City of
Bayswater

Information and Communication Technology Asset Management Plan

2024/25 – 2033/34

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September 2024

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
4	28/08/2024	Updated AMP 2024/25-2033/34	Correy Jansen van Vuuren, Asset Management Specialist Data and Systems	ICT Asset Management Plan Final Draft 24-34 v1.0.docx
5	30/9/2024	Reviewed draft	Sonja Pienaar, Manager Assets	ICT Asset Management Plan Final Draft 24-34 v1.0.docx
6	20/10/2024	Reviewed draft	Luke Botica, Director Infrastructure and Assets	ICT Asset Management Plan Final Draft 24-34 v1.1.docx
7	23/01/2025	Endorsed	Executive Leadership Team	ICT Asset Management Plan 24-34 v1.1docx

Approval

Name	Date	Details
Executive Leadership Team		

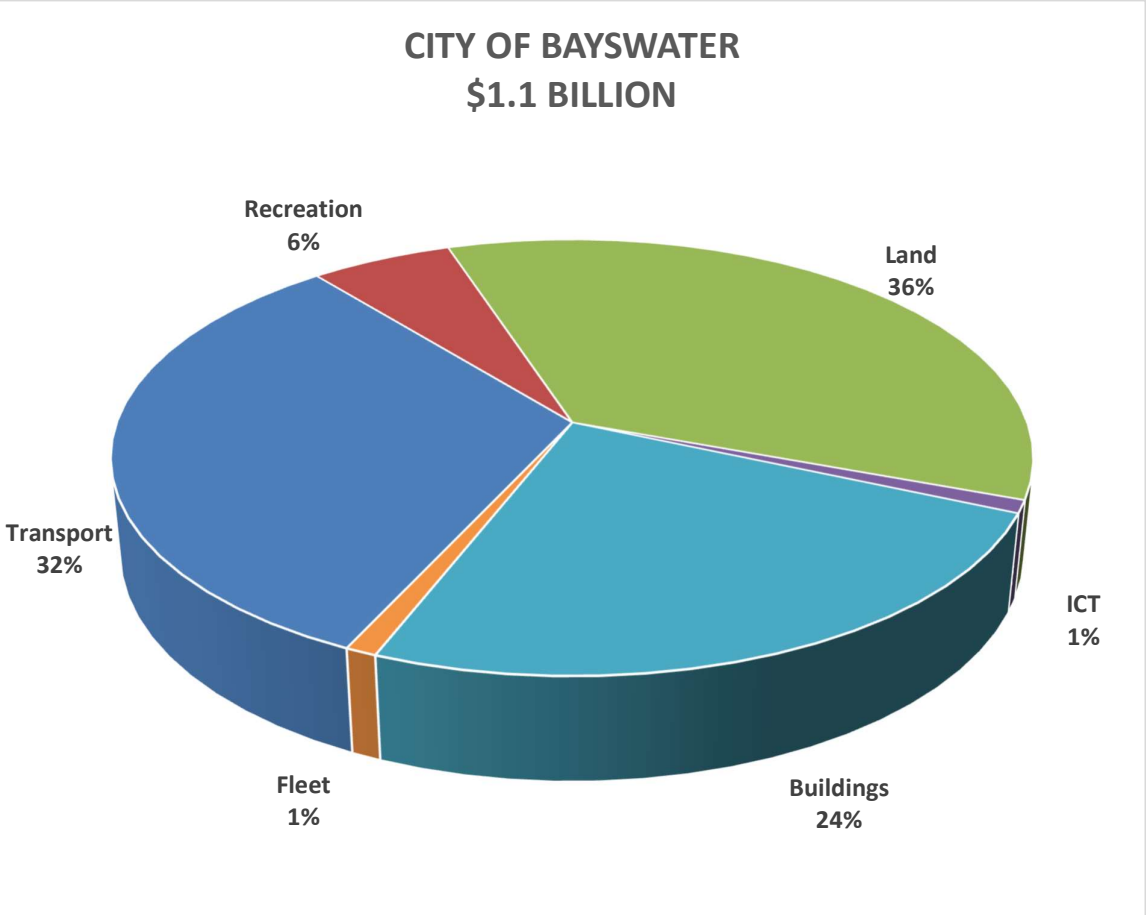
Approval Process

The City's Executive Leadership Team (ELT) to endorse the annual internal review with outcomes presented to Council according to the Asset Management Policy (2024).

