





Property Asset Management Plan 2018-2038

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NAMS.PLUS Asset Management Plan Templates

NAMS.Plus offers two Asset Management Plan templates – ‘Concise’ and ‘Comprehensive’.

The Concise template is appropriate for those entities who wish to present their data and information clearly and in as few words as possible whilst complying with the ISO 55000 Standards approach and guidance contained in the International Infrastructure Management Manual.

The Comprehensive template is appropriate for those entities who wish to present their asset management plan and information in a more detailed manner.

The entity can choose either template to write/update their plan regardless of their level of asset management maturity and in some cases may even choose to use only the Executive Summary.

The illustrated content is suggested only and users should feel free to omit content as preferred (e.g. where info not currently available).

The concise Asset Management Plan may be used as a supporting document to inform an overarching Strategic Asset Management Plan.

This is the **Concise** Asset Management Plan template.

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TABLE OF CONTENTS

1	EXECUTIVE SUMMARY.....	1
	1.1 The Purpose of the Plan.....	2
	1.2 Asset Description.....	2
	1.3 Levels of Service.....	2
	1.4 Future Demand.....	2
	1.5 Lifecycle Management Plan.....	3
	1.6 Financial Summary.....	3
	1.7 Asset Management Practices.....	5
	1.8 Monitoring and Improvement Program.....	5
2.	INTRODUCTION.....	6
	2.1 Background.....	6
	2.2 Goals and Objectives of Asset Ownership.....	7
	2.3 Core Asset Management.....	7
	2.4 Stakeholders.....	7
3.	LEVELS OF SERVICE.....	9
	3.1 Internal ‘Customer’ Research and Expectations.....	9
	3.2 Internal Customer Levels of Service.....	9
	3.3 Technical Levels of Service.....	10
	3.4 External ‘Customer’ Research and Expectations.....	12
	3.5 Strategic and Corporate Goals.....	13
	3.6 Legislative Requirements.....	14
4.	FUTURE DEMAND.....	18
	4.1 Demand Drivers.....	18
	4.2 Demand Forecasts.....	18
	4.3 Demand Impact on Assets.....	18
	4.4 Demand Management Plan.....	19
	4.5 Asset Programs to meet Demand.....	20
5.	LIFECYCLE MANAGEMENT PLAN.....	22
	5.1 Background Data.....	22
	5.2 Operations and Maintenance Plan.....	24
	5.3 Renewal/Replacement Plan.....	25
	5.4 Creation/Acquisition/Upgrade Plan.....	27
	5.5 Disposal Plan.....	31
6.	RISK MANAGEMENT PLAN.....	32
	6.1 Critical Assets.....	32
	6.2 Risk Assessment.....	32
	6.3 Infrastructure Resilience Approach.....	35
	6.4 Service and Risk Trade-Offs.....	35
7.	FINANCIAL SUMMARY.....	37
	7.1 Financial Statements and Projections.....	37
	7.2 Funding Strategy.....	39
	7.3 Valuation Forecasts.....	39
	7.4 Key Assumptions Made in Financial Forecasts.....	40
	7.5 Forecast Reliability and Confidence.....	40
8.	PLAN IMPROVEMENT AND MONITORING.....	42
	8.1 Status of Asset Management Practices.....	42
	8.2 Improvement Plan.....	42
	8.3 Monitoring and Review Procedures.....	43
	8.4 Performance Measures.....	44
9.	REFERENCES.....	44
10.	APPENDICES.....	44
	Appendix A IWC Four Year Capital Works Forecast.....	45
	Appendix B Budgeted Expenditures Accommodated in LTFP.....	46

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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 20-year planning period from 2018-2038.

This plan covers the infrastructure assets that provide administrative services and community services including recreation and family services.

1.2 Asset Description

These assets include:

The Inner West Council property network comprises:

- Administration, Works Depots and Operational Properties,
- State Emergency Site (SES) sites,
- Child Care and Early Childhood Centres,
- Community Centres and Halls,
- Libraries,
- Recreation Buildings & Facilities,
- Public Toilets,
- Aquatic Centres,
- Public car parks,
- Affordable Housing and Residential Properties, and
- Investment Properties.

These infrastructure assets have significant value estimated at \$369.9 million.

1.3 Levels of Service

For any asset, it is important to consider longer term desired levels of service when the asset is occupied or operational. Present funding levels are insufficient to continue to provide existing services at current levels in the medium term (10 years).

The main services consequences are:

- Reduced maintenance and operational service levels for facilities,
- The facility is no longer located to best meet user requirements,
- Facility does not comply with relevant statutory codes,
- Increase of unplanned spending and increased risk of funding shortages, and
- Facility deteriorates to an extent where it undermines confidence in Council's ability to operate and maintain the asset.

1.4 Future Demand

The main demands for new services are created by:

- Population and changing demographics,
- Higher density accommodation, and
- Higher cost of living reduces available funds for leisure and entertainment.

Changes to demand 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. These measures include:

- Procure large services contracts to get better economies of scale to minimise costs,
- Plan new projects to incorporate best practice and review compliance and accessibility needs for existing sites,
- Prioritise upgrade projects which have the most positive impact,
- Cost is a main factor to provide services at a satisfactory level for community,
- Need to invent a cost effective method, materials and designs,
- Analyse cost with different options,
- Assess current capacity to fund at the current Level of Service,
- Monitor community expectations,
- Link Asset Management Plans and other key strategies to Long Term Financial Plans,
- Balance priorities for open space assets with what the community is prepared to pay for,
- Communicate Levels of Service and financial capacity with the community,
- Any revised Section 94 plans will need assessment to the effects on the AM plan,
- Communicate options and capacity to fund Buildings and Community Facilities infrastructure with the community, and
- Improve understanding of costs and capacity to maintain current service levels.

1.5 Lifecycle Management Plan

What does it Cost?

The Long Term Financial Plan does consider a funding scenario over a 10 year period to address the infrastructure renewal backlog, being the value of assets rated as poor (condition 4) and very poor condition (condition 5). As the assets predominantly have long useful lives, the analysis applied in this Plan refines the relatively coarse condition rating by considering renewal to occur in the year at the end of the assets useful life.

It is important to note that asset management projections are carried out in present value or today's dollars with no indexing for future inflation, material or labour increases. Council's Long Term Financial Plan uses future values which include assumed increases in the cost of services.

The analysis prepared for this Plan considers the following provisions of funding:

Scenario 1: Long Term Financial Plan: Business as Usual

Applying existing asset data and the planned funding provided in Council's Long Term Financial Plan.

In this scenario the projected renewal expenditure is aligned to Special Schedule 7 in the 2016/17 Inner West Council Annual Report which identifies condition 4 and 5 assets as an infrastructure backlog and are partially addressed as a part of this scenario.

Scenario 2: Infrastructure Renewal Backlog

Scenario 2 in Council's Long Term Financial Plan aims to address Council's infrastructure renewal shortfall (aligned with Special Schedule 7) within the life of the LTFP. This scenario is not modelled in this iteration of this Asset Management plan.

Unconstrained Funding

This iteration of funding modelling presumes that all asset expenditure shortfalls (operational, maintenance, Renewal, upgrade and new) will be funded. This is not modelled in the current iteration of Council's Long Term Financial Plan

1.6 Financial Summary

What we will do

Estimated available funding for this period is \$298,532,000 over the 10-year planning period per the long term financial plan or budget forecast. This is 99% of the cost to sustain the current level of service at the lowest lifecycle cost.

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 shortfall of \$228,000 on average per year of the projected expenditure required to provide services in the AM Plan compared with planned expenditure currently included in the Long Term Financial Plan. The budget shortfall and projected expenditure is shown in the following figure.

Council is having its buildings condition audited and valued to provide accurate building information and updated future capital works plan. This information will be analysed in the coming year and reflected in the 2018/19 Property AMP.

Projected Operating and Capital Expenditure

Inner West Council - Projected Operating and Capital Expenditure

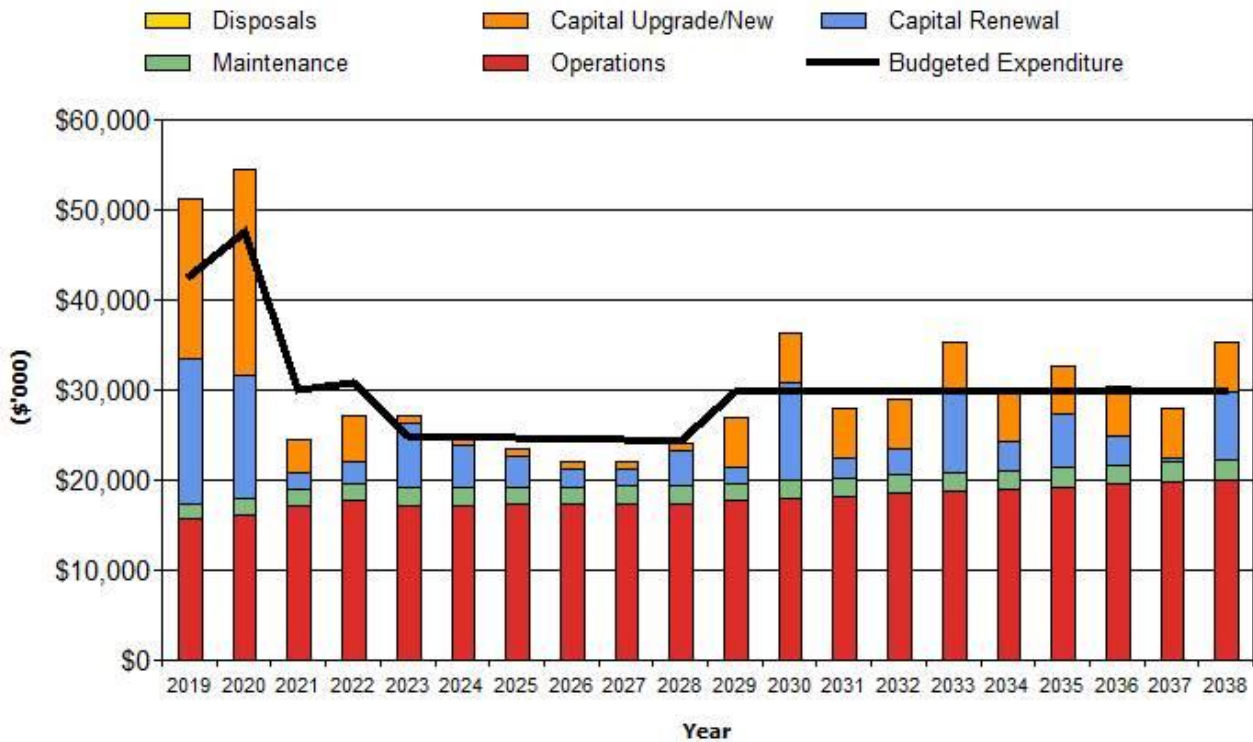


Figure Values are in current (real) dollars.

We plan to provide building services for the following:

- Operation, maintenance, renewal and upgrade of buildings to meet service levels set by in annual budgets,
- Maintain current levels of service, and
- Upgrade of building structures at Dawn Fraser Pool, installation of accessible lifts at St Peters Town Hall and Marrickville Town Hall, and renewal of building assets including Condition 4 and 5 throughout the Council area within the 10-year planning period.

What we cannot do

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

- Facility upgrades for to meet latest statutory codes and BCA requirements, and
- Increase the current levels of service as new facilities become operational.

Managing the Risks

Our present funding levels are insufficient to continue to manage risks in the medium term (10 years).

The main risk consequences are:

- Facilities not able to support efficient delivery of services,
- Service delays and interruptions,
- Cancellation or closure of core services such as child care, libraries etc, and
- Decrease in confidence of Council's ability to operate efficiently and effectively.

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

- Improving data and knowledge,
- Prioritising treatments within allocated funding to manage risk,
- Requesting additional funding when risks are assessed as high,
- Developing and implementing sustainable Asset Management Planning including inspections, asset management plans, budget bids for additional funding and resources, and
- Continuing to monitor not only the condition of assets, but how well they suit the needs of users.

