

Asset Management Plan

Recreation Assets

2022 – 2026



Document Control	Asset Management Plan
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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 Recreation Assets.

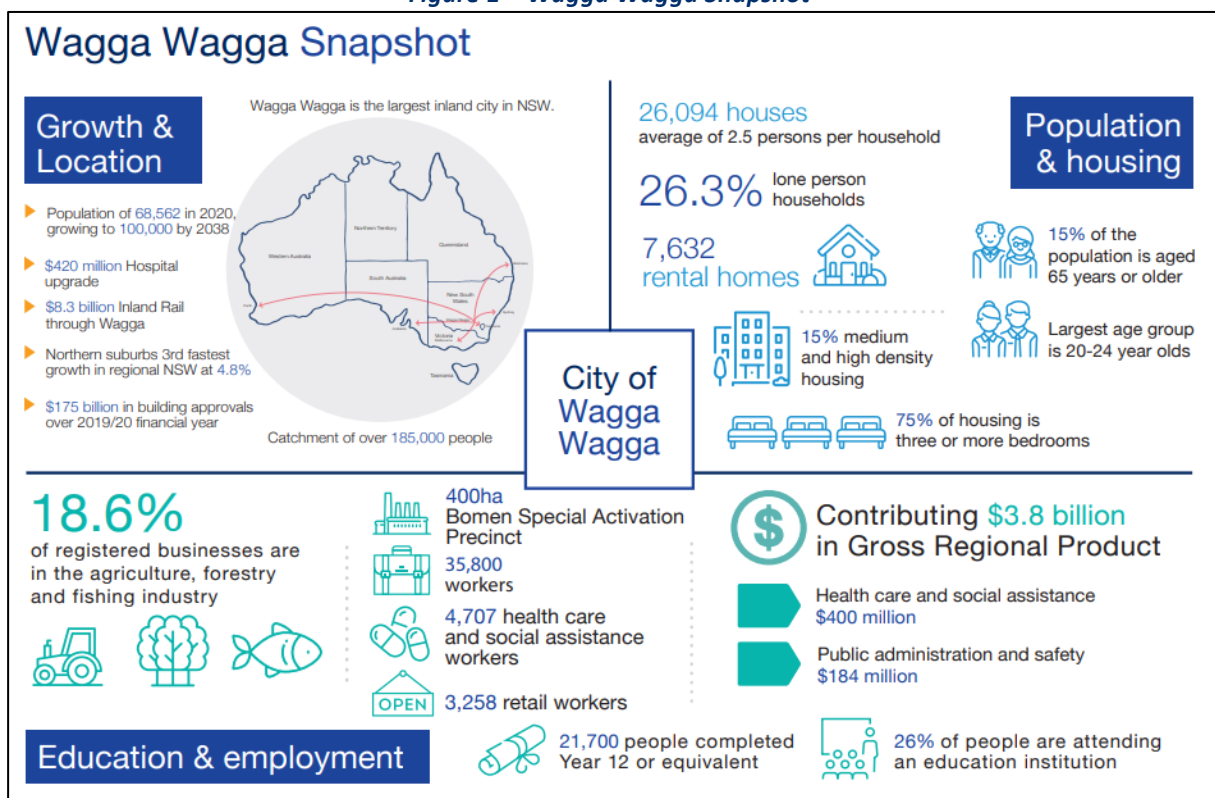
This AM Plan is to be read with the Council's [Community Strategic Plan 2040 – Wagga View](#) and asset planning documents including the Asset Management Policy and Asset Management Strategy. Other key planning documents are listed below:

- 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 2040 (ROSC)

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.

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

This plan covers the infrastructure assets that provide recreation services to the Community.

The recreational assets network comprises:

Table 1 – Recreational Assets

Asset Category	Quantity	Replacement Value
Fences	142 kms	\$17,038,873
Irrigation Systems	105 systems	\$5,817,676
Lighting	70 systems	\$14,925,485
Park Accessories	1,842 assets	\$5,851,417
Playgrounds	96 locations	\$5,878,246
Public Art	121 pieces	\$4,501,158
Shelters	243 shelters	\$10,543,090
Sporting Equipment	328 assets	\$13,381,560
TOTAL		\$77,937,505

1.3 Levels of Service

The allocation in the planned budget is insufficient for maintenance, operations, renewal and new assets to continue providing existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- some fences, public art and shelters in condition 4 and 5 will not be renewed in the next 10 years,
- some irrigation systems, park accessories, sporting equipment and lighting systems identified as requiring remediation (based on condition, utilisation and function ratings data) will not be renewed or upgraded in the next 10 years
- increases in the level of maintenance required to keep the assets in service if renewal is not undertaken when required,
- sports fields may become unusable as required lighting standards are not met when lighting systems are not upgraded, and

- irrigation systems may be used less often if they can't be maintained, resulting in venues being closed if irrigation is not able to function properly.

1.4 Future Demand

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

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

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 recreational assets is estimated as \$88,319,864 or \$8,831,986 on average per year.

1.6 Financial Summary

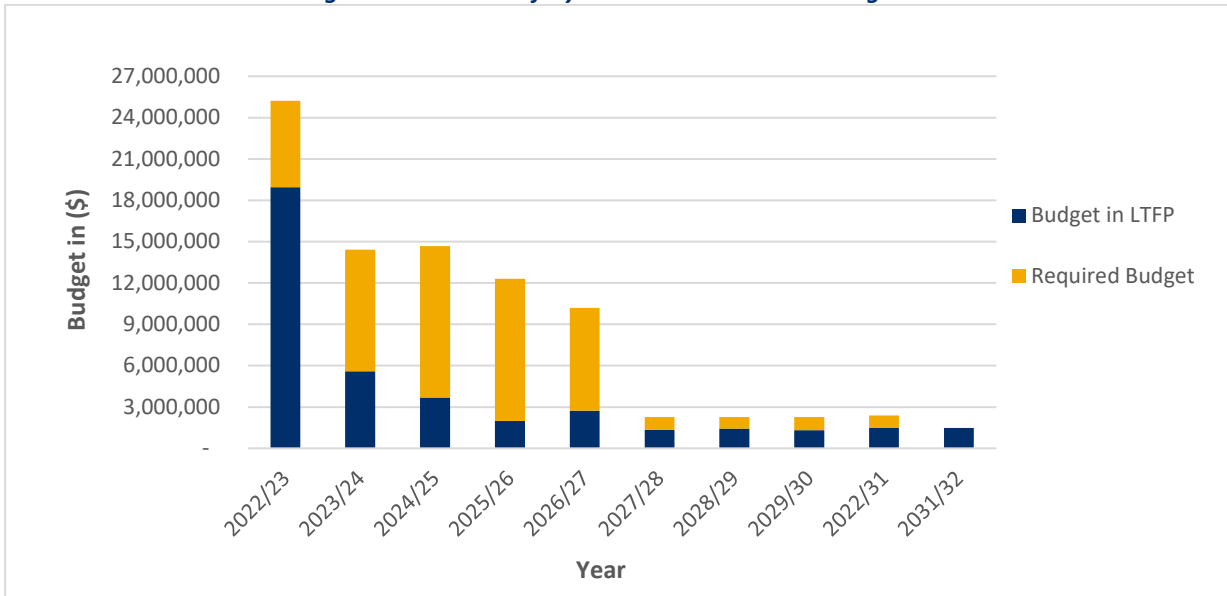
1.6.1 What we will do

Estimated available funding for the 10 year period is \$40,041,010 or \$4,004,101 on average per year as per the Long Term Financial plan. This is 45% 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 figure below shows the Required Budget on average per year compared to the Planned Budget as provided for in the Long Term Financial Plan.