The previous Information and Communication Technology Asset Management Plan 2023-2033 was endorsed by the City's Executive Leadership Team (ELT) in June 2023.

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 $1.1billion.



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 renewal, upgrade, acquisition, maintenance and disposal of assets that balances aspirations with affordability.

This is the City's Asset Management Plan (AMP) for Information and Communication Technology (ICT) assets. It includes hardware such as desktop & mobile computers, network equipment, security system equipment and miscellaneous equipment, but excludes furniture equipment.

On 30 June 2023, the City's ICT assets, held at historic cost, was valued at $5.3m with a written down value of $1.6m. The available data indicates that approximately $1.1m (based on current replacement cost) will be required annually over the long term to renew ICT assets to sustain the current service levels. This plan also explores the short to medium term requirements through the development of a 10 year forward capital works program (FCWP). This excludes ongoing operation and maintenance expenditure (including funding the EDEN Project) and in 2022/23 financial year it amounted to approximately $3.5m.

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 and forward capital works programs 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, network, security, furniture and miscellaneous equipment. This revision of the ICT AMP refers to all of the asset under this asset class excluding furniture equipment.

The City's financial asset register for Furniture and Equipment 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 systems also records the replacement cost additional to the historic cost of these ICT assets.

Future improvements will allow for the two systems to use the same definitions. 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 provided by Digital Solutions Services branch and other branches. 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 type classification.

Table 1 provides a brief description of the items currently included in the financial system register.

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

Asset Type*	Description	No of Item records	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.	104	$1,515,144
Network Equipment	Server, storage, uninterruptible power supply (UPS), switches, etc.	53	$1,724,935
Security System	Closed-circuit television (CCTV) system, CCTV server, body warn security cameras, vehicle mounted security cameras.	28	$1,256,849
Miscellaneous Equipment	Printer/Plotters, survey equipment, digital mobile radio equipment, audio visual equipment, phone systems, video conferencing system.	41	$823,793
Total		226	$5,320,721

Table 1A details the current replacement cost of ICT assets held in various asset management inventories.

