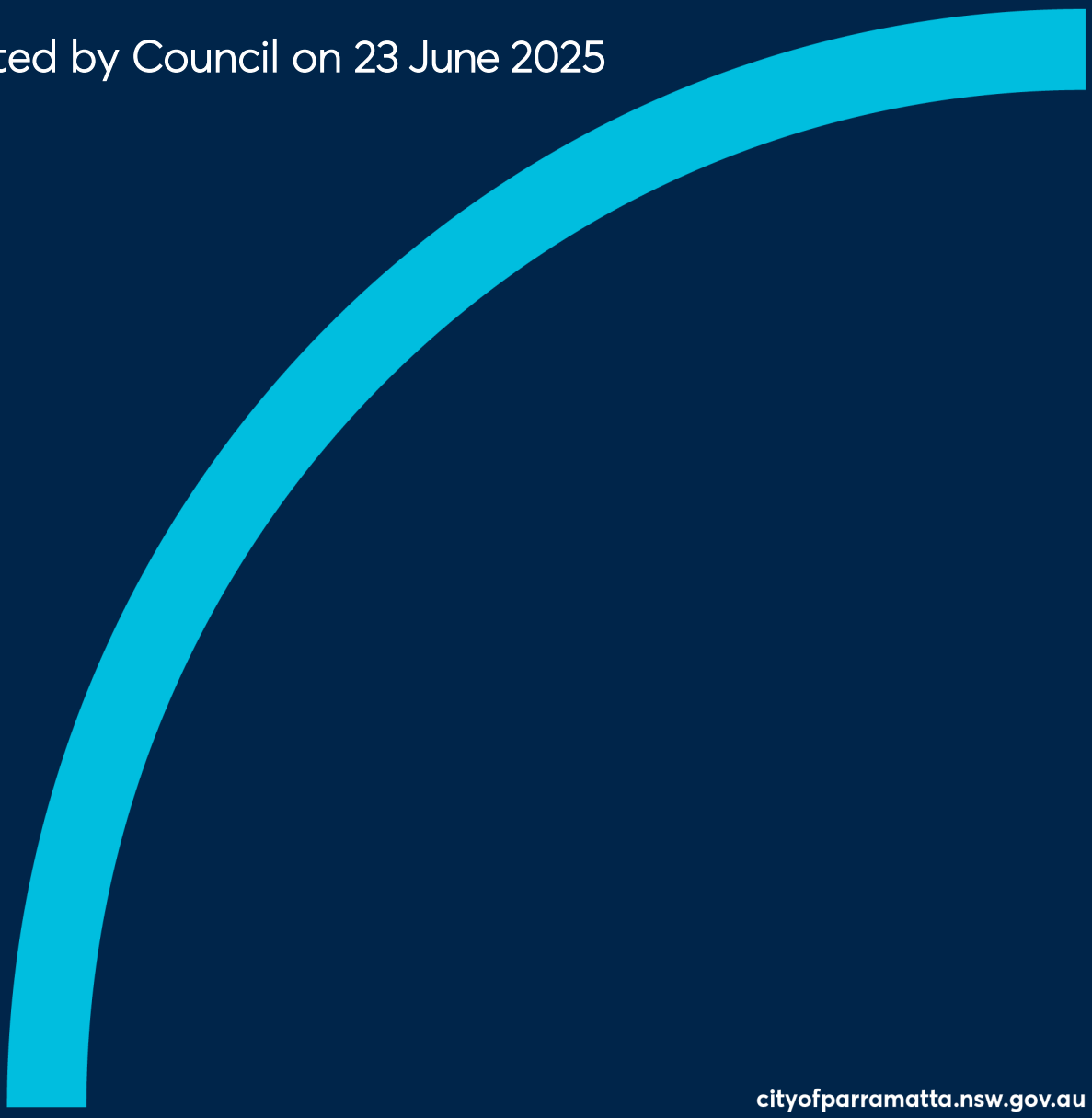
CITY OF PARRAMATTA

Asset Management Plan Buildings Portfolio 2026-2035

Adopted by Council on 23 June 2025



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Recognition and Commitment to the Dharug People

Wadyiman Barramada gulbanga naadyi Barramadagal Dharug Ngurrayin, badu, burra barramadagal dharug yurayin.

City of Parramatta recognises the Dharug People as First Australians, peoples of the oldest continuous living culture in the world.

For more than 60,000 years, Parramatta has been home to the Baramadagal and other Dharug peoples, the Traditional Owners of the land we call the City of Parramatta today. The Baramadagal and other Dharug Peoples have cared for and nurtured the habitat, land, and waters for thousands of generations, and maintain an ongoing connection to Parramatta and its surrounding areas.

As a community, we can learn from the resilience and community spirit of First Nations People to best ensure a sustainable city for all. Parramatta has always been an important meeting place for the First Nations People, particularly the Parramatta River, which has provided life and vitality since the beginning of time (The Dreaming).

The name Parramatta is derived from the word Baramada/Burramatta or 'place where the eels lie down' (breeding location for eels within the Parramatta River). City of Parramatta recognises the significance of this area for all First Nations People as a site of early contact between the First Australians and European colonists, and Parramatta remains an important meeting place for the First Nations community.

First Nations People continue to play a vital role in the ecological, economic, social and cultural life of Parramatta, while maintaining a distinct culture built on the principles of Caring for Country, the primacy of family, and the dignity and governance of Elders.

At City of Parramatta, we aspire to a future where the cultures, histories and rights of all First Nations People are understood, recognised, and respected by all Australians. City of Parramatta is committed to playing an active role in making this future a reality. City of Parramatta is proud to acknowledge the ongoing stewardship of Country by Dharug and other First Nations People and to celebrate their enduring wisdom, strength, and resilience.

Always Was, Always Will Be, Aboriginal Land.

Photo credit: Ken Leanfore

Photo credit: Brett Boardman

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Photo & Document Control Sheet

Document Control					
Rev No	**Date**	**Revision Details**	**Author**	**Reviewer**	**Approver**
1	01/03/2024	First Draft Based on PD AMP	WJT	JA	GC
2	17/04/2025	2025 BAMP Version	LT	GB, AS, JC	GC
3	16/06/2025	2025 (Q3, Budget)	LT	AS	GC

1.0

Executive Summary

1.1 THE PURPOSE OF THE PLAN

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

This Asset Management Plan details information about building 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 the funds are required to provide the services over a 10-year planning period.

1.2 ASSET DESCRIPTION

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

City of Parramatta Council (CoP) is responsible for the care and maintenance of a building portfolio with a Gross Replacement Value of **$647,005,018** (as at 30/06/2024).

1.3 LIFECYCLE MANAGEMENT PLAN

1.3.1 What does it cost?

The projected outlays necessary to provide the services covered by this Buildings Asset Management Plan (BAMP) includes operations, maintenance, renewal and upgrade of existing assets over the 10-year planning period is **$387.0m** or **$38.7m** on average per year excluding major new and upgrade assets.

Council has a development pipeline concentrated on several major projects in the next 3 years including the Riverside Theatres Redevelopment, Don Moore Community Hub, Integrated Parking Program, Rydalmere Bowling Club Refurbishment, Uhrig Road Community Centre Fitout, Community Recycling Centre and Carlingford Community Hub.

1.3.2 What will we do?

Council plans to provide building services for the following:

- Operation, maintenance, renewal and upgrade of building Assets to meet service levels set by in annual budgets.
- Explore all avenues for grants and subsidies to increase expenditure on the building Assets
- Review Capital Works Programmes annually and prioritise works accordingly;
- Ensure new works receive renewal and maintenance at required intervals to ensure projected useful lives of the asset are achieved;
- Improve the underlying information with an annual review of service level trends.
- Approximately **$47.2m** in renewal spending on existing assets within the 10-year planning period.

1.3.3 What we cannot do

The limited funding allocation for new asset creations, program level funding, and operational budgets compromises the desired level of service. The works and services that cannot be provided under present funding levels include:

- Provision of all of the additional buildings to support the services desired by the community and required due to increased demand.

1.3.4 Plans for the future

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

- Ensure the portfolio is maintained at a safe and functional standard as set out in this BAMP;
- 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 portfolio as demand increases over time.

1.3.5 How Council measures performance

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

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

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

The key functional objectives that will be met are:

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

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

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

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

Building Code Compliance - Council currently ensures all new buildings and renovations comply

with relevant building Codes and legislative requirements. Work is being undertaken to survey existing buildings regarding code compliance in order to identify non-compliances and incorporate upgrades into building renewals.

1.4 ASSET MANAGEMENT PRACTICES

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

1.5 MONITORING AND IMPROVEMENT PROGRAM

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

- Continue to improve asset information and knowledge.
- Continue to develop the 10 year forward programme of building maintenance and renewal activities necessary to achieve a satisfactory level of service, predicting demand and undertaking predictive modelling for optimised decision making.
- Monitor the provision of building infrastructure alongside the community expectations for community

2.0

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

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

Council's building portfolio currently encompasses 182 buildings with a Gross Replacement Cost of **$647,005,017** (as at 30/06/2024).

The building portfolio is classed into Specialised (buildings in Parks and Reserves on Land classified as Community) and Non-Specialised buildings (buildings on Operational Land). They include various types of building and functions as noted in the Table 1 below:

Table 1 - Building Asset Types

Affordable Housing	Depots, Storage Sheds, Workshops	Leased Sports Facilities
Amenities Buildings	Early Childhood Education	Libraries
Aquatic Centres	Emergency Services	Public Domain (MOU with other parties)
Car Parks	Girl Guide & Scout Halls	Residences, Shops
Community Centres, Community Halls & Meeting Rooms	Health Medical Centres	Riverside Theatres
Community Hubs	Heritage Assets	Sports Pavilion, Amenities, Club Houses, Grandstands
Council Offices		

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

The CoP engaged an independent contractor in 2024, to perform a condition assessment of the buildings portfolio. This condition data has been updated to reflect the changes in condition due to major renewal and upgrade works delivered via Council's capital works program, and building

works delivered via CoP's facilities maintenance and contract maintenance program. This ensures that Council's building condition dataset accurately reflects the current condition state as of 30 June 2024.

Key challenges for the building Assets include:

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

2.2 PURPOSE OF ASSET MANAGEMENT PLANS

The BAMP provides a rational and controlled framework for asset lifecycle management and risk management and 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 provide the ability to even out peak funding demands. In this way, BAMPs assist the Council and Executive team in making informed decisions in relation to the allocation of resources and to communicate this information to the public.

This BAMP provides the framework to ensure that CoP's building assets are operated, maintained, renewed, and upgraded to ensure that Council's building related levels of service are achieved in the most cost effective and sustainable way.

2.3 SCOPE OF THIS ASSET MANAGEMENT PLAN

The plan provides a rational and controlled framework for asset lifecycle management, risk management and financial management to be conducted effectively and to the satisfaction of stakeholders. By providing a framework to detail and examine existing management practices for building assets, the CoP 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, asset owners, and in association with asset data collection, condition assessment, and maintenance and operational costs for building assets across the Council area.

The BAMP follows the format for AMPs recommended in Section 4 of the International Infrastructure Management Manual[1].

The BAMP 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

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

Management Strategy, Delivery Program and Operational Plan, and Resourcing Strategy, which work together to translate the overarching vision of the Community Strategic Plan.

The building infrastructure assets covered by this BAMP are shown in Table 2. These assets are used to support a broad range of services to the community, along with Council's administrative and operational activities.

Table 2 - Assets covered by this Plan

Asset Category	No. of Assets	Replacement Value
Buildings - Non-Specialised	129	$441,485,294
Buildings - Specialised	51	$190,791,334
Swimming Pools	2	$14,728,390
Total	**182**	**$647,005,018**

2.4 KEY STAKEHOLDERS

Key stakeholders in the preparation and implementation of this asset management plan are shown in Table 3.

Table 3 - Key Stakeholders in the BAMP

Stakeholder Group	Role or Involvement
Internal Stakeholders	
Elected Council	Custodian of the asset, with Councillors representing the residents/ community and setting strategic direction as per the Corporate and Operational Plans.
Executive Team	To ensure that the Asset Management Policy and Strategy are being implemented as adopted, and to ensure that long-term financial needs to sustain the assets for the services they deliver are advised to Council for its strategic & financial planning processes.
Asset Operators	As the designated Strategic Custodian of building assets, responsible for the overall operation of the buildings and overseeing standards and funding of cleansing, maintenance, events, activation, regulation, security, marketing and stakeholder relationships.
Asset Planning Team	Maintaining Council's asset registers and performing strategic predictive modelling analysis works to inform Council's Long-Term Financial Plans and Capital Works Program. Responsible for coordinating the development and implementation of asset management processes, GIS support, administration and frameworks within the Council.
Finance Team	Ensuring that the asset valuations are accurate. Development of supporting policies such as capitalisation and depreciation. Preparation of asset sustainability and financial reports incorporating asset depreciation in compliance with current Australian accounting standards.
Information Technology Managers	To ensure that the relevant IT systems are functioning and that any data within the systems are secure, and its integrity is not compromised.
Risk Managers	To ensure that risk management practices are conducted as per Council Policy and assist operations managers with advice on risk issues.
Internal Auditors	To ensure that appropriate policy practices are carried out and to advise and assist in improvements

External Stakeholders	
Community	General users of the various building assets.
Strata Owners Committees	Landowner Committee for a growing number of Strata buildings which Council is occupying (Wentworth Point, Uhrig Road etc). Consulted on major issues relating to management operation of Councils stratum within the building strata and its ongoing funding.
Ground Lessors	PAC, SES buildings and other building Stakeholder groups comprising key landowners that are focussed on delivering projects relating to connectivity, sustainability, customer experience and promotions and activations.
Maintenance Personnel (contractors)	To ensure provision of the required/agreed level of maintenance services for assets.
Utility Service Providers	Agencies that provide utility services such as electricity, gas, water, sewerage and telecommunications necessary to facilitate services.
State & Federal Government Depts	Periodic provision of advice, instruction and support funding to assist with management of the parks and sporting grounds.
Council's Insurer	Insurance and risk management issues.

2.5 GOALS AND OBJECTIVES OF ASSET MANAGEMENT

CoP 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.
- Linking to a long-term financial plan which identifies required, affordable expenditure and how it will be financed.[2]

Key elements of the planning framework are:

- Levels of service – specifies the services and levels of service to be provided
- Future demand – how this will impact on future service delivery and how this is to be met
- Life cycle management – how to manage its existing and future assets to provide defined levels of service
- Financial summary – what funds are required to provide the defined services
- Asset management practices – how we manage provision of the services
- Monitoring – how the plan will be monitored to ensure objectives are met
- Asset management improvement plan – how we increase asset management maturity

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

- International Infrastructure Management Manual 2015[3]
- ISO 55000[4]

[2]Based on IPWEA 2015 IIMM, Sec 1.3, p 1| 8
[3]Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13
[4]ISO 55000 Overview, principles and terminology

2.6 WHAT THIS ASSET MANAGEMENT PLAN WILL ACHIEVE

The focus of this BAMP is managing 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 year) 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:
    a. Renewal, upgrades and expansions of existing assets
    b. Creation of new assets
    c. Maintenance of existing assets
    d. Operational expenditure to deliver services
- Investigates asset capital recycling options and provides support for rationalising assets that are under utilities or surplus to needs to maximise investment outcomes and rate of return

2.7 PLAN FRAMEWORK

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

The specific elements considered in this AMP are to:

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

2.8 PARRAMATTA STRATEGIC OBJECTIVES

The City of Parramatta is the cultural and geographical heart of Greater Sydney and is fast emerging as a leader in our region and a booming and innovative global city with a view to the year 2050.

Our City's ambitious and forward-thinking aspirations for the future are outlined in the community's vision statement within our draft Community Strategic Plan 2025-2050 (CSP).

Our Vision is: "AT Parramatta: Local Heart, Global Outlook".

Underpinning the Vision are 5 long-term Strategic Pillars that provide the big picture results, which the community would like Council and its many partners to focus on achieving. These Pillars are:

- We all belong - An equitable and socially connected city.
- We put people first - A regenerative and resilient city.
- We are an economic powerhouse - A prosperous, productive and ambitious city.
- We nurture our environment - A regenerative and resilient city.
- We are future focused - A leading and forward-looking city.

