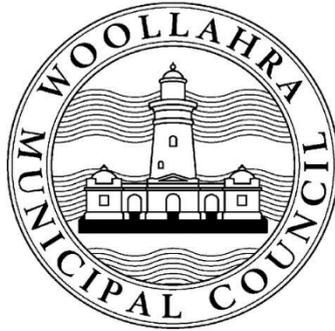


Woollahra Municipal Council



# OPEN SPACE ASSET MANAGEMENT PLAN



**Version 2**  
**November 2022**

Document Control		 			
Rev No	Date	Revision Details	Author	Reviewer	Approver
1.00	11 May 2022	Version 1 (HPE 22/91557) – Update 2017 AMP with asset and financial information			
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# 1. EXECUTIVE SUMMARY

## 1.1 What Council Provides

Council provides Open Space assets in partnership with NSW National Parks and Wildlife Service, Sydney Living Museums and the community to enable a range of local and regional recreational opportunities for the wider community as well as provide a safe environment for the enjoyment of such facilities.

The types of assets involved in delivering this service include: **infrastructure assets**, such as park bins, fences, furniture, lights, signs, paths, playgrounds, sports fields, services and structures: and, **living assets**, such as turfed areas, landscaped gardens and trees.

As of 30 June 2022, open space infrastructure assets have significant value, estimated at \$40,258,949, shown by asset category in Table 1.

**Table 1: Open Space Infrastructure Assets and Current Replacement Cost**

Asset category	Unit	Count	Replacement Cost
Bins	nr	164	\$230,174
Fences	m	12,289	\$5,671,472
Footpath	m2	39,864	\$5,775,991
Furniture	nr	866	\$2,911,293
Lights	nr	698	\$6,989,437
Playgrounds	nr	85	\$7,375,116
Services	nr	289	\$2,941,774
Signs	nr	572	\$777,564
Sports fields	nr	81	\$3,621,628
Structures	nr	227	\$3,964,500
<b>TOTAL</b>			<b>\$40,258,949</b>

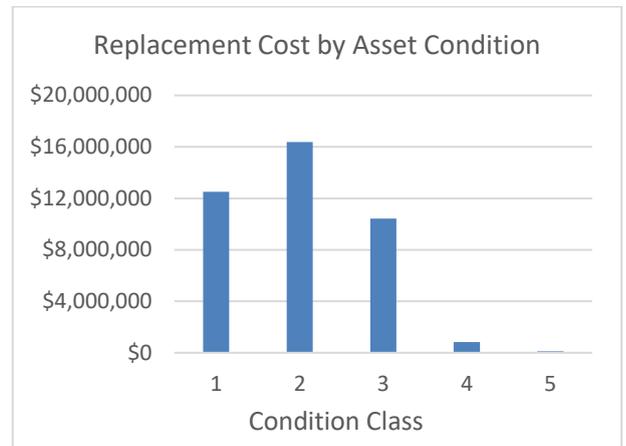
The financial value of living assets is not included in this plan.

## 1.2 Lifecycle Management Plan

### 1.2.1 The condition of our assets

Infrastructure assets have been rated using IPWEA guidelines and range from Condition 1 'Excellent' to Condition 5 'Very Poor'. The replacement costs of these assets by condition class are shown in Figure 1.

**Figure 1: Depreciated Replacement Cost by Condition Class**



### 1.2.2 What does it cost?

The projected outlays necessary to provide and maintain the current services covered by this Asset Management Plan (AMP) over the 10-year planning period includes:

- Operations and Maintenance \$99.8M
- Renewal \$7.2M

This expenditure covers the operational and maintenance costs associated with both living and infrastructure assets as well as the projected renewal of infrastructure assets.

This equates to an average of \$10.7M per annum.

## 1.3 Financial Summary

### 1.3.1 What will we do?

Estimated available funding for this period is \$107.0M, or \$10.7M on average per year over 10 years, which is 100% of the cost to provide and maintain the current services covered by this AMP.

However, over the long term asset depreciation is occurring at a greater rate than budgeted asset renewal. Therefore, an increase in future funding will be required to ensure adequate asset renewal to maintain target service levels in the long term (beyond the 10 year financial plan).

Additionally, historical expenditure on new assets has been used to predict capital costs for the next 10 years at \$16.1M or an average of \$1.6M per year. This will increase pressure on funding renewal and operating of the service as the asset base increases.

## 1.4 Plans for the Future

Council plans to operate and maintain the Open Space asset network to achieve the following strategic objectives.

- Ensure the Open Space network is maintained at a safe and functional standard as set out in this AMP.
- Increase community participation and engagement in activities such as sport, recreation, leisure, and the arts.

## 1.5 Measuring our Performance

### 1.5.1 Quality

Open Space assets will be maintained in a reasonably usable condition. Defects found or reported that are outside our service standard will be repaired.

### 1.5.2 Function

Our intent is that an appropriate and sustainable Open Space network is maintained in partnership with other levels of government and stakeholders to ensure community wellbeing and safety.

Open Space asset attributes will be maintained at a safe level and associated signage and equipment will be provided as needed to ensure public safety. We need to ensure key functional objectives are met.

### 1.5.3 Safety

Open Spaces are inspected regularly, with defects identified, prioritized and repaired in accordance with an inspection schedule to ensure they are safe.

## 1.6 The Next Steps

The actions resulting from this AMP are:

- Seek to address the Service Gaps identified at 5.2.2 of this document, primarily through achieving additional funding through an application for a SRV.
- Sustain and enhance the present investment on infrastructure assets.
- Prioritize renewal and upgrade works based on risk.
- Continue to improve asset information and knowledge.
- Develop a single corporate asset register for financial and reporting purposes.

## 2. INTRODUCTION

### 2.1 Background

This AMP demonstrates responsive management of assets (and services provided from assets), compliance with regulatory requirements, and communicates the funding needed to provide the required levels of service over a 10 year planning period.

The AMP is to be read with Council's Asset Management Policy, Asset Management Strategy 2022/23 - 2031/32 and the following associated planning documents:

- Woollahra LEP 2014
- Council's parks and natural areas Plans of Management
- WMC Annual Report 2020/21
- Community Capacity Survey Report 2017
- Play Space Strategy 2021
- Draft Recreation Strategy 2021
- Community Strategic Plan: *Woollahra 2032*

This AMP covers operational, maintenance, renewal and new asset costs associated with open space infrastructure assets shown in Table 2.1, as well as operational and maintenance costs associated with open space living assets.

**Table 2.1: Assets covered by this Plan as at 30/06/2022**

Asset category	Dimension	Replacement Cost	Depreciated Replacement Cost	Annual Depreciation Value
Bins	164	\$230,174	\$145,340	\$10,836
Fences	12,289	\$5,671,472	\$3,895,988	\$103,142
Footpath	39,864	\$5,775,991	\$3,185,621	\$105,007
Furniture	866	\$2,911,293	\$2,052,457	\$78,228
Lights	698	\$6,989,437	\$3,596,066	\$218,252
Playgrounds	85	\$7,375,116	\$4,315,562	\$312,502
Services	289	\$2,941,774	\$1,941,346	\$61,734
Signs	572	\$777,564	\$444,606	\$39,690
Sports fields	81	\$3,621,628	\$2,320,417	\$188,342
Structures	227	\$3,964,500	\$2,390,750	\$42,500
<b>TOTAL</b>		<b>\$40,258,949</b>	<b>\$24,288,153</b>	<b>\$1,160,234</b>

Key stakeholders in the preparation and implementation of this asset management plan are shown in Table 2.2.

**Table 2.2: Key Stakeholders in the AMP**

Key Stakeholder	Role in Asset Management Plan
Councillors	<ul style="list-style-type: none"> <li>• Represent needs of community/shareholders,</li> <li>• Allocate resources to meet Council's objectives in providing services while managing risks,</li> <li>• Ensure organisation is financial sustainable.</li> <li>• Provide decision making and strategic direction on how assets are to be managed</li> </ul>

Key Stakeholder	Role in Asset Management Plan
WMC Parks Assets Department	Preparation of AMP, operation and service levels, data capture, information and analysis
Finance Team	LTFPs and operation financial data
Asset Management Group	Governance and Asset Management Strategy, monitoring and continuous improvement
Finance Community and Services Committee	Each of the Goals identified in <i>Woollahra 2032</i> is reported to the most appropriate standing committee as indicated below: Goal 1: A connected, harmonious and engaged community for all ages and abilities Goal 2: A supported, enabled and resilient community Goal 3: A creative and vibrant community Goal 5: Liveable places Goal 7: Protecting our environment Goal 8: Sustainable use of resources
Environmental Planning Committee	Each of the Goals identified in <i>Woollahra 2032</i> is reported to the most appropriate standing committee as indicated below: Goal 4: Well-planned neighbourhoods Goal 9: Community focused economic development
Strategic and Corporate Committee	Each of the Goals identified in <i>Woollahra 2032</i> is reported to the most appropriate standing committee as indicated below: Goal 6: Getting around Goal 10: Working together Goal 11: A well-managed Council
Operational Departments involved in the creation of	Design Parameters and standards
Community	Community informs Council of needs in relation to recreational opportunity in open space

This AMP sits within the Infrastructure and Sustainability directorate of Council, in Council's Open Space and Trees (OS&T) Department, the organisational structure of which is shown in Appendix F.

## 2.2 Goals and Objectives of Asset Management

The organisation exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by purchase, by contract, construction by staff and by donation of assets constructed by developers and others to meet increased demand.

Our goal in managing infrastructure assets is to meet the defined level of service (amended as required) in the most cost-effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Adopting a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined Level of Service,
- Identifying, assessing and appropriately controlling risks, and
- Having a Long-term Financial Plan (LTFP) which identifies required, affordable expenditure and how it will be financed.

This AMP is prepared under the direction of Council's vision, mission, goals and objectives. As with all Council activity, management of our assets is driven by the Community Strategic Plan: *Woollahra 2032*. This document includes the recently adopted Vision and Mission statements, which are;

### Our Vision

A thriving, inclusive, sustainable and resilient community that will benefit future generations.

### Our Mission

To lead climate action and promote respectful connections between people and place, so we can enhance, protect and celebrate Woollahra's beauty, heritage and quality of life, for the enjoyment of all.

Relevant Council goals and objectives from the Community Strategic Plan: *Woollahra 2032*, and how these are addressed in this AMP, are listed in Table 2.3.

**Table 2.3. Council Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in AMP
Goal 2: A supported, enabled and resilient community	2.1 Foster and build community partnerships and networks 2.2 Provide support for vulnerable people	<ul style="list-style-type: none"> <li>• Effective management of Council's finances.</li> <li>• Ensure Council maintains a transparent and integrated planning and reporting framework that is legislative, compliant and facilitates effective decision-making.</li> </ul>
Goal 5: Liveable Places	5.1 Enhance local community, cultural and recreation facilities to become more attractive, integrated, and accessible 5.2 Provide and maintain safe, clean, serviceable public infrastructure including roads, footpaths, bicycle facilities, parks, open space, stormwater drains and seawalls 5.3 Provide attractive, accessible, connected and safe parks, sports grounds, foreshore areas and other public spaces 5.4 Protect trees, streetscapes and landscapes	<ul style="list-style-type: none"> <li>• Ensure Council maintains a strong governance framework by continually reviewing Council policies and procedures for adequacy and currency.</li> <li>• Report regularly on Council's activities and achievements to the community.</li> <li>• Support and promote public safety in public open space through local law enforcement officers.</li> <li>• Complete annual maintenance programs for public spaces.</li> </ul>
Goal 7: Protecting our Environment	7.1 Protect natural landscapes, systems and biodiversity 7.2 Preserve and restore bushland areas and create wildlife corridor plantings	<ul style="list-style-type: none"> <li>• Implement a prioritized program of improvements and major upgrades to community and recreation facilities.</li> </ul>

## 2.3 Plan Framework

Key elements of the plan are;

- **Levels of service** – specifies the services and levels of service to be provided by the organisation
- **Future demand** – how this will impact on future service delivery and how this is to be met
- **Life cycle management** – how Council will manage its existing and future assets to provide defined levels of service
- **Risk Management Planning**
- **Financial summary** – what funds are required to provide the defined services
- **Asset management practices**
- **Monitoring** – how the plan will be monitored to ensure it is meeting organisation's objectives
- **Asset management improvement plan**

## 2.4 Core Asset Management

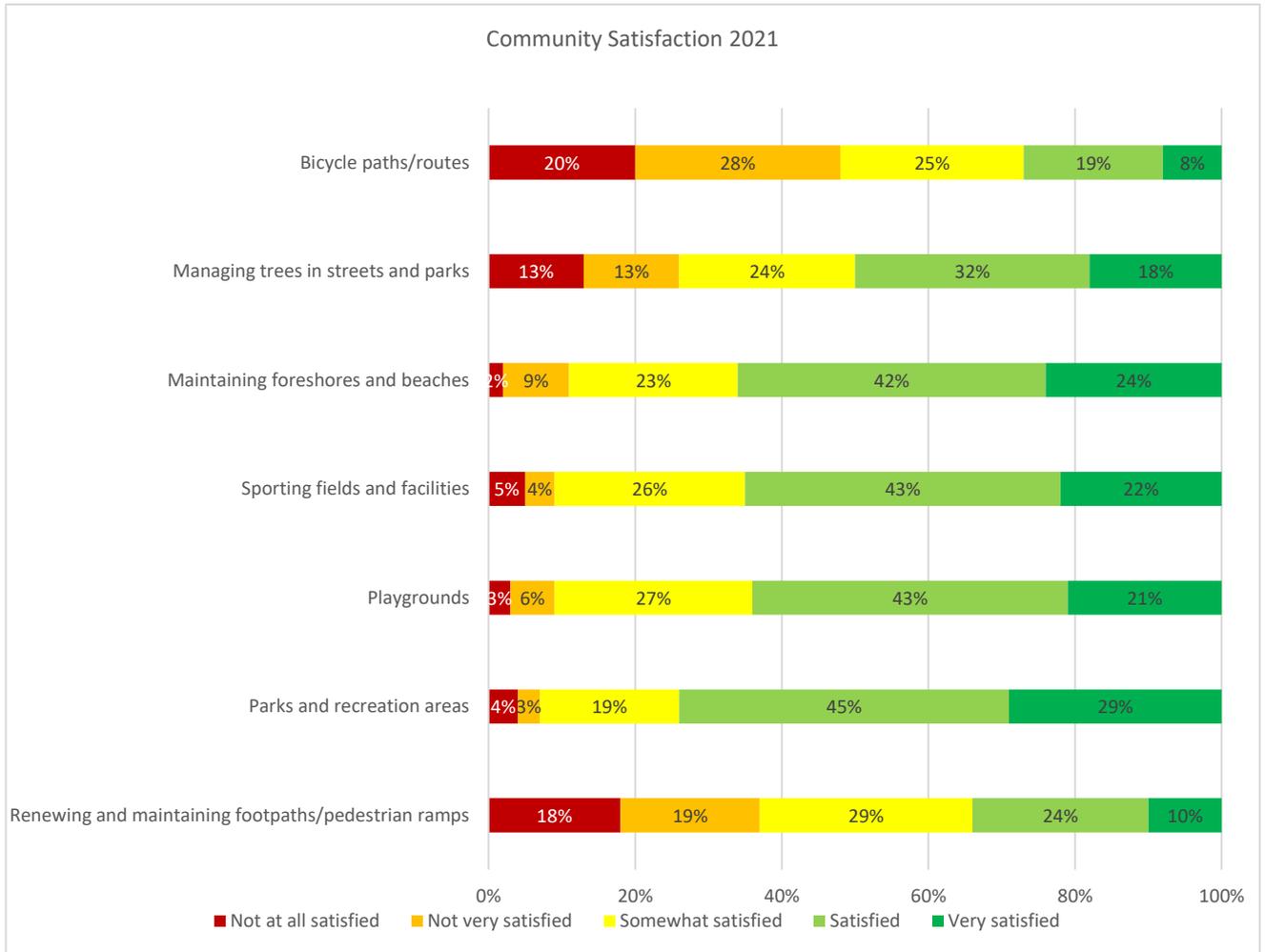
This asset management plan is prepared as a 'core' asset management plan over a 10 year planning period in accordance with the International Infrastructure Management Manual. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long-term financial planning and reporting. Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

### 3. LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

The most recent community satisfaction survey conducted in 2021 reported satisfaction levels for the following services:

**Figure 3.1: Community Satisfaction Survey Results from 2021**



#### 3.2 Legislative Requirements

Council must comply with many legislative requirements including Australian and State legislation and State regulations. These include:

**Table 3.1: Legislative Requirements**

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a LTFP supported by asset management plans for sustainable service delivery.
Local Government Amendment (Planning and Reporting) Act 2009	Local Government Amendment (Planning and Reporting) Act 2009 includes the preparation of a LTFP supported by asset management plans for sustainable service delivery.

Legislation	Requirement
Disability Discriminations Act, 1992	<p>The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.</p> <p>(a) to eliminate, as far as possible, discrimination against persons on the ground of <a href="#">disability</a> in the areas of:</p> <ul style="list-style-type: none"> <li>(i) work, <a href="#">accommodation</a>, education, access to <a href="#">premises</a>, <a href="#">clubs</a> and sport; and</li> <li>(ii) the provision of goods, facilities, <a href="#">services</a> and land; and</li> <li>(iii) existing laws; and</li> <li>(iv) the administration of <a href="#">Commonwealth laws</a> and programs; and</li> </ul> <p>(b) to ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community; and to promote recognition and acceptance within the community of the principle that persons with disabilities have the same fundamental rights as the rest of the community.</p>
Work Health & Safety Act 2011	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Council is to provide a safe working environment and supply equipment to ensure safety.
Environmental Planning and Assessment Act 1979	An Act to institute a system of <a href="#">environmental</a> planning and assessment for the State of New South Wales. Among other requirements the Act outlines the requirement for the preparation of Local Environmental Plans (LEP), Development Control Plans (DCP), Environmental Impact Assessments (EIA) and Environmental Impact Statements.
Plant Protection Act 1989	This act sets out requirements in respect to Flora Protection
Environmental Protection Act 1994	This act sets out requirements in respect to environmental protection
Threatened Species Conservation Act, 1995	<p>An Act to conserve threatened species, populations and ecological communities of animals and plants.</p> <p>Under the terms of this Act Council is required to ensure the long-term survival of the species identified.</p>
Rivers and Foreshores Improvements Act, 1948	An Act to provide for the carrying out of works for the removal of obstructions from and the improvement of rivers and foreshores and the prevention of erosion of lands by tidal and non-tidal waters
Protection of the Environment Operations Act 1997	Council is required to exercise due diligence to avoid environmental impact and among others are required to develop operations emergency plans and due diligence plans to ensure that procedures are in place to prevent or minimise pollution.
National Parks and Wildlife Act (1974)	An Act relating to the establishment, preservation and management of national parks, historic sites and certain other areas and the protection of certain fauna, native plants and Aboriginal objects
Native Vegetation Act 2003	This Act regulates the clearing of native vegetation on all land in NSW, except for excluded land listed in Schedule 1 of the Act. The Act outlines what landowners can and cannot do in clearing native vegetation.

Legislation	Requirement
Heritage Act, 1977	An Act to conserve the environmental heritage of the State. Several properties are listed under the terms of the Act and attract a high level of maintenance cost, approval and monitoring.
Dangerous Goods Safety Management Act 2001	This act sets out the safe use, storage and disposal of dangerous goods
Civil Liability Act, 2002	An Act to make provision in relation to the recovery of damages for death or <a href="#">personal injury</a> caused by the fault of a person
Companion Animals Act, 1998	An Act to provide for the identification and registration of <a href="#">companion animals</a> and for the duties and responsibilities of their <a href="#">owners</a> . Under the terms of the Act Council is required to provide and maintain at least one off leash area. It currently has eleven areas identified as off leash.

### 3.3 Community Levels of Service

Community Levels of Service measure how the community receives the service and whether the organisation is providing community value. Community levels of service measures used in the asset management plan are:

- Function Does it meet users' needs?
- Capacity/Utilization Is the service over or under used?
- Condition Are assets and facilities replaced when needed to meet demand?
- Safety Are the assets and facilities safe to use?
- Responsiveness Are programs and services delivered in agreed timeframes?

Table 3.2 outlines target levels of service and the current performance of Council's infrastructure assets, identifying key service areas.

**Table 3.2: Community Level of Service**

Service Area	Performance Measure	Target Level of Service	Current Performance at 30 June 2022	Performance Measurement Procedure
Playground Equipment	Condition	Asset Condition at level 3 or better	Average condition is 1.8 with the current level of funding	Condition Data Analysis
		Replace assets at condition level 4 & 5 98% of open space assets rated at Condition rating 1, 2 or 3	100% of Playground Equipment is between condition 1-3	Condition Data Analysis
	Safety	The provision of a safe and functional playground asset that meet the safety limits.	100% compliant	Safety Audits
Park Furniture	Condition	Asset Condition at level 3 or better	Average condition is 1.8 with the current level of funding	Condition Data Analysis
		Replace assets at condition level 4 & 5 98% of open space assets rated at Condition rating 1, 2 or 3	98% of Park Furniture Assets are between condition 1-3	Condition Data Analysis
	Safety	The provision of a safe and functional assets that meet the safety limits.	100% compliant	Safety Audits

Service Area	Performance Measure	Target Level of Service	Current Performance at 30 June 2022	Performance Measurement Procedure
Irrigation	Condition	Asset Condition at level 3 or better	Average condition of 1.4 with the current level of funding	Condition Data Analysis
		Replace assets at condition level 4 & 5 98% of open space assets rated at Condition rating 1, 2 or 3	100% of Assets are between condition 1-3	Condition Data Analysis
	Safety	The provision of a safe and functional assets that meet the safety limits.	100% compliant	Safety Audits
Sporting Facilities	Condition	Asset Condition at level 3 or better	Average condition of 1.9 with the current level of funding	Condition Data Analysis
		Replace assets at condition level 4 & 5 98% of open space assets rated at Condition rating 1, 2 or 3	100% of Assets are between condition 1-3	Condition Data Analysis
	Safety	The provision of a safe and functional assets that meet the safety limits.	100% compliant	Safety Audits
	Capacity/ Utilisation	Sportfields are available >85% days a year for normal use	85% availability	Analysis of ground closures
All Assets	Condition	Asset Condition at level 3 or better	Average condition of 1.9 with the current level of funding	Condition Data Analysis
		Replace assets at condition level 4 & 5 98% of open space assets rated at Condition rating 1, 2 or 3	96% of Assets are between condition 1-3	Condition Data Analysis

### 3.4 Technical Levels of Service

Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- **Operations** – the regular activities to provide services such as opening hours, cleansing, litter collection, energy use, inspections, etc.
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition (e.g. staining of furniture, mulching around playgrounds etc.),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally (e.g. replacing playgrounds, park furniture, fencing etc.),
- **New/Upgrade** – the activities to provide a higher level of service (e.g. widening a trail, increasing the scale and/or age range of a playground, increasing car park spaces etc.) or a new service that did not exist previously (e.g. pump track)

Service and asset managers plan, implement and control technical service levels to influence the customer service levels. Council aims for 100% of open space assets rated at condition 4 or 5 to be scheduled for renewal with 24 months.

## 4. FUTURE DEMAND

### 4.1 Demand Forecast

Drivers affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, capital development etc.

The present position and projections for demand drivers that may impact future service delivery and utilization of assets were identified and are documented in Table 4.1.

**Table 4.1: Demand Drivers, Projections and Impact on Services**

Demand Drivers	Present Position	Projection	Impact on Services
Population	53,891* (ABS est. 2021)	59,252+ (in year 2031); density 2.17+ persons/ household (in year 2031)	Some expansion to Open Space assets and services will be required. Increased Assets and demand on existing assets will have a follow on impact on maintenance and renewal costs.
Demographics	Analysis of the five year age groups of Woollahra Municipal Council area in 2021 compared to Greater Sydney shows that there was a lower proportion of people in the younger age groups (under 15) and a higher proportion of people in the older age groups (65+). Overall, 14.9% of the population was aged between 0 and 15, and 20.9% were aged 65 years and over, compared with 18.4% and 15.2% respectively for Greater Sydney	A slight demographic shift towards aged population.	Some impact by older population, but overall impact is not significant.
Increasing Costs	The cost to construct, maintain and replace parks and recreation assets is increasing due to supply chain constraints and increased cost of raw materials.	Anticipated to continue	Increasingly difficult to maintaining the current level of service. Equipment will need to provide greater efficiencies or be reduced/eliminated.
Climate Change	Higher frequency of extreme weather events	Unknown, but changes likely.	Addition costs may be imposed to fund environmental initiatives.

<b>Demand Drivers</b>	<b>Present Position</b>	<b>Projection</b>	<b>Impact on Services</b>
Environmental awareness	Awareness raising, water use minimisation, expectation for improvements, trend toward sustainable energy	Greater demand to reduce pollution and runoff into waterways, trend continues towards sustainable energy practices with greater emphasis on recycled water	Efficient water/irrigation systems and stormwater reuse solutions, REF/EIS Requirements , Fisheries requirements
Economic Factors	Significant increases in cost of energy; Constraints/ Increases in grants and funding sources	Councils Operational and Maintenance Costs will increase with little change to cost recovery in moist areas	Increased costs of works.

\* Australian Bureau of Statistics 2021 Census data

+ NSW Department of Planning and Environment *2022 NSW Common Planning Assumption Projections* [Local Government Areas (ASGS 2020) Projections for year ending 30 June]

## 4.2 Demand Management Plan

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

## 4.3 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. New assets are discussed in Section 5.4.

## 5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the organisation plans to manage and operate the assets at the target levels of service (defined in Section 3) while optimising life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

The Operations and Maintenance Plan in Section 5.2 of this document covers operational and maintenance expenditure associated with both open space living and infrastructure assets.

The Renewal/Replacement Plan in Section 5.3 and the Creation/Acquisition/Upgrade Plan in Section 5.4 covers expenditure associated with the renewal or installation of new infrastructure assets only, including park bins, fences, furniture, lights, signs, paths, playgrounds, sports fields, services and structures. The infrastructure assets covered by this plan are shown in Table 2.1. Asset register data from 30<sup>th</sup> June 2022 was used for the financial modelling in this plan.

#### 5.1.2 Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset category used for asset planning and financial reporting and service hierarchy used for service planning and delivery.

Council's service hierarchy for open space infrastructure assets is shown in Table 5.1. Appendix D contains a more detailed representation of the hierarchy including asset types.

**Table 5.1: Asset Hierarchy**

Service Hierarchy	Supporting Asset Categories	Service Level Objective
Environment	<ul style="list-style-type: none"> <li>• Bins</li> <li>• Services</li> </ul>	A healthy environment - Protecting our environment and sustainable use of resources.
Sporting Facilities	<ul style="list-style-type: none"> <li>• Sportsfields</li> </ul>	Facilitates sport, community and healthy lifestyle
Playground Equipment Other Structures	<ul style="list-style-type: none"> <li>• Playgrounds</li> <li>• Structures</li> </ul>	Provides for and promotes recreation and healthy lifestyles
Parks and Reserves	<ul style="list-style-type: none"> <li>• Fences</li> <li>• Footpath</li> <li>• Furniture</li> <li>• Lights</li> <li>• Signs</li> </ul>	Create an aesthetic and passive environment for the enjoyment of residents and visitors

#### 5.1.3 Asset condition

The condition of assets is monitored periodically following industry best practice for inspections based on the asset category and demand. Infrastructure assets were inspected and the condition of assets was updated in the asset register in 2020/21.

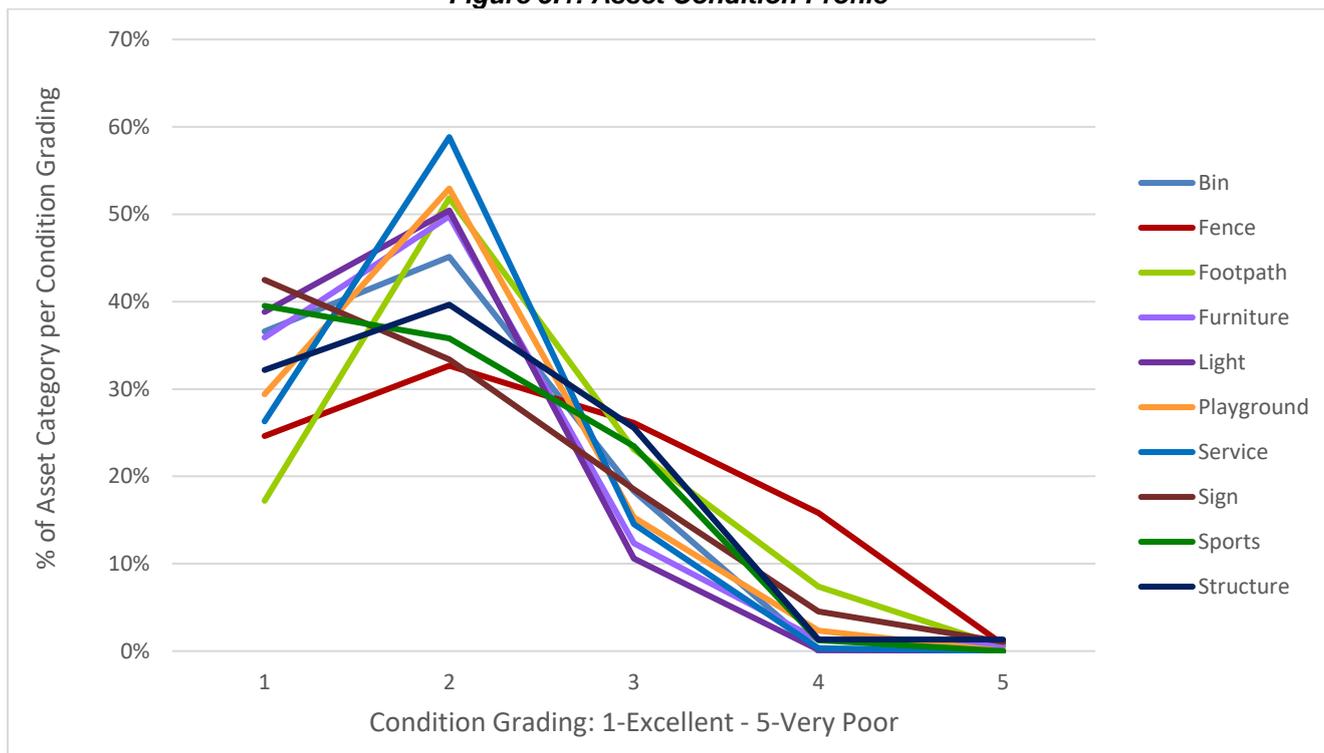
Visual condition surveys on assets will generally be carried out every five years, in line with NSW Office of Local Government guidance and best practice methodology, taking into account asset categories and demand. Condition is measured using a 1 – 5 rating system.

Additionally, routine inspections are undertaken on playgrounds 1-3 times a week to identify defects that affect safety, and operational/comprehensive inspections are undertaken quarterly.

Rating	Description of Condition
1	<b>Excellent:</b> No work required.
2	<b>Good:</b> Only minor maintenance work required.
3	<b>Average:</b> Maintenance work required.
4	<b>Poor:</b> Renewal required.
5	<b>Very poor:</b> Urgent renewal/upgrading required.

The condition profile of Open Space assets is shown in Figures 5.1.

**Figure 5.1: Asset Condition Profile**



## 5.2 Operations and Maintenance Plan

### 5.2.1 Operations and Maintenance Plan

Operations include regular activities to provide services such as public health, safety and amenity, e.g. cleaning of assets, playground inspections, and lighting. Operations activities affect service levels including quality and function.

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, e.g. path patching, but excluding rehabilitation or renewal.

Operations and maintenance expenditure is shown in Table 5.3.

**Table 5.3: Current O&M Expenditure**

Year	Actual Maintenance Expenditure		
	Operations	Maintenance	Total O&M
2021/22	\$4,987,903	\$4,987,903	\$9,975,806

The \$9,975,806 total in Table 5.3 covers the total operational and maintenance expenditure of Council's OS&T department, inclusive of salaries and wages, plant and equipment, etc. This expenditure covers the operational and maintenance activities associated with both living and infrastructure assets. The budget has

been apportioned 50% to operations and 50% to maintenance, until a more detailed analysis can be undertaken. No further breakdown of expenditure has been applied.

### 5.2.2 Service Gaps

Service Gaps have been identified in the following areas:

- **Park Maintenance** – The staffing resource for the park operations maintenance team has remained the same for many years. Within this time additional assets have been added to staff works schedules. New assets like traffic island garden beds, business centre garden improvements and laneways maintenance are examples of this. Along with new assets, community expectations have increased and it is evident that they are wanting a higher level of service for all open space areas and assets. The role and value of open space has never been more important. Greater emphasis is being placed on Woollahra's public open spaces to provide and support a diverse range of areas for recreation, sport and social activity as well as establishing physical links that support social connections.
- **Tree Maintenance** – The Woollahra LGA has an exceptional urban forest. Within this forest there a large amount of old majestic fig trees which require substantial maintenance to alleviate some issues associated with overshadowing and fruit drop. This required maintenance is not achievable with the current resourcing allocated to tree maintenance.
- **Plans of Management and Open Space Strategies** – Although there has been substantial work undertaken on the Crown Land Plans of Management and Open Space Strategies there are still very outdated plans for Community Land. These plans play a crucial role of providing strategic direction and recommendations on how best to develop and manage a quality open space. There is currently no permanent full time role to facilitate this.

These three Service Gaps in the Open Space & Trees Department are recognised and have been included into a permanent Special Rate Variation application (under Section 508A of the Local Government Act 1993), to the Independent Pricing and Regulatory Tribunal (IPART). If approved the following funding will be allocated in order to:

- Increase our open space maintenance staff (by a team of 5), to allow us to provide greater and more frequent levels of maintenance resulting in better maintained parks and reserves. This initiative is valued at \$5.5m.
- Continue the development of Plans of Management and related Masterplans for our reserves and open spaces and implement a range of works to come from these completed plans, with projects like new and upgraded playgrounds and new recreation facilities. This work is valued at \$2.5m.
- Undertake more proactive maintenance of our 550 Fig trees valued at \$2.3m.

### 5.2.3 Standards and specifications

Maintenance work is carried out in accordance with the Australian Standards and Specifications.

## 5.3 Renewal/Replacement Plan

Renewal and replacement expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

### 5.3.1 Renewal and replacement standards

Renewal work is carried out in accordance with the following Standards and Specifications.

- Relevant Australian Standards
- Playground Standards
- Disability Discrimination Act 1992
- Compliance with current regulations
- Building Code of Australia 1988
- Recognized Best Practice Industry Standards
- Development Control Plan No 9 Guidelines for Outdoor Lighting
- AS 2560 Guide to Sports Lighting and codes relevant to each sport
- WMC Processes for Purchasing, Tenders and Code of Conduct

### 5.3.2 Renewal and Replacement Strategy

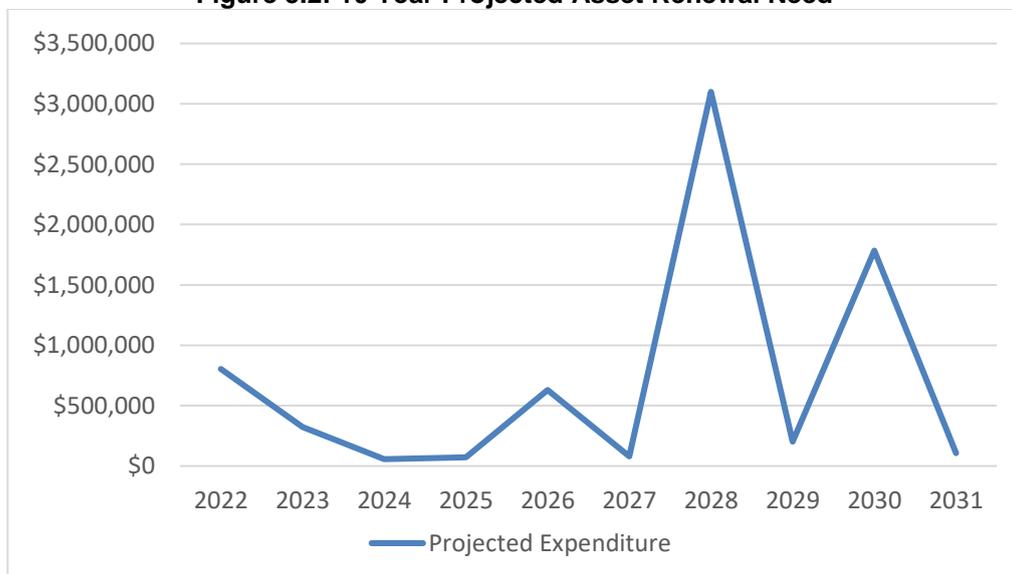
Over the course of the planning period assets are progressively renewed under the works program and the overall asset condition of the Open Space assets is able to be maintained, or nearly maintained, to an acceptable level of service. Asset renewal is driven by an assessment of asset condition. When an asset deteriorates to a condition 4 'poor' or 5 'very poor', it is identified and renewed as part of the works program.

### 5.3.3 Future renewal and replacement expenditure

Asset Register data from 30<sup>th</sup> June 2022 was used to project the renewal costs over ten years, using acquisition year and useful life to determine the renewal year. The useful lives used to project renewal expenditures are shown in Appendix D. These useful lives were last reviewed in 2018.

Figure 5.2 shows total projected renewal expenditure for all asset categories over a ten year period. Based on the current asset base, a total of \$7.2m of renewal funding is required over the next 10 years.

**Figure 5.2: 10 Year Projected Asset Renewal Need**



Two large spikes occur in 2028/29 and 2030/31. These relate to two sports surface renewal projects at Andrew Petrie Oval and Trumper Park Tennis Courts (\$1.29m) and a destination playground renewal at Rushcutters Bay (\$0.62m) in 2028/29, and the renewal of three community playgrounds at Bellevue Park, Rose Bay Park and Foster Park (\$0.56m) in 2030/31.

The projected capital renewal and replacement program by asset category is shown in Appendix C.

Renewals and replacement expenditure in Council's capital works program are accommodated in the LTFP outlined in Section 7 of this document. The LTFP in this AMP is adequate to renew these assets as required ensuring that there is no increased risk and deterioration from asset renewals that are deferred due to insufficient funding.

Projected future renewal and replacement expenditures are forecast to increase over time as the asset network increases with the installment of new assets.

## 5.4 Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the organisation from land development.

### 5.4.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as Plans of Management, Master Plans, councilor/director or community requests, proposals identified by strategic plans, or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds, and are scheduled in future works programs. The criteria used for new asset prioritisation includes safety, community expectation, impact on existing services, infrastructure lifecycle costs and community benefits.

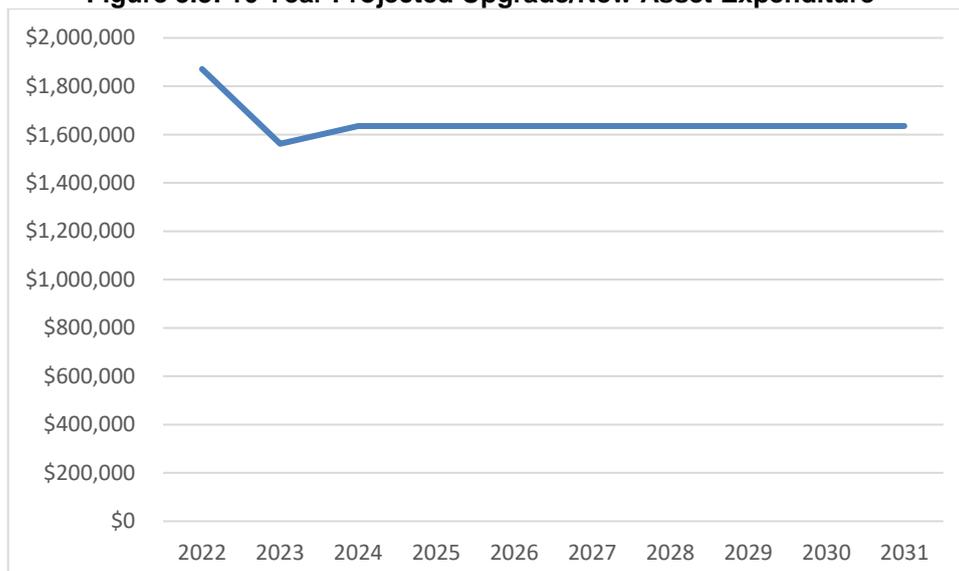
### 5.4.2 Standards and specifications

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.3.1.

### 5.4.3 Summary of future upgrade/new assets expenditure

Figure 5.3 shows the anticipated upgrade and new capital funding over the next 10 years. This is an estimate based on the average historical expenditure from financial years ending 2020 to 2022, plus expenditure for 2022 (\$308,000) and 2023 (\$637,000) playground upgrades and a buffer to accommodate cost escalation from 2024 onwards.

**Figure 5.3: 10 Year Projected Upgrade/New Asset Expenditure**



Expenditure on new assets and services in Council's capital works program are accommodated in the LTFP in Section 7 of this document. Funding will be from a combination of Council's capital works program and grants. Capital projects are funded from the Section 7.12 of the EPA Act 1979 Contributions Reserve or Council's available working capital.

Acquiring new assets will commit the organisation to fund ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These costs are not currently accounted for in this plan. Projected operating, maintenance and renewal costs of new assets will need to be accommodated in future versions of the AMP to take into account the growth of the asset network.

## 5.5 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. There are currently no assets identified for disposal.

## 6. Risk Management Planning

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:20189 Risk management – Principles and Guidelines.

Risk Management is defined in ISO 31000:2018 as “coordinated activities to direct and control with regards to risk.”

As assessment of risk associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

### 6.1 Critical Assets

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at the appropriate time.

Operations and maintenances activities may be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc. Critical assets, failure modes and required operations and maintenance activities can be found in Table 6.1 and Council’s Risk Register.

### 6.2 Risk Assessment

Critical risks, being those assessed as ‘Very High’ - requiring immediate corrective action and ‘High’ – requiring prioritized corrective action identified in the Infrastructure Risk Management Plan, together with the estimated residual risk after the selected treatment plan is operational are summarized in Table 6.1. These risks are reported to management and Council/Board.

