City of
Bayswater

Information and Communication Technology Asset Management Plan 2023-2033

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June 2023

CITY OF BAYSWATER
The Garden City - Quality Lifestyle

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Version Control

Version	Date	Details	Authors	Ref.
1	31/05/2023	AMWG review of previous draft plan	Paul Ryder, Manager Information Services Sonja Pienaar, Principal Asset and Mapping Services	ICT Asset Management Plan Draft 23-33 v1.3.docx
2	1/6/2023	Reviewed draft	Kym Leahy, Director Corporate Services	ICT Asset Management Plan Draft 23-33 v1.4.docx
3	19/6/2023	Endorsed	Executive Leadership Team	ICT Asset Management Plan Final Draft 23-33 v1.4.docx
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Approval

Name	Date	Details
Executive Leadership Team	19/6/2023	As per minutes of the meeting held on 19 June 2023

Approval Process

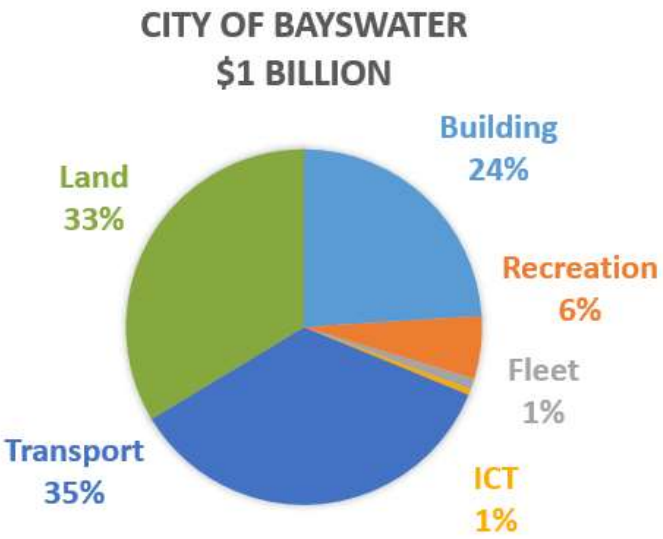
The City's Executive Leadership Team (ELT) to endorse an annual internal review with a full review every 4 years to be adopted by Council according to the *Asset Management Policy (2019)*.

An ICT asset Management Plan was drafted in April 2019 as an operational document, but was not endorsed by ELT.

Executive Summary

The City of Bayswater maintains a range of assets to provide an integrated approach to the delivery of service. The City is responsible for community infrastructure with a replacement value of close to $1 billion.

In order to ensure that the City effectively manages this large portfolio of assets, the City's Asset Management Working Group renewed their commitment to continuous improvement of its asset management practices, including preparing a suite of asset management plans as informing strategies to the Strategic Community Plan (SCP) and the Long Term Financial Plan LTFP).



The purpose of an asset management plan is to assist the City to manage its infrastructure and other assets to an agreed level of service, and to ensure this is sustainable into the future. It is a plan for the appropriate acquisition, upgrade, maintenance, renewal, and disposal of assets, that balances aspirations with affordability.

This is the City's Asset Management Plan (AMP) for ICT assets. It includes handware such as desktop & mobile computers, network equipment, security system equipment and miscellaneous equipment. Future revisions of the plan will also consider software assets.

On 30 June 2022, the City's ICT assets, held at historic cost, was valued at $4.9m with a written down value of $1.1m. The available data indicates that approximately $1.2m will be required annually to renew ICT assets to sustain the current service levels. This excludes ongoing operation and maintenance expenditure (including funding the EDEN Project) and in 2021/22 financial year it amounted to approximately $3.0m.

Project EDEN is the City's Business Transformation Program incorporating the upgrade of its Enterprise Resource Planning (ERP) solution along with the implementation of new applications within its ecosystem. Implementation of a new Asset Management system also falls within the scope of the EDEN Project.

It is anticipated that a number of likely changes will occur to ICT service demand. Some of the more significant changes will be the rapid changes in technology, the increase requirements for information security and upgrading the aging ERP solution.

While care has been taken to represent available information accurately, the City is committed to continuous improvement to ensure that the organisation's asset management maturity continues to evolve.

In order to improve asset management practices and the accuracy of this plan, a number of key tasks have been identified. These have been listed within the Improvement Plan for future implementation.

All readers of this asset management plan must understand its limitations and applied assumptions before acting on any information contained within it.

