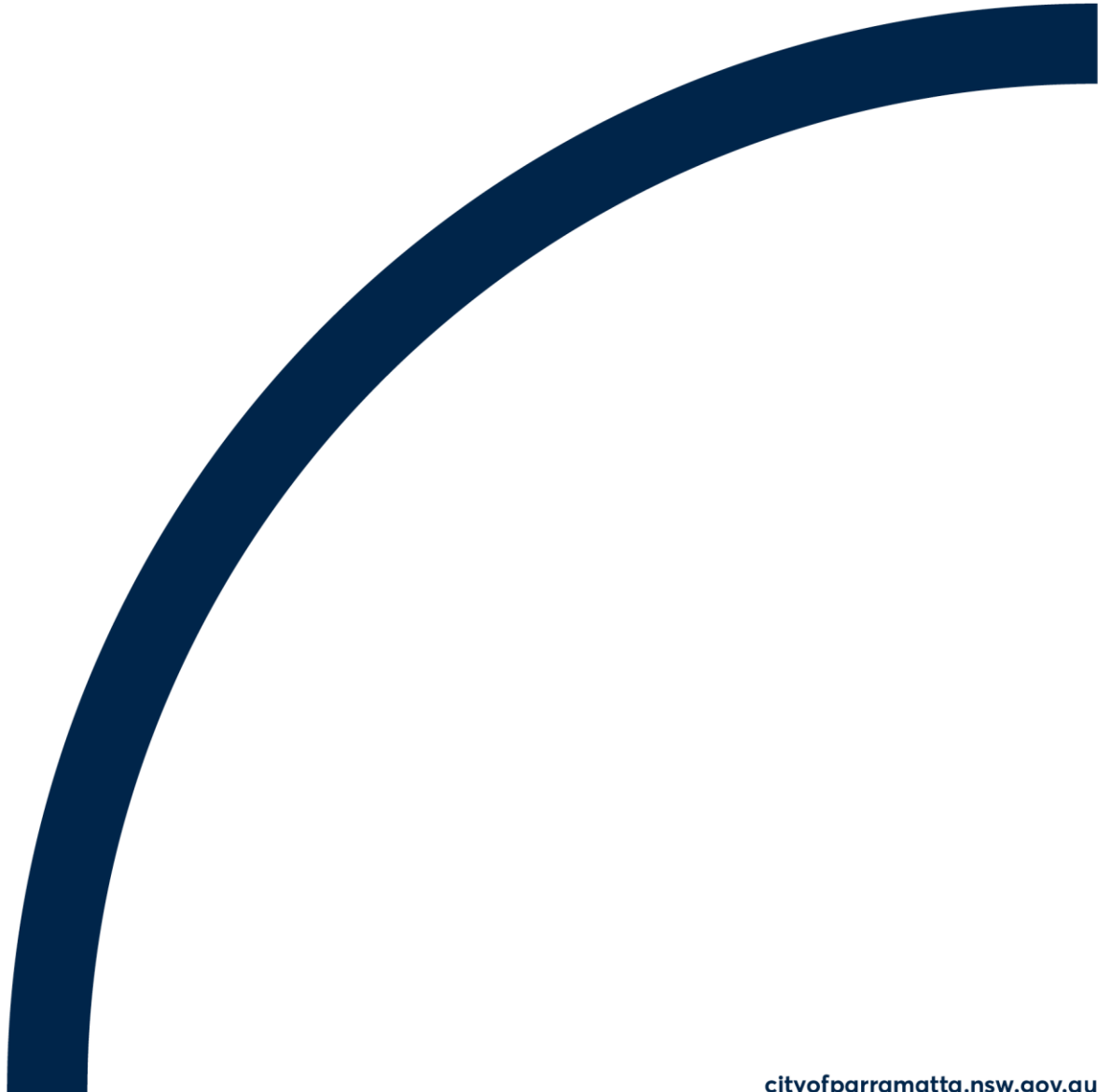


# Asset Management Plan

Parks

2023-2033





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# 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 open space and recreation 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 an open space and other structures portfolio with a replacement value of \$113,552,000 (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 \$447m or \$44.7m on average per year excluding major new and upgrade assets. Council has a very large development pipeline in the next 2 years including the completion of the Somerville Park and Doyle Ground.

### 1.3.2. What we will do

Council plans to provide open space and recreational services for the following:

- Operation, maintenance, renewal and upgrade of Open Space Assets to meet service levels set by in annual budgets.
- Explore all avenues for grants and subsidies to increase expenditure on the Open Space 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 \$39.7m 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 park lands, sporting fields and indoor recreation facilities to support the services desired by the community

### 1.3.4. Plans for the future

Council plans to operate and maintain Open Space Assets and Parks 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 Open Space and Park assets will be maintained to an acceptable physical condition. The acceptable condition for most Open Space assets is 3 on Council's 0-5 rating scale, and the current average is 1.7 by asset replacement value.

As asset management practices become more advanced, the acceptable condition has been refined based on park function and hierarchy. Those open space assets such as district level playgrounds and parks 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 open space assets are essential in providing spaces that allow Council to undertake its core duties and provide the community with outdoor recreation and open space.

The key functional objectives that will be met are:

- To ensure that all open space assets 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 park assets is that Council may not be able to provide the facilities to complete its core duties. The community may also suffer a loss of park space or access for physical fitness and cultural enjoyment.

**Safety** – Open Space assets are inspected on a regular basis. Frequency of inspections and routine maintenance may vary depending on the functional classification or hierarchy of the park.

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.

### 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 open space assets 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 Open Space 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 Open Space to determine whether low function low utilisation Open Space 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 Open Space assets 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 parks and playgrounds

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 develop the 10 year forward programme of open space maintenance and renewal activities necessary to achieve a satisfactory level of service
- Monitor the provision of open space and playground infrastructure alongside the community expectations for community open space
- Continue to engage the community on service delivery and funding issues raised in this AM Plan.
- Improve Parks & Open Space asset information to a high level for increased analysis.
- Improve links between the Asset Management Plans, the Community Strategic Plan and the Long Term Financial Plan.
- Improve demand forecasting.
- Incorporate technical levels of service into planning, design and operational service agreements.
- Implement the revised asset management policy and strategy.
- Prioritise projects based on sustainability criteria. Advise council of the risks of deferring projects and prepare briefings for critical projects.

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

Council's open space assets are valued at \$113.6 million (30 June 2022). The assets that support the open space environment include:

- Land Improvements
- Passive Reserves Areas
- Sports Grounds
- Open Space
- Playgrounds
- paths,
- utilities,
- park furniture,
- and grassed areas.

Council has a recreation strategy that emphasises a broad spectrum of activities ranging from individual passive activities to active organised sporting competition. The assets supporting recreation across the LGA require suitable levels of service for the proposed use. Upgrades and increasing the use of certain assets requires a review of the lifecycle operations and maintenance costs as well as capacity. Open space design guidelines and making the most of the space available are key to sustainability in the open space.

The major issues facing the area are the availability and suitability of open space for the community demographic. Other issues include vandalism, property damage, injury to people, asset usability, and lifecycle cost considerations such as maintenance and operational cost increases associated with new assets. Council must continue to provide the required level of service to a community that is predicted to change over time.

Other key issues for Open Space 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 group of assets that has is being renewed, managed, maintained and operated to differing standards by numerous service providers throughout the organisation;
- Coordinating a diverse asset portfolio that is continually evolving from the delivery of new open space 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;

The intent of the Parks and Open Space asset management plan is to demonstrate responsive and sustainable management of parks and recreation assets (and services provided from assets), compliance with regulatory requirements, and to communicate the strategies and funding to provide the required levels of service. The plan provides a rational and controlled framework for asset life cycle 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 park assets, City of Parramatta Council is better equipped to meet community service expectations, and able to form the basis of an improvement programme to progressively meet identified deficiencies.

This plan has been developed considering available information, input from various council officers and in association with a data collection and condition assessment exercise to gather asset data for parks and open space assets across the council area.

## **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 Open Space assets are operated, maintained, renewed and upgraded to ensure that Council's Open Space asset 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 open space 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 open space assets across the Council area.

The AM Plan follows the format for AM Plans recommended in Section 4 of the International Infrastructure Management Manual<sup>1</sup>.

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.

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

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

**Table 2.1: Assets covered by this Plan (Jan 2022)**

Asset Category	Dimension
Playground equipment	177
Softfall	214
Goal structure	162
Sportsfield	72
Cricket nets & wicket	51
Shelter	182
Water service	229
Barriers & fencing	782
Grassed area	741
Landscaping	719
BBQ	46
Other sports infrastructure	58
Outdoor furniture	1527
Electrical box	125

## 2.4. Key Stakeholders

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

### 2.2: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Ratepayers/ community	<ul style="list-style-type: none"> <li>Will ultimately provide input into the services required and the cost the community is prepared to pay</li> <li>Primary users of open space, parks and sporting facilities</li> <li>User safety</li> </ul>
Council Staff	<ul style="list-style-type: none"> <li>Ensure the development and implementation of Council's Asset Management Policy, Plans and Processes and for their integration with Council's Integrated Planning and Reporting Framework under the Local Government Act</li> <li>Report on the status and effectiveness of Asset Management within Council.</li> </ul>



	<ul style="list-style-type: none"> <li>• Development and implementation of Council's Asset Management Plans and Processes and for their integration with Council's Integrated Planning and Reporting Framework under the Local Government Act.</li> <li>• Ensure integration and compliance of the Asset Management Policy and Strategy with other policies and business processes of Council.</li> <li>• Ensure compliance with legal obligations.</li> <li>• Ensure sound business principles are reflected in the Asset Management strategies and plans that are developed.</li> <li>• 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.</li> </ul>
Elected members	<ul style="list-style-type: none"> <li>• Elected Members of Council have the role of adopting Asset Management Plans and representing within the community on the priority of services, the service standards and the balance between services and costs</li> </ul>
Developers	<ul style="list-style-type: none"> <li>• Vesting of new open space assets (including private and public/government owned).</li> <li>• Provide contributions and infrastructure as a condition of development or to enhance subdivisions</li> <li>• Compliance and contribution</li> </ul>
Business/ trader groups	<ul style="list-style-type: none"> <li>• Advocate for provision of open space in urban areas</li> </ul>
Sports clubs	<ul style="list-style-type: none"> <li>• Use of formal and informal areas for sporting activities and recreation</li> </ul>
Peak sporting bodies	<ul style="list-style-type: none"> <li>• Service level expectations of open space areas and park assets</li> </ul>
Educational Institutions	<ul style="list-style-type: none"> <li>• Use active and passive open space areas</li> </ul>
Pedestrians and cyclists	<ul style="list-style-type: none"> <li>• Use path network through and within parks and reserves</li> </ul>
Key Partners	<ul style="list-style-type: none"> <li>• E.g Police, neighbouring authorities</li> </ul>

## 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 30<sup>th</sup> 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.<sup>2</sup>

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,
- 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.

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<sup>2</sup> Based on IPWEA 2015 IIMM, Sec 1.3, p 1| 8



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

- International Infrastructure Management Manual 2015<sup>3</sup>
- ISO 55000<sup>4</sup>

## 2.7. What will this Asset Management Plan achieve?

The focus of this Open Space 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

## 2.8. Plan Framework

In the application of this AM Plan, Council has developed a whole of life approach to the management of its open space infrastructure. 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 open space assets;
- Identify least-cost options to provide agreed levels of service;
- Assess existing open space 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 open space assets;
- Manage the risks of open space 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.