**Table 6.1: Critical Assets and Treatment Plans**

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Playgrounds	Personal Injury in playgrounds.	VH	Regular renewal of sofffall, prevention of usages if broken, repair faulty or broken equipment, regular inspection of facility.	Low	In House Resources
Playgrounds	Structural failure of Playground equipment caused by the age and condition of equipment.	VH	Ensure Playgrounds are regularly inspected in accordance with relevant procedures. Repair components as required. Remove equipment at end of lifecycle or as necessary to ensure safe operating conditions.	Low	In House Resources

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Playgrounds	Changing regulatory requirements e.g. shading, softfall result in unexpected renewal costs.	H	Regular Inspections and annual certified inspections, renewal programs. Ensure playground inspection sheets meet current regulatory standards. Continue documented playground inspections.	Moderate	In House Resources
Sports Fields	Flooding of Sporting Fields.	VH	Commence early ground rehabilitation works as required following damage to fields.	Low	In House Resources
All areas as relevant including skate parks and other facilities with high inherent safety risks	Lack of appropriate warning or regulatory signage.	H	Park safety audit. Provide appropriate signage.	Moderate	In House Resources
All Parks & Recreation Areas	Injury to public from falling tree limbs.	VH	Implement Tree Risk Management Policy & Procedures, Conduct systematic inspections of high profile areas initially.	Moderate	In House Resources
Parks/Reserves	Inherent/latent risks may not be obvious (steep bank, waterway).	H	Initial park safety audit on all parks, subsequent audits based on initial risk-use signs as remote supervision procedures. Implement signs register. Conduct site inspections of all parks, reserves.	Low	In House Resources
Park	Inadvertent destruction of natural or protected assets missed by review of environmental factors. Loss of reputation, fines, loss of natural or cultural asset.	VH	Include protection & preservation obligations. Review any plans of management including protection & preservation obligations. Continue to carry out review of environmental factors before starting any project.	Low	In House Resources
Playgrounds & Parks	Non-compliance with intent of DDA requirements.	H	Annual review as part of overall implementation of any DDA committee and DDA review. Also examine future renewal to be more DDA friendly.	Moderate	In House Resources

**Note** \* The residual risk is the risk remaining after the selected risk treatment plan is operational.

## 7. FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan.

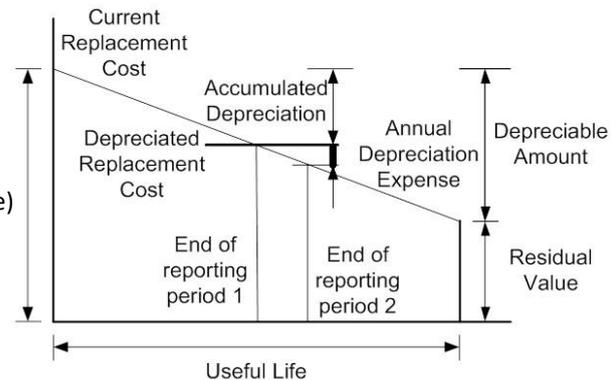
### 7.1 Financial Statements and Projections

The financial figures used in this plan are based on asset register data from 30<sup>th</sup> June 2022. The last revaluation of open space infrastructure assets was undertaken in 2018. The register has since been updated with information on new and renewed assets installed within the intervening period.

#### 7.1.1 Asset valuations

The value of infrastructure assets recorded in the asset register as at 30 June 2022 is shown below. Assets are valued at fair value methodology with straight line depreciation.

Current Replacement Cost	\$40,258,949
Depreciable Amount	\$40,258,949 (assuming \$0 Residual Value)
Annual Depreciation Expense	\$1,160,234



#### 7.1.2 Sustainability of Service Delivery

Various ratios of asset consumption and expenditure have been prepared to help guide and gauge asset management performance and trends over time.

**Rate of Annual Asset Consumption**                      **2.88%** (Depreciation/Depreciable amount)  
(over the total life of the asset network)

**Rate of Annual Asset Renewal**                              **1.78%** (Annual capital renewal exp/Depreciable amount)  
(based on the 10yr projected renewal expenditure)

**10 Year Asset Renewal Funding Ratio**                      **100%** (10yr renewal need/10yr projected renewal expenditure)

**10 Year Sustainability Indicator \*\***                              **100%** (10yr total need/10yr total budget)  
(refer to Appendix E)

**Note \*\*** The sustainability levels above are based on existing levels of service. Current service gaps will need to be addressed through additional funding. Refer to Section 5.2.2 - Service Gaps.

Comparing the Rate of Annual Asset Consumption to the Rate of Annual Asset Renewal above, long term asset consumption is occurring at a greater rate than asset renewal, leading to a devalued asset base unless funding is increased in the long term (beyond the 10 year projected renewal timeframe).

### 7.1.3 Projected expenditures for Long-term Financial Plan

Table 7.1 shows the projected expenditures for the 10 year LTFP.

**Table 7.1: 10 Long-term Financial Plan**

Year End	Projected Renewals	LTFP Capital Upgrade/New Budget	LTFP Operations Budget	LTFP Maintenance Budget
2022	\$803,902	\$1,870,990	\$4,987,903	\$4,987,903
2023	\$323,951	\$1,562,000	\$4,987,903	\$4,987,903
2024	\$56,695	\$1,635,740	\$4,987,903	\$4,987,903
2025	\$72,741	\$1,635,740	\$4,987,903	\$4,987,903
2026	\$630,207	\$1,635,740	\$4,987,903	\$4,987,903
2027	\$80,814	\$1,635,740	\$4,987,903	\$4,987,903
2028	\$3,099,090	\$1,635,740	\$4,987,903	\$4,987,903
2029	\$201,124	\$1,635,740	\$4,987,903	\$4,987,903
2030	\$1,784,766	\$1,635,740	\$4,987,903	\$4,987,903
2031	\$105,195	\$1,635,740	\$4,987,903	\$4,987,903
	<b>\$7,158,486</b>	<b>\$16,518,910</b>	<b>\$49,879,030</b>	<b>\$49,879,030</b>

Note that the above budgeted expenditure does not consider external grant funding or natural disaster emergency funding.

## 7.2 Funding Strategy

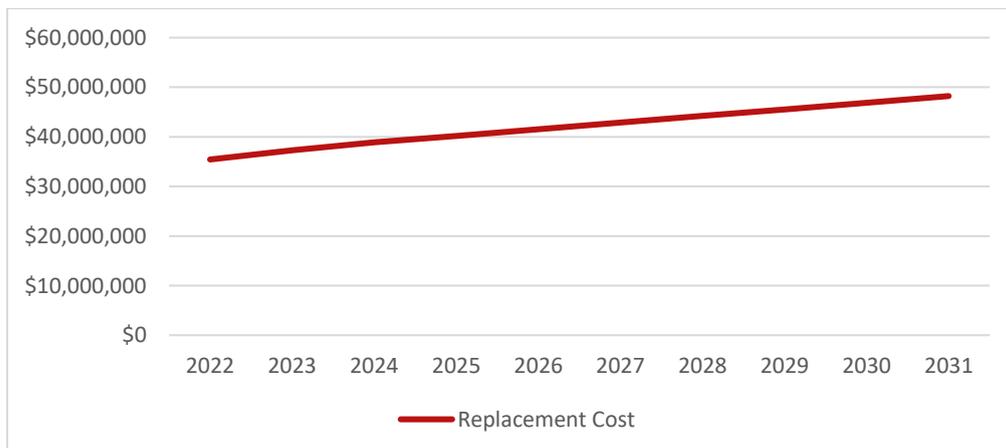
Projected expenditure identified in Section 7.1.3 is to be funded from Council’s operating and capital budgets. There will also be state and federal government grant funding assisting with renewal and upgrades, and Section 94a contributions from developers. Neither of these unpredictable future funding sources has been taken into consideration in the financial modelling as part of this AMP.

Operational costs are funded from rates and general revenue, and capital projects are funded through development contributions as enabled under Section 7.12 of the EPA Act 1979 or from Council’s available working capital.

## 7.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset network. Figure 7.2 shows the projected replacement cost asset values over the planning period in real values.

**Figure 7.2: 10 Year Replacement Cost Projections**



### 7.3.1 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this AMP and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP and risks that these may change are:

- Required maintenance is assumed to take place in accordance with relevant codes and standards.
- Infrastructure assets will be replaced at the end of their useful life or at condition 4 or 5 interventional level.
- Council's asset register is continually being updated to improve maturity of data.
- Forward projections of operating and maintenance activities is based on the 2021/2022 budget.
- The modelling for the operational and maintenance budget includes the total operational and maintenance expenditure of Council's OS&T department, inclusive of salaries and wages, plant and equipment, etc.
- The maintenance and operating modelling includes expenditure on living assets. Expenditure on living assets needs to be separated from the total expenditure to enable more advanced modelling.
- There is a single recurrent budget, which for the purposes of modelling in this AMP has been apportioned 50% to operations and 50% to maintenance.
- Forward upgrade/new capital work need has been estimated based on the last three years historic new capital budgets.
- Forward renewal financial need has been determined using asset register data from 30<sup>th</sup> June 2022, which includes the latest revaluation data from 2018, updated with actual expenditure on new and renewed assets, recent asset condition information and remaining life data.

## 7.4 Forecast Reliability and Confidence

The expenditure and valuations projections in this AMP are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale in accordance with Table 7.2.

**Table 7.2: Data Confidence Grading System**

Confidence Grade	Description
A Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and recognized as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 7.3.

**Table 7.3: Data Confidence Assessment for Data used in AMP**

<b>Data</b>	<b>Confidence</b>	<b>Comment</b>
Demand drivers	B Reliable	Census data for Woollahra Local Government Area benchmarks demand drivers
Growth projections	B Reliable	Census data report for Woollahra Local Government Area
Operations expenditures	C Uncertain	50% split between operations and maintenance expenditure is an estimate. Operational and maintenance includes both living and infrastructure asset expenditure
Maintenance expenditures	C Uncertain	
Projected Renewal expenditures - Asset values	B Reliable	Asset register revalued in 2018 and since updated with actual expenditure on new and renewed assets. Asset register is continually being updated to improve maturity of data
- Asset useful lives	B Reliable	Benchmark useful lives used where available as part of 2018 revaluation
- Condition modelling	B Reliable	Condition inspection of assets was last undertaken in 2020/21
Upgrade/New expenditures	C Uncertain	Budget modelling based on median of last three years capital expenditure and identification of upgrade/new asset requirements
Disposal expenditures	E Unknown	None available

Over all data sources, the data confidence is assessed as having reliable level for data used in the preparation of this AMP. There are some data maturity improvement items that have been detailed in Section 9 to improve the data confidence and reliability of the Open Space forward planning and service level delivery.

## **8. ASSET MANAGEMENT PRACTICES**

### **8.1 Accounting and financial systems**

The Local Government Act 1993 requires Council to prepare an annual report on its achievements with respect to the objectives and performance targets set out in its management plan for that year.

This report provides Council's audited financial statements including the condition of public works under the control of the Council as at the end of that year, together with:

- An estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard; and
- An estimate (at current values) of the annual expense of maintaining the works at that standard; and
- The council's program of maintenance for that year in respect of the works.

Australian Accounting Standard (AAS) 27 is applicable to financial reporting by local governments, and provides guidelines for accounting methods and procedures.

### **8.2 Asset management system**

Currently Council uses ESRI GIS databases and applications and the MS Excel program for Asset Management Purposes.

Assets are valued and depreciated in the spreadsheet and figures are manually transferred to the General Ledger on a yearly basis.

A project to acquire a corporate Assets Management System is currently underway.

### **8.3 Standards and Guidelines**

The development of this plan is in accordance with:

- Australian Infrastructure Financial Management Guidelines 2009, IPWEA Version 1.
- International Infrastructure Management Manual (IIMM), IPWEA

## 9. IMPROVEMENT PLAN AND MONITORING

### 9.1 Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required projected expenditures identified in this asset management plan are incorporated into Council's LTFP,
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the asset management plan,
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the Council's Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the target of 1.0.

### 9.2 Improvement Plan

The preparation of this AMP is based on existing levels of service, the best available current information and staff knowledge. It is intended that this should be an ongoing process and regularly reviewed and updated. The Improvement Plan is intended to maintain and acknowledge a process of continuous improvement that will maintain high levels of confidence in the AMP. The asset management improvement plan generated from this asset management plan is shown in Table 9.1.

**Table 9.1: Improvement Plan**

Task No	Task	Responsibility	Resources Required	Date of Completion
1	Review operating levels of service to better meet community expectations.	Corporate (Infrastructure & Financial)	Staff Time	June 2023
2	Establish periodic park user intercept surveys to measure service level gaps and update section 3.	Infrastructure	Staff Time	June 2023
3	Continue to monitor and improve data collection methods with an emphasis on improved forecasting for continuing expenditure.	Corporate (Infrastructure & Financial)	Staff Time	June 2024
4	Undertake financial modelling based on development/operating levels of service and unit rate costs so that future asset development is undertaken at a financially sustainable rate.	Corporate (Infrastructure & Financial)	Staff Time	June 2026

### 9.3 Monitoring and Review Procedures

This AMP will be reviewed during annual budget planning processes and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of budget decisions.

The AMP will be updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into Council's LTFFP.

The AMP has a life of 4 years (Council/Board election cycle) and is due for complete revision and updating within 2 years of each Council/Board election.

## 10. REFERENCES

Council's parks and natural areas Plans of Management

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, [www.ipwea.org/IIMM](http://www.ipwea.org/IIMM)

IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, [www.ipwea.org/namsplus](http://www.ipwea.org/namsplus).

IPWEA, 2009, 'Australian Infrastructure Financial Management Guidelines', Institute of Public Works Engineering Australasia, Sydney, [www.ipwea.org/AIFMG](http://www.ipwea.org/AIFMG).

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## **APPENDICES**

Appendix A	Abbreviations
Appendix B	Glossary
Appendix C	Projected 10 Year Asset Renewal by Asset Category
Appendix D	Asset Useful Lives and Unit Rates
Appendix E	Sustainability Ratios
Appendix F	Organisational Structure

## APPENDIX A - ABBREVIATIONS

AAAC	Average annual asset consumption
AMP	Asset management plan
ARI	Average recurrence interval
BOD	Biochemical (biological) oxygen demand
CRC	Current replacement cost
CWMS	Community wastewater management systems
DA	Depreciable amount
DDA	Disability Discrimination Act
DoH	Department of Health
EF	Earthworks/formation
IRMP	Infrastructure risk management plan
LCC	Life Cycle cost
LCE	Life cycle expenditure
MMS	Maintenance management system
PCI	Pavement condition index
RV	Residual value
SS	Suspended solids
vph	Vehicles per hour

## APPENDIX B - GLOSSARY

### **Annual service cost (ASC)**

Reporting actual cost

The annual (accrual) cost of providing a service including operations, maintenance, depreciation, finance/opportunity and disposal costs less revenue.

For investment analysis and budgeting

An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operations, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

### **Asset**

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity.

Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

### **Asset category**

Sub-group of assets within a class hierarchy for financial reporting and management purposes.

### **Asset class**

A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

### **Asset condition assessment**

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

### **Asset hierarchy**

A framework for segmenting an asset base into appropriate classifications. The asset hierarchy can be based on asset function or asset type or a combination of the two.

### **Asset management (AM)**

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

### **Asset renewal funding ratio**

The ratio of the net present value of asset renewal funding accommodated over a 10 year period in a long-term financial plan relative to the net present value of projected capital renewal expenditures identified in an asset management plan for the same period [AIFMG Financial Sustainability Indicator No 8].

### **Average annual asset consumption (AAAC)\***

The amount of an organisation's asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

### **Borrowings**

A borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time or at a specified point in time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided.

### **Capital expenditure**

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

### **Capital expenditure - expansion**

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users. It is discretionary expenditure, which increases future operations and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

**Capital expenditure - new**

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operations and maintenance expenditure.

**Capital expenditure - renewal**

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

**Capital expenditure - upgrade**

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operations and maintenance expenditure in the future because of the increase in Council's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

**Capital funding**

Funding to pay for capital expenditure.

**Capital grants**

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

**Capital investment expenditure**

See capital expenditure definition

**Capitalisation threshold**

The value of expenditure on non-current assets above which the expenditure is recognised as capital expenditure and below which the expenditure is charged as an expense in the year of acquisition.

**Carrying amount**

The amount at which an asset is recognised after deducting any accumulated depreciation/

amortisation and accumulated impairment losses thereon.

**Class of assets**

See asset class definition

**Component**

Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.

**Core asset management**

Asset management which relies primarily on the use of an asset register, maintenance management systems, job resource management, inventory control, condition assessment, simple risk assessment and defined levels of service, in order to establish alternative treatment options and long-term cashflow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than detailed risk analysis and optimised decision-making).

**Cost of an asset**

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, including any costs necessary to place the asset into service. This includes one-off design and project management costs.

**Critical assets**

Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than non-critical assets.

**Current replacement cost (CRC)**

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

**Deferred maintenance**

The shortfall in rehabilitation work undertaken relative to that required to maintain the service potential of an asset.

**Depreciable amount**

The cost of an asset, or other amount substituted for its cost, less its residual value.

**Depreciated replacement cost (DRC)**

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

**Depreciation / amortisation**

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

**Economic life**

See useful life definition.

**Expenditure**

The spending of money on goods and services. Expenditure includes recurrent and capital outlays.

**Expenses**

Decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or increases in liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

**Fair value**

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms length transaction.

**Financing gap**

A financing gap exists whenever an entity has insufficient capacity to finance asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current financing gap means service levels have already or are currently falling. A projected financing gap if not addressed will result in a future diminution of existing service levels.

**Heritage asset**

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

**Impairment Loss**

The amount by which the carrying amount of an asset exceeds its recoverable amount.

**Infrastructure assets \***

Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no separate market value.

**Investment property**

Property held to earn rentals or for capital appreciation or both, rather than for: use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

**Key performance indicator**

A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

**Level of service**

The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

**Total LCC**

The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

**Average LCC**

The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises average operations, maintenance expenditure plus asset consumption expense, represented by depreciation expense projected over 10 years. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

### **Life Cycle Expenditure**

The Life Cycle Expenditure (LCE) is the average operations, maintenance and capital renewal expenditure accommodated in the long-term financial plan over 10 years. Life Cycle Expenditure may be compared to average Life Cycle Cost to give an initial indicator of affordability of projected service levels when considered with asset age profiles.

### **Living assets \***

Living assets such as turfed areas, landscaped gardens and trees.

### **Loans / borrowings**

See borrowings.

### **Maintenance**

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, eg road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

### **Planned maintenance**

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

### **Reactive maintenance**

Unplanned repair work that is carried out in response to service requests and management/supervisory directions.

### **Specific maintenance**

Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.

### **Unplanned maintenance**

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

### **Maintenance expenditure \***

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

### **Materiality**

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

### **Modern equivalent asset**

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and, improvements and efficiencies in production and installation techniques

### **Net present value (NPV)**

The value to the organisation of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from eg the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

### **Non-revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

### **Operations**

Regular activities to provide services such as public health, safety and amenity, eg street sweeping, grass mowing and street lighting.

### **Operating expenditure**

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, eg power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

### **Operating expense**

The gross outflow of economic benefits, being cash and non cash items, during the period arising in the course of ordinary activities of an entity when those outflows result in decreases in equity, other than

decreases relating to distributions to equity participants.

### **Operating expenses**

Recurrent expenses continuously required to provide a service, including power, fuel, staff, plant equipment, maintenance, depreciation, on-costs and overheads.

**Operations, maintenance and renewal financing ratio** Ratio of estimated budget to projected expenditure for operations, maintenance and renewal of assets over a defined time (eg 5, 10 and 15 years).

### **Operations, maintenance and renewal gap**

Difference between budgeted expenditures in a long-term financial plan (or estimated future budgets in absence of a long-term financial plan) and projected expenditures for operations, maintenance and renewal of assets to achieve/maintain specified service levels, totalled over a defined time (e.g. 5, 10 and 15 years).

### **Pavement management system (PMS)**

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

### **PMS Score**

A measure of condition of a road segment determined from a Pavement Management System.

### **Rate of annual asset consumption \***

The ratio of annual asset consumption relative to the depreciable amount of the assets. It measures the amount of the consumable parts of assets that are consumed in a period (depreciation) expressed as a percentage of the depreciable amount.

### **Rate of annual asset renewal \***

The ratio of asset renewal and replacement expenditure relative to depreciable amount for a period. It measures whether assets are being replaced at the rate they are wearing out with capital renewal expenditure expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

### **Rate of annual asset upgrade/new \***

A measure of the rate at which assets are being upgraded and expanded per annum with capital upgrade/new expenditure expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

### **Recoverable amount**

The higher of an asset's fair value, less costs to sell and its value in use.

### **Recurrent expenditure**

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

### **Recurrent funding**

Funding to pay for recurrent expenditure.

### **Rehabilitation**

See capital renewal expenditure definition above.

### **Remaining useful life**

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life.

### **Renewal**

See capital renewal expenditure definition above.

### **Residual value**

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

### **Revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

### **Risk management**

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

### **Section or segment**

A self-contained part or piece of an infrastructure asset.

### **Service potential**

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit sector/public sector to value assets, particularly those not producing a cash flow.

### **Service potential remaining**

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential

to provide services that is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

#### **Specific Maintenance**

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacement of air conditioning equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

#### **Strategic Longer-Term Plan**

A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in the Council's longer-term plans such as the asset management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where the Council is at that point in time, where it wants to go, how it is going to get there, mechanisms for monitoring the achievement of the outcomes and how the plan will be resourced.

#### **Sub-component**

Smaller individual parts that make up a component part.

#### **Useful life**

Either: the period over which an asset is expected to be available for use by an entity, or the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the Council.

#### **Value in Use**

The present value of future cash flows expected to be derived from an asset or cash generating unit. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows, where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Source: IPWEA, 2009, Glossary

Additional and modified glossary items shown \*

## APPENDIX C – PROJECTED 10 YEAR ASSET RENEWAL BY ASSET CATEGORY

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Grand Total
<b>Bin</b>	\$1,200	\$6,634		\$3,656	\$18,983		\$37,870	\$3,730	\$21,449		\$93,521
<b>Fence</b>	\$113,746	\$90,563	\$4,757	\$1,350	\$29,830		\$68,676	\$2,189	\$96,325	\$2,053	\$409,490
<b>Footpath</b>	\$117,282	\$76,483	\$23,051	\$3,242	\$64,404		\$60,907	\$1,117	\$183,449	\$5,306	\$535,241
<b>Furniture</b>	\$29,600	\$9,134	\$6,049	\$4,647	\$32,703		\$66,530	\$14,701	\$144,060	\$32,710	\$340,136
<b>Light</b>	\$3,000			\$11,097			\$8,198		\$44,107		\$66,401
<b>Playground</b>		\$93,455	\$1,144		\$408,543	\$41,030	\$847,778	\$56,046	\$874,149		\$2,322,145
<b>Service</b>	\$432,000	\$18,202	\$4,055			\$34,612	\$205,859	\$8,385	\$261,457	\$51,324	\$1,015,894
<b>Sign</b>	\$39,800	\$16,915	\$17,639	\$21,024	\$63,497	\$5,172	\$247,181	\$12,158	\$13,081	\$12,624	\$449,091
<b>Sports</b>		\$12,062		\$1,519	\$12,247		\$1,532,652		\$76,528		\$1,635,007
<b>Structure</b>	\$67,274	\$502		\$26,205			\$23,439	\$102,799	\$70,161	\$1,178	\$291,559
<b>Grand Total</b>	<b>\$803,902</b>	<b>\$323,951</b>	<b>\$56,695</b>	<b>\$72,741</b>	<b>\$630,207</b>	<b>\$80,814</b>	<b>\$3,099,090</b>	<b>\$201,124</b>	<b>\$1,784,766</b>	<b>\$105,195</b>	<b>\$7,158,486</b>

## APPENDIX D ASSET USEFUL LIVES AND UNIT RATES

ASSET CATEGORY	ASSET TYPE	MATERIAL	USEFUL LIFE	REPLACEMENT COST \$	UNIT
Bin	Freestanding		12	250	each
Bin	Standard Single		20	1,200	each
Bin	Standard Double		20	1,800	each
Bin	Standard Triple		20	2,200	each
Fence	Barrier - No infill		50	100	m
Fence	Barrier - Infill		50	130	m
Fence	Infill 1-1.5m		50	150	m
Fence	Handrail Infill		50	150	m
Fence	No Infill 1-1.5m		50	130	m
Fence	Handrail No Infill		50	130	m
Fence	High Quality		60	250	m
Fence	Bollard Standard		25	90	m
Fence	Bollard High		30	120	m
Fence	Standard < 1m		50	80	m
Fence	Weld Mesh		50	200	m
Fence	Infill > 1.5m		50	160	m
Fence	Paling		40	120	m
Fence	Gate Pedestrian		35	500	each
Fence	Gate Vehicular		35	1,000	each
Footpath	Concrete		60	120	m2
Footpath	Paving		70	140	m2
Footpath	Loose Surface		50	30	m2
Footpath	Boardwalk/Decking		30	450	m2
Footpath	Asphalt		30	90	m2
Footpath	Stairs/Steps	Timber	35	250	m2
Footpath	Stairs/Steps	Masonry	80	320	m2
Footpath	Stairs/Steps	Concrete	80	320	m2
Furniture	Seat High		30	3,000	each
Furniture	Seat Standard		30	2,300	each
Furniture	Bench Standard		25	1,500	each
Furniture	Picnic Setting		25	3,000	each
Furniture	Tablebench		25	1,800	each
Furniture	Bike Racks < 6		25	3,000	each
Furniture	Bike Racks > 6		25	4,500	each
Furniture	Flagpole		40	3,500	each
Furniture	Memorial Plaque		60	750	each
Furniture	Public Art		30	25,000	each
Furniture	Planter Box		25	1,000	each
Furniture	Shower		20	2,500	each
Furniture	Drinking Fountain		20	4,500	each
Sports	Sportsfield Goals		20	5,500	each
Sports	Basketball Hoop		25	1,500	each
Sports	Court		25	80,000	each
Sports	Cricket Pitch		20	12,000	each
Sports	Cricket Net Single		30	50,000	each

<b>Sports</b>	Cricket Net Double		30	75,000	each
<b>Sports</b>	Cricket Net Triple		30	90,000	each
<b>Sports</b>	Fitness Equip. Static < 3		15	10,000	each
<b>Sports</b>	Fitness Equip. Static > 3		15	20,000	each
<b>Sports</b>	Fitness Equip. Dynamic < 3		15	15,000	each
<b>Sports</b>	Fitness Equip. Dynamic > 3		15	30,000	each
<b>Sports</b>	Fitness Surfacing		20	240	m2
<b>Sports</b>	Sportsfield Synthetic		10	60	m2
<b>Sports</b>	Sportsfield Synthetic Shockpad		10	160,830	each
<b>Sports</b>	Sportsfield Synthetic Edgebeam		90	60,600	each
<b>Sports</b>	Field Turf		NA	NA	
<b>Structure</b>	Wall < 1m	Masonry	80	600	m
<b>Structure</b>	Wall < 1m	Timber	50	400	m
<b>Structure</b>	Wall > 1m	Masonry	80	1,200	m
<b>Structure</b>	Wall > 1m	Timber	40	850	m
<b>Structure</b>	Pergola		40	5,000	each
<b>Structure</b>	Shelter		30	7,500	each
<b>Structure</b>	Information Shelter		30	3,000	each
<b>Structure</b>	Shed		50	10,000	each
<b>Structure</b>	Heritage		100	100,000	each
<b>Structure</b>	Edge < 0.3m	Masonry	80	60	m
<b>Structure</b>	Garden Edge < 0.3m	Timber	25	35	m
<b>Structure</b>	Bridge	Masonry	80	800	m2
<b>Structure</b>	Bridge	Timber	45	500	m2
<b>Structure</b>	Bridge	Steel	60	750	m2
<b>Sign</b>	Park Name Large		15	3,000	each
<b>Sign</b>	Park Name Standard		15	2,000	each
<b>Sign</b>	Reg/Info Single		15	800	each
<b>Sign</b>	Reg/Info Double		15	1,000	each
<b>Sign</b>	Interpretive/Map		15	5,000	each
<b>Sign</b>	Memorial/plaque		60	750	each
<b>Service</b>	Bore		50	20,000	each
<b>Service</b>	CCTV Pole		35	19,000	each
<b>Service</b>	CCTV Camera		7	20,000	each
<b>Service</b>	CCTV Work station		5	6,000	each
<b>Service</b>	Lifeline Phone		20	20,000	each
<b>Service</b>	Electricity Meter Box		30	3,500	each
<b>Service</b>	Pump Control Box		30	3,500	each
<b>Service</b>	Irrigation Controller		15	4,000	each
<b>Service</b>	Irrigation Pump		15	8,000	each
<b>Service</b>	Irrigation VSD		30	3,000	each
<b>Service</b>	Irrigation Piped Network		35	50,000	each
<b>Service</b>	Irrigation Storage Tank		40	20,000	each
<b>Service</b>	Water Harvest Network		35	90,000	each
<b>Service</b>	Water Tap		35	250	each
<b>Service</b>	Water Meter		35	500	each
<b>Service</b>	Stormwater Pits		60	1,200	each
<b>Service</b>	Stormwater Pipes		60	20	m
<b>Service</b>	Stormwater Open Drain		NA	NA	
<b>Service</b>	Stormwater SQUID		35	150	m2

<b>Service</b>	Stormwater Raingarden	20	50	m2
<b>Service</b>	Stormwater Creek/Pond Embankment	NA	NA	
<b>Playground</b>	Playground Pocket	20	85,000	each
<b>Playground</b>	Playground Destination	20	600,000	each
<b>Playground</b>	Playground Community	20	180,000	each
<b>Playground</b>	Surface Wetpour Rubber	20	240	m2
<b>Playground</b>	Surface Synthetic Turf	20	130	m2
<b>Playground</b>	Surface Loose	20	10	m2
<b>Playground</b>	Shade Structure Single	20	25,000	each
<b>Playground</b>	Shade Structure Double	20	40,000	each
<b>Playground</b>	Shade Structure Triple	20	60,000	each
<b>Playground</b>	Shade Structure 4 Plus	20	80,000	each
<b>Light</b>	Sportslight	30	60,000	each
<b>Light</b>	Ground/Wall	25	1,000	each
<b>Light</b>	Bollard	25	2,500	each
<b>Light</b>	Amenity	35	5,500	each

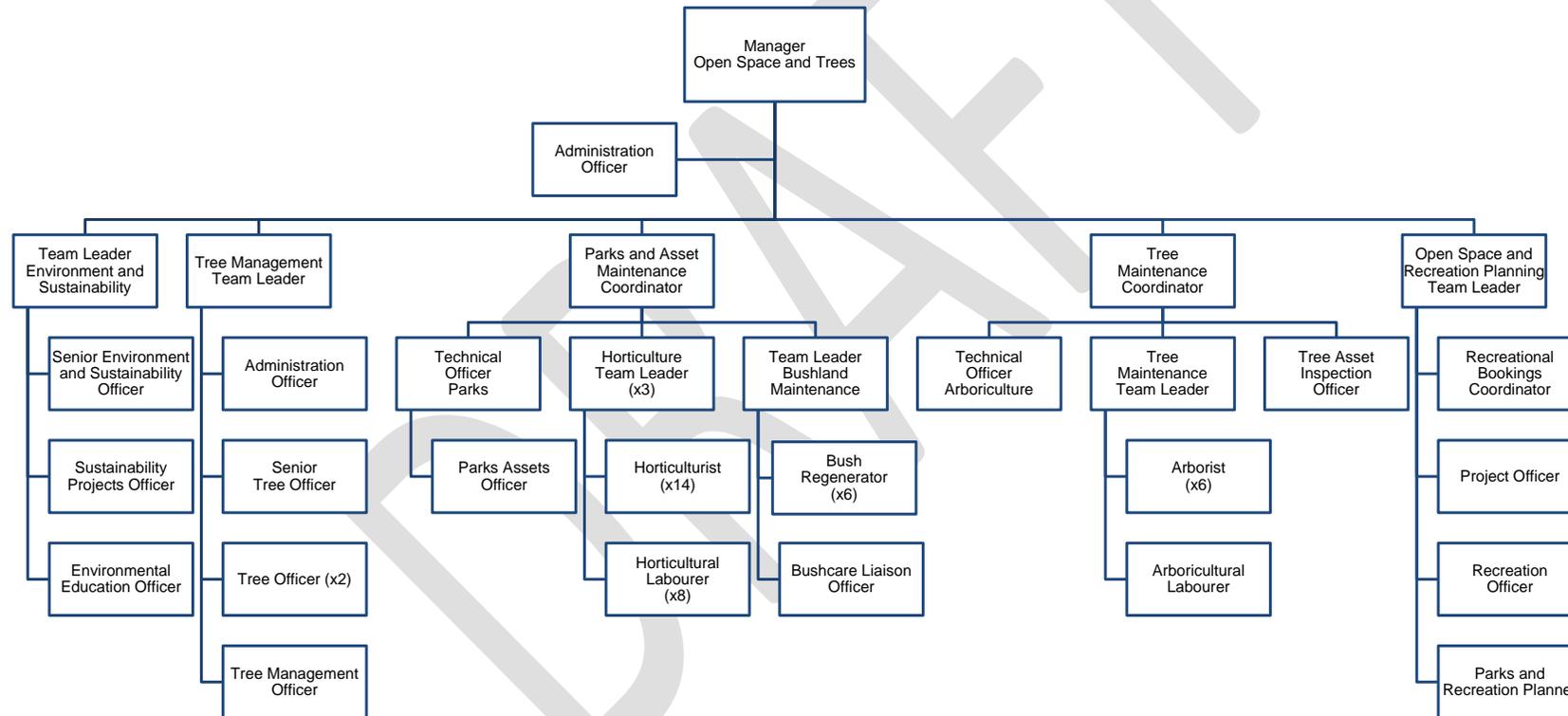
## APPENDIX E - SUSTAINABILITY RATIOS

Current LTFP - (Current Level of Upgrade/New Continued Through Planning Period)	
(\$000's)	
<b>Asset Renewal Funding Ratio</b>	
Asset Renewal Funding Ratio (10 Yr Total Renewal Need / 10 Yr Projected Renewal Expenditure)	100%
<b>Life Cycle Cost (long-term)</b>	
Life Cycle Cost ((Annual Depreciation Cost x 10) + 10 Yr Operations Need + 10 Yr Operations Need)	\$111,360
Life Cycle Budget Exp. (10 Yr Projected Renewal Expenditure + 10 Yr Operations Budget + 10 Yr Maintenance Budget)	\$106,917
Life Cycle Gap (Life Cycle Cost Life - Cycle Budget Expenditure)	\$4,444
Life Cycle Sustainability Indicator (Life Cycle Cost / Life Cycle Budget Expenditure)	104%
<b>Medium Term (10 yrs) Sustainability</b>	
10 Yr Projected Expenditure (10 Yr Operations Need + 10 Yr Maintenance Need + 10 Yr Renewal Need)	\$106,917
10 Yr Budget Expenditure (10 Yr Operations Budget + 10 Yr Maintenance Budget + 10 Yr Projected Renewal Expenditure)	\$106,917
10 year Funding Shortfall (10 Yr Projected Expenditures - 10 Yr Budget Expenditures)	\$0
10 year Sustainability Indicator (10 Yr Projected Expenditures / 10 Yr Budget Expenditures)	100%

# APPENDIX F - ORGANISATIONAL STRUCTURE OF WMC OPEN SPACE AND TREES DEPARTMENT



## Open Space and Trees



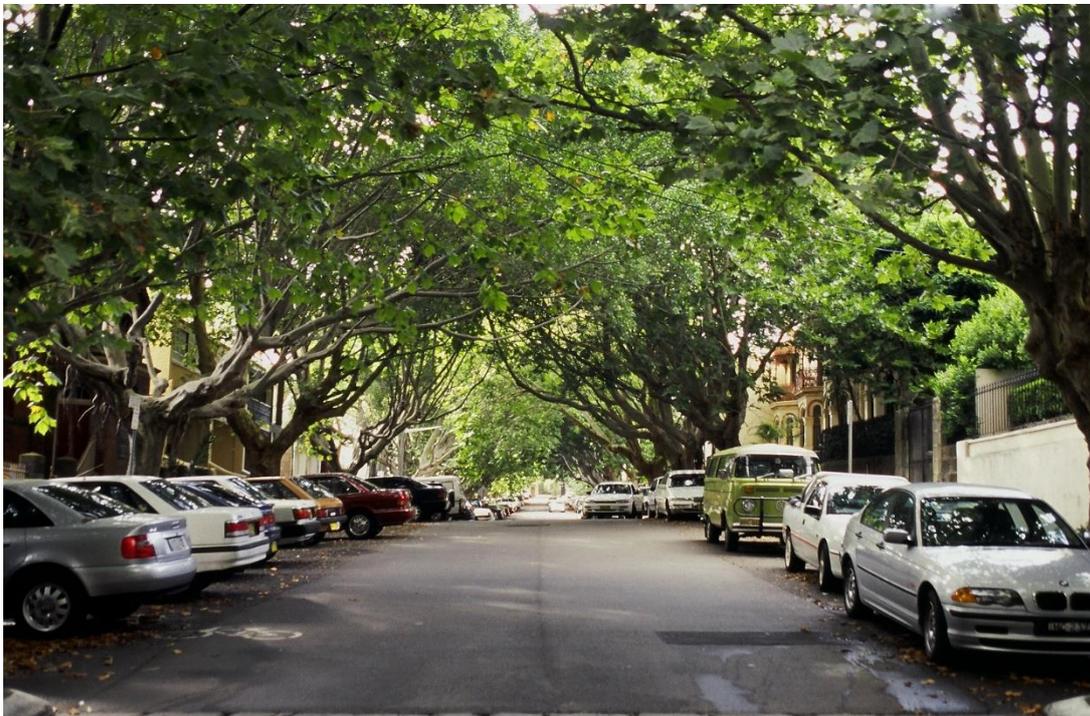
Infrastructure & Sustainability Division

Woollahra Municipal Council



INFRASTRUCTURE ASSET –  
TRANSPORT

ASSET MANAGEMENT PLAN



Version 2  
November 2022

Document Control					
Document ID: 100705_amp v11_2transport					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	APRIL 2022	Version 1 (HPE 22/97328) - Updated Tables Figures, Text	YD	YD, EA	EA & TO'H
2	NOV 2022	Version 2 (HPE 22/214834) - Updated financials for year ending 2021/22 and align with SRV Application	YD, Consultant	YD, EA	EA & TO'H

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## ABBREVIATIONS

<b>AAAC</b>	Average annual asset consumption
<b>AMP</b>	Asset management plan
<b>ARI</b>	Average recurrence interval
<b>BOD</b>	Biochemical (biological) oxygen demand
<b>CRC</b>	Current replacement cost
<b>CWMS</b>	Community wastewater management systems
<b>DA</b>	Depreciable amount
<b>DoH</b>	Department of Health
<b>EF</b>	Earthworks/formation
<b>IRMP</b>	Infrastructure risk management plan
<b>LCC</b>	Life Cycle cost
<b>LCE</b>	Life cycle expenditure
<b>MMS</b>	Maintenance management system
<b>PCI</b>	Pavement condition index
<b>RV</b>	Residual value
<b>SS</b>	Suspended solids
<b>vph</b>	Vehicles per hour

## GLOSSARY

### **Annual service cost (ASC)**

An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operating, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

### **Asset class**

Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

### **Asset condition assessment**

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

### **Asset management**

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

### **Assets**

Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 month.

### **Average annual asset consumption (AAAC)\***

The amount of a local government's asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for each and every asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for each and every asset in an asset category or class.

### **Brownfield asset values\*\***

Asset (re)valuation values based on the cost to replace the asset including demolition and restoration costs.

### **Capital expansion expenditure**

Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure, which increases future operating, and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group, e.g. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

### **Capital expenditure**

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

### **Capital funding**

Funding to pay for capital expenditure.

### **Capital grants**

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

### **Capital investment expenditure**

See capital expenditure definition

### **Capital new expenditure**

Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

### **Capital renewal expenditure**

Expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

### **Capital upgrade expenditure**

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base, e.g. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

**Carrying amount**

The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

**Class of assets**

See asset class definition

**Component**

An individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system.

**Cost of an asset**

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, plus any costs necessary to place the asset into service. This includes one-off design and project management costs.

**Current replacement cost (CRC)**

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

**Current replacement cost "As New" (CRC)**

The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

**Cyclic Maintenance\*\***

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, cycle, replacement of air conditioning equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

**Depreciable amount**

The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6)

**Depreciated replacement cost (DRC)**

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset

**Depreciation / amortisation**

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

**Economic life**

See useful life definition.

**Expenditure**

The spending of money on goods and services. Expenditure includes recurrent and capital.

**Fair value**

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

**Greenfield asset values \*\***

Asset (re)valuation values based on the cost to initially acquire the asset.

**Heritage asset**

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

**Impairment Loss**

The amount by which the carrying amount of an asset exceeds its recoverable amount.

**Infrastructure assets**

Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no market value.

**Investment property**

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business (AASB 140.5)

**Level of service**

The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost).

### **Life Cycle Cost \*\***

The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

### **Life Cycle Expenditure \*\***

The Life Cycle Expenditure (LCE) is the actual or planned annual maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Expenditure to give an initial indicator of life cycle sustainability.

### **Loans / borrowings**

Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in 'spreading the burden' of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

### **Maintenance and renewal gap**

Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, totalled over a defined time (e.g. 5, 10 and 15 years).

### **Maintenance and renewal sustainability index**

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. 5, 10 and 15 years).

### **Maintenance expenditure**

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life. For example, pothole patching; footpath panel repair; footpath grinding; heavy patching of pavement; etc.

### **Materiality**

An item is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

### **Modern equivalent asset.**

A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset.

### **Non-revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, e.g. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

### **Operating expenditure**

Recurrent expenditure, which is continuously required excluding maintenance and depreciation, e.g. street cleaning, street sweeping (including overheads).

### **Pavement management system**

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

### **Planned Maintenance\*\***

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

### **PMS Score**

A measure of condition of a road segment determined from a Pavement Management System.

### **Rate of annual asset consumption\***

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

### **Rate of annual asset renewal\***

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

### **Rate of annual asset upgrade\***

A measure of the rate at which assets are being upgraded and expanded per annum expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

### **Reactive maintenance**

Unplanned repair work that carried out in response to service requests and management/supervisory directions.

### **Recoverable amount**

The higher of an asset's fair value, less costs to sell and its value in use.

**Recurrent expenditure**

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operating and maintenance expenditure.

**Recurrent funding**

Funding to pay for recurrent expenditure.

**Rehabilitation**

See capital renewal expenditure definition above.

**Remaining life**

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining life is economic life.

**Renewal**

See capital renewal expenditure definition above.

**Residual value**

The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

**Revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, e.g. public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

**Risk management**

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

**Section or segment**

A self-contained part or piece of an infrastructure asset.

**Service potential**

The capacity to provide goods and services in accordance with the entity's objectives, whether those objectives are the generation of net cash inflows or the provision of goods and services of a particular volume and quantity to the beneficiaries thereof.

**Service potential remaining\***

A measure of the remaining life of assets expressed as a percentage of economic life. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (DRC/DA).

**Strategic Management Plan (SA)\*\***

Documents Council objectives for a specified period (3-5 yrs.), the principle activities to achieve the objectives, the means by which that will be carried out, estimated income and expenditure, measures to assess performance and how rating policy relates to the Council's objectives and activities.

**Sub-component**

Smaller individual parts that make up a component part.

**Useful life**

Either:

- (a) the period over which an asset is expected to be available for use by an entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the council. It is the same as the economic life.

**Value in Use**

The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate new cash flows, where if deprived of the asset its future economic benefits would be replaced.

Source: DVC 2006, Glossary

Note: Items shown \* modified to use DA instead of CRC

Additional glossary items shown \*\*

## 1. EXECUTIVE SUMMARY

### What Council Provides

Council provides a transport network in partnership with internal and external service providers to enable the safe and efficient movement of pedestrians, vehicles and environmental flows for the benefit of the community.

The following is a brief inventory of transport infrastructure maintained and owned by Woollahra Municipal Council as at **30 June 2022**.