1.7 Asset Management Practices

Our systems to manage assets include:

- TechOne,
- FinanceOne,
- AssetMaster,
- MapInfo, and
- Exponare enquiry.

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

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

Method 1 was used for this asset management plan.

1.8 Monitoring and Improvement Program

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

- Developing and maintaining health and safety inspection register of location and occurrence,
- Improving capital works planning - Implement a Project Implementation and Management system and processes to store and share project proposals, collaboratively scope projects for capital works, assist with prioritisation and decision making processes, whole of life cycle costing and forecasting,
- Improving Asset handover - processes to collate information on capital works including what are the new/changed assets, maintenance schedules, whole of lifecycle costs and budget security,
- Improving the asset system – to have the ability to update asset data on site,
- Source funding for the infrastructure shortfalls,
- Consolidating data import asset register,
- Importing data and test TechOne asset management system,
- Developing business processes for maintaining the accuracy of the asset register, and
- Developing handover procedures.

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 20-year planning period.

The asset management plan is to be read with the Inner West Council planning documents. This should include the Asset Management Policy and Asset Management Strategy where these have been developed along with other key planning documents:

- Community Strategic Plan,
- Resourcing Strategy – Long Term Financial Plan and Workforce Management Plan,
- Map – coded to ‘type’ / class or age or Group, and
- Building Condition Reports including HAZMAT and Valuations.

The infrastructure assets covered by this asset management plan are shown in Table 2.1. These assets are used to provide of core Council services including but not limited to community space, hired facilities, sporting amenities, child care services, libraries and administration services.

Table 2.1: Building Assets covered by this Plan

Asset Category or Function (as per Primary Council Service Group)	Dimension / Number	Current Replacement Value (\$,000s)
Children and Family Services	25	27,149
Community Services and Culture	16	58,554
Library and History Services	8	18,929
Properties Major Building Projects & Facilities	146	37,994
Recreation and Aquatics	18	127,280
Trees, Parks and Sportsfields	91	99,990
TOTAL	304	369,897

Table 2.2 buildings by function

Function	Quantity
Administration	27
Amenities	60
Artist in residence	6
Car Park	3
Caretaker residence	3
Childcare - Council Operated	23
Childcare - Leased Out	14
Community Centre	38
Community Garden	1
Greenhouse	2
Libraries	8
Open Space	2
Recreational	76
Residential	7

Function	Quantity
Restaurant	9
SES	3
Storage	21
Total	304

The total replacement cost of these buildings has been estimated to be \$369.9 million. This valuation is displayed in Special Schedule 7 in 2017. Council is having these revalued in 2018 to provide updated figures.

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.

By providing appropriate levels of service, depending on the building and function, Council provides facilities which support and cater for the demands of the community.

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

- International Infrastructure Management Manual 2015 1 AIM
- ISO 55000² Aiming for but likely to be 7 years away.

2.3 Core Asset Management

This asset management plan is prepared as a 'core' asset management plan over a 20 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.

Describe the limitations of data due to amalgamation and having to integrate different categories, descriptions, methodologies and introduction of new Data Management System.

2.4 Stakeholders

Key stakeholders and their suggested roles and responsibilities in the planning process are outlined in Table 2.3.

Table 2.3: Asset Management Plan Stakeholders

Key Stakeholder	Role in Asset Management Plan
Councillors	<ul style="list-style-type: none"> • Represent needs of the community. • Allocate resources to meet the organisation's objectives in providing services while managing risks. • Ensure the organisation is financially sustainable. • Provide stewardship by ensuring the protection of assets for current and future generations.

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

² ISO 55000 Overview, principles and terminology

³ IPWEA, 2015, IIMM.

Key Stakeholder	Role in Asset Management Plan
Council Staff	<ul style="list-style-type: none">• Ensure the development and implementation of Council’s Asset Management Policy, Plans and Processes and for their integration with Council’s Integrated Planning and Reporting Framework under the Local Government Act.• Report on the status and effectiveness of Asset Management within Council.• Development and implementation of Council’s Asset Management Plans and Processes and for their integration with Council’s Integrated Planning and Reporting Framework under the Local Government Act.• Ensure integration and compliance of the Asset Management Policy and Strategy with other policies and business processes of Council.• Ensure compliance with legal obligations.• Ensure sound business principles are reflected in the Asset Management strategies and plans that are developed.
Ratepayers/Community	<ul style="list-style-type: none">• Will ultimately provide input into the services required and the cost the community is prepared to pay• Primary users of community facilities,• User safety.

3. LEVELS OF SERVICE

3.1 Internal 'Customer' Research and Expectations

This 'core' asset management plan is prepared to facilitate consultation prior to adoption by the Mayor and Councillors. Future revisions of the asset management plan will incorporate community consultation on service levels and costs of providing the service. This will assist the Council and stakeholders in matching the level of service required, service risks and consequences with the community's ability and willingness to pay for the service.

Consultation has been undertaken internally of Council Staff to determine the level and quality of service of Council property. Group managers were provided summaries of the buildings and given questionnaires to complete and include additional information. The questionnaires were based on the NAMS guidelines and allowed the group managers to highlight the buildings utilisation, demand, condition, effectiveness to meet requirements, risks, and request improvements.

3.2 Internal 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?*

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 %'s 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.

The rating system ranges from 1 to 5 and are defined in Table 3.1. The ratings for the Council buildings across Council groups are summarised in Table 3.2.

Table 3.1: Rating System

Rating	Definition
0-1	Very Poor
1-2	Poor
2-3	Average
3-4	Good
4-5	Very good

Table 3.2: Level of service ratings

Primary Council Service Group	Number of Premises	Quality	Function	Capacity/Use
Children and Family Services	25	TBC	TBC	TBC
Community Services and Culture	16	3.00	2.94	2.91
Library and History Services	5	3.13	3.88	3.06
Properties Major Building Projects & Facilities	149	TBC	TBC	TBC
Recreation and Aquatics	18	4.70	4.60	3.50
Trees, Parks and Sportsfields	91	4.25	4.25	3.33

This 'core' asset management plan is prepared to facilitate consultation prior to adoption by Council. Future revisions of the asset management plan will incorporate community consultation on service levels and costs of providing the service. This will assist Council and stakeholders in matching the level of service required, service risks and consequences with the community's ability and willingness to pay for the service.

3.3 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),
- 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), and
- 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 3.3 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.

⁴ IPWEA, 2015, IIMM, p 2 | 28.

Table 3.3: Technical Levels of Service

Service Attribute	Service Activity Objective	Activity Measure Process	Current Performance *	Desired for Optimum Lifecycle Cost **
TECHNICAL LEVELS OF SERVICE				
Operations				
	Legislative Compliance Ensure all Council buildings comply with all relevant regulatory requirements	Regular Compliance Audits including BCA Fire Safety & 15A Certificates, testing of Backflow & TMV's Emergency Lighting and Exit Signs	BCA audits are 20% finalised Current AFSS (Annual Fire Safety Statements) 45% received Backflow testing 100% complete TMV's testing 30% complete Emergency Lighting and Exit Signs audited 80%	100% audited and 100% statements received on a regular basis (eg quarterly, yearly etc) 100% complete before due dates and no periods without valid certification.
	Provide property facilities services in a cost effective manner	Regular testing of the market to ensure best value for money by Tendering Building Services every two – five years (minimum) e.g. Security, Fire, Lift Maintenance, Air Conditioning, Sanitary	Due to amalgamations, these service contracts are being procured to replace existing contracts over the three former Councils. Contracts are being sought for periods between two – five years. Higher risk contracts will be shorter in length to reduce impacts of poor performance.	Tender Building Services every three years (minimum).
Maintenance				
	Provide safe suitable facilities, free from hazards Condition	Regular assessments of sites depending on use (eg child care facilities require frequent inspections)	Current measure is that each occupant organisation completes at least one inspection checklist every three months.	100% of audits completed on time and completion of incident reports within 5 days of event.
	Provide well maintained facilities that are affordable to the Community	Annual Condition Assessment Planned Vs Reactive maintenance distribution	Greater than 50% of maintenance expenditure is undertaken through planned maintenance schedules	Greater than 75% of maintenance expenditure is undertaken through planned maintenance schedules
	Reactive Maintenance fast and efficient response to reactive maintenance requests	AM works order reports	High Risk < 24 hours Med Risk < 9 days Low Risk < 6 weeks 90-95% are complete within above time frames	Expect to maintain current level of service
Renewal				

Service Attribute	Service Activity Objective	Activity Measure Process	Current Performance *	Desired for Optimum Lifecycle Cost **
	Ensure Council's Property assets are well managed	Condition assessments every five years and on as needed basis and completion of the annual capital building relating to Council's operational and community facilities	90% completion of annual capital renewal programs	100% completion of annual programs
Upgrade/New				
	Buildings and Carparks are suitable for all users, replacement of asset with asset of improved quality or quantity	Completion of Council's upgrade & new facilities program, including Major Projects. Compliance with Disability discrimination act Capital Upgrade and Capital Expansion to suitable standard.	On-going implementation of capital upgrade programs including Major Projects	Completion of Major Projects Compliance assessment and compliance

Note: * Current activities (currently funded).

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

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

3.4 External 'Customer' Research and Expectations

Council's community surveys have identified the importance the community places on maintaining critical infrastructure assets. The 2017 community survey explored responses covering the range of Council services and while the response indicated high levels of overall satisfaction, infrastructure was identified as one of the areas of dissatisfaction.

The survey identified infrastructure assets as being the areas of most immediate priority for Council based on the performance gap analysis.

Table 3.4: Community Satisfaction Survey Levels

Performance Measure	Satisfaction Level				
	Not at all Satisfied	Not Very Satisfied	Somewhat Satisfied	Satisfied	Very Satisfied
Service Area 1: Recreation				✓	
Service Area 2: Infrastructure			✓		

Service Area 3: Environment				✓	
Service Area 4: Civic Leadership			✓		
Service Area 5: Economic			✓		
Service Area 6: Social and Cultural			✓		

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

3.5 Strategic and Corporate Goals

This asset management plan is prepared under the direction of the Inner West Council vision, mission, goals and objectives.

Our vision is:

We are Inner West, land of the Gadigal and Wangal peoples, whose rich cultures, heritage and history we acknowledge and respect. We are defined by our diversity of people, places and ideas. We are an inclusive, vibrant, caring and progressive community where everyone is welcome, people and nature live in harmony, and creativity is a way of life.

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

Table 3.5: Community Strategic Plan excerpt

CSP Strategy	Delivery Program Initiative	2018/19 Action
2.2.2 Manage change with respect for place, community history and heritage	Crown Land Act changes will transfer the Native Title management responsibility to Council from July 2018	Develop and implement the process for Native Title Management
4.3.1 Provide the facilities, spaces and programs that support wellbeing and healthy communities	Implement the Aquatic Services Plan	Implement the Aquatic Services Plan
	Upgrade Dawn Fraser Pool	Dawn Fraser Pool upgrade complete
	Upgrade and re-open Ashfield Aquatic Centre	Ashfield Aquatic Centre Refurbishment project underway
4.4.2 Ensure the community has access to a wide range of learning spaces, resources and activities	Complete the Patyegarang Place (Marrickville Road and Livingstone Road) including the new Marrickville Library and community space	Marrickville Library and community hub complete
5.2.3 Collaborate with partners to deliver positive outcomes for the community, economy and environment	Completion of Stronger Communities funded projects	Leichhardt Town Hall renewal Petersham Park Grandstand upgrade Haberfield Library and community centre S.H.A.R.E. building, Summer Hill Mervyn Fletcher Community Centre, Haberfield Thirning Villa Pratten Park, Ashfield Steel Park Community Room Petersham Town Hall

CSP Strategy	Delivery Program Initiative	2018/19 Action
5.3.3 Deliver innovation, excellence, efficiency, effectiveness and probity in Council processes and services	Implement the Inner West Council Long Term Land and Property Strategy	Undertake priority actions as endorsed in the Land & Property Strategy Undertake investment and income generating actions endorsed in the Land & Property Strategy
	Implement priority actions in the Buildings Asset Management Improvement Plan	Undertake priority actions as endorsed in the Buildings Asset Management Improvement Plan

The Inner West 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.