Background and Objectives

Purpose of this Asset Management Plan

As part of the Integrated Planning and Reporting Framework, the City has prepared asset management plans as informing strategies to the Strategic Community Plan (SCP) and the Long Term Financial Plan (LTFP).

This document is an AMP for the City's ICT assets and documents the related management practices, processes and strategies. The objective of the ICT AMP is to ensure that ICT assets are maintained to agreed service levels, balanced against long-term resource availability and sustainability.

Information used in the Asset Management Plan

The financial asset class *Furniture and Equipment* comprises of *Computer Equipment* and *Furniture Equipment*. This revision of the ICT AMP only addresses *Computer Equipment*.

Most Library Equipment (RFID hardware, visitor sign-in kiosks, barcode scanners,etc.), Surveying Equipment, GPS Enabled Mobile Radio Equipment, Health Equipment are currently classified as *Furniture Equipment* and not *Computer Equipment* and therefore not addressed in this AMP.

The City's financial asset register for *Furniture and Equipment* (including ICT assets) is required to hold assets at the historic cost or price paid when purchased. Financial regulations also require the City to adopt a threshold for assets values. The City of Bayswater considers assets below $5000 as non-financial assets and are not required to report on them, but to consider it as part of operational expenditure.

The City's ICT asset management system used for estimating cost to renew ICT assets also records the replacement cost should the asset need to be replaced. The system is also used to manage important minor ICT equipment not considered financial assets as they cost below $5000.

Future improvements will allow for the two systems to use the same definitions and report the same number of items per category. Regular stocktakes will also allow for reconciliation of the two systems so their reporting can be aligned.

By reporting from both systems, the importance of aligning them can be highlighted and monitored in future.

Focus of this Asset Management Plan

The AMP focuses on assets that support the ICT service.

The key assets that make up the service and their values as recorded in the financial asset register are detailed in Table 1. Future revisions of the plan will refine the asset classification.

Table 1 provides a brief description of the currently included items.

Table 1: Assets covered by the ICT AMP (Finance System)

Asset Type	Description	Historic Cost (Purchase cost)
Desktop and Mobile Computers	Workstations (incl mouse and keyboard, etc.), monitors, laptop, tablets, iPad, Surface Pro's, Tough Pads, desktop printers.	$1,454,053
Network Equipment	Server, storage, uninteruptible power supply (UPS).	$1,078,068
Security System	Closed-circuit television (CCTV) system, CCTV server.	$1,256,849
Miscellaneous Equipment	Printer/Plotters, Survey equipment, Digital Mobile radio equipment, Audio visual equipment, Phones, camera, Video conferencing system.	$1,091,207
Total		$4,880,176

Table 1A details the current replacement cost of $1.8m for Desktop and Mobile Computers as on 30 June 2022 from the City's ICT asset management system. The ICT asset management system also includes minor ICT assets below the $5,000 threshold.

