



Asset Management Plan

Buildings

2018-28

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1 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

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

This asset management plan details information about infrastructure assets including actions required to provide an agreed level of service in the most cost effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide the services over a 10-year planning period.

This plan covers the Council's building infrastructure assets.

1.2 Asset Description

These assets include:

- Community buildings;
- Affordable housing units;
- Operational buildings including depots & offices.

These infrastructure assets have significant value estimated at \$250,255,000.

1.3 Levels of Service

Our present funding levels are sufficient to continue to provide existing services at current levels in the medium term.

If sufficient funding levels are not maintained, the main services consequences are:

- Reduced visual amenity;
- Restricted access due to safety issues;
- Reduce structural capacity.

1.4 Future Demand

The main demands for new services are created by:

- Population;
- Demographics;
- Technological changes;
- Community preference and aspirations.

These will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management

practices include non-asset solutions, insuring against risks and managing failures.

Demand management practices for Council's building assets include:

- Effective management of existing infrastructure via regulation, education and influencing stakeholders on the use of assets;
- Upgrade infrastructure and provide new infrastructure to meet the demand.

1.5 Lifecycle Management Plan

What does it Cost?

The projected outlays necessary to provide the services covered by this Asset Management Plan (AM Plan) includes operations, maintenance, renewal and upgrade of existing assets. Over the 10-year planning period, the funding required is \$205,866,000 or \$20,587,000 on average per year of which \$1,164,000 relates to projected renewals.

Buildings are long life assets and the age profile of this asset class results in the requirement for only a small amount of renewal work during the planning period. Overall, our building assets are depreciating at \$3,952,000 annually and budget allocation over and above the projected renewals covered by this Asset Management Plan is required to ensure the future sustainability of this asset class beyond the 10-year planning period.

1.6 Financial Summary

What we will do

Estimated available funding for this period is \$233,530,000 or \$23,353,000 on average per year as per the long-term financial plan or budget forecast. This is 113 percent of the cost to sustain the current level of service at the lowest lifecycle cost over the 10-year planning period.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The emphasis of the Asset Management Plan is to communicate the consequences that this will have on the service provided and risks, so that decision making is "informed".

The allocated funding leaves a surplus of \$2,766,000 on average per year over the projected expenditure required to provide services in the AM Plan. This is shown in the figure below.

The surplus should be set aside to cover the difference between annual depreciation and renewals over the planning period. This will ensure that the existing levels of service can be maintained beyond the 10-year planning period and for the life of the assets. This effectively returns the sustainability ratio to 1 across the life of the assets.

Projected Operating and Capital Expenditure

Randwick CC - Projected and Budget Expenditure for (Building_S3_V1)

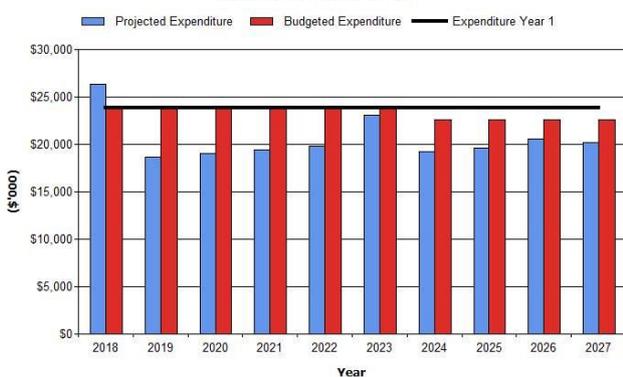


Figure values are in current (real) dollars.

We plan to provide Building services for the following:

- Operation, maintenance, renewal and upgrade of Community Buildings and Affordable Housing to meet service levels set by in annual budgets;
- Asset renewals and upgrades within the 10-year planning period.

Managing the Risks

Our present funding levels are sufficient to continue to manage risks in the short to medium term.

There are risks associated with providing the service and not being able to complete all identified activities and projects. We have identified major risks as failure of building components or rapid deteriorations of building components.

The main risk consequences are:

- Community and technical levels of service not being achieved;
- Increased risk of injury to users of building assets.

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

- Inspecting 20 percent of the network each year;
- Use inspection to identify assets at risk and prioritise and include those assets into capital works programs;
- Continued program of preventative maintenance and lifecycle replacement;
- Established commitment from internal and external stakeholders.

1.7 Asset Management Practices

Our systems to manage assets include:

- Technology One;
- GIS-(ESRI Arcmap);
- Photographs;
- Electronic data capturing tools (ESRI Arc Collector);
- Risk management practices and tools.

Assets requiring renewal/replacement are identified from a process of annual condition assessments to 20% of the network. The asset register is updated to include data from the inspections allowing future works programs to be projected.

1.8 Monitoring and Improvement Program

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

- The procurement of a Strategic Asset Management System to allow sophisticated modelling, forecasting and risk management; (Key Asset Management Strategy 7)
- The formation of an Asset Management Steering Group to ensure a consistent asset centric approach across the organisation that is consistent with the Asset Management Policy and Strategy; (Key Asset Management Strategy 2)
- Further identification and refinement of costs associated with managing this asset class. (Key Asset Management Strategy 4)

These next steps are aligned with Key Strategies identified in Council's Asset Management Strategy 2018-28.

2. INTRODUCTION

2.1 Background

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

This asset management plan is to be read with the following associated planning documents:

- The Randwick City Plan;
- Delivery Plan 2018-21 and annual Operational Plans;
- Asset Management Policy;
- Asset Management Strategy 2018-28;
- Long Term Financial Plan 2018-28;
- Resourcing Strategy-Workforce Plan 2018-28;
- ICT Digital Strategy 2018-28;
- Randwick City Council Community Consultation Principles and Consultation Planning Guide.

This plan aligns with the Asset Management Strategy 2018-28 and covers a 10-year planning period. Figures within the plan extend beyond the 10-year planning period for the purpose of projecting asset management challenges beyond the life of the plan.

The infrastructure assets covered by this asset management plan are shown in Table 2.1. These assets are used to provide community buildings, affordable housing services and buildings necessary for the operation of Council.

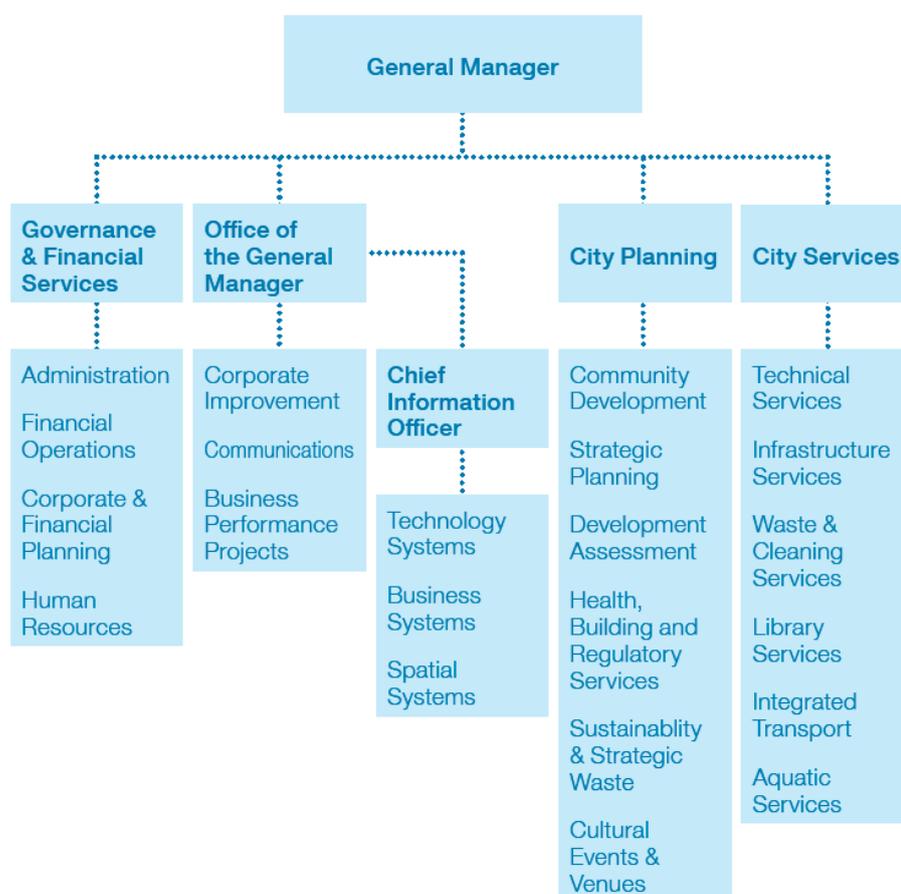
Table 2.1: Assets covered by this Plan

Asset Category	Quantity	Replacement Value
Community Buildings	125	\$187,116,000
Operational Buildings	19	\$48,188,000
Commercial Buildings	1	\$351,000
TOTAL	145	\$235,655,000

Table 2.1.1: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Council Representatives (Includes Councillors and the Mayor)	<ul style="list-style-type: none"> • Represent needs of community/shareholders. • Allocate resources to meet the organisation’s objectives in providing services while managing risks. • Ensure organisation is financially sustainable.
Council Officers	<ul style="list-style-type: none"> • Manage Building Assets. • Ensure level of service provided meets needs of residents and visitors. • Implement the components identified in the Building asset management plan.
Residents	<ul style="list-style-type: none"> • Core users of building assets. • Their needs, wants and expectations are conveyed to the Council and should be reflected in desired levels of service.
Visitors	<ul style="list-style-type: none"> • Users of building assets. • Their needs, wants and expectations drive the development in areas of the highest visitor usage and also commercial areas.
Insurers	<ul style="list-style-type: none"> • Insurers have interest in implementation of systems which allow Council to gain better knowledge of the condition of their assets. • Systems should be reflected in the number of claims made against each asset group.

