City of
Mount Gambier

Library Information Technology and Sundry Asset Management Plan 2023-2032

June 2022

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LIBRARY, IT AND SUNDRY ASSETS

1   INTRODUCTION

1.1   Background

The Library, IT and Sundry Asset Management Plan is to be read in conjunction with Council's Asset Management Policy, Asset Management Strategy and the following associated planning documents:

- Long Term Financial Plan (LTFP)

- Annual Business Plan and Budget (ABP&B)

- Councils Strategic Plan

The asset categories covered by this Asset Management Plan as of 31 July 2020 are shown in Table 1.

Table 1 – Library, IT and Sundry Assets

Asset Category	Cost	Written down Value
Books / Materials	$2,938,397	$891,368
IT Hardware and Equipment	$1,160,098	$276,205
Software	$774,563	$300,159
Leased IT Assets	$537,749	$349,612
Minor Plant	$271,817	$164,395
Christmas Decorations and Banners	$60,073	$51,466
Public Art	$18,584	$15,209
Landscaping	$189,754	$166,771
Street Trees	$427,532	$401,989
Furniture & Fittings (not fixed)	$84,317	$44,484

1.2 Assumptions

This Library, IT and Sundry Asset Management Plan is based on current service levels.

It is assumed that the current financing approach will continue; therefore, where assets are currently leased, this plan assumes they will continue to be leased.

Key stakeholders in the preparation and implementation of this Asset Management Plan are shown in Table 2.

Table 2 - Stakeholders

Key Stakeholder	Role in AM Plan
Councillors	• Represent needs of the community and stakeholders • Set targeted sustainability ratios
Executives	• Adopt Asset Management Plan • Annual budget approvals • Portfolio sponsor
Customers	• End users of service/assets
Insurers and Lessors	• Partner with Council to mutually cover risk exposure • Partner with Council to provide alternate financial solutions
iServices Staff	• Plan and facilitate asset acquisition, renewal, upgrade and disposal in accordance with this plan. • Establish service levels • Mitigate risk exposure • Monitor assets (including condition) • Coordinate planned and reactive maintenance with Council staff
Finance Staff	• Council's LTFP • Asset valuation and depreciation • Procurement facilitation

1.3 Goals and Objectives of Asset Management

The Council exists to provide services to its community and many of these services are supported by the assets contained in this plan. The assets Council has acquired include assets by purchase, donation, grants and operating lease.

Council's goal in managing these assets is to meet the expected level of service in the most cost-effective manner for present and future consumers. The key elements of this asset management are:

• Taking a life cycle approach to developing cost-effective management strategies for the long term
• Providing a defined level of service and monitoring performance in line with stakeholder needs
• Managing risks associated with asset failures and disasters
• Continuous improvement in asset management practices.

1.4 Plan Framework

Key elements of the Plan are

- Levels of service – specifies the services and levels of service to be provided by Council
- Future demand – how this will impact on future service delivery and how demand will be met
- Life cycle management – how Council will manage its existing and future assets to provide the defined levels of service
- Financial summary – what funds are required to provide the required services
- Monitoring – how the Plan will be monitored to ensure it is meeting Council's objectives
- Asset management improvement planning.

A road map for preparing an asset management plan is shown below.