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

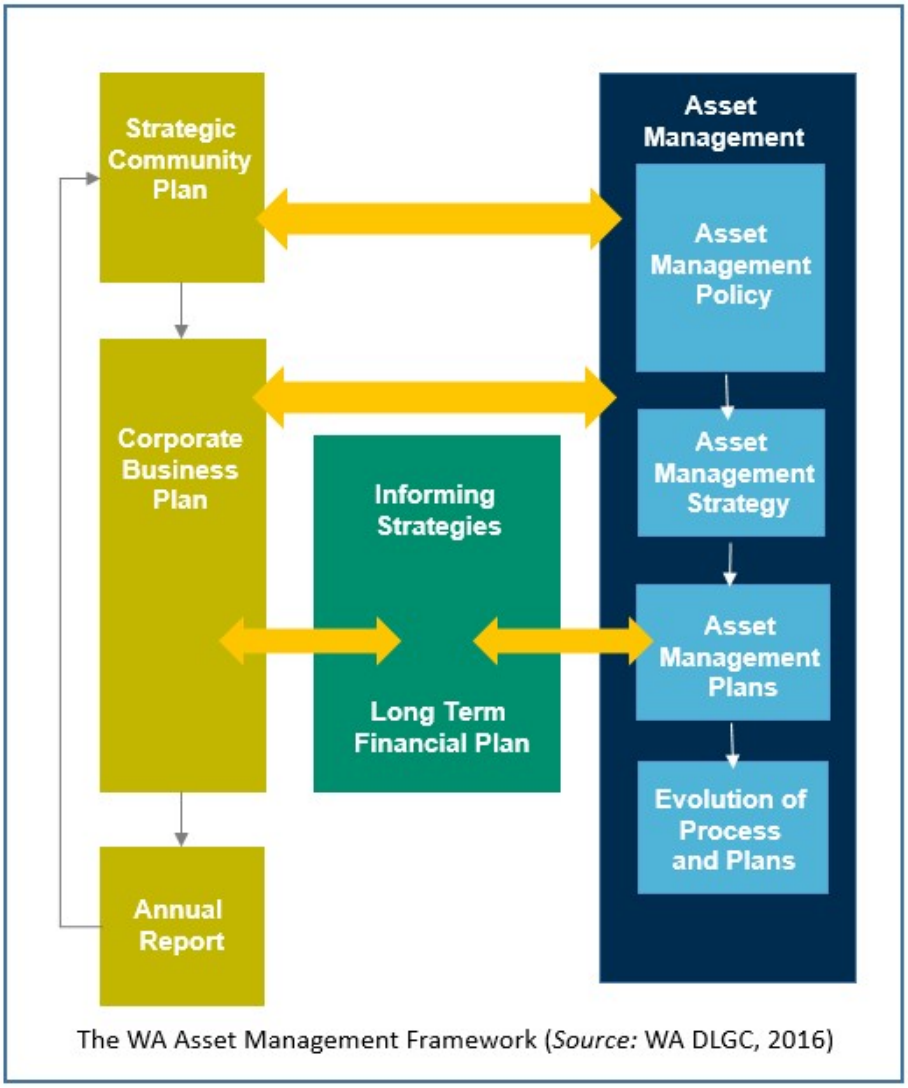
Asset Type	No of Item records	Current Replacement Cost
Desktop and Mobile Computers	1196	$1,812,564
Network Equipment	147	$2,495,750
Security System*	49	$89,060
Miscellaneous Equipment	11	$885,500
Total	1403	$5,282,874

Note: *The FCWP made the assumption that the entire CCTV system would be replaced by a non-asset solution by considering a managed service. This would result in no replacement cost but an increase in operating expenditure that had been provided for in the Long Term Financial Plan.

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 2024/25 to 2033/34 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), the outcomes will be presented to Council as per the Asset Management Policy (2024). The Asset Management Plan and the supporting forward capital works program informs the annual review of the LTFP/Budget process as part of the integrated planning and reporting framework.

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, community perceptions and community needs.

Community Perceptions Survey

In the case of ICT services, community members are important users 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 2023 and indicated the following performance results and trends as shown in Table 2 below.

Table 2: Community Perception Survey

Focus	Very Satisfied or Satisfied 2023	Very Satisfied or Satisfied 2021	Trend
Access to City services online	82.4%	86.4%	Decreasing

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 prevalent 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. Future reviews of the 10-year Forward Capital Works Program will address asset criticality as a step towards improving risk management.

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 lifecycle management strategies and will feed into the 10-year Forward Capital Works Programs.

ICT Assets' Physical Parameters

The City's financial asset registers are only required to carry ICT assets at historic cost as reported in the Annual Financial Report. Table 6 is a summary of the ICT assets as on 30 June 2023.

Table 6: ICT Portfolio Physical Parameters (Finance System)

Asset Type	No of Item records	Historic Cost	Written Down Value	Annual Depreciation
Desktop and Mobile Computers	104	$1,515,144	$530,506	$455,041
Network Equipment	53	$1,724,935	$535,672	$468,479
Security System	28	$1,256,849	$193,109	$364,930
Miscellaneous Equipment	41	$823,793	$301,209	$228,246
Total	226	$5,320,721	$1,560,496	$1,516,696
30 June 2022 Total		$4,880,176	$1,115,852	$1,159,617

Table 7 details the current replacement cost for the same ICT assets as on 30 June 2023. inventories.

