

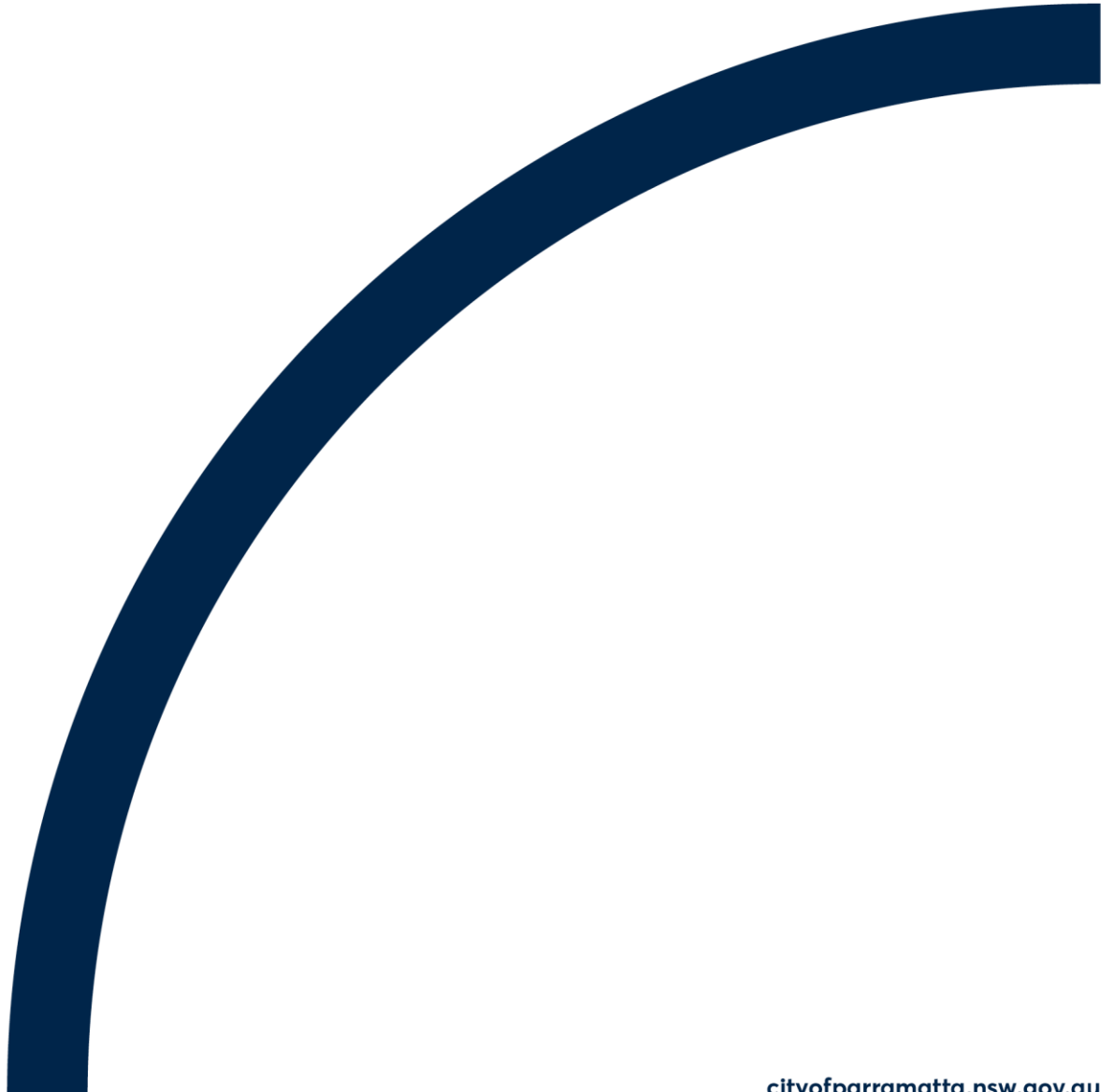


**CITY OF
PARRAMATTA**

Asset Management Plan

Buildings

2023-2033





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1	EXECUTIVE SUMMARY.....	3
2.	INTRODUCTION	2
3.	LEVELS OF SERVICE	17
4.	FUTURE DEMAND.....	34
5.	LIFECYCLE MANAGEMENT PLAN	45
6.	RISK MANAGEMENT PLAN	58
7.	FINANCIAL SUMMARY	65
8.	PLAN IMPROVEMENT AND MONITORING.....	72
9.	REFERENCES	75
10.	APPENDICES.....	76

1 EXECUTIVE SUMMARY

1.1. The Purpose of the Plan

Asset management planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner.

This Asset Management Plan details information about infrastructure assets including actions required to provide 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 provide the services over a 10-year planning period.

1.2. Asset Description

Council provides buildings and facilities within its Local Government Area for the enjoyment and benefit of both the residents and visitors to the area.

City of Parramatta Council is responsible for the care and maintenance of a building portfolio with a replacement value of \$327,371,000 (as at 30/06/2022).

1.3. Lifecycle Management Plan

1.3.1. What does it Cost?

The projected outlays necessary to provide the services covered by this Asset Management Plan (AM Plan) includes operations, maintenance, renewal and upgrade of existing assets over the 10-year planning period is \$522m or \$52.3m on average per year excluding major new and upgrade assets. Council has a development pipeline concentrated in several large projects in the next 3 years including the completion of the new Parramatta Aquatic Centre and Riverside Theatres.

1.3.2. What we will do

Council plans to provide Building services for the following:

- Operation, maintenance, renewal and upgrade of Building Assets to meet service levels set by in annual budgets.
- Explore all avenues for grants and subsidies to increase expenditure on the Building Assets
- Review Capital Works Programmes annually and prioritise works accordingly;
- Ensure new works receive renewal and maintenance at required intervals to ensure projected useful lives of the asset are achieved;
- Improve the underlying information with an annual review of service level trends.
- Approximately \$17.4m in renewal spending on existing assets within the 10-year planning period.

1.3.3. What we cannot do

We do not have enough funding to provide all services at the desired service levels or provide new services. Works and services that cannot be provided under present funding levels are:

- Provision of all the additional buildings and structures to support the services desired by the community

1.3.4. Plans for the future

Council plans to operate and maintain buildings and facilities to achieve the following strategic objectives.

- Ensure the network is maintained at a safe and functional standard as set out in this AM Plan;
- Maximise the asset's useful life whilst minimising life cycle expenditure;
- Maintain the asset's functionality to ensure that it remains 'fit for purpose' and compliant with statutory requirements;

- Allow for future expansion of the network as demand increases over time

1.3.5. How Council measures performance

Quality – The building and facilities assets will be maintained to an acceptable physical condition. The acceptable condition for most building assets is 3 on Council's 0-5 rating scale, and the current average is 2.5 by building replacement value.

As asset management practices become more advanced, the acceptable condition has been refined based on building function and hierarchy. Those buildings and facilities categorised as 'premium' will be maintained to a higher standard due to their organisational or community importance and/or income producing capabilities. Further information regarding the hierarchy and functional classification of the assets can be found in the main body of this AM Plan.

Function – Council's building and facilities assets are essential in providing venues that allow Council to undertake its core duties and provide the community with venues.

The key functional objectives that will be met are:

- To ensure that all buildings and facilities are maintained at a safe and functional standard;
- To investigate improvement requests and, if considered appropriate, make safe and repair in a timely manner as defined in Council's maintenance response target levels of service;
- To provide services whose type and location are appropriate to local demographics and usage;
- To provide facilities and services in a cost effective manner that is sustainable in the long term.

The main functional consequence of failures in any buildings or facilities is that Council may not be able to provide the venues to complete its core duties. The potential often exists for a loss of rental income. The community may also suffer a loss of venues for physical fitness and cultural enjoyment.

Safety – The building and facilities are inspected on a regular basis. Frequency of inspections and routine maintenance may vary depending on the functional classification or hierarchy of the building.

These frequencies are laid out in Council's maintenance levels of service. Defects are prioritised and repaired in accordance with Council's documented response times in the customer service charter and the maintenance levels of service.

Building Code Compliance – Council currently ensures all new buildings and renovations comply with relevant Building Codes and legislative requirements. Work is being undertaken to survey existing buildings in regard to code compliance in order to identify non compliances and incorporate upgrades into building renewals.

1.3.6. Managing the Risks

There are risks associated with providing the service and not being able to complete all identified activities and projects. We have identified major risks as:

- Controlling the deterioration of buildings due to lack of renewal funding.
- Rising costs of managing infrastructure
- Meeting Community expectations for services
- Providing the most appropriate and affordable infrastructure for the community

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

- Managing the existing infrastructure
- Managing the expansion of building infrastructure based on the priorities established in the Development Program and Operational Plan
- Expanding infrastructure in a financially responsible manner and as funded in Council's Long Term Financial Plan
- Reviewing the utilisation of buildings to determine whether low function low utilisation buildings warrant capital investment in future renewal.

- Annual review and update of service level and risk projections as data improves. This review will inform the annual budget process.

1.4. Asset Management Practices

Works have been carried out to identify the performance of the building portfolio over the next 5 years. It has been identified that in order to maintain the levels of service desired by the community, funding levels need to be maintained for the next 10 years. A decrease in funds to carry out a combination of renewal and new works will cause the levels of service to decrease and certain Council buildings may become unfit for purpose

1.5. Monitoring and Improvement Program

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

- Continue to improve asset information and knowledge.
- Continue to develop the 10 year forward programme of building maintenance and renewal activities necessary to achieve a satisfactory level of service
- Monitor the provision of building infrastructure alongside the community expectations for community facilities

2. INTRODUCTION

2.1. Background

Parramatta is experiencing a changing demographic profile from a suburban community with an employment centre into a diverse, urban location with major employment, residential, recreation and education facilities.

The City of Parramatta Council (CoP) provides a range of services to its immediate community as well as well as the wider community. To deliver these services it operates and maintains a range of Building assets throughout the Local Government Area (LGA). Council has acquired these assets through a variety of means, such as purchase, construction or by contribution from developers and others.

The CoP Building Asset Management Plan (AM Plan) documents the current management, financial and technical practices by Council for its existing building portfolio, as well as provides information on strategies and programs that will affect future asset outcomes. The fundamental purpose of this Building AM Plan is to improve Council's long-term strategic management of its building assets in order to cater for services into the future.

Council's building portfolio currently encompasses 189 buildings with a Gross Replacement Cost of \$ \$327,371,000 (as at 30/06/2022). Council's building portfolio is classed into Specialised (Buildings in Parks and Reserves on Land classified as Community) and Non-Specialised buildings (Buildings on Operational Land).

They include various types of building and functions:

- Amenity buildings
- Animal holding facility
- Aquatic facility
- Arts facilities
- Baby health centres
- Child care centres
- Clubhouses
- Commercial buildings
- Community facilities
- Community halls
- Depot
- Heritage and visitor information centres
- Libraries
- Operational buildings
- Operations centre
- Park operations
- Public parking stations
- Residential buildings
- Riverside Theatres
- Tennis courts
- Toilet blocks
- Town Hall

CoP engaged an independent contractor (APV) in 2019 to perform a condition assessment of Council's entire buildings portfolio. This condition data has since been updated to reflect the changes in condition because of major renewal and upgrade works delivered via Council's capital works program and building works delivered via Council's facilities maintenance and contract maintenance program. This ensures that Council's building condition dataset is accurately reflecting current condition states as of 30 June 2022.

Key issues for the Buildings Assets include:

- Delivering on our customer's numerous requirements detailed in the Community Strategic Plan, Community Infrastructure Strategy, Disability Inclusion Plan;
- Coordinating and controlling a diverse building portfolio that has is being renewed, managed, maintained and operated to differing standards by numerous service providers throughout the organisation;
- Coordinating a diverse building portfolio that is continually evolving from the delivery of new building assets from both internal and external sources;

- Maintaining asset renewal metrics and ensuring capital works are optimised to maintain service levels; and
- Understanding the future demand required from the numerous service providers within Council;

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

2.2. Purpose of Asset Management Plans

Asset Management Plans are a means for documenting the management, financial, engineering and technical practices to ensure that the level of service required by the community from a class of infrastructure assets is provided at the lowest long term cost.

The identification of future needs, management options and cash flows provides the ability to even out peak funding demands. In this way, AM Plans assist the Council and Executive in making informed decisions in relation to the allocation of resources and to communicate this information to the public.

This AM Plan provides the framework to ensure that City of Parramatta Council's Building assets are operated, maintained, renewed and upgraded to ensure that Council's Building related levels of service are achieved in the most cost effective and sustainable way.

2.3. Scope of this Asset Management Plan

The plan provides a rational and controlled framework for asset lifecycle management, risk management and financial management to be conducted effectively and to the satisfaction of stakeholders. By providing a framework to detail and examine existing management practices for building assets, City of Parramatta Council is better equipped to meet community service expectations, and is able to form the basis of an improvement program to progressively meet identified gaps in asset management.

This plan has been developed considering available information, input from Council Officers and in association with asset data collection, condition assessment, and maintenance and operational costs for building assets across the Council area.

The AM Plan follows the format for AM Plans recommended in Section 4 of the International Infrastructure Management Manual¹.

The AM Plan is to be read with the City of Parramatta Asset Management Strategy and Integrated Planning and Reporting Framework documents. This includes the Asset Management Policy, Asset Management Strategy, Delivery Program, Operational Plan, and Resourcing Strategy, which work together to translate the overarching vision of the Community Strategic Plan.

The infrastructure assets covered by this asset management plan are shown in Table 2.1. These assets are used to support a broad range of services to the community, along with Council's administrative and operational activities.

Table 2.1: Assets covered by this Plan

Asset Category	Replacement Value
Buildings – Non Specialised	\$286,113,000

¹ IPWEA, 2015, Sec 4.2, Example of an Asset Management Plan Structure, pp 4|37 – 39.

Buildings – Specialised	\$39,630,000
Swimming pool	\$1,628,000
TOTAL	\$327,371,000

2.4. Key Stakeholders

Key stakeholders in the preparation and implementation of this asset management plan are shown in Table 2.1.1.

2.2: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Councillors	<ul style="list-style-type: none"> • Represent needs of community/shareholders, • Allocate resources to meet planning objectives in providing services while managing risks, • Ensure service sustainable. • Provide stewardship by ensuring the protection of assets for current and future generations.
Council Staff	<ul style="list-style-type: none"> • Ensure the development and implementation of Council's Asset Management Policy, Plans and Processes and for their integration with Council's Integrated Planning and Reporting Framework under the Local Government Act • Report on the status and effectiveness of Asset Management within Council. • Development and implementation of Council's Asset Management Plans and Processes and for their integration with Council's Integrated Planning and Reporting Framework under the Local Government Act. • Ensure integration and compliance of the Asset Management Policy and Strategy with other policies and business processes of Council. • Ensure compliance with legal obligations. • Ensure sound business principles are reflected in the Asset Management strategies and plans that are developed. • Receipt of fair value valuations at end of financial year, provision of budgets from the long term financial plan, receipt of projections relating to expenditure gaps.
Ratepayers/ Community Present & Future residents and community	<ul style="list-style-type: none"> • Will ultimately provide input into the services required and the cost the community is prepared to pay • Primary users of community facilities

2.5. Parramatta Local Government Area

The City of Parramatta is located at the head of the Parramatta River 24km west of Sydney Harbour and covers an area of 61 square kilometres. Parramatta takes its name from the Burramatta Clan, the traditional owners of this area. Parramatta was the first self-sustaining European settlement and the local community of today reflects the diversity of the broader Australian people. Parramatta is the gateway to Western Sydney, an area that is home to 1 in 10 Australians. It is the fastest growing region of NSW with the population projected to grow by another 600,000 by 2036. The Parramatta City population is estimated to be 260,296 as of the 30th June 2021, and is forecast to grow to 487,037 by 2041.

Parramatta is home to Sydney's second CBD which contributes to the economic, social, cultural, health and educational sectors of the local area, as well as to Western and the Greater Sydney areas. The Parramatta LGA is a provider of medical, legal, educational and professional services, being the largest concentration of financial and business services institutions outside the Sydney CBD.

These functions will only strengthen over the next twenty years as NSW government and Council plans for the city's future development are realised. Through a combination of urban renewal, rezoning and reuse of government land, up-zoning within the CBD and expansion of city boundaries, the residential and worker population will be significantly increased.

These changes will also be accompanied by changes to the demographic and cultural composition of the city's populations. The City of Parramatta is now planning to ensure there will be sufficient community facilities located within close proximity to Parramatta's CBD to support the wellbeing of these new populations.

Council currently is a significant provider of community facilities within the Parramatta LGA, as well as providing regional services to Western Sydney residents. It is anticipated that the LGA will continue to provide significant community services (both government and non-government) to local and regional residents, reflecting its significance as a key regional centre in Greater Western Sydney.

Designated as the premier Regional City in the Government's Metropolitan Plan for Sydney 2036, Parramatta is uniquely positioned to support the need to establish 280,000 additional jobs in Western Sydney by 2036. Parramatta is the cultural and commercial capital of one of Australia's most significant economic regions. Our City is a provider of medical, legal, educational and professional services, the largest concentration of financial and business services institutions outside the Sydney CBD and home to over 60 government departments. The Parramatta Square development, one of the biggest urban redevelopments in Australia, will provide additional central business facilities, office space for up to 13,000 workers, a new public domain and more retail and dining options

2.6. Goals and Objectives of Asset Management

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

Council's goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of 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 expenditure and how it will be financed.²

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Life cycle 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,

² Based on IPWEA 2015 IIMM, Sec 1.3, p 1| 8

- 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 2015³
- ISO 55000⁴

2.7. What will this Asset Management Plan achieve?

The focus of this Buildings AM Plan is manage Council's assets and resources pro-actively. It will enable Council to:

- Have precise knowledge of what Council owns or has responsibility or legal liability for;
- Record and extract information on all assets in a register down to an identifiable level;
- Report on our annual depreciation and asset consumption at an asset component level;
- Measure and monitor the condition, performance, utilisation and costs of assets down to the managed component level and aggregate this data up to give outputs of cost and performance at the portfolio level;
- Understand and record the current levels of service in terms of responsiveness and performance;
- Understand the likely future levels of service required based on population growth, demographic changes and community expectations;
- Understand the long term (10 years) funding needs of Council's Buildings asset portfolio to meet strategic expectations in both capital and maintenance expenditure;
- Measure, monitor and report on the condition, performance and functionality of Council assets against prescribed service levels and regulatory requirements;
- Develop and maintain uniform processes across the whole organisation for the evaluation of any investment in:
 - Renewal, upgrades and expansions of existing assets.
 - Creation of new assets.
 - Maintenance of existing assets.
 - Operational expenditure to deliver services
- Investigates asset capital recycling options and provides support for rationalising assets that are under utilities or surplus to needs in order to maximise investment outcomes and rate of return

2.8. Plan Framework

In the application of this AM Plan, Council has developed a whole of life approach to the management of its Buildings assets. Council has focused on providing an interdisciplinary view of asset management with the development of an Asset Management Policy and framework for the organisation.

The specific elements considered in this AM Plan are to:

- Demonstrate accountability and responsible stewardship of building assets;
- Identify least-cost options to provide agreed levels of service;
- Assess existing building asset stocks and their capacity, condition and functional adequacy;
- Document the Levels of Service that will be provided to the community;
- Identify future demand for building assets;
- Manage the risks of building asset failures and risks of capacity failures;
- Undertake Life Cycle Management;
- Provide the basis for long-term financial planning; and
- Monitor the plan to ascertain if it is meeting Council's objectives.

³ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13

⁴ ISO 55000 Overview, principles and terminology

2.9. Parramatta Strategic Objectives




Parramatta will be the driving force and heart of Australia's most significant economic region; a vibrant home for diverse communities and a centre of excellence in research, education and enterprise.

To achieve this, the Community Strategic Plan outlines six strategic objectives and details how these objectives can be achieved:

1. Parramatta's economic growth will help build the City as a centre of high, value-adding employment and the driving force behind the generation of new wealth for Western Sydney.
2. Parramatta will be an eco-efficient city that effectively manages and uses the City's growth to improve and protect the environment.
3. Parramatta will be a city with fast, reliable transport and digital networks that connect people to each other, to the information and services they need and to where they need to go.
4. Parramatta will be a world-class city at the centre of Sydney that attracts a diversity of people: a city and its neighbourhoods where people can learn, succeed and find what they need; a city where people live well, get together with others, feel like they belong and can reach their potential.
5. Parramatta will be a place where people want to be: a place that provides opportunities to relate to one another, the City and the local area; a place that celebrates its cultural and sporting heritage; and a place that uses its energy and cultural richness to improve quality of life and drive positive growth and joy.
6. Parramatta will be widely known as a great city, a centre of excellence and an effective capital of Western Sydney, with inspirational leadership and good governance.

The Building AM Plan will take into consideration, align and deliver where possible those items that have been identified within the six strategic objectives of Parramatta 2018-2038. The strategic objectives will be included within the long term planning when considering building assets both current and into the future, as well as during any renewal programs.

Table 2.3: Strategic objective in the Community Strategic Plan

Strategic objective in the Community Strategic Plan 	Strategies to achieve objectives 	Asset Management Plan 
Fair – we can all benefit from the opportunities the City offers	<p>Invest in services and facilities for our growing population</p> <p>Support people to live active and healthy lives</p> <p>Deliver effective, responsible and ethical decision-making, reflective of community needs and aspirations</p>	<p>Provide fit-for-purpose and cost-effective infrastructure that meets community needs</p> <p>Enable provision of infrastructure to enable healthy lifestyles, for example aquatic facilities, indoor sporting facilities and building infrastructure to support outdoor sporting facilities.</p> <p>Engage the community on levels of service and test satisfaction</p>

<p>Accessible – we can all get to where we want to go</p>	<p>Design our City so that it is usable by people of all ages and abilities</p> <p>Make our City more enjoyable and safe for walking and accessing facilities</p>	<p>Council's infrastructure provides places to walk, ride and drive, and meeting points for the community.</p> <p>DDA compliance improvement of Council's Buildings</p>
<p>Green – we care for and enjoy our environment</p>	<p>Protect and enhance our natural environment</p> <p>Prepare for and lessen the impacts of extreme weather events</p>	<p>Promote ecologically sustainable development, meeting the needs of the present without compromising the ability of future generations to meet their own needs</p> <p>Support conservation and enhancement of the City's environment, and promote energy, water and waste efficiencies</p> <p>Help to manage the impact of planned and unplanned events on existing assets</p>
<p>Thriving – we benefit from having a thriving CBD and local centres</p>	<p>Plan and deliver a vibrant, attractive and safe CBD and local centres</p>	<p>Facilitate and support the growth of our City, businesses and community through the provision of infrastructure</p>
<p>Welcoming – we celebrate culture and diversity – past, present, and future</p>	<p>Recognise that Parramatta has always been a gathering place, and our diversity is our strength</p>	<p>Provide and advocate for facilities that are inclusive, enabling people and communities to connect</p> <p>Provide for renewal of heritage buildings</p>
<p>Innovative – we collaborate and champion new ideas to create a better future</p>	<p>Embrace technology, creativity and innovation to solve complex problems and improve our City</p> <p>Manage the City's assets and financial resources in a responsible manner and provide the best possible services for the community</p>	<p>Improve our knowledge management to ensure appropriate data is accessible and supports asset management activities</p> <p>Keep Council accountable, responsible, and sustainable when planning our future infrastructure needs</p> <p>Ensure asset management drives Council strategy for asset creation, use, management, maintenance, renewal, rationalisation and disposal of assets through strong integration with Council policies</p>

		and strategies, levels of service, and Council's Long Term Financial Plan Provide risk management and decision-making frameworks
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The Building AM Plan will take into consideration, align and deliver where possible those items that have been identified within the six strategic objectives of the Community Strategic Plan. The strategic objectives will be included within the long term planning when considering building assets both current and into the future, as well as during any renewal programs.