Road Map for preparing an Infrastructure and Asset Management Plan
Source: IIMM Fig 1.5.1, p 1.11
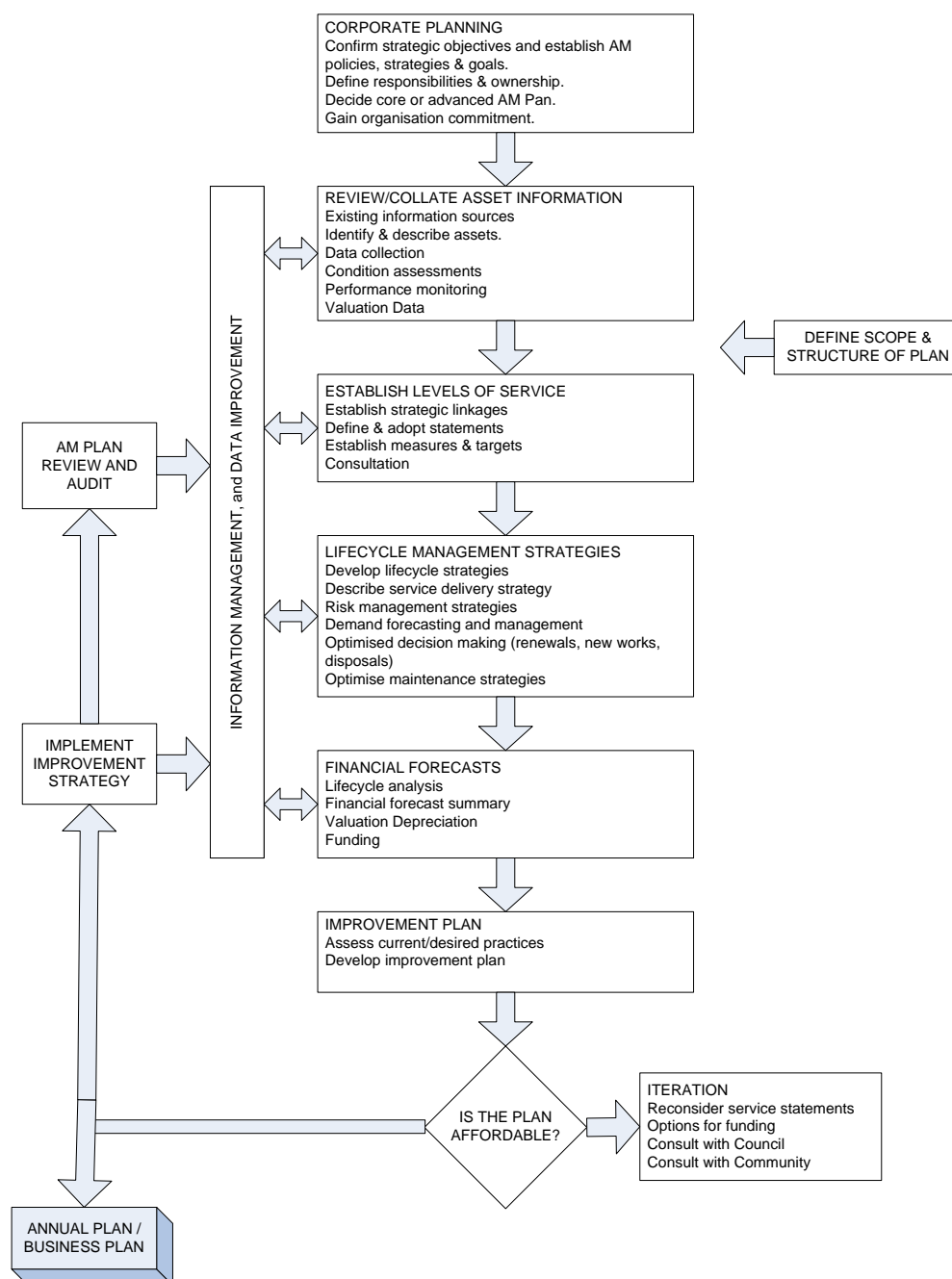
2 LEVELS OF SERVICE

2.1 Legislative Requirements

Council must meet many legislative requirements including Australian and State legislation and State regulations. These include:

Table 3 - Legislative Requirements

Legislation	Requirement
Local Government Act, 2009	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by Infrastructure and Asset Management Plans for sustainable service delivery.
State Records Act, 1997	Set out responsibilities and requirement in relation to the management of Council records.
Work Health and Safety Act, 2012	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work

3 FUTURE DEMAND

3.1 Demand Forecast

Drivers affecting demand include population change, changes in demographics, consumer preferences and expectations, technological advances, economic factors, environmental awareness and risk management practices, etc.

Advances in technology will have significant impact on Council's assets and the expectations of our community to keep up to date with these changes.

Demand factor trends and impacts on service delivery are summarised in Table 4.

Table 4 - Demand Factors, Projections and Impact on Services

Demand factor	Present position	Projection	Impact on services
Population	26,276 *(census 2016))* *Estimated 27,421 in 2021*	1% growth	Increase access to IT and library assets and increased data processing capacity
Demographics	Ageing population	2 to 3% growth	Increase in IT and library assets that assist our ageing population
Community Expectations		Mobile and online solutions	Increased investment in resources required to meet demand and maintain existing services
Technological advances		Mobile and solutions and devices	Increased investment in resources required to meet demand and maintain existing services

3.2 Demand Management Plan

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets, such as providing services from existing infrastructure which may be in another community area. They also include managing expectations in relation to service standards and service failures.