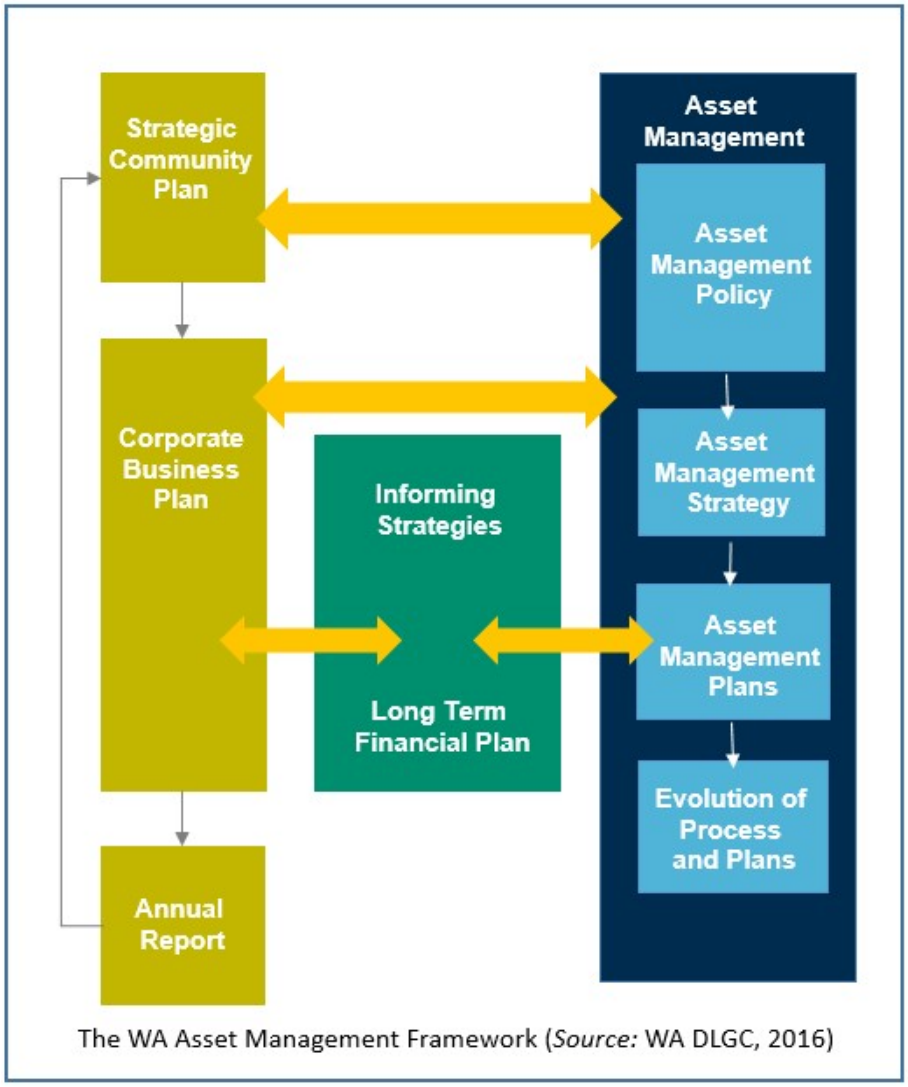
Table 1A: Assets covered by the ICT AMP (Asset System)

Equipment	Description	Quantity	Historic Cost (Purchase cost)	Current Replacement Cost
Desktop and Mobile Computers	Workstations (incl mouse and keyboard, etc.), monitors, laptop, tablets, iPad, Surface Pro's, Tough Pads, desktop printers.	1936	$1,680,233	$1,814,594
Total		1936	$1,680,233	$1,814,594

Corporate Document Relationships

This AMP integrates with the following City documents as part of an integrated planning and reporting framework:

- Strategic Community Plan
- Corporate Business Plan
- Long Term Financial Plan
- Asset Management Strategy
- Annual Budget



The WA Asset Management Framework (*Source:* WA DLGC, 2016)

The ICT Asset Management Plan is also guided by the following informing strategies and other City documents:

- CCTV Strategy
- Cloud Strategy
- Digital Transformation Strategy
- Eden Project Brief

- Library and Customer Services - Information and Communication Technology Plan 2020 – 2025
- Annual IS Security Audit conducted by Office of Auditor General

Time Period of the AMP and Review Process

The ICT AMP covers a 10 year period and will be reviewed annually.

An internal review will be conducted annually and endorsed by the City's Executive Leadership Team (ELT) with a full review every four years for the approval of Council, as per the *Asset Management Policy (2019).* The Asset Management Plan review will inform the annual review of the LTFP/Budget process as part of the integrated planning and reporting framework.

The next review will commence shortly after 1 July 2023. The Asset Management Plans for 2024 to 2034 will inform the LTFP 2024-34, and the 2024-25 budget process to commence in January 2024.

Service Levels

Introduction

Service Levels describe the outputs that the City provides from its ICT portfolio. These have been developed through the consideration of strategic and policy inputs, customer perceptions and needs.

Community Perceptions Survey

In the case of ICT services, community members are important user of City provided ICT services.

Most of the City's services to the community rely on how effective community members, staff and council are supported by appropriate ICT assets.

The City's last Community Perceptions Survey was in 2021 and indicated the following performance results and trends as shown in Table 2 below. A new survey is to be conducted in 2023.

Table 2: Customer Perception

Focus	Very Satisfied or Satisfied 2021	Very Satisfied or Satisfied 2018	Trend
Access to City services online	86.4%	72.50%	Increasing

Service Level Performance

ICT assets should provide a service level that efficiently enables work, facilitates collaboration and enhances community interaction with the City and its services.

Table 3 details the targeted service levels to be refined in future revisions of the plan.

