

Asset Management Plan

Building Assets

2022 – 2026



Document Control	Asset Management Plan
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Document ID :

Rev No	Date	Revision Details	Author	Reviewer	Approver
1	March 2022	Submission to Council Workshop	KA	ZW	SB

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 The Institute of Public Works Engineering Australasia

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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

The purpose of the Asset Management Plan (AM Plan) is to consider Council's priorities and focus, associated strategic documents and the management of the buildings network.

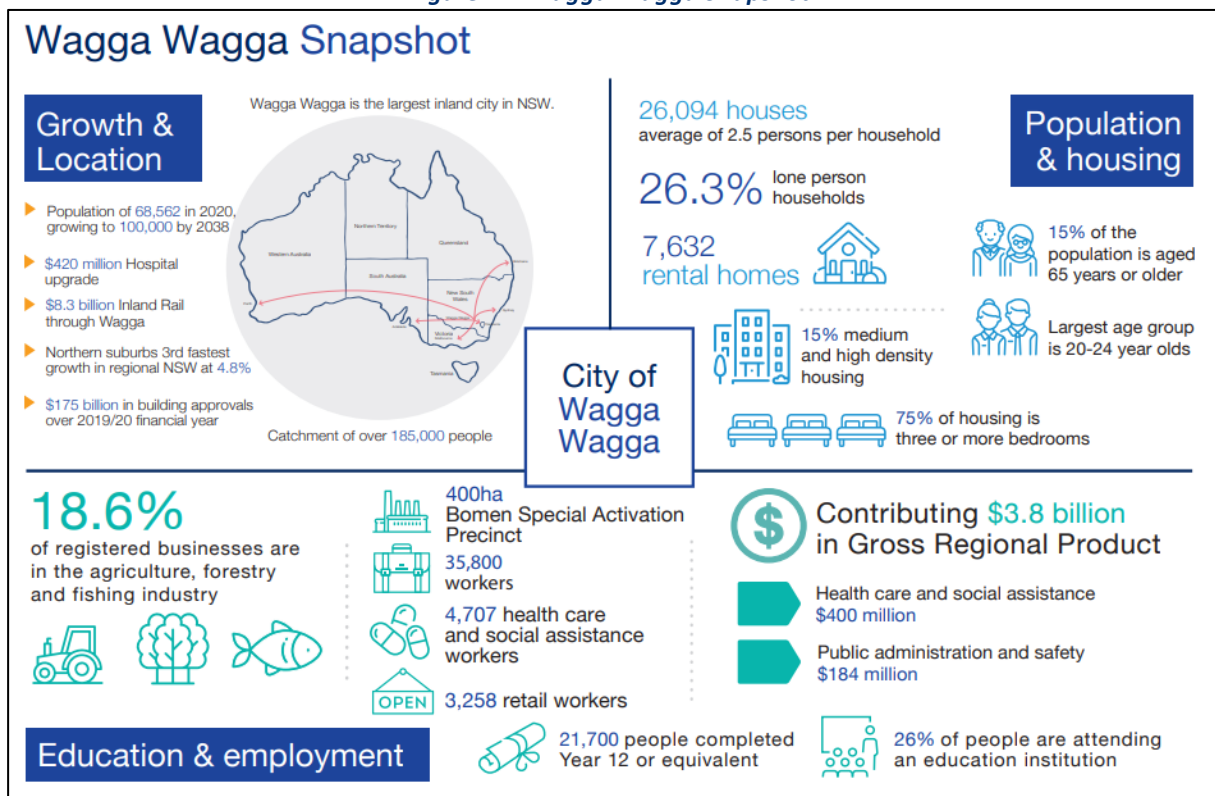
This AM Plan is to be read with the Council's [Community Strategic Plan 2040 – Wagga View](#) and asset planning documents including the Asset Management Policy and Asset Management Strategy. Other key planning documents are listed below:

- Community Strategic Plan 2040 – Wagga View
- Long Term Financial Plan 2022-2023
- Local Strategic Planning Statement – Planning for the future: Wagga Wagga 2040
- Wagga Wagga Integrated Transport Strategy and Implementation Plan (WWITS) 2040
- Recreation, Open Space and Community Strategy and Implementation Plan (ROSC) 2040
- Wagga Wagga Local Infrastructure Contribution (LICP) Plan 2019 – 2034

The [Wagga Wagga Local Strategic Planning Statement \(LSPS\) – Wagga 2040](#) and the associated [Recreation, Open Space and Community Strategy and Implementation Plan 2040 \(ROSC\)](#) define some of Council's priorities and future demands.

The LSPS sets the long-term strategic framework for planning and development in the City of Wagga Wagga local government area over the next 20 years. It addresses issues of strategic significance to the Council, guiding development or introduction of new planning policies, strategies or actions related to land use and development. The below image, from the LSPS provides a snapshot of the Wagga Wagga local government area.

Figure 1 – Wagga Wagga Snapshot



Source - [Wagga Wagga Local Strategic Planning Statement \(LSPS\) – Wagga 2040](#)

The LSPS sets out principles on which Council will make decisions into the future. They will be based on connectivity to the central core and accessibility to services and community facilities to ensure the growth of the city is financially and environmentally sustainable.

As detailed in [the Wagga Wagga Integrated Transport Strategy \(WWITS\)](#), Council is focused on ensuring the core of the city is preserved and enhanced. The Civic Centre, Visitor Information Centre and Civic Theatre are important Council buildings in the heart of the CBD. This AM Plan provides strategies to manage Council’s buildings in the CBD to achieve this goal.

The Recreation, Open Space and Community Strategy and Implementation Plan 2040 (ROSC), identifies key themes which are the strategic priorities for the community in planning for community assets. They are:

- Increase the activation of public spaces: Providing appropriate infrastructure, public spaces and community facilities will enable a wide variety of events and activities to be held
- Improve accessibility and connection: Accessibility and connection will be improved across the city and will become a key consideration in all future developments and redevelopments of public spaces
- Improve existing assets to maximise utilisation: Improvements in existing assets will enable better utilisation by the community. In many cases, these improvements will negate the need for the development of additional assets
- Improve community health: Community infrastructure and public spaces will be designed in order to improve community health outcomes
- Collaborate where possible: Partnerships will be sought to ensure the efficient provision of community infrastructure and public spaces.

The second purpose of the AM Plan is to provide information about infrastructure assets together with actions required to deliver an agreed level of service in the most cost-effective manner, while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to be provided over the 10 year planning period. The AM Plan will link to Council’s Long Term Financial Plan (LTFP) which considers a 10 year planning period.

1.2 Asset Description

The assets included in this AM Plan are Council buildings.

Table 1 - Buildings

Asset Category	Number	Replacement Value
Amenities Blocks	53	\$10,537,146
Civic Buildings (Community Halls, Community facilities)	31	\$71,326,652
Education	7	\$4,828,260
Emergency Services	16	\$1,405,451
Industrial	12	\$7,914,477
Office/Administration	11	\$4,880,134
Partially or Fully enclosed Sheds	105	\$5,782,178
Recreation facilities	53	\$54,503,791
Special/Unique	2	\$4,302,861
Residential	7	\$2,257,120
TOTAL	297	\$167,738,070

1.3 Levels of Service

The allocation in the planned budget is sufficient to continue providing existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- Some new/upgrade capital expenditure is required in the short term, and
- The Community expectations with regards to Buildings level of service will not be satisfied

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- | | |
|----------------------------|---|
| ■ population change, | ■ technological changes, |
| ■ changes in demographics, | ■ climate change, |
| ■ seasonal factors, | ■ land subdivision and urban infill and consolidation |
| ■ economic factors, | |
| ■ community expectations, | |

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

The planning for infrastructure due to demand is a constant process of review and assessment of existing infrastructure and its ability to cope with increasing demand, versus the need to augment with new infrastructure. Demand on infrastructure is created through increased utilisation generated from a growing population and changing patterns of behaviour, ranging from social demographics to transport options and solutions. Often this increasing demand will stem from urban or residential growth increasing the utilisation of a range of community infrastructure.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10 year total outlays, which for the Building assets is estimated as \$34,728,238, or \$3,472,824 on average per year.

1.6 Financial Summary

1.6.1 What we will do

The estimated available funding for the 10 year period is \$22,766,364 or \$2,276,636 on average per year, as per the Long Term Financial plan. This is 66% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the Long Term Financial Plan can be provided. The informed decision making depends on the AM Plan emphasising the consequences of planned budgets on the service levels provided and risks.