Figure 2 - Forecast Lifecycle Costs and Planned Budgets



We plan to provide recreational asset services for the following:

- Operation, maintenance, and acquisition of fences, irrigation systems, lighting, park accessories, public art, shelters sporting equipment to meet service levels set by Council in annual budgets.
- The renewal budget for recreational assets is 43% of the required budget, Council will be able to renew some assets in condition 4 and 5.

1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Renewal of all recreational assets in condition 4 and 5 cannot be undertaken under present funding levels.

1.6.3 Managing the Risks

The main risk consequences are:

- sporting grounds not meeting community demands,
- lack of green sporting fields and open spaces,
- increased risk of injury to people using assets in very poor condition, and
- recreation, sporting and leisure venues not being available to the public.

We will endeavour to manage these risks within available funding by continuing to monitor known service deficiencies/risks.

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.

1.7 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

Key assumptions made in this AM Plan are:

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be 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 processes; and
- Specific items relevant to each Asset Management Plan
 - Audit accessibility of recreational assets
 - Capture maintenance costs at the asset level

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 with the Council's planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key 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 2040 (ROSC)

The recreational assets included in this plan have a total replacement value of **\$77,937,505** 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, businesses user groups and sporting clubs)	Report perceived shortcomings, damage, safety concerns, opportunities 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:

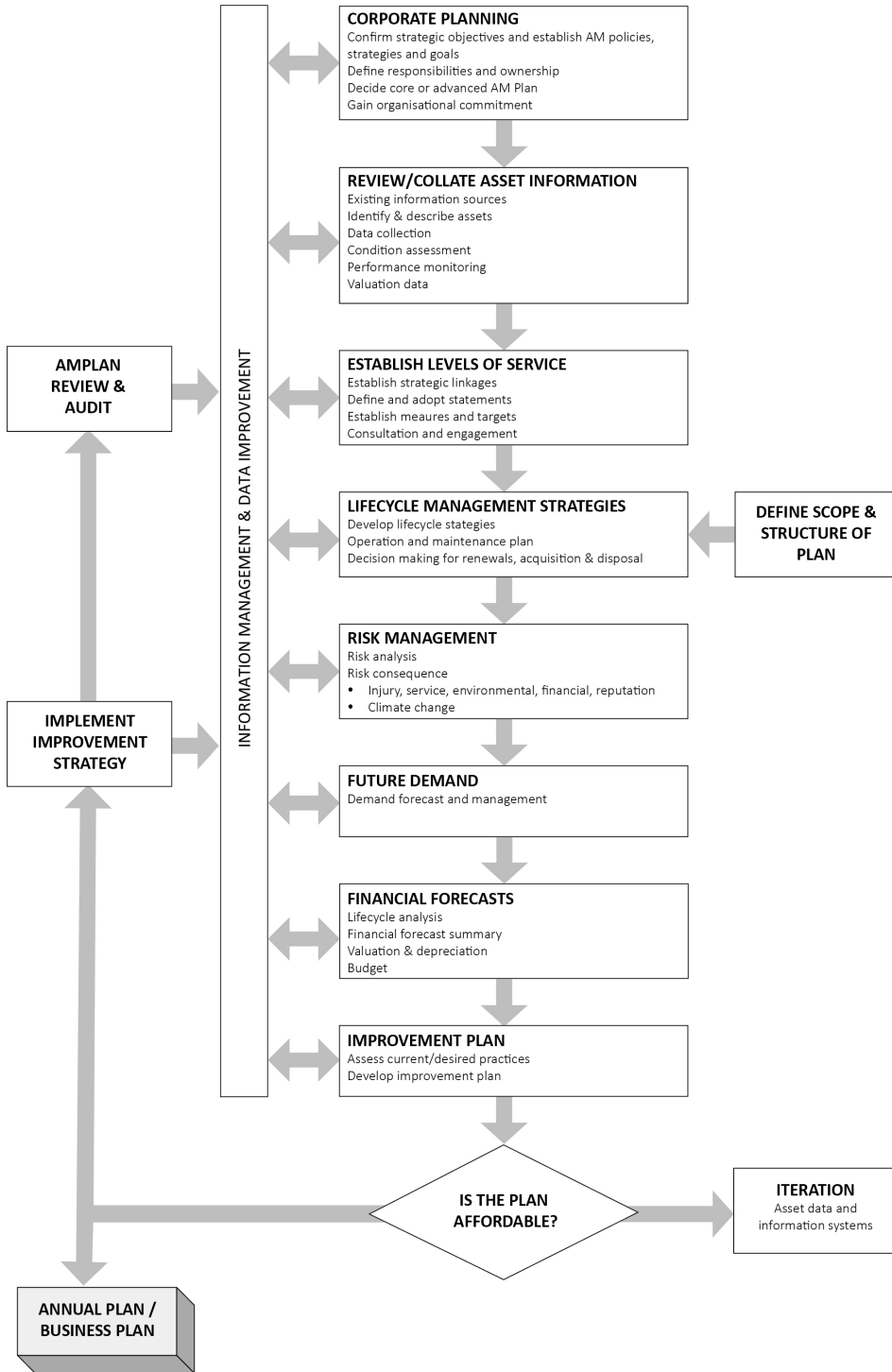
- International Infrastructure Management Manual 2015 ¹
- ISO 55000²

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 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.

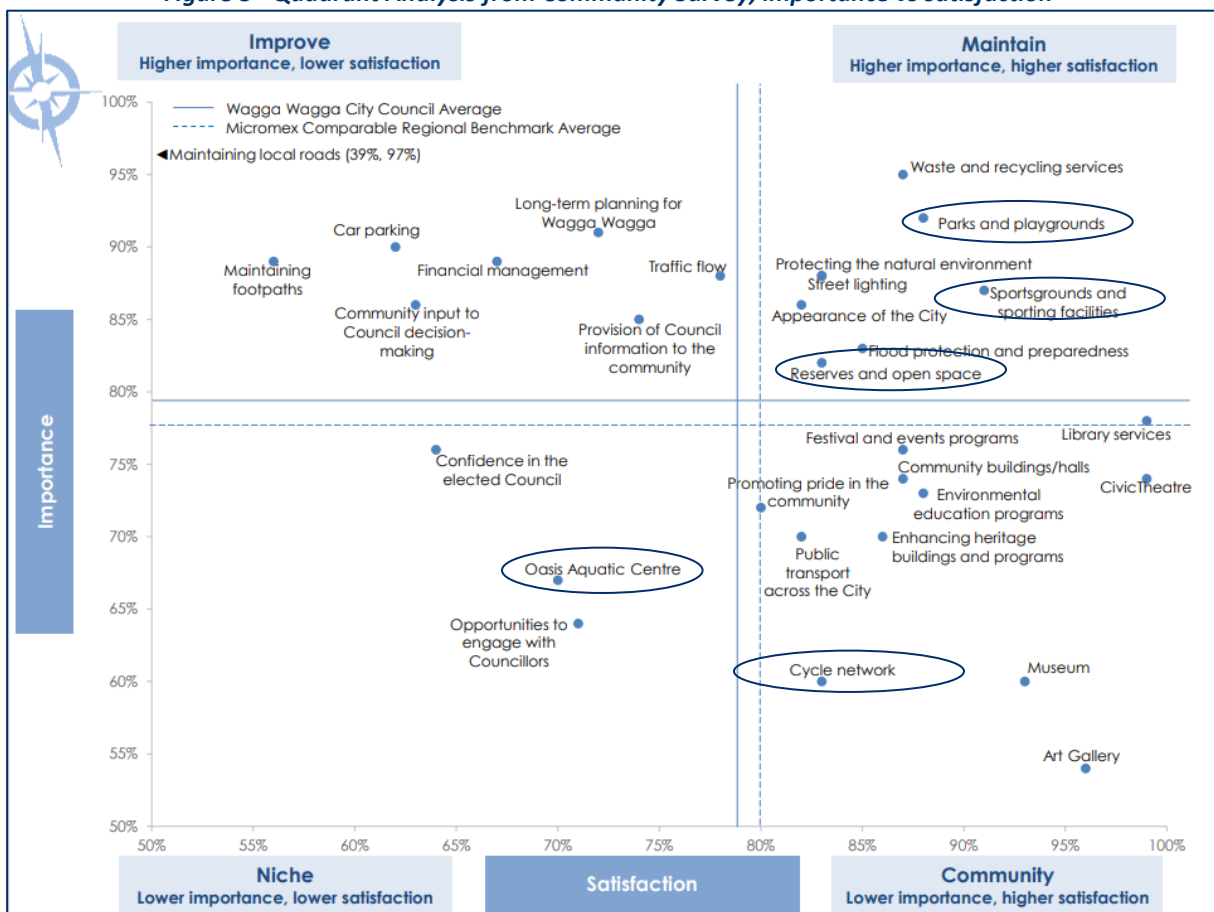
3.1 Customer Research and Expectations

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 3 below is from the 2021 Community Satisfaction Survey. It highlights, parks and playgrounds, sportsgrounds and sporting facilities and reserves and open spaces are rated in the higher importance/higher satisfaction quadrant.

