CITY OF VINCENT

ASSET MANAGEMENT & SUSTAINABILITY STRATEGY

2020–2030

Acknowledgment of Country

The City of Vincent would like to acknowledge the Traditional Owners of the land, the Whadjuk people of the Noongar nation and pay our respects to Elders past, present and emerging.

We recognise the unique and incomparable contribution the Whadjuk people have made and continue to make to our culture and in our community. We will continue to seek the input of the Traditional Owners.

The land on which we live, meet and thrive as a community always was and always will be Noongar land.

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OVERVIEW

Purpose

The purpose of the City of Vincent Asset Management and Sustainability Strategy (AMSS) is to provide a strategic framework that guides the:

- planning, management and provision of assets;
- renewal and investment in assets;
- utilisation and rationalisation of assets; and
- best use of resources for the benefit of current and future generations.

The Challenge

The City of Vincent's challenge is that asset renewal demand currently exceeds the City's ability to fully resource asset renewal investment.

To meet this challenge, the City must strike the balance between maintaining our current portfolio and scale of ageing assets whilst meeting the needs of a growing and diverse community and a changing environment. This needs to happen within our means and be financially sustainable in the long term.

The draft AMSS is designed to set out our challenges, identify objectives and assist in mapping out the opportunities for better asset management for a sustainable future in consultation with the Vincent community.

The AMSS Vision

'Our assets and facilities are cared for and well utilised, meet the needs of our growing and diverse community and respond to a changing environment in a planned and financially sustainable way.'

Objectives

The AMSS has four key objectives to meet the City's asset sustainability goals:

1. Having enough funds to keep our assets up-to-date;
2. Keeping our historic assets safe for use;
3. Planning for the future of our assets; and
4. Making sure we have the assets we need now and in the future.

The draft AMSS is intended to guide the management of the City's asset portfolio over the next ten years with regular review of progress of the Implementation Plan.

VISION AND OBJECTIVES

Asset management is a continuous process, covering the full life of an asset, and can include the creation of assets as well as acquisition, upgrades, maintenance, renewal, disposal and day-to-day operation of assets. Underpinning the activities associated with asset management is the identification of key risks that affect asset management processes and the City's capacity to deliver on the community's level of service. The City has identified key risks associated with providing the required levels of service and the inability to complete all identified activities and projects. The risks include financial liability and community dissatisfaction.

Through the AMSS and Asset Management Plans (AMPs) the City will endeavour to manage these risks within available funding, resourcing and infrastructure risk management processes. The AMSS has been developed with the following components to ensure it achieves the desired policy outcomes and effective corporate governance:

- Define major asset classes;
- Plan for levels of service;
- Link to the Long Term Financial Plan and the Workforce Plan; and
- Set governance and management arrangements.

Vision

The Strategic Community Plan 2018-2028 (SCP) articulates the community's vision and aspirations for the future. The residential population is growing and this brings new challenges and opportunities that impact on current assets and future asset demand. The following outcome under the SCP Innovative and Accountable Priority establishes the vision of the AMSS.

INNOVATIVE & ACCOUNTABLE

'Our assets and facilities are cared for and well utilised, meet the needs of our growing and diverse community and respond to a changing environment in a planned and financially sustainable way.'

(AMSS Vision)

To achieve the outcomes of the Innovative and Accountable priority the City of Vincent will continue 'to be an innovative, honest, engaged and responsible organisation that manages resources well, communicates effectively and takes our stewardship role seriously' (SCP pg.25).

Objectives

The City has developed four key objectives to meet the City's asset sustainability goals.

1. Having enough funds to keep our assets up-to-date

An asset sustainability ratio indicates whether assets are being kept up-to-date, or if they are generally degrading over time.

According to the Department of Local Government and Communities Asset Management Guidelines (2016), an asset sustainability ratio of less than 90% indicates that the local government may be underinvesting in renewal and replacement of its asset base. The asset sustainability ratio for the City in 2018/19 was 33%, equating to an asset renewal gap in a single year of approximately $7.5 M. This is well below the established benchmark of 90%.

An overriding principle of the AMSS is renew over new so that the City will be in a better position to manage risks within available funding.

The Long Term Financial Plan 2020/21-2029/30 (LTFP) has also set long-term targets to address the asset renewal gap (see Targets).

2. Keeping our historical assets safe for use

The City's asset portfolio includes a number of long-lived assets that are getting older and more expensive to maintain. The significant aged condition of some of the City's assets are in urgent need of attention to keep them safe for users. If they are not maintained to appropriate levels, there may be several consequences including user safety.

The City has committed some major renewal funding to long-lived assets like Beatty Park Leisure Centre, but long-term funding to keep these assets safe to use remains a major challenge. Part of the deliverables detailed in the AMSS Implementation Plan will be advocating to federal and State governments to provide support for the City's assets as well as sourcing other alternative funding contributions.

3. Planning for the future of our assets

The City of Vincent has several master plans and development plans that are proposed to be implemented over the course of the AMSS (ten years). Historically, the actions within these master plans and development plans have been prioritised and budgeted on an annual basis. Moving forward, the lifecycle costs of priority projects will be included in the City's long-term financial planning.

Lifecycle costs includes the cycle of activities that an asset goes through for the life of that asset. To keep the asset performing at an appropriate level, adequate funding needs to be set aside to maintain that asset each year for the life of that asset.

The AMSS requires that all new major capital works projects include lifecycle costs in its detailed costing estimates. Only then will they be considered for endorsement.

A key action item in the AMSS is an Asset Prioritisation Plan that will provide important data to inform asset management decisions for new major capital works projects. The Asset Prioritisation Plan in the AMSS will speak to an asset hierarchy based on a matrix of measurements that includes utilisation, fit-for-purpose considerations and community values.

4. Making sure we have the assets we need now and in the future

The City of Vincent has a growing population. Along with a changing demographic profile, this will influence demand on current and future assets. For example, the City's ageing population may require different facilities than youth, families and couples.

The Implementation Plan in the AMSS will define levels of service for the asset portfolio and establish a community focus group to discuss asset management issues. This will help keep levels of service and participatory asset discussions as key principles of asset management going forward.

The City of Vincent will also adopt a continuous improvement approach with an updated Asset Management Framework. There will be a focus on establishing and nurturing a 'whole-of-organisation' culture for best practice in asset management. To achieve this outcome, the City will continually improve the quality of data that informs asset management decision-making and ensure that the community remains informed on the status of the City's assets.

INTEGRATED PLANNING AND REPORTING FRAMEWORK

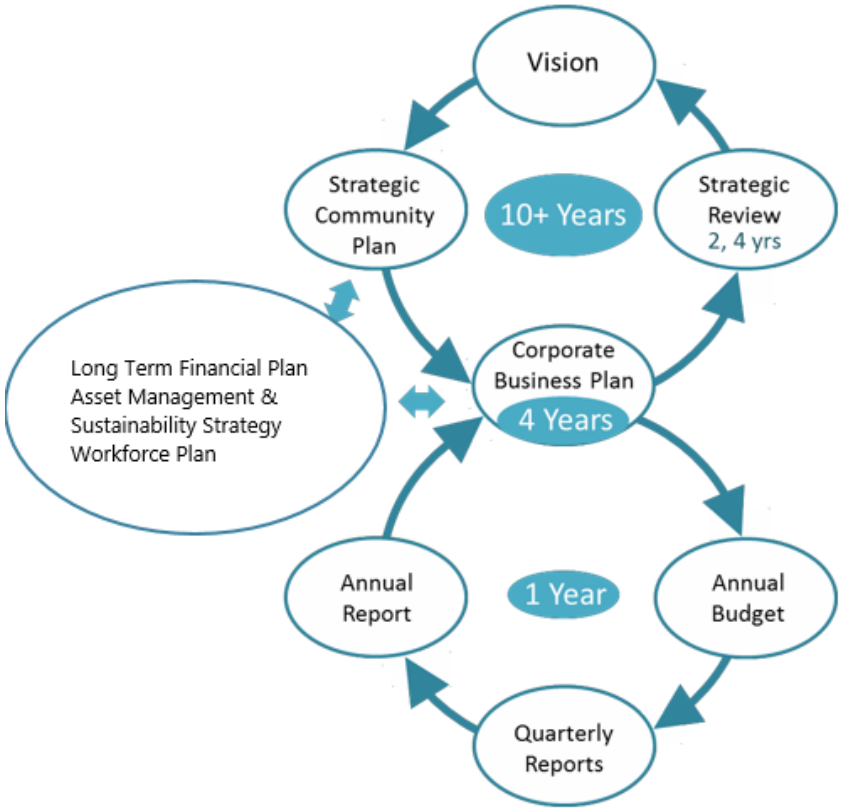
The Local Government Act 1995 requires every local government to 'plan for the future'. The AMSS is an important piece of future planning that is influenced by, and will feed into, the Corporate Business Plan 2020/2021-2023/2024 (CBP) and SCP to form part of the City's Integrated Planning and Reporting Framework (IPRF). The CBP and SCP are significant guiding documents for planning, budgeting, resource allocation and service delivery within the City, over the next decade.

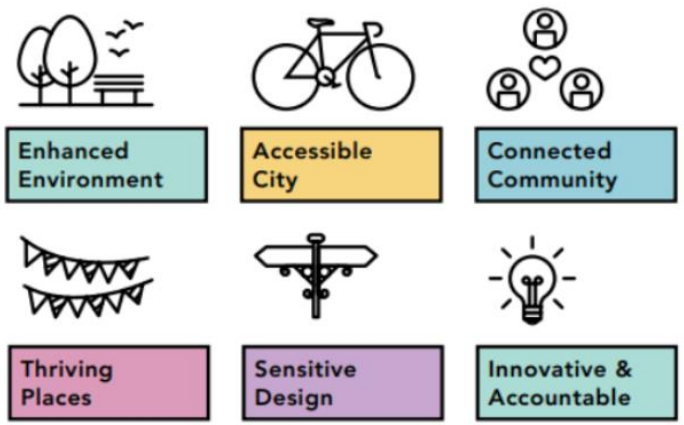
The CBP identifies the development of the AMSS to 'develop a financially sustainable strategic approach to City Assets' (CBP No.24) as part of the Innovative and Accountable priority in the SCP.

