required. • Ongoing annual renewal of poor condition car parks.
Footpaths and Cycleways	<ul style="list-style-type: none"> • Review the intent of the Footpaths and Cycle ways Funding Policy and in particular the split of new and renewal works to ensure adequacy and currency. • Plan for the renewal of Bussell Highway footpaths (including undergrounding of power) over the next ten years.
Parks and Gardens	The ongoing Renewal Management Strategy for 2022/23 – 2031/32 must be delivered with the following four elements in mind. <ul style="list-style-type: none"> • Ongoing annual allocation of General Renewal funding within the LTFP to ensure that worst condition parks assets components can continue to be renewed. This will also ensure that small – mid-sized renewal projects can be undertaken as required. • At least one annual renewal of POS or Coastal Node areas to ensure local community areas are receiving annual projects. • Careful consideration of use of available renewal funds for new and major upgrade projects. Use of these funds affects the ability renewal projects to be carried out in a timely manner. • Funding mechanism to be embedded within the LTFP Planning process that allocate additional funding as required for newly constructed and donated assets.
Roads	Continue efforts to source additional external funding for programs such as commodity routes and Narrow Seal Country Roads. Monitor and manage the total km of Poor condition (8, 9, 10) roads to reduce this amount to less than 5% of the total road network. For current sealed roads (961km): no more than 50km of intervention roads – condition 8, 9 and 10. And for unsealed (258km) no more than 13km. With the ultimate aim being to maintain better condition roads with simple, less expensive reseal treatments before they become more expensive rehabilitations and reconstructions.
Stormwater Drainage	It is recommended that the City plan for an increase in annual renewal expenditure to adequately plan for and implement drainage renewals and upgrade to older urban areas. This will encompass poor condition stormwater drainage as well as capacity and functionality. This should be undertaken in a staged manner to incorporate planning, data collection, modelling and renewal and upgrade works. This will be in addition to the ongoing targeted renewal of problem areas.
Signs	Signage assets require an updated condition assessment to verify current condition and functionality. Outcomes of this assessment will determine required renewals and upgrades between 2022/23 – 2031/31.
Street Lights	Progressive upgrade of all Street Lighting to LED.
Coastal	Ongoing monitoring and management of Coastal Infrastructure as per Coastal Management Program (2020 – 2030)

Proposed Changes to Renewal Funding 22/33 – 31/32

The assessment above has highlighted two asset types where the planned renewal allocations require some adjustment. As shown in Table 4 above, Carpark assets have a high planned allocation relative to replacement value (4.98% p.a.), compared to Drainage which is relatively low (0.45% p.a.). It is proposed that some of the Carpark funds be moved across to Drainage within the upcoming review of the LTFP.

It is recommended that the current planned allocation for Carparks be split on a 70/30 basis – 70% Drainage and 30% for Carparks to provide the necessary renewal funding adjustments. How this would look is shown in Table 7 below.

Table 7 Proposed Changes to Renewal Funding 22/33 – 31/32 for Carparks and Stormwater Drainage

	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Asset Type	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Carparks – Current	935,595	549,804	574,514	600,334	627,315	654,234	682,309	711,589	742,125	773,971	6,851,789
Proposed Adjustment	n/a	-384,863	-402,160	-420,234	-439,120	-457,964	-477,616	-498,112	-519,487	-541,780	-4,141,336
Carparks – Updated	935,595	164,941	172,354	180,100	188,194	196,270	204,693	213,477	222,637	232,191	1,774,858
Drainage – Current	363,427	370,508	379,771	389,265	398,997	408,971	419,196	429,676	625,949	838,414	4,624,172
Proposed Adjustment	n/a	384,863	402,160	420,234	439,120	457,964	477,616	498,112	519,487	541,780	4,141,336
Drainage - Updated	363,427	755,371	781,930	809,499	838,117	866,935	896,812	927,788	1,145,436	1,380,193	8,765,508
Total	1,299,022	920,312	954,285	989,599	1,026,311	1,063,206	1,101,505	1,141,264	1,368,073	1,612,385	11,475,962

The proposal above reduces the Carparks percentage p.a. of replacement cost from 4.98% down to 1.49 and increases Drainage from 0.45% to 0.88%.

It is not recommended that carparks be reduced any further to ensure that annual renewal amounts can cover the cost of larger renewal based projects.