This BAMP is prepared under the direction of the City of Parramatta's vision, mission, goals and objectives. These 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 4 below demonstrates the Pillars and Strategic Actions of the CSP that this BAMP will support Council to deliver.

Table 4 - Strategic Objectives in the Community Strategic Plan

Strategic Pillars in the Draft Community Strategic Plan 2025-2050 (CSP)	Draft CSP Strategic Actions that the Buildings Asset Management Plan will support
We all belong – *A diverse, creative, inclusive and inspiring city.*	1.2.1 Recognise, protect, and share Parramatta's rich, diverse and evolving heritage and histories. 1.3.1 Advocate for and facilitate equitable access to arts, culture and creativity that celebrates our socially and culturally diverse communities. 1.3.2 Expand affordable and fit-for-purpose presentation and production spaces for creatives. 1.4.1 Enable access to a diverse range of creative and cultural experiences, events and public domain activations, both day and night. 1.4.2 Foster relationships with the arts, cultural, creative and business sectors to identify opportunities to attract talent and investment and develop vibrant local precincts. 1.6.2 Deliver world-class arts and cultural institutions.
We put people first – *An equitable and socially connected city.*	2.1.2 Plan and advocate for the provision of high-quality early childhood education and care centres, public schools, and adult education opportunities and institutions. 2.3.2 Prioritise community health in the design of our City and services, to ensure that people can live well throughout their lives. 2.4.1 Plan and deliver an accessible City and services with universal design principles, so they can be enjoyed by all. 2.4.2 Create and facilitate places and activities that support community safety.

Strategic Pillars in the Draft Community Strategic Plan 2025-2050 (CSP)	Draft CSP Strategic Actions that the Buildings Asset Management Plan will support
	2.5.1 Deliver and maintain quality public open spaces and community facilities, providing shared spaces for people to play and connect.
We nurture our environment – *A regenerative and resilient city.*	4.1.1 Deliver a climate positive and resilient City through the planning, design, construction and operation/management of our City.
We are future-focused – *A leading and forward-looking city.*	5.1.3 Facilitate and advocate for the provision of First Nations spaces within the City. 5.2.2 Leverage opportunities for continuous improvement, data, technology and innovative solutions for how we plan and manage our City. 5.3.1 Deliver ethical city leadership and responsible financial management that reflects community needs and aspirations.

2.9 LINK TO CORPORATE STRATEGIES

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 BAMP in turn provides input to the Long-Term Financial Plan and the Annual Budget. From this the Capital Works Program for infrastructure maintenance and renewals is developed.

2.10 CORE AND ADVANCED ASSET MANAGEMENT

This BAMP is prepared as a 'core' asset management plan over a 10-year planning period in accordance with the International Infrastructure Management Manual[5]. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long-term financial planning and reporting.

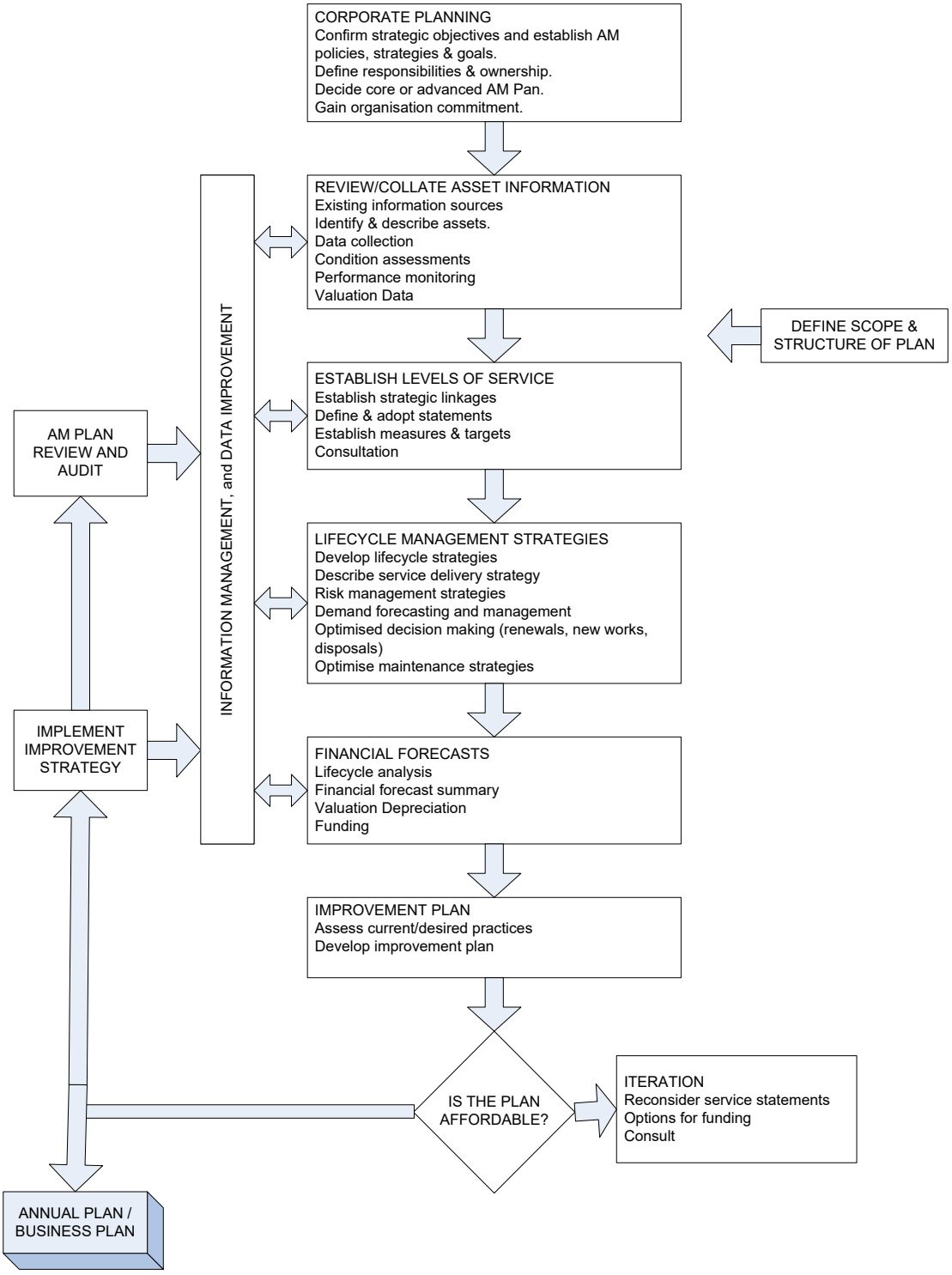
Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'portfolio' level and should be regarded primarily as a snapshot of current practices and strategies.

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

[5] IPWEA, 2015, IIMM

Figure 1 - Road Map for Preparing an Asset Management Plan



3.0

Level of Service

3.1 ASSET HIERARCHY

In accordance with the International Infrastructure Management Manual, Council acknowledges that the primary purpose of an asset hierarchy is to ensure that appropriate management, engineering standards and planning practices are applied to the asset based on its function. It also enables more efficient use of limited resources by allocating funding to those assets that are in greater need and the costs are better justified.

3.1.1 Buildings

The CoP's building portfolio is continually growing with new building assets providing a wide range of services. Council anticipates that all buildings will have varying usage, occupancy, community impact, user vulnerability, service impact, financial impact and cultural/ heritage significance.

To guide maintenance and capital project decisions Council uses a building hierarchy which groups buildings of a similar level of importance and priority. The building hierarchy scheme uses a series of indicators to score each building.

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

Table 5 - CoP's Buildings Hierarchy

Buildings Hierarchy Level	Typical Characteristics of a Building Asset
1	Intensively used 5-7 days per week. Provide services to the entire municipality and surrounding areas. Are notable for cultural or heritage reasons.
2	Heavily used 5 days per week. Provide services to suburbs or regions within the municipality.
3	Moderately used or not used daily. Provide services to local communities.
4	Used on an ad hoc basis for small numbers of occupants. Usually unoccupied. Redundant or programmed for disposal or demolition.

Council has documented a level of service framework that classifies the building assets into different levels based on the current function and criticality of the individual asset.

3.2 LEVEL 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.

3.3 CUSTOMER ENGAGEMENT AND EXPECTATIONS

This AMP is prepared to facilitate consultation initially through feedback on draft the AMP prior to adoption by the Council. The AMP 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.

Community engagement will be designed to:

Council conducts regular Community Surveys to measure satisfaction with services and to identify priorities. This annual survey polls a sample of residents on their level of satisfaction with Council's services. The customer satisfaction survey that was conducted in December 2023 reports the performance gaps and priority rankings (Table 6).

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.

3.3.1 Community Survey Results

Council undertook community consultation via five in-person ward workshops from March to June 2024 which comprised a total of 194 residents and 13 Councillors representing the community.

In small table groups, the residents completed a participatory budgeting exercise to help determine future Council spending and better understand the priorities for each ward. Figure 2 and Figure 3 below show the average results on spending and top priorities by each ward – this may indicate a performance expectation gap.

Table 6 - Services and Facilities – Comparison to Targets

Community satisfaction results					
Measure	**Target**	**2020**	**2021**	**2022**	**2023**
Overall mean of community satisfaction rating of Council facilities.		3.85	3.81	3.54	-
Opportunity to have your say on key issues affecting community	3.48	3.48	3.40	3.23	-
Council promoting sustainable transport options including footpaths, cycleways and public transport.	-	-	3.59	3.28	-
Council is forward thinking	-	3.45	3.47	3.15	3.23
Council is innovative	-	3.5	3.34	3.13	3.22
Council's efforts to increase recycling	-	3.6	3.43	3.31	3.18
Planting of trees in your local area	3.59	3.59	3.71	3.38	3.34
Availability of parks, bushland or other green spaces	-	-	4.12	3.7	3.78
Food inspections	-	3.62	3.71	3.28	3.64
Patrolling and enforcement of parking regulations	3.48	3.48	3.52	-	-
Provision of cycleways and facilities	3.55	3.55	3.69	3.40	3.39
Maintenance of footpaths	3.58	3.58	3.67	3.24	3.24
Condition of local suburban roads	3.55	3.55	3.67	2.96	3.1
Waste collection services	3.92	3.92	4.00	3.76	3.71
Cleanliness of streets	3.82	3.82	3.86	3.53	3.39
Library services	92%	88%	90%	3.84	3.98
Parramatta Artists' Studios		3.63	3.51	3.29	3.34
Riverside Theatres	4.00	4.00	3.84	3.69	3.75
Community hub services	-	-	-	-	3.63
Provision of information on community issues, developments, and Council initiatives	3.46	3.46	3.43	3.24	3.20
New developments are in keeping with local character	-	3	3.06	2.79	-
New developments are well planned	-	3.03	3.07	2.72	2.90
Development Application Service	3.21	3.21	3.21	2.73	2.89
Availability of parking in commercial centres (city centre/local centres)	3.02	3.02	3.08	2.77	2.82

Figure 2 - Community Priorities vs Our Spend

Community proposed spend

Budget categories	% proposed spend	% current spend	% difference
Major works and construction	12.9%	13% (4)	- 0.1%
Maintaining roads, footpaths and drains	12.3%	17% (1)	- 4.7%
Parks, public spaces and recreation	11.0%	15% (2)	- 4%
Planning and development	11.0%	7% (7)	+ 4%
Waste management	9.6%	12% (5)	- 2.4%
Engineering and traffic	8.8%	2% (11)	+ 6.6%
Environmental sustainability	8.6%	4% (9)	+ 4.6%
Library and community services	7.8%	8% (6)	- 0.2%
Culture and events	7.4%	6% (8)	+ 1.4%
Administration and corporate services	6.9%	14% (3)	- 7.1%
Trade and fleet management	3.7%	2% (10)	+ 1.7%

Our current spend as per DPOP

Figure 3 – Top 3 Priorities by Ward

Dundas	Parramatta	Rosehill	North Rocks	Epping
Major works and construction (14.9%)	**Planning and development (12.8%)**	Maintaining roads, footpaths and drains (14.1%)	Major works and construction (15.2%)	Maintaining roads, footpaths and drains (12.9%)
Waste management (12.5%)	Major works and construction (12.7%)	Major works and construction (12.4%)	Parks, public spaces and recreation (12.3%)	**Engineering and traffic (11.6%)**
Parks, public spaces and recreation (11.3%)	Parks, public spaces and recreation (11.6%)	Parks, public spaces and recreation (10.7%)	Maintaining roads, footpaths and drains (12.0%)	Planning and development (11.5%)

Workshop participants were asked what changes or improvement they would like to see in their local area by 2050. The top themes that were gathered from workshop feedback and helped in the development of Parramatta 2050 are illustrated below in Figure 4.

Figure 4 – Changes or improvements in Local Area by 2050

The top themes:

- Improvement of **mobility infrastructure** (public and active transport)
- Improvement and increase of **social infrastructure**
- Preserving and expanding **green space and associated amenities**
- Improved **planning, city design** and **place making**
- More and improved **community services** in local areas

The CoP will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan prepared in conjunction with this BAMP. Management of infrastructure risks is covered in Section 7.

3.4 LEGISLATIVE REQUIREMENTS

There are many legislative requirements relating to the management of Council's portfolio of building assets. Council will ensure compliance with Legislative requirements that impact the delivery of Council's building assets. A number of these Legislative requirements have been outlined in Table 3.4 below.

Table 7 - Legislative Requirements

Legislation	Requirement
Local Government Act 1993	Sets out the role, purpose, responsibilities and powers of local governments. The purposes of this Act are as follows: (a) to provide the legal framework for an effective, efficient, environmentally responsible and open system of local government in New South Wales, (b) to regulate the relationships between the people and bodies comprising the system of local government in New South Wales, (c) to encourage and assist the effective participation of local communities in the affairs of local government, (d) to give councils: • the ability to provide goods, services and facilities, and to carry out activities, appropriate to the current and future needs of local communities and of the wider public • the responsibility for administering some regulatory systems under this Act • a role in the management, improvement and development of the resources of their areas, (e) to require councils, councillors and council employees to have regard to the principles of ecologically sustainable development in carrying out their responsibilities. The land management provisions of the Act require that Council prepare plans of management for all community land. The plan of management identifies the management objectives for the land category, performance indicators and performance measures to meet the objectives identified.
Local Government Amendment (Planning and Reporting) Act 2009	Local Government Amendment (Planning and Reporting) Act 2009 includes the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
Local Government Amendment (Community Land Management) Act 1998	Sets out provisions for the classification and management of community land (parks and reserves) including the preparation of community land plans of management.
Disability Discriminations Act, 1992	The Disability Act establishes a framework for providing support and services to people with disabilities throughout New South Wales.
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

Legislation	Requirement
	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. This act applies to a small number of parks located on road closures or other road land.
Work Health & Safety Act 2011	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Council is to provide a safe working environment and supply equipment to ensure safety.
Environmental Planning and Assessment Act 1979	An Act to institute a system of 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.
Environmental Protection Act 1994	This act sets out requirements with respect to environmental protection.
Public Works and Procurement Act 1912	Sets out the role of Council in the planning and construction of new assets.
Heritage Act 1977	Provides for the protection and conservation of places and objects of cultural heritage significance and the registration of such places and objects.
Development Control Plans	The primary purpose of a Development Control Plan (DCP) is to guide development according to the aims of the corresponding Local Environmental Plan (LEP).
Local Environmental Plan	The LEP is a legal document that provides controls and guidelines for development in an area. It determines what can be built, where it can be built, and what activities can occur on land.
Civil Liability Act 2002 and Civil Liability Amendment (Personal Responsibility) Act 2002	Protects the council from civil action by requiring the courts to take into account the financial resources, the general responsibilities of the authority and the compliance with general practices and applicable standards.
Contaminated Lands Management Act 1997	This Act and related regulations set out requirements for the management and remediation of contaminated lands.
Threatened Species Conservation Act 1995	This Act sets out provisions for the assessment and protection of threatened species populations and ecological communities of animals and plants.
Plant Protection Act 1989	This act sets out requirements with respect to Flora Protection.
Electrical Safety Act 2002	This act sets out the installation, reporting and safe use with electricity
Plumbing and Drainage Act 2002	This act sets out requirements with respect to Plumbing Requirements
Building Act 1993 & Building Regulations 2018	The Act sets out the legal framework for the regulation of construction of buildings, building standards and maintenance of specific building safety.
Building Code of Australia (BCA)	A uniform set of technical provisions for the design and construction of buildings and other structures. This code has direct relevance for building maintenance, renewals and upgrades.