The AMSS is informed by the City of Vincent Asset Management Policy (2009) and Asset Management Strategy 2010- 2020. The AMSS also feeds into the Asset Management Plans (Buildings, Transport and Recreation/Parks).

The effective management of the City's assets is crucial to the sustainable delivery of services that meet the current and future needs of the community. The alignment of the AMSS with the IPRF will ensure that asset management is established as part of the City's integrated planning.

Figure 1 IPRF Cycle (adapted from LTFP 2020/21-2029/30)





The vision of the AMSS is underpinned by six SCP priorities that are set out as Guiding Principles. The relationship between the Guiding Principles and the outcomes the AMSS will deliver is also highlighted.

Guiding Principle	***Application to AMSS***
Our vibrant places and spaces are integral to our identity, economy and appeal. We want to create, enhance and promote great places and spaces for everyone to enjoy.	Our town centres and gathering spaces are safe, easy to use and attractive places where pedestrians have priority.
	Outcome
	Our physical assets are efficiently and effectively managed.
Guiding Principle	**Application to AMSS**
The City of Vincent has a significant role to play in supporting our community to realise its vision. *To achieve this, we will be an innovative, honest, engaged and responsible organisation that manages resources well, communicates effectively and takes our stewardship role seriously.*	We will continue to adopt best practice to ensure the financial resources and assets of the City are responsibly managed and the quality of services, performance procedures and processes is improved and enhanced. We will develop and implement an Asset Management Framework.
	Outcome
	Our assets and financial resources are responsibly managed. We use innovative thinking to capitalise on our assets by lowering costs and generating income. We are transparent with the community about our asset sustainability challenges and the importance of participatory asset discussions.

Guiding Principle	***Application to AMSS***
We want to be a leader in making it safe, easy, environmentally friendly and enjoyable to get around Vincent. Accessible City	We have better integrated modes of transport and increased services through the City; and Our pedestrian and cycle networks are well designed, connected, accessible and encourage increased use.
	Outcome
	The City's transport network is designed and maintained in the most cost effective manner to provide a safe and connected City for all users.

Guiding Principle	**Application to AMSS**
We are a diverse, welcoming and engaged community. We want to celebrate what makes us unique and connect with those around us to enhance our quality of life. Connected Community	We strive to integrate accessibility, diversity and inclusion into our operations and service delivery to meet the needs of everyone in our community. Our community facilities and spaces are well known and well used.
	Outcome
	Our asset portfolio is diverse and provides opportunities for the City's community members to build relationships and connections with each other and the City.

Guiding Principle	**Application to AMSS**
The natural environment contributes greatly to our inner-city community. We want to protect and enhance it, making best use of our natural resources for the benefit of current and future generations. Enhanced Environment	Our strategies enable investment in our parks and reserves; We increase access to green space in high priority areas; and We promote and implement initiatives to reduce non-renewable energy use and increase the use of renewable energy.
	Outcome
	Our parks and reserves are maintained, enhanced and well utilised. We have minimised our impact on the environment.
Guiding Principle	Application to AMSS
Design that 'fits in' to our neighbourhoods is important to us. We want to see unique, high quality developments that respect our character and identity and respond to specific local circumstances. Sensitive Design	Our built form character and heritage is protected and enhanced.
	Outcome
	Our built form is in line with our growing and changing community.

Asset Management feeds into many of the City's existing projects and programs and the objectives of the AMSS will influence new and revised strategic planning documents, as well as other development projects, to

assist in achieving best practice outcomes for asset management in the City. The core strategic documents linked to the AMSS are detailed in the table below.

Strategic Community Plan 2018-2028	The SCP is Vincent's most significant guiding document. The SCP drives planning, budgeting and resource allocation and service delivery over the next decade. The vision set out in the SCP is that '*in 2028 the City of Vincent is a leafy and vibrant 24 hour city, which is synonymous with quality design and sustainability. Its diverse population is supported in their innovative endeavours by a Council that says yes!*'
Corporate Business Plan 2020/2021-2023/2024	The CBP aligns Vincent's functions to Council's six key priorities outlined in the SCP. It is a four year delivery plan, giving effect to four years of the 10 year SCP. The AMSS is identified as one of the City's strategic projects within the CBP, showing its significance and priority in the future planning in the City.
Long Term Financial Plan 2020/21-2029/30	The LTFP is an important planning tool to demonstrate the alignment between the City's organisational capacity and Council's strategic aspirations developed in conjunction with the community. The plan considers the impact of a range of financial strategies on the City of Vincent's economic environment over a ten-year horizon.
Public Open Space Strategy 2018	The purpose of Vincent's Public Open Space Strategy is to provide a strategic framework that guides the management, provision, use of and investment in parks, reserves and other open spaces.
Local Planning Strategy and Local Planning Scheme No. 2	The Local Planning Strategy is the principal document for outlining and communicating the future land use planning for Vincent. The Local Planning Scheme controls the types of uses and development allowed in different zones.
Sustainable Environment Strategy 2019-2024	The objectives of the CBP to provide a sustainable green environment for the community is implemented through the Sustainable Environment Strategy. This is the roadmap for delivering a sustainable natural and built environment for the community.
Accessible City Strategy 2020-2030	The ACS sets a vision and priorities for transport strategy, policy and infrastructure, with a specific focus on the needs of land use and activity across the City.
Disability Access and Inclusion Plan 2017-2022	The Western Australian Disability Services Act 1993 (amended 2004) requires all State and Local Government Authorities to implement a Disability Access and Inclusion Plan (DAIP) to ensure that people with disability have equity of access and inclusion to services, facilities, functions and information. This DAIP sets out details on the issues affecting people with disability and guides the City on how to manage its assets to ensure that equitable access is available to everyone.
Workforce Plan 2020-2021	Informed by the SCP and CBP, the Workforce Plan aims to support the City of Vincent in achieving the skilled, flexible and diverse workforce it needs to deliver value for money services.
Capital Works Program 2020/21-2023/24	A four year program to ensure the City's existing infrastructure is sufficiently maintained and renewed to support existing programs and services and anticipates emerging needs within the community.
Property Management Framework (2020)	A framework for City-owned properties that provides a classification for leases and licences, along with an equitable methodology for calculating annual lease and licence fees.

VINCENT CONTEXT

The City of Vincent is located three kilometres from Perth and is the custodian for an extensive range of community assets. The City, a comparatively smaller metropolitan local government covering an area of 11.4 square kilometres, has a number of long-lived assets that represents significant investment over time. For example, in 1962 the pool on the Beatty Park site was constructed for the Commonwealth Games before being opened to the public. In 1993-4 the State of Western Australia vested Beatty Park Leisure Centre with the newly formed Town of Vincent. There were substantial upgrades ($5.3m) during this time and a further $17.5m in upgrades that was undertaken by the City of Vincent in 2011-2013. In the 2020/21 financial year, the City has committed a further $2.9m for major renewal of the indoor swimming pool and other components.

The City has a higher proportion of working aged adults (15 years and over) than the State average with the majority aged 20-34 years. In 2016, it was identified that 81% of the City's resident workers were employed outside of Vincent. This means that the provision of reliable transport assets, such as roads and cycling paths, is critical. In the City, couples with no children represents 48% of the population which is higher than the state average. The City's assets provide crucial services to this cohort through the provision of night time and weekend sport and leisure activities in facilities including the Loftus Community and Recreation Centre and Beatty Park Leisure Centre. The provision of well-maintained assets such as community halls and parks is an important way for the City's diverse demographic groups to remain connected with their local communities.

KEY STATISTICS

Figure 2 Placeholder: graphic of the following stats

Within the City of Vincent we have the following assets:

Six major regional leisure and sporting facilities

- Beatty Park Leisure Centre
- Leederville Oval
- Litis Stadium
- Perth Oval*
- Dorrien Gardens*
- Loftus Community and Recreation Centre

*(*currently leased).*

- 21 Operational and heritage buildings
- 10 community halls and pavilions
- 106.4 ha of parks and gardens including two regional public open space assets: Hyde Park and Britannia Reserve.
- 47 playgrounds
- 144kms of road,
- 260kms of shared paths
- 27 carparks
- 94 bus shelters
- 68 tennis courts
- One Bowling Club
- One Croquet Club

- One Bocce Rink Club
- One Volleyball - Inner City Beach Centre
- One Skate Park
- One Administration Building , Leederville
- One City of Vincent Library and Local History Building, Leederville
- One City of Vincent Depot, Osborne Park (not in City of Vincent)

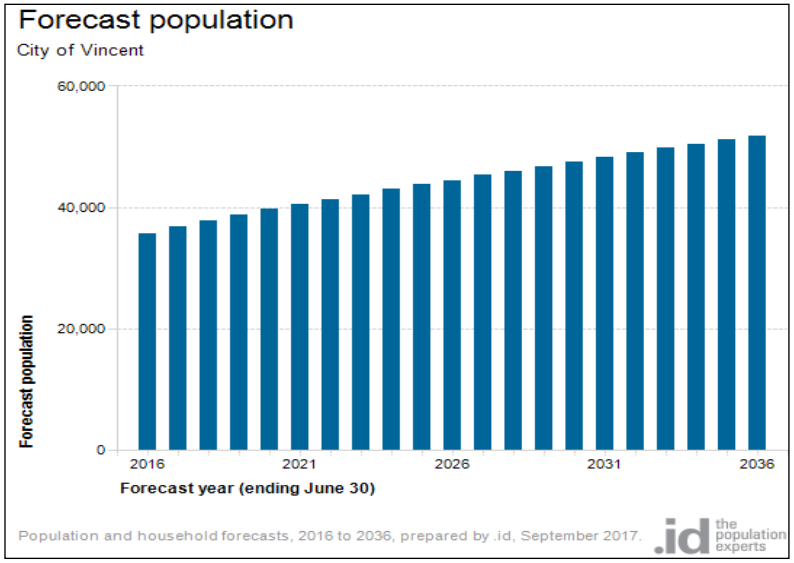
Population Forecasting

The City of Vincent's population has steadily increased and developed into a rich melting pot of cultures, which has contributed to its unique diversity. The City is committed to ensuring that its community facilities and spaces are well known and will adapt to the needs of a growing population and changing demographic profile.