In addition to the Community Strategic Plan, other existing Council strategies and plans such as the Revitalising Parramatta: Civic Improvement Plan, Amendment No.4, Social Infrastructure Priority Needs: Parramatta CBD, Parramatta CBD Planning Strategy, Community Facilities: Policy Framework and Future Directions and the Early Education and Care Services Needs Analysis for the Parramatta LGA provide additional information for consideration on community needs and interests as well as identify issues relating to community needs and facility gaps. Examples include inadequacies in the current provision of:

- Library facilities with flexible, multipurpose spaces in the LGA
- Multipurpose community space - with multipurpose meeting and activity space
- Council or not for profit run child care facilities
- Low cost office space for social enterprises in the CBD
- Recreational facilities for residents and workers – there is a demand for a high quality, year round aquatic and indoor recreation facility in the CBD

2.9.1. Economic Strategies

The economic strategies for 2018-2038 focus on the benefits of making the City work and spreading these benefits to surrounding centres and neighbourhoods and Western Sydney as a whole. The key strategies are:

- Identity: establish a competitive identity that differentiates Parramatta from other locations and increase investment
- Business: develop the capacity of local firms to grow, specialise and employ more local people, as described in Parramatta 10,000
- Labour: educate, retain and attract quality people with skills aligned to meet the needs of local employers
- Property: develop land and property assets to promote and accommodate jobs growth and increase land values, including through Parramatta Square and Council's new Operations Centre and Central Library
- Urban vitality: plan for vibrant streets and precincts in Parramatta CBD and local centres that will attract people and business, including the redevelopment of Auto Alley, Woodville Road, Parramatta Road, Rydalmere and Westmead – all priorities for the four years.

2.9.2. Environmental Strategies

Parramatta 2018-2038 builds on Parramatta's focus on natural areas and includes strategies for the natural and the built environment, and to manage environmental risks. The key strategies are:

1. Natural environment: improve, protect and value our natural heritage and systems, including the extensive network of parks and bushland reserves; continue to protect biodiversity while improving connections between these areas and people; and focus on:
 - waterways rehabilitation
 - biodiversity and bushland management
 - local air quality

- land and soil management
- 2. Built environment: invest in and create a low-impact, eco-efficient urban environment that supports Parramatta as an area of significant jobs and residential growth; develop creative responses to improve the efficiency of the City, diversify the source of our resources and help manage increasing energy, water and waste costs; and focus on:
 - efficiency and adaptability of precincts and buildings
 - growth in green jobs and services
- 3. Risks and resilience: minimise and manage environmental risks, increase resilience, improve recovery times and focus on:
 - preparation for extreme weather events and/or other extreme events that disrupt food, water, energy or other resource supply
 - Identification of risk and putting plans in place to better deal with events when they happen.

2.9.3. Connectivity Strategies

The connectivity strategies for 2018-2038 focus on both local and regional physical connections, and the digital connections Council will need for the future. The key strategies are:

- Local connections within the City and neighbourhoods: promote and support walking, cycling and public transport; provide a legible city centre and local centres with improved access and amenity for pedestrians and cyclists; and manage traffic to minimise its adverse impacts on people, car commuters and through traffic.
- Regional connections for jobs, entertainment and education: continue to lobby for improved public transport, including light rail; develop Local and Regional Ring Roads to better manage traffic flow to more appropriate routes; relocate commuter car parking to the CBD periphery; and develop Park & Ride facilities.

2.9.4. People and Neighbourhood Strategies

The people strategies for 2018-2038 focus on health and recreation, the housing that can be provided, learning and development, and building cohesive, safe neighbourhoods. The key strategies are:

- Health and recreation: help to provide healthy choices and access to services that build on our excellent regional health facilities and help to tackle issues such as obesity; and focus on healthy lifestyles (active living, healthy food and mental health) and health promotion (food safety and environmental hazards]
- Housing: provide a range of housing for people at any stage of life and whatever their aspiration or need; minimise homelessness; and focus on social housing needs, affordable housing and the right mix of dwellings
- Learning and individual development: work with the education sector and Council's libraries to improve access to quality learning opportunities
- Neighbourhood and belonging: celebrate the unique character of local centres, neighbourhoods and City precincts, with a focus on:
 - community safety
 - active citizenship
 - social networks
 - quality neighbourhoods
 - connecting local arts and culture.

2.9.5. Culture and Sport Strategies

- Distinct places: formulate great experiences and recognise, celebrate and promote our dynamic history and heritage and unique places
- Creative industries: use as an economic driver to encourage local creative enterprises, attract events, encourage active engagement, celebrate diverse cultural perspectives and boost the local day and night economy
- Cultural expression and innovation: develop regional facilities like the Riverside Theatres and an art gallery, activate the Parramatta River, and work with partners like the Western Sydney Wanderers, Parramatta Eels, Australian Turf Club (ATC) and Sydney Festival.
- Energy and cultural richness: improve quality of life and drive positive growth through events and by activating areas within the built environment such as laneways, parks, malls and public spaces.

2.9.6. Leadership and Governance Strategies

- Leadership: represent the best interests of the City and its people through a regional City strategy to benefit the City, entire Local Government Area and the region by working systematically with partners to influence positive change
- Capability: build and develop a Council that can deliver strategic priorities; provide high quality service; plan well for the future; be a well-governed, community-focused organisation; and focus on:
 - building a sustainable future for Council by managing finances and assets flexibly within a strong planning and risk management framework
 - recruiting and training great people in a safe workplace
 - placing customers at the centre
 - making business better by adopting innovative practices and being adaptable to change
- Governance: provide a strong framework for transparent and accountable decision-making and compliance with relevant laws, policy and protocols; and develop structures for effective business planning and for meeting statutory obligations and accountability measures.

2.10. Corporate Plan – Major Priorities

The following Major Priorities represent a number of key focus areas for the Council in this term that will significantly advance progress towards our six Strategic Objectives.

In moving towards Councils Community Strategic Plan 2018-2038 Council is undertaking a number of initiatives to grow development, jobs and activity across Parramatta, both in the CBD and in a number of nearby precincts. While Council are doing that, it is important to ensure that Council are delivering important improvements and services for our whole community and that Council maintain the capacity to run our business in a way that is financially sustainable. Below is a breakdown of the Major Priorities in the Corporate Plans and the current projects underway.

2.10.1. Parramatta Square

- Designs developed for all elements of Parramatta Square
- Development Applications approved for all elements of Parramatta Square
- A program for the delivery of all Council facilities, including library
- Public Domain elements delivered and Phive to be opened in 2022

2.10.2. City Centre

- A revitalised Centenary Square and Parramatta Square
- A River City Strategy adopted and staged scheme underway to improve the river foreshore including terracing, moving the sewer pipe, and Improving Water Quality in Parramatta River

- The next group of Design Parramatta priority projects delivered, improving Parramatta's streets, and public spaces
- A review of the CBD planning framework completed, stimulating quality development that delivers jobs, housing, entertainment recreation facilities and shopping and dining experiences
- Investigation of innovative methods to deliver infrastructure including the Voluntary Planning Agreement process and value capture
- A review of the Parramatta Car Parking Strategy
- Preparation of a retail strategy to promote and support diversity in retail and dining experiences

2.10.3. Precinct Renewal

- Establishing effective collaborative relationships with the state government, major land owners, agencies, institutions and developers to make the process happen
- Develop quality precinct master plan, review planning instruments and identify infrastructure needs
- Advocate for investment (public and private) to implement actions
- Investigate innovative methods to deliver infrastructure including the Voluntary Planning Agreement process and value capture
- Key redevelopment sites and infrastructure commenced this Council term

2.10.4. Transport – Parramatta Light Rail and Sydney Metro West

- Commitment from State Government and private partners to build Parramatta Light Rail – Stage 2
- Commitment from State Government for staged implementation of regional and Parramatta ring road and WestConnex on/off ramps
- Improved walkable network throughout the city (PAMP Program)
- Advocate for a fast rail connection from Sydney CBD to Parramatta

2.10.5. Digital City

- A Smart City Strategy that provides a framework for investment in technology and positions Parramatta as a "Smart City"
- Improved connectivity in the CBD and neighbourhoods
- Increased clusters of knowledge and high skill jobs

2.10.6. City Activation

- People engaged in the life of the City
- A City perceived as a destination of choice
- Activation that supports commerce and enterprise and stimulates economic activity
- Enhanced perceptions of Parramatta as Australia's Next Great City

2.10.7. Sports & Recreation

- Increased participation in sports and activities that improve health and wellbeing
- Well planned and maintained open spaces, sport and recreation assets
- Integrated approaches to land use and transport planning to improve access to open spaces and recreational opportunities

2.10.8. Destination for Sport & Culture

- Increased recognition of Parramatta's position as a sport and entertainment destination
- Increased visitors to Parramatta's sport and cultural facilities
- Increased opportunities for local residents and businesses to benefit from significant sporting and entertainment events being held in Parramatta
- An agreed precinct Masterplan and advocacy program for development of sport and recreation facilities in North Parramatta

2.10.9. External Communication and Consultation

- Improved stakeholder engagement measured by survey
- Recognition of Parramatta as Australia's Next Great City

2.10.10. Providing Great Services to Our Community

- New Operations Centre with greater service delivery capacity
- Sustained implementation of service improvements and operational capacity improvements to deliver better, more efficient public services
- Smarter ways to do business with our customers using technology
- Continuous improvements to the customer experience

2.10.11. Financial Sustainability

- Net operating position is in surplus
- Prudent financial management of Council resources, debt and insurance, alongside strong record of delivery of our Major Priorities
- Business practices that ensure value for money and unlock efficiencies
- Returns on Council investments exceed benchmark by 10 per cent
- Equitable and efficient rating system.

2.10.12. Ensuring Council is "Fit for the future"

- A considered response to the Local Government Reform proposals that reflects a detailed analysis of Council's position and reflects the views of our community.

2.11. Linkage to Corporate Strategies

The Asset Management Strategy provides guidance to Council's Financial Strategy and to the Community Strategic Plan. The Buildings Asset Management Plan in turn provides input to the Long Term Financial Plan and the Annual Budget. From this the Capital Works Program for infrastructure maintenance and renewals is developed.

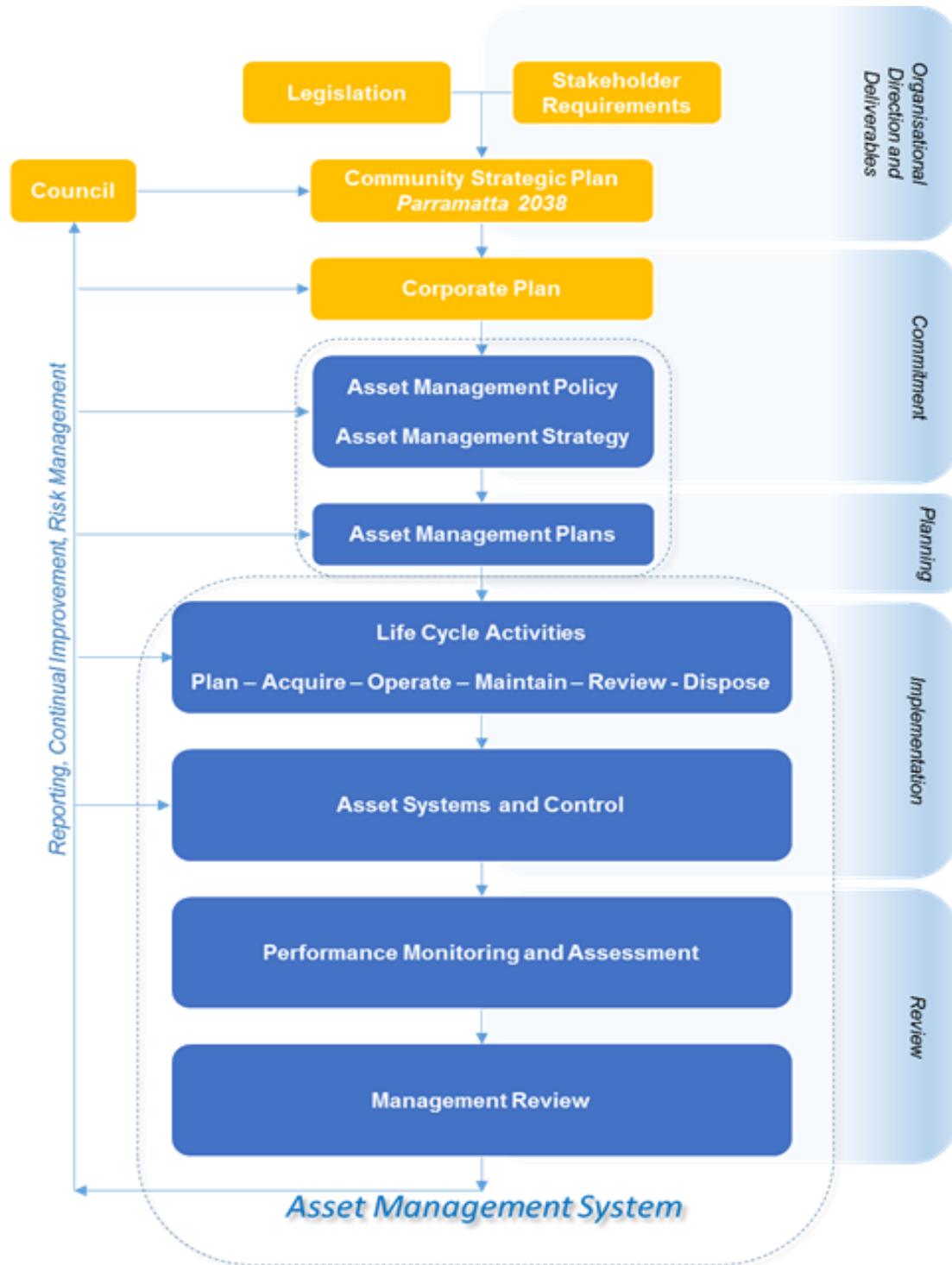


Figure 2.4 Linkages between AM Plan and Key Strategic Documents and Activities

The above diagram outlines the linkages between Council's Community Strategic Plan and the process for the development of AM Plans.

The Asset Management Strategy provides guidance to Council's Long Term Financial Plan and to the Community Strategic Plan. Council's role is to locally govern for all residents, visitors and ratepayers, and provide a range of programs and services that meet the needs of our community. This role is encapsulated through the Council's Community Strategic Plan.

The Buildings AM Plan in turn provides input to the Financial Plan and the Annual Budget. From this the Capital Works Program for infrastructure maintenance and renewals is developed.

2.12. Core and Advanced Asset Management

This AM plan is prepared as a 'core' asset management plan over a 10 year planning period in accordance with the International Infrastructure Management Manual⁵. It is prepared to meet minimum legislative and user requirements for sustainable service delivery and long term financial planning and reporting. Core asset management is a 'top down' approach where analysis is applied at the system or network level.

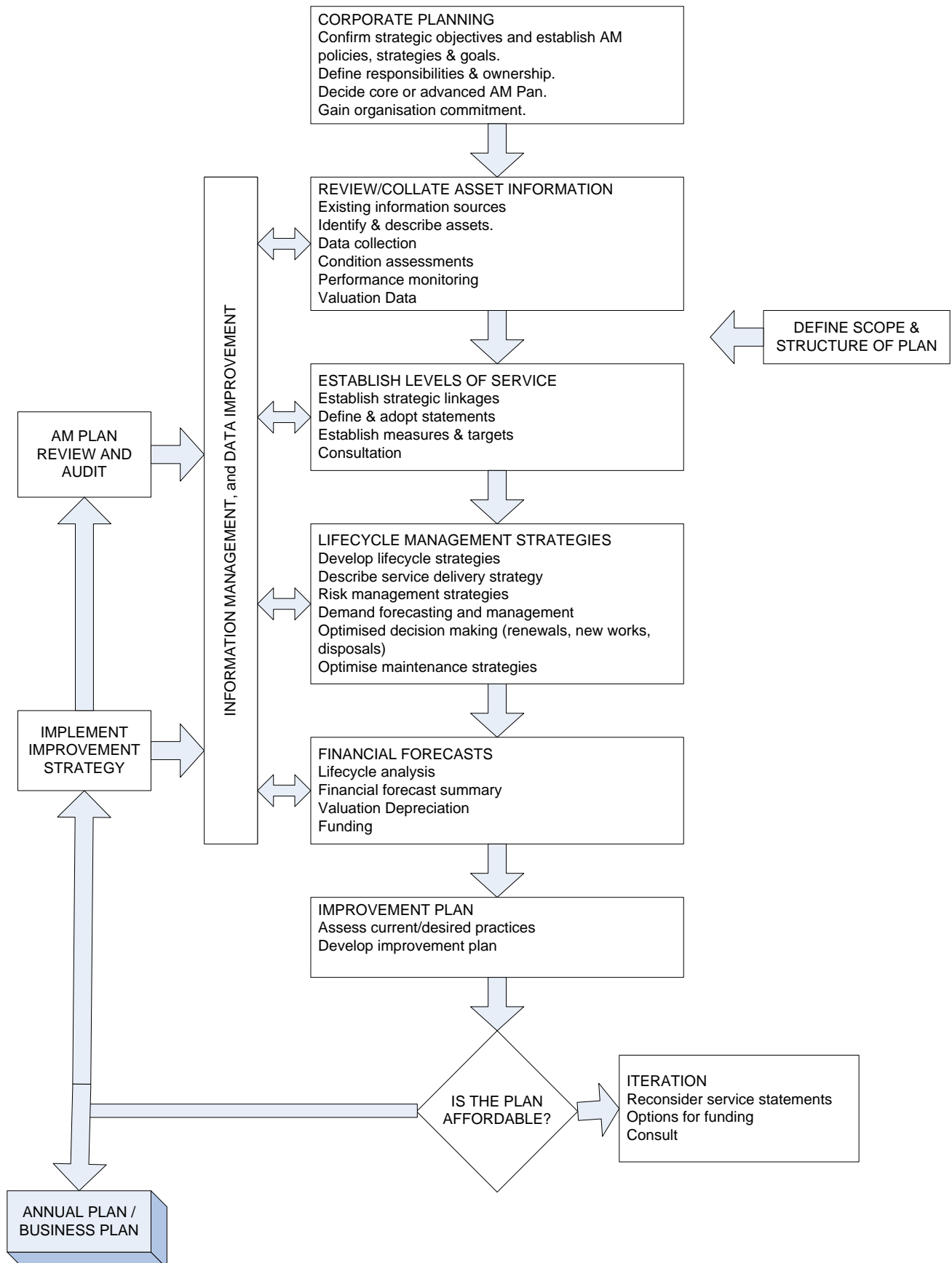
It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level and should be regarded primarily as a snapshot of current practices and strategies. In contrast, advanced asset management is a 'bottom-up' approach, which seeks to optimise activities and programs to meet agreed service standards through development of management tactics based on collection and analysis of key information on asset condition, performance, lifecycle costs, risk costs and treatment options.

Future revisions of this AM plan will move towards 'advanced' asset management using a 'bottom up' approach for gathering detailed asset information for individual assets to support the provision of activities and programs to meet agreed service levels in a financially sustainable manner.

⁵ IPWEA, 2015, IIMM.

Fig 2.5: Road Map for preparing an Asset Management Plan

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



3. LEVELS OF SERVICE

3.1. Asset Hierarchy

Building hierarchy is used to guide maintenance and capital project decisions by grouping buildings of a similar level of importance and priority. The building hierarchy scheme uses a series of indicators to give a number of scores to each building.

A building's hierarchy is rated on a scale of 1 (highest) and 4 (lowest) and is based on a building's usage, occupancy levels, community impact, user vulnerability, service impact, financial impact and building significance (Cultural and/or heritage). Table sets out typical characteristics of buildings in each Hierarchy Level.

Hierarchy Level	Typical characteristics of a building
1	Buildings that are intensively used 5-7 days per week. Buildings that provide services to the entire municipality and surrounding areas. Building that are notable for cultural or heritage reasons.
2	Buildings that are heavily used 5 days per week. Buildings that provide services to suburbs or regions within the municipality.
3	Buildings that are moderately used or not used on a daily basis. Buildings that provide services to local communities.
4	Buildings that are used on an ad hoc or limited regular basis for small numbers of occupants. Buildings that are usually unoccupied. Buildings that are redundant or programmed for disposal or demolition.

Table 3.1: City of Parramatta Council Buildings Hierarchy

Council's Asset Strategy and Property Planning and Programming unit carried out a detailed consultation process with the various services providers and business units within Council to identify each individual building's hierarchy in respect to the overall portfolio. The building hierarchy and assessment criteria are contained within the Business Rules, annexed to this report. A summary of the assessment is contained below:

Table 3.2: City of Parramatta Council Buildings Hierarchy numbers (2020)

Asset Category	No. of Assets	Hierarchy 1	Hierarchy 2	Hierarchy 3	Hierarchy 4
Administration and Operational	28	3	1	23	1
Community Portfolio	142	7	29	95	25
TOTAL	170	9	29	112	26

3.2. Levels of Service hierarchy

The levels of service decision-making hierarchy at Council flows from:

- legislative requirements, to
- community expectation, to
- Council strategies.

Council uses the levels of service to measure its performance and establish forward works programs, maintenance schedules and delivery programs for short- and long-term planning.

Building Asset Category	Number
Car Parking Building	3
Community Hall & Meeting Rooms	22
Sports Pavilion /Amenities / Club House	72
Council Offices	2
Theatres, Performance and Cultural Spaces	5
Depots	2
Sports Centres (Leased)	10
Early Childhood Education	9
Community Hubs & Town Halls	1
Libraries	5
Amenities in Parks (Toilets)	28
Affordable Housing Units	8
Aquatic Centre	1
Scout and Girl Guide Halls	11
Health Centres (Baby & Seniors)	5
Amenities not in Parks (Toilets)	5
	189

Fig 3.3: Buildings Asset Categories (2023)

3.3. Customer Research and Expectations

This AM plan is prepared to facilitate consultation initially through feedback on draft AM Plans prior to adoption by the Council. The AM Plan incorporates community consultation on service levels and costs of providing the service. This assists the Council and stakeholders in matching the level of service required, service risks and consequences with the community's ability and willingness to pay for the service.

Council conducts regular Community Surveys to measure satisfaction with services and to identify priorities. This telephone survey polls a sample of residents on their level of satisfaction with Council's services. The most recent customer satisfaction survey that was conducted during 2020 reported performance gaps and priority rankings for the following services.

Fig 3.4: Services and Facilities –Comparison to Benchmarks⁶

Service/facility	Satisfaction	Benchmark variance
Maintenance of local suburban roads	3.64	0.70
Provision of cycle ways and facilities	3.80	0.63
Condition of Council's car parks	3.48	0.54
Maintenance of footpaths	3.56	0.49
The opportunity to have your say on key issues affecting the community	3.42	0.46
Local traffic management and signs	3.46	0.43
Parramatta Heritage & Visitor Information Centre	3.85	0.38
Public spaces	3.87	0.38
Cleanliness of streets	3.89	0.36
Effectiveness of Council's stormwater drainage	3.77	0.34
Planting of trees in your local area	3.60	0.30
Council-run events & festivals	4.07	0.30
Riverside Theatres	4.00	0.28
Cleanliness of parks	3.98	0.28
Quality of children's playgrounds & equipment	3.98	0.28
Promoting sustainable transport options	3.64	0.26
Maintenance of parks and gardens	3.95	0.25
The provision of information on community issues, developments and initiatives	3.47	0.20
Maintenance of community halls & centres	3.81	0.18

It is important that our community have a say. Obtaining community feedback on the condition of our assets is important for council to understand as it impacts how we prioritise work, allocate Council budget, make recommendations to Councillors on future budget decisions, including the level of rates required to fund important infrastructure and improve safety and quality of life for our community.

Council must maintain community infrastructure to acceptable standards for safety and functional usage. However, when determining the community levels of service, we look beyond the minimum standards and work with the community to define acceptable standards for a range of assets, so we can better align resources with community priorities.

Council undertook a comprehensive community consultation exercise in February 2018 on the condition of its infrastructure assets as part of the development of the Community Strategic Plan and Resourcing Strategy.

Community Survey results

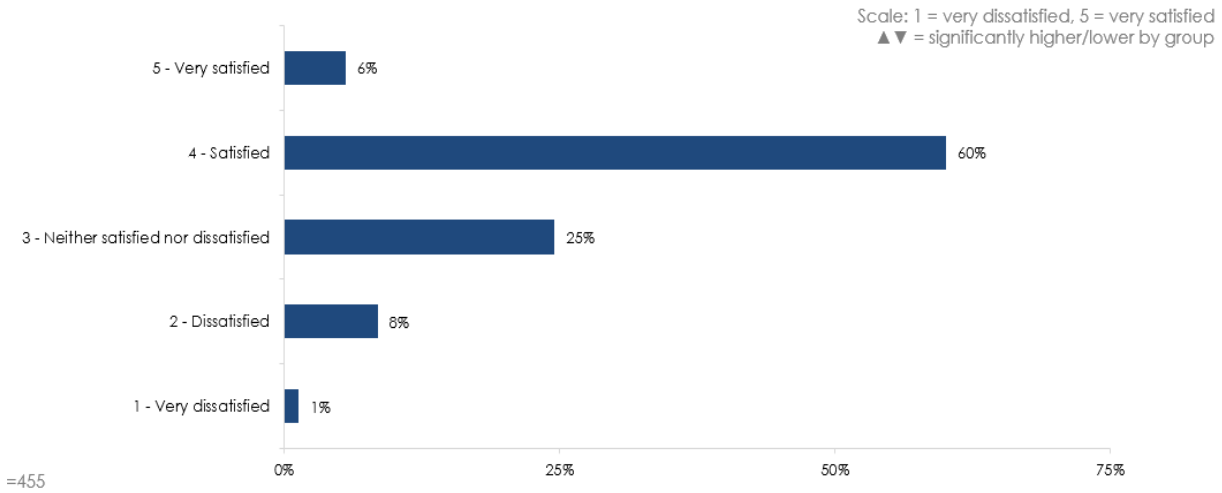
Council conducted a two-stage quantitative and qualitative community engagement program:

- Quantitative engagement: Telephone survey with an initial 455 residents, followed by 300 re-contact interviews after participants had received and reviewed an asset information pack.
- Qualitative engagement: Five workshops/focus groups:
 - 1 x internal stakeholders workshop
 - 1 x external stakeholders workshop
 - 3 x community focus groups.