3.6 Legislative Requirements

There are many Australian and State legislation and State regulation legislative requirements relating to the management of assets. These are detailed in Table 3.6:

Table 3.6: Legislative Requirements

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments. The purposes of this Act are as follows: (a) to provide the legal framework for an effective, efficient, environmentally responsible and open system of local government in New South Wales, (b) to regulate the relationships between the people and bodies comprising the system of local government in New South Wales, (c) to encourage and assist the effective participation of local communities in the affairs of local government, (d) to give councils: <ul style="list-style-type: none"> • the ability to provide goods, services and facilities, and to carry out activities, appropriate to the current and future needs of local communities and of the wider public • the responsibility for administering some regulatory systems under this Act • a role in the management, improvement and development of the resources of their areas, (e) to require councils, councillors and council employees to have regard to the principles of ecologically sustainable development in carrying out their responsibilities. The land management provisions of the Act require that Council prepare plans of management for all community land. The plan of management identifies the management objectives for the land category, performance indicators and performance measures to meet the objectives identified.
Local Government Amendment (Planning and Reporting) Act 2009	Local Government Amendment (Planning and Reporting) Act 2009 includes the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Local Government Act - Annual Reporting Section 428(2)(d)	A report of the condition of the public works (including public buildings, public road and water sewerage and drainage works) under the control of council as at the end of that year; together with <ul style="list-style-type: none"> • An estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard; and

Legislation	Requirement
	<ul style="list-style-type: none"> An estimate (at current values) of the annual expense of maintain the works at that standard; and <p>The Council's programme for maintenance for that year in respect of the works.</p>
Disability Discriminations Act, 1992	<p>The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.</p> <p>(a) to eliminate, as far as possible, discrimination against persons on the ground of disability in the areas of:</p> <p>(i) work, accommodation, education, access to premises, clubs and sport; and</p> <p>(ii) the provision of goods, facilities, services and land; and</p> <p>(iii) existing laws; and</p> <p>(iv) the administration of Commonwealth laws and programs; and</p> <p>(b) to ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community; and to promote recognition and acceptance within the community of the principle that persons with disabilities have the same fundamental rights as the rest of the community.</p>
Work Health & Safety Act 2011	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Council is to provide a safe working environment and supply equipment to ensure safety.
Building Code of Australia	The goal of the BCA is to enable the achievement of nationally consistent, minimum necessary standards of relevant, health, safety (including structural safety and safety from fire), amenity and sustainability objectives efficiently.
Environmental Planning and Assessment Act 1979	An Act to institute a system of environmental planning and assessment for the State of New South Wales. Among other requirements the Act outlines the requirement for the preparation of Local Environmental Plans (LEP), Development Control Plans (DCP), Environmental Impact Assessments (EIA) and Environmental Impact Statements.
Plant Protection Act 1989	This act sets out requirements in respect to Flora Protection
Environmental Protection Act 1994	This act sets out requirements in respect to environmental protection
Threatened Species Conservation Act, 1995	<p>An Act to conserve threatened species, populations and ecological communities of animals and plants.</p> <p>Under the terms of this Act Council is required to ensure the long term survival of the species identified.</p>
Rivers and Foreshores Improvements Act, 1948	An Act to provide for the carrying out of works for the removal of obstructions from and the improvement of rivers and foreshores and the prevention of erosion of lands by tidal and non-tidal waters.
Protection of the Environment Operations Act 1997	Council is required to exercise due diligence to avoid environmental impact and among others are required to develop operations emergency plans and due diligence plans to ensure that procedures are in place to prevent or minimise pollution.
National Parks and Wildlife Act (1974)	An Act relating to the establishment, preservation and management of national parks, historic sites and certain other areas and the protection of certain fauna, native plants and Aboriginal objects
Native Vegetation Act 2003	This Act regulates the clearing of native vegetation on all land in NSW, except for excluded land listed in Schedule 1 of the Act. The Act outlines what landowners can and cannot do in clearing native vegetation.
Public Works Act 1912	Sets out the role of Council in the planning and construction of new assets.

Legislation	Requirement
Road Transport (General) Act 2005	Provides for the administration and enforcement of road transport legislation. It provides for the review of decisions made under road transport legislation. It makes provision for the use of vehicles on roads and road related areas and also with respect to written off and wrecked vehicles.
Road Transport (Safety and Traffic Management) Act 1999	Facilitates the adoption of nationally consistent road rules in NSW, the Australian Road Rules. It also makes provision for safety and traffic management on roads and road related areas including alcohol and other drug use, speeding and other dangerous driving, traffic control devices and vehicle safety accidents.
Roads Act 1993	Sets out rights of members of the public to pass along public roads, establishes procedures for opening and closing a public road, and provides for the classification of roads. It also provides for declaration of the RTA and other public authorities as roads authorities for both classified and unclassified roads, and confers certain functions (in particular, the function of carrying out roadwork) on the RTA and other roads authorities. Finally it provides for distribution of functions conferred by this Act between the RTA and other roads authorities, and regulates the carrying out of various activities on public roads.
Local Government (Highways) Act 1982	An Act to consolidate with amendments certain enactments concerning the functions of the corporations of municipalities with respect to highways and certain other ways and places open to the public.
NSW Road Rules 2008	A provision of road rules that are based on the Australian Road Rules so as to ensure that the road rules applicable in this State are substantially uniform with road rules applicable elsewhere in Australia.
Valuation of Land Act 1916	This act sets out requirements in respect Land Valuation
Crown Lands Act, 1989	An Act to provide for the administration and management of Crown land in the Eastern and Central Division of the State of NSW. Council has large holdings of Crown land under its care, control and management.
Heritage Act, 1977	An Act to conserve the environmental heritage of the State. Several properties are listed under the terms of the Act and attract a high level of maintenance cost, approval and monitoring.
Building Fire and Safety Regulation 1991	This Act sets out the regulations for things such as means of escape, Limitation of people in buildings, Fire and 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
Building Regulation 2003	This act sets out requirements in respect to Building Requirements
Plumbing and Drainage Act 2002	This act sets out requirements in respect to Plumbing Requirements
Rural Fires Act, 1997	An Act to establish the NSW Rural Fire Service and define its functions; to make provision for the prevention, mitigation and suppression of rural fires. Under the terms of this Act Council is required to mitigate any fire that emanate from bushland.
Dangerous Goods Safety Management Act 2001	This act sets out the safe use, storage and disposal of dangerous goods
Fire and Rescue Service Act 1990	This act sets out requirements in respect to Emergency Services for Fire and Rescue
Public Records Act 2002	This act sets out requirements in respect maintaining Public Records
Surveillance Devices Act	This act sets out requirements in respect use of Surveillance Devices
Civil Liability Act, 2002	An Act to make provision in relation to the recovery of damages for death or personal injury caused by the fault of a person
Companion Animals Act, 1998	An Act to provide for the identification and registration of companion animals and for the duties and responsibilities of their owners. Under the terms of the Act Council is required to provide and maintain at least one off leash area. It currently has eleven areas identified as off leash.

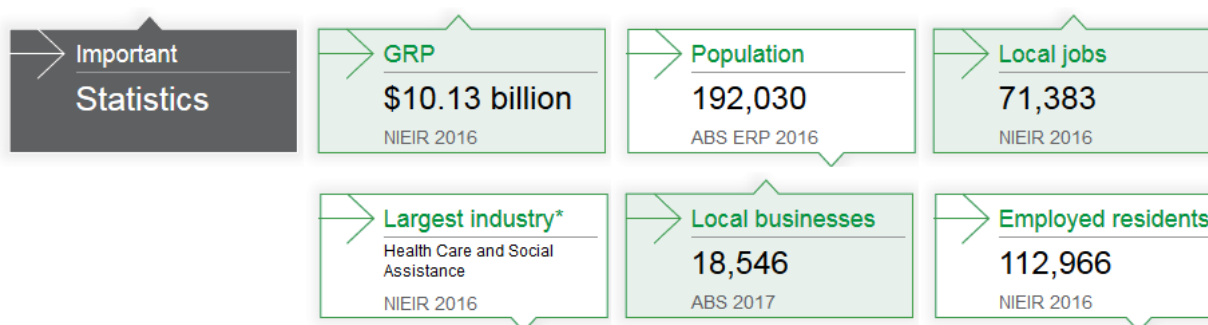
Legislation	Requirement
Rural Fires Act, 1997	An Act to establish the NSW Rural Fire Service and define its functions; to make provision for the prevention, mitigation and suppression of rural fires. Under the terms of this Act Council is required to mitigate any fire that emanate from bushland.
Australian Accounting Standard AASB116	Reporting on asset condition and consumption to Councillors, management and the community.
Occupational Health and Safety Act 2000 and Rehabilitation Act 1987	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Council is to provide a safe working environment and supply equipment to ensure safety.
AS 1742	Australian Standard 1742 which refers to a variety of road and traffic issues.

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.

Figure 4.1: Census 2016 area summary



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 4.1.

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 4.1.

Table 4.1: Demand Drivers, Projections and Impact on Services

Demand drivers	Present position	Projection	Impact on services
Population	In the Inner West Council area, the estimated population is 192,030 at 2016. This comprises of 25% of households made up of couples with children, compared with 35% in Greater Sydney and 25.5% of households live alone.	Increase of population and population density at a rate of approximately 1.3% per annum.	General increase in demand for all infrastructure services.
Demographics	Gentrification, increasing affluence and ageing population.	Ageing population expected to continue to increase by 50% in the 20 years from 23,000 in 2018 to 35,000 in 2038.	Changing service needs and changing building requirements, particularly relating to accessibility.
Rising number of families	89 Childcare Facilities are located within IWC. 19 are council operated and 70 are privately operated from council owned premises.	Growing number of families in the area.	Increase need for Family Care and recreation facilities
Increasing Costs	The cost to construct, maintain and renew infrastructure is	Costs are anticipated to keep	The need to carefully target and plan infrastructure is increasing

Demand drivers	Present position	Projection	Impact on services
	increasing at a rate greater than council's revenue.	rising.	in importance as maximising the service that can be delivered within the funding limitations will be under pressure.
Regulation	Current regulations.	Regulations relating to buildings increasing e.g. accessibility.	DOC's requirements, changes to BCA.
High Car Dependence	Road system at high capacity.	Gradual increase in use with population growth.	Increased parking demand, high traffic volumes and congestion.
Transport	<p>From 62,354 workers, 19,543(31.3%) also live within the Inner West Council area.</p> <p>42,811 (68.7%) also live outside the Inner West Council area.</p> <p>77,133 workers live in the area but work outside. The total number of workers from the area is 99,529.</p> <p>62% of households have either one or no motor vehicles compared to 46.1% for the greater Sydney region.</p> <p>38% of workers took public transport to get to work compared to 22.7% for the greater Sydney region.</p>	<p>Based on data use of public transport increased by 4.1% last year.</p> <p>7,813 people rode their bike or walked to work in 2016.</p>	Greater need for public transport and safe walking and bike pathways.

Source: <https://profile.id.com.au/inner-west>

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 4.2. Further opportunities will be developed in future revisions of this asset management plan.

Table 4.2: Demand Management Plan Summary

Demand Driver	Impact on Services	Demand Management Plan
Increasing Costs	The need to carefully target and plan infrastructure is increasing in importance as maximising the service that can be delivered within the funding limitations will be under pressure.	Procure large services contracts to get better economies of scale to minimise costs.