According to the ABS (2018) The Estimated Resident Population (ERP) for the City of Vincent is 36,088. The estimated population provided by *id.forecast* is 37,812 (a discrepancy of 1,724).

POPULATION GROWTH

The City's forecast population data compiled by *id.forecast* covers the period 2016 to 2036 and was last updated in 2017. The forecast anticipates an average annual growth of 2.61% between 2016 and 2021, moderating to 1.88% to 2026, 1.65% to 2031 and 1.40% to 2036.



It is noted here that the above Forecast Population graph reflects a 2018 estimate of 37,812 provided by id.forecast (as per discrepancy with ERP previously noted).

DEMOGRAPHIC FORECASTING

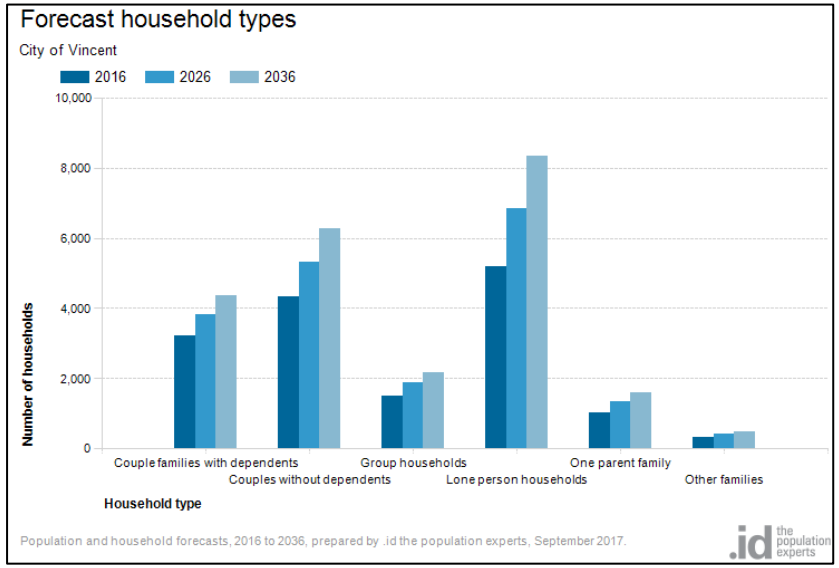
Changes in the demographic profile will have an impact on how the City manages its assets and ensures that they are appropriately maintained and well-used. For example, a small number of the City's historical facilities do not have female change-rooms and this needs to be addressed to reflect

current community needs. Below is the *id.forecast* relating to the City's demographic profile.

	2016 Actual	2030 Forecast
Median Age Band	30 - 34 years	30 - 34 years
Gender – Male	51.2%	51.0%
Gender - Female	48.8%	49.0%
Average Household Size	2.23	2.21

Source: Forecast.id 2017

A forecast of households types, shows a significant increase in lone person households by 2036 (a change of +3,517) and a moderate increase in couples with dependents (+1,156) and couples without dependents as well (+1,929).



Ensuring that levels of service meet the future population growth and changing demographic profile is essential for meeting SCP deliverables and is featured in the AMSS Implementation Plan (Action Item No. 2).

Transport Network

The City aims to ensure that transport networks are well-maintained and appropriate for the needs of the community. Approximately 15% of the City's residents travel to work using active modes of transport that include walking and cycling. There are approximately 18% of residents who use public transport (buses and trains) to travel to work and about 67% are in cars.

The City of Vincent road network exists as both a regional distributor network, with a large amount of through regional traffic connecting neighbourhoods, and a local connector servicing residents, town centres and mixed-use areas. As the City is expected to grow in population (see above) the corresponding car ownership levels will place an unstable load on the road network in the long run. Ensuring the City manages its transport assets becomes a critical part of future planning for asset sustainability.

Parking demand varies considerably across the City's five town centres with Leederville generating a substantial proportion of the overall requirement for parking. However, this needs to be considered in the context of Leederville being the largest town centre.

Public parking in Vincent can be summarised as:

- More than 17,500 spaces, distributed across the LGA;
- 2,000 bays in off-street car parks;
- 1,600 bays paid bays (1,100 off-street and 500 on-street bays);
- 6,000 unrestricted (free all-day) parking bays, located primarily in residential neighbourhood streets;
- 8,000 time-restricted bays (paid or free), located within or adjacent to Activity Centres or Corridors, or in other areas of increased demand; and
- 500 on-street spaces are subject to some form of residential permit (either as a restriction or an exemption).

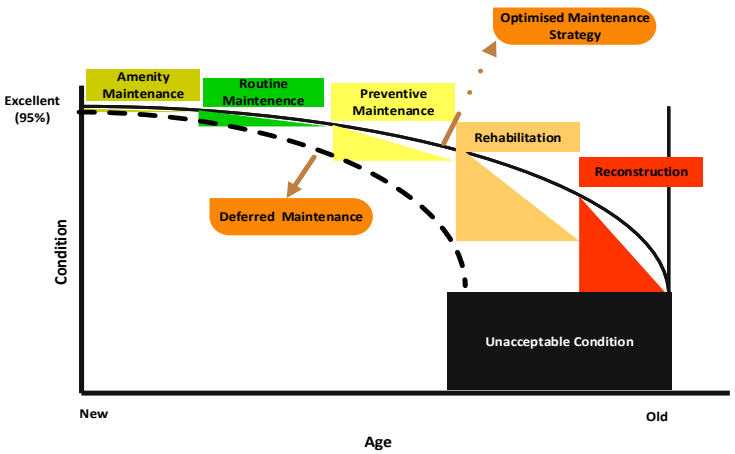
Due to the concentration of existing development in the City, there is less opportunity to create a large, communal public car park. As such, pent-up demand can spill over into the surrounding on-street parking. High-quality parking management has the ability to influence a reduction in private vehicle trip generation. Through the Accessible City Strategy 2020-2030, the City aims to create a more sustainable land-use and transport environment. This has many positive flow-on affects that will help with asset sustainability. For example, the City has an obligation to maintain the road network to an appropriate standard and endeavours to undertake regular condition assessments of the entire network and carries out regular maintenance programs.

ROAD PRESERVATION AND RENEWAL

The City has 144 kms of roads including District Distributor A Roads that carry in excess of 25,000 vehicles per day.

The District Distributor A roads in the City of Vincent, such as Loftus and London Streets, carry in excess of 25,000 vehicles per day. There are also Access Roads (residential streets) that carry fewer than 200 vehicles per day and everything in between.

As would be expected the road surface on arterial roads deteriorates faster than the low volume residential streets. The road condition data is used to determine the annual road resurfacing program.



Why do we have a resurfacing program?
It costs, on average, three times as much to reconstruct a road than it does to resurface it. The City strives to intervene at the optimum time, the point at which preventive maintenance becomes cost prohibitive and before surface failure requires reconstruction.

A recently resurfaced road
(Angove Street - District Distributor B)

By resurfacing at the optimum time the road will not have to be resurfaced for another 18/20 years for District Distributor A to 25+ years for a low volume Access Road.

An example of longitudinal reflective cracking (Coronation Street – Access Rd)

An interim crack sealing, or preventative maintenance, to extend the life of the asset (Fleet St – Access Road)

Where are we now?

The City is the custodian of a significant number of assets including infrastructure assets (e.g. 144kms of road), buildings, furniture, plant, equipment and land. Currently, the City has responsibility for planning the maintenance, renewal, upgrade, retirement and eventual replacement of the following assets (approximate estimates as of 30 June 2020).

Category	Value (approx.)
Transport Assets (roads, paths, drainage network, car parks)	$167M
Building Assets (Community Buildings and Facilities)	$160M
Recreation/Parks Assets (Parks and Reserves only)	$23M
Plant and Equipment	$5M
Land Assets	$128M

LTFP 2020/21-2029/30 (2020)

In recent years, the City has focused on delivering a range of new and upgraded facilities that have expanded and improved the public realm. However, asset renewal has not delivered on the levels required to ensure assets can be used to appropriate capacity into the future. Ensuring that the City makes up for the recent asset renewal gap has informed the key objectives of LTFP and the AMSS.

Two major capital projects have been identified as having known service performance deficiencies in the Asset Management Plan for Buildings. Addressing these deficiencies has been prioritised by the City of Vincent with detailed and targeted development plans currently underway.

Location	Major Service Deficiency
Leederville Oval	Poor condition grandstand and associated infrastructure
Beatty Park Leisure Centre	Poor condition of grandstand and associated infrastructure

Source: City of Vincent AMP Buildings 2019

Further to this, funding models and timelines of several master plans and development plans will be based on identifying priorities through:

- the projections of the LTFP;
- the detailed Asset Management Plans (Buildings and Recreation);
- the planned Asset Prioritisation Plan and the Sports and Recreation Facilities Plan; and
- Detailed cost estimates for all new substantial capital works projects.

There will also be a focus on sourcing alternative funding contributions.

The impact of the COVID-19 pandemic is also a key consideration for appropriately managing the City's assets into the long-term. The 2020/21 Annual Budget for the City of Vincent was developed on the assumption that the COVID-19 pandemic has greatly impacted on the total operating revenue for the City. Whilst the easing of restrictions has come earlier than originally

anticipated, the speed of recovery is still uncertain and the impact on the economy will be long-lasting. In a local context, this means that, for facilities such as Beatty Park Leisure Centre, there is an expectation of a lag between operating expenditure returning to normal and revenue achieving pre COVID-19 levels.

ASSET CLASS

Asset classes usually include different but similar categories of asset. The following major asset classes discussed in the AMSS are outlined in the following table and are drawn from the three AMP asset classes (Transport, Recreation/Parks and Buildings). It is noted here that the AMP asset classes that are the focus of the AMSS, are inconsistent with some general financial reporting conducted by the City of Vincent and discussed in the LTFP. For example, the AMP includes parks within a 'Recreation' asset class. The LTFP, however, generally includes parks and reserves within its 'Infrastructure' asset class (see pg.6 of the LTFP) with the exception of its asset renewal demand and depreciation data that is based on a review of the AMPs (pg.14 of the LTFP). Ensuring consistent use of asset classes across the organisation is identified as a critical issue in the gap analysis and will be addressed as a high priority action item in the Implementation Plan.

