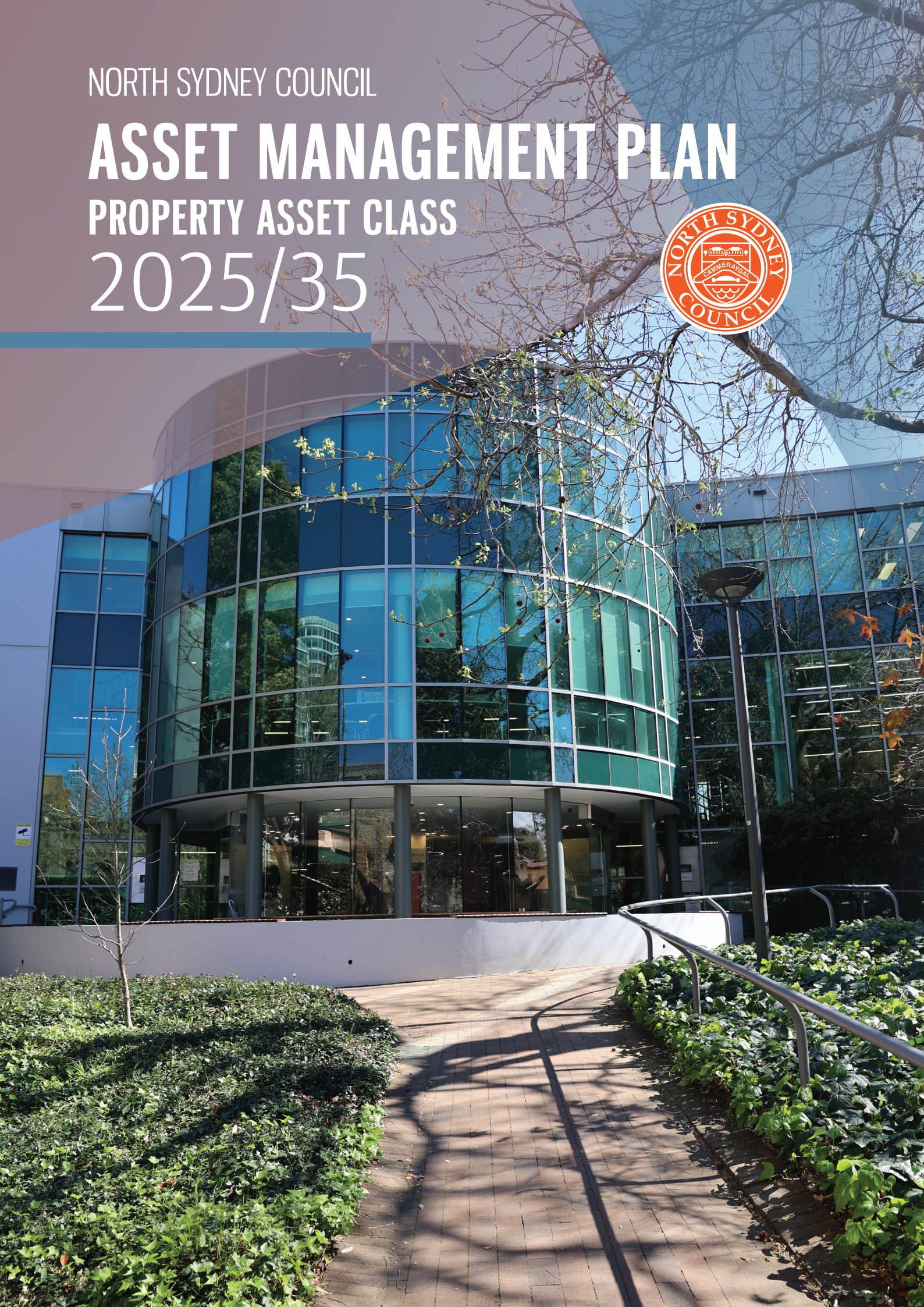


NORTH SYDNEY COUNCIL

ASSET MANAGEMENT PLAN

PROPERTY ASSET CLASS

2025/35



Document Control	Asset Management Plan
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Table of Contents

1.0	Executive Summary	5
2.0	Asset Description	6
2.1	Asset Description – Amenity Buildings.....	6
2.2	Asset Description – Coal Loader.....	7
2.3	Asset Description – Community Housing.....	7
2.4	Asset Description – Heritage Buildings	8
2.5	Asset Description – Investment Properties.....	8
2.6	Asset Description – Operational	9
2.7	Asset Description – Quarantine Depot	11
3.0	Levels of Service	11
3.1	Future Demand	12
4.0	Asset Condition	13
4.1	Asset Condition – Amenity Buildings.....	13
4.2	Asset Condition – Coal Loader.....	14
4.3	Asset Condition – Community Housing	15
4.4	Asset Condition – Heritage Buildings	15
4.5	Asset Condition – Investment Properties.....	16
4.6	Asset Condition – Operational Properties.....	17
4.7	Asset Condition – Quarantine Depot.....	18
5.0	Financial Summary	18
5.1	Asset Valuation	18
5.2	Funding Requirements	19
5.3	Useful Lives – Property Asset Class	20
6.0	Managing the Risks	21
6.1	Examples of Property risks in the North Sydney LGA.	22
7.0	Funding Programs	28
7.1	Maintenance Program.....	28
7.2	Prioritised Expenditure based on risk	28
7.3	Prioritised expenditure based on risk – Property.....	29
7.4	Examples of completed Capital Works Projects	31
8.0	Monitoring and Improvement Program	34

9.0	References	35
10.0	Appendix A: Maintenance Management and Building Inspections	36

1.0 Executive Summary

This Asset Management Plan (AMP) covers the Property Asset Class and details the following asset categories: Amenity Buildings, Coal Loader, Community Housing, Heritage Buildings, Investment Properties, Operational, Quarantine Depot. This Asset Management Plan outlines the required actions to maintain the current level of service in the most cost-effective manner while outlining associated risks within each of the asset classes. The scope and value of this Asset Class is shown in the Table below:

Table: Scope and Replacement Cost of Property Asset Class by Asset Category (\$) 2024

Property Asset Class		
Asset Category	Scope	Replacement Cost (2024)
Amenity Buildings	31 Buildings	\$7,695,757
Coal Loader	1 Structure (platform)	\$60,794,891
Community Housing	29 Properties	\$34,323,216
Heritage Buildings	2 Properties	\$2,944,000
Investment Properties	11 Properties	\$45,401,995
Operational	63 Individual Buildings / Structures	\$194,565,209
Quarantine Depot	3 Buildings	\$1,289,813
	TOTAL	\$347,014,881

Note: There are also 17 Investment Properties that are part of Operational Buildings

All assets within the Property Asset Class in North Sydney play a vital role in the delivery of services to the local community. These assets support administration, operational, social, recreational, cultural, heritage and economic infrastructure for the community.

The Table below shows that the current cost to bring all Council's Property infrastructure assets to a satisfactory standard is \$69.4M. This amount includes the cost to replace existing infrastructure currently in either poor or very poor condition (condition 4 or 5).

The Table also shows that the total current Depreciation Expense is \$5.0M or 1.5% of the Total Replacement Cost of Council's assets. This assumes that all Council's assets are completely replaced every 68.7 years on average.

The Table shows that the 10-year Long Term Cost to bring all Council's infrastructure assets to a satisfactory standard as well as maintain the current standard is \$119.9M over 10 years or an average annual cost of \$12M. This includes the total Depreciation Expense over 10 years (maintaining the existing standard) and assumes that all condition 4 and 5 assets will be replaced over the next 10 years (bringing all assets to a satisfactory condition).

Table: Long Term Infrastructure Funding Required (\$)2024

Asset Class / Category	Cost to bring to assets to satisfactory Cond. (4 + 5)	Total replacement cost	Depreciation Expense (2024)	Funding required over 10 years (Depreciation x 10 + Cond 4 + 5)	Average Annual Funding Required (2024)
Amenity buildings	\$1,184,951	\$7,695,757	\$136,668	\$2,551,633	\$255,163
Coal Loader	\$0	\$60,794,891	\$350,824	\$3,508,238	\$350,824
Community Housing	\$12,234	\$34,323,216	\$870,699	\$8,719,228	\$871,923
Heritage Buildings	\$500,000	\$2,944,000	\$0	\$500,000	\$50,000
Investment Properties	\$5,300,000	\$45,401,995	\$0	\$5,300,000	\$530,000
Operational	\$62,381,286	\$194,565,209	\$3,685,636	\$99,237,647	\$9,923,765

Asset Class / Category	Cost to bring to assets to satisfactory Cond. (4 + 5)	Total replacement cost	Depreciation Expense (2024)	Funding required over 10 years (Depreciation x 10 + Cond 4 + 5)	Average Annual Funding Required (2024)
Quarantine Depot	\$0	\$1,289,813	\$4,756	\$47,556	\$4,756
TOTAL	\$69,378,471	\$347,014,881	\$5,048,583	\$119,864,303	\$11,986,430

The allocation in the current forecast capital budget (as at 30 June 2024) is insufficient to continue providing existing services at current levels for the planning period.