Satisfaction with current community assets








Overall, residents are satisfied with the quality of community assets, with two-thirds stating they are "satisfied" or "very satisfied".

⁶ Micromex Research, 2020, Community Satisfaction – 2020 Wave



Usage, acceptable standards and investment

The table below presents the results of the community consultation exercise. It plots the major asset classes against community usage of assets, the minimum acceptable standard of assets, and Council assets identified as requiring more investment. An interesting result worth noting is that while footpaths and local urban roads are the most used assets, they have the highest percentage of the community accepting a fair conditioned asset standard over a good standard asset.

Asset	Usage % used regularly/ occasionally	Acceptable Standard % good condition	Investment % more investment	
			Pre-info pack (N=300)	Post-info pack (N=300)
Park amenities (toilets) 	37%	48%	44%	64%
Community facilities and buildings 	42%	44%	28%	57%
Footpaths 	91%	39%	48%	56%
Major town centres 	64%	61%	35%	56%
Local suburban roads 	95%	37%	50%	55%
Parks infrastructure and sporting fields 	72%	58%	55%	55%
Parramatta CBD 	52%	65%	30%	53%

Community Consultation is undertaken by Parramatta City Council annually by Micromex. The latest consultation and research was carried out throughout June 2020 - via telephone (600) & online (622) questionnaires. The research provides Council with findings that we can confidently say reflect the attitudes of the broader community including residents, business owners, workers and visitors.

The 2020 consultation identified areas where small improvements will have the greatest positive impact upon overall community satisfaction. Providing value for money, including the delivery of efficient services and facilities from assets, is very important to the community. The following scale details the performance gaps develop by Micromex Research to identify gaps in Residents' Expectations.

This Community Voice Consultation assists the Asset Manager to identifying services, facilities and assets which the community feel should be of highest priority as well as the services areas with lower levels of satisfaction. This information assists the Asset Manager in decision making, in particular fund allocation (new, renewal and upgrade) and the appropriateness of the current Levels of Services.

3.4. Strategic and Corporate Goals

This AM Plan is prepared under the direction of the City of Parramatta's vision, mission, goals and objectives.

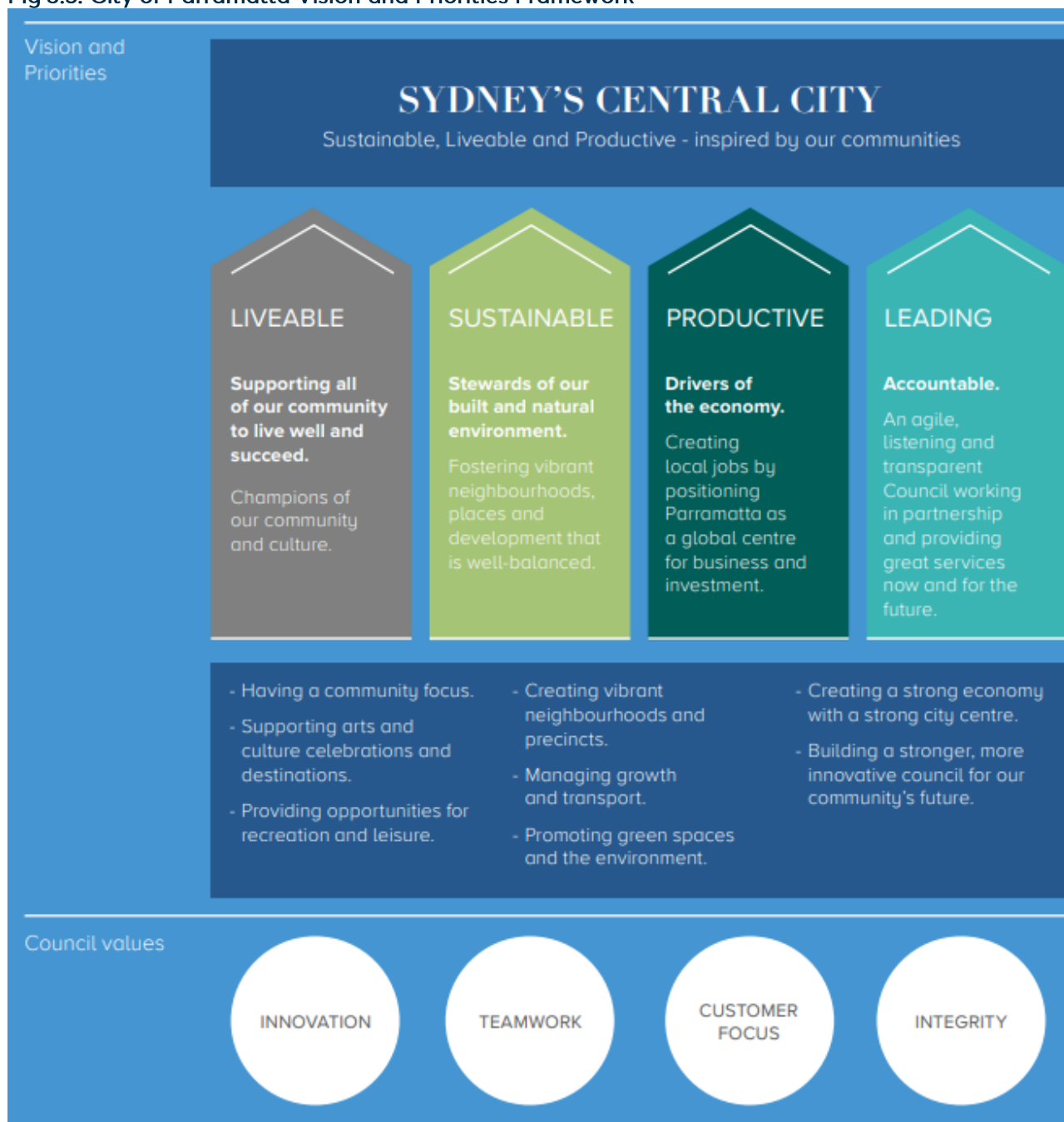
Our vision is: *Sydney's central city, sustainable, liveable and productive – inspired by our communities.*

Underpinning the City of Parramatta Vision are 6 Key Result Areas (KRAs) that provide the big picture results, which the community would like Council and its many partners to focus on achieving. These KRAs are as follows

- Fair - We can all benefit from the opportunities our City offers
- Accessible - We can all get to where we want to go
- Green - We care for and enjoy our environment
- Welcoming - We celebrate culture and diversity - past, present and future
- Thriving - We benefit from having a thriving CBD and local centres
- Innovative - We collaborate and champion new ideas to create a better future



Fig 3.5: City of Parramatta Vision and Priorities Framework⁷



Relevant goals and objectives and how these are addressed in this asset management plan are:

Table 3.6: Priorities and how these are addressed in this Plan

Goal	Objective	How Goal and Objectives are addressed in AM Plan
Building a stronger, more innovative council for our community's future	<p>Ensuring we provide high quality services and projects that meet the needs of our community whilst being open and transparent and financially prudent.</p> <p>We will engage and communicate with our community about our plans and progress and</p>	<p>City of Parramatta plan for the total cost of ownership of Council assets and services.</p> <p>Asset management governance supports</p>

⁷ City of Parramatta, 2017, Our Vision and Priorities

	<p>ensure that we continue to provide inspirational leadership and good governance.</p> <p>We will provide responsive regulatory functions that address community issues.</p> <p>Be at the forefront of innovation by harnessing leading-edge technology.</p>	<p>evidence based decision making.</p> <p>Council will utilise predictive modelling in order to model the performance of council's assets</p>
Managing Growth and Transport	<p>Work with government partners to improve connections and traffic flow within and through the City of Parramatta to connect people to jobs and the rest of the region.</p> <p>Managing the parking and transport needs of residents, visitors and workers.</p> <p>Create truly great spaces and places for the community through well managed development.</p> <p>Ensure that green and open spaces are created, protected and maintained in line with population growth.</p> <p>Advocate to State and Federal agencies and business to ensure that there is the right infrastructure at the right time including traffic and transport solutions, schools and open space planning.</p> <p>Harnessing the benefits of growth for all.</p>	<p>Council will maintain community infrastructure as per our asset management policy and strategies and seek to meet and management community expectations around safety, amenity and access.</p>
Promoting green spaces and the environment	<p>To create a green city by creating and maintaining green spaces, bushland and waterways for residents and visitors to enjoy.</p> <p>To create an eco-efficient city that through good planning uses less energy and water whilst recycling more waste efficiently as the City grows – doing more with less.</p> <p>Protect and enhance our natural bushland.</p>	<p>Council will ensure natural areas and bushland is sustainably funded to ensure environment protection outcomes are met.</p>
Providing opportunities for recreation and leisure	<p>Create more active travel options and maintain accessible and high quality facilities to promote healthy and active lifestyles amongst our growing local government area.</p> <p>Maintain the City's reputation as a premier sporting destination.</p>	<p>Council will ensure the provision of open space and recreational areas that our community and residents can utilise to facilitate healthy and active lifestyles.</p>
Creating a strong economy with a strong city centre	<p>Create a centre that can generate jobs for everyone, attract business and investment and provide better services in order to meet the demands of population growth.</p> <p>Create a well-connected, efficient city and neighbourhoods, attract high skill knowledge intensive jobs and promote Parramatta as a knowledge hub and a centre for ideas</p>	<p>Council will plan for the delivery of major developments to ensure world class public domain areas are maintained to an agreed level of service and contributes to the value adding force behind new growth in employment and</p>

	<p>and excellence.</p> <p>Ensure that Parramatta Square Development becomes a key economic driver to deliver world-class office, retail, residential and public space to accommodate growth and stimulate employment.</p> <p>Work with key partners to create a city centre that is a high value-adding, employment hub and driving force behind the generation of new wealth in Western Sydney.</p>	residential populations
Having a community focus	<p>Foster and celebrate a sense of community that is friendly, welcoming and embraces diversity.</p> <p>Respect, protect and celebrate the Aboriginal and European heritage, songlines, stories and history of our city.</p> <p>Create a place that encourages social connectivity and is inclusive and accessible for all.</p> <p>Understand the needs of the community and ensure the provision of relevant, accessible and exceptional services.</p>	Council will maintain and plan for public artworks and heritage interpretation assets within the LGA. This includes ensure maintenance plans and adequate funding is secured to manage these asset types.
Supporting arts and culture celebrations and destinations	<p>Celebrate our cultural life and build positive perceptions of Parramatta by delivering a program of high quality festivals, local and major events and street activities.</p> <p>Provide a variety of cultural experiences and attractions unique to Parramatta which make it a destination of choice for residents and visitors.</p>	No asset related outcome
Creating vibrant neighbourhood and precincts	<p>Drive renewal in key precincts in order to increase jobs, housing, development and transport options including in Epping, Camellia, Westmead, Wentworth Point, the Greater Parramatta to Olympic Park (GPOP).</p> <p>Create welcoming and distinctive local neighbourhoods, that foster a sense of community and local identity for residents right across the Local Government area.</p>	Council will continue to invest in the assets within key precincts including the upgrade of existing assets, planning for new assets, and maintaining/ renewing assets when they underperform

The City of Parramatta will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan prepared in conjunction with this AM Plan. Management of infrastructure risks is covered in Section 6.

3.5. Legislative Requirements

There are many legislative requirements relating to the management of assets. These include:

Table 3.7: Legislative Requirements

Legislation	Requirement
Local Government Act	Sets out role, purpose, responsibilities and powers of local governments. Draft Bill 2009 includes the preparation of a long term financial plan supported by asset management plans for

	<p>sustainable service delivery.</p> <p>The purposes of this Act are as follows:</p> <p>(a) to provide the legal framework for an effective, efficient, environmentally responsible and open system of local government in New South Wales,</p> <p>(b) to regulate the relationships between the people and bodies comprising the system of local government in New South Wales,</p> <p>(c) to encourage and assist the effective participation of local communities in the affairs of local government,</p> <p>(d) to give councils:</p> <ul style="list-style-type: none"> • the ability to provide goods, services and facilities, and to carry out activities, appropriate to the current and future needs of local communities and of the wider public • the responsibility for administering some regulatory systems under this Act • a role in the management, improvement and development of the resources of their areas, <p>(e) to require councils, councillors and council employees to have regard to the principles of ecologically sustainable development in carrying out their responsibilities.</p>
Environmental Planning and Assessment Act 1979	An Act to institute a system of environmental planning and assessment for the State of New South Wales. Among other requirements the Act outlines the requirement for the preparation of Local Environmental Plans (LEP), Development Control Plans (DCP), Environmental Impact Assessments (EIA) and Environmental Impact Statements.
Protection of the Environment Operations Act 1997	Council is required to exercise due diligence to avoid environmental impact and among others are required to develop operations emergency plans and due diligence plans to ensure that procedures are in place to prevent or minimise pollution.
Building Code of Australia (BCA)	<p>The objectives of the BCA are to enable the achievement and maintenance of acceptable standards of structural sufficiency, safety (including safety from fire), health and amenity for the benefit of the community now and in the future. These goals are applied so that the BCA extends no further than is necessary in the public interest, are cost effective, easily understood, and are not needlessly onerous in its application.</p> <p>The BCA contains technical provisions for the design and construction of buildings and other structures, covering such matters as structure, fire resistance, access and egress, services and equipment, and certain aspects of health and amenity.</p>
Australian Standards & Codes of Practice	Various AS relevant to the asset class. Referenced in the Building Code of Australia. Governs a vast range of building construction and management
Crown Lands Act	An Act to provide for the administration and management of Crown land in the Eastern and Central Division of the State of NSW

	Council has large holdings of Crown land under its care, control and management.
Road Transport (Safety and Traffic Management) Act 1999	Facilitates the adoption of nationally consistent road rules in NSW, the Australian Road Rules. It also makes provision for safety and traffic management on roads and road related areas including alcohol and other drug use, speeding and other dangerous driving, traffic control devices and vehicle safety accidents.
Road Transport (General) Act 2005 Road Transport (General) Amendment Regulation 2008	Provides for the administration and enforcement of road transport legislation. It provides for the review of decisions made under road transport legislation. It makes provision for the use of vehicles on roads and road related areas and also with respect to written off and wrecked vehicles.
Roads Act 1993	Sets out rights of members of the public to pass along public roads, establishes procedures for opening and closing a public road, and provides for the classification of roads. It also provides for declaration of the RTA and other public authorities as roads authorities for both classified and unclassified roads, and confers certain functions (in particular, the function of carrying out roadwork) on the RTA and other roads authorities. Finally it provides for distribution of functions conferred by this Act between the RTA and other roads authorities, and regulates the carrying out of various activities on public roads.
Australian Accounting Standards	Prescribes requirements for recognition and depreciation of property, plant and equipment assets.

3.6. Current Levels of Service

3.6.1. Level of Service Description

The 'level of service' is the defined service quality for a particular activity or service area against which service performance can be measured. They provide the basis for the life-cycle management strategies and works programme identified within the AM Plan.

Levels of service support the Organisation's strategic goals and are based on customer expectations and statutory requirements.

Levels of service can be broken down into three basic aspects:

- Function – its purpose for the community.
- Design Parameters – what is required of and from the asset itself.
- Performance & Presentation – the effectiveness of the service and ensuring it is safe, clean and appropriate for use.

The objective of asset management is to enable assets to be managed so that agreed Levels of Service are consistently delivered in the most cost effective way. There are two types of Level of Service:

- 'Community' Levels of Service are related to the service that the customer receives. The community expectations with regard to levels of service are communicated to Council via consultation. These levels of service are also established by Council taking the communities expectations, legislative requirements and available funding into account

- 'Technical' Levels of Service are operational in nature and are the means by which Council officers establish and manage the operation and maintenance required to ensure that the Customer Levels of Service are being achieved

By setting community and technical levels of service, Council can assess and monitor its assets performance. Council can then be held accountable and is able to report to the community on the asset performance. In the long term this will ensure that Council funds are spent where the community want them to be spent and assets are maintained in the most cost effective manner.

As Council's current asset management systems do not allow for detailed reporting on levels of service targets and performance, Council will further develop its ability to manage and report on the levels of service within its Improvement Actions Plan as well as future versions of this AM Plan.

3.6.2. Strategic Levels of Service

Community (Strategic) Levels of Service, communicate the philosophies of Council in relation to the management of the building portfolio including the rehabilitation and renewal of these assets as they deteriorate due to age and use.

These are strategic Levels of Service and relate to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost/efficiency and legislative compliance. They have the aim of setting performance standards at the strategic level to guide the management of Council's building assets.

Council's Community Levels of Service for its building portfolio are also identified within the Community Lands Plan of Management 2014 (PoM). The Performance Targets identified within this PoM is to ensure that all facilities on community land are adequately maintained. In doing so, Council is to regularly inspect, ensure all works are carried out to relevant standards, repairs are carried out promptly, minimise risk and review timeframes for inspections to ensure that external environmental factors are mitigated. The performance standard for this section of the PoM is simply based on the number of complaints or Service Requests received by the community.

3.7. Customer Levels of Service

Service levels are defined service levels in two terms, customer levels of service and technical levels of service. These are supplemented by organisational measures.

Customer Levels of Service measure how the customer receives the service and whether value to the customer is provided. Customer levels of service measures used in the AM Plan are:

Quality	How good is the service. <i>What is the condition or quality of finishes?</i>
Function	Is it suitable for its intended purpose. <i>Is it the right building to provide the range of services and amenity required?</i>
Capacity/Use	Is the service over or under used. <i>Do we need more or less of these assets? How effectively is the building being used?</i>

The current and expected customer service levels are detailed in Tables 3.8 and 3.9. Table 3.8 shows the expected levels of service based on resource levels in the current long-term financial plan.

Organisational measures are measures of fact related to the service delivery outcome. e.g. number of occasions when service is not available, condition %'s of Very Poor, Poor/Average/Good, Very good.

These provide a balance compared to customer perception that can be more subjective.

Table 3.8: Customer Level of Service

	Expectation	Performance Measure Used	Current Performance	Expected Position in 10 Years based on the current budget.
Quality	Provide well maintained facilities that are affordable to the Community.	Customer satisfaction surveys	Council's 2020 Community Satisfaction survey indicated that the Community is Very Satisfied	Expect to maintain current level of satisfaction
		% of Council facilities which are poor/very poor condition	2% of Council's facilities are currently poor/very poor condition	2% of Council's facilities to be in poor/very poor condition.
	Confidence level		High	Medium
Function	Provide accessible facilities for all ages and abilities.	Condition & function audits	Last condition/function audit undertaken in 2019	A series of condition and function audits are planned for next 10 years
		% of Council owned facilities that are fully accessible	<TBA% of Council buildings fully accessible	80% of Council buildings fully accessible by 2024
	Confidence level		Medium	Medium
Capacity and Use	Provide facilities that meet present and future needs of the community	Capacity/occupancy rate reports	Average between 75-95% occupancy rates for various facilities & services	Increased demand on facilities and services due to anticipated increase in population (refer to Section 4)
	Confidence level		Low	Low

3.8. Technical Levels of Service

Technical Levels of Service - Supporting the customer service levels are operational or technical measures of performance. Detailed Technical Levels of Service are required to assess performance on a day-to-day basis to guide decision making and work flows. The prime objective in setting the Technical or operational Levels of Service is to set targets that will lead to achieving the desired Community-based Service Levels. These include response times, work standards and condition ratings.

These technical measures relate to the allocation of resources to service activities to best achieve the desired customer outcomes and demonstrate effective performance.

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

- Operations – the regular activities to provide services (e.g. opening hours, cleansing, 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. road patching, unsealed road grading, building and structure repairs),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (e.g. road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- Upgrade/New – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).

Service Managers and Asset Managers plan, implement and control technical service levels to influence the customer service levels.⁸

Table 3.9 shows the technical levels of service expected to be provided under this AM Plan. The “Desired” position in the table documents the position being recommended in this AM Plan.

⁸ IPWEA, 2015, IIMM, p 2|28.

Table 3.9: Technical Levels of Service

Service Attribute	Service Activity Objective	Activity Measure Process	Current Performance *	Desired for Optimum Lifecycle Cost **
TECHNICAL LEVELS OF SERVICE				
Operations	<p>Legislative Compliance Ensure all Council buildings comply with all relevant regulatory requirements</p> <p>Provide property facilities services in a cost effective manner</p>	<p>Compliance Audits including BCA Fire Safety & 15A Certificates, testing of Backflow & TMV's Emergency Lighting and Exit Signs</p> <p>Regular testing of the market to ensure best value for money by Tendering Building Services every three years (minimum) e.g. Security, Fire, Lift Maintenance, Air Conditioning, Sanitary</p>	% TBC Compliance % of current Service Agreements greater than three years	100% Compliance Tender Building Services every three years (minimum).
Maintenance	<p>Provide safe suitable facilities, free from hazards Condition</p> <p>Provide well maintained facilities that are affordable to the</p> <p>Community Reactive Maintenance fast and efficient response to reactive maintenance requests</p>	<p>Annual Condition Assessments and Monthly SAFE</p> <p>Audits Annual Condition Assessment Planned Vs Reactive maintenance distribution</p> <p>AM works order reports</p>	<p>100% of required works identified in SAFE Audits actioned within 30 days. Risk Assessment undertaken for all Defects identified in annual condition audits and the Very & High risk defects repaired within 30 days</p> <p>Greater than 50% of maintenance expenditure is undertaken through planned maintenance schedules</p> <p>High Risk < 24 hours Med Risk < 14 days Low Risk < 6 weeks</p>	<p>Expect to maintain current level of service</p> <p>Expect to maintain current level of service</p> <p>Expect to maintain current level of service</p>

Service Attribute	Service Activity Objective	Activity Measure Process	Current Performance *	Desired for Optimum Lifecycle Cost **
Renewal	Ensure Council's Property assets are well managed	Annual condition assessments and completion of the annual capital building relating to Council's operational and community facilities	90% completion of annual capital renewal programs relating to Council's operational and community facilities	100% completion of annual programs
Upgrade/ New	Ensure Council's Property assets are well managed	Completion of Council's upgrade & new facilities program, including Major Projects	On-going implementation of capital upgrade programs including Major Projects	Completion of Major Projects

Note: * Current activities and costs (currently funded).

** Desired activities and costs to sustain current service levels and achieve minimum life cycle costs (not currently funded)

It is important to monitor the service levels provided regularly as these will change. The current performance is influenced by work efficiencies and technology, and customer priorities will change over time. Review and establishment of the agreed position which achieves the best balance between service, risk and cost is essential.

3.9. Desired Levels of Service

An initial Community (Strategic) and Technical (Operational) Levels of Service document to guide and assist Council has been developed with regard to ongoing management of its building portfolio. This document is contained within the Business Rules annexed to this report. Any changes in the future to the Levels of Service for any of Council's building assets will be in accordance with this document.

The development of the Levels of Service has taken into account:

- Customer research and expectations
- Strategic goals and objectives
- Legislative requirements
- Current asset condition
- Building Hierarchy
- Funding requirements

The building condition and hierarchy categorisation framework is continually being reviewed through the 10 year Plan and 1 year (operational plan) and 4 year (delivery program) Programs. It is intended to use this framework to guide and establish more specific levels of service and performance criteria, asset management, buildings maintenance and renewal and expenditure prioritisation into the future.

Further development of the levels of service will be undertaken in consultation with the various business units within Council. These will be documented in future revisions of this AM Plan.

The asset management planning process includes the development of two scenarios to develop Levels of Service that are financially sustainable.