The organisational structure for service delivery of infrastructure assets is detailed below.



2.2 Goals and Objectives of Asset Ownership

Our goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance;
- Managing the impact of growth through demand management and infrastructure investment;
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service;
- Identifying, assessing and appropriately controlling risks; and
- Linking to a long-term financial plan which identifies required, affordable expenditure and how it will be allocated.

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

- International Infrastructure Management Manual 2015;¹
- ISO 55000².

2.3 Plan Framework

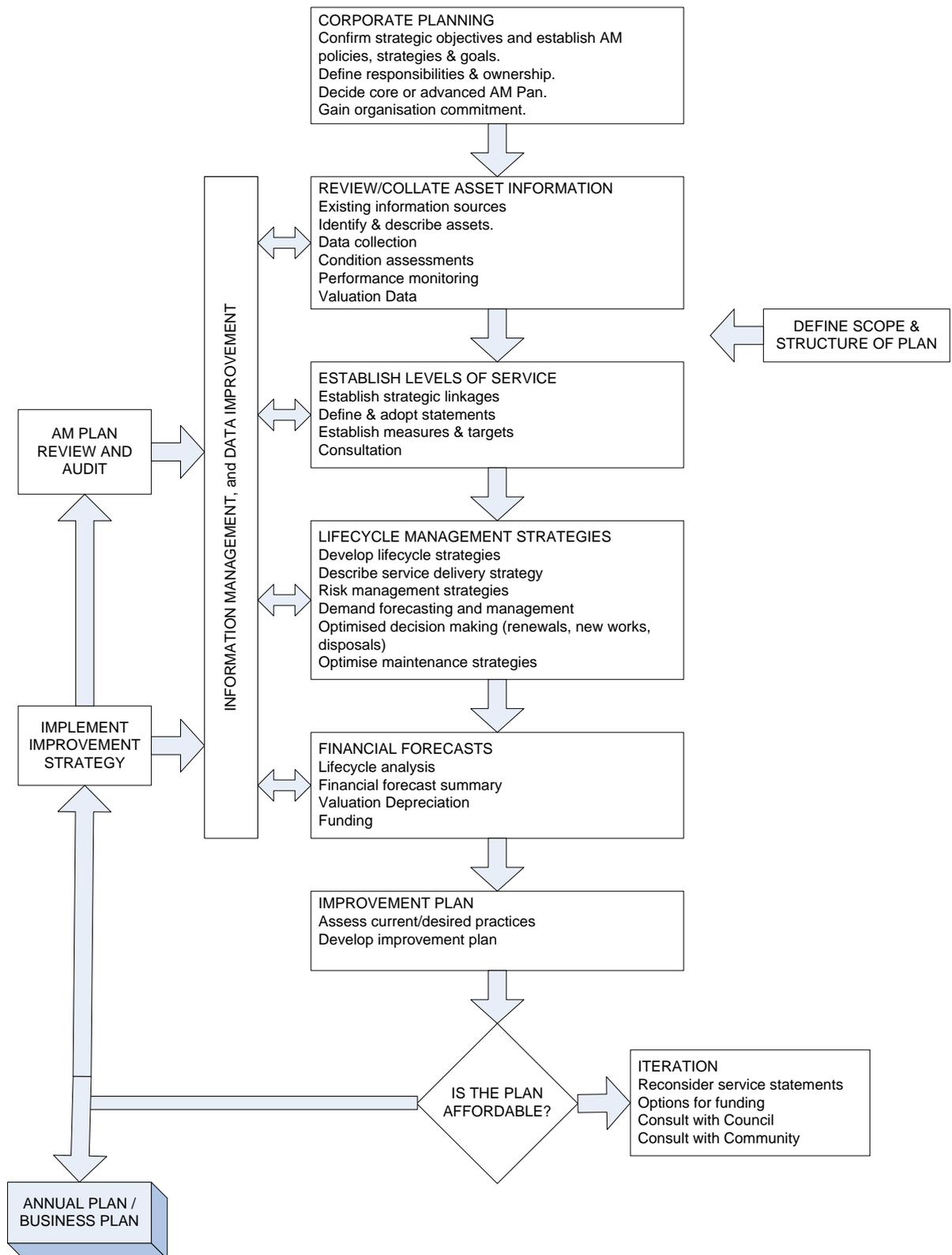
Key elements of the plan are:

- Levels of service – specifies the services and levels of service to be provided by the organisation;
- Future demand – how this will impact on future service delivery and how this is to be met;
- Life cycle management – how Council will 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;
- Monitoring – how the plan will be monitored to ensure it is meeting organisation’s objectives,
- Asset management improvement plan.

A road map for preparing an asset management plan is shown below.

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

² ISO 55000 Overview, principles and terminology



2.4 Core and Advanced Asset Management

This asset management plan is prepared as a 'core' asset management plan over a 10-year planning period in accordance with the International Infrastructure Management Manual³. Core asset management is a 'top down' approach where analysis is applied at the system or network level. An 'advanced' asset management approach uses a 'bottom up' approach for gathering detailed asset information for individual assets.

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

In 2014, Council commissioned a community satisfaction survey conducted by Micromex Research^A. The survey was administered by a computer aided telephone system to a sample of 1,000 residents. The most recent customer satisfaction survey reported satisfaction levels for the following services.

Table 3.1: Community Satisfaction Survey Levels

Performance Measure	Satisfaction Level*
Overall satisfaction with Council's performance	95%
Council's response time to request for service	78%
Community consultation	82%
Protection of heritage buildings and items	87%
Information on community services	90%
Community centres and halls	89%
Council libraries	96%
Des Renford Leisure Centre	96%
Ovals and sporting facilities	97%

*Based on Top 3 box (percentage of residents indicating they are very satisfied, satisfied, or somewhat satisfied).

Community satisfaction information is used in developing the Strategic Plan and in the allocation of resources in the budget.

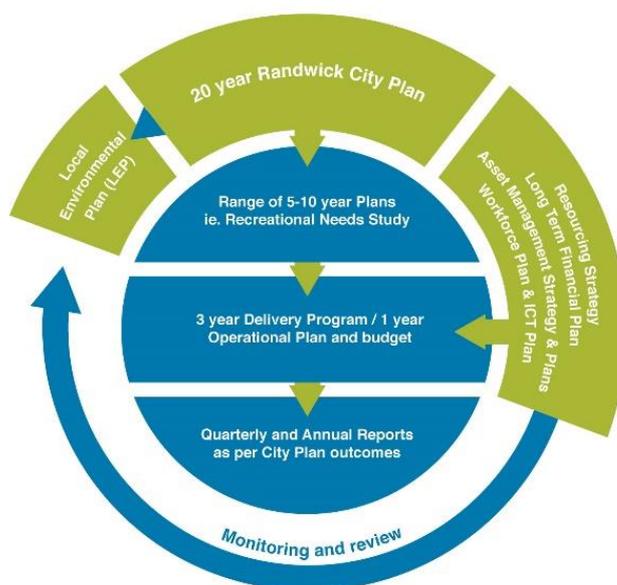
³ IPWEA, 2015, IIMM.

^A TRIM D02266591

3.2 Strategic and Corporate Goals

This asset management plan is prepared under the direction of the 10-year Randwick City Plan and within the Integrated Planning and Reporting (IPR) framework.

Integrated Planning and Reporting framework



This plan will guide the delivery of actions by Council to achieve the following City Plan Outcomes:

Outcome 1: Leadership in Sustainability.

Outcome 6: A Liveable City.

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

Table 3.2: Goals and how these are addressed in this Plan

Goal	Direction	Objective	How Goal and Objectives are addressed in IAMP
Outcome 6: A Liveable City	Direction 6a: Our public infrastructure and assets are planned, managed and funded to meet the community expectations and defined levels of service.	Implement the strategic asset management system to deliver intergenerational equity and meet the Council's obligations as the custodian of our community's assets.	The implementation of a Strategic Asset Management System is a part of the monitoring and improvement program within this Asset Management Plan.