The anticipated planned budget for Building assets leaves a shortfall of \$1,196,187 on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the planned budget currently included in the Long Term Financial Plan.

We plan to:

- Operate, maintain, renew and acquire buildings to meet the service levels set in annual budgets
- Upgrade the buildings at the Jubilee Athletics Park (LICP ROS10)
- Construct a canteen and amenities building as part of the Peter Hastie Oval development (LICP ROS11)
- Construct an amenities block as part of the soccer upgrade at Rawlings Park (LICP ROS12)
- Provide more community meeting spaces at the Hockey Centre Amenities building (LICP ROS14)

1.6.2 What we cannot do

Based on the funding levels available in the current Long Term Financial Plan, there are some activities that are unable to be undertaken within the next 10 years. These include:

- refurbishment of all buildings in condition 4 and 5, and
- maintain buildings to the extent which is proposed in this asset management plan

1.6.3 Managing the Risks

Our present budget levels are insufficient to continue to manage risks in the medium term.

The main risk consequences are:

- buildings may not reach their intended useful life due to lack of maintenance,
- buildings rated in condition 4 and 5 will not be refurbished, resulting in further deterioration and increased risk,
- buildings will decrease in condition at a faster rate due to a lack of maintenance, leading to higher maintenance and potentially refurbishment costs, and

We will endeavour to manage these risks within the available funding by:

- Continuation of current infrastructure maintenance practices
- Ongoing review of infrastructure maintenance practices
- Ongoing review of acceptable service levels
- Continuing to monitor known service deficiencies/risks

1.7 Asset Management Planning Practices

Wagga Wagga City Council systems to manage assets include:

- MyData – Asset Management System - Assetic
- ArcInfo – Geographic information system - ESRI
- FinanceOne – Accounting System - TechnologyOne
- Property & Rating – Request Management - TechnologyOne

A key assumption made in this AM Plan is:

- An estimate of renewal lifecycle costs is projected from external based condition assessment, modelling systems and supplemented with, or based on, expert knowledge.

This AM Plan is based on a reliable level of confidence information.

1.8 Monitoring and Improvement Program

The next steps resulting from this AM Plan to improve asset management practices are documented in Section 8 of this document. Council will monitor and improve its;

- Overall Asset Management Framework practices and processed; and
- Specific items relevant to each Asset Management Plan
 - Refine the projected required annual maintenance costs for buildings and include them in the Long Term Financial Plan
 - Capture operational costs for buildings and include required costs in the asset management plan and Long Term Financial Plan.

2.0 Introduction

2.1 Background

This AM Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AM Plan is to be read in conjunction with Council's planning documents.

- Community Strategic Plan 2040 – Wagga View
- Long Term Financial Plan 2022-2023
- Local Strategic Planning Statement – Planning for the future: Wagga Wagga 2040
- Wagga Wagga Integrated Transport Strategy and Implementation Plan (WWITS) 2040
- Recreation, Open Space and Community Strategy and Implementation Plan (ROSC) 2040
- Wagga Wagga Local Infrastructure Contribution (LICP) Plan 2019 – 2034

The buildings assets included in this AM Plan have a total replacement value of \$167,738,070 as at 30 June 2021.

Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.

Table 2 - Key Stakeholders

Key Stakeholder	Role in Asset Management Plan
Wagga Wagga Councillors	<ul style="list-style-type: none">- Represent the needs of the community- Allocate resources to meet planning objectives in providing services while managing risks- Ensure service sustainability
Federal Member	Represent Community interest within the federal government division of Riverina.
State Member	Represent Community interest within the state government division of Wagga Wagga.
General Manager and the Executive	Direct Council staff in the balancing of agreed service levels and the fiscal ability to provide services.
Council Staff	To maintain a proactive approach to customer requests, and to utilise a holistic asset management system and procedures which can better inform decisions by Council
Wagga Wagga Community (including residents and businesses)	Report perceived shortcomings, damage, safety concerns, etc. with the current infrastructure in relation to their needs
Emergency Services	Report perceived shortcomings, damage, safety concerns, etc. with the current infrastructure in relation to their needs
Federal and State Government Authorities and Agencies	Providing input with regard to overall infrastructure performance in conjunction with infrastructure under their jurisdiction.
Utility Companies	Providing input with regard to access to their assets
Developers	Providing input with regard to their interests in future investment in the infrastructure
Neighbouring Councils	Maintaining a dialogue with other municipal authorities with regard to asset management practices, construction standards, resource sharing, etc

2.2 Goals and Objectives of Asset Ownership

Our goal for 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 infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure 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
- Linking to a Long Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to 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 – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 ¹
- ISO 55000²

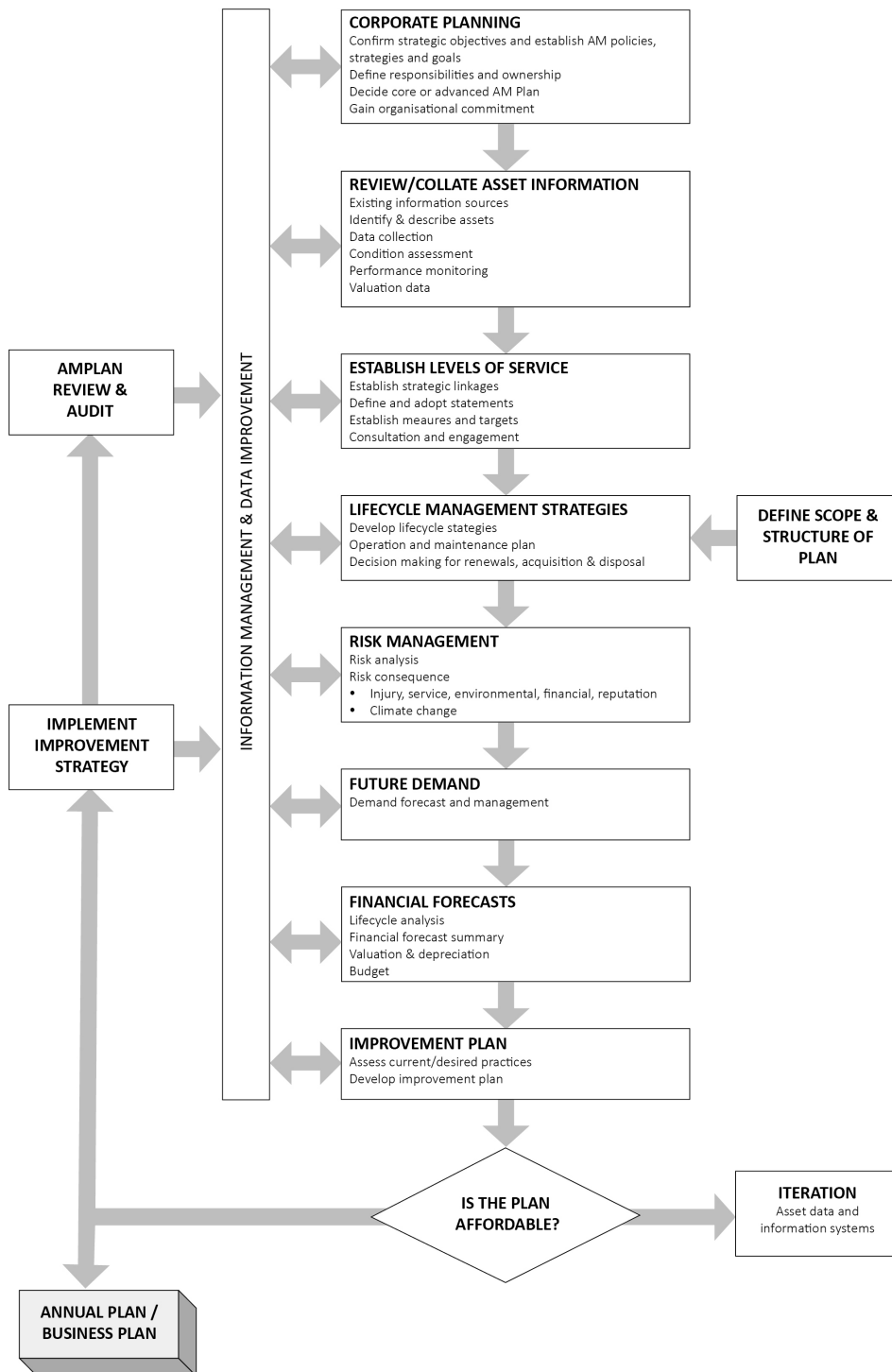
A road map for preparing an AM Plan is shown below.