Scenario 1 – What we need to do (spend) in the next 10 years to sustain current service levels plus planned upgrade new / new assets / services aligned with the Long Term Financial Plan, Delivery Program, Operational Plan, and Asset Strategy.

Scenario 2 – What we can do and be financially sustainable with AM Plans matching Long Term Financial Plan (LTFP), identifying major capital renewal and upgrade/new proposals that cannot be done in the

next 10 years, determining the service consequences (service levels below desired levels) and service risks associated with the deferral of these proposals.

What options do we have?

Resolving the funding shortfall involves several steps:

- Improving asset knowledge so that data accurately records the asset inventory, how assets are performing, and when assets are not able to provide the required service levels;
- Improving our efficiency in operating, maintaining, renewing, and replacing existing assets to optimise lifecycle costs;
- Identifying and managing risks associated with providing services from infrastructure;
- Making trade-offs between service levels and costs to ensure that the community receives the best return from infrastructure;
- Identifying assets surplus to needs for disposal to make saving in future operations and maintenance costs;
- Consulting with the community to ensure that water infrastructure services and costs meet community needs and are affordable;
- Developing partnership with other bodies, where available to provide services; and
- Seeking additional funding from governments and other bodies to better reflect a 'whole of government' funding approach to infrastructure services.

What happens if we don't manage the shortfall?

It is likely that we will have to reduce service levels in some areas, unless new sources of revenue are found. For building infrastructure, the service level reduction may include reduction of the frequency of routine maintenance such as painting, aesthetic renewals, and delay on delivery of new facilities. Reduction in maintenance in other areas may accelerate the consumption of some asset groups.

What can we do?

We can develop options, costs, and priorities for future buildings infrastructure services, consult with the community to plan future services to match the community service needs with ability to pay for services, and maximise community benefits against costs.

4. FUTURE DEMAND

4.1. Demand Drivers

Demand Drivers predominately affecting the building portfolio include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

Demand for new services is being managed through a combination of managing existing assets, where appropriate upgrading existing assets and providing new assets to meet demand through a variety of delivery mechanisms mentioned within Section 5 of this report.

Council can currently sustainably fund and maintain its existing building portfolio to a satisfactory condition, which will allow it to meet existing community and operational demands. Almost 95% of buildings currently score a condition rating of 3 or better (Satisfactory). Further in-depth long term planning is still required to identify if Council has the required asset in the required place to perform the required function.

The building portfolio is being managed to ensure continued service provision as well as allowing for the future growth. Given Parramatta's geographical significance, planning for both the current and future communities is required and will need to include services for groups outside of the Parramatta LGA, being the wider Sydney region.

Additional in-depth and long term planning is required to identify if Council has the required asset in the required place to perform the required function. To assist in addressing the demand into the future Council is currently undergoing numerous detailed planning studies to ensure that the future growth of the LGA is accounted for. These studies take into consideration the meeting of demand from Council's existing stock, future programmed assets via a range of delivery mechanisms, as well as service delivery via assets owned by other organisations.

Demographic analysis for the Parramatta LGA demonstrates that the population is extremely diverse which results in a need for access to a full range of social infrastructure. Current trends also identify a need for flexible, multi-purpose facilities that cater to a broad range of interests and that can adapt as needs change.

The CBD of Parramatta is undergoing a substantial planning review by Council to facilitate the significant growth for the LGA and region. This will have a substantial increase and further concentrate worker and residential population numbers. To address this, Council is also undergoing its own significant property redevelopment program of its CBD assets to facilitate growth of the organisation, community and region. Council's flagship development within its Parramatta CBD projects is the Parramatta Square project which is revitalising 3 Ha of prime CBD land.

Future versions of this AM Plan will take into consideration the numerous Strategies and Programs currently under development by Council, including the financial considerations for each being Capital New, Renewal, Maintenance and Operational requirements. These Strategies and Programs include but are not limited to:

1. Parramatta Square (PS) Redevelopment
2. Lennox Bridge Car Park Redevelopment
3. Riverside Theatre
4. Parramatta Riverbank
5. Multi Storey Car Park Redevelopment Projects

6. North Parramatta UrbanGrowth Release

To assist in addressing demand into the future Council is currently undergoing numerous detailed planning studies to ensure that the future growth of the LGA is accounted for. These studies take into consideration the meeting of demand from Council's existing stock, future programmed assets via a range of delivery mechanisms, as well as service delivery via assets owned by other organisations.

It is envisaged that demand identification and management will be further and continually identified through stakeholder engagement within this AM Plan and then delivered through an annual and four year Program consisting of:

- Acquisition, Disposal and Reclassification
- Development
- Capital New and Renewal
- Maintenance and
- Space Management

4.2. Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and utilisation of assets have been identified in number of recent studies undertaken by Council, being the Community Infrastructure Strategy and the CBD Infrastructure Needs Study, which were undertaken in 2017 and 2019. The findings of the studies have been used to inform the draft Developer Contribution Plan. The projected demand on Property assets and the services provided by these assets is documented in Table 4.3.

4.3. Key Trends

The following table summarises some of the key social infrastructure trends that will influence asset planning specifically for community facilities for the Parramatta LGA into the future.

Table 4.1 – CoP demand trends

Trend	Explanation
Size and scale	Many local governments have moved away from providing small, single purpose community spaces and are moving towards the provision of larger, but fewer, facilities and spaces. Larger facilities and spaces can provide a wider range of activities, programs and services to a wider range of community members, are more likely to be activated across the week and to attract higher rates of utilisation.
Location	Leading practice favours the clustering of social infrastructure in central, accessible locations to enhance accessibility and connectivity with related uses. Well used facilities and spaces tend to be located in places that are readily accessible by public transport and where people already tend to congregate, such as shopping centres and schools.
Co-location	The co-location of community facilities and services, involving shared use of buildings among a number of facility types as well as service providers, is a commonly identified objective of most recent planning efforts. Co-location has potential advantages in pooling resources to provide better facilities than may be available if provided separately and can also enhance synergies between services and encourage greater integration of service delivery.
Community hubs	A model of social infrastructure provision that incorporates the trend for size, scale and co-location is the 'community hub'. A community hub is an

	integrated, multipurpose public gathering and activity place where a variety of activities occur and where a wide range of community needs can be met in both formal and informal ways.
Multipurpose and multifunction	To make the best use of limited resources, and ensure that facilities are utilised as much as possible, facilities and spaces need to provide for multiple uses and serve a range of population groups, as well as being capable of adapting as needs change over time.
Community development	Community facilities and spaces are recognised as providing an important focus for community building activities and enhancing the connections and relationships among people in order to strengthen common values and promote collective goals.
Placemaking and community identity	Successful social infrastructure contributes to the creation of vital public spaces that help engender a sense of place and distinctive community identity. Well-designed facilities and spaces enhance the physical quality and appearance of public places, helping to reinforce a place's identity and making it a more attractive environment for people to gather and interact with each other.
Sustainability	Social infrastructure is increasingly being used to showcase sustainable building methods and design. In addition to environmental sustainability, financial sustainability has become a core focus area in the provision of social infrastructure. In an environment of limited resources, authorities are becoming increasingly interested in exploring ways to decrease costs in relation to developing, operating and maintaining community facilities and spaces,
Partnerships	While local governments have traditionally been a key provider of local social infrastructure, resource and practical constraints have combined to necessitate seeking partnership opportunities. Partnerships may be sought for the capital development of facilities, or more commonly for the delivery of programs and services from them.

4.4. Parramatta CBD Planning Study and CBD Planning Proposal

A major Council objective that will impact the demand on building assets within the CBD and surrounds is the current Parramatta CBD Planning Study. The objectives of this Strategy are:

1. To set the vision for the growth of the Parramatta CBD as Australia's next great city.
2. To establish principles and actions to guide a new planning framework for the Parramatta CBD.
3. To provide a clear implementation plan for delivery of the new planning framework for the Parramatta CBD.

The Planning Strategy, which was adopted by Council on 27 April 2015, is effectively a consolidation of the recommendations in the CBD and Auto Alley studies and also reflects previous Council resolutions.

The Parramatta CBD Planning Strategy sets the direction for the project and details the 'Actions' that will inform a future Planning Proposal to amend the planning controls for the CBD. Key actions in the strategy include the following:

1. Expansion of the CBD boundaries
2. Increase in FSRs to predominantly 10:1 and 6:1 across the CBD
3. Removal of any height controls, except in some key areas
4. Investigation of potential sun access controls to key public spaces
5. Expansion of the commercial core and potentially opening it up to some residential uses (subject to commercial also being provided)

6. Setting an employment growth target of 27,000 additional jobs and residential growth target of 7,500 additional dwellings by 2036 for the CBD
7. Investigation of infrastructure needs, including funding mechanisms. This investigation is to include a consideration of city culture, entertainment, events and arts spaces, and also social services and community facilities.
8. Promotion of tower slenderness and design excellence

The work required to implement the identified actions and progress a formal Planning Proposal for the CBD are detailed in the Strategy's 'Implementation Plan'. This includes a number of technical studies, including an infrastructure needs analysis. Most asset classes will require Needs/Impact Studies that will inform the infrastructure needs analysis which Council is currently undertaking as part of the review of the Parramatta CBD Planning Framework.

4.4.1. Implications for the Asset Management Plan

In the 15/16 financial year City Strategy tested the implications of what increases in FSR with no height limits may have on the Parramatta CBD and surrounds (North Parramatta and Harris Park) in terms of required community facilities, traffic, transport, environment, storm water and heritage. This is being referred to as an Infrastructure Needs Assessment for Social Services, Education & Community Facilities.

The increase in FSR and the impacts upon existing assets will be further considered in detail, including whether the existing assets have appropriate capacity to receive new future additional network demands or if new assets are required to meet service delivery requirements.

As the new planning controls will also allow for the significant growth in workers and residents and in turn impact Council's building and infrastructure network, Council's review process is also identifying all of the required infrastructure that the Parramatta City Centre needs over the next 10 - 20 years in this study area. In doing so, it will also identify the proportion of 7.11 funds that will be required to deliver the Needs Assessment. At the end of this review process there will be a new draft Civic Improvement Plan and 7.11 plan for Parramatta City Centre, with money allocated to different areas of Council for delivery of the works, including Council's building portfolio.

Future building requirements in consultation of the above mentioned process will be identified and included within future versions of this AM Plan.

4.5. Demand Management

Demand Management into the future for Council will need to consider:


- Maximising patronage within existing assets,
- Upgrading existing assets,
- Providing new assets to meet demands, and
- Managing the demand by non-asset solutions.

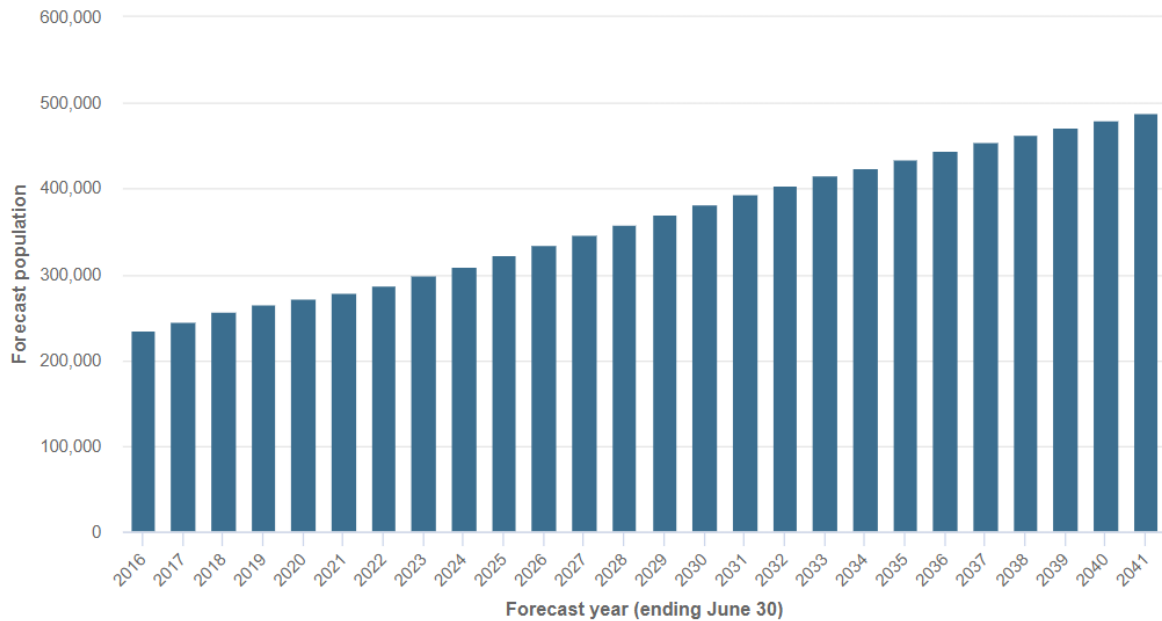
4.5.1. Population

CoP's population is estimated to be 260,296 in 2020 (confirmed), 287,289 forecasted for 2022 and estimated forecast of 487,731 in 2041 resulting in an increase of 69.77% from 2022-41.

Forecast population

City of Parramatta

export 



Source: Population and household forecasts, 2016 to 2041, prepared by .id (informed decisions), July 2019.

Fig 4.2 – CoP Estimated population to 2041

4.5.2. Demographics

Council has a diverse demographic base which is constantly changing. As identified below, Council needs to consider numerous factors when planning for its building assets into the future.

Parramatta's median age in 2016 was 34 and comparatively young when compared to 36 for Greater Sydney and 38 for NSW. Data from the 2016 Census indicated that approximately 74 per cent of Parramatta's residents worked outside the Parramatta local government area; the majority working in the Sydney CBD. Local residents made up less than 20 per cent of our total Parramatta workers. Around 120,000 people are employed in Parramatta, of which more than 43,000 work in the Parramatta city centre, with many coming from Blacktown, The Hills Shire, Holroyd, Penrith, Hornsby and other areas.

City of Parramatta 2016

↔ No significant change since previous Census (less than +/-0.5%) ▲ Increased since previous Census ▼ Decreased since previous Census

Median age 34 ▼ (-1) Greater Sydney 36 ↔ New South Wales 38 ↔ Australia 38 ▲	Aboriginal and Torres Strait Islander Population 0.7% ↔ (-0.1%) Greater Sydney 1.5% ↔ New South Wales 2.9% ↔ Australia 2.8% ↔	Couples with children 38% ▲ (2.3%) Greater Sydney 35% ▲ New South Wales 32% ↔ Australia 30% ↔
Older couples without children 7% ↔ (-0.4%) Greater Sydney 8% ▲ New South Wales 10% ▲ Australia 10% ▲	Lone person households 19% ▼ (-1.9%) Greater Sydney 20% ▼ New South Wales 22% ▼ Australia 23% ↔	Medium and high density Housing 55% ▲ (7.8%) Greater Sydney 44% ▲ New South Wales 33% ▲ Australia 27% ▲
Median weekly household income \$1,755 ▲ (\$302) Greater Sydney \$1,745 ▲ New South Wales \$1,481 ▲ Australia \$1,431 ▲	Median weekly mortgage repayment \$489 Greater Sydney \$495 ▲ New South Wales \$456 ▲ Australia \$409 ▲	Median weekly rent \$447 Greater Sydney \$447 ▲ New South Wales \$384 ▲ Australia \$339 ▲
Households renting 40% ▲ (4.8%) Greater Sydney 33% ▲ New South Wales 30% ▲ Australia 29% ▲	Households with a mortgage 29% ▼ (-2.7%) Greater Sydney 32% ▼ New South Wales 30% ▼ Australia 32% ▼	Overseas born 50% ▲ (5%) Greater Sydney 37% ▲ New South Wales 28% ▲ Australia 26% ▲

4.5.3. Planning:

In order to understand Demand in more detail into the future, Council is also both internally and through the procurement of various external consultants reviewing and identifying specific community needs. Council is currently reviewing and preparing detailed reports on:

- The community facility needs for the Parramatta CBD and Harris Park Areas given the potential planning amendments increasing the FSR, development potential and community members within these areas.
- The needs of child care facilities throughout the LGA taking into account the provision from both PCC and private organisations.

- The programs, facilities and services required to support the current and future population of over 55's are in place.

Council has also created through its Social Outcomes, City Strategy team a set of Social Infrastructure Guides as a series of high level social infrastructure needs for major development hotspots across the Parramatta LGA, including Parramatta CBD, Granville, Westmead and Epping. The Guides identify the current capacity of social infrastructure within these areas as well as highlighting broad trends and challenges in social infrastructure provision. It is envisaged that this current study will be expanded to other parts of the LGA to assist in asset planning into the future for both the land and building portfolio.

4.6. Demand Impact on Assets

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Table 4.3: Demand Drivers, Projections and Impact on Services

Demand factor	Present position	Projection	Impact on services	Action
Increased population	<p>The 2018 resident population forecast for the Parramatta City is 251,311</p> <p>The number of dwellings in the City of Parramatta is forecast to grow 82% from 2019 to 2041 to 487,731.</p> <p>The worker population is forecast to grow from 120,000 in 2011 to</p>	Projected Resident Population of 487,731 by 2041	Requirement for an increase in building assets and accompanying renewal and operating expenditures. Increased usage and changing needs and preferences from additional population requiring upgrade to existing building infrastructure or change in use.	Maintain up-to-date asset management systems and undertake regular reviews of Asset Management Plans. Review efficiencies of building portfolio for potential sharing of building assets (increase utilisation)
Changing Demographics	<p>Age: 25-34 highest proportion of age groups at 20.2%</p> <p>Nationality: In 2016, there were 112,198 overseas born people living in the City of Parramatta</p> <p>Income levels: 17.9% of households earned a high income and 20.5% were low income households</p>	<p>Age: 25-34 remains the highest proportion of age groups at 30%</p> <p>Parramatta is likely to continue to attract people born overseas</p>	<p>Increase demand on services in general.</p> <p>As the demographics of the CoP LGA changes, service levels will need to be reviewed to meet the demand shift.</p> <p>Consideration will need to be given to user pays/ capacity to pay.</p>	Review service levels regularly and undertake frequent community consultation.
Changes in Land Use planning	Current development levels	Increases in permissible land uses and densities	Increased population densities will	Consider delivery though additional,

	based on existing land use planning	throughout the LGA - creating more demand on services and assets.	require upgrades of existing assets and services as well as new assets and services	consolidated or more efficiently used assets. Consider assets delivered through alternate means e.g VPAs
Increase costs for materials and contracts	Inflation of construction prices exceeds annual increases in building construction expenditure.	Annual increases in construction costs continue to exceed increases in building expenditure,	Increased costs to maintain building assets Reduction in real expenditure will delay maintenance reduce the life cycle of the asset.	Continually review renewal modelling ensuring forecasting is accurate. Appropriate procurement processes to ensure competitive pricing.
Rising Community expectations	Community expectation for standard of buildings services rising.	Desired service level provision increased over time.	Adoption of higher service levels provided for building infrastructure will create service level gaps and increase projects in delivery programs.	Review service levels and regularly undertake community consultation.
Increasing Environmental and Design Standards	Design standards based on State and Federal design standards.	Higher standards for new and renewed infrastructure causing higher costs to build, maintain and operate assets.	Review service levels and ensure appropriate design standards for assets.	Review service levels and ensure appropriate design and sustainability standards. Ensure whole of life costs are identified within any project prior to approval.

4.7. Demand Management Plan

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

The objective of demand management is to actively seek to modify customer demands for services in order to:

- optimise the utilisation and performance of existing assets;
- reduce or defer the need for new assets;
- meet the organisations strategic objectives;
- deliver a more sustainable service;
- respond to customer needs.

It is vital to the success of the AM Plan that demand factors be analysed comprehensively and their impact quantified in terms of the following:

- the effect of the growth of the asset network;
- any possible future need to increase or decrease infrastructure;
- the implementation of non-asset solutions, such as managing demand.

In addition to the factors mentioned above, risk affects demand for services and consequently the following must be taken into account:

- the methodology and accuracy of forecasts;
- the uncertainty of forecasts
- any unforeseen natural factors

Non-asset solutions focus on providing the required service without the need for asset ownership and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset failures⁹. Examples of non-asset solutions include providing services from existing infrastructure such as aquatic facilities and libraries that may be in another community area or public toilets provided in commercial premises.

Opportunities identified to date for demand management are shown in Table 4.4. Further opportunities will be developed in future revisions of this asset management plan.

Table 4.4: Demand Management Plan Summary

Demand Driver	Impact on Services	Demand Management Plan
Demographics	Changing service needs and hence changing building requirements, particularly relating to accessibility	On-going delivery of Council's Community Facilities Deferred Maintenance and Upgrade works to provide more inclusive and accessible facilities.
Population	General increase in demand for services provided by Council's buildings	New Developer Contributions Plan has been drafted to take into account the potential future demand for services/assets and these are considered in this AM Plan.
Population – new DCP	Will require initial capital funding from Council to match s94 funding, also results in a projected increase in recurrent operational & maintenance costs and annual asset depreciation costs.	Adoption of new DCP. Explore opportunities to provide additional services/ assets through VPA's or joint ventures. An overarching Property Strategy to be developed.
Regulation	Will add further to the cost of providing, operating, maintaining and renewing buildings	On going assessment of building portfolio as regulations change to determine additional cost.
Building Costs	The shortage of skilled labour, high labour costs and increasing building costs will impact on the	On-going internal productivity reviews to ensure value for money. Undertake regular testing of the market through standard tendering and procurement processes for external service

⁹ IPWEA, 2015, IIMM, Table 3.4.1, p 3|89.

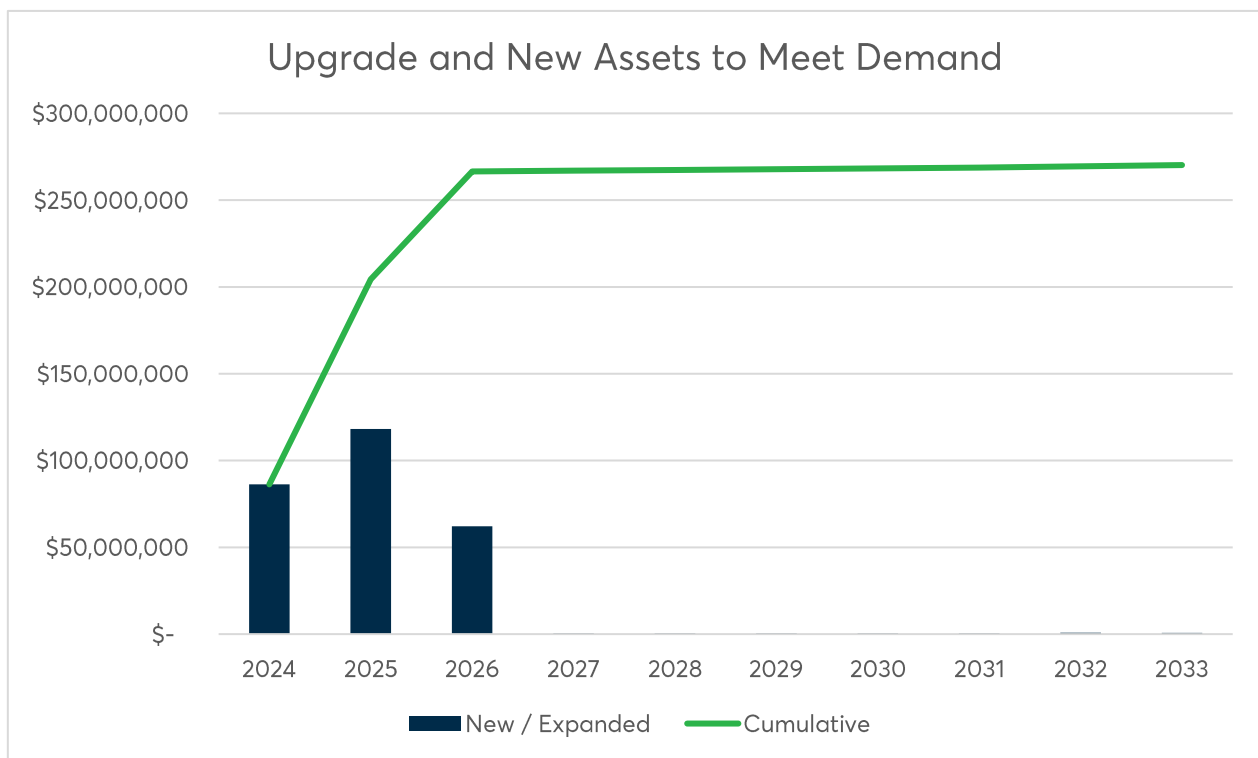
	future management of buildings	provisions.
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4.8. Asset Programs to meet Demand

The new assets required to meet growth will be acquired through contributions from developments with additional matched funding from Council. The developer contributions may be from 7.11 funding and/or Voluntary Planning Agreements (VPA's). New assets constructed/acquired are discussed in Section 5. The summary of the cumulative value of new contributed and constructed asset values is shown in the figure below

The financial impact from the proposed new assets that will be constructed and/or acquired by the organisation is discussed in Section 6. The estimated accumulative asset value of the contributed and or constructed new assets anticipated during the next 10 years is summarised in the figure.