Asset Class	Description
Transport	Roads, Paths, Bus Shelters, Bridges, Drainage, Car Parks
Recreation/Parks	Softscape, Hardscape, Structures, Furniture, Electrical & Lighting Equipment, Irrigation & Water
Buildings	Operational and Heritage Buildings, Halls and Pavilions, Ablutions and Club Rooms

Source: City of Vincent AMP Buildings 2019

The asset classes are recorded in the City's asset register and reviewed through the application of risk-based decision making. The detailed tasks required for ongoing management of these major assets are found in the three associated AMPs.

LEVELS OF SERVICE

Levels of service are a key mechanism for managing asset management demand and costs. Therefore, it is important to regularly reassess the level of service to be provided by the asset portfolio. A level of service is the defined service quality for a particular activity (i.e. road maintenance) or service area (i.e. street lighting) against which service performance can be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental considerations, acceptability and cost (2015 IIIMM).

A key element for determining customer levels of service is to understand who the stakeholders of assets are, what values they place on those assets and what they want to achieve from them. In the City of Vincent, community stakeholder's values and objectives are service-based. Therefore, the need to

identify and consider these values is an important part of determining levels of service. The service needs and aspirations of the community are the primary drivers for good asset management, which seeks to achieve the best possible value for ratepayers and communities. Seeking community feedback on levels of service for the City of Vincent is a key part of the Implementation Plan (Action Item No.2 and No.6).

Supporting the customer service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that best achieve the desired customer outcomes and demonstrate effective performance. It is the responsibility of the City's Administration to identify customer and technical levels of service and model the quality and cost standards for each asset class and the entire asset portfolio based on these levels of service.

Along with the main demands for new services, created by a population increase and change in population demographic, the City's demand management practices will involve public consultation and measurement of current service levels. Currently, the City's funding levels are insufficient to continue to provide existing services at present levels in the medium term. The main service consequences are:

- Loss of accessibility to properties and places;
- Inadequate capacity; and
- Assets that are not fit-for-purpose.

To mitigate these risks, the City will continue to account for how its assets are performing. Through the continuous monitoring of service levels, the City will be better positioned to address any service deficiencies that arise through the activities of its operational and rationalisation program of works.

ASSET MANAGEMENT INFORMATION SYSTEMS

Asset management information systems are a combination of process, data and software applied to provide essential outputs for effective asset management. Below are the systems the City currently uses.

System	Description
Civica (Authority)	Used to store the City's critical financial data to inform the City's asset management and associated reporting.
Intramaps	Used to record the City's locations and the condition of assets using GIS mapping capability in the system.
Excel	Used for the City's Asset Register.

As discussed in the Gap Analysis, there is a commitment to improving the use of the City's current systems which will include utilising the assessment management software available through Civica (Authority). Migrating existing infrastructure data to appropriate asset management software such as *AssetFinda* will also be explored as part of the Implementation Plan.

What assets do we own?

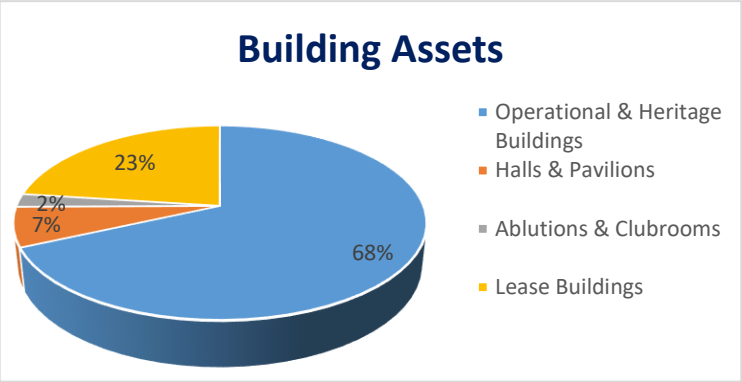
The Buildings (property infrastructure) assets are used to provide a range of services to the community and are detailed here in relation to quantity and replacement value. The following is noted:

- The AMP (Buildings) report states that 'until the future direction of Beatty Park is decided the capital expenditure that will be required has been excluded from this iteration of the plan' (section 1.3).
- The AMP data provided by Talis consultants was last revised in 2019. AMPs are revised regularly with the next revision scheduled for 2021.

The City's Building, Transport and Recreation/Parks assets form the majority of the City's asset portfolio (around 72% in costs) and are therefore the main focus of the AMSS.

Category	Quantity	Replacement Value
Operational & Heritage Buildings	21	$103,754,200
Halls & Pavilions	10	$10,045,200
Ablutions & Clubrooms	17	$3,340,000
Lease Buildings	33	$34,903,600
	Total	$152,043,000

Source: City of Vincent AMP Buildings 2019

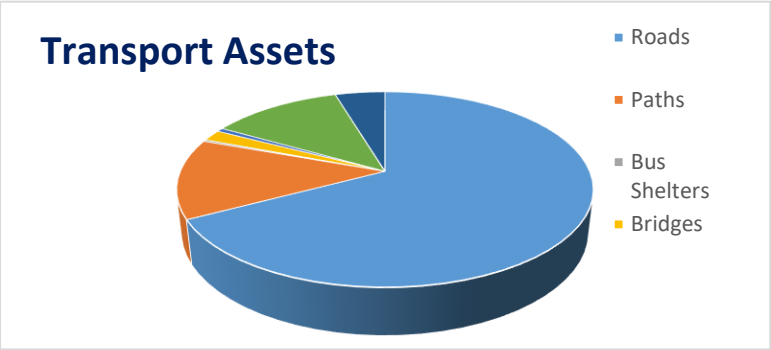


Source: City of Vincent AMP Buildings 2019

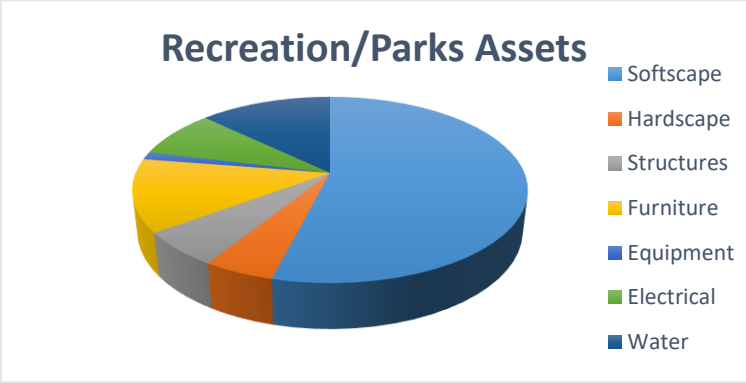
The Transport (infrastructure assets) provide important transportation services to the community and are detailed below in terms of dimensions and replacement value.

Asset Category	Dimension	Replacement Value
Roads	144km	$152,460,432
Paths	260km	$30,080,951
Bus Shelters	94	$630,000
Bridges	3	$4,207,710
Drainage Pits	2,585	$1,423,110
Drainage Pipes	105,310m	$27,479,548
Car Parks	27	$10,472,800
	Total	$226,754,551

Source: City of Vincent AMP Transport 2019



Source: City of Vincent AMP Transport 2019



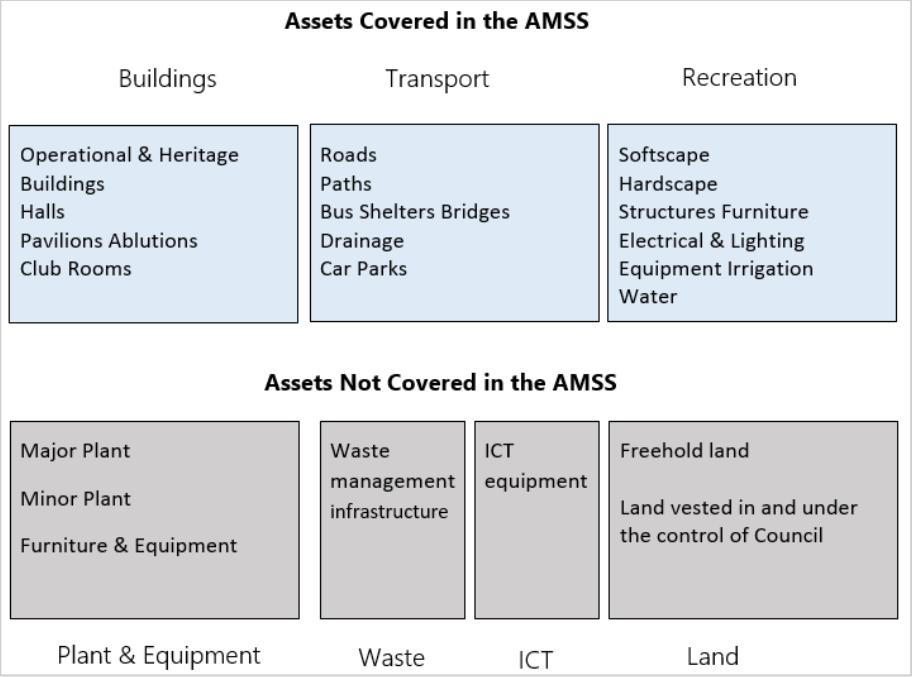
Source: City of Vincent AMP Recreation 2019

The Assets covered by the Asset Management Plan (Recreation/Parks) includes:

Asset Category	Replacement Value
Softscape	$14,316,667
Hardscape	$1,300,956
Structures	$1,591,705
Furniture	$3,350,251
Electrical & Lighting	$352,197
Equipment	$2,193,101
Irrigation & Water	$3,427,270
Total	$26,532,146

Source: City of Vincent AMP Recreation 2019

Along with the three AMPs, there is also an established replacement schedule for assets in the 'Plant and Equipment' asset class.



Detailed ICT and updated Plant and Equipment asset management plans will be scheduled as part of the Implementation Plan in the AMSS, noting that the management principles for these categories differ from traditional community assets, such as buildings, roads, bridges, drainage, parks and paths.

City land assets are excluded from the AMSS. The City has an internal register of City land with sale and development potential and Council will consider the potential sale of lots on an ongoing basis. Administration is progressing with the sale of a number of these lots.