Demand Driver	Impact on Services	Demand Management Plan
Demographics	Changing service needs and changing building requirements, particularly relating to accessibility.	Plan new projects to incorporate best practice and review compliance and accessibility needs for existing sites. Prioritise upgrade projects which have the most positive impact.
Cost of providing services	The Demand Management Plan may reduce the cost of future renewals.	Cost is a main factor to provide services at a satisfactory level for community. Need to invent a cost effective method, materials and designs Analyse cost with different options
Current capacity	The Demand Management Plan may reduce the funding required.	Assess current capacity to fund at the current Level of Service.
Community expectations	The Demand Management Plan may manage community expectations.	Monitor community expectations.
Council funding ability	The Demand Management Plan may manage Council funding ability.	Link Asset Management Plans and other key strategies to Long Term Financial Plans.
Community funding ability	The Demand Management Plan may manage community funding ability.	Balance priorities for open space assets with what the community is prepared to pay for.
Level of Service	The Demand Management Plan may manage Levels of Service and financial capacity.	Communicate Levels of Service and financial capacity with the community.
Developers Contributions Section 7.11	This AM plan is based on the current Section 7.11. Amended strategies to Section 7.11 may impact forecasting.	Any revised Section 7.11 plans will need assessment to the effects on the AM plan.
Communicate options and capacity to fund Buildings and Community Facilities infrastructure with the community	Monitor community expectations and communicate service levels and financial capacity with the community to balance priorities for infrastructure with what the community is prepared to pay for	Communicate options and capacity to fund Buildings and Community Facilities infrastructure with the community
Improve understanding of costs and capacity to maintain current service levels	Continue to analyse the cost of providing service and the capacity to fund at the current level of service	Improve understanding of costs and capacity to maintain current service levels

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 4.3.

Figure 4.3: Upgrade and New Assets to meet Demand – (Cumulative)

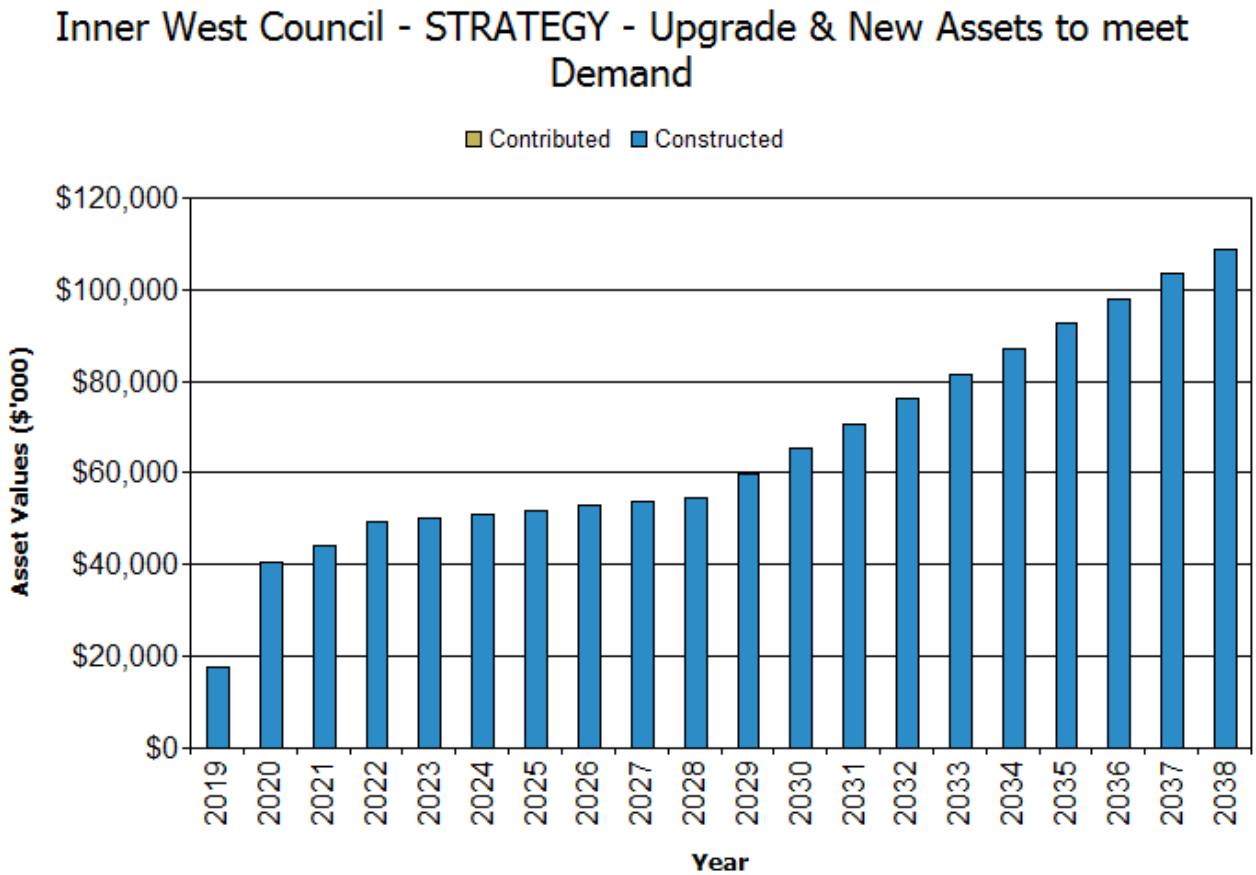


Figure 4.3 represents the expected value of new assets that will be either contributed, either by a developer or another mechanism, or constructed based on planned projects and developments. Data is cumulatively represented with the blue section representing any expenditure committed in the future on new assets or upgrading/expanding current assets.

Council has a number of construction project underway and developments being planned which align with the needs of the community including two new child care facilities which are due to be finalised in 2018. The delivery of multiple affordable housing units are being planned and negotiated. Refer to Table 5.6.

Acquiring these new assets will commit ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. At this stage, zero allowances have yet to be made for the maintenance and renewal of affordable housing. Other future assets are 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 the Council plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while managing life cycle costs.

5.1 Background Data

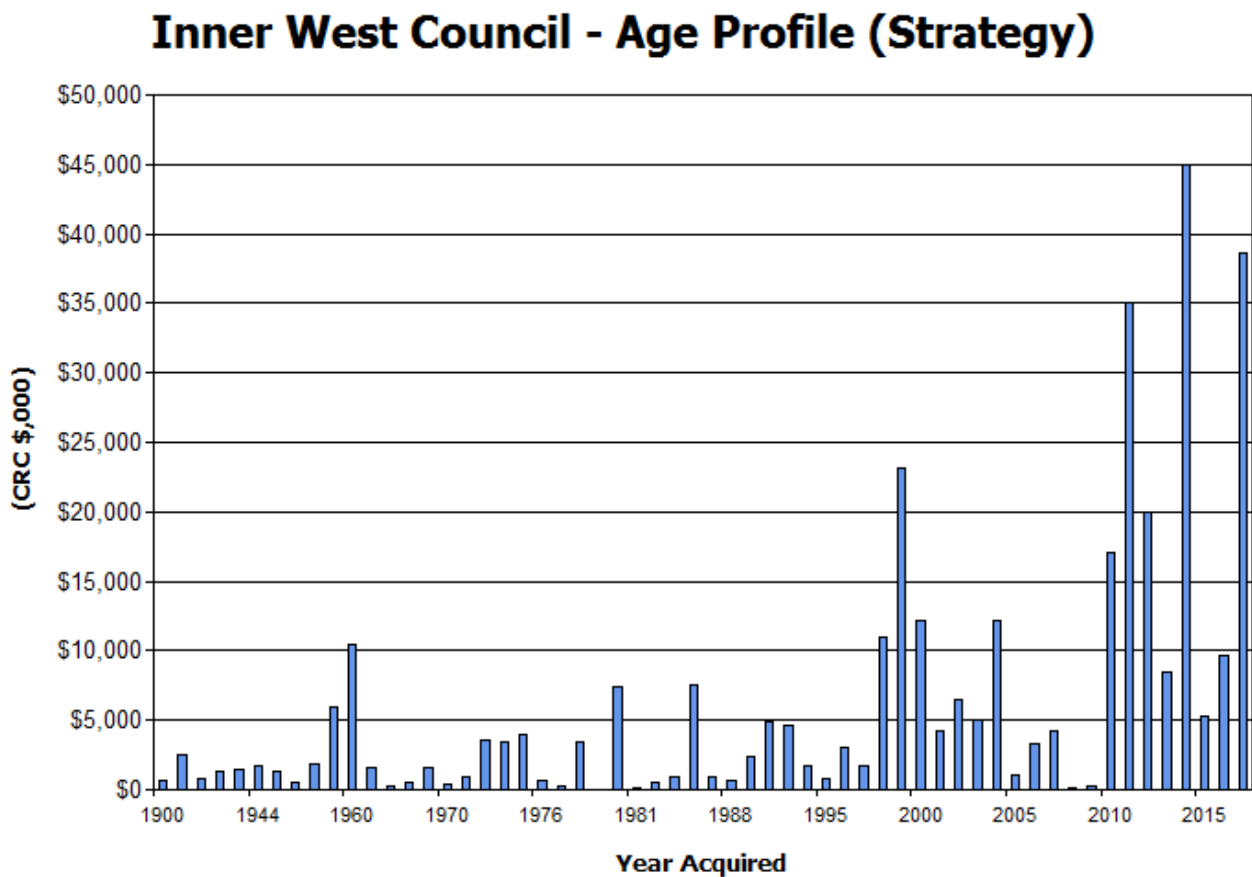
5.1.1 Physical parameters

The assets covered by this asset management plan are shown in Table 2.1 and Table 2.2.

There is a fairly even composition of building function type across the entire LGA as the region is comprised of the three former Councils which were reasonably distributed across their respective areas.

The age profile of the assets included in this AM Plan are shown in Figure 5.1.

Figure 5.1: Asset Age Profile



The graph shows the total value of assets for year acquired or last renewed in each year in current replacement values. The graph values are based on outdated data, Council has engaged consultants to provide updated building condition and valuation information.

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.

Table 5.1: Known Service Performance Deficiencies

Location	Service Deficiency
Various – multiple locations	Flooding – many areas of the LGA are in flood prone areas in particular around Hawthorne Canal and the Cooks River. Depending on the severity of the rainfall event not only are more areas affected the impact of the stormwater network is exacerbated. The capacity of the system is limited and once reached the flooding worsens.
Tillman Park Early Learning Centre	Building is at risk of water ingress during heavy rainfall events. There are a number of issues present including insufficient floor grading and poor water drainage.
Various – child care facilities across LGA	Changing legislative requirements and updated standards is a potential risk as some centres do not them.
Petersham Town Hall Caretakers Residence	This location does not meet fire regulatory requirements.

5.1.3 Asset condition

Asset condition is monitored through inspections and maintenance on a regular basis. Network wide condition assessment is carried out by Council’s Asset Officers and by contractors on a periodic basis.

The condition profile of our assets is shown in Figure 5.2.

Figure 5.2: Asset Condition Profile

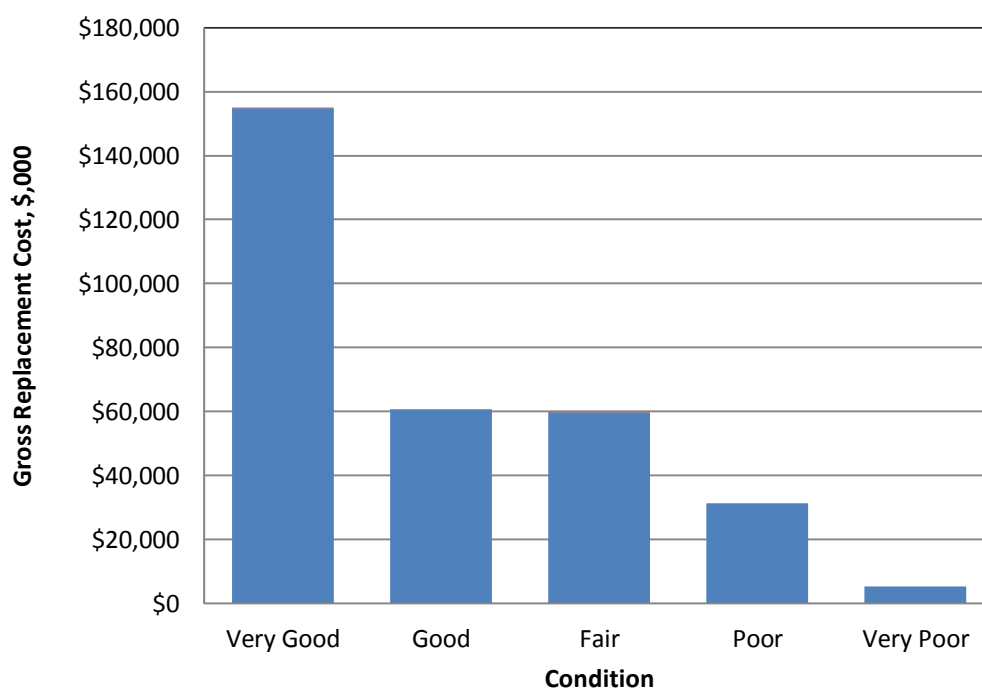


Figure 5.2 shows the condition profile of the building asset category using the condition grading system detailed in Table 5.2. The graph shows the total and percentage replacement costs of assets for each condition grading.