Figure 4.5: Upgrade and New Assets to meet Demand – (Cumulative)



Note that costs are only taken into account once the asset has been commissioned. Multi-year projects will have costs allocated in CoP budgets, however they are not considered in the AM Plan until they are completed.

As shown in future sections of this plan, acquiring new assets will commit ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs in Section 5.

City of Parramatta Council has conducted a sensitivity analysis in 2022 to determine the impact changes in asset values and financial attributes have on assets, and subsequently the ability to maintain current service levels and meet new demand for additional open space assets using current predicted funding. Variables reviewed include fair value, residual values, useful life, asset componentisation and hierarchy, and depreciation method. The sensitivity analysis is a way to predict the outcome of a change if a situation or variable turns out to be different compared to key prediction(s).

Future plan revisions will consider the costs of climate change, water restrictions, technology, urban consolidation, and other possible variables.

5. LIFECYCLE MANAGEMENT PLAN

5.1. Life-Cycle Management Principles

The lifecycle management plan details how the City of Parramatta Council plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while managing life cycle costs. Life-cycle Management is recognised by Council as an essential component of this AM Plan. This section of the Plan provides details of the data and processes required to effectively manage, renew and upgrade Council's asset portfolio. It also documents the analysis that Council undertakes regularly to predict and monitor expected future expenditures required to effectively manage the portfolio. Undertaking life-cycle asset management means considering all management options and strategies as part of the asset life-cycle, starting with the planning phase and ending with disposal. The objective of managing the assets in this manner is to look at long-term cost impacts (or savings) when making asset management decisions. **Error! Reference source not found. Error! Reference source not found.** provides a graphical representation of the asset life-cycle including each of the stages an asset passes through during its life.

Figure 5.1: Life Stages of Infrastructure Assets



5.1.1. Delivery of Council's 10 year Asset Management Plan

The development of Council's Building AM Plan in line with the Asset Management Policy and Strategy allows Council to plan, identify and implement an annual and four year delivery program for Council's buildings in line with a lifecycle management strategy consisting of:

- Acquisition or Development;
- Operating;
- Maintenance; and
- Capital Renewal; or Disposal

Delivery mechanisms of the above and the new asset creation process vary from internal to external resources and includes commissioning through various business units within Council. Future iterations of this AM Plan will further consolidate and refine the various delivery programs.

5.2. Background Data

5.2.1. Asset capacity and performance

Assets are generally provided to meet design standards where these are available.

Locations where deficiencies in service performance are known are detailed in Table 5.2.

Table 5.2: Known Service Performance Deficiencies

Location	Service Deficiency
Childcare centres	Childcare Centres requiring minor works to comply with regulations
Accessibility	# of buildings that are not 100% accessible – no adult change table, etc
BCA	Buildings may have BCA deficiencies

5.2.2. Asset condition

The condition of the building asset stock is measured by assessing the condition of each of the following elements where they exist in each building and structure:

- Sub-structure
- Super-structure
- Roof
- Fitouts & Fittings (includes Kitchen & Bathroom fittings, internal partitions, etc.)
- Floor Coverings
- Mechanical Services (HVAC)
- Electrical Services
- Fire Services
- Hydraulics
- Transportation Services (Lifts)
- Site Infrastructure
- Site Services

5.2.3. Condition Scores – Buildings Asset Condition

The building portfolio's physical componentised condition rating as a percentage of gross replacement cost, being:

- | | | |
|----|---|-------|
| 1. | As new, requires normal maintenance only: | 60.2% |
| 2. | Good condition, requires minor maintenance: | 31.9% |
| 3. | Acceptable condition, requires significant maintenance: | 6.4% |
| 4. | In very poor condition, requires renewal: | 1.2% |
| 5. | Unserviceable or unusable | 0.2% |

There is a broad range of asset condition. Condition "0" indicates that no condition data is held in the asset register.

Condition is measured using a 1 – 5 grading system¹⁰ as detailed in Table 5.3.

Table 5.3: Simple Condition Grading Model

Condition Grading	Description of Condition
1	Very Good: A near new asset with no visible signs of deterioration. Only planned maintenance required.
2	Good: An asset in a very good overall condition but with some early stages of deterioration evident. Minor maintenance required plus planned maintenance
3	Fair: An asset in fair overall condition. Deterioration in condition would be obvious and there would be some serviceability loss. Significant maintenance required
4	Poor: An asset in poor overall condition. Deterioration would be quite severe and would be starting to limit the serviceability of the asset. Maintenance costs would be high and significant renewal/rehabilitation is required
5	Very Poor: An asset in extremely poor condition with severe serviceability problems and needing rehabilitation immediately. There would be an extreme risk in leaving the asset in service. Physically unsound and/or beyond rehabilitation

5.3. Measuring the Condition of Council's Assets

5.3.1. Asset Condition Assessment Methodology

The essence of good asset management is to understand the condition of Council's assets and the various types of distresses that affect them and to use this data to assist in maintaining the level of service the community desires in the context of affordability, intergenerational equity and minimised risk of asset failure.

Council's ASPM unit are responsible for commissioning a programmed and detailed building condition audit across the entire Council building portfolio. This project was completed in December 2013 by an external consultant Seron, providing Council with an updated componentised building condition data set. Due Council not yet having an enterprise wide asset management system, Council then commissioned the detailed modelling of this information along with the defined hierarchy, levels of services and treatment plans to Assetic to who provided a detailed 20 year building capital program.

To undertake this analysis, Assetic used its *myPredictor* forecasting program with building portfolio condition data supplied by Council. Assetic provided Council with a Buildings Portfolio Needs Analysis Report (2015).

It is intended in the future to update Council's building condition data in real time as capital projects are delivered, demolished, etc. Training of staff or the commissioning of consultants to update the data set will need to be confirmed by Council in moving forward.

Seron was commissioned by Council to conduct a detailed building condition audit across the entire building asset portfolio. The buildings asset condition was assessed considering the following criteria:

- **Health and Safety** - Is there potentially a health and/or safety risk?
- **Security** - Is there a security risk?
- **Structural Integrity** - Does the structure appear sound and acceptable?

In assessing condition limited high level consideration has also been given to:

- **Environmental Sustainability** - an assessment of an assets condition relative to sustainability principles and goals.
- **Fit For Purpose** - an assessment of an assets match to its current or intended use, and

¹⁰ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

- **Operation or Functionality** - Does it operate or function satisfactorily?
- **Amenity** - Is the level of amenity acceptable?
- The condition rating scale of Council's buildings is detailed below in the Table.

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

Table 5.4 - Condition Rating Scale

Condition	Rating	Estimated Proportion of Life Consumed	Description of Condition
1	Very Good	Up to 45%	Newly constructed/refurbished/asset in very good in overall condition. Only planned maintenance required.
2	Good	Between 45% to 65%	Asset in good overall condition. Minor maintenance works plus planned maintenance required.
3	Moderate	Between 65% to 75%	Asset in moderate overall condition. Moderate to significant maintenance required.
4	Poor	Between 75% to 90%	Asset in fair to poor overall condition. Failure likely in short to medium term. Significant renewal/upgrade required.
5	Very Poor / Failed	Up to 90%	Asset failed or failure imminent. Unserviceable.

5.4. Operations and Maintenance Plan

Operations include regular activities to provide services such as public health, safety and amenity, e.g. cleaning, street sweeping, grass mowing and street lighting.

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

5.4.1. Operations and Maintenance Plan

Operations activities affect service levels including quality and function through the types and timing of activities, and the design of the infrastructure. Examples of these include street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. E.g. road patching but excluding rehabilitation or renewal. Maintenance may be classified into reactive, planned and specific maintenance work activities.

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

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against

failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacing air conditioning units, etc. This work falls below the capital/maintenance threshold but may require a specific budget allocation.

Actual past maintenance expenditure is shown in Table 5.5.

Table 5.5: Maintenance Expenditure Trends

Year	Maintenance budget
2023/24	\$7,689,983
2024/25	\$7,999,192
2025/26	\$8,312,820

Planned maintenance work as a % of total maintenance expenditure is not identified. Information on this should be developed for the next revision of this asset management plan, as higher proportions of planned maintenance expenditure to reactive maintenance will provide better value.

Maintenance expenditure levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

5.4.2. Operations and Maintenance Strategies

City of Parramatta Council will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. The operation and maintenance activities include:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner,
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost),
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council,
- Review current and required skills base and implement workforce training and development to meet required operations and maintenance needs,
- Review asset use to identify under used assets and appropriate remedies, and over used assets and customer demand management options,
- Maintain a current hierarchy of critical assets and required operations and maintenance activities,
- Develop and regularly review appropriate emergency response capability,
- Review management of operations and maintenance activities to ensure best value for the resources used.

5.5. Routine Maintenance Plan

Maintenance are those minor works necessary to keep assets on their expected life-cycle path. Failing to carry out necessary maintenance when it is required will result in assets deteriorating faster than expected.

Not achieving the expected life from assets costs an organisation in the long run as it will be forced to renew its assets earlier resulting in higher annual capital renewal expenditures. In addition, as the

overall condition of the assets deteriorates the annual maintenance cost will rise as assets in poorer condition require more maintenance.

Council currently combines some of its Maintenance and Operating responsibilities thought a lack of financial reporting resources. Current maintenance and operating activities for the portfolio generally include:

1. Air Conditioning Services
2. Building Improvements Services
3. Cleaning Services
4. Fire Protection Equipment Services
5. Locksmith and Security Services
6. Pest & Weed Control Services
7. Plumbing Services
8. Painting Services
9. Electrical Services
10. Contracts – Minor
11. Utilities: Water / Electricity / Gas

Council's current 10 Year LTFP allocation of funding to Building Maintenance and Operating is broken down in the following table:

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Operations	\$7,689,983	\$7,999,192	\$8,312,820	\$8,625,674	\$8,933,951	\$9,226,857	\$9,413,039	\$9,867,093	\$9,861,326	\$10,183,198
Maintenance	\$11,432,661	\$13,214,601	\$13,683,558	\$14,021,016	\$14,378,917	\$14,732,573	\$15,097,204	\$15,467,596	\$15,843,887	\$16,225,911

Due to the current organisation structure and historical responsibilities, maintenance for Council's building assets is currently controlled by multiple business units creating an inconsistent approach to lifecycle management.

In progressing to a more streamlined and efficient approach to maintenance, it is the intent of PDG to clarify the roles, responsibilities, budgets, systems and reporting processes within the organisation for building maintenance and bring all of Council buildings under one controlled and programmed maintenance program.

5.6. Asset hierarchy

Council's Asset Strategy unit has carried out a detailed review of the entire building portfolio in consultation with the relevant Asset Managers, Service Providers and external consultants. In doing so, the information within this AM Plan includes modelling on the portfolio's condition, hierarchy and levels of services.

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 in Table 5.7.

Table 5.7: Asset Service Hierarchy

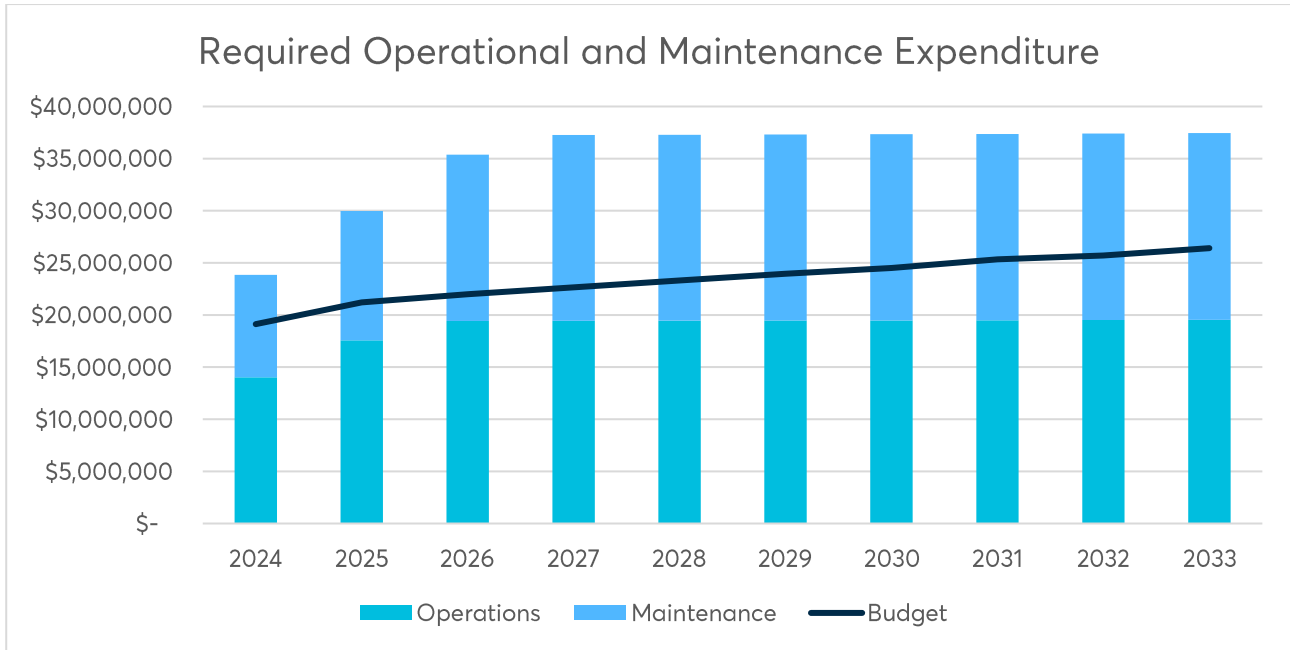
Service Hierarchy	Service Level Objective
Administration Buildings	KRA 4.5.3 – Ensure Council's property assets are well managed. Administration Buildings are provided to support Councils operational activities e.g. ROC
Aquatic Centres	KRA 1.1.1 – Provide the community with access to diverse and affordable sporting and recreation opportunities.

	<p>KRA 1.2.4 – Community and Council facilities are well managed</p> <p>KRA 3.6.3 – Ensure Council's sporting facilities are sustainable, accessible and offer a diverse range of recreational opportunities</p>
Child Care Centres	<p>KRA 1.2.1 – Provide children's education and care services that are high quality, socially just and accessible.</p> <p>KRA 1.2.4 – Community and Council facilities are well managed</p>
Community Centres	<p>KRA 1.2.4 – Community and Council facilities are well managed</p> <p>KRA 1.3.4 – There are safe places for people to meet and interact</p>
Community Halls	<p>KRA 1.2.4 – Community and Council facilities are well managed</p> <p>KRA 1.3.4 – There are safe places for people to meet and interact</p>
Early Childhood Centres	<p>KRA 1.2.1 – Provide children's education and care services that are high quality, socially just and accessible.</p> <p>KRA 1.2.4 – Community and Council facilities are well managed</p>
Libraries	<p>KRA 1.2.4 – Community and Council facilities are well managed</p> <p>KRA 1.7.1 – Provide public libraries that are important community centres, high quality and well resourced.</p>
Operational Buildings	<p>KRA 4.5.3 – Ensure Council's property assets are well managed. Provide buildings/facilities to support Councils operational activities e.g. ROC</p>
Public Toilet	<p>KRA 1.2.4 – Community and Council facilities are well managed</p>
Town Halls	<p>KRA 1.2.4 – Community and Council facilities are well managed</p> <p>KRA 1.3.4 – There are safe places for people to meet and interact</p>

5.6.1. Summary of future operations and maintenance expenditures

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.8 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.8: Projected Operations and Maintenance Expenditure



Deferred maintenance, i.e. works that are identified for maintenance and unable to be funded are to be included in the risk assessment and analysis in the infrastructure risk management plan.

Maintenance is funded from the operating budget where available. This is further discussed in Section 7.

5.7. Renewal/Replacement Plan

Renewal and replacement expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade or new works expenditure resulting in additional future operations and maintenance costs.

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

- Heating and cooling systems
- Roofs, downpipes and ceilings
- Electrical systems and wiring
- Floors and floor coverings
- Full building repainting works
- Plumbing system renewals
- Doors, windows, etc
- Replacement of internal walls and partitioning

With infrastructure assets, the lowest total cost of ownership is achieved through developing a Renewal and Replacement Plan around the practice of replacing assets when they are at the end of the life as determined by their condition.

Budgeting for the future based on historical spending has been shown to be unreliable as it does not consider any growth areas within the municipality. Growth means an increasing asset portfolio and this eventually results in increased asset renewal expenditure demands. While the growth has also resulted in an increasing rate base, the demand for increased expenditure lags at least a decade or two behind due to the long lives of infrastructure assets.

The lag in the need to grow the income can be painful for both the Council and the community especially if the period of growth has passed. Hence it is vital that Council tracks the consumption of its assets and forecasts the asset renewal up to 20 years ahead.

5.7.1. Renewal plan

Assets requiring renewal/replacement are identified from one of three methods provided in the 'Expenditure Template'.

- Method 1 uses Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems (such as Pavement Management Systems), or
- Method 3 uses a combination of average *network renewals* plus *defect repairs* in the *Renewal Plan* and *Defect Repair Plan* worksheets on the 'Expenditure template'.

Method 1 was used for this asset management plan.

It is common that the valuation registers used in Scenario 1 are not developed to a level of maturity where they are reliable for producing a realistic renewal forecast. Ideally when this asset register is sorted by remaining life from 1 to 10 years this should be consistent with the capital renewal program. For City of Parramatta Council the refinement of the asset register to achieve this situation should become an important part of the asset management improvement plan.

Scenario 2 is prepared using the technical estimates of what renewal is required to sustain the current levels of service, plus the known capital upgrade/new expenditures over the 10 year period. It is common that this estimate will be beyond the current funding capacity of council. Scenario 3 is a reflection of the actual funding available. The difference between Scenario 2 and Scenario 3 represents "what we can't do". The discussion about this "gap" will lead us into a much better informed community discussion about what are achievable and acceptable service levels, as well as giving a focus on managing risk.

5.7.2. Renewal and Replacement Strategies

City of Parramatta Council will plan capital renewal and replacement projects to meet level of service objectives and minimise infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner,
- Undertaking project scoping for all capital renewal and replacement projects to identify:
 - The specific requirements of the service provider
 - the service delivery 'deficiency', present risk and optimum time for renewal/replacement,
 - the project objectives to rectify the deficiency,
 - the range of options, estimated capital and life cycle costs for each options that could address the service deficiency,
 - and evaluate the options against adopted evaluation criteria, and
 - select the best option to be included in capital renewal programs,
- Using 'low cost' renewal methods (cost of renewal is less than replacement) wherever possible,
- Maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council,
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs,
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required ,
- Review management of capital renewal and replacement activities to ensure the best value for resources used is obtained.

Renewal ranking criteria

Asset renewal and replacement is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. roughness of a road or accessibility of facilities).¹¹

It is possible to get some indication of capital renewal and replacement priorities by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be greatest,
- Have a total value represents the greatest net value,
- Have the highest average age relative to their expected lives,
- Are identified in the AM Plan as key cost factors,
- Have high operational or maintenance costs, and
- Have replacement with a modern equivalent asset that would provide the equivalent service at a savings.¹²

The ranking criteria used to determine priority of identified renewal and replacement proposals is detailed in Table 5.9.

Table 5.9: Renewal and Replacement Priority Ranking Criteria

Criteria	Weighting
Class of Building	Iconic - 5 High Exposure - 4 Public - 3 Mixed Use - 2 Singular -1
Risk Assessment	Very High - 4 High - 3 Med - 2 Low - 1
Priority of Identified Defect based on Condition Assessments	P1 - within 1 - 3 Years P2 - Within - 3 - 5 Years P3 - Within 5 -10 Years P4 - Within 10-15 Years
Total	100%

Renewal and replacement standards

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

- Building Code of Australia (BCA)
- Australian Standards
- Project Specific Technical Specifications (e.g. NATSPEC)
- Council Planning Regulations and DCP's

¹¹ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

¹² Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

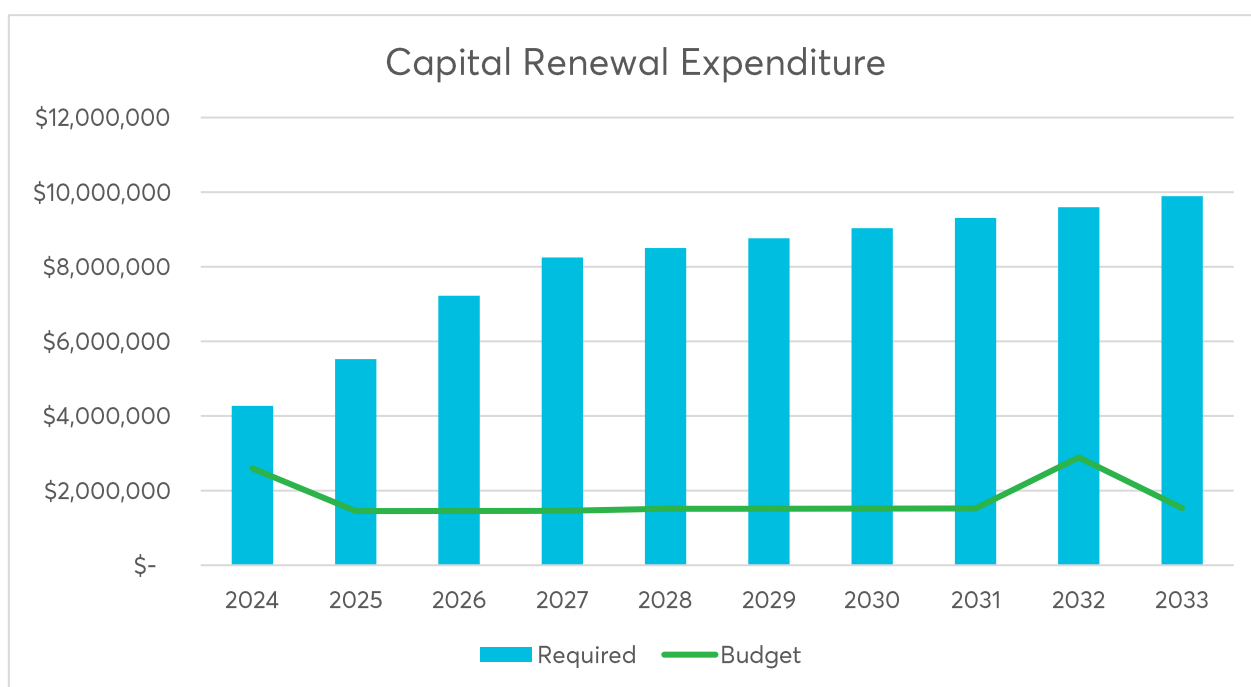
- Other Council Policies & Objectives

5.7.3. Summary of future renewal and replacement expenditure

Projected future renewal and replacement expenditures are forecast to increase over time when the asset stock increases. The expenditure is required is shown in Fig 5.10. Note that all amounts are shown in real values.

The projected capital renewal and replacement program is shown in Appendix B.

Fig 5.10: Projected Capital Renewal and Replacement Expenditure



Deferred renewal and replacement, i.e. those assets identified for renewal and/or replacement and not scheduled in capital works programs are to be included in the risk analysis process in the risk management plan.

Renewals and replacement expenditure in the capital works program will be accommodated in the long term financial plan. This is further discussed in Section 7.

The renewal projection (forecast) in Scenario 1 (Using the asset/valuation register) generates a highly variable renewal profile. Whilst the long term averages and total values from this register are sound, the shorter term renewal forecast are not, and are inconsistent with the known capital renewal plans. This indicates that further refinement of the asset register is required before it is valuable as a capital renewal planning tool. This should be given a high priority in the asset management improvement plan.

5.7.4. Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost. These additional assets are considered in Section 4.4.

Council has already identified and resolved to undertake a number of upgrade or new asset projects to support existing services. These upgrade/new works are discussed in the following Sections.

5.7.5. Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified

proposals are ranked by priority and available funds and scheduled in future works programmes.