The following is a list of Council policies relevant to building assets. Many of these policies are available from Council's website link Council Policies | City of Parramatta

- Asset Management Policy
- Building Compliance Policy
- Business Ethics Policy

- City of Parramatta Governance Framework
- Enterprise Risk Management Policy
- Equal Access Play Facilities Policy
- Legislative Compliance Policy
- Work Health and Safety Policy

Regulations, Standards & Guideline requirements that impact the delivery of Council's building services are outlined below.

Table 8 - Regulations & Standards Relevant to Management of Building Assets

Regulation / Standard / Guide	Requirement
Integrated Planning and Reporting (IP&R) framework	All councils in NSW are required to work within the IP&R framework to guide their planning and reporting activities. IP&R provides a pathway for elected representatives to: - work directly with their community to identify long-term priorities for local identity, growth and lifestyle; - understand the range of services the community wants, the service standards they expect and the infrastructure that will be required; - report to the community on their success in achieving these goals; and - be assured that their council is meeting planning, consulting and reporting requirements under other laws.
ISO 55000 Suite, 2014	The International Organization for Standardization's *ISO 55000:2014 Asset Management* (ISO 55000) provides a global guide to better practice in asset management, including asset information management. ISO 55000 specifies that entities should align information requirements to asset management needs and risks, along with requirements for collecting, managing, evaluating, and ensuring consistency and availability of information for asset management decision-making.
Australian Accounting Standards Board (AASB)	Provides direction and guidance on the financial and reporting expectations of entities, to ensure a consistent approach to accounting records. The following regulations apply to Council: AASB 116 Parks and Sporting Grounds, Plant & Equipment – prescribes requirements for recognition and depreciation of Parks and Sporting Grounds, plant and equipment assets. AASB 136 Impairment of Assets – aims to ensure that assets are carried at amounts that are not more than their recoverable amounts. AASB 1021 Depreciation of Non-Current Assets – specifies how depreciation is to be calculated. AAS 1001 Accounting Policies – specifies the policies that an organisation is to have for recognition of assets and depreciation. AASB 1041 Accounting for the reduction of Non-Current Assets – specifies the frequency and basis of calculating depreciation and revaluation basis used for assets; and AAS 1015 Accounting for the acquisition of assets – method of allocating the value to new assets on acquisition.
All other relevant Australian Standards	AS/NZ Standards such as Risk Management Standard.

Regulation / Standard / Guide	Requirement
All Local Laws and relevant policies of the Organisation	Construction standards, Maintenance contracts, etc.
International Infrastructure Management Manual, Sixth Edition, IPWEA, V6.0, 2020	The IIMM has been developed with public and private sector industry input from Australia, New Zealand, the United States Canada, South Africa and the United Kingdom to promote best asset management practice for all infrastructure assets.

Asset Accounting and Valuation

One of the requirements of NSW Office of Local Government reporting is accounting for building assets which provide a service to the community. Councils are expected to report on the annual depreciation that best reflects the pattern in which the future economic benefits are being consumed.

With circa **$647m** of buildings identified in the five wards of the Parramatta Local Government Area with an annual depreciation figure of **$10m**, the quantification of such assets in this AMP are fundamental to this compliance.

	Replacement Cost	Accumulated Depreciation	Fair Value	Annual Depreciation Expense
Grand Total	$647,005,018	$116,700,082	$530,304,935	$10,112,767

Valuation of the building asset portfolio occurs over a 3-year on a rolling program. A full condition assessment and Valuation was completed in June 2024 and undertaken so that the carrying amount of assets does not differ materially from a fair value calculation at reporting date, in accordance with Council's Asset Management Policy.

Valuation of Council's building assets (non-current assets) for the purposes of Accounting Compliance (Fair Value) will be undertaken in accordance with the Australian Accounting Standards which include:

- AASB13 Fair Value Measurement
- AASB116 Property Plant and Equipment
- AASB5 Assets Held for Sale
- AASB136 Impairment

3.6 CURRENT LEVEL OF SERVICES

3.6.1 Level of Service Description

The 'level of service' (LoS) 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 AMP.

Levels of service support the Council'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
- 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.

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

3.6.2 Strategic Level of Service

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

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

The feedback and responses allow Council to set the performance standards at the strategic level to guide the management of Council's buildings asset portfolio. The performance standard for this section is based on the number of complaints, or Service Requests, received by the community. The performance targets identified within the customer service and technical LoS allows Council to adequately maintain the assets and deliver services.

3.7 CUSTOMER LEVEL OF SERVICE

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 AMP are:

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

The current and expected customer service levels are detailed in Table 3.6 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 9 - Levels of Service

Service Measure	Community	Strategic	Operational	Maintenance
Safety (Risk)	Perception of safety for residents. Safe > 80% (based on satisfaction survey)	<1% assets with high or very high-risk rating	Operational SLA's (based on business processes) are met >90% of time	All urgent repairs 'made safe' immediately
Reliability	Buildings are accessible and reliable 95% of the time for high hierarchy assets	Measured by intervention levels: High Hierarchy LoS intervention at Condition 3 Medium Hierarchy LoS intervention at Condition 4 Low Hierarchy LoS intervention at Condition 5	Asset remains operational 95% of time	Maintenance SLA's (based on business processes) met >90% of time
Responsiveness	Responsive to customer requests, Service Request's responded to within SLA's 90% of the time	% of budgeted required capital funding i.e. required budget vs allocated in LTFP	> 90% of all cyclic/ planned / preventative maintenance carried out on time	> 80% of all requests adequately responded to within target.
Comfort	Less than 5% in poor or very poor condition (PVP) at end of model period i.e. 10years	Renewal works undertaken within 1 years of their deemed intervention date, 90% of the time		
	Ambience in building space	Average Customer Voice Score Satisfied		
Climate Adaptation	Perception of Climate Change responsiveness % Satisfaction	>90% Climate adapted Infrastructure Climate resilient infrastructure requirements are met		

3.8 TECHNICAL LEVEL OF SERVICE

Technical Levels of Service measures are based on what the Council will do to ensure the delivery of the service. These measures support the customer level of service measures and tend to be used internally. Technical measures can also be further divided into longer term measures for asset management planning, measure performance, and shorter-term operational measures for delivering asset life-cycle activities.

Detailed Technical Levels of Service are required to assess performance on a day-to-day basis to guide decision making and workflows. 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, 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. building and structure repairs)
- Renewal - the activities that return the service capability of an asset up to that which it had originally (e.g. building component replacement)
- Upgrade/New - the activities to provide a higher level of service (e.g. replacing a building or a new service that did not exist previously (e.g. a new library)

Service Managers, Finance and Asset Managers collaboratively plan, implement and control technical service levels to influence the customer service levels levels[6].

3.9 MAINTENANCE LEVELS OF SERVICE

For the Levels of Service delivered on a day-to-day basis (i.e., responding to customer requests for maintenance faults), Council has listed guidelines detailing intervention:

1. The task or work expected to be undertaken, e.g. repair trip hazards
2. The schedule of inspections to be undertaken for specified matters at specified intervals
3. The circumstances under which intervention action is to be taken with respect to repair or maintenance needs for defects reported or found on inspection
4. The priority to be given to intervention level
5. The type of priority intervention action that will be carried out
6. Provision, as far as practicable, for the unpredictable, i.e. emergencies, natural disasters
7. Assessment of resources required to deliver the specified maintenance services

Responsibility for immediate dangerous situations with respect to building assets, is initially assessed or undertaken by Council's operational staff or the after-hours response team.

[6]IPWEA, 2015, IIMM, p 2|28.

This AMP acknowledges the importance of understanding and monitoring the linkage between workload indicators and intervention actions, as a substantial increase in the number of buildings to be maintained (e.g. new assets such as PAC, PHIVE and Town Hall) can materially impact upon intervention action (and citizen satisfaction and duty of care requirements) if not accompanied by a comparable increase in budget allocation or productivity improvement.

Given the outcomes of an internal review with respect to Council's maintenance services, the standards of maintenance detailed in this BAMP are considered reasonable and meeting community expectations in the context of responsible and reasonable asset management.

3.10 DESIRED LEVEL 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 the building portfolio. Any changes in the future to the Levels of Service for any of Council's building assets will be in accordance with this document.

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

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

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

4.0

State of Assets

4.1 SERVICE DESCRIPTION

Parramatta's building portfolio of assets, represent a significant investment by Council and are of vital importance to providing its residents and visitors with quality services. In recent times, the City's building assets has been identified as being more valued by communities, with increasing proportions of people using their local buildings for fitness, gathering, community engagement, education, health services, social interaction, childcare and fitness.

The way people use Council's building portfolio and facilities will continue to change over time, for individual and small group activities, social cohesion and connection, health and wellbeing, informal recreation and access to community.

The CoP has identified the culture, heritage and identity of Parramatta through the building assets including PHIVE, Parramatta Aquatic Centre (PAC) and Town Hall, and highlights interpretation as a priority for people to share and experience Parramatta's culture and to develop a connection to the place and its people. The buildings interpretation of Parramatta's cultural meanings, sense of place, archaeology and heritage has an important role in creating place, preserving cultural memory, education and city identity.

As the responsible authority for the provision and maintenance of the building portfolio, Council recognises the need to ensure the management of the valuable building asset portfolio, to ensure that the current and future benefit to the community is delivered at a cost that the community can afford.

PHIVE, PAC, Town Hall, 9 Wentworth Street Office, Wentworth Point Library & Community Centre and the refurbished Riverside Theatres are considered to be high-profile building assets, that need to be managed to provide a high level of service or "very good" standard over the next 30 years.

The BAMP has been prepared to facilitate community engagement, to incorporate community consultation on service levels, and affordability of providing the service. This will assist Council and the community in matching the level of service needed by the community, service risks and consequences, with the community's ability and willingness to pay for the service.

4.2 ASSETS COVERED BY THIS PLAN

Community Services

No. of Building Assets	Building Classification/Type	GRC $m
1	Community Hub and Library (PHIVE)	$140.7m
2	Aquatic Centres (Pools)	$92.1m
1	Parramatta Town Hall	$42.1m
3	Theatres (Riverside), Performance & Cultural Space	$32.9m
1	Wentworth Point Community Centre and Library	$22.9m
8	**Total**	**$330.6m**

City Assets and Operations

No. of Building Assets	Building Classification/Type	GRC $m
58	Sports Pavilion, Amenities, Club House, Grandstand	$43.6m
28	Amenities buildings in Parks	$5.9m
3	Amenities buildings not in Parks	$0.5m
89	**Total**	**$49.9m**

Finance & Investment

No. of Building Assets	Building Classification/Type	GRC $m
6	Council Offices	$93.9m
4	Multi-Level Car Parking buildings	$61.1m
17	Community Centre buildings	$38.1m
10	Leased Sports Facilities	$28.1m
9	Early Childhood Education	$13.3m
4	Libraries (Neighbourhood)	$10.2m
8	Affordable Housing Apartments	$5.1m
8	Girl Guide & Scout Halls	$3.8m
2	Residence, Shop	$1.2m
5	Health Medical Centres	$3.7m
1	Emergency Services (SES)	$0.7m
3	Heritage Assets	$5.5m
1	Public Domain (MOU with other parties)	$0.2m
4	Depot, Storage Shed, Workshop	$1.4m
84	**Total**	**$266.4m**

A detailed list of all the above building assets for which Council has included in this BAMP are recorded in Council's Financial Asset Register.

4.3 ASSETS EXCLUDED FROM THIS PLAN

This Plan excludes 'Other Structures' being generally structures that do not have walls such as BBQ shelters, Wayfinding Structures and other buildings leased by Council.

4.4 SERVICES PROVIDED BY THESE BUILDING ASSETS

Community Service Oriented Buildings

Number of Assets	Building Classification/Type	GRC $m
1	Community Hub and Library (PHIVE)	$140.7m
2	Aquatic Centres (Pools)	$92.1m
17	Community Centre buildings	$38.1m
58	Sports Pavilions/Clubhouses	$43.6m
1	Parramatta Town Hall	$42.1m
3	Theatres (Riverside), Performance & Cultural Spaces	$32.9m
1	Wentworth Point Community Centre and Library	$22.9m
9	Early Childhood Education	$13.3m
4	Libraries (Neighbourhood)	$10.2m
8	Girl Guide & Scout Halls	$3.8m
5	Health Medical Centres	$3.7m
	Total	**$443.4m**

4.5 CURRENT REPLACEMENT COST

The value of the building assets covered by this BAMP is estimated at **$647m** with an additional business as usual Work in Progress as at 30th June 2024. The break-up of the asset classification by replacement value is illustrated below.

	Replacement Cost	Accumulated Depreciation	Fair Value	Annual Depreciation Expense
Grand Total	$647,005,018	$116,700,082	$530,304,935	$10,112,767

It is noted for the purpose of this BAMP that depreciation is a measure of accounting for consumption based on an accounting estimate of useful life and is used for Council's financial reporting.

In terms of determining future funding, depreciation is seldom used. Modern practice focuses on sustainability-based analysis of the asset service level (long term financial plans based on strategic lifecycle modelling & scenarios). This BAMP is based on such modern practice as recommended by IPWEA (Institute of Public Works Engineering) and IIMM (International Infrastructure Management Manual), whereby renewal modelling and forecasting informs the development of useful lives for financial reporting and valuation and depreciation calculations.

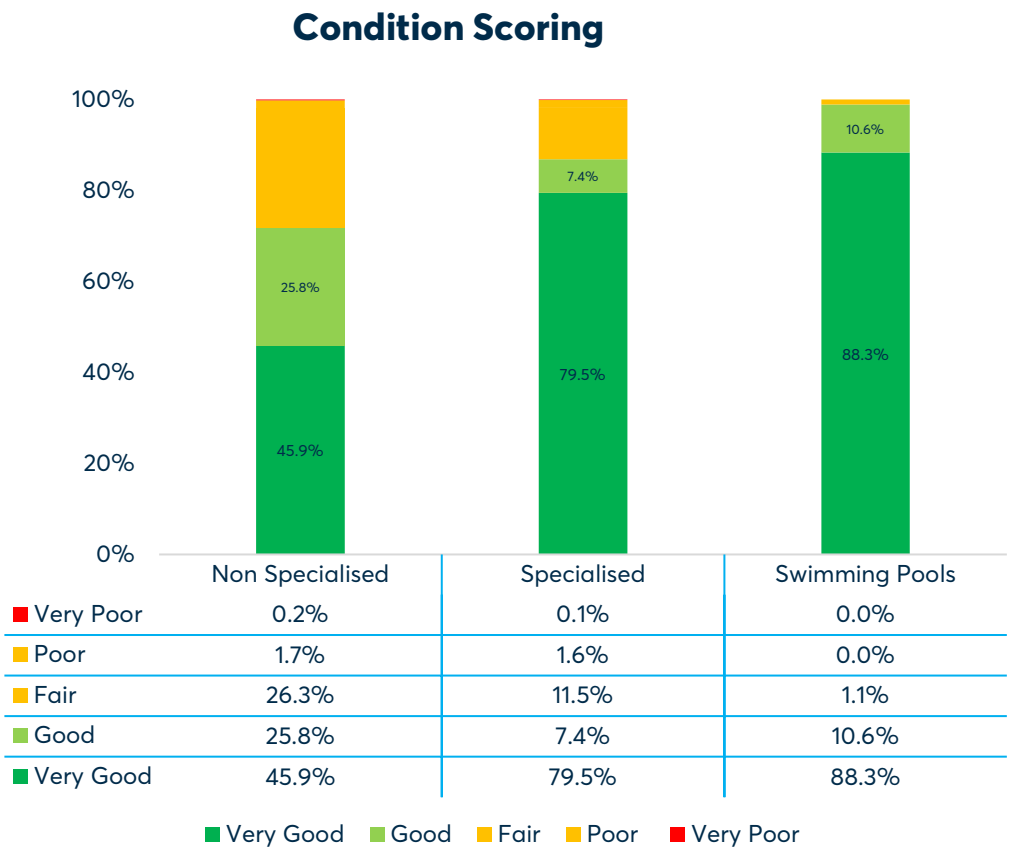
4.6 ASSET INFORMATION MANAGEMENT

All information pertaining to asset type and function, location, year of construction, and condition of these building assets are recorded in Council's Financial Asset Register. At the time of preparing this BAMP, it is estimated that Council's Financial Asset Register is 100% complete with regards to the building list and around 98% up to date with the asset's classification, componentisation and condition rating[7].