4 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in the section "Levels of Service") while optimising life cycle costs.

4.1 Background Data

This is the first iteration of Council identifying and formally planning for our assets. Data gathering has begun to holistically identify Council's hardware and software, both owned and leased.

4.1.1 Physical Parameters

The assets covered by this Plan are shown in Table 1.

4.1.2 Asset Capacity and Performance

Council's services are generally provided to meet design standards where these are available. Areas targeted for improvement are detailed in Table 5.

Table 5 – Areas for improvement

Service	Improvement
IT Asset Accountability	Identification of IT assets including location and responsibility. Automated process from time of purchase. Procedure to hold responsible officers accountable for all items assigned on a periodic basis.
IT Asset Acquisitions	Development of a procurement and acquisition planning procedure to ensure a certain level of scrutiny over all IT asset acquisitions. Aim is to continue with a decentralised purchasing approach, however incorporate a centralised review prior to purchase.
Enterprise IT applications	Upgrading of Enterprise wide systems to ensure not using outdating, unsupported technology and support Council on its continuous improvement regime.
Information Management	An overarching framework and formal procedures are needed in relation to operational information management and identification of standard mediums to register information.

4.1.3 Asset Condition

Due to the relatively short life of IT assets, condition is not a key driver for renewal. Advancements in technology and user expectations drive renewal needs however other assets covered by this plan are renewed based on their condition.

4.2 Routine Maintenance Plan

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

4.2.1 Maintenance Plan

Maintenance includes reactive, planned and cyclic maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle and may relate to regular server maintenance, monitoring public access Wi-Fi and ensuring usability.

Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement.

4.2.2 Standards and Specifications

Maintenance work is carried out in accordance with the following Standards and Specifications:

- Current Australian and Industry Standards
- Work Health Safety Act and Regulations
- Council Standards and Specifications

4.3 Renewal / Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is classed as upgrade/expansion or new works expenditure.

4.3.1 Renewal Plan

Assets requiring renewal are identified using the Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year

4.3.2 Summary of Future Renewal Expenditure

Projected future renewal expenditures are forecast to increase over time as the asset stock increases from growth and demand. The costs are summarised in Figure 2. Note that all costs are shown in real dollar values.

Figure 2: Projected renewal costs

Renewal Expenditure
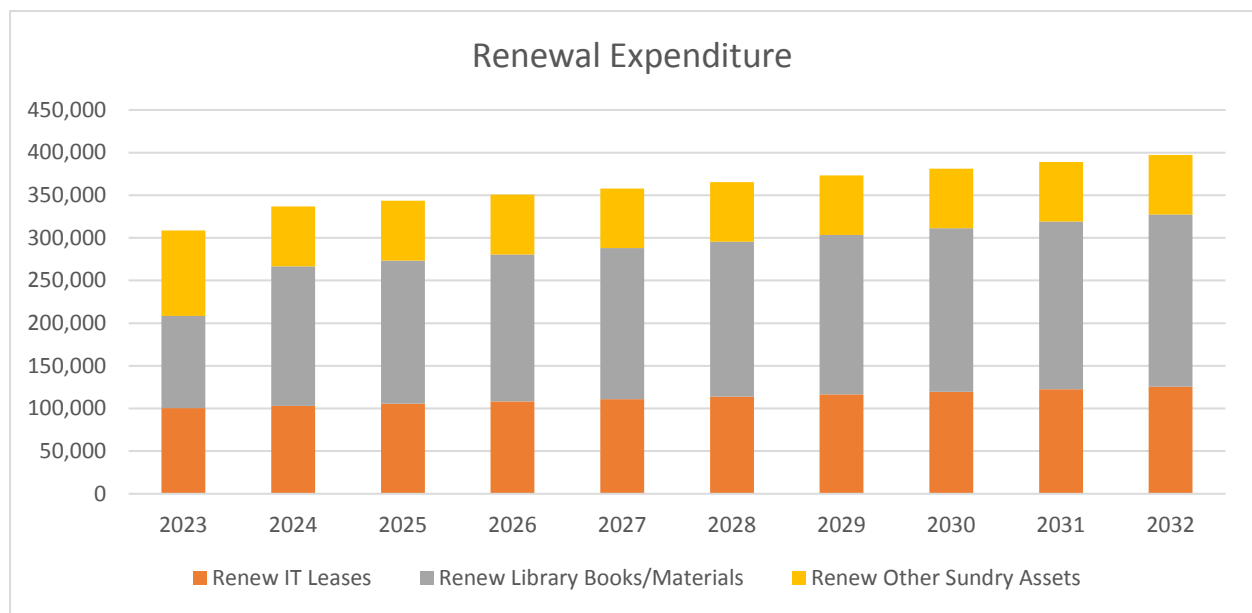
Deferred renewal, i.e. those assets identified for renewal and not scheduled for renewal in capital works programs are to be included in the risk assessment process in Council's Risk Management Plan. Renewal and replacement expenditures in Council's capital works program will be accommodated in Council's LTFP.

