2022-2031

Asset Management Plan Buildings

Randwick City Council
a sense of community

DRAFT
April 2022

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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

Asset Management planning is a comprehensive process to ensure infrastructure benefits are optimised to meet community needs in a financially sustainable manner.

This Building Asset Management Plan (Building AMP) details information about building assets with 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 funding requirements over the 10-year planning period. The Building AMP funding model supports the development of the Long-Term Financial Plan and overall Resourcing Strategy of the Integrated Planning and Reporting Framework.

1.2 Asset Description

This plan covers Randwick City Council's buildings which comprise of various types including:

- Community buildings
- Affordable housing units
- Operational buildings including council administration, libraries, leisure centre, depot and nursery.

The above building assets have a replacement value estimated at $284,396,933.

1.3 Levels of Service

The allocation in the planned budget is **insufficient** to continue providing services at current levels for the planning period. The main objectives of the planned funding budget are:

- There is sufficient budget allocated for renewal of assets as they reach the end of life.
- There is sufficient budget in maintenance and operations projected into the future years.
- There is sufficient budget to acquire new assets to meet community needs.

1.4 Future Demand

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

- New amenities to support our town centres and open space and recreation facilities
- New community halls to support our community needs
- Projected increase in population of 23% by 2036 as determined by the NSW Department of Planning, Industry and Environment
- Projected demographic change to a greater proportion of over 60 year old population within the same period

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Balancing priorities for infrastructure with what the community is prepared to pay
- Assess capacity to fund current and improved levels of service
- Timing of renewal projects with acquisition projects through effective project management

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this Building AMP includes operation, maintenance, renewal, acquisition, and upgrade of existing assets. This AMP is prepared to inform a Long-Term Financial Plan over a period of 10 years. The 10-year forecast total funding required for the building asset class is estimated as $405,238,048 or on average $40,523,805 per year.

Buildings are long life assets. 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 $2,869,844 annually.

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

1.6.1 What we will do

Estimated available funding for the 10-year period is, on average, $35,179,868 per year as per the planned budget. This is 86.81% of the required funding to sustain the current level of service at the lowest lifecycle cost.

To manage infrastructure, we can only manage assets based on what is funded in the long-term financial plan. The Informed decision making depends on the Building AMP emphasising the consequences of planned funding on the service levels provided and risks.

The planned funding budget for Building assets leaves a shortfall of $-5,343,935, on average, per year of the forecast lifecycle costs required to provide services in the AMP. This is shown in the figure below.

Forecast Lifecycle Costs and Planned Budgets

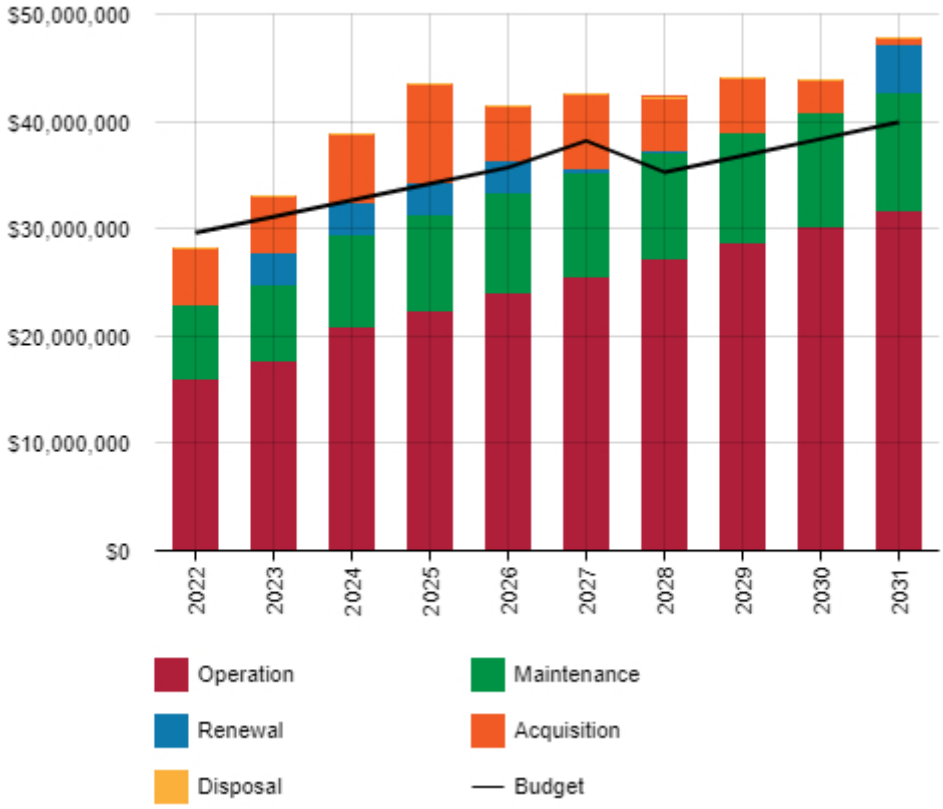


Figure values are in current dollars.

We plan to provide funding for building assets to undertake:

- Operation, maintenance, renewal and acquisition of building assets to meet service levels.
- Construction of 25 major upgrades or new buildings within the 10-year planning period.
- Provide amenities to public open space/reserves.
- Maintain & renew heritage listed buildings such as the La Perouse Museum.

1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Regular building inspections undertaken by building consultants – high cost
- Expansion of the building portfolio at the planned rate
- Continually undertake reactive maintenance only

1.6.3 Managing the Risks

Our present budget levels are i**nsufficient** to continue to manage risks in the medium term. The main risks associated with this asset class are:

- Council staff unable to meet service levels due to inadequate funding
- Dilapidated building assets due to lack of planning
- Reduced safety to users of the building

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

- Ensuring asset management practice as set-out by this AMP
- Funding requirements are appropriately allocated, and programs developed
- Continual focus on asset data collection and validation.
- Ongoing dialogue and consultation with the community.

1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- Asset values and dimensions are correct
- 100% of Council's building assets have been inspected
- The estimates used for current rates of renewal will remain constant
- Assets requiring renewal are identified from the asset register method

The Asset Register was used to forecast the renewal lifecycle costs for this AMP.

This AMP is based on a highly reliable confidence level of information.

1.8 Monitoring and Improvement Program

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

- Improve asset register data confidence.
- Review resilience of service delivery
- Include priority weighting methodology in maintenance and operation of assets. The four categories include: Condition, Functionality, Usage and Criticality
- Improve proactive maintenance planning and reporting mechanisms
- Establish a Strategic Asset Management system
- Improve asset management principles awareness within Council staff

2.0 Introduction

2.1 Background

This Building AMP details the requirements for the sustainable delivery of services through management of assets, including lifecycle management, risk management, statutory compliance and relevant funding to provide the appropriate levels of service over the 10-year planning period.

The AMP is to be read in conjunction with the Randwick City Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, along with other key planning documents including:

- Randwick City Plan - Community Strategic Plan (CSP)
- Informing Strategies – Arts and Culture, Economic Development, Environment, Housing, Inclusive Randwick, Integrated Transport and Open Space and Recreation
- Randwick Local Environmental Plan
- Randwick Council Resourcing Strategy including the Asset Management Strategy, Long Term Financial Plan, Workforce Management Plan and Digital Strategy
- Delivery Plan and Annual Operational Plans
- Asset Management Plans
- Randwick City Council Community Consultation Principles and Consultation Planning Guide.

The infrastructure assets covered by this AMP include buildings constructed using various methods and materials (including but not limited to concrete, timber, prefabricated, pre-stressed or post-tensioned construction). For a detailed summary of the assets covered in this AMP refer to Section 5.

These assets are used to support recreational endeavours, arts and culture, affordable housing and help the local community. The buildings also create a more user-friendly environment and facilitate other services provided by local community groups.

The building assets included in this plan have a total replacement value of $284,396,933.