Figure 3 - Quadrant Analysis from Community Survey, importance vs satisfaction



Source - [Wagga Wagga Community Survey Results 2021](#)

Points worth noting from previous surveys for recreational assets are:

2017	<ul style="list-style-type: none"> • Long Term Planning for Wagga remains important to the community • The community feels parks, playgrounds, sportsgrounds, sporting facilities, reserves and open spaces are important, and they are satisfied with the assets provided
2015	<ul style="list-style-type: none"> • Long term planning for Wagga was rated as a high priority • Parks and playgrounds are important to the community • Public art was listed in the top five performance areas
2012	<ul style="list-style-type: none"> • The community said sporting grounds and facilities, recreation and open spaces and the presentation of parks and gardens were of high importance • Satisfaction was high with reserves, open spaces, parks and gardens • Satisfaction was medium with sporting grounds and facilities
2010	<ul style="list-style-type: none"> • Parks and gardens were rated in the top five important areas for the community
2009	<ul style="list-style-type: none"> • The Botanic Gardens was in the top five performance areas

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 upon a number of priorities which are really important. These 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.

Table 3 - Strategic directions in the CSP and how these are addressed in this Plan

Strategic Direction	Objective	How strategic directions are addressed in the AM Plan
Community leadership and collaboration	Council and management decisions are evidence based, equitable and transparent.	The plan provides a clear report on the situation with currently held assets and projections for those assets into the future, allowing informed decisions to be made.
Community leadership and collaboration	We provide transparent and sustainable financial management and deliver consistent and fair decision making to ensure our internal processes enhance external outcomes.	The plan provides a framework to promote better understanding of sustainable service delivery practices. It also sets out service requirement and seeks to define the way these are achieved and maintained over the long term.
Community leadership and collaboration	We understand our customer needs and have the technology and resources to support the organisation’s service delivery goals.	The plan links to the service level document outlining the service level required, thereby providing a framework of what services Council can provide and how those services will be maintained into the future.
Our Environment	Development is thriving, sustainable and clean with access to appropriate services and infrastructure.	Suitable provision of assets into the future are considered as part of the asset management plan.

Council’s strategic direction for the recreation assets is further defined in the Recreation, Open Space and Community Strategy 2040 (ROSC). The 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, and
- Collaborate where possible: Partnerships will be sought to ensure the efficient provision of community infrastructure and public spaces.

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the recreation asset service are outlined in Table 4.

Table 4 - 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.
Australian Accounting Standards	Provides the conceptual framework and standards for accounting and financial reporting.
Roads Act 1993 No 33	Provides authority to Council for administration and development of roads and streets.
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 are 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

Table 5 - Customer Values

Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Service Objective:			
Wagga Wagga City Council is aiming to develop a connected, liveable city, providing strategic direction for the planning, development, management and use of community spaces over the next 20 years within the Wagga Wagga LGA. The values underpinning the top five strategic priorities include:			
Appropriate infrastructure, public spaces and community facilities to enable a variety of activities	Customer Satisfaction Surveys	Generally moderate to high satisfaction	Stable
Accessibility and connection across the city for all public spaces.	- Customer Satisfaction Surveys - Service Requests to improve accessibility		Slight improvement as a result of the Active Travel Plan completion
Existing assets readily used by the community to reduce the need for additional assets.	Customer Satisfaction Surveys		Stable
Community infrastructure and public spaces designed to improve community health outcomes	Customer Satisfaction Surveys		Stable
Community partnerships to efficiently provide community infrastructure and public spaces.	- Customer Satisfaction Surveys - Dissatisfied Users Groups of Council owned infrastructure.		Stable

Source: [Recreation, Open Spaces and Communication Strategy and Implementation Plan 2040](#)

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 6 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

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 6 - Customer Level of Service Measures

Service Attribute	Service Objective	Performance Measure Process	Current Performance of Total Network
COMMUNITY OUTCOMES			
Improve and enhance sports ground facilities Maintain parks and gardens Maintain infrastructure assets			
COMMUNITY LEVELS OF SERVICE – Fences			
Condition	Fences in a condition 4 or 5 are remediated as planned	Internal condition assessment 2020	Excellent = 7.7% Good = 72.6% Average = 11.1% Poor = 6.2% Very Poor = 2.4%
COMMUNITY LEVELS OF SERVICE – Irrigation			
Condition – pipes, sprinklers and valves, control systems	Irrigation components in a condition 4 and 5 are remediated as planned	Internal condition assessment 2020	Excellent = 8.5% Good = 33.4% Average = 39.2% Poor = 10.8% Very Poor = 8.1%
Functionality	The systems are efficient in the way they distribute the required amount of water	Internal review and irrigation systems audit 2015	Excellent = 4.6% Good = 50% Average = 25.6% Poor = 17.5% Very Poor = 2.3%
Capacity	Systems provide enough water to adequately cover the targeted area	Internal review and irrigation systems audit 2015	Over = 3.5% Adequate = 60.5% Under = 36%
Utilisation	The prioritisation of the irrigation systems reflects the usage of the open spaces	Based on park hierarchy, assessed in 2016	Constantly = 10.5% Frequently = 70.9% Occasionally = 18.6%
COMMUNITY LEVELS OF SERVICE – Lighting			
Condition	Lights in a condition 4 and 5 are remediated as planned	Internal condition assessment 2020	Excellent = 12.7% Good = 60.7% Average = 17.7% Poor = 7.3% Very Poor = 1.6%
Functionality	The lighting system provides adequate lighting (measured in LUX) to support use of the space.	Internal review 2016	Excellent = 21.2% Good = 31.8% Average = 21.2% Poor = 22.7% Very poor = 3.1%
Utilisation	The prioritisation of the lighting systems reflects the usage of the open spaces	Internal review 2016	Constantly = 13.7% Frequently = 60.6% Occasionally = 13.6% Rarely = 4.5% Not used = 5.5%
COMMUNITY LEVELS OF SERVICE – Park Accessories			
Condition	Assets in a condition 4 and 5 are remediated as planned	Internal condition assessment 2020	Excellent = 17.5% Good = 57.9% Average = 16.9% Poor = 6.4% Very Poor = 1.3%
Utilisation	The prioritisation of the park accessories network reflects the usage of the open spaces	Internal review 2016	Constantly = 31% Frequently = 28.6% Occasionally = 40.4%