The main service consequences of the current forecast capital budget are:

Assets progressively deteriorating over time

Increasing asset failures and potential closures

- Service levels not fully meeting the needs of users

2.0 Asset Description

Property Assets have been categorised in alignment with Council's Financial system to ensure consistency in reporting. These categories include but are not limited to;

- Amenity buildings – Public toilets and sports field changerooms
- Coal Loader – Coal Loader platform
- Community Housing – Community and affordable housing properties
- Heritage Buildings – Don Bank Museum and May Gibbs' Nutcote Museum
- Investment Properties – Investment and rental properties
- Operational – Council offices and depots, community centres, car parking stations, North Sydney Oval and St Leonards Park Offices and depot, Stanton Library,
- Quarantine Depot – Building assets at Quarantine Depot site in Balls Head

2.1 Asset Description – Amenity Buildings

The Amenity Buildings Asset Category comprises of the following assets:

Asset Name	Replacement Cost (2024)
Anderson Park - Amenities	\$732,541
Balls Head Reserve - Toilet Block	\$209,398
Barry Street Car Park - Toilet Block	\$241,671
Berry Island Reserve - Toilet Block	\$164,562
Blues Point Reserve - Toilet Block	\$161,638
Bon Andrews Pavilion (Building 1)	\$699,269
Bon Andrews Pavilion (Building 2)	\$266,039
Bradfield Park - Amenities (South)	\$220,391
Bradfield Park - Heritage Shelter North	\$200,355
Bradfield Park - Heritage Shelter South	\$200,355
Bradfield Park - Toilet Block (North)	\$317,152
Brennan Park - Toilet Block	\$216,708
Brightmore Reserve - Amenities	\$59,078
Cammeray Park - Amenities	\$351,054

Asset Name	Replacement Cost (2024)
Civic Centre Park - Toilet Block	\$157,306
Cremorne Point - Storage Shed	\$305,135
Cremorne Reserve - Toilet Block	\$179,291
Kesterton Park - Toilet Block	\$164,562
Milson Park - Storage Shed	\$200,355
Milson Park - Toilet Block 1	\$67,146
Milson Park - Toilet Block 2	\$47,002
Primrose Park - Storage Shed	\$111,495
Primrose Park - Toilet Block	\$333,726
Quibaree Park - Toilet Block	\$65,413
St Leonards Park - Shelter	\$249,361
St Leonards Park - Toilet Block	\$197,364
Tunks Park - Kiosk	\$129,039
Tunks Park - Single Storey Toilet and Change Rooms	\$344,123
Tunks Park - Toilet & Dressing Shed	\$520,815
Waverton Park - Dressing Shed	\$418,850
Waverton Park - Toilet Block	\$164,562
TOTAL	\$7,695,757

2.2 Asset Description – Coal Loader

The Coal Loader Asset Category comprises of the following assets:

Asset Name	Replacement Cost (2024)
Coal Loader Platform	\$60,794,891

2.3 Asset Description – Community Housing

The Community Housing Asset Category comprises of the following assets:

Asset Name	Replacement Cost (2024)
12 Lytton Street (Units 6,9,10) - Lower North Shore Coalition for Health	\$84,828
124 Ben Boyd Road – Department of Housing (Affordable Housing)	\$78,977
17 Ben Boyd Road - LNSCH (Affordable Housing)	\$49,060
19 Clifton Street - Department of Housing (Affordable Housing)	\$1,130,913
2 Tucker Street	\$28,906
215 Chandos Street	\$12,234
2-24 Cunningham Street	\$1,552,419
23 Nicholson Street - LNSCH (Affordable Housing)	\$681,212
23-25 Queens Avenue - LNSCH (Affordable Housing)	\$63,368

Asset Name	Replacement Cost (2024)
30 Euroka Street	\$843,172
34 Boyle Street - LNSCH (Affordable Housing)	\$195,142
40 McDougall Street	\$1,153,020
429D Alfred Street, Neutral Bay	\$38,042
55 Huntington St - Department of Housing (Affordable Housing)	\$110,394
67 Euroka Street - Department of Housing (Affordable Housing)	\$45,581
85 Kirribilli Avenue - Department of Housing (Affordable Housing)	\$67,149
Aged People Residence - Sophia Street	\$278,326
Level 1, 7-17 Nicholson Street	\$19,112,940
Unit 1, 5 Macarthur Avenue	\$117,828
Unit 1003 10 Atchison Street	\$748,122
Unit 1103 10 Atchison Street	\$770,060
Unit 2, 5 Macarthur Avenue	\$110,293
Unit 505 10 Atchison Street	\$1,203,356
Unit 507 10 Atchison Street	\$687,789
Unit 508 10 Atchison Street	\$1,282,337
Unit 605 10 Atchison Street	\$1,212,131
Unit 705 10 Atchison Street	\$1,220,908
Unit 707 10 Atchison Street	\$706,437
Unit 903 10 Atchison Street	\$738,249
Total	\$34,323,192

2.4 Asset Description – Heritage Buildings

The Heritage Buildings Asset Category comprises of the following assets:

Asset Name	Replacement Cost (2024)
Don Bank Museum	\$1,899,000
May Gibbs' Nutcote Museum	\$1,045,000
Total	\$2,944,000

2.5 Asset Description – Investment Properties

The Investment Properties Asset Category comprises of the following assets:

Asset Name	Replacement Cost (2024)
1 James Place NORTH SYDNEY NSW 2060	\$28,938,000
11 Ernest Street CROWS NEST NSW 2065	\$330,000
232 Miller Street NORTH SYDNEY NSW 2060	\$1,175,000
240 - 248 Miller Street NORTH SYDNEY NSW 2060	\$2,739,000
40A McDougall Street KIRIBILLI NSW 2061	\$456,000

Asset Name	Replacement Cost (2024)
41 Alfred Street South MILSONS POINT NSW 2061	\$2,487,000
43-51 Ridge Street NORTH SYDNEY NSW 2060	\$3,701,000
53-57 Ridge Street NORTH SYDNEY NSW 2060	\$2,456,000
56 Alfred Street South MILSONS POINT NSW 2061	\$928,000
80 Pacific Highway NORTH SYDNEY NSW 2060	\$233,000
U 1 2A Wallaringa Avenue KURRABA POINT NSW 2089	\$1,109,000
34-48 Alexander Street CROWS NEST NSW 2065- Retail Component (Lots 2)	\$849,995
Total	\$45,401,995

2.6 Asset Description – Operational

The Operational Asset Category comprises of the following assets:

Asset Name	Location	Replacement Cost (2024)
250 West Street	250 West Street Crows Nest NSW 2065	\$344,611
Alexander Street - Carpark (lot 3)	34-48 Alexander Street Crows Nest NSW 2065	\$25,293,952
Barry Street	68-70 Barry Street Neutral Bay NSW 2089	\$1,076,123
Cammeray Park (Croquet Greens)	Cammeray Road Cammeray NSW 2062	\$185,193
Cammeray Park (Tennis Courts)	Fig Tree Lane North Sydney NSW 2060	\$356,632
Central Depot	187 Ernest Street Cammeray NSW 2062	\$5,707,031
Council Chambers & Offices (Kelrose)	200 Miller Street North Sydney NSW 2060	\$10,748,719
Council Chambers & Offices (Ros Chrichton)	200 Miller Street North Sydney NSW 2060	\$616,931
Council Chambers & Offices (Wylie Wing)	200 Miller Street North Sydney NSW 2060	\$7,545,665
Cremorne Early Childhood Health Centre	108 Parraween Street Cremorne NSW 2090	\$28,808
Crows Nest Community Centre	2 Ernest Place Crows Nest NSW 2065	\$12,114,546
Crows Nest Indoor Sports Centre	Hume Street Crows Nest NSW 2065	\$11,264,177
Family Day Care Centre	96 Bank Street North Sydney NSW 2060	\$683,698
Forsyth Park Community Centre	2b Montpelier Street Neutral Bay NSW 2089	\$1,159,027
Forsyth Park Scout Hall	2a Montpelier Street Neutral Bay NSW 2089	\$436,395
Greenwood Childcare	36 Blue Street North Sydney NSW 2060	\$389,718
Harnett Street	Harnett Street North Sydney NSW 2060	\$170,085
Holtermann Street	2 Ernest Place Crows Nest NSW 2065	\$8,032,936
Hume Street	Hume Street Crows Nest NSW 2065	\$12,538,703
Kelly's Place Children's Centre	36 Hume Street Crows Nest NSW 2065	\$1,498,655
Kendall Community Centre	Cammeray Road Cammeray NSW 2062	\$2,244,075
Kirribilli Boat Shed - 62 Willoughby Road	62 Willoughby Street Kirribilli NSW 2061	\$192,341
Kirribilli Neighbourhood Centre	16-18 Fitzroy Street Kirribilli NSW 2061	\$3,720,873