4.4   Creation / Acquisition / Upgrade Plan

New assets are those that create a new asset that did not previously exist or works which upgrade or improve an existing asset beyond its existing capacity. They may result from technology growth, social or environmental needs. Community IT assets may also be acquired at no initial cost to Council from generous public and business donations.

### 4.4.1   Selection Criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, Councillor/Executive requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programs. Council ultimately makes the decision on priority ranking of new assets based on this information.

4.4.2   Summary of Future Upgrade / New Assets Expenditure

New assets and services are to be funded from Council's capital works program and grants where available.

Projected upgrade/new asset expenditures are summarised below

Figure 3: Projected New/Upgrade Costs

New/Upgrade Expenditure — stacked bar chart showing New IT Assets and New Sundry Assets from 2023 to 2032.
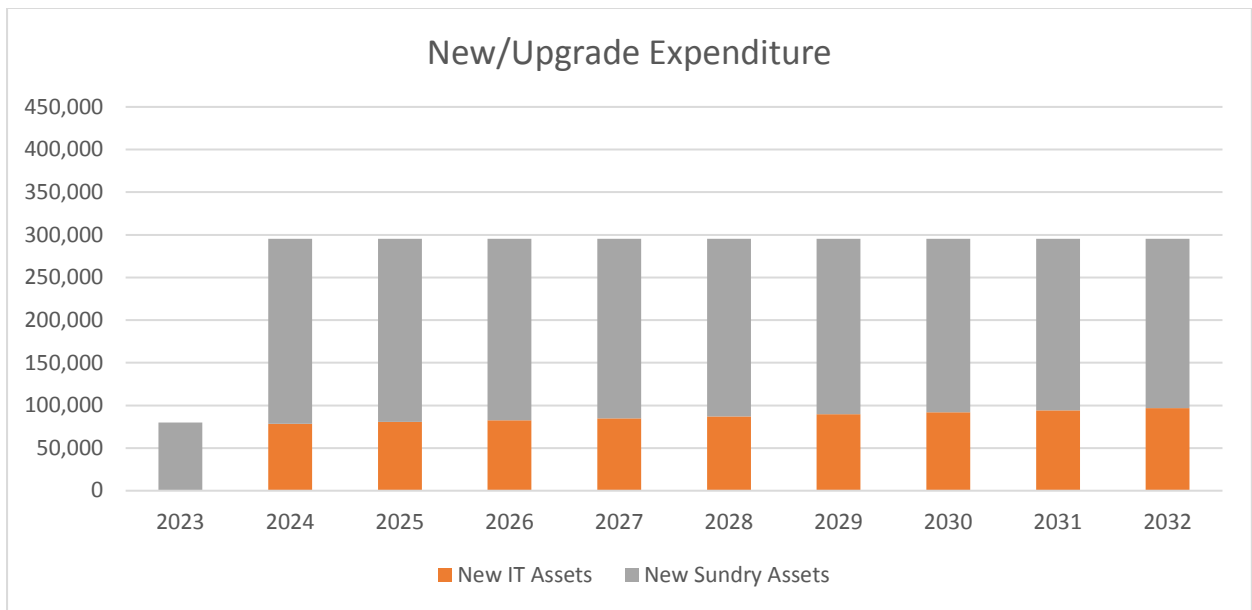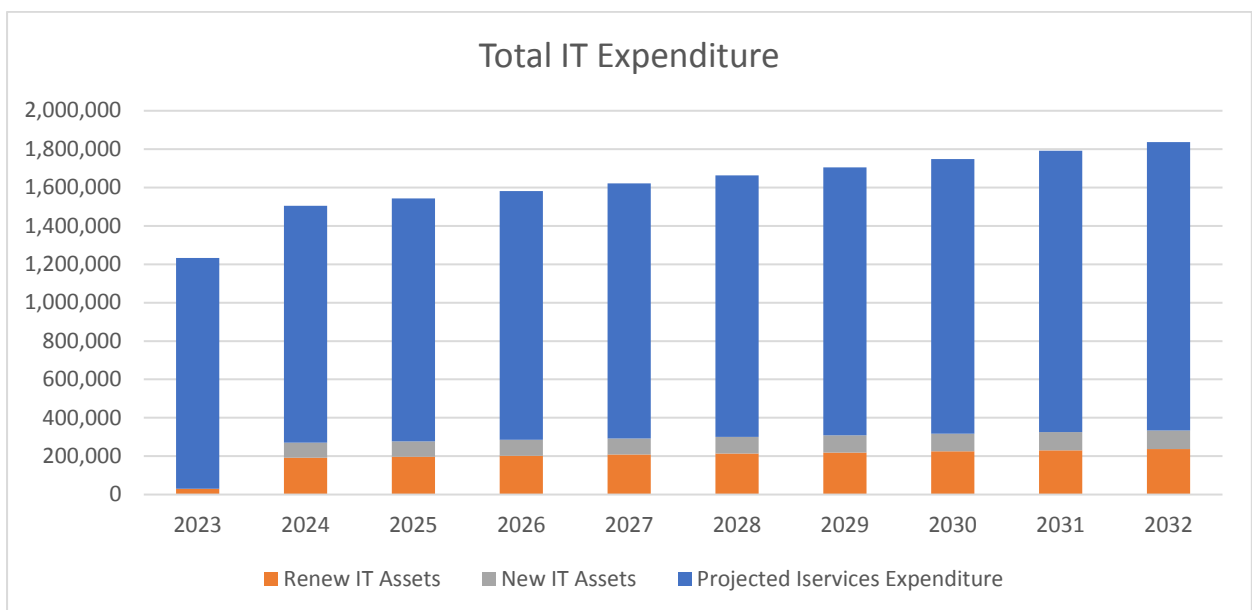
5   FINANCIAL SUMMARY