¹ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

² ISO 55000 Overview, principles and terminology

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



3.0 LEVELS OF SERVICE

Service levels are defined in two terms, community levels of service and technical levels of service.

- The community service levels measure how the community perceives the assets and whether the Council is providing value to the community.
- Technical levels of service are supporting the community service levels and are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that the Council undertakes, to best achieve the desired community needs and demonstrate effective organisational performance.

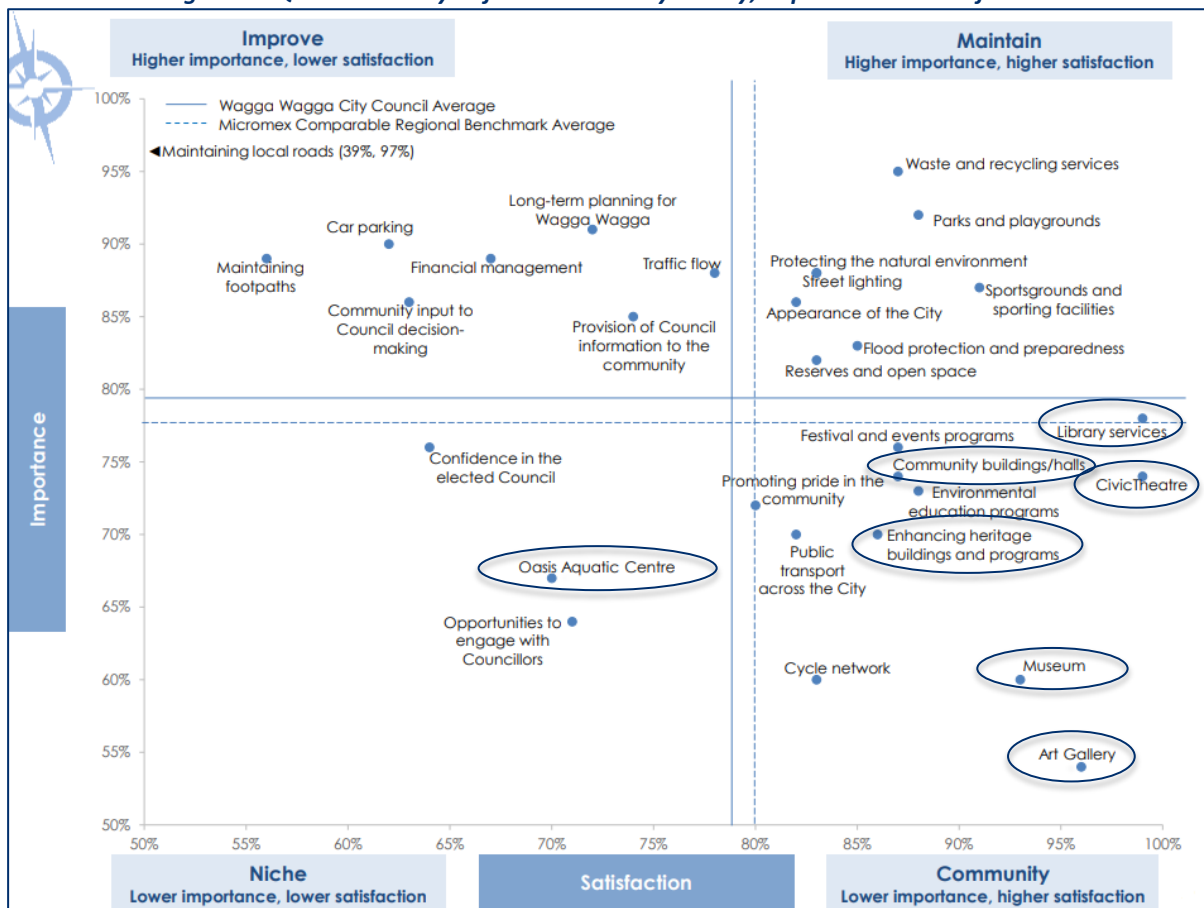
3.1 Customer Research and Expectations

Wagga Wagga City Council has conducted local government satisfaction surveys since 2006. This telephone survey samples residents on the levels of satisfaction with Council services and their importance.

The results are then interpreted in a quadrant analysis. The quadrant analysis is a useful tool for planning future directions. It combines the stated needs of the community and addresses Council’s performance in relation to these needs.

Figure 2 below is from the 2021 Community Satisfaction Survey. The Civic Theatre, Museum, Art Gallery, Community buildings and halls and enhancing heritage buildings and programs are all shown in the low importance/high satisfaction quadrant. The Oasis Aquatic Centre is in the low importance and lower satisfaction quadrant.

Figure 2 - Quadrant Analysis from Community Survey, importance vs satisfaction



Source – Wagga Wagga Community Survey Results 2021 *Slide 1 (nsw.gov.au)

The 2021 Community Satisfaction Survey highlighted the following for community buildings:

- Wagga Wagga City Council’s building were again rated high to moderate satisfaction in the survey but lower importance.
- Since 2017, the Civic Theatre, Library Services, Museum and the Art Gallery were split out separately for the first time.
- Community buildings and halls importance increase (2%) and satisfaction reduced slightly (-1%) since.
- Enhancing heritage buildings and the Oasis ranked 4th and 5th respectively for significant increased levels of importance since 2017. Satisfaction with Oasis lower than the other buildings.
- Satisfaction with the management of the Wagga Wagga City Council’s buildings was rated as medium, as was the presentation of public facilities.

Points worth noting for community buildings from previous surveys are:

2017	<ul style="list-style-type: none"> • Many of Wagga Wagga City Council’s buildings were rated high satisfaction in the survey but lower importance. • The Civic Theatre, Library service, Museum and the Art Gallery were grouped together and highest point of satisfaction for the community but rated below average importance. • Community buildings and halls were judged with moderate satisfaction and below average importance. • Enhancing heritage Buildings and the Oasis Aquatic Centre were almost identical with moderate satisfaction and lower importance.
2015	<ul style="list-style-type: none"> • Long term planning for Wagga was rated as a high priority
2012	<ul style="list-style-type: none"> • Presentation of Wagga Wagga City Council’s facilities was rated high • Satisfaction with the management of the Wagga Wagga City Council’s buildings was rated as medium, as was the presentation of public facilities
2009	<ul style="list-style-type: none"> • The Civic Theatre was rated in the top five performing areas • Public toilets were rated in the lowest five performing assets in the survey • Public toilets were on the list of the top five gaps, where importance is high and performance is low

3.2 Strategic Direction

The vision for the future from the Community Strategic Plan 2040 is *“in 2040 Wagga Wagga will be a thriving, innovative, connected and inclusive community on the Murrumbidgee. Rich in opportunity, choice, learning and environment. Wagga is a place where paths cross and people meet.”*

To ensure we achieve this community vision, we need to begin to embed elements of it in today’s planning. Four key words have been chosen by the community to be used as guiding principles in planning for our future. These four principles are – Thriving, Innovative, Connected and Inclusive.

In the Community Strategic Plan, the community agreed priorities which have been categorised into 5 strategic directions for the city. These are Community Leadership and Collaboration, Safety and Health, Growing Economy, Our Identity and Sense of Place and Our Environment.

Asset management fits into the strategic directions “Our identity and sense of place, and Our Environment” and relates to the following objectives:

- we plan for the growth of the city, and
- we create and maintain a functional, attractive and health promoting environment.

This Asset Management Plan relates to the following outcomes:

- we are a centre for arts and culture
- we look after and maintain our community assets
- we create an attractive city
- we improve the facilities of our spaces and places

The strategies to deliver the outcomes from the Community Strategic Plan addressed in this asset management plan are:

- Promote and provide access to arts and cultural facilities such as the Art Gallery, Civic Theatre, Museum and Library
- provide and maintain appropriate infrastructure and services that support current and future needs,
- maintain infrastructure assets, and
- implement asset management planning.

Council’s strategic direction for the buildings network is further defined in the Wagga Wagga Local Strategic Planning Statement (LSPS) and the Recreation, Open Space and Community Strategy 2040 (ROSC). The ROSC provides the following directions:

- Develop adaptable multi-use facilities to be used by broad sections of the community
- Continue to research customer expectations and implement technologies to ensure buildings function to meet expectations
- Renew/upgrade one amenities block at sporting grounds each year
- Locate buildings to maximise connections to adjoining land uses, local roads and are co-located with open space, consider topography, overland water flow
- Provide one community meeting space per 10,000 people, with a minimum of one meeting space per precinct

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Building assets are outlined in Table 3.

