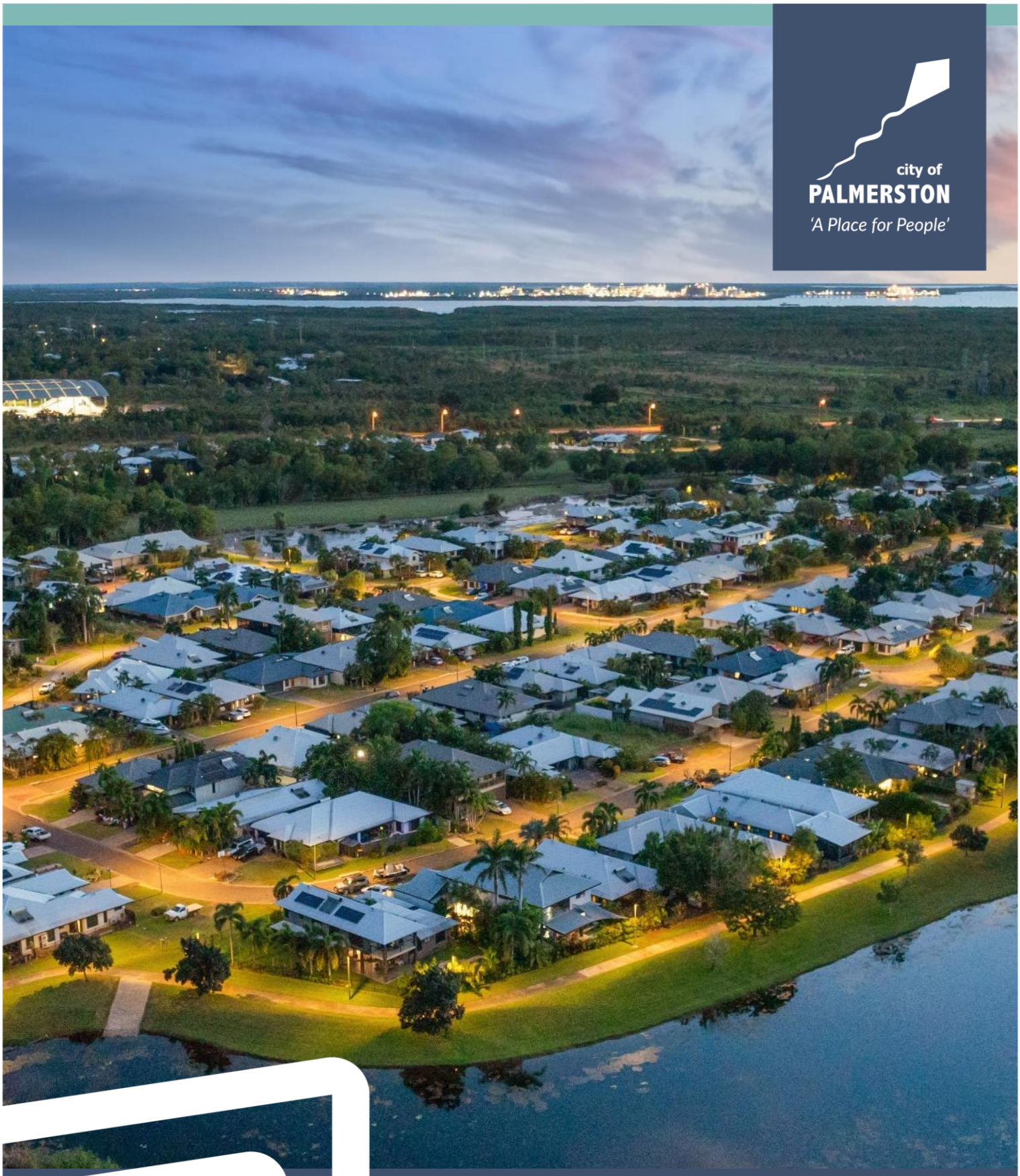


city of
PALMERSTON
'A Place for People'

ASSET MANAGEMENT PLAN
BUILDINGS & FACILITIES-2026

DOCUMENT CONTROL REGISTER

DOCUMENT CONTROL		ASSET MANAGEMENT PLAN			
Rev No.	**Date**	**Revision Details**	**Author**	**Reviewer**	**Approver**
1	May 2021	First Version - RMAC	CAM	DCGO, PM	DCGO
2	August 2026	Second Version – RMAC Re-branded	AML	ITAM	GMFG

This Plan shall be reviewed annually or amended when required when associated changes occur including:

- Annual budget changes result in a material impact to the plan, including the Long-Term Financial Plan
- Finalisation of the 10-year capital works program
- Changes to service levels

Abbreviations:
AML – Asset Management Lead
ITAM – IT & Assets Manager
GMFG – General Manager, Finance & Governance
CAM – City Assets Manager
DCGO – Director City Growth and Operations *(now General Manager Infrastructure)*
PM – Project Manager

1. EXECUTIVE SUMMARY

The purpose of the Plan

As the second largest and fastest growing city in the Northern Territory, the City of Palmerston (Council) has $829 million in assets under its management as of 30 June 2025.
Asset Management Plans aim to:

- Mitigate Council's Strategic Risk relating to long term sustainability
- Ensure consistent asset management across Council
- Identify asset management issues and scenarios that may impact upon Council's financial position
- Detail information about assets including actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks
- Define the services to be provided, how the services are provided and what funds are required to provide the services over a 10-year planning period
- Ensure assets are safe for use, and the community receive value for money for their investment in community assets
- Provide detailed asset data and data analysis to inform Council's Long-Term Financial Plan (LTFP)
- Provide detailed asset data and data analysis to inform Council's Long-Term Financial Plan (LTFP)

1.1 Summary Findings

As at 30 June 2025, Asset Sustainability Ratio for Buildings and Facilities was 99% which indicates that City of Palmerston is replacing 99% of its existing asset base with capital renewals as the assets reach the end of their useful life. This is very close to Council's asset sustainability benchmark of 90% - 110%.