Table 3: Service Level Performance

KPI	Service level - Target	Service level - Performance
Reliability	The City will target 99% availability of ICT assets with production, test and redundant ICT environments configured and maintained to support this target.	Monitoring and reporting annually
Performance	Either measured as condition and/or whether it is fit for purpose.	Monitoring and reporting annually
Compliance	Compliance to requirements for ensuring security of information and systems.	Monitoring and reporting annually
Financial Sustainability	Asset Ratios.	Monitoring and reporting annually

Service Demand

This section summarises likely factors that may affect the demand for ICT assets over the life of the AMP.

Some of the more significant changes will be the rapid changes in technology, the increase requirements for information security and upgrading the aging ERP solution.

Historic Demand

The following table outlines the key factors that have affected historical service demand change.

Table 4: Historic Demand Drivers

Driver Type	Effect	Demand Change
Population	The population grew from 64,677 (2016) to 69,283 (2021). This is consistent with the growth rate between 2006 and 2016.	Consistent increase
Staff Numbers	Staffing use ICT assets in conducting their duties. Staffing numbers (FTE) have increased from 307.6 in 2021 to 318.4 in 2022 (to 328.8 in 2023). The exact impact this has on the demand for ICT assets will be quantified in future revisions of this plan.	Increase
Technology & Usage Changes	Reliance and use of technology has increased with more modern approaches to working, changes include remote working, social collaboration, data accessibility, task automation. There is also an increased community expectations of easy to use, intuitive and functional on-line services. This has not been more previlant than during Covid and the increased need to work from home that placed additional pressures on the provision of ICT equipment to staff and facilities to have virtual meetings.	Increase
Policy Changes	As outlines in the various ICT strategies and Information Security Action Plan (currently under development).	Increase

Future Demand

Consideration was given to six possible future demand drivers of ICT assets.

Table 5: Future Demand Drivers

Driver Type	Effect	Demand Change
Political	Possible increased demand for additional and better performing ITC services as emerging technology becomes available.	Increase
Economic	Productivity, efficiency and cost effectiveness of service delivery can increase if appropriate technologies are applied, but usually require investment and strategy.	Increase
Social	Population growth (and staff increases) will directly affect demand for online services, although the exact quantum and ability to meet demand is unclear.	Increase
Technological	Consideration should be given to increased demand and performance requirements and an increased demand in new and disruptive technology.	Increase
Legal	ICT assets and services support the City to comply with regulatory obligations including privacy of personal and transactional data; Security of systems and services; and business continuity.	Increase
Environmental	Increased demand to move towards cloud solutions to reduce power and cooling requirements.	Increase

Demand Management

A review of past and future demand factors shows that service demand change has occurred, and will also likely occur into the future. The following improvements are proposed in order to meet demand changes.

- Using the findings and recommendations from the current and future ICT related informing strategies to inform the Asset Management Plan and consequent 10-year Forward Capital Works Programs, as these demand management strategies have already included consultation.
- Monitoring and reviewing current utilisation and performance of ICT infrastructure, systems and services to ensure it remain fit for purpose.
- Aligning the Long Term Financial Plan (LTFP) and annual budgets with the AMP supported 10-year Forward Capital Works Programs (FCWP) will ensure that demand is managed in a sustainable way.

Risk Management

The City intends to proactively monitor the condition and performance of ICT assets. Having sufficient warning, and understanding the likelihood and consequence of an asset failing, will allow the City to take proactive action to avoid outages and meet agreed service levels.

A risk analysis of the current ICT asset and asset management practices have not been included in this document, and has been identified in the improvement plan as a high priority to address in future plans.

Lifecycle Management

Lifecycle management refers to how the City intends to manage and operate its ICT assets at the agreed service levels. It considers the information and strategies used to guide lifecycle decisions, including decisions regarding acquisition, maintenance, renewal, upgrade and disposal. Future revisions of this AMP will consider the implementation of these lifecycle management strategies and will feed into the the 10-year Forwad Capital Works Programs, as the implementation of these lifecycle management strategies.

ICT Assets' Physical Parameters

The following information is obtained from the City's financial asset regsiters that is only required to carry ICT assets at historic cost.