Service Attribute	Service Objective	Performance Measure Process	Current Performance of Total Network
COMMUNITY LEVELS OF SERVICE – Playgrounds			
Condition	Assets in a condition 4 and 5 are remediated as planned	Internal condition assessment 2020	Excellent = 11.0% Good = 60.0% Average = 23.1% Poor = 5.9% Very Poor = 0%
COMMUNITY LEVELS OF SERVICE – Public Art			
Condition	Public Art in condition 5 is decommissioned or refurbished as planned	Internal condition assessment 2020	Excellent = 26.8% Good = 51.5% Average = 11.5% Poor = 6.8% Very Poor = 3.4%
COMMUNITY LEVELS OF SERVICE – Shelters			
Condition	Assets in a condition 4 and 5 are remediated as planned	Internal condition assessment 2020	Excellent = 23.0% Good = 62.3% Average = 9.0% Poor = 5.2% Very Poor = 0.5%
COMMUNITY LEVELS OF SERVICE – Sporting Equipment			
Condition	Assets in a condition 4 and 5 are remediated as planned	Internal condition assessment 2020	Excellent = 17.2% Good = 45.5% Average = 32.4% Poor = 3.4% Very Poor = 1.5%
Functionality	Sporting equipment is delivering the service it was designed to deliver	Internal review 2016	Excellent = 5% Good = 45.8% Average = 29.2% Poor = 17.5% Very poor = 2.5%
Utilisation	The prioritisation of the sporting equipment assets reflects the usage of the open spaces	Internal review 2016	Constantly = 26.7% Frequently = 20.8% Occasionally = 52.5%

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 (e.g. installing larger BBQ’s in a high usage area) or a new service that did not exist previously (e.g. a new playground).
- **Operation** – the regular activities to provide services (e.g. opening hours, cleaning, mowing grass, energy, inspections, etc).
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. minor playground repairs, repairs to BBQ’s, lighting etc),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. replacing fencing in poor condition, replacing assets that have reached the end of their useful lives),

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 7 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 7 - 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						
Maintenance	Maintain public art	Condition inspections are undertaken each May. Maintenance plans are developed based on assessment and actioned.	Each year identified maintenance activities are undertaken	\$220,540 over 10 years	\$295,327 over 10 years	134%
	Maintain fences, irrigation, lighting, park accessories, shelters and sporting equipment in open spaces	Maintenance plans are developed and activities are completed Condition inspections are undertaken Reactive service requests are actioned		\$8,130,463 over 10 years.	\$8,130,463 over 10 years	100%
			Total Maintenance	\$8,351,003	\$8,425,790	101%
Renewal	Renew public art assets as required	Refurbish public art in condition 4 and 5	Projects costings and actions have been developed	\$16,541	\$0	0%
	Renew fences, irrigation, lighting, park accessories, playgrounds, shelters and sporting equipment in open spaces as required	Renew assets identified as requiring remediation based on condition, utilisation and function ratings data	Renewal plans are developed based on current unit rates	\$13,803,675 over 10 years based on asset data.	\$5,869,922*	43%
			Total Renewal	\$13,803,675	\$5,869,922*	43%
Upgrade	Bolton Park Precinct Upgrade - ROS15			\$39,683,481 over 10 years	\$7,531,174** over 10 years	19%
	Jubilee Park - Athletics Park Upgrade - ROS10		Proposed 2022/23	\$5,506,362	\$1,394,477***	25%
	Parks Smart Irrigation Pilot - To assess the water saving capabilities of the irrigation system			\$125,000 over 10 years	\$125,000 over 10 years	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)
	Sportsgrounds Lighting Program - Jack Misson Oval (Ashmont)			\$324,500	\$180,000	55%
	Tarcutta Recreation Reserve Infrastructure Upgrade			\$173,502	\$173,502	100%
	Forest Hill Upgrade Local Park - ROS16		Proposed 2026/27	\$216,200	\$216,200	100%
			Total Upgrade	\$46,029,045	\$9,620,353	21%
New	Provide public art pieces across the local government area	New artworks identified in the Public Art Plan are commissioned and constructed		\$556,595 over 10 years	\$556,595 over 10 years	100%
	Estella New Local Park (west Rainbow Drive) Embellishment - ROS1 + LA1 (Land Acquisition)			\$2,727,675 over 10 years	\$2,727,675 over 10 years	100%
	Gobbagombalin Nth (Harris Road) Park Embellishment - ROS2			\$197,400	\$197,400	100%
	Lloyd Establish 3 Local Parks - ROS5 + LA5 (Deakin Ave) + LA6 (Barton Ave) + LA7 (Central Lloyd) - Land Acquisitions			\$4,581,500 over 10 years	\$4,581,500 over 10 years	100%
	McDonalds Parks - Establish 2nd Rugby League Field - ROS6			\$939,550	\$939,550	100%
	Northern Sporting Precinct - Sports grounds and play equipment (Peter Hastie Oval Works) - ROS11 + LA4 (Land Acquisition)			\$5,258,854	\$5,258,854	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)
	Rawlings Park North - Construct a synthetic soccer facility - ROS12			\$3,877,112	\$700,000****	18%
	New water assets at Oasis			\$1,817,302 over 10 years	\$983,217***** over 10 years	54%
	New Community assets in local villages			\$116,000 over 10 years	\$116,000 over 10 years	100%
	Humula Infrastructure Upgrade			\$64,152 over 10 years	\$64,152 over 10 years	100%
			Total New	\$20,136,140	\$16,124,943	80%

* The Long Term Financial Plan 2022-2023 allocates \$11,739,843 to the renewal of whole sporting and recreational facilities. It is estimated 50% of this budget is spent is on assets included in this plan.

** To achieve 100% funding for this project, \$32,152,307 in grant funding is required.

*** To achieve 100% funding for this project, \$4,111,885 in grant funding is required.

**** To achieve 100% funding for this project, \$3,177,112 in grant funding is required.

***** To achieve 100% funding for this project, \$834,085 in grant funding is required.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Factors affecting demand include population change, changes in demographics, seasonal factors, economic 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.

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.

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, dedicated or constructed. Additional assets are discussed in Section 5.5.

Acquiring new assets will commit Council to ongoing operations, maintenance and renewal costs for the period that these assets provide a service. 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.

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

Risk and opportunities identified to date are shown in Table 8.

Table 8 - 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 lead to public health concerns causing decreased use of facilities and cancelation of events	- Implement relevant actions from the Recreation Open Space Community Strategy to increase shading at playgrounds, sportsgrounds and parks. - Develop a Heatwave Management Plan
Increase in hot days	Increase in hot days and increase in rainfall variability leads to plant stress and decreased amenity resulting in increased costs for additional watering and plant replacements.	- Install water efficient irrigation systems
Increased rainfall variability		- Ensure plant selection is appropriate for hotter, drier conditions.
Increase in hot days	Increase in hot days and increase in average temperature leads to degradation of playing surfaces, causing decreased satisfaction and use of facilities resulting in increased cost of maintenance and renewals	- Install water efficient irrigation systems as per the irrigation audit
Increase in average temperature		- Install tolerant or synthetic turfs - Investigate diversifying water sources to include stormwater, greywater or blackwater.
Increased intensity of storm events	Increased intensity of storm events and increased flooding leads to fatigue and degradation of materials and surfaces resulting in increased cost of maintenance and renewals	- Implement actions from the Floodplain Risk Management Plan and the Recreation Asset Management Plan
Increased flooding		- Utilise materials and designs for built recreational assets that are highly resistant to high temperatures and frequent inundation.
Increased rainfall variability	Increase in rainfall variability and increase in average temperature leads to increased algal growth and low water levels in recreational water bodies resulting in decreased use, decreased amenity and community complaints	- Implement site specific Plans of Management
Increase in average temperature		- Divert stormwater where feasible - Investigate options for desilting, use of treated effluent and algal control measures.

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 9 summarises some asset climate change resilience opportunities.

Table 9 - Building Asset Resilience to Climate Change

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Green Canopies and shelters	As the temperatures rise there is a greater need to provide shade at recreational assets and sportsgrounds.	Shade will be provided in the form of shelters and tress
Tree plantings	The demand for shade is in the short term.	Trees planted should be mature trees rather than tube stock
Dual role as water detention asset	Increased rainfall intensity and localised runoff	Stormwater capture and release infrastructure for intense rainfall events.
Great use of stormwater with onsite detention	Extended periods of dry conditions	Hold excess water for later usage, water sensitive urban design of green areas to capture and absorb local runoff.