## 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:

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<sup>3</sup> Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13

<sup>4</sup> ISO 55000 Overview, principles and terminology

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 Open Space 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 
<b>Fair</b> – 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>
<b>Accessible</b> – we can all get to where we want to go	<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><b>Green</b> – 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><b>Thriving</b> – 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><b>Welcoming</b> – 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><b>Innovative</b> – 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 and strategies, levels of service, and Council's Long Term Financial Plan</p> <p>Provide risk management and decision-making frameworks</p>

The Open Space 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.

### **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:

1. 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.
2. 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 Western Sydney Light Rail
- 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.





## 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 Open Space 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.

In moving towards Council's 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.

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

**Table 2.5**

Service Area	Service Description	Community Outcome
Strategic objective: All		
Strategic Planning (Social Outcomes)	The preparation, development and maintenance of strategies and plans to manage the growth of the City	A well-considered strategic planning framework that manages growth and facilitates the delivery of a liveable, sustainable and productive City for our communities
Strategic objective: Fair		
Recreation	The provision of recreation facilities & programs	Improved lifestyle opportunities and physical and mental health
Strategic objective: Accessible		
Infrastructure	Open space and natural areas improvement programs (bushland, waterways, open spaces and parks)	Open space and natural area assets and facilities meet community expectations and legislative requirements
	Civil infrastructure asset and catchment management (inspection, street lighting, restoration and approval of public works for roads, cycling and footpaths, drainage, bridges, dams, special assets)	Civil Infrastructure assets meet community expectations and legislative requirements
Strategic objective: Green		
Open Space & Nature	Open space & natural area management (bushland, waterways, open spaces, parks)	Open space & natural area assets and facilities meet community expectations & legislative requirements
Strategic objective: Welcoming		
City Experience	Events & Festivals	Opportunities for the community to participate, celebrate and commemorate in the civic,

		heritage and cultural life of the City
	Tourism Development & Visitor Services	Tourism delivers local economic, cultural and social benefits and visitor services enhance the perception of Parramatta as a place people want to visit
	Cultural Heritage	Share and celebrate our cultural heritage assets and stories
Strategic objective: Thriving		
Asset Strategy	Provision of statutory property service such as land acquisition, classification & easements on Council land	Efficient use of Council land to facilitate the sustainable growth of the City
Strategic objective: Innovative		
Asset Strategy	Development of asset management strategy and policy for the long-term management of community assets	Sustainably managed transport (roads, bridges, pathways), drainage, open space and building assets to meet community needs
Property Management	Space and tenant management of Council land & building	Council building and space available for use by the community is properly managed
Financial Planning	Governance, planning, analysis (Rates, Procurement, Insurance, Commercial Finance	Council is Financially sustainable and provides transparent value for money services according to the priorities of the Community

## 2.12. Core and Advanced Asset Management

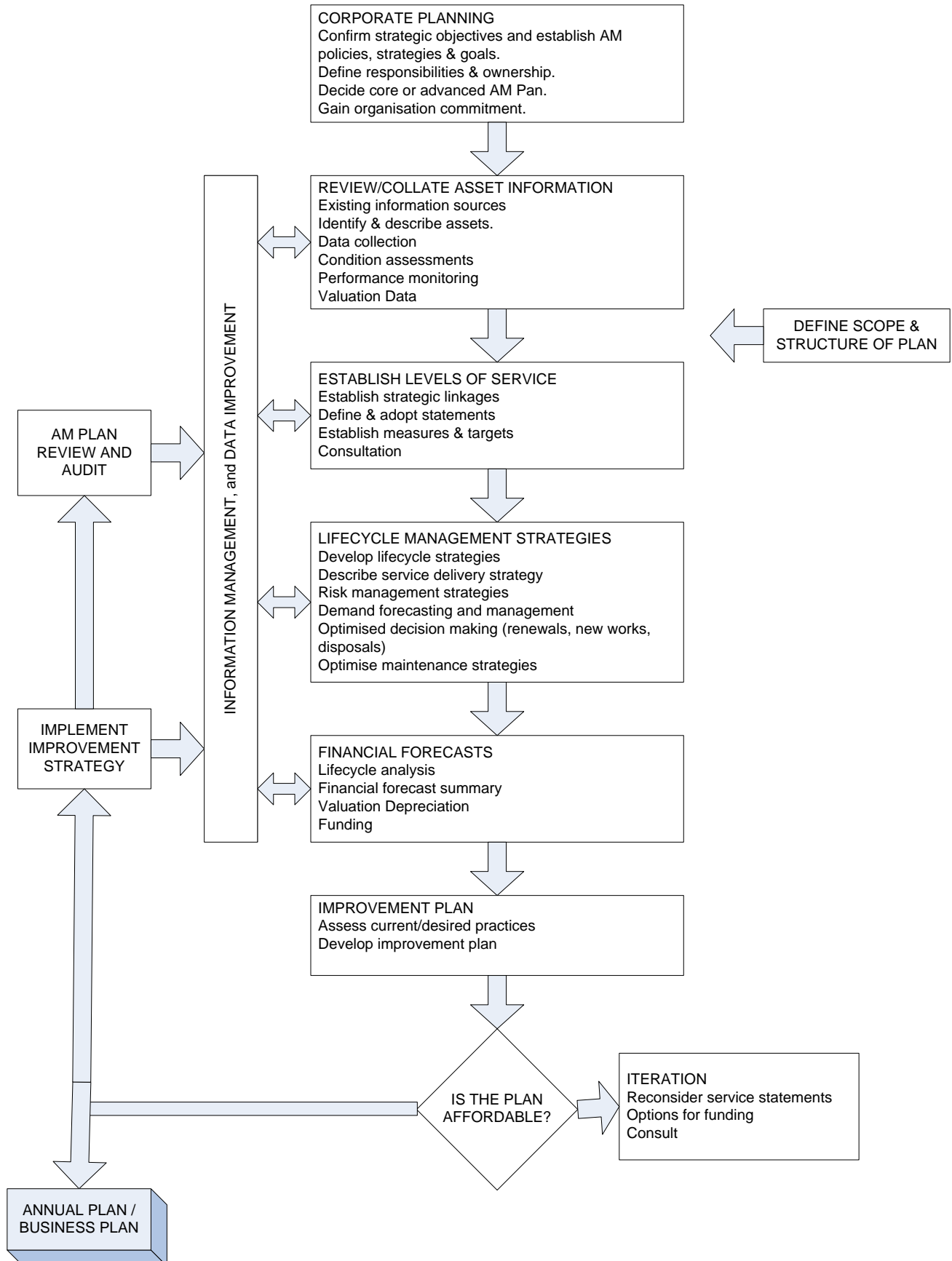
This asset management plan is prepared as a 'core' asset management plan in accordance with the International Infrastructure Management Manual, but incorporates some features of an 'advanced' asset management plan in a preliminary way. However it must be stressed that, at this stage, the confidence level in the accuracy of data and future projections should be regarded as 'moderate', rather than 'high'.

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 asset management plan will move towards more 'advanced' asset management using a 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels.

Fig 2.6: 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

Parks hierarchy is used to guide maintenance and capital project decisions by allowing for destinations treated with a similar level of importance and priority.

#### 3.1.1. Neighbourhood Parks

- Located in residential areas, Neighbourhood Parks serves the immediate neighbourhood surrounding the site and provides limited recreation value as sites are unembellished.
- Typical Components: Small land parcel with no facilities
- Typical Facilities: Pedestrian links, seating or natural shade
- Typical Size: <0.3ha

#### 3.1.2. Local Parks

- Located within residential areas, Local Parks serves a neighbourhood and provides elements or facilities suitable for passive enjoyment of outdoors and nature, spaces to gather and interact and/or to encourage individual and group based active recreation.
- Typical Components: Small land parcel with some facilities
- Typical Facilities: 1 or more embellishments, e.g. circuit pathways play space and picnic facilities
- Typical Size: >0.3ha – 2.0ha

#### 3.1.3. District Parks

- Destination by nature, District Parks create a hub of activity, supporting community gatherings and extended stays for picnic, play, and other activities. These parks serve a catchment of multiple suburbs and multiple communities, of less than one local government area.
- Typical Components: Larger land parcel with multiple facilities
- Typical Facilities: 5 or more embellishments, e.g. toilets and car parking.
- Typical Size: >2ha – 5ha

#### 3.1.4. Regional Parks

- Regional Parks are destinations accommodating a high level of diverse facilities and significant environmental features that offer unique recreation opportunities. Regional Parks serve an area greater than the LGA and attract long-stay visitors from throughout the metropolitan area.

#### 3.1.5. Civic

- Civic is formal public spaces within highly urban settings, such as squares or plazas. These prominent public spaces are popular event venues and experience high levels of visitation by residents as well as workers and visitors.
- Typical Components: CBD location
- Typical Facilities: Hard landscaped elements, monuments, event facilities, formal gardens.
- Typical size: Variable

#### 3.1.6. Natural

- Natural open spaces such as bushland reserves primarily provide conservation and ecological functions. They support limited recreational infrastructure, such as walking tracks and trails, provide opportunities for interaction with nature.
- Typical Components: Bushland
- Typical Facilities: Tracks and trails, seating
- Typical size: Variable

### 3.1.7. Heritage

- Heritage assets such as cemeteries and parks with high heritage significance support a range of low-impact passive recreational opportunities for individuals and groups.
- Typical components: Monuments and memorials, historic buildings, heritage landscapes
- Typical Facilities: Seatings, pathways
- Typical size: Variable

### 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.

#### 3.2.1. Strengths

- Parks and outdoor recreation
  - Many of Council's parks are well maintained and are of overall average or good quality
  - Many of Council's parks provide a range of opportunities for recreation like picnic facilities, courts and circuit paths
  - There are a small number of district parks which provide recreation offerings that are innovative and unique
  - Pathways are included within many open spaces to provide access to activity spaces and enable movement between open spaces
  - Many parks have an appealing landscape with mature trees and grassed areas
  - Many of our outdoor recreation facilities are co-located with other opportunities like sportsgrounds and play spaces
  - Bush walking tracks and pathways in our parks provide good opportunities to access natural areas
- Play space
  - Play spaces are well-maintained
  - Our play spaces provide a range of opportunities for play, social interaction and other activities
  - Many of our play spaces have been upgraded as per their lifecycle-based asset management plan
  - Many of our play spaces are co-located with parks or other outdoor recreation facilities
  - Some of our play spaces are significant (large, innovative and unique)
  - New additional play spaces are being delivered within urban renewal precincts
- Sportsground
  - We have sportsgrounds throughout our catchments.
  - Our sportsground network can accommodate a variety of sports and uses.
  - Many sportsgrounds are co-located with other recreation uses (e.g. playspaces, fitness equipment, walking and cycling pathways.)
  - Some of our sportsgrounds have recently been upgraded.
  - There are a number of local level sportsgrounds that, if embellished, have the capability to be district level facilities and support a broader range of uses.
- Aquatics
  - The network provides diverse offerings

- Planning is under way to realise a new aquatic facility close to the Parramatta CBD
- Epping Aquatic and Leisure Centre is greatly valued by the community and is set within a park surrounded by natural bushland
- The natural area of Lake Parramatta is highly valued by the community
- The Parramatta River is a unique and valued resource. Significant work is underway to revitalise the river and make it swimmable again by 2025
- Several aquatic facilities are located in adjoining council areas and provide further opportunities for our community to participate in district or regional level water based activities
- Community garden
  - Each community garden is unique and has its own character and opportunities which result from the site history, context and relationships with the local community and other agencies.
  - For some members of our community, Council's community garden network plays a significant role in supporting health, wellbeing and community connections.
  - Some community gardens are managed in partnership with others and integrated with other community infrastructure.
  - Some community gardens have an active membership base, are well managed and are of good quality.