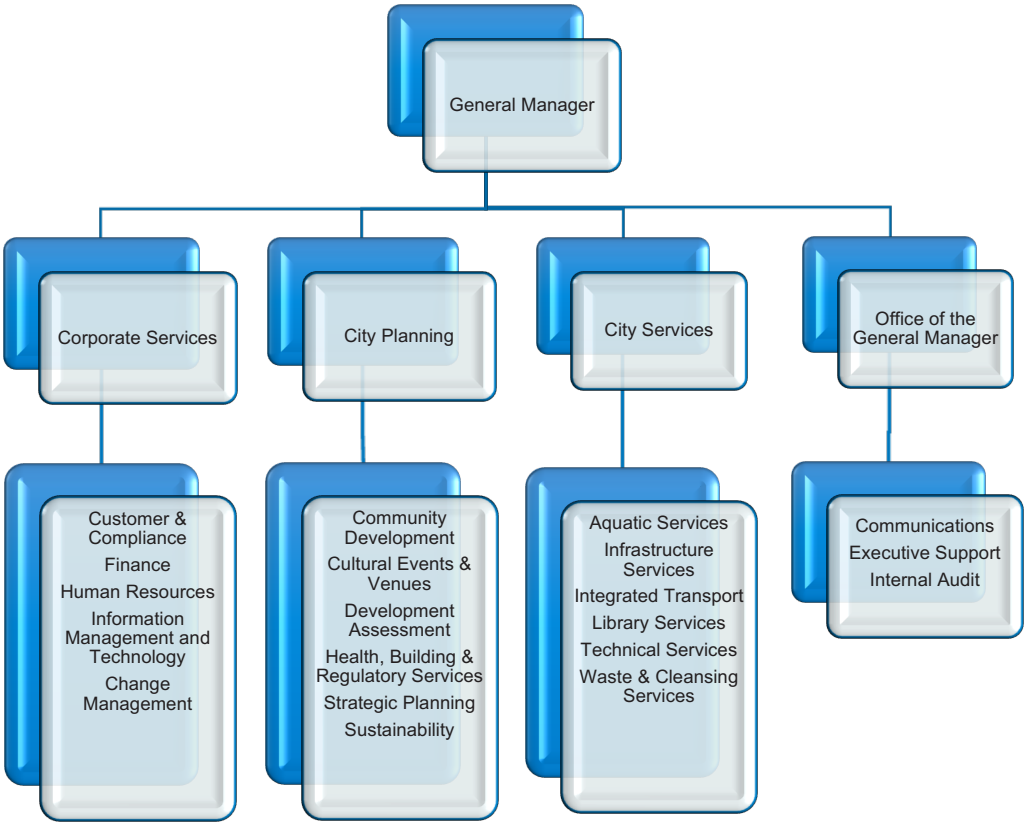
Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AMP

Key Stakeholder	Role in Asset Management Plan
Council Representatives	Represent needs of community/shareholders. Allocate resources to meet planning objectives in providing services while managing risks. Ensure service is sustainable.
Council Officers	Manage building assets. Ensure level of service provided meets needs of residents and visitors. Implement the components identified in the Building AMP.
Residents	Core users of building assets.

Key Stakeholder	Role in Asset Management Plan
	Their needs, wants and expectations are conveyed to the Council and should be reflected in desired levels of service.
Visitors	Second largest users of building assets. Their needs, wants and expectations drive the replacement in areas of the highest visitor usage and commercial areas.
Insurers	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.

Our organisational structure for service delivery from infrastructure assets is detailed below.



2.2 Goals and Objectives of Asset Ownership

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

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing, and appropriately controlling risks, and

- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management – utilise Council's Risk Management Framework to effectively mitigate risks arise,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

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

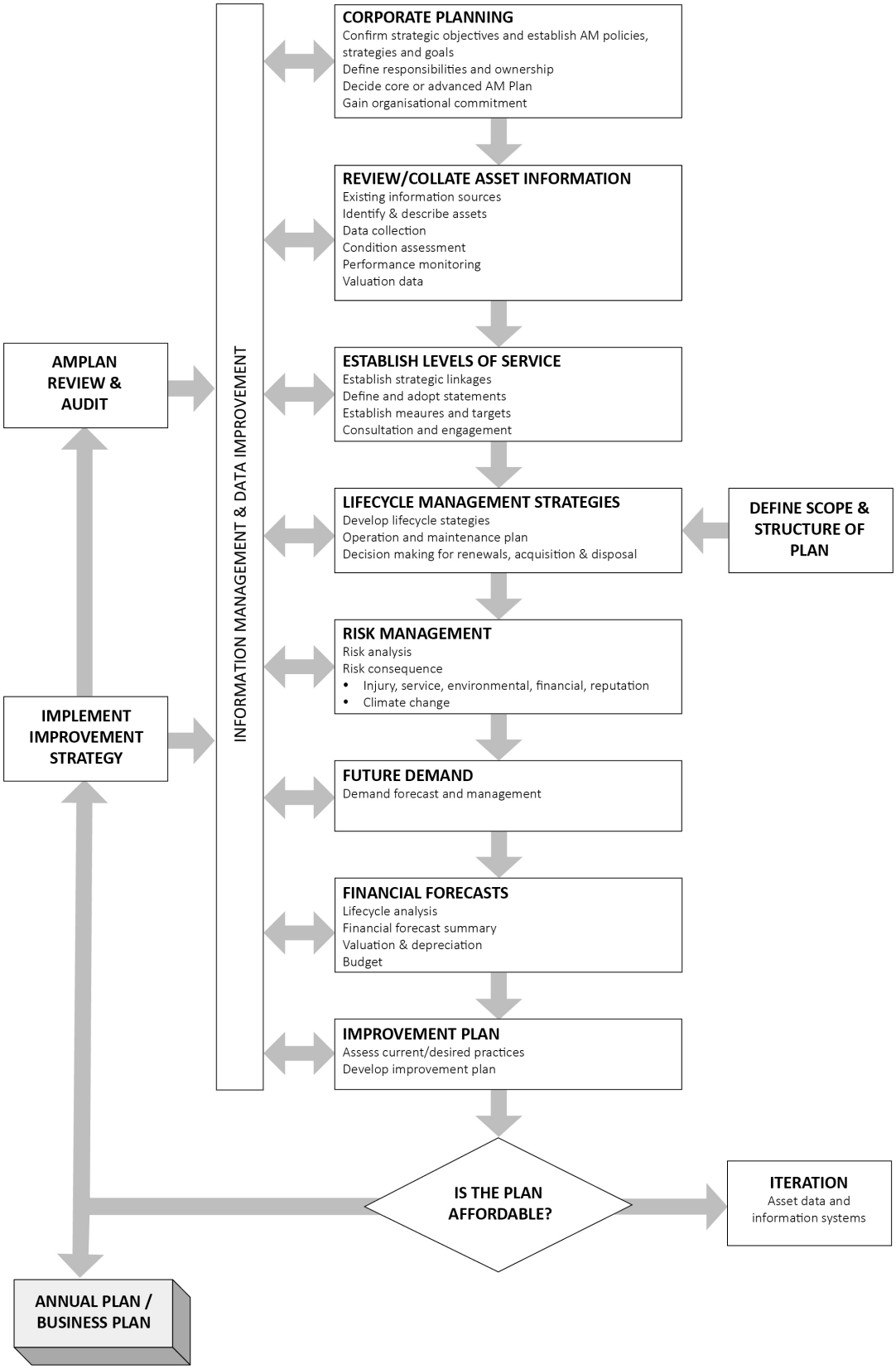
- International Infrastructure Management Manual 2015 [1]
- ISO 55000[2]

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

[2] ISO 55000 Overview, principles and terminology

A road map for preparing an AMP is shown below.