Table 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.
Local Government (General) Regulation 2021	Sets out roles, purposes, responsibilities and powers of local government, in addition to those set out in the Local Government Act 1993, including integrated planning and reporting guidelines.
Environmental Planning & Assessment Act 1979	Requirement for Local Environmental Plans and Development Control Plans. Provides for Council control of development of towns and approval of infrastructure expansion.
Heritage Act 2017	Protection of buildings deemed of heritage significant by the Heritage Council and recorded on the Heritage register.
Graffiti Control Act 2008	Local Council powers for graffiti removal with regards to owners consent and maintenance of a graffiti removal register.
Work Health and Safety Act 2011	Impacts all operations in relation to safety of workers and the public. Council’s responsibility to ensure health, safety and welfare of employees and others at places of work.

3.4 Customer Values

Service levels are defined in three ways - customer values, customer levels of service and technical levels of service.

Customer Values indicate:

- what aspects of the service is important to the customer,
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

- Condition** How good is the service ... what is the condition or quality of the service?
Function Is it suitable for its intended purpose Is it the right service?
Capacity/Use Is the service over or under used ... do we need more or less of these assets?

In Table 4, under each of the service measures types (Condition, Function, Capacity/Use), there is a summary of the performance measure being used and the current performance

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 4 - Customer Levels of Service Measures

Service Attribute	Service Objective	Performance Measure Process	Current Performance of Total Network
COMMUNITY OUTCOMES			
We look after and maintain our community assets			
Condition	Buildings in condition 4 and 5 are refurbished as planned	Condition ratings	Condition 1 – 50.54% Condition 2 – 35.72% Condition 3 – 12.60% Condition 4 – 0.71% Condition 5 – 0.43%
Capacity/ Use	Buildings across the network are used	Utilisation ratings	Constantly (more than twice per week) = 74% Frequently (used weekly) = 11% Occasionally (used monthly) = 15%
Function	Provide a network of community buildings which meet the needs of the community	Function ratings	High priority = 18% Community spaces and amenities = 38% Council operations = 24% Equipment storage = 19%

Condition is rated as described below.

Table 5 - Condition Grading System

Condition Grading	Description of Condition
1	Excellent: free of defects, only planned and/or routine maintenance required
2	Good: minor defects, increasing maintenance required plus planned maintenance
3	Average: defects requiring regular and/or significant maintenance to reinstate service
4	Poor: significant defects, higher order cost intervention likely
5	Very Poor: physically unsound and/or beyond rehabilitation, immediate action required

3.6 Technical Levels of Service

To deliver the customer values, and impact the achieved Customer Levels of Service, are technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

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

- **Acquisition** – the activities to provide a higher level of service (eg. larger amenities block) or a new service that did not exist previously (e.g. a new library)
- **Operation** – the regular activities to provide services (e.g. opening hours, cleaning, mowing grass, energy, inspections)
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. repairs)
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. building component replacement)

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.³

³ IPWEA, 2015, IIMM, p 2|28.

Table 6 shows the activities expected to be provided under the current 10 year planned budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

Table 6 - Technical Levels of Service

Service Attribute	Service Objective	Target Activity Measure Process	Current Performance	Estimated Required Budget	Budget as per Long Term Financial Plan	Funding Ratio (Budget/ Required Budget)
TECHNICAL LEVELS OF SERVICE						
Operations	Understand the current condition of the network and emerging trends	Conduct an external condition assessment at least every 5 years	Condition assessments conducted 2018 and 2022	\$40,000 for each assessment	\$40,000 for each assessment	100%
			Total Operations	\$40,000	\$40,000	100%
Maintenance	Projected maintenance costs based on current replacement costs (CRC) are: Buildings in condition 1 - 1% of CRC Buildings in condition 2 - 1.5% of CRC Buildings in condition 3 - 2.5% of CRC Buildings in condition 4 - 3% of CRC Buildings in condition 5 - 3% of CRC	Daily unplanned maintenance is reported by external security and cleaning contractors		\$2,332,256 per year	\$1,342,474 per year on average	58%
			Total Maintenance	\$23,322,560	\$13,424,741	58%
Renewal	Buildings in condition 4 and 5 are refurbished as planned	Develop a refurbishment plan based on the current replacement cost for buildings components in condition 4 and 5		\$2,064,055	\$0	0%
	Civic Centre Entrance Canopy	To protect from weather and better identify the building entrance	Proposed 2022/23	\$115,243	\$115,243	100%
	LMC - CCTV and security (partial)		Proposed 2023/24	\$41,734	\$41,734	100%
	LMC - Refurbish agents offices and canteen		Proposed 2027/28	\$500,000	\$500,000	100%
	Oasis - Change Rooms Upgrade		Proposed 2025/26	\$353,500	\$353,500	100%

Service Attribute	Service Objective	Target Activity Measure Process	Current Performance	Estimated Required Budget	Budget as per Long Term Financial Plan	Funding Ratio (Budget/ Required Budget)
Renewal	Oasis - Energy Savings Project	Mechanical Air Ventilation System Upgrade	Proposed 2024/25	\$231,770	\$231,770	100%
	Oasis - Pool Deck Grating Replacement		Proposed 2022/23 and 2025/26	\$51,005	\$51,005	100%
	Oasis - Pool Hall Glass Doors Upgrade and Replacement		Proposed 2022/23	\$136,350	\$136,350	100%
	Oasis - Pool Hall Skylights Repair and Replacement		Proposed 2022/23	\$237,350	\$237,350	100%
	Victory Memorial Garden Toilet Block		Proposed 2022/23	\$13,800	\$13,800	100%
	Civic Theatre - Resheeting Four Wall Surface Areas on Upper/Turret Roof Plant Roof Area		Proposed 2022/23	\$103,500	\$103,500	100%
	Oasis - Pool Hall lighting Repair and Replacement		Proposed 2028/29	\$100,000	\$100,000	100%
	Oasis - Public Address System Repair and Replacement		Proposed 2029/30	\$85,000	\$85,000	100%
	Oasis - Pool Hall circulation fans		Proposed 2029/30	\$45,000	\$45,000	100%
	Oasis - Floor carpet, entrance, pool hall, offices, stairs & meeting room		Proposed 2030/31	\$64,000	\$64,000	100%
	Oasis - 50m pool & grandstand concourse resurfacing		Proposed 2027/28	\$175,000	\$175,000	100%
	Oasis - 25m, Program & Leisure Pool Expansion Joints Replacement		Proposed 2029/30	\$125,000	\$125,000	100%
	Oasis - Mixed Air Conditioning		Proposed 2031/32	\$125,000	\$125,000	100%

Service Attribute	Service Objective	Target Activity Measure Process	Current Performance	Estimated Required Budget	Budget as per Long Term Financial Plan	Funding Ratio (Budget/ Required Budget)
	MPS Sports Court Recoat		Proposed 2022/23 and 2027/28	\$75,000	\$75,000	100%
	Oberne Creek Hall Project		Proposed 2022/23 and 2023/24	\$38,400	\$38,400	100%
			Total Renewal	\$4,680,707	\$2,616,652	53%
Upgrade	Upgrade toilet blocks across the local government area	8 toilet buildings have been identified for upgrade	Proposed annually between 2023-2032	\$3,016,201	\$3,016,201	100%
	Lawn Cemetery and Crematorium Office Refurbishment		Proposed 2025/26	\$500,000	\$500,000	100%
	Oasis - CCTV Camera System Upgrade		Proposed 2022/23	\$75,750	\$75,750	100%
	Tarcutta Memorial Hall Upgrade		Proposed 2022/23 and 2023/24	\$108,684	\$108,684	100%
			Total Upgrade	\$3,700,635	\$3,700,635	100%
New	Construct a canteen and amenities building as part of the Peter Hastie Oval development (LICP ROS11)		Proposed 2022/23	Budget in LICP for total project	Total project included	100%
	Construct amenities block as part of the soccer upgrade at Rawlings Park (LICP ROS12)		Proposed 2022/23	Budget in LICP for total project	Total project included	100%
	Provide more community meeting spaces at the Hockey Centre Amenities building (LICP ROS14)		Proposed 2025/26	\$384,750	\$384,750	100%
	Oasis - Disable / Mixed access equipment / Steps - Wheel Chairs - Hoists and Extra		Proposed 2026/27	\$95,000	\$95,000	100%
	LMC - Implement Wi-Fi Network		Proposed 2022/23	\$133,764	\$133,764	100%
	Library Fit-out works		Proposed 2022/23	\$37,000	\$37,000	100%

Service Attribute	Service Objective	Target Activity Measure Process	Current Performance	Estimated Required Budget	Budget as per Long Term Financial Plan	Funding Ratio (Budget/ Required Budget)
	GWMC – Plant Shed		Proposed 2022/23	\$2,333,822	\$2,333,822	100%
			Total New	\$2,984,336	\$2,984,336	100%

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Factors affecting demand include population change, changes in demographics, seasonal factors and environmental awareness for example.