Recreation/Parks assets contribute greatly to the City's inner-city community. Through the POS Strategy and other initiatives, the City is prioritising the creation and enhancement of the natural environment.

Braithwaite Park Nature Play Playground - built around the philosophy of nature based

The City of Vincent provides 47 playgrounds, with many being the fixed, 'off the shelf', primary coloured metal variety that were ubiquitous in local government parks in the 1990s. More recently, the City has invested in two nature play areas at Braithwaite Park and Banks Reserve, which are more contemporary and challenging for a range of ages.

The City of Vincent's Public Open Space Strategy has also identified a gap in youth facilities, such as skate and active zones and more challenging play structures.

Based on population growth, changing demographics and community expectations, we will need to change our playground offering through significant capital investment over the next few years.

How are our assets performing?

Assets need to be managed in a way that ensures they do not deteriorate to a point where they are in danger of no longer being able to provide the minimum required level of service.

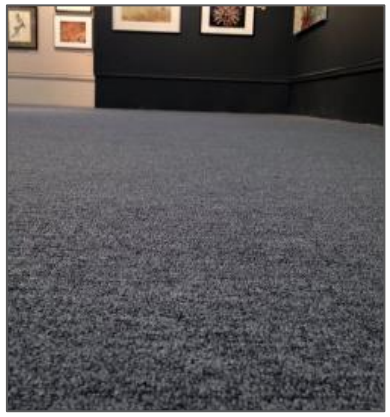
Asset condition reflects the proportion of service years remaining for an asset. For example, if an asphalt footpath with a life of 25 years is considered very poor, it will have a condition rating of 5 meaning there is between 0 and 5 years of service remaining, in which time it should be considered for full replacement.

Condition Grading	Description of Condition
1	Excellent: 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

Source: City of Vincent AMP Buildings 2019

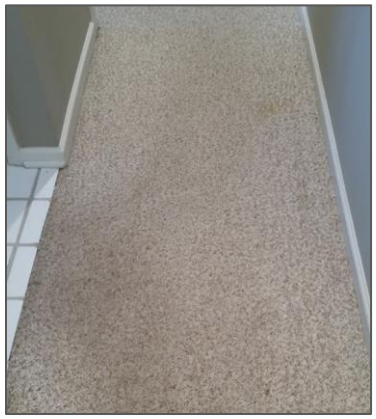
The City undertakes condition rating of its key assets in order to determine their remaining useful life and to prioritise future capital works as part of its rationalisation program of works. By undertaking regular inspections, the City is also able to understand at what rate assets are deteriorating and is then able to monitor the effectiveness of maintenance and renewal activities in reaching the expected useful life of assets. Below is an example of a simple 'condition' and 'defect' example that demonstrates the condition grading used at the City.

Figure 3 City of Vincent Internal Asset Management Presentation 2019



Condition: 1
12.75 Years Remaining

Carpet in very good condition, no signs of wear.



Condition: 3
6 Years Remaining

Carpet in fair condition, showing some signs of wear.

Figure 4 City of Vincent Internal Asset Management Presentation 2019

A visual condition assessment of the property network was undertaken in 2016 and as such there is a moderate to high level of confidence in the condition data for the building asset class (noting here that there is no formal condition assessment regime for drainage, bridges, bus shelters or carparks). A subsequent Building Condition Audit was also conducted in 2018 (see 'Long-Term Financial Planning of our assets').

Each asset type varies in complexity and is assessed using different parameters. Some assets are more costly to replace if they are allowed to deteriorate to a very poor state. Best practice would be to reach an ideal balance across the asset portfolio where the average overall asset deterioration is controlled and an asset average condition profile is maintained that prevents the profile from moving from a fair condition (3 condition grading) to poor condition (4 condition grading).

Poor condition is not the only factor that will require an asset to be replaced. Other factors include:

- Whether an asset is fit-for-purpose;
- An asset does not meet minimum standards;
- Poor condition of surrounding and associated assets;
- Standards may also change; or
- Standards are introduced where no standard previously existed (e.g. changes to compliance and the Disability Discrimination Act 1992).

Detailed confidence grading informs the AMPs.

What are we spending on our key asset classes?

Understanding the historical data on the City's three major asset classes and the estimated funding over a ten year period (2019/20-2028/29) is an important part of identifying if the City is spending enough on key assets. This is particularly important because as it enables an identification of where any spending deficiencies are concentrated. For example, the following data is drawn from the AMPs (2019) and demonstrates a significant funding shortfall per year of what is required to maintain the City's recreation assets to current conditions (see below).

Transport Asset Class

Based upon historical data the estimated 10 year funding (2019/20 – 2028/29) for the City's Transport asset class is $54,554,236 or $5,455,424 per year which is 66% of the cost to provide the service.

This is a funding shortfall of $2,765,062 (on average) per year of what is required to maintain the assets to current condition.

Recreation/Parks Asset Class

Based upon historical data the estimated 10 year funding (2019/20 – 2028/29) is $50,000,587 or $5,000,059 per year which is 66% of the cost to provide the service. This is a funding shortfall of $1,679,038 (on average) per year of what is required to maintain the assets to current conditions.

Buildings Asset Class

Based upon historical data the estimated 10 year funding (2019/20 – 2028/29) is $114,149,884 or $11,414,988 per year which is 84% of the cost to provide the service. This is a funding shortfall of $2,244,248 (on average) per year of what is required to maintain the assets to current condition.

The above analysis demonstrates a total shortfall across the three asset classes as $6,688,348 per year of what is required to maintain the assets to current conditions.

In addition to the above funding shortfalls for the City's building asset classes are major critical assets that have yet been fully funded to ensure renewal in the long-term. As noted above, they include Leederville Oval and Beatty Park Leisure Centre.

Beatty Park Leisure Centre Grandstand

This highly-valued asset is in need of significant additional investment to keep it maintained for future generations.

Owned by the State of Western Australia and vested in the City of Vincent, the site has become an icon as one of the most popular and identifiable aquatic facilities in WA. Nearly 1 million people visit the centre each year.

Beatty Park has, over time, been upgraded and expanded to suit modern requirements. Certain parts of the facility, such as the heritage-listed grandstand, has been retained and represent a significant risk to the City. We also have large maintenance projects underway, beginning with $2.9 million in 2020/21 for major renewal to the indoor swimming pool, change room facilities and upgrading electrical and filtration systems.

Significant further investment is needed for the 1962 grandstand. The project will cost between $8 to $12m to retain and safeguard the structure of the grandstand for the next 25 years. This investment is currently beyond our means and not contained within the City's LTFP. We will need support, additional funding contributions or a creative solution to progress any significant work to the grandstand.

Beatty Park Leisure Centre c.1962

The need for change

In accordance with its terms of reference, the City's Audit Committee's responsibilities include reviewing reports of internal audits and monitoring the implementation of recommendations for managing risk. In June 2020, the Audit Committee noted a negative trend in the City's asset sustainability ratio over several years which represents significant risk for the City. Addressing this risk is aimed at finding a balance between the replacement of existing assets with expectations for improvements to asset based services. If there is a reduction in the funding allocated to asset renewal it can lead to a renewal gap. The gap is demonstrated through the negative trend in the City's asset sustainability that also includes the asset consumption and renewal funding ratio.

The asset sustainability ratio indicates whether a local government is renewing or replacing existing nonfinancial assets at the same rate that its overall stock of assets is wearing out. It is calculated by measuring capital expenditure on renewal and replacement of assets relative to the rate of depreciation for the same period. The following table, drawn from the LTFP and based on a review of the AMPs, demonstrates the annual estimated cost (2019/20) to meet the renewal demand compared to the current depreciation applied for each asset category held by the City.

Asset Class	Renewal Demand	Depreciation
Transport	$4,446,443	$4,777,000
Recreation/Parks	$1,316,394	$915,000
Buildings (Property)	$3,929,360	$4,131,000
Total	$9,692,197	$9,823,000

LTFP 2020/21-2029/30 (2020)

Sustainability is demonstrated if the ratio is in or around 100% depending on the overall condition of assets. As shown below, there has been a significant shortfall in the City's KFIs.

Key Financial Indicators	2018/19	2017/18	2016/17
Asset Sustainability Ratio	0.33	0.43	0.51
Asset Consumption Ratio	0.68	0.69	0.64
Asset Renewal Funding Ratio	0.83	0.81	N/A

City of Vincent (September 2020)

The asset sustainability ratio for the City for the last three years has reflected a decline in comparative funding. An asset renewal gap over successive years can translate into a deterioration of the asset, resulting in increased costs in the future. Renewal expenditure, on the other hand, usually results in a reduction in maintenance costs in the longer term since it is replacing the older, more maintenance intensive asset with a more efficient one. Renewal of assets is vital to ensure continuity of existing services that rely upon assets for their delivery.

Given these considerations, there will be a prioritisation of Renew over New with proposals for new discretionary capital projects will require the preparation of a detailed cost estimates for all new substantial capital works projects that includes lifecycle costing before the project is considered for endorsement and inclusion in future revisions of the LTFP.

This will ensure that a financially sustainable approach is being maintained to the renewal and expansion of the City's assets to meet the ongoing needs of the community.

TARGETS

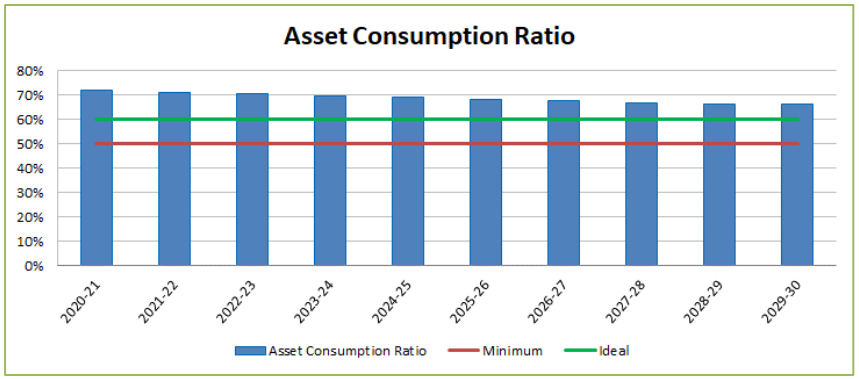
The ratio standards set by the Department of Local Government, Sports and Cultural Industries (DLGSCI) are to ensure that local governments meet minimum standards of asset management. It is noted here that there is no single indicator that demonstrates a local government's financial sustainability nor does it necessarily mean that it is fatal if a particular local government falls below the DLGSCI's 'preferred' benchmark for that particular indicator in a single year. The City will measure and report asset management sustainability annually in accordance with the IPRF and Regulation 50 of the Local Government (Financial Management) Regulations 1996. The following targets are drawn from the LTFP (2020).