Asset Name	Location	Replacement Cost (2024)
McMahons Point Community Centre Building 1	165 Blues Point Road McMahon's Point NSW 2060	\$1,504,829
McMahons Point Community Centre Building 2	165 Blues Point Road McMahon's Point NSW 2060	\$1,170,000
Music Shell / Planet X	St Leonards Park North Sydney NSW 2060	\$755,338
Neutral Bay Community Centre	190-192 Military Road Neutral Bay NSW 2089	\$1,295,660
Nicholson Street	7-17 Nicholson Street Wollstonecraft NSW 2065	\$7,258,970
North Sydney Community Centre	220 Miller Street North Sydney NSW 2060	\$3,164,714
North Sydney Early Education Centre	3 Cunningham Street North Sydney NSW 2060	\$497,747
North Sydney Oval - Caretakers Flat	Fig Tree Lane North Sydney NSW 2060	\$391,450
North Sydney Oval - Duncan Thompson Stand/Pavilion	Fig Tree Lane North Sydney NSW 2060	\$3,675,485
North Sydney Oval - Fig Tree Lane Media Tower	Fig Tree Lane North Sydney NSW 2060	\$754,472
North Sydney Oval - Figtree Lane Oval Entrance	Fig Tree Lane North Sydney NSW 2060	\$61,893
North Sydney Oval - Ken Irvine Scoreboard Building	Fig Tree Lane North Sydney NSW 2060	\$407,912
North Sydney Oval - Kiosk Adjacent to McCartney St	Fig Tree Lane North Sydney NSW 2060	\$42,237
North Sydney Oval - Kiosk Adjacent to Mollie Dive	Fig Tree Lane North Sydney NSW 2060	\$33,032
North Sydney Oval - Kiosk on the Hill	Fig Tree Lane North Sydney NSW 2060	\$42,237
North Sydney Oval - McCartney Stand	Fig Tree Lane North Sydney NSW 2060	\$4,424,542
North Sydney Oval - Members' Oval Entrance	Fig Tree Lane North Sydney NSW 2060	\$49,493
North Sydney Oval - Miller Street Oval Entrance	Fig Tree Lane North Sydney NSW 2060	\$61,893
North Sydney Oval - Observation Tower (southern end)	Fig Tree Lane North Sydney NSW 2060	\$166,511
North Sydney Oval - O'Reilly Stand	Fig Tree Lane North Sydney NSW 2060	\$3,938,167
North Sydney Oval - Television Tower	Fig Tree Lane North Sydney NSW 2060	\$777,865
North Sydney Oval - The Bob Stand & Works Depot	Fig Tree Lane North Sydney NSW 2060	\$3,187,879
North Sydney Oval - The Hill Grandstand	Fig Tree Lane North Sydney NSW 2060	\$331,181
North Sydney Oval Function Centre	Fig Tree Lane North Sydney NSW 2060	\$3,516,609
Primrose Park (Clubhouse & 4 Tennis Courts)	Young Street Cremorne NSW 2090	\$252,881
Primrose Park Art & Craft Centre	Young Street Cremorne NSW 2090	\$1,852,472
Ridge Street	37 Ridge Street North Sydney NSW 2060	\$7,026,233
Smoothey Park Men's Shed (Scout Hall)	Milray Avenue Wollstonecraft NSW 2065	\$341,524
St Leonards Park Depot Poisons Store	Fig Tree Lane North Sydney NSW 2060	\$39,800
St Leonards Park Depot Shed Round Roof	Fig Tree Lane North Sydney NSW 2060	\$25,288
St Leonards Park Depot Store Car Port	Fig Tree Lane North Sydney NSW 2060	\$27,562
St Leonards Park Depot Store Shed	Fig Tree Lane North Sydney NSW 2060	\$20,036

Asset Name	Location	Replacement Cost (2024)
Stanton Library	234 Miller Street North Sydney NSW 2060	\$28,936,295
Ward Street	22 Ward Street North Sydney NSW 2060	\$8,890,000
Waverton Coal Loader Site - Amenities	Balls Head Drive Waverton NSW 2060	\$138,083
Waverton Coal Loader Site - Building 1 - Mess Hall	Balls Head Drive Waverton NSW 2060	\$364,592
Waverton Coal Loader Site - Building 4 - SES HQ	Balls Head Drive Waverton NSW 2060	\$1,357,865
Waverton Coal Loader Site - Cafe	Balls Head Drive Waverton NSW 2060	\$437,586
Waverton Coal Loader Site - Sustainability Centre	Balls Head Drive Waverton NSW 2060	\$840,354
Waverton Coal Loader Site - Workshop Buildings	Balls Head Drive Waverton NSW 2060	\$155,629
Total		\$194,565,209

2.7 Asset Description – Quarantine Depot

The Quarantine Depot Asset Category comprises of the following assets:

Asset Name	Replacement Cost (2024)
Cottage 1	\$540,380
Cottage 2	\$536,591
Quarantine Station Depot - Amenities Block	\$212,842
Total	\$1,289,813

3.0 Levels of Service

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

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

The Table below shows the technical levels of service expected to be provided for the Property Asset Class infrastructure assets. The 'Desired' position in the Table documents the position being recommended in this Asset Management Plan

Table: Property Asset Class – Technical Levels of Service

Service Attribute	Service Activity Objective	Activity Measure Process	Current Performance	Desired for Optimum Lifecycle Cost
Operations	Regular inspections to assess condition	Regular inspections and feedback from building users	Building portfolio inspected 6-monthly or annually	Building portfolio inspected every 3 – 6 months depending on usage
Maintenance	Maintain existing assets and facilities operating properly and safely	Regular service provided by qualified contractors & responds to complaints	Regular service & repairs to any defects found	Regular service & repairs to any defects found
Renewal	Maintain existing assets to a satisfactory condition	Percentage of assets in 'poor' or 'very poor' (4, 5) Condition.	<ul style="list-style-type: none"> • Amenity Buildings (15.4%) • Coal Loader (0.0%) • Community Housing (0.0%) • Heritage Buildings (17.0%) • Investment Properties (11.7%) • Operational (32.1%) • Quarantine Depot (0.0%) 	Improve
Upgrade	Upgrade existing assets to meet the needs of the community	Review with building users to achieve the optimal use of the assets	Upgrade or alteration work when required	Upgrade or alteration work as per Asset Management Plan
New	Satisfactory provision of assets.	New assets provided subject to needs, physical constraints, demand, and cost.	Provision of new assets assessed as required subject to needs, physical constraints, demand, and cost.	Provision of new assets assessed as required subject to needs, physical constraints, demand, and cost.

3.1 Future Demand

Drivers affecting demand for Amenity Buildings, Coal Loader, Community Housing, Heritage Buildings, Investment Properties, Operational, Quarantine Depot include things such as changes to the population change, regulations changes, new development, community expectations, technology, public safety and climate change are all factors that impact Council owned property.

Public safety, technological changes, economic factors, climate change, environmental factors, recent planning legislation changes and the proposed increase in population density by the NSW State Government will result in a significant increase in population density within the North Sydney LGA and will have profound implications for Council's infrastructure assets.

The provision of new assets is assessed based on community needs, as required subject to needs, physical constraints, demand, and cost. There is an anticipated population increase due to increasing medium to high density developments, rezoning of land by the NSW State Government and demand for active transport. This will have significant implications on the demand for these assets.

4.0 Asset Condition

The following criteria was used to assess the condition of all buildings within the Property Asset Class:

Table: Property Asset Class Condition Survey Criteria

Grade	Condition	Description
1	Very Good	Asset has no defect. Asset is as new. No additional maintenance required.
2	Good	Asset is functional and displays superficial defects only (minor signs of deterioration to surface finishes, but does not require major maintenance, no major defects exist). No component replacement required.
3	Fair	Asset is functional but shows signs of moderate wear & tear; deteriorated surfaces require attention; services are functional but require attention; backlog maintenance work exists. Minor maintenance intervention and/or minor component replacement required.
4	Poor	Asset functionality is reduced. Asset has significant defects affecting major components (deteriorated surfaces cause significant attention; services are functional but failing often; significant backlog maintenance work exists). Significant ongoing maintenance intervention or major component or asset replacement required.
5	Very Poor	Asset is not functional. Asset has deteriorated badly, serious structural problems, general appearance is poor with eroded protective coatings, elements are not safe or performing, significant number of major defects exist. Asset requires decommissioning and/or replacement.