Demand for infrastructure is generated predominantly through either an increased utilisation of existing infrastructure brought about by the factors above or the requirement for new infrastructure to meet the needs of growth in new development.

The demand created by these two circumstances requires analysis to consider the ramifications to existing infrastructure networks and the ability of these networks to cope with the increased infrastructure. This analysis applies in all cases ranging from new subdivisions creating an increased load on existing networks, to changes in existing areas leading to increasing or decreasing utilisation and demand on infrastructure assets.

4.2 Demand Impact and Demand Management Plan

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

Planning for infrastructure due to demand is a constant process of review and assessment of existing infrastructure and its ability to cope with increasing demand, versus the need to augment with new infrastructure.

Demand on infrastructure is created through increased utilisation generated from a growing population and changing patterns of behaviour, ranging from social demographics to transport options and solutions. Often this increasing demand will stem from urban or residential growth increasing the utilisation of a range of community infrastructure.

A demand management plan will be developed in future revisions of this asset management plan.

4.3 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed.

Acquiring new assets will commit Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long term financial plan.

4.4 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process, climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.⁴

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

⁴ IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

Risk and opportunities identified to date are shown in Table 7.

Table 7 - Managing the Impact of Climate Change on Assets and Services

Climate Impacts	Risk Statement (Cause and Effect)	Adaptation Actions
Increase in hot days	Increase in hot days leads to animal welfare issues at the LMC causing animal deaths resulting in economic impacts and reputational damage.	Investigate options for increasing shade and water infrastructure.
	Increase in hot days leads to operational issues causing service delays resulting in economic impacts and reputational damage.	Utilise materials and designs that are highly resistant to high temperature.
Increase in average temperature	Increase in hot days and increase in average temperature leads to increased use of air-conditioning resulting in increased electricity costs at Council facilities.	Investigate feasibility of passive cooling projects such as green roofs and heat reflective surfaces. Identify and implement energy efficiency initiatives at Council buildings.
Increased intensity of storm events	Increase in intensity of storm events and increase in flooding leads to decreased access, service delays and damage to buildings resulting in increased maintenance and renewal costs.	Implement actions from the Floodplain Risk Management Plan and the Buildings Asset Management Plan.
Increased flooding		Modify design and construction of future assets for increased Probably Maximum Flood levels.
Increased bushfire risk	Increase in bushfire risk and increase in flooding leads to increased cost of insurance premiums.	Undertake site specific risk assessments to identify vulnerable assets and evaluate options to move or protect asset. Modify design and construction of future assets for increased Bushfire Attack levels.

Source: [Building Resilience to Climate Change. Climate Change Risk Assessment and Adaptation options for Council Assets – Report for City of Wagga Wagga 2018](#)

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change;
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

Table 8 summarises some asset climate change resilience opportunities.

Table 8 - Building Asset Resilience to Climate Change

New Asset Description	Climate change impact these assets	Build Resilience in New Works
Installation of rooftop solar on new buildings	Increase the use of solar panels to reduce energy costs throughout the buildings network	Identify priority buildings
Use of new technology and rooftop solar at the Oasis	Reduce the energy costs of operation and greenhouse gas emissions	Increase efficiency of the control equipment at the Oasis
Consider new sustainable technologies for new and upgraded buildings	Reduce energy costs and greenhouse gas emissions	Increase the efficiencies of buildings
Installation of rooftop solar on Council's Civic Centre and Livestock Marketing Centre	Reduce energy costs and greenhouse gas emissions	

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service while managing life cycle costs.

5.1 Background Data

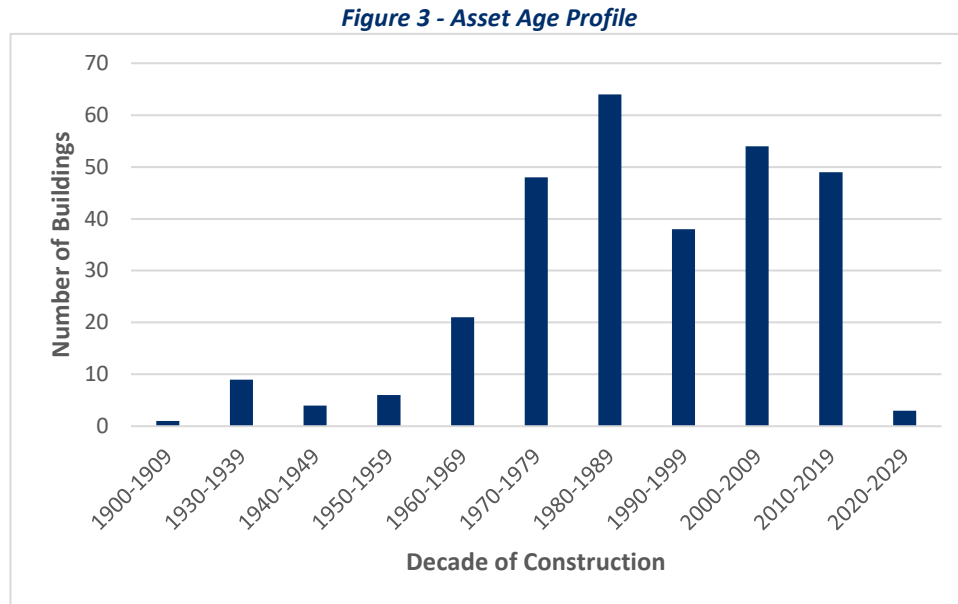
5.1.1 Physical parameters

The assets covered by this AM Plan are shown in Table 9.

Table 9 - Assets covered by this Plan

Asset Category	Number	Replacement Value
Amenities Blocks	53	\$10,537,146
Civic Buildings (Community Halls, Community facilities)	31	\$71,326,652
Education	7	\$4,828,260
Emergency Services	16	\$1,405,451
Industrial	12	\$7,914,477
Office/Administration	11	\$4,880,134
Partially or Fully enclosed Sheds	105	\$5,782,178
Recreation facilities	53	\$54,503,791
Special/Unique	2	\$4,302,861
Residential	7	\$2,257,120
TOTAL	297	\$167,738,070

Figure 3 below provides the Asset Age profile of Council's building assets.



Council applies a useful life to its buildings of between 1 and 195 years. The vast majority of buildings, by age profile, are still within their useful life. This will need to be watched closely from 2060 as about 10% of these assets will reach 100 years of age.

5.1.2 Asset capacity and performance

Assets are generally provided to meet contemporary design standards where these are applicable. However, these deficiencies are generally realised and addressed to either meet a changed regulatory requirement or during the asset renewal or replacement processes. Locations where improvements in service performance are known are detailed in Table 10.

Table 10 - Known Service Performance Deficiencies

Location	Service Deficiency
Preschool	Buildings in very poor condition and present a risk to the community.
Toilet blocks across the city	Buildings not meeting current community expectation.
Civic Theatre	The Civic Theatre was identified as deficient to support the growth of the city in the Wagga Wagga Cultural Plan.
ARCC	Access to this building is affected by flooding frequently.
Across the city	There are many buildings used by small community groups. The consolidation of these buildings needs to be considered.
Amenities at sporting grounds across the city	Female change rooms are not available at a number of sportsgrounds.

The above service deficiencies were identified by Council staff.

5.1.3 Asset condition

Condition inspections are undertaken by external consultants at least every 5 years as part of the asset revaluation process. There may be a need to increase the frequency of these inspections given the relative short useful life of building assets.