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate its recreational 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 10.

Table 10 - Assets covered by this Plan

Asset Category	Quantity	Replacement Value
Fences	142 kms	\$17,038,873
Irrigation Systems	105 systems	\$5,817,676
Lighting	70 systems	\$14,925,485
Park Accessories	1,842 assets	\$5,851,417
Playgrounds	96 locations	\$5,878,246
Public Art	121 pieces	\$4,501,158
Shelters	243 shelters	\$10,543,090
Sporting Equipment	328 assets	\$13,381,560
TOTAL		\$77,937,505

: Asset Age Profile

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 11.

Table 11 - Known Service Performance Deficiencies

Location	Service Deficiency
Existing Northern Growth Area	Lack of open space and recreational facilities
Lloyd	Lack of open space and recreational facilities

The above service deficiencies were identified by the asset manager.

5.1.3 Asset condition

The table below details the condition inspection regime for the assets included in this plan.

Table 12 - Condition Assessment Regime for Recreational Assets

Asset Category	Inspection Frequency	Last Inspection Date	Next Inspection Due
All assets covered in this Plan - Fences, Irrigation, Lighting, Park Accessories, Playgrounds, Public Art, Shelters, Sporting Equipment	Field Assessment once every 4 years. Desktop review once every 2 years.	Field assessment undertaken in 2020	Desktop review due 2022. Field assessment due 2024.

Condition is currently monitored and as assets age, deteriorate and otherwise fail to meet service requirements, additional investment in maintenance and/or renewal is required to ensure the asset maintains an appropriate level of service.

Council measures and models asset condition using asset deterioration curves to assist with forecasting future investment requirements.

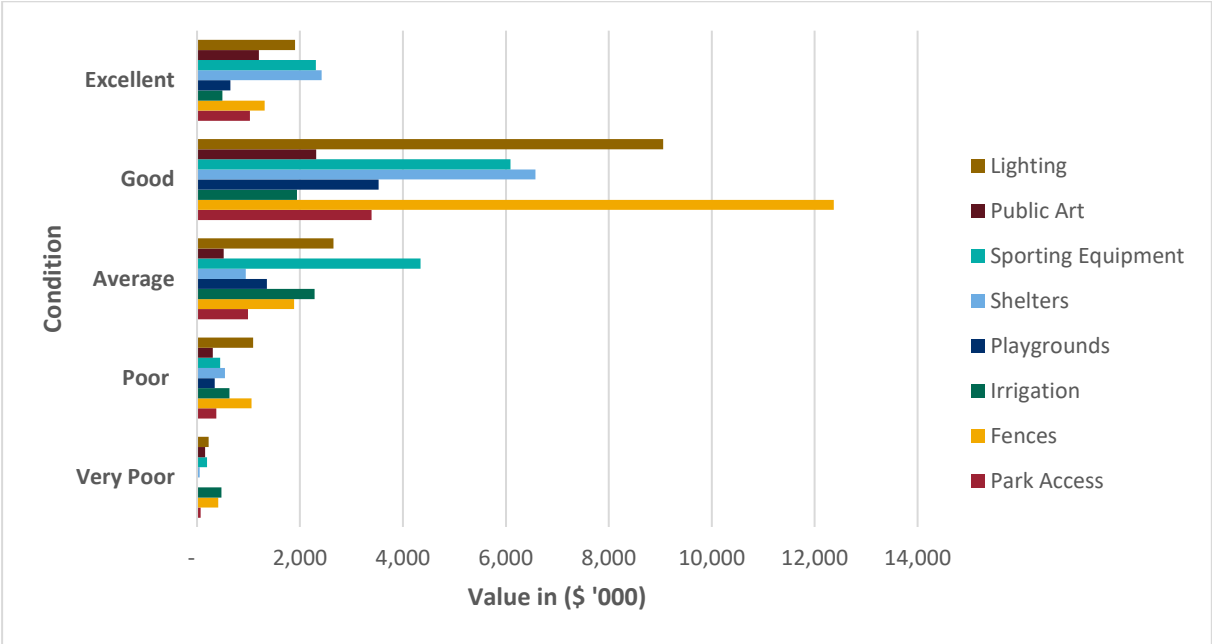
Condition is measured using a 1 – 5 grading system⁴ as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

Table 13 - 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

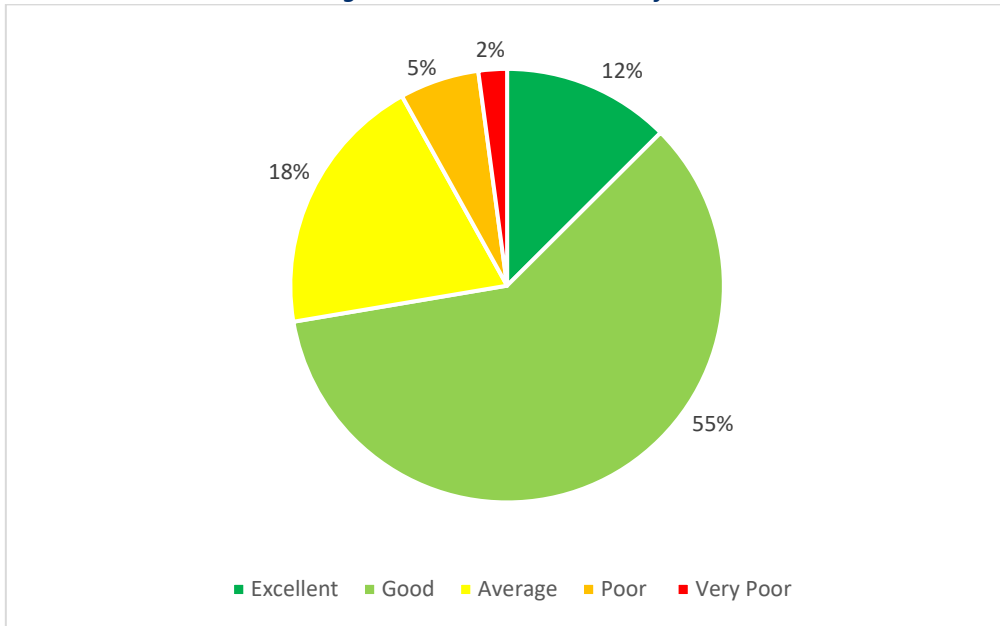
The condition profile of our recreational assets is shown in Figures 4 and 5 below.

Figure 4 - Asset Condition Profile



⁴ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

Figure 5 - Asset Condition Profile



As shown of the above graph, 87% of recreational assets currently meet the technical level of service at condition 1, 2 and 3. 67% of recreational assets are in either a good or excellent condition.

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 is shown below in Table 14.

Table 14 - Asset Service Hierarchy

Service Hierarchy	Service Level Objective
Fences	Captured at the segment level. Unit is metre. Type data is captured.
Irrigation	Captured in the asset register at the systems level. Valuation data developed at the component level (pipes, sprinklers and valves and control system).
Lighting	Data in asset register captured at the systems level. Further data developed for the asset management plan at the component level (poles and fittings; cables, conduits, pits and switchboards; lights and control systems).
Park accessories	Captured at the network level in the asset register (BBQ, bin, bubbler, picnic settings, seating) (ie. one entry into the asset register for all the bins at the Victory Memorial Gardens).
Playgrounds	Captured in the asset register as a singular asset. Not componentised.
Public art	Each artwork is captured and valued.
Shelters	Each shelter is captured and valued. Shade shelters are componentised into poles and shade sail.
Sporting equipment	Assets are captured at the network level in the asset register. They are grouped based on usage type. For example, the 14 synthetic tennis courts at Jim Elphick centre are recorded as a network asset as they have like attributes.