4.1 Asset Condition – Amenity Buildings

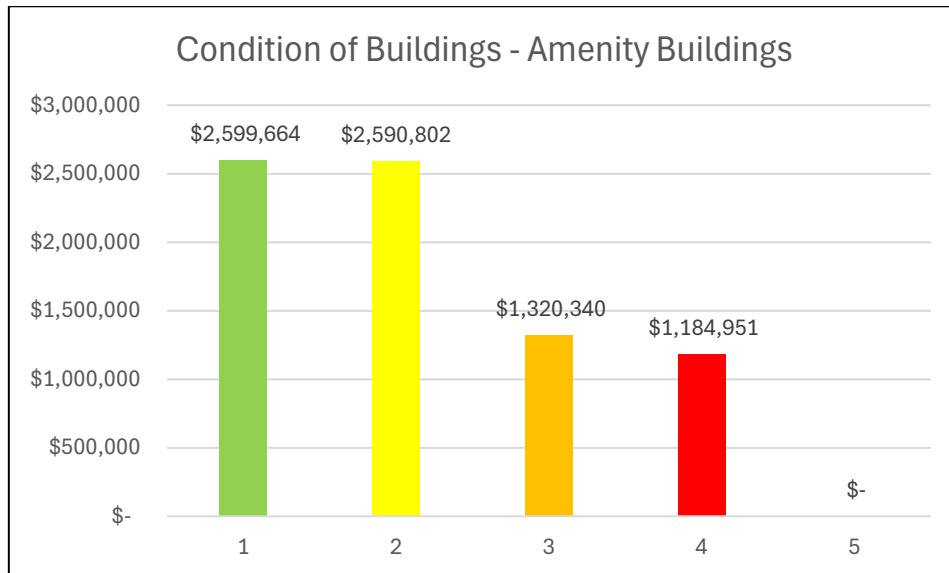
The condition of Council's Amenity Buildings was assessed and valued in 2023 by Consultants, Australis Pty Ltd.

The Table below shows the Replacement Cost for each of the condition scores.

Table: Amenity Buildings Condition Survey Results

Condition	Replacement Cost (2024)	% Condition (based on cost)
1 (Very Good)	\$2,599,664	33.8%
2 (Good)	\$2,590,802	33.7%
3 (Fair)	\$1,320,340	17.2%
4 (Poor)	\$1,184,951	15.4%
5 (Very Poor)	\$0	0.0%
Total	\$7,695,757	100.0%

The Graph below shows the condition of Amenity Buildings assets in terms of replacement cost.



4.2 Asset Condition – Coal Loader

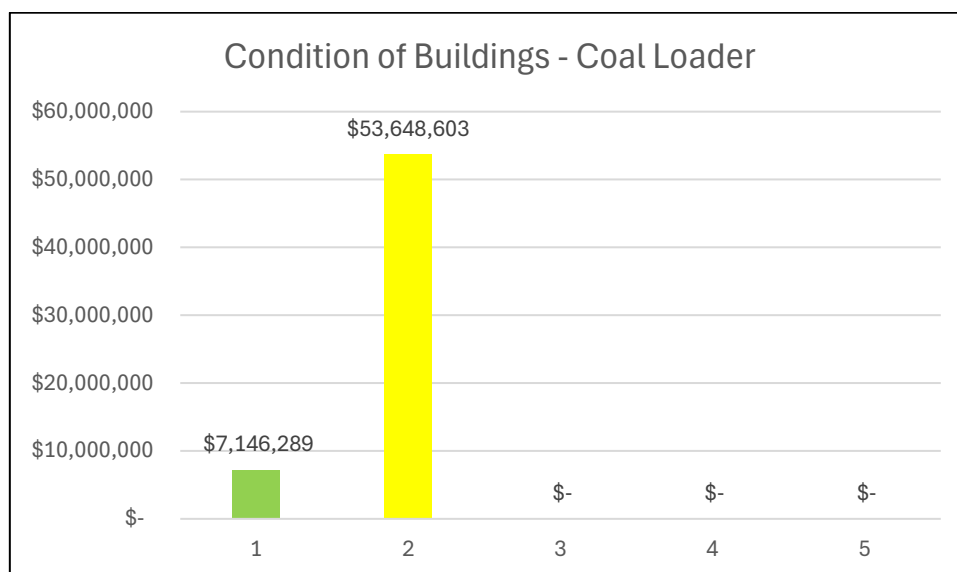
The condition of the Coal Loader was assessed and valued in 2023 by Consultants, Australis Pty Ltd.

The Table below shows the Replacement Cost for each of the condition scores.

Table: Coal Loader Condition Survey Results

Condition	Replacement Cost (2024)	% Condition (based on cost)
1 (Very Good)	\$7,146,289	11.8%
2 (Good)	\$53,648,603	88.2%
3 (Fair)	\$0	0.0%
4 (Poor)	\$0	0.0%
5 (Very Poor)	\$0	0.0%
Total	\$60,794,891	100.0%

The Graph below shows the condition of Coal Loader assets in terms of replacement cost.



4.3 Asset Condition – Community Housing

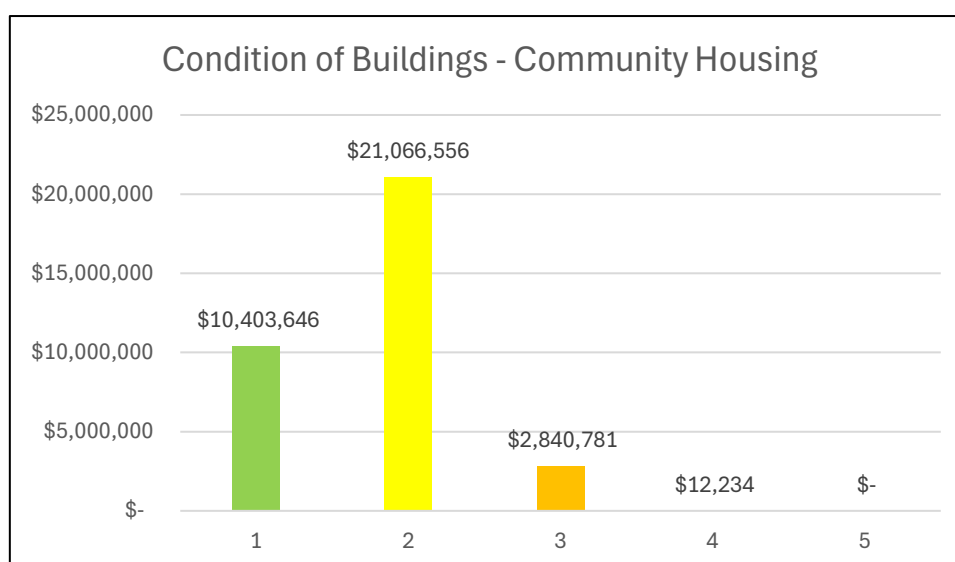
The condition of Council's Community Housing assets was assessed and valued in 2023 by Consultants, Australis Pty Ltd.

The Table below shows the Replacement Cost for each of the condition scores.

Table: Community Housing Condition Survey Results

Condition	Replacement Cost (2024)	% Condition (based on cost)
1 (Very Good)	\$10,403,646	30.3%
2 (Good)	\$21,066,556	61.4%
3 (Fair)	\$2,840,781	8.3%
4 (Poor)	\$12,234	0.0%
5 (Very Poor)	\$0	0.0%
Total	\$34,323,216	100.0%

The Graph below shows the condition of Community Housing assets in terms of replacement cost.



4.4 Asset Condition – Heritage Buildings

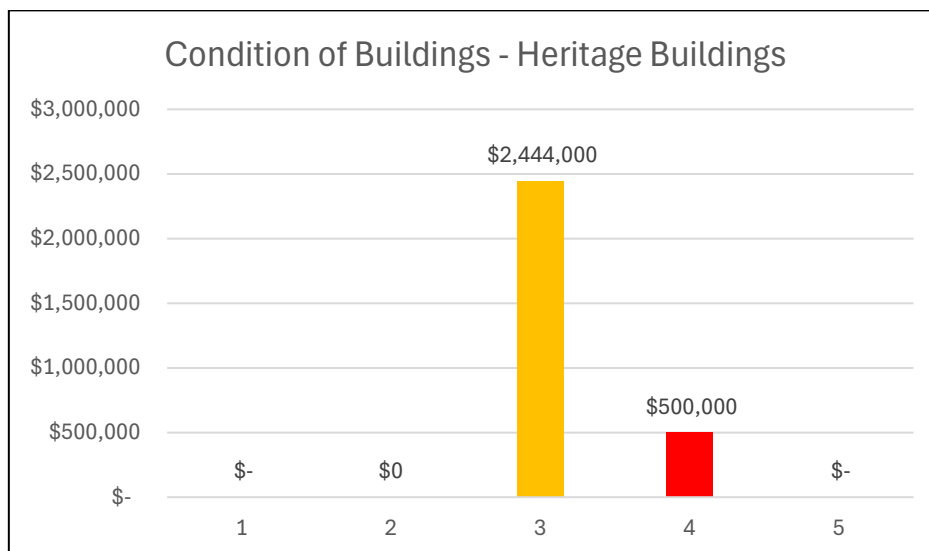
The condition of Council's Heritage Buildings was assessed and valued in 2023 by consultants, McWilliam & Associates Pty Ltd (heritage buildings were subcontracted to Scott Fullarton).