Subcategory	Dimension	Replacement Cost
Road Wearing Course	1,273,378 m <sup>2</sup>	\$72,604,839
Road Base Course	1,273,378 m <sup>2</sup>	\$134,226,060
Road Subgrade	1,273,378 m <sup>2</sup>	\$211,580,713
Bridge Structure	583 m <sup>2</sup>	\$4,451,626
Islands	20,811 m <sup>2</sup>	\$13,556,268
Kerbs	280,555 m	\$77,325,823
Paths	468,920 m <sup>2</sup>	\$100,419,147
Kerb Ramps	1,706 No.	\$2,976,131
Stairs	6,604 m <sup>2</sup>	\$2,181,125
Street Furniture	2,433 No.	\$5,235,812
Bus Shelters	73 No.	\$3,813,278
Double Bay CCTV and Street lighting		\$1,086,000
<b>Total</b>		<b>\$629,456,822</b>

### Lifecycle Management Plan

#### The Condition of our Assets

Transport Assets are regularly inspected and condition rated. The assets have been rated using the Office of Local Government's (OLG) Infrastructure Asset Auditing Guidelines – Special Schedule 7 and ranges from Condition 1 which is 'new' to Condition 5 which is 'very poor'.

#### What does it Cost?

The projected outlays necessary to provide the current services covered by this Asset Management Plan (AMP) including operations, maintenance, renewal and upgrade of existing assets over the 10-year planning period which equates to \$15.801M on average per year.

### Financial Summary

#### What we will do

The anticipated available funding over this 10-year period will be \$15.801M per year in accordance with Council's 10-year long term financial plan.

Additional funding of \$ 7,300,000 is being sought through a SRV to improve footpath maintenance services and construct a new off road cycleway.

#### Plans for the Future

Council plans to operate and maintain the network of infrastructure to the required level to achieve the following strategic objectives:

1. Ensure that the above infrastructure is maintained at a safe and functional standard as set out in this Asset Management Plan.
2. Ensure that the above infrastructure is renewed or replaced as appropriate in order to achieve best asset productivity.
3. Ensure that Council achieve acceptable service delivery and sustainability.

### Measuring our Performance

#### Quality

Roads, Footpaths, Kerb & Gutter, and Sign Assets will be maintained in a reasonably usable condition. Defects found or reported that are outside our service standard will be repaired. See our maintenance response service levels for details of defect prioritisation and response time.

#### Function

Our intent is that an appropriate Roads, Footpaths and Kerb & Gutter Network is maintained in partnership with other levels of government and stakeholders to ensure a safe and functional transport network for the travelling public.

Roads, Footpaths and Kerb & Gutter and Sign Asset attributes will be maintained at a safe level and associated signage and equipment be provided as needed to ensure public safety. We need to ensure key functional objectives are met as follows:

- To provide a transport network to agreed targets of safety and function.

- To provide and maintain infrastructure to community requirements within the resources available.
- To manage traffic on Council's road network to statutory requirements and community needs.

### **Safety**

We inspect all Roads, Footpaths and Kerb & Gutter regularly and prioritise and repair defects in accordance with our inspection schedule to ensure they are safe.

### **The Next Steps**

The actions resulting from this Asset Management Plan are:

- Increase the present investment on maintenance of infrastructure assets.
- Invest in new cycleways to support Council's Active Transport Program.
- Ongoing monitoring and annual review of the Asset Management Plan.

## 2. INTRODUCTION

### 2.1 Background

This Asset Management Plan (AMP) is to demonstrate responsive management of assets (and services provided from assets) in order to be compliant with regulatory requirements and to distribute funds to meet required levels of service.

This AMP covers the following infrastructure assets:

***Transport Infrastructure: Roads, Footpaths, Kerb & Gutter, Stairs and other Roadside Assets***

**Table 2.1. Assets covered by this AMP updated in 2022**

Subcategory	Dimension	Replacement Cost (\$M)	Accumulated Depreciation (\$M)	Depreciated Replacement Cost(\$M)	Annual Depreciation Cost (\$)
Road Wearing Course	1,273,378 m <sup>2</sup>	73	29	44	2,219,185
Road Base Course	1,273,378 m <sup>2</sup>	134	59	75	1,208,435
Road Subgrade	1,273,378 m <sup>2</sup>	212	0	212	0
Bridge Structure	583 m <sup>2</sup>	4	0.4	3.6	41,964
Islands	20,811 m <sup>2</sup>	14	6	8	324,887
Kerbs	280,555 m	77	33	44	738,682
Paths	468,920 m <sup>2</sup>	100	52	48	1,440,450
Kerb Ramps	1,706 No.	3	1	2	34,834
Stairs	6,604 m <sup>2</sup>	2	1	1	23,798
Street furniture	2,433 No.	5	1	4	343,159
Bus Shelters	73 No.	4	2	2	67,844
Double Bay CCTV and Street lighting		1	0.1	1	108,000
<b>Total</b>		<b>629</b>	<b>184.4</b>	<b>444.6</b>	<b>6,551,238</b>

#### Notes

The road subgrade is non-depreciable and therefore has no annual depreciation cost.

Key stakeholders in the preparation and implementation of this AMP are:

Infrastructure Asset Management Group	Author, Analysis and Presentation
Emilio Andari	Asset Custodian for Infrastructure Assets – Transport
Yasas de Silva	Author and Analyst
Paul Ryan	Chief Financial Officer

## 2.2 Goals and Objectives of Asset Management

The Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by 'purchase', by contract, construction by Council staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the required level of service in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Taking a life cycle approach.
- Developing cost-effective management strategies for the long term.
- Providing a defined level of service and monitoring performance.
- Understanding and meeting the demands of growth through demand management and infrastructure investment.
- Managing risks associated with asset failure.
- Sustainable use of physical resources.
- Continuous improvement in asset management practices.

This AMP is prepared under the direction of Council's recently adopted Vision and Mission statements, which are:

### ***Our Vision***

***A thriving, inclusive, sustainable and resilient community that will benefit future generations.***

### ***Our Mission***

***To lead climate action and promote respectful connections between people and place, so we can enhance, protect and celebrate Woollahra's beauty, heritage and quality of life, for the enjoyment of all.***

Woollahra 2032 also includes the following goals and objectives specifically relating to transport asset management and these are described in the following table.

**Table 2.2. Council Goals and how these are addressed in this AMP**

Goal	Objective	How Goal and Objectives are addressed in AMP
Goal 5: Liveable places	5.1 Enhance Council provided community facilities to foster connections between people and place and enhance quality of life.	Participate in the Southern Sydney Regional Organisation of Councils street lighting improvement project.  Complete periodic condition surveys and annual maintenance programs for transport infrastructure.  Implement the Transport Infrastructure Capital Works Program.
	5.2 Provide and maintain safe, clean, serviceable public infrastructure including roads, footpaths, bicycle facilities, parks, open spaces, stormwater drains and seawalls.	Complete periodic condition surveys and annual maintenance programs for transport infrastructure.  Implement the actions arising from the review of the Woollahra Traffic and Transport Strategy.  Incorporate Access and Mobility requirements in all relevant transport projects.
	5.3 Provide and maintain clean, attractive, accessible, connected and safe parks, sportsgrounds, foreshore areas and other public spaces and infrastructure such as roads, footpaths, bicycle facilities, stormwater drains and seawalls.	Complete periodic condition surveys and annual maintenance programs for transport infrastructure.  Implement the actions arising from the review of the Woollahra Integrated Transport Strategy and Active Transport Plan.  Incorporate Access and Mobility requirements in all relevant transport projects.
	5.5 Renew and upgrade ageing infrastructure including roads, footpaths, stormwater drains and seawalls.	Implement the action arising from the review of the Woollahra Integrated Transport Strategy and Active Transport Plan.  Implement the annual Traffic Capital Works Program.  Implement bus shelters improvement program.

### 2.3 Plan Framework

Key elements of the plan are as follows:

- Levels of Service – specifies the services and levels of service to be provided by Council.
- Future Demand – how this will impact on future service delivery and how this is to be met.
- Life Cycle Management – how Council will manage its existing and future assets to provide the required services.
- Financial Summary – Funds are required to provide the required level of services.
- Asset Management Practices.
- Monitoring – how the plan will be monitored to ensure it is meeting Council’s objectives.
- Asset Management Improvement Plan.

## 2.4 Core and Advanced Asset Management

This AMP is prepared as a 'core' asset management plan in accordance with the International Infrastructure Management Manual. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.

### 3. LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

Community satisfaction is influenced by the condition of the assets and the community's expectation of the level of service which includes the importance the community place on the asset. The latest Community Satisfaction Survey undertaken by Council indicated that 93% of people regard maintenance of footpath & kerb ramps as "Important" or "Very Important" and only 34% of people are "Satisfied" or "Very Satisfied".

**Table 3.1. Community Satisfaction Survey Levels**

	Not at all satisfied	Not very satisfied	Somewhat satisfied	Satisfied	Very satisfied	Base
Renewing and maintaining local roads.	14%	19%	33%	24%	10%	370
Renewing and maintaining footpaths/pedestrian ramps.	18%	19%	29%	24%	10%	374
Renewing and maintaining kerb and guttering.	13%	12%	30%	33%	12%	312

#### 3.2 Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. These include legislation as provided in the following table.

**Table 3.2. Legislative Requirements**

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
Road Act 1993	Sets out the extent of Council responsibilities and powers in the road reserve.
Environmental Planning and Assessment Act 1979	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the State.
Environmental Planning and Assessment Amendment Act 2008	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the State.
Protection of the Environment Operations Act 1997	Sets out Council responsibility and powers of local area environment and its planning functions.
Civil Liability Act 2002 of NSW	Sets out Councils public liability obligations and inherent limitations thereof with regard to the operation and service provision of using these assets as expected by the legislature.

### 3.3 Current Levels of Service

Current service levels are linked to condition levels as this determines at what condition the asset should be in before it is renewed.

For details on Council's current service levels and asset condition, please refer to Section 5.1.3

### 3.4 Desired Levels of Service

Council's desired level of service for transport assets is for all assets to be in Condition 3 or above.

Renewal intervention is required for assets in Condition 4 or below to effectively provide the proposed desired level of service, mitigate risk and optimise maintenance and renewal expenditure. Condition 4 assets correspond to the 'unsatisfactory' or 'poor' condition threshold.

## 4. FUTURE DEMAND

### 4.1 Demand Forecast

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, environmental awareness, etc.

Demand factor trends and impacts on service delivery are summarised in Table 4.1.

**Table 4.1. Demand Factors, Projections and Impact on Services**

Demand factor	Present position	Projection	Impact on services
Population	53,891* (ABS est. 2021)	59,252+ (in year 2031)	More traffic on local and regional road with demand for roadside parking.
Demographics	Density 2.32* persons/household	Density 2.17+ persons/household (in year 2031)	Aging mix and increase in population would require better catered roads and footpaths in terms of safety and capacity.

\* Australian Bureau of Statistics 2021 Census data

+ NSW Department of Planning and Environment 2022 *NSW Common Planning Assumption Projections* [Local Government Areas (ASGS 2020) Projections for year ending 30 June]

### 4.2 Changes in Technology

Technology changes can affect the delivery of services covered by this AMP in the following areas as provided in the following table.

**Table 4.2. Changes in Technology and Forecast effect on Service Delivery**

Technology Change	Effect on Service Delivery
Footpath grinding instead of frequent replacement.	Lesser requirement to replace, hence longer asset use life.
Research into alternative construction material usage for footpath and roadway construction. Recycle material for base/wearing courses in roadway and glass & brick waste for footpath construction.	Less expensive and environment friendly (i.e. creating less run-off, etc.).
Availability of high performing AC means longer asset life and less maintenance.	Replace concrete based local roads, wherever feasible, to AC as less maintenance expense, low vibration and low damage cost following restorations.

#### 4.3 Demand Management Plan

Demand for new or renewed assets will be prioritised through a process of pro-active asset inspections, risk management of defects and consistency with Council's Community Strategic Plan and Delivery Program.

Council has identified an urgent need to increase the level of service relating to community infrastructure assets such as building new cycleways and ramping up footpath maintenance due to community concern about footpath condition, most notably treatment of trip points caused by tree roots in certain areas.

#### 4.4 New Assets from Growth

New community assets gifted to Council as a result of private developments will be included in Council's asset register, appropriately valued and managed as part of Council's relevant AMPs.

New assets derived from Council's Capital Works Program such as the Active Transport Plan are recorded in the asset register and managed as part of Council's Transport AMP.

## 5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in section 3.4) while optimising life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

The assets covered by this AMP are shown below.

Road Pavement	This includes wearing course, base course and sub-grade of the road pavement.
Footpath and Stairways	This includes all types of footpath and stairways including associated base courses.
Kerb & Gutter	This includes all types of kerb and gutter constructions.
Bridge Structures	Bridges over channels and residential development.
Other Roadside Assets	Kerb Ramps, Bus Shelters, Traffic Islands, Street furniture etc.
Cycleways	On road and off road cycleways, associated line marking and signage.

#### Useful Lives

The estimated useful lives of assets are in-line with the useful lives recommended by Southern Sydney Regional Organisation of Councils (SSROC). The useful life expectancy of assets is considered when planning infrastructure maintenance, renewal and replacement. The estimated useful lives of transport infrastructure are shown below.

Subcategory 1	Subcategory 2	Type	Estimated Useful Life	Residual Value
Base Course	Roadway	AC	100	0%
Base Course	Roadway	Macadam 100mm	100	0%
Base Course	Roadway	Concrete	120	0%
Bridge Structure	Concrete Bridge	Concrete Bridge Structure	100	0%
Bus Shelter		Sandstone Structure	80	0%
Bus Shelter		WMC type	35	0%
Islands		Any	40	0%
Kerb		Brick, Concrete, Sand Stone, Concrete Dish Drain	100	0%
Path		AC	25	0%

Subcategory 1	Subcategory 2	Type	Estimated Useful Life	Residual Value
Path		Concrete incl. Paddington mix, ramps	80	0%
Path		Pavers	60	0%
Path		Timber - Path	20	0%
Stairs		Concrete Stairs	80	0%
Stairs		Sand Stone Stairs	50	0%
Stairs		Timber - Stairs	20	0%
Street Furniture		Benches/Seats - Timber	20	0%
Street Furniture		Benches/Seats - Concrete	20	0%
Street Furniture		Bin - Steel	20	0%
Street Furniture		Bollard - Timber	80	0%
Street Furniture		Bollard - Steel	30	0%
Street Furniture		Bollard - Concrete	60	0%
Street Furniture		Fountain	60	0%
Street Furniture		Guardrails	80	0%
Street Furniture		Multifunction Pole	100	0%
Subgrade	Roadway	300mm Crushed Sandstone	∞ (infinity)	100%
Wearing Course	Roadway	Asphalt Concrete	25	0%
Wearing Course	Roadway	Bitumen Seal 10	12	0%
Wearing Course	Roadway	Concrete 50mm	100	0%
Wearing Course	Roadway	Pavers - Road	50	0%

### 5.1.2 Asset Performance

The performance of assets is monitored through routine inspection regime undertaken by Council staff and periodic audits undertaken by appropriately qualified external consultants. Assets, which do not perform as expected, will be investigated to determine the cause and remedial works will be undertaken to ensure the asset will be performing optimally as intended.

### 5.1.3 Asset Condition

Council carries out visual condition surveys on all transport assets generally every five years.

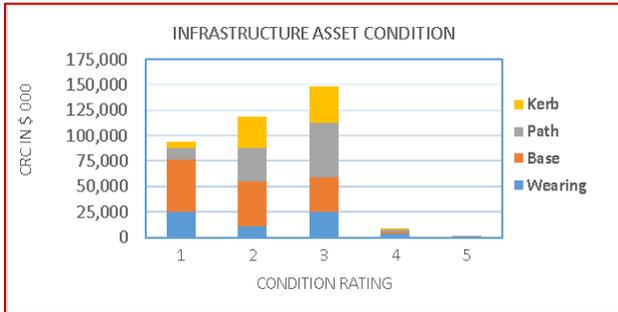
Condition is measured using a 1 – 5 rating system, as follows:

Rating	Description of Condition
1	New: Only planned maintenance required.
2	Very Good: Minor maintenance required plus planned maintenance.
3	Satisfactory: Maintenance required.
4	Poor: Significant renewal/upgrade required.

5 Very Poor: Unserviceable.

The condition profile of assets is used to calculate the remaining useful lives of Assets – see Section 5.4.2 Remaining Useful Life for further details.

A summary of the asset condition for Transport Assets is shown below:



5.2 Risk Management Plan

An assessment of risks associated with service delivery from infrastructure assets has identified no critical risks that will result in loss or reduction in service or a financial shock to Council. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as ‘Very High’ - requiring immediate corrective action and ‘High’ – requiring prioritised corrective action identified in the infrastructure risk management plan are summarised in Table 5.2. below.

**Table 5.2. Critical Risks and Treatment Plans**

Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk*	Treatment Cost
Roads	Substandard road pavements lead to traffic hazards and impact on road safety	High	Proactive inspection and maintenance program. Regular condition assessment. Responsive maintenance processes.	Low	In-house resources.
Roads	Potholes	High	Proactive inspection and maintenance program. Regular condition assessment. Responsive maintenance processes.	Low	In-house resources.

Footpaths	Trip Hazards	High	Proactive inspection and maintenance program. Regular condition assessment of all footpath assets. Responsive maintenance processes.	Low	In-house resources.
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Note: \* the residual risk is the risk remaining after the selected risk treatment plan is operational.

### 5.3 Maintenance

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.

#### 5.3.1 Maintenance Plan

Maintenance includes reactive and pro-active maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Pro-active maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Maintenance expenditure trends are shown in Table 5.3.1.

**Table 5.3.1. Maintenance Expenditure Trends for Transport Assets**

Year	Maintenance Expenditure (\$)
2012/2013	1,667,048
2013/2014	1,150,530
2014/2015	1,548,358
2015/2016	1,478,363
2016/2017	1,455,000
2017/2018	1,423,000
2018/2019	1,403,730
2019/2020	1,581,354
2020/2021	1,788,866
2021/2022	1,905,481

Although maintenance expenditure levels have seen an increase in the 2019/2020 & 2020/21 FY's, there is still community concern about footpath condition, most notably treatment of trip points caused by tree roots throughout a number of streets within the LGA. These sections of footpaths need to be replaced or the kerb & gutter alignment would need to be adjusted. An increase in funding for footpath maintenance in the amount of \$330K p.a. over 10 years is required to address this issue.

The additional budget for footpath maintenance is planned to be funded through a Special Rate Variation (SRV) and is in line with Council’s CSP Strategy 6.1 – Facilitate an improved network of accessible and safe active transport options (Transport & Engineering Priorities).

Assessment and prioritisation of maintenance activities are undertaken by Council staff using a risk prioritisation matrix and agreed level of service response (see Appendix A).

### 5.3.2 Standards and Specifications

Maintenance work is carried out in accordance with the following Standards and Specifications.

1. WMC Specification for Road Works, Drainage and Miscellaneous Works.
2. AUS-SPEC *Road Works and Urban and Open Spaces*

## 5.4 Renewal/Replacement Plan

Renewal expenditure is major work, which does not increase the asset’s design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

### 5.4.1 Formulation of Renewal Plan

Assets requiring renewal are identified from estimates of remaining life obtained from the asset register worksheets on the ‘*Planned Expenditure template*’ and through the calculation model identified in Section 5.4.2 – Remaining Physical Life. Candidate proposals are inspected to verify accuracy of remaining life estimate and condition analysis, to develop a preliminary renewal program. Verified proposals are ranked by priority based intervention levels (detailed in Appendix A) and available funds.

### 5.4.2 Remaining Physical Life

The condition data is used to calculate Remaining Physical Life. The adopted model has been developed taking into consideration industry asset management (IPWEA) and financial standards and guidelines.

Condition Rating	Condition	Remaining Physical Life
1	New	85 - 100%
2	Very Good	55 - 85%
3	Satisfactory	20 - 55%
4	Poor	5 – 20%
5	Very Poor	0 – 5 %

### 5.4.3 Renewal Plan

Transport asset renewals are undertaken generally using ‘like for like’ replacement strategies within capital renewal funding allocations. ‘Low life cycle cost’ methods are utilised where practical. The aim of ‘low-cost’ renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Examples of low cost renewal include heavy patch, mill & fill treatment on wearing courses and the application of flexible material around tree roots.

### 5.4.4 Renewal standards

Renewal work is carried out in accordance with the following Standards and Specifications:

1. WMC Specification for Road Works, Drainage and Miscellaneous Works.
2. AUS-SPEC *Roadworks and Urban and Open Spaces*.

#### 5.4.5 Summary of future renewal expenditure

Projected future renewal expenditures are summarised in Table 6.1.1.

Renewals are funded from Council's capital works program and grants where available. This is further discussed in Section 6.2.

## 6. FINANCIAL SUMMARY

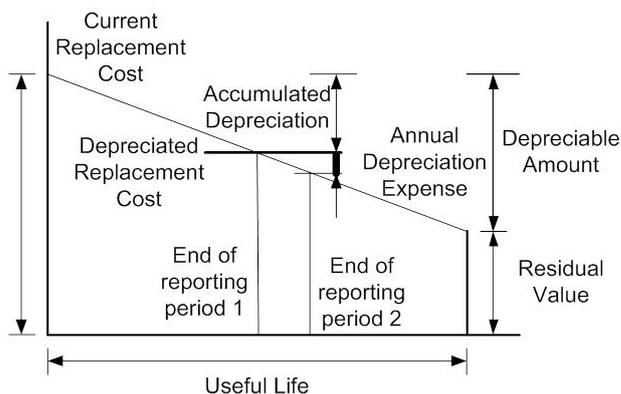
This section contains the financial requirements resulting from all the information presented in the previous sections of this AMP.

### 6.1 Financial Statements and Projections

#### 6.1.1 Asset Valuations

The value of assets as at 30 June 2022 covered by this AMP is summarised below. Assets are valued at Brownfield rates. Brownfield valuation takes into account the total cost of replacing that asset. This can include the additional cost of removal, excavation and disposal of existing assets already in-situ. Greenfield valuation does not take into account the cost of existing infrastructure.

Gross Replacement Cost	\$ 629,456,822
Depreciable Amount	\$ 420,656,718
Depreciated Replacement Cost	\$ 444,560,366
Annual Depreciation Cost	\$ 6,819,648



#### 6.1.2 Sustainability of Service Delivery

One key indicator for service delivery sustainability that has been considered in the analysis of the services provided by this asset category is the medium term budgeted expenditures/projected expenditure (over 10 years of the planning period).

#### Medium term – 10-year financial planning period

This AMP identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed and required level of service to the community over a 10-year period. This provides input into Council's 10-year financial and funding plans aimed at providing the required services in a sustainable manner.

The projected operations, maintenance and capital renewal expenditure required over the 10-year planning period is estimated at \$15.801M on average per year.

Providing infrastructure services in a sustainable manner requires the management of service levels, risks, projected expenditures and finances to achieve a financial indicator of approximately 1.0 for the first years of the asset management plan and ideally over the 10-year life of the Long Term Financial Plan.

### 6.1.3 Projected Expenditures for Long Term Financial Plan

Table 6.1.1 shows the gap between projected and planned renewals.

**Table 6.1.1 Projected and Planned Expenditure**

Year End June 30	Total Operation Expenditure	Total Maintenance Expenditure	Projected Capital Renewal	Projected Capital Upgrade/New	Projected Capital Total Expenditure
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
2022	\$6,925	\$1,905	\$5,876	\$100	\$5,976
2023	\$7,070	\$1,981	\$5,790	\$105	\$5,896
2024	\$7,219	\$2,060	\$5,838	\$105	\$5,943
2025	\$7,371	\$2,143	\$5,921	\$105	\$6,026
2026	\$7,525	\$2,229	\$5,877	\$105	\$5,982
2027	\$7,683	\$2,318	\$5,993	\$105	\$6,098
2028	\$7,845	\$2,410	\$5,943	\$105	\$6,048
2029	\$8,009	\$2,507	\$5,876	\$105	\$5,981
2030	\$8,178	\$2,607	\$5,935	\$105	\$6,040
2031	\$8,349	\$2,711	\$5,919	\$105	\$6,024
2032	\$8,525	\$2,820	\$5,907	\$105	\$6,042
2033	\$8,704	\$2,933	\$5,627	\$105	\$6,013
2034	\$8,886	\$3,050	\$6,204	\$105	\$5,732
2035	\$9,073	\$3,172	\$5,893	\$105	\$6,309
2036	\$9,264	\$3,299	\$6,015	\$105	\$6,120
2037	\$9,458	\$3,431	\$5,822	\$105	\$5,927

Council's Long Term Financial Plan (LTFFP) covers the first 10 years of the 20 year planning period.

The above table does not include the potential cycleway capital works and footpath maintenance improvements, valued at \$7.3M, which are subject to the Special Rate Variation (SRV) approval. It is anticipated that implementation works could commence in 2024 in accordance with Council's Active Transport Plan, subject to availability of SRV funding.

## 6.2 Funding Strategy

The detailed funding strategy is provided in Council's 10-year LTFFP.

In brief, the funding strategy is to maintain current level of infrastructure investment and apply for all possible external funding sources such as Road to Recovery (Federal), REPAIR program (State) and State Road Safety Initiative Programs.

Any increase in level of service relating to community infrastructure assets such as new cycleways and increased footpath maintenance due to tree roots etc. is subject to the availability of Special Rate Variation (SRV) funding.

### 6.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction by Council and from assets constructed by land developers and others and donated to Council.

### 6.4 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this AMP and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- All transport assets have had their remaining life matched to the condition of the latest inspection carried out during the course of the revaluation exercise. Assets have had their remaining life matched to the proportion of condition remaining.

## 7. ASSET MANAGEMENT PRACTICES

### 7.1 Accounting/Financial Systems

The Local Government Act 1993 requires Council to prepare an annual report on its achievements with respect to the objectives and performance targets set out in its Management Plan for that year.

This report provides Council's audited financial statements including the condition of public works under the control of the Council as at the end of that year, together with:

- An estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard; and
- An estimate (at current values) of the annual expense of maintaining the works at that standard; and
- The Council's program of maintenance for that year in respect of the works.

Australian Accounting Standard (AAS) 27 is applicable to financial reporting by local governments, and provides guidelines for accounting methods and procedures.

### 7.2 Asset Management Systems

Currently Council uses ArcGIS (an ESRI web-based mapping software) to store and update spatial data for the following assets including Roads, Footpaths, K&G, Stormwater drainage, Gross Pollutant Traps (GPTs), Retaining Walls, Bridges, Bus Shelters, Signage, Linemarking and Harbour Facilities.

Asset data is collected with ESRI Field Map Application on tablet devices by field officers and the data is stored in Production Database with regular backups. Assets attributes and condition data are exported into MS Excel spreadsheets for analysis, valuation and depreciation purposes. This information is transferred to the General Ledger and informs Council's Capital Works Programs and Long Term Financial Plan.

### 7.3 Information Flow Requirements and Processes

The key information flows *into* this AMP are as follows:

- The asset register data on size, age, value, remaining life of the network.
- The unit rates for categories of work/material.
- The adopted service levels.
- Projections of various factors affecting future demand for services.
- Correlations between maintenance and renewal, including decay models.
- Data on new assets acquired by Council.

The key information flows *from* this AMP are as follows:

- The assumed Works Program and trends.
- The resulting budget, valuation and depreciation projections.
- The useful life analysis.

These will impact the Long Term Financial Plan, Strategic Business Plan, annual budget and departmental business plans and budgets.

### 7.4 Standards and Guidelines

Australian Infrastructure Financial Management Guidelines 2009, IPWEA Version 1.

Office of Local Government (OLG) Infrastructure Asset Auditing Guidelines.

## 8. PLAN IMPROVEMENT AND MONITORING

### 8.1 Performance Measures

The effectiveness of the AMP can be measured in the following ways:

- The degree to which the required projected expenditure identified in this AMP are incorporated into Council's LTFFP.
- The Asset Renewal Funding Ratio achieving the target of 1.0.
- The ability to maintain the desired levels of services of assets at Condition 3 or above.

### 8.2 Improvement Plan

The asset management improvement plan generated from this AMP is shown in Table 8.2.

**Table 8.2 Improvement Plan**

Task No	Task	Responsibility	Resources Required	Timeline
1.	Special Rate Variation (SRV) application to IPART as a funding gaps strategy.	Asset Team	\$ 7,300,000	Year 2022
2.	New Asset Information System Interface is to be implemented.	Asset Team	TBD via Delivery Program	2023/24

Council could be liable for potential public liability injury claims as a result of trips and falls if additional funding is not available through the SRV.

### 8.3 Monitoring and Review Procedures

This AMP will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

## REFERENCES

Woollahra Municipal Council, 'Woollahra Community Strategic Plan – Woollahra 2030'

Woollahra Municipal Council, 'Annual Plan and Budget.'

DVC, 2006, 'Asset Investment Guidelines', 'Glossary', Department for Victorian Communities, Local Government Victoria, Melbourne,  
<http://www.dvc.vic.gov.au/web20/dvclgv.nsf/allDocs/RWP1C79EC4A7225CD2FCA257170003259F6?OpenDocument>

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, [www.ipwea.org.au](http://www.ipwea.org.au)

Office of Local Government's (OLG) Infrastructure Asset Auditing Guidelines – Special Schedule 7

## APPENDICES

### Appendix A Maintenance Response Levels and Renewal Intervention Plan

#### Maintenance Response Levels of Service

*Timeframe for Transport Asset Request Response Time*

Maintenance Activity	Response Time	
Roads Street Furniture Upgrade New or Altered	30	Days
Roads Footpaths Upgrade New or Altered	30	Days
Roads Kerb and Gutter Upgrade New or Altered	30	Days
Roads Road Surfaces Resurface or Up	30	Days
Roads Street Furniture Cleaning	30	Days
Roads Nature Strips Repairs	99	Days
Roads Nature Strips Upgrade New or Altered	99	Days
Roads Road Surfaces Line-marking	30	Days
Roads Street Furniture Repairs and Replacement	30	Days
Roads Footpaths Repairs	28	Days
Roads Kerb and Gutter Repairs	28	Days
Roads Road Surfaces Potholes	4	Days
Traffic Devices Repairs	7	Days
Roads Nature Strips Mowing	21	Days
Roads Driveways Repairs	28	Days
Roads Footpaths Tree Root Lifting	42	Days
Roads Driveways Scraping	7	Days
Roads Driveways Upgrade New or Altered	7	Days
Roads Guardrails Repairs and Replacement	30	Days
Roads Guardrails Upgrade New or Altered	30	Days
Roads Retaining Walls Repairs	7	Days
Roads Driveways Line-marking	30	Days
Roads Parking Meters Repairs	3	Days
Traffic Devices New or Upgrade	336	Days
Roads Lighting Outage	21	Days
Roads Lighting Upgrade New or Altered	21	Days

**Transport Asset – Maintenance and Renewal Risk Prioritisation Matrix**

Footpath	Defect								
	10-30mm	>30mm	0-10mm	Structural Cracking > 1 sqm	Ponding	Slippery	Unevenness surface > 1sqm	Missing/ Damaged Utility Cover or sign	Defective stairs/ steps
	3	2	1						
<b>Pedestrian Score</b>									
5	R5	R5	R3	R1	R4	R5	R3	R5	R5
4	R5	R4	R3	R1	R3	R4	R3	R5	R5
3	R4	R3	R2	R1	R2	R3	R2	R4	R5
2	R3	R2	R1	R1	R1	R2	R1	R3	R5
1	R2	R1	R1	R1	R1	R1	R1	R2	R5

Pavement	Defect								
	Potholes	Tree roots	Damaged Traffic Calming Device	Raised Pavement Marker	Edge Failure	Cracking	Subsidence	Failure / Collapse	Spalling
<b>Road Category</b>									
Arterial	R5	R2	R5	R2	R3	R2	R4	R5	R5
Sub-Arterial	R5	R2	R4	R2	R3	R2	R4	R5	R5
Collector	R5	R3	R3	R1	R2	R2	R2	R5	R5
Major Local	R4	R3	R2	R1	R2	R1	R2	R5	R5
Local	R3	R3	R1	R1	R2	R1	R1	R5	R5

Kerb & Gutter	Defect							
	Damaged Kerb	Damaged Kerb/ Stormwater Pipe	Damaged Kerb & gutter	Damaged Gutter	Damaged Kerb Lintel	Damaged Kerb Ramp	Damaged Layback	Water Ponding
<b>Road Category</b>								
Arterial	R4	R2	R4	R4	R5	R5	R1	R5
Sub-Arterial	R4	R2	R4	R4	R5	R5	R1	R5
Collector	R3	R2	R3	R3	R4	R4	R1	R4
Major Local	R2	R2	R2	R2	R3	R3	R1	R3
Local	R1	R2	R1	R1	R2	R2	R1	R2

Priority	Description
R5	Should be included in work program as first priority
R4	Should be included in work program as second priority

<b>R3</b>	Should be included in work program if visual condition is also poor
<b>R2</b>	Not to be included in the works program
<b>R1</b>	Not to be included in the works program

### Footpaths

Pedestrian scores outlined in the priority matrix is based on road functionality and known high pedestrian areas. For further details see below:

Road Functional Classification	Allocated initial Pedestrian Score
Arterial Road	4
Sub-arterial Road	4
Collector Road	3
Major Local Road	2
Local Road	1

Community Facility	Pedestrian Score
Business Centres	5
Aged Care/Nursing Homes/Elderly Facilities/Hospitals	5
Facilities that cater for the Disabled	5
Schools	4
Child Care Facilities	4

### Pavements

The renewal intervention levels for pavements as outlined in the priority matrix is detailed in the tables below:

1. Intervention level for Road Pavement Seal

Condition Indicator	Intervention Threshold
Cracking extent (% of segment)	>20%
Observed nominal Crack width	<6mm
Observed Crack Failure Type	All types of cracking excluding Crocodile Cracking
Rutting extent (% of segment) - Depression	<5%
Patching extent (% of segment)	<20%

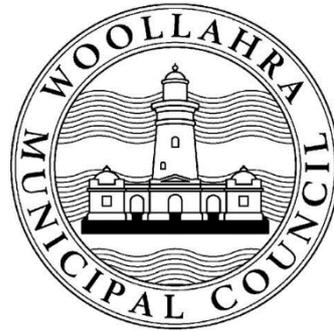
2. Intervention level for Road Pavement Base

Condition Indicator	Intervention Threshold
Cracking extent (% of segment)	>20% AND
Observed nominal Crack width	>6mm AND
Observed Crack Failure Type	Crocodile Cracking
Rutting extent (% of segment) - Depression	>5%
Patching extent (% of segment)	>20%

### Kerb and Gutter

Intervention level for Kerbs relate to damaged kerb likely to cause damage or injury or kerbs that result in ponding.

Woollahra Municipal Council



INFRASTRUCTURE ASSET -  
STORMWATER SYSTEM

ASSET MANAGEMENT PLAN



Version 2  
November 2022

<b>Document Control</b>					
Document ID: 100723 amp v11_3stormwater					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	23 May 2022	Version 1 (HPE 22/10076) – Update August 2021 AMP with asset and financial information	SG, YDS	YDS, EA	EA
2	November 2022	Version 11 (HPE 22/215033) – Updated financials for year ending 2021/22 and align with SRV Application	YDS, Consultant	YDS, EA	EA & TO'H

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 The Institute of Public Works Engineering Australia.

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## ABBREVIATIONS

<b>AAAC</b>	Average annual asset consumption
<b>AMP</b>	Asset management plan
<b>ARI</b>	Average recurrence interval
<b>BOD</b>	Biochemical (biological) oxygen demand
<b>CRC</b>	Current replacement cost
<b>CWMS</b>	Community wastewater management systems
<b>DA</b>	Depreciable amount
<b>DoH</b>	Department of Health
<b>EF</b>	Earthworks/formation
<b>IRMP</b>	Infrastructure risk management plan
<b>LCC</b>	Life Cycle cost
<b>LCE</b>	Life cycle expenditure
<b>MMS</b>	Maintenance management system
<b>PCI</b>	Pavement condition index
<b>RV</b>	Residual value
<b>SS</b>	Suspended solids
<b>vph</b>	Vehicles per hour

## GLOSSARY

### **Annual service cost (ASC)**

An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operating, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

### **Asset class**

Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

### **Asset condition assessment**

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

### **Asset management**

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

### **Assets**

Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 month.

### **Average annual asset consumption (AAAC)\***

The amount of a local government's asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for each and every asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for each and every asset in an asset category or class.

### **Brownfield asset values\*\***

Asset (re)valuation values based on the cost to replace the asset including demolition and restoration costs.

### **Capital expansion expenditure**

Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure, which increases future operating, and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group, e.g. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

### **Capital expenditure**

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

### **Capital funding**

Funding to pay for capital expenditure.

### **Capital grants**

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

### **Capital investment expenditure**

See capital expenditure definition

### **Capital new expenditure**

Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

### **Capital renewal expenditure**

Expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

### **Capital upgrade expenditure**

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base, e.g. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

**Carrying amount**

The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

**Class of assets**

See asset class definition

**Component**

An individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system.

**Cost of an asset**

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, plus any costs necessary to place the asset into service. This includes one-off design and project management costs.

**Current replacement cost (CRC)**

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

**Current replacement cost "As New" (CRC)**

The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

**Cyclic Maintenance\*\***

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, cycle, replacement of air conditioning equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

**Depreciable amount**

The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6)

**Depreciated replacement cost (DRC)**

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset

**Depreciation / amortisation**

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

**Economic life**

See useful life definition.

**Expenditure**

The spending of money on goods and services. Expenditure includes recurrent and capital.

**Fair value**

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

**Greenfield asset values \*\***

Asset (re)valuation values based on the cost to initially acquire the asset.

**Heritage asset**

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

**Impairment Loss**

The amount by which the carrying amount of an asset exceeds its recoverable amount.

**Infrastructure assets**

Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no market value.

**Investment property**

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) Use in the production or supply of goods or services or for administrative purposes; or
- (b) Sale in the ordinary course of business (AASB 140.5)

**Level of service**

The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost).

### **Life Cycle Cost \*\***

The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

### **Life Cycle Expenditure \*\***

The Life Cycle Expenditure (LCE) is the actual or planned annual maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Expenditure to give an initial indicator of life cycle sustainability.

### **Loans / borrowings**

Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in 'spreading the burden' of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

### **Maintenance and renewal gap**

Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, totalled over a defined time (e.g. 5, 10 and 15 years).

### **Maintenance and renewal sustainability index**

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. 5, 10 and 15 years).

### **Maintenance expenditure**

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

### **Materiality**

An item is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

### **Modern equivalent asset.**

A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset.

### **Non-revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, e.g. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

### **Operating expenditure**

Recurrent expenditure, which is continuously required excluding maintenance and depreciation, e.g. power, fuel, staff, plant equipment, cleaning, on-costs and overheads.

### **Pavement management system**

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

### **Planned Maintenance\*\***

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

### **PMS Score**

A measure of condition of a road segment determined from a Pavement Management System.

### **Rate of annual asset consumption\***

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

### **Rate of annual asset renewal\***

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

### **Rate of annual asset upgrade\***

A measure of the rate at which assets are being upgraded and expanded per annum expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

### **Reactive maintenance**

Unplanned repair work that carried out in response to service requests and management/supervisory directions.

### **Recoverable amount**

The higher of an asset's fair value, less costs to sell and its value in use.

**Recurrent expenditure**

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operating and maintenance expenditure.

**Recurrent funding**

Funding to pay for recurrent expenditure.

**Rehabilitation**

See capital renewal expenditure definition above.

**Remaining life**

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining life is economic life.

**Renewal**

See capital renewal expenditure definition above.

**Residual value**

The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

**Revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, e.g. public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

**Risk management**

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

**Section or segment**

A self-contained part or piece of an infrastructure asset.

**Service potential**

The capacity to provide goods and services in accordance with the entity's objectives, whether those objectives are the generation of net cash inflows or the provision of goods and services of a particular volume and quantity to the beneficiaries thereof.

**Service potential remaining\***

A measure of the remaining life of assets expressed as a percentage of economic life. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (DRC/DA).

**Strategic Management Plan (SA)\*\***

Documents Council objectives for a specified period (3-5 yrs.), the principle activities to achieve the objectives, the means by which that will be carried out, estimated income and expenditure, measures to assess performance and how rating policy relates to the Council's objectives and activities.

**Sub-component**

Smaller individual parts that make up a component part.

**Useful life**

Either:

- (a) the period over which an asset is expected to be available for use by an entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the council. It is the same as the economic life.

**Value in Use**

The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate new cash flows, where if deprived of the asset its future economic benefits would be replaced.

Source: DVC 2006, Glossary

Note: Items shown \* modified to use DA instead of CRC

Additional glossary items shown \*\*

# 1. EXECUTIVE SUMMARY

## What Council Provides

Council provides a stormwater drainage network in partnership with internal and external service providers to enable safe and efficient pedestrian, vehicular circulation and environmental flows for the benefit of the community.

The following is a brief inventory of stormwater drainage assets maintained and owned by Woollahra Municipal Council as at **30 June 2022**.

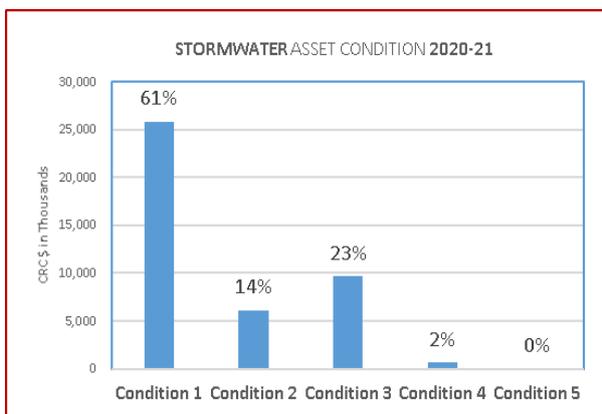
Subcategories	Dimension	Replacement Cost (\$M)
Stormwater_SQID	55 Units	\$3.58
Stormwater_Pipes	107 km	\$82.96
Stormwater_Pits	4,837 Units	\$21.82
<b>Total</b>		<b>\$108.36</b>

## Lifecycle Management Plan

### The Condition of our Assets

Approximately 42% of the stormwater network has been surveyed and condition rated, resulting in a 'medium' level of confidence in the data. The data has been rated using the Office of Local Government's (OLG) Asset Auditing Guidelines – Special Schedule 7 and ranges from Condition 1 which is very good to Condition 5 which is very poor. The condition of stormwater assets is shown in the following figure.

**Asset Condition Data**



### What does it Cost?

The projected outlays necessary to provide the current services covered by this Asset

Management Plan (AMP) includes operations, maintenance and renewal of existing assets over the 10-year planning period which equates to \$1.263M on average per year.

## Financial Summary

### What we will do

The anticipated available funding over this 10-year period will be \$1.263M per year in accordance with Council's 10-year long term financial plan.

Additional funding of \$ 13,900,000 over 10 years is being sought through an SRV application to fund improved pipe inspection and maintenance and to enhance the capacity of the stormwater network.

## Plans for the Future

Council plans to operate and maintain the network of infrastructure to the required level to achieve the following strategic objectives.

1. Ensure that the above infrastructure is maintained at a safe and functional standard as set out in this Asset Management Plan.
2. Ensure that the above infrastructure is renewed or replaced as appropriate in order to achieve best asset productivity.
3. Ensure that Council achieve acceptable service delivery and sustainability.
4. Ensure that the capacity of the stormwater network is enhanced to mitigate flooding due to the impact of climate change through a Special Rate Variation (SRV).

## Measuring our Performance

### Quality

Council's stormwater drainage assets will be maintained in a reasonably usable condition. Defects found or reported that are outside our service standard will be repaired. See our maintenance response service levels for details of defect prioritisation and response time.

### Function

Stormwater drainage asset attributes will be maintained at a safe level to ensure functionality and public safety. We need to ensure key functional objectives are met as follows:

- To provide a stormwater drainage network to agreed targets of safety and function.
- To provide and maintain infrastructure to community requirements within the resources available.
- To manage Council's stormwater drainage network to statutory requirements and community needs.