Table 6: ICT Portfolio Physical Parameters

Asset Type	Description	Historic Cost	Writtend Down Value	Annual Depreciation
Desktop & Mobile Computers	Workstations (incl mouse and keyboard, etc.), Monitors, Laptop, Tablets, IPad, Surface Pro's, Tough Pads, desktop printers	$1,454,053	$436,092	$447,818
Network Computer Equipment	Server, Storage, UPS	$1,078,068	$323,239	$268,087
Security System	CCTV system, CCTV server	$1,256,849	$193,108	$196,862
Miscellaneous Equipment	Printer/Plotters, Survey equipment, Digital Mobile radio equipment, Audio visual equipment, Phones, camera, Video conferencing system, etc.	$1,091,207	$163,413	$246,850
Total		$4,880,176	$1,115,852	$1,159,617

Table 7 details the current replacement cost of $1.8m for Desktop and Mobile Computers as on 30 June 2022 from the City's ICT asset management system. The ICT asset management system also includes minor ICT assets below the $5,000 threshold.

Table 7: ICT Portfolio Physical Parameters (Asset System)

Equipment	Description	Quantity	Purchase Cost	Current Replacement Cost
All in One Stations	Customer facing devices including Library Patron PCs	59	$81,509	$99,710
Desktops	Workstations and Towers	232	$295,249	$323,015
Monitors	Workstation monitors	681	$193,572	$207,773
Portable Desktops	Portable computers, notebooks (i.e. Surface Pro)	188	$473,626	$456,340
Portable Desktop Docks	Docking stations for portable computers, notebooks	146	$43,800	$48,180
Portable Devices	Small handheld devices (i.e iPads)	70	$90,864	$145,530
Laptops	Including rugged devices (higher processing power than notebooks)	81	$229,868	$230,005
Phones	Desk phones	281	$76,727	$86,441
Mobile Phones	Mobile phones	198	$195,018	$217,600
Total		1936	$1,680,233	$1,814,594

ICT Portfolio Condition

ICT assets can be monitored autonomously. However, many ICT assets in the possession of City staff and council require those users to report failing assets so that they may be repaired or replaced. A future ICT asset condition rating system should considers the following condition states:

- **Serviceable** – assets in service or in reserve that while functioning, can be repaired in the event of failure.
- **Non-Serviceable** – assets that although in service, cannot be repaired in the event of failure due to their age, specific use, unavailability of spares, patches or support. In some cases an increase in cost of servicing relative to assets age may also be classified as the asset being not cost effective to service.
- **Failing** - assets in service that are known to be failing and have been flagged as requiring repair or replacement. An asset may be considered failing when its is no longer compatable with current hardware or software requirements or if it no longer is compliant with regulatory and security compliance protocols.
- **Out of Service** – assets in storage that are no longer serviceable or functioning.

In future revisions of this plan the ICT assets condition rating information will be reported.

ICT Portfolio Data Confidence and Reliability

Table 8 details the reliability and confidence levels of the current asset data the City holds (1-5 with 1 being very good and 5 very poor). It is the City's intention to progress towards a position whereby data confidence levels for all areas are classified as either a 1 or 2. A full asset stocktake audit will be completed for future revisions of this plan.

Table 8: ICT Portfolio Data Confidence Levels

Asset Class	Inventory	Condition	Valuation
Desktop & Mobile Computers	2	TBC	3
Network Equipment	2	TBC	4
Security System	3	TBC	4
Miscellaneous Equipment	4	TBC	4

Lifecycle Management Strategies

This section details all the strategies and practices that are currently employed to manage ICT assets at the lowest lifecycle cost.

ICT assets are mostly managed by the Information Services (IS) branch, but some items under miscellaneous equipment are managed by other branches. Refining roles and responsibilities for these various arrangements will be clarified in future revisions of this plan.

Operation & Maintenance Strategy

The City currently operates and maintains ICT assets in line with manufacturer specifications. All assets are maintained at appropriate intervals to ensure that the expected useful life can be obtained. External contractors may be used for maintenance or servicing work on an ad hoc basis or by vendor maintenance service agreements.

Vendor maintenance contracts for hardware and software (i.e. software assurance) are part of a robust asset maintenance plan. Maintaining service agreements with vendors, while being part of a risk mitigation strategy and business continuity plan also provides the following benefits:

- Reduce support costs – with access to vendor supplied service and support;
- Reduce renew and upgrade costs – renew and upgrade paths for hardware or the latest version of software at reduced rates;
- Higher security – ensuring ICT infrastructure and software is always up-to-date, patched and functioning optimally;
- Reduced administration – outsourcing of product knowledge, fault resolution and general maintenance to the support vendor; and
- Improved service levels – external support supplementing the internal workforce capacity and ensuring service levels are met.