### 3.2.2. Weaknesses

- Parks and outdoor recreation
  - The ability of residents to walk 5-10 minutes to active open space from their homes is variable throughout the LGA
  - Some parks are under developed and underutilised and there is potential to use these spaces to create quality open space in areas that will experience high population growth
  - 21% of our network is made up of civic, heritage and natural parks and the scope for recreation is limited on these sites
  - There is limited co-location of parks and outdoor recreation within close proximity to supporting social infrastructure such as community spaces.
  - There is a lack of diversity and inequitable spread of outdoor recreation offerings across the LGA to meet the variety of needs of our community in some areas
  - Historically, investment in parks has been influenced by and responded to requests made by individuals or groups within the community which means that the type and quality of parks and outdoor recreation vary significantly across the LGA
- Play space
  - There is fragmented provision of playgrounds, with areas of both over-supply and undersupply in our City. For our residents, this has resulted in inequitable access to play spaces
  - Many of our older play spaces are of poor quality and design and require review
  - Our play spaces are heavily focused on providing equipment for younger children which means our network does not provide enough facilities for older children
  - Many play spaces are underutilised
  - Many play spaces are not designed to support inclusion and accessibility
  - Many of our play spaces lack a variety of facilities to meet the broader needs of diverse user groups.
  - The development of many play spaces has occurred in response to requests from members of our community. In some instances this has resulted in ad hoc facility development unaligned to an overall strategy for the play space network
- Sportsground



- Close to 80% of Council owned sportsgrounds are operating at or above capacity.
  - Use and wear and tear is not spread evenly across sportsgrounds in our LGA and this means there are some fields that operate above capacity and others that operate below capacity.
  - Overall, there is not an equitable distribution of district and local sportsgrounds or enough to meet community need.
  - Only some sportsgrounds are flexible in design to accommodate multiple and changing uses.
  - There are a number of sportsgrounds without appropriate supporting infrastructure (such as floodlighting, cricket pitches and amenities blocks), reducing the overall functionality of these sites.
  - Some of our sportsgrounds are in poor condition.
  - Sportsground surfaces and associated maintenance costs are growing as a result of increasing impacts of weather conditions (including, extreme heat and flooding).
  - Some schools are heavily reliant on using Council's sportsgrounds for their sporting activities due to reduced availability of facilities within school grounds and growing student numbers.
  - There is a current lack of sportsground provision in suburbs that are projected to have high population growth into the future (e.g. Epping , Wentworth Point and Granville)
- Aquatics
    - Ageing and increasingly financially unsustainable infrastructure and services
    - Quality and breadth of services are not aligned to current consumer expectations and demand
    - Facilities are not well located to meet future needs of the community
    - Facilities are not accessible or inclusive
    - The Parramatta River is an underutilised natural asset and historical practices and rapid industrial development nearby have impacted water quality
- Community garden
    - From time to time, issues can arise amongst community garden members due to different views on management, use and access.
    - Some community gardens are left to decline as a result of reduced investment of time by the community. Often there is no set time frame associated with new garden establishment and no clear processes for closing a garden if this is required. This can lead to issues for local neighbours nearby to a declining site.
    - Kitchen gardens within schools are not always set up as community gardens due to perceived problems with access and security.
    - Some community garden sites are limited in their use to raised garden beds, due to past industrial uses and contamination.
    - All current community gardens are fixed, permanent and made up of hard infrastructure, with very little flexibility.

### 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 3.1: Services and Facilities –Comparison to Benchmarks<sup>5</sup>**

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

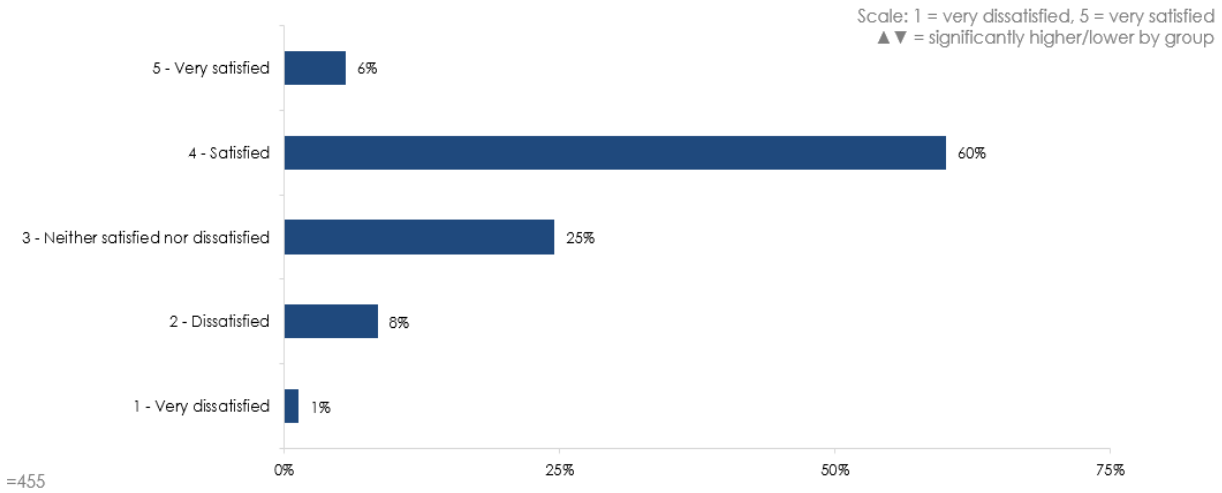
Council conducted a two-stage quantitative and qualitative community engagement program:

- 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.

#### 3.3.1. 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".

<sup>5</sup> 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.

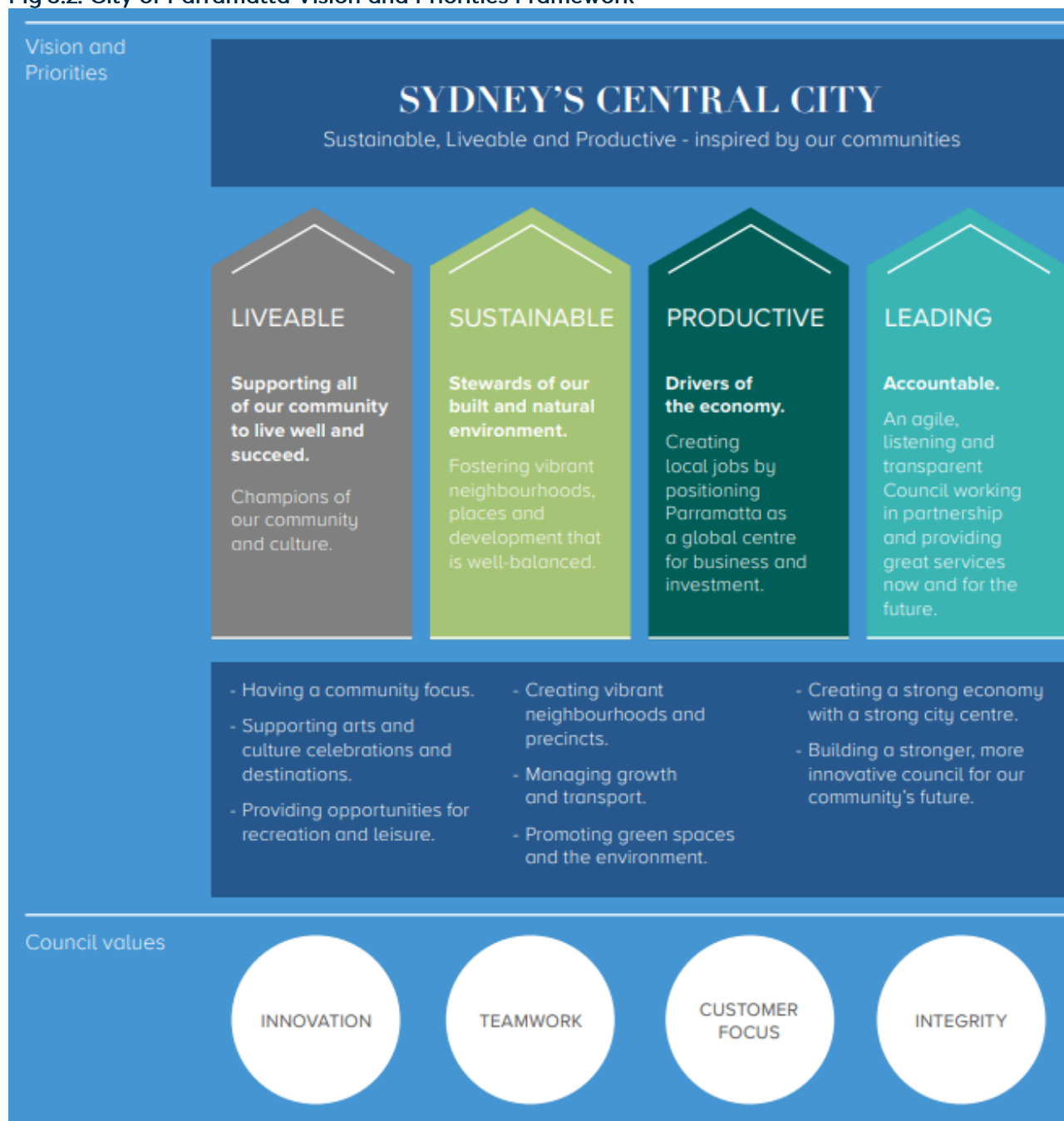
Our vision is: *Sydney's central city, sustainable, liveable and productive – inspired by our communities.*

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 3.2: City of Parramatta Vision and Priorities Framework<sup>6</sup>



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

Table 3.3: 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>

<sup>6</sup> 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 7.

### 3.5. Legislative Requirements

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

**Table 3.4: 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"> <li>• 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</li> <li>• the responsibility for administering some regulatory systems under this Act</li> <li>• a role in the management, improvement and development of the resources of their areas,</li> </ul> <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.

### 3.7. 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:

<b>Quality</b>	How good is the service. <i>What is the condition or quality of outdoor surfaces?</i>
<b>Function</b>	Is it suitable for its intended purpose. <i>Is it the right playground type to provide the range of services and amenity required?</i>
<b>Capacity/Use</b>	Is the service over or under used. <i>Do we need more or less of these assets? How effectively is the park 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 3.4: Customer Level of Service**

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Optimal Level of Service
<b>Community Levels of Service</b>				
<b>Quality</b>	<ul style="list-style-type: none"> <li>· Building facilities are clean and appropriate for users.</li> <li>· Public toilet facilities are clean and hygienic for users.</li> <li>· Gardens look attractive, Grass not too long, healthy trees.</li> <li>· Appealing to use Clean and in useable condition.</li> <li>· Surface kept in good condition depending on sporting code played.</li> <li>· Provide even surface for pedestrians.</li> </ul>	Customer service requests relating to service quality	<p>Requests received should not increase annually</p> <p>Park Assets 93% in condition 1, 2 or 3</p> <p>Play Equipment 98% in condition 1, 2 or 3</p>	<p>Measured in Community Survey</p> <p>Continue to monitor community satisfaction trend</p> <p>In 10 years park building asset condition is:</p> <ul style="list-style-type: none"> <li>· Condition 1-3: 95%</li> <li>· Condition 4: 5%</li> <li>· Condition 5: 0%</li> </ul> <p>In 10 years play equipment condition is:</p> <ul style="list-style-type: none"> <li>· Condition 1-3: 98%</li> </ul>

	<ul style="list-style-type: none"> <li>· Adequate lighting in appropriate areas</li> <li>· Fences look good and are of appropriate height and size.</li> </ul>			<ul style="list-style-type: none"> <li>· Condition 4: 2%</li> <li>· Condition 5: 0%</li> </ul>
<b>Function</b>	<ul style="list-style-type: none"> <li>· Facilities are available, usable and meet users' needs.</li> <li>· Open space create a pleasant experience and create natural environment within urban area.</li> <li>· Sports fields are functionally adequate for sport to be played.</li> <li>· Lighting illuminates areas adequately.</li> <li>· Paths have easy access and free of obstructions, meets users' needs for accessibility.</li> <li>· Fences provide suitable barrier.</li> </ul>	Customer service requests relating to availability	Requests received should not increase annually  Recreation needs study and strategy demands to be included in the next AMP revision	Measured in Community Survey  Continue to monitor community satisfaction trend
<b>Capacity/ Utilisation</b>	<ul style="list-style-type: none"> <li>· Adequate space and furniture at the right location</li> <li>· Enough trees per park and adequate horticultural features to create park space.</li> <li>· Adequate strength lighting is provided</li> <li>· Paths appropriate for usage</li> <li>· Fences keep people and pets isolated. Keep park access safe</li> </ul>	Customer service request relating to over or under use	<ul style="list-style-type: none"> <li>· ha/1,000 people for parks</li> <li>· ha/1,000 people for sporting open space</li> <li>· ha/1,000 people for natural areas and other open spaces</li> </ul>	<ul style="list-style-type: none"> <li>· 1 ha/1,000 people for parks</li> <li>· 1 ha/1,000 people for sporting open space</li> <li>· 1 ha/1,000 people for natural areas and other open spaces</li> </ul>

### 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.<sup>7</sup>

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.