Outcome 6: A Liveable City	Direction 6a: Our public infrastructure and assets are planned, managed and funded to meet the community expectations and defined levels of service.	Conduct programmed asset maintenance management in accordance with adopted service levels.	The Buildings Asset Management Plan includes funding for operations and maintenance and provisions for performance monitoring against adopted service level.
Outcome 6: A Liveable City	Direction 6c: The safety of our community is paramount and is acknowledged and supported through proactive policies, programs and strategies.	Conduct minor reactive maintenance management in accordance with adopted service levels.	<ul style="list-style-type: none"> • Respond to customer requests within service level agreements. • Identify high and extreme risk buildings. • Planned inspections for high and extreme risk buildings. • Develop an operational and maintenance plan and allocate funding to carry out remediation work as required.
Outcome 1. Leadership in Sustainability	Direction 1a - Council has a long-term vision based on sustainability.	Ensure financial strategies underpin Council's asset management policies and strategic vision.	The Buildings Asset Management Plan aligns with Council's Resourcing Strategy, including the Asset Management Strategy, Workforce Plan and Long-Term Financial Plan.

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

3.3 Legislative Requirements

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

Table 3.3: Legislative Requirements

Legislation	Requirement
NSW Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local government including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
Heritage Act 1977	Sets out requirements to protect and manage NSW heritage. Several properties are listed under the terms of the Act and attract a high level of maintenance cost, approval and monitoring.
Building Code of Australia 2016	The BCA is a uniform set of technical provisions for the design and construction of buildings and other structures throughout Australia, which allows for variations in climate and geological or geographic conditions.
Building Fire and Safety Regulation 2008	This Act sets out the regulations for things such as means of escape, limitation of people in buildings, fire evacuation plans and testing of special fire services and installations.
Electrical Safety Act 2002	This Act sets out the installation, reporting and safe use with electricity.
Disability Discrimination Act 1992	Provides protection for everyone in Australia against discrimination based on disability, in the areas of provision of goods, facilities, services and land.
Environmental Planning and Assessment Act 1979	Sets out specific requirements associated with environmental planning
Plumbing and Drainage Act 2011	Sets out plumbing requirements.

Valuation of Land Act 1916	Set out requirements for land valuations.
Public Records Act 2002	Set out requirements for maintaining public records.
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.
Workplace Health and Safety Act 2011	Protecting workers and other persons against harm to their health, safety and welfare through the elimination or minimisation of risks arising from work.
Australian Accounting Standard AASB116	Reporting on asset condition and consumption to Councillors, management and the community.

3.4 Customer Levels of Service

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

Customer Levels of Service measure how the customer receives the service and whether value to the customer is provided.

Customer levels of service measures used in the asset management plan are:

Quality How good is the service ... *what is the condition or quality of the service?*

Function Is it suitable for its intended purpose *Is it the right service?*

Safety Is it safe for its intended purpose *Is it the right service?*

Capacity/Use Is the service over or under used ... *do we need more or less of these assets?*

The current and expected customer service levels are detailed in Tables 3.4 and 3.5. Table 3.4 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 percentage of Very Poor, Poor/Average/Good, Very Good.

These Organisational measures provide a balance in comparison to the customer perception that may be more subjective.

Table 3.4: Customer Level of Service

	Expectation	Performance Measure Used	Current Performance	Expected Position in 10 Years based on the current budget.
Service Objective: Council's Building Assets are maintained and fit for use.				
Quality	Provide buildings that are free from obvious defects.	Customer Satisfaction Survey results.	Satisfaction for community centres and halls 89%.	Maintain current performance.
	Routinely inspect Building assets.	Routine Inspection of all building assets.	20% of buildings inspected annually.	Maintain current performance.
	Confidence levels		High	High
Function	Building assets meet user's needs.	Customer Satisfaction Survey results.	Satisfaction for community centres and halls 89%.	Maintain current performance.
		Respond to CRM's within SLA timeframe.	79% of Service Requests actioned within allocated time frames. ^B	Increase in % of requests actioned within service level agreement timeframes.
	Confidence levels		High	High
Safety	Buildings are safe for community to use.	Routine Inspections of buildings.	20% of buildings inspected annually.	Maintain current performance.
		Respond to CRM's within SLA timeframe.	79% of Service Requests actioned within allocated time frames. ^B	Increase in % of requests actioned within service level agreement timeframes.
		Claims made against Council regarding Building assets.	Currently NO claims in relation to Council's buildings.	Maintain current performance.
Capacity and Use	Ensure Council Buildings are utilised at optimum levels with room for expansion.	Customer Satisfaction Survey results.	Satisfaction for community centres and halls 89%	Maintain current performance.
		Manage up to maximum carrying capacity.	Management of community facilities bookings.	Maintain current performance.
	Confidence levels		High	High

3.5 Technical Levels of Service

Technical Levels of Service - Supporting the customer service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities to best achieve the desired customer outcomes and demonstrate effective performance.

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

- Operations – the regular activities to provide services; (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc.),
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. road patching, unsealed road grading, building and structure repairs),

^B TRIM D02587061

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

Service and asset managers plan, implement and control technical service levels to influence the customer service levels.⁴

Table 3.5 shows the technical levels of service expected to be provided under this AM Plan. The 'Desired' position in the table documents the position being recommended in this AM Plan.

Table 3.5: Technical Levels of Service

Service Attribute	Service Activity Objective	Activity Measure Process	Current Performance *	Desired for Optimum Lifecycle Cost **
TECHNICAL LEVELS OF SERVICE				
Operations	Provide safe and compliant facilities.	Regular inspections and maintenance to buildings.	20% of buildings inspected annually.	Satisfied with current performance.
		Fire safety certification.	Annual inspection required.	Satisfied with current performance.
		Budget	\$10,926,000	
Maintenance	Mechanical and electrical services fully functioning.	Regular inspections and maintenance to electrical and mechanical assets.	Reactive and 20% of buildings inspected annually.	Satisfied with current performance.
	Building maintained in a functional condition.	Regular inspections and maintenance to buildings.	Reactive and 20% of buildings inspected annually.	Satisfied with current performance.
		Budget	\$5,547,000	
Renewal	Buildings to be in a satisfactory condition.	Conditional assessment.	Building Assets renewed when required.	Satisfied with current performance.
		Budget	\$5,600,000	
Upgrade/New	Upgrade to meet community needs.	Customer satisfaction survey.	Satisfaction for community centres and halls 89%.	Maintain current approach.
		Budget	\$1,800,000	

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

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

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

⁴ IPWEA, 2015, IIMM, p 2 | 28.

4. FUTURE DEMAND

4.1 Demand Drivers

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

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets were identified and are documented in Table 4.3.

4.3 Demand Impact on Assets

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

Table 4.3: Demand Drivers, Projections and Impact on Services

Demand drivers	Present position	Projection	Impact on services
Population	140,660 (As at June 30 2016, ABS estimated resident population – whole of Randwick Council area).	NSW Department of Planning and Environment projects a 23% increase in population by 2036 within Randwick Local Government Area.	An increase in population will require an increase in community and infrastructure services. Existing services may require amendment to cater for changes in use or increased patronage.
Demographics	Randwick City Council has: -18% over 60 YO -43% in the 20-45 YO group. (As at June 30 2016, ABS estimated resident population – whole of Randwick Council area).	Greater proportion of 10-20 YO (>35% growth). Greater proportion of over 60 YO (>45% growth). Low proportion of 25-45 YO (<10% growth).	Greater need for aged and disability access. Increase in population will require improvements to public transport infrastructure and accessible recreational infrastructure.
Land Area	The Randwick Local Government Area is developed.	Redevelopment will include dedication of Building assets.	More services.
Technological Changes	Technology continues to be implemented to improve data management and access to infrastructure control and monitoring.	Updated Plant & Equipment Product Improvements Improved access to Council Improved data recording and assessing.	New technologies may reduce operational costs and maintenance frequency.

4.4 Demand Management Plan

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

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

Table 4.4: Demand Management Plan Summary

Demand Driver	Impact on Services	Demand Management Plan
Population	An increase in population will require an increase in community and infrastructure services.	Balance priorities for infrastructure with what the community is prepared to pay (statutory requirements / standards is the minimum standard).
Demographics	Greater need for accessible building infrastructure.	Assess capacity to fund current and/or improved levels of service.
Technology Changes	Potential to reduce maintenance and resource requirements.	New and emerging technologies should be assessed for both performance, abilities to improve service and whole of life costs.

4.5 Asset Programs to meet Demand

The new assets required to meet demand can be acquired, donated or constructed. Additional assets are discussed in Section 5.5. The summary of the cumulative value of additional asset is shown in Figure 1.