The *Asset Consumption Ratio* for depreciable assets is outlined below:

Depreciated Replacement Cost/ Current Replacement Cost. This ratio seeks to highlight the aged condition of a local government's stock of physical assets. It measures the rate at which depreciable assets have been consumed by comparing their written down value to their replacement cost. The City has committed to achieve the following target for the asset consumption ratio which is identified as key performance indicator.

1. Asset consumption ratio (ACR): The City will aim to responsibly maintain, renew/replace assets in accordance with the Asset Management Strategy and target an ACR between 0.5 and 0.7.

Projected ratios for the Asset Consumption Ratio range is between 72% and 66% for the period of 2020-2030. The City exceeds the benchmark in all years covered here although the trend is downwards. It is also noted that the ratio covers all asset categories and it is likely that individual categories, such as Buildings would reflect a lower ratio.

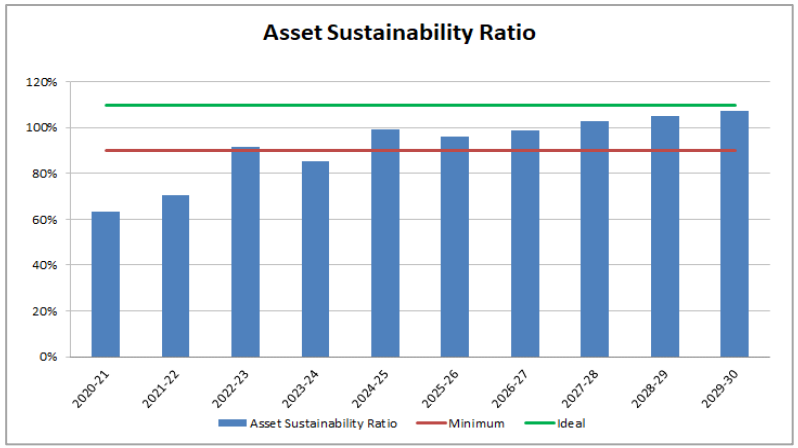


LTFP 2020/21-2029/30 (2020)

The *Asset Sustainability Ratio* indicates whether the City's assets are being replaced or renewed at the same rate that the overall asset stock is wearing out. The City has committed to achieve the following target for the asset sustainability ratio which is identified as key performance indicator.

2. Asset sustainability ratio (ASR): This ratio indicates whether existing assets are being renewed or replaced at the same rate that its overall stock of assets is wearing out. The City will aim to renew its assets at appropriate times, at the same rate it is depreciating and target an ASR between 0.9 and 1.1.

Projected ratios for the Asset Sustainability Ratio range is between a low of 63% and a high of 107% for 2020-2030.



LTFP 2020/21-2029/30 (2020)

The *Asset Renewal Ratio* is a measure of the ability of a local government to fund its projected asset renewal / replacements as required. The City has committed to achieve the following target for the asset renewal ratio which is identified as key performance indicator.

3. Asset renewal ratio (ARR): This ratio indicates the ability of the City to fund its projected asset renewals in the future. The City will aim to develop a Long Term Financial Plan that is supported by the AMSS to determine this ratio and target an ARR between 0.95 and 1.05 (Action Item No. 1).

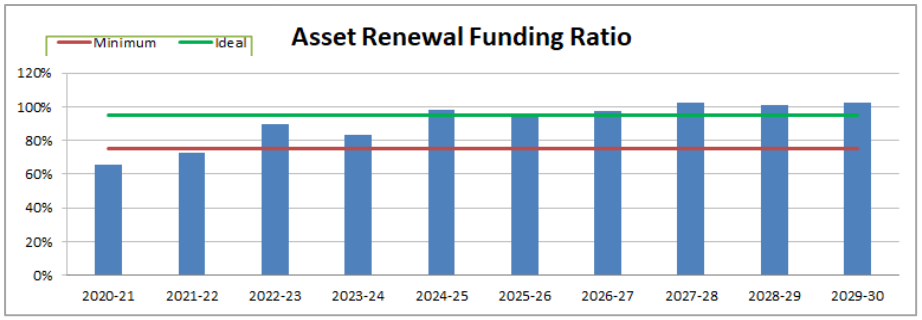


Figure 5 LTFP 2020/21-2029/30 (2020)

The results of the calculation of each of the key financial indicators and detail of the industry benchmarks is provided in the Table below. This approach to renewal expenditure aims to close the asset renewal gap.

Key Financial Indicator	20/21	21/22	22/23	23/24	24/25	29/30
Asset Consumption Ratio	●	●	●	●	●	●
Benchmark > 50%	71.9%	71.1%	70.3%	69.5%	68.8%	65.9%
Asset Renewal Funding Ratio	●	●	●	●	●	●
Benchmark > 75%	65.5%	72.6%	89.5%	83.5%	97.9%	102.6%
Asset Sustainability Ratio	●	●	●	●	●	●
Benchmark > 90%	63.2%	70.5%	91.5%	85.4%	99.1%	107.2%

Figure 6 source (Abbreviated version of Table in LTFP 2020/21-2029/30 (2020)

As the City progresses towards achieving its asset sustainability targets, there remains the challenge of addressing critical renewal funding requirements for identified major assets like Leederville Oval grandstand. To date, this long-lived asset has not been fully funded in the City's long-term financial planning.

Leederville Oval Grandstand (2018)

*The facilities at **Leederville Oval** are dated and ageing and not keeping pace with community expectations*

Leederville Oval is owned by the State of WA and vested in the City of Vincent through a Management Order. The City of Vincent is working with the two East Perth and Subiaco Football clubs, the WA Football Commission and the community to commence a master planning project for Leederville Oval. The master plan will explore development opportunities for the oval and the facility's outstanding works that impose significant costs.

The Master Plan takes into consideration the upgrade, replacement or construction of new buildings, landscaping, playing surfaces and other facilities for community and sporting club use.

The Master Plan aims to ensure that there is the provision of a good quality facility that is fit-for-purpose with additional and/or improved facilities and infrastructure. Capabilities as a multi-use community asset (that increases community access and utilisation) within the Leederville town centre. The Master Plan will explore:

- Current and future requirements of the WA Football Commission, East Perth Football Club and Subiaco Football Club;
- Facility management options; and
- Capital funding model options.

The estimated costs for the Leederville Oval Precinct development includes $12-13m as a short-term development option. The Master Plan also considers more substantial development options linked to precinct-wide opportunities. These figures are not contained in the City's LTFP.

LONG-TERM FINANCIAL PLANNING FOR OUR ASSETS

The primary consideration of the AMSS is to ensure that the City plans for long-term asset sustainability. This requires understanding what funds the City has available both for managing current assets and for the financial planning of future assets. The City will continue to follow the asset rationalisation program of works and prioritise the development of more overarching assessment of assets through an Asset Prioritisation Plan. The City will be in a better position to manage risks within available funding by:

- Prioritising renewal projects above new, expansion or upgrade projects;
- When new, expansion and upgrade projects are planned, lifecycle costs will be considered and provided for;
- Exploring additional funding opportunities, including the community's willingness to pay more;
- Reducing the number of assets and/or the levels of service provided, if funding cannot be secured;
- Insuring against risk and potential third party claims;
- Monitoring asset conditions and taking appropriate actions to minimise risks;
- Monitoring organisational asset management performance and identifying challenges and proactively implementing improvement plans;
- Accepting some of the risks associated with not being able to undertake all identified maintenance and renewal works with associated long-term implications; and
- Reviewing the City's current methodologies and practices for providing services to improve efficiencies.

It is noted that although renew over new will be a guiding principle for asset sustainability, there may be circumstances where this is not appropriate. For example, replacement of costly, aged assets that are not fit-for-purpose with a new asset may bring improved service delivery and associated cost benefits. This will be one of the considerations in the Asset Prioritisation Plan (see 'Rationalisation for Asset Sustainability' for more information).

What funds do we have?

The LTFP is the high-level strategic document that helps align the community's aspirations, strategic intent and organisational capacity. The LTFP projects the City's financial position over a ten-year time period using a series of realistic, conservative financial assumptions.

The financial modelling provides the City with informed information to assess its capacity to maintain overall financial sustainability into the long-term and, most importantly, ensure that the City has in place the necessary funding arrangements to support proposed capital replacement programs (asset sustainability) and new capital projects.

Overall, the LTFP provides a relatively positive forecast, including substantial improvement to the City's asset renewal activities (see Targets). However, the recent economic disruption as a result of the COVID-19 pandemic has had a significant and lasting impact, adding to the funding challenges of the City.

The LTFP has earmarked:

- 73% of the capital works program for 20/21 for renewal projects;
- 14% for new projects; and
- 13% for upgrades.

The Base version detailed in the LTFP provides a prudent approach in this uncertain economic climate, however a number of scenarios have been included for comparative purposes. The Base position will achieve improvements but it does not deliver the level of resilience and financial capacity that will be required in the longer term. This reinforces the importance of the annual reviews of the LTFP and the AMSS which will be linked to those financial considerations.

In developing the LTFP it is recognised that Beatty Park Leisure Centre (Grandstand) and the Public Open Space Strategy (POS) – Implementation (which includes Leederville Oval grandstand) are expected to occur within the life of the LTFP, but have yet to be assigned timelines or funding models. Preliminary costings to deliver the POS Strategy have been prepared and estimate the planning and implementation of the 32 key actions listed in the POS Strategy to be in the order of $37.6 million. There are also other asset-related projects outside of the POS Strategy that have not been assigned timelines or funding models. There is already a degree of endorsement for some key projects and programs but final endorsement should be subject to the provision of detailed cost estimates.