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<sup>7</sup> IPWEA, 2015, IIMM, p 2|28.

Table 3.5: Technical Levels of Service

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Optimal Level of Service
<b>Technical Levels of Service</b>				
Operations	<ul style="list-style-type: none"> <li>Facilities meet users' needs, Buildings are clean</li> <li>Lawns mowed, weeded, pruning.</li> <li>Value for money.</li> </ul>	Defects inspection Cleaning inspections  Maintenance contract or service standards.  Compliance audits Regular competitive tendering and quoting.	Defects noted and processed through TechOne  Inspections  Service standards	Defects noted and processed through TechOne based on priority.  Desired service standards following community consultation and completion of the Recreation Strategy
Maintenance	Buildings are suitable for purpose, tree maintenance, maintenance and replacement programs, resurfacing and turf maintenance, replacement of dysfunctional lighting, repair and maintain footpaths	Reactive service request completed within adopted time frames  Planned maintenance activities completed to schedule	Defects made safe within set number of working day dependant on priority  All planned maintenance activities completed to schedule  Asset maintenance ratio = 96%  Infrastructure backlog ratio = 2%	Defects made safe within set number of working day dependant on priority  All planned maintenance activities completed to schedule Desired service standards following community consultation and completion of the  Asset maintenance ratio < 2%  Asset maintenance ratio > 100%
Capital Renewal	Building faculties meet users' needs, Replanting and resurfacing, Replacement of asset with asset of similar cost and function, Resurfacing, Lighting pole structure is structurally safe , Replacement of path with similar material and dimensions, Replacement of fence with similar material and dimensions	Condition audits, Inspection Reports Extent to which strategic objectives are met	Condition Rating of 4 or 5 minimised, addressed and planned for  Asset renewal ratio = 120%	Condition Rating of 4 or 5 minimised, addressed and planned for  Asset renewal ratio > 100%
Capital Upgrade and New	Parks and open space facilities are adequate for all users through improved asset quality or quantity	Capital Upgrade and Capital Expansion to suitable standard.	Compliance assessment and compliance in accordance with future public	Compliance assessment and compliance in accordance with future public

			demand	demand
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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 all levels of service targets and performance, Council will further develop its ability to manage and report on the remaining levels of service aspects within its Improvement Actions Plan as well as future versions of this AM Plan.

### 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 Open Space 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 Open Space 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 Park asset 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 open space asset 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 open space 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 Open Space Assets 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 Open Space asset portfolio to a satisfactory condition, which will allow it to meet existing community and operational demands. Almost 95% of assets 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 open space asset 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 – Phive and Public Domain
2. Aquatic Centre
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 open space 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.

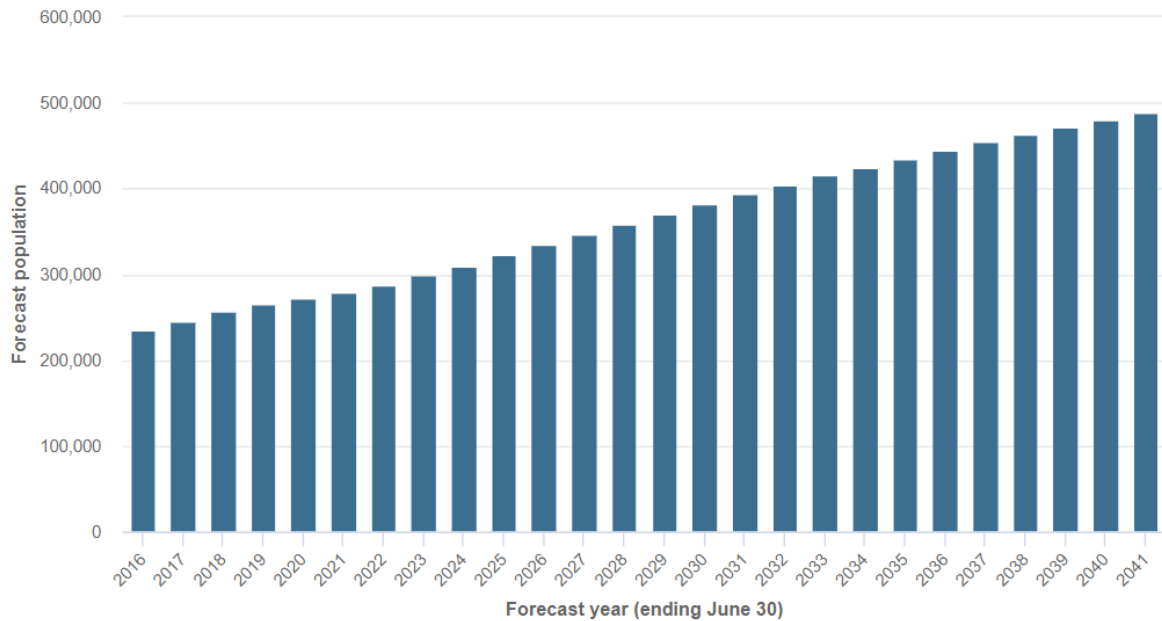
##### **4.5.1. Population**

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 open space 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.

Council has a diverse age structure which is constantly changing. As shown below, Council needs to consider these changes when planning for its POS assets into the future.

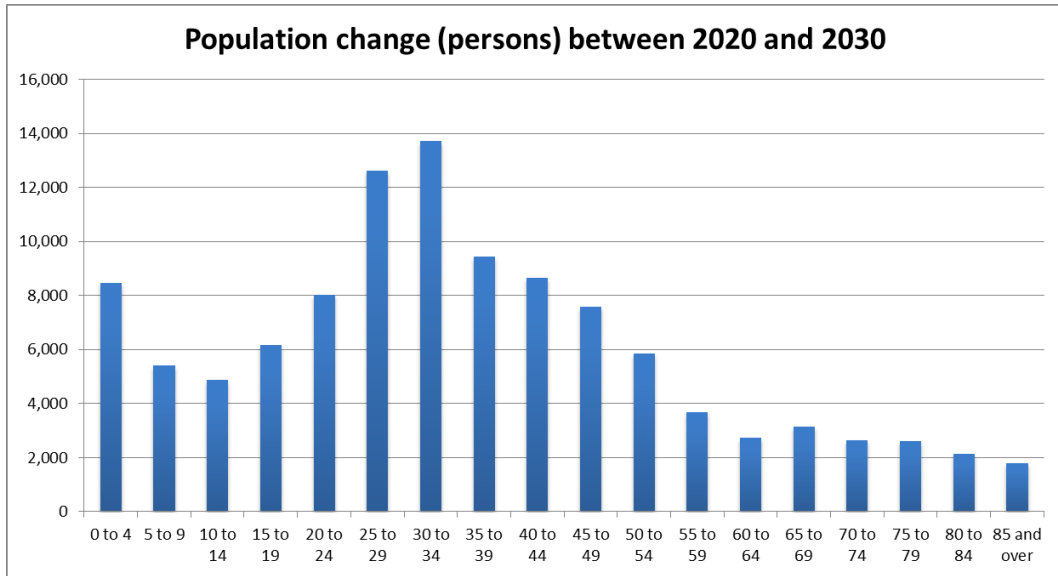


Figure: Population change (persons) of each age group between 2020 and 2030

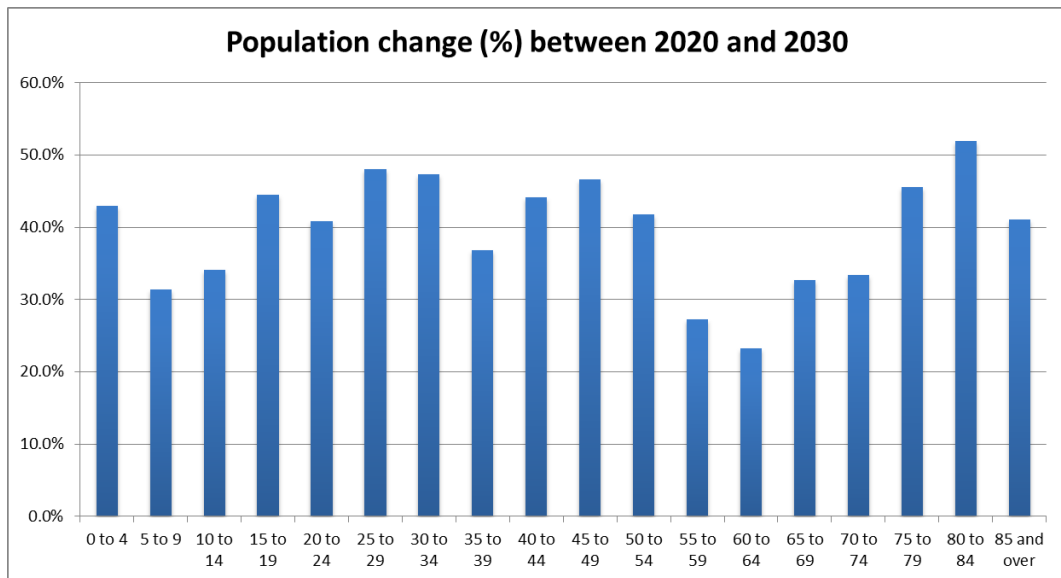


Figure: Population change (%) of each age group between 2020 and 2030

## City of Parramatta 2016

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

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

This work is underpinned by a catchment based approach to planning for community infrastructure.

These catchments are shown in the following map. They were determined with consideration of a number of factors, including:

- The location of key urban centres
- Likely travel patterns
- The spread of existing and future population across the LGA
- Natural barriers (e.g. waterways, topography)
- Built barriers (e.g. arterial roads, viaducts)

A catchment approach is a useful planning tool that reflects, where possible, patterns of community preference in accessing services and facilities.