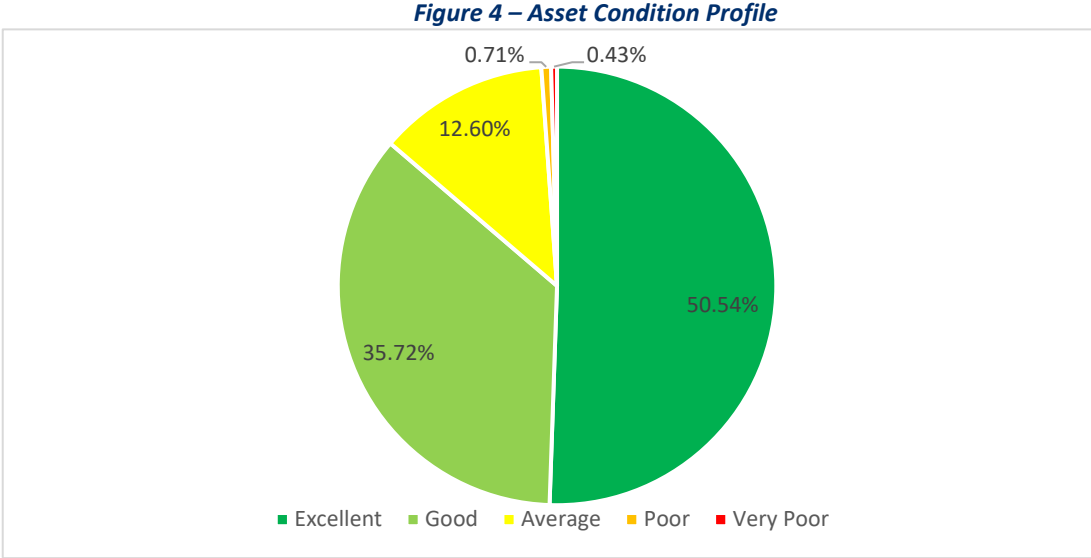
Condition is measured using a 1 – 5 grading system⁵ as detailed in Table 11. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

Table 11 - Condition Grading System

Condition Grading	Description of Condition
1	Excellent: free of defects, only planned and/or routine maintenance required
2	Good: minor defects, increasing maintenance required plus planned maintenance
3	Average: defects requiring regular and/or significant maintenance to reinstate service
4	Poor: significant defects, higher order cost intervention likely
5	Very Poor: physically unsound and/or beyond rehabilitation, immediate action required

⁵ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

The condition profile of our buildings assets is shown in Figure 4.



5.1.4 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 class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy below summarises the parameters used by Council to make decisions regarding the management of the buildings network.

Table 12 - Asset Service Hierarchy

Service Hierarchy	Service Level Objective
Usage	Buildings in the network are used by community members at least monthly.
Function	Buildings are fit for purpose (ie equipment storage, Council operations, community meeting spaces and other community buildings and high priority Council buildings).
Security and Vandalism Potential	Buildings are prioritised based on the potential for vandalism.
Impact of failure	Risk to public health and property damage as a result of failure is rated for each building.
Loss of Service	When a building fails, can the service be delivered somewhere else?
Community Expectations	Minor to major staff reaction to negative publicity.
Cost of Failure	Costings from \$10,000 to over \$750,000

5.2 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. Reactive maintenance is unplanned and in response to customer requests. Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement.

Maintenance is required to ensure buildings reach their intended useful life. The requirement to maintain assets increases as the asset decreases in condition.

The projected maintenance cost for buildings in:

- condition 1 is 1% of the current replacement cost,
- condition 2 is 1.5% of current replacement cost,
- condition 3 is 2.5% of current replacement cost, and
- condition 4 and 5 is 3% of current replacement costs.

It is important to note there are additional operational costs which are associated with the day to day running of the building. These are not included in the above percentages.

Current maintenance expenditure and budget levels are not considered to be adequate to meet projected maintenance costs outlined above. The maintenance budget would need to increase by an estimated 40% to meet the service level.

In addition, there is a need to conduct regular condition assessments of the buildings network. This plan requires condition assessments to be undertaken by a suitably qualified external resource at least every 5 years.

5.2.1 Required maintenance

The trend in actual maintenance expenditure and forecast budgets are shown in Table 13.

Table 13 - Maintenance Expenditure and Budget Trends

Year	\$
2019/20 Actual Maintenance	\$1,491,061
2020/21 Actual Maintenance	\$1,471,376
2021/22 Budgeted Maintenance	\$1,314,918
2022/23 Budgeted Maintenance	\$1,235,118

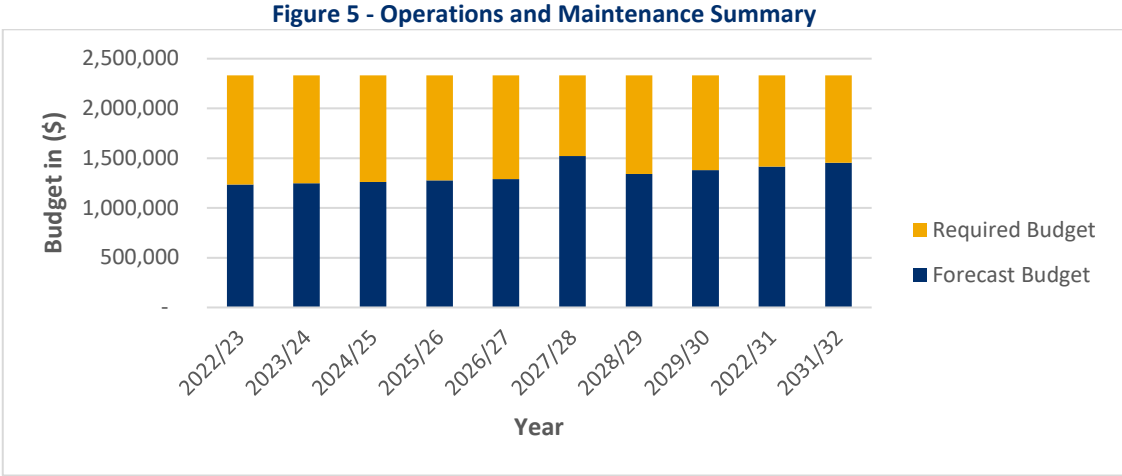
Reactive maintenance is managed by intervention levels as shown in Table 14.

Table 14 – Intervention Levels

Priority Identifier	Failure details	Respond	Restore Service
High Impact/High Location	Structural damage and high priority location	1 hour	Based on impact assessment carried out at time of response
High Impact/Medium Location	Structural damage and medium priority location	4 hours	
High Impact/Low Location	Structural damage and low priority location	8 hours	
Medium Impact/High Location	Service failure and high priority location	4 hours	
Medium Impact/Medium Location	Service failure and medium priority location	8 hours	
Medium Impact/Low Location	Service failure and low priority location	24 hours	
Low Impact/High Location	Minor damage and high priority location	72 hours	
Low Impact/Medium Location	Minor damage and medium priority location	1 week	
Low Impact/Low Location	Minor damage and low priority location	1 week	

Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of, the forecast operation and maintenance costs are expected to decrease. Figure 5 shows the forecast operations and maintenance costs relative to the operations and maintenance planned budget.



5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, 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 considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses asset register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals).

The typical useful life of buildings assets range between 1 and 195 years. Asset useful lives were last reviewed during the revaluation of Building assets in 2018.

The estimates for renewals in this AM Plan were based on the cost to bring condition 4 and 5 assets to satisfactory.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. renewal of an amenities building), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a preschool).⁶

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and

⁶ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁷

The ranking criteria used to determine the priority of identified renewal proposals is detailed in Table 15.

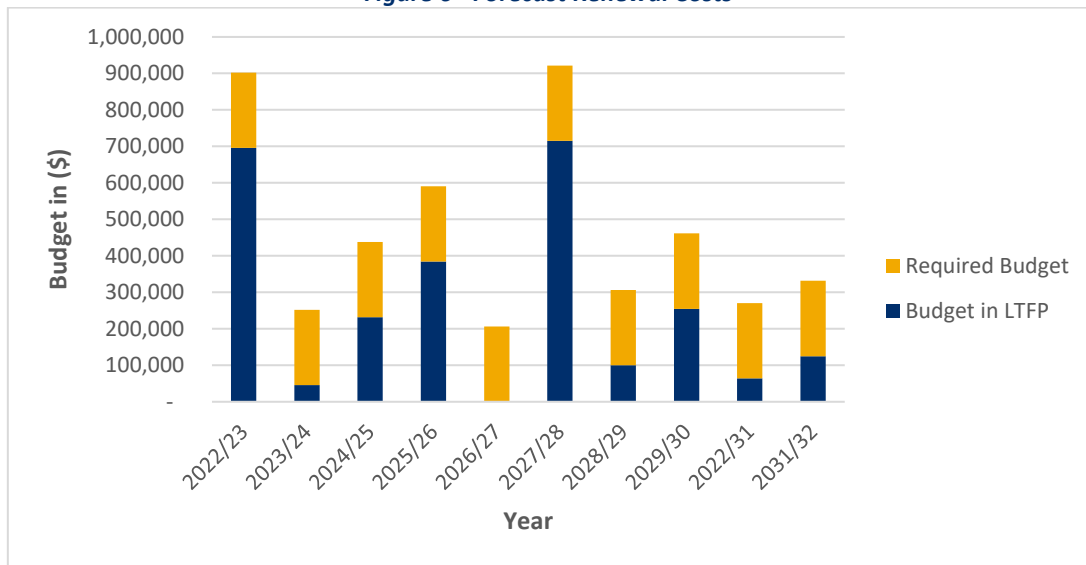
Table 15 - Renewal Priority Ranking Criteria

Criteria	Weighting
Impact of failure on life, community and property	25%
Usage	25%
Loss of service	10%
Community expectation and reputational risk from failure of the building providing the service	10%
Cost of failure	10%
Site function	10%
Security and vandalism potential	10%
Total	100%

5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 6.