GROWTH IN RATEABLE PROPERTIES

The annual increase in the number of rateable properties is an important consideration, as the majority of these additional properties are residential dwellings, with a direct link to population. Statistically, the average household size in the City of Vincent is 2.23, which is projected to decline slightly over time as the percentage of 'lone person households' increases proportionately from 33% to 36% by 2036. The 10-year projection for rateable properties in outlined in the table below.

Rateable Properties		
Base (1/07/2019)	1 July 2020	30 June 2030
18,879	19,013	22,231

LTFP 2020/21-2029/30 (2020)

Are we spending enough?

The LTFP delivers a plan to address the asset renewal gap that prioritises the renewal of assets and achieves a significant improvement in the Asset Sustainability Ratio. The LTFP also provides modelling on a projected base position and additional scenarios for consideration (2020). The base position is the starting point and this version assumes that the impact of COVID-19 restrictions, particularly as it translates to revenue in parking and leisure activities, will extend beyond Year 1, stepping to full recovery over a three year period. Coupled with a freeze on Rates in Year 1 and the consequential compound effect over the life of the LTFP, this has required tight controls over operating expenditure particularly in Year 1, with a progressive, but constrained recovery over the life of the LTFP. In view of the significant challenge in achieving long-term financial sustainability, the Base position is supported in the LTFP as a short-term approach and further consideration of alternative scenarios is proposed.

The LTFP also builds on the base position by providing financial modelling to factor in a large range of improvements provided in the City's master plans and development plans. This alternative financial scenario includes the Public Open Space Strategy implementation and the structural condition report on the Beatty Park Leisure Centre. Whilst these works would deliver significant improvements, funding this extensive range of works would require a combination of rate increases together with additional reserve and loan funding. This alternative Scenario is not recommended in the LTFP at this stage, 'as an effective Asset Management Strategy is considered critical prior to committing to that scale of works' (2020 pg.25).

The AMSS has put together key action items to consider long-term financial scenarios that address funding for development plans and master plans (Action Item 1). This will enable the City to move towards more sustainable asset management.

As noted in the LTFP, there is also the opportunity for the City to investigate other funding sources, whether it be City-owned land sales or sourcing additional funding contributions. For example, linking the redevelopment of Banks Reserve to the adjoining East Perth Powerstation Redevelopment Precinct.

Banks Reserve - the pavilion is ageing, does not take advantage of the riverfront location, has limited use and provides limited activation opportunities.

The facility is not fit-for-purpose, it is not tenanted and is infrequently used. It would take significant investment to bring it up to a modern standard.

During the Banks Reserve Master Plan community consultation, residents highlighted that the Pavilion is unsuitable for many activities due to its location, design and dated infrastructure. Feedback identified the need for an improved, shared community space that takes full advantage of the prime river front.

The Master Plan aims to improve the amenity of the foreshore area, reduce ongoing lifecycle costs and explore potential redevelopment opportunities.

The Banks Reserve Master Plan proposes the demolition of Banks Reserve Pavilion to create an open plaza area that will increase activation and promote greater use. Demolition of the pavilion would allow for a greater focus on enhancing well-used and in demand facilities to a standard that the community is proud to use.

Banks Reserve (2018)

Rationalisation for asset sustainability

The Asset Management Strategy 2010-2020 identified an action item to undertake a City of Vincent-owned building conditions audit. On 8 May 2018, the audit was presented to Council and it was noted that the City of Vincent had 81 structures (excluding minor parks structures such as shade sails and gazebos) and over 57 sites in its building portfolio which imposed a significant and on-going maintenance cost to the City. The audit also identified some buildings as underutilised by the community. The City of Vincent Buildings Information Table that detailed the outcomes of the audit included:

- an overview of the City's buildings;
- their purpose;
- their utilisation rates;
- a general description of condition;
- information on the associated cost of each building (both capital and operational); and
- a comment on Community Needs Assessment.

The AMP (Buildings) was updated to incorporate this data in 2019. The information provided in the audit, and the updated AMPs, has provided guidance on a rationalisation program for the City's building assets. This program of works is also accounted for in the City's operational Capital Works Program and includes activities such as the 'community halls renewal and rationalisation program' (2020). The assets team regularly reviews the condition of the main component groups to further identify which assets are in poor condition and nearing end of life. For example, the table below demonstrates how the audit, along with the implementation of the rationalisation program, has led to the appropriate disposal of some poor performing (Grade 4-5) assets.

Abbreviated data from Building Conditions Audit 2018

Facility Name	Asset Maintenance Costs (annualised)	Community Need Assessment	Current Asset Condition	Asset Options Retain/Renew Redevelop/Dispose
Beatty Park Pavilion	$2,500	Underutilised Community Building	Poor Condition $45K in 'draft' 18/19 OPEX to demolish.	Dispose *Demolished 2019*
Birdwood Square - Ablutions & Change Rooms	$1,500	Public Open Space Amenity	Poor Condition $45K in 'draft' 19/20 OPEX to demolish.	Dispose *Demolished 2019*
Litis Stadium - Ablutions (x3)	N/A	Litis Stadium Master Plan	Average - Poor Condition. 1 x demolish 18/19, 2 x	Dispose *Demolished 2019*

WHAT DO WE MEAN BY NOT FIT-FOR-PURPOSE?

Condition

- Multiple aging components in building.
- Low aesthetic appeal.
- Structural components such as brick walls and concrete foundation are still sound.
- Functional components such as toilets and taps are able to be replaced.

Hyde Park East Toilet Block

NO LONGER FIT-FOR-PURPOSE

Hyde Park East Toilet Block (City of Vincent 2018)

Level of Service

- Located next to a premium Recreation asset.
- Small structure possibly incapable of meeting demand.
- Medium to High public focus.
- This building is representative of the services provided by the Council and the City.

RENEW OVER NEW

As part of the public toilet renewal program, the tired and worn out asset has now been renewed while keeping the existing heritage structure.

Hyde Park East Toilet Block

FIT-FOR-PURPOSE

Hyde Park East Toilet Block (City of Vincent 2020)

This ensures a cost-effective approach to managing our assets.

The toilet block now includes unisex accessible toilets, LED lighting and contemporary fixtures and fittings that also ensure accessibility for a person who uses a wheelchair. The privacy walls have also been removed to improve accessibility and reduce the potential for vandalism.

The rationalisation program of works has also been informed by the technical expertise of the City's Administration. Assessments carried out by the technical team involved with asset management has taken the buildings condition audit into account along with following considerations:

- Compliance matters (including asbestos issues);
- Usage (if the assets is fit-for-purpose);
- Degree and frequency of vandalism;
- Amenity; and
- Other matters (e.g. sewage or drainage concerns).

The buildings condition audit has also referred to relevant project master plans and development plans as part of its assessment.

Facility Name	Community Need Assessment	Current Asset Condition	Asset Options Retain/ Renew Redevelop/ Dispose
Banks Reserve - Ablutions	Banks Reserve Master Plan	Poor condition, proposed to replace with Modus type stand alone.	Demolish / Redevelop
Leederville Oval - Ablutions	Leederville Oval Master Plan	Average condition. Future new fit out required if retained	Demolish / Redevelop
North Perth Tennis Club Bowling & Recreation	Tennis West Strategic Facilities Plan Woodville Reserve Master Plan	Reasonable condition.	Demolish / redevelop

Formalising this approach as part of an Asset Prioritisation Plan will include the identification of key asset classes and holdings with a high level assessment of aged condition of these assets (Action Item No.2).

The rationalisation program of works will also be linked to the Sports and Recreation Facilities Plan currently underway (recommended in the POS Strategy). The Plan will deliver a strategic direction for the City that will better accommodate sporting club growth and improve community accessibility to public open space. The plan will ensure the City can sustainably and responsibly manage the City's sport and recreation assets through the provision of a Facility Rationalisation Plan that caters for clubs future growth and identifies assets which are no longer required. This will be considered a component of the overarching Asset Prioritisation Plan identified as a key priority in the AMSS Implementation Plan. The Asset Prioritisation Plan will address a range of service delivery considerations to form an overarching City-wide analysis and asset hierarchy. The hierarchy will be informed by a matrix of asset performance measurements that includes:

- assets with high-community benefit;
- asset utilisation;
- fit-for-purpose considerations;
- opportunities to source alternative funding opportunities; and

- future asset demand that takes into account demographics and trend analyses.

These considerations will also align with the City's Property Management Framework (2020). The objective of this framework is to meet growing community needs by ensuring that City-owned and managed properties are prioritised for use where occupancy arrangements include co-location, shared-use and highest community utilisation.

Once the Asset Prioritisation Plan is completed it will inform decision-making on the renewal, upgrade, procurement and maintenance of the City's three key asset classes.

GOVERNANCE AND MANAGEMENT ARRANGEMENTS

In order to achieve best practice in managing the City's assets there must be ongoing, good governance and management arrangements. The ongoing management of the City's assets involves the following key stakeholders.

Council

The role and responsibility of council is as follows:

- represent the needs of the community and act as stewards for key assets;
- set the corporate Asset Management policy and vision;
- allocate resources to meet the organisation's objectives in providing services while managing risks;
- ensure the organisation is financially sustainable; and
- promote and raise awareness of asset management to the community.

Chief Executive Officer

The role and responsibility of the CEO is as follows:

- overall responsibility for developing the AMSS;
- reporting on the status of assessment management within the organisation;
- implement the AMSS within agreed resources;
- monitor and review performance of staff in achieving the objectives of the AMSS; and
- promote and raise awareness of asset management to the Council, staff, users and community.

City of Vincent Administration

Administration staff involved in asset management:

- guides, directs and facilitates asset management plan development;
- provides required information for Council to achieve core competency in asset management;
- delivers levels of services to agreed risk and cost standards and report to Council on service delivery versus service level standard; and
- develops and implements operational plans for maintenance, refurbishment and capital works programs.

All staff must ensure best practice in regards to asset management by implementing the City's relevant policies, decision and local laws and ensure appropriate management of City assets.