5.7.6. Capital Investment Strategies

Capital upgrade and new projects will be planned to meet level of service objectives by:

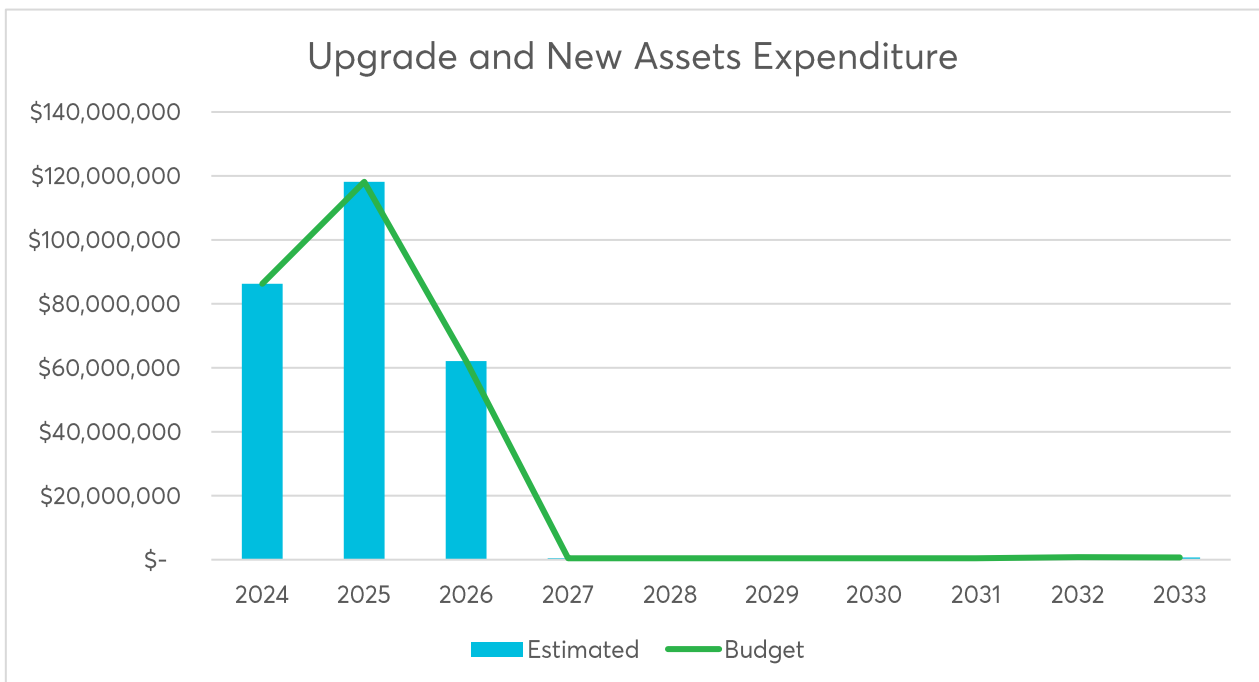
- Continuing to implement Council's major projects
- Finalising a new Developer Contributions Plan
- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner,
- Undertake project scoping for all capital upgrade/new projects to identify:
 - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset,
 - the project objectives to rectify the deficiency including value management for major projects,
 - the range of options, estimated capital and life cycle costs for each options that could address the service deficiency,
 - management of risks associated with alternative options,
 - and evaluate the options against evaluation criteria adopted by Council, and
 - select the best option to be included in capital upgrade/new programs,
- Review current and required skills base and implement training and development to meet required construction and project management needs,
- Review management of capital project management activities to ensure Council is obtaining best value for resources used.

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.7.2.

5.7.7. Summary of future upgrade/new assets expenditure

Projected upgrade/new asset expenditures are summarised in Fig 5.11. The projected upgrade/new capital works program is shown in Appendix C. All amounts are shown in real values.

Fig 5.11: Projected Capital Upgrade/New Asset Expenditure



Expenditure on new assets and services in the capital works program will be accommodated in the long term financial plan. This is further discussed in Section 7.2.

5.8. Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.5, together with estimated annual savings from not having to fund operations and maintenance of the assets. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any. Any costs or revenue gained from asset disposals is accommodated in the long term financial plan.

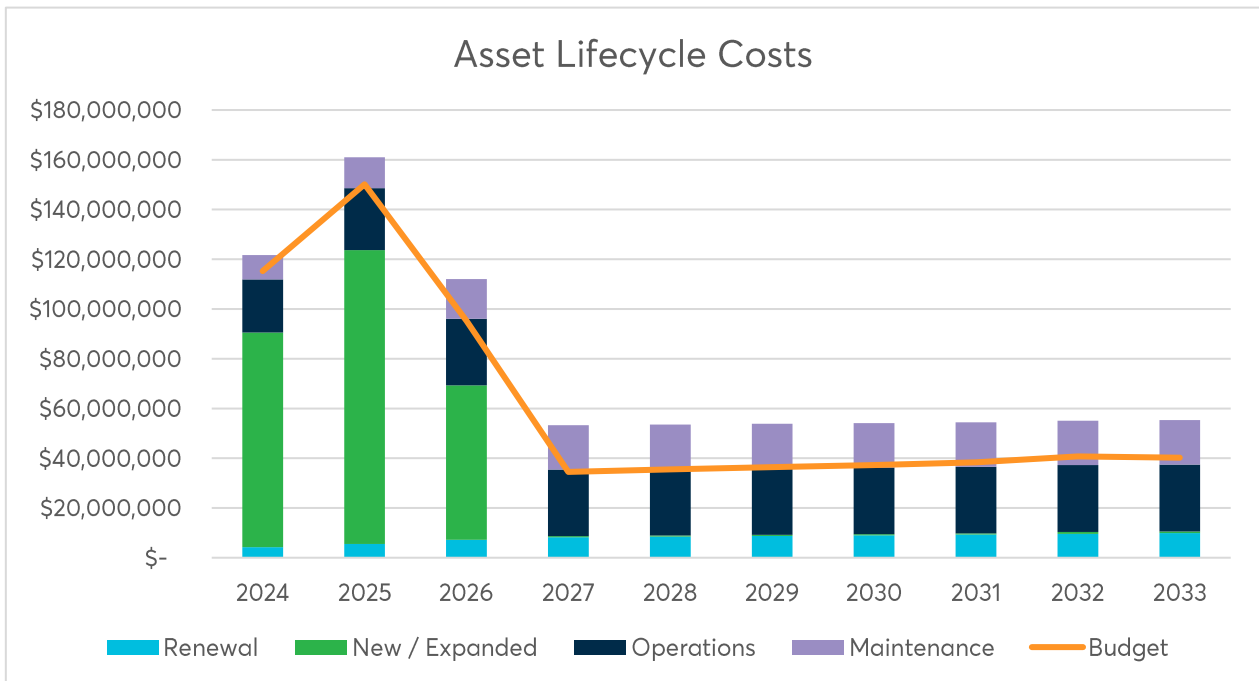
Where cash flow projections from asset disposals are not available, these will be developed in future revisions of this asset management plan.

5.9. Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. 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 5.12: Lifecycle Summary



All figure values are shown in current day dollars.

6. RISK MANAGEMENT PLAN

The purpose of infrastructure risk management is to document the results 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 31000:2009 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2009 as: "coordinated activities to direct and control with regard to risk"¹³.

An assessment of risks¹⁴ associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a 'financial shock'. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

6.1. Critical Assets

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

Operations and maintenances activities may be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc. Critical assets failure modes and required operations and maintenance activities are detailed in Table 5.3.2.1.

Table 6.1: Critical Assets and Service Level Objectives

Critical Assets	Critical Failure Mode	Operations & Maintenance Activities
Building Sub & Super Structures	Structural Failure	Adopt a systematic inspection regime to regularly assess the structural integrity of critical building elements
Electrical fittings & fixtures	Electrical fault leading to electrocution and/or fire	Regular tagging and testing of electrical equipment in accordance with WHS Regs. and Australian Standards
Height Safety Equipment	Equipment failure	Annual certification of all height safety infrastructure

Standards and specifications

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

- Building Code of Australia (BCA)
- Australian Standards
- Project Specific Technical Specifications (e.g. NATSPEC)
- Council Planning Regulations and DCP's
- Other Council Policies and objectives

¹³ ISO 31000:2009, p 2

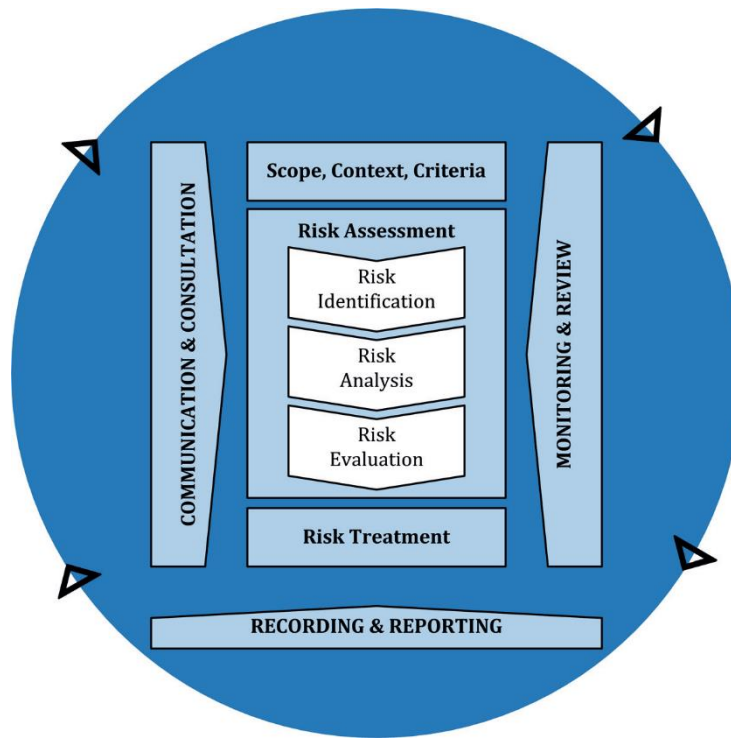
6.2. Risk Assessment

The risk management process used in this project is shown in Figure 6.2 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 ISO risk assessment standard ISO 31000:2009.

Fig 6.2 Risk Management Process – Abridged



Source: ISO 31000:2018, Figure 1, p9

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

An assessment of risks¹⁵ associated with service delivery from infrastructure assets has identified the critical risks that will result in significant loss, 'financial shock' or a reduction in service.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) rating identified in the Infrastructure Risk Management Plan. The residual risk and treatment cost after the selected treatment plan is operational is shown in Table 6.3. These risks and costs are reported to management and Council.

Table 6.3: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All Buildings	Fire	High	Ensure that all Council buildings comply with relevant Legislation and Australian Standards relating to Fire Safety & Evacuation Procedures.	Med	Undertake annual fire equipment maintenance and building fire certification using annual operating budgets. Seek additional capital funds to support any identified additional requirements.
All Buildings	Electrical Fault/Electrocution	High	Any known electrical faults and deficiencies repaired as a High Priority. Regular Tagging & Testing of Electrical equipment in hostile environments to comply with requirements of Australian Standards Install Upgrade all switchboards and install Residual Current Devices (RCD's) on all power circuits (to meet	Med	All electrical switchboards in buildings included in this AMP were upgraded in 2012 at a cost of approximately \$230,000 Annual Tagging & Testing of equipment carried out by external service provider at a cost of approximately \$9,000 per annum
All Buildings	Structural Failure	High	Adopt a systematic inspection regime to regularly assess the structural integrity of critical building elements	Med	Undertake on-going asset inspections within the recurrent budget allocation of \$15,000 per annum

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All Buildings	Fall / Height Safety	High	Install suitable roof anchor points on all Council building roofs to comply with Australian Standards and NSW OH&S requirements. Undertake regular inspections and certification of anchor points	Med	Undertake annual certification of height safety infrastructure and equipment using annual operating budgets. Seek additional capital funds to support additional requirements.

Note * The residual risk is the risk remaining after the selected risk treatment plan is operational. The risk assessment process compares the likelihood of a risk event occurring against the consequences of the event occurring. In the risk rating table below, a risk event with a likelihood of 'Possible' and a consequence of 'Major' has a risk rating of 'High' as shown in Table 6.4

Table 6.4: Risk Rating Matrix

Risk Rating					
Likelihood	Consequences				
	Insignificant	Minor	Moderate	Major	Catastrophic
Rare	L	L	M	M	H
Unlikely	L	L	M	M	H
Possible	L	M	H	H	H
Likely	M	M	H	H	VH
Almost Certain	M	H	H	VH	VH

Ref: HB 436:2004, Risk Management Guidelines, Table 6.6, p 55.

6.2.1. Building Specific Risk Analysis

The following table notes specific risks associated with the building portfolio. The risks were identified through consultation with the relevant service providers within Council.

Risk Type	Risk	Example	Rating before Mitigation	Mitigation	Rating after Mitigation
Economic	Financial Loss	Inadequate funds, loss of funding/budget	9 Moderate	Programs approved on Risk, Level of Service (LoS) and Criticality	4 Minor
Safety	Fire Safety Management Failure	Lack / failure of Fire services within building	20 Extreme	Identification, renewal program and annual certification.	5 Moderate

Safety	Building Fire	Building fire on bush fire prone land	4 Minor	Limit buildings within bush fire prone land, emergency management procedures	2 Minor
Safety	Emergency Management Safety	Building required to be evacuated – bomb threat	15 Significant	WHS Committee, staff training, limited access to administration and operational buildings.	10 Moderate
Environmental	Flood / Storm	Asset within flood prone land	4 Minor	Limit buildings within flood prone land, emergency management procedures	2 Minor
Social	Vandalism	Graffiti	8 Moderate	Lighting, CCTV, paint treatments, construction material selection	6 Moderate
Safety	Security breach	Break-ins	9 Moderate	Lighting, CCTV, activation of areas/buildings	6 Moderate
Environmental	Condition / Services Failure	Poor condition leading to component / asset failure	12 Significant	Approved maintenance and renewal program	9 Moderate
Environmental	Failed Maintenance	Water penetration through gutters	12 Significant	Programmed gutter cleaning	6 Moderate
Economic	Undelivered Tenant Capital Program Works	Poor condition of building / backlog	12 Significant	Identify the approved program of works. Remove from Leases, increase rental and CoP to fund / deliver	3 Minor
Economic	Financial Loss via low rental income and negative rental portfolio	Tenants paying \$1 per annum for an underutilised and in demand asset	12 Significant	Clearly identify loss of potential income to Council / community. Increase return to Council (to fund works) via alternate occupancy agreements – booking system, etc.	6 Moderate
Safety	Code Compliance (DDA, BCA / AS, Electrical Safety, Emergency Management, Environmental Protection, Fire Safety, Hazardous Material, WHS)	DDA – restricted access to public building	12 Significant	Include within LoS and capital delivery programs	6 Moderate
Environmental	Technology	Redundant / obsolete / inefficient equipment	8 Moderate	Approved renewal program	6 Moderate
Environmental	Contamination	Contaminated lands, asbestos in buildings being disturbed	15 Significant	Asbestos Management Plan + included within renewal program.	10 Moderate
Environmental	Heritage Asset failure	Condition of building slips below intervention levels	12 Significant	Approved program of maintenance and renewal in line with Conservation Management Plan	8 Moderate

The overall strategies for Council to manage risks are generally to either mitigate, avoid, transfer or accept. These will be further refined in future versions of this AM Plan. As it is envisaged that the strategies will be linked to ISO 31000 as it provides greater detail on how to deal with risk:

- Avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk
- Accepting or increasing the risk in order to pursue an opportunity
- Removing the risk source
- Changing the likelihood
- Changing the consequences
- Sharing the risk with another party or parties (including contracts and risk financing)
- Retaining the risk by informed decision

To further identify and manage the risks associated with providing services from building assets, Council has implemented many management practices and procedures. These include:

- Land Accuracy Project
- Heat and increased extreme weather events impact on assets
- Operating a reactive maintenance service for all assets and services.
- Operating a planned maintenance system for key assets.
- Monitoring condition and remaining service life of assets nearing the end of their service life.
- Renewing and upgrading assets to maintain service delivery (CBD increase)
- Closing and disposing of assets that are not providing the required service level.
- Acquiring or constructing new assets to provide new and improved services.
- Inspections, prioritisation of reactive maintenance based on risk avoidance
- Insurance policy addresses the critical assets

- Building and Service Continuity Plans

Council can also attempt to limit the ongoing financial risks of managing the building portfolio by:

- Simplifying the financial reporting and control structures
- Value engineering the materials they are constructed from
- Simplification and allow for adaptability of future designs
- Updated plant and equipment (when required) with an environmental and cost efficient focus
- Integrate Business Information Modelling (BIM) and improved operating systems in new building assets which will lead to performance efficiencies
- Construct low fire risk structures
- Give specific consideration to building components that have been assessed as critical (level of criticality may vary depending upon hierarchy and category of building). These include:
 - Lifts
 - Roofing systems
 - Major air conditioning plant
 - Security systems
 - Fire and emergency management systems

Extending beyond the physical and financial risk management practices, other key risks for Council's building portfolio at present are vandalism, flood and fire.

Vandalism can take many forms, from graffiti - which does no structural damage, to a building, to serious acts causing damage and destruction. There have been occasions in the past when Council's buildings have been significantly damaged by vandalism, including by fire. Prevention is the main approach to manage vandalism. This can include using graffiti resistant paint, security lighting, security alarm system, damage resistant fittings on lights, and designing spaces and features to limit vandalism opportunities. Unfortunately, it is not possible to protect all buildings from vandalism. Council's programs to increase the safety of public places will assist in reducing the risk of vandalism to buildings.

Fire can also only be addressed through preventative measures, including installation of fire alarms, sprinkler systems and smoke alarms. Sprinkler systems however, are not cost effective for smaller buildings. Council's buildings are insured against fire, which means that community facilities can be repaired or replaced, as required.

Flood and storm damage is a risk which is straight forward to quantify, but difficult to predict. Flood and storm damage can affect buildings via prolonged rainfall events causing street drainage system or stream flooding impacting buildings or via local very intense rainfall causing roofing and gutters to overflow and/or leak. As flooding is a known risk in our City, Council has risk management strategies in place. Buildings are not generally constructed within flood prone areas, although there are some exceptions (e.g amenities blocks). Where possible and practical, assets are upgraded or relocated when there is an identified flood potential or there is a history of inundation.

6.3. Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to our customers and the services we provide. To adapt to changing conditions and grow over time we need to understand our capacity to respond to possible disruptions and be positioned to absorb disturbance and act effectively in a crisis to ensure continuity of service.

To enhance our capacity to manage unforeseen or unexpected risk to the continuity of operations we take an infrastructure resilience approach using an 'all hazards' methodology.

The 'all-hazards' approach involves:

- An initial assessment of critical assets;

- A resilience assessment for these assets; and
- Identification of related improvements or interventions

Resilience is built on aspects such as response and recovery planning, financial capacity and crisis leadership.

7. FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

As discussed in Section 5.4 the expenditure projection (forecast) in Scenario 1 (Using the asset/valuation register) is not consistent with the required works program or the long term financial plan, and is indicative of the continuing work required to improve the asset register.

Funding Sources available for the management of buildings within the AM Plan and Program are as follows:

1. General Revenue
2. Asset Replacement Reserve
3. Special Rates
4. Grants and Contributions
5. Section 7.11 and 7.12
6. Other Reserves
7. Loans (LIRS)

Council is currently reviewing, qualifying and consolidating under the Asset Strategy Unit, all of its financial data and control of funds across all building asset classes with regard to the following:

- Operations, Maintenance & Capital - Actuals, Budget, Benchmarks and Backlog
- Lifecycle Cost Analysis
- Confirming Sustainable Funding Sources
- Adopted Valuation and Depreciation amounts

The current Operational Plan under the 10 year Long Term Financial Plan (LTFP) allocates the following funding to the building portfolio across the various programs in the Long Term Financial Plan (LTFP) within the Table below.

Lifecycle Expenditure	2023/2024	2024/2025	2025/2026
\$'000	Budget	Budget	Budget
Operational	\$11,432,661	\$13,214,601	\$13,683,558
Maintenance	\$7,689,983	\$7,999,192	\$8,312,820
Capital renewal	\$2,680,402	\$1,451,250	\$1,411,594
Capital new	\$86,335,210	\$118,166,654	\$62,052,076
Total	\$108,138,256	\$140,831,696	\$85,460,048

Table 7.1 - City of Parramatta lifecycle budget expenditure for property assets

*Source: LTFP 2021/22 Delivery Plan

It should be noted that Parramatta is undergoing generational change and urban growth. The projected population growth is the highest in NSW and Western Sydney. Therefore the resource

allocation of this AM Plan reflects considerable investment in building facilities to be constructed in the future.

7.1. Work Category Definitions

Operations: Operational activities keep the asset utilised but have little to no effect on condition. Typical operational activities include:

- Cleaning
- Pest control
- Utility costs
- Security services
- Rates & Charges
- Insurance

Maintenance: Maintenance activities are those routine works which keep assets operating to the required service levels. They fall broadly into two categories:

Planned Maintenance (Proactive) - Inspection and maintenance works planned to prevent asset failure; and

Unplanned Maintenance (Reactive) - Reactive action to correct asset faults and failures on an as required basis (ie emergency repairs).

Historically, expenditure on infrastructure assets has generally been considered to be Capital when the asset is being provided from new or is subject to some major change or Maintenance when the expenditure is minor during the life of the asset.

Strategic Asset Management requires more clarity about the effect any expenditure is having on an asset, especially its expected life-cycle. As a consequence, infrastructure asset expenditure is better classified into one of five categories. These categories are set out in 7.2 **Error! Reference source not found.**

Table 7.2: Infrastructure Work Expenditure Categories

Expenditure Type	Description	Typical Work	Effect on Life-cycle
Capital - New	Provision of a new asset.	Construction of a new building.	Commences the asset on its life-cycle path.
Capital - Renewal	Renews a degraded asset back to New or Near New condition.	Replacing a leaking roof.	Resets the asset back to the start of its life-cycle path.
Capital - Upgrade	Improves the functionality of an asset.	Replacing existing lighting with energy efficient fittings.	Resets the asset back to the start of its life-cycle path.
Capital - Expansion	Improves the capacity of an asset.	Adding an additional room to a building.	Commences the expanded portion on its life-cycle path. Any effect on the original portion of the asset depends on any work done on that portion.
Maintenance	Minor repairs.	Repairing a tear in carpet.	Keeps asset on its expected life-cycle path.

It should also be noted that Council through its various business units and service providers, maintains an operational budget for its building portfolio. The Operational category is required to be clearly segregated from the capital and maintenance activities references above from an accounting perspective and can be defined as:

Operation	Recurring expenditure incurred from normal business operations	Utilities, cleaning and staff.	Activities which are necessary to keep the asset appropriately utilised, being running costs to service the asset
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Future versions of this AM Plan will take into consideration the numerous Strategies and Programs currently under development by Council, including the financial considerations for each being Capital New, Renewal, Maintenance and Operational requirements. These Strategies and Programs include but are not limited to:

1. Parramatta Square (PS) Redevelopment – Phive and public domain
2. Aquatic Centre
3. Riverside Theatre
4. Parramatta Riverbank
5. Multi Storey Car Park Redevelopment Projects
6. North Parramatta Urban Growth Release

7.2. Financial Sustainability and Projections

7.2.1. 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 3 years / forecast renewal costs for next 3 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio¹⁶

	2023/2024	2024/2025	2025/2026
Renewal ratio	63%	26%	20%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 3 years we expect to have 692% of the funds required for the optimal renewal of assets. This is clearly excessive and is skewed due to the number of large renewals in the next 3 years such as Riverside Theatres and Dence Park Pool.

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 and renewal costs over the 10 year planning period is \$55,591,590 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$52,186,556 on average per year giving a 10 year funding shortfall of -\$340,600 per year. This indicates that 93.9% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

¹⁶ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

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

Table 7.3 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.

Forecast costs are shown in 2022-dollar values.

Table 7.3: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2024	\$86,335,210	\$11,432,661	\$7,689,983	\$2,680,402	\$0
2025	\$118,166,654	\$13,214,601	\$7,999,192	\$1,451,250	\$0
2026	\$62,052,076	\$13,683,558	\$8,312,820	\$1,411,594	\$0
2027	\$399,248	\$14,021,016	\$8,625,674	\$1,415,149	\$0
2028	\$441,151	\$14,378,917	\$8,933,951	\$1,511,919	\$0
2029	\$443,742	\$14,732,573	\$9,226,857	\$1,515,654	\$0
2030	\$446,398	\$15,097,204	\$9,413,039	\$1,519,483	\$0
2031	\$449,120	\$15,467,596	\$9,867,093	\$1,523,407	\$0
2032	\$789,411	\$15,843,887	\$9,861,326	\$2,889,930	\$0
2033	\$681,153	\$16,225,911	\$10,183,198	\$1,531,553	\$0

7.3. Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and 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.