Table 8 Proposed Updated Asset Renewal Allocations

	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Asset Type	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Buildings	2,721,827	2,732,060	2,923,951	3,362,873	3,851,388	4,263,224	4,578,249	4,858,863	5,082,195	5,309,623	39,684,252
Car Parks - Updated	935,595	164,941	172,354	180,100	188,194	196,270	204,693	213,477	222,637	232,191	2,710,453
Coastal Infrastructure	860,961	1,844,609	1,269,028	1,200,668	1,254,629	1,308,468	1,364,618	1,423,177	1,484,249	1,547,942	13,558,350
Drainage - Updated	363,427	755,371	781,930	809,499	838,117	866,935	896,812	927,788	1,145,436	1,380,193	8,765,508
Footpaths and Cycle ways	1,242,385	1,274,519	1,313,723	1,356,175	1,400,162	1,526,250	1,746,192	1,982,528	2,236,270	2,411,736	16,489,939
Parks and Gardens	2,236,043	2,210,196	2,294,985	2,387,590	2,470,882	2,596,582	2,897,291	3,159,251	3,439,197	3,738,209	27,430,227
Roads	4,790,938	4,923,967	5,133,868	5,354,140	5,584,077	5,813,760	6,053,075	6,302,431	6,562,254	6,832,987	57,351,497
Street Lights	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Total	13,201,176	13,955,663	13,939,839	14,701,045	15,637,449	16,621,490	17,790,929	18,917,515	20,222,238	21,502,882	166,490,226

Table 8, shows the updated renewal allocations to be considered for the upcoming review of the LTFP for 22/23 – 31/32. The split of the allocations for 31/32 should be consistent with the proposed new approach outlined above.

Factors Affecting Future Demand - 32/33 and Beyond

In addition to planning for the next 10 years, is the need to determine likely factors that will affect future demand on the City's infrastructure assets.

Strategic Community Plan

In June 2021, the Council adopted an updated Strategic Corporate Plan (SCP) for 2021-2031. The SCP guides the strategic direction of the Council and helps to inform the Long Term Financial Plan and Corporate Business Planning. It is an important document that outlines a clear vision for the District and guides the decisions and directions of Council.

As the SCP outlines, the City of Busselton is a progressive and important regional area. The area's population continues to grow, attracting both families and retirees, along with new businesses and investment. The City's estimated resident population sits at just over 40,000 and, according to the WA Tomorrow Population projections, is projected to be in the vicinity of 60,000 by 2031.⁶

The SCP also states that while growth brings with it economic and social benefits as well as new services and infrastructure, it also poses challenges in conserving the environment and maintaining a sense of local identity and character. Striking the right balance between the development that is required to cope with growth and retaining our unique character and environment is ongoing work that continues to be given careful thought and planning.

Within the community priorities noted within the SCP, are infrastructure based requests that will contribute to the ongoing growth of the asset base to be maintained by the City. Any infrastructure upgraded or constructed as new between 2021-2031 will require maintenance and renewal beyond the current LTFP planning period.

Ongoing Residential Development

In conjunction with general population growth is the new residential developments located away from the town sites of Busselton Dunsborough and Yallingup. Future residential developments in areas such as Ambergate, and continued growth in Vasse, Dunsborough Lakes and Provence will create the need for the duplication of services to accommodate new areas of population growth. Evidence of this can be seen in current LTFP planning which includes new sporting facilities planned for both Provence and Dunsborough Lakes over the current planning period.

As these areas grow, so will the need to construction of new facilities, which will then fall under City management control for ongoing operations, maintenance and renewal. Chart 3 shows how these areas are situated in relation to the current centres of Busselton and Dunsborough.

⁶ Western Australia Tomorrow Population Report No11, Band 11A



Chart 3 City of Busselton Development Growth Areas

Funding Mechanisms for Assets from Growth

Accounting for staffing increases resulting from growth is covered under the City's separate workforce planning process that links with the LTFP. The funding mechanisms outlined below cover future allocations for costs other than staffing costs.

Renewal funding for new building assets is covered under the current building funding methodology and is already included in the LTFP planning process.

It is important that funding mechanisms for maintenance, operations and renewal are embedded within the LTFP Planning process to ensure that additional funding and resources can be allocated as required, for newly constructed and donated assets. This will ensure that as the asset base grows, so does the available funds to manage it. Embedding within an established organisational-wide, forward planning process ensures that funding for growth can be assessed in the context all competing funding sources across the Local Government and prioritised on this basis.

An effective funding mechanism can be achieved through development of an evidence-based approach that is structured in its timing, consistent in its application and open to review and update on a regular basis. These points are explained in more detail below;

Structured in its timing: Undertaken as part of annual review of the LTFP to inform future funding requirements. This will ensure that final balancing of the LTFP includes required funding for new assets.

Consistent in its application: A standardised funding approach should be developed that assigns agreed amounts of funding according to type and criticality of the asset. This will ensure that as newly constructed and donated assets are accounted for as City managed assets, they are assigned appropriate ongoing funding. This should be automatic rather than arbitrary in nature.