Road Map for preparing an Asset Management Plan
Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



3.0 LEVELS OF SERVICE

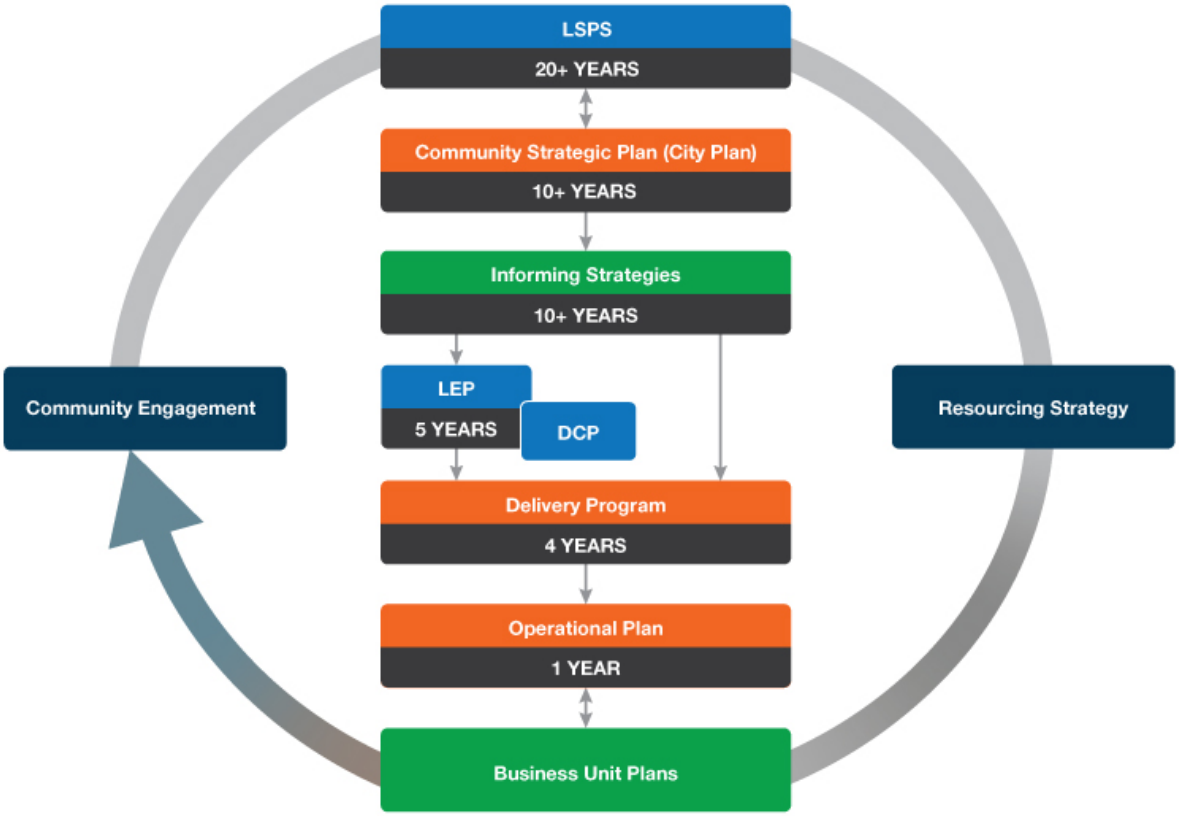
3.1 Customer Research and Expectations

Levels of service should be developed in consultation with the community. Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist the Councillors and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

We currently have historic understanding of customer expectations. Community satisfaction information has been used in developing the 10-year Randwick City Plan and in the allocation of resources in the budget.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the 10-year Community Strategic Plan and Informing Strategies within the Integrated Planning and Reporting (IPR) framework. This AMP forms a part of the Resourcing Strategy.



Strategic goals have been set by the Randwick City Plan (CSP). The relevant goals and objectives and how these are addressed in this AMP are summarised in Table 3.2.

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

Randwick City Plan Outcome	Direction	Objective	How Goal and Objectives are addressed in the AMP
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 Building AMP aligns with Council's Resourcing Strategy, including the Asset Management Strategy, Workforce Plan and Long-Term Financial 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 Building AMP includes funding for operations and maintenance and provisions for performance monitoring against adopted service levels.
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 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.	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.

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the building service are outlined in Table 3.3.

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.
Environmental Planning and Assessment Act 1979 (NSW)	Adequate management, development and conservation of natural and artificial resources.
Building Code of Australia	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.
Electrical Safety Act 2002	This Act sets out the installation, reporting and safe use of electrical supply and outlets.
Building Fire and Safety Regulation 2008	This Act sets out the regulations for emergency evacuation, capacity limits and testing of special fire services and installations.
Plumbing and Drainage Act 2011	Sets out plumbing requirements for buildings.
Valuation of Land Act 1916	Set out requirements for land and property valuation.
Children (Education & Care Services) National Law 2010 (NSW)	Sets out the requirements for delivery of children's services including building requirements.
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.
AS1428 - Design for Access and Mobility	Design standards to ensure infrastructure provides adequate access.
Civil Liability Act 2002 and Civil Liability Amendment (Personal Responsibility) Act 2002	Protects the Council from civil action by requiring the court to consider 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	Reporting on asset condition and consumption to Councillors, management, and the community.

3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

Customer Values indicate:

- what aspects of the service is important to the customer?
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

Table 3.4: Customer Values

Service Objectives: **Provision of building assets to provide locations for affordable housing, learning, leisure, support arts and culture, community space and to conduct business.**			
Customer Values	**Customer Satisfaction Measure**	**Current Feedback**	**Expected Trend Based on Planned Budget**
A building that is safe to use	Number of claims received	Average 16 claims per annum over past 5 years	Number of claims reduces
A suitable number of buildings to support the community	Satisfaction survey results	Satisfaction for maintaining Buildings 62%	Increase in satisfaction score
A well-maintained building	Satisfaction survey results	Satisfaction for maintaining Buildings 62%	Increase in satisfaction score

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

Condition How good is the service … what is the condition or quality of the service?

Function The building must be fit for purpose and the intention of the building asset shall be well defined;

Safety The building asset is built to appropriate safety standards and specifications;

Capacity/Use Buildings should be able to cater for the volume of community groups and members.

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 3.5: Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Provide buildings that are free from obvious defects	Customer satisfaction survey results	Satisfaction for community centres and halls 85%.	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 85%.	Maintain current performance
		Respond to CRM's within SLA timeframe.	79% of Service Requests actioned within allocated time frames. [3]	Maintain current approach.
	Confidence levels		High	High
Safety	Buildings are safe for community to use.	Routine Inspection of all building assets.	20% of buildings inspected annually.	Maintain current performance.
		Respond to CRM's within SLA timeframe.	79% of Service Requests actioned within allocated time frames. [3]	Maintain current approach.
		Claims made against Council regarding building assets.	Currently NO claims in relation to Council's buildings	Maintain current performance.
Capacity/ Use	Ensure Council Buildings are utilised at optimum levels with room for expansion.	Customer Satisfaction Survey results.	Satisfaction for community centres and halls 85%.	Maintain current performance
		Manage up to maximum carrying capacity.	Management of community facilities bookings.	Maintain current performance.
	Confidence levels		High	High

3.6 Technical Levels of Service

Technical Levels of Service – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical

[3] TRIM D02587061

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

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

- **Acquisition** – the activities to provide a higher level of service (e.g. larger hall capacity, new solar panels, safety improvements etc) or a new service that did not exist previously (e.g. a new amenity building for parks or new library).
- **Operation** – 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. replacing plumbing hardware, resealing window sills, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. pipeline replacement and building component replacement)

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

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the forecast activity requirements being recommended in this AMP.

Table 3.6: Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Upgrade to meet community needs.	Ongoing construction of Building as part of Our Community, Our Future Program	Funded by budget, and levies.	Building projects should be placed in a prioritising system where merits are assessed based on whether the new assets meet community needs, building maintenance & operational cost and building safety.
		Budget	$2,793,677	$5,115,600
Operation	Provide safe and compliant facilities.	Regular inspections and maintenance to buildings.	20% of buildings inspected annually.	Maintain Current performance
	Provide safe and compliant facilities.	Fire safety certification.	Annual Inspection required.	Maintain Current performance.

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

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	Provide safe and compliant facilities.	Hazardous materials inspections	5 yearly inspections and as required.	Maintain Current performance.
		Budget	$22,171,650	$24,430,566
Maintenance	Mechanical and electrical services fully functioning.	Regular inspections and maintenance to electrical and mechanical assets.	Reactive and 20% of buildings inspected annually.	Maintain Current performance.
	Building maintained in a functional condition.	Regular inspections and maintenance to buildings.	Reactive and 20% of buildings inspected annually.	Maintain Current performance.
		Budget	$7,714,543	$9,283,235
Renewal	Buildings to be in a satisfactory condition.	Condition assessment	Building Assets renewed when required.	Maintain Current performance.
		Budget	$2,500,000	$1,694,402

Note: * Current activities related to Planned Budget.

** Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged that changing circumstances such as technology and customer priorities will change over time.

4.0 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 have been identified and documented.