The Information Services (IS) branch maintains a service catalogue of ICT services they provide to the City. Service requests and incidents are managed through the service desk tool. The IS service desk (help desk) receive, resolve and when necessary escalate service requests including those pertinent to asset use, performance and failure. Requests can be raised by City stakeholders or by IS staff directly.

Non asset solutions such as leasing of ICT assets is an alternative to investing large sums of money in purchasing ICT assets outright. Leasing ICT assets will allow the City to acquire cutting-edge hardware and software at a manageable cost while remaining adaptable as technology needs evolve over time.

Future revision of the plan will identify the types of vendor maintenance contracts and leasing arrangements as an essential component of operational and maintenance expenditure for ICT assets.

Renewal Strategy

The City's renewal strategy for ICT assets is primarily driven through the establishment of optimal replacement triggers. The identified projects are scheduled within a 10-year Capital Works Program in line with informing strategies, and strive to balance cost, safety, reliability and functionality.

The useful life of assets varies depending on their application (fit for puspose) and appropriate maintenance. The progression through its life cycle should be monitored by assessing the assets condition and performance.

Table 9 shows the renewal triggers based on age that have been identified and to be reviewed for future revisions of this plan.

Table 9: ICT Assets – useful life estimates

Equipment	Description	Useful life in years
All in One Stations	Customer facing devices including Library Patron PCs	4 years
Desktops	Workstations and Towers	4 years
Monitors	Workstation monitors	4 years
Portable Desktops	Portable computers, notebooks (i.e. Surface Pro)	4 years
Portable Desktop Docks	Docking stations for portable computers, notebooks	4 years
Portable Devices	Small handheld devices (i.e iPads)	4 years
Laptops	Including rugged devices (higher processing power than notebooks)	4 years
Phones	Desk phones	10 years
Mobile Phones	Mobile phones	4 years

The purpose of the asset management plan is to ensure that these renewal strategies are effective to maintain a specific level of service. Table 10 list all the individual renewal programs that will apply.

Table 10: ICT Renewal Programs

Asset Class	
Desktop & Mobile Computers	Replacement of Workstations, monitors, portable computers and devices and their accessories.
Network Equipment	Replacement of Network Equipment.
Security System	Replacement of CCTV systems in consultation with Community Safety Branch.
Miscellaneous Equipment	Replacement of desktop and mobile phones. Other programs that are included under this categories also needs to be identified once definitions are refined.

Upgrade/New Strategy

The City's Digital Strategy has recognised that the City is in the middle of a digital transformation and highlighted that investment in vital infrastructure projects and improvements are to be considered.

The priorities for the ICT Upgrade/New program is centred around the following:

- Reviewing and upgrading the aging Enterprise Resource Planning (ERP) solution, including transition to Software as a Service (SaaS).
- Improving the delivery of digital services through the website and other channels
- Creating a financially sustainable implementation plan

Project EDEN is the City's Business Transformation Program incorporating the upgrade of its Enterprise Resource Planning (ERP) solution along with the implementation of new applications

within its ecosystem. Implementation of a new Asset Management system also falls within the scope of the EDEN Project.

Table 11 : ICT Upgrade/New Programs

Asset Class	Upgrade/New Strategy
Desktop & Mobile Computers	Any identified improvements or changes to stakeholder key design and operational requirements due to functional, technology or ergonomic requirements may result in an identified upgrade and new request. Currently no standards are set for these and each case will be evaluated on a case by case basis as part of the AMP and Capital Works Program development.
Network Equipment	
Security System	

Transitioning to the 'cloud' or Software as a Service (SaaS) is generally seen as an easy decision.

Typically, the benefits of moving to the 'cloud' are reductions in capital expenditure (CAPEX) and the overall total cost of ownership (TCO) of ICT infrastructure and assets. This will unfortunately be accompanied by an increase in operational cost which is common when selecting a non-asset solution to service provision.

The City is responsible for ensuring the capacity of the City's ICT infrastructure, systems and services to meet stakeholder expectations for performance while balancing cost. Maintaining existing assets to deliver current and future requirements forms the basis of capacity management.

Upgrade/New ICT assets typically improve performance outcomes at a cost (capital expenditure). However, this cost can be offset against a reduction in operational costs due to improved productivity. New assets can bring additional benefits such as greater security and reliability and a smaller size for improved portability or physical footprint.