Open to review and update on a regular basis: Property development in particular can speed up or slow down over the course of 12 months dependant on prevailing market conditions. This can also include the planned type and criticality of assets to be constructed within a subdivision. Planning for City management of these assets should be a live process that can be adjusted to reflect updated information on a regular basis. This is not a 'set and forget' process.

Evidence-based approach: The key to the effectiveness of this approach is the ability of the Council to make informed decisions about future funding requirements. These decisions need to be based on detailed justification to ensure they are appropriate. This should include type and quantity / amount of new assets to be managed as well as how they are planned to be managed based on criticality throughout their lifecycle. Managing the assets based on criticality will dictate maintenance frequencies and also timing of minor and major renewals. Staff should ensure that the Council are provided with current and accurate information.

Formal Process to be developed

It is recommended that a formal planning document be developed to articulate the mechanics of how maintenance, operations and renewal of assets from growth are to be funded. This should include planned 'drivers' for cost of lifecycle activities, including maintenance frequencies and timing of minor and major renewals according to criticality for each different asset type.

It is also recommended that once agreed upon. The mechanisms for funding of assets from growth be accounted for within the annual review and update of the LTFP.

This plan provides a current status update for infrastructure assets, assesses the adequacy of planned LTFP renewal funding and makes recommendations for ongoing maintenance and renewal funding mechanisms for assets from growth. Recommendations made within this plan are as follows;

Recommendation 1

It is recommended that the planned allocation for carparks (22/23 - 30/31) be split on a 70/30 basis – 70% drainage and 30% for car parks to provide the necessary renewal funding adjustments and this split be continued into 2031/32.

Table 9 Proposed Updated Asset Renewal Allocations

	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Asset Type	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Buildings	2,721,827	2,732,060	2,923,951	3,362,873	3,851,388	4,263,224	4,578,249	4,858,863	5,082,195	5,309,623	39,684,252
Car Parks - Updated	935,595	164,941	172,354	180,100	188,194	196,270	204,693	213,477	222,637	232,191	2,710,453
Coastal Infrastructure	860,961	1,844,609	1,269,028	1,200,668	1,254,629	1,308,468	1,364,618	1,423,177	1,484,249	1,547,942	13,558,350
Drainage - Updated	363,427	755,371	781,930	809,499	838,117	866,935	896,812	927,788	1,145,436	1,380,193	8,765,508
Footpaths and Cycle ways	1,242,385	1,274,519	1,313,723	1,356,175	1,400,162	1,526,250	1,746,192	1,982,528	2,236,270	2,411,736	16,489,939
Parks and Gardens	2,236,043	2,210,196	2,294,985	2,387,590	2,470,882	2,596,582	2,897,291	3,159,251	3,439,197	3,738,209	27,430,227
Roads	4,790,938	4,923,967	5,133,868	5,354,140	5,584,077	5,813,760	6,053,075	6,302,431	6,562,254	6,832,987	57,351,497
Street Lights	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Total	13,201,176	13,955,663	13,939,839	14,701,045	15,637,449	16,621,490	17,790,929	18,917,515	20,222,238	21,502,882	166,490,226

Recommendation 2

Formal Process to be developed for Funding of Assets from Growth

It is recommended that a formal planning document be developed to articulate the mechanics of how maintenance, operations and renewal of assets from growth are to be funded. This should include planned 'drivers' for cost of lifecycle activities, including maintenance frequencies and timing of minor and major renewals according to criticality for each different asset type. It is also recommended that once agreed upon. The mechanisms for funding of assets from growth be accounted for within the annual review and update of the LTFP.

Maintenance and Operations for Existing Assets

Asset Condition assessments are currently undertaken as required for the various asset classes. These are undertaken via a combination of in-house resources as well as external contractors for specialised assessment services. Current Asset Capacity and performance assessments are undertaken on a targeted as-needs basis

This condition, capacity and performance information is then used to form the basis of future renewal planning as well as assist with the implementation of maintenance plans.

Maintenance expenditure is required to maintain the asset at an acceptable standard in between Renewal intervals. This is made up of two different categories; Corrective (Reactive) and Preventative (Scheduled).

Corrective work is undertaken in response to an event or general wear and tear of the components of the asset. This includes work such as storm damage clean-up, pothole repair and removal of drain blockages.

Preventative work involves pre-planned activities designed to avoid wear and tear, more expensive structural issues in the future and to save mobilisation costs through undertaking large amounts of work together. This work includes road and street sweeping, shoulder and unsealed road grading and tree pruning.

Renewal work is required either when corrective and /or preventive works have not been undertaken when required are ineffective or the element has simply reached the end of its useful life. This end of useful life can be triggered by either very poor condition or increased demand (i.e. size and amount of traffic) that the asset is no longer able to meet. Minor renewal work of smaller components is sometimes funded with maintenance budgets. This can include replacement of signage, lighting components, minor fencing renewal, footpath repairs, furniture etc.