The Table below shows the Replacement Cost for each of the condition scores.

Table: Heritage Buildings Condition Survey Results

Condition	Replacement Cost (2024)	% Condition (based on cost)
1 (Very Good)	\$0	0.0%
2 (Good)	\$0	0.0%
3 (Fair)	\$2,444,000	83.0%
4 (Poor)	\$500,000	17.0%
5 (Very Poor)	\$0	0.0%
Total	\$2,944,000	100.0%

The Graph below shows the condition of Heritage Buildings assets in terms of replacement cost.



4.5 Asset Condition – Investment Properties

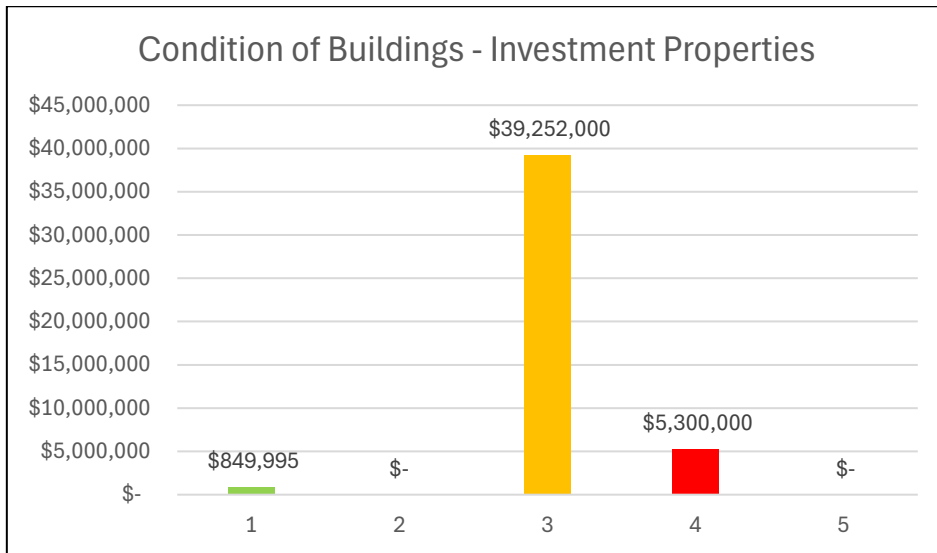
Australis Pty Ltd undertook a desktop valuation of Council's Investment Properties in 2024. No condition assessments have been completed for financial reporting purposes as they are not required for buildings accounted for under AASB 140 Investment Properties.

The Table below shows the Replacement Cost for each of the condition scores.

Table: Investment Properties Condition Survey Results

Condition	Replacement Cost (2024)	% Condition (based on cost)
1 (Very Good)	\$849,995	1.9%
2 (Good)	\$0	0.0%
3 (Fair)	\$39,252,000	86.5%
4 (Poor)	\$5,300,000	11.7%
5 (Very Poor)	\$0	0.0%
Total	\$45,401,995	100.0%

The Graph below shows the condition of Investment Property assets in terms of replacement cost.



4.6 Asset Condition – Operational Properties

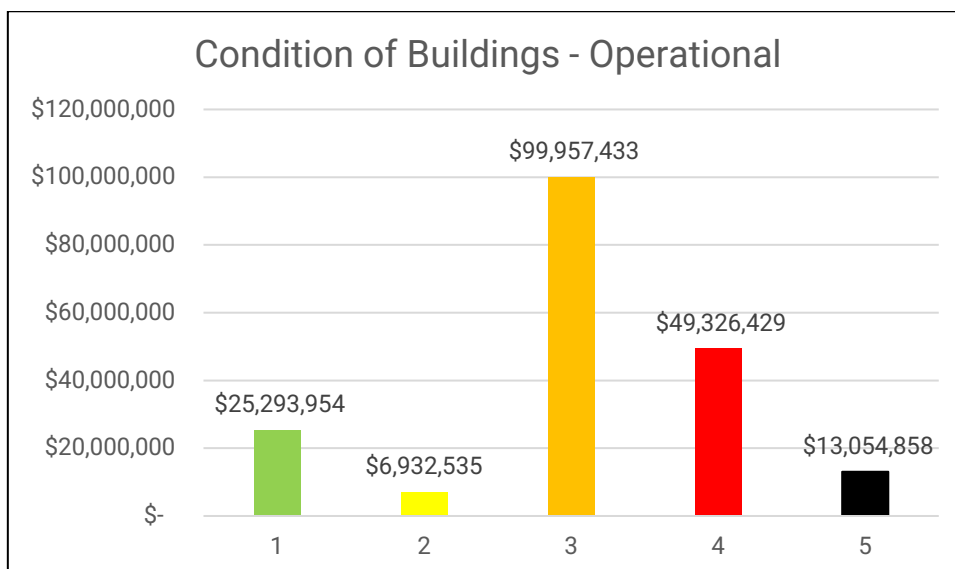
The condition of Council's Operational Properties was assessed and valued in 2023 by Consultants, Australis Pty Ltd.

The Table below shows the Replacement Cost for each of the condition scores.

Table: Operational Properties Condition Survey Results

Condition	Replacement Cost (2024)	% Condition (based on cost)
1 (Very Good)	\$25,293,954	13.0%
2 (Good)	\$6,932,535	3.6%
3 (Fair)	\$99,957,433	51.4%
4 (Poor)	\$49,326,429	25.4%
5 (Very Poor)	\$13,054,858	6.7%
Total	\$194,565,209	100.0%

The Graph below shows the condition of Operational Property assets in terms of replacement cost.



4.7 Asset Condition – Quarantine Depot

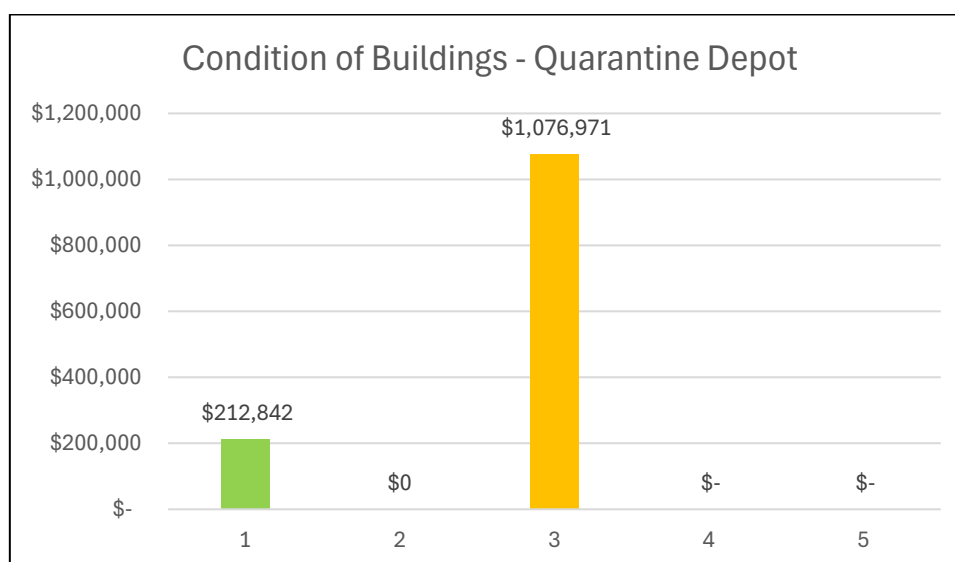
The condition of Council's Quarantine Depot was assessed and valued in 2023 by Consultants, Australis Pty Ltd.

The Table below shows the Replacement Cost for each of the condition scores.

Table: Quarantine Depot Condition Survey Results

Condition	Replacement Cost (2024)	% Condition (based on cost)
1 (Very Good)	\$212,842	16.5%
2 (Good)	\$0	0.0%
3 (Fair)	\$1,076,971	83.5%
4 (Poor)	\$0	0.0%
5 (Very Poor)	\$0	0.0%
Total	\$1,289,813	100.0%

The Graph below shows the condition of Quarantine Depot assets in terms of replacement cost.



5.0 Financial Summary

5.1 Asset Valuation

The total Replacement Value of the Property Asset Class network is shown in the Table below as at 30 June 2024.