**Safety**

We inspect samples of our stormwater drainage regularly and prioritise and repair defects in accordance with our inspection schedule to ensure they are safe.

**The Next Steps**

The actions resulting from this Asset Management Plan are:

- Increase the present investment on infrastructure assets.
- Ensure the capacity of the stormwater network is enhanced to mitigate flooding due to the impact of climate change through a Special Rate Variation (SRV).
- Ongoing monitoring and annual review of the Asset Management Plan.

## 2. INTRODUCTION

### 2.1 Background

The purpose of this Asset Management Plan (AMP) is to demonstrate responsive management of assets (and services provided from assets) in order to be compliant with regulatory requirements and to distribute funds to meet required levels of service.

This AMP covers the following infrastructure assets:

#### *Stormwater Drainage Infrastructure*

**Table 2.1. Assets covered by this AMP as at 30/06/2022**

Subcategories	Dimension	Replacement Cost (\$)	Accumulated Depreciation Cost(\$)	Depreciated Replacement Cost (\$)	Annual Depreciation Cost(\$)
Stormwater_SQID	54 Units	3,582,736	421,059	3,161,677	54,673
Stormwater_Pipes	107 km	82,964,850	26,298,959	56,665,891	516,703
Stormwater_Pits	4,868 Units	21,821,780	4,468,050	17,353,730	199,861
<b>Total</b>		<b>108,369,366</b>	<b>31,188,068</b>	<b>77,181,298</b>	<b>771,237</b>

Key stakeholders in the preparation and implementation of this AMP are:

Infrastructure Asset Management Group	Author, Analysis and Presentation
Emilio Andari	Asset Custodian for Infrastructure Assets – Stormwater System
Yasas de Silva	Author and Analyst
Paul Ryan	Chief Financial Officer

### 2.2 Goals and Objectives of Asset Management

The Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by 'purchase', by contract, construction by Council staff and by contribution of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the required level of service in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Taking a life cycle approach.
- Developing cost-effective management strategies for the long term.
- Providing a defined level of service and monitoring performance.
- Understanding and meeting the demands of growth through demand management and infrastructure investment.
- Managing risks associated with asset failures.
- Sustainable use of physical resources.
- Continuous improvement in asset management practices.

This AMP is prepared under the direction of Council's recently adopted Vision and Mission statements, which are:

**Our Vision**

***A thriving, inclusive, sustainable and resilient community that will benefit future generations.***

**Our Mission**

***To lead climate action and promote respectful connections between people and place, so we can enhance, protect and celebrate Woollahra's beauty, heritage and quality of life, for the enjoyment of all.***

Woollahra 2032 also includes the following goal and objectives specifically relating to stormwater asset management, and these are described in the following table.

**Table 2.2. Council Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in this AMP
Goal 5: Liveable places	5.1 Enhance Council provided community facilities to foster connections between people and place and enhance quality of life.	Implement Environmental Works Program for water quality improvement.  Undertake scheduled maintenance and cleaning of stormwater pits and pipes, and stormwater quality improvement devices.
	5.2 Provide and maintain safe, clean, serviceable public infrastructure including roads, footpaths, bicycle facilities, parks, open spaces, stormwater drains and seawalls.	Implement the infrastructure maintenance programs.  Undertake scheduled maintenance and cleaning of stormwater pits and pipes, and stormwater quality improvement devices.  Complete annual condition surveys and maintenance programs.  Implement the Stormwater Capital Works Program.
	5.3 Provide and maintain clean, attractive, accessible, connected and safe parks, sportsgrounds, foreshore areas and other public spaces and infrastructure such as roads, footpaths, bicycle facilities, stormwater drains and seawalls.	Implement the infrastructure maintenance programs.  Undertake scheduled maintenance and cleaning of stormwater pits and pipes, and stormwater quality improvement devices.  Complete annual condition surveys and maintenance programs.  Implement the Stormwater Capital Works Program.

Goal	Objective	How Goal and Objectives are addressed in this AMP
	5.4 Reduce impacts of local flooding and improve floodplain risk management.	<p>Develop and implement a five-year capital renewal program for stormwater drainage infrastructure, incorporating recommendations coming from completed Flood Risk Management Plans.</p> <p>Develop and implement Floodplain Risk Management Plans for remaining catchments across the Woollahra LGA.</p>
	5.5 Renew and upgrade ageing infrastructure including roads, footpaths, stormwater drains and seawalls.	Implement the Stormwater Capital Works Program and the infrastructure maintenance programs.

### 2.3 Plan Framework

Key elements of the plan are as follows:

- Levels of Service – specifies the services and levels of service to be provided by Council.
- Future Demand – how this will impact on future service delivery and how this is to be met.
- Life Cycle Management – how Council will manage its existing and future assets to provide the required services.
- Financial Summary – Funds are required to provide the required level of services.
- Asset Management Practices.
- Monitoring – how the plan will be monitored to ensure it is meeting Council’s objectives.
- Asset Management Improvement Plan.

### 2.4 Core and Advanced Asset Management

This AMP is prepared as a ‘core’ asset management plan in accordance with the International Infrastructure Management Manual. It is prepared to meet legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.

### 3. LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

In 2021, Council commissioned and completed a Community Satisfaction Survey conducted by Micromex Research. This survey reported the following satisfaction levels for the services discussed in this AMP.

	Not at all satisfied	Not very satisfied	Somewhat satisfied	Satisfied	Very satisfied	Base
Stormwater drainage	8%	20%	30%	31%	11%	336

The community survey indicates that the community is generally satisfied with the manner in which Council currently renews and maintains stormwater assets, that is general condition, but may not fully indicate its views on pipe capacity, efficiency and flood mitigation.

Council considers this information when developing its Delivery Program and Operational Plan budgets.

#### 3.2 Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. These include legislation as provided in the following table.

**Table 3.2. Legislative Requirements**

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Road Act 1993	Sets out the extent of Council responsibilities and powers in the road reserve.
Environmental Planning and Assessment Act 1979	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the State.
Environmental Planning and Assessment Amendment Act 2008	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the State.
Protection of the Environment Operations Act 1997	Sets out Council responsibility and powers of local area environment and its planning functions.
Civil Liability Act 2002 of NSW	Sets out Council's public liability obligations and inherent limitations thereof with regard to the operation and service provision of using these assets as expected by the legislature.

### 3.3 Current Levels of Service

Current service levels are linked to condition levels as this determines at what condition the asset should be in before it is renewed.

For details on Council's current service levels and asset condition, please refer to Section 5.1.3

### 3.4 Desired Levels of Service

Council's desired level of service for stormwater assets is for all assets to be in Condition 3 or above.

Renewal intervention is required for assets in Condition 4 or below to effectively provide the proposed desired level of service, mitigate risk and optimise maintenance and renewal expenditure. Condition 4 assets correspond to the 'unsatisfactory' or 'poor' condition threshold.

### 3.5 Climate Change

Council is committed to action on climate change. Climate change considerations are taken into account through the technical review of future plans of existing seawall reconstruction/modifications, and modifications and upgrades of stormwater infrastructure (i.e. pipes, inlets, pits).

*At time of writing, Council is preparing a revised Climate Change Risk Assessment and Adaption Plan. The Climate Change Risk Assessment and Adaptation Plan is in accordance with the Guide to Climate Change Risk Assessment for NSW Local Government (DPIE, 2019) and Australian Standard (AS) 5334-2013 Climate change adaptation for settlements and infrastructure, and this Plan will outline the methodology used to understand key climate-related hazards, prioritise relevant risks, and identify measures to adapt and build resilience for stormwater infrastructure. The actions in this Plan will complement the capacity improvement projects already identified in the various Floodplain Risk Management Studies and Plans which are in place or in development.*

In addition to projects aimed at expanding the capacity of the stormwater network to mitigate flooding, it is proposed to fund increased level of drainage and pipe repair works across the LGA through a Special Rate Variation (SRV) to ensure that the network is functioning at optimum efficiency.

## 4. FUTURE DEMAND

### 4.1 Demand Forecast

Factors affecting demand include population change including number of residencies and built up areas, environmental changes, and in particular, climate change as it is expected to change in the municipality, including changes to sea levels, extreme and average rainfall, average temperatures, heatwaves, frequency and intensity of storms, droughts and bushfires.

Demand factor trends and impacts on service delivery are summarised in Table 4.1.

**Table 4.1. Demand Factors, Projections and Impact on Services**

Demand factor	Present position	Projection	Impact on services
Population	53,891* (ABS est 2021)	59,252 (in year 2031)	More development and built environs result in higher environmental flows.
Demographics	Density 2.32* persons/ household	Density 2.17 persons/ household (in year 2031)	More development and built environs result in higher environmental flows.

\* Australian Bureau of Statistics 2021 Census data

\* NSW Department of Planning and Environment 2022 NSW Common Planning Assumption Projections [Local Government Areas (ASGS 2020) Projections for year ending 30 June]

### 4.2 Changes in Technology

Technology changes can affect the delivery of services covered by this AMP in the following areas as provided in the following table.

**Table 4.2. Changes in Technology and Forecast effect on Service Delivery**

Technology Change	Effect on Service Delivery
Trenchless technologies of pipe repair and restorations.	Longer productive useful lives of assets at cheaper cost compared to traditional open trench repair and restorations.
On site retention / detention.	Councils DCP encourages new development to use on site retention / detention which reduces the reliance on the existing drainage pipe system, extending the useful life of the existing drainage system.
Water sensitive urban design (WSUD)	Councils DCP encourages new development to use WSUD which reduces the reliance on the existing drainage pipe system, extending the useful life of the existing drainage system.

### 4.3 Demand Management Plan

Demand for new or renewed assets will be prioritised through a process of pro-active asset inspections, risk management of defects and consistency with Council's Community Strategic Plan and Delivery Program.

#### 4.4 New Assets from Growth

New community assets gifted to Council as a result of private developments will be included in Council's asset register, appropriately valued and managed as part of Council's relevant AMPs.

New assets derived from Council's flood mitigation projects as part of Council's Climate Change Adaptation Measures are recorded in the asset register and managed as part of Council's Stormwater AMP.

Council has adopted Floodplain Risk Management Studies and Plans for flood prone land in the following catchments:

1. Rushcutters Bay
2. Paddington
3. Double Bay
4. Rose Bay
5. Watsons Bay

Further information on Council's Floodplain Risk Management Studies, Strategies and Plans can be found on Council's website:

[http://www.woollahra.nsw.gov.au/environment/water\\_and\\_coast/our\\_projects/floodplain\\_management](http://www.woollahra.nsw.gov.au/environment/water_and_coast/our_projects/floodplain_management)

It is acknowledged that further work is required in relation to formulating a list of projects identified in the adopted Floodplain Risk Management Studies and Plans, able to prioritise and financially model the effects of these capital upgrade projects.

However, a program has been established requiring \$13.9M over the next 10 years - see Section 6.2 Funding Strategy, within this AMP, and is subject to the successful SRV application.

## 5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in section 3.4) while optimising life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

The assets covered by this AMP are shown below.

Storm Water Drainage Infrastructure	This includes storm water pits, pipes and Gross Pollutant Traps
-------------------------------------	---

In the absence of actual dates of construction information, Council calculates the remaining life of assets using visual condition information and considers the estimated useful lives of assets, generally in-line with SSROC agreed useful lives.

Category	Sub Category	Sub Category	TYPE	Estimate Useful Life (yrs)	Residual Value
Stormwater	GPT		Generic	50	0%
Stormwater	Pipes		Box Culvert 4.50W x 2.50H	150	10%
Stormwater	Pits		2.4m lintel Pit	100	0%

#### 5.1.2 Asset capacity and performance

Council's stormwater systems are designed and constructed to Woollahra Development Control Plan - Stormwater and Flooding requirements and in accordance with relevant standards and specifications.

The performance of these assets is monitored through routine inspection regime undertaken by Council staff and periodic audits undertaken by appropriately qualified external consultants. Assets which do not perform as expected will be investigated to determine the cause and remedial works will be undertaken to ensure the asset will be performing optimally as intended.

#### 5.1.3 Asset condition

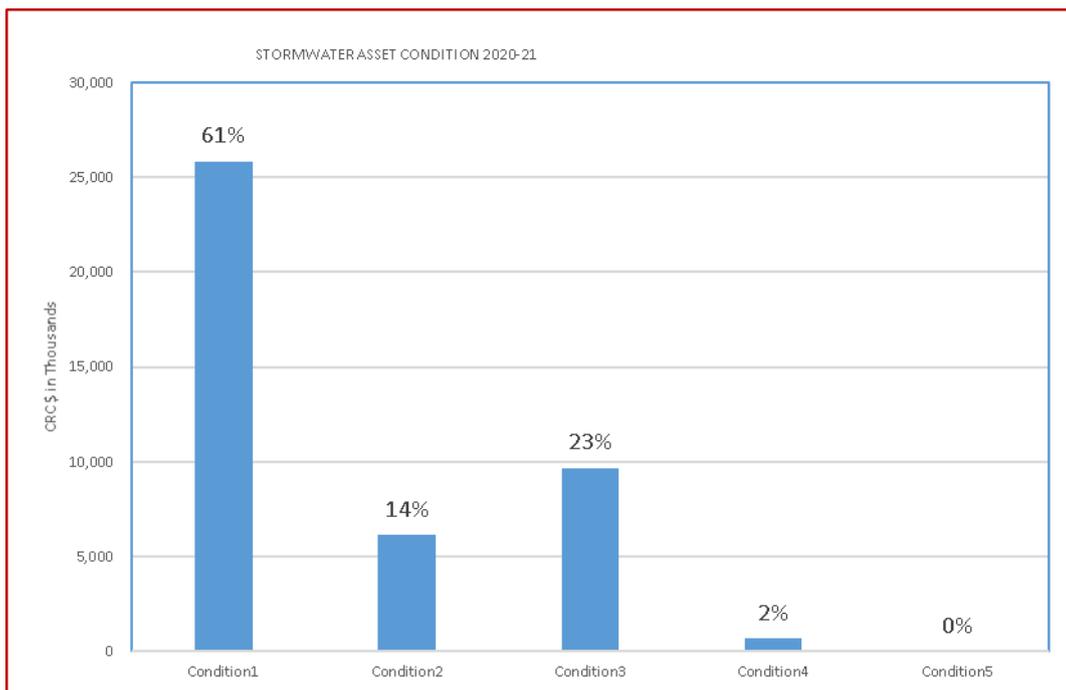
Council has an inspection regime which involves an on-going annual program for CCTV inspections of the stormwater network. 42% of Council's stormwater pipes have been inspected through CCTV, visual inspection and recently condition assessed. Based on this assessment, the data has been extrapolated across the entire network and the resulting condition profile of Council's Stormwater Assets is shown in Figure 3.

**There is a 'medium' level of confidence for this Asset Management Plan as only 42% of Council's stormwater network has been inspected.**

CCTV condition surveys were rated as per OLG Guidelines. In summary the Rating System is as follow:

Rating	Description of Condition
1	Very Good: Only planned operational activities required.
2	Good: Minor maintenance and operational activities required.
3	Satisfactory: Planned and some reactive maintenance required.
4	Poor: Significant renewal/upgrade required.
5	Very Poor: Unserviceable.

**Fig 3. Pipes, Pits and SQID Condition\***



\* Based on a condition assessment on approximately 42% of the stormwater network.

New data from Council's on-going annual CCTV inspection program will be incorporated into future revisions of the Stormwater Asset Management Plan, resulting in a higher level of confidence in the asset data contained in future plans.

## 5.2 Risk Management Plan

An assessment of risks associated with service delivery from infrastructure assets has identified no critical risks that will result in loss or reduction in service or a financial shock to Council. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the infrastructure risk management plan are summarised in Table 5.2. below.

**Table 5.2. Critical Risks and Treatment Plans**

Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Stormwater Pipes	Pipe failure causing flooding to private property.	High	Condition assessment to identify pipes requiring renewal.	Low	In-house resources.
Stormwater Pipes; Pits and SQID	Heavy rain overwhelming stormwater drainage capacity causing flooding and erosion to natural watercourses.	High	Development and implementation of Floodplain Risk Management Studies and Plans for all catchments across the municipality in accordance with the NSW Floodplain Development Manual.  Development and implementation of Climate Change Risk Assessment and Adaptation Plan in accordance with the Guide to Climate Change Risk Assessment for NSW Local Government (DPIE, 2019) and Australian Standard (AS) 5334-2013 Climate change adaptation for settlements and infrastructure.	Low	In-house resources.
Properties	Increase in flooding frequency and adverse impact due to Climate Change.	High - Very High	Development and implementation of Floodplain Risk Management Studies and Plans for all catchments across the municipality in accordance with the NSW Floodplain Development Manual.  Development and implementation of Climate Change Risk Assessment and Adaptation Plan in accordance with the Guide to Climate Change Risk Assessment for NSW Local Government (DPIE, 2019) and Australian Standard (AS) 5334-2013 Climate change adaptation for settlements and infrastructure	Low	SRV  NSW Government Grants

Note: \*the residual risk is the risk remaining after the selected risk treatment plan is operational.

### 5.3 Routine Maintenance Plan

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.

### 5.3.1 Maintenance Plan

Maintenance includes reactive, planned and cyclic maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and to improve maintenance and service delivery performance.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including pipe patching; pit repair, etc. This work generally falls below the capitalisation threshold set by Council. Maintenance expenditure trends are shown in Table 5.3.1

**Table 5.3.1. Maintenance Expenditure Trends**

Year	Maintenance Expenditure
2013/2014	\$117,000
2014/2015	\$152,000
2015/2016	\$146,000
2016/2017	\$150,000
2017/2018	\$383,521
2018/2019	\$425,199
2019/2020	\$512,438
2020/2021	\$455,657
2021/2022	\$529,981

An increase in customer requests relating to stormwater assets in the last 3 financial years is shown in the table below:

CRM Annual Statistics Category	1/7/2021 to 30/6/2022	1/7/2020 to 30/6/2021	1/7/2019 to 30/6/2020
Pits/Pipes - Drainage Cleaning	140	86	77
Pits/Pipes - Flooding	136	49	77
Pits/Pipes - Odours & Fumes	12	4	6
Pits/Pipes - Repairs	89	58	58
Pits/Pipes - Seepage From	35	16	11
	<b>412</b>	<b>213</b>	<b>229</b>

Climate change has resulted in increased rainfall and flooding over the last FY and this pattern is likely to continue into the foreseeable future, resulting in an increase on Council's maintenance funding required for stormwater assets.

Furthermore, Council needs to plan and deliver flood mitigation projects to address flooding issues in various catchments in Rose Bay, Paddington, Double Bay and Darling Point as identified under Council's Floodplain Risk Management Studies, Strategies and Plans.

It is proposed to fund the above demand for drainage repairs, cleaning of pipes & GPTs and CCTV inspections of pipes and major flood mitigation projects from a Special Rate Variation (SRV).

### 5.3.2 Standards and Specifications

Maintenance work is carried out in accordance with the following Standards and Specifications.

1. WMC Specification for road works, drainage and miscellaneous works.
2. AUS-SPEC *Roadworks and Urban and Open Spaces*.

### 5.4 Renewal/Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

#### 5.4.1 Renewal Plan

Assets requiring renewal are identified from estimates of remaining life obtained from the asset register and through the calculation model identified in Section 5.4.2 – Remaining Physical Life. Candidate proposals are inspected to verify accuracy of remaining life estimate and condition analysis, to develop a preliminary renewal program. Verified proposals are ranked by priority based intervention levels (detailed in Appendix A) and available funds.

As Council has only inspected 42% of its stormwater network, certain assumptions are made when formulating the renewal plan for stormwater assets. Areas or pipe systems which have been identified with generally poor condition infrastructure assets are inspected and verified prior to inclusion in the renewal program. In addition, Council generally include stormwater assets renewals as part of the renewal of transport assets (roads).

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Examples of low cost renewal include pipe-lining applications, robotic patching works in isolated and difficult to reach areas of the network and pipe augmentation.

#### 5.4.2 Remaining Physical Life

IPWEA and OLG methodology based Condition data was used to calculate the Remaining Physical Life as follows.

Condition Rating	Condition	Remaining Physical Life
1	Very Good	50 years
2	Good	50 years
3	Satisfactory	Beyond 10 years
4	Poor	2 years.
5	Very Poor	Nil.

#### 5.4.3 Renewal standards

Renewal work is carried out in accordance with the following Standards and Specifications.

3. WMC Specification for road works, drainage, and miscellaneous works.
4. AUS-SPEC *Roadworks and Urban and open spaces*.

#### 5.4.4 Summary of future renewal expenditure

Projected future renewal expenditures are summarised in Table 6.1.1

Renewals are funded from Council's capital works program and grants where available. This is further discussed in Section 6.2.

## 6. FINANCIAL SUMMARY

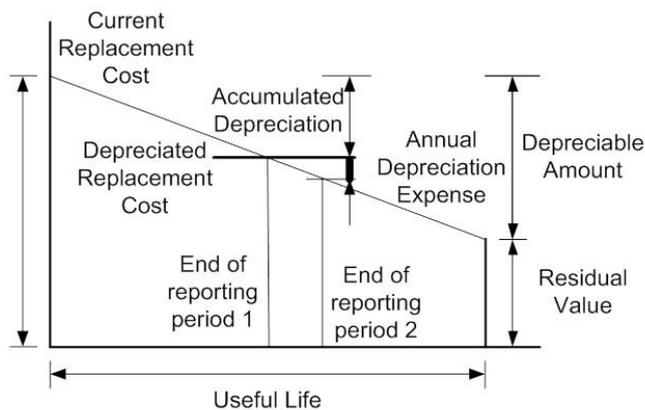
This section contains the financial requirements resulting from all the information presented in the previous sections of this AMP.

### 6.1 Financial Statements and Projections

#### 6.1.1 Asset Valuations

The value of assets as at 30 June 2022 covered by this AMP is summarised below. Assets are valued at Brownfield rates. Brownfield valuation takes into account the total cost of replacing that asset. This can include the additional cost of removal, excavation and disposal of existing assets already in-situ. Greenfield valuation does not take into account the cost of existing infrastructure.

Current Replacement Cost	\$ 108,369,366
Depreciable Amount	\$ 108,369,366
Depreciated Replacement Cost	\$ 77,181,298
Annual Depreciation Expense	\$ 771,237



#### 6.1.2 Sustainability of Service Delivery

One key indicator for service delivery sustainability that has been considered in the analysis of the services provided by this asset category is the medium term budgeted expenditures/projected expenditure (over 10 years of the planning period).

#### **Medium term – 10 year financial planning period**

This AMP identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed and required level of service to the community over a 10-year period. This provides input into Council's 10-year financial and funding plans aimed at providing the required services in a sustainable manner.

The projected operations, maintenance and capital renewal expenditure required over the 10-year planning period is estimated at \$1.263M on average per year.

Providing infrastructure services in a sustainable manner requires the management of service levels, risks, projected expenditures and finances to achieve a financial indicator of approximately 1.0 for the first years of the asset management plan and ideally over the 10-year life of the Long Term Financial Plan.

### 6.1.3 Projected Expenditures for Long Term Financial Plan

Table 6.1.1 shows the gap between projected and planned renewals.

**Table 6.1.1 Projected and Planned Expenditure**

<b>Year End Jun-30</b>	<b>Total Operations Expenditure</b>	<b>Total Maintenance Expenditure</b>	<b>Projected New Capital Expenditure</b>	<b>Projected Capital Renewal Expenditure</b>
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
2022	\$378	\$122	\$0	\$707
2023	\$386	\$127	\$0	\$700
2024	\$394	\$132	\$0	\$700
2025	\$402	\$137	\$0	\$700
2026	\$411	\$143	\$0	\$700
2027	\$419	\$148	\$0	\$700
2028	\$428	\$154	\$0	\$700
2029	\$437	\$161	\$0	\$700
2030	\$446	\$167	\$0	\$700
2031	\$456	\$174	\$0	\$700
2032	\$465	\$181	\$0	\$700
2033	\$475	\$188	\$0	\$700
2034	\$485	\$195	\$0	\$700
2035	\$495	\$203	\$0	\$700
2036	\$506	\$211	\$0	\$700
2037	\$516	\$220	\$0	\$700

\*Projected New Capital Expenditure excludes proposed works proposed to be funded using SRV funds.

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue.

## 6.2 Funding Strategy

The detailed funding strategy is provided in Council's 10-year Long Term Financial Plan (LTFP).

A total budget increase of \$13.9M over 10 years for Climate Change Adaptation Measures is proposed to be funded from SRV for the following works:

- Shortfall in drainage repairs, cleaning of pipes & GPTs and CCTV inspections of pipes (\$1.8M).
- Six Flood mitigation projects to mitigate the impact of flooding at identified hot spots (\$12.1M) as follows:
  - Cecil Street, Rushcutters Bay Catchment (Paddington Flood Plan).
  - Dudley Road, Rose Bay North Catchment (Rose Bay Flood Plan).
  - Edgecliff Road, Double Bay Catchment (Woollahra Flood Plan).
  - Glenmore Road, Rushcutters Bay Catchment (Paddington Flood Plan).
  - Ocean Avenue, Darling Point Catchment (Double Bay Flood Plan).
  - Underwood Street, Rushcutters Bay Catchment (Paddington Flood Plan).

### 6.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are being added to the asset stock from construction by Council and from assets constructed by private land developers and others and donated to Council.

### 6.4 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this AMP and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- The current rates of renewal and maintenance will remain constant at current 2019 and 2021 values respectively, for the next 10 years.
- Stormwater Life:
  - Pits 100 yrs
  - Pipes 150 yrs

Accuracy of future financial forecasts may be improved in future revisions of this AMP by the following actions.

- Condition data for samples of Council's stormwater assets to ensure more accurate financial reporting.

## 7. ASSET MANAGEMENT PRACTICES

### 7.1 Accounting/Financial Systems

The Local Government Act 1993 requires Council to prepare an annual report on its achievements with respect to the objectives and performance targets set out in its management plan for that year.

This report provides Council's audited financial statements including the condition of public works under the control of the Council as at the end of that year, together with:

- An estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard; and
- An estimate (at current values) of the annual expense of maintaining the works at that standard; and
- The Council's program of maintenance for that year in respect of the works.

Australian Accounting Standard (AAS) 27 is applicable to financial reporting by local governments, and provides guidelines for accounting methods and procedures.

### 7.2 Asset Management Systems

Currently Council uses MS Spreadsheet software for Asset Management Purposes.

Assets are valued and depreciated in MS Spreadsheet and figures are manually transferred to the General Ledger on a yearly basis.

### 7.3 Information Flow Requirements and Processes

The key information flows into this asset management plan are:

- The asset register data on size, value, remaining life of the network.
- The unit rates for categories of work/material.
- The adopted service levels.
- Projections of various factors affecting future demand for services.
- Correlations between maintenance and renewal, including decay models.
- Data on new assets vested with/acquired by Council.
- The assumed Works Program and trends.
- The resulting budget, valuation, and depreciation projections.
- The useful life analysis.

These will impact the Long Term Financial Plan, Strategic Business Plan, annual budget and departmental business plans and budgets.

### 7.4 Standards and Guidelines

Australian Infrastructure Financial Management Guidelines 2009, IPWEA Version 1.

Office of Local Government (OLG) Infrastructure Asset Auditing Guidelines.

## 8. PLAN IMPROVEMENT AND MONITORING

### 8.1 Performance Measures

The effectiveness of the AMP can be measured in the following ways:

- The degree to which the required projected expenditure identified in this AMP are incorporated into Council's LTFFP.
- The Asset Renewal Funding Ratio achieving the target of 1.0.
- The ability to maintain the desired levels of services of assets at least Condition 3 or above.

### 8.2 Improvement Plan

The asset management improvement plan generated from this AMP is shown in Table 8.2.

**Table 8.2 Improvement Plan**

Task No	Task	Responsibility	Resources Required	Timeline
1.	Special Rate Variation (SRV) application to IPART as a funding gaps strategy, with focus on major capital works derived from Flood Studies and Plans.	Asset Team	\$ 13,900,000 (SRV application)	Year 2022
2.	New Asset Information (Interface) System is to be implemented/developed	Asset Team	TBD via Delivery Program	2023/24
3.	Further Flood Study and Flood Risk Management Plans within LGA.	Asset Team	\$ 500,000 Possible Grant applications	2023 - 2028

### 8.3 Monitoring and Review Procedures

This AMP will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

## REFERENCES

WMC, Woollahra Community Strategic Plan – ‘Woollahra 2030’

WMC, ‘Annual Plan and Budget

IPWEA, 2006, ‘International Infrastructure Management Manual’, Institute of Public Works Engineering  
Australia, Sydney, [www.ipwea.org.au](http://www.ipwea.org.au)

Office of Local Government’s (OLG) Infrastructure Asset Auditing Guidelines – Special Schedule 7

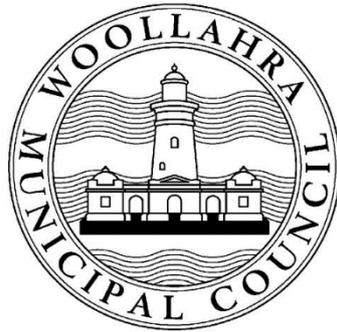
## APPENDICES

### Appendix A : Maintenance Response Levels of Service

Response Levels - Civil Operations

<b>Request Category</b>	<b>Workflow Description</b>
Pits Pipes Drainage Cleaning	Drainage Inspector: 3 Days
Pits Pipes Drainage Flooding	Drainage Inspector: 5 Hours
Pits Pipes Drainage Odours and fumes	Drainage Inspector: 7 Days
Pits Pipes Drainage Repairs	Drainage Inspector: 14 Days
Pits Pipes Drainage Seepage From	Drainage Inspector: 28 Days
Pits Pipes Drainage Upgrade New or Altered	Drainage Assets Engineer 90 Days
Street Cleaning Spills	Spills Officer: 2 Days

# Woollahra Municipal Council



## INFRASTRUCTURE ASSET - LAND IMPROVEMENTS (RETAINING WALLS, SEA WALLS, AND HARBOUR SIDE STRUCTURES) ASSET MANAGEMENT PLAN



Version 2  
November 2022

Document Control					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	May 2022	Version1 (HPE 22/97535) – Update August 2021 AMP with asset and financial information	SG	YDS	AL
2	Nov 2022	Version 9 (HPE 22/) – Updated financials for year ending 2021/22 and align with SRV Application	YDS, Consultant	YDS, EA	EA & TO'H

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## ABBREVIATIONS

<b>AAAC</b>	Average annual asset consumption
<b>AMP</b>	Asset management plan
<b>ARI</b>	Average recurrence interval
<b>BOD</b>	Biochemical (biological) oxygen demand
<b>CRC</b>	Current replacement cost
<b>CWMS</b>	Community wastewater management systems
<b>DA</b>	Depreciable amount
<b>DoH</b>	Department of Health
<b>EF</b>	Earthworks/formation
<b>IRMP</b>	Infrastructure risk management plan
<b>LCC</b>	Life Cycle cost
<b>LCE</b>	Life cycle expenditure
<b>MMS</b>	Maintenance management system
<b>PCI</b>	Pavement condition index
<b>RV</b>	Residual value
<b>SS</b>	Suspended solids
<b>vph</b>	Vehicles per hour

## GLOSSARY

### **Annual service cost (ASC)**

An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operating, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

### **Asset class**

Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

### **Asset condition assessment**

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

### **Asset management**

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

### **Assets**

Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 month.

### **Average annual asset consumption (AAAC)\***

The amount of a local government's asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for each and every asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for each and every asset in an asset category or class.

### **Brownfield asset values\*\***

Asset (re)valuation values based on the cost to replace the asset including demolition and restoration costs.

### **Capital expansion expenditure**

Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure, which increases future operating, and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group, e.g. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

### **Capital expenditure**

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

### **Capital funding**

Funding to pay for capital expenditure.

### **Capital grants**

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

### **Capital investment expenditure**

See capital expenditure definition

### **Capital new expenditure**

Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

### **Capital renewal expenditure**

Expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

### **Capital upgrade expenditure**

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base, e.g. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

---

**Carrying amount**

The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

**Class of assets**

See asset class definition

**Component**

An individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system.

**Cost of an asset**

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, plus any costs necessary to place the asset into service. This includes one-off design and project management costs.

**Current replacement cost (CRC)**

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

**Current replacement cost "As New" (CRC)**

The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

**Cyclic Maintenance\*\***

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, cycle, replacement of air conditioning equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

**Depreciable amount**

The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6)

**Depreciated replacement cost (DRC)**

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset

**Depreciation / amortisation**

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

**Economic life**

See useful life definition.

**Expenditure**

The spending of money on goods and services. Expenditure includes recurrent and capital.

**Fair value**

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms-length transaction.

**Greenfield asset values \*\***

Asset (re)valuation values based on the cost to initially acquire the asset.

**Heritage asset**

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

**Impairment Loss**

The amount by which the carrying amount of an asset exceeds its recoverable amount.

**Infrastructure assets**

Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no market value.

**Investment property**

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business (AASB 140.5)

**Level of service**

The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost).

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### **Life Cycle Cost \*\***

The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

### **Life Cycle Expenditure \*\***

The Life Cycle Expenditure (LCE) is the actual or planned annual maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Expenditure to give an initial indicator of life cycle sustainability.

### **Loans / borrowings**

Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in 'spreading the burden' of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

### **Maintenance and renewal gap**

Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, totalled over a defined time (e.g. 5, 10 and 15 years).

### **Maintenance and renewal sustainability index**

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. 5, 10 and 15 years).

### **Maintenance expenditure**

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life. For example, minor repairs to walls; repair and upkeep of harbour side structures; etc.

### **Materiality**

An item is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

### **Modern equivalent asset.**

A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset.

### **Non-revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, e.g. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

### **Operating expenditure**

Recurrent expenditure, which is continuously required excluding maintenance and depreciation, e.g. cleaning, replacement of shark nets; etc.

### **Pavement management system**

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

### **Planned Maintenance\*\***

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

### **PMS Score**

A measure of condition of a road segment determined from a Pavement Management System.

### **Rate of annual asset consumption\***

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

### **Rate of annual asset renewal\***

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

### **Rate of annual asset upgrade\***

A measure of the rate at which assets are being upgraded and expanded per annum expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

### **Reactive maintenance**

Unplanned repair work that carried out in response to service requests and management/supervisory directions.

### **Recoverable amount**

The higher of an asset's fair value, less costs to sell and its value in use.

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**Recurrent expenditure**

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operating and maintenance expenditure.

**Recurrent funding**

Funding to pay for recurrent expenditure.

**Rehabilitation**

See capital renewal expenditure definition above.

**Remaining life**

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining life is economic life.

**Renewal**

See capital renewal expenditure definition above.

**Residual value**

The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

**Revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, e.g. public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

**Risk management**

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

**Section or segment**

A self-contained part or piece of an infrastructure asset.

**Service potential**

The capacity to provide goods and services in accordance with the entity's objectives, whether those objectives are the generation of net cash inflows or the provision of goods and services of a particular volume and quantity to the beneficiaries thereof.

**Service potential remaining\***

A measure of the remaining life of assets expressed as a percentage of economic life. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (DRC/DA).

**Strategic Management Plan (SA)\*\***

Documents Council objectives for a specified period (3-5 yrs), the principle activities to achieve the objectives, the means by which that will be carried out, estimated income and expenditure, measures to assess performance and how rating policy relates to the Council's objectives and activities.

**Sub-component**

Smaller individual parts that make up a component part.

**Useful life**

Either:

- (a) the period over which an asset is expected to be available for use by an entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the council. It is the same as the economic life.

**Value in Use**

The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate new cash flows, where if deprived of the asset its future economic benefits would be replaced.

Source: DVC 2006, Glossary

Note: Items shown \* modified to use DA instead of CRC  
Additional glossary items shown \*\*

## 1. EXECUTIVE SUMMARY

### What Council Provides

Council is responsible for land improvements incorporating retaining walls, seawalls and harbourside structures. Retaining walls and seawalls support other land-based assets, such as parks and reserves, properties, and footpaths. Harbourside structures (jetties, pontoons, outdoor baths/pools and suspension bridges) enable a range of local and recreational activities for the wider community.

The following is a brief inventory of retaining walls, seawalls and harbourside structures maintained and owned by Woollahra Municipal Council as at **30 June 2022**.

Subcategories	Dimensions	Replacement Costs (\$M)
Retaining Walls	8.2km	\$ 27.65
Seawalls	3.65km	\$ 44.89
Harbourside Structures	9 Items	\$ 8.16
<b>Total</b>		<b>\$ 80.70</b>

### Lifecycle Management Plan

#### The Condition of our Assets

Condition surveys on assets identified in this Asset Management Plan (AMP) are regularly undertaken. The data has been rated using the Office of Local Government's (OLG) Infrastructure Asset Auditing Guidelines – Special Schedule 7, which ranges from Condition 1 which is 'Excellent' to Condition 5 which is 'Very Poor'.

#### What does it Cost?

The projected outlays necessary to provide the services covered by this AMP includes operations, maintenance and renewal of existing assets over the 10-year planning period which equates to \$850K on average per year.

### Financial Summary

#### What we will do

The anticipated available funding over this 10-year period will be \$850K per year in accordance with Council's 10-year long term financial plan.

#### Plans for the Future

Council plans to operate and maintain the Land Improvements network to achieve the following strategic objectives:

1. Ensure the Land Improvements network is maintained at a safe and functional standard as set out in this Asset Management Plan.
2. Promote wider community participation and engagement in local activities such as recreation, leisure, boating etc.

### Measuring our Performance

#### Quality

Land Improvements assets will be maintained in a reasonably usable condition. Defects found or reported that are outside our service standard will be repaired. See our maintenance response service levels for details of defect prioritisation and response time.

#### Function

Our intent is that an appropriate Land Improvements network is maintained in partnership with other levels of government and stakeholders for the sustainable provision of constructed and natural assets that ensure community wellbeing and safety.

Land Improvements asset attributes will be maintained at a safe level and associated signage and equipment be provided as needed to ensure public safety. We need to ensure key functional objectives are met.

#### Safety

Land Improvements are inspected regularly with defects identified, prioritised and repaired in accordance with our inspection schedule to ensure they are safe.

### The Next Steps

Actions resulting from the development of this Asset Management Plan are:

- Increase the present investment on infrastructure assets through government grants.
- Ongoing monitoring and annual review of the Asset Management Plan.

## 2. INTRODUCTION

### 2.1 Background

This Asset Management Plan is to demonstrate responsive management of assets (and services provided from assets), in order to be compliant with regulatory requirements and to distribute funds to meet required levels of service.

This AMP is to be read with the following associated planning documents:

- Individual Plans of Management for Parks.
- Delivery Program and Operational Plan (DPOP).
- Long Term Financial Plan (LTFP).

This AMP covers the following infrastructure assets:

- Retaining Walls.
- Seawalls.
- Harbour Side Structures (harbourside pools, jetties, bridges, baths, and pontoons). There are nine structures under this category - Yarranabbe Park Pontoon, Red Leaf Pool Enclosure, Parsley Bay Jetty, Parsley Bay Wooden Suspension Bridge and Watsons Bay Baths (Outer pool, inner pool and disabled access), Lyne Park boat ramp, and Watsons Bay boat ramp.

**Table 2.1. Assets covered by this AMP updated in 2022**

Asset category	Dimension	Replacement Cost (\$M)	Accumulated Depreciation Cost (\$M)	Depreciated Replacement Cost (\$M)	Annual Depreciation Cost(\$)
Retaining Walls including fences	11.67km	27.65	12.74	14.91	295,358
Seawalls	3.97km	44.89	13.93	30.96	396,786
Harbour-side Structures	9 Items	8.16	1.82	6.34	138,288
<b>TOTAL</b>		<b>80.70</b>	<b>28.49</b>	<b>52.21</b>	<b>830,432</b>

Key stakeholders in the preparation and implementation of this AMP are:

Infrastructure Asset Management Group	Author, Analysis and Presentation
Emilio Andari	Asset Custodian for Infrastructure Assets – Land Improvements (Retaining Walls, Seawalls and Harbourside Structures)
Yasas de Silva	Author and Analyst
Paul Ryan	Chief Financial Officer

## 2.2 Goals and Objectives of Asset Management

The Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by 'purchase', by contract, construction by Council staff and by grants of assets to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the required level of service in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Taking a life cycle approach.
- Developing cost-effective management strategies for the long term.
- Providing a defined level of service and monitoring performance.
- Understanding and meeting the demands of growth through demand management and infrastructure investment.
- Managing risks associated with asset failures.
- Sustainable use of physical resources.
- Continuous improvement in asset management practices.

This AMP is prepared under the direction of Council's recently adopted Vision and Mission statements, which are:

### ***Our Vision***

***A thriving, inclusive, sustainable and resilient community that will benefit future generations.***

### ***Our Mission***

***To lead climate action and promote respectful connections between people and place, so we can enhance, protect and celebrate Woollahra's beauty, heritage and quality of life, for the enjoyment of all.***

Woollahra 2032 also includes the following goals and objectives specifically relating to land improvement asset management and these are described in the following table:

**Table 2.2. Council Goals and how these are addressed in this AMP**

<b>Goal</b>	<b>Objective</b>	<b>How Goal and Objectives are addressed in AMP</b>
Goal 5: Liveable Places	Maintaining, renewing, and upgrading ageing infrastructure	Implement the infrastructure maintenance programs.
	Provide attractive, accessible, connected and safe parks, sportsgrounds, foreshore areas and other public spaces.	Implement a prioritised program of improvements to infrastructure assets such as seawalls, pontoons, boat ramps, etc.

## 2.3 Plan Framework

Key elements of the plan are as follows:

- Levels of service – specifies the services and levels of service to be provided by Council.
- Future demand – how this will impact on future service delivery and how this is to be met.

- Life cycle management – how Council will manage its existing and future assets to provide the required services.
- Financial summary – what funds are required to provide the required services.
- Asset management practices.
- Monitoring – how the plan will be monitored to ensure it is meeting Council’s objectives.
- Asset management improvement plan.

## 2.4 Core and Advanced Asset Management

This AMP is prepared as a ‘core’ asset management plan in accordance with the International Infrastructure Management Manual. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.

### 3. LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

In 2021 Council commissioned and completed a Community Satisfaction Survey conducted by Micromex Research. This survey reported the following satisfaction levels for the services discussed in this AMP.

**Table 3.1. Community Satisfaction Survey Levels**

	Not at all satisfied	Not very satisfied	Somewhat satisfied	Satisfied	Very satisfied	Base
Harbourside Facilities	4%	5%	26%	42%	22%	312

The community survey indicates that the community is generally satisfied with the manner in which Council currently renews and maintains land improvement assets. Council considers this information when developing its Delivery Programs and Operational Plans and budgets.

#### 3.2 Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. These include legislation as provided in the following table.

**Table 3.2. Legislative Requirements**

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Protection of the Environment Operations Act 1997	Sets out Council responsibility and powers of local area environment and its planning functions.
Crown Land Management Act 2016 No 58	Sets out Council responsibility and powers within the Crown Reserves.
Environmental Planning and Assessment Act 1979	Institutes a system of environmental planning and assessment for the State of New South Wales. Among other requirements the Act outlines the requirement for the preparation of Local Environmental Plans (LEP), Development Control Plans (DCP), Environmental Impact Assessments (EIA) and Environmental Impact Statements (EIS).
Environmental Planning and Assessment Amendment Act 2008	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the State.
Rivers and Foreshores Improvements Act, 1948	Provides for the carrying out of works for the removal of obstructions from and the improvement of rivers and foreshores and the prevention of erosion of lands by tidal and non-tidal waters.