Table 5.2: Simple Condition Grading Model

Condition Grading	Description of Condition
1	Very Good: only planned maintenance required
2	Good: minor maintenance required plus planned maintenance
3	Fair: significant maintenance required
4	Poor: significant renewal/rehabilitation required
5	Very Poor: physically unsound and/or beyond rehabilitation

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 5.3.

Table 5.3: Maintenance Expenditure Trends

Year	Maintenance Budget (\$,000)
2016/17	\$7,201
2017/18	\$7,058*
2018/19	\$1,661**

* projected spend at March 2018.

** A budget review to recategorise the maintenance and operations budget allocations is underway and will be reflected in the Q1 2018/19 budget and next year's AMP.

Maintenance expenditure levels are considered to be adequate to meet projected 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 is highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

The building condition data and budgets will be continued to be reviewed and improved in coordination with Finance.

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 5.3. Note that all costs are shown in current 2017/18 dollar values (i.e. real values).

Figure 5.3: Projected Operations and Maintenance Expenditure

Inner West Council - Projected Operations & Maintenance Expenditure (Strategy)

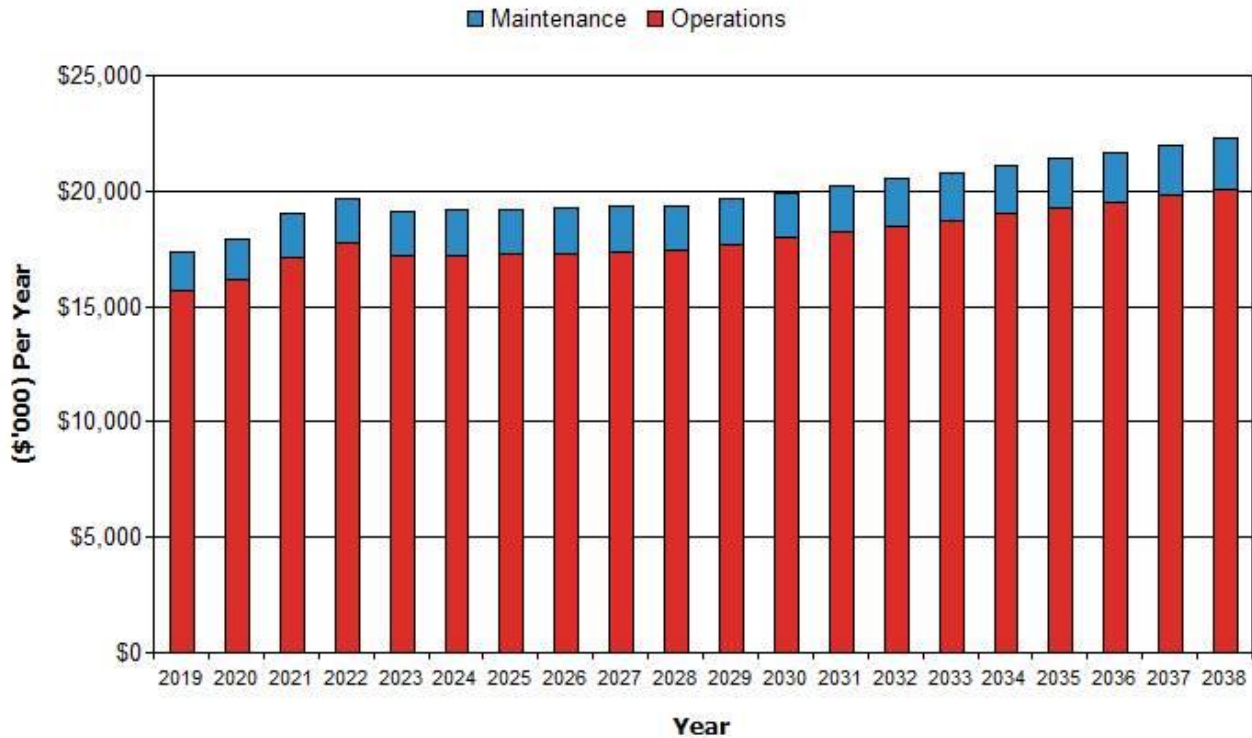


Figure 5.3 shows the 20 year forecast operating and maintenance expenditures in real (current) dollar values (net of inflation). It reflects an increase over time due to the addition of new assets from increasing demand, growth and/or risk management control measures.

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.

The figures used in the formation in Figure 5.3 include additional expenditure that was not included in Table 5.3. Overall Figure 5.3 is comprised of utilities, planned and reactive maintenance, asset testing, landscaping, security, and waste agreements.

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 one of three methods provided in the ‘Expenditure Template’.

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

Method 1 was used for this asset management plan.

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 tonne load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. roughness of a road).⁵

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.⁶

The ranking criteria used to determine priority of identified renewal and replacement proposals is detailed in Table 5.4.

Table 5.4: Renewal and Replacement Priority Ranking Criteria

Criteria	Ranking	Weighting
Class of Building ¹⁰	Iconic - 5 High Exposure - 4 Public - 3 Mixed Use - 2 Singular -1	30%
Risk Assessment	Very High - 4 High - 3 Med - 2 Low - 1	35%
Priority of Identified Defect based on Condition Assessments described in Section 5.1.2	P1 - within 1 - 3 Years P2 - Within 3 - 5 Years P3 - Within 5 -10 Years P4 - Within 10-15 Years	35%
	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 is required is shown in Fig 5. Note that all amounts are shown in current (real) dollars.

The IWC Four Year Capital Forecast is shown in Appendix A.

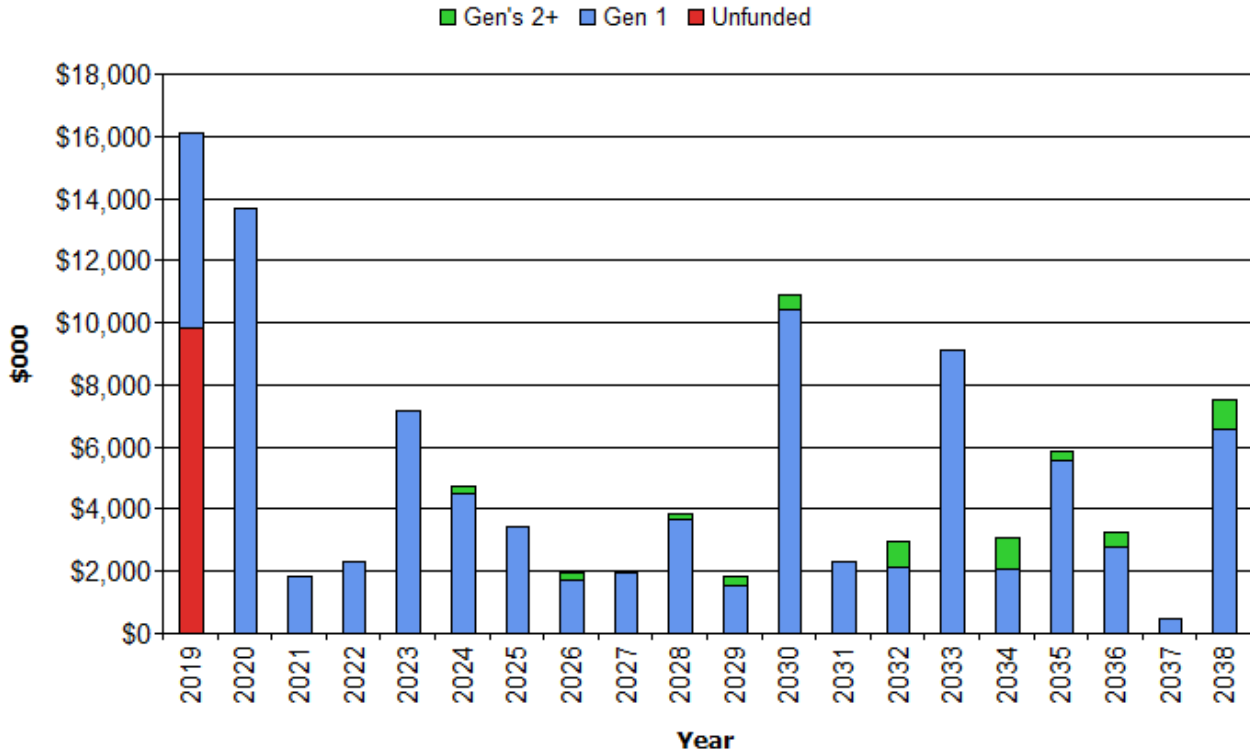
Further to the condition audit that has commenced a 10 year prioritised program is being developed along with criteria and benchmarking.

⁵ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

⁶ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

Figure 5.4: Projected Capital Renewal and Replacement Expenditure

Inner West Council - Projected Capital Renewal Expenditure (Strategy)



Source: Asset register

Figure 5.4 shows the projected 20 year capital renewal expenditures developed. All amounts are shown in real values (net of inflation). Gen 1 refers to assets being renewed for the first during the 2019-2038 period, and Gen's 2+ refer to the assets that have been renewed more than once during the period.

The unfunded item shown in red represents 'errors' in the data where the renewal has not yet occurred according to the chart model. This is a result of a number of potential sources including outdated or non-existent data. Council has engaged a consultant to capture up to date building condition data for all of Council's buildings in the area to create accurate expenditure forecasts. The inspections have been complete however the data will not be finalised by publication of this report.