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

5.1   Financial Statements and Projections

The financial projections are shown in Figure 4 for planned operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets) for the IT area.

Total IT Expenditure — stacked bar chart showing Renew IT Assets, New IT Assets and Projected Iservices Expenditure from 2023 to 2032.

Note that all costs are shown in real dollar values.

5.2   Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- Renewal of desktop & mobile devices every 3 years and communication devices every 5 years.
- Public art will not be renewed but rather new artwork will be commissioned.
- The art collection will only ever be new assets
- Street trees will be renewed and the planting of new street trees will continue.
- Straight line depreciation of asset condition has been assumed.

5.3   Improvement and Monitoring

5.3.1   Accounting and financial systems
Council uses Civica Authority as its accounting and financial system. This system integrates with Council's asset management system another module of the Civica Authority suite.

5.3.2   IT asset management
Council has Manage Engine Service Desk Plus to assist in managing and monitoring IT assets and customer requests. This program will be used to automate the IT Hardware and Software Registers and include:

- Adopted service levels
- Assignment of responsibility for IT assets
- Reporting
  - o Customer requests
  - o Leased v's owned assets
  - o Categorisation of assets

The link between asset management and the financial system includes:
- The assumed works programs and trends
- The resulting budget, valuation and depreciation projections
- Useful life analysis (including renewal projections)
- Inputs to Council's LTFP and ABP&B

6   REFERENCES

The City of Mount Gambier Futures Paper

City of Mount Gambier Strategic Plan 2020-2024

City of Mount Gambier Annual Business Plan and Budget

DVC, 2006, 'Asset Investment Guidelines', 'Glossary', Department for Victorian Communities, Local Government Victoria, Melbourne

 IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au

7 Appendices

7.1 Library, Information Technology and Sundry Asset Management Plan

Library, IT and Sundry Asset Management Plan - 2022-2031											
		2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
Library	**Renewal**	108,000	163,713	167,970	172,455	176,939	181,716	186,804	191,679	196,682	201,816
IT	**Renewal**	30,000	192,459	197,463	202,735	208,006	213,622	219,604	225,336	231,217	237,252
	Upgrade/new	0	78,497	80,538	82,688	84,838	87,129	89,568	91,906	94,305	96,766
Sundry	**Renewal**	100,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
	Upgrade/new	80,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000