Renewal vs Upgrade/New Strategy

When considereing purchasing of ICT assets (irrespective if it is a like-for-like renewal or Upgrade/New assets) the following also needs to be taken into consideration:

- **Timing** – new assets should be deployed in a predictable and planned manner and where possible, just-in-time to maximise the use of current assets before they are replaced. When an asset fails outside a proactive replacement schedule, it should be replaced in accordance with business continuity and service expectations.
- **Technology** – replacement technology should, at a minimum be like-for-like however, consideration should be given to increased demand and performance requirements and new and disruptive technology.
- **Budget** – many ICT assets represent considerable investment and budgeting should occur 3-5 years in advance of the planned expenditure.
- **Leasing** –for large (>$50,000) capital purchases, leasing may be a more financially astute option to purchasing.
- **Procurement** – the product and deployment/support vendor should represent value for money.
- **Deployment** – deployment plan, change management, timing and resourcing are all key to ensure the transition from old to new.

Disposal Strategy

Assets that are no longer in a serviceable condition and for which maintenance is no longer available (or not cost effective) should be retired from service. Disposal of assets must be inline with the City's disposal policy and should be included in the 10 year Forward Capital Works Programs.

Table 12: ICT Asset Disposal Program

Asset Class	Disposal Strategy
Desktop & Mobile Computers Network Equipment Security System Miscellaneous Equipment	Once ICT asset has been identified for renewal the old asset will be disposed of. In some cases assets might be identified for disposal and not replaced. Currently no specific criteria for this has been identified. Disposals are to be identified in AMP and in consequent works program that feeds into the LTFP and budget process. Any other disposals that are not in an endorsed program should adhere to disposal delegation requirements and relevant management practices.

Financial

This section contains the financial requirements resulting from all the information presented in this AMP.

Current operation & maintenance, renewal, upgrade and new expenditure

Future revisions of this plan will report on historical expenditure for operation & maintenance, renewal, upgrade and new expenditure.

Table 13 provides a summary of capital expenditure related to ICT assets by various service providers areas (branches) during the 2021-22 financial year.

Table 13: ICT Current Capital Expenditure for 2021 – 22 financial year

Cost Centre - Branch	Project Description	Capital Expenditure 2021-22
Information Services	CCTV Infrastructure replacement program	$106,265
Information Services	Network infrastructure	$112,655
Information Services	Network security infrastructure updates	$5,140
Information Services	Workstation replacement program	$269,044
Asset & Mapping Services	Spatial Virtual Machine storage	$18,934
Information Services	General IT Equipment Replacement Program	$80,379
Total		$592,417

Projected Expenditure Requirements

Projected Renewal Expenditure

Widely used indicators for long term renewal requirement are the annual depreciation figures. These figure represents the annuallised replacement cost to maintain the service at current service levels.

More refined estimates of the required renewal expenditure requires the reliable data in terms of inventory, valuation and condition.

As the City's asset management maturity, data reliability and systems improves, the reliability of the renewal estimate will improve.

For purposes of this document, the annualised replacement cost will present the official indicators of required renewal expenditure as an annual average over the next 10 years. This number excludes the impact of any growth of the portfolio due to new and upgrade projects over the next 10 years.

All replacement costs are presented as they were in June 2022, and no consumer or construction price index (CPI) has been applied to adjust for inflation.

A projected annual required renewal of $1,159,617 will be required annually to renew ICT assets to sustain the current service levels, though this is calculated using historic cost opposed to the required current replacement cost. Future reviews of AMP will improve on these estmates.

Table 14 provides a summary of estimated renewal requirements as described above.

Table 14: ICT Projected Renewal Expenditure Requirements (Finance System)

Asset Type	Estimate Annualised Current Replacement Cost
Desktop & Mobile Computers	$447,818
Network Equipment	$268,087
Security System	$196,862
Miscellaneous Equipment	$246,850
Total required	$1,159,617

Projected Upgrade and New Expenditure

Future revisions of the ICT Asset Management Plan will identify upgrade and new projects that will impact the ICT asset portfolio.

Planned Expenditure Requirements

In future revisions of this plan the 10 year Forward Capital Works Program (FCWP) and the Long Term Financial Plan (LTFP) will provide information on planned expenditure.

Plan Improvement and Monitoring

This section of the plan outlines the degree to which this AMP is an effective and integrated tool for asset management. It also details the future tasks required to improve its accuracy and robustness.

Performance Measures

The effectiveness of the AMP will be monitored by the performance of the three asset management ratios that the City reports on.