Table 7: ICT Portfolio Physical Parameters (Asset System)

Asset Type	Items recorded	Current Replacement Cost	Depreciated Replacement Cost	Annual Depreciation
Desktop and Mobile Computers	1196	$1,812,564	$794,084	$382,887
Network Equipment	147	$2,495,750	$758,300	$499,150
Security System*	49	$89,060	$17,812	$17,812
Miscellaneous Equipment	11	$885,500	$361,500	$170,600
Total	1403	$5,282,874	$1,931,696	$1,070,449
30 June 2022 Total	1936	$1,814,594	Not reported previously	Not reported previously

Note: *The FCWP made the assumption that the entire CCTV system would be replaced by a non-asset solution by considering a managed service. This would result in no replacement cost but an increase in operating expenditure that had been provided for in the Long Term Financial Plan.

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. The future ICT asset condition rating system should consider 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 it is no longer compatible 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 Type	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 Digital Solutions Services branch, but some items under miscellaneous equipment and security equipment are managed by other branches. Refining roles and responsibilities for these various arrangements will be further 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 purpose) and appropriate maintenance and warranties. 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

Asset Type *	Description	Useful life in years
Desktop and Mobile Computers	Workstations (incl mouse and keyboard, etc.), monitors, laptop, tablets, iPad, Surface Pro's, Tough Pads, desktop printers.	5 years
Network Equipment	Server, storage, uninterruptible power supply (UPS) including the GIS system,	5 years
Security System	Closed-circuit television (CCTV) system, CCTV server, body-warn security cameras, vehicle mounted security cameras.	5 years
Miscellaneous Equipment	Printer/Plotters, survey equipment, digital mobile radio equipment, audio visual equipment, phone system, video conferencing system.	5-10 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 Type	
Desktop & Mobile Computers	Replacement of workstations, monitors, portable computers and devices and their accessories.
Network Equipment	Replacement of Network Equipment, including servers, storage, uninterruptible power supply (UPS).
Security System	Replacement of security system assets. The FCWP made the assumption that the entire CCTV system would be replaced by a non-asset solution by considering a managed service. Replacement of body-warn and vehicle mounted security cameras are still included in the FCWP.
Miscellaneous Equipment	Replacement of printer/plotters, survey equipment, digital mobile radio equipment, audio visual equipment, phone systems, video conferencing system.

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 are 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 Type	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 and sanctioned upgrade and new request. These requests will be assessed on a case by case as part of the AMP and FCWP development.
Network Equipment	
Security System	
Miscellaneous Equipment	

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 considering 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 in line with the City's disposal policy.

Table 12: ICT Asset Disposal Program

Asset Type	Disposal Strategy
Desktop & Mobile Computers	Once ICT assets have 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 have been identified. Disposals are to be identified during the AMP and in consequent works program review. Any other disposals that are not in an endorsed program should adhere to disposal delegation requirements and relevant policies and management practices.
Network Equipment	
Security System	
Miscellaneous Equipment	

Financial

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

Current operation & maintenance, renewal, upgrade and new expenditure

Future revisions of this plan will refine the reporting on 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 2022/23 financial year.

Table 13: ICT Current Capital Expenditure for 2022/23 financial year

Asset Type	Capital Expenditure 2022/23
Desktop & Mobile Computers	$87,323
Network Equipment	$242,829
Security System	$0
Miscellaneous Equipment	$114,492
Total	$444,644
30 June 2022 Total	$592,417

Required Capital Expenditure Requirements

Projected Renewal Expenditure Required over the Long Term

The average long term renewal requirement is calculated using the Current Replacement Cost (CRC) of an asset divided by the asset's Useful Life (UL). Over the entire asset class, this provides a good indicator on the level of investment required to maintain assets for future generations.

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

As the City's asset management maturity, data reliability and systems improve, the reliability of these estimates 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 2023, and no consumer or construction price index (CPI) has been applied to adjust for inflation.

Table 14 A provides a summary of the projected renewal expenditure required over the long term as described above.