Figure 6 - Forecast Renewal Costs



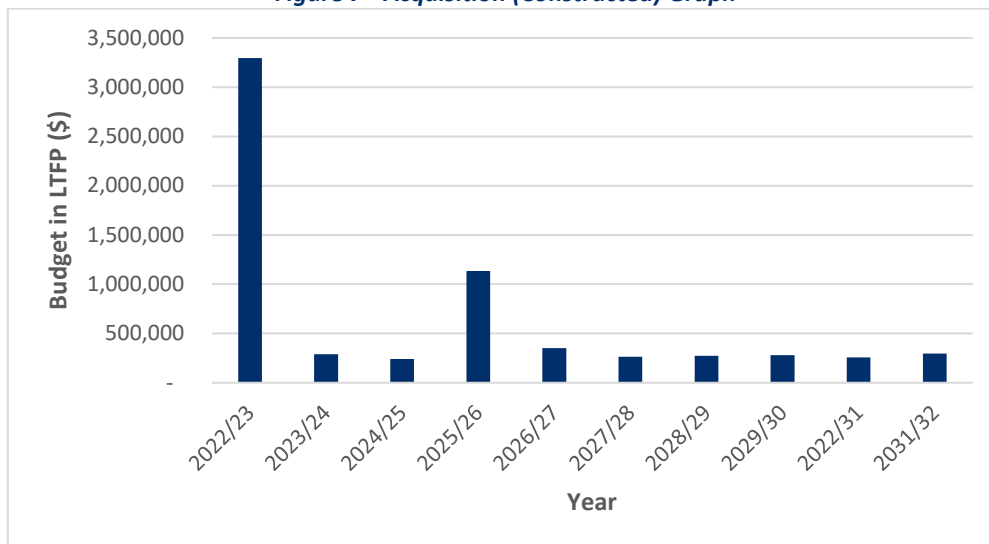
Council's Long Term Financial Plan 2022-2023 identifies a number of asset renewal projects across the next 10 year planning period. Even though a number of renewal projects have been budgeted for, there continues to be a shortfall in the required renewal that needs to occur on Councils building assets.

⁷ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

5.5 Acquisition Plan

Acquisition reflects new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to Council. Figure 7 identifies the Acquisition Plan as documented in Councils Long Term Financial Plan.

Figure 7 - Acquisition (Constructed) Graph



5.5.1 Selection criteria

The Council's Recreation, Open Space and Community Strategy 2040 and Cultural Plan 2020 - 2030 identify the buildings required to support the community now and into the future. The process of developing these strategic documents includes assessing the assets required.

When Council commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by Council.

Expenditure on new assets and services in the capital works program will be accommodated in the long term financial plan, but only to the extent that there is available funding.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 17. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 16. Any costs or revenue gained from asset disposals is included in the long term financial plan.

Table 16 - Assets Identified for Disposal

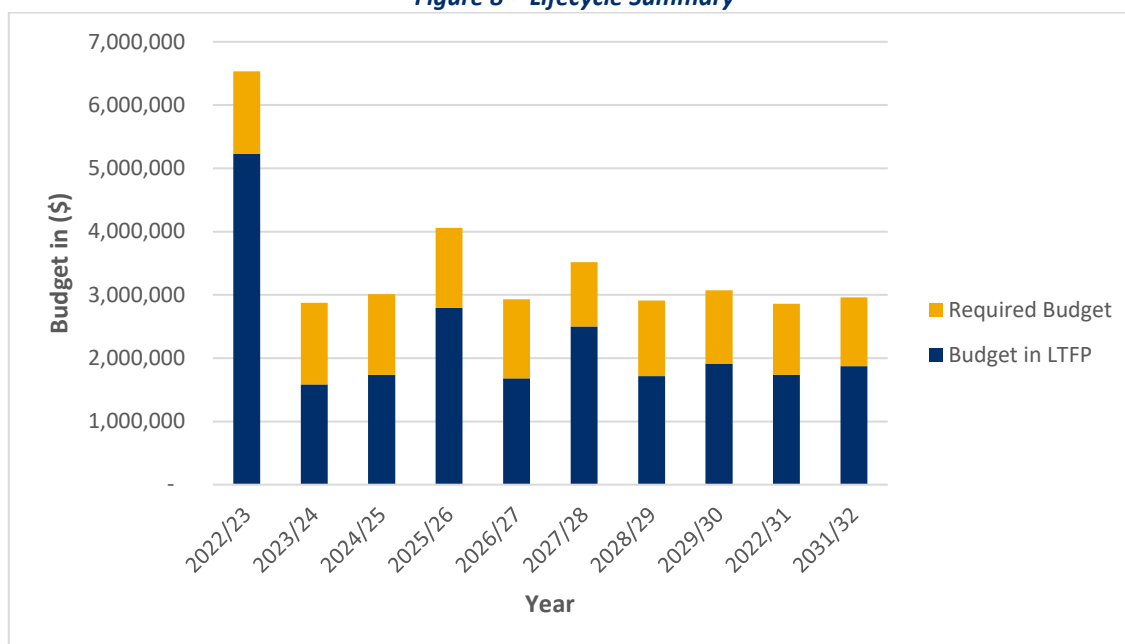
Asset	Reason for Disposal	Timing	Disposal Costs
Wiradjuri Golf building	End of life	2021/22	\$50,671
Women’s Bowling Clubhouse Shaw St	End of life and being replaced by new Duke of Kent Community Centre	2021/22	Included in the new Duke of Kent Community Centre
SOACT storage shed Glenfield Rd Depot	End of life	2021/22	\$5,000
Highland Pipe Band building at beach	End of life	2021/22	Included in Riverside project
Caravan Park Amenities (in park)	End of life and being replaced by new amenities block	2021/22	Included in Riverside project
Caravan Park Amenities (at entrance)	End of life	2021/22	Included in Riverside project
Caravan Park Kiosk	End of life	2021/22	Included in Riverside project
Caravan Park Bungalow	End of life	2021/22	Included in Riverside project
Bolton Park Amenities	End of life and being replaced by new Amenities block	2021/22	Included in new Bolton Park Amenities project
Belling Park old Substation Shaw St	End of life	2022/23	\$20,000
Euberta Old School House	End of life	2023/24	\$30,000

5.7 Summary of asset forecast costs

The financial projections from this asset management plan are shown in Figure 8. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 8 - Lifecycle Summary



6.0 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 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’⁸.

An assessment of risks 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 defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 18. Failure modes may include physical failure, collapse or essential service interruption.

Table 17 - Critical Assets

Critical Assets	Critical Failure Mode	Treatment Plan
Civic Centre	Loss of critical data	Ensure heat exchange HWS is functioning correctly and air-conditioner unit in the PABX room is maintained.
	Loss of mechanical services lifts and air-conditioning.	Air-conditioning system needs to be reviewed as this system is at the point of failure. No dates are set at this stage. Lift is being audited and critical maintenance is to be carried out. This maintenance will be scheduled to ensure that components do not get to critical failure points. Increase to intervention levels to ensure working order at all times.
	Fire	Ensure that emergency evacuation plans are up to date. Alternate solution to loss of building yet to be determined.
	Automatic door failure	Inspect motors in all automatic doors and continue with regular maintenance to ensure function especially in the event of an emergency.
	Power failure	Backup generator to be always maintained and in working order.
	Failure of cooling in IT server room.	Regular maintenance and testing of back up unit in this room. The support system in the surrounding room needs to be continually maintained to support the smaller units.
Alan Turner Depot Buildings	Failure of communication system	Identify alternative communication methods in the risk management plan
	Failure of mechanical workshop	Use an external provider
	Fire	Ensure that emergency evacuation plans are up to date and that all fire protection measures are regularly maintained and that all paths of exits are always clear. Alternate solution to loss of building yet to be determined.