### 3.3 Current Levels of Service

Current service levels are linked to condition levels as this determines at what condition the asset should be in before it is renewed.

For details on Council's current service levels and asset condition, please refer to Section 5.1.3

### 3.4 Desired Levels of Service

Council's desired level of service for land improvement assets is for all assets to be in Condition 3 or above.

Renewal intervention is required for assets in Condition 4 or below to effectively provide the proposed desired level of service, mitigate risk and optimise maintenance and renewal expenditure. Condition 4 assets correspond to the 'unsatisfactory' or 'poor' condition threshold.

## 4. FUTURE DEMAND

### 4.1 Demand Forecast

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices, environmental awareness, etc.

Demand factor trends and impacts on service delivery are summarised in Table 4.1.

**Table 4.1. Demand Factors, Projections and Impact on Services**

Demand factor	Present position	Projection
Population	53,891* (ABS est 2021)	59,252 (in year 2031)
Demographics	Density 2.32* persons/ household	Density 2.17 persons/ household (in year 2031 )

\* Australian Bureau of Statistics 2021 Census data

\* NSW Department of Planning and Environment 2022 NSW Common Planning Assumption Projections [Local Government Areas (ASGS 2020) Projections for year ending 30 June]

### 4.3 Demand Management Plan

Demand for new services will be managed through a combination of managing existing assets, upgrading and replacing existing assets as given in the renewal plan. Demand management practices include non-asset solutions, insuring against risks and managing failures.

### 4.4 New Assets from Growth

No new Land Improvement assets have been identified at the time of preparation of this AMP.

## 5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in section 3) while optimising life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical Parameters

The assets covered by this AMP are shown below.

Retaining Walls	8.2km
Seawalls	3.65km
Harbourside Structures	9 Items

The estimated useful life of assets covered under this plan are considered based on their condition and through structural and geotechnical inspection assessments.

#### 5.1.2 Asset Performance

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2. Known Service Performance Deficiencies**

- |   |
|---|
| <ul style="list-style-type: none"><li>• Pringle Place Rock Wall – is under investigation for remedial works</li></ul> |
|---|

#### 5.1.3 Asset Condition

Visual condition surveys on assets identified in this AMP will generally be undertaken every five years. Reports for seawalls and retaining walls have been completed by Engineering Consultants in October 2015 and November 2016 and included condition assessments of all seawall and retaining wall assets. Council plans to undertake a further assessment of these structures in 2023 as it has been more than 5 years since the last audit.

Condition is measured using a 1 – 5 rating, as per OLG guidelines, as follows:

Rating	Description of Condition
1	New: Only planned maintenance required.
2	Very good: Minor maintenance required plus planned maintenance.
3	Satisfactory: Maintenance required.
4	Poor: Significant renewal/upgrade required.
5	Very poor: Unserviceable.

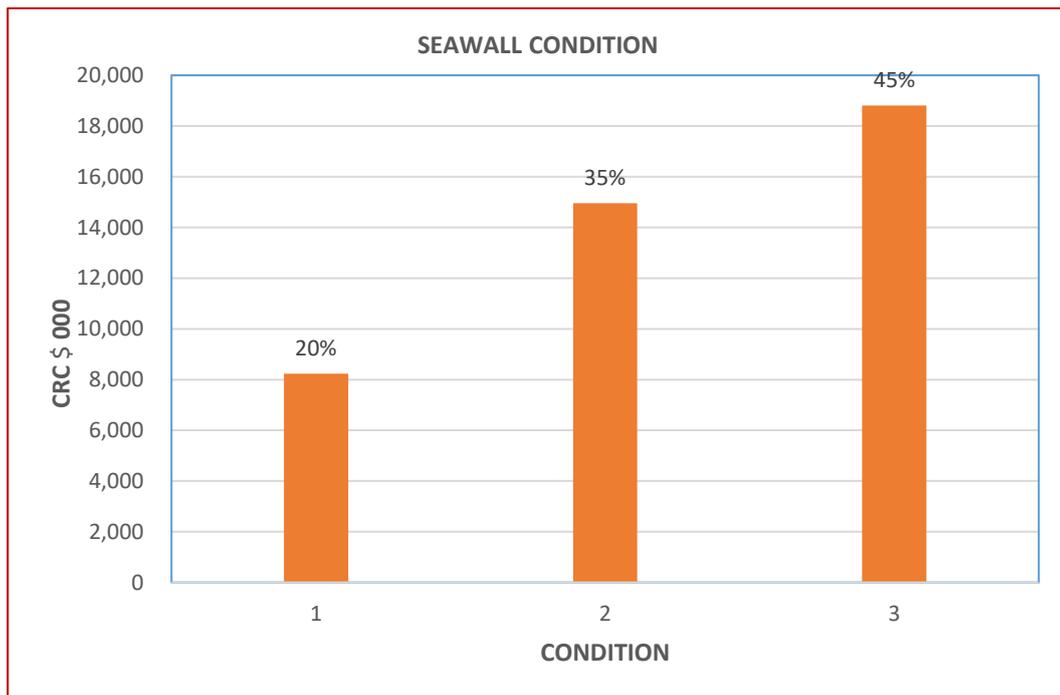
The condition profile of assets are used to calculate the remaining useful life of Assets – see Section 5.4.2 Remaining Useful Life for further details.

The condition profile of Land Improvement Assets is shown below:

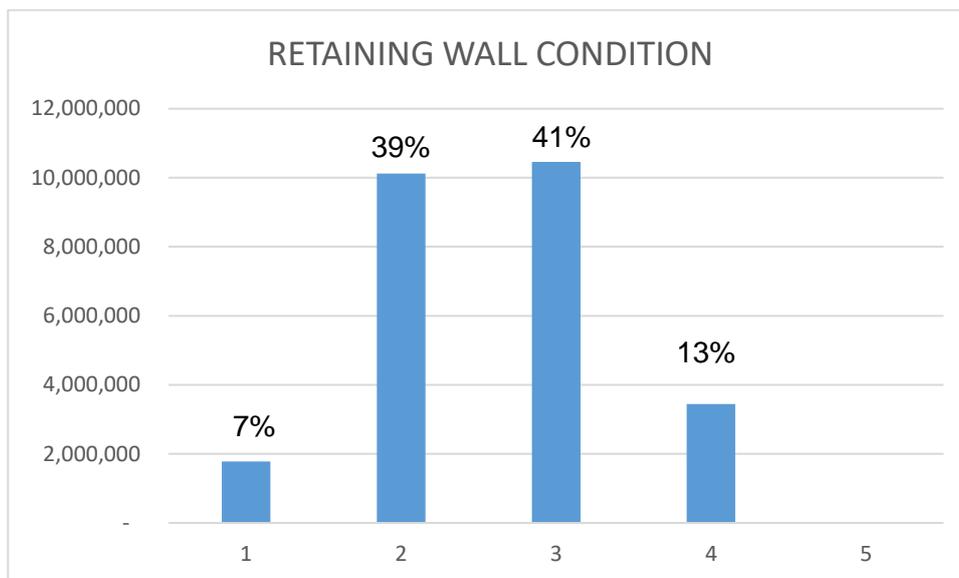
**Harbourside Structures Condition Profile**

Structure	Overall Condition
Yarranabbe Park Pontoon	Condition 2
Red Leaf Pool Enclosure	Condition 2
Parsley Bay Jetty	Condition 3
Parsley Bay Wooden Suspension Bridge	Condition 2
Watsons Bay Baths - Disable Access Area	Condition 1
Watsons Bay Baths - Outer Pool	Condition 1
Watsons Bay Baths - Inner Pool	Condition 1
Lyne Park Boat Ramp	Condition 1
Watsons Bay Boat Ramp	Condition 1

**Fig 3.1 Seawall Structures Condition Profile**



**Fig 3.2 Retaining Wall Structures Condition Profile**



## 5.2 Risk Management Plan

An assessment of risks associated with service delivery from infrastructure assets has identified no critical risks that will result in loss or reduction in service or a financial shock to Council. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the infrastructure risk management plan are summarised in Table 5.2.

**Table 5.2. Critical Risks and Treatment Plans**

Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk*	Treatment Costs
Seawalls	Climatic change and sea-level rise can affect seawalls	High	Preparation of Council's Coastal Zone Management Plans. Consider during the design process for seawalls. Proactive inspection and maintenance programs.	Low	In-house resources.
Seawalls	Wall collapse	High	Proactive inspection and maintenance program. Regular condition assessment. Responsive maintenance processes. Prioritise works as per Council's Retaining Wall Inspection Reports.	Low	In-house resources.
Retaining Walls	Wall collapse	High	Proactive inspection and maintenance program. Regular condition assessment. Responsive maintenance processes. Prioritise works as per Council's Retaining Wall Inspection Reports.	Low	In-house resources.

Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk*	Treatment Costs
Harbourside Structures	Trips and falls	High	Proactive inspection and maintenance program. Regular condition assessment of all footpath assets. Responsive maintenance processes.	Low	In-house resources.

### 5.3 Routine Maintenance Plan

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.

#### 5.3.1 Maintenance plan

Maintenance includes reactive and planned maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Maintenance expenditure trends are shown in Table 5.3.1

**Table 5.3.1. Maintenance Expenditure Trends**

ASSET GROUP	Financial Year	Annual Maintenance Expenditure
Retaining Walls; Harbour side Structures	2014/15	\$35,500
Retaining Walls; Harbour side Structures	2015/16	\$40,000
Retaining Walls; Harbour side Structures	2016/17	\$93,000
Retaining Walls; Harbour side Structures	2017/18	\$184,036
Retaining Walls; Harbour side Structures	2018/19	\$180,320
Retaining Walls; Harbour side Structures	2019/20	\$244,478
Retaining Walls; Harbour side Structures	2020/21	\$217,442
Retaining Walls; Harbour side Structures	2021/22	\$246,712

Maintenance expenditure levels are considered to be adequate to meet required service levels.

Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement.

### 5.3.2 Standards and specifications

Maintenance works are carried out in accordance with the following Standards and Specifications:

- Australian Standards.
- Council's standards and specifications.
- Other relevant standards and specifications.

### 5.4 Renewal/Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

#### 5.4.1 Renewal plan

Land improvement asset renewals are undertaken generally using 'like for like' replacement strategies within capital renewal funding allocations. 'Low life cycle cost' methods are utilised where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Examples of low cost renewal include the use of soil anchors and shotcrete treatment on retaining walls and seawalls.

#### 5.4.2 Remaining Physical Life

The remaining physical life of retaining walls has been determined by Engineering Consultants as part of the Retaining Wall Reports. The remaining life of seawalls and harbour side structures is based on the condition data using the table below:

Condition Rating	Condition	Remaining Physical Life
1	New	85 - 100%
2	Very Good	55 - 85%
3	Satisfactory	20 - 55%
4	Poor	5 - 20%
5	Very Poor	0 - 5 %

#### 5.4.3 Renewal standards

Renewal work is carried out in accordance with the following Standards and Specifications:

- Australian Standards.
- Other relevant standards and specifications.

#### 5.4.4 Summary of future renewal expenditure

Projected future renewal expenditures are summarised in Table 6.1.1.

Renewals are to be funded from Council's capital works program and grants where available. This is further discussed in Section 6.2.

### 5.5 Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to Council from land development.

At the time of preparing this Asset Management Plan, no new assets have been identified as being required for Land Improvement assets.

#### 5.5.1 Standards and specifications

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.4.2.

### 5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6.

These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any.

**Table 5.6 Assets identified for Disposal**

<b>Asset Group/Type</b>	<b>Disposal Timing</b>	<b>Comments</b>	<b>LOS satisfied</b>
No assets identified for disposal			

## 6. FINANCIAL SUMMARY

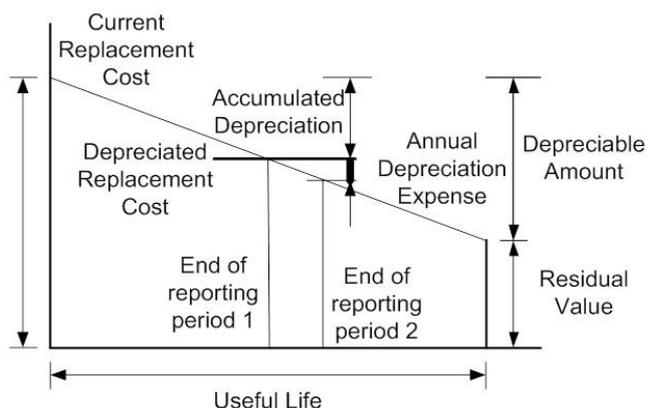
This section contains the financial requirements resulting from all the information presented in the previous sections of this AMP.

### 6.1 Financial Statements and Projections

#### 6.1.1 Asset Valuations

The value of assets as at 30 June 2022 covered by this AMP is summarised below. Assets were adjusted by CPI at 30 June 2022, for the purpose of satisfying OLG requirements under Special Schedule 7. Assets are valued at Brownfield rates. Brownfield valuation takes into account the total cost of replacing that asset. This can include the additional cost of removal, excavation and disposal of existing assets already in-situ. Greenfield valuation does not take into account the cost of existing infrastructure.

Current Replacement Cost	\$80,694,453
Depreciable Amount	\$80,694,453
Depreciated Replacement Cost	\$52,213,390
Annual Depreciation Expense	\$ 830,430



#### 6.1.2 Sustainability of Service Delivery

One key indicator for service delivery sustainability that has been considered in the analysis of the services provided by this asset category is the medium term budgeted expenditures/projected expenditure (over 10 years of the planning period).

#### **Medium term – 10 year financial planning period**

This AMP identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed and required level of service to the community over a 10-year period. This provides input into Council's 10-year financial and funding plans aimed at providing the required services in a sustainable manner.

The projected operations, maintenance and capital renewal expenditure required over the 10-year planning period is estimated at \$850K on average per year.

Providing infrastructure services in a sustainable manner requires the management of service levels, risks, projected expenditures and finances to achieve a financial indicator of approximately 1.0 for the first years of the asset management plan and ideally over the 10-year life of the Long Term Financial Plan.

### 6.1.3 Project expenditures for long term financial plan

Table 6.1.1 shows the gap between projected and planned renewals.

**Table 6.1.1 Projected and Planned Renewals and Expenditure Gap**

<b>Year End Jun-30</b>	<b>Total Operations Expenditure (\$'000)</b>	<b>Total Maintenance Expenditure (\$'000)</b>	<b>Projected Capital Renewal Expenditure (\$'000)</b>	<b>Planned Capital Upgrade/New Expenditure (\$'000)</b>
2022	\$122	\$125	\$687	\$0.00
2023	\$125	\$130	\$592	\$0.00
2024	\$127	\$135	\$536	\$0.00
2025	\$130	\$141	\$501	\$0.00
2026	\$133	\$146	\$527	\$0.00
2027	\$135	\$152	\$448	\$0.00
2028	\$138	\$158	\$563	\$0.00
2029	\$141	\$164	\$478	\$0.00
2030	\$144	\$171	\$546	\$0.00
2031	\$147	\$178	\$607	\$0.00
2032	\$150	\$185	\$475	\$0.00
2033	\$153	\$192	\$480	\$0.00
2034	\$157	\$200	\$508	\$0.00
2035	\$160	\$208	\$520	\$0.00
2036	\$163	\$216	\$575	\$0.00
2037	\$167	\$225	\$696	\$0.00

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue.

Council will write to State and Commonwealth Government agencies after the completion of condition assessment of seawalls to present a long-term plan (10 years) for the renewal of these assets.

### 6.3 Funding Strategy

The detailed funding strategy is provided in Council's 10-year LTFP.

Most of the seawalls identified in this AMP are within lands owned by Crown Lands or by the Commonwealth Government. Council is only the 'custodian/manager' of these Reserves, therefore Council relies on grant funding from government agencies to fund renewal and upgrades of these walls. Grant funding has not been taken into consideration in the financial modelling as part of this AMP.

### Grant Funding Expenditure Trends

Funding Source	Financial Year	Grant Amount
State Government	2015/16	\$57,520
State Government	2016/17	\$491,711

#### 6.4 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council.

#### 6.5 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this AMP and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- Assets are replaced in a manner that reflects no change in the current service level, unless Council has decided that an increase or decrease in service level is warranted.

Accuracy of future financial forecasts may be improved in future revisions of this AMP by the following actions.

- Improved analysis and breakdown of large value assets to incorporate a partial renewal strategy. This would involve defect prioritisation and separate identification of each part of the asset eg. seawalls.
- Centralised data in a single register with links to an actively managed GIS.
- Improved tracking of Maintenance and Operations costs.

## 7. ASSET MANAGEMENT PRACTICES

### 7.1 Accounting/Financial Systems

The Local Government Act 1993 requires Council to prepare an annual report on its achievements with respect to the objectives and performance targets set out in its Management Plan for that year.

This report provides Council's audited financial statements including the condition of public works under the control of the Council as at the end of that year, together with:

- An estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard; and
- An estimate (at current values) of the annual expense of maintaining the works at that standard; and

- The Council's program of maintenance for that year in respect of the works.

Australian Accounting Standard (AAS) 27 is applicable to financial reporting by local governments, and provides guidelines for accounting methods and procedures.

## 7.2 Asset Management Systems

Currently Council use MS Spreadsheet program for Asset Management Purposes.

Assets are valued and depreciated in the spreadsheet and figures are manually transferred to the General Ledger on a yearly basis.

## 7.3 Information Flow Requirements and Processes

The key information flows *into* this asset management plan are as follows:

- The asset register data on size, age, value, remaining life of the network.
- The unit rates for categories of work/material.
- The adopted service levels.
- Projections of various factors affecting future demand for services.
- Data on new assets acquired by Council.

The key information flows *from* this asset management plan are as follows:

- The planned Works Program and trends.
- The resulting budget, valuation and depreciation projections.
- The useful life analysis.

These will impact the Long Term Financial Plan, Strategic Business Plan, annual budget and departmental business plans and budgets.

## 7.4 Standards and Guidelines

The development of this AMP is in accordance with:

- Australian Infrastructure Financial Management Guidelines 2009, IPWEA Version 1.
- Office of Local Government (OLG) Infrastructure Asset Auditing Guidelines.

## 8. PLAN IMPROVEMENT AND MONITORING

### 8.1 Performance Measures

The effectiveness of the AMP can be measured in the following ways:

- The degree to which the required projected expenditure identified in this AMP are incorporated into Council's LTFFP.
- The Asset Renewal Funding Ratio achieving the target of 1.0.
- The ability to maintain the desired levels of services of assets at Condition 3 or above.

### 8.2 Improvement Plan

The asset management improvement plan generated from this AMP is shown in Table 8.2.

**Table 8.2 Improvement Plan**

Task No	Task	Responsibility	Resources Required	Timeline
1	New Asset Information System Interface is to be implemented.	Asset Team	TBD via Delivery Program	2023/24

### 8.3 Monitoring and Review Procedures

This AMP will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

## REFERENCES

Woollahra Municipal Council, 'Woollahra Community Strategic Plan – Woollahra 2030'

Woollahra Municipal Council, 'Annual Plan and Budget.'

DVC, 2006, 'Asset Investment Guidelines', 'Glossary', Department for Victorian Communities, Local Government Victoria, Melbourne,  
<http://www.dvc.vic.gov.au/web20/dvclgv.nsf/allDocs/RWP1C79EC4A7225CD2FCA257170003259F6?OpenDocument>

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, [www.ipwea.org.au](http://www.ipwea.org.au)

Office of Local Government's (OLG) Infrastructure Asset Auditing Guidelines – Special Schedule 7

## APPENDICES

### Appendix A Maintenance Response

Maintenance response is based on site judgement using the condition and risk associated with the defect to the extent of the current budget.

Request Category	Workflow Description
Foreshore Facilities Boat Ramps Repairs	Foreshore Supervisor: 7 Days
Foreshore Facilities Boat Ramps Slippery	Foreshore Cleaner: 7 Days
Foreshore Facilities Harbour Pools Cleaning	Foreshore Cleaner: 7 Days
Foreshore Facilities Harbour Pools Repairs	Foreshore Supervisor: 7 Days
Foreshore Facilities Seawalls Repairs	Foreshore Supervisor: 7 Days
Foreshore Facilities Wharves and Jetties Cleaning	Foreshore Cleaner: 7 Days
Foreshore Facilities Wharves and Jetties Repairs	Foreshore Supervisor: 14 Days
Retaining walls Repairs	Civil contractor: 7 days

DRAFT

# Woollahra Municipal Council



## Buildings

# Asset Management Plan



**Version 2  
November 2022**

**Document Control**

Rev No	Date	Revision Details	Author	Reviewer	Approver
1	June 2022	Version 1 (HPE 22/101143) – Update 2018 AMP with asset and financial information	LS	ZM	TO'H
2	November 2022	Version 2 (HPE 22/228106) - Update asset and financial information with asset data from 2021-22 end of financial year, and refine document.	LS	ZM	TO'H

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## 1. EXECUTIVE SUMMARY

### Context

Located in Sydney's eastern suburbs, Woollahra LGA consists on the suburbs of Bellevue Hill, Darling Point, Double Bay, Edgecliff, Paddington (part), Point Piper, Rose Bay (part), Vaucluse (part), Watsons Bay and Woollahra.

Woollahra is a well-resourced community with an educated, creative, giving and connected population, a skilled business community, caring families and a wealth of knowledge and culture.

Council's buildings are used to provide a range of community and support services to the community.

### The Building Service

The Building network comprises:

- Superstructure: 48 installations
- Roof: 43 installations
- Internal Finishes: 45 Installations
- Fire : 20 Installations
- Electrical: 44 Installations
- Mechanical: 44 Installations
- Vertical Transport: 9 Installations
- TOTAL: 253 Installations

These infrastructure assets have a replacement value of \$133.395m as at 30 June 2022. There has been a marked increase of \$16m since the last valuation dated 2021.

### What doesn't the plan cover?

All buildings associated with Kiaora Place (except library fit out) Double Bay, Cosmopolitan Carpark and Grafton St Carpark.

### What does it Cost?

The total cost forecast for the first 10 years, covered by this Asset Management Plan (AM Plan) including operations, maintenance, renewal and upgrade of existing assets is \$98.307m or \$9.831m on average per year.

Estimated available funding for this period is \$98.305m or \$9.831m on average per year which is 99.99% of the cost to provide the service. This is a negligible funding shortfall on average per year. Projected expenditure required to provide services in the AM Plan have informed the development of the Long Term Financial Plan (LTFP) as shown in the table below:

### Executive Summary - What does it cost? (\$000)

10 year total cost [10yr Ops, Maint, Renewal & Upgrade Proj Exp] **\$98,307**

10 year average cost **\$9,831**

10 year total LTFP budget [10 yr Ops, Maint, Renewal & Upgrade LTFP Budget] **\$98,305**

10 year average LTFP budget **\$9,831**

10 year AM financial indicator **99.99%**

10 year average funding shortfall **-\$.2**

The above figures assume that a Special Rate Variation is approved and Wilberforce Avenue car park redevelopment will attract funding of \$28 million. The SRV funding over the first 10 years of the loan will be \$11.635m for principal & interest payments.

In addition, the opportunity for leasing space within the new Wilberforce Ave Car Park / Community Centre, subject to Council approval, will allow for income/revenue to offset some of the operational and maintenance costs.

### What we will do

We plan to provide Building services for the following:

Operation, maintenance, renewal and upgrade of

- Superstructure
- Roofs
- Internal Finishes
- Fire / Security Services
- Electrical Services
- Mechanical Services
- Vertical Transportation Services (Lifts)

to meet service levels set by Council in annual budgets:

- Renovate existing Council Building facilities to accommodate people with disabilities and to ensure they are usable.

- Build new facilities to cater for increasing demand.
- Redevelop existing facilities to meet new demands and more commercial space to off-set some of the operational costs of these new services, within the 10 year planning period.

### **What we cannot do**

Current forecasts indicate sufficient funding to meet the desired service levels or provide new services. Works and services that cannot be provided under present funding levels include:

- Adding new facilities to the Building assets portfolio without investigating or planning for income opportunities to offset operational costs.
- Sustainability upgrades to buildings

### **Managing the Risks**

There are risks associated with providing the service and not being able to complete all identified activities and projects. We have identified major risks as:

- Building infrastructure being maintained at a safe level
- Signage required to ensure public safety

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

- Meeting legal obligations for safety
- Regular building inspections
- Develop defects register and repair defects by priority
- Requesting for funding for renewals/upgrades as required and monitor trends of maintenance requirements

### **Confidence Levels**

This AM Plan is based on medium level of confidence information.

### **The Next Steps**

The actions resulting from this AM Plan are:

- Develop an electronic process to capture the inspection and condition rating of buildings on a regular basis into a suitable Asset Management System
- Continue to develop a uniform, componentised Asset Register for Council Buildings that meet Australian Accounting Standards and Building department operational requirements.
- Conduct community research into desired levels of service by undertaking, a

Community Satisfaction Survey which is undertaken every 2 years.

- Develop a plan to implement a Special Rate Variation to fund the projected Wilberforce Avenue Car Park / Community Centre project
- Ensure that when new facilities are added to the portfolio or existing properties redeveloped / repurposed that where possible the maintenance costs are offset by additional income, reduced operating expenditure.

## 2. INTRODUCTION

### 2.1 Background

The purpose of this AM Plan is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a 10 year planning period.

The AM Plan follows the format for AM Plans recommended in Section 4.2.6 of the International Infrastructure Management Manual<sup>1</sup>.

The AM Plan is to be read with the Council's Asset Management Policy, Asset Management Strategy and the following associated planning documents:

- Individual Plans of Management
- Delivery Program and Operational Plan
- Long Term Financial Plan (LTFP)
- Community Strategic Plan

The Building assets covered by this AM Plan are shown in Table 2.1. These assets are used to provide community, sports, park, amenities and car parking facilities services to the community.

**Table 2.1: Assets covered by this Plan**

Asset category	Dimension	Replacement Value
Superstructure	48 installations	\$66,813,930.00
Roof	43 installations	\$5,504,411.00
Internal Finishes	45 Installations	\$30,812,442.00
Fire	20 Installations	\$2,133,610.00
Electrical	44 installations	\$12,743,638.00
Mechanical	44 Installations	\$14,028,425.00
Vertical Transport	9 Installations	\$1,359,043.00
<b>TOTAL</b>	<b>253 Installations</b>	<b>\$133,395,499.00</b>

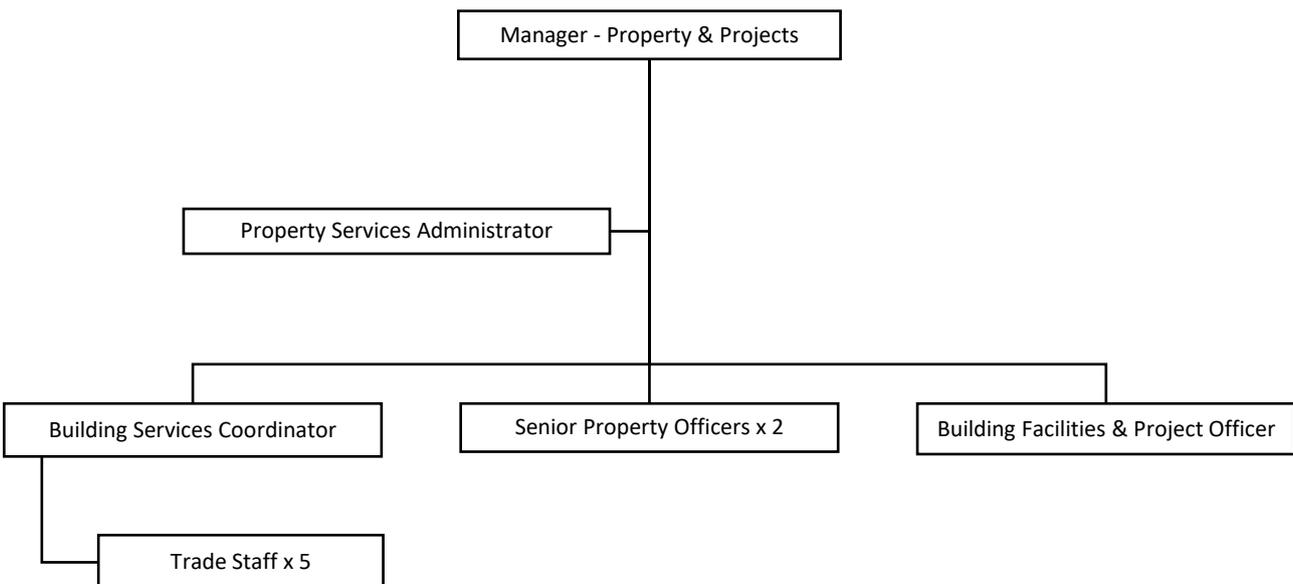
Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.1.

<sup>1</sup> IPWEA, 2011, Sec 4.2.6, *Example of an Asset Management Plan Structure*, pp 4 | 24 – 27.

**Table 2.1.1: Key Stakeholders in the AM Plan**

Key Stakeholder	Role in Asset Management Plan
Councillors	<ul style="list-style-type: none"> <li>• Represent needs of community/shareholders,</li> <li>• Allocate resources to meet the Council's objectives in providing services while managing risks,</li> <li>• Ensure Council's financial sustainable.</li> <li>• Provide stewardship by ensuring the protection of assets for current and future generations.</li> </ul>
General Manager	Councils custodian of all assets
Director Infrastructure and Sustainability	Overall responsibility for all built asset types across Council
Manager Property and Projects	<ul style="list-style-type: none"> <li>• Ensure the development and implementation of Council's Asset Management Policy, Plans and Processes and for their integration with Council's Integrated Planning and Reporting Framework under the Local Government Act.</li> <li>• Report on the status and effectiveness of Asset Management within Council.</li> <li>• Development and implementation of Council's Asset Management Plans and Processes and for their integration with Council's Integrated Planning and Reporting Framework under the Local Government Act.</li> <li>• Ensure integration and compliance of the Asset Management Policy and Strategy with other policies and business processes of Council.</li> <li>• Ensure compliance with legal obligations.</li> <li>• Ensure sound business principles are reflected in the Asset Management strategies and plans that are developed.</li> </ul>
Ratepayers/Community	<ul style="list-style-type: none"> <li>• Will ultimately provide input into the services required and the cost the community is prepared to pay</li> <li>• Primary users of community facilities,</li> <li>• User safety.</li> </ul>

Our Council structure for service delivery from building infrastructure assets is detailed below,



## **2.2 Goals and Objectives of Asset Management**

Council exists to provide services to its community. Some of these services are provided by infrastructure assets. We have acquired building assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Our goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of building infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed.<sup>2</sup>

## **2.3 Plan Framework**

Key elements of the plan are

- Levels of service – specifies the services and levels of service to be provided by the Council,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Life cycle management – how Council will manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices,
- Monitoring – how the plan will be monitored to ensure it is meeting Council's objectives,
- Asset management improvement plan.

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<sup>2</sup> Based on IPWEA, 2011, IIMM, Sec 1.2 p 1|7.

### 3. LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

We participated in the “Woollahra Municipal Council Community Satisfaction Research” undertaken by Micromex Research in July 2021. Council uses this information in developing its Strategic Plan and in allocation of resources in the budget. The results of this customer survey relevant to building assets was as follows;

**Table 3.1: Community Satisfaction Survey Levels**

Building Asset	Satisfaction Level %				
	Not at all satisfied	Not very satisfied	Somewhat satisfied	Satisfied	Very satisfied
Community halls and facilities	3	9	26	41	20
Sporting fields and facilities	5	4	26	43	22
Parking at larger commercial centres	12	19	38	24	7

Dissatisfaction with community and sporting facilities is low and within tolerance levels. The parking at larger commercial centres is attributable to Cross Street Car Park being at the end of its Useful Life and the other car parks being extremely busy.

#### 3.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Council’s vision, mission, goals and objectives.

Our vision is:

*A thriving, inclusive, sustainable and resilient community that will benefit future generations.*

Our Mission is:

*To lead climate action and promote respectful connections between people and place, so we can enhance, protect and celebrate Woollahra’s beauty, heritage and quality of life, for the enjoyment of all.*

Relevant organisational goals and objectives and how these are addressed in this AM Plan are:

**Table 3.2: Organisational Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in AMP
A Connected and Harmonious Community (Goal 1)	Increase engagement in community activities	Provide and promote access to community venues for community activities
Liveable Places (Goal 5)	Enhance community, cultural and recreation facilities to become more attractive, integrated and accessible	Plan for community, cultural and recreation facilities to ensure they reflect community needs and aspirations. Staged implementation of recommendations in the Access Action Plan relating to community and recreation facilities. Implement a prioritised program of improvements to community and recreation facilities. Implement major upgrades to recreation facilities. Implement upgrades to community and cultural facilities
Well Managed Council (Goal 11)	Maintain Council’s strong financial position.	Effective management of Council’s finances. Manage the leasing and licencing of Council’s buildings.

The Council will exercise its duty of care to ensure public safety is accordance with the infrastructure risk management plan prepared in conjunction with this AM Plan. Management of infrastructure risks is covered in Section 5.2

### 3.3 Legislative Requirements

The Council has to meet many legislative requirements including Australian and State legislation and State regulations. These include:

**Table 3.3: Legislative Requirements**

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Disability Discriminations Act, 1992	<p>(a) to eliminate, as far as possible, discrimination against persons to the ground of disability in the areas of:</p> <p>(i) work, accommodation, education, access to premises, clubs and sport;</p> <p>(ii) the provision of goods, facilities, services and land;</p> <p>(iii) existing laws; and</p> <p>(iv) the administration of Commonwealth laws and programs; and</p> <p>(b) to ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community; and</p> <p>To promote recognition and acceptance within the community of the principle that persons with disabilities have the same fundamental rights as the rest of the community.</p>
Heritage Act, 1977	<p>An Act to conserve the environmental heritage of the State.</p> <p>Several properties are listed under the terms of the Act and attract a high level of maintenance cost, approval and monitoring.</p>
Occupational Health, Safety and Welfare Act & Regulations	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work.
Building Code of Australia	The goal of the BCA is to enable the achievement of nationally consistent, minimum necessary standards of relevant, health safety, (including structural safety and safety from fire), amenity and sustainability objectives efficiently.
Building Fire and Safety Regulations, 1991	This Acts sets out the regulations for things such as means of escape, limitation of people in buildings, fire and evacuation plans and testing of special fire services and installations.
Electrical Safety Act, 2002	This Act sets out the installation, reporting and safe use with electricity
Environmental Planning and Assessment Act, 1979	This Act sets out requirements in respect to planning legislation.
National Construction Code	A performance based code containing all performance requirements for construction of buildings
Plumbing and Drainage Act, 2002	This Act sets out Plumbing Requirements.
Valuation of Land Act, 1989	This Act sets out the requirements in respect to Land Valuation.
Public Records Act, 2002	This Act sets out the requirements in respect to maintaining public records.
Surveillance Devices Act, 2007	This Act sets out requirements in respect to the use of surveillance devices.
Smoke Free Environment Act, 2000	This Act sets out requirements of smoke free legislation in public places
Crowns Lands Act 1989	This Act sets out how Crown Land is to be managed

The Council will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan linked to this AM Plan. Management of risks is discussed in Section 5.2.

### 3.4 Levels of Service

The acceptable level of service for buildings is condition rating 3 or better. Any buildings rated worse than level 3 will be renewed. These measures relate to the allocation of resources to service activities that Council undertakes to best achieve the desired community and operational outcomes and demonstrate effective organisational performance.

These service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleansing, energy, inspections, etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (eg building and structure repairs),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (eg frequency and cost of building component replacement),
- Upgrade – the activities to provide a higher level of service (eg conversions of storage area to office space) or a new service that did not exist previously (eg installation of a new lift).

Service and asset managers plan, implement and control technical service levels to influence the service levels.<sup>3</sup>

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<sup>3</sup> IPWEA, 2011, IIMM, p 2.22

## 4. FUTURE DEMAND

### 4.1 Demand Drivers

Drivers affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

### 4.2 Demand Forecast

The present position and projections for demand drivers that may impact future service delivery and utilisation of assets were identified and are documented in Table 4.3.

### 4.3 Demand Impact on Assets

The impact of demand drivers that may affect future service delivery and utilisation of assets are shown in Table 4.3.

**Table 4.3: Demand Drivers, Projections and Impact on Services**

Demand drivers	Present position	Projection	Impact on services
Population	*53,891	+30,376 (in year 2036)	Low
Demographics	*Density 4,399 persons/km2 Age 0-19 (20%) 20-59 (54%) 60+ (26%)	+Density 2.15 persons/ household (in year 2036)	Low
Change in demographics and increased quality of life	Long standing families living in the area	More young families moving in the area	Medium
Environmental impacts	Buildings are constructed to today's standards and environmental conditions.	Greater requirements for sustainable buildings	Higher costs associated with construction

\* Australian Bureau of Statistics 2021 Census data

\* NSW Department of Planning and Environment 2022 NSW Common Planning Assumption Projections [Local Government Areas (ASGS 2020) Projections for year ending 30 June]

### 4.4 Asset Programs to meet Demand

The new assets required to meet growth will where possible be acquired free of cost from land developments and constructed/acquired by the Council. New assets constructed/acquired by Council are discussed in Section 5.5.

In 2019, Council undertook a Community Facilities Study, it identified that there was a shortfall of community facilities within the Local Government Area.

Currently the acquisition/construction of new assets is being considered by Council, and are at a stage where there is a firm commitment. These assets are:

- Wilberforce Avenue Car Park / Community Centre
- Cross Street Car Park and multipurpose facility
- Vaucluse Bowling Club upgrade.

Council is also exploring opportunities to develop a new multipurpose facility at Edgecliff via a Voluntary Partnership Agreement or joint venture.

Acquiring these new assets will commit Council to fund ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs will be identified and considered in developing forecasts of future operations, maintenance and renewal costs in Section 5.

## 5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while optimising life cycle costs.

### 5.1 Background Data

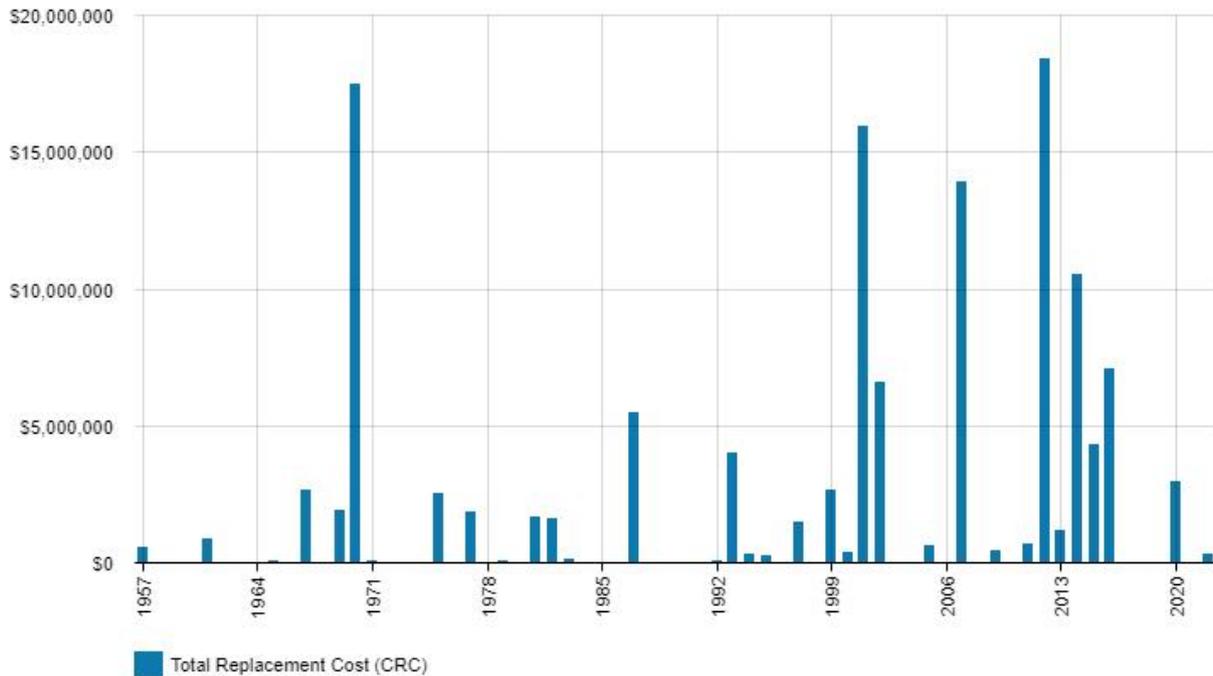
#### 5.1.1 Physical parameters

The assets covered by this AM Plan are shown in Table 2.1.

Age profile information is based on the 2022 valuation undertaken by an accredited valuer Scott Fullerton. This information has been derived from either historical records which confirm the built date or the last date when a building had a major refurbishment e.g. for the Redleaf Council Chambers, the revised built date for asset management purposes is October 2000.

The age profile of the assets include in this AM Plan is shown in Figure 2.

**Figure 2: Asset Age Profile**



#### 5.1.2 Asset capacity and performance

The Council’s services are generally provided to meet design standards where these are available.

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

Location	Service Deficiency
Cross Street Community space	Structure is at the end of its useful life. Corroding members and water leaks cause disruption to operations. Building is to be demolished, no major expenditure is planned in the short term. This structure is earmarked for redevelopment (2027) via a Public Private Partnership (PPP), which was approved by Council in 2022.

### 5.1.3 Asset condition

Condition is monitored bi-annual inspection by staff member with condition checklist on an annual basis.

The condition profile of our assets is shown in Figure 3 is based upon condition as rated by a Valuer in 2022 valuation.

**Fig 3: Asset Condition Profile**

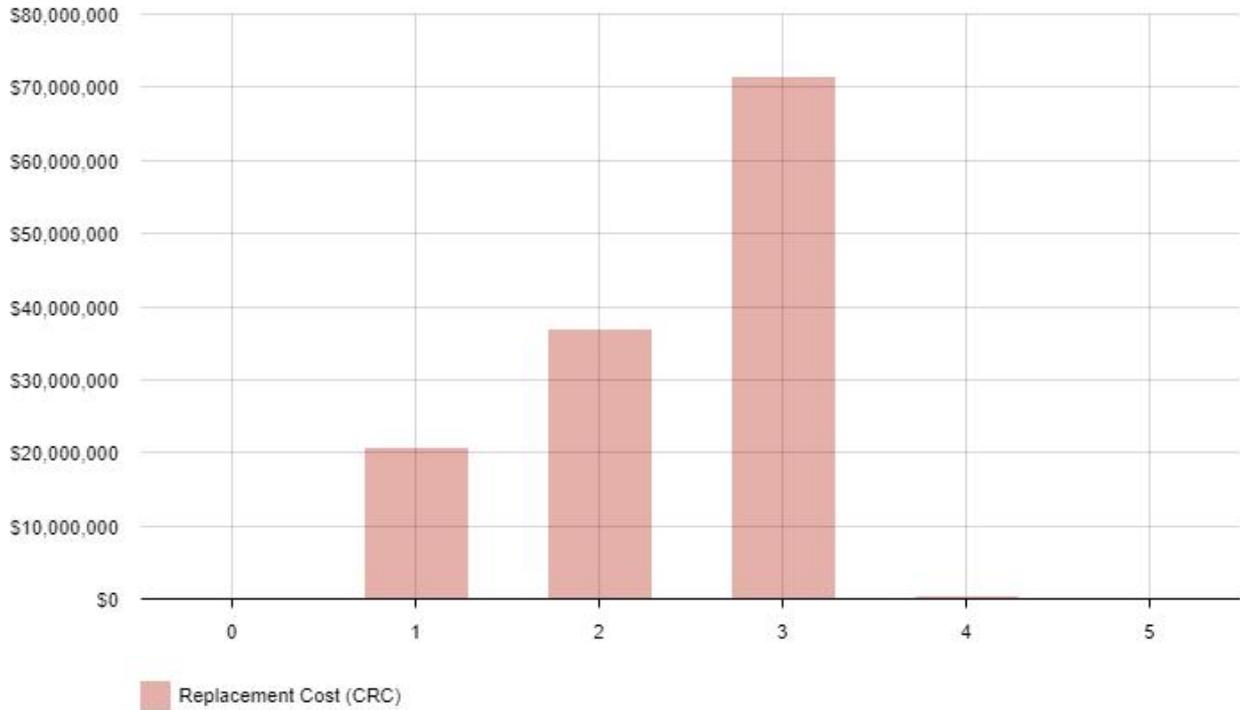


Figure 5.2 shows the condition profile of the building asset category using the condition grading system detailed in Table 5.1.3. The graph shows the total and percentage replacement costs of assets for each condition grading.