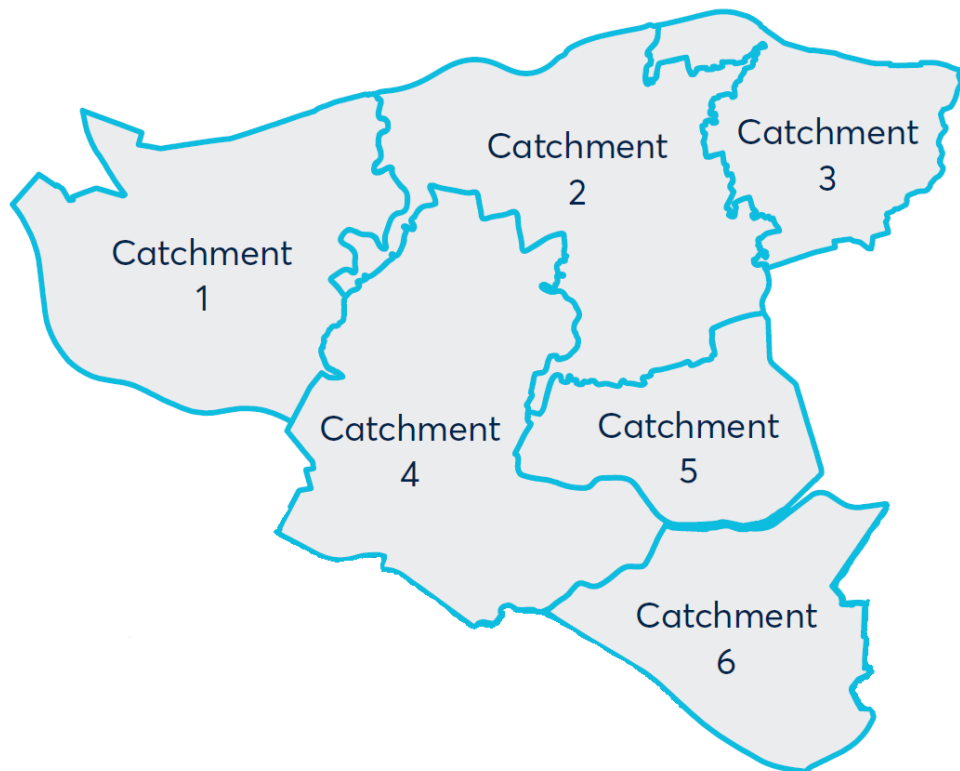


Figure: Catchments of CoP (Draft Community Infrastructure Strategies)

Table: Catchment division

Catchment	Suburbs
CATCHMENT 1	Winston Hills, Toongabbie, Westmead, Northmead, Old Toongabbie, Pendle Hill, Wentworthville & Constitution Hill
CATCHMENT 2	Carlingford, North Rocks, Dundas, Dundas Valley & Telopea

CATCHMENT 3	Epping, Beecroft & Eastwood
CATCHMENT 4	Parramatta, Granville, Camellia, North Parramatta, Oatlands, Harris Park, Mays Hill, Rosehill & Clyde
CATCHMENT 5	Melrose Park, Rydalmere, Ermington
CATCHMENT 6	Silverwater, Newington, Wentworth Point, Sydney Olympic Park & Lidcombe

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.

Council has commenced preparations to renew its separate Sport and Recreation Plan (2004) and Open Space Plan (2002) to develop a strategy for the city to promote healthy active lifestyles that benefit the people of Parramatta's physical and mental wellbeing as well as ensure a sustainable environment complementing a modern and diverse cityscape. In conjunction with other plans such as Plan of Management for Community Land (2014), Asset Management Plan, City Centre Strategy, Biodiversity Strategy and other related strategies, it will inform, recommend and define actions in the planning of spaces, facilities and activities under the control of Council and where Council might influence positive outcomes in the broader community.

#### 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	The 2020 resident population forecast for the Parramatta City is 272,813  There were 185,558 jobs located in the City of Parramatta in the year ending June 2019.	Projected Resident Population of 382,330 by 2030	Requirement for an increase in POS assets and accompanying renewal and operating expenditures.  Increased usage and changing	Maintain up-to-date asset management systems and undertake regular reviews of Asset Management Plans.

			needs and preferences from additional population requiring upgrade to existing POS infrastructure.	Review efficiencies of portfolio for potential sharing of POS assets (increase utilisation)
Changing Demographics	Age: 30-34 highest proportion of 5 year age groups at 10.6%  Income levels: 26.8% of households earned a high income and 14.3% were low income households in 2016	Age: 30-34 remains the highest proportion of age groups at 30.2%	As age structure changes, service levels will need to be reviewed to meet the demand shift.  Consideration will need to be given to user pays/ capacity to pay.	Review service levels regularly and undertake frequent community consultation.
Changes in Land Use planning	Current development levels based on existing land use planning	Increases in permissible land uses and densities throughout the LGA – creating more demand on services and assets.	Increased population densities will require upgrades of existing assets and services as well as new assets and services	Consider delivery though additional, 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.
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Herein, increasing population and changes of age structure are the key drivers to identify the future demands. As Community Levels of Service is different in catchments, planning and estimate should be based on catchment level.

For example, the playground ratio (number of playground per 2,000 people) of City of Parramatta is higher than benchmark level. However, there are differences among catchments, as shown in Figure below. For catchment 3, 4 and especially 6, the playground ratio is significantly lower than the benchmark level.

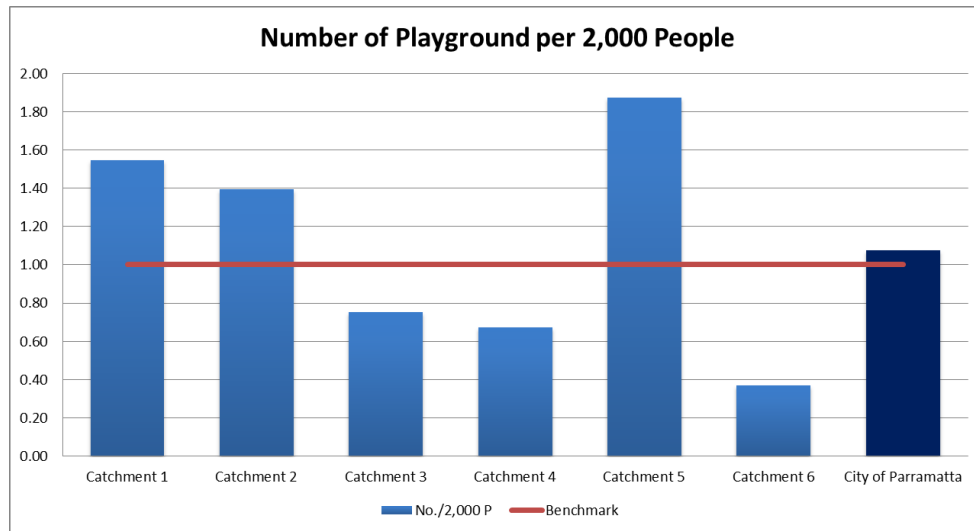


Figure: playground ratio at catchment level

With the increase of population, the playground ratio in each catchment area will also change. Comparing the future ratio with current ratio and benchmark ratio (1.0), numbers of new/upgrade playground can be estimated for each catchment.

Catchment	No. of playground	Population 2020	1:2000 people in 2020	Population 2030	1:2000 people in 2030	No. required at same LOS	No. required at expected LOS
Area 1	44	56,804	1.55	74,233	1.19	0	0
Area 2	39	55,880	1.40	68,158	1.14	0	0
Area 3	14	37,169	0.75	41,961	0.67	2	7
Area 4	25	74,460	0.67	108,446	0.46	11	29
Area 5	20	21,335	1.87	37,927	1.05	0	0
Area 6	5	27,165	0.37	51,605	0.19	4	21
Total	147	272,813	1.08	382,330	0.77	18	57

The increase in jobs is also a significant driver in specific high growth areas. For example, the number of jobs provided in Parramatta CBD is estimated to be 137,000 (baseline target) or 151,500 (higher target) in 2036 comparing with 81,900 in 2016. The increase of jobs will require more POS assets in adjacent area and higher level of service.

#### 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 failures<sup>8</sup>. 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	New Developer Contributions Plan has been drafted to take into account the potential future demand for services/assets and these are

<sup>8</sup> IPWEA, 2015, IIMM, Table 3.4.1, p 3|89.

	buildings	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 future management of buildings	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 provisions.
All infrastructure assets	Increased costs and community expectations impact the community satisfaction and the ability for council to maintain long term sustainability.	Analyse cost of providing service
		Assess current capacity to fund at the current level of service
		Monitor community expectations
		Link asset management plans to long term financial plans
		Balance priorities for infrastructure with what the community is prepared to pay for
		Communicate service levels and financial capacity with the community
Cost of providing service	The Demand Management Plan may reduce the cost of future renewals.	Analyse cost of providing service.
Current capacity	The Demand Management Plan may reduce the funding required.	Assess current capacity to fund at the current Level of Service
Community expectations	The Demand Management Plan may manage community expectations.	Monitor community expectations.
Council funding ability	The Demand Management Plan may manage Council funding ability.	Link Asset Management Plans and other key strategies to Long Term Financial Plans.

Community funding ability	The Demand Management Plan may manage community funding ability.	Balance priorities for open space assets with what the community is prepared to pay for.
Funding priority works	Link asset management plans to long term financial plans and community strategic plans  Continue to seek grant funding for projects identified in the Council Community Strategic Plan and Asset Management Plans	Funding priority works
Level of Service	The Demand Management Plan may manage Levels of Service and financial capacity.	Communicate Levels of Service and financial capacity with the community.
Improve understanding of costs and capacity to maintain current service levels	Continue to analyse the cost of providing service and the capacity to fund at the current level of service	Improve understanding of costs and capacity to maintain current service levels

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets 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 failures. Examples of non-asset solutions include providing services from existing infrastructure such as aquatic centres and libraries that may be in another community area or public toilets provided in commercial premises.

### Opportunities for New Parks & Open Space

City of Parramatta mainly a mature and well established area, providing limited opportunities for new large scale developments. However, infill developments will place additional pressures on the existing infrastructure.

The opportunities to provide additional local parks are limited and may require the purchase of existing allotments. One of the measures used by the Council to address this is with the implementation of the Development Contribution Plan (DCP). The DCP is a requirement placed on developers, and which will, in part, generate additional revenue for new or upgraded infrastructure.

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

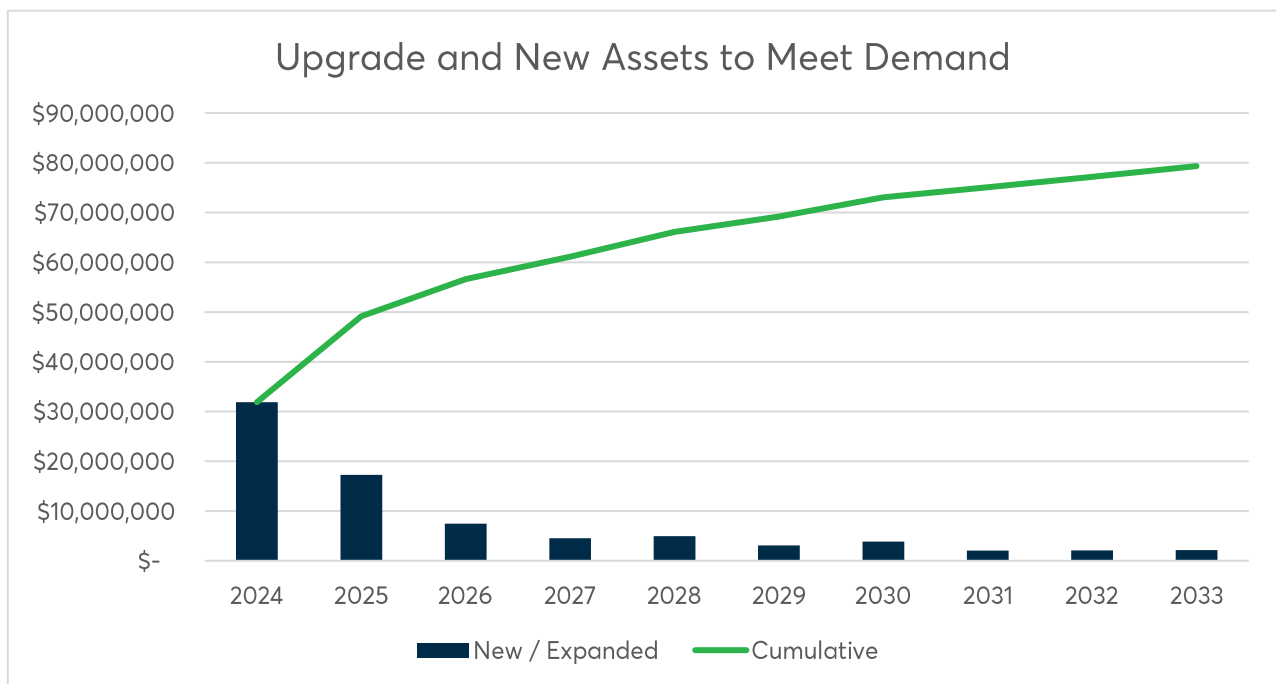


#### 4.8. Asset Programs to meet Demand

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 below.