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 5.5: New Assets Priority Ranking Criteria

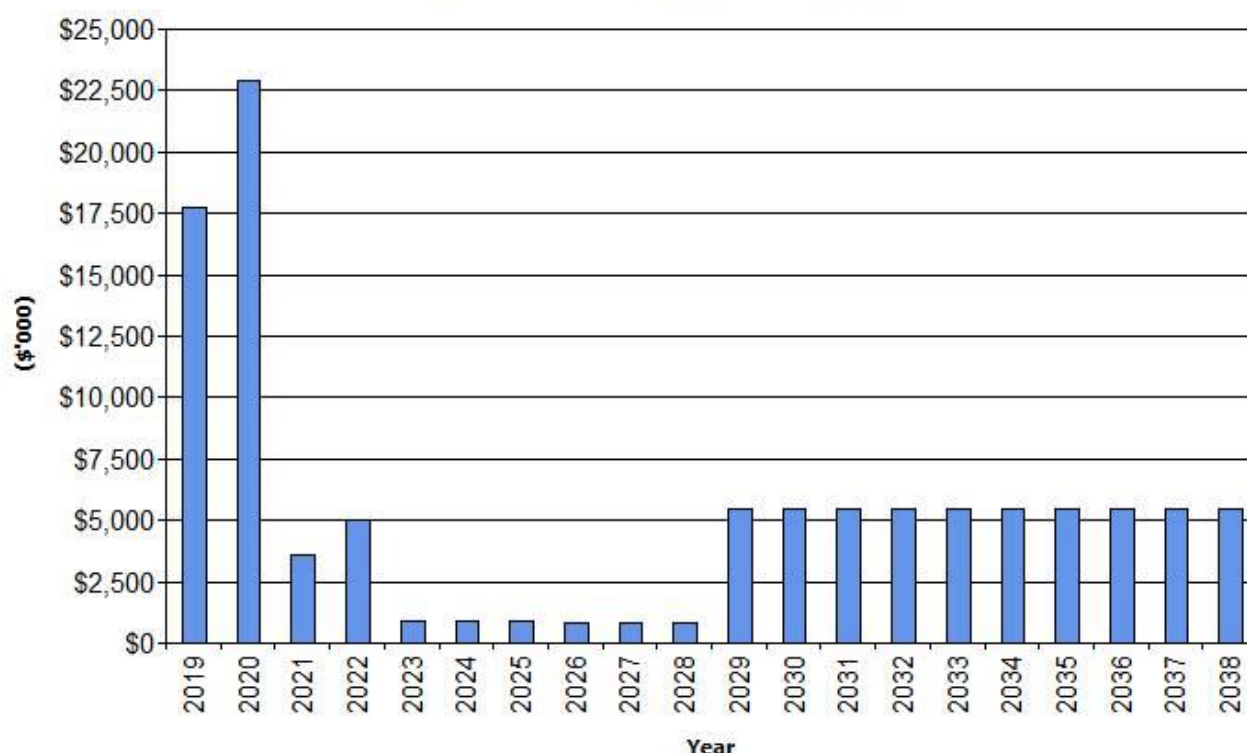
Criteria	Weighting
Expansion of building assets is based on corporate priorities to meet community expectations and as identified in the Community Strategic Plan	TBC
Assessed on the Community Strategic Plan objectives and the availability of funding (either from Council’s Capital Works Program or by grants) to build and maintain.	TBC
Total	100%

5.4.2 Summary of future upgrade/new assets expenditure

Projected upgrade/new asset expenditures are summarised in Figure 5.5. The projected upgrade/new capital works program is shown in Appendix B. All amounts are shown in real values.

Figure 5.5: Projected Capital Upgrade/New Asset Expenditure

Inner West Council - Projected Capital Upgrade/New Expenditure (Strategy)



*Source: asset register

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. The amounts starting at 2029 and beyond are the mean average of the prior ten years and are not indicative of planned future works.

Anticipated additions are shown in Table 5.6.

Table 5.6: Assets Acquired since 30 June 2017 and known Future

Asset	Reason for Addition	Timing	Acquisition Expenditure	Operations & Maintenance Annual Costs
3102/24 Grove Street, Dulwich Hill – Affordable Housing	Voluntary Planning Agreement	2018/19	\$0	TBC
5110/24 Grove Street, Dulwich Hill – Affordable Housing	Voluntary Planning Agreement	2018/19	\$0	TBC
Part Lot 2 DP 53773	Greenway project	2018/19	\$0	TBC
23 White Street, Annandale	Dedicated to Council for a park	2018/19	\$0	TBC
188 Croydon Road, Croydon	Deceased estate and dedicated to Council for a park	2018/19	\$0	TBC
100 Elliott St, Balmain - Paringa Reserve South	Voluntary Planning Agreement	2018/19	\$0	TBC
Patyegarang Place – Marrickville Library. Consists of affordable housing, commercial space and community space	Partnership Agreement	2019/20	\$0	TBC
Smith St and Longport St, Summer Hill	Part of Greenway – land claim	2019/20	\$0	TBC
140A Hawthorne Parade Haberfield	Voluntary Planning Agreement	2019/20	\$0	TBC

5.4.3 Summary of asset expenditure requirements

The financial projections of the Long Term Financial Plan from this asset plan are shown in Figure 5.6a for Scenario 1 LTFP and Figure 5.6b for Unconstrained funds 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 5.6a: Long Term Financial Plan Projected Operating and Capital Expenditure (Scenario 1 LTFP)

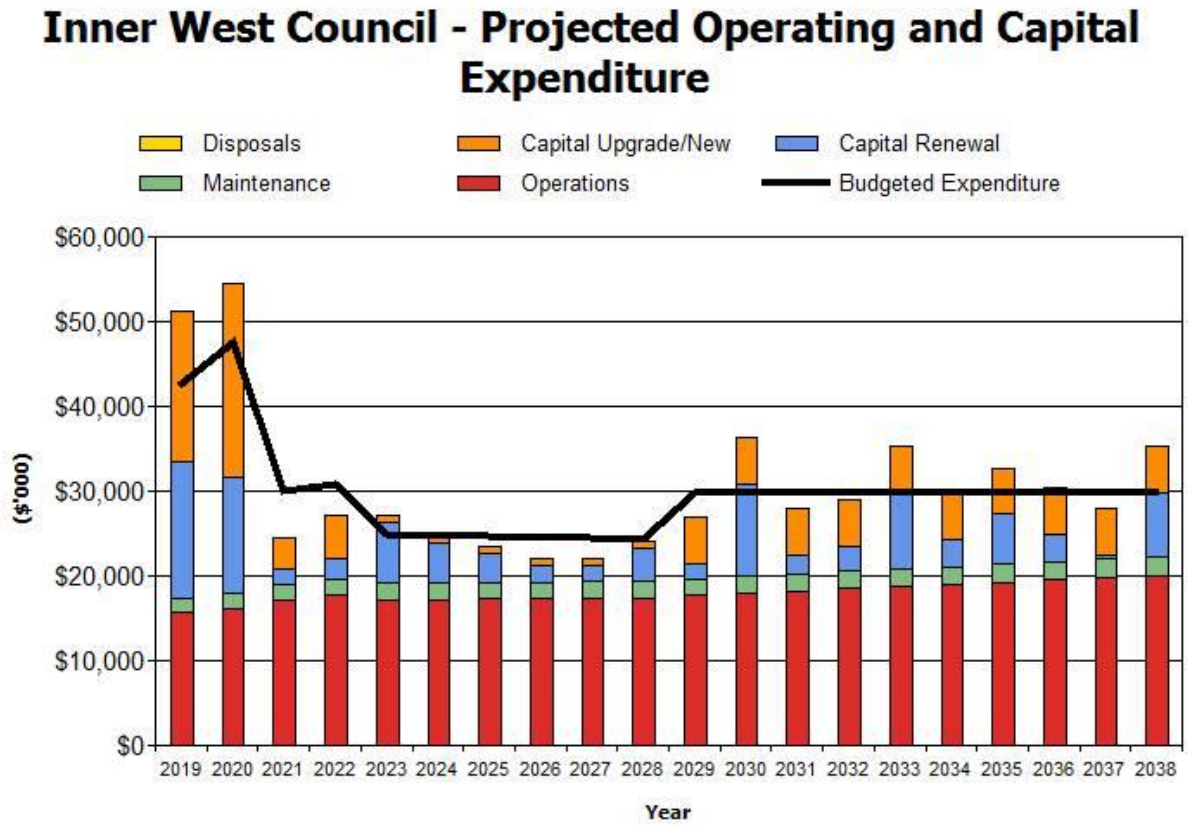
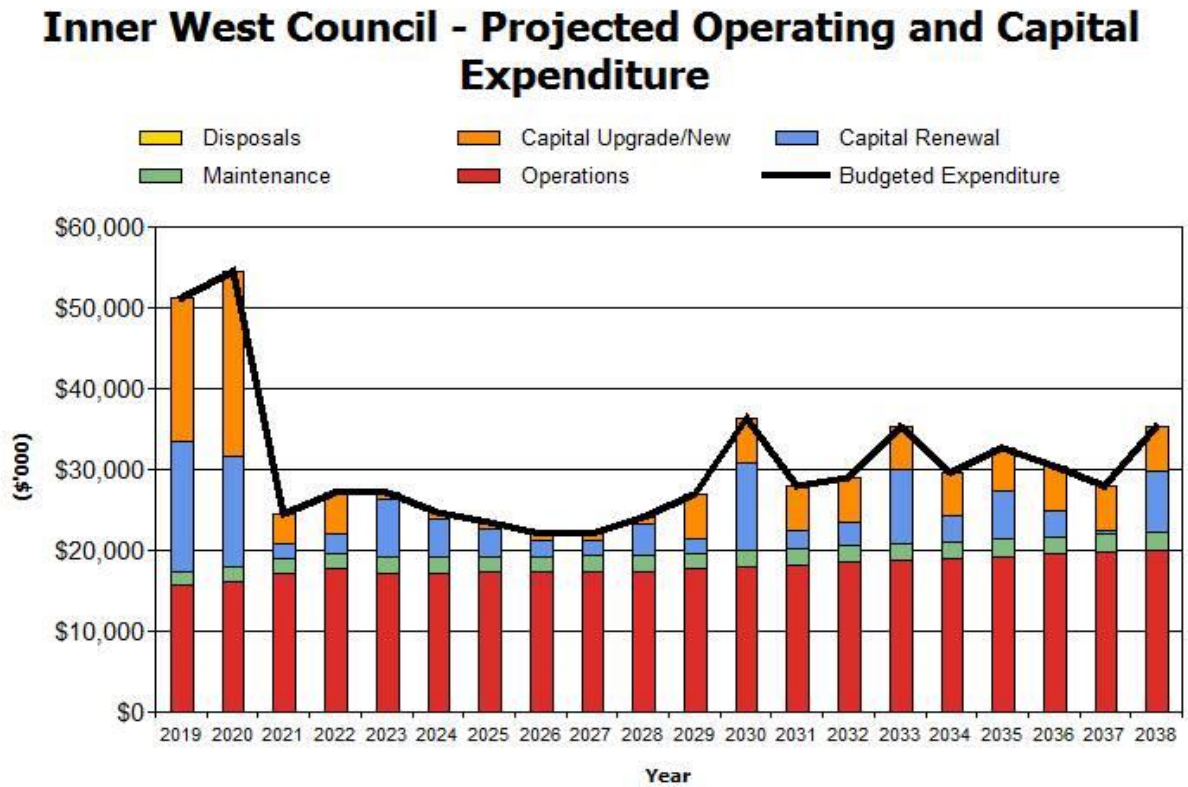


Figure 5.6b: Long Term Financial Plan Projected Operating and Capital Expenditure (Unconstrained)



Both figures show an increased expenditure in 2019 and 2020 which are aquatic centre capital renewal projects costs and upgrade/new projects costs. These are abnormal expenditures which are skewing the quantum of renewal and upgrade/new for the later period at around \$3 million per annum.

Figure 5.6a shows that the budget allocation is sufficient to fund maintenance, operational, new capital and capital upgrade and renewal costs for most of the planning period. However, on average there is a shortfall of \$228,000. The average cost of renewal and upgrade works from 2019 to 2028 have been represented in the 2029 to 2038 portion of the Figure 5.6a.

Council believes the existing building condition data is poor quality and is improving it by having the buildings' condition audited and valued to provide accurate building information and updated future capital works plan. This information will be analysed in the coming year and reflected in the 2018/19 Property AMP.

Figure 5.6b Unconstrained is the scenario anticipating the funds available are adequate to deliver operation, renewal and upgrade requirements up to the end of the planning period.

5.5 Disposal Plan

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

Table 5.6: Assets Identified for Disposal

Asset	Reason for Disposal	Timing	Disposal Expenditure	Operations & Maintenance Annual Savings
188 Croydon Road, Croydon	Bequeathed and instructed to demolish	2018/19	\$300,000*	N/A

* estimated cost to demolish and install

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’⁷.

An assessment of risks⁸ associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a ‘financial shock’. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

6.1 Critical Assets

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

Critical assets have been identified and their typical failure mode and the impact on service delivery are as follows in Table 6.1:

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Child care facilities	Inability to meet regulatory requirements	Closure of facilities and alternate care requirements for infants. Failure to provide Service Delivery
Tempe Leachate Treatment Plant	Non-operational due to not meeting maintenance requirements or sudden failure of components	Environmental Pollution
All Buildings	IT and security access	Failure to provide Service and unable to provide access
All Buildings	Fire	Damage to facility and failure to provide Service
All Buildings	Electrical Fault/Electrocution	Failure to provide Service and WHS risk
All Buildings	Structural Failure	Failure to provide Service
All Buildings	Fall / Height Safety	Failure to meet WHS requirements
All Buildings	Flood Risk and inclement weather	Damage to facility. Not safely accessible and failure to provide Service. Safety of residents and community.