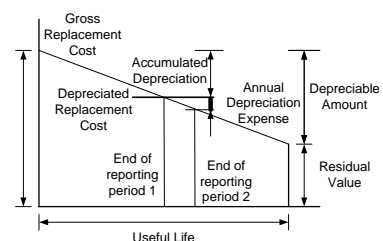
7.4. Valuation Forecasts

7.4.1. 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 as of 30 June 2022:

Replacement Cost (Current/Gross) \$327,371,000

Depreciable Amount \$327,371,000



Depreciated Replacement Cost ¹⁷	\$258,245,000
Depreciation	\$4,274,000

7.4.2. Valuation forecast

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.

7.5. 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:

Table 7.4: Key Assumptions made in AM Plan and Risks of Change

Key Assumptions	Risks of Change to Assumptions
Use of the existing inventory data	Medium-High Risk
Use of existing valuations, useful lives and remaining lives determined from the condition rating	Medium-High Risk
Use of current expenditure information as best as this can be determined	Low-Medium Risk
That the current expenditures are not resulting in a significant decline in the service levels provided in the medium term	Low-Medium Risk

7.6. 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 scale¹⁸ in accordance with Table 7.5.

Table 7.5: 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

¹⁷ Also reported as Written Down Value, Carrying or Net Book Value.

¹⁸ IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
	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 shown in Table 7.6.

Table 7.6: Data Confidence Assessment for Data used in AM Plan

Data	Confidence Assessment	Comment
Demand drivers	B Reliable	Based on Recreation & Community Facilities Needs studies undertaken
Growth projections	A Highly reliable	Based on Census data
Operations expenditures	B Reliable	Expenditure information taken directly from Council's Power Budget system broken down into operations, maintenance, capital renewal and capital upgrade expenditures. This information is used to populate the LTFP.
Maintenance expenditures	B Reliable	Expenditure information taken directly from Council's Power Budget system broken down into operations, maintenance, capital renewal and capital upgrade expenditures. This information is used to populate the LTFP.
Projected Renewal expenditures.	B Reliable	Direct from budget, but breakdown into operations and maintenance and renewal is estimated and requires development
Asset values	C Uncertain	Based on 'Fair Value' valuations undertaken. New valuation due 2022.
Asset useful lives	C Uncertain	Estimated using typical values. Further substantiation required for next revision of the AMP
Condition modelling	C Uncertain	Based on condition assessments, creation dates and useful/remaining lives, further substantiation required for next revision of the AMP
Network renewals	B Reliable	Based on corporate knowledge of assets and recent assessments, further substantiation included in the next revision of the AMP
Defect repairs	B Reliable	Based on a number of condition assessments. Also based on corporate knowledge of assets and recent visual assessments, further substantiation included in the next revision of the AMP
Upgrade/New expenditures	B Reliable	Based on findings of the Recreation & Community Facilities Needs studies undertaken, which is included in the draft s94 Plan
Disposal expenditures	A Highly Reliable	Based on actual Council Resolutions

Over all data sources the data confidence is assessed as medium-high confidence level for data used in the preparation of this AM Plan.

8. PLAN IMPROVEMENT AND MONITORING

8.1. Status of Asset Management Practices

8.1.1. Accounting and financial data sources

Council's accounting and financial management system is Technology One.

All operational, maintenance and capital construction cost are recorded in this system

Capital/maintenance threshold

Required changes to accounting financial systems arising from this AM Plan

- Develop reporting on expenditures, with separation of costs for operations as opposed to maintenance and improved reporting on capital expenditures as renewal or upgrade/new,
- Continued input and development of a single corporate asset register, in which financial calculations including calculation of annual depreciation can be undertaken by council.
- Linking of the customer service system/work orders to the corporate asset register to link requests to asset records,
- Improved project cost accounting to record costs against the asset component and develop valuation unit rates.

8.1.2. Asset management data sources

Asset registers

The key information flows into this Asset Management Plan are:

- The asset register data on size, age, value, remaining life of the network;
- The unit rates for categories of work / material;
- The adopted service levels;
- Projections of various factors affecting future demand for services;
- Correlations between maintenance and renewal, including decay models; Linkage from asset management to financial system

Linkage from asset management to financial system

The key information flows from this Asset Management Plan are:

- The assumed asset renewal profile and trends;
- The resulting budget, valuation and depreciation projections;
- The useful life analysis.

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

Accountabilities for asset management system and data maintenance

- Asset Strategy
- Asset Managers

Required changes to asset management system arising from this AM Plan

- Review of accuracy and currency of asset data,

- Continued development of a single technical asset register as the corporate asset register, in which financial calculations including calculation of annual depreciation can be undertaken by council at an individual asset component level.
- Development of a works costing and maintenance management system to improve works planning and cost recording, in particular to identify expenditure type (operations, maintenance, capital renewal and capital new/upgrade)

Improved project cost accounting to record costs against the asset component and develop valuation unit rates.

8.1.3. Improvement Plan

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

Table 8.1: Improvement Plan

Ref No.	High Level Strategic Actions	Priority	Deliver by:
1.	Establish transparent and responsible asset management processes that align with best appropriate practice. This includes ensuring consistency across the Asset Management Strategy, Long Term Financial Plan, Technology One asset registers, levels of service for all asset classes, data collection, validation and reporting.	High	2023/24
2.	Review and establish clear assumptions and a consistent approach to calculating depreciation and backlog. Apply this approach across all asset classes to obtain the most accurate backlog. Assess the backlog against Council's infrastructure priorities, financial budgets and Long Term Financial Planning.	High	2023/24
3.	Clearly identify all asset expenditure requirements into four categories: renewals, new, maintenance, and operational. Establish clear budgets and reporting lines for each category.	High	2023/24
4.	Allocate and clarify roles, resources and responsibilities for asset management. This includes establishing a good understanding of asset data, finance and budgets. Establish clear communication protocols between finance and the wider organisation.	High	2023/24
5.	Review and establish agreed levels of services in consultation with the community, outlined in the asset management plans.	Medium	2023/24-2024-25
6.	Review and estimate the future lifecycle costs of all decisions relating to new service levels and new assets, donated or built.	Medium	2023/24
7.	Review the future lifecycle costs and effects of donated assets on financial sustainability and the level of service delivery to the community. Create a disposal and donated assets plan that feeds information into the Long Term Financial Plan.	Medium	2023/24

8.	Prioritise and plan asset renewals to meet agreed service levels based on site inspections, infrastructure priorities and community importance.	Medium	2023/24
9.	Identify and prioritise critical assets for Council and its community. Establish emergency response plans and asset ownership for critical assets.	Medium	2024/25
10.	Create an environment where Council employees take part in the overall management of Council assets by developing asset management awareness and capability throughout the organisation.	Medium	2024/25

8.2. Monitoring and Review Procedures

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

The AM Plan will be updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into the long term financial plan.

The AM Plan has a life of 4 years (Council election cycle) and is due for complete revision and updating within 1 year of each Council election.

8.3. Performance Measures

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

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

9. REFERENCES

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- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- Community Strategic Plan
- Delivery Program
- Operational Plan

10. APPENDICES

Appendix A Projected 10 year Capital Renewal and Replacement Works Program

Appendix B LTFP Budgeted Expenditures Accommodated in AM Plan

Appendix C Abbreviations

Appendix D Glossary

Appendix A Projected 10-year Capital Renewal and Replacement Works Program

2022/23 – Buildings Capital Renewal Program				
Ward	Building Address	Building Name	Project Description	Budget (D&C)
TOTALS	TOTALS			2,772,942
113120 - Community Buildings Capital Renewal Program				1,502,942
Dundas	21 Sturt Street, Telopea	Dundas Community Centre	Access Upgrade as per Council Resolution: TRIM D08348043 and accompanying Feasibility Report D08171832	190,700
Rosehill	8 River Road, Ermington	Ermington Community Centre	Access Upgrade as per Council Resolution: TRIM D08348043 and accompanying Feasibility Report D08171832	627,707
North Rocks	11Z Haines Avenue, Carlingford	1st Murray Farm Scouts	Quotes required. External 1. Design documentation required for the Construction of Accessible Path of Travel from the Car Park to the building as recommended in the Access Audit TRIM D07277221. 2. Remove and replace bitumen paving.	50,000
North Rocks	11Z Haines Avenue, Carlingford	1st Murray Farm Scouts	Quotes required. External 1. Design documentation required for the Construction of Accessible Path of Travel from the Car Park to the building as recommended in the Access Audit TRIM D07277221. 2. Remove and replace bitumen paving.	50,000
Parramatta	59b Franklin Street Parramatta	Pitt Row Headmastes Cottage	Internal and external refurbishment	50,000
Parramatta	59b Franklin Street Parramatta	Pitt Row Headmastes Cottage	Hydraulic Services Renewal	38,535
North Rocks	9 Baden Powell Pl, North Rocks NSW 2151	1st North Rocks Scout Hall	1. Remedial high pressure water jetting of rear storm water services and re-shaping of land. 2. Access Audit recommendations: D2; Paint doorways in contrasting colours D3; Should the exit doors have crash bars installed? D6; Ensure exit signage is correct Ceiling is showing signs of mould, this should be investigated and corrected.	50,000
North Rocks	9 Baden Powell Place, North Rocks	North Rocks Girl Guides	1. Install concrete ramp, balustrades and handrails. 2. Replace non-conforming glass. 3. Renew Floor Covering	10,000
North Rocks	Plympton Road, Carlingford	1st Roselea Scout & Guide Halls	Car Park Stormwater Management	50,000
Rosehill	35 South Street, Rydalmere	Rydalmere Bowling Club	Air Conditioning Renewal	200,000

Epping	15X Ward Street, Epping	West Epping Park Community Centre	(Project from 2019-20) Quotes in TRIM D07421403 obtained by John Piggott Repairs and improvements of external areas of the building in readiness of an external repaint.	30,000
North Rocks	17B Lloyds Avenue, Carlingford	Lloyd Avenue Reserve Public Toilets (BL261115)	(from 2019-20) Quotes in TRIM D07421599 obtained by Security Installation of Access Control to automate the operation of the public toilets so that a daily lock and unlock service through a security company would no longer be required.	6,000
North Rocks	62A Redbank Road, Northmead	Arthur Phillip Park Pavilion	Complete Building Refurb	150,000
113400 - Libraries Capital Renewal Program				100,000
Epping	8 River Road, Ermington	Ermington Library	Upgrading the accessible toilet to Access Standards and renewing parts of the roof to eliminate water leaks.	100,000
113410 - Child Care Centres Capital Renewal Program				50,000
Dundas	79 Calder Rd Rydalmere	Dundas Early Learning Centre	Renew Floor Covering	25,000
Rosehill	18A Marion Street, Parramatta	Jubilee Early Learning Centre	Renew Floor Covering	25,000
116980 - Multi level Car Parks Program				120,000
Rosehill	15 Wentworth Street, Parramatta	B003278 Station Car Park	Design Accessible Paths of Travel & Car Spaces and upgrade toilets to accessible standards.	20,000
Rosehill	15 Wentworth Street, Parramatta	B003278 Station Car Park	Construct Accessible Paths of Travel & Car Spaces and upgrade toilets to accessible standards.	100,000
118580 - Riverside Theatres Capital Improvement Program				1,000,000
Parramatta	351-353A-C Church Street, Parramatta	B003261 Riverside Theatres	Roof Renewal	1,000,000

2023/24 – Buildings Capital Renewal Program				
Ward	Building Address	Building Name	Project Description	Budget (D&C)
TOTALS	TOTALS			1,902,272
113120 - Community Buildings Capital Renewal Program				1,557,857
Epping	Roselea Way, Beecroft	Roselea Community Centre	Access Upgrade as per Council Resolution: TRIM D08348043 and accompanying Feasibility Report D08171832	164,750
9 Oxford Street, Epping	9 Oxford Street, Epping	Epping Community Centre (School of Arts 1916) CM016	Access Upgrade as per Council Resolution: TRIM D08348043 and accompanying Feasibility Report D08171832	107,288

Rosehill	18A Marion Street, Parramatta	Jubilee Park Community Centre	Access Upgrade as per Council Resolution: TRIM D08348043 and accompanying Feasibility Report D08171832	16,705
Parramatta	41 Fyall Ave, Wentworthville	Reg Byrne Community Centre	Access Upgrade as per Council Resolution: TRIM D08348043 and accompanying Feasibility Report D08171832	91,101
9 Oxford Street, Epping	9 Oxford Street, Epping	Epping Community Centre (School of Arts 1916) CM016	Design documentation for the Compliance Upgrade of the whole building as per the BCA Assessment report in TRIM D06800786. Budget estimate for the consultants: Architecture - \$30,000 Fire Engineer - \$10,000 Mechanical Engineer - \$5,000 Electrical Engineer - \$10,000 Hydraulics Engineer - \$10,000 Structural Engineer - \$5,000 Access Consultant - \$5,000 Construction Budget - \$200,000	200,000
Dundas	21 Sturt Street, Telopea	Dundas Community Centre	Renew HVAC (Mechanical) component	150,000
North Rocks	90 Carmen Drive, Carlingford	90 Carmen Drive, Carlingford	Removal of Hazardous Materials (Asbestos & Lead Paint) ProGroup Cleanaway Avant Construction	-
Epping	9 Oxford Street, Epping	Epping Community Centre (School of Arts 1916) CM016	Quotes required. Removal Asbestos Auditorium 1. Supply & fix aluminium step tread nosing including rubber insert. Maintenance Timber step to stage, left & right stairs. 2. Spot" replacement of bricks to match existing. Maintenance Missing. 3. Patch hole over 250mm x 250mm & up to 500mm x 500mm. Maintenance Patch gap to door jamb & architraves. 4. Remove & dispose of existing & supply & fix new diffuser, single or twin fluorescent tubes up to 600mm long. Maintenance Missing, centre stage. Entry 5. Patch hole over 250mm x 250mm & up to 500mm x 500mm. Maintenance Main entry door, need patch around door lock. 6. Supply & install metal weather excluder to bottom of door. Maintenance Close the gap to main entry door bottom, over size door multiply by 1.5 per door. Kitchen 7. Remove & dispose of existing & supply & fix new diffuser, single or twin fluorescent tubes up to 600mm long. 8. Replace broken Door Stop. 9. Renew cracked ceramic wall tile - Body tiles.	50,000
Rosehill	20B Spurway Street, Ermington	Ermington Town Centre Public Toilets (B004536)	(from 2019-20) Quotes in TRIM D07421599 obtained by Security Installation of Access Control to automate the operation of the public toilets so that a daily lock and unlock service through a security company would no longer be required.	6,000

Parramatta	47 Hassall Street, Parramatta	Hambledon Cottage	Quotes required. 1. Throughout: Change all internal lighting to low wat LED. 2. Clean down, prepare and paint all previously painted surfaces - External Walls, Eaves, Internal Ceiling & Walls.	10,000
Parramatta	47 Hassall Street, Parramatta	Hambledon Cottage Coach House	Quotes required. 1. Throughout: Change all internal lighting to low wat LED. 2. Meeting Room: Sand and polish timber floor boards.	5,000
Rosehill	63 Hassall Street, Parramatta	Hambledon Cottage (main) Hambledon Coach House Hambledon Old School/Coach House	1. Significant water rise in lower block work, requires further investigation and specialist examination. 2. Removal of tree stump of old jacaranda. 3. Install rat barriers at doors to prevent rodents from entering inside cottage. 4. Repairs to front carpark, large potholes and water puddling making it difficult for smaller cars to drive in. 5. Timber fence has rotted and loose parts, need work done. 6. Hassall St Flood light and external light outside study not working - need repair. 7. Add additional light over basin in female toilet - not installed. 8. Install dimmer switch plate on light switch in games room. 9. As per 2016 CMP - at the level of the skirting, cut out two sections of hard cement material and filled up with lime water - repair. 10. As per 2016 CMP - Lay a mortar floor in lime to level the surface and lay linoleum flooring (not vinyl). 11. As per 2016 CMP - re-glue the door leaf, rehang door and repaint. 12. Broken door needs replacing. 13. Renew flooring throughout, includes laying a floor in the kitchen area over the rock subfloor. 14. Throughout: Change all internal lighting to low wat LED. 15. Clean down, prepare and paint all previously painted surfaces - External Walls, Eaves, Internal Ceiling & Walls. 16. Meeting Room: Sand and polish timber floor boards.	20,000
Rosehill	11 Albion Street, Harris Park	Harris Park Community Centre	Design and construct an outdoor seating area to compliment the Shade Sail installe in February 2021.	25,000
Rosehill	11 Albion St Harris Park	Harris Park Community Centre	Hydraulic Services Renewal	15,480
Rosehill	18A Marion Street, Parramatta	Jubilee Park Community Centre	Renew Floor Covering	15,000
North Rocks	17B Lloyds Avenue, Carlingford	Lloyd Avenue Reserve Public Toilets (BL261115)	Design documentation required to implement recommendations from the Access Audit TRIM D07012491: SN1-2; Provide grab rails to existing WC SN3; Aim for the provision of an accessible cubicle SN4; Update signage Investigate option to demolish the Building	15,000
Parramatta	346 Church St Parramatta	Parramatta Heritage Centre	1. Archive Room. Replacement of Humidifier. 2. Supply and install 16 x replacement square down lights with LED. 3. Internal Refurbishment	93,750

Parramatta	41 Fyall Ave, Wentworthville	Reg Byrne Community Centre	(Project from 2020-21) Internal Refurbishment as per scope of works in TRIM D07428208 Quotes required.	165,000
Rosehill	35 South Street, Rydalmere	Rydalmere Bowling Club	Air Conditioning Renewal	200,000
Rosehill	316 Victoria Road, Rydalmere	Rydalmere Operations Centre (Admin)	Quotes required. External 1. Clean down, prepare and paint all previously painted surfaces. Internal 2. Clean down, prepare and paint all previously painted surfaces. 3. Ground: Repair grouting, missing sealants or loose components. 4. Strip, sand and re-apply coating finish. 5. Internal 1st Floor: Clean down, prepare and paint all previously painted surfaces.	20,000
Rosehill	316 Victoria Road, Rydalmere	Rydalmere Operations Centre (Animal Pound)	Quotes required. External 1. Clean down, prepare and paint all previously painted surfaces. 2. Repair sagging, ceiling, lining. Ground 3. Clean down, prepare and paint all previously painted surfaces. 4. Repair blistering or bubbling.	2,000
North Rocks	3 Edison Parade, Winston Hills	Third Settlement reserve Toilet Block	Deisgn Documentation. Repair splits, holes, delamination, spalling/concrete cancer.	-
Dundas	Evans Road, Telopea	Waratah Shops Public Toilets (B003799)	(Project from 2019-20) Quotes in TRIM D07421599 obtained by Security Installation of Access Control to automate the operation of the public toilets so that a daily lock and unlock service through a security company would no longer be required.	6,000
Epping	15X Ward Street, Epping	West Epping Park (YMCA)	Quotes required. External 1. Balcony on the upper floor: Replace existing damaged light fitting with new 36 watt fluorescent. 2. Replace all lighting to LED throughout the building. 3. Upper floor: Remove damaged laminate sheet in front of GYM-1 and renew 1m2 Vinyl as existing.	50,000
Epping	15X Ward Street, Epping	West Epping Park Community Centre	(Project from 2019-20) Quotes in TRIM D07421403 obtained by John Piggott Repairs and improvements of external areas of the building in readiness of an external repaint.	19,985
Parramatta	197 Binalong Road, Old Toongabbie	Binalong Park Pavilion	(Project from 2019-20) 1. Northern Pergola. Install mesh under translucent roof sheet. 2. Renew epoxy flooring to Changerooms. 3. Tennis Courts Resurfacing.	55,029

Parramatta	197 Binalong Road, Old Toongabbie	Binalong Park Tennis Kiosk	1. Partial structural renewal - clean concrete, replace metal window security screens, repaint doors and railing. 2. Repair/replace damaged, loose or missing components. 3. Replace tiling throughout. 4. Replace non-conforming glass. 5. Replace lights. 6. Repair splits, holes, delamination, spalling/concrete cancer.	54,769
113400 - Libraries Capital Renewal Program				80,000
Parramatta	20 Hollis Street, Constitution Hill	Constitution Hill Library	Widen doorway and provide new door	20,000
Epping	Chambers Court, Epping	Epping Library & Leisure Centre	Internal refurbishment	50,000
Parramatta	20 Hollis Street, Constitution Hill	Constitution Hill Library	Widen doorway and provide new door	10,000
113410 - Child Care Centres Capital Renewal Program				164,415
Parramatta	2 Redbank Road, Northmead	Redbank Early Learning Centre	Hydraulic Services Renewal	164,415
116980 - Multi level Car Parks Program				100,000
Parramatta	4-14 Hunter Street, Parramatta	B003280 Justice Precinct Car Park	Painting throughout + Stair case epoxy, Upgrade Floor Signage (\$50,000)	50,000
Parramatta	71 George St Parramatta	Eat Street Car Park	Renew Fire Components	50,000
118580 - Riverside Theatres Capital Improvement Program				-

2024/25 – Buildings Capital Renewal Program				
Ward	Building Address	Building Name	Project Description	Budget (D&C)
TOTALS	TOTALS			876,766
113120 - Community Buildings Capital Renewal Program				726,766

North Rocks	385Z North Rocks Rd, Carlingford	BL222010 North Rocks Senior Citizens Centre	<p>(from 2019-20) Quotes in TRIM D07286864 obtained by Wayne Ludington</p> <p>Internal and External Refurbishment. Building Works. ProGroup: \$175,824.50 + GST Avant Constructions: \$226,000.00 + GST</p> <p>Electrical Works. CBD Electrical: \$14,660.00 + GST Smada Electrical: \$15,801.60 + GST</p>	200,000
Dundas	316 Victoria Road, Rydalmere	Rydalmere Operations Centre (Admin)	<p>Quotes required.</p> <p>External 1. Clean down, prepare and paint all previously painted surfaces.</p> <p>Internal 2. Clean down, prepare and paint all previously painted surfaces. 3. Ground: Repair grouting, missing sealants or loose components. 4. Strip, sand and re-apply coating finish. 5. Internal 1st Floor: Clean down, prepare and paint all previously painted surfaces.</p>	20,000
Dundas	316 Victoria Road, Rydalmere	Rydalmere Operations Centre (Animal Pound)	<p>Quotes required.</p> <p>External 1. Clean down, prepare and paint all previously painted surfaces. 2. Repair sagging, ceiling, lining.</p> <p>Ground 3. Clean down, prepare and paint all previously painted surfaces. 4. Repair blistering or bubbling.</p>	-
Rosehill	Burnett Street, Mays Hill	Jones Park Community Centre	Roof Renewal	-
Rosehill	Burnett Street, Mays Hill	Jones Park Band Hall	Internal Refurbishment	-
Dundas	Barton Street, North Parramatta	PH Jeffery Reserve Pavilion	Structural assessment to define integrity of the building and if safe for occupancy	50,000
Epping	Alexander Street, Dundas Valley	Sir Thomas Mitchell Reserve Pavilion	Refurbishment	200,000
Epping	Alexander Street, Dundas Valley	Sir Thomas Mitchell Reserve Storage	Painting and new roller shutter to storage section	15,000

North Rocks	Ixion Street, Winston Hills	Timbergetters Reserve- Tennis Courts	Lighting Upgrade	48,616
Rosehill	38 Spofforth St, Ermington	George Kendall Reserve Amenities	Renewal of meeting room, toilets and building externals	150,000
North Rocks	62A Redbank Road, Northmead	Arthur Phillip Park Pavilion	Complete Building Refurb	30,000
	1A Pennant Hills Road, North Parramatta	Belmore Park Amenity Building	Fitout and Fitting Renewal	3,150
Parramatta	1A Pennant Hills Road, North Parramatta	Belmore Park Pavilion	Partial replacement of tiles throughout, mainly on walls.	10,000
113400 - Libraries Capital Renewal Program				-
Parramatta	Hollis Street, Constitution Hill	Constitution Hill Library	HVAC Renewal	-
Parramatta	Hollis Street, Constitution Hill	Constitution Hill Library	Floor Coverings Renewal	-
113410 - Child Care Centres Capital Renewal Program				50,000
Dundas	12 Bartlett Street, Ermington	Possum Patch Early Learning Centre	Renew Floor Covering	25,000
North Rocks	358Z North Rocks Road, Carlingford	North Rocks Child Care Centre	Renew Floor Covering	25,000
116980 - Multi level Car Parks Program				100,000
Parramatta	4-14 Hunter Street, Parramatta	B003280 Justice Precinct Car Park	Upgrade Toilets to Accessible Standards	60,000
Parramatta	4-14 Hunter Street, Parramatta	B003280 Justice Precinct Car Park	Construct Accessible Paths of Travel and Accessible Car Spaces.	40,000
118580 - Riverside Theatres Capital Improvement Program				-