4.3 Demand Impact and Demand Management Plan

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

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 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	154,265 (As per Randwick Housing Strategy 2021	NSW DPIE projects a 23% increase in population by 2036 within the 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.	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.

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Demographics	Randwick City Council has: 18% over 60 YO 43% in the 20-45 YO group (As of 30 June 2016, ABS)	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.	Greater need for aged and disability access. Increase in population will require improvements to public transport infrastructure and accessible recreational infrastructure. Renewal Priority criteria has built-in mechanisms to ensure that Council's Buildings are built to Accessibility Standards where practicable.
Land Area	The Randwick Local Government Area is developed.	Redevelopment and rezoning as part of the housing strategy will include dedication of building assets.	Increase in services required.	Increase in asset base with maintenance expense included in the next 10 years.
Technology Changes	Materials used for Building Assets are typically concrete, masonry and timber. Water sensitive urban design and building designs to accommodate environmental requirements is not present in the older buildings	Use of more environmentally friendly materials, fittings and designs. Other technologies such as solar panels to reduce electricity cost, rainwater tanks to reduce potable water dependency for gardening etc.	Potential to reduce maintenance and operational cost. Improved building and user safety with better data-controlled fire systems.	New and emerging technologies should be assessed for both performance, ability to improve service and whole of life costs.

4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated, or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit Randwick City Council to 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 (Refer to Section 5).

4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.[5]

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

Risk and opportunities identified to date are shown in Table 4.5.1

Table 4.5.1 Managing the Impact of Climate Change on Assets and Services

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Increased Rainfall Frequency / Intensity	Higher Chances of flash flooding.	Inundated low level building, leads to the building being unsafe for occupants or inaccessible to visitors.	Construction of Building assets with better drainage, appropriate level & grading to cater for increased overland flow.
More extreme weather events – increase in temperature	Buildings will be designed to allow for passive temperature control along with air conditioning system to help with extreme events	Buildings are more likely to cost more to design and build. However, there is likely lowered maintenance and operational cost due to the modern design.	Utilise low carbon, recycled materials, and other new technologies to assist in reduction of energy use and operational costs. Engage specialist designers where the building justifies introduction of modern design.
Provide more green space in the urban setting	Increase in potential for green roof and garden planting in building footprints	Reduced building temperature. Cost may increase from extra watering requirements but can be offset by recycling grey water or stormwater harvesting.	Choose to plant native and drought tolerant trees and plants in green spaces. Assess the need to incorporate extra green space in building footprints.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change.
- Services can be sustained; and

[5] IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5 summarises some asset climate change resilience opportunities.

Table 4.5 Building Asset Resilience to Climate Change

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Concrete Building	Salt attack from sea breeze	Inspect every 5 years from construction, assess if applying slip resisting concrete sealant is required.
Concrete Roof	Hot days can increase thermal expansion of material	Installation of solar panels and help capture a majority of the heat and generate electricity. Apply appropriate roof sealants.

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this asset management plan.

5.0 LIFECYCLE MANAGEMENT PLAN

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

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this AMP are shown in Table 5.1.1. The age profile of the assets included in this AMP are shown in Figure 5.1.1.

Table 5.1.1: Assets covered by this Plan

Asset Components	Dimension (m^2)	Replacement Value
Specialised Buildings	131	$162,188,695
Non-specialised Buildings	43	$122,208,238
TOTAL	**174**	**$284,396,933**

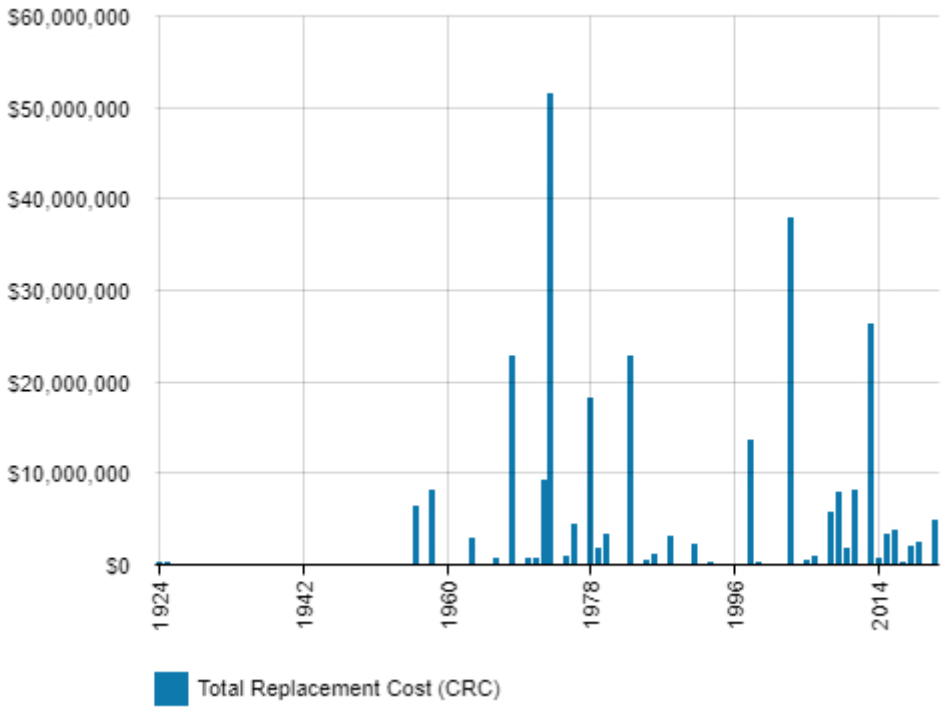


Figure 5.1.1: Asset Age Profile

All figure values are shown in current day dollars.

According to Figure 5.1.1, there have been 2 periods of building activity. The first was between 1970 and 1980 and more recently between 2010 and 2020. Thus, it is anticipated that the next major need for renewals will be required between 2045 and 2055.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Nil	

The were no service deficiencies identified from consulting the relevant council staff.

5.1.3 Asset condition

Condition is currently monitored by inspection of 20 percent of the buildings every year. These inspections of building assets is encompassed within this program.

Condition is measured using a 1 – 5 grading system[6] as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system is used at Council's specific level, however, for reporting in the AMP results are translated to a 1 – 5 grading scale for ease of communication.

Table 5.1.3: Condition Grading System

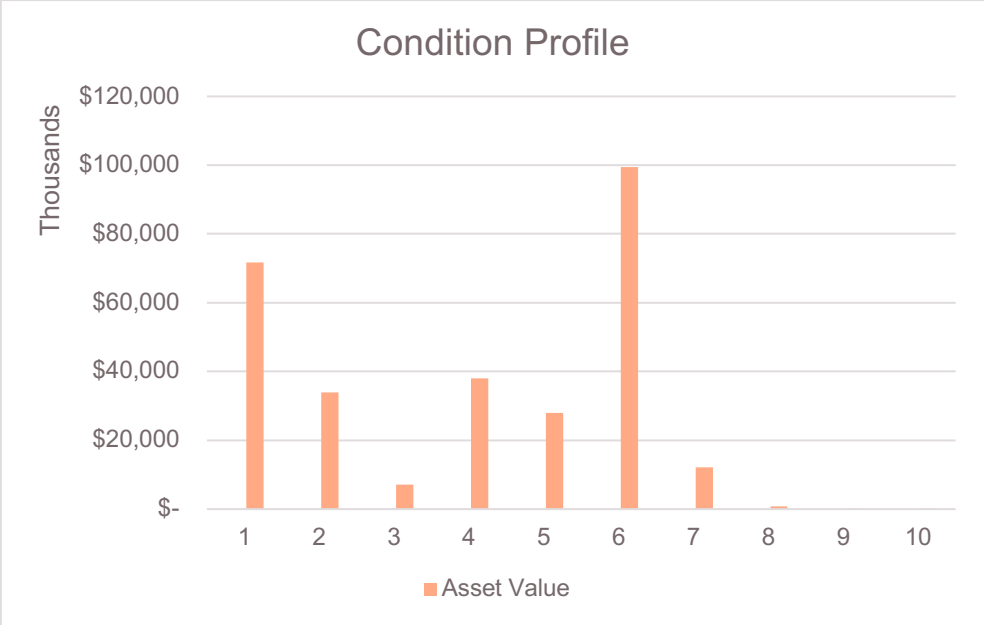
Condition Grading	Description of Condition
1	**New:** A new or near new asset with no visible signs of deterioration.
2	**Excellent**: An asset in excellent overall condition. There would be only very slight condition decline, but it would be obvious that the asset was no longer in new condition.
3	**Very 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.