The ongoing Improvement Plan identifies actions to further enhance and improve Council's Financial Asset Register information, by collecting and maintaining additional asset attribute details such as hierarchy, materials and asset quantities.

4.7 CURRENT ASSET PERFORMANCE

The following table provides a high-level overview of the current condition of all building assets owned and maintained by Council. The condition state is a numerical score assigned to each asset to represent its current performance (i.e. where the asset is on its life cycle path), with condition 1 representing an excellent condition (start of life cycle) and condition 5 representing a very poor condition (towards end-of-life cycle).



	Non Specialised	Specialised	Swimming Pools
Very Poor	0.2%	0.1%	0.0%
Poor	1.7%	1.6%	0.0%
Fair	26.3%	11.5%	1.1%
Good	25.8%	7.4%	10.6%
Very Good	45.9%	79.5%	88.3%

Figure 5 – Condition Rating of Current Building Assets

[7]Condition and Valuation of building Portfolio due for 3 yearly refreshes to be completed in June 2027

Council's building assets are estimated to be in good condition as shown above, with 71% in very good condition, this average is impacted as CoP has added $167M of new condition assets in 2024 and $13M to date in 2025. The average portfolio condition is 1 out of 5. It should be noted that buildings costs are mainly made up of expensive and long-life component assets (60% of CRC) such as deep basements, concrete structures and complex substructures and those assets in Poor Very Poor (PVP) are assets that have short useful lives like carpet, lights and fixture and fittings.

Changing patterns of use and demand with differing maintenance practices and techniques will result in a complex portfolio of building assets in varying conditions as time goes by. The focus of this BAMP is optimising the future expenditure, so the number of assets in the PVP category are at the lowest possible level over 10 years.

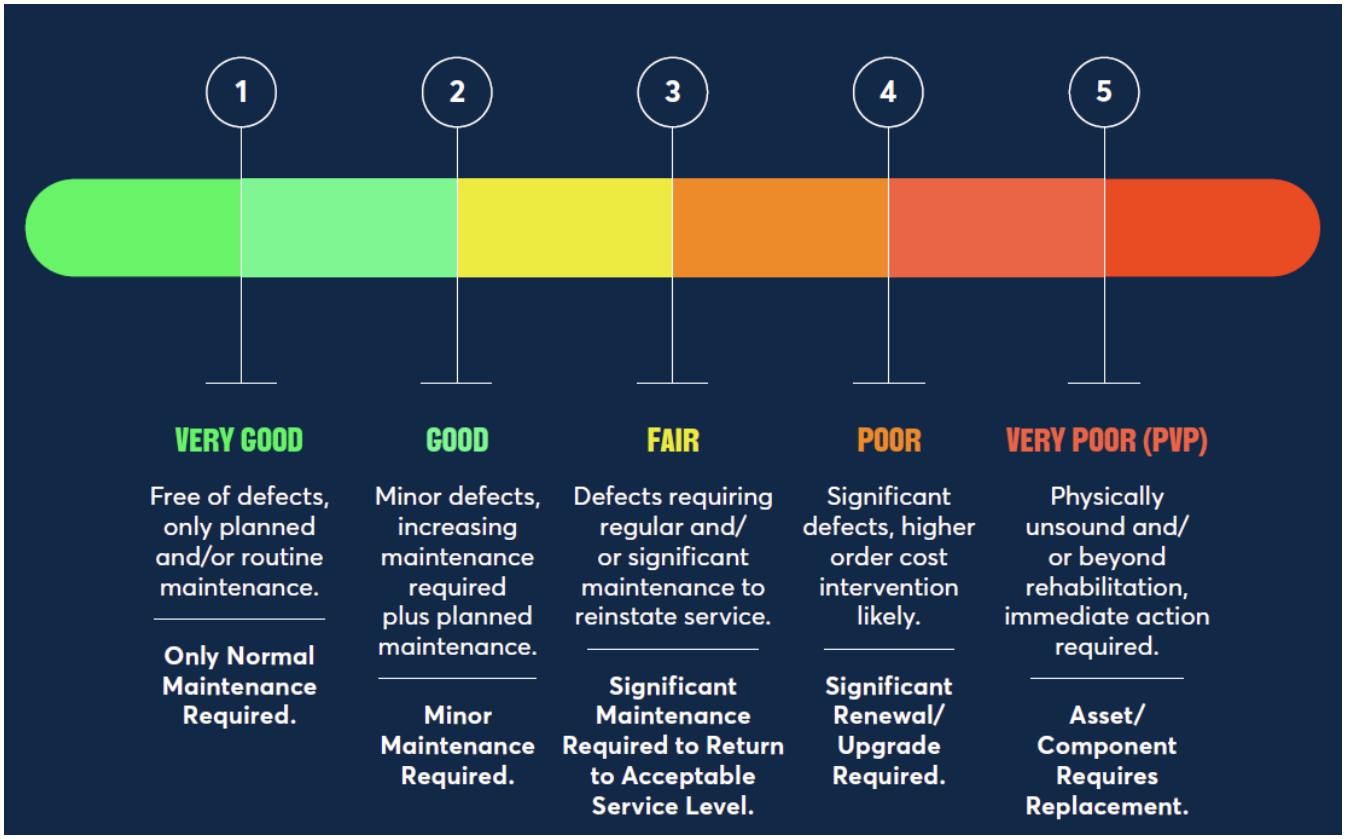
4.8 CONDITION ASSESSMENT

Council has formally documented a detailed building asset condition assessment manual that is used to assess the building portfolio asset condition. The Manual provides further information on the methodology for rating and assessing the condition/performance of these assets.

Typically, portfolio wide condition assessments are undertaken on a three-to-five-year cycle (coinciding with the financial revaluations) and used to identify where building assets are within their defined useful lives at any given point in time. A condition audit covering 100% of the building assets was completed in June 2024.

The condition rating system is summarised in Figure 6 below.

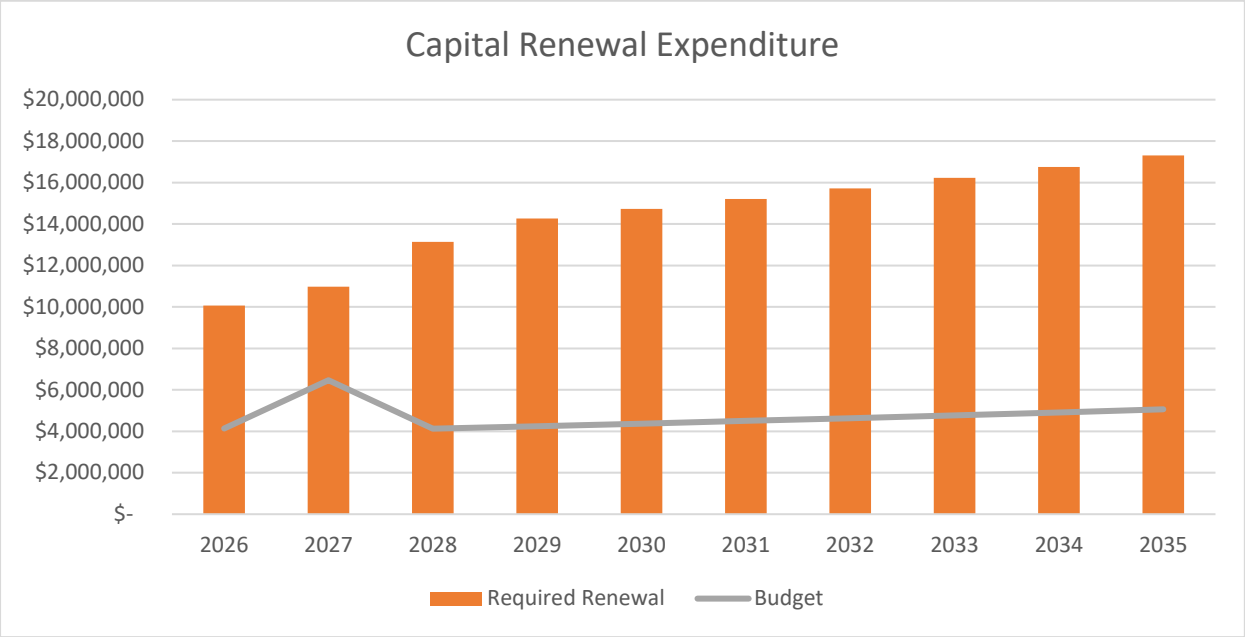
Figure 6 - Asset Condition Rating Guidelines



Projected future renewal and replacement expenditures are forecast to increase over time as asset stock increases. The capital renewal expenditure is required is shown in Figure 7. Note that all amounts are shown in real values.

The projected capital renewal and replacement program for 2025-2026 is shown in Appendix A.

Figure 7 - Projected Capital Renewal Expenditure



5.0

Current & Future Performance

This section identifies the effect of expected growth and consequent demand on Council's building assets. Forecasting future demand is essential in determining lifecycle management for assets. The management of building assets is directly affected both by growth in the number of assets owned by Council and growth in the resident population as well as visiting populations.

5.1 DEMAND FOR BUILDING ASSETS

Demand Drivers affecting the buildings portfolio include such things as population change, regulations, changes in demographics, technological changes, economic factors and environmental awareness etc.

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

Council can currently sustainably fund and maintain its existing building portfolio to a satisfactory condition, which will allow it to meet existing community and operational demands. Almost 98% of buildings currently score a condition rating of 3 or better (Satisfactory). Further in-depth long-term planning is still required to identify if Council has the required asset in the required place to perform the required function.

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

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

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

The CBD of Parramatta is undergoing a substantial planning review by Council to facilitate the significant growth for the LGA and region. This will have a substantial increase and further concentrate worker and residential population numbers. To address this, Council is also undergoing its own significant property redevelopment program of its CBD assets to facilitate growth of the organisation, community and region.

Future versions of this BAMP 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.

Council is undertaking planning studies forecasting the growth and demand into the future and considering the delivery mechanisms to meet future service delivery targets.

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

- Acquisition, Disposal and Reclassification
- Development
- Capital New and Renewal
- Maintenance and Operation

It is envisaged that over the next 10 years, there will be major growth in the need for all categories and types of building assets. The increased demand for building assets that contain Council services will increase proportionally with the predicted population growth and utilisation of not only the Central Business District but also the 55 Neighbour Centres and the major new vertical suburbs being constructed and considered.

Census data shows changing demographics including an increasing population and new cultural groups. Providing for the varied needs of a diverse community, within each building, will mean that community activities must support flexible uses, support sharing and conviviality, and reduce conflict between users.

New transport links, revitalised commercial precincts and the revamp of the Riverside Theatres and new Powerhouse Museum will also attract people and businesses to Parramatta. The 'Parramatta Square' Light Rail stop is now operational, and a Metro Station will be built help distribute the community around the LGA. These mass transit initiatives will significantly impact movement throughout the LGA and use of Councils buildings.

CoP has several transformation projects underway (Telopea, Uhrig Road, Wentworth Point, North Parramatta and Rosehill Racecourse) and there are several game-changing infrastructure projects in the pipeline that will continue to transform Parramatta into a thriving metropolis.

Demand factor trends and impacts on service delivery over the following 10 years are summarised below;

Demand Driver	Impact on Services
Increase of population and population density at a rate of approximately 1.7% per annum over the following 5 years	Increased utilisation of building assets will be expected, proportional to population growth.
Growing number of families in the area.	Increase the need for Council building space to cater for changing patterns.
Climate change will see an increased risk of extreme weather events including storm events, heatwave, flooding, sea-level rise and fire events.	There will be an increase in structural damage caused by extreme events and an increase in deterioration rates of building assets. Increased wind speeds and urban heat indexes will have an impact on the building portfolio. Introducing climate risk assessments will determine the impact on building asset performance and useful lives.

Demand Driver	Impact on Services
Sustainability	Introducing the Environmentally Sustainable Design (ESD) standards when renewing and upgrading building assets will minimise operational costs related to energy and water, and waste management over the lifetime of CoP's buildings, and will protect building assets against climate change effects, such as floods and urban heat.

Table 10 - Demand Drivers, Projections and Impacts on Services

5.2 CHANGES IN TECHNOLOGY

CoP is continuously monitoring new asset treatments and technology that may be available to increase the life of its assets.

CoP is currently developing an Environmentally Sustainable Design (ESD) Policy to incorporate ESD standards into all new CoP buildings, as well as renovations, retrofits and upgrades of existing buildings, including the replacement of appliances and fixtures. Depending on the project type and budget CoP has set different ESD target levels. ESD Standards can include:

- Passive design features
- Solar PV and battery storage systems
- LED lighting
- Water sensitive urban design landscaping
- Automated natural ventilation
- Light coloured roof
- Materials with recycled content
- No gas connection
- Appliances with high energy and water rating
- Air conditioning equipment with low GWP refrigerant
- Heat pump technology with natural refrigerants
- Reduce impact of the heat island effect by a proper landscape design
- Rainwater capture and reuse via a rainwater tank
- Use of materials with low embedded carbon content e.g. low carbon concrete

To install good quality, durable and resource efficient equipment across their facilities, CoP uses The Technical Specifications for Council Building Equipment, which cover requirements for works (replacement and new installation) that involve the following equipment and materials:

- Heating ventilation and air conditioning (HVAC)
- Hot water systems
- Lighting
- Roofs and Building Insulation
- Interior paint, adhesives, sealants and carpets
- Water fixtures

- Water tanks
- White goods, ovens and stovetops

5.3 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
- Managing the demand by non-asset solutions

5.3.1 Demographics

The City of Parramatta's population was estimated to be 256,729 in 2021, with a forecast of 446,021 in 2041 resulting in an increase of 73.7% from 2021-41.

SECTION	STATEMENT 2024	SOURCE 2024
POPULATION	256,729 in 2021 (3,056 people per km2)	Profile Id (2021 Census)
	446,021 forecast for 2041 (5,310 people per km2)	Forecast Id
	Median age = 35 years (NSW = 39 years)	ABS 2021 Census
	84% feel welcome living in our city	Our City My Life Survey 2023
DWELLINGS	92,109 occupied dwellings in 2021	ABS 2021 Census
	188,447 dwellings forecasted for 2041	Forecast Id
	40.5% residents live in a flat or apartment	ABS 2021 Census
DIVERSITY	53.3% of residents were born overseas	Profile Id (2021 Census)
	56.4% speak a language other than English at home	ABS 2021 Census
	12.4% Mandarin	
	6.4% Cantonese	
	5.5% Korean	
EDUCATION AND EMPLOYMENT	36.1% of residents hold a bachelor's degree or higher	ABS 2021 Census
	97.6% employment rate in June 2023	Economic Id
	23.6% of residents work within the LGA	Profile Id (2021 Census)
	Median household income = $2,051 per week (NSW = $1,829)	ABS 2021 Census
VULNERABLE COMMUNITIES	13.1% of households are 'low income', earning less than $650 per week	ABS 2021 Census
	15.6% of households are in housing stress	Housing Id
	4.1% of people require assistance with daily living activities	ABS 2021 Census
	16.5% of residents reported that they do not speak English well or at all	Profile Id (2021 Census)
LOCATION	The City of Parramatta covers 84km2 at the centre of metropolitan Sydney, 24km west of Sydney CBD	
CONNECTION	Home to the Dharug peoples for more than 60,000 years	
	Australia's oldest inland European settlement	
HERITAGE	Parramatta Park is a World Heritage Listed site	
	More than 750 significant archaeological sites	
	More than 50 State significant heritage sites	

ENVIRONMENT	36.7% vegetation cover including 22.6% tree canopy cover	Urban Monitor methodology and data (2016)
	11 days in 2023 over 35°C	BOM (2024) - data over 2023 calendar year
ECONOMY	2.3 million people live within a 45-minute commute to the Parramatta CBD	PwC (2016)
	Gross Regional Product = $28.21 billion	Economic Id (NIEIR 2022)
	168,019 people work in the City of Parramatta	Economic Id (June 2022)
	5,435 jobs created 2016-2021	Economic Id
	30,591 businesses call Parramatta home	Economic Id (ABS 2022)
	23.4% vacancy in Parramatta's commercial office buildings	Property Council of Australia (July 2023)

Table 12 – City of Parramatta Demographics

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

5.4 NEW ASSETS FOR GROWTH

Council envisages that over the next 10 years, Council will acquire new building assets and/or build new building assets to meet demand needs.