Asset Management and Sustainability Sub-Committee

The Implementation Plan for the AMSS (Action item No.5) Administration will establish a sub-committee that will provide oversight on critical asset management issues. The Asset Management and Sustainability Sub-Committee will help guide the development and implementation of the AMSS, providing guidance on the delivery of services while ensuring asset sustainability principles are used in all relevant projects. Membership of the AMS Sub-Committee will include executive staff and asset and finance staff as well as staff involved in leisure planning projects and other key master plans to ensure a cross-functional asset management group.

GAP ANALYSIS

In order to prepare detailed AMPs for the major asset classes, the City will continually improve the quality of data that informs asset management decision-making. Currently the asset register is a series of excel spreadsheets that have limited functionality for the purposes of asset management. The City will explore alternatives such as the asset management software available in Civica (Authority) that is not currently used. This software will also allow more consistent use of asset class categories across the organisation and improved financial reporting on assets to include total replacement cost of assets, written down value of assets that can then inform remaining useful life calculations.

The City will also explore opportunities to retain an additional asset management software such as the *AssetFinda* system used by other local governments in WA (Action Item No.4).

As current assessments have indicated a 'renewal gap' (see above) the consolidation of this information will provide Council and the Asset Management and Sustainability Sub-Committee more reliable and robust data that will provide them more certainty in:

- planning for the long-term asset sustainability; and
- making recommendations to Council on additional funding requirements for proposed master plans and development plans.

These results will also form the basis of annual budget reviews and establishes maintenance, operational, renewal and upgrade costs as well as lifecycle costs for new assets.

The SCP provides guidance on community values of assets. The last City of Vincent community perceptions survey that specifically sought feedback on the service levels and performance of the asset portfolio was completed in 2012. It is critical that the City continues to prioritise engagement with the community on service levels and asset performance not just through the SCP, but through other means. The Implementation Plan will address this through the establishment of a community focus group workshop to discuss asset management issues and ensure that customer levels of service and

participatory asset discussions are key principles of asset management going forward (Action Item No.6).

The AMPs will also undertake key actions in accordance with the infrastructure risk management customer levels of service measures used in the asset management plan which are:

1. Quality: How good is the service … What is the condition or quality of the service?
2. Quantity: Function is it suitable for its intended purpose …. Is it the right service?
3. Capacity/Use Is the service over or under used … Do we need more or less of these assets?

CONTINUOUS IMPROVEMENT OF SKILLS AND PROCESSES

The City of Vincent will adopt a continuous improvement approach that establishes and nurtures a 'whole-of-organisation' culture focused on best practice in asset management. To achieve this, the City will educate its staff to have greater awareness and application of asset management principles.

For example, the City will prioritise the development of skills across the organisation to ensure that staff use GIS to locate assets as required and provide regular updates on their aged condition and status. Along with a general best practice approach, the commitment to improvement of skills and processes will involve educating staff on the current status of the City's assets and the need to think about long-term asset sustainability. There will also be the provision of training appropriate staff in key asset management topics such as condition assessments, valuation of assets and accounting treatment (Action Item No.4).

The aims of the AMSS will also be linked to subsequent reviews of the Workforce Plan 2020-2021 to ensure that the employment of relevant staff (asset management and GIS) is considered a priority need within the Infrastructure and Environment Directorate.

IMPLEMENTATION PLAN

The Implementation Plan provides key overarching action items for achieving the key objectives of the AMSS. The action items are based on a review of the Asset Management Strategy 2010-2020 with an identification of action items achieved in that Strategy and those that have not been completed or are part of ongoing asset management activities.

REVIEW AND IMPLEMENTATION OF THE AMSS

Reporting is important for the City to be able to measure and monitor progress of the projects and action items identified in the AMSS. Firstly, through the AMS Sub-Committee, there will be quarterly reporting on the action items of the AMSS. This will ensure that long-term planning will be considered along with a detailed cost estimates and timelines including lifecycle costs that will now be required for all new substantial capital works projects (as recommended in the LTFP). This will be decided upon as the City moves towards progressing with its development and master plans (including the Beatty Park Master Plan 2062). Secondly, the City will use the AMSS to feed into annual budget reviews and ensure that lifecycle costings for the master plans and development plans are factored into the LTFP reviews.

It is important to note that the AMSS will likely not remain static. As it is reviewed, new information (for example, the completed Asset Prioritisation Plan) will be included that may modify previously accepted positions. As the City continues to deliver and refine the opportunities identified in the AMSS, it will maintain an open and transparent dialogue with the community.

ACTION ITEMS

The purpose, vision and objectives of the AMSS will be achieved through the implementation of the following short (1 – 3 years), medium (4 – 7 years) and long term (8 years +) and ongoing (Ong) key deliverables.

No.	Action – what we'll do	Deliverable – how we'll do it	Timing					Funding Allocation
			Short	Med	Long	Ong	Priority	
1	Consider and then implement long-term funding scenarios that will close the asset renewal gap and plan for relevant projects that have detailed cost estimates and timelines	Improve the City's Asset Sustainability Ratio restored to a minimum 90% position by 2022/23	●				High	As per LTFP (Base Position)
		Improve the City's Asset Sustainability Ratio restored to a minimum 100% position for the life of the AMSS			●		High	As per LTFP (Base Position)
		Consider base position and other long-term financial scenarios and determine preferred option for future planning	●				High	Operational
		Consider additional costings for relevant projects listed within the City's CBP that have provided lifecycle costs as part of its detailed cost estimates and timelines. Make informed implementation decisions that link to LTFP projections	●	●			High	Operational
		Report on renewal ratio for key assets and provide targeted financial details that will inform annual budget reviews				●	Medium	Operational

No.	Action – what we'll do	Deliverable – how we'll do it	Timing					Funding Allocation
			Short	Med	Long	Ong	Priority	
2	Review key asset classes to allocate levels of service (both current and future usage) to provide a framework for asset sustainability and rationalisation going forward	Develop an Asset Prioritisation Plan for Building, Transport and Recreation/Parks that is informed by: • Building conditions audit (2018) • Current rationalisation program of works (informed by building conditions audit and condition grading assessments) • Active Reserve Strategic Club Allocation & Facility Rationalisation Plan (feeds into Sports and Recreation Facilities Plan that is in development) • AMPs for Building, Transport and Recreation/Parks	●				High	$80,000
		Review, classify and allocate levels of service to all City buildings for current and future usage of assets that incorporates population forecasts and demographic changes and align with SCP priorities (feeds into AMPs)	●	●			Medium	$40,000
3	Review and update Asset Management Framework that supports asset sustainability management principles	Provide detailed cost estimates and timelines including lifecycle cost template in project management framework to be used for all new substantial capital works projects (also informed by recommendations of Asset Prioritisation Plan when completed)				●	High	Operational
		Revise current AMPs as part of three year cycle (2021/24/27/30)				●	High	Operational
		Review Asset Management Policy 2009		●			Medium	Operational
		Completion of Asset Management Plan (Plant and Equipment)		●			Medium	$15,000
		Completion of Asset Management Plan (Information Communication Technology)		●			Medium	$5,000
		Plan, allocate resources and deliver upgrades to meet disability access improvements, risk management and compliance and legislative requirements				●	High	Operational

No.	Action – what we'll do	Deliverable – how we'll do it	Timing					Funding Allocation
			Short	Med	Long	Ong	Priority	
4	Work towards best practice in asset management through continuous improvement in asset management processes, capability and maturity	Skill development of staff using GIS to map asset locations appropriately				●	Medium-High	$5,000
		Explore *Assetfinda* and Civica (Authority) asset management software to replace current asset data storage	●	●			High	Operational
		Adopt software that improves consistency in asset class use across the organisation	●	●			High	$40,000
5	Provide support and oversight on critical asset management issues and ensure ongoing monitoring of Implementation Plan	Establishment of AMS sub-committee to oversee implementation of current and proposed relevant development plans and master plans				●	High	Operational
6	Enhance current demand management practices through public consultation and associated measurement of current community service levels	Ensure participatory asset discussions by undertaking a community focus group workshop to understand community value of assets and compare with current service level measurements	●				High	$2,000

No.	Action – what we'll do	Deliverable – how we'll do it	Timing					Funding Allocation
			Short	Med	Long	Ong	Priority	
7	Advocate for support for asset sustainability through the promotion of City assets and the development potential of underutilised public open spaces	Advocate to State and Federal Government for support to renew the City's regional facilities				●	Medium	Operational
		Pursue partnership opportunities with appropriate funding bodies				●	Medium	Operational

GLOSSARY & ACRONYMS

AMPs – Asset Management Plans (Buildings, Transport, Recreation/Parks)
AMSS – Asset Management and Sustainability Strategy 2020-2030
CBP – City of Vincent Corporate Business Plan
DLGSCI – Department of Local Government, Sport and Cultural Industries
IIIMM - International Infrastructure Management Manual
LTFP- Long Term Financial Report
POS Strategy – Public Open Space Strategy
SCP – City of Vincent Strategic Community Plan

Asset

A physical component of a facility which has value, enables a service to be provided and has an economic life of greater than 12 months.

Asset Class

Groupings of assets of similar nature and use in a local government's operations.

Asset Consumption

The average proportion of "as new condition" left in an asset.

Asset Disposal

The process of removing and disposing of an asset upon the end of its useful life.

Asset Maintenance

Regular repair works to prevent deterioration of the assets' capability, such as pothole filling, minor repairs etc.

Asset Management

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

Asset Operations

Continuously required expenditure which enables the asset to provide benefits to the community such as mowing, street sweeping and lighting power charges.

Asset Renewal

Works to replace existing assets which are worn, poorly functioning or dated with assets of equivalent capacity or performance.

Asset Upgrade

The significant upgrade of an asset to produce a higher level of service, such as dualling or widening of a road, extending of a building, installation of reticulation to a dry park.

Customer Levels of Service

Measures how the customer receives the service and whether value to the customer is provided. Community levels of service are developed in consultation with the community, demographics, trend analyses and customer feedback.

Level of Service

Designed quality of a particular activity (e.g. road maintenance) or service area (e.g. lighting) against which performance can be measured.

Technical Levels of Service

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

Lifecycle

The cycle of activities that an asset (or facility) goes through while it retains an identity as a particular asset.

MORE INFORMATION

To find out more about our *Asset Management and Sustainability Strategy*, or any of our programs, contact:

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