Table 14A: ICT Assets Required Renewal Expenditure – Long Term (Asset System)

Asset Type	Required Renewal Expenditure – Long Term
Computer Equipment	$382,887
Network Equipment	$499,150
Security System*	$17,812
Miscellaneous Equipment	$170,600
Total required	$1,070,449
30 June 2022 Total	Not reported previously

Note: *The FCWP made the assumption that the entire CCTV system would be replaced by a non-asset solution by considering a managed service.

Projected Required Renewal Expenditure – Short to Medium Term

The City conducted its project level renewal program, by programming specific asset renewals based on asset information and engineering considerations. The below illustration how the project level required renewal fluctuates around the long-term average required renewal measured by annual depreciation.

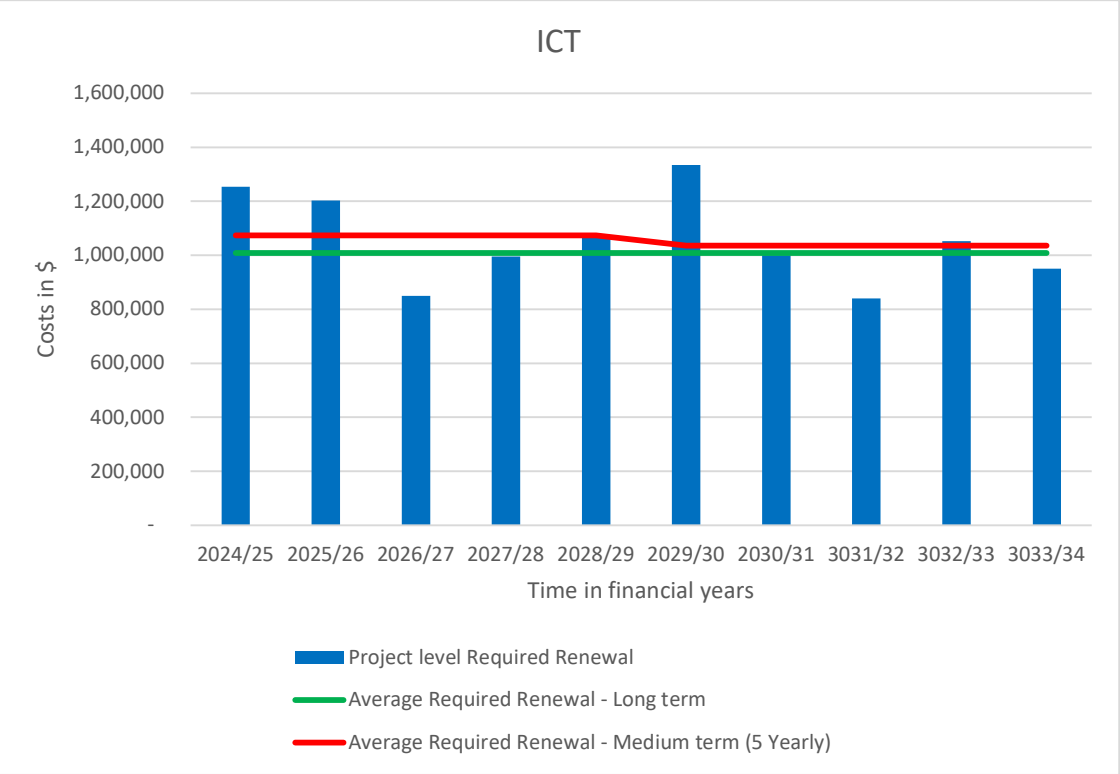


Table 14B: Recreation Assets Projected Renewal Expenditure Requirements.

Asset Type	Required Renewal Expenditure – Long Term	Medium Term - 10 Year Average Annual Required FCWP	Short Term – 2024/25 Required Annual FCWP
ICT*	$1,070,449	$1,054,902	$1,253,753
Total	$1,070,449	$1,054,902	$1,253,753

Projected Upgrade and New Expenditure

Note: *The FCWP used the assumption that the entire CCTV system would be replaced by a non-asset solution by considering a managed service.

The 10-year Forward Capital Works Program (FCWP) has identified upgrades and new projects that will impact the ICT asset portfolio.