5.2 Maintenance Plan

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include playground repairs, rewiring fences, repairs to lighting etc.

The trend in maintenance budgets are shown in Table 15.

Table 15 - Maintenance Budget Trends

Year	\$
2019/20 Actual Maintenance	\$203,500
2020/21 Actual Maintenance	\$243,006
2021/22 Budgeted Maintenance	\$625,357
2022/23 Budgeted Maintenance	\$791,631

Maintenance budget levels are considered to be adequate to meet projected service levels.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Service requests are an indicator of customer satisfaction and their expectations.

Figure 6 - Annual Recreational Service Requests by Type 2017-21

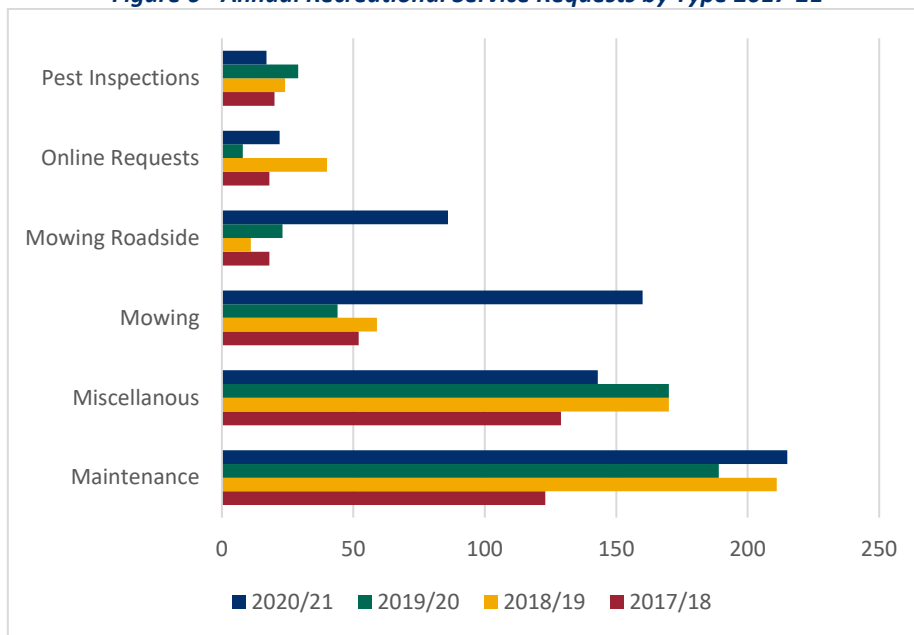
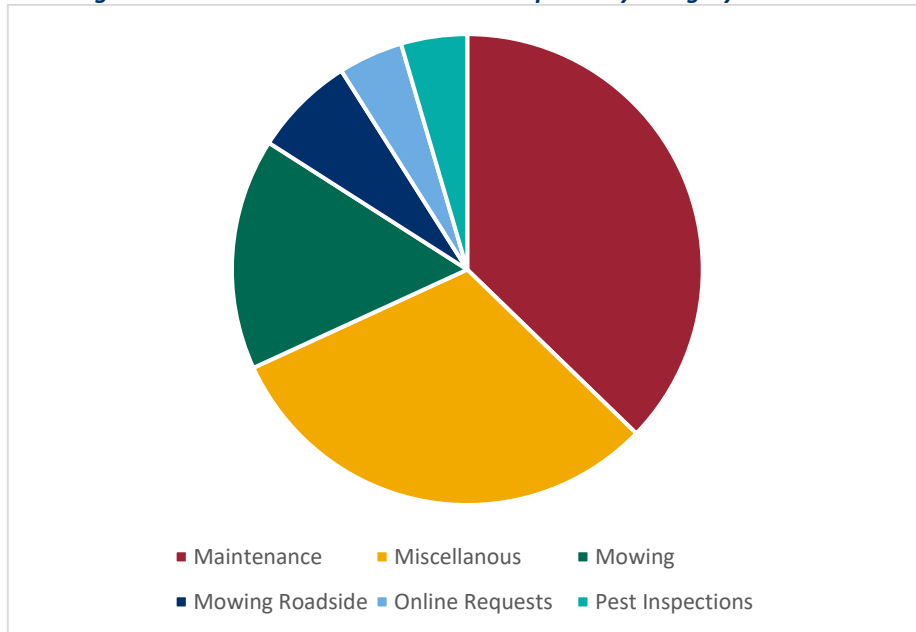


Figure 7 shows that most requests are around general and broad maintenance of the infrastructure. The clear categories show mowing, pests and the general which request equipment repairs, vandalism and theft. This may also include painting, cracked surfaces and hole in playing surfaces.

Figure 7 - Annual Recreational Service Requests by category 2017-2021

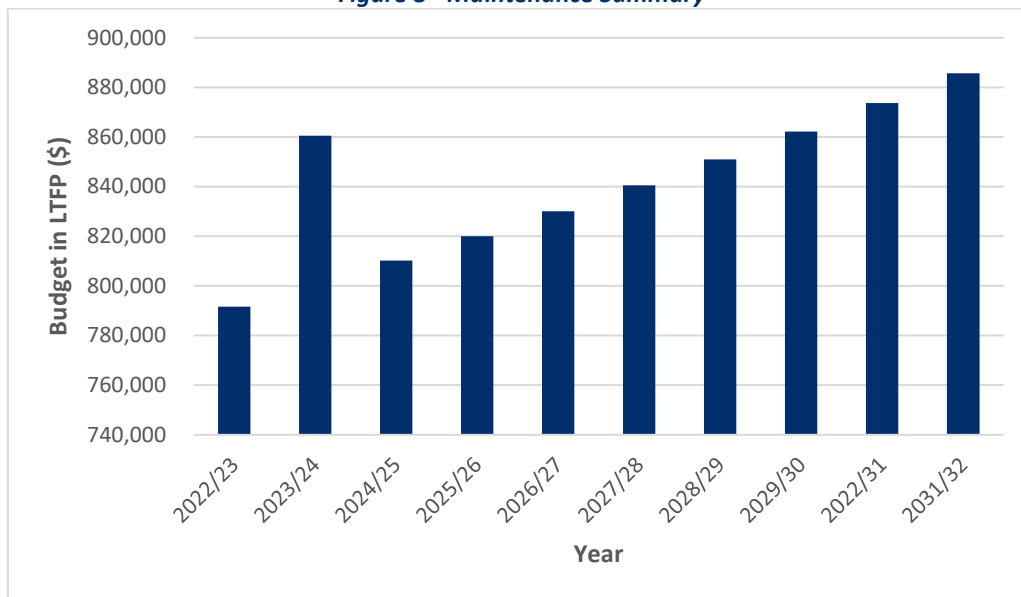


Future reporting improvements may include refinement of Miscellaneous, as it is the largest category of Service Request.

Summary of future maintenance budget

Figure 8 shows the current maintenance budgets for the community assets in recreational areas as per the Long Term Financial Plan.

Figure 8 - Maintenance Summary



Please note that this budget does not include the operational costs of providing the open space.

The annual maintenance budgets for public art are an average of \$29,533 per year in the Long Term Financial Plan.

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 the Asset Register data to project the renewal costs (current replacement cost) and renewal timing (condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 16. Asset useful lives were last reviewed in 2020 during the revaluation of recreational assets.