**Figure 4.8: 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 Open Space 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 Open Space assets 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 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

Location	Service Deficiency
Park Assets	Backlog of asset renewals and short term reduction of asset renewal may cause risk to public or assets that do not fit with the park aesthetic

### 5.2.2. Asset condition

The condition of the open space asset stock is measured by assessing the condition of each of the following elements where they exist in each park:

- Playground equipment
- Softfall
- Goal structure
- Sports field
- Cricket nets & wicket
- Shelter
- Water service
- Barriers & fencing
- Grassed area
- Landscaping
- BBQ
- Other sports infrastructure
- Outdoor furniture
- Electrical box

### 5.2.3. Condition Scores – Open Space Asset Condition

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

- |    |   |       |
|----|---|-------|
| 1. | As new, requires normal maintenance only:               | 37.5% |
| 2. | Good condition, requires minor maintenance:             | 35.2% |
| 3. | Acceptable condition, requires significant maintenance: | 23.9% |
| 4. | In very poor condition, requires renewal:               | 3.0%  |
| 5. | Unserviceable or unusable                               | 0.4%  |

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 system<sup>9</sup> as detailed in Table 5.1.3.

**Table 5.1.3: Simple Condition Grading Model**

Condition Grading	Description of Condition
1	<b>Very Good:</b> A near new asset with no visible signs of deterioration. Only planned maintenance required.
2	<b>Good:</b> An asset in a very good overall condition but with some early stages of deterioration evident. Minor maintenance required plus planned maintenance
3	<b>Fair:</b> An asset in fair overall condition. Deterioration in condition would be obvious and there would be some serviceability loss. Significant maintenance required
4	<b>Poor:</b> 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	<b>Very Poor:</b> 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.

### 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.

#### 5.2.1 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

<sup>9</sup> IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

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 5.2.1.

**Table 5.2.1: Maintenance Expenditure Trends**

Year	Maintenance budget
2023/24	\$14,865,800
2024/25	\$15,278,801
2025/26	\$15,708,419

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.

The initial acquisition and construction costs of any asset represent only a portion of the costs over its lifecycle. New assets require ongoing funding to operate, maintain, renew, and dispose of in the future. Existing assets will also need to be managed differently to accommodate the increased demand (shorter useful lives and higher depreciation rate).

### 5.2.2 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.

When determining the required maintenance in year 2022 based on the distribution of the open space asset stock, Council has adopted an 'As a percentage of Replacement Cost' approach to determine the Required Annual Maintenance. This is consistent with the International Infrastructure Management Manual and other industry standards. The percentage of the Replacement Cost adopted for Roads and kerbs assets is as follows.

Council's current 10 Year LTFP allocation of funding to Open Space 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	\$14,865,800	\$15,278,801	\$15,708,419	\$16,147,393	\$16,631,759	\$17,082,800	\$16,618,383	\$18,031,285	\$18,478,056	\$18,934,631
Maintenance	\$15,354,471	\$15,860,060	\$16,207,559	\$16,564,992	\$16,902,451	\$17,212,253	\$16,912,629	\$17,857,333	\$18,152,567	\$18,453,193

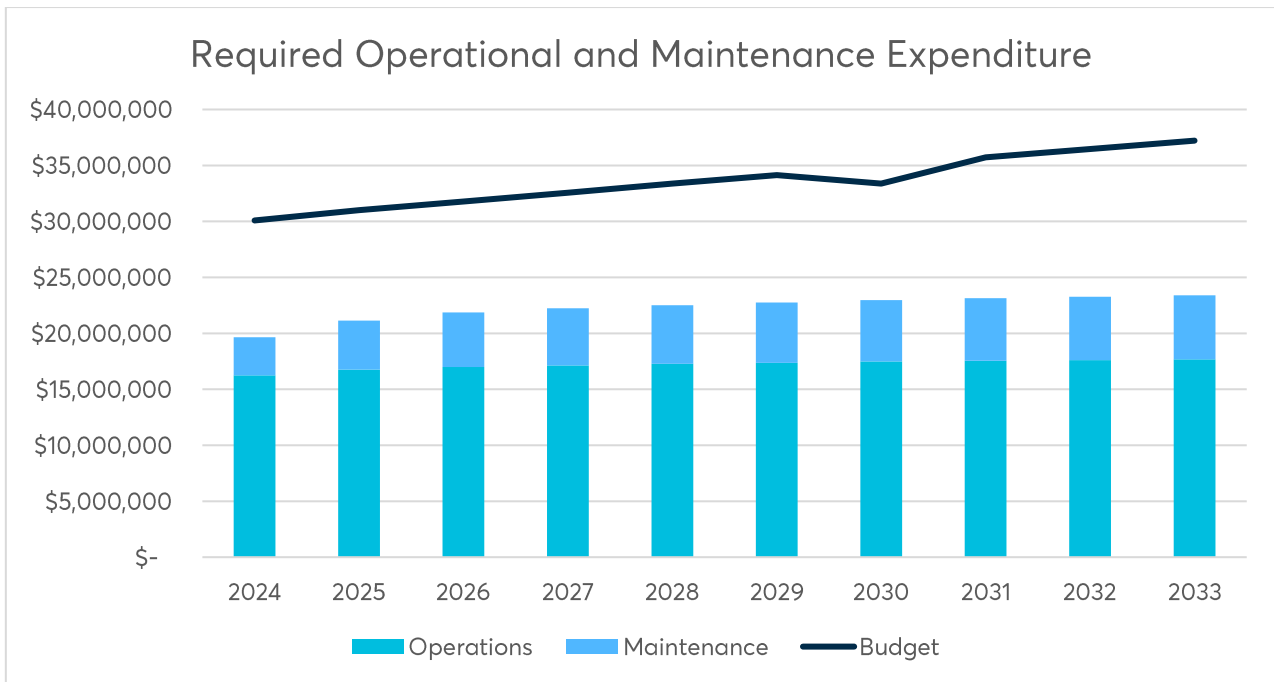
### 5.6. Asset hierarchy

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

#### 5.2.3 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 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2: 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 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 Open Space renewal works include the replacement of existing:-

- Park furniture
- Irrigation component replacement
- Sporting field maintenance
- Playground equipment replacement
- Softfall replacements

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.

### 5.3.1 Renewal plan

Assets requiring renewal/replacement are identified using Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year.

It is common that the valuation registers 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 Marrickville Council the refinement of the asset register to achieve this situation should become an important part of the asset management improvement plan.

Scenario 1 and 2 is prepared using the technical estimates of what renewal is required to sustain the current asset condition. Scenario 3 is a reflection of the funding required to eliminate the assets in condition 4 and 5 (i.e. eliminating assets in poor and very poor condition, and increasing the number of condition 1, 2 and 3 assets).

As individual assets near the end of their useful life they need to be renewed in order to restore them to a required functional condition or extend their current remaining life. Due to the variance in the lifecycle for the different asset components, renewal needs will vary significantly from year to year.

Customer demand may require the renewal criteria to be raised to provide a higher Level of Service that meets the community and user's expectations. When renewals remain unfunded for successive years, the backlog of open space asset projects due for renewal builds up, creating a funding gap. A further effect is that when renewal funding is delayed but then eventually released, a disproportionately amount of open space assets has to be renewed over a short period of one to two years.

### 5.3.2 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).<sup>10</sup>

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.<sup>11</sup>

### 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
- Other Council Policies & Objectives

#### 5.3.3 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. Note that all amounts are shown in real values.

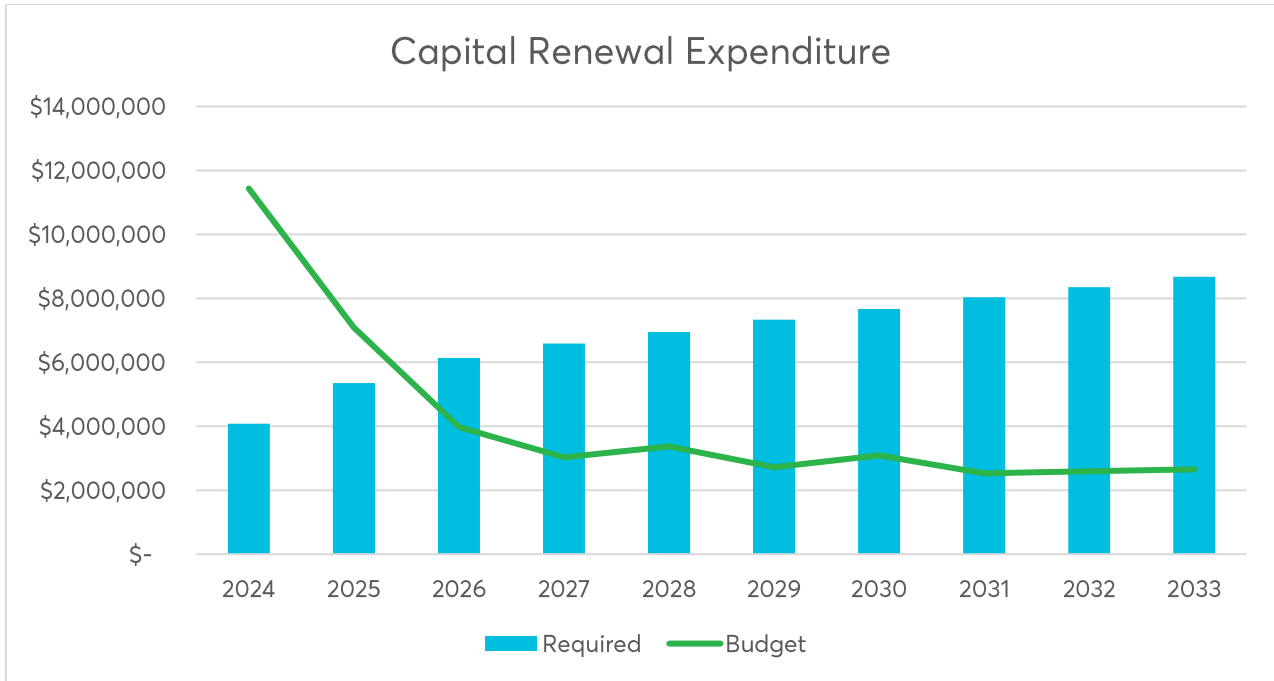
The projected capital renewal and replacement program is shown in Appendix B.

**Fig 5.3: Projected Capital Renewal and Replacement Expenditure**

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<sup>10</sup> IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

<sup>11</sup> Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.



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.

#### 5.3.4 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.

New asset creation and upgrade to open space assets often results from:

- Council decisions to upgrade or expand assets in response to demand, or
- Land development by developers and subsequently transferred to council (with resultant ongoing maintenance and ultimately renewal requirements)
- Legislative requirements including Occupational Health and Safety.
- Technological improvements.