Table 14C: ICT Assets New and Upgrade Expenditure – short to medium term

Asset Type	Medium Term – 10 Year Average Annual New/Upgrade FCWP	Short Term – Annual New/Upgrade 2024/25 FCWP
ICT*	$16,400	$104,000
Total	$16,400	$104,000

Note: *The FCWP used the assumption that the entire CCTV system would be replaced by a non-asset solution by considering a managed service.

Planned Expenditure Requirements (renew, upgrade, new)

The LTFP indicates to what extend the 10-year FCWP has been funded and what is planned to be delivered.

City of Bayswater LTFP 2024/25 – 2033/34 has funded 100% of the 10-year FCWP 2024/25 – 2033/34.

Table 14D: ICT Assets Planned Expenditure – medium term.

Asset Type	10 Year Average Annual New/Upgrade LTFP	10 Year Average Annual Renew LTFP
ICT*	$16,400	$1,054,902
Total	$16,400	$1,054,902

Note: *The FCWP used the assumption that the entire CCTV system would be replaced by a non-asset solution by considering a managed service.

For more detail on which project are planned to be funded see the City of Bayswater LTFP 2024/25 – 2033/34 on the City's website.

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 (ACR)

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 System)

Asset Type	Depreciated Replacement Cost (Fair Value) DRC (FV)	Current Replacement Cost of Depreciable CRC (FV)	Asset Consumption Ratio ACR
Desktop & Mobile Computers	$794,084	$1,812,564	44%
Network Equipment	$758,300	$2,495,750	30%
Security System	$17,812	$89,060	20%
Miscellaneous Equipment	$361,500	$885,500	41%
Total	$1,931,696	$5,282,874	37%
30 June 2022 Total	$1,115,852	$4,880,176	23%

Conclusion:

There has been a slight increase in the ratio, but the City is still below the target band of between 50%-75%.

Asset Sustainability Ratio (ASR)

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 renewal expenditure by the annual required 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 renewal expenditure. Once data reliability has improved, these ratios can be calculated. Progress has been made to improve reporting and it will be possible to report the actual renewal expenditure in the next review.

Table 16: ICT Asset Sustainability Ratio (Asset System)

Asset Type	Average Annual Renewal Expenditure	Annual Required Renewal	Asset Sustainability ratio - target 90%
Desktop & Mobile Computers	TBC	$382,887	TBC
Network Equipment	TBC	$499,150	TBC
Security System	TBC	$17,812	TBC
Miscellaneous Equipment	TBC	$170,600	TBC
Total	TBC	$1,070,449	TBC

Conclusion:
Processes have been put in place to be able to report on this ratio at the next annual review.

Asset Renewal Funding Ratio (ARFR)

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%.

Table 17: ICT Asset Renewal Funding Ratio (Asset System)

Asset Class	NPV of LTFP Planned Renewal Expenditure over the next 10 years according to LTFP	NPV of AMP/FCWP Required Renewal Expenditure over the next 10 years	Asset Renewal Funding Ratio
ICT*	$10,549,018	$10,549,018	100%
ICT Total	$10,549,018	$10,549,018	100%

Note: *The FCWP used the assumption that the entire CCTV system would be replaced by a non-asset solution by considering a managed service.

Conclusion:
This is the first time the City has been able to report this ratio at Asset Class level and the City is within the target band of between 95%-105%.

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	Revised Timeline
1	Identify main risks for assets and asset management practices.	June 2025
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.	June 2025
3	Improve valuation reliability by reviewing replacement cost estimates and useful life triggers.	June 2027
4	Develop an ICT asset condition/performance rating system and review the renewal strategy (including the triggers) and other program to align with current practices.	June 2027
5	Improve reporting on historic renewal cost to inform the calculation of asset sustainability ratios.	Dec 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.	Completed
7	Review Technology Hardware Purchasing Management Practice.	June 2025
8	Clearly identify informing strategies that impact the management of assets and identify where strategies are lacking.	June 2025