In the CBD it is also anticipated that the new Civic Link, Powerhouse Parramatta, Riverside Theatres redevelopment will recognise the need to ensure the public building assets function to meet the increasing demand. As additional information becomes available with regards to new growth and development areas, Council will continue to identify the community infrastructure needs via strategies and masterplans, and these will be included in future revisions of this BAMP.

The investment in expanding Mass Transit Systems within the LGA, like the Metro and Parramatta Light Rail 1 & 2, will require significant community assets to be surrounding the new stations resulting in an increase in vertical villages, creating significantly higher Floor Space Ratios (FSRs).

It is important to note that when new assets are acquired, or assets are expanded or upgraded, this results in an increase in commitment of annual operational and maintenance funding to ensure continued service delivery of the asset over its lifecycle.

These have been quantified in the Community Infrastructure Strategy 2018-2038 (CIS) and supporting strategies which outline the CoP's long-term direction for community infrastructure and social infrastructure provision.

The CIS is used by the City of Parramatta to identify priorities for future community infrastructure and guides decision making about planning, funding, delivering and negotiating for community infrastructure.

Within the current planning horizon, the NSW Government Western Sydney Infrastructure Grants Program (WestInvest) and Voluntary Planning Agreements with major property developers are providing a significant amount of the projects nominated in the Community Infrastructure Strategy 2018-2038.

The impact of this new asset delivery is that funding and investment continue growing the value of the portfolio which will activate increased renewal, maintenance and operating over time.

Funding programs 'layer' more assets over a base of long-life building assets and have a cumulative effect. The long-term effect of layering is that it must be matched with the corresponding layering of LTFP funding for maintenance, operating, capital renewal and upgrading. Otherwise, the CoP will become unsustainable, or a major portion of building assets will be beyond CoP's Risk Appetite (having no building assets in PVP Condition).

The funding sources of this growth are;

Western Sydney Infrastructure Grants Program

The NSW Government created a $2 billion Western Sydney Infrastructure Grants Program (formerly known as WestInvest) that is funding transformational infrastructure projects across Western Sydney, home to one of the fastest growing and most diverse populations in the nation.

The CoP was successful in applying for 19 grants from the WestInvest/Western Sydney Infrastructure Grants program for key community projects worth approximately $200 million. The main projects for building assets that these contributions will fund are listed below.

Western Sydney Infrastructure Grants projects are a priority and will be delivered within the next two to three financial years.

Project	Estimated Funding $
Uhrig Road Community Centre Cold Shell Fit-Out	$6.1m
Don Moore Multi-Purpose Community Hub	$20.6m
Max Ruddock Reserve Amenities Modernisation with viewing platform	$3.8m
Riverside Theatres Redevelopment[8]	$40m
Rydalmere Bowling Club Refurbishment	$5.5m
Total	**$76.0m**

Table 13 – Western Sydney Infrastructure Grants Funded Buildings

[8]The project cost estimate is $182.5m, with funding of $40m from the Western Sydney Infrastructure Grants Program.

Voluntary Planning Agreements

Voluntary Planning Agreements (VPA's) are legal documents created under the Environmental Planning and Assessment Act 1979 (EP&A Act). These agreements are between a developer and Council (and other government agencies) for the provision of funds, or works by the developer, for infrastructure, services, or other public amenities, typically negotiated at the time of rezoning (Section 93F EP&A Act).

The funds or works are not required to have a direct nexus with the development proposal but should be related. They must achieve an outcome other than the facilitation of a development and deliver a planning benefit. This means that the proposed development, when considered as a package within the VPA, results in a positive planning outcome.

Development Contributions

In line with statutory requirements Council's two Development Contribution Plans, the CBD Contribution Plan and outside CBD Contribution Plan, are currently being reviewed.

5.5 DEMAND MANAGEMENT PLAN

It has been identified that demand for building assets at Council will increase proportionally with predicted population growth and demographic changes. This is also in line with the community surveys which identify that community building assets are of importance to the community.

Demand for new services will be met through a combination of managing existing assets, upgrading existing assets and providing new assets, and demand management. Demand management practices include non-asset solutions, insuring against risks and managing failures. Opportunities identified to date for demand management are shown in Table 5.7. Further opportunities will be developed in future revisions of this BAMP.

Service Activity	Demand Management Plan
Increased patronage and usage of community building assets will be expected, proportional to population growth.	• Plan to identify and develop strategically located building assets to accommodate growing communities. • Monitor population growth through census data and traffic counts and use the data as input into developing future works programs. • Investigate construction of multi-use assets where possible and encourage sharing of existing building assets to maximise utilisation and allows planning for optimum use of all building assets.
Increased population density will result in increased usage of community building assets.	• Undertake strategic planning to identify the change in service demand across all services, who will use the services, and identify the best location for future services. • Service Planning is used to identify the best mix of provision and development to provide the best possible services at a sustainable level; which can include some shifts in service levels, both up and down across the Parramatta Local Government Area LGA. • Identify programs that support the aged and youth as alternatives to infrastructure related activities.
Community awareness	There are several ways Council can inform the community of building assets availability within the LGA. These include: • Improved signage to support Active Transport through the portfolio of community facilities; • Inclusion of information brochures with other correspondence provided to the community, such as rates notices, or the website.
Partnerships	• Council to continue to seek opportunities to share community facilities with private landowners and other levels of government to maximise the number of sporting pavilions, community facilities and other building assets, available for public use and to meet short to medium term demands in a sustainable manner.
Passive surveillance	• It is generally accepted that community perceptions regarding the safety of a building assets have an impact on people's desire to visit. It is therefore important that Council seek to improve perceptions of the safety of Council building assets. Opportunities for maximising passive surveillance should be actioned wherever possible. Clear lines of sight from roadways and adjoining properties can be maximised by removing visual obstructions such as solid fences or thick vegetation.
There will be an increase in structural damage caused by extreme events and an	• Develop a Council specific Climate Change Adaption Toolkit.

Service Activity	Demand Management Plan
increase in deterioration rates of building assets. Climate risk assessment will determine the impact on asset useful lives.	• Include the CoP's draft ESD policy in building asset planning and capital works. • Utilise Government environmental subsidies and funding programs. • Monitor developments and potential impacts on asset management. • Identify opportunities to use sustainable water sources and recycling for irrigation and other grey water purposes within buildings. • Use of renewable energy sources such as solar PV to minimise the dependency on grid electricity use.

Table 15 - Demand Management Plan Summary

A life cycle costing approach will be used to evaluate the total cost of ownership for the building, including initial construction/renovation costs, operating costs, and maintenance costs. This will allow CoP to implement ESD standards (with higher upfront costs balanced by the significant ongoing operational and maintenance savings and life cycle cost benefits).

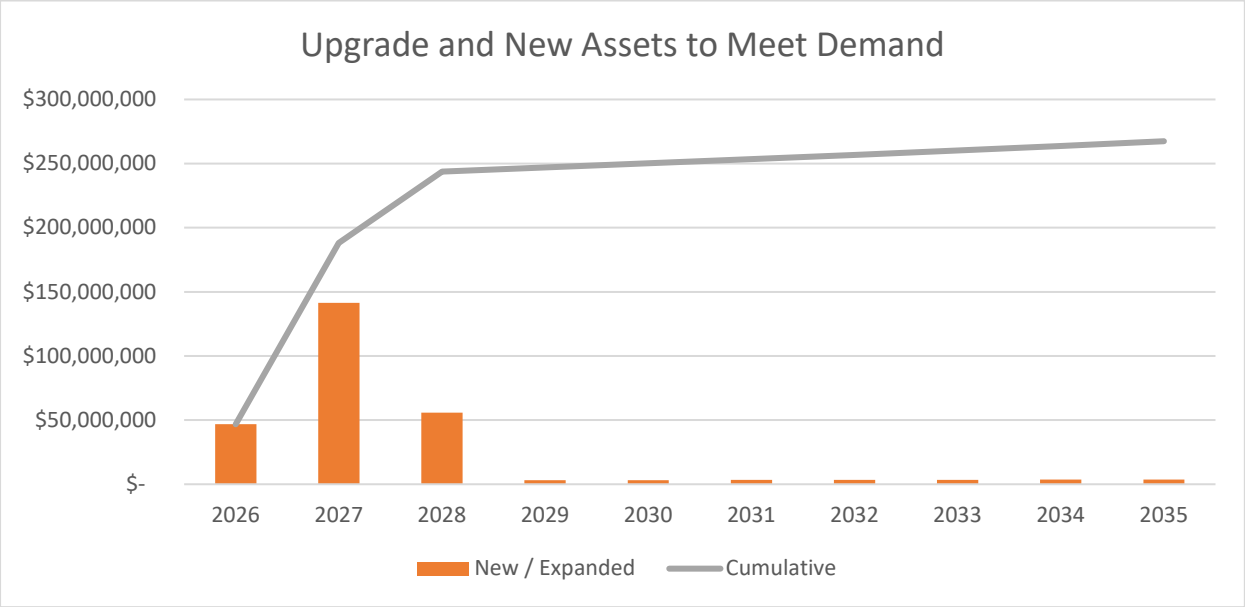


Figure 8 Upgrade and New Assets to Meet Demand (Cumulative)

6.0

Lifecycle Management Plan

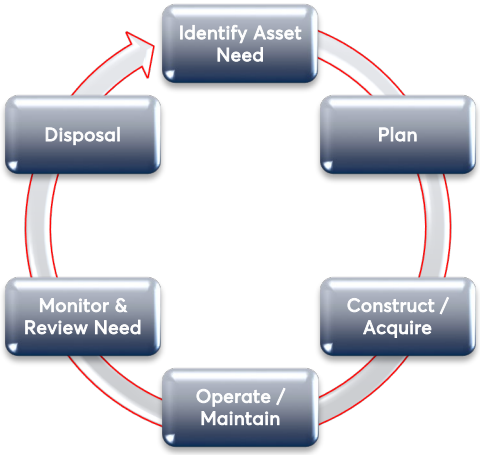
6.1 LIFECYCLE MANAGEMENT

The lifecycle management plan details how the CoP plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while managing lifecycle costs.

Lifecycle Management is recognised by Council as an essential component of this BAMP. 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 lifecycle asset management means considering all management options and strategies as part of the asset lifecycle, 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. Figure 9 provides a graphical representation of the asset lifecycle including each of the stages an asset passes through during its life.

Figure 9 - Life Stages of Infrastructure Assets



Council has purchased an Enterprise Asset Management System12 that has available modules to support a full works management system and Life Cycle Management procedures, plans, defect triaging, renewal interventions, planned preventative maintenance schedules. These have the ability to be integrated asset governance across all of Councils building assets. CoP is in the process of reviewing the suitability of these modules to support our AMP.

The introduction of this technology is the missing link as it will allow the various groups that have a role/responsibility to manage the assets to centralise;

[12]Technology One, One Council Enterprise Asset Management and CiA

- Manual Planned Preventative Maintenance PPM contracts and schedules
- Reactive Procedures for Defect Management
- Newer commissioned buildings that are progressively documenting individual PPM for each building
- LTFP renewal into the same system and not managed separately.

This will include a management dashboard setting out the LTFP for these significant assets and will then be modelled onto the other buildings over time.

The plans are a strategic document providing a planning and management framework for the future use, development and maintenance of building. The Improvement Plan recognises that Council will need to progressively review and these building Plans for all building assets.

6.1.1 Delivery of Council's 10-year Asset Management Plan

The development of Council's BAMP 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 building assets in line with a lifecycle management strategy consisting of:

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

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

6.2 OPERATION AND MAINTENANCE PLAN

Operational activities can be described as actions that are delivered on a day-to-day basis to meet the levels of service delivery requirements and can include service delivery items such as cleaning and graffiti removal. Operational activities also include proactive and reactive inspections, undertaken by in-house technical staff and/or specialist contractors. Operational activities do not improve the condition of assets.

Council addresses the repairs and maintenance of minor faults (i.e. faulty building Wi-Fi coverage or broken toilet) based on defined intervention levels and response times. The intervention level defines the condition, state or risk level associated with an asset/component, i.e. the point in time at which the asset is considered below an acceptable level of service. Maintenance is scheduled as soon as the asset reaches this point.

Operations and maintenance activities do not improve the condition of the building assets but rather enable the asset to deliver its expected service levels as related to its function.

For the Levels of Service delivered on a day-to-day nature (i.e. responding to customer requests for maintenance faults and responding to localised asset failures), these intervention levels are currently documented in Council's and manual and will soon be automated on the CoP's Enterprise Asset Management and Works Management maintenance management system. At present, Council considers that these current operations and maintenance service levels meet the community's needs and expectations.

Council has documented Planned Preventative Maintenance Service Level Agreements (SLA) applicable to most building assets. The Improvement Plan identifies the need for SLA's to be migrated to the new Works Management System CiA OneCouncil, Technology One's Enterprise Solutions.

Forecast maintenance expenditure is shown in Table 16.

Table 16 - Maintenance Expenditure Forecasts

Financial Year Ending	Maintenance Budget $ (Forecast)
2026	3,419,416
2027	3,507,975
2028	3,597,805

Council's current 10 Year LTFP allocation of funding to building Maintenance and Operating is broken down in table 17.

Table 17 - LTFP - Maintenance and Operating Funding

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Maintenance	$3,419,416	$3,507,975	$3,597,805	$3,688,852	$3,782,212	$3,877,938	$3,976,092	$4,076,739	$4,179,936	$4,285,749	$38,392,715
Operations	$15,503,163	$16,082,196	$16,570,565	$17,026,543	$17,495,363	$17,977,389	$18,472,971	$18,982,516	$19,506,410	$20,045,067	$177,662,184

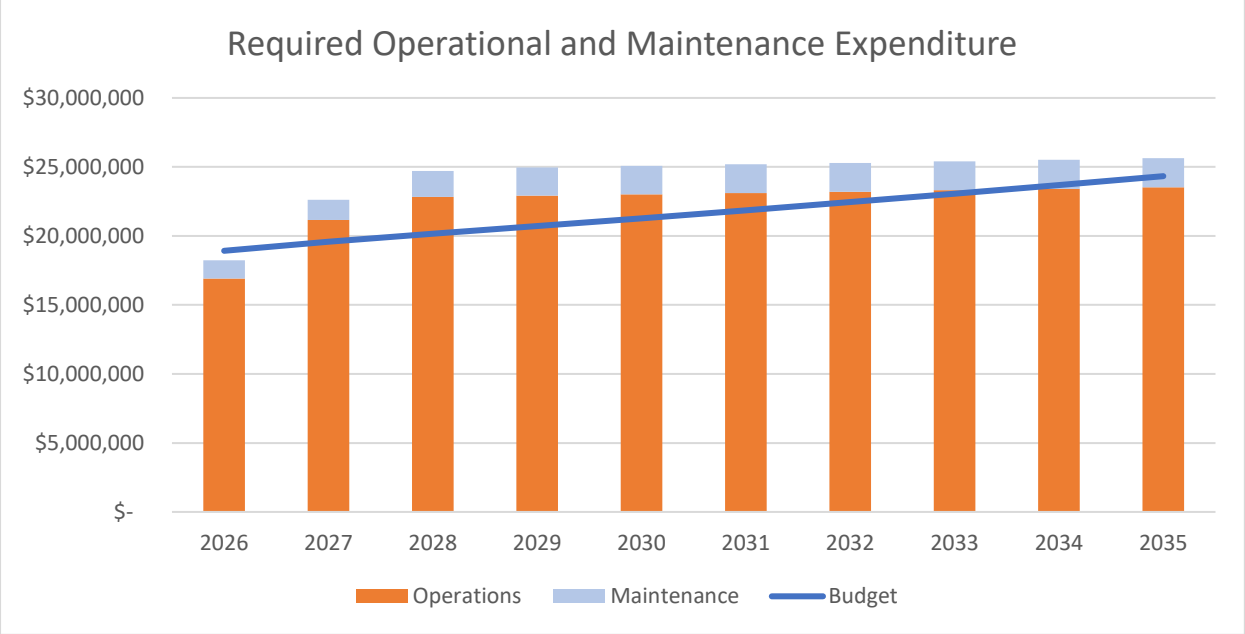
6.2.1 Summary of Future Operations and Maintenance Expenditure

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 11 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

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 building risk management plan.