Table 8 below, shows Maintenance and Operations expenditure allocated within the 2021/22 Annual Budget. This includes Parks and Gardens, Works Maintenance and Buildings and Facilities and totals \$18.46M. This includes activities such as employee cost of maintaining the assets, allocations, purchase of materials and contracts and insurance expenses.

As per budget figures, the 21/22 allocations for Parks and Gardens, Works Maintenance and Buildings and Facilities have increased by \$3.5M from actual allocations in 2020/21. This can be attributed to general inflation-related increases as well as Maintenance and Operations costs for new and upgraded infrastructure assets to be managed. The 2021/22 Budget Allocation equates to 2.22% of the asset replacement value of \$831.16M (Table 4).

Table 10 2021/22 Annual budget Maintenance and Operations Allocations

Budget Area	Budget 21/22 \$
Parks and Gardens	10,178,408
Works Maintenance	4,847,249
Buildings / Facilities	3,438,884
Total	18,464,541

Changes and adjustments to maintenance strategies for existing assets have not been covered within this network level assessment. These will need to be undertaken and presented at a more micro level in order to effectively articulate any changes required.

Conclusion

The City's first overall Asset Management Plan (AMP) was adopted by the Council in June 2013, since then the City has undergone some significant change in both the value of its infrastructure assets and also the type and criticality of the assets to be managed. As detailed within this AMP, Carparks and Stormwater Drainage are two asset areas requiring adjustments to the allocations. Other asset areas are considered to be adequate based on the assessment – provided a renewal priority is maintained within the allocation of the funding.

As well as managing the current assets base, it is also important that funding mechanisms for maintenance, operations and renewal of assets from growth are embedded within the LTFP Planning process. Additional funding and resources allocated as required, for newly constructed and donated assets will ensure that as the asset base grows, so does the available funds to manage it.

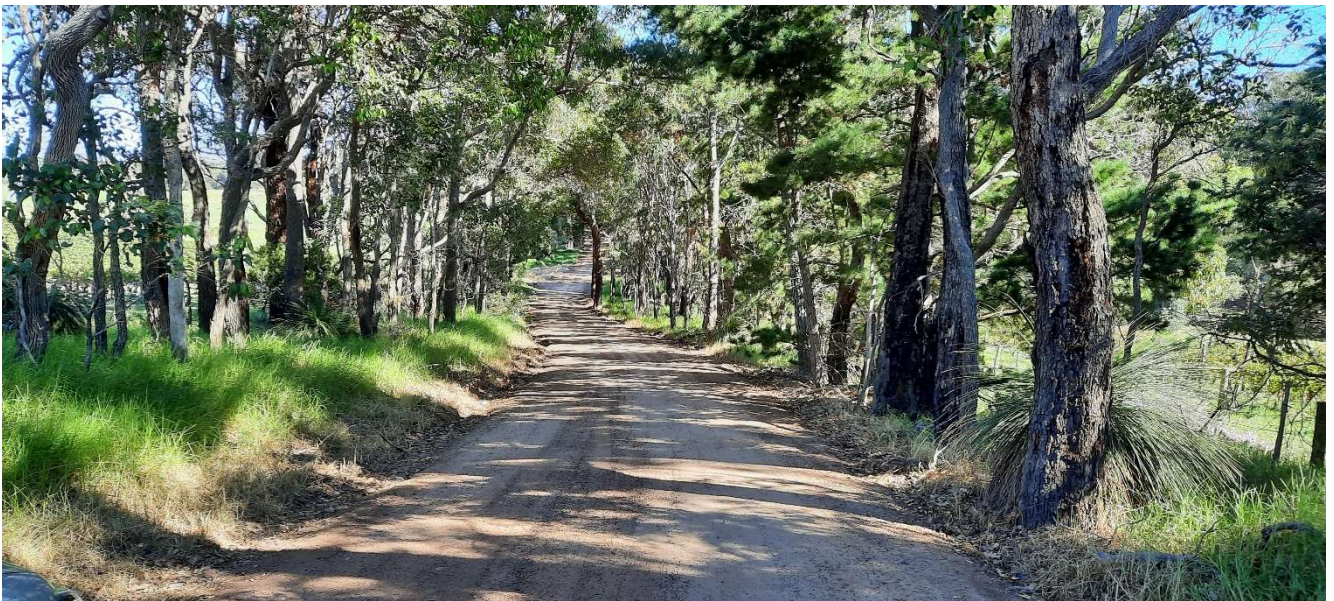


Photo: Whittle Road