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

⁸ ISO 31000:2009, p 2

6.2 Risk Assessment

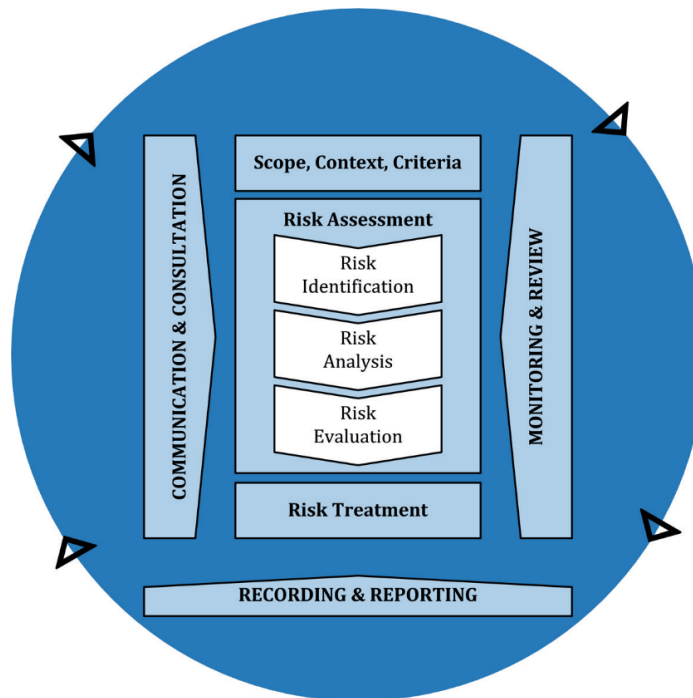
The risk management process used is shown in Figure 9 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

Figure 9 - Risk Management Process – Abridged

Source: ISO 31000:2018, Figure 1, p9



The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks 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.

Table 18 – Risk types

Risk Types	Description
Financial Risks	Risks the organisation is exposed to that may prevent the achievement of its long term financial sustainability (as outlined in Council’s Long Term Financial Plan).
Governance & Compliance Risks	Risks the organisation is exposed to that may not be considered in the best interest of stakeholders, or that the organisation does not behave as a good corporate citizen should, or may leave Council legally exposed.
Reputational Risks	Risks the organisation is exposed to that may lead to widespread and/or sustained damage to Council’s reputation.
Environmental Risks	Risks the organisation is exposed to that may prevent it maintaining its commitment to the principles of ecologically sustainable development.
Service Delivery Risks	Risks the organisation is exposed to that may prevent achievement of its core service delivery objectives, including people, knowledge, technology and/or tools and equipment.
Health and Safety	Risks the organisation is exposed to that may compromise the health and safety staff, contractors, volunteers and/or members of the public.

6.3 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

6.3.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- refurbishment of all buildings in condition 4 and 5, and
- not being able to maintain buildings to the extent which is proposed in this asset management plan.

6.3.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- buildings in condition 4 and 5 will not be refurbished and will either remain in service or in severe cases need to be removed from service, and
- lack of maintenance activity can accelerate the deterioration of the asset.

6.3.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- buildings may not reach their intended useful life due to lack of maintenance,
- buildings rated in condition 4 and 5 will not be refurbished, resulting in further deterioration and increased risk, and
- buildings will decrease in condition at a faster rate due to a lack of maintenance, leading to higher maintenance and potentially refurbishment costs.

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio⁹ 56%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 56% of the funds required for the optimal renewal of assets.

Medium term – 10 year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs 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.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance, renewal and acquisition costs over the 10 year planning period is \$3,472,824 on average per year.

The proposed (budget) operations, maintenance, renewal and acquisition funding is \$2,276,364 on average per year giving a 10 year funding shortfall of \$1,196,187 per year. This indicates that 66% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 100% for the first years of the AM Plan and ideally over the 10 year life of the Long Term Financial Plan.

7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 19 shows the forecast costs (outlays) required for consideration in the 10 year long term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AM Plan.

We will manage the 'gap' by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

⁹ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

Table 19 - Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal
2022/23	\$3,296,433	\$0	\$2,332,256	\$902,209
2023/24	\$289,198	\$0	\$2,332,256	\$251,980
2024/25	\$241,901	\$0	\$2,332,256	\$438,176
2025/26	\$1,133,908	\$0	\$2,332,256	\$590,911
2026/27	\$351,633	\$40,000	\$2,332,256	\$206,406
2027/28	\$264,332	\$0	\$2,332,256	\$921,406
2028/29	\$272,031	\$0	\$2,332,256	\$306,406
2029/30	\$280,192	\$0	\$2,332,256	\$461,406
2030/31	\$258,790	\$0	\$2,332,256	\$270,406
2031/32	\$296,553	\$0	\$2,332,256	\$331,406
Totals	\$6,684,971	\$40,000	\$23,322,560	\$4,680,707

7.2 Funding Strategy

The proposed funding for assets is outlined in Councils 2022-2023 Long Term financial plan.

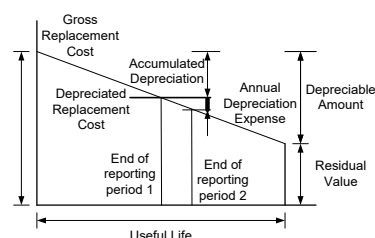
The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below. The assets are valued at fair value.

Replacement Cost (Current/Gross)	\$167,738,070
Depreciable Amount	\$167,738,070
Depreciated Replacement Cost ¹⁰	\$125,577,669
Depreciation	\$2,665,611



7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to Council's asset base.

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.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan are:

- The services provided by assets are consumed at a constant rate over the pre-defined standard useful lives recorded in council's asset management system for each of the asset sub-categories.

¹⁰ Also reported as Written Down Value, Carrying or Net Book Value.

- Present service levels will remain constant for the life of the plan.
- Present levels of expenditure (and the relative distribution of planned and reactive maintenance, and capital renewals & new/upgrades) will remain constant for the life of the plan.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale¹¹ in accordance with Table 20.

Table 20 - Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	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. Medium	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. Low	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. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is considered to be medium confidence level.

¹¹ IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data taken from the Assetic asset management system - myData and Technology One – FinanceOne.

8.1.2 Asset management data sources

The source of the asset data is the Assetic asset management system, myData. Outputs used from myData include opening and closing balances, depreciation and capitalisation/disposal and are used to inform Council's financial statements.

8.2 Improvement Plan

This section shows the overall strategic improvement plan for the Asset Management Framework and specific improvements associated with this Plan.

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown below.

Table 21 - Strategic Improvement Plan

Themes	Purpose	Current Status March 2022
Establish Program Governance and Management	Establish a program governance/ management structure and project implementation team so that roles and responsibilities for the improvement program are clearly understood by stakeholders.	Council has created two newly separate Directorates to support the implementation of this Improvement Program.
Carryover Tasks – from Dec 2019 review	Continuation of incomplete tasks from the 2019 review scope of works, to set the foundation for remaining improvements.	The Projects & Strategy Directorate is accountable for the Strategic Management Systems of Assets.
Asset Management System	Review / update / development of an asset management Strategy, Plans, Processes, Procedures and associated decision logic to support the asset management objectives and strategic intent in the WWCC Asset Management Policy.	Clear documentation of accountabilities strategic, long term and daily asset activities.
Asset Management Technology	Implementation of short-term and long-term information system solutions to support improved asset management.	Review and improve the integration between FinanceOne, Assetic MyData, ESRI ArcInfo and supporting reports from disparate sources across Council including Request Management System, daily cleaner and security reports and so on.
Asset Management Capability	Upskilling the organisations so that WWCC staff have the capability to plan implement and monitor whole of life asset management.	Regional and Rural Councils are challenged to recruit ongoing adequately skilled Engineers and Project Managers to implement this Improvement Program. Innovative means to attract suitably skilled resources and/or other models to deliver this ongoing program must be considered.

Table 22 - Asset Specific Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Refine the projected required annual maintenance costs for buildings and include them in the Long Term Financial Plan	Manager Operations	Staff Time	Short term
2	Capture operational costs for buildings and include required costs in the asset management plan and Long Term Financial Plan	Manager Operations	Staff Time	Short term

8.3 Monitoring and Review Procedures

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and update within 9 months of each Council election.

8.4 Performance Measures

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the Long Term Financial Plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the strategic planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (90 – 100%)
- Customer Requests and customer surveys

9.0 REFERENCES

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10.0 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 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 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 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:

- (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