[6] IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

Condition Grading	Description of Condition
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.

The condition profile of our assets is shown in Figure 5.1.3.

Figure 5.1.3: Asset Condition Profile



All figure values are shown in current (real) dollars.

The current asset conditions are good with most assets at condition between 1 and 6. The distribution is skewed towards the new assets end of the scale. The current overall asset condition is considered to be good, however, as assets age, the condition will deteriorate eventually become poor.

Should these assets not be maintained, there will be large spikes of renewal requirements in the long term. Management of these assets to spread or extend the lifespan may change the asset renewal timeframe. Other lifecycle methods would be to bring forward or delay some of the renewal times based on a risk assessment approach.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: Maintenance Budget Trends

Year	Maintenance Budget $
2020	$7,626,816
2021	$6,503,938
2022	$6,885,905

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

Assessment and priority of reactive maintenance is currently undertaken by staff using experience and sound professional judgement. There is an inherent risk in depending on the staff to use experience, the risk is identified in the Section 6 under Risk Management. The improvement plan in Section 8.2 also indicates an improvement on the prioritisation methodology.

5.2.1 Asset hierarchy

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

The service hierarchy is shown is Table 5.2.2.

Table 5.2.2: Asset Service Hierarchy

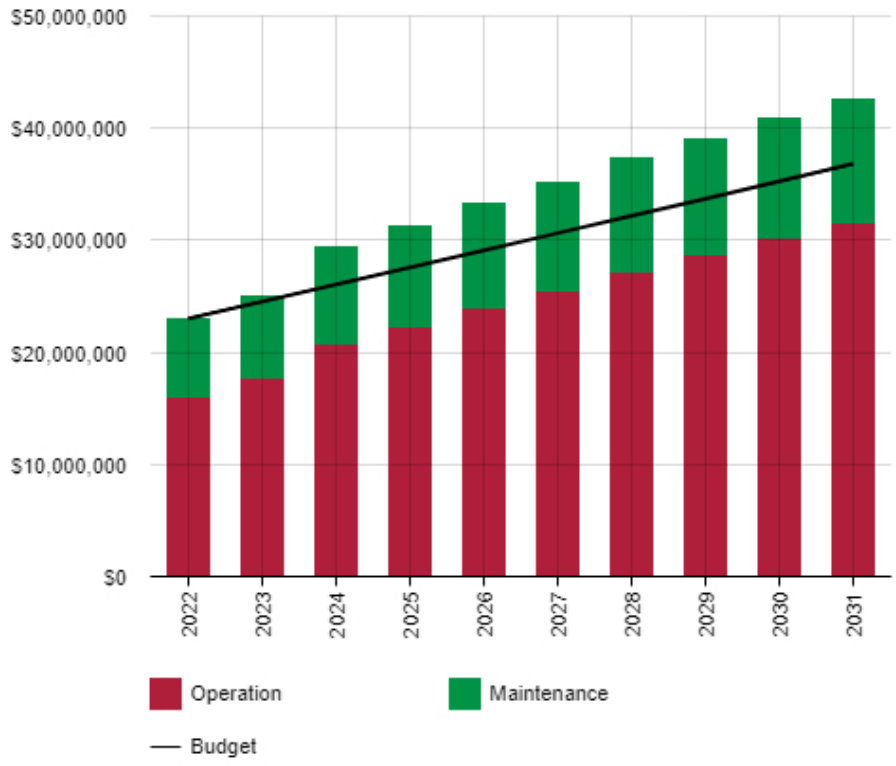
Service Hierarchy	Service Level Objective
Building Structure (e.g. foundations, footing and floors)	To inspect, assess and make the asset safe within 24 hours of reporting. Plan the rectification to reduce reconstruction costs.
Building Roof	To inspect, assess and make the asset safe within 24 hours of reporting. Plan the rectification to reduce reconstruction costs.

Service Hierarchy	Service Level Objective
Building Services (Incl. Mechanical, Hydraulic & Electrical)	To inspect, assess and make the asset safe within 24 hours of reporting. Plan the rectification to reduce reconstruction costs.
Enclosure or External Fabric (e.g. Walls)	To inspect, assess and make the asset safe within 24 hours of reporting. Plan the rectification to reduce reconstruction costs.
Interior, Finishes and Fitting	To inspect and assess within the Service Level Agreement timeframe and respond appropriately to the reporting individual.
Site surroundings	To inspect and assess within the Service Level Agreement timeframe and respond appropriately to the reporting individual.

5.2.2 Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2: Operations and Maintenance Summary



All figure values are shown in current day dollars.

The forecast operations and renewal costs are in line with the proposed operations budget. However, with the growing cost of material, labour, and new acquisitions, it is likely that the budget for future operations and maintenance will require review every 5 years to keep up with the growing cost. If the increase in maintenance and operational costs is significant, this will create deferred maintenance items causing increased deterioration rate and a shorter lifespan of assets.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces, or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on 30 June 2021.[7]

Table 5.3: Useful Lives of Assets

Asset (Sub)Category	Average Useful life
Structure	100 years
Roof	70 years
Mechanical	50 years
Floor	100 years
Wall	60 years
Fire	20 years
Plumbing/Hydraulics	30 years
Electrical	40 years

The estimates for renewals in this AMP were based on the asset register method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing building to provide the service it was constructed to facilitate (e.g. replacing an out of service amenity building), or

[7] D04322739

- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).[8]

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

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.[9]

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

Table 5.3.1: Renewal 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%**

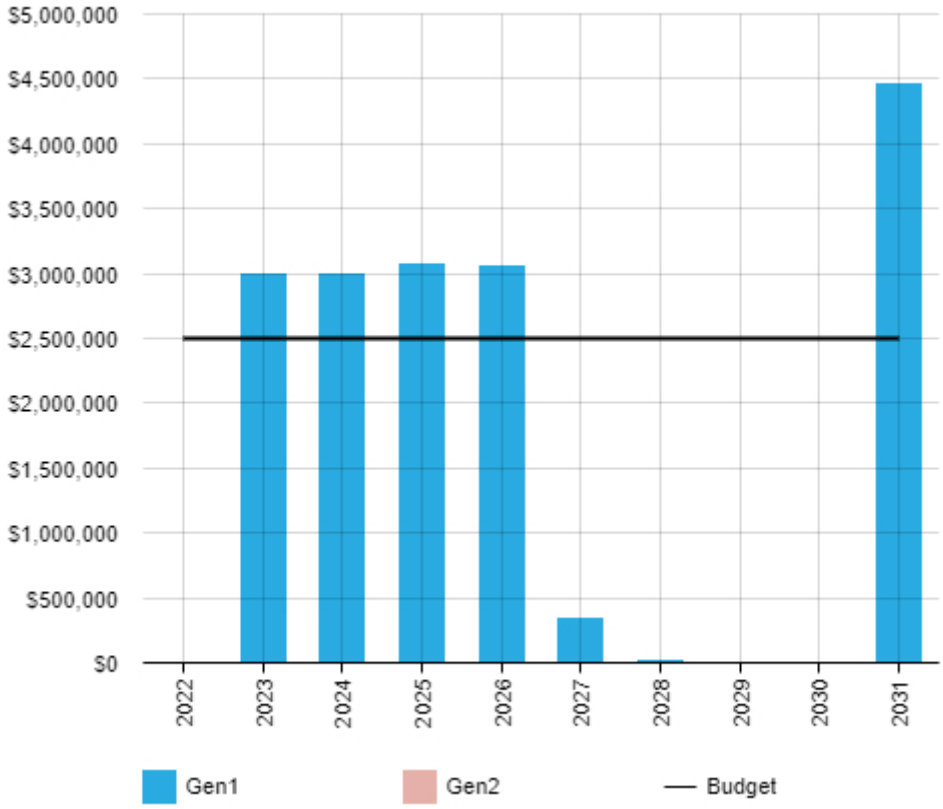
5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

[8] IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

[9] Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

Figure 5.4.1: Forecast Renewal Costs



All figure values are shown in current day dollars.