Maintenance is funded from the operating budget where available. This is further discussed in Section 8.

Figure 10 - Projected Operations and Maintenance Expenditure



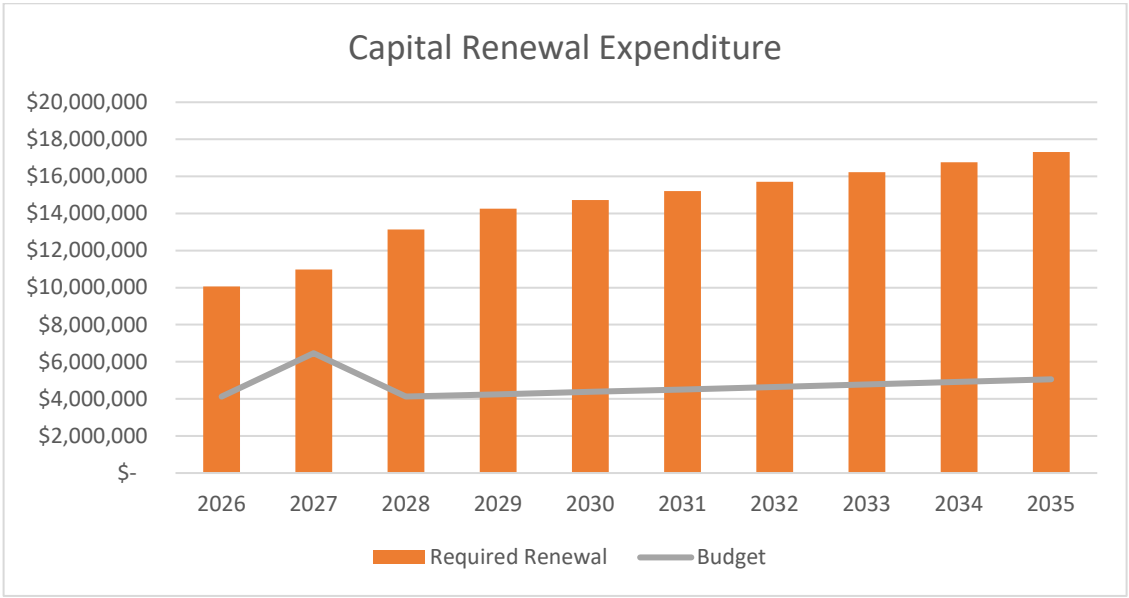
6.3 RENEWAL/REPLACEMENT PLAN

Activities such as renewal, rehabilitation, reconstruction and replacement will return the degraded service of the asset back to its original condition. Renewal activities such as replacement of floor coverings, roof coverings, or toilets will return the degraded service capability of the asset back to its original designed capability or modern-day equivalent.

Renewal and replacement strategies are based on the most current asset condition inspections available to Council at the time of developing the forward works programs. The rule bases which reflect the policy decisions that Council will employ to determine when they will select building assets for inclusion in their capital works program will be documented in a building assets Service Framework.

The built nature of new, upgraded and renewed building assets will always be provided in accordance with Council's design standards, relevant Australian Standards, industry guidelines and best practices.

Figure 11 - Projected Capital Renewal and Replacement Expenditure



6.4 UPGRADE/EXPANSION PLAN

Upgrade and expansion works are associated with improving service levels beyond the original designed capability or modern-day equivalent. Additionally, expansion works include activities that extend the capacity of an existing asset, to provide higher levels of service and/or meet changes in asset resilience requirements. Upgrade/expansion is different to renewal/replacement which only improves the degraded service capability within the boundaries of the original design capability.

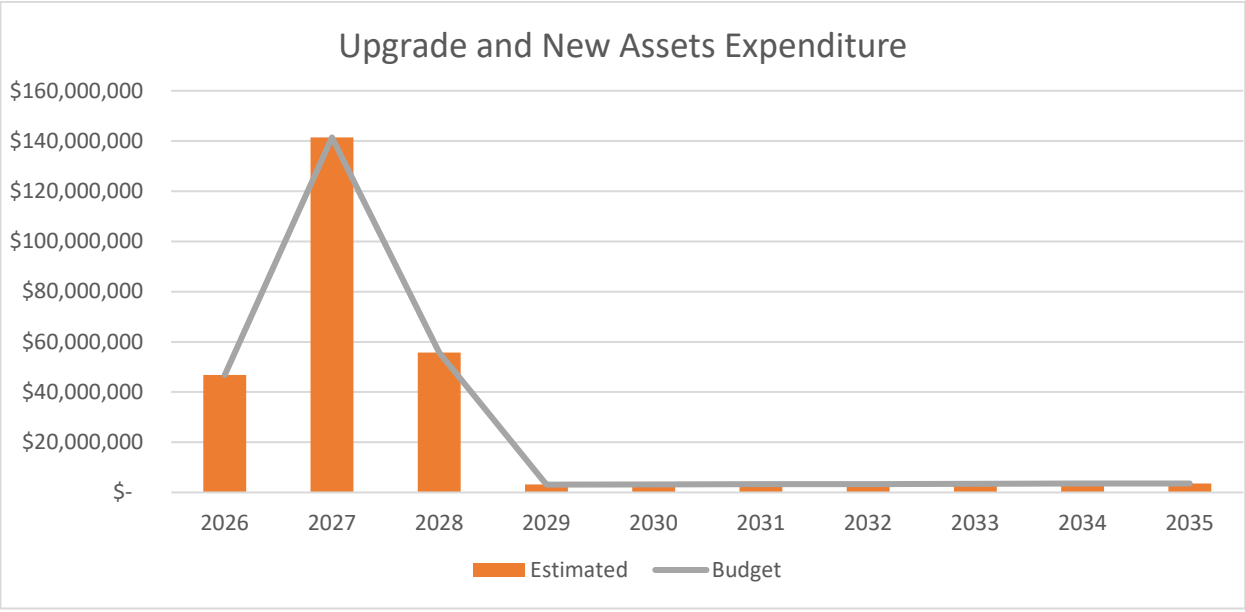
Building asset upgrades are usually undertaken where the asset has been identified as deficient with regards to providing its intended function such as being 'fit for use' and 'fit for purpose'. Council assesses the building asset's capability of catering for the current and near future user numbers and also assesses the asset's ability to be adapted or reconfigured to provide for changing user needs and service requirements (such as an activation precinct which catered for pre-school play and now should be catering to teens due to changing demographics).

Typically upgrade/expansion works are identified from a combination of methods which include Councillor and/or community requests, project candidates identified via other Strategic or Master Plans and/or from asset condition audits.

Council utilises a methodology framework to prioritise and schedule identified project candidates for the 10-Year Works Program.

As PHIVE, PAC, Town Hall, Head Office and Wentworth Point Community Hub building assets are relatively new, Council does not have any plans to upgrade or expand them in the near future. However, the Community Infrastructure Strategy 2018-2038 includes a list of building assets that will require expansion/upgrade over the LTFP period.

Figure 12 - Projected Capital Upgrade/New Asset Expenditure



6.5 CREATION/ACQUISITION PLAN

New works are those works that create a new asset that did not previously exist. Council can acquire existing built assets or new assets from developers or new assets via capital projects to meet community needs. Typically, new asset candidates are identified from a combination of methods which include Councillor and/or community requests or identified via other Strategic or Master Plans.

6.6 DISPOSAL PLAN

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

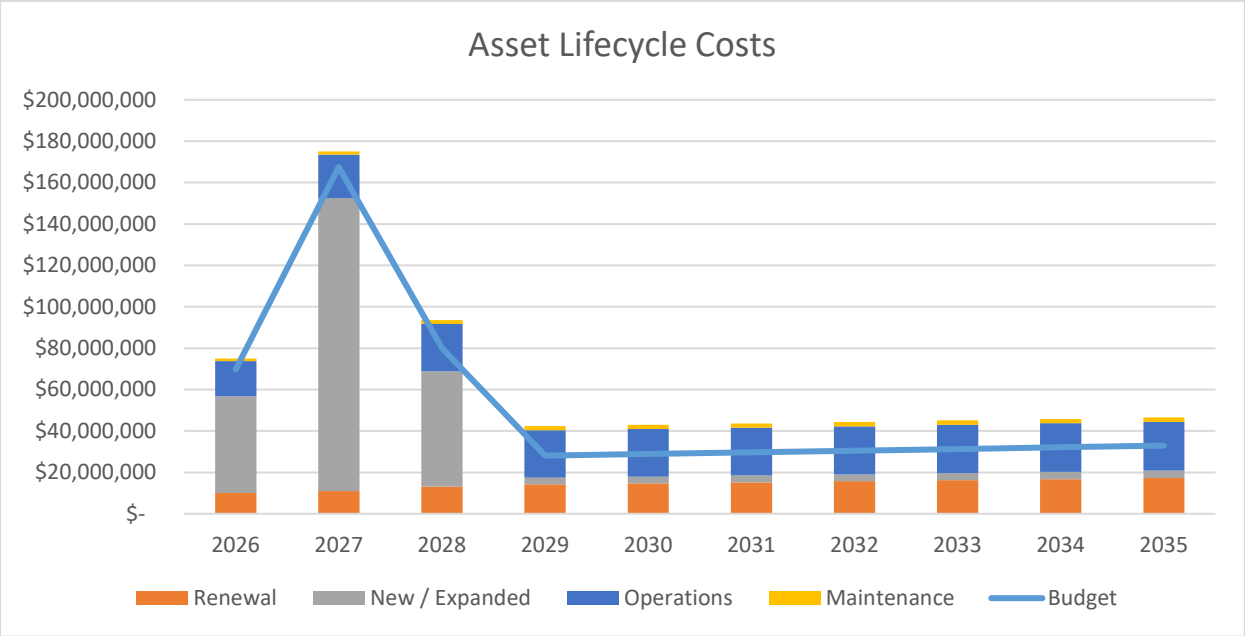
Where cash flow projections from asset disposals are not available, these will be developed in future revisions of this asset management plan.

6.7 SUMMARY OF ASSET FORECAST COSTS

The financial projections from this asset plan are shown in Figure 13. 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 13 - Asset Lifecycle Costs



All figure values are shown in current day dollars.

7.0

Risk Management Planning

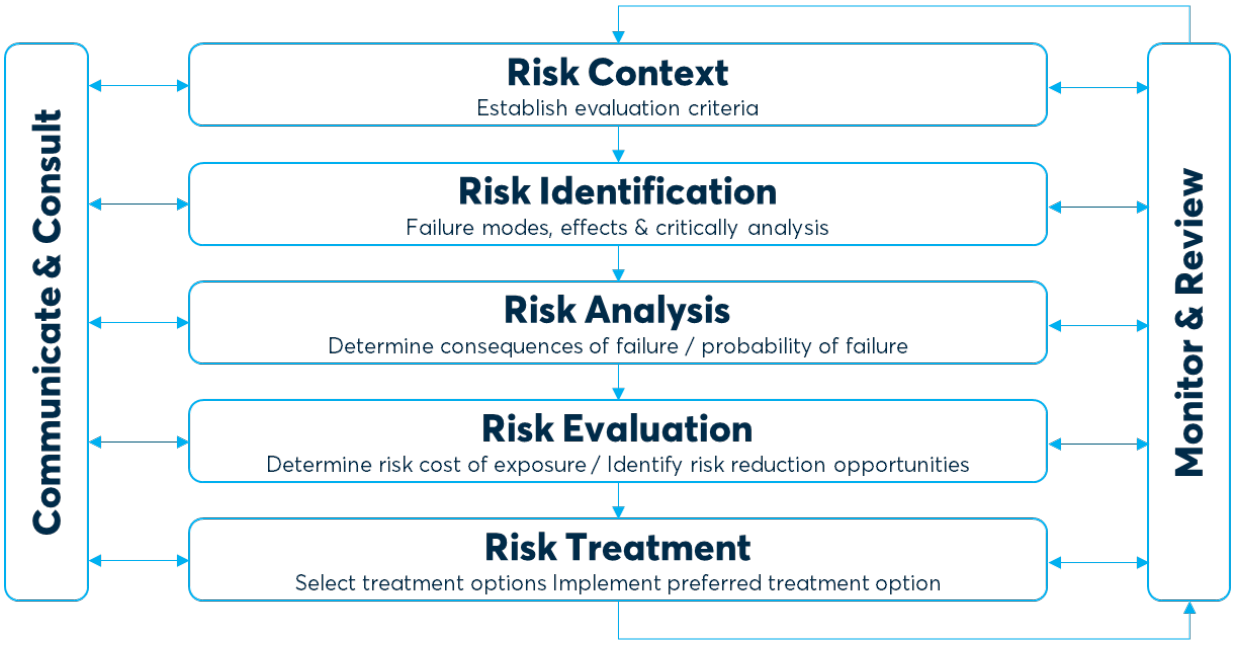
7.1 RISK MANAGEMENT PLAN

Council has developed a corporate Risk Management Policy which sets the overall framework for addressing risk within the context of International Standard ISO 31000:2018, Risk management – Guidelines. The policy was adopted December 2023.

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

The development and adoption of this Policy outlines Council's commitment to manage its resources and responsibilities in a manner which is intended to minimise harm or loss. The elements of this framework are illustrated in Figure 14 below.

Figure 14 - Risk Management Process, Source: ISO31000:2018



7.2 RISKS ASSESSMENT

Council has developed an asset criticality framework, giving higher importance to risk assessment and the appropriate levels of inspection and maintenance for each classification.

Critical assets are 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.

By identifying critical assets and failure modes, investigative activities, condition inspection programs, maintenance and capital expenditure plans can be targeted at the critical areas. Activities may include items such as increased inspection frequency and higher maintenance intervention levels.

The Consequence of Failure (CoF) score is calculated by assessing the consequence of failure (1 to 5), for the most likely failure mode.

Table 18 details the CoF Scores for this BAMP that have been adopted and applied based on the asset hierarchy.

Asset Type	Consequence of Failure (CoF)
Superstructure	5
Substructure	5
Site Services	2
Site Infrastructure	3
Lift	2
Roof Structure	5
Roof Coverings	3
Mechanical Services	4
Hydraulic Services	4
Fire Services	5
Electrical Services	5
Security Services	3
Floor Coverings	3
Fit out & Fittings	3

Table 18 - CoF Scores by Asset Type

7.3 RISK MATRIX

The Consequence of Failure assigned to each asset is linked to the criticality framework evaluated at the 'Asset Reporting Name' level as depicted above.

Likelihood of Failure (LoF) is defined through the condition of an asset: the more an asset degrades in condition the higher the likelihood of it failing.

Consequence (CoF)	Likelihood (LoF)					
		1	2	3	4	5
	1	1	2	3	4	5
	2	2	4	6	8	10
	3	3	6	9	12	15
	4	4	8	12	16	20
	5	5	10	15	20	25

Table 19 - The Risk Matrix Defined Within the Model

7.4 RISK RATINGS

Calculated risk scores based on likelihood and consequence as illustrated in the above risk matrix. Each score is allocated to a risk rating, as outlined below, to assign to each asset to assess and aggregate risk throughout the simulation forecast.