Table: Property Asset Class Valuation \$2024

Asset Category	Replacement Value (2024)	Accumulated Depreciation (2024)	Fair Value (2024)	Depreciation Expense (2024)
Amenity buildings	\$7,695,757	\$3,007,143	\$4,688,614	\$136,668
Coal Loader	\$60,794,891	\$22,532,956	\$38,261,935	\$350,824
Community Housing	\$34,323,216	\$2,687,647	\$31,635,570	\$870,699
Heritage Buildings	\$2,944,000	\$2,109,500	\$834,500	\$0

Asset Category	Replacement Value (2024)	Accumulated Depreciation (2024)	Fair Value (2024)	Depreciation Expense (2024)
Investment Properties	\$45,401,995	\$31,729,631	\$13,672,364	\$0
Operational	\$194,565,209	\$82,482,660	\$112,082,549	\$3,685,636
Quarantine Depot	\$1,289,813	\$533,469	\$756,344	\$4,756
TOTAL	\$347,014,881	\$145,083,006	\$201,931,876	\$5,048,583

5.2 Funding Requirements

The Table below shows that the current cost to bring all Council's Property infrastructure assets to a satisfactory standard is \$69.4M. This amount includes the cost to replace existing infrastructure currently in either poor or very poor condition (condition 4 or 5). This represents 20.0% of the Property infrastructure network in terms of Replacement Cost. This means that 80.0% of this portfolio is in very good to fair condition (1 to 3).

The Table also shows that the total current Depreciation Expense is \$5.0M or 1.5% of the Total Replacement Cost of Council's assets. This assumes that all Council's assets are completely replaced every 68.7 years on average. This is a weighted average for the network as useful lives of the individual components varies.

The Table shows that the 10-year Long Term Cost to bring all Council's infrastructure assets to a satisfactory standard as well as maintain the current standard is \$119.9M over 10 years or an average annual cost of \$12M. This includes the total Depreciation Expense over 10 years (maintaining the existing standard) and assumes that all condition 4 and 5 assets will be replaced over the next 10 years (bringing all assets to a satisfactory condition).

Historically, Council has reported a 'cost to bring to satisfactory condition' that assumed those assets in 'poor' condition (category 4) were acceptable by the community. Council's recommendation is that assets in poor condition should be brought to a satisfactory condition, and therefore we have included these in our backlog estimates.

The Local Government Code of Accounting Practice outlines the requirements for both Council's financial statements and the special schedules. Under this Code, where Councils haven't developed an 'agreed' level of service, a standard of 'good' (category 2) should be used for the 'Estimated cost to bring to satisfactory condition'. This would mean including within our backlog figures category 3, 4 and 5 assets.

North Sydney Council has not undertaken the exercise with the community to determine the 'agreed level of service'. However, Council did not think it was reasonable to inflate the backlog to this extent. Instead, Council has opted to use the standard of 'satisfactory/fair' (category 3) as the condition to aspire to, rather than 'good' (category 2).

At a recent demographically selected workshop in 2024 (involving a group of residents, representative of the demographics of the North Sydney local government area), feedback suggested that infrastructure in a 'poor' or 'very poor' condition would not be acceptable to the community. Based on Council's review, it is recommended that all infrastructure currently classified as 'poor' or 'very poor' are required to be addressed.

Table: Long Term Infrastructure Funding Required (\$)2024

Asset Class / Category	Cost to bring to assets to satisfactory Cond. (4 + 5)	Total Replacement Cost	Depreciation Expense (2024)	Funding required over 10 years (Depreciation x 10 + Cond 4 + 5)	Average Annual Funding Required (2024)
Amenity buildings	\$1,184,951	\$7,695,757	\$136,668	\$2,551,633	\$255,163
Coal Loader	\$0	\$60,794,891	\$350,824	\$3,508,238	\$350,824
Community Housing	\$12,234	\$34,323,216	\$870,699	\$8,719,228	\$871,923
Heritage Buildings	\$500,000	\$2,944,000	\$0	\$500,000	\$50,000
Investment Properties	\$5,300,000	\$45,401,995	\$0	\$5,300,000	\$530,000
Operational	\$62,381,286	\$194,565,209	\$3,685,636	\$99,237,647	\$9,923,765
Quarantine Depot	\$0	\$1,289,813	\$4,756	\$47,556	\$4,756
TOTAL	\$69,378,471	\$347,014,881	\$5,048,583	\$119,864,303	\$11,986,430

5.3 Useful Lives – Property Asset Class

The useful lives of building components were reviewed by consultants as part of the 2023 Valuation process. The useful lives of the same components can vary depending on various factors such as materials used, deterioration rate due to usage etc. The useful lives determined by consultants are shown in the following Table.

Asset Category	Component	Minimum Useful Life	Maximum Useful Life
Amenities Buildings	Parent Asset	25	200
Coal Loader	Decks/Signage	50	50
	Finishes	30	30
	Fittings	25	25
	Roof Cladding	50	50
	Services	50	50
	Substructure	250	250
	Superstructure	250	250
Community Housing	Buildings (no components)	28	105
Operational	Buildings (no components)	100	100
	Finishes	8	30
	Fittings	13.75	30
	Mechanical Services	16.5	40
	Other Services	30	60
	Parent Asset	10	150
	Roof Cladding	22.5	60
	Substructure	44	200
	Superstructure	44	200
Quarantine Depot	Parent Asset	200	200
	Amenity Block	50	50

6.0 Managing the Risks

Councils present budget levels (as at 30 June 2024) are insufficient to continue to manage risks in the medium term (4 years).

The main risk consequences are:

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

Council will endeavour to manage these risks within available funding by:

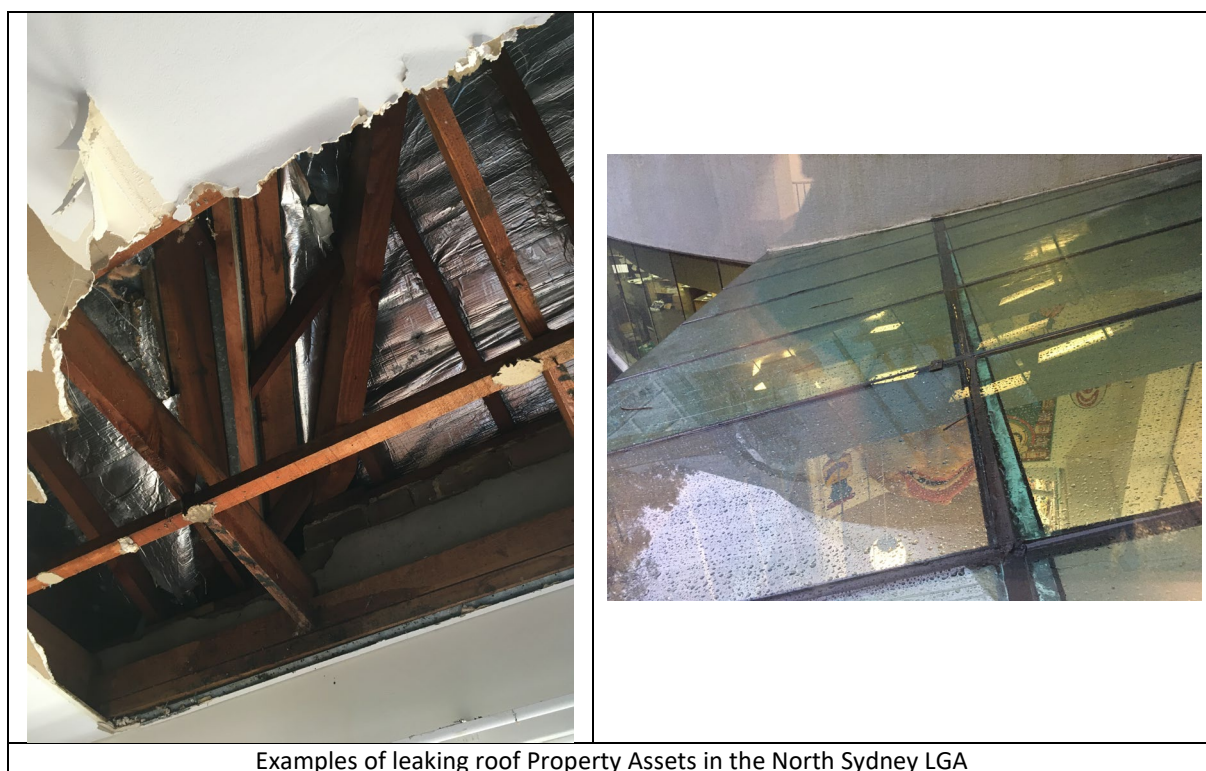
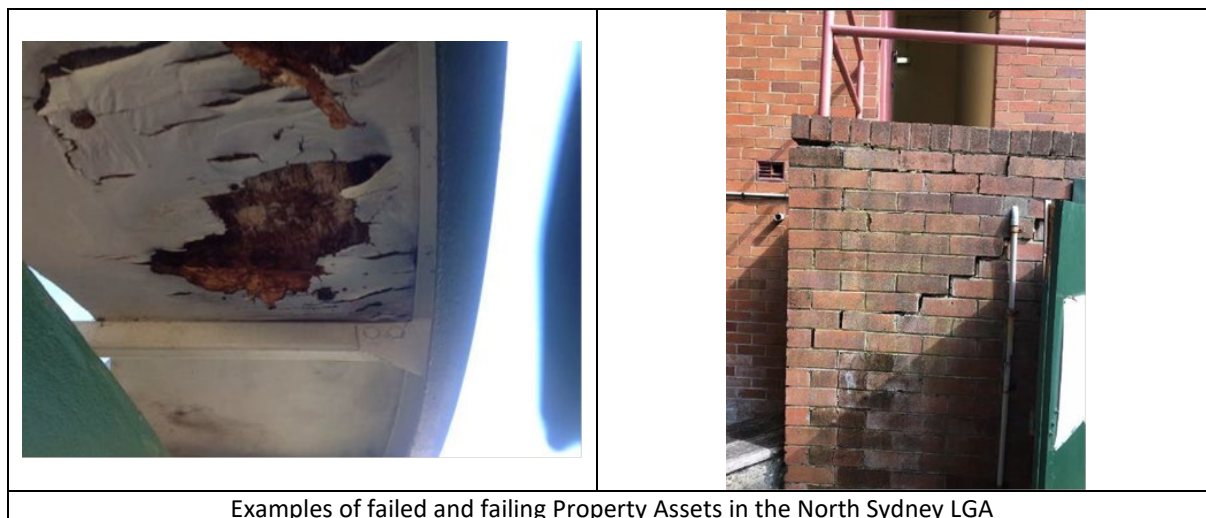
- Prioritising higher risk works within the planned budget where possible
- Re-allocating budgets from other sources if required and where possible
- Seeking emergency funding if required and where possible
- Partial or full closure where necessary