Figure 1: Upgrade and New Assets to meet Demand – (Cumulative)

Randwick CC - Upgrade & New Assets to meet Demand (Building_S3_V1)

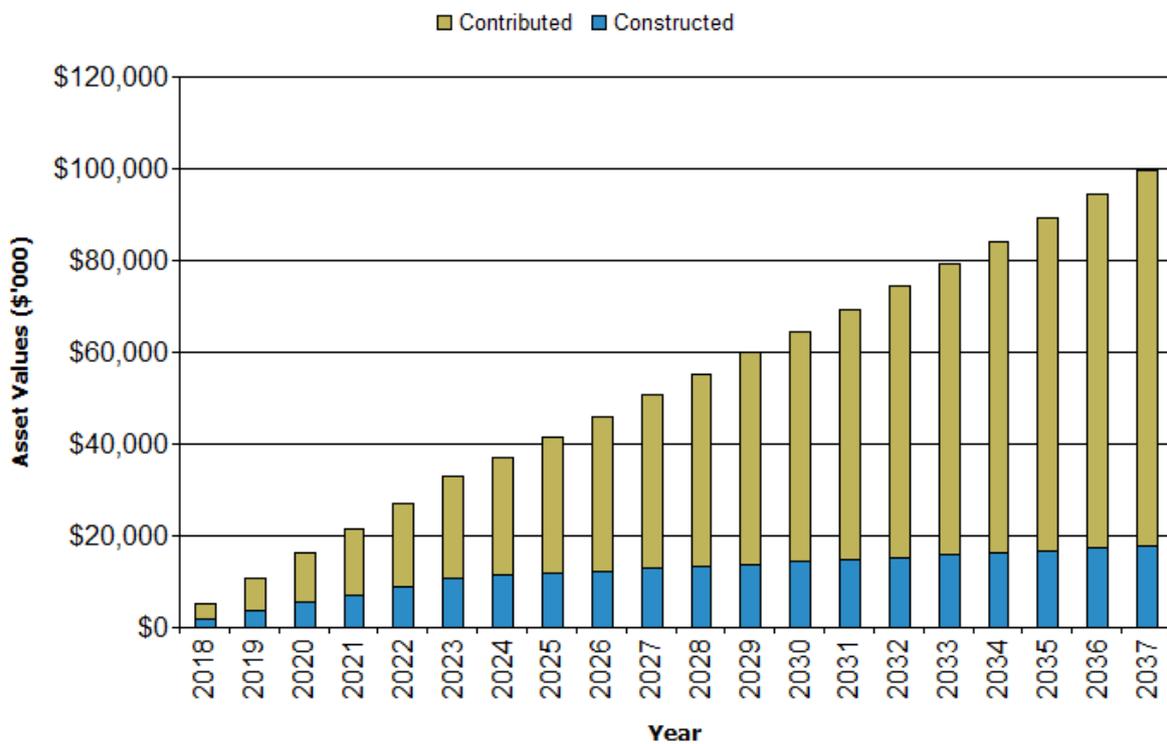


Figure Values are in current (real) dollars.

Acquiring these new assets will commit ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan further in Section 5.

5. LIFECYCLE MANAGEMENT PLAN

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

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this asset management plan are shown in Table 2.1.

Building Infrastructure assets include Commercial Buildings, Public Buildings and Amenity Buildings

The age profile of the assets included in this AM Plan are shown in Figure 2.

Figure 2: Asset Age Profile

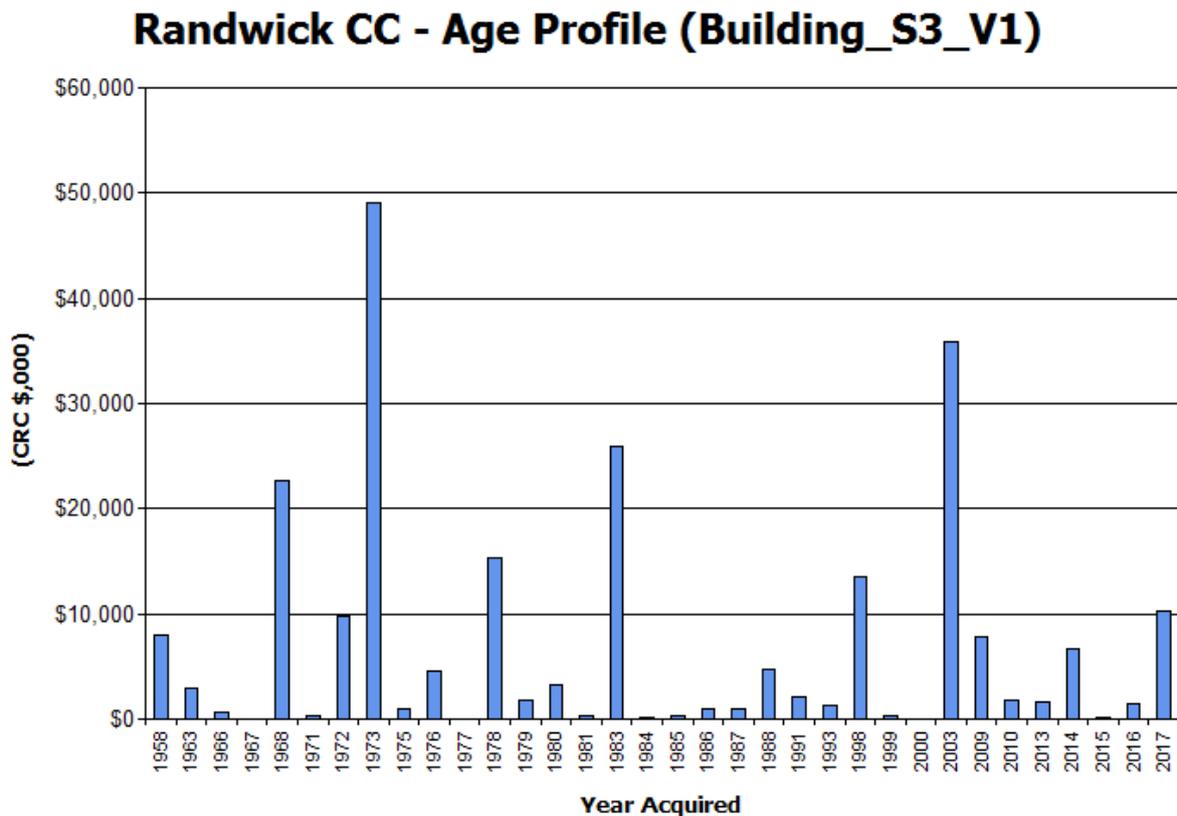


Figure values are in current (real) dollars.

According to Figure 2, there were major investments in building infrastructure around 1973, 1983 and 2003. The constant investment in buildings infrastructure in recent years if continued, will result in renewals being constant over the coming years rather than being required all at once.

5.1.2 Asset capacity and performance

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

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Nil	

The above service deficiencies were identified from consulting the Coordinator Building Services.

5.1.3 Asset condition

Council inspects 20 percent of the entire asset network every year. The monitoring of buildings assets is encompassed within this program.

The condition profile of our assets is shown in Figure 3.

Figure 3: Asset Condition Profile

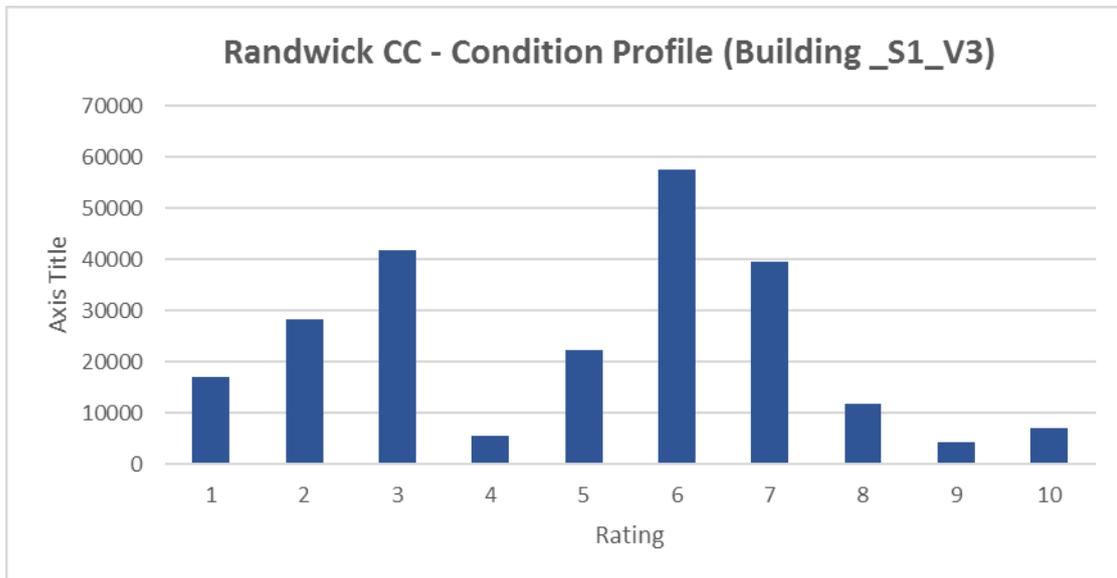


Figure values are in current (real) dollars.