The forecast renewal costs are generally spiking as each building's components are costly to renew. As an average, there is sufficient funding for renewal of assets in the next 10 years. However, the deficit under renewal is not sufficient to cater for the proposed upgrade projects in the next 10 years.

5.5 Acquisition Plan

Acquisition is the practice of creating new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated / dedicated to the Randwick City Council.

5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the community needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

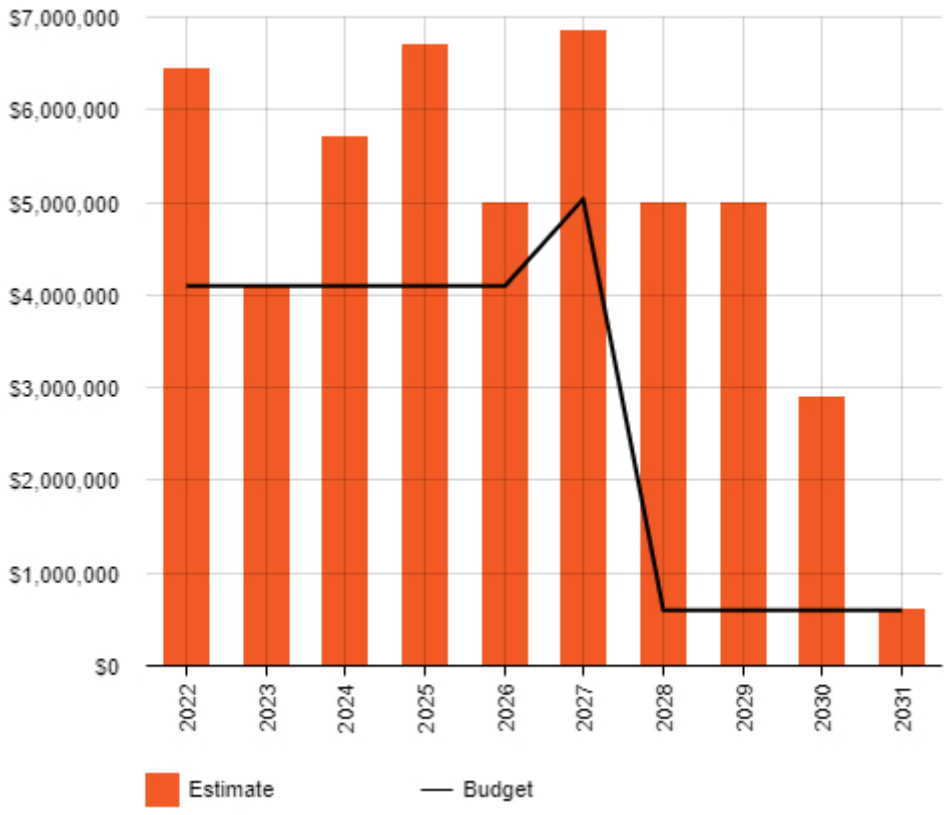
Table 5.5.1: Acquired Assets Priority Ranking Criteria

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

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

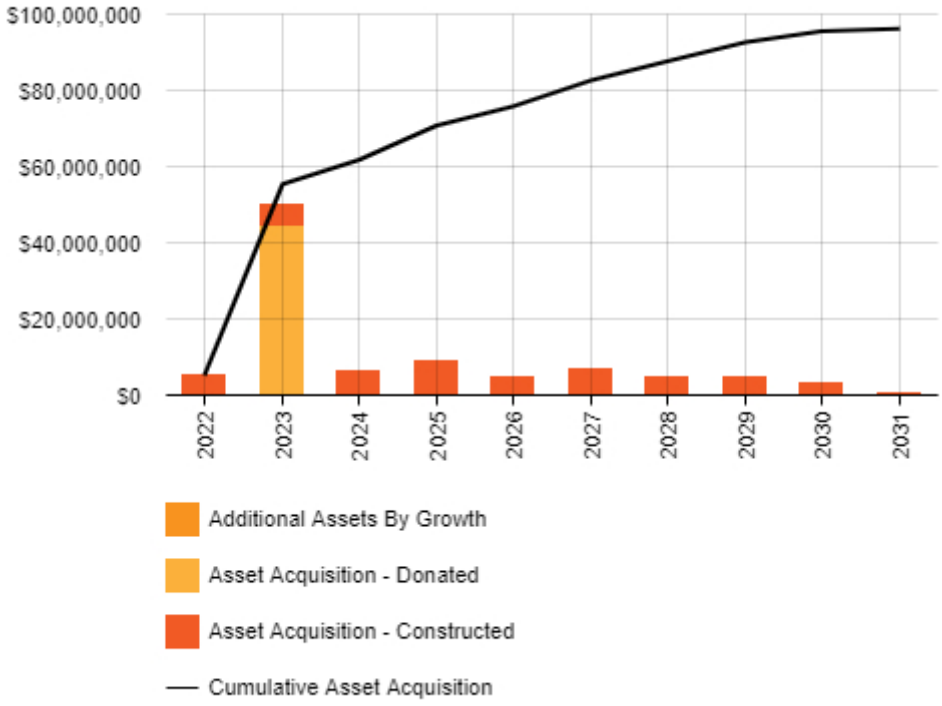
Figure 5.5.1: Acquisition (Constructed) Summary



All figure values are shown in current day dollars.

When Council commits to new assets, we must be prepared to fund future operations, maintenance and renewal costs. We must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by Council. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

Figure 5.5.2: Acquisition Summary



All figure values are shown in current 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 that there is available funding.

The planned acquisition will be constructed from Council's capital works program. There will be some donated / dedicated assets by means of partnership, grant funding and development subdivisions undertaken in the LGA.

A major amount of donated assets is the Heffron Centre Project are funded by a combination of donation and grants. There is rarely a donated asset to Council in the form of a building or facility.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation. There are currently no assets being identified for possible decommissioning and disposal. Costs incurred from early disposal of assets were not included in this asset management plan. The cost incurred will be the residual values of the assets being renewed prior to the end of life. Depending on the performance of such assets, their values can be fully actualised prior to the end of life.

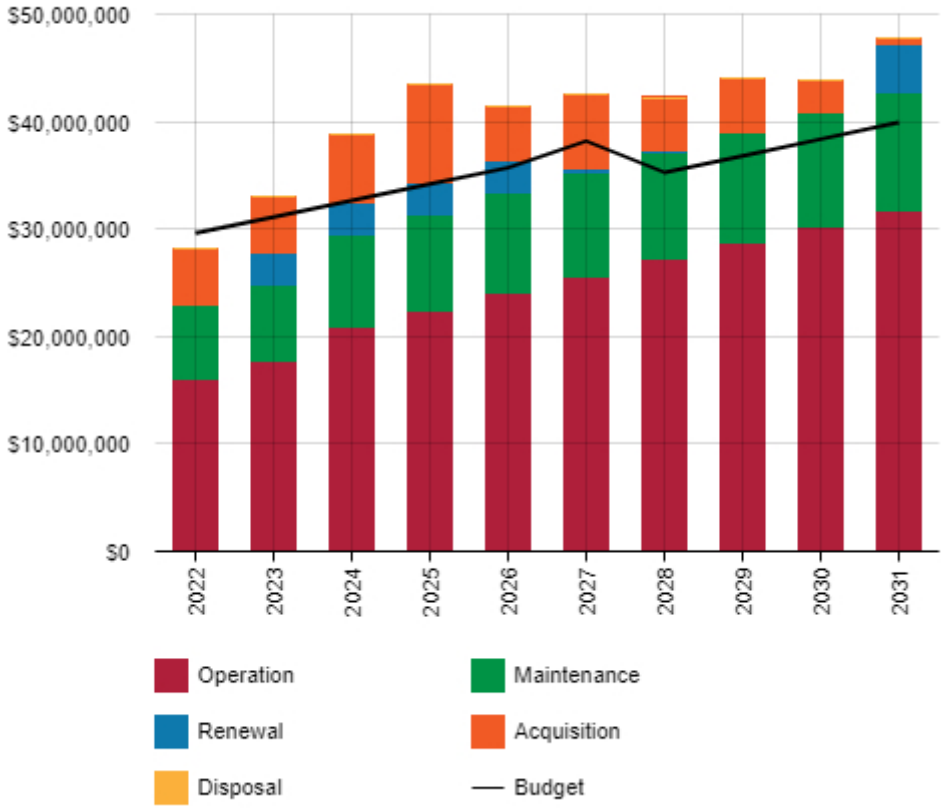
5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available

funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.7.1: Lifecycle Summary



All figure values are shown in current day dollars.