Condition is measured using a 1 – 5 grading system<sup>4</sup> as detailed in Table 5.1.3.

**Table 5.1.3: Simple Condition Grading Model**

Condition Grading	Description of Condition
1	<b>Very Good:</b> only planned maintenance required
2	<b>Good:</b> minor maintenance required plus planned maintenance
3	<b>Fair:</b> significant maintenance required
4	<b>Poor:</b> significant renewal/rehabilitation required
5	<b>Very Poor:</b> physically unsound and/or beyond rehabilitation

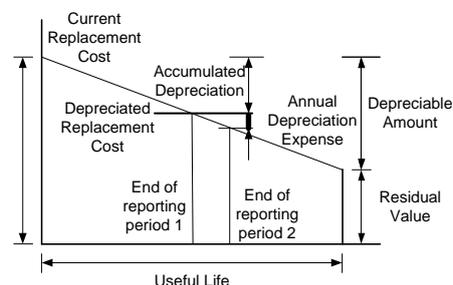
<sup>4</sup> IPWEA, 2011, IIMM, Sec 2.5.4, p 2 | 79.

### 5.1.4 Asset valuations

The value of assets recorded in the asset register as at 2022 covered by this AM Plan is shown below. Assets were last revalued at 2022. Assets are valued at fair value at cost to replace service capacity as follows:

Current Replacement Cost	\$133.395 m
Depreciable Amount	\$133.395 m
Depreciated Replacement Cost <sup>5</sup>	\$72.662 m
Annual Depreciation Expense	\$2.370 m

Useful lives were reviewed in June 2021 by utilising current SSROC useful life values.



Key assumptions made in preparing the valuations based on 30 June 2022 valuations by Scott Fullarton Valuers are:

- Major changes from previous valuations are due to additional assets been created including, expansion of kindergarten, new amenities at Percival Park and upgrade to Woollahra Gallery.
- Various ratios of asset consumption and expenditure have been prepared to help guide and gauge asset management performance and trends over time:

Rate of Annual Asset Consumption 1.8%  
(Depreciation/Depreciable Amount)

Rate of Annual Asset Renewal 0.8%  
(Capital renewal exp/Depreciable amount)

In 2022 Council plans to renew and upgrade assets at 46.45% of the rate they are being consumed and will be increasing its asset stock by 2.84% in the year.

Buildings_V5	
Value	(\$000)
Current Replacement Cost	<b>\$133,395</b>
Depreciable Amount	<b>\$133,395</b>
Depreciated Replacement Cost	<b>\$72,662</b>
Annual Depreciation Expense	<b>\$2,370</b>
Rate of Annual Asset Consumption	<b>1.8%</b>
Rate of Annual Asset Renewal	<b>0.8%</b>
Rate of Annual Asset Upgrade	<b>2.7%</b>
Rate of Asset Upgrade (Including Contributed Assets)	<b>2.84%</b>
Asset renewals as percentage of consumption	<b>46.45%</b>
Percentage Increase in asset stock	<b>2.84%</b>

<sup>5</sup> Also reported as Written Down Current Replacement Cost (WDCRC). See Appendix F for definitions/further information on ratios above

## 5.2 Property Risk Management Plan

An assessment of risks<sup>6</sup> associated with service delivery from property assets has identified no critical risks that will result in loss or reduction in service from property assets or a 'financial shock' to the Council. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Property Risk Management Plan, together with the estimated residual risk after the selected treatment plan is operational are summarised in Table 5.2. These risks are reported to management and Council/Board.

**Table 5.2: Critical Risks and Treatment Plans**

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All Buildings	Fire Damage	High	Regular building and maintenance inspections. Regular maintenance of fire detection and equipment as required under legislation	Low	On-going operational and maintenance expenditure
All Buildings	Electrical Failure/electrocution	High	Regular switchboard maintenance and testing undertaken by contractor. Testing and tagging of electrical equipment.	Low	On-going operational and maintenance expenditure
All Buildings	Structural Failure	High	Regular building and maintenance inspections.	Low	Not required
All Buildings	Fall / Height Safety	High	Regular building and maintenance inspections. Regular maintenance of Roof Height Safety infrastructure and Equipment as required under legislation Failure to meet WHS requirements	Low	Undertake annual certification of height safety infrastructure and equipment using annual operating budgets.
All Buildings	Flood Risk and inclement weather	High	Damage to facility. Not safely accessible and failure to provide Service Delivery. Safety of residents and community.	Low	Not required

Note \* The residual risk is the risk remaining after the selected risk treatment plan is operational.

## 5.3 Routine Operations and Maintenance

Operations include regular activities to provide services such as cleaning, building security, fire maintenance, air-conditioning maintenance and electrical maintenance.

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.

<sup>6</sup> Property & Projects, Department Risk Management Plan

### 5.3.1 Operations and Maintenance

Operations activities affect service levels including quality and function through building cleaning, security patrols, essential services maintenance, provision of utility services and managing the opening hours of building and other facilities.

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, eg patch painting walls to repair minor damage but excluding refurbishment or renewal. Maintenance may be classified into reactive, planned and specific maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions i.e. air-conditioning breakdowns or lights not working, for which a budget allocation was provided.

Planned maintenance is repair work that is identified and managed through a maintenance management regime which includes inspection of each building every 6 months. Property staff assess the condition against failure/breakdown experience, prioritising, scheduling and actioning any urgent works identified, which is undertaken as maintenance for which a budget allocation has been provided.

In addition to these inspections, annual WHS is undertaken by the WHS Committee representatives. Community Services staff inspect quarterly, the venues for casual hire and report any issues identified to the Property staff.

An Asset Management System will enhance this process by collating the work requests and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacing part of air conditioning units, etc. This work falls below the capital/maintenance threshold but may require a specific budget allocation.

Actual past maintenance expenditure is shown in Table 5.3.1.

**Table 5.3.1: Maintenance Expenditure Trends**

Year	Maintenance Expenditure	
	Planned and Specific	Reactive and Unplanned
2018/19	\$174,320	\$1,139,193
2019/20	\$243,221	\$1,116,184
2020/21	\$207,736	\$1,141,463

The difference between the two expenditures above is primarily due to the fact that the reactive and unplanned expenditure includes staff costs of approximately \$500k per annum. Also included in the reactive and unplanned expenditure is an additional \$400k per annum for electrical and plumbing repairs and certification provided by our contractors. These services can be considered as planned maintenance such as testing and tagging and thermal imaging of electrical equipment, testing of hydraulic back flow devices. Separation of these in the finance system will be considered when preparing future AMP's.

The maintenance expenditure levels are adequately budgeted for annually and meet current service levels.

All the buildings are high usage public facilities and require high maintenance. Though cyclic maintenance and upgrades are programmed, a considerable amount of reactive maintenance and repairs are included in the operating budget. Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement.

### 5.3.2 Operations and Maintenance Strategies

Council will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. The operation and maintenance activities include:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner,
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost),
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from building assets and reporting Very High and High risks and residual risks after treatment to management,
- Review current and required skills base and implement workforce training and development to meet required operations and maintenance needs,
- Review recommendations from the Community Facilities Study and to implement appropriate actions,
- Maintain a current hierarchy of critical assets and required operations and maintenance activities,
- Develop and regularly review appropriate emergency response capability,
- Review management of operations and maintenance activities to ensure Council is obtaining best value for resources used.

#### Critical Assets

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at the appropriate time.

The Council's critical assets hierarchy is shown in Table 5.3.2.

**Table 5.3.2: Critical Asset Hierarchy**

Service Hierarchy	Asset Type
High	Council Chambers Depots Early Childhood Centres Data Centres
Medium	Libraries Community Buildings
Low	Public Amenities Sports Facilities Car Parking Stations Storage facilities

Operations and maintenance activities may be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc. Critical assets failure modes and required operations and maintenance activities are detailed in Table 5.3.2.1.

**Table 5.3.2.1: Critical Assets and Service Level Objectives**

<b>Critical Assets</b>	<b>Critical Failure Mode</b>	<b>Operations &amp; Maintenance Activities</b>
All Buildings	Fire Damage	Regular building and maintenance inspections. Regular maintenance of fire detection and equipment as required under legislation
All Buildings	Electrical Failure/Electrocution	Regular switchboard maintenance and testing undertaken by contractor. Testing and tagging of electrical equipment.
All Buildings	Electrical Fault/Electrocution	Failure to provide Service and WHS risk Delivery
All Buildings	Structural Failure	Regular building and maintenance inspections.
All Buildings	Fall / Height Safety	Regular building and maintenance inspections. Regular maintenance of Roof Height Safety infrastructure and Equipment as required under legislation Failure to meet WHS requirements
All Buildings	Flood Risk and inclement weather	Damage to facility. Not safely accessible and failure to provide Service Delivery. Safety of residents and community.

### Standards and specifications

Maintenance work is carried out in accordance with the following Standards and Specifications.

- Building Council Australia
- Relevant Council standards and specifications
- Tendering procedures
- Procurement procedure
- Fire prevention and safety measures in Council owned property
- Graffiti Removal
- Safe Work Method Statement for Welding
- Safe Use of Electrical Power Tools
- Emergency procedures

### 5.3.3 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 4. Note that all costs are shown in current 2022 dollar values (i.e. real values).

**Figure 4: Projected Operations and Maintenance Expenditure**

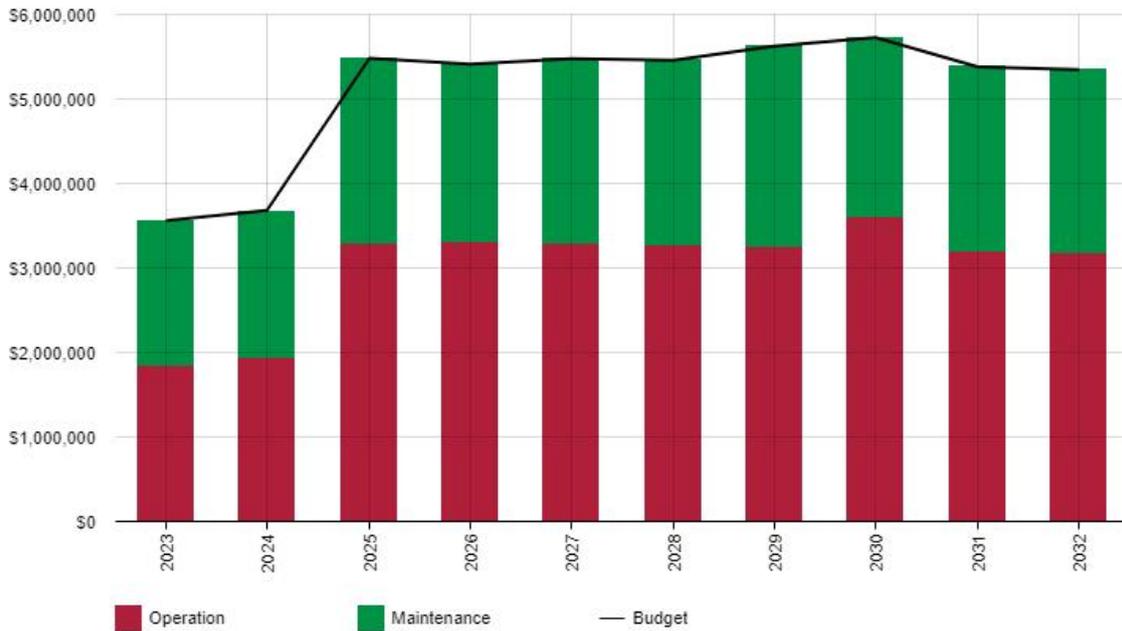


Figure 4 identifies that Operational and Maintenance costs increase from 2025 as Vaucluse Bowling Club and Wilberforce Avenue Car Park and Community Centre become operational and expenditure is required to ensure the levels of service are maintained to keep these facilities fit for purpose. This additional expenditure will be funded by the Special Rate Variation.

## 5.4 Renewal/Replacement Plan

Renewal and replacement expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

### 5.4.1 Renewal plan

Assets requiring renewal/replacement are identified from one of three methods provided in the Institute of Public Works Engineering Australasia (IPWEA) NAMS Plus 'Expenditure Template'.

- Method 1 uses Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year, or
- Method 2 uses a combination of Method 1 and asset condition inspection reports, or
- Method 3 uses a combination of average *network renewals* plus *defect repairs* in the *Renewal Plan* and *Defect Repair Plan* worksheets on the 'Expenditure template'.

Method 2 was used for this AM Plan.

The useful lives of assets used to develop projected asset renewal expenditures are shown in Table 5.4.1. Asset useful lives were last reviewed on 30/6/2021.<sup>7</sup> Latest useful life based upon SSROC guidelines.

<sup>7</sup> Useful Life of Assets was revised to be in accordance with SSROC guidelines.

**Table 5.4.1: Useful Lives of Assets**

Asset category	Useful Life (years)
Superstructure	75-100
Roof	40-70
Internal Finishes	50
Fire/ Security	35
Electrical	35
Mechanical	15-30
Vertical Transport	50

#### 5.4.2 Renewal and Replacement Strategies

Council will plan capital renewal and replacement projects to meet level of service objectives and minimise building infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner,
- Undertaking project scoping for all capital renewal and replacement projects to identify:
  - the service delivery 'deficiency' and optimum time for renewal/replacement,
  - the project objectives,
  - the range of options, estimated capital costs for each option
  - select the best option to be included in capital renewal programs,
- Using 'low cost' renewal methods (cost of renewal is less than replacement) wherever possible,
- Maintain a current risk register for building assets and reporting Very High and High risks and residual risks after treatment to management,
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs,
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required ,
- Review management of capital renewal and replacement activities to ensure Council is obtaining best value.

#### Renewal and replacement standards

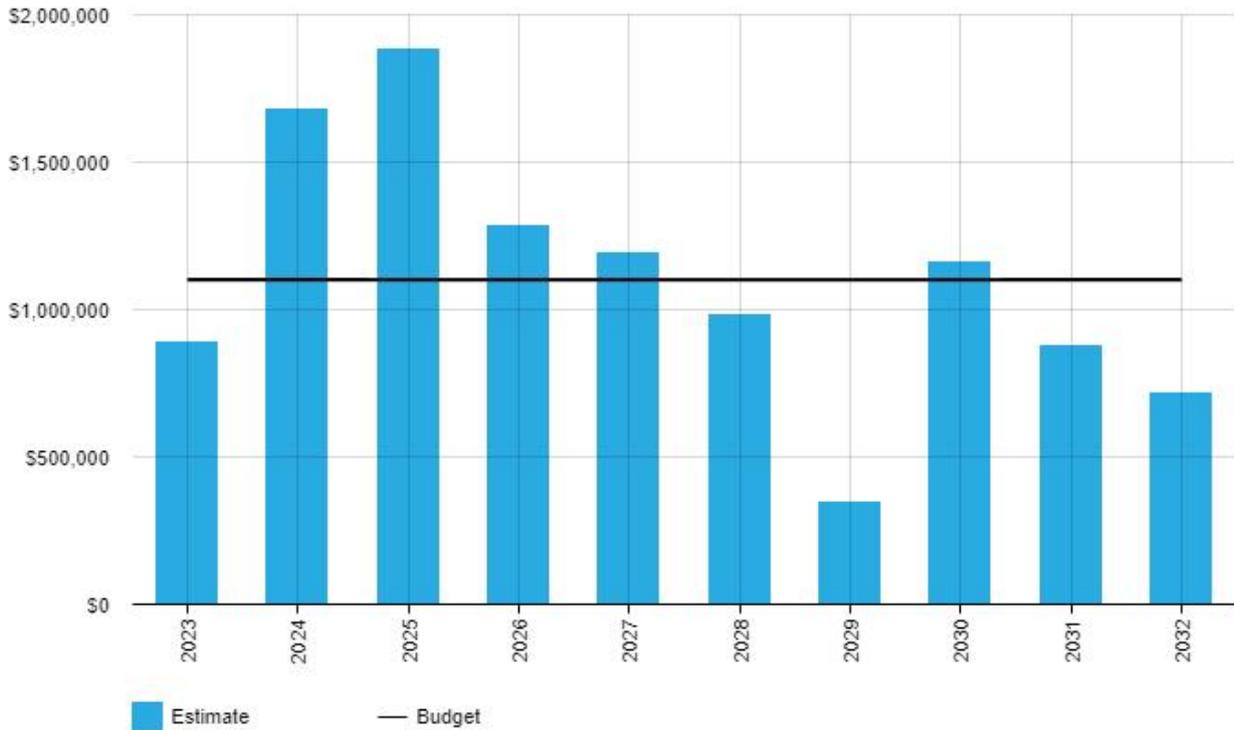
Renewal work is carried out in accordance with the following Standards and Specifications.

- National Construction Code
- Relevant Council standards and specifications
  - Tendering & Procurement procedures
  - Fire prevention and safety measures in Council owned property
  - Graffiti Removal
  - Safe Work Method Statements
  - Safe Use of Electrical Power Tools
  - Emergency procedures

#### 5.4.3 Summary of future renewal and replacement expenditure

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock increases. The projected capital renewal and replacement program is shown in Appendix B. The expenditure is summarised in Fig 5. Note that all amounts are shown in real values.

**Fig 5: Projected Renewal and Replacement Expenditure**



The Long Term Buildings Capital Works program has been utilised to provide projected renewals figures. This program is based on actual inspection and updated regularly taking into account the condition of the asset and any change in proposed use. This program is more accurate reflection of the works and has been used successfully in previous budget forecasts. Renewals and replacement expenditure in the Council’s capital works program are also accommodated in this long term financial plan.

## 5.5 Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to Council from land development. These assets from growth are considered in Section 4.4.

### 5.5.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor/director or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

### 5.5.2 Capital Investment Strategies

Council will plan capital upgrade and new projects to meet level of service objectives by:

- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner,
- Project scoping will identify where possible the following for all capital upgrade/new projects:
  - the service delivery ‘deficiency’ and required timeline for delivery of the upgrade/new asset,
  - the project objectives to rectify the deficiency,

- the range of options, estimated capital and life cycle costs for each options that could address the deficiency,
- management of risks associated with alternative options,
- select the best option to be included in capital upgrade/new programs,
- Review management of capital project management activities to ensure Council is obtaining best value.

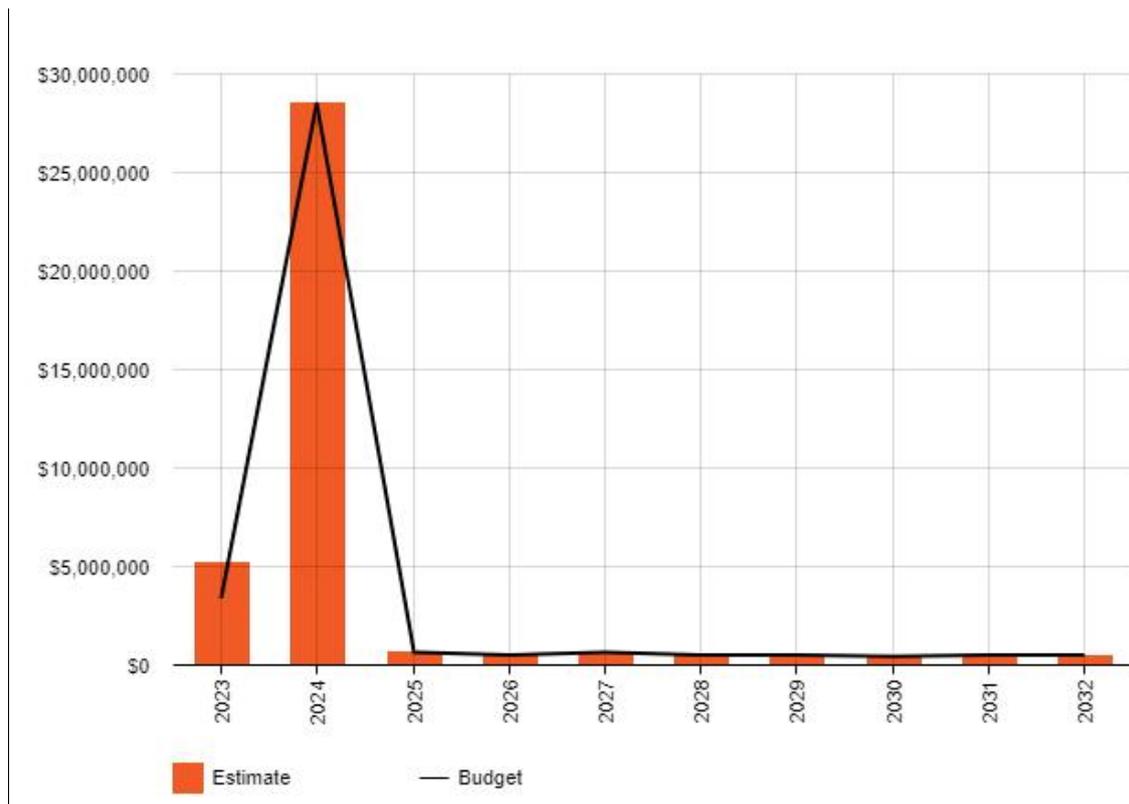
### 5.5.3 Summary of future upgrade/new assets expenditure

Projected upgrade/new asset expenditures are summarised in Fig 6. The projected upgrade/new capital works program is shown in Appendix C. All amounts are shown in real values.

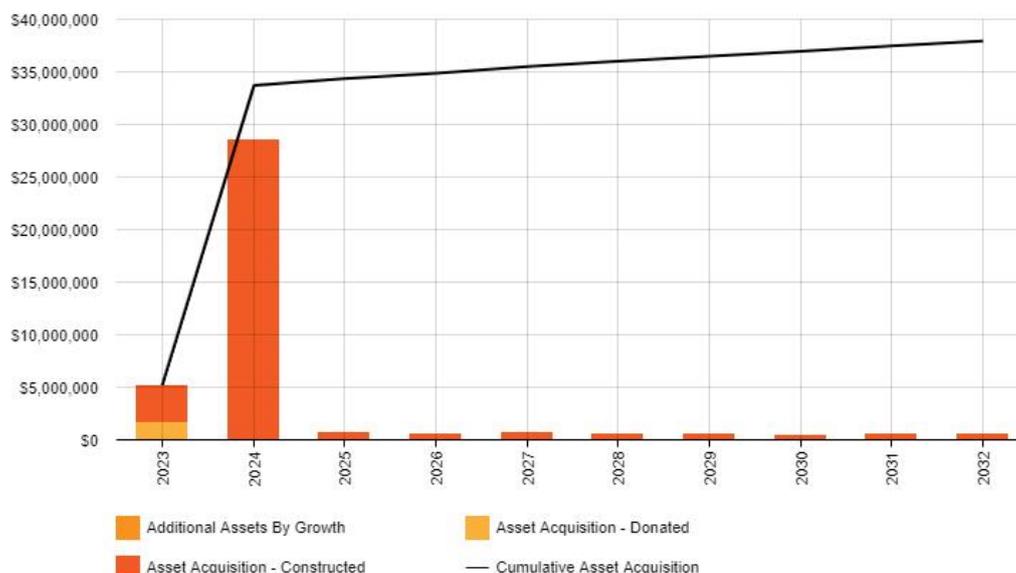
Council received a grant of \$3.4m to upgrade Vaucluse Bowling Club and Eastern Suburbs Rugby Union Club received a grant of \$1.8m to redevelop the Grimley Pavilion building and surrounds.

Council is looking to redevelop Wilberforce Avenue Car Park in Rose Bay with Special Rate Variation Funding. The project includes the construction of a new community centre, amenities and multi-level carpark that will address the current shortage of parking within the area as well as creating a connection with the community. Council is looking to borrow the funds of \$28m to complete the project, which includes additional funds to service the loan.

**Fig 6: Projected Capital Upgrade/New Asset Expenditure**



The Acquired (constructed) summary graph above illustrates the forecast acquired assets constructed internally and the planned Acquired budget



The acquisition summary graph above illustrates the forecast value of new assets that are either constructed or contributed.

Expenditure on new assets and services in the Council’s capital works program will be accommodated in the long term financial plan. This is further discussed in Section 6.2

**Table 5.5: Assets Acquired since 30 June 2021 and known Future**

Asset	Reason for Addition	Timing	Acquisition Expenditure	Operations & Maintenance Annual Costs
Vaucluse Bowling Club	Appointment as Crown Land Manager	Mid-2022	NIL	\$72,500
Wilberforce Ave Car Park / Community Centre	Community Facilities Study	Mid-2025	\$28m	\$2m
Cross Street Car Park and Multipurpose Facility	Replacement due to end of Useful Life	2027	NIL – funded by PPP	TBA

## 5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6, together with estimated annual savings from not having to fund operations and maintenance of the assets. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any. Any revenue gained from asset disposals is accommodated in Council’s long term financial plan.

Where cash flow projections from asset disposals are not available, these will be developed in future revisions of this AM Plan.

**Table 5.6: Assets Identified for Disposal**

Asset	Reason for Disposal	Timing	Disposal Expenditure	Operations & Maintenance Annual Savings
No assets identified				

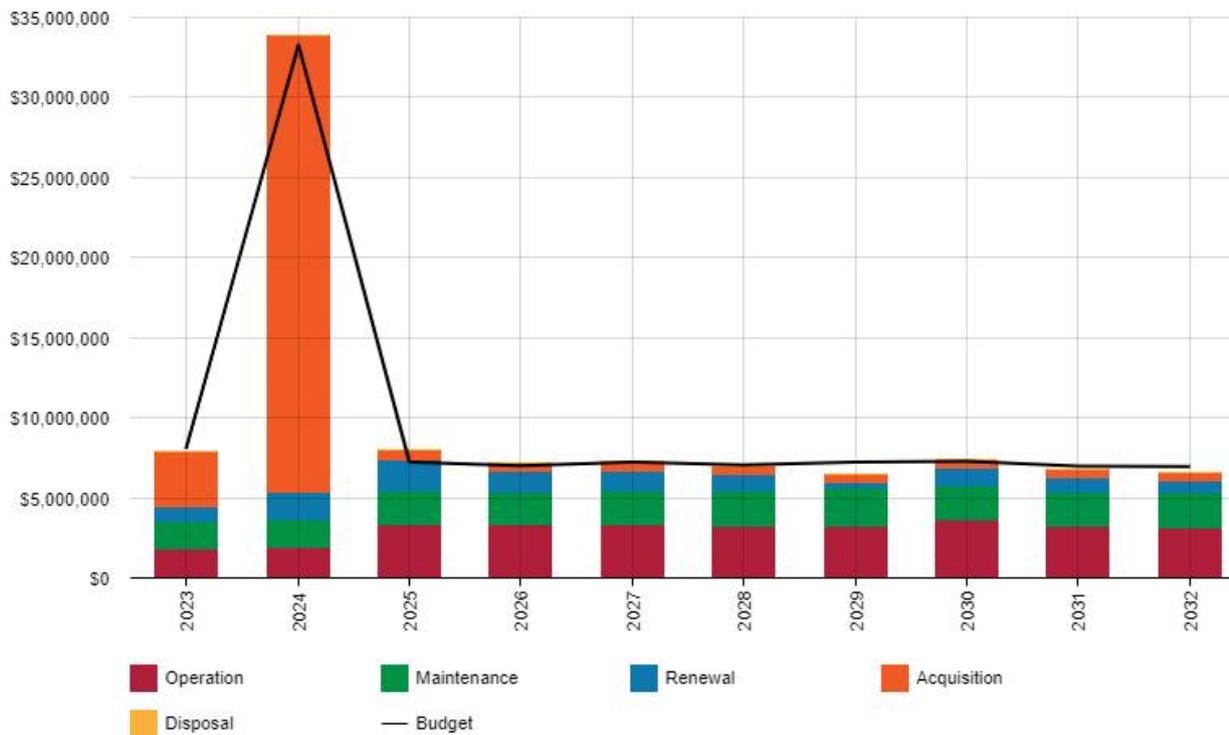
## 6. FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this AM Plan. The financial projections will be regularly updated as further information becomes available on desired levels of service and current and projected future asset performance.

### 6.1 Financial Statements and Projections

The financial projections are shown in Fig 7 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets). Note that all costs are shown in real values.

**Fig 7: Projected Operating and Capital Expenditure**



#### 6.1.1 Sustainability of service delivery

There are four key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset category, these being the asset renewal funding ratio, long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

##### Asset Renewal Funding Ratio

Asset Renewal Funding Ratio<sup>8</sup>                      99.98%

The Asset Renewal Funding Ratio is the most important indicator and indicates whether Council has the financial capacity to fund asset renewal as required, and can continue to provide existing levels of services in future, without additional operating income; or reductions in operating expenses.

<sup>8</sup> AIFMG, 2012, Version 1.3, Financial Sustainability Indicator 4, Sec 2.6, p 2.16

Council is forecasting that it will have 99.98% of the funds required for the optimal renewal and replacement of its assets.

### Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the asset life cycle.

Life cycle costs can be compared to life cycle expenditure to give an initial indicator of affordability of projected service levels when considered with age profiles. Life cycle expenditure includes operations, maintenance and capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure over the 10 year planning period is \$6.216 m per year (average operations and maintenance plus capital renewal budgeted expenditure in LTFP over 10 years).

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Alternatively, revenue or additional income through leasing or a Special Rate Variation can assist with funding lifecycle costs by increasing the Lifecycle Planned Budget and closing the funding gap.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist Councils in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan.

### 10 year financial planning period

This AM Plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

The projected operations, maintenance and capital renewal expenditure required over the 10 year planning period is \$6.216 m on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$6.216 m on average per year giving a negligible 10 year funding gap. This indicates that Council expects to have 99.99% of the projected expenditures needed to provide the services documented in the AM Plan.

\*All dollar values are in (\$'000)'s for this report

<b>Asset Renewal Funding Ratio</b>	
Asset Renewal Funding Ratio	<b>99.98%</b>
<b>Long Term - Life Cycle Costs</b>	
<b>10 year average financial planning period</b>	
10 yr Ops, Maint & Renewal Projected Expenditure	<b>\$6,216</b>
10 yr Ops, Maint & Renewal LTFP Budget Exp	<b>\$6,216</b>
10 year financing shortfall [10 yr proj exp - LTFP Budget exp]	<b>-\$0.2</b>
10 year financing indicator [LTFP Budget exp / 10 yr proj exp]	<b>99.99%</b>

Providing services from infrastructure in a sustainable manner requires the matching and managing of service levels, risks, projected expenditures and financing to achieve a financial indicator of approximately 1.0 for the first years of the asset management plan and ideally over the 10 year life of the Long Term Financial Plan.

Table 6.1.1 shows projected renewals planned in long term financial plan. The annual LTFP renewals budget is the average of the projected 10 year renewal expenditure as shown in Appendix D.

**Table 6.1.1: Projected Renewals**

<b>Year End June 30</b>	<b>Projected Renewals (\$'000)</b>
2023	\$892
2024	\$1,681
2025	\$1,882
2026	\$1,285
2027	\$1,190
2028	\$983
2029	\$346
2030	\$1,160
2031	\$875
2032	\$718

Providing services in a sustainable manner will require matching of projected asset renewal and replacement expenditure to meet agreed service levels with the corresponding capital works program accommodated in the long term financial plan.

### 6.1.2 Projected expenditures for long term financial plan

Table 6.1.2 shows the projected expenditures for the 10 year long term financial plan.

Expenditure projections are in 2022 real values.

**Table 6.1.2: Projected Expenditures for Long Term Financial Plan (\$000)**

<b>Year</b>	<b>Operations</b>	<b>Maintenance</b>	<b>Projected Capital Renewal</b>	<b>Capital Upgrade / New</b>	<b>Disposals</b>
2023	\$1,853	\$1,707	\$892	\$5,200	\$0
2024	\$1,950	\$1,730	\$1,681	\$28,500	\$0
2025	\$3,298	\$2,182	\$1,882	\$650	\$0
2026	\$3,318	\$2,093	\$1,285	\$500	\$0
2027	\$3,295	\$2,182	\$1,190	\$650	\$0
2028	\$3,272	\$2,188	\$983	\$500	\$0
2029	\$3,250	\$2,373	\$346	\$500	\$0
2030	\$3,620	\$2,106	\$1,160	\$450	\$0
2031	\$3,203	\$2,178	\$875	\$500	\$0
2032	\$3,179	\$2,169	\$718	\$500	\$0
<b>All dollar values are in (\$'000)'s</b>					

## 6.2 Funding Strategy

After reviewing service levels, as appropriate to ensure ongoing financial sustainability projected expenditures identified in Section 6.1.2 will be accommodated in the Council's 10 year long term financial plan.

### 6.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council. Currently there are no proposals to increase in the assets value in the next 10 years.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

### 6.4 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this AM Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan and risks that these may change are shown in Table 6.4.

**Table 6.4: Key Assumptions made in AM Plan and Risks of Change**

Key Assumptions	Risks of Change to Assumptions
Assumption that the values and remaining life undertaken by valuer for 2022 valuation accurately reflect actual asset condition and remaining life.	<ul style="list-style-type: none"> <li>High risk that this information is not accurate as reflected in the Figure 5 Projected Capital Renewal expenditure that showed average annual expenditure of \$1.1m/year expenditure in the next 9 years.</li> <li>Risk is that assets are not renewed timely to ensure satisfactory asset conditions.</li> </ul>
That Operational and Maintenance expenditure have been charged to the correct costing centre	<ul style="list-style-type: none"> <li>Risk is that Operating and Maintenance expenditure influence the Operating and Maintenance budgets, forecasting and actual expenditure per each asset.</li> </ul>

### 6.5 Forecast Reliability and Confidence

The expenditure and valuations projections in this AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale<sup>9</sup> in accordance with Table 6.5.

**Table 6.5: Data Confidence Grading System**

Confidence Grade	Description
A Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and recognised as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$

<sup>9</sup> IPWEA, 2011, IIMM, Table 2.4.6, p 2|59.

D Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy $\pm$ 40%
E Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 6.5.1.

**Table 6.5.1: Data Confidence Assessment for Data used in AM Plan**

Data	Confidence Assessment	Comment
Demand drivers	B	Last survey was 2021.
Growth projections	B	Confident with population data
Operations expenditures	B	Based on past financial information
Maintenance expenditures	B	Based on past financial information
Asset values	C	Based upon useful life not condition assessment.
Asset residual values	A	Based upon 2021 valuation
Asset useful lives	C	Based upon SSROC.
Upgrade/New expenditures	B	Recent condition inspections undertaken
Disposal expenditures	Nil	Nil

Over all data sources the data confidence is assessed as medium confidence level for data used in the preparation of this AM Plan.

## **7. PLAN IMPROVEMENT AND MONITORING**

### **7.1 Status of Asset Management Practices**

#### **7.1.1 Accounting and financial systems**

The Local Government Act 1993 requires Council to prepare an annual report on its achievements with respect to the objectives and performance targets set out in its management plan for that year.

This report provides Council's audited financial statements including the condition of public works under the control of the council as at the end of that year, together with:

- An estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard; and
- An estimate (at current values) of the annual expense of maintaining the works at that standard; and
- The council's program of maintenance for that year in respect of the works.

#### **Accountabilities for financial systems**

Chief Financial Officer

#### **Accounting standards and regulations**

Australian Accounting Standard (AAS) 27 is applicable to financial reporting by local governments, and provide guidelines for accounting methods and procedures.

Council uses TechOne Finance One for all its financial and reporting requirements

#### **Capital/maintenance threshold**

Greater than \$10,000 is considered as capital expenditure

#### **Required changes to accounting financial systems arising from this AM Plan**

All building assets are to be broken into the various asset categories i.e. superstructure etc. Ability to separate recurrent expenditure into operating and maintenance costs.

#### **7.1.2 Asset management system**

Council currently does not have a building asset management system that helps Council to achieve the greatest return and monitors and maintenance facilities systems, with the objective of providing the best possible service to users and Council.

#### **Asset registers**

Need a more detailed building asset register to be compiled that componentises the different asset categories. This will aid a thorough Renewals program and assist with forecasting budgets and upgrades.

#### **Linkage from asset management to financial system**

When an asset management system is purchased it would be envisaged that it links to the financial system.

#### **Accountabilities for asset management system and data maintenance**

Require allocation of staff to enter and maintain data ensuring accuracy and integrity.

#### **Required changes to asset management system arising from this AM Plan**

Require detailed asset condition assessment and costing to be undertaken and incorporated into a new asset management system. Require resourcing and budget to undertake all of this.

## 7.2 Improvement Plan

The asset management improvement plan generated from this AM Plan is shown in Table 7.2.

**Table 7.2: Improvement Plan**

Task No	Task	Responsibility	Resources Required	Timeline
1	Update condition assessments of all building assets which includes condition rating, cost of renewal	Manager – Property & Projects	48 sites 251 installations  Large amount of installations require technical inspections and assessment	By June 2024
2	Implement Facilities Asset Management system/ software	Manager – Property & Projects	Implementation cost and on-going maintenance cost	By June 2024

## 7.3 Monitoring and Review Procedures

This AM Plan will be reviewed during annual budget planning processes and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of budget decisions.

The AM Plan will be updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into the Council's long term financial plan.

The AM Plan has a life of 4 years (Council/Board election cycle) and is due for complete revision and updating within 6 months of each Council/Board election.

## 7.4 Performance Measures

The effectiveness of the AM Plan can be measured in the following ways:

- The degree to which the required projected expenditures identified in this AM Plan are incorporated into Council's long term financial plan,
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the Council's Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target of 1.0 (this target is often 90 – 100%).