Risk Rating	Minimum Risk Score	Maximum Risk Score
Within Risk Appetite	1	10
Low Risk Appetite	11	19
No Risk Appetite	20	25

Table 20 - Each Risk Rating and their Minimum and Maximum Risk Scores

7.5 RISK APPETITE

The risk appetite is the level of risk that Council is prepared to accept in pursuit of its objectives, before action is deemed necessary to reduce Risk. Council's Risk Appetite is classified as follows:

Risk Rating	Councils Risk Appetite
Within Risk Appetite	Council's preferred state
Low Risk Appetite	Council does not prefer this state; however, the state will be tolerated whilst moving to the desired state
No Risk Appetite	Council does not wish to operate in this state

Table 21 - Risk Appetite Definitions

7.6 RISK PLAN

As a result of this BAMP revision, an assessment of risks associated with service delivery from Council's building 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) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment cost after the selected treatment plan is implemented is shown in Table 22 below.

Table 22 - Critical Risks and Treatment Plan

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk	Treatment / Costs
Asset Maintenance	Maintenance costs increasing due to inadequate renewal program	High	Continue to improve data. Ensure maintenance is managed appropriately at an operational level. Future planning improvements can be made by documented service level risks and utilisation of these in establishing future maintenance priorities.	Medium	Ongoing staff time and existing budget
Increasing financial pressure to adequately maintain the building portfolio	Growth in asset portfolio	High	Although grants and other funding may be made available for the capital cost of new or expanded facilities, due consideration should be made to ensure sufficient ongoing operation and maintenance funds can be provided to support these additional assets. Whole of life costs are to be reported to the Leadership Team and/or Council as appropriate.	Medium	Ongoing staff time
All assets	Asset defect or non - compliance with regulations resulting in injury e.g. lighting and public structures.	High	Regular inspection programme targeted and prioritised based on risk, levels of use and types of use. Maintenance and defects rectification program implemented.	Low	Ongoing staff time, existing budgets
Utilisation	Building does not suit community needs and inclusion targets.	High	Continue to monitor not only the condition of assets but how well they suit the needs of users. Monitor and review the Place Plan/Strategy to inform decisions on which facilities suit community needs. Respond to user needs with well-considered measures and communicate needs that cannot be met within existing budgets.	Low	Ongoing staff time

7.7 INFRASTRUCTURE RESILIENCE AND SUSTAINABILITY APPROACH

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

We do not currently measure our resilience in service delivery. This will be included in future iterations of the BAMP. It is worth noting that the CoP has one of Australia's largest Library and Recreation Centres, a 6 Star Green Star rated building known as PHIVE. CoP is a certified Climate Active Carbon Neutral Organisation. All of Councils operations including buildings assets are certified under this certification. Additionally, services provided by CoP in the Parramatta Square Public Domain are also certified Climate Active Carbon Neutral Service.

Sustainability and environmental performance has been at the helm of the design and building process, considered by the team to be not only a responsibility, but a chance to show the positive impacts that can be made when you choose to act for a greener, healthier and more resilient built environment.

The Green Star Communities rating recognises best practice strategy formulation, engagement, and delivery of sustainability initiatives, including:

- Implementation of the local government area's only public place recycling scheme
- Collaboration between the builders and the CoP to implement a formulated strategy that appropriately engages on a defined community vision, including the provision of public space and buildings for community use Initiatives to reduce waste and pollution, whilst promoting sustainable initiatives relating to active transport and disability access
- High social sustainability supported by community use and facilities in PHIVE, PAC, Townhall and educational opportunities at Western Sydney University

Looking ahead the Council is following the ongoing development and refinement of the Green Star Communities tool and will review updates in consideration of continuing sustainability efforts to achieve a 6 Star rating.

7.8 CLIMATE CHANGE ADAPTATION

The Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5°C, released in 2018, alerted readers of the dire consequences we face if we fail to limit the global temperature increase to 1.5°C, as shown in the figure below. The impacts that we are experiencing now at around a 1.2°C rise in average temperature. It is essential as asset managers to ensure climate change adaptation and mitigation strategies are incorporated into Asset Management Planning.

Whilst climate change adaptation and mitigation strategies will be incorporated into next iteration of the BAMP it is worth noting the significant amount of work undertaken by CoP staff in this space.

The CoP has established an Environmental Sustainability Strategy 2024-2033 that outlines its commitment to environmental, social, and economic sustainability and set up objectives and actions:

- Embed climate change mitigation and resilience into Council decision-making and operations
- Shape our built environment to be sustainable and to support resilience

CoP is updating the existing Climate Adaptation Plan to strengthen resilience, and disaster preparedness.

Buildings are responsible for emission sources like electricity, gas, refrigerants, waste production, water consumption, procurement, etc. Our target is to achieve a 75% emission reduction by 2038. These targets align with Australia's required 74% emission reduction and net zero commitments by 2035 as per the 2015 United Nations Paris Agreement and the 1.5°C threshold.

CoP have commenced work on developing assets management guides for the future of Parramatta climate change and how to mitigate its impacts. Studies include:

- Future of Parramatta climate projections in "Improving the present and future climate and microclimate in the City of Parramatta" study.
- Various UHI mitigation strategies and their effectiveness "2019-03-18 Final report Philip St project"
- Impact of the new development on the Parramatta Square wind pattern + recommendation "Parramatta Square development Microclimate study"
- Recommendation on the Urban heat mitigation measurements "Cooling parramatta scoping paper"
- The cooling potential of the civic link and its impact on the Parramatta Square "Civic Link sustainability study"
- Building façade reflection study "UHI Vertical Facade Basis March 2020, City of Parramatta Proposed Urban Heat Island Effect Façade Controls Review Summary"
- The 2023 Draft Parramatta River Flood Study and begin work on the Draft Floodplain Risk Management Study and Plan.

To date the studies indicate that a heatwave will significantly affect Council's building assets. And indicates further studies are required to understand the impact on the building portfolio assets. Initial analysis and studies indicate further mitigation measures are needed.

8.0

Financial Summary

The provision of adequate financial resources ensures that Council's building assets are appropriately managed and preserved. Financial provisions below impact directly on community development and if prolonged, results in substantial needs for 'catch up' expenditure imposed on the community in the future. Additionally, deferred renewal results in increased and escalating reactive maintenance as aged assets deteriorate at increasing rates.

Funding Sources available for the management of buildings within the Asset Management 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)

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

Table 23 - CoP Lifecycle Budget Expenditure for Building Assets

Lifecycle Expenditure	2026 Budget	2027 Budget	2028 Budget
Operational	$15,503,163	$16,082,196	$16,570,565
Maintenance	$3,419,416	$3,507,975	$3,597,805
Capital renewal	$4,130,600	$6,464,025	$4,126,562
Capital new	$46,748,380	$141,430,333	$55,691,932
Total	**$69,801,560**	**$167,484,529**	**$79,986,864**

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 BAMP reflects considerable investment in building facilities to be constructed in the future.

8.1 WORK CATEGORY DEFINITIONS

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

- Cleaning
- Waste Collection
- Pest Control
- Security Operations
- Fire and evacuation training and management
- Utility costs
- Rates & Charges
- Insurance

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

- **Planned Maintenance (Proactive)** - Inspection and maintenance works planned to prevent asset failure
- **Unplanned Maintenance (Reactive)** - Reactive action to correct asset faults and failures on an as required basis (i.e. emergency repairs)

Historically, expenditure on building 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 lifecycle. As a consequence, infrastructure asset expenditure is better classified into one of five categories. These categories are set out in Table 24.

Table 24 - Infrastructure Work Expenditure Categories

Expenditure Type	Description	Typical Work	Effect on Lifecycle
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.

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

Future iterations of this BAMP will more accurately report and project the maintenance and operating costs as the Enterprise Asset Management, CiA and Strategic Asset Management Modules of the new Technology One system is implemented and made operational.

8.2 FORECAST FUNDING REQUIREMENTS

8.2.1 Sustainability of Service Delivery

There are two key indicators of sustainable service delivery that are considered in the BAMP for this service area:

- Asset renewal funding ratio (proposed renewal budget for the next 3 years / forecast renewal costs for next 3 years)
- medium term forecast costs/proposed budget (over 10 years of the planning period)

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 3 years we expect to have 38% of the funds required for the optimal renewal of assets.

Table 25 - Asset Renewal Funding Ratio[9]

	2026	2027	2028
Renewals Ratio	41%	59%	31%

Medium Term – 10-year financial planning period

This BAMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10-year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

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

The forecast operations, maintenance and renewal costs over the 10-year planning period is **$38,704,407** average per year.

The proposed (budget) operations, maintenance and renewal funding is **$26,328,262** on average per year reflecting a 10-year shortfall of **$12,376,145** per year. This indicates a greater level of budget funding is needed to provide the services documented in this BAMP.

Providing sustainable services from buildings 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 BAMP and ideally over the 10-year life of the Long-Term Financial Plan.

8.2.2 Forecast Cost (outlays) for the Long-Term Financial Plan

Table 25 shows the forecast costs (outlays) required for consideration in the 10-year long-term financial plan.

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

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

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 BAMP (including possibly revising the long-term financial plan).

The 'gap' will be managed by developing this BAMP to provide guidance on future service levels and resources required to provide these services in consultation with the community. The disposal of Riverside Theatre assets will be included in future versions of this BAMP.

Forecast costs are shown below in 2024-dollar values.

Table 26 - Forecast Costs (Outlays) for the Long-Term Financial Plan

Financial Year Ending	Acquisition	Operation	Maintenance	Renewal	Disposal
2026	$46,748,380	$15,503,163	$3,419,416	$4,130,600	$0
2027	$141,430,333	$16,082,196	$3,507,975	$6,464,025	$0
2028	$55,691,932	$16,570,565	$3,597,805	$4,126,562	$0
2029	$3,129,541	$17,026,543	$3,688,852	$4,248,293	$0
2030	$3,205,394	$17,495,363	$3,782,212	$4,373,672	$0
2031	$3,283,144	$17,977,389	$3,877,938	$4,502,809	$0
2032	$3,362,837	$18,472,971	$3,976,092	$4,635,815	$0
2033	$3,444,523	$18,982,516	$4,076,739	$4,772,808	$0
2034	$3,528,252	$19,506,410	$4,179,936	$4,913,906	$0
2035	$3,614,074	$20,045,067	$4,285,749	$5,059,233	$0

8.3 FUNDING STRATEGY

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

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

The objective of this Section has been to model the deterioration of Council's building assets portfolio, by developing modelling and simulation techniques.

This process typically involves setting up life cycle paths for each building component asset, along with their inspected condition, identifying the appropriate treatments and unit rates to deliver these treatments and configuring the treatment rule base (matrices based on selected condition criteria that when matching will drive a treatment based on the condition).

The Technical Level of Service identifies the condition level at which Council will intervene and renew each asset for example Council will undertake a renewal activity on Fire Services assets when it reaches condition 2 or worse, in a Hierarchy 1- building asset such as Riverside Theatres.

The lower the Hierarchy, the Technical Level of Service model identifies the minimum Level of Service, or minimum condition at which Council will intervene and undertake a renewal activity on an asset i.e. Council will replace hand basins (Hydraulic Service) when it reaches condition 5 or worse in a park amenities toilet block (Hierarchy 4).

The Table 27 below provides a high-level rule-base for the intervention levels of service for the four Council Hierarchy categories.

Table 27 - Building Hierarchy Condition Intervention Point for Renewal

Asset Type	Hierarchy 1	Hierarchy 2	Hierarchy 3	Hierarchy 4
Superstructure	3	4	5	5
Substructure	3	4	5	5
Site Services	2	4	4	5
Site Infrastructure	2	3	4	4
Lift	2	3	4	5
Roof Structure	3	5	5	5
Roof Coverings	2	3	4	5
Mechanical Services	3	4	5	5
Hydraulic Services	3	4	4	5
Fire Services	2	3	4	5
Electrical Services	5	5	5	5
Security Services	2	3	3	4
Floor Coverings	2	3	3	4
Fixtures & Fittings	2	3	4	5

By utilising the above intervention points and setting up the criteria and logic utilising modelling and simulation techniques, it is possible to model the future costs of Council's building asset portfolio renewal requirements and to predict the future condition of these assets under varying funding scenarios.

Future versions of this BAMP will model the impact of these intervention levels into the LTFP Renewal Program after the June 2024 Condition and Valuation process is complete through an external Predictive Modelling Contractor.

8.4 FUNDING SCENARIOS

In June 2024, as part of the building Condition and Valuation process Council will undertake strategic modelling analysis which will accurately predict the deterioration of Council's buildings portfolio by calculating the results of different funding options for a 20-year period.

The building asset portfolio modelling analysis will be prepared using 4 different funding options.

Option	Scenario	Description
1	**Desired** TLoS	This option identifies and models the current asset portfolio at the necessary funding levels each year to maintain the desired optimal levels of service over 20-year period keeping Council building assets within Councils Risk Appetite.
2	**Minimum** TLoS	This option models the impact on condition and associated service levels of its assets, if Council were to deliver the minimum required level of service over 20-year period maintaining Council building assets within tolerance of Councils Risk Appetite.
3	**Controlled Funding** TLoS	This option identifies and models the current asset portfolio at the necessary funding levels each year, to maintain the ideal level of service with an affordable funding allocation, over 20-year period optimising Councils Risk Appetite.
4	**Run to Fail** TLoS	This funding option models the impact on condition and associated service levels of its assets, if Council were to only intervene only when an assert has failed, over 20-year period, only replacing the building asset when it is beyond Councils Risk Appetite.

Table 28 - Simulation Modelling Funding Options

The scenarios are intended to produce the following outcomes.

Option	Funding over 20 Years	Outcome Achieved over 20 Years	Observations
Option 1 Desired	HIGH	LOW 0% of assets will be in very poor condition	Very high funding maintains building assets in very good condition state over 20 years. Balancing between investment and risk mitigation positions this option as the lowest risk option. However, this substantial investment may not align with Council's financial priorities and/or available capacity to fund this option and human resources to deliver all these projects.
Option 2 Minimal	LOW	HIGH $ value of assets will be in poor or very poor condition state in YR 20	This option increases Council's current asset liability. The average condition will decline to 3 out of 5 by year 20. Whilst this option costs less, it still results in very high risk progressively as the building assets will be in a very poor state of assets over 20 years.
Option 3 Controlled Funding	MEDIUM	MEDIUM $ of assets will be in poor or very poor	Results in a stable average portfolio condition of by year 20.

Option	Funding over 20 Years	Outcome Achieved over 20 Years	Observations
		condition state in YR 20	By addressing the most critical assets without excessively burdening the budget, this option effectively mitigates risk. It ensures that assets in very poor condition are managed without overcommitting financial resources, when compared to other options. It also returns a significantly better outcome compared to Options 2 and 4.
Option 4 Run to Fail	VERY LOW	VERY HIGH $ assets will be in poor or very poor condition state in YR 20	Despite requiring the least investment, this option substantially inflates the asset liability making it the riskiest option without any corresponding return on investment. The reduced LoS deems this the worst funding option, considering both return on investment and funding feasibility

Table 29 - Likely outcome of Modelling Scenarios

The purpose of the scenario modelling is to forecast the actual renewal capital funding required to achieve the following performance outcomes.

Community Level of Service CLoS Performance				Option 1	Option 2	Option 3	Option 4
Average Annualised Renewal Cost over 20 Years				HIGH	LOW	MEDIUM	VERY LOW
CLoS	Measure	Standard					
Safety (Risk)	Percentage of assets with a very high-risk rating	Red	15%<100% in very high risk				
		Amber	2%<15% in very high risk				
		Green	0<2% in very high risk				
Reliability	Asset health (intervention levels met, measure as average % remaining useful life)	Red	Average remaining Useful Life 0<40%				
		Amber	Average remaining Useful Life 40%<75%				
		Green	Average remaining Useful Life 75%<100%				
Responsiveness (Asset Liability)	Value of Assets in PVP as a % of Replacement Value	Red	25%<100%				
		Amber	10%<25%				
		Green	0%-10%				

Community Level of Service CLoS Performance				Option 1	Option 2	Option 3	Option 4
Comfort (Asset Condition)	% In Poor & Very Poor (PVP) Condition	Red	20%<100%				
		Amber	5%<20%				
		Green	0%-5%				

Table 30- Community Level of Service Performance

8.4.1 Asset Funding Levels

The Financial Summary in this BAMP recognises that Council has considered multiple modelling scenarios in the process of deriving its 10-year long-term financial budget, in line with the guiding principles of best practice asset management.