Renewal costs deal with like for like replacement without additional service benefits, whereas upgrades deals with improved functionality and improved compliance with Legislative requirements.

#### 5.4.1 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.

#### **5.4.2 Capital Investment Strategies**

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

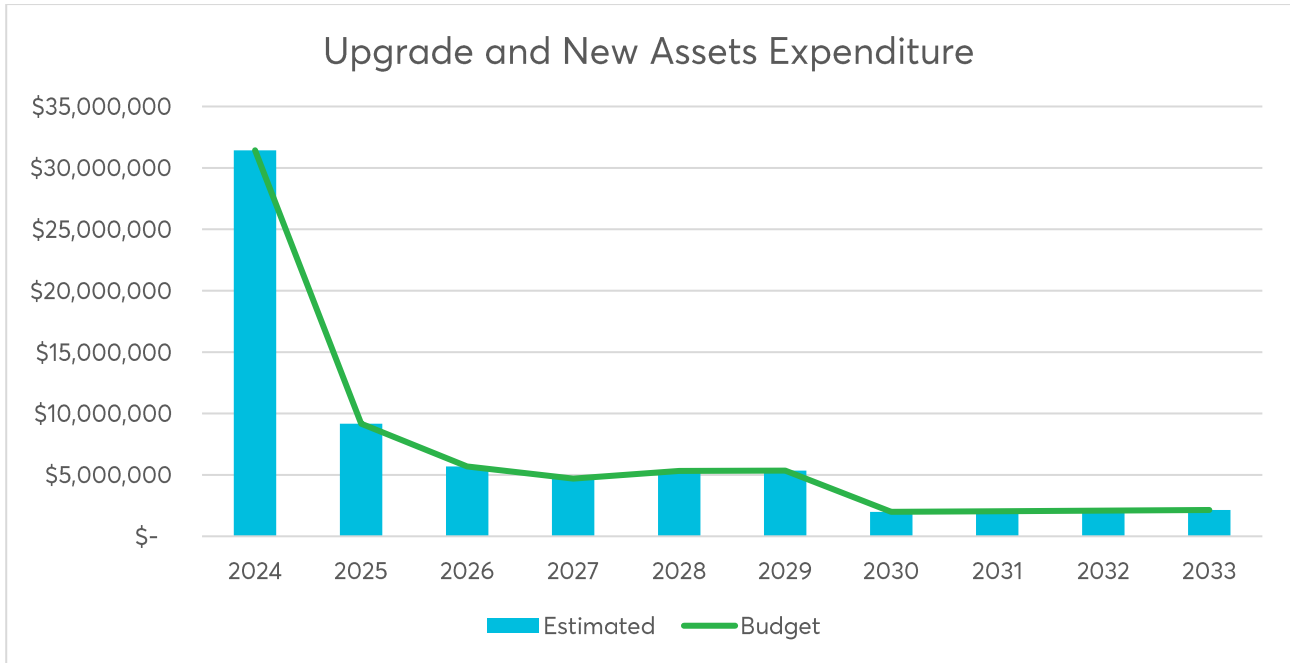
- Continuing to implement Council's major projects
- Finalising a new Developer Contributions Plan
- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner,
- Undertake project scoping for all capital upgrade/new projects to identify:
  - 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 5.4.2.

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

Projected upgrade/new asset expenditures are summarised in Fig 6. The projected upgrade/new capital works program is shown in Appendix C. All amounts are shown in real values.

**Fig 5.4: 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.

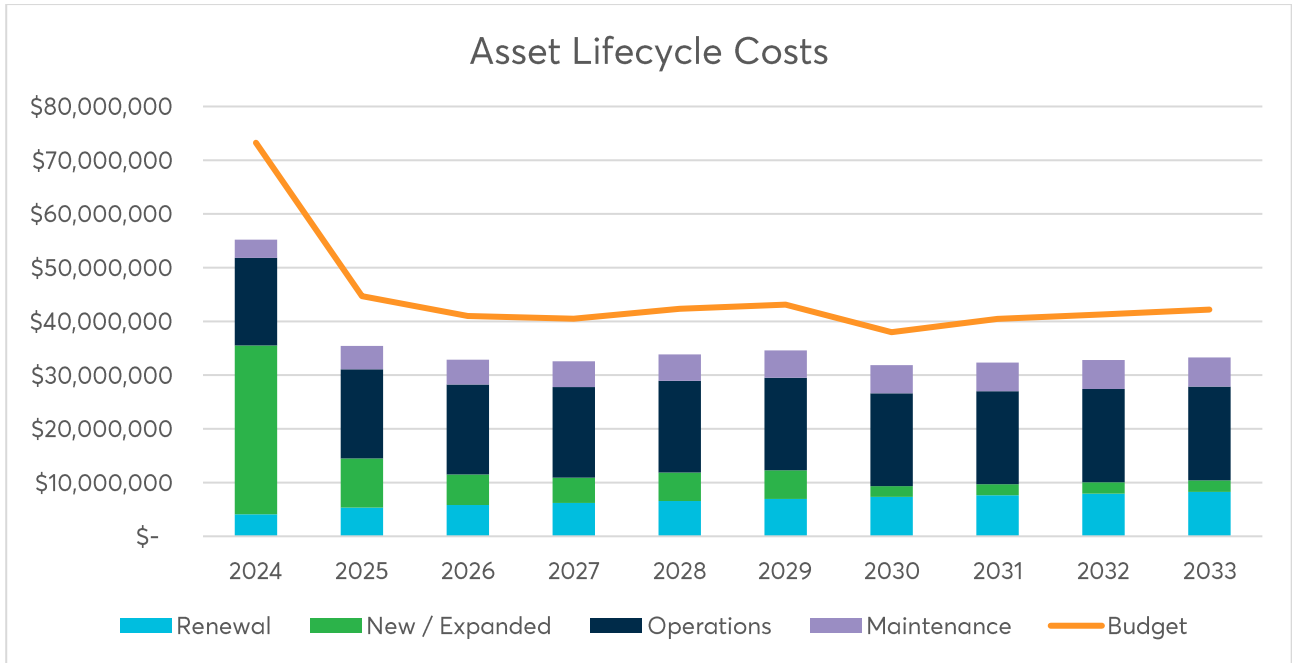
Where cash flow projections from asset disposals are not available, these will be developed in future revisions of this

#### 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 5.5: 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"<sup>12</sup>.

An assessment of risks<sup>13</sup> 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 defined as those which have a high consequence of failure causing significant loss or reduction of service. Similarly, critical failure modes are those which have the highest consequences. Research on critical assets has not yet been undertaken. This will be investigated in future updates of the asset management plan.

### 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 & Objectives

## 6.2. Risk Assessment

The risk management process used in this project is shown in Figure 6.1 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.

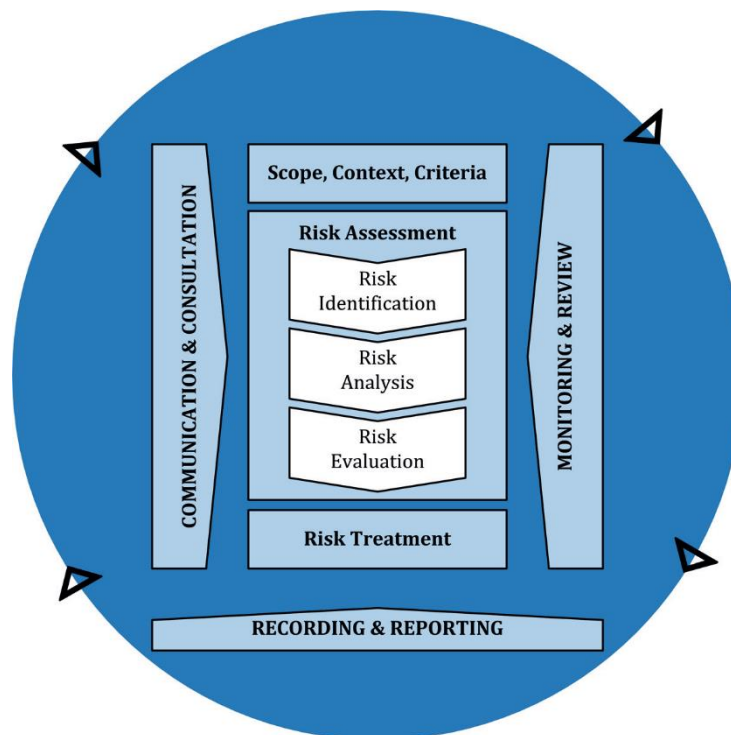
The process is based on the fundamentals of ISO risk assessment standard ISO 31000:2009.

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<sup>12</sup> ISO 31000:2009, p 2



Fig 6.1 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 risks<sup>14</sup> 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 6.2. These risks and costs are reported to management and Council.

Reactive/safety Inspection - Works and services carry out reactive and safety inspections as a result of CRM requests or from observation or planned maintenance programs.

Incident inspections are carried out by the Design & Investigation Section to enable an incident condition report to be prepared for use in legal proceedings and the gathering of information for the analysis of the causes of accidents.

Table 6.2 Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk	Treatment Costs
All infrastructure	Inadequate resources/funding to maintain	Very High	Inspections and Sustainable Asset Management Planning. Inspections, asset	Medium	TBA

	infrastructure to an appropriate standard Resulting in asset failure, injury, reputational damage, legal action		management plans, regular budget reviews for additional funding and resources, increased funding to remove backlog, engage with the community to set affordable service levels and special rates variation.		
Infrastructure planning	Inability to undertake adequate asset management planning resulting in Council being unsustainable	Very High	Inspection programs, Key Performance Indicators, preventative maintenance program, Community feedback, Complaints, CRMS, TechOne system. Asset Management Policy where Council has committed to TechOne asset management planning	Low	TBA
Asbestos	Asbestos Located Material/Members of the Public or Council premises – Demolition by lay person; Health problems (long term); Suing by owners; Risk to staff attending sites	High	Maintain the asbestos register, carryout asbestos management plans	Medium	TBA
Play equipment	Noncompliance with the standard	Extreme	Inspection and maintenance, signage, quarterly inspection program	Low	TBA
Playgrounds softfall	Failure or noncompliance with standards	Extreme	Inspection and maintenance	High	TBA
Sportsfield lighting	Pole structure or foundation failure, injury to people and property, vandalism, environmental effects	High	Inspection and maintenance	Low	TBA

Table 6.3: 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. Transport Specific Risk Analysis

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 open space 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 open space assets 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

### **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

CoP's portfolio of Open Space assets represents a Gross Replacement Cost of \$97,849,833 and a current written down value of \$64,384,988. 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	\$15,354,471	\$15,860,060	\$16,207,559
Maintenance	\$14,865,800	\$15,278,801	\$15,708,419
Capital renewal	\$11,595,534	\$4,386,270	\$3,386,347
Capital upgrade and new	\$31,432,877	\$9,162,559	\$5,690,540
Total	\$73,248,681	\$44,687,690	\$40,992,865

**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.

### 7.1.1 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 **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
2. Lennox Bridge Car Park Redevelopment
3. Riverside Theatre
4. Parramatta Riverbank
5. Multi Storey Car Park Redevelopment Projects
6. North Parramatta Urban Growth Release

## 7.1. Financial Sustainability and Projections

### 7.1.1. Sustainability of service delivery

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

- asset renewal funding ratio (proposed renewal budget for the next 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 Ratio<sup>15</sup>

	2023/2024	2024/2025	2025/2026
Renewal ratio	284%	82%	58%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 3 years we expect to have 230% 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 due to masterplans.

### 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.

<sup>15</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.