The forecast costs of the asset are generally more than the proposed budget. As the budget indicated, there is not enough funding in total to fund the acquisition of assets as well as the renewal of the assets. This current budget does not seem to be sustainable.

6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[10].

An assessment of risks[11] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

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, injuries to users or property damage
Walls	Displacement, damage, or distresses	Loss or reduction of service, restricted access, injuries 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

[10] ISO 31000:2009, p 2

[11] D03410905 RCC Enterprise Risk Management Framework

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

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

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

The process is based on the fundamentals of International Standard ISO 31000:2018.

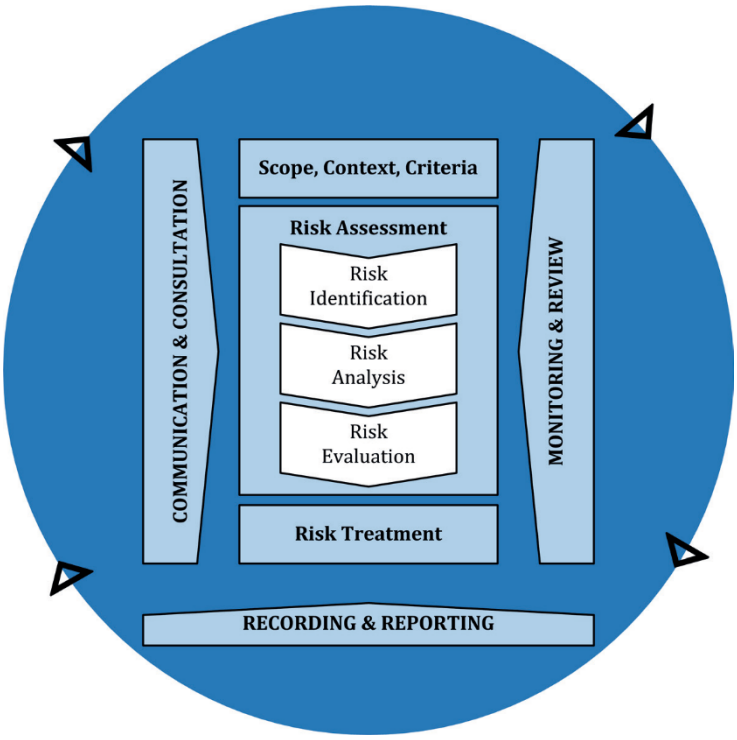


Fig 6.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

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

An assessment of risks[12] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

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 costs of implementing the selected treatment plan is shown in Table 6.2.1. It is essential that these critical risks and costs are reported to management and the Council.

[12] D03410905 RCC Enterprise Risk Management Framework

Table 6.2.1: Risks and Treatment Plans

Risk Assessment

Risk Factors	Consequence	Likelihood
Personal Injury		*Please note likelihood is based on condition assessment*
Financial Implications		
Environmental		
Political		

Consequence	Risk Descriptions
Catastrophic	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
Major	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
Moderate	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
Minor	First aid treatment, on-site release immediately contained, medium financial loss (>$1000 & <$10,000), little or no impact on community's perception of Council
Insignificant	No injuries, low financial loss (<$1000), no effect to normal operations

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.

Table 6.2.2: Risks Matrix

	CONSEQUENCE				
LIKELIHOOD	Insignificant (2)	Minor (3)	Moderate (7)	Major (13)	Catastrophic (20) Major (13)
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)

6.3 Infrastructure Resilience 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.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AMP.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AMP are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Regular building inspections undertaken by building consultants – high cost
- Expansion of buildings portfolio at the planned rate
- Continually undertake reactive maintenance only

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Council staff unable to meet service level agreement
- Dilapidated Building assets
- Reduced safety to users of the building
- Unable to deliver improved service levels.

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Risk of causing harm to facility users from dilapidated Building assets e.g. trip and fall and inaccessible buildings.
- Extended time of facilities being out of action. This is a reduction in service provided all together.

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

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

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

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio[13] 147.5%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 147.5% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

Medium term – 10 year financial planning period

This AMP 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 $35,408,204 average per year.

The proposed (budget) operations, maintenance and renewal funding is $32,386,192 on average per year giving a 10-year funding shortfall of $-3,022,012 per year. This indicates that the planned funding only covers 91.5% of the forecast costs needed to provide the services documented in this AMP. Note, these calculations exclude acquired assets.

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

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

Table 7.1.2 shows the forecast costs (outlays) required for consideration in the 10-year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

[13] 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 AMP (including possibly revising the long-term financial plan).

We will manage the 'gap' by developing this AMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2021-dollar values.

Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2022	$5,229,000	$16,125,618	$6,885,905	$0	$0
2023	$5,177,000	$17,657,424	$7,188,778	$3,000,000	$0
2024	$6,300,000	$20,807,360	$8,619,654	$3,000,000	$0
2025	$9,100,000	$22,377,722	$8,958,017	$3,068,264	$0
2026	$5,000,000	$24,048,884	$9,370,901	$3,050,000	$0
2027	$6,850,000	$25,572,446	$9,685,920	$338,027	$0
2028	$5,000,000	$27,162,608	$10,051,939	$20,723	$0
2029	$5,000,000	$28,686,172	$10,376,578	$0	$0
2030	$2,900,000	$30,209,734	$10,706,207	$0	$0
2031	$600,000	$31,657,696	$10,988,452	$4,467,005	$0

7.2 Funding Strategy

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

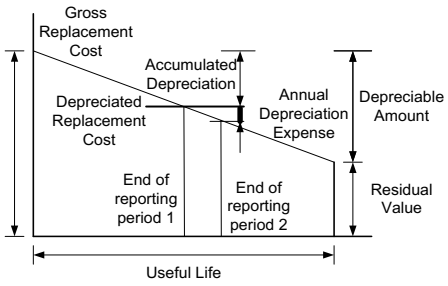
The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued using fair value to determine cost to replace service capacity:

Replacement Cost (Current/Gross)	$284,396,933
Depreciable Amount	$379,771,874
Depreciated Replacement Cost[14]	$186,602,336
Depreciation	$2,869,844



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

7.3.2 Valuation forecast

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

Additional assets will generally add to the operations and maintenance needs in the longer term. Similarly additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

Under the AASB requirements, Council is required to revaluate assets at a rate of minimum once every 4 years. This will help align the values of the existing assets with the addition of the acquired assets to a current day value.

7.4 Key Assumptions Made in Financial Forecasts

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

Key assumptions made in this AMP are:

- Asset values and dimensions are correct. Changes to asset values and dimensions will have an effect on resources required to operate, maintain and renew the building assets.
- 100% of Council's building assets are inspected and the building asset conditions have been updated accordingly. Monitoring of change of condition may show a change in the asset's useful life which may have an impact on funding required to maintain level of service.
- The estimates used for current rates of renewal will remain constant at the current 2021 values for the next 10 years. Any increase to the renewal costs may reduce the amount of work budgeted with possible reduction in the service level of building assets.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP 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[15] in accordance with Table 7.5.1.

Table 7.5.1: 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

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

Confidence Grade	Description
	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 AMP is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment for Data used in AMP

Data	Confidence Assessment	Comment
Demand drivers	B. High	The demand drivers are based on NSW DPIE forecasts and Council's LSPS.
Growth projections	B. High	The demand drivers are based on council strategies, customer requests, condition assessment and ongoing development requirements.
Acquisition forecast	B. High	The demand drivers are based on council strategies, ongoing development requirements and other available programs such as OCOF.
Operation forecast	B. High	Based on data over 5 years to establish a trend.
Maintenance forecast	B. High	Based on data over 5 years to establish a trend.
Renewal forecast - Asset values	B. High	The data is based on a recent modelling of asset data after completion of asset condition assessment.
- Asset useful lives	B. High	The data is based on a recent modelling of asset data after completion of asset condition assessment.
- Condition modelling	B. High	The data is based on a recent modelling of asset data after completion of asset condition assessment.