Figure 3 shows that majority of Council’s Buildings Assets are between excellent and satisfactory condition.

Condition is measured using a 1 – 5 grading system⁵ as detailed in Table 5.1.3.

Table 5.1.3: Simple Condition Grading Model

Condition Grading	Description of Condition
1	New: A new or near new asset with no visible signs of deterioration.
2	Excellent: An asset in excellent overall condition. There would be only very slight condition decline but it would be obvious that the asset was no longer in new condition.
3	Very Good: An asset in very good overall condition but with some early stages of deterioration evident, but the deterioration is still minor in nature and causing no serviceability problems.
4	Good: An asset in good overall condition but with some obvious deterioration evident. Serviceability would be impaired very slightly.
5	Average: An asset in fair overall condition. Deterioration of condition would be obvious and there would be some serviceability loss.
6	Satisfactory: An asset in satisfactory condition. Deterioration of condition would be obvious. Asset serviceability would now be affected and maintenance cost would be high.
7	Unsatisfactory: An asset in an unsatisfactory condition. Deterioration of condition would be quite severe would be starting to limit serviceability of the asset. Maintenance costs would be high.
8	Poor: An asset in very poor overall condition with serviceability now being heavily impacted upon by the poor condition. Maintenance cost would be very high and the asset would be at a point where it needed to be rehabilitated.
9	Consider Reconstruction: An asset in extremely poor condition with severe serviceability problems and needing rehabilitation immediately. Could also be a risk to remain in service.
10	Imminent Failure / Failed: An asset that has failed, is no longer serviceable and should not remain in service. There would be an extreme risk in leaving the asset in service.

5.2 Operations and Maintenance Plan

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

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

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating.

Maintenance expenditure is shown in Table 5.2.1.

Table 5.2.1: Maintenance Expenditure Trends

Year	Maintenance Budget \$
2016/17	\$5,547,000
2017/18	\$5,547,000
2018/19	\$5,547,000

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

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

Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 4. Note that all costs are shown in current 2017 dollar values (i.e. real values).

Figure 4: Projected Operations and Maintenance Expenditure

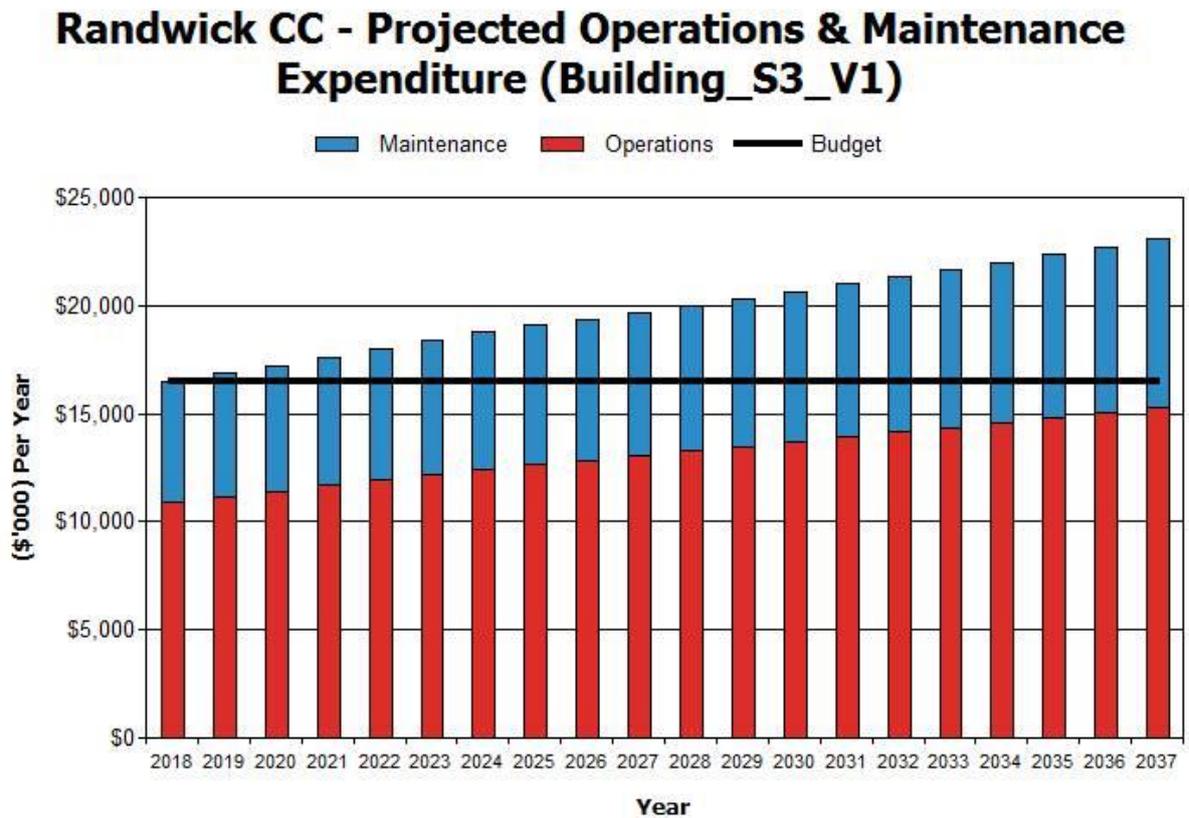


Figure values are in current (real) dollars.

Currently, Council is maintaining sufficient funding levels for building maintenance and operations, however, funding will need to increase into the future to maintain maintenance and operations service levels.

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

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

5.3 Renewal/Replacement Plan

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

Assets requiring renewal/replacement are identified from a combination of costs using acquisition year and useful life to determine the renewal year and capital renewal expenditure projections from external condition modelling systems.

5.3.1 Renewal ranking criteria

Asset renewal and replacement is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate; (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. roughness of a road).⁶

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

- Have a high consequence of failure;
- Have high use and subsequent impact on users would be greatest;
- Have a total value representing the greatest net value;
- Have the highest average age relative to their expected lives;
- Are identified in the AM Plan as key cost factors;
- Have high operational or maintenance costs; and
- Have replacement with a modern equivalent asset that would provide the equivalent service at a savings.⁷

The ranking criteria used to determine priority of identified renewal and replacement proposals is detailed in Table 5.3.1.

Table 5.3.1: Renewal and Replacement Priority Ranking Criteria

Criteria	Weighting
Community - Function	30%
Community - Quality	5%
Technical - Condition	10%
Technical – Risk of Failure	40%
Technical – Operating/Maintenance and lifecycle costs	15%
Total	100%

5.3.2 Summary of future renewal and replacement expenditure

Projected future renewal and replacement expenditures are forecast to increase over time when the asset stock increases. The expenditure required is shown in Figure 5. Note that all amounts are shown in current (real) dollars.

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

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

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

Figure 5: Projected Capital Renewal and Replacement Expenditure

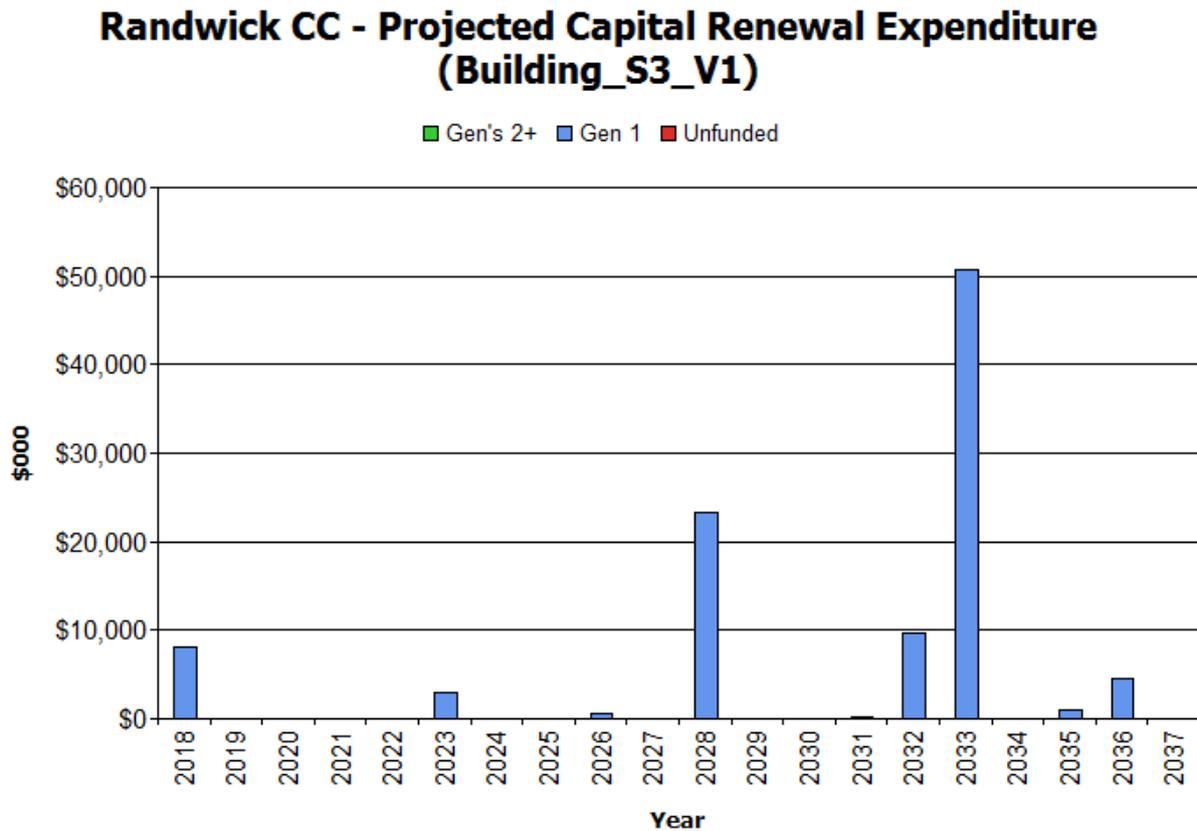


Figure values are in current (real) dollars.