At present, based on the scenarios considered, Council has allocated funds through its Long-Term Financial Plan (LTFP), to maintain its building portfolio as reflected in Table 30 above.

The total funding is deemed to be sufficient to enable the building portfolio to meet its current service levels through capital and maintenance activities.

The amount of new building assets being created during the LTFP will strain Councils financial resources which will need to be tested in the Asset Strategy and combined LTFP to determine if the financial Levels of Service are sustainable.

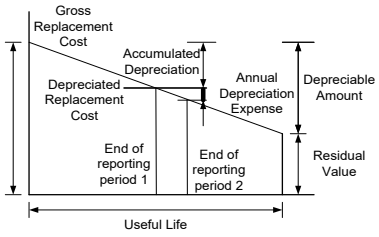
It is envisaged the financial projections will be continually monitored and improved as part of the ongoing management of the building portfolio.

8.5 VALUATION FORECASTS

8.5.1 Asset Valuations

The best available estimate of the value of building assets included in this BAMP is shown below. The assets are valued at Fair Value as at 30 June 2024.

Replacement Cost (Current/Gross)	$ 647,005,018
Depreciable Amount	$ 647,005,018
Depreciated Replacement Cost[10]	$ 530,304,935
Annual Depreciation Expense	$ 10,112,767
Non-Depreciable amount	N/A



8.5.2 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.

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

8.5.3 Key Assumptions Made in Buildings Asset Management Plan and Risk of Change

In compiling this BAMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this BAMP and should provide readers with an understanding

of the level of confidence in the data behind the financial forecasts. Key assumptions made in this BAMP are:

Table 30 - Key Assumptions made in BAMP 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

8.6 FORECAST RELIABILITY AND CONFIDENCE

The forecast costs, proposed budgets, and valuation projections in this BAMP 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[11] in accordance with Table 31.

Table 31 - 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 ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 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 ± 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 ± 40%
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this BAMP is shown below in Table 32.

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

Table 32 - Data Confidence Assessment for Data used in BAMP

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 sued to populate the LTFP.
Maintenance expenditures	B Reliable	Expenditure information taken directly from OneCouncil Budget Module broken down into operations, maintenance, capital renewal and capital upgrade expenditures. This information is sued to populate the LTFP.
Projected Renewal expenditures.	B Reliable	Direct from budget, but breakdown into operations and maintenance and renewal is estimated and requires development
Asset values	C Uncertain	Based on 'Fair Value' valuations undertaken. New valuation undertaken 2024.
Asset useful lives	C Uncertain	Estimated using typical values. Further substantiation required for next revision of the BAMP
Condition modelling	C Uncertain	Based on condition assessments, creation dates and useful/remaining lives, further substantiation required for next revision of the BAMP
Network renewals	B Reliable	Based on corporate knowledge of asset and recent assessments, further substantiation included in the next revision of the BAMP
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 BAMP
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 BAMP.

8.7 FORECAST SERVICE COST EXPENDITURE

Council maintenance and operational service provision scenarios have been considered in compiling this BAMP and rather than apply Councils current % of Current Replacement Cost or the industry benchmark to the new building assets Council have access the type of building assets that are being delivered and they are generally within a Strata, which is managed as an operating expense and the maintenance portion is limited to few assets.

Council has adopted;

a. Continue to apply the current rate of maintenance to the existing older assets, and

b. A lower rate of maintenance and operating for the newer and projected building assets.

8.8 FORECAST 10-YEAR CAPITAL RENEWAL FUNDING

Following the June 2024 Condition and Valuation process for building assets has been completed through predictive modelling. The preferred renewal funding option for this BAMP likely to be Option 3 being the best balance between funding and Councils Risk Appetite. Future internal discussions will deliberate on the most acceptable financial scenario to deliver an agreed level of service.

Future versions of this BAMP will model the impact of these intervention levels into the LTFP Renewal Program.

For this BAMP we have;

a. Continued the Existing Renewal Expenditure **$4.2m** p.a

b. Recommended the insertion of additional Renewal for buildings delivered in LTFP period

c. Continue to apply the current rate of maintenance and operating to the existing older assets

d. Include a maintenance and operating for the newer and projected building assets

Council acknowledges that additional work is required to improve its understanding of the future new and upgrade funding requirements, and this has been identified as an improvement item in this BAMP.

9.0

Asset Management Performance

This section outlines how Council will measure its building asset management performance. The identified action items will enable Council to improve its building asset management capability, to enhance building asset value and deliver more for stakeholders while balancing cost, risk and performance.

9.1 ASSUMPTIONS

The key assumptions made in this Asset Management Plan and risks that these may change are shown below.

Key Assumption	Risk of Change to Assumption / Impact to Model
Asset and component conditions reflect the assets condition as at 2024.	Medium. Full condition assessment and valuation is being completed June 2024
The allocation of renewal funds has been based on the asset replacement costs developed as part of past valuations.	Low as the financials and engineering rates have been reconciled for the existing building assets
Current maintenance funding levels are considered adequate.	Medium
Future maintenance funding levels are considered	To be an estimate based on industry benchmarks and the type of assets that are projected to be delivered within the LTFP
The funding needs for new &/or upgrade building assets will be identified as the new assets are commissioned.	Medium. Future renewal for new assets has estimate based on industry benchmarks and the type of assets that are projected to be delivered within the LTFP
Capital renewal treatments are like for like and do not account for additional costs to upgrade and/or utilise new technologies and materials.	Medium to Low
Current Levels of Service are considered appropriate and meet community needs.	Low
Existing inspections and maintenance contracts will not change.	Medium
Asset register currency pertaining to asset quantities.	Low
Portfolio strategic condition inspections will be funded on a 3–4-year cyclic basis and incorporated into the Operational budget.	Low
Current human resource plan will not change in the near future.	Low

9.2 IMPROVEMENT PLAN

The Asset Management Improvement Plan which is set out in Table 33 below details the key improvement tasks. Completion of these tasks will improve Council's asset management capabilities for the building asset class.

Table 33 - Improvement Plan

Improvement Items	Priority	Timeline
Establish transparent and responsible asset management processes that align with the best appropriate practice. This includes ensuring consistency across the Asset Management Strategy, Long-Term Financial Plan, OneCouncil asset registers, levels of service for all asset classes, data collection, validation and reporting.	High	2024/25-2025/26 Ongoing
Include into the OneCouncil Budgeting System and LTFP the impact of new building assets on maintenance, operating and renewal planning.	High	Ongoing
As the Defects Liability Period (DLP) ends for new building assets, implement an agreed Level of Service with a Planned Preventative Maintenance with internal Service Level Agreements and External Specialist Service Providers.	High	Ongoing
Clearly identify all asset expenditure requirements into four categories: renewals, new, maintenance, and operational. Establish clear budgets and reporting lines for each category.	High	2025/26
Refine the Roles and Responsibilities for asset management of the building asset portfolio. This includes establishing a good understanding of asset data, finance and budgets. Establish clear communication protocols between finance and the wider organisation.	High	2025/26
Review and establish agreed levels of services in consultation with the community, outlined in the asset management plans.	Medium	2025/26
Review and estimate the future lifecycle costs of all decisions relating to new service levels and new assets, donated or built.	Medium	2025/26
Prioritise and plan asset renewals to meet agreed service levels based on site inspections, infrastructure priorities and community importance.	Medium	Ongoing
Identify and prioritise critical assets for Council and its community. Establish emergency response plans and asset ownership for critical assets.	Medium	2025/266

9.3 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, needs arising from strategies, studies and masterplans and/or resources available to provide those services as a result of budget decisions.

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

9.4 PERFORMANCE MEASURES

The effectiveness of this BAMP will be measured and monitored 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

10.0

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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

11.0

Appendices

Appendix A Capital Renewal and Replacement Works Program 2025/26

Appendix B LTFP Budgeted Expenditures Accommodated in BAMP

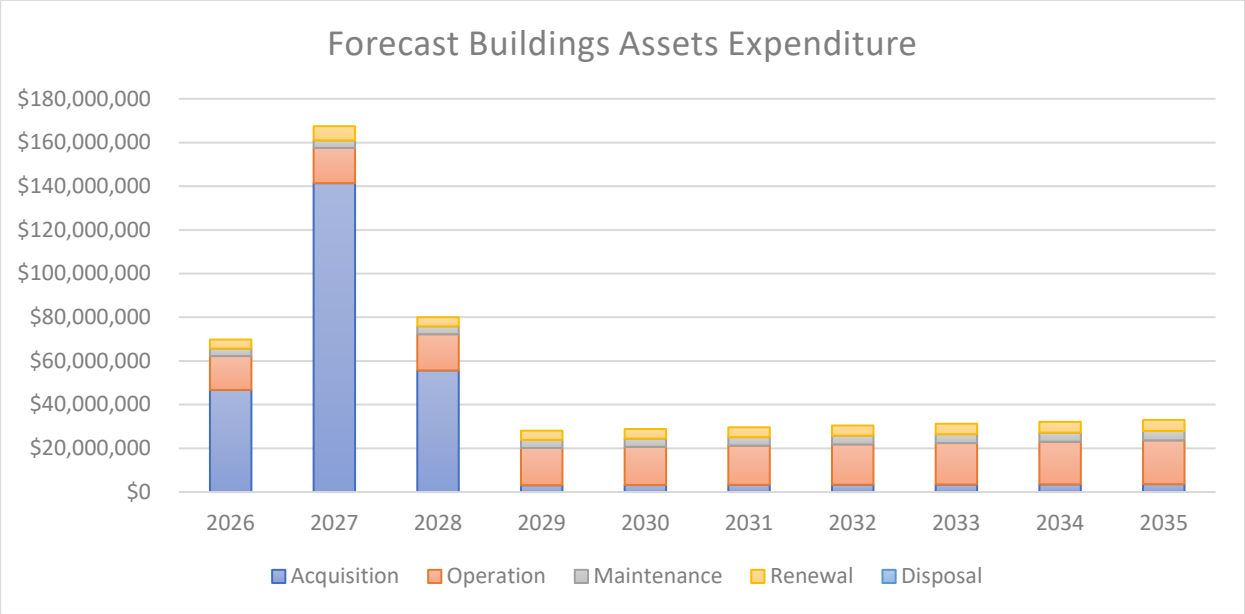
Appendix C Abbreviations & Definitions

Appendix D Glossary

Appendix A Capital Renewal and Replacement Works Program 2025/26

2025/2026 - Buildings Capital Renewal Program	
Multi Level Car Parks Capital Renewal Program	
Eat St Car Park, Justice Precinct Car Park, Parramatta Station Car Park	
Childcare Centres Capital Renewal Program	
Jubilee Child Care Centre	
North Rocks Childcare Centre	
Community Buildings Capital Improvement Program	
Burnside Gardens Community Centre	
Dundas Community Centre, Neighborhood Centre, Baby Health Centre, Community Hall & Library	
Epping (School of Arts) Community Centre	
Ermington Baby Health Centre	
George Kendall Meeting Room	
Heritage buildings portfolio - Hambledon Reserve Cottage, Hambledon Reserve Old School/ Coach House, Pitt Row Headmasters Cottage, Parramatta Town Hall	
Jones Park Buildings	
Jubilee Park Band Hall (Harry Todd Band Hall)	
Newington Community Centre	
Roselea Community Centre	
Rydalmere Bowling Club	
The Rotary Club of Epping	
Wentworth Point Library/ Community Centre/Café	
West Epping Park Community Centre	
Community buildings portfolio - HVAC End of Life	
Commercial Capital Improvement Program	
Retail 6, Parramatta Square	
9 Wentworth Street	
Total Capital Renewal Budget	**$3,920,000**

Appendix B LTFP Budgeted Expenditures Accommodated in BAMP



Appendix C Abbreviations & Definitions

Explanation of definitions and acronyms used in this plan.

Term/Acronym	Definition
AASB	Australian Accounting Standards Board
AM Strategy	Asset Management Strategy
AMSC	Asset Management Steering Committee
Backlog	The quantum of assets that fall below the intervention levels of service reflected in the modelling rule base and hence due for a capital treatment, however, funding is not enough to treat these assets. The current hypothetical cost of recouping this backlog (i.e. BAMP funding required to bring every asset in condition state 5, Very Poor, back to a condition state 1, being Very Good) by immediate capital renewal
BAMP	Buildings Asset Management Plan
Condition	Condition involves the use of a single integer between 1 and 5 to describe the health of the asset in question; where 1 is very good and 5 is very poor.
CoP	City of Parramatta Council
ICT	Information and Communication Technology
IIMM	International Infrastructure Management Manual
ISO55000	55000 Series, International Suite of Asset Management Standards
LTFP	Long-Term Financial Plan (10 year)
Average Annual Lifecycle Cost	Total cost lifecycle scenario strategy. Calculation; Total Capital Cost over 10 Years + Total Maintenance & Operational Cost over 10 Years / 10 Years.
Non-current assets	Physical and intangible infrastructure assets, including information and communication technology (ICT) assets, controlled by the organisation
SAM	Strategic Asset Management

Appendix D Glossary

Annual Service Cost (ASC)

1) Reporting actual cost

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

2) For investment analysis and budgeting

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

Asset

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

Asset category

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

Asset class

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

Asset condition assessment

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

Asset hierarchy

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

Asset management (AM)

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

Asset renewal funding ratio (ARFR)

The ratio of the net present value of asset renewal funding accommodated over a 10-year period in a long term financial plan relative to the net present value of projected capital renewal expenditures identified in an asset management plan for the same period [AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9].

Average annual asset consumption (AAAC)*

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

Borrowings

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

Capital expenditure

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

Capital expenditure - expansion

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

Capital expenditure - new

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

Capital expenditure - renewal

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

Capital expenditure - upgrade

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

Capital funding

Funding to pay for capital expenditure.

Capital grants

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

Capital investment expenditure

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

Capitalisation threshold

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

Carrying amount

The amount at which an asset is recognised in the balance sheet after deducting any accumulated depreciation / amortisation and accumulated impairment losses.

Component

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

Core asset management

Asset management which relies primarily on the use of an asset register, maintenance management systems, top-down condition assessment, simple risk assessment and defined levels of service, in order to establish alternative treatment options and a long-term cash flow projection.

Cost of an asset

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

Critical assets

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

Deferred maintenance

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

Depreciable amount

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

Depreciated replacement cost (DRC)

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

Depreciation / amortisation

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

Economic life

See useful life definition.

Expenditure

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

Expenses

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

Fair value

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

Financing gap

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

Gross replacement cost (GRC)

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

Heritage asset

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

Impairment Loss

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

Infrastructure assets

Physical assets that contribute to meeting the needs for access to major economic and social

facilities and services, e.g. roads, drainage, footpaths and cycle ways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally, the components and hence the assets have long lives. They are fixed in place and are often have no separate market value.

Key performance indicator

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

Level of service

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

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

Life Cycle

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

Life Cycle Cost (LCC)

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

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

Life Cycle Expenditure (LCE)

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

Maintenance

All actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets operating, e.g. road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

Maintenance may be classified as:

- **Planned maintenance**

Falls into three categories:

a) Periodic – necessary to ensure the reliability or to sustain the design life of an asset.

b) Predictive – condition monitoring activities used to predict failure.

c) Preventive – maintenance that can be initiated without routine or continuous checking and is not condition based.

- **Reactive maintenance**

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

- **Specific maintenance**

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

- **Unplanned maintenance**

Corrective work required in the short-term to restore an asset to working condition so it can

continue to deliver the required service or to maintain its level of security and integrity.

Maintenance expenditure *

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

Materiality

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

Modern equivalent asset

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technological 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 are 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 AMP's 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 *