The forecast operations, maintenance and renewal costs over the 10 year planning period is \$31,177,993 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$44,685,463 on average per year giving a 10 year funding surplus of \$13,507,470 per year. This indicates that 143% 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.

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.

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

Table 7.1.3 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	\$31,432,877	\$15,354,471	\$14,865,800	\$11,595,534	\$0
2025	\$9,162,559	\$15,860,060	\$15,278,801	\$4,386,270	\$0
2026	\$5,690,540	\$16,207,559	\$15,708,419	\$3,386,347	\$0
2027	\$4,701,726	\$16,564,992	\$16,147,393	\$3,085,532	\$0
2028	\$5,322,575	\$16,902,451	\$16,631,759	\$3,491,438	\$0
2029	\$5,352,626	\$17,212,253	\$17,082,800	\$3,472,594	\$0
2030	\$1,993,357	\$16,912,629	\$16,618,383	\$2,466,391	\$0
2031	\$2,043,191	\$17,857,333	\$18,031,285	\$2,528,051	\$0
2032	\$2,094,271	\$18,152,567	\$18,478,056	\$2,591,252	\$0
2033	\$2,146,628	\$18,453,193	\$18,934,631	\$2,656,033	\$0

## 7.2. Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

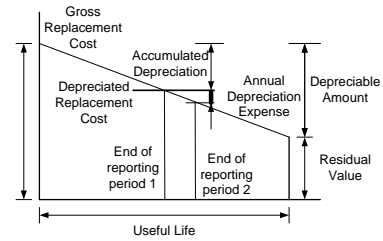
The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

## 7.3. Valuation Forecasts

### 7.3.1. Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below. The assets are valued at Fair Value as of 30 June 2021:

Replacement Cost (Current/Gross)	\$113,552,000
Depreciable Amount	\$113,552,000
Depreciated Replacement Cost <sup>16</sup>	\$77,080,000
Depreciation	\$4,082,000



### 7.3.2. 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.

## 7.4. Key Assumptions Made in Financial Forecasts

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

Key assumptions made in this AM Plan are:

**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

## 7.5. Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale<sup>17</sup> 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

<sup>16</sup> Also reported as Written Down Value, Carrying or Net Book Value.

<sup>17</sup> IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
	extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is 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 LTFFP.
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 LTFFP.
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 asset 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**

Not Available – Largely reactive and voted works

**Appendix B     Budgeted Expenditures Accommodated in LTFP**

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2024	\$31,432,877	\$15,354,471	\$14,865,800	\$11,595,534	\$0
2025	\$9,162,559	\$15,860,060	\$15,278,801	\$4,386,270	\$0
2026	\$5,690,540	\$16,207,559	\$15,708,419	\$3,386,347	\$0
2027	\$4,701,726	\$16,564,992	\$16,147,393	\$3,085,532	\$0
2028	\$5,322,575	\$16,902,451	\$16,631,759	\$3,491,438	\$0
2029	\$5,352,626	\$17,212,253	\$17,082,800	\$3,472,594	\$0
2030	\$1,993,357	\$16,912,629	\$16,618,383	\$2,466,391	\$0
2031	\$2,043,191	\$17,857,333	\$18,031,285	\$2,528,051	\$0
2032	\$2,094,271	\$18,152,567	\$18,478,056	\$2,591,252	\$0
2033	\$2,146,628	\$18,453,193	\$18,934,631	\$2,656,033	\$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 subclass 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

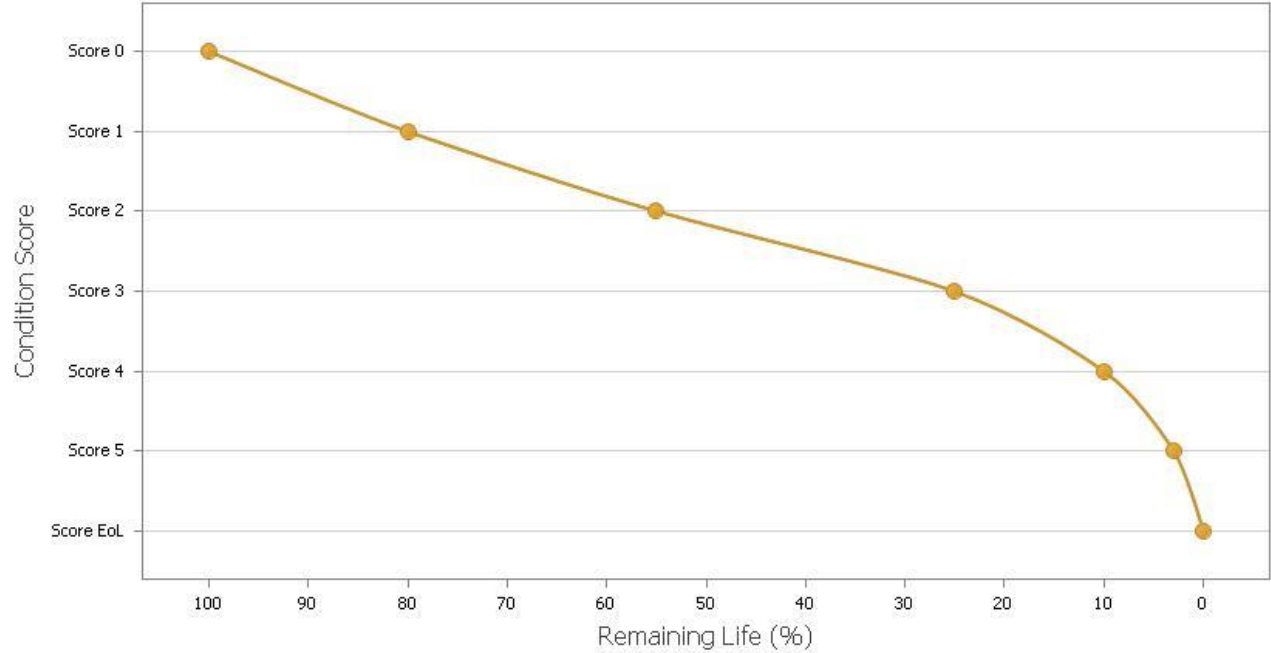
Additional and modified glossary items shown \*



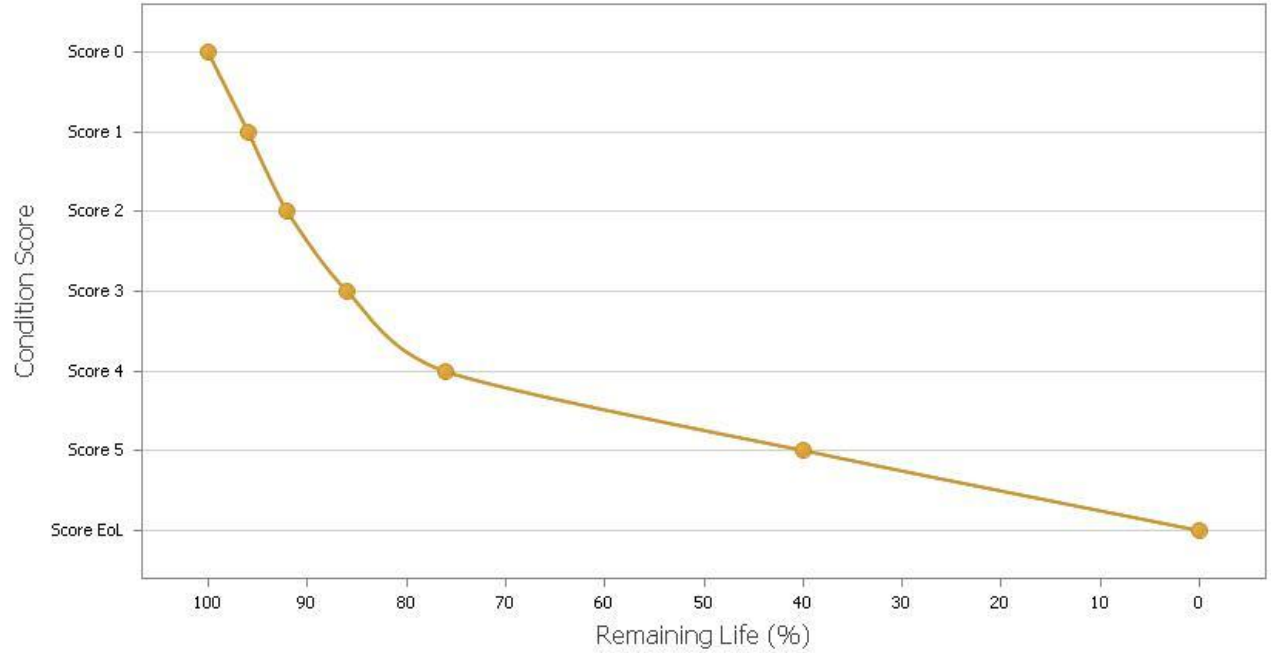
Appendix E    Life Cycle Degradation Profiles

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

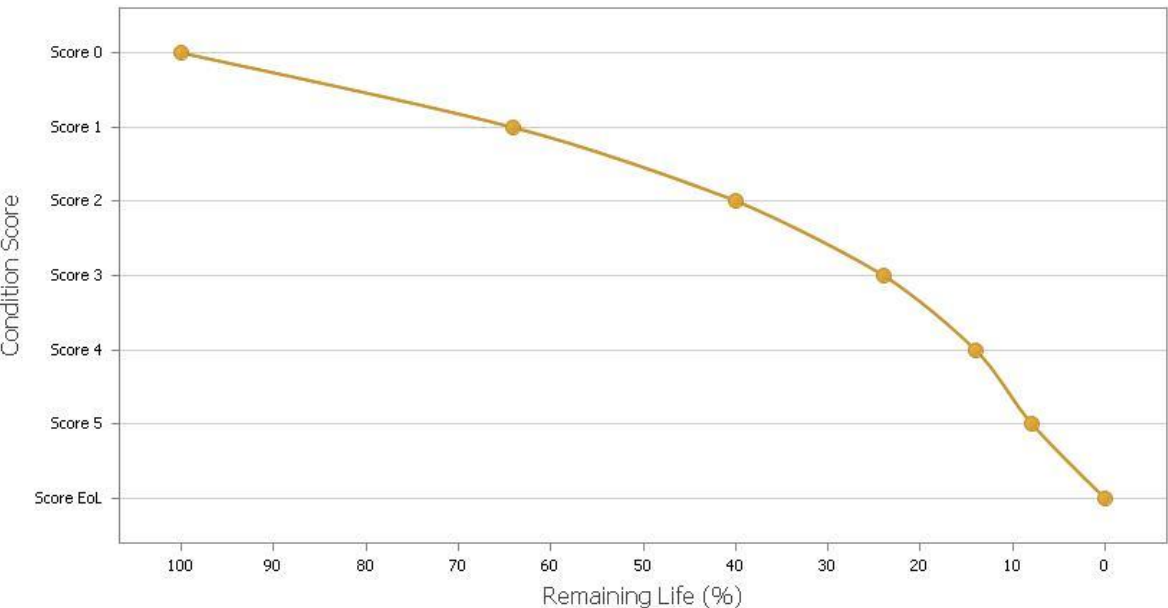
Council has selected the following four degradation profiles to simulate the progressive deterioration of the various components that make up a building.



**Figure 2 Simulation Curve Representing Overall Deterioration of Sub-structure, Super-structure and Roof components of buildings**



**Figure 3 Simulation Curve Representing Overall Deterioration of Fit-out and Fittings components of buildings**



**Figure 4 Simulation Curve Representing Overall Deterioration of Electrical, Mechanical (HVAC), Fire, Hydraulic and Transportation (Lift) Services of buildings**

**Transportation (Lift) Services of buildings**