It is expected that the backlog noted in 2017 could be renewed under current funding levels between 2019 and 2021.

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

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

5.4 Creation/Acquisition/Upgrade Plan

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

5.4.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed below.

Table 5.4.1: New Assets Priority Ranking Criteria

Criteria	Weighting
Safety	35%
Community Expectation	15%
Lifecycle Costs	25%
Community Benefits (Usage, population, future development)	25%
Total	100%

5.4.2 Summary of future upgrade/new assets expenditure

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

Figure 6: Projected Capital Upgrade/New Asset Expenditure

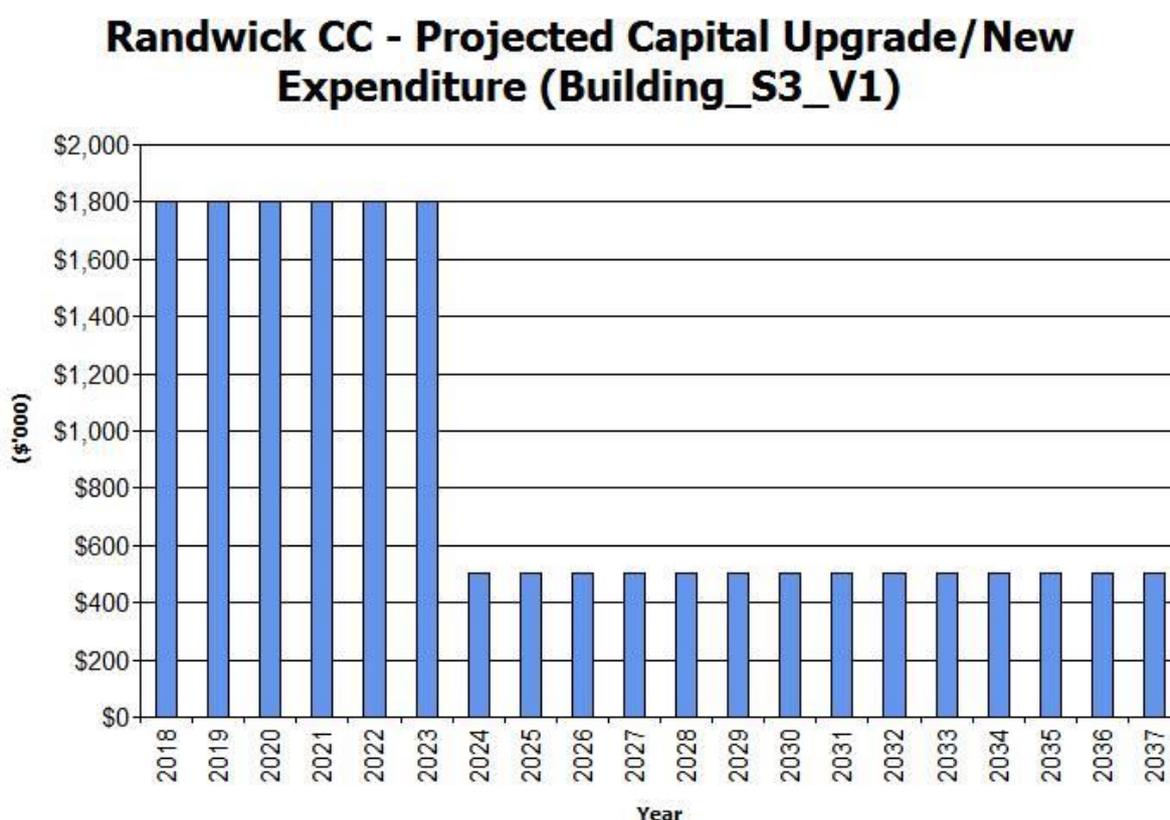


Figure values are in current (real) dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan but only to the extent of the available funds.

Acquiring these new assets will commit the funding of ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required.

5.4.3 Summary of asset expenditure requirements

The financial projections from this asset plan are shown in Figure 7 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets). Note that all costs are shown in real values.

The bars in the graphs represent the anticipated budget needs required to achieve lowest lifecycle costs, the budget line indicates what is currently available. The gap between these informs the discussion on achieving the balance between services, costs and risk to achieve the best value outcome.

Figure 7: Projected Operating and Capital Expenditure

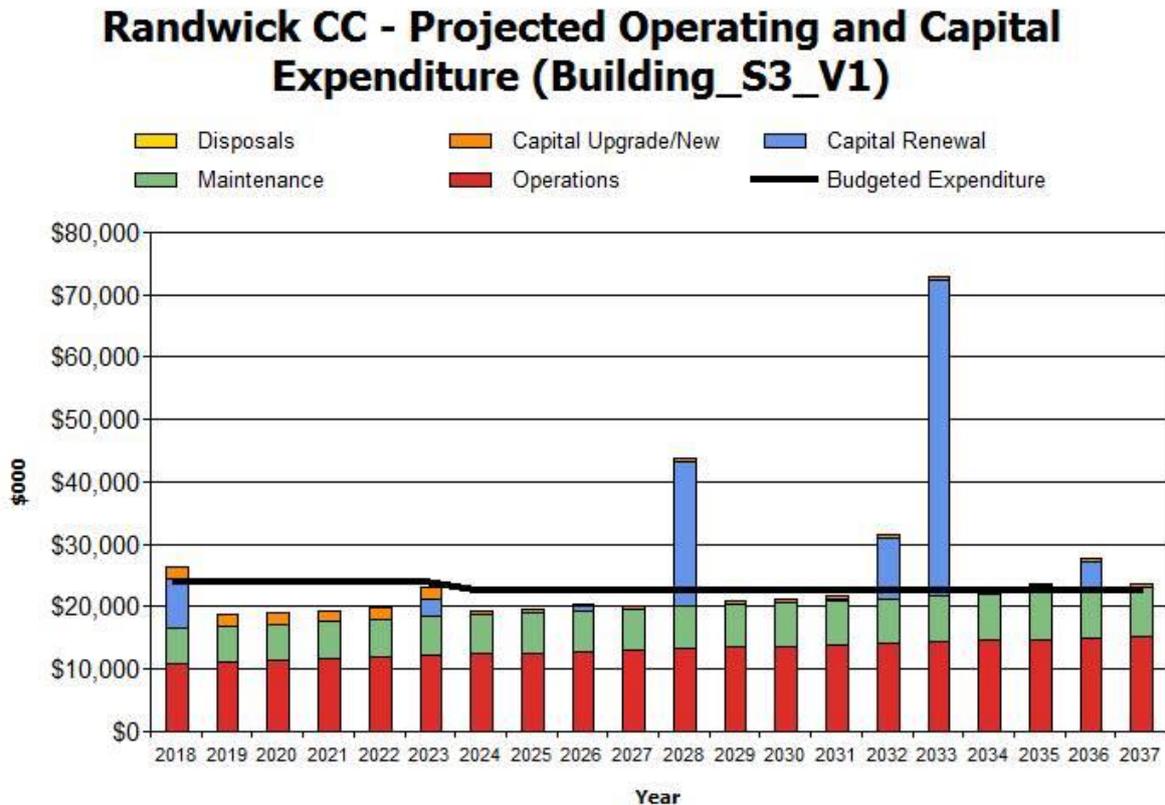


Figure values are in current (real) dollars.

According to figure 7, Council allocates sufficient funding for operating and capital works.

6. RISK MANAGEMENT PLAN

The purpose of infrastructure risk management is to document the results and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2009 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2009 as: ‘coordinated activities to direct and control with regard to risk’⁸.

An assessment of risks⁹ associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a ‘financial shock’. The risk assessment process

⁸ ISO 31000:2009, p 2

⁹ 4.3.1 Hazard/Risk Identification, Assessment and Control

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

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Similarly, critical failure modes are those which have the highest consequences.