## 8. REFERENCES

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## **9. APPENDICES**

Appendix A Maintenance Response Levels of Service

Appendix B Projected 10 year Capital Renewal and Replacement Works Program

Appendix C Projected 10 year Capital Upgrade/New Works Program

Appendix D LTFP Budgeted Expenditures Accommodated in AM Plan

Appendix E Abbreviations

Appendix F Glossary

## Appendix A Maintenance Response Levels of Service

MAJ_CTG	MIN_CTG	CTG_CD3	Request Category	Workflow Description	Days	Hours
COUNCILBDS	AIRCOND	REPAIRS	Council Buildings Air Conditioning Repairs	Property Serv. Coord.: 1.5 Day	1	12
COUNCILBDS	AIRCOND	UPGRADENA	Council Buildings Air Conditioning Upgrade New or Altered	Property Serv. Coord.: 1.5 Day	1	12
COUNCILBDS	ARTWORKS	REPAIRRPLC	Council Buildings Artworks Repairs and Replacement	Property Serv. Coord.: 30 Days	30	0
COUNCILBDS	ARTWORKS	UPGRADENA	Council Buildings Artworks Upgrade New or Altered	Property Serv. Coord.: 30 Days	30	0
COUNCILBDS	CARPETRYM	REPAIRRPLC	Council Buildings Carpentry Minor Repair	Trades Superintendent: 30 Days	30	0
COUNCILBDS	CEILINGS	REPAIRRPLC	Council Buildings Ceilings Repairs and Replacement	Trades Superintendent: 30 Days	30	0
COUNCILBDS	DOORS&WIN	REPAIRRPLC	Council Buildings Doors and Windows Repairs and Replacement	Trades Superintendent: 30 Days	30	0
COUNCILBDS	ELECTRICAL	EXITLIGHTO	Council Buildings Electrical Exit Lights Out	Property Serv. Coord.: 1.5 Day	1	12
COUNCILBDS	ELECTRICAL	LIGHTING	Council Buildings Electrical Lighting	Property Serv. Coord.: 1.5 Day	1	12
COUNCILBDS	ELECTRICAL	POWERFAIL	Council Buildings Electrical Power Failure	Property Serv. Coord.: 1.5 Day	1	12
COUNCILBDS	ELECTRICAL	POWERFAULT	Council Buildings Electrical Power Point Faulty	Property Serv. Coord.: 1.5 Day	1	12
COUNCILBDS	ELECTRICAL	UPGRADENA	Council Buildings Electrical Upgrade New or Altered	Property Serv. Coord.: 1.5 Day	1	12
COUNCILBDS	FIREEXTING	MISSING	Council Buildings Fire Extinguishers Missing	Property Serv. Coord.: 30 Days	30	0
COUNCILBDS	FIREEXTING	OUTOFDATE	Council Buildings Fire Extinguishers Out of Date	Property Serv. Coord.: 30 Days	30	0
COUNCILBDS	FIREEXTING	UPGRADENA	Council Buildings Fire Extinguishers Upgrade New or Altered	Property Serv. Coord.: 30 Days	30	0
COUNCILBDS	FLOORS	REPAIRRPLC	Council Buildings Floors Repairs and Replacement	Trades Superintendent: 30 Days	30	0
COUNCILBDS	PESTCONTRL	INSPECT	Council Buildings Pest Control Inspect	Property Serv. Coord.: 1.5 Day	1	12
COUNCILBDS	PLUMBINGM	REPAIRRPLC	Council Buildings Plumbing Minor Repairs	Trades Superintendent: 30 Days	30	0
COUNCILBDS	ROOFS&GUTR	CLEANING	Council Buildings Roofs and Gutters Cleaning	Trades Superintendent: 7 Days	7	0
COUNCILBDS	ROOFS&GUTR	REPAIRRPLC	Council Buildings Roofs and Gutters Repairs and Replacement	Trades Superintendent: 7 Days	7	0
COUNCILBDS	SEWER	BLOCKED	Council Buildings Sewer Blocked	Trades Superintendent: 1 Day	1	0
COUNCILBDS	SEWER	BROKENSVE	Council Buildings Sewer Broken service	Trades Superintendent: 1 Day	1	0
COUNCILBDS	STORAGE	REPAIRRPLC	Council Buildings Storage Repairs and Replacement	Property Serv. Coord.: 30 Days	30	0
COUNCILBDS	TABLES	REPAIRRPLC	Council Buildings Tables Repairs and Replacement	Property Serv. Coord.: 30 Days	30	0
COUNCILBDS	TOILETS	CLEANING	Council Buildings Toilets Cleaning	Property Serv. Coord.: 1.5 Day	1	12
COUNCILBDS	WALLS	REPAIRS	Council Buildings Walls Repairs	Trades Superintendent: 30 Days	30	0
COUNCILBDS	WALLS	UPGRADENA	Council Buildings Walls Upgrade New or Altered	Trades Superintendent: 30 Days	30	0

MAJ_CTG	MIN_CTG	CTG_CD3	Request Category	Workflow Description	Days	Hours
COUNCILBDS	WATERSUP	BROKENSVE	Council Buildings Water Supply Broken Service	Trades Superintendent: 1.5 Day	1	12
COUNCILBDS	WATERSUP	LEAKING	Council Buildings Water Supply Leaking	Trades Superintendent: 1.5 Day	1	12
COUNCILBDS	WORKSTN	REPAIRRPLC	Council Buildings Workstations Repairs and Replacement	Property Serv. Coord.: 30 Days	30	0
COUNCILCPK	CAR PARKS	LINEMARKS	Council Car Parks Linemarking	Property Serv. Coord.: 30 Days	30	0
COUNCILCPK	CAR PARKS	POTHOLES	Council Car Parks Potholes	Property Serv. Coord.: 7 Days	7	0
COUNCILCPK	CAR PARKS	REPAIRS	Council Car Parks Repairs	Property Serv. Coord.: 30 Days	30	0
COUNCILCPK	CAR PARKS	SIGNS	Council Car Parks Signs	Property Serv. Coord.: 30 Days	30	0
GRAFFITI	COUNCILPTY	CARPARKBDS	Graffiti Council Carparks and Buildings	Property Serv. Coord.: 4 Days	4	0
GRAFFITI	COUNCILPTY	PARKFURNPL	Graffiti Council Park Furniture	Property Serv. Coord.: 4 Days	4	0
GRAFFITI	COUNCILPTY	STREETFURN	Graffiti Council Street Furniture	Property Serv. Coord.: 4 Days	4	0
PARKS&RESV	FENCEHRAIL	REPAIRRPLC	Parks and Reserves Fences and Handrail Repairs and Replacement	Trades Superintendent: 30 Days	30	0
PARKS&RESV	PARKFURN	REPAIRRPLC	Parks and Reserves Park Furniture Repairs and Replacement	Trades Superintendent: 30 Days	30	0
PARKS&RESV	SIGNS	REPAIRRPLC	Parks and Reserves Signs Repairs and Replacement	Trades Superintendent: 30 Days	30	0
PLANT	SMALL	REPAIRS	Plant Small Plant Repairs	Trades Superintendent: 4 Days	4	0
PLANT	TRUCK	REPAIRS	Plant Truck Repairs	Trades Superintendent: 4 Days	4	0
PLANT	VEHICLES	REPAIRS	Plant Vehicles Repairs	Trades Superintendent: 4 Days	4	0
PROPERTY	PLANT&VEH	WELDING	Property Plant and Vehicles Welding	Trades Superintendent: 4 Days	4	0
PROPERTY	SMALL PLNT	REPAIRS	Property Small Plant Repairs	Trades Superintendent: 4 Days	4	0
PROPERTY	TRUCK	REPAIRS	Property Truck Repairs	Trades Superintendent: 4 Days	4	0
PROPERTY	VEHICLES	REPAIRS	Property Vehicles Repairs	Trades Superintendent: 4 Days	4	0
ROADS	SIGNS	INSTALLAPR	Roads Signs Installation approved	Signs Install&Maint. Offr: 21	21	0
ROADS	SIGNS	REPAIRRPLC	Roads Signs Repairs and replacement	Traffic Device Supervisor: 30D	30	
ROADS	SIGNSTNAME	REPAIRRPLC	Roads Signs Street Names Repairs and Replacement	Trades Superintendent: 30 Days	30	0
ROADS	STREETFURN	REPAIRRPLC	Roads Street Furniture Repairs and Replacement	Trades Superintendent: 30 Days	30	0
ROADS	STREETFURN	UPGRADENA	Roads Street Furniture Upgrade New or Altered	Property Serv. Coord.: 30 Days	30	0

**Appendix B Projected 10 year Capital Renewal and Replacement Works Program**

DESCRIPTION OF WORKS	REASON FOR WORKS	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
Remove sheeting as identified	Asbestos Management Plan					\$ 50,000					
Remove & replace ceiling in womens toilet	Asbestos Management Plan	\$ 10,000									
Electrical upgrade	Capital Works									\$ 10,000	
Replace Hot Water Systems	Capital Works		\$ 10,000							\$ 15,000	
External Windows	Capital Works		\$ 10,000								
Roofing & Guttering	Capital Works		\$ 120,000								
Replace fire evacuation system	Capital Works									\$ 20,000	
Internal painting and repairs	Capital Works					\$ 15,000					
Carpet replacement	Capital Works					\$ 10,000					
Internal refurbishment	Capital Works										
Replace Air Conditioning	Capital Works						\$ 40,000				
Fencing	Capital Works			\$ 25,000							
Furniture	Capital Works			\$ 15,000				\$ 20,000			
Upgrade security system	Capital Works							\$ 10,000			
Electrical Upgrade	Capital Works			\$ 10,000							
Replace toilets / internal painting and partition	Capital Works						\$ 130,000			\$ 100,000	
Replace vinyl floor coverings	Capital Works						\$ 25,000				
Install/ refurbish lift	Capital Works		\$ 20,000								
Replace Air conditioner	Capital Works			\$ 40,000							
Extend staff room into kitchen	Capital Works		\$ 35,000								
Install new toilet	Capital Works		\$ 17,000								
Extend verandah roof over stairs	Capital Works		\$ 15,000					\$ 30,000			
Refurbish Kitchen	Capital Works										\$ 25,000
Replace roof tiles	Capital Works										\$ 5,000
Upgrade electricals	Capital Works							\$ 15,000			
Upgrade kitchen	Capital Works		\$ 15,000								
External deck	Capital Works			\$ 15,000							
Replace floor coverings	Capital Works			\$ 10,000						\$ 10,000	
Replace kitchen joinery	Capital Works						\$ 10,000				
Upgrade electricals	Capital Works							\$ 30,000			
Upgrade sewer line	Capital Works								\$ 20,000		
Refurbish toilets	Capital Works									\$ 25,000	
Install air-conditioning	Capital Works									\$ 35,000	
Roof replacement	Capital Works								\$ 250,000		
Replace floor coverings	Capital Works					\$ 6,000					
Replace Roof	Capital Works						\$ 30,000				
Upgrade lighting	Capital Works			\$ 30,000							\$ 20,000
Replace floor coverings	Capital Works		\$ 20,000								
Install roof anchors / roof maintenance	Capital Works										
Replace kitchen joinery	Capital Works		\$ 20,000								
Replace air-conditioning	Capital Works					\$ 25,000					
Major upgrade and Access Improvements	Capital Works			\$ 150,000							
Upgrade kitchen joinery	Capital Works					\$ 150,000					
Upgrade electricals	Capital Works			\$ 10,000							\$ 15,000
Replace carpet and vinyl flooring	Capital Works			\$ 5,000							\$ 5,000
Replace hot water systems	Capital Works				\$ 7,000		\$ 5,000				

DESCRIPTION OF WORKS	REASON FOR WORKS	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
Install roof anchors / maintenance	Capital Works	\$ 10,000						\$ 3,000			
External brick repairs	Capital Works	\$ 40,000									
Upgrade electricals	Capital Works					\$ 10,000					
Carpet replacement	Capital Works		\$ 15,000			\$ 50,000					
Install air-conditioning	Capital Works		\$ 10,000							\$ 20,000	
Replace timber stair & repairs to balcony	Capital Works	\$ 10,000									
Upgrade cast iron pipework	Capital Works	\$ 10,000									
Access upgrade incl lift	Capital Works						\$ 20,000				
Roof Replacement / repairs	Capital Works						\$ 3,000			\$ 15,000	
Upgrade electricals	Capital Works						\$ 20,000				
Replace kitchen joinery	Capital Works		\$ 300,000								
Roofing repairs	Capital Works						\$ 5,000				
Replace Hot Water Systems	Capital Works									\$ 15,000	
Replace window frames / Install window blinds	Capital Works		\$ 15,000					\$ 30,000			
Replace roller door	Capital Works									\$ 100,000	
Roofing replacement / repairs	Capital Works										
Roof Replacement	Capital Works		\$ 180,000								
Upgrade electricals	Capital Works		\$ 15,000						\$ 10,000		
Upgrade kitchen	Capital Works		\$ 55,000								
Replace carpet in Administration area	Capital Works		\$ 25,000					\$ 10,000			
Replace Hot Water Systems	Capital Works		\$ 15,000								
Replacement of Air Conditioning Systems	Capital Works						\$ 30,000		\$ 30,000		
Replace fire evacuation system	Capital Works					\$ 5,000					
Replace staircase / structural works	Capital Works	\$ 80,000									
Install lift	Capital Works	\$ 200,000									
Replace toilets	Capital Works		\$ 20,000				\$ 20,000				
Upgrade electricals	Capital Works		\$ 3,000								\$ 5,000
Replace Hot Water System	Capital Works		\$ 5,000								\$ 40,000
Replace roof tiles, gutters & downpipes	Capital Works						\$ 3,000				\$ 30,000
Replace kitchen window/upgrade kitchen	Capital Works										
Replace roof sheeting, gutters & downpipes	Capital Works		\$ 50,000		\$ 100,000			\$ 10,000			
Drill Hall - Structural works, flooring, heating and	Capital Works					\$ 50,000					
Replace Hot Water Systems	Capital Works		\$ 10,000								
Upgrade toilets	Capital Works			\$ 70,000							
Electrical upgrade / lighting to LED	Capital Works	\$ 15,000									
Lift replacement	Capital Works			\$ 25,000							
Replace fire panel	Capital Works			\$ 15,000							
Replace Floor coverings	Capital Works			\$ 7,000							
Replace carpet	Capital Works					15000					
Air Conditioning replacement	Capital Works		25000								
Replace Hot Water Systems	Capital Works	\$ 5,000								5000	
Upgrade furniture	Capital Works			\$ 40,000							
Install Building Occupant Warning System	Capital Works										
Air Conditioning replacement	Capital Works						\$ 35,000				
Replace Hot Water Systems	Capital Works										
Upgrade Toilets	Capital Works		\$ 30,000								
Replace floor coverings	Capital Works			\$ 40,000							

DESCRIPTION OF WORKS	REASON FOR WORKS	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
Replace fan motors on mechanical exhaust	Capital Works	\$ 5,000								\$ 5,000	
Replace front door	Capital Works						\$ 7,000				
Replace Hot Water Systems	Capital Works	\$ 15,000							\$ 15,000		
Air Conditioning replacement	Capital Works			\$ 60,000							
Replace Hot Water Systems	Capital Works		\$ 20,000								
Roof, gutter & downpipe repairs	Capital Works						\$ 50,000				
Replace gutters and downpipes	Capital Works						\$ 30,000				\$ 200,000
Replace shingle roof	Capital Works										
Air Conditioning Replacement	Capital Works						\$ 60,000				
Replace Hot Water Systems	Capital Works						\$ 10,000				
External repairs & painting	Capital Works							\$ 5,000			
Replace windows	Capital Works		\$ 10,000								
Replace hot water system	Capital Works							\$ 5,000			
Upgradeelectricals	Capital Works			\$ 10,000							
Replace roller shutter	Capital Works						\$ 11,000				
Replace roof gutters	Capital Works							\$ 10,000			
Replace Roof	Capital Works			\$ 75,000							
Replace gutters & downpipes	Capital Works		\$ 40,000								
Upgrade electricals	Capital Works			\$ 20,000							
Install accessible toilets	Capital Works	\$ 25,000	\$ 25,000								
Replace External metal sheeting/structural work	Capital Works										\$ 75,000
Replace Floor coverings - office	Capital Works		\$ 10,000								\$ 10,000
Upgrade electricals	Capital Works		\$ 4,000						\$ 5,000		
Roof, gutters & downpipes	Capital Works										
Replacement of gates and verandah railing part	Capital Works						\$ 7,000				
Replace pergola and paving	Capital Works	\$ 50,000									
Replace membrane on balcony	Capital Works	\$ 7,000									\$ 5,000
Replace Hot Water Systems	Capital Works		\$ 5,000								\$ 5,000
Floor coverings	Capital Works					\$ 10,000					
Upgrade kitchen	Capital Works										
Re-tile bathroom	Capital Works			\$ 8,000						\$ 25,000	\$ 8,000
Replace staircase	Capital Works										
Replace Hot Water System	Capital Works			\$ 5,000							
Floor Coverings	Capital Works										
Replace kitchen joinery	Capital Works										\$ 15,000
Upgrade Toilets	Capital Works	\$ 350,000	\$ 30,000								
Court upgrades - due to tree damage	Capital Works			\$ 45,000							
Relace decking and pergola	Capital Works										
Upgrade Toilets	Capital Works			\$ 80,000							
Upgrade electricals	Capital Works			\$ 25,000							
Structural damage to roof framing - not required	Capital Works			\$ 25,000							
Replacement / structural repairs to bridges	Capital Works			\$ 100,000			\$ 50,000				
Replace Hot Water system	Capital Works			\$ 5,000							
Upgrade roofing	Capital Works					\$ 20,000					
Upgrade toilets and change rooms	Capital Works			\$ 60,000						\$ 40,000	
Replace toilets	Capital Works							\$ 50,000			
Upgrade electricals	Capital Works							\$ 20,000			

DESCRIPTION OF WORKS	REASON FOR WORKS	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
Upgrade Toilets	Capital Works			\$ 45,000							
Internal tiling	Capital Works	\$ 40,000									
Refurbishment of old workshops	Capital Works			\$ 45,000							
Replace Roof, gutters & downpipes on Rotunda	Capital Works					\$ 30,000					
Re-tile, replace partitions, showers, fittings, urinals	Capital Works					\$ 50,000					
Roof, gutters & downpipes	Capital Works					\$ 30,000					\$ 30,000
Upgrade roof	Capital Works			\$ 100,000							
Internal / External refurbishment	Capital Works						\$ 100,000				
Replace Hot Water Systems	Capital Works		\$ 20,000	\$ 20,000							
Re-tile, replace cubicles and general upgrade of	Capital Works			\$ 45,000							
Internal re-tile and general refurbishment	Capital Works			\$ 30,000							
Upgrade electricals	Capital Works			\$ 10,000							
Replace roof	Capital Works			\$ 35,000						\$ 45,000	
Internal re-tile and general refurbishment	Capital Works									\$ 30,000	
Replace roof	Capital Works										
Upgrade electricals	Capital Works						\$ 10,000				
Replace Hot Water Systems	Capital Works		\$ 10,000								\$ 10,000
Replace Hot Water Systems	Capital Works		\$ 7,000								
Install shower partitions	Capital Works										
Upgrade toilets and change rooms	Capital Works			\$ 25,000							
Roof replacement	Capital Works			\$ 50,000							
Refurbish redundant park building	Capital Works	\$ 55,000									
Install accessible toilet	Capital Works	\$ 45,000									
Refurbishment of male & female toilets	Capital Works			\$ 45,000							
Install compliant toilets	Capital Works										
Re-install old toilet block	Capital Works			\$ 15,000							
Replace roof, gutters and down pipes	Capital Works		\$ 15,000			\$ 60,000					
External / Internal painting	Capital Works		\$ 10,000								
Refurbish mens and womens toilets	Capital Works		\$ 10,000							\$ 20,000	
Replacement of roller shutters	Capital Works					\$ 35,000					
Replace Air Conditioning units	Capital Works							\$ 15,000			
Upgrade office furniture	Capital Works							\$ 30,000			
Upgrade all emergency plans including block pl	Capital Works	\$ 5,000									
Replace carpet in office & vinyl in lunch room	Capital Works			\$ 15,000							
Replace window mounted a/c with split system	Capital Works		\$ 30,000								
Replace hot water system	Capital Works		\$ 5,000								
Roof & box gutter replacement	Capital Works									\$ 50,000	
Upgrade Amenities and lunch room	Capital Works			\$ 50,000							
Upgrade Office areas	Capital Works	\$ 18,000		\$ 35,000							
Upgrade all emergency plans including block pl	Capital Works	\$ 7,000									\$ 35,000
Replace vehicle entry doors on ground & upper	Capital Works										
Internal refurbishment	Capital Works			\$ 150,000							
Air conditioning changes	Capital Works			\$ 100,000							
Install staff toilet / Upgrade toilets	Capital Works			\$ 25,000							
Carpet replacement	Capital Works			\$ 125,000							
Entry foyer carpet replacement	Capital Works	\$ 15,000									
Public kitchenette	Capital Works		\$ 5,000								

DESCRIPTION OF WORKS	REASON FOR WORKS	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
Automatic returns unit	Capital Works				\$ 120,000						
Bench lamps	Capital Works										
Map Cabinets	Capital Works		\$ 10,000								
Upgrade office furniture	Capital Works							\$ 15,000			
Carpet replacement	Capital Works		\$ 20,000							\$ 100,000	
Replacement of furniture	Capital Works			\$ 30,000		\$ 2,000					
Lighting Upgrade	Capital Works			\$ 10,000							\$ 20,000
Replacement of a/c units	Capital Works		\$ 15,000								
Replacement of office furniture and chairs	Capital Works				\$ 25,000						
Replace floor coverings	Capital Works							\$ 15,000			
Replace a/c unit for upper floors	Capital Works					\$ 20,000					
Upgrade electricals / lighting	Capital Works				\$ 25,000						
Replace a/c units servicing lower ground floor	Capital Works					\$ 15,000					
Replacement of smoke detectors throughout the	Capital Works			\$ 7,000							
Furniture Upgrade	Capital Works						\$ 30,000				
Carpet replacement	Capital Works		\$ 40,000	\$ 40,000							
Roof works	Capital Works			\$ 80,000				\$ 15,000			\$ 15,000
Upgrade security systems/cameras	Capital Works							\$ 7,000			
Upgrade external signage	Capital Works										
Replace computer room air-conditioning units	Capital Works		\$ 35,000						\$ 130,000		
Replacement of three air conditioning units on	Capital Works								\$ 100,000		
Replace fan motors, water valves & pumps	Capital Works			\$ 60,000	\$ 5,000				\$ 130,000		
Replacement of Boiler	Capital Works										
Replacement of Variable Speed Drives (VSD)	Capital Works			\$ 40,000					\$ 400,000		
Replacement of main Chillers	Capital Works										
Replacement of Print Room split units	Capital Works		\$ 5,000					\$ 8,000			
Replace water pressure tanks	Capital Works			\$ 60,000							
Replace ductwork and fire dampers	Capital Works										
Carpet replacement - Historic Redleaf (public a	Capital Works	\$ 205,000		\$ 50,000							\$ 50,000
Lower ground floor carpet	Capital Works										\$ 75,000
Replacement of vinyl flooring	Capital Works		\$ 75,000								
Carpet replacement Historic offices	Capital Works		\$ 25,000								
Replacement of office/meeting room chairs	Capital Works		\$ 65,000		\$ 50,000					\$ 50,000	
Internal Painting	Capital Works		\$ 25,000		\$ 25,000					\$ 25,000	
Lighting upgrade	Capital Works		\$ 100,000				\$ 200,000				
Install Building Occupant Warning System	Capital Works			\$ 45,000							
AV Equipment	Capital Works				\$ 200,000						
Upgrade elevator control mechanisms	Capital Works		\$ 25,000								
Roof works	Capital Works				\$ 70,000						
Replace FM 2000 Gas in Server & Records	Capital Works		\$ 20,000								
Refurbish toilets	Capital Works			\$ 50,000						\$ 50,000	
Replace external window blinds L&F	Capital Works					\$ 60,000				\$ 20,000	
Upgrade BMS Air Conditioning	Capital Works	\$ 170,000									
Thermal vents	Capital Works			\$ 100,000							
Remedial works	Capital Works	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000						
Upgrade/Replacement of roller shutters and m	Capital Works								\$ 30,000		
Replace equipment	Capital Works					\$ 10,000					

DESCRIPTION OF WORKS	REASON FOR WORKS	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
Additional lighting	Capital Works	\$ 20,000								\$ 30,000	
Upgrade lighting	Capital Works	\$ 30,000									\$ 30,000
Install bird netting	Capital Works										
Upgrade works	Capital Works		\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000			
Keyless entry system for 2 hired venues	Capital Works	\$ 15,000									
Disabled access	Capital Works	\$ 50,000	\$ 50,000								
Jack floor joists and extend piers	Capital Works					\$ 15,000					
	<b>Renewal / Capital Totals</b>	<b>\$ 892,000</b>	<b>\$ 1,681,000</b>	<b>\$ 1,882,000</b>	<b>\$ 1,285,000</b>	<b>\$ 1,190,000</b>	<b>\$ 983,000</b>	<b>\$ 346,000</b>	<b>\$ 1,160,000</b>	<b>\$ 875,000</b>	<b>\$ 718,000</b>

### Appendix C Projected Upgrade/Exp/New 10 year Capital Works Program

Year	Item	Description	Estimate
2023	1	Grimley Pavilion redevelopment	\$1,800,000
2023	2	Vaucluse Bowling Club upgrade	\$3,400,000
2024	3	Wilberforce Avenue Car Park	\$28,000,000
2024	4	Capital Upgrades	\$500,000
2025	5	Capital Upgrades	\$650,000
2026	6	Capital Upgrades	\$500,000
2027	7	Capital Upgrades	\$650,000
2028	8	Capital Upgrades	\$500,000
2029	9	Capital Upgrades	\$500,000
2030	10	Capital Upgrades	\$450,000
2031	11	Capital Upgrades	\$500,000
2032	12	Capital Upgrades	\$500,000
<b>2018</b>		<b>Total</b>	<b>\$33,200,000</b>

## Appendix D Budgeted Expenditures Accommodated in LTFF

NAMS.PLUS3 Asset Management		Woollahra MC								
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Buildings_S2_V7		Asset Management Plan								
First year of expenditure projections		2023	(financial yr ending)							
<b>Buildings</b>	<b>Asset values at start of planning period</b>	Calc CRC from Asset Register \$133,395 (000) This is a check for you.								
Current replacement cost	\$133,395 (000)									
Depreciable amount	\$133,395 (000)									
Depreciated replacement cost	\$72,662 (000)									
Annual depreciation expense	\$2,370 (000)									
<b>Planned Expenditures from LTFF</b>		<b>Operations and Maintenance Costs for New Assets</b>								
20 Year Expenditure Projections		Note: Enter all values in current 2023 values								
<b>Financial year ending</b>	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Expenditure Outlays included in Long Term Financial Plan (in current \$ values)</b>										
<b>Operations</b>	Operations budget	\$1,853	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950
	Management budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	AM systems budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Total operations</b>	\$1,853	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950
<b>Maintenance</b>	Reactive maintenance budget	\$1,222	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275
	Planned maintenance budget	\$485	\$382	\$334	\$245	\$334	\$340	\$525	\$258	\$330
	Specific maintenance items budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Total maintenance</b>	\$1,707	\$1,657	\$1,609	\$1,520	\$1,609	\$1,615	\$1,800	\$1,533	\$1,605
<b>Capital</b>	Planned renewal budget	\$892	\$1,681	\$1,882	\$1,285	\$1,190	\$983	\$346	\$1,160	\$875
	Planned upgrade/new budget	\$0	\$1,555	\$1,846	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Non-growth contributed asset value</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Asset Disposals</b>	Est Cost to dispose of assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Carrying value (DRC) of disposed assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Additional Expenditure Outlays Requirements (e.g from Infrastructure Risk Management Plan)</b>										
Additional Expenditure Outlays required and not included above	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operations	\$0	\$0	\$1,348	\$1,368	\$1,345	\$1,322	\$1,300	\$1,670	\$1,253	\$1,229
Maintenance	\$0	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73
Capital Renewal	to be incorporated into Forms 2 & 2.1 (where Method 1 is used) OR Form 2B Defect Repairs (where Method 2 or 3 is used)									
Capital Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
User Comments #2										
<b>Forecasts for Capital Renewal using Methods 2 &amp; 3 (Form 2A &amp; 2B) &amp; Capital Upgrade (Form 2C)</b>										
Forecast Capital Renewal from Forms 2A & 2B	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Forecast Capital Upgrade from Form 2C	\$1,101	\$1,101	\$1,101	\$1,101	\$1,101	\$1,101	\$1,101	\$1,101	\$1,101	\$1,101
	\$5,200	\$28,500	\$650	\$500	\$650	\$500	\$500	\$450	\$500	\$500

## Appendix E Abbreviations

<b>AAAC</b>	Average annual asset consumption
<b>AM</b>	Asset management
<b>AM Plan</b>	Asset management plan
<b>ARI</b>	Average recurrence interval
<b>ASC</b>	Annual service cost
<b>BOD</b>	Biochemical (biological) oxygen demand
<b>CRC</b>	Current replacement cost
<b>CWMS</b>	Community wastewater management systems
<b>DA</b>	Depreciable amount
<b>DRC</b>	Depreciated replacement cost
<b>EF</b>	Earthworks/formation
<b>IRMP</b>	Infrastructure risk management plan
<b>LCC</b>	Life Cycle cost
<b>LCE</b>	Life cycle expenditure
<b>LTFP</b>	Long term financial plan
<b>MMS</b>	Maintenance management system
<b>PCI</b>	Pavement condition index
<b>RV</b>	Residual value
<b>SoA</b>	State of the Assets
<b>SS</b>	Suspended solids
<b>vph</b>	Vehicles per hour
<b>WDCRC</b>	Written down current replacement cost

## Appendix F Glossary

### Annual service cost (ASC)

- 1) Reporting actual cost  
The annual (accrual) cost of providing a service including operations, maintenance, depreciation, finance/opportunity and disposal costs less revenue.
- 2) For investment analysis and budgeting  
An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operations, maintenance, depreciation, finance/opportunity and disposal costs, less revenue.

### Asset

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

### Asset category

Sub-group of assets within a class hierarchy for financial reporting and management purposes.

### Asset class

A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

### Asset condition assessment

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

### Asset hierarchy

A framework for segmenting an asset base into appropriate classifications. The asset hierarchy can be based on asset function or asset type or a combination of the two.

### Asset management (AM)

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

### Asset renewal funding ratio

The ratio of the net present value of asset renewal funding accommodated over a 10 year period in a long term financial plan relative to the net present value of projected capital renewal expenditures identified in an asset management plan for the same period [AIFMG Financial Sustainability Indicator No 8].

### Average annual asset consumption (AAAC)\*

The amount of an organisation's asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

### Borrowings

A borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time or at a specified point in time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided.

### Capital expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

### Capital expenditure - expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users. It is discretionary expenditure, which increases future operations and maintenance costs, because it increases the organisation's asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

**Capital expenditure - new**

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operations and maintenance expenditure.

**Capital expenditure - renewal**

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

**Capital expenditure - upgrade**

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operations and maintenance expenditure in the future because of the increase in the organisation's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

**Capital funding**

Funding to pay for capital expenditure.

**Capital grants**

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

**Capital investment expenditure**

See capital expenditure definition

**Capitalisation threshold**

The value of expenditure on non-current assets above which the expenditure is recognised as capital expenditure and below which the expenditure is charged as an expense in the year of acquisition.

**Carrying amount**

The amount at which an asset is recognised after deducting any accumulated depreciation /

amortisation and accumulated impairment losses thereon.

**Class of assets**

See asset class definition

**Component**

Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.

**Core asset management**

Asset management which relies primarily on the use of an asset register, maintenance management systems, job resource management, inventory control, condition assessment, simple risk assessment and defined levels of service, in order to establish alternative treatment options and long-term cash flow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than detailed risk analysis and optimised decision-making).

**Cost of an asset**

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, including any costs necessary to place the asset into service. This includes one-off design and project management costs.

**Critical assets**

Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than noncritical assets.

**Current replacement cost (CRC)**

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

**Deferred maintenance**

The shortfall in rehabilitation work undertaken relative to that required to maintain the service potential of an asset.

**Depreciable amount**

The cost of an asset, or other amount substituted for its cost, less its residual value.

**Depreciated replacement cost (DRC)**

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

**Depreciation / amortisation**

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

**Economic life**

See useful life definition.

**Expenditure**

The spending of money on goods and services. Expenditure includes recurrent and capital outlays.

**Expenses**

Decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or increases in liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

**Fair value**

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms length transaction.

**Financing gap**

A financing gap exists whenever an entity has insufficient capacity to finance asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current financing gap means service levels have already or are currently falling. A projected financing gap if not addressed will result in a future diminution of existing service levels.

**Heritage asset**

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

**Impairment Loss**

The amount by which the carrying amount of an asset exceeds its recoverable amount.

**Infrastructure assets**

Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no separate market value.

**Investment property**

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business.

**Key performance indicator**

A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

**Level of service**

The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

**Life Cycle Cost \***

1. **Total LCC** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
2. **Average LCC** The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises average operations, maintenance expenditure plus asset consumption expense, represented by depreciation expense projected over 10 years. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

### **Life Cycle Expenditure**

The Life Cycle Expenditure (LCE) is the average operations, maintenance and capital renewal expenditure accommodated in the long term financial plan over 10 years. Life Cycle Expenditure may be compared to average Life Cycle Cost to give an initial indicator of affordability of projected service levels when considered with asset age profiles.

### **Loans / borrowings**

See borrowings.

### **Maintenance**

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, eg road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

- **Planned maintenance**

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

- **Reactive maintenance**

Unplanned repair work that is carried out in response to service requests and management/ supervisory directions.

- **Specific maintenance**

Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.

- **Unplanned maintenance**

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

### **Maintenance expenditure \***

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

### **Materiality**

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

### **Modern equivalent asset**

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and, improvements and efficiencies in production and installation techniques

### **Net present value (NPV)**

The value to Council of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from eg the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

### **Non-revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

### **Operations**

Regular activities to provide services such as public health, safety and amenity, eg street sweeping, grass mowing and street lighting.

### **Operating expenditure**

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, eg power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

**Operating expense**

The gross outflow of economic benefits, being cash and non cash items, during the period arising in the course of ordinary activities of an entity when those outflows result in decreases in equity, other than decreases relating to distributions to equity participants.

**Operating expenses**

Recurrent expenses continuously required to provide a service, including power, fuel, staff, plant equipment, maintenance, depreciation, on-costs and overheads.

**Operations, maintenance and renewal financing ratio**

Ratio of estimated budget to projected expenditure for operations, maintenance and renewal of assets over a defined time (eg 5, 10 and 15 years).

**Operations, maintenance and renewal gap**

Difference between budgeted expenditures in a long term financial plan (or estimated future budgets in absence of a long term financial plan) and projected expenditures for operations, maintenance and renewal of assets to achieve/maintain specified service levels, totalled over a defined time (e.g. 5, 10 and 15 years).

**Pavement management system (PMS)**

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

**PMS Score**

A measure of condition of a road segment determined from a Pavement Management System.

**Rate of annual asset consumption \***

The ratio of annual asset consumption relative to the depreciable amount of the assets. It measures the amount of the consumable parts of assets that are consumed in a period (depreciation) expressed as a percentage of the depreciable amount.

**Rate of annual asset renewal \***

The ratio of asset renewal and replacement expenditure relative to depreciable amount for a period. It measures whether assets are being replaced at the rate they are wearing out with capital renewal expenditure expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

**Rate of annual asset upgrade/new \***

A measure of the rate at which assets are being upgraded and expanded per annum with capital upgrade/new expenditure expressed as a

percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

**Recoverable amount**

The higher of an asset's fair value, less costs to sell and its value in use.

**Recurrent expenditure**

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

**Recurrent funding**

Funding to pay for recurrent expenditure.

**Rehabilitation**

See capital renewal expenditure definition above.

**Remaining useful life**

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life.

**Renewal**

See capital renewal expenditure definition above.

**Residual value**

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**Revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

**Risk management**

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

**Section or segment**

A self-contained part or piece of an infrastructure asset.

**Service potential**

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit sector/public sector to value assets, particularly those not producing a cash flow.

**Service potential remaining**

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

**Specific Maintenance**

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacement of air conditioning equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

**Strategic Longer-Term Plan**

A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in the Council's longer-term plans such as the asset management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where the Council is at that point in time, where it wants to go, how it is going to get there, mechanisms for monitoring the achievement of the outcomes and how the plan will be resourced.

**Sub-component**

Smaller individual parts that make up a component part.

**Useful life**

Either:

- (a) the period over which an asset is expected to be available for use by an entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the Council.

**Value in Use**

The present value of future cash flows expected to be derived from an asset or cash generating unit. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows, where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Source: IPWEA, 2009, Glossary

Additional and modified glossary items shown \*

# Asset Management Plan



## Investment Assets



DOCUMENT TITLE:	Investment Assets - Asset Management Plan (AMP) 2022 DRAFT v2.0
ISSUE DATE:	November 2022



## Executive Summary

### Purpose of this Asset Management Plan

The purpose of this Asset Management Plan (Plan) is to demonstrate Woollahra Municipal Council's (Council) responsive management of Council assets (and services from these assets), compliance with regulatory requirements and the funding required to provide the required level of service over a 20-year planning period.

### Assets covered by this Plan

This Plan covers the Council asset known as Kiaora Place, a mixed-use development located in the heart of Double Bay's business district. The development provides a range of services to the community including library, childcare, shopping / dining precinct, medical suites and car parking.

The two carpark investment assets, Grafton St Carpark and Cosmopolitan Carpark form part of a strata and as such are managed separately to this Plan.

### Asset Service Delivery

Kiaora Place is managed on behalf of the Council by Brookfield Global Integrated Solutions (BGIS) as Centre Manager. BGIS is contracted to provide the service on a fixed period services contract with options to extend.

### Asset Valuation

The Council had a market valuation of Kiaora Place undertaken by Scott Fullarton Valuations Pty Ltd as at 30 June 2022:

- Market Valuation = \$175,425,000 (excluding GST)

### Asset Replacement Cost

Replacement Cost valuation represents the Declared Value of the assets in the Council's Financial Asset Register:

- Replacement Cost Valuation = \$151,191,600 (excluding GST).

### Asset Costs

The total forecast life cycle costs (un-escalated) for the operation, maintenance and renewal of the asset over the next 5 years is summarised in the following table:

LCC Element	Year 1	Year 2	Year 3	Year 4	Year 5	Total 5 Yr Cost	% of Total WOL
Centre Manager	363,029	363,029	363,029	363,029	363,029	1,815,145	11%
Operations	1,429,548	1,429,548	1,429,548	1,429,548	1,429,548	7,147,740	42%
Maintenance	604,929	604,929	604,929	604,929	604,929	3,024,645	18%
Replacement & Renewal	195,000	505,000	1,962,500	1,825,100	626,000	5,113,600	30%
<b>Total WOL</b>	<b>2,592,506</b>	<b>2,902,506</b>	<b>4,360,006</b>	<b>4,222,606</b>	<b>3,023,506</b>	<b>17,101,130</b>	

For the next five years the forecast (un-escalated) annual average life cycle cost is \$3,420,226 per annum with a forecast maximum expenditure of \$4,360,006.

### Asset Revenue

Based on the Tenancy Schedule as of 30 June 2022, the passing rental income (excluding Outgoings Recovered and the Library) is:

- Passing Rental Income = \$9,992,430.50 (per annum)

### Revenue vs Cost

Analysis of rental revenue versus the life cycle costs (operations, maintenance, capital expenditure) remains positive in the short term with an annual average gross return to Council of \$6.563m per annum over the next 5 years (not taking into account lease renewals, new leases or lease increases).

### Upgrades and Improvements

The following upgrade and improvements are noted for Kiaora Place:

- Asset Renewal – in accordance with Centre Manager plan

### Risks

The following risks are noted for Kiaora Place:

- Cladding – the Council has completed an audit of the Kiaora Place cladding materials in line with NSW Government guidelines. As a result, the cladding on Building 1 around the Child Care tenancies have been replaced
- Critical Assets – the Centre Manager has identified the critical assets and put in place inspection and maintenance regimes to minimise the asset failure



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## 1 Introduction

### 1.1 Background

The purpose of this Asset Management Plan (Plan) is to demonstrate Woollahra Municipal Council's (Council) responsive management of Council assets (and services from these assets), compliance with regulatory requirements and the funding required to provide the required level of service over a 20-year planning period.

This Plan is to be read in conjunction with Council's Asset Management Policy, Asset Management Strategy and the following associated planning documents:

- Delivery Program 2022/23 – 2025/26 & Operational Plan 2022/23
- Long Term Financial Plan (LTFP) 2022/23 – 2031/32
- *Woollahra 2032* (Community Strategic Plan)

Our vision is:

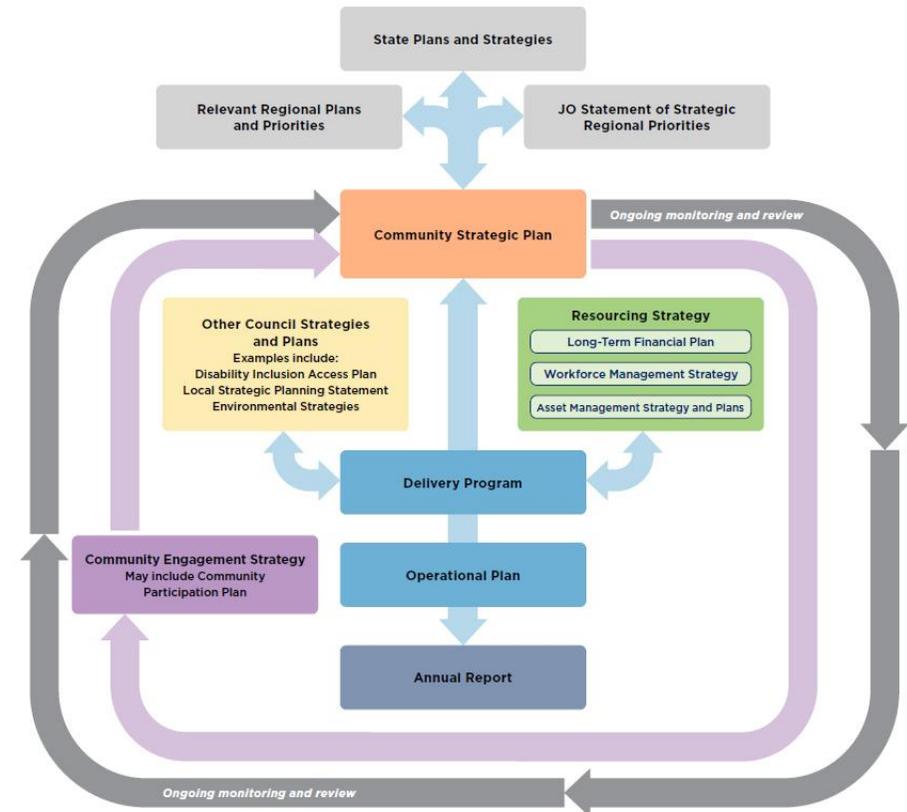
*A thriving, inclusive, sustainable and resilient community that will benefit future generations.*

Our Mission is:

*To lead climate action and promote respectful connections between people and place, so we can enhance, protect and celebrate Woollahra's beauty, heritage and quality of life, for the enjoyment of all.*

This Plan forms part of the Integrated Planning and Reporting Framework (IP&R) adopted by Council – a strategic framework for NSW Local Governments to use in planning for the future.

Council's IP&R framework, shown right, incorporates the Community Strategic Plan and the combined Delivery Program and Operational Plan, which is supported by the Resourcing Strategy – for which this Plan is an input into.





### 1.2 Asset Management supports Council's Themes

Council's Integrated Planning and Reporting Framework is based on Quadruple Bottom Line reporting:

1. Social
2. Environmental
3. Economic
4. Civic Leadership.

Each of these interrelated focus areas are supported by a number of Goals, Strategies, Priorities and Actions.

Asset Management is critical in maintaining the assets that supports the Council's delivery and achievement of those themes through:

- providing a defined level of service and monitoring performance
- managing the impact of growth through demand management and investment
- adopting a life cycle approach to developing cost-effective management strategies for the long-term that meet the defined levels of services
- identifying, assessing and appropriately controlling risks
- developing a long-term financial plan which identifies required, affordable expenditure and how it will be financed

This Plan supports physical asset(s) that allow Council to meet its strategic goals through supporting and addressing the key opportunities and challenges

Goal	Objective	How Goal & Objectives are addressed in the AMP
A Connected and Harmonious Community (Goal 1)	Increase engagement in community activities	<ul style="list-style-type: none"> <li>• Provide and promote access to community venues for community activities</li> </ul>

Goal	Objective	How Goal & Objectives are addressed in the AMP
Liveable Places (Goal 5)	Enhance community, cultural and recreation facilities to become more attractive, integrated and accessible	<ul style="list-style-type: none"> <li>• Plan for community, cultural and recreation facilities to ensure they reflect community needs and aspirations.</li> <li>• Staged implementation of recommendations in the Access Action Plan relating to community and recreation facilities.</li> <li>• Implement a prioritised program of improvements to community and recreation facilities.</li> <li>• Implement major upgrades to recreation facilities.</li> <li>• Implement upgrades to community and cultural facilities</li> </ul>
Well Managed Council (Goal 11)	Maintain Council's strong financial position.	<ul style="list-style-type: none"> <li>• Effective management of Council's finances.</li> <li>• Manage the leasing and licencing of Council's buildings.</li> </ul>

The Council will exercise its duty of care to ensure public safety is accordance with the infrastructure risk management plan prepared in conjunction with this AM Plan. Management of infrastructure risks is covered in Section 7.

### 1.3 Plan Stakeholders

For this specific asset management plan, the key stakeholders are:

Councillors	General Manager	Director Infrastructure & Sustainability	Manager Property & Projects
<ul style="list-style-type: none"> <li>• represent needs of community / shareholders</li> <li>• allocate resources to meet the Council's objectives in providing services while managing risk</li> <li>• ensure Council's financial viability</li> </ul>	<ul style="list-style-type: none"> <li>• Council's custodian of all assets</li> </ul>	<ul style="list-style-type: none"> <li>• overall responsibility for all built assets</li> </ul>	<ul style="list-style-type: none"> <li>• responsible for the management of buildings asset management and maintenance activities</li> </ul>



### 1.4 Plan Framework

This Plan has the following framework to align with Council's asset management policy:

1. Asset Details and Service Delivery
2. Asset Condition
3. Lifecycle Asset Management
4. Financial Summary
5. Upgrades and Improvements
6. Risks
7. Long Term Financial Plan

## 2 Asset Details

### 2.1 Investment Assets

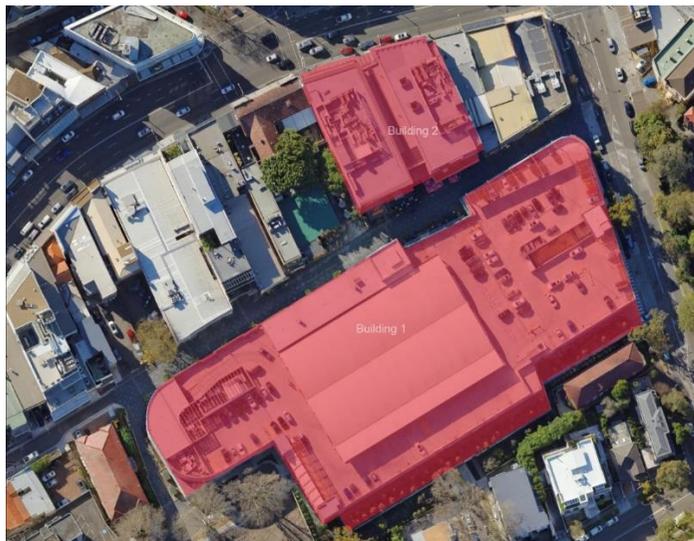
Council's investment assets consist of the following key assets:

- Kiaora Place
- Grafton Street Carpark
- Cosmopolitan Carpark

Both carparks are managed in line with their respective strata plans and hence have not been included in this asset management plan. Only Kiaora Place is considered in this Asset Management Plan.