The estimated confidence level for and reliability of data used in this AMP is considered to be High.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices[16]

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 costings 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 present to Council, who then refers the report onto the Department of Local Government.

Council's Asset Management 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 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.

Council is currently reviewing options for a Strategic Asset Management Systems.

8.2 Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

Table 8.2: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Improve asset register data confidence.	Asset Management Services	Asset Team	Ongoing
2	Establish a strategic asset management system for all infrastructure asset	Asset Management Services	Asset Team	The next AMP
3	Review resilience of service delivery	Asset Management Services	Asset Team	The next AMP

[16] ISO 55000 Refers to this as the Asset Management System

Task	Task	Responsibility	Resources Required	Timeline
4	Include priority weighting methodology in maintenance and operation of assets. The four categories include: Condition, Functionality, Usage and Criticality	Asset Management Services	Asset Team And BFOC	The next AMP
5	Improve proactive maintenance planning and reporting mechanism	Infrastructure Services	Asset Team	Ongoing
6	Improve asset management principles awareness within Council staff	Asset Management Services	Asset Team	Ongoing

8.3 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and updating within 6 months of each Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- The degree to which the required forecast costs identified in this AMP are incorporated into the long-term financial plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AMP,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

9.0 REFERENCES

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- Randwick City Plan 2018 – 2028,
- 'Annual Operational Plan and Budget'.
- Randwick City Council, 2021 Enterprise Risk Management Framework

10.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

- OCOF Programme
- Opens Space and Recreation Strategy
- Housing Strategy

A.2 – Acquisition Project Summary

Year	Acquisition Project	Budget	Donated
2022	La Perouse Toilets	$550,000	
2022	Malabar Memorial Hall (South Matraville Hall at Malabar Library)	$1,429,000	
2022	Snape Park Dressing Shed (Amenities Masterplan)	$500,000	
2022	Southern Suburbs Youth Facility	$300,000	
2022	Kokoda Park Public Amenities	$600,000	
2022	Barwon Park (Covered 2021)	$600,000	
2022	Maroubra Beach Community Centre	$1,250,000	
2023	South Maroubra Surf Club Toilets	$3,477,000	
2023	Muraborah Reserve	$600,000	
2023	Malabar Pool Amenities	$1,100,000	
2023	The Heffron Centre		$45,000,000
2024	Randwick Environment Park Amenities	$600,000	
2024	Matraville Youth and Cultural Hall	$4,700,000	
2024	Clovelly Senior Centre	$1,000,000	
2025	Randwick Community Nursery	$500,000	
2025	Trenery Reserve (Small Amenities)	$600,000	
2025	La Perouse Museum	$5,000,000	
2025	Coogee Bus Shelter, Kiosk & Toilets	$3,000,000	
2026	La Perouse Museum	$5,000,000	
2027	Burnie Park Hall	$1,250,000	
2027	La Perouse Museum	$5,000,000	
2027	Pine Avenue amenities	$600,000	
2028	La Perouse Museum	$5,000,000	

Year	Acquisition Project	Budget	Donated
2029	La Perouse Museum	$5,000,000	
2030	Clovelly Community & Childcare Centre	$1,000,000	
2030	Popplewell Park – Childcare Centre	$1,000,000	
2030	Kingsford Town Centre Toilets	$300,000	
2030	Randwick Cemetery Toilets and Storage	$600,000	
2031	Little Bay Beach Toilet	$600,000	

A.3 – Acquisition Forecast Summary

Table A3 - Acquisition Forecast Summary

Year	Constructed	Donated	Growth
2022	$5,229,000	$0	0
2023	$5,177,000	$45,000,000	0
2024	$6,300,000	$0	0
2025	$9,100,000	$0	0
2026	$5,000,000	$0	0
2027	$6,850,000	$0	0
2028	$5,000,000	$0	0
2029	$5,000,000	$0	0
2030	$2,900,000	$0	0
2031	$600,000	$0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

Operational forecast is assumed to be increasing yearly due to the increase of material and labour cost. Additional operation forecast increase is due to the increase in acquisition forecast.

B.2 – Operation Forecast Summary

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2022	$16,125,618	$188,244	$16,125,618
2023	$17,469,180	$1,806,372	$17,657,424
2024	$18,812,744	$226,800	$20,807,360
2025	$20,156,306	$327,600	$22,377,722
2026	$21,499,868	$180,000	$24,048,884
2027	$22,843,430	$246,600	$25,572,446
2028	$24,186,992	$180,000	$27,162,608
2029	$25,530,556	$180,000	$28,686,172
2030	$26,874,118	$104,400	$30,209,734
2031	$28,217,680	$104,400	$31,657,696

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

Maintenance forecast is assumed to be increasing yearly due to the increase of material and labour cost. Additional maintenance forecast increase is due to the increase in acquisition forecast.

C.2 – Maintenance Forecast Summary

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2022	$6,885,905	$130,725	$6,885,905
2023	$7,058,053	$1,254,425	$7,188,778
2024	$7,234,504	$157,500	$8,619,654
2025	$7,415,367	$227,500	$8,958,017
2026	$7,600,751	$125,000	$9,370,901
2027	$7,790,770	$171,250	$9,685,920
2028	$7,985,539	$125,000	$10,051,939
2029	$8,185,178	$125,000	$10,376,578
2030	$8,389,807	$72,500	$10,706,207
2031	$8,599,552	$72,500	$10,988,452

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Renewal forecast is based on the asset register, the general assumption of the asset register is that the condition of the assets are assessed appropriately and that the physical data of the asset are correct.

D.2 – Renewal Forecast Summary

Table D2 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2022	$0	$2,500,000
2023	$3,000,000	$2,500,000
2024	$3,000,000	$2,500,000
2025	$3,068,264	$2,500,000
2026	$3,050,000	$2,500,000
2027	$338,027	$2,500,000
2028	$20,723	$2,500,000
2029	$0	$2,500,000
2030	$0	$2,500,000
2031	$4,467,005	$2,500,000

D.3 – Renewal Plan

Projected 10 Year Capital Renewal and Replacement Works Program

Asset ID	Sub Category	Asset Name	Renewal Year
BL000025	Specialised	Randwick Literary Institute	2023
BL000025	Specialised	Randwick Literary Institute	2024
BL001060	Non Specialised	Depot - Top Yard Office	2025
BL000025	Specialised	Randwick Literary Institute	2025
BL001014	Specialised	Burrows Park Switch Room	2026
BL000025	Specialised	Randwick Literary Institute	2026
BL000016	Specialised	Popplewell Park Child Care Centre	2027
FB001198	Specialised	John Shore Reserve Pumphouse	2028
BL001008	Specialised	Burnie Park Hall	2031
BL000026	Non Specialised	Eric Callaway House	2031
BL000026	Non Specialised	Eric Callaway House	2032

Appendix E Budget Summary by Lifecycle Activity

The planned budget for the relevant lifecycle activities is listed below. Note that there is no disposal cost considered as the assets will be renewed.

Table E1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2022	$4,100,000	$16,125,618	$6,885,905	$2,500,000	$0	$29,611,524
2023	$4,100,000	$17,469,180	$7,058,053	$2,500,000	$0	$31,127,232
2024	$4,100,000	$18,812,744	$7,234,504	$2,500,000	$0	$32,647,248
2025	$4,100,000	$20,156,306	$7,415,367	$2,500,000	$0	$34,171,672
2026	$4,100,000	$21,499,868	$7,600,751	$2,500,000	$0	$35,700,620
2027	$5,036,767	$22,843,430	$7,790,770	$2,500,000	$0	$38,170,968
2028	$600,000	$24,186,992	$7,985,539	$2,500,000	$0	$35,272,532
2029	$600,000	$25,530,556	$8,185,178	$2,500,000	$0	$36,815,732
2030	$600,000	$26,874,118	$8,389,807	$2,500,000	$0	$38,363,924
2031	$600,000	$28,217,680	$8,599,552	$2,500,000	$0	$39,917,232

1300 722 542
council@randwick.nsw.gov.au
randwick.nsw.gov.au

Randwick City Council
30 Frances Street
Randwick NSW 2031