WORKS COMMITTEE MEETING

BUSINESS PAPER

TUESDAY 8 APRIL 2008

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1st April, 2008

WORKS COMMITTEE MEETING

Notice is hereby given that a Works Committee Meeting of the Council of the City of Randwick will be held in the Council Chamber, Town Hall, 90 Avoca Street, Randwick, on Tuesday, 8 April 2008 at 6:00 pm.

Committee Members: The Mayor, B Notley-Smith, Andrews, Belleli (Deputy Chairperson), Hughes (Chairperson), Matson, Seng, Tracey, White.

Quorum: Five (5) members.

NOTE: At the Extraordinary Meeting held on 28 September 2004, the Council resolved that the Works Committee be constituted as a committee with full delegation to determine matters on the agenda.

Apologies/Granting of Leave of Absences

Confirmation of the Minutes

Works Committee Meeting - 11 March 2008

Declarations of Pecuniary and Non-Pecuniary Interests

Address of Committee by Members of the Public

Urgent Business

Works Reports

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Closed Session

Notices of Rescission Motions

.....
Ray Brownlee
GENERAL MANAGER

Works Report No. W6/08

Subject: **Proposed Pedestrian Fencing Plan for Anzac Parade, Between Barker Street and High Street, Kensington**

Folder No: F2006/00235

Author: Tony Lehmann, Manager Integrated Transport Management

Item W6/08

Introduction

Anzac Parade, Kensington is a State Road under the care and control of the Roads & Traffic Authority (RTA). Council received a copy of the RTA's proposal to UNSW, to improve the pedestrian safety along Anzac Parade, by constructing a median fence to channel pedestrians to the nearest designated crossing facility.

Between 2002 and 2007 there were 15 crashes resulting in two fatalities, the most recent fatality occurring in July, 2007.

Issue

The RTA is seeking the UNSW's consent to undertake maintenance responsibilities of the proposed kerbside fence on Anzac Parade and also to contribute 50% towards the construction costs, ie $165K in order for the RTA to commence and complete the erection of the fence at this location. Work is scheduled to start in August 2008.

The fencing would match the existing fence along the road.

The planned works is as follows (Attachment 1):

- Installation of 135m long median pedestrian fence on Anzac Parade, between Day Avenue and Barker Street
- Installation of 65m long median pedestrian fence on Anzac Parade, between Day Avenue and the mid-block signals in front of the University gate
- Installation of 270m long median pedestrian fence on Anzac Parade, between the mid-block signals and High Street; and
- Installation of 40m long kerbside fence on the eastern side of Anzac Parade, opposite Day Avenue.

The installation of the kerbside fence on Anzac Parade, opposite Day Avenue, will result in the loss of eight to ten spaces on Anzac Parade, during off-peak hours.

Relationship to City

The relationship with the City Plan is as follows:

Outcome 9: Integrated and Accessible Transport
Direction 9d: Residential amenity is protected by appropriate traffic management

Financial Impact Statement

There is no direct financial impact for this matter.

Conclusion

The proposal for the installation of fencing, on Anzac Parade, would reduce pedestrian accidents as the fencing would prevent pedestrians crossing at inappropriate locations by channelling the users to the nearest designated crossing facility.

The installation is proposed to commence work in August 2008.