### 2.2 Kiaora Place – Building 1 & 2

Kiaora Place – Buildings 1 & 2 (collectively Kiaora Place) is a Council owned mixed use development located in the heart of Double Bay's business district. The development provides a range of services to the community including library, childcare, shopping / dining precinct, medical suites and car parking.



Source: maps.six.nsw.gov.au

#### 2.2.1 History

The Kiaora Lands Redevelopment was originally a joint venture with Woolworths Limited to revitalise the Double Bay commercial precinct. The project was delivered in two stages, Stage 1 (Building 1) comprising the car park and supermarket with an additional retail spaces. Stage 2 (Building 2) comprised the new public library and approximately 3,800m<sup>2</sup> of commercial space.

The project objectives were:

- create a new vibrant retail and commercial precinct to stimulate Double Bay
- create new community infrastructure
- generate long term sustainable financial returns for Council
- bring new business to Double Bay
- introduce inner city quality restaurants and cafes
- complement existing retail in Double Bay

#### 2.2.2 Key Statistics

The following table provides the key property elements of Building 1 & 2:

	Building 1	Building 2
<b>Address</b>	1 Kiaora Road Double Bay NSW 2028	451 New South Head Road Double Bay NSW 2028
<b>Building Type</b>	3 storey building – shopping centre and multi-storey car park	4 storey building – commercial and retails space, public amenity space
<b>Building Use</b>	Neighbourhood Shopping Centre, Child Care Centre & Car Park	Retail Arcade, Commercial Space, Medical Suites, Day Surgery, Offices and Library
<b>Land Area</b>	11,870.0m <sup>2</sup>	2,168.5m <sup>2</sup>
<b>Zoning</b>	B2 Local Centre	
<b>Lettable Area</b>	9,630.2m <sup>2</sup>	5,178.1m <sup>2</sup>
<b>Building Age</b>	2014	2016



### 2.2.3 Asset Service Delivery

Kiaora Place is managed on behalf of the Council by Brookfield Global Integrated Solutions (BGIS) as Centre Manager:



BGIS has a fix contract period with option to extend which has expired. They are currently on a holdover with 3 months' notice period. BGIS are contracted to provide the following scope of service on a fixed period services contract with options to extend:

- development and submission of annual budgets to cover:
  - revenue
  - statutory costs
  - shared facilities costs
  - recoverable operating expenses
  - non-recoverable operating expenses
  - projected capital works over the next 5 years
- lease administration and management including:
  - maintain an up to date tenancy register
  - maintain an up to date lease status schedule

- ensure all leases are fully executed in a timely manner
- manage legal risks
- capital works
  - prepare initial capital works schedule
  - make recommendations in respect to maximise the long-term income of Kiaora Place
- risk management
  - develop, implement and maintain appropriate risk management systems, practices and policies
- insurance
  - provide recommendation for the appropriate level of insurance for Kiaora Place and ensure that the insurance policies and premiums are reviewed annually
  - ensure appropriate insurance cover is current at all times
- receipt, disbursement and accounting of funds
  - be responsible for the proper receipt, handling and disbursement of all funds which belong to Council and tenants
- reporting
  - provide monthly reporting
- valuation information
  - provide information to Council to prepare briefs to valuers on an annual basis
  - if required by Council, object to any valuation relating to rates, land tax and any other statutory charges
- building services
  - undertake the performance of Services in accordance with applicable Standards, agreed service levels and industry standards in keeping with the nature of Kiaora Place
- tenant / customer services
  - provide a centralised call centre for tenants property related matters
  - liaise with tenants and customers
- asset planning
  - provide annually an Asset Plan to Council
- other additional services as instructed by the Council:
  - leasing marketing
  - capital works coordination
  - tenancy fitout coordination services
  - due diligence services



### 3 Asset Condition

#### 3.1 Service Levels

The Council's Draft Asset Management Strategy 2018-2028 sets out the asset condition grading levels as shown in the following table:

Condition Grading	Description of Condition
1	<b>Excellent:</b> No work required (normal maintenance)
2	<b>Good:</b> Only minor maintenance work required
3	<b>Average:</b> Maintenance work required
4	<b>Poor:</b> Renewal required
5	<b>Very Poor:</b> urgent renewal/upgrading required

**Minimum service level for all assets will be Condition Grading = 2 (for Kiaora Place)**

It is expected that the condition of asset will be spread across Condition Gratings 1, 2 or 3 with the majority being 2 or 3 – unless the asset is new. Any asset that has been assessed as Condition Grading 4 or 5 will be scheduled for renewal.

#### 3.2 Current Condition

The asset condition of Kiaora Place is constantly monitored by Centre Manager staff. Maintenance is undertaken in accordance with planned preventative maintenance plans as illustrated in the following extract from BGIS maintenance schedule:

Maintenance Schedules		SEP		OCT			NOV			DEC								
		36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52
<b>BUILDING FIXTURES</b>																		
<b>B1</b>																		
Roller Door x 14	Six Monthly																	
Tilt Panel Door x 2	Six Monthly																	
Sliding Door x 3	Quarterly																	
Retractable Awnings x 9	Six Monthly																	
Rapid Door x 1	Six Monthly																	
<b>B2</b>																		
Roller Door	Six Monthly																	
Sliding Door x 2	Quarterly																	
Sliding Door x 2 - library	Quarterly																	
<b>CLEANING</b>																		
<b>B1</b>																		
Centre Cleaning	Daily																	
Carpark Cleaning	Monthly																	
Carpark Pressure Wash	Quarterly																	
Carpark Shade Sail & Structure Cleaning	Six Monthly																	
Centre Consumables	Monthly																	
Centre Hygiene Services	Weekly																	
High Access - Contract Cleaning	Six Monthly																	
High Access - Western Wall Façade	Six Monthly																	
Strip & Seal	Six Monthly																	
Travelator Deep Clean	Six Monthly																	
Vertical Transport Internal & External Clean	Annual																	
Woolworths Loading Dock - Rapid Door Clean	Annual																	
<b>B2</b>																		
Carpet Steam Clean - Level 3	Annual																	
Escalator Deep Clean	Six Monthly																	
Fire Stair Fortnightly Scrub	Quarterly																	
High Access - Contract Cleaning	Six Monthly																	
High Access - Lighting & Vents	Six Monthly																	
<b>ELECTRICAL</b>																		
<b>B1</b>																		
General Lighting Maintenance	Bi-Monthly																	
Power Factor Correction	Annual																	
Residual Current Device	Six Monthly																	
Switchboard Distribution x 7	Annual																	
Switchboard Main x 2	Annual																	
Switchboard Mechanical x 3	Annual																	
Testing & Tagging x 27	Annual																	
Thermography Scan	Annual																	
<b>B2</b>																		
General Lighting	Quarterly																	
Power Factor Correction	Annual																	
Residual Current Device	Six Monthly																	
Switchboard Distribution	Annual																	
Switchboard Main	Annual																	
Switchboard Mechanical x 2	Annual																	
Testing & Tagging	Annual																	
Thermography Scan	Annual																	

The Council's valuer noted in their recent valuation of the property, (property was inspected on 17 February 2022), that:

- “...the building appeared to be structurally sound and in an excellent state of repair commensurate with its age and use.”



### 3.3 Remaining Life

The Council has adopted the Useful Life for assets based on the Southern Sydney Regional Organisation of Councils (SSROC) Useful Life guidelines:

Asset Category	Useful Life (years)
Superstructure	50 – 100
Roof	40 – 80
Internal Finishes	25 – 50
Fire / Security	25
Electrical	35
Mechanical	20
Vertical Transport	50

In addition to the above adopted useful lives, BGIS have used industry benchmarks in the development of the Capital Renewal and Replacement Forecast in section 4.3 of this Plan:

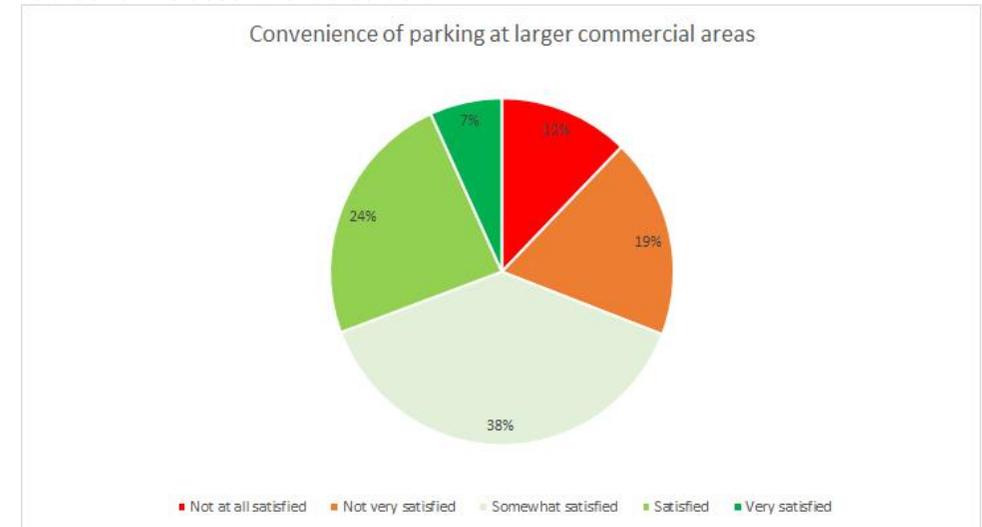
Asset Category	Code Upgrade	Major Upgrade
Internal Finishes (Painting)	2 years (minor)	4 years
Fire	10 years	20 years
Security	5 years	10 years
Electrical	5 years	10 years
Mechanical	-	15 – 20 years
Vertical Transport	10 years	20 years

<sup>1</sup> Conducted by Micromex Research

### 3.4 Customer Satisfaction and Demand

#### 3.4.1 Customer Research and Expectations

In 2021, the Council participated in the “Woollahra Municipal Council Community Satisfaction Research”<sup>1</sup>. Council uses this research to assist in the development of its Strategic Plan and the allocation of resources in the budget. Survey questions related to this asset are tabled below:



#### 3.4.2 Future Demand

Drivers affecting demand include but not limited to:

- population changes
- changes in demographics
- seasonal factors
- vehicle ownership rates
- consumer preferences and expectations
- technological changes
- technological changes
- economic factors

# Asset Management Plan 2022

## Investment Assets



- environmental awareness

### 3.4.3 Asset Programs to meet Demand

Council in conjunction with the Centre Manager are continually monitoring the assets and the demand put upon them to ensure that the asset performance is meeting or exceeding the demand requirements.

## 3.5 Legislative Requirements

The Council is required to meet the relevant legislative requirements in accordance with Commonwealth Government and State legislation and State Regulations including:

Legislation	Requirement
Local Government Act	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Disability Discriminations Act, 1992	<p>(a) to eliminate, as far as possible, discrimination against persons to the ground of disability in the areas of:</p> <p>(i) work, accommodation, education, access to premises, clubs and sport;</p> <p>(ii) the provision of goods, facilities, services and land;</p> <p>(iii) existing laws; and</p> <p>(iv) the administration of Commonwealth laws and programs; and</p> <p>(b) to ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community; and</p> <p>To promote recognition and acceptance within the community of the principle that persons with disabilities have the same fundamental rights as the rest of the community.</p>
Heritage Act, 1977	An Act to conserve the environmental heritage of the State.

Legislation	Requirement
	Several properties are listed under the terms of the Act and attract a high level of maintenance cost, approval and monitoring.
Occupational Health, Safety and Welfare Act & Regulations	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work.
Building Code of Australia	The goal of the BCA is to enable the achievement of nationally consistent, minimum necessary standards of relevant, health safety, (including structural safety and safety from fire), amenity and sustainability objectives efficiently.
Building Fire and Safety Regulations, 1991	This Acts sets out the regulations for things such as means of escape, limitation of people in buildings, fire and evacuation plans and testing of special fire services and installations.
Electrical Safety Act, 2002	This Act sets out the installation, reporting and safe use with electricity
Environmental Planning and Assessment Act, 1979	This Act sets out requirements in respect to planning legislation.
Building Regulation, 2003	This Act sets out requirements in respect to Building Requirements.
Plumbing and Drainage Act, 2002	This Act sets out Plumbing Requirements.
Valuation of Land Act, 1989	This Act sets out the requirements in respect to Land Valuation.
Public Records Act, 2002	This Act sets out the requirements in respect to maintaining public records.
Surveillance Devices Act, 2007	This Act sets out requirements in respect to the use of surveillance devices.
Smoke Free Environment Act, 2000	This Act sets out requirements of smoke free legislation in public places
Crowns Lands Act 1989	This Act sets out how Crown Land is to be managed



## 4 Lifecycle Asset Management

### 4.1 Terms and Definitions

#### 4.1.1 Generally

The International Infrastructure Management Manual<sup>2</sup> (IIMM) defines the life cycle of an asset as:

*The time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any liabilities thereafter.*

#### 4.1.2 Definitions

The following terms are used in the categorisation of life cycle asset management and the Life Cycle Cost (sometimes referred to as whole of life cost):

- **Operations** – functions relating to the day-to-day running and upkeep of the assets to keep assets operating
- **Maintenance** – all actions necessary for retaining an asset as practicable to its original condition (excluding refurbishment or renewal)
- **Renewal / Replacement** – works undertaken to replace existing assets with assets of equivalent capacity or performance capability. The complete replacement of an assets that has reached the end of its life
- **Upgrade** – works undertaken to provide a higher level of service or a new service that did not previously exist
- **Disposal** – the decommissioning and disposal of assets that are no longer required

## 4.2 Operations and Maintenance

BGIS is the facility manager for Kiaora Place and manage the facilities on behalf of the Council. BGIS have provided the following operations and maintenance costs for this Plan. These key costs are based on the one-year forecast provided by BGIS, as the Centre Management contract is currently being tendered.

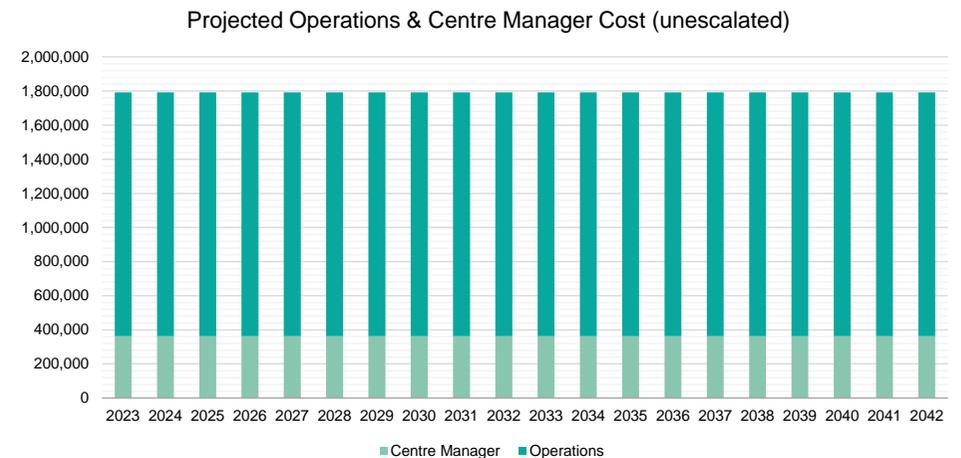
<sup>2</sup> International Infrastructure Maintenance Manual 2015 – Institute of Public Works Engineering Australasia (IPWEA)

### 4.2.1 Operations Costs

Operations activities impact service levels including quality and functions. For Kiaora Place, operations include the following key cost categories:

- Centre Manager
- Car Parking Management
- Cleaning (including Car Park)
- Pest Control
- Security (manned) including Library
- Rates & Utilities
- Waste Removal

The following cost is based on only one year forecast in current dollars and projected over the forward twenty period with no escalation in cost.



The following table summarises the operational FY2023 budget costs by the key operational categories for both recoverable and non-recoverable operational costs:

# Asset Management Plan 2022

## Investment Assets



Operation	Budget Cost FY2023
Centre Management	363,029
Car Parking Management	23,612
Cleaning (incl. Car Park)	432,566
Pest Control	10,432
Security (manned)	239,684
Rates & Utilities	570,074
Waste Removal	153,180
<b>Total Costs</b>	<b>1,792,577</b>

The estimated FY2023 Operations Cost = \$1,792,577.

### 4.2.2 Maintenance

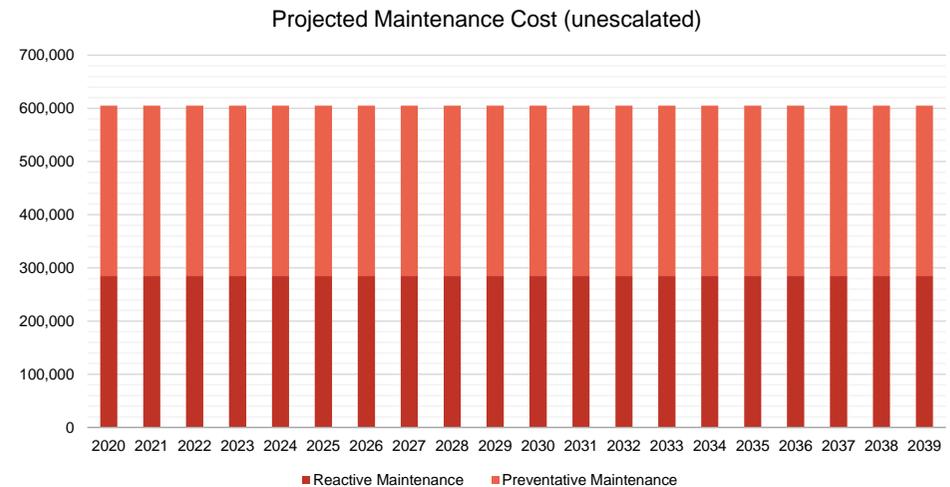
Maintenance activities fall into two categories:

- **Reactive Maintenance** – are the activities relating to the reinstatement services after a fault or failure by carrying out maintenance activities on failed assets (other terms include *Corrective Maintenance* or *Unplanned Maintenance*)
- **Preventative Maintenance** – are the maintenance activities carried out to prevent faults/failures and associated disruption and the enhancement of the life of the asset and reduction of asset deterioration, hence delaying asset renewal (other terms include *Pro-active Maintenance* and *Planned Maintenance*)

Maintenance costs for Kiaora Place include the following cost categories:

- Building Fabric (including Height Safety)
- Air Conditioning
- Communications
- Electrical
- Fire Protection
- Landscaping
- Lifts & Escalators

- Plumbing
- Security (Equipment)



The detailed breakdown of budgeted Maintenance Costs between Reactive and Preventative Maintenance is shown below:

Trade	Budget Cost - FY2023	
	Reactive	Preventative
Building Fabric	218,826	11,023
Air Conditioning	5,000	75,958
Communications	-	11,136
Electrical	12,000	13,192
Fire Protection	10,000	60,060
Landscaping	-	28,892
Lifts & Escalators	13,500	89,842
Plumbing	25,000	30,000
Security	500	-
<b>Total</b>	<b>284,826</b>	<b>320,103</b>

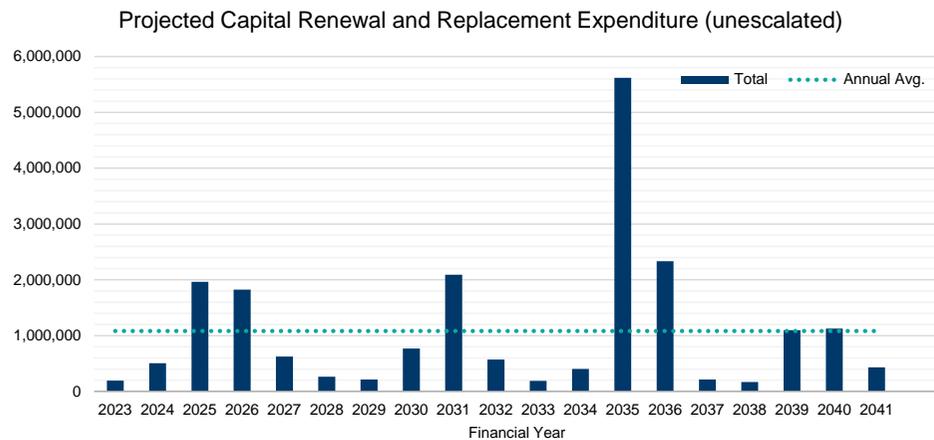
The estimated FY2023 Maintenance Cost = \$604,929 with a Reactive / Preventative Maintenance ratio of 47:53.



### 4.3 Renewal & Replacement Forecast

Renewal and replacement expenditure is major capital works which does not increase the assets design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential.

The following projected renewal and replacement expenditure in relation to Kiaora Place has been prepared by the Centre Manager, BGIS:



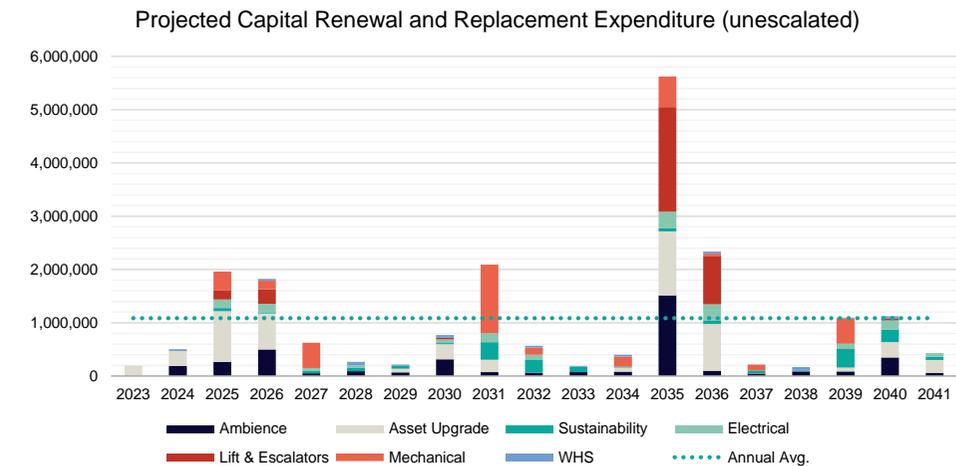
**Annual Average Renewal and Replacement Expenditure = \$1,084,537/annum**

The detailed expenditure has the Renewal and Replacement work categorised into the following categories:

- Ambience
- Asset Upgrade
- Sustainability
- Electrical
- Lift & Escalators
- Mechanical
- WHS

The following tables shows the breakdown of the key Renewal and Replacement Expenditure Categories. Also refer to Appendix A for further details with respect to annual costs for each Renewal and Replacement cost category.

Renewal & Replacement Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Ambience	-	190,000	262,500	500,000	50,000	<b>1,002,500</b>
Asset Upgrade	195,000	280,000	955,000	675,000	-	<b>2,105,000</b>
Sustainability	-	-	60,000	20,000	50,000	<b>130,000</b>
Electrical	-	-	160,000	160,000	50,000	<b>370,000</b>
Lift & Escalators	-	-	175,000	270,000	-	<b>445,000</b>
Mechanical	-	-	350,000	165,100	476,000	<b>991,100</b>
WHS	-	35,000	-	35,000	-	<b>70,000</b>
<b>Total</b>	<b>195,000</b>	<b>505,000</b>	<b>1,962,500</b>	<b>1,825,100</b>	<b>626,000</b>	<b>5,113,600</b>



The projected renewal and replacement forecast profile is consistent with typical life cycle profiles with peak expenditure periods in the 10, 15 and 20 year age of buildings.

Actual expenditure past the 5 year forecast, will be further refined in the future as the condition of assets and the performance at the time is better understood and would be dependent on the operation of the assets, the ongoing maintenance of the assets and design performance of the assets.

# Asset Management Plan 2022

## Investment Assets



The projected Capital Renewal and Replacement expenditure in the 5 plus forecast period is indicative only and for budgeting and information purposes only.

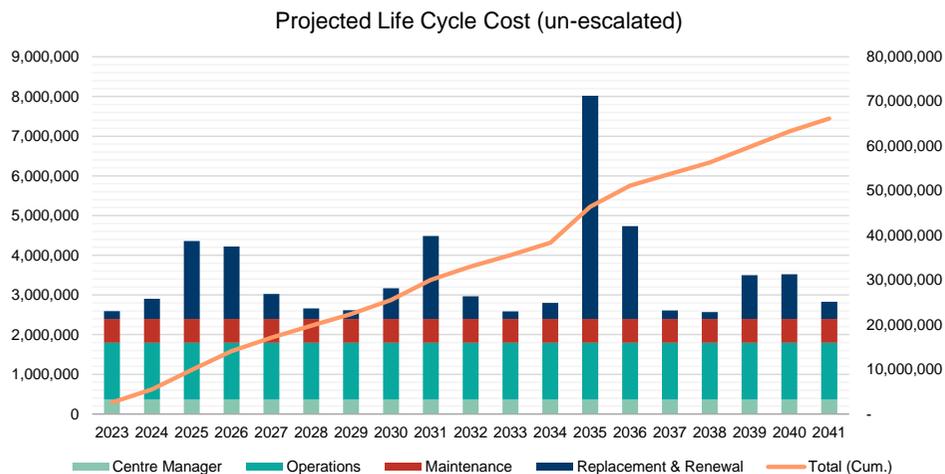
### 4.4 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation.

**Council or the Centre Manager have not identified any potential asset disposals in respect for Kiaora Place for the next 5 years.**

### 4.5 Life Cycle Cost Forecast

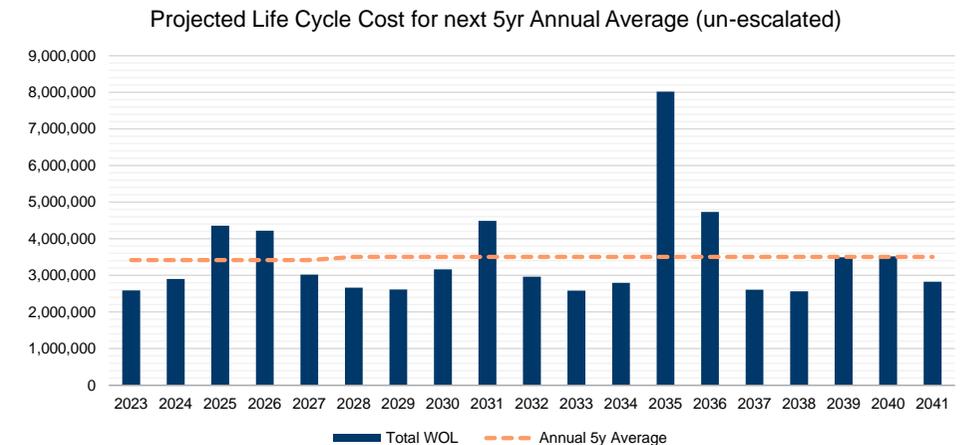
The graphical analysis below shows the forecast Life Cycle Cost (LCC) (Operations, Maintenance and Replacement/Renewal) of Kiaora Place assets over the next 19 years:



Over the next 5 years, the total forecast LCC (un-escalated) is summarised in the following table:

LCC Element	Year 1	Year 2	Year 3	Year 4	Year 5	Total 5 Yr Cost	% of Total WOL
Centre Manager	363,029	363,029	363,029	363,029	363,029	1,815,145	11%
Operations	1,429,548	1,429,548	1,429,548	1,429,548	1,429,548	7,147,740	42%
Maintenance	604,929	604,929	604,929	604,929	604,929	3,024,645	18%
Replacement & Renewal	195,000	505,000	1,962,500	1,825,100	626,000	5,113,600	30%
<b>Total WOL</b>	<b>2,592,506</b>	<b>2,902,506</b>	<b>4,360,006</b>	<b>4,222,606</b>	<b>3,023,506</b>	<b>17,101,130</b>	

The following analysis shows the average annual life cycle cost for the next five years and then annual average for the remaining period:



**For the next five years the forecast (un-escalated) annual average life cycle cost is \$3,420,226 per annum with a forecast maximum expenditure of \$4,360,006. The average for the remaining period (15 years) is \$3,504,120 (un-escalated)**

Refer to section 5.6 to see the impact of Life Cycle costs on the passing rental income from the tenancies.



## 5 Financial Summary

This section of the plan summarises the financial information in respect to the rental income from the commercial tenancies and the impact of operations, maintenance and capital expenditure on the revenue.

### 5.1 Tenancy Details

Kiaora Place consists of two tenanted commercial buildings, as summarised in the following tables:

#### Building 2

Tenancy	Tenant	Level	Net Lettable Area (m2)	Passing Rental	Lease Commence	Lease Expiry
G.01	White Rabbit Kiaora	Ground	84.00	\$ 122,835.15	27-Apr-16	26-Apr-26
G.02	Sushi Maru	Ground	104.00	\$ 143,102.24	14-Dec-15	13-Dec-22
G.03	Future Telecom Pty Ltd	Ground	59.00	\$ 86,315.35	01-Aug-21	31-Jul-23
G.04	Zjoosh Homewares	Ground	96.00	\$ 120,000.00	14-Dec-20	13-Dec-23
G.05-G.06	NAB	Ground	205.00	\$ 336,574.85	04-Jan-16	03-Jan-26
G.07-G.09	Laser Clinics Australia	Ground	99.00	\$ 134,533.73	14-Dec-15	13-Dec-22
G.10	Bladez & Co. Pty Ltd	Ground	43.20	\$ 55,000.00	10-Dec-20	09-Dec-25
G.12	Le Nails (HKL Trading	Ground	68.00	\$ 105,287.27	30-Jan-22	29-Jan-28
G.13	Naked Foods	Ground	70.00	\$ 105,287.27	16-Dec-15	15-Dec-25
G.14	Cali press	Ground	28.00	\$ 59,019.00	03-Feb-16	02-Feb-24
G.14	Cali press	Ground	Footpath	\$ -	01-Jul-16	02-Feb-24
G.15	Gusto Bake Bar	Ground	101.00	\$ 140,383.03	15-Dec-15	14-Dec-25
G.16	China Diner	Ground	120.00	\$ 198,343.62	15-Jan-16	14-Jan-23
G.ATM 1	Commonwealth Bank of Australia	Ground	4.00	\$ 20,101.44	18-Jan-16	17-Jan-23
1.01 - 1.02	SMS Sportslab Double Bay Pty Ltd	1	157.00	\$ 112,997.38	15-Feb-16	14-Feb-24
1.03 - 1.06	Gastric Balloon Australia	1	334.00	\$ 245,220.35	01-Oct-17	30-Sep-23
1.07 - 1.08	Gentle Dental	1	153.00	\$ 117,465.52	23-Jan-16	22-Jan-23
2.0	Double Bay Day Hospital	2	736.00	\$ 443,538.77	08-Feb-16	07-Feb-31
3.01	Double Bay Day Hospital	3	149.10	\$ 150,000.00	15-Feb-22	14-Feb-30
3.02	Simone Du Chesne &	3	108.70	\$ 72,000.00	18-Mar-21	17-Mar-24
3.03	Medscan	3	378.90	\$ 228,122.42	17-May-16	16-May-26
Library	Woollahra Municipal Council	L1 - L3	2,019.00	\$ -	28-May-16	27-May-16
<b>Total Annual Rental Income</b>				<b>\$ 2,996,127.39</b>		

#### Building 1

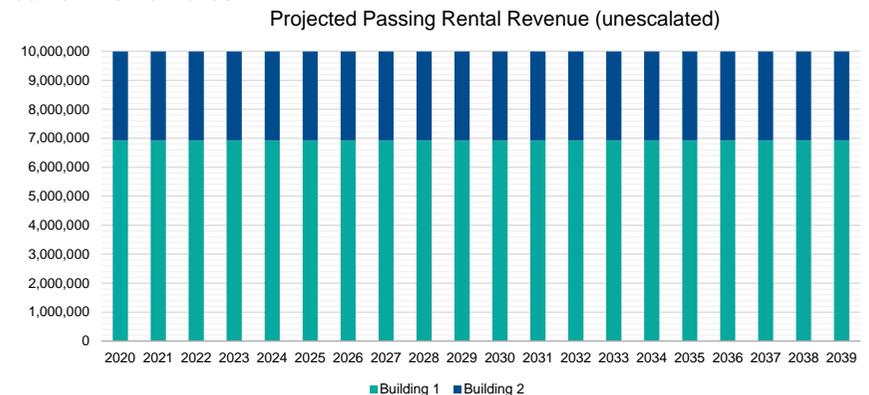
Tenancy	Tenant	Level	Net Lettable Area (m2)	Passing Rental	Lease Commence	Lease Expiry
Dock	Woolworths Limited -	Ground	-	\$ 20,573.03	01-Aug-17	31-Jul-22
G.01	Woolworths Limited- The Kitchen	Ground	1,106.00	\$ 600,000.00	05-Jun-14	04-Jun-44
K1	Broadstable Food Group Pty Ltd & Eastern Terrace DB Pty Ltd	Ground	122.60	\$ 234,084.01	03-Mar-15	02-Mar-25
K2-3	1888 Certified	Ground	131.30	\$ 175,414.67	17-Aug-15	16-Aug-22
K4	Mud Australia	Ground	72.80	\$ 72,125.99	05-Jun-15	04-Jun-22
L1 Nth	Goodstart Early Childhood Learning	1	1,134.00	\$ 671,737.85	04-Feb-15	03-Feb-25
L1 Sth	Goodstart Early Childhood Learning	1	772.20	\$ 531,076.08	04-Feb-15	03-Feb-25
L1.01	Woolworths (inc. Dan Murphy)	Ground & L1	6,291.30	\$ 3,640,000.00	05-Jun-14	04-Jun-44
Car Park		Ground & L2	-	\$ 974,841.48		
<b>Total Annual Rental Income</b>				<b>\$ 6,919,853.11</b>		

### 5.2 Rental Income

Based on the Tenancy Schedule as at 30 June 2022, the current income (excluding Outgoings Recovered and the Library) is:

**Passing Rental Income = \$9,992,430.50**

**Note:** The following graphical analysis assumes current occupancy rate of 100% at the current rental rates:



# Asset Management Plan 2022

## Investment Assets



### 5.3 Market Valuation

The Council had a market valuation of Kiaora Place undertaken by Scott Fullarton Valuations Pty Ltd as at 30 June 2022:

**Market Valuation = \$175,425,000 (excluding GST)**

The valuation was undertaken in accordance with Accounting Standard AASB 13 *Fair Value Measurement* which defines Fair Value as:

*“The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”*

### 5.4 Replacement Cost Valuation

Replacement Cost valuation differs from a market valuation, replacement cost valuation represents the Declared Value of the assets:

Description	Building Estimated Limit of Liability	Contents Insurance Value	Other Value	Total Declared Value
Building 1	\$ 89,333,900		\$ -	\$ 89,333,900
Building 2	\$ 61,857,700	\$ -	\$ -	\$ 61,857,700
<b>Total Valuation</b>	<b>\$ 151,191,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 151,191,600</b>

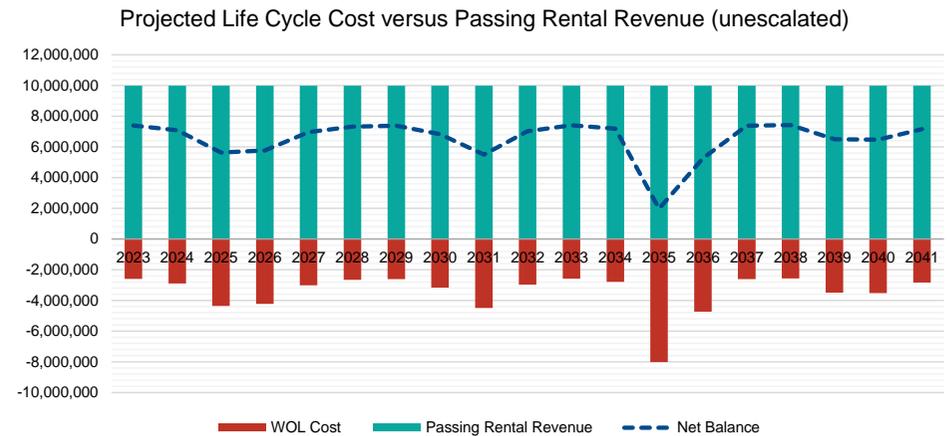
**Replacement Cost Valuation = \$151,191,600 (excluding GST)**

### 5.5 Annual Depreciation

The Council does not depreciate investment assets.

### 5.6 Revenue vs Cost

The following analysis shows the current passing rental revenue (excluding annual increases, option take up and renewal of lease) versus the Life Cycle Cost over the next 19 years:



The above analysis shows the net balance of rental revenue against the life cycle costs (operations, maintenance, capital expenditure) remains positive in the short term with an annual average gross return to Council is \$6.572m per annum over the next 5 years (not taking into account lease renewals, new leases or lease increases).

**Hence, the Life Cycle Costs for Kiaora Place are covered by the rental revenue**



## 6 Upgrades and Improvements

### 6.1 Asset Renewal

BGIS as part of their centre manager services have provided renewal and replacement budgets for the next 20 years, refer to section 4.3. The major upgrade costs forecast for the next 5 years include:

#### Ambience

- Amenities Upgrade- full refurbishment both buildings all floors incl. Library – \$1,050,000
- Carpark painting - \$60,000
- Common area re-paint incl all service doors - \$90,000
- Common area seating replacement - \$30,000
- External façade repair & repaint – \$210,000
- Technology & Wi-Fi Upgrade – \$80,000

#### Asset

- Auto Doors Upgrade - \$40,000
- BMS Upgrade – \$250,000
- Building Glazing Seals Upgrade - \$100,00
- Car Park Entry Signage Upgrade - \$50,000
- Car Park Ceiling Insulation Replacement - \$60,000
- Rooftop Car Park Expansion joints - \$40,000
- CCTV Upgrade – \$150,000
- FIP Upgrade - \$20,000
- Fire Protection - Pumps, Portables & Equipment - \$330,000
- Hydraulics - Pumps, Hot Water Systems, Devices - \$125,000
- Irrigation - Rear Garden Ground & Level 1 - \$25,000
- Roller Shutter Upgrade - Controls & Hardware - \$175,000
- Roofing Upgrade – \$325,000
- Carpet Upgrade - \$10,000

#### Sustainability

- LED Lighting Upgrade – \$150,000

#### WHS

- Car Park Traffic Calming - \$15,000

- Car Park Line Marking - \$70,000

#### Electricity

- Distribution Boards Upgrade - \$120,000
- PFC Unit Upgrade - \$300,000
- Mechanical Boards Upgrade - \$40,000
- Emergency Lighting Upgrade - \$250,000

#### Lifts & Escalators

- Dock Leveller (Building 1) – \$75,000
- Lifts (Building 1) – \$100,000
- Escalators (Building 2) – \$270,000

#### Mechanical

- Split Systems upgrade - \$490,000
- Fan Exhaust – \$87,000
- Supply Air Fans – \$80,000
- Outside Air Fan - \$47,100
- Exhaust Hood – \$68,000
- Amenities Exhaust – \$3,000
- VSD – \$60,000
- Condenser Units – subject to further investigation



## 7 Risks

### 7.1 Cladding

Cladding made from aluminium composite panels (ACP) have been banned in NSW. ACP with a core that comprises of more than 30% polyethylene, mineral fibre or a combination of both is banned for use in the following building types:

- Type A construction as defined in the Building Code of Australia:
  - Class 2, 3 and 9 buildings with a rise in storeys of three or more
  - Class 5, 6, 7 and 8 buildings with a rise in storeys of four or more
- Type B construction as defined in the Building Code of Australia:
  - Class 2, 3 and 9 buildings with a rise in storeys of two or more
  - Class 5, 6, 7 and 8 buildings with a rise in storeys of three or more

Kiaora Place Buildings 1 and 2 are defined as Class 9 buildings and hence would be classified as Type A construction.

Accordingly, in line with the NSW Government's audit of buildings with potential cladding issues undertaken by the NSW Data Analytics Centre (DAC), the Council has undertaken its own audit of the Kiaora Place cladding materials. Council is working with consultants and developer Fabcot to determine further replacement works and costs.

However, it is noted that Council undertook the immediate replacement of cladding materials located around the Child Care tenancies at a cost of approximately \$265,000.

### 7.2 Critical Assets

The identification of critical assets at Kiaora Place is fundamental in ensuring the ongoing function and use of the facilities by the tenants, council staff, users and the wider community in general.

Critical assets are those which have a high consequence as a result of failure but not necessarily a high likelihood of failure. The identification of critical assets and critical failure modes allows the Council and their Centre Manager to plan their maintenance activities and capital expenditure to minimise the likelihood of failure.

In respect to Kiaora Place, the critical assets are:

Critical Asset	Critical Failure Mode	Failure prevention
Fire Services	Fire Damage	<ul style="list-style-type: none"><li>• Preventative maintenance contracts in place</li><li>• Statutory testing and maintenance</li></ul>
Electrical Services	Electrical Failure	<ul style="list-style-type: none"><li>• Preventative maintenance contracts in place</li></ul>
Transportation Services	Lift or Escalator Failure	<ul style="list-style-type: none"><li>• Preventative maintenance contracts in place</li></ul>



## 8 Council's Long-Term Financial Plan

The following table has been extracted from the draft Operational Plan 2022-23 across all Council assets.

Analysis of the Asset Maintenance Ratio for Kiaora Place comparing the proposed 2023 budget with Property Council of Australia (PCA) Shopping Centre Benchmark Data for NSW Neighbourhood Shopping Centres indicates a ratio of:

- **Kiaora Place Asset Maintenance Ratio = 1.07**(in line with LTP below)

Ratio	Purpose	Benchmark	2020/21 Result	2021/22 Original Budget	2022/23 Budget
<b>Operating Performance Ratio</b>	Operating Performance ratio is an indication of continued capacity to meet on-going expenditure requirements.	Greater than or equal to breakeven	-15.08%*	-3.58%*	-0.84%
<b>Own Source Revenue Ratio</b>	Own source revenue measures the degree of reliance on external funding sources. Financial flexibility increases as the level of own source revenue increases.	Greater than 60%	90.37%	88.43%	92.43%
<b>Unrestricted Current Ratio</b>	To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.	Greater than or equal to 1.5:1	3.94:1	2.83:1	3.01:1
<b>Debt Service Cover Ratio</b>	To assess the availability of operating cash to service debt including interest, principal and lease payments.	Greater than or equal to 2.00	0.14*	3.37*	2.86
<b>Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>	To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.	Less than 5.00%	4.16%*	3.80%	3.98%
<b>Cash Expense Cover Ratio</b>	Indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflows.	Greater than or equal to 3 months	6.02	7.88	8.39
<b>Building, Infrastructure &amp; Other Structures Renewal Ratio</b>	Represents the replacement or refurbishment of existing assets to equivalent capacity or performance (as opposed to new assets or increasing performance or capacity of existing assets). Ratio compares the proportion spent on infrastructure asset renewals and assets deterioration.**	Greater than or equal to 100%	94.02%	77.00%**	77.89%**
<b>Infrastructure Backlog Ratio</b>	Indicates the proportion of backlog against the total value of Council's infrastructure assets. Measures the extent to which asset renewal is required to maintain or improve service delivery in a sustainable way.	Less than 2%	1.35%	1.78%	1.35%
<b>Asset Maintenance Ratio</b>	Reflects the actual asset maintenance expenditure relative to the required asset maintenance.	Greater than 1.00	1.15	1.18	1.15

\*Ratio was impacted by a number of extraordinary items including those related to COVID-19.

\*\*Average over 3 years.

# Asset Management Plan 2022

## Investment Assets



## Appendix A – Capital Renewal and Replacement

Projected Capital Renewal and Replacement Expenditure (unescalated)

