

STRATEGIC PLANNING COMMITTEE MEETING – 11 DECEMBER 2017



Information to be released – pending Council endorsement of Notice of Motion No. 73

Boronia Basketball Stadium

Financial information derived from Council's Lifecycle Asset Management System – in support of information provided to Council in the report tabled at the [23 October, 2017 Ordinary Meeting Of Council – Item 13.1 – Knox Basketball Infrastructure](#).

Historic expenditure on the two buildings is approximately:

- Basketball Stadium: \$34,000 per annum on maintenance¹
 \$62,000 per annum on renewal²
- Library: \$35,000 per annum on maintenance
 \$23,000 per annum on renewal

Based on the last condition audit conducted, the following renewal expenditure is forecast over the next 10 years (assuming that a full renewal of components is conducted when the worst portion of the component falls below the renewal threshold):

- Basketball Stadium: \$5,900,000
- Library: \$470,000

Over the next 10 years, an estimated expenditure on maintenance and renewal would therefore be:

- Basketball Stadium: \$6,240,000 (\$5,900,000 + \$34,000 x 10 years)
- Library: \$820,000 (\$470,000 + \$35,000 x 10 years)

¹ **Asset Maintenance** - Expenditure on activities necessary to retain assets in their desired condition and to achieve the required service potential over the projected life of the asset. For example, jet cleaning of a blocked drain to restore service functionality.

² **Asset Renewal** - Expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability. For example, replacement of a failed pipe with an equivalent sized pipe.



As a guide, Council has the following replacements costs³ in the Lifecycle Asset Management System based on 2017 valuations:

- Basketball Stadium: \$12,263,936
- Library: \$1,903,598

These replacement costs are based on the facilities in their current form. As a part of future decision-making, these costs will need to be updated to reflect current standards and the facilities structural requirements.

The historical and forecast costs to maintain and renew the Boronia Stadium over the next ten (10) years and the estimated replacement costs form part of the information to be considered by Council in determining its future plans for basketball in Knox.

³ **Asset Valuation** - The valuation of an asset reflects the cost to deliver a “like for like” asset renewal which achieves an equivalent service standard to the existing asset, typically without taking into account land costs.