These KPIs are useful in determining:

- the current physical state of the asset portfolio;
- how sufficient past renewal expenditure was; and
- whether sufficient future renewal expenditure is being allowed for.

Asset Consumption Ratio

This ratio is a measure of the condition of the City's physical assets, by comparing their depreciated replacement cost or fair value (replacement cost, less deductions, for physical deterioration) against their current replacement cost (cost to replace). The ratio highlights the aged condition of the portfolio and has a target band of between 50%-75%. Non-depreciating assets should be excluded from the calculation.

According to the available data these ratios indicate that overall the ICT assets fall significantly below the target range indicating there may be concern for the condition and aging profile of these assets. The reliability of the ratios will improve as the reliability of the data improves. It is still important to report on these ratios using the data on hand. If technical indicators such as condition ratings and the City's customer satisfaction levels do not reflect the same trends as the ratios the valuation methodologies should be reviewed.

Table 15: ICT Asset Consumption Ratio

Asset Type	Depreciated Replacement Cost (Fair Value) DRC (FV)	Current Replacement Cost of Depreciable CRC	Asset Consumption Ratio ACR
Desktop & Mobile Computers	$436,092	$1,454,053	30%
Network Equipment	$323,239	$1,078,068	30%
Security System	$193,108	$1,256,849	15%
Miscellaneous Equipment	$163,413	$1,091,207	15%
Total	$1,115,852	$4,880,176	23%

Asset Sustainability Ratio

This ratio is a measure of the extent to which assets managed by the City are being replaced, as they reach the end of their useful lives. The ratio is essentially based on information from previous years, and is calculated by dividing the average annual depreciation expense of the recreation asset portfolio, by the average annual renewal expenditure. The ratio has a target band of between 90%-110%.

Future revisions of this plan will collect and refine the reporting of actual renenwal expenditure. Once data reliability has improve, these ratios can be accurately calculated.

Table 16: ICT Asset Sustainability Ratio

Asset Type	1Year Average	Asset Annual Depreciation	Asset Sustainability ratio - target 90%
Desktop & Mobile Computers	TBC	$447,818	TBC
Network Equipment	TBC	$268,087	TBC
Security System	TBC	$196,862	TBC
Miscellaneous Equipment	TBC	$246,850	TBC
Total (excluding Miscellaneous Equipment)	TBC	$912,767	TBC

Asset Renewal Funding Ratio

This ratio is a measure as to whether the City has the financial capacity to fund asset renewal as and when it is required over the future 10-year period. The ratio is calculated by dividing the net present value of planned renewal expenditure over the next 10 years in the LTFP, by the net present value of planned renewal expenditure over the next 10 years in the AMP. The same net present value discount must be applied in both calculations. The ratio has a target band of between 95%-105%.

Future revisions of this plan will collect planned renewal form the LTFP and refine the required renenwal expenditure required. Once data reliability has improve these ratios can be calculated.

Table 17: ICT Asset Renewal Funding Ratio

Asset	NPV of LTFP Planned Renewal Expenditure over the next 10 years according to LTFP	NPV of AMP Required Renewal Expenditure over the next 10 years According to AMP	Asset Renewal Funding Ratio ARFR
Desktop & Mobile Computers	TBC	TBC	TBC
Network Equipment	TBC	TBC	TBC
Security System	TBC	TBC	TBC
Miscellaneous Equipment	TBC	TBC	TBC
Total	TBC	TBC	TBC

Improvement Plan

It is important to further develop the City's Asset Management Plans. This will ensure that the City's asset management continues to mature and can provide accurate data and information for effective decision-making to ensure that the City's ICT assets are managed sustainably into the future.

The asset management improvement plan generated from this AMP is shown in Table 18.

Table 18: ICT AMP Improvement Plan

Task No	Task	Timeline
1	Identify main risks for assets and asset management practices.	Dec 2023
2	Improve inventory reliability. Review classification and definitions to form the basis of a review of the inventory. Identify ICT assets under the control of other branches.	Dec 2023
3	Improve valuation reliability by reviewing replacement cost estimates and useful life triggers.	Dec 2023
4	Develop an ICT asset condition rating system and review the renewal strategy (including the triggers) and other program to align with current practices.	Dec 2023
5	Improve reporting on historic renewal cost to inform the calculation of asset sustainability ratios.	May 2024
6	Prepare 10 year Forward Capital Works Program that feed into the Long Term Financial Plan and allow for calculating asset renewal funding ratios.	May 2024