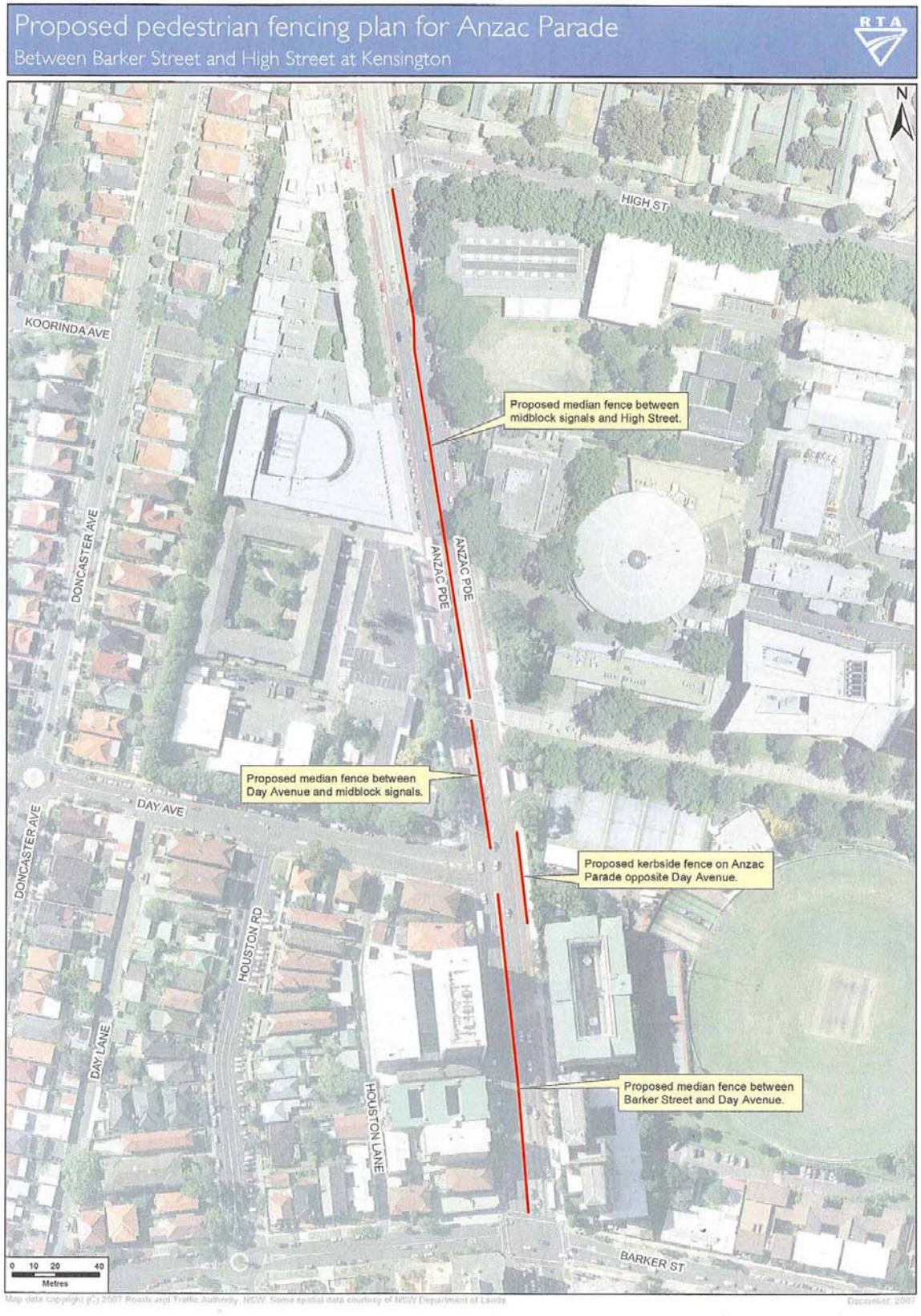
Recommendation

That the information provided by the RTA, to the UNSW, be received and noted.

Attachment/s:

1	Map - RTA Proposed Pedestrian Fencing Plan for Anzac Parade, Kensington	1 Page

Item W6/08


Proposed pedestrian fencing plan for Anzac Parade
Between Barker Street and High Street at Kensington
RTA
N
HIGH ST
KOORINDA AVE
DONCASTER AVE
ANZAC PDE
Proposed median fence between midblock signals and High Street.
Proposed median fence between Day Avenue and midblock signals.
DAY AVE
DONCASTER AVE
Proposed kerbside fence on Anzac Parade opposite Day Avenue.
HOUSTON RD
DAY LANE
HOUSTON LANE
Proposed median fence between Barker Street and Day Avenue.
BARKER ST
0 10 20 40
Metres

Works Report No. W7/08

Subject: **Asset Management Strategy**

Folder No: F2007/00043

Author: Mark Shaw, Manager Technical Services

Introduction

Council has asset plans in place relating to groups of assets. An overall asset management strategy is needed to link the individual asset plans with other planning tools within council.

Issue

Integrated planning is best practice within local government. The attached Asset Management Strategy allows a direct relationship between the Long Term Financial Plan the City Plan, the Management Plan and the individual Asset Plans. The adoption of the Asset Management Strategy will insure consistency in long term strategic planning for the assets under council control.

Relationship to City Plan

The relationship with the City Plan is as follows:

Outcome 6: A Liveable City
Direction 6a: Our public assets are planned, managed and funded to meet the community expectations and defined levels of service.

Outcome 9: Integrated and accessible transport
Direction 9a: A network of safe and convenient walking paths and cycle ways linking major land uses and recreation opportunities.

Financial Impact Statement

There are no financial implications of this report.

Conclusion

The Adoption of the Asset Management Strategy will ensure consistency in long term strategic planning for assets under council control and link a number of strategic documents within council.

Recommendation

That Council adopt the Randwick City Council Asset Management Strategy.

Attachment/s:

1 Randwick City Council Asset Management Strategy 23 Pages

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Randwick City Council

ASSET MANAGEMENT STRATEGY

April 2008

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1. EXECUTIVE SUMMARY

The infrastructure assets of Randwick City Council are an integral part of the current and future Welfare of its citizens. This asset management strategy seeks to ensure adequate infrastructure is provided to support the objectives for our City as set out in the Randwick City Plan.

Randwick City Council owns and operates a substantial local infrastructure asset portfolio comprising but not limited to roads, footpaths, drainage, a bridge, buildings, property, parks and reserves. Randwick City Council has 3 primary functions in managing this infrastructure. These are:

1. Act as a custodian for infrastructure under its control
2. Play a leading role in the asset management and strategic planning of infrastructure Assets
3. Provide inter-generational equity so that future generations can enjoy the infrastructure in the same manner as the current generation without the burden of the capital investment to replace the assets.