Critical assets have been identified and their typical failure mode and the impact on service delivery are as follows:

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Foundations, footing and floors	Displacement, damage or distresses.	Loss or reduction of service, restricted access, casualties to users or property damage.
Walls	Displacement, damage or distresses.	Loss or reduction of service, restricted access, casualties to users or property damage.
Roofs	Displacement, damage or distresses.	Loss or reduction of service, restricted access, casualties to users or property damage.
Mechanical fixtures & fittings	Displacement, damage or distresses.	Loss or reduction of service, restricted access, casualties to users or property damage.
Electrical fixtures & fittings	Displacement, damage or distresses.	Loss or reduction of service, restricted access, casualties to users or property damage.
Plumbing fixtures & fittings	Displacement, damage or distresses.	Loss or reduction of service, restricted access, casualties to users or property damage.

By identifying critical assets and failure modes investigative activities, condition inspection programs, maintenance and capital expenditure plans can be targeted at the critical areas.

6.2 Risk Assessment

The risk management process used in this project is shown below in Figure 6.2.

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

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

Fig 6.2.1 Risk Management Process – Abridged

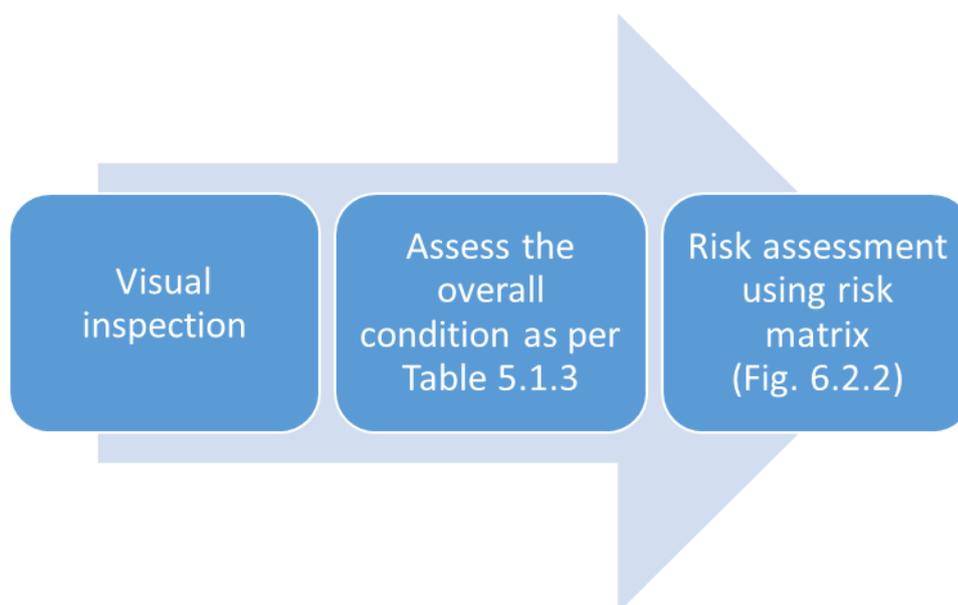


Figure 6.2.2-Risk table

Risk Assessment

Risk Factors	Consequence	Likelihood
<i>Personal Injury</i>		<i>Please note likelihood is based on condition assessment</i>
<i>Financial Implications</i>		
<i>Environmental</i>		
<i>Political</i>		

Consequence	Risk Descriptions
<i>Catastrophic</i>	Death, toxic release off site with detrimental effect, huge financial loss (>\$100,000), sustained comprehensive negative national media coverage with major loss in community trust
<i>Major</i>	Extensive injuries, loss of production capability, off site release with no detrimental effects, major financial loss (>\$50,000 & <\$100,000), Ongoing negative media coverage in local and metro press with minimal community trust
<i>Moderate</i>	Medical treatment required, on-site release contained with outside assistance, high financial loss (>\$10,000 & <\$50,000), Short period negative media coverage with rigorous community discussion
<i>Minor</i>	First aid treatment, on-site release immediately contained, medium financial loss (>\$1000 & <\$10,000), little or no impact on community's perception of Council
<i>Insignificant</i>	No injuries, low financial loss (<\$1000), no effect to normal operations

Figure 6.2.3 Risk Matrix

	CONSEQUENCE				
LIKELIHOOD	Insignificant	Minor	Moderate	Major	Catastrophic
	-2	-3	-7	-13	-20
Almost Certain (5)	Medium (10)	High (15)	High (35)	Extreme (65)	Extreme (100)
Likely (4)	Medium (8)	Medium (12)	High (28)	High (52)	Extreme (80)
Possible (3)	Low (6)	Medium (9)	High (21)	High (39)	Extreme (60)
Unlikely (2)	Low (4)	Low (6)	Medium (14)	High (26)	High (40)
Rare (1)	Low (2)	Low (3)	Medium (7)	Medium (13)	High (20)

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

An assessment of risks¹⁰ associated with service delivery from infrastructure assets has identified the critical risks that will result in significant loss, 'financial shock' or a reduction in service.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) 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 6.2. These risks and costs are reported to management and Councillors.

Table 6.2: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan
Building Maintenance	Maintenance cost increasing due to inadequate renewal program.	High	Improve data, determine priorities based on service and risk criteria, develop prioritised program for renewal.
Building Renewal	Buildings deteriorate to a lesser service standard and a higher risk situation.	High	Improve data, determine priorities based on service and risk criteria, develop prioritised program for renewal.

7. FINANCIAL SUMMARY

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

¹⁰ 4.3.1 Hazard/Risk Identification, Assessment and Control

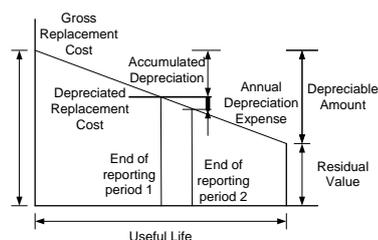
7.1 Financial Statements and Projections

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

7.1.1 Asset valuations

The best available estimate of the value of assets included in this Asset Management Plan are shown below. Assets are valued at fair value by an independent Valuer.

Gross Replacement Cost	\$235,655,000
Depreciable Amount	\$235,655,000
Depreciated Replacement Cost ¹¹	\$127,202,000
Annual Average Asset Consumption	(1.7%)



7.1.2 Sustainability of service delivery

Two key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset category, these being the:

- asset renewal funding ratio, and
- medium term budgeted expenditures/projected expenditure (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio¹² 433 percent

The Asset Renewal Funding Ratio is the most important indicator and indicates that over the next 10 years of the forecasting that we expect to have, 433 percent of the funds required for renewal and replacement of assets.

Medium term – 10-year financial planning period

This asset management plan identifies the projected operations, maintenance and capital renewal expenditures 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.

These projected expenditures may be compared to budgeted expenditures in the 10-year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

The projected operations, maintenance and capital renewal expenditure required over the 10-year planning period is \$19,307,000 on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$22,073,000 on average per year giving a 10-year funding surplus of \$2,766,000 per year. This indicates 114 percent of the projected expenditures will provide the services documented in the asset management plan. This excludes upgrade/new assets.

¹¹ Also reported as Written Down Value, Carrying or Net Book Value.

¹² AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

Providing services from infrastructure in a sustainable manner requires the matching and managing of service levels, risks, projected expenditures and financing to achieve a financial indicator of approximately 1.0 for the first years of the asset management plan and ideally over the 10-year life of the Long-Term Financial Plan.

7.1.2 Projected expenditures for long-term financial plan

Table 7.1.3 shows the projected expenditures for the 10-year long-term financial plan.

Expenditure projections are in 2017 real values.

Table 7.1.3: Projected Expenditures for Long Term Financial Plan (\$000)

Year	Operations (\$000)	Maintenance (\$000)	Capital Renewal (\$000)	Capital Upgrade/ New (\$000)	Disposals (\$000)
2018	\$10,926	\$5,547	\$8,052	\$1,800	\$0
2019	\$11,173	\$5,673	\$0	\$1,800	\$0
2020	\$11,423	\$5,799	\$0	\$1,800	\$0
2021	\$11,675	\$5,927	\$0	\$1,800	\$0
2022	\$11,930	\$6,057	\$0	\$1,800	\$0
2023	\$12,188	\$6,188	\$2,906	\$1,800	\$0
2024	\$12,448	\$6,320	\$0	\$500	\$0
2025	\$12,650	\$6,422	\$0	\$500	\$0
2026	\$12,855	\$6,526	\$660	\$500	\$0
2027	\$13,063	\$6,632	\$25	\$500	\$0
2028	\$13,274	\$6,739	\$23,296	\$500	\$0
2029	\$13,487	\$6,847	\$0	\$500	\$0
2030	\$13,703	\$6,957	\$0	\$500	\$0
2031	\$13,922	\$7,068	\$267	\$500	\$0
2032	\$14,144	\$7,181	\$9,711	\$500	\$0
2033	\$14,369	\$7,295	\$50,766	\$500	\$0
2034	\$14,597	\$7,411	\$0	\$500	\$0
2035	\$14,829	\$7,528	\$951	\$500	\$0

Year	Operations (\$000)	Maintenance (\$000)	Capital Renewal (\$000)	Capital Upgrade/ New (\$000)	Disposals (\$000)
2036	\$15,063	\$7,647	\$4,500	\$500	\$0
2037	\$15,300	\$7,768	\$50	\$500	\$0

7.2 Funding Strategy

Funding for assets is provided from the budget and long-term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the asset management plan communicates how and when this will be spent, along with the service and risk consequences of differing options.