Table 16 - Useful Lives of Assets

Asset (Sub)Category	Useful life
Fences –	
Timber	15 years
Wire, security, rural fencing etc	25 years
Bollards. steel fencing	35 years
Steel tubular	39 years
Retaining Walls	50 years
Metal sheet piling	110 years
Irrigation –	
Above ground	10 years
Control System	10 years
Telemetry System	3 to 6 years
Underground System	30 years
Lighting	25 years
Park Accessories –	
BBQ's	20 years
Bins	15 years
Bubblers	20 years
Monuments	10 to 100 years
Picnic Setting	20 years
Seating	20 years
Signs	15 years
Playground	20 years
Public Art	2 to 53 years
Shelters	15 to 75 years
Sporting Equipment	10 to 50 years

Source: IPWEA Practice Note 10 – Parks Management

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. replacing an irrigation system), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).⁵

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

⁵ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

- 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
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁶

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 17.

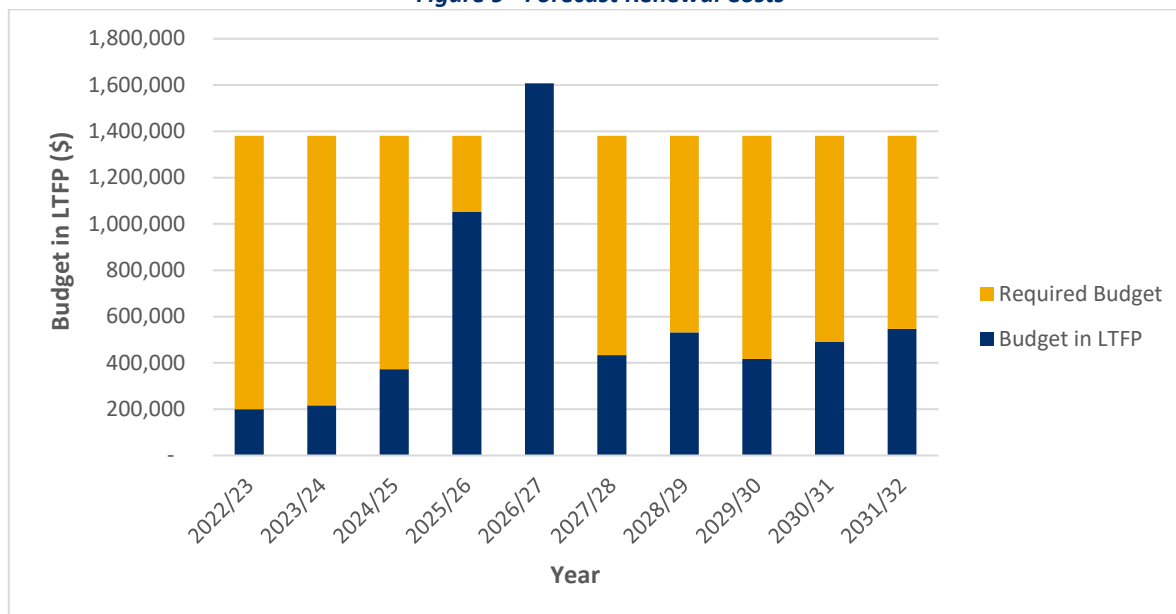
Table 17 - Renewal Priority Ranking Criteria

Asset Category	Criteria
Fencing	Condition only
Irrigation	Condition of control systems, pipes and sprinklers and valves. Utilisation of the irrigated space. Function (how efficient is the system at moving water) Capacity (how much water is put on the ground) of the system.
Lighting	Condition of system overall Utilisation of the space Functionality of the light (LUX levels).
Park Accessories	Condition of the asset Utilisation of the open space
Public Art	Condition only
Shelters	Condition only
Sporting Equipment	Condition of the asset Utilisation of the open space

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 9.

Figure 9 - Forecast Renewal Costs



⁶ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

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 across a number of years for Councils recreational assets.

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.

5.5.1 Selection criteria

New and upgraded assets are identified in the ROSC and are funded via the [Wagga Wagga Local Infrastructure Contributions Plan 2019-2034 \(LICP\)](#). These documents have both been adopted by Council and community members and key stakeholders were consulted as part of the process.

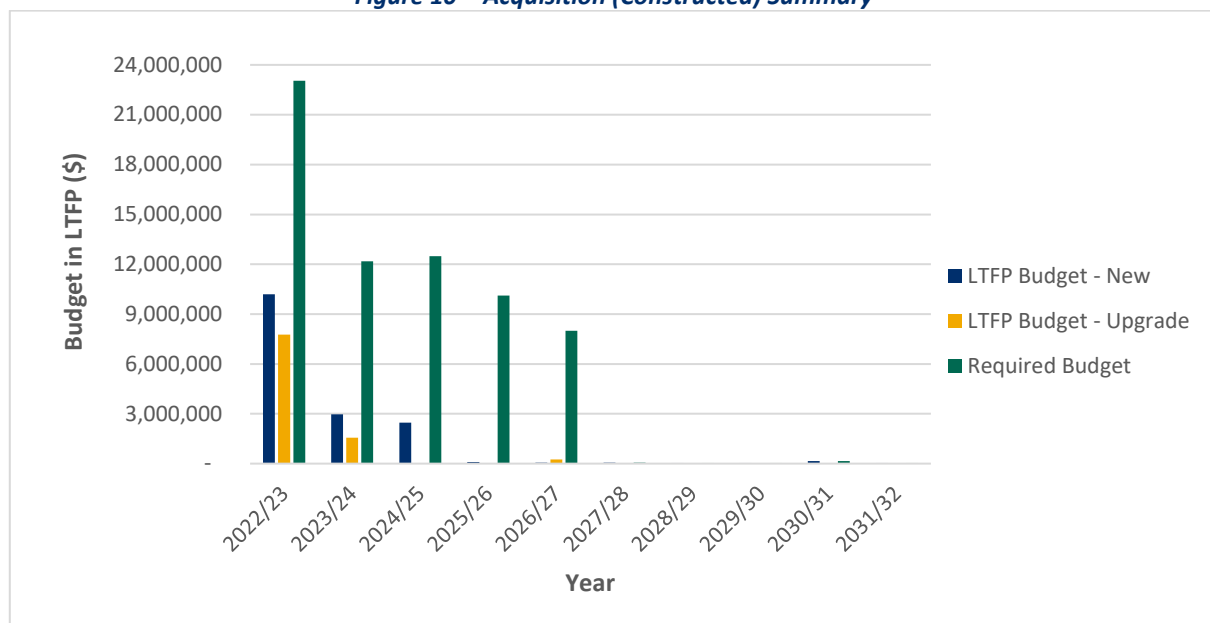
Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Table 18 and Figure 10 below.

Table 18 - Acquisition Forecast Summary

Year	Budget in LTFP		Required
	New	Upgrade	
2022/23	\$10,190,237	\$7,772,979	\$23,053,686
2023/24	\$2,968,576	\$1,556,174	\$12,170,688
2024/25	\$2,466,850	\$25,000	\$12,491,850
2025/26	\$93,280	\$25,000	\$10,118,280
2026/27	\$63,000	\$241,200	\$7,987,681
2027/28	\$63,000	\$0	\$63,000
2028/29	\$45,000	\$0	\$45,000
2029/30	\$45,000	\$0	\$45,000
2030/31	\$145,000	\$0	\$145,000
2031/32	\$45,000	\$0	\$45,000
Totals	\$16,124,943	\$9,620,353	\$66,165,185

Figure 10 - Acquisition (Constructed) Summary



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 21. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 19. Any costs or revenue gained from asset disposals is included in the long term financial plan.