City of Palmerston's Assets Consumptions Ratios rate is 67%. A measure between 60% and 75% indicates that the assets are being maintained, renewed and replaced at a responsible rate.

1.2 Asset Description

This Asset Management Plan (Plan) covers the assets that provide Buildings and Facilities infrastructure across City of Palmerston. Buildings and Facilities is one of the key asset groups that provide Council and the community the capacity and ability to facilitate services that are enjoyed by all members of our community. This includes everything from artistic and cultural activities, learning opportunities, information provisions, children's activities, community events and functions, social gatherings, sporting activities, civic activities, meeting places and celebrations.

This AM Plan covers a total of 33 Buildings and Facilities comprising of:

- Administration & Operations - 9
- Buildings Leased – 2
- Community Services – 7
- Public Amenities – 6
- Sports & Recreation – 9

Assets largely omitted from this plan include shelter and shade structures. These assets are covered by the AM Plan for Land Improvements (Open Space).

1.3 Levels of Service

It is an objective of the City of Palmerston Community Plan that our infrastructure is fit for purpose. This requires that our infrastructure is maintained and managed through adaptive innovative approaches to meet multiple community uses and needs. Levels of service to achieve this include:

- Providing buildings and facilities in quality condition
- Providing safe and compliant buildings and facilities
- Provide regular upkeep and security of buildings
- Deliver, maintain, and manage infrastructure to current or higher standards to meet changing community needs
- Manage the resources buildings and facilities use in an environmentally sustainable way

Council is working towards improving service levels through the implementation of condition assessments in lieu of the current age-based methodology for intervention activities which will enable service levels to be better defined.

1.4 Future Demand

The main demands for new services are created by:

- Community expectations on appropriate infrastructure, safety, sustainability, and service levels
- Economic demand due to increasing asset portfolio, economic pressures, asset age and CPI increases
- Increase in environmental awareness and considerations
- Population growth and new subdivisional activity, development of existing land and planning strategies

Changing demands will be managed through a combination of existing assets, upgrading existing assets and providing new assets supported by non-asset solutions, such as insuring against risks and managing failures. Demand management planning activities occur on an ongoing basis and include:

- Continue to monitor and provide input into development controls and guidelines for the requirements of effective buildings and facilities
- Monitor, assess and implement measures to meet increased demand for environmentally sustainable asset management
- Monitoring community feedback, trends and assess expectations against existing levels of service and available resources with consideration to budget

1.5 Managing Risk

Present funding levels based on current data are seen to be adequate to control risks relating to these assets. To gain confidence in the risk management position of the assets, cyclic condition audits and identification of contemporary inspection practices is in progress.

The management of risk can be facilitated by:

- Improving condition data of existing infrastructure to develop renewal and upgrade programs
- Continual improvements in asset data capture, maintenance, and management
- Identify efficiencies in using available funding
- Taking opportunities to progressively increase funding levels over a period of 5 to 10 years with a view to establishing adequate cash backed reserves to meet future requirements

1.6 Financial Summary

Gross Replacement Cost:	**$62,723,414** (based on current replacement value)
Depreciable Amount:	**$62,723,414** (based on actual purchase price at time of purchase, assets still within useful life)
Depreciated Replacement Cost:[1]	**$42,329,499**
Annual Average Asset Consumption:	**$1,098,798** (annual depreciation)

The combined annualised depreciation for the assets included in the AMP is $1,098,798.

The current combined allocation for Operating and Maintenance activities is $3,726,428 per annum.

The LTFP anticipates expenditure totalling $8,255,155 over the 10-year period for renewals.

Total projected funding for the 10-year planning period is $64,351,668 or $6,435,167 on average per year which is estimated to meet the realistic cost to operate, maintain and renew buildings and facilities at the present service levels. Of this funding requirement, $10,000,000 is expected to be funded from external grant funding available in 2027-28 and 2028-29 for the Zuccoli Hub Stage 2 Project.

1.7 Monitoring and Improvement Program

The next steps resulting from this asset management plan to improve asset management practices are:

- Increase data confidence through continuation of cyclic condition audits, contemporary inspection methods like satellite remote sensing and consistent and effective record management to ensure asset data is current and accurate
- Continue to develop and refine levels of service with clearly accepted levels identified in the organisation and monitor these against community expectation
- Provide greater detail for 10-year capital works budget in terms of proposed projects such as renewal upgrade works based on accurate condition data
- Future budget level decisions (operations, maintenance, renewal and upgrade/new) should be driven by condition assessment data and resulting forecasted remaining useful lives balanced with customer expectations / levels of service rather than estimates and assumptions
- Annual cyclic review of AM Plan to ensure the latest financial and condition data can be utilised within the plan

[1] Also reported as Written Down Value, Carrying or Net Book Value.