As a custodian of infrastructure assets, Randwick City Council is responsible for establishing optimal asset management practices that maintain the level of service acceptable to the community at the lowest possible overall cost whilst controlling exposure to risk and loss.

To carry out these practices and deliver the strategy, we need a decision support system and processes that can answer both policy and operational questions. The best asset management practices will provide stakeholders the following:

- Asset accountability, custodianship and information
- Lifecycle cost analysis (Cash flow projection over whole of life) eg. How much funds are required annually to renew each class of asset (say over 100 years)
- Budget optimisation (Development of options and future works programs for different levels of Budget)
- Risk management and insurance (Minimising risk and potential public liability)
- Asset demand management
- Statutory reports such as condition of public works (section 428 2(d), SS 7 and AAS27- asset valuation)
- Asset rationalisation and disposal
- Asset replacement planning (Optimum time to replace an asset)
- Operational performance of service providers engaged in asset maintenance, renewal, upgrade and expansion.

This Asset Management Strategy outlines a corporate approach to Asset Management by setting the framework and encompassing best practice.

2. ASSET MANAGEMENT AND THE LINK TO COUNCIL'S CITY PLAN AND MANAGEMENT PLAN

The Randwick City Plan outlines a 20 year strategic blueprint that establishes clear directions under 5 themes to shape our City's future. The 5 themes are:

1. A Sense of community
2. Places for people
3. A Prospering City
4. Moving Around
5. Looking After Our Environment

The Asset Management Strategy relates mainly to the themes of 'Places for People' and 'Moving Around'. We can make a liveable City by planning and managing our assets, and defining levels of service. We can achieve an integrated and accessible transport network by providing relevant transport assets. We can provide excellence in recreation and lifestyle opportunities by creating open space and developing recreation assets.

The Management Plan provides a means by which the directions and actions of the Randwick City Plan are achieved.

The Asset Management Strategy therefore embodies the principles of both the Randwick City Plan and the Management Plan.

3. BACKGROUND

Randwick City Council is committed to improving the asset management practices and processes by taking a holistic approach in the provision of services to its community. The current management and information technology environment provide an opportunity for the development of a strategy that will facilitate the service delivery objectives set out in the Randwick City Plan.

We create infrastructure assets to provide services to the community. Roads and footpaths provide transport services. Stormwater systems control flooding, water runoff and water quality. Buildings provide facilities or recreational activities. Park and landscape assets provide recreation services, enhance and protect the built and natural environment.

Our existing infrastructure assets were built or acquired over many years. We do not have full records of asset age however it is safe to say that major infrastructure development occurred in the City between 1920 and 1960. This infrastructure shaped the City as we know it today with many assets still in place. During this past period of infrastructure development, there was minimal planning and analysis to develop strategies to sustain the assets by matching maintenance and renewal expenditures with future income projections. Due to limited actual information on when the infrastructure was constructed, acquired or renewed, the true future liability is difficult to predict at this point in time. For sustainable and strategic asset management, the introduction of systems and processes that capture this essential information is critical.

A key component of strategic asset management is to have knowledge of the following:

- The assets we manage and where they are.
- When an asset was acquired, constructed or commissioned.
- The condition of the asset.

- The funds required to maintain the assets to an acceptable level of service (Cash flow projection for each asset class).

THE ASSETS WE MANAGE

Randwick City Council manages various types of assets. This strategy refers to the infrastructure asset classes listed below.

- Transportation Assets (Roads, Footpaths, Kerb & Gutter and Bridge)
- Drainage Assets
- Properties and Buildings
- Parks and Recreational Facilities
- Foreshore Assets (Sea walls, Groynes, Boat Ramps, Jetties, Swimming Enclosures)
- Traffic facilities, Traffic signs and Line marking,
- Retaining Walls

Another major asset class is Plant and Equipment.

The key infrastructure assets are detailed below in broad categories including the current best estimate of quantities. The asset management team will continually improve the accuracy of the asset data with improved recording, reviewing and storage. This will in part be possible through the introduction of a central asset management system.

Transportation Assets	
Roads	271km (Local) & 27km (Regional)
Paved Footpath	379 km (664,900 m^2)
Unpaved Footpath	210 km
Kerb & Gutter	290 km
Bridge	1 item

Drainage Assets	
Pits	10,120 items
Conduits	261,097 m
Open Channel	2,100 m
Stormwater Quality Improvement Devices (SQID)	17 items

Property and Building Assets	
Residential leased property	9
Commercial Property	5
Community Halls	9
Council Offices	1
Depots and associated buildings	3
Park Amenities Building	25
Historical Buildings	3
Childcare centres and Kindergarten	9
Libraries	3
Senior Citizens Centres	3
Clubhouses	12
Community Pool	1
Sports complexes	4
Kiosks	8
Bus Shelters	6

Property and Building Assets	
Dressing Sheds	7
Plant Nursery	1
Grandstands	2
Bowling Clubs	2
Baby Health Centre	1
Golf Club	1
Beach office and watch tower	2
Picnic Shelters	42

WHY DO