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 in Figure 6.1.

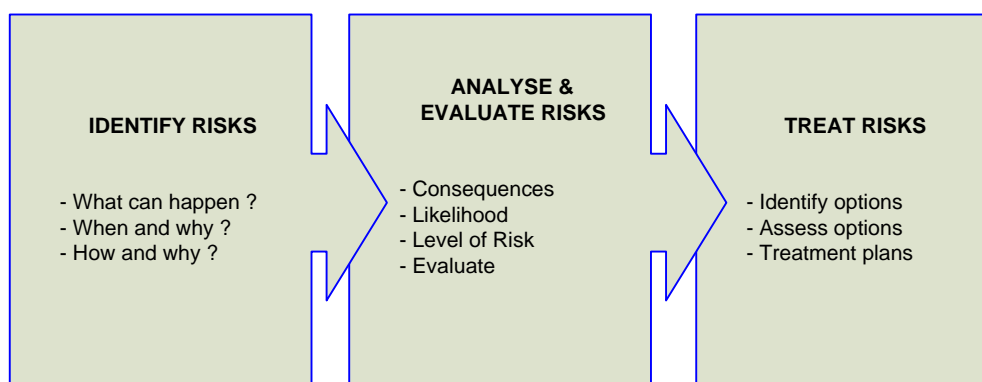
It is an analysis and problem solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

⁷ ISO 31000:2009, p 2

⁸ Inner West Council Infrastructure Risk Management Plan

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

Fig 6.1 Risk Management Process – Abridged



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 risks⁹ 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.

Table 6.2: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Child care facilities	Closure of facilities and alternate care requirements for infants. Failure to provide Service Delivery	High	Ensure facilities are maintained and comply with relevant Legislation and Australian Standards.	Med	Routine maintenance and inspections are carried out. Reactive maintenance requests are reviewed and actioned within appropriate time frames.
Tempe Leachate Treatment Plant	Environmental Pollution	High	Ensure that the leachate plant is able to operate at full capacity as required. Undertake regular & routine maintenance of leachate treatment system.	Med	On-going operational and maintenance expenditure of approximately \$270,000 per annum.
All Buildings	IT failure and access		Backup systems in place and		On-going

⁹ Inner West Council Infrastructure Risk Management Plan

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
	issues		training. Alternate access options available.		operational and maintenance expenditure.
All Buildings	Fire	High	Ensure that all Council buildings comply with relevant Legislation and Australian Standards relating to Fire Safety & Evacuation Procedures.	Med	Undertake annual fire equipment maintenance and building fire certification using annual operating budgets. Seek additional capital funds to support any identified additional requirements.
All Buildings	Electrical Fault/Electrocution	High	Any known electrical faults and deficiencies repaired as a High Priority. Regular Tagging & Testing of Electrical equipment in hostile environments to comply with requirements of Australian Standards Upgrade all switchboards and install Residual Current Devices (RCD's) on all power circuits (to meet WH&S requirement 1 Jan 2013).	Med	All electrical switchboards in buildings included in this AMP were upgraded in 2012 at a cost of approximately \$230,000 Annual tagging and testing of equipment carried out by external service provider at a cost of approximately \$9,000 per annum
All Buildings	Structural Failure	High	Adopt a systematic inspection regime to regularly assess the structural integrity of critical building elements	Med	Undertake on-going asset inspections within the recurrent budget allocation of \$15,000 per annum
All Buildings	Fall from heights - roof	High	Install suitable roof anchor points on all Council building roofs to comply with Australian Standards and NSW OH&S requirements. Undertake regular inspections and certification of anchor points	Med	Undertake annual certification of height safety infrastructure and equipment using annual operating budgets. Seek additional capital funds to support additional requirements.
All Buildings	Flooding or other disaster	High	Identify areas that are impacted by severe flooding and prepare evacuation plans.	Med	Undertake analysis of critical impacts and areas.

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
			Improve stormwater infrastructure.		Upgrade stormwater conduits, structures and retention/detention basins to reduce impacts.

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

6.3 Infrastructure Resilience Approach

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

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

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards, resilience assessment and identified improvements and/or interventions.

Table 6.3: Resilience

Threat / Hazard	Resilience (L/M/H)	Improvements / Interventions
Natural or man-made disaster	Medium	Disaster management plan and multiple sites to provide services
Financial and budget constraints	Medium	Prioritisation of vital projects for optimum Service Delivery

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan 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. Works and services that cannot be provided under present funding levels include:

- Replacement of all assets that have condition of 4.
- Facility upgrades for accessibility and to meet today's BCA and DDA requirements.
- Increasing the current levels of service for condition of all buildings and carparks.

6.4.2 Service trade-off

Operations and maintenance activities and capital projects that cannot be undertaken will maintain or create service consequences for users. These include:

- Service delays and interruptions,
- Cancellation or closure of core services such as child care, libraries etc

These service consequences of the infrastructure assets occur when there are insufficient funding levels or some other reasons based on its condition. Occasionally deferred assets are due to insufficient funds even though they need to be maintained or reconstructed during that year.

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may maintain or create risk consequences.

IWC have identified major risks as:

- Inadequate resources/funding to maintain infrastructure to an appropriate standard resulting in asset failure, injury, reputational damage or legal action.
- Inability to undertake adequate asset management planning
- Risk of injury to public and staff
- Failure or non-compliance with standards
- Deterioration, inadequate design and construction, damage from inappropriate use

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

- Improve data and knowledge.
- Prioritise treatments within allocated funding to manage risk.
- Request additional funding when risks are assessed as high.
- Sustainable Asset Management Planning including inspections, asset management plans, budget bids for additional funding and resources.
- Continue to monitor not only the condition of assets, but how well they suit the needs of users.

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

7. FINANCIAL SUMMARY

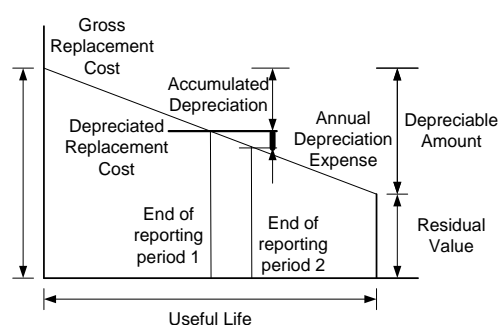
This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset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

7.1 Financial Statements and Projections

7.1.1 Asset valuations

The best available estimate of the value of assets included in this Asset Management Plan are shown below. using replacement cost method (based on unit rate and dimension). The revaluation has reviewed based on current replacement cost, unit rate, useful life and condition for the following assets as per the current data available in the Asset Register.

Gross Replacement Cost	\$369,897,000
Depreciable Amount	\$369,897,000
Depreciated Replacement Cost ¹⁰	\$269,997,000
Annual Average Asset Consumption	\$6,560,000



Source: Jeff Roorda and Associates

7.1.1 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 Ratio¹¹ 99%

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 99% of the funds required for the optimal 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 \$30,081,600 on average per year.

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

¹¹ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

Estimated (budget) operations, maintenance and capital renewal funding is \$29,853,200 on average per year giving a 10 year funding shortfall of \$228,000 per year. This indicates 99% of the projected expenditures needed to provide the services documented in the asset management plan. This excludes upgrade/new assets.

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 7.1.2a shows the projected and LTFP budgeted renewals and financing shortfalls for the 10 year long term financial plan for Scenario 1 and Table 7.1.2b shows the unconstrained scenario for the 10 year long term financial plan.

Expenditure projections are in 2018/19 real values.

Table 7.1.2a: Projected and Budgeted LTFP Renewals and Financing Shortfall (\$000) (Scenario 1 LTFP)

Year End June 30	Projected Capital Renewal (\$000)	LTFP Renewal Budget (\$000)	Renewal Financing Shortfall (-gap, +surplus) (\$000)	Cumulative Shortfall (-gap, +surplus) (\$000)
2019	\$16,081	\$7,477	-\$8,604	-\$8,604
2020	\$13,697	\$7,902	-\$5,795	-\$14,399
2021	\$1,810	\$10,001	\$8,191	-\$6,208
2022	\$2,316	\$9,114	\$6,798	\$590
2023	\$7,165	\$8,338	\$1,173	\$1,763
2024	\$4,758	\$8,422	\$3,664	\$5,427
2025	\$3,424	\$8,504	\$5,080	\$10,507
2026	\$1,959	\$8,592	\$6,633	\$17,140
2027	\$1,964	\$8,675	\$6,711	\$23,851
2028	\$3,876	\$8,763	\$4,887	\$28,738*

*The cumulative surplus of \$28.7 million identified at the end of the 2028 year is attributed to the reduction of the infrastructure backlog of assets in poor or very poor condition.

The peak in the first two years represents 'errors' in the data where the renewal has not yet occurred. This is a result of a number of potential sources including outdated or non-existent data. Council has engaged a consultant to capture up to date building condition data for all of Council's buildings in the area to create accurate expenditure forecasts. The inspections have been complete however the data will not be finalised by publication of this report.

This data will also be used to develop the forward capital renewal plan. The updated plan will be reflected in the Q1 2018/19 budget and next year's AMP.

Table 7.1.2b: Projected and Budgeted Renewals and Financing Shortfall (\$000) (Unconstrained)

Year End June 30	Projected Capital Renewal (\$000)	Unconstrained Renewal Budget (\$000)	Renewal Financing Shortfall (-gap, +surplus) (\$000)	Cumulative Shortfall (-gap, +surplus) (\$000)
2019	\$16,081	\$16,081	\$0	\$0
2020	\$13,697	\$13,697	\$0	\$0
2021	\$1,810	\$1,810	\$0	\$0
2022	\$2,316	\$2,316	\$0	\$0
2023	\$7,165	\$7,165	\$0	\$0
2024	\$4,758	\$4,758	\$0	\$0

Year End June 30	Projected Capital Renewal (\$000)	Unconstrained Renewal Budget (\$000)	Renewal Financing Shortfall (-gap, +surplus) (\$000)	Cumulative Shortfall (-gap, +surplus) (\$000)
2025	\$3,424	\$3,424	\$0	\$0
2026	\$1,959	\$1,959	\$0	\$0
2027	\$1,964	\$1,964	\$0	\$0
2028	\$3,876	\$3,876	\$0	\$0

Table 7.1.2c shows the projected expenditures for the 10 year long term financial plan.

Expenditure projections are in 2017/18 real values.

Table 7.1.2c: Projected Expenditures for the Property Asset Portfolio (\$000)

Year	Operations (\$000)	Maintenance (\$000)	Projected Capital Renewal (\$000)	Capital Upgrade/ New (\$000)	Disposals (\$000)
2019	\$15,685	\$1,661	\$16,081	\$17,767	\$300
2020	\$16,137	\$1,758	\$13,697	\$22,891	\$0
2021	\$17,150	\$1,880	\$1,810	\$3,614	\$0
2022	\$17,786	\$1,899	\$2,316	\$5,046	\$0
2023	\$17,166	\$1,926	\$7,165	\$906	\$0
2024	\$17,219	\$1,931	\$4,758	\$884	\$0
2025	\$17,266	\$1,936	\$3,424	\$862	\$0
2026	\$17,315	\$1,940	\$1,959	\$841	\$0
2027	\$17,369	\$1,945	\$1,964	\$821	\$0
2028	\$17,416	\$1,949	\$3,876	\$801	\$0
2029	\$17,692	\$1,953	\$1,822	\$5,443	\$0
2030	\$17,955	\$1,982	\$10,885	\$5,443	\$0
2031	\$18,218	\$2,011	\$2,284	\$5,443	\$0
2032	\$18,481	\$2,040	\$2,969	\$5,443	\$0
2033	\$18,744	\$2,069	\$9,093	\$5,443	\$0
2034	\$19,007	\$2,098	\$3,084	\$5,443	\$0
2035	\$19,270	\$2,127	\$5,855	\$5,443	\$0
2036	\$19,533	\$2,156	\$3,230	\$5,443	\$0
2037	\$19,796	\$2,185	\$484	\$5,443	\$0
2038	\$20,059	\$2,214	\$7,507	\$5,443	\$0

This is based on the existing asset register data. There is low confidence in this data. New data has been recorded and will be uploaded into the new TechOne asset management system and will be reflected in the 2019/20 AMP.