7.3 Valuation Forecasts

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

Additional assets will generally add to the operations and maintenance needs in the longer term, as well as the need for future renewal. Additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this asset management plan. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this asset management plan are:

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

- Asset values and dimensions are correct.
Change to asset values and dimensions will have an effect on resources required to operate, maintain and renew the building assets;
- 20 percent of Council's building assets will be inspected annually (100 percent every 5 years) and buildings asset condition updated accordingly;
Monitoring of change of condition may show change in the asset's useful life which may have a subsequent change of funding required to maintain level of service.
- The estimates used for current rates of renewal will remain constant at current 2017 values for the next 10 years.
- Possible increase in renewal costs may reduce level of works budgeted with possible reduction in the buildings service level.

7.5 Forecast Reliability and Confidence

The expenditure and valuations projections in this AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale¹³ in accordance with Table 7.5.

¹³ IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

Table 7.5: Data Confidence Grading System

Confidence Grade	Description
A Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate \pm 2%.
B Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate \pm 10%.
C Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated \pm 25%.
D Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy \pm 40%.
E Unknown	None or very little data held.

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

8. PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹⁴

8.1.1 Accounting and financial data sources

In 2010 Council implemented the financial system, Technology One. This system contains a Works and Assets Module in which works orders or tasks can be raised and costing's tracked against a particular asset.

Council's finance system is managed by its Finance section. The system is reported on and audited annually. The audited report is presented to Council, who then refers the report onto the Department of Local Government.

Council's Engineering Services team provides input into the asset registers including condition, useful life, unit rates, capitalisation data and physical attributes.

8.1.2 Asset management data sources

Randwick Council's Asset Register is currently located within the Technology One software package. This dataset contains all of the information to physically describe the asset including its makeup, age, condition, useful life, CRC and other financial data. The register is also linked to other systems including GIS.

The Technology One software used for asset management is currently controlled/managed by Council's Finance section.

Data maintenance is undertaken by Council's Asset Management section who review data/assets on an annual program and advise the Finance section of any updates, new or disposed assets as they arise.

¹⁴ ISO 55000 Refers to this the Asset Management System

Council is currently reviewing options for Strategic Asset Management Systems. The selected system will draw information from the Technology One asset registers.

8.2 Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 8.1.

Table 8.1: Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1	Review buildings data layouts & cleanse data.	Engineering Services.	Asset Team and BFOC.	Ongoing
2	Update newly identified building asset data into Technology One.	Engineering Services.	Asset Team and Finance Team.	Ongoing
3	Complete 20% buildings condition audit yearly.	Engineering Services.	Asset team and contractors.	Annually
4	Conduct buildings revaluation.	Asset Team and Finance Team.	Asset Team and Finance Team.	2020

8.3 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 and/or resources available to provide those services as a result of budget decisions.

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

The AM Plan has a life of 4 years and is due for complete revision and updating within the financial year of each Randwick Council election.

8.4 Performance Measures

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

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

9. REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/namsplus.

- IPWEA, 2015, 2nd edn., 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMM.
- IPWEA, 2015, 3rd edn., 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2012 LTFP Practice Note 6 PN Long Term Financial Plan, Institute of Public Works Engineering Australasia, Sydney

10. APPENDICES

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

Asset ID	Sub Category	Asset Name	From	Rem Life (Years)	Useful Life (Years)
BL001159	Building	Blenheim House	17 Blenheim Street, Randwick	0	60
BL001015	Building	Clovelly Bowling Club	1 Ocean Street, Clovelly	0	60
BL001157	Building	Sandgate Cottage	128 Belmore Road, Randwick	0	60
BL001027	Building	Eastward Senior Citizens Centre	97R Brook Street, Coogee	5	60
BL001170	Building	Residential Flat Building	20 Silver Street, Randwick	5	60
BL001014	Building	Burrows Park - Switchroom	0 Ocean Street, Clovelly	8	60
BL001105	Building	Snape Park - Clubhouse (Tennis)	15R Snape Road, Maroubra	8	60
BL001051	Building	Kensington Oval - Pumphouse	2R Edward Avenue, Kensington	9	60

Appendix B Budgeted Expenditures Accommodated in LTFF

NAMS.PLUS3 Asset Management Randwick CC																																									
© Copyright. All rights reserved. The Institute of Public Works Engineering Australasia																																									
<div style="display: flex; justify-content: space-between;"> <div> <p>Building_S3_V1</p> <p>First year of expenditure projections 2018 (financial yr ending)</p> </div> <div> <p>Asset Management Plan</p> <p>Calc CRC from Asset Register This is a check for you.</p> </div> <div> <p>IPWEA INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA</p> <p>JRA</p> </div> </div>																																									
<div style="display: flex; justify-content: space-between;"> <div> <p>Building</p> <p>Asset values at start of planning period</p> <table border="1"> <tr><td>Current replacement cost</td><td>\$235,655 (000)</td></tr> <tr><td>Depreciable amount</td><td>\$235,655 (000)</td></tr> <tr><td>Depreciated replacement cost</td><td>\$127,202 (000)</td></tr> <tr><td>Annual depreciation expense</td><td>\$3,952 (000)</td></tr> </table> </div> <div> <p>Operations and Maintenance Costs for New Assets</p> <table border="1"> <tr><td>Additional operations costs</td><td>4.64%</td></tr> <tr><td>Additional maintenance</td><td>2.35%</td></tr> <tr><td>Additional depreciation</td><td>1.68%</td></tr> </table> <p>Planned renewal budget (information only) You may use these values calculated from your data or overwrite the links.</p> </div> <div> <p>Existing %ages calculated from data in worksheet</p> <table border="1"> <tr><td>4.64%</td><td>of CRC (10 yr average)</td></tr> <tr><td>2.35%</td><td>of CRC (10 yr average)</td></tr> <tr><td>1.68%</td><td>of Dep Amt</td></tr> <tr><td>2.38%</td><td>of CRC (Year 1 comparison)</td></tr> </table> </div> </div>																				Current replacement cost	\$235,655 (000)	Depreciable amount	\$235,655 (000)	Depreciated replacement cost	\$127,202 (000)	Annual depreciation expense	\$3,952 (000)	Additional operations costs	4.64%	Additional maintenance	2.35%	Additional depreciation	1.68%	4.64%	of CRC (10 yr average)	2.35%	of CRC (10 yr average)	1.68%	of Dep Amt	2.38%	of CRC (Year 1 comparison)
Current replacement cost	\$235,655 (000)																																								
Depreciable amount	\$235,655 (000)																																								
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2.38%	of CRC (Year 1 comparison)																																								
<p>Planned Expenditures from LTFF</p> <p>20 Year Expenditure Projections Note: Enter all values in current 2018 values</p>																																									
Financial year ending	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037																					
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000																					
Expenditure Outlays included in Long Term Financial Plan (in current \$ values)											Average of first 10 year Expenditure Outlays from LTFF																														
Operations																																									
Operations budget	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926																					
Management budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																					
AM systems budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																					
Total operations	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926	\$10,926																					
Maintenance																																									
Reactive maintenance budget	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832	\$832																					
Planned maintenance budget	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715																					
Specific maintenance items budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																					
Total maintenance	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547	\$5,547																					
Capital																																									
Planned renewal budget	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600																					
Planned upgrade/new budget	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500																					
Non-growth contributed asset value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																					
Asset Disposals																																									
Est Cost to dispose of assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																					
Carrying value (DRIC) of disposed assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																					
Additional Expenditure Outlays Requirements (e.g from Infrastructure Risk Management Plan)											Average of first 10 years Expenditure Outlays required from IRMP																														
Additional Expenditure Outlays required and not included above																																									
Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																					
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																					
Capital Renewal to be incorporated into Forms 2 & 2.1 (where Method 1 is used) OR Form 2B Defect Repairs (where Method 2 or 3 is used)																																									
Capital Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																					
User Comments #2																																									
Forecasts for Capital Renewal using Methods 2 & 3 (Form 2A & 2B) & Capital Upgrade (Form 2C)											Average of first 10 years Capital Renewal & Upgrade Forecasts																														
Forecast Capital Renewal from Forms 2A & 2B																																									
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																					
Forecast Capital Upgrade from Form 2C																																									
	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500																					

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