The Risk Matrix used to prioritise capital works for the Property Asset Class is shown in the Table below. This matrix will be reviewed.

Table: Risk Matrix – Property Asset Class

Risk Matrix - Property Asset Class					
Condition	Relative Consequence	Amenities Buildings in Local Reserves	Investment Properties / Quarantine Depot / Amenities Buildings in District Reserves / Operational (Carparks, Music Shell)	Community Housing / Heritage Buildings / Operational (Other) / Amenities Buildings in Regional Reserves	Coal Loader / Operational (Childcare, Community Centres, NS Oval, Indoor Sports Centre, Library)
	Score	1	2	3	4
Condition 1 – Very Good	1	L	L	L	L
Condition 2 - Good	2	L	L	L	M
Condition 3 – Fair	3	M	M	M	H
Condition 4 – Poor	4	H	H	H	VH
Condition 5 – Very Poor	5	H	VH	VH	VH

6.1 Examples of Property risks in the North Sydney LGA.





Examples of failed sewer and stormwater pipes



Examples of failed waterproofing on flat roofs



Examples of failed and failing Property Assets in the North Sydney LGA



Examples of structural issues in Property Assets in the North Sydney LGA



Examples of failed and failing Property Assets in the North Sydney LGA



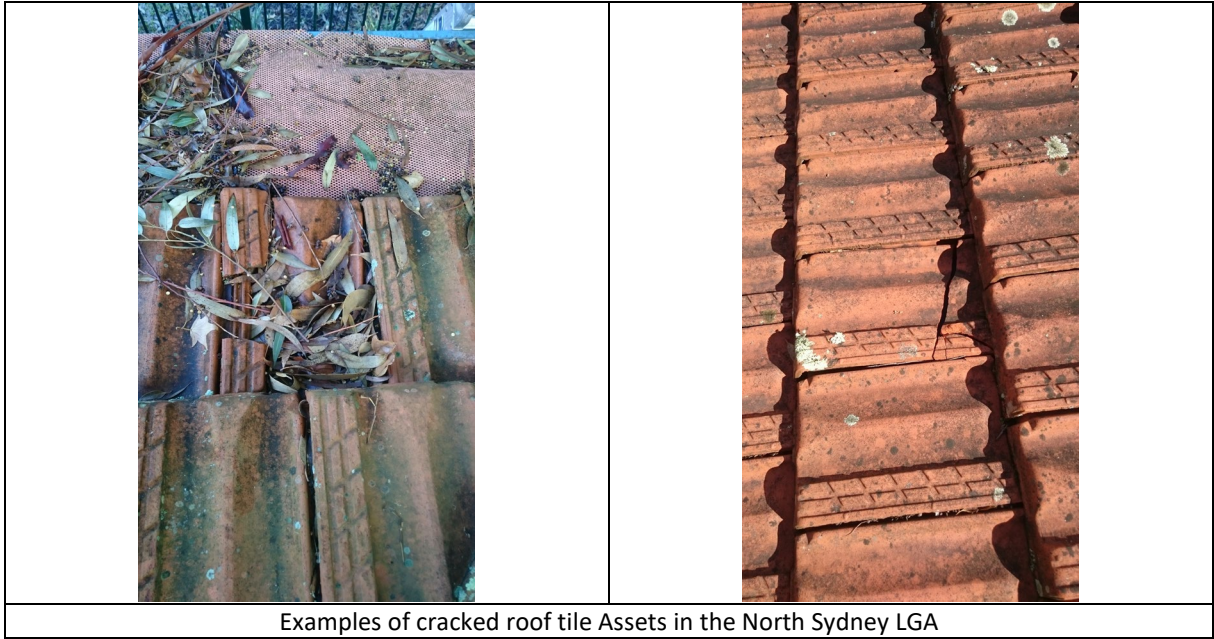
Examples of leaky roof Property Assets in the North Sydney LGA

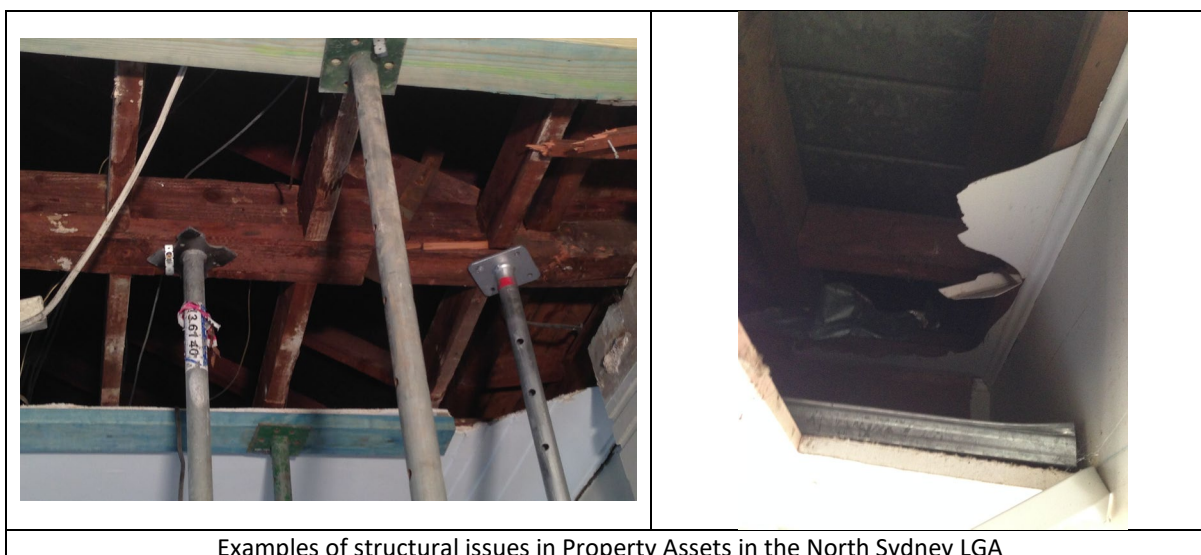


Examples of failed and failing Property Assets in the North Sydney LGA



Examples of failed gutter and rotting timber in Property Assets in the North Sydney LGA





7.0 Funding Programs

7.1 Maintenance Program

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again, e.g. painting. 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.

Over the longer term, future operations and maintenance expenditure is forecast to increase as the asset stock increases and asset type changes to meet the requirements of the community needs.

7.2 Prioritised Expenditure based on risk

The list of prioritised expenditure for this asset category is based on the risk matrix. The extent of the program depends on the final adopted Council budget. The Program is prioritised in the following order:

1. Risk sorting score (descending order)
2. Risk rating score (descending order)
3. % Condition 5 (descending order)
4. % Condition 4 (descending order)

The following Table shows the prioritised list of expenditure based on the risk matrix. Only projects with a Very High Risk Sorting Score or High Risk Sorting Score are shown. The Capital Works Program is based on data collected by consultants engaged to undertake condition assessments of the asset network. Prior to any Capital Works Program being finalised a detailed inspection, project scoping, and project estimate is undertaken. Program priorities may change as a result. In practice, and where funds permit, assets in condition 3 are generally replaced at the same time as assets in condition 4 or 5 if they are adjacent if there are potential risks and if it is cost effective.

When assessing replacement costs for infrastructure assets such as roads, footpaths, drainage and unit rates are based on actual replacement cost. However, the replacement costs for buildings follow a different approach. Current renewal costs for buildings are based on valuations completed in accordance with the Australian Property Institute Code of Professional Practice, TPP 21-09 Valuation of Physical Non-Current Assets at Fair Value, and relevant Australian Accounting Standards, including AASB 13. Under this methodology, gross replacement costs for buildings reflect only the 'like-for-like' replacement value of existing structures and components. However, actual project costs for property replacement often exceed this valuation. Factors such as compliance

with current Building Codes and Australian Standards, evolving user needs, site conditions, and project complexity can increase final costs beyond the gross replacement estimate.