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. Zero allowance has been added for the ongoing maintenance and renewal of additional assets acquired through future voluntary planning agreements.

The LTFP does not provide adequate funding to improve or maintain the existing and future asset portfolio.

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. This plan is based on low quality data though is considered adequate for this plan. A revaluation and new condition report is being undertaken and will be incorporated into the 2018/19 AMP.

Key assumptions made in this asset management plan are shown in table 7.2.

Table 7.2: Key Assumptions made in AM Plan and Risks of Change

Key Assumptions	Risks of Change to Assumptions
Existing condition data at 30 June 2017 is considered adequate for this plan	Maintaining new inventory and condition data or carrying out regular condition assessments.
Use of revaluation as at 30 June 2017 is considered adequate for this plan	This asset management plan is based on a forecast revaluation for 30 June 2017 that is subject to change.
Remaining lives determined from the condition rating	Assumption made in useful remaining lives may vary for long term assessment
Existing separate Council data sources are compatible and consistent	Different asset methodologies will result in inconsistent outputs and inaccurate information.
Maintenance service contracts costs will be the same	New contracts are being procured which will likely be different cost to existing contracts.
Existing asset register	The register is being fully updated and modelling will need to be undertaken for an accurate assessment.

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 scale¹² in accordance with Table 7.3.

Table 7.3: 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%

¹² IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
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.

Plan A is based on low quality data. A revaluation and condition report is being undertaken with an expectation of escalating confidence to a level A by the improvement of data collection and knowledge using updated system i.e. TechOne.

The estimated confidence level for and reliability of data used in this AM Plan is considered to be uncertain. Council is procuring updated building condition data however it will not be available to integrate into this asset management plan.

8. PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹³

8.1.1 Accounting and financial data sources

Council's accounting and financial management system is Finance 1, a TechOne product.

All construction and maintenance costs are recorded in this system. Capital costs are generally costed to a series of account numbers that can be related to a particular asset construction project.

Currently NSW is phasing in compliance with AASB116. To successfully complete this it will be important that both financial and technical systems reporting are based on the same data for infrastructure assets.

8.1.2 Asset management data sources

Council's asset management system is in progress of migrating to TechOne following the amalgamation. The existing data sources include figures published in Special Schedule 7 and building condition acquired by building surveyors.

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

Ref	Practice Area	Task	Responsibility	Target Date
1	Strategic Longer Term Plan	Council adopt a Community Strategic Plan	Executive	June 2018
2	Annual Budget	Annual Budget based on the Delivery Program, AM Plans and LTFP	Deputy General Manager Asset & Environment	July 2018
3	Annual Report	Annual Report reviews performance against strategic objectives	Deputy General Manager Asset & Environment	September 2019
4	AM Policy	AM Policy	Deputy General Manager Asset & Environment	June 2018
5	AM Strategy	AM Strategy	Deputy General Manager Asset & Environment	June 2018
6	AM Plans	AM Plans	Group Managers	July 2018
		Planning forecasts of renewal, new assets and upgrades, maintenance and operational costs, rationalisation and disposal, performance and utilisation,	Managers of Assets, Asset Management Steering Committee	June 2019
7	Governance and Management	AM practices link to service delivery	Managers of Assets	June 2020
		Asset Management improvement planning	Managers of Assets	December 2019

¹³ ISO 55000 Refers to this the Asset Management System

Ref	Practice Area	Task	Responsibility	Target Date
8	Levels of Service	Processes for determining current and target levels of service and costs	Managers of Assets	June 2020
		Levels of service measured, monitored and performance reported	Managers of Assets	June 2020
		Develop Service Plans, based on community consultations;	Managers of Assets	June 2020
9	Data and Systems	Assessments of asset service Risk and Criticality	Managers of Assets	December 2019
		Life cycle costs for assets,	Asset Management Steering Committee	June 2019
		Consolidated integrated, accurate asset database and analytical capability to monitor and predict performance	Asset Management Steering Committee	September 2019
		A methodology for, and predictions of asset life based on condition and asset consumption rates.	Managers of Assets	June 2019
		Documented data standards and methodologies for asset condition surveys and defect identification identified in an Asset Knowledge Management Plan	Managers of Assets	June 2019
10	Skills and Processes	Documented process for planning needs for renewal and upgrade	Managers of Assets	June 2019
		Documented service rationalisation process, and service delivery reviews.	Asset Management Steering Committee	June 2020
		Documented structure of business case justifications of capital projects.	Asset Management Steering Committee	December 2019
		Asset custodianship handover procedures	Asset Management Steering Committee	September 2019
		Documented processes for planning operations and maintenance	Managers of Assets	September 2019
		Documented procedures for determining asset treatment and replacement cost rates;	Managers of Assets	September 2019
		Analysis of asset failures, considering causes and identifying trends	Managers of Assets	June 2020
11	Evaluation	Review and improvement processes	Managers of Assets	December 2019

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 one year of each Inner West Council election. IWC to review in one year following upload of data and annually review is likely to continue. .

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
- Inner West Council Long Term Financial Plan

10. APPENDICES

Appendix A IWC Four Year Capital Works Forecast

Appendix B LTFP Budgeted Expenditures Accommodated in AM Plan

Appendix A IWC Four Year Capital Works Forecast

Capital Report

Capital Program Corporate Support	2017/18 Budget (\$'000)	Actual (\$'000)	% Spent	Forecasted Year End Expenditure (\$'000)	Project Status	Commentary	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)
Haberfield Library upgrade works	373	23	8%	273	●	Roof replacement works to commenced.	840	-	-
Leichhardt Park Aquatic Centre redevelopment works	-	-	-	-		There is no information. Please delete.	-	-	-
Dawn Fraser Pool upgrade works	534	122	37%	334	●	Responding to detailed design structural and hydraulic issues that are impacting design. Incorporating community engagement and Heritage Council feedback. The DA is being reviewed and will be resubmitted	2,081	-	-
Marrickville Town Hall upgrade works	319	37	47%	79	●	Carpet and painting works completed. Seeking architectural services quotes for all other works.	360	2,090	-
St Peters Town Hall upgrade works	495	-	-	100	●	Seeking architectural quotes for all works and DA submission.	395	-	1,460
Weston St Balmain - Fenwick Building	2,000	536	27%	2,000	●	Construction completion expected May. RFT advertisement April.	-	-	-
Yeo Park Baby Health Building upgrade works	478	152	32%	478	●	Construction complete. RFT advertisement April. Café due to open mid year.	-	-	-
Ashfield Aquatic Centre upgrade works	5,000	746	36%	2,050	●	Design documentation 70%. Pool closed in April. DA approval expected by end of May. Select tender process to commence May following DA approval.	12,000	14,500	-
Steel Park CCC New Facility	3,400	3,167	70%	4,503	●	Construction completion expected May.	50	-	-
Property Capital Projects	-	119	-	-		Quarterly review (Q2) moved budgets to new structure below.	-	-	-
Property Buildings	3,846	242	-	-		Quarterly review (Q2) moved budgets to new structure below.	-	-	-
Parks Buildings	1,859	-	-	-		Quarterly review (Q2) moved budgets to new structure below.	-	-	-
Tenant Buildings	129	-	-	-		Quarterly review (Q2) moved budgets to new structure below.	-	-	-
Capital Program Children and Family Services	-	437	27%	1,648	●	New Leichhardt Child Care Centre complete (final payments not yet reflected in this report). Works commenced at May Murray.	1,129	1,090	1,000
Capital Program Community Services	-	278	33%	852	●	Seaview Street Hall and Lewisham Community Centre complete. (final payments not showing in this actual spreadsheet)	1,675	1,286	1,455
Capital Program Footpaths Roads Traffic and Stormwater	-	-	-	-	●	No works for current year.	100	300	-
Capital Program Library Services	-	272	45%	603	●	New Marrickville Library and Community Centre under construction.	1,170	3,252	850
Capital Program Property & Assets	-	1,349	40%	3,403	●	Leichhardt oval accessibility improvements complete. Leichhardt Town Hall external works and roof repairs to commence in Mid May at completion of carpark works in Marion St. Building condition audit 90% complete.	1,785	1,574	2,613
Capital Program Recreation and Aquatics	-	952	51%	1,859	●	AKAC improvement works 95% complete. Steel Park Water play upgrade to commence in May.	150	250	4,008
Capital Program Trees Parks & Sportsfield	-	530	25%	2,145	●	Pioneers park improvement works 95%. War Memorial Park toilet renewal tender awarded. Works to be completed by 1st week in June. Punch Park amenities upgrade and Bridgewater Park new amenity works to start in May 2018.	3,509	1,974	2,412
Total Properties, Major Projects & Buildings	18,433	8,962	44%	20,325			25,244	26,316	13,798

Appendix B Budgeted Expenditures Accommodated in LTFP

NAMS.PLUS3 Asset Management		Inner West Council								
<p>© Copyright. All rights reserved. The Institute of Public Works Engineering Australasia</p>										
Properties_S1_V1		Asset Management Plan								
<p>First year of expenditure projections 2018 (financial yr ending)</p>										
<p>Properties</p> <p>Asset values at start of planning period</p>		<p>Calc CRC from Asset Register</p> <p>Current replacement cost \$348,550 (000)</p> <p>Depreciable amount \$348,550 (000)</p> <p>Depreciated replacement cost \$125,436 (000)</p> <p>Annual depreciation expense \$6,560 (000)</p>								
		<p>Additional operations costs 4.32%</p> <p>Additional maintenance 0.48%</p> <p>Additional depreciation 1.88%</p> <p>Planned renewal budget (information only)</p> <p>You may use these values calculated from your data or overwrite the links.</p>								
<p>Planned Expenditures from LTFP</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
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Expenditure Outlays included in Long Term Financial Plan (in current \$ values)										
Operations										
Operations budget	\$15,685	\$15,278	\$15,185	\$15,647	\$14,782	\$14,792	\$14,796	\$14,804	\$14,816	\$14,824
Management budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AM systems budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total operations	\$15,685	\$15,278	\$15,185	\$15,647	\$14,782	\$14,792	\$14,796	\$14,804	\$14,816	\$14,824
Maintenance										
Reactive maintenance budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Planned maintenance budget	\$1,661	\$1,663	\$1,663	\$1,663	\$1,663	\$1,663	\$1,663	\$1,663	\$1,663	\$1,663
Specific maintenance items budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total maintenance	\$1,661	\$1,663	\$1,663	\$1,663	\$1,663	\$1,663	\$1,663	\$1,663	\$1,663	\$1,663
Capital										
Planned renewal budget	\$7,477	\$7,709	\$9,519	\$8,463	\$7,554	\$7,444	\$7,333	\$7,228	\$7,120	\$7,017
Planned upgrade/new budget	\$17,767	\$22,891	\$3,614	\$5,046	\$906	\$884	\$862	\$841	\$821	\$801
Non-growth contributed asset value	\$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
Carrying value (DRC) of disposed assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional Expenditure Outlays Requirements (e.g from Infrastructure Risk Management Plan)										
Additional Expenditure Outlays required and not included above	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$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
User Comments #2										
Forecasts for Capital Renewal using Methods 2 & 3 (Form 2A & 2B) & Capital Upgrade (Form 2C)										
Forecast Capital Renewal from Forms 2A & 2B	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Forecast Capital Upgrade from Form 2C	\$17,767	\$22,891	\$3,614	\$5,046	\$906	\$884	\$862	\$841	\$821	\$801