Table 19 - Assets Identified for Disposal

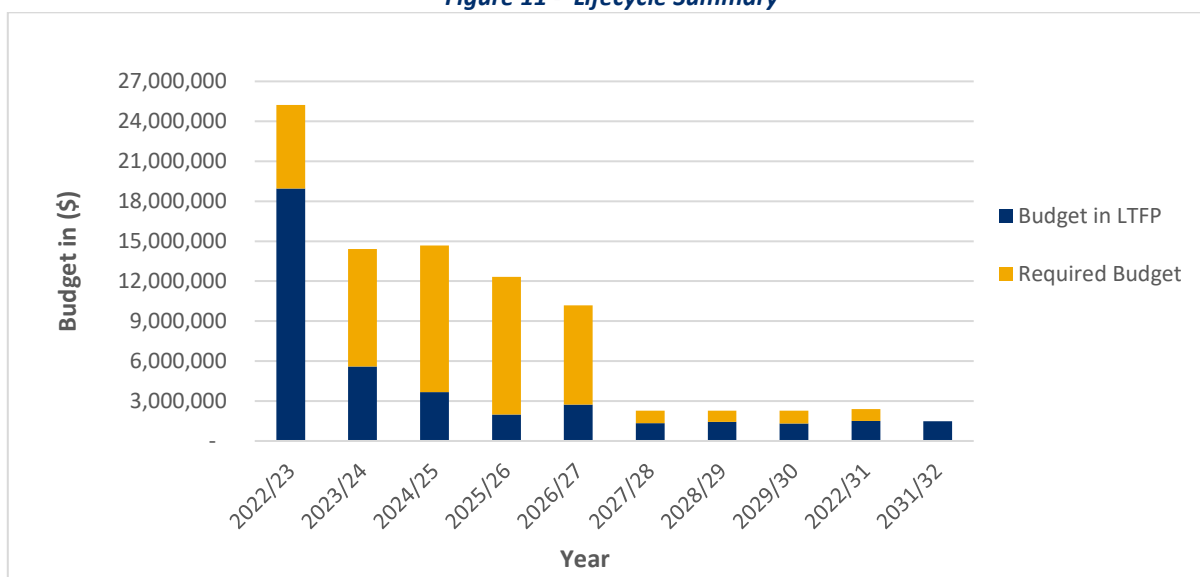
Asset	Reason for Disposal	Timing
Kincaid Street Bike track at the Cricket Ground	A new track is being constructed at Pomingalarna Multisport Cycling Complex	2021/22
Bicycle Education area in Spring Street	A new track is being constructed at Pomingalarna Multisport Cycling Complex	2021/22

5.7 Summary of asset forecast costs

The financial projections from this asset management plan are shown in Figure 11. 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 11 - Lifecycle Summary



Council is investing significantly in the provision of new recreation and open space assets over the next 10 years. The majority of these assets are funded by developers through Section 7.11 contributions, supplemented by government grants. These new assets support the growth areas by providing local open space and include regionally significant recreational facilities like the Bolton Park upgrade.

Renewal budgets however are not sufficient. The LTFP budget provides for 43% of the required renewal budget for recreational assets.

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’⁷.

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. No critical recreation assets have been identified.

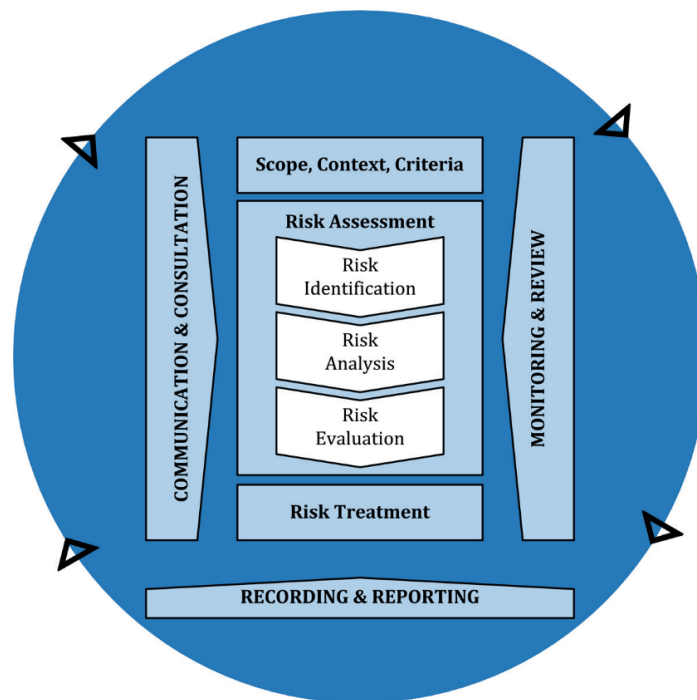
6.2 Risk Assessment

The risk management process used is shown in the figure 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 12 - Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9



⁷ ISO 31000:2009, p 2

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 20 – 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

In the next 10 years, with renewal budgets at 43% of the required budget, not all assets identified will be renewed.

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:

- some fences, public art and shelters in condition 4 and 5 will not be renewed in the next 10 years,
- some irrigation systems, park accessories, sporting equipment and lighting systems identified as requiring remediation (based on condition, utilisation and function ratings data) will not be renewed or upgraded in the next 10 years
- increases in the level of maintenance required to keep the assets in service if renewal is not undertaken when required,
- sports fields may become unusable as required lighting standards are not met when lighting systems are not upgraded, and
- irrigation systems may be turned off if they can't be maintained.

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:

- sporting grounds not meeting community demands,
- lack of green sporting fields and open spaces,
- increased risk of injury to people using assets in very poor condition, and
- recreation, sporting and leisure venues not being available to the public.

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

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 43% 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 \$8,831,986 on average per year.

The proposed (budget) operations, maintenance, renewal and acquisition is \$4,004,101 on average per year giving a 10 year. Funding is not adequate for the operations, maintenance, upgrade and acquisition of assets within this AM Plan. There is an average shortfall of \$4,745,860 in funding over the 10 year life of the Long Term financial plan .

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 22 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 (including possibly revising the Long Term financial 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.

Table 22 - Forecast Costs (Outlays) for the Long Term Financial Plan

Year	Acquisition	Maintenance	Renewal
2022/23	\$23,053,686	\$789,118	\$1,380,368
2023/24	\$12,170,688	\$857,012	\$1,380,368
2024/25	\$12,491,850	\$805,770	\$1,380,368
2025/26	\$10,118,280	\$814,474	\$1,380,368
2026/27	\$7,987,681	\$823,419	\$1,380,368
2027/28	\$63,000	\$832,655	\$1,380,368
2028/29	\$45,000	\$842,033	\$1,380,368
2029/30	\$45,000	\$851,915	\$1,380,368
2030/31	\$145,000	\$862,078	\$1,380,368
2031/32	\$45,000	\$872,530	\$1,380,368
Totals	\$66,165,185	\$8,351,004	\$13,803,675

7.2 Funding Strategy

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

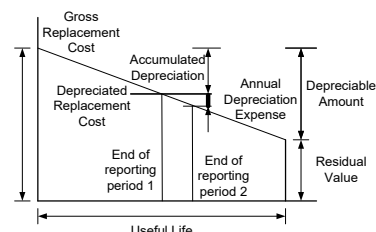
The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

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)	\$77,937,505
Depreciable Amount	\$74,110,370
Depreciated Replacement Cost ⁸	\$55,793,296
Annual Depreciation	\$2,917,028



7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the network.

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.
- Present service levels will remain constant for the life of the plan.

⁸ Also reported as Written Down Value, Carrying or Net Book Value.

- Present levels of expenditure (and the relative distribution of planned and reactive maintenance, and capital renewals and new/upgrades) will remain constant for the life of the plan.
- Budgets are indexed annually by CPI. This is not reflective of the increasing costs of maintenance, renewal, upgrade and providing new recreational assets. This issue has been made worse by the COVID pandemic.

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 scale⁹ in accordance with Table 23.

Table 23 - 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 high confidence level.

⁹ IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹⁰

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

The following 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 24 - 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.

¹⁰ ISO 55000 Refers to this as the Asset Management System

Table 25 - Asset Specific Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Capture maintenance costs at the asset level	Strategic Asset Planner (Parks and Recreation)	Staff time	Short term
2	Audit accessibility of recreational assets	Strategic Asset Planner (Parks and Recreation)	Audit of the network	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 updating within 9 months of each Council election.

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 'global' 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 (this target is often 90 – 100%).

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