2025/26 – Buildings Capital Renewal Program				
Ward	Building Address	Building Name	Project Description	Budget (D&C)
TOTALS	TOTALS			2,646,395
113120 - Community Buildings Capital Renewal Program				2,250,918

Dundas	316 Victoria Road, Rydalmere	Rydalmere Operations Centre (Admin)	External 1. Clean down, prepare and paint all previously painted surfaces. Internal 2. Clean down, prepare and paint all previously painted surfaces. 3. Ground: Repair grouting, missing sealants or loose components. 4. Strip, sand and re-apply coating finish. 5. Internal 1st Floor: Clean down, prepare and paint all previously painted surfaces.	-
Dundas	316 Victoria Road, Rydalmere	Rydalmere Operations Centre (Animal Pound)	External 1. Clean down, prepare and paint all previously painted surfaces. 2. Repair sagging, ceiling, lining. Ground 3. Clean down, prepare and paint all previously painted surfaces. 4. Repair blistering or bubbling.	-
Rosehill	Burnett Street, Mays Hill	Jones Park Community Centre	Roof Renewal	30,000
Rosehill	Burnett Street, Mays Hill	Jones Park Band Hall	Internal Refurbishment	50,000
North Rocks	22 Clackmannan Road, Winston Hills	Caber Park Tennis Kiosk	Repair/replace damaged, loose or missing components	1,962
Dundas	17A Cowells Lane, Ermington	Cowells Lane Reserve Workshop	Three's a lot of flaking paint that should be rectified.	57,137
Dundas	Isabella Street, North Parramatta	Doyle Ground	(Project from 2019-20) Upgrade lighting to comply with new lighting standards AS4282-2019. Refurbishment	20,000
Epping	33 Dunrossil Avenue, Carlingford	Dunrossil Park Tennis Courts	(Project from 2019-20) Tennis Courts Resurfacing.	20,000
Rosehill	1 Ella Street, Rydalmere	Eric Primrose Reserve Pavilion	Painting Externally - Walls and Eaves	20,000
Epping	723X Blaxland Road, Epping	Forest Park	Electrical Renewal	3,025
Rosehill	38 Spofforth Street, Ermington	George Kendall Park Clubhouse George Kendall Riverside Park Pavilion	1. Waterproof Roof - Heavily Leaking inside bathrooms through cracks in concrete beams. 2. Male Bathroom. Running toilet - replace cistern washers.	5,199
North Rocks	21 Huxley Drive, Winston Hills	John Curtain Reserve Pavilion	Ground Kiosk. Replace entire floor.	12,020

Rosehill	151 Burnett Street, Mays Hill	Jones Park Oval 2 & 3 (East) Pavilion Jones Park Shelter	<ol style="list-style-type: none"> 1. Changerooms. Install toilet paper holder. 2. Part of the wall is falling away - has been braced but should be checked. 3. Replace tiling throughout. 4. Partial hydraulics renewal - cisterns in utility space and some fittings, urinal and toilets. 1. Hot water unit not operational at time of inspection. 	10,000
Dundas	28A Bourke Street, North Parramatta	Lake Parramatta Public Toilet	<ol style="list-style-type: none"> 1. External. Structural Engineer's Report. 2. All. External. Wash & Clean. 3. Ground. Ladies Toilet. Repair fractures or cracking. 4. Ground. Men's Toilet. Repair fractures or cracking. 5. Ground. Men's Toilet. Repair/replace sheeting. 1. Upgrade the cisterns in the utility area of the building. 	50,000
Rosehill	200 Junction Road, Winston Hills	Max Ruddock Reserve Amenities Building	Upgrade of amenities switchboard (sub-board 1) due to non-compliant and illegal ceramic fuses	2,271
Rosehill	Franklin Street, Mays Hill	Mays Hill Reserve Kiosk Mays Hill Reserve Public Amenities	<ol style="list-style-type: none"> 1. Footpath surrounding building heavily cracked and misplaced. Recommend. 2. Significant cracking in hardstand and Footpath around building. Require repair. 1. Replace rotting timber beam. 2. Replace tiling throughout. 3. Renew fitout (doors, wall tiles etc.). 	51,075
North Rocks	Elizabeth Crescent, Northmead	Northmead Reserve Pavilion	<ol style="list-style-type: none"> 1. External Concrete Path-pavilion to baseball sheds. Replace concrete paving. 2. Concrete around awning and railing requires renewal and possible stabilization. 3. Ground Men's Room. Replace entire floor. 	5,000
North Rocks	1X Plympton Road, Carlingford	Plympton Road Bushland Amenity Building	Renew Floor Covering	16,968
Epping	51A Rawson Street, Epping	Rawson Street Car Park	Renew Floor Coverings	1,300
Rosehill	143 George Street, Parramatta	Robin Thomas Reserve Pavilion	Sewer Repairs	5,965
Epping	Roselea Way, Beecroft	Roselea Pavilion	Kiosk and Meeting Room Refurb	-

Rosehill	35 South Street, Rydalmere	Rydalmere Park	Kiosk Building Demo	-
Rosehill	2 Clyde Street, Silverwater	Silverwater Park Public Amenities	1. Repair concrete footpath around public amenities & reserve. 2. Male & Female Bathrooms. Waterproofing - water inside bathrooms after heavy rain - install rain blockers over ventilation grilles. 3. Male & Female Bathrooms Repair and replace wall tiles.	9,476
Epping	Alexander Street, Dundas Valley	Sir Thomas Mitchell Changerooms	Sir Thomas Mitchell Changerooms	-
Epping	Alexander Street, Dundas Valley	Sir Thomas Mitchell Reserve Pavilion Sir Thomas Mitchell Reserve Storage	1. Treat and paint rusted metal screens around building. 2. Refurbishment of Canteen (CON) 1. Ceiling. Remove existing supply & install new 18 watt Vandalite. 2. Supply & install heavy duty underground conduit complete with electrical cabling connected to supply. 3. External. Allowance for connect power from private pole into storage for new ceiling light. 4. External. Hourly rate for all electrical trade work not included in the schedule rate items as directed. 5. Wall. Remove & replace front cover of casing to room ventilator. 6. Roller door. Replace lock to garage door tilting or roll-up type.	14,442
	675 Blaxland Road, Eastwood	Somerville Park Plant Room	Internal and external refurbishment	-
North Rocks	3 Edison Parade, Winston Hills	Third Settlement reserve Toilet Block	Install mesh under translucent roof sheet	1,646
North Rocks	3 Edison Parade, Winston Hills	Winston Hills Lions Park Public Amenities	Install mesh under translucent roof sheet	38,104
Parramatta	McCoy Street, Seven Hills	McCoy Park Pavilion	Renewal of changeroom and toilet facilities with the external façade to be repainted etc.	200,000
North Rocks	22 Clackmannan Road, Winston Hills	Caber Park-TENNIS	Rebuilding of court 3 and new lighting to all courts	250,000
Dundas	Barton Street, North Parramatta	PH Jeffery Reserve Pavilion	Structural assessment to define integrity of the building and if safe for occupancy	50,000

North Rocks	Ixion Street, Winston Hills	Timbergetters Reserve- Tennis Courts	Lighting Upgrade	30,000
Epping	Alexander Street, Dundas Valley	Sir Thomas Mitchell Reserve Storage	Painting and new roller shutter to storage section	15,000
Parramatta	McCoy Street, Seven Hills	McCoy Park Pavilion	Renewal of changeroom and toilet facilities with the external façade to be repainted etc.	200,000
North Rocks	22 Clackmannan Road, Winston Hills	Caber Park- TENNIS	Rebuilding of court 3 and new lighting to all courts	250,000
Parramatta	62A Redbank Road, Northmead	Arthur Phillip Park Pavilion	Complete Building Refurb	180,000
Parramatta	197 Binalong Road, Old Toongabbie	Binalong Park Pavilion	(Project from 2019-20) 1. Northern Pergola. Install mesh under translucent roof sheet. 2. Renew epoxy flooring to Changerooms. 3. Tennis Courts Resurfacing.	20,000
Dundas	Isabella Street, North Parramatta	Doyle Ground	(Project from 2019-20) Upgrade lighting to comply with new lighting standards AS4282-2019.	12,830
Epping	33 Dunrossil Avenue, Carlingford	Dunrossil Park Tennis Courts	(Project from 2019-20) Tennis Courts Resurfacing.	33,100
Epping	Roselea Way, Beecroft	Roselea Pavilion	Kiosk and Meeting Room Refurb	25,000
Rosehill	35 South Street, Rydalmere	Rydalmere Park	Kiosk Building Demo	25,000
Epping	Alexander Street, Dundas Valley	Sir Thomas Mitchell Changerooms	Sir Thomas Mitchell Changerooms	50,000
Epping	675 Blaxland Road, Eastwood	Somerville Park Plant Room	Internal and external refurbishment	14,396
Dundas	Barton Street, North Parramatta	Barton Park Pavilion	Amenities and kiosk refurbishments	-
North Rocks	15Z Elizabeth Crescent, Northmead	Northmead Reserve Pavilion	Renewal of changeroom and toilet facilities with the external façade to be repainted etc.	-
North Rocks	3 Edison Parade, Winston Hills	Third Settlement Res Public Amenities PG	Internal and roofing refurbishments	-
Rosehill	38 Spofforth St, Ermington	George Kendall Park Storage	Minor renewal of building external and storage cages	-
Dundas	Barton Street, North Parramatta	Barton Park Pavilion	Amenities and kiosk refurbishments	-
North Rocks	15Z Elizabeth Crescent, Northmead	Northmead Reserve Pavilion	Renewal of changeroom and toilet facilities with the external façade to be repainted etc.	-

North Rocks	3 Edison Parade, Winston Hills	Third Settlement Res Public Amenities PG	Internal and roofing refurbishments	-
Rosehill	38 Spofforth St, Ermington	George Kendall Park Storage	Minor renewal of building external and storage cages	-
Rosehill	38 Spofforth St, Ermington	George Kendall Park Pavilion	Renewal of changeroom and toilet facilities with the external façade to be repainted etc.	150,000
Rosehill	11 Napier Street, Parramatta	Mays Hill Reserve Tennis Kiosk	Renewal of kiosk and toilet facilities	70,000
Rosehill	11 Napier Street, Parramatta	Mays Hill Reserve Tennis Courts	Rebuilding of the 2 tennis courts and fencing	250,000
113400 - Libraries Capital Renewal Program				120,000
Dundas	21 Sturt Street, Telopea	Dundas Library	HVAC Renewal	120,000
				-
113410 - Child Care Centres Capital Renewal Program				175,477
Parramatta	26 Water St Wentworthville	Wentworthville KU Children's Services Kindergartens & Pre-Schools	Renew HVAC (Mechanical) component Remove Asbestos throughout (\$50,000)	111,401
Rosehill	65 Spurway St Ermington	Ermington Baby Health Centre	Hydraulic Services Renewal	14,076
North Rocks	358Z North Rocks Road, Carlingford	North Rocks Child Care Centre	Renew Floor Covering.	25,000
Dundas	12 Bartlett Street, Ermington	Possum Patch Early Learning Centre	Renew Floor Covering.	25,000
116980 - Multi level Car Parks Program				100,000
Rosehill	15 Wentworth Street, Parramatta	Station Car Park	Fire System Renewal	100,000
				-
118580 - Riverside Theatres Capital Improvement Program				-
				-

Appendix B Budgeted Expenditures Accommodated in LTFP

Year	Acquisition	Operation	Maintenanc e	Renewal	Disposal
2024	\$86,335,210	\$11,432,661	\$7,689,983	\$2,680,402	\$0
2025	\$118,166,654	\$13,214,601	\$7,999,192	\$1,451,250	\$0
2026	\$62,052,076	\$13,683,558	\$8,312,820	\$1,411,594	\$0
2027	\$399,248	\$14,021,016	\$8,625,674	\$1,415,149	\$0
2028	\$441,151	\$14,378,917	\$8,933,951	\$1,511,919	\$0
2029	\$443,742	\$14,732,573	\$9,226,857	\$1,515,654	\$0
2030	\$446,398	\$15,097,204	\$9,413,039	\$1,519,483	\$0
2031	\$449,120	\$15,467,596	\$9,867,093	\$1,523,407	\$0
2032	\$789,411	\$15,843,887	\$9,861,326	\$2,889,930	\$0
2033	\$681,153	\$16,225,911	\$10,183,198	\$1,531,553	\$0

Appendix C Abbreviations

AAAC	Average annual asset consumption
AM	Asset management
AM Plan	Asset management plan
GRC	Gross replacement cost
DA	Depreciable amount
DRC	Depreciated replacement cost
IRMP	Infrastructure risk management plan
LCC	Life Cycle cost
LTFP	Long term financial plan
MMS	Maintenance management system
RV	Residual value

Appendix D 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 (ARFR)

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

Average annual asset consumption (AAAC)*

The amount of the 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 asset base, but may be associated with additional revenue from the new user group, e.g. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

Capital expenditure - 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, e.g. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

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 asset base, e.g. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

Capital funding

Funding to pay for capital expenditure.

Capital grants

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

Capital investment expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months (See capital expenditure definition)

Capitalisation threshold

The value of expenditure on non-current assets above which the expenditure is recorded 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 in the balance sheet after deducting any accumulated depreciation / amortisation and accumulated impairment losses.

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, top-down condition assessment, simple risk assessment and defined levels of service, in order to establish alternative treatment options and a long-term cash flow projection.

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

Those assets that are likely to result in a more significant financial, environment and social cost in terms of impact on organisational objectives.

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 gross replacement cost (GRC) 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 arm's 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.

Gross replacement cost (GRC)

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.

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 for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and cycle ways. 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.

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 parameters or combination of parameters that reflect social, political, economic and environmental outcomes that the organisation delivers.

Levels of service statements describe the outputs or objectives an organisation or activity intends to deliver to customers.

Life Cycle

The cycle of activities that an asset (or facility) goes through while it remains an identity as a particular asset i.e. from planning and design to decommissioning or disposal.

Life Cycle Cost (LCC)

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

Average LCC The life cycle cost 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 (LCE)

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.

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

Maintenance may be classified as:

- **Planned maintenance**

Falls into three categories:

- a) Periodic – necessary to ensure the reliability or to sustain the design life of an asset.
- b) Predictive – condition monitoring activities used to predict failure.
- c) Preventive – maintenance that can be initiated without routine or continuous checking and is not condition based.

- **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. The modern equivalent asset is evidenced by renewal strategies in asset management plans and financing in a long-term financial plan covering at least 10 years.

***Net present value (NPV)**

The value 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 e.g. 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, e.g. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operations

Regular activities to provide services such as public health, safety and amenity, e.g. 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, e.g. 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 (e.g. 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 expenditure - renewal.

Remaining useful life

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

Renewal

See capital expenditure - renewal.

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. Residual value reflects consideration receivable from an asset at the end of its useful life to the entity and accordingly would not include cost savings from the re-use of in-situ materials.

Revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, e.g. public halls and theatres, childcare facilities, sporting and recreation facilities, tourist information facilities, 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 are still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

Strategic Asset Management Plan

A plan that documents and specifies how the organizational objectives are to be converted into AM objectives, the approach for developing AM Plans and the role of the AM system in supporting the achievement of AM objectives.

Strategic Plan

A plan containing the long-term goals and strategies of an organisation. Strategic plans have a strong external focus, cover major portions of the organisation and identify major targets, actions and resource allocations relating to the long-term survival, value and growth of the organisation.

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 entity.

Valuation

The process of determining the worth of an asset or liability. Assessed asset value which may depend on the purpose for which the valuation is required, i.e. replacement value for determining maintenance levels, market value for lifecycle costing and optimised deprival value for tariff setting.

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, IIMM & AIFMM 2015,

Glossary

Additional and modified glossary items shown *

Appendix E Life Cycle Degradation Profiles

Maintenance response is based on site judgement using the condition and risk associated with the defect and to the extent of the current budget.

Council has selected the following four degradation profiles to simulate the progressive deterioration of the various components that make up a building.

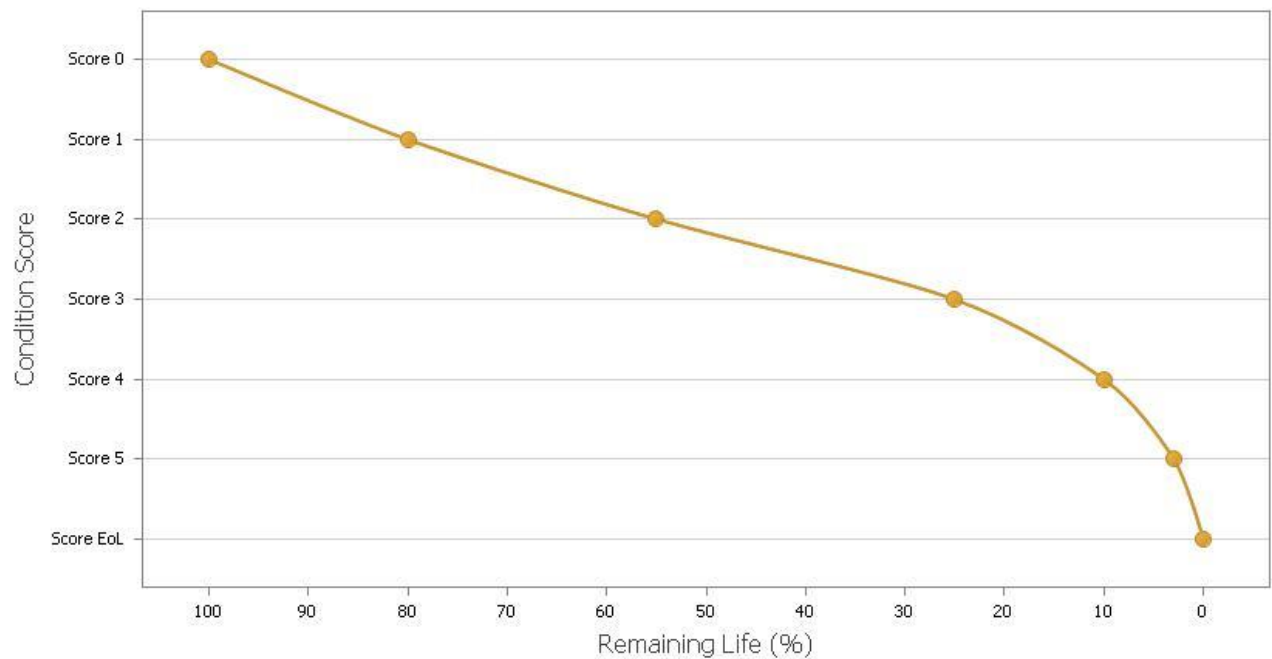


Figure 1 Simulation Curve Representing Overall Deterioration of Sub-structure, Super-structure and Roof components of buildings

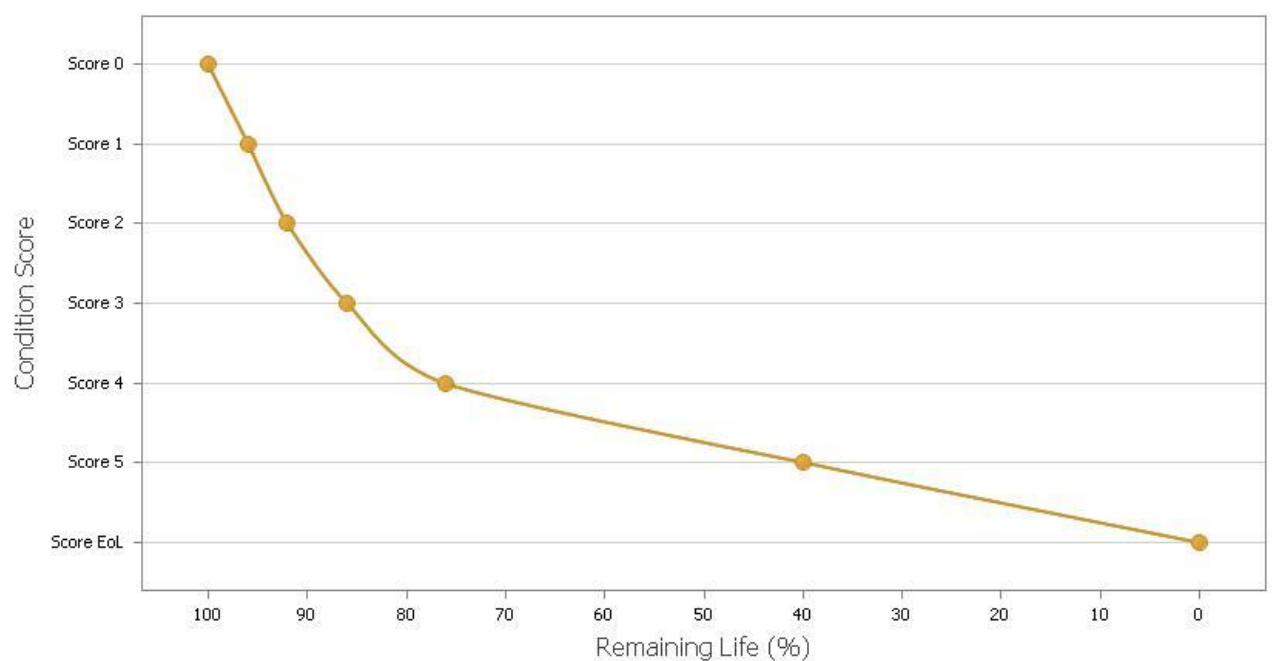


Figure 2 Simulation Curve Representing Overall Deterioration of Fit-out and Fittings components of buildings

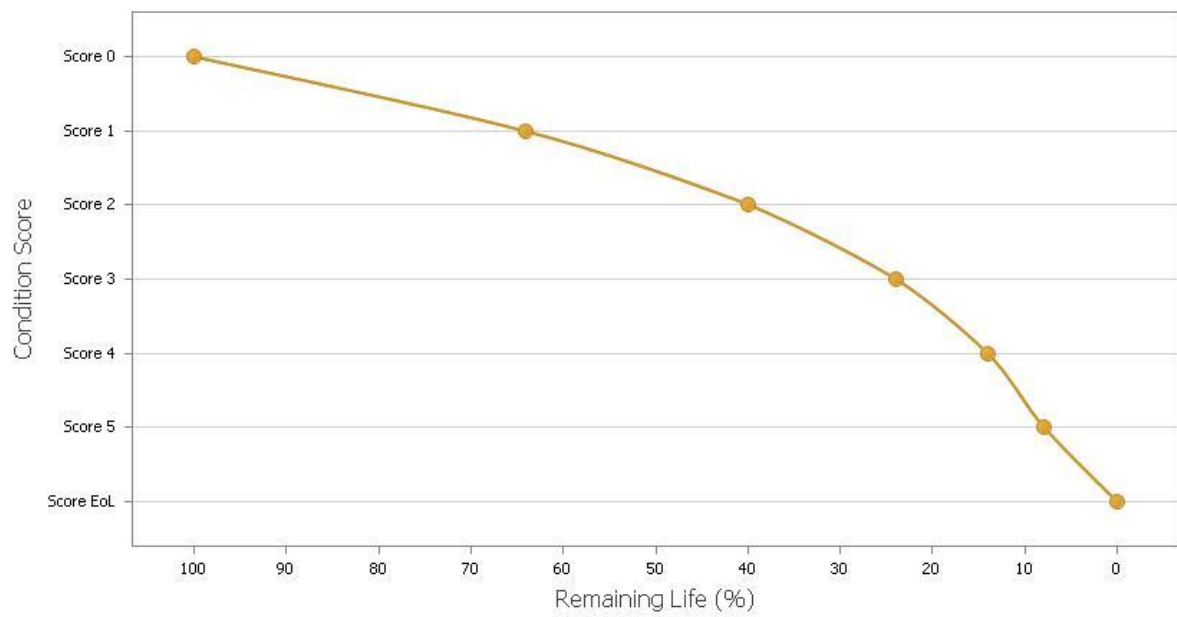


Figure 3 Simulation Curve Representing Overall Deterioration of Electrical, Mechanical (HVAC), Fire, Hydraulic and Transportation (Lift) Services of buildings