It should be noted that these assets may also be replaced based on other criteria including:

- Damage.
- Professional judgement in cases where the risk matrix score does not accurately reflect the actual risk on site.

7.3 Prioritised expenditure based on risk – Property

Table: Prioritised Expenditure - Property

Location	Risk Rating	Risk Rating Score	Cost Estimate
Crows Nest Community Centre	Very High	20	\$12,114,546
Kelly's Place Children's Centre	Very High	20	\$1,498,655
McMahons Point Community Centre Building 1	Very High	20	\$1,504,829
Stanton Library	Very High	20	\$28,936,295
Cammeray Park (Croquet Greens)	Very High	16	\$185,193
Cammeray Park (Tennis Courts)	Very High	16	\$356,632
Council Chambers & Offices (Ros Crichton Pavilion)	Very High	16	\$616,931
Cremorne Early Childhood Health Centre	Very High	16	\$28,808
Crows Nest Indoor Sports Centre	Very High	16	\$11,264,177
Family Day Care Centre	Very High	16	\$683,698
Forsyth Park Community Centre	Very High	16	\$1,159,027
Greenwood Childcare	Very High	16	\$389,718
Kendall Community Centre	Very High	16	\$2,244,075
Kirribilli Neighbourhood Centre	Very High	16	\$2,818,128
McMahons Point Community Centre Building 2	Very High	16	\$1,170,000
North Sydney Early Education Centre	Very High	16	\$406,937
North Sydney Oval - Duncan Thompson Stand/Pavilion	Very High	16	\$3,675,485
North Sydney Oval - Figtree Lane Oval Entrance	Very High	16	\$61,893
North Sydney Oval - Ken Irvine Scoreboard Building	Very High	16	\$407,912
North Sydney Oval - Kiosk Adjacent to McCartney St	Very High	16	\$42,237
North Sydney Oval - Kiosk Adjacent to Mollie Dive	Very High	16	\$33,032
North Sydney Oval - Kiosk on the Hill	Very High	16	\$42,237
North Sydney Oval - McCartney Stand	Very High	16	\$4,424,542
North Sydney Oval - Members' Oval Entrance	Very High	16	\$49,493
North Sydney Oval - Miller Street Oval Entrance	Very High	16	\$61,893
North Sydney Oval - Observation Tower (southern end)	Very High	16	\$166,511
North Sydney Oval - O'Reilly Stand	Very High	16	\$3,938,167
North Sydney Oval Function Centre	Very High	16	\$3,516,609
Waverton Coal Loader Site - Sustainability Centre	Very High	16	\$840,354
Central Depot	Very High	15	\$5,707,031
Council Chambers & Offices (Kelrose)	Very High	15	\$2,200,602
Blues Point Reserve - Toilet Block	High	12	\$161,638
Council Chambers & Offices (Wylie Wing)	High	12	\$928,456

Location	Risk Rating	Risk Rating Score	Cost Estimate
North Sydney Oval - The Bob Stand & Works Depot	High	12	\$3,187,879
St Leonards Park - Toilet Block	High	12	\$197,364
St Leonards Park Depot Poisons Store	High	12	\$39,800
St Leonards Park Depot Shed Round Roof	High	12	\$25,288
St Leonards Park Depot Store Shed	High	12	\$20,036
215 Chandos Street	High	12	\$12,234
Neutral Bay Community Centre	High	12	\$1,295,660
North Sydney Community Centre	High	12	\$756,692
North Sydney Oval - Caretakers Flat	High	12	\$391,450
North Sydney Oval - Fig Tree Lane Media Tower	High	12	\$754,472
North Sydney Oval - The Hill Grandstand	High	12	\$331,181
Primrose Park Art & Craft Centre	High	12	\$1,537,752
Waverton Coal Loader Site - Amenities	High	12	\$138,083
Waverton Coal Loader Site - Building 1 - Mess Hall	High	12	\$364,592
Waverton Coal Loader Site - Cafe	High	12	\$437,586
Waverton Coal Loader Site - Workshop Buildings	High	12	\$155,627
Hume Street	High	8	\$51,118
Music Shell / Planet X	High	8	\$113,877
St Leonards Park Depot Store Car Port	High	8	\$27,562
Tunks Park - Toilet & Dressing Shed	High	8	\$520,815
250 West Street	High	4	\$344,611
Cremorne Point - Storage Shed	High	4	\$305,135

7.4 Examples of completed Capital Works Projects



Primrose Park – Arts Centre – refurbished in April 2019



New Amenity Block



Before - Alexander Street Car park Re-development- completed 2016 (Public Private Partnership) with Woolworths



After - Alexander Street Car park Re-development- completed 2016 (Public Private Partnership) with Woolworths



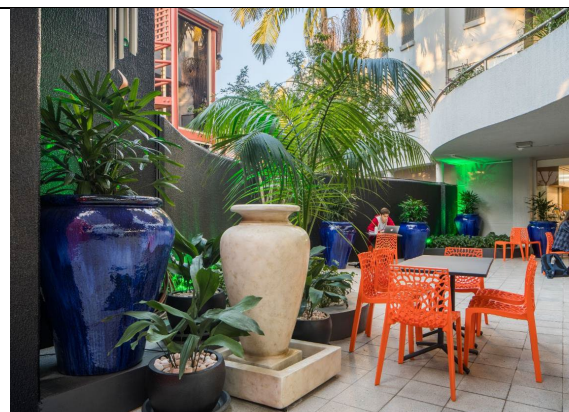
Ward Street Carpark – North Sydney Centre – Council took back possession of this three storey car park in the middle of North Sydney in August 2020 from Wilson Parking after the 50 year lease expired. The property in 2016 was valued at over \$80 million on the open market in terms of development potential.



New Public Toilets have been built in the Barry Street Carpark – Neutral Bay in 2016



Stanton Library Foyer and Courtyard Upgrade 2017



Stanton Library Foyer and Courtyard Upgrade 2017



Upgrade of the Neutral Bay Community Centre – completed April 2019



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



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

8.0 Monitoring and Improvement Program

A whole of organisation approach is essential for continuous asset management practices to continue to improve. Council's Asset Management Plans AMPs need to be based on accurate data and require detailed Valuations to be done on a periodic basis. Accurate Valuations in turn require detailed condition assessments of infrastructure assets. The following Improvement Plan summarises the areas for improvement within AMPs.

Table: Improvement Plan

Asset	Last Comprehensive Valuation (Year)	Comprehensive Valuation to be performed
Property Asset Class: Amenity Buildings, Coal Loader, Community Housing, Heritage Buildings, Investment Properties, Operational, Quarantine Depot.	2023	No later than 2028
Strategic Property Review	2021	No later than 2027
Community Consultation to determine and adopt Level of Service		No later than 2029

9.0 References

- IPWEA, 2016, Building Condition & Performance Assessment Guidelines, Practice Note 3 V2, Institute of Public Works Engineering Australasia
- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney,
- IPWEA, 2015, 2nd edition, 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney
- IPWEA, 2015, 3rd edition, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney
- IPWEA, 2012 LTFP Practice Note 6 PN Long Term Financial Plan, Institute of Public Works Engineering Australasia, Sydney

10.0 Appendix A: Maintenance Management and Building Inspections

Levels of Services – Council buildings

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

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

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

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

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

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

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

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

Inspections and Condition Survey – Council buildings

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

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

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

Inspection Regime

Property Type	Statement of use	Level of Inspection	Performed by
Council Premises	General offices, meeting rooms and amenities	Quarterly Yearly, as and when required	Manager Trades and Fleet Services & Facilities & Building Co-ordinator & Property Officer Asset Management Coordinator & Fire Audit Inspector (Contractor)
Community Facilities • High usage • Low usage	Community Centres and Early Childhood Health Centres Scout Halls	Monthly Quarterly Half-yearly Yearly, as and when required	Site Contact & Manager Trades and Fleet Services & Facilities & Building Co-ordinator & Property Officer Site Contact & Manager Trades and Fleet Services & Facilities & Building Co-ordinator & Property Officer Asset Management Coordinator & Fire Audit Inspector (Contractor)
Parking Stations	Permanent parking and casual parking	Quarterly Yearly, as and when required	Parking Station Supervisor & Manager Trades and Fleet Services & Facilities & Building Co-ordinator & Property Officer Asset Management Coordinator & Fire Audit Inspector (Contractor)
Rental Properties	Commercial offices, retail shops, cafeteria, and residences	Quarterly Yearly, as and when required	Rental Property Agent Commercial Property Specialist & Fire Audit Inspector (Contractor)

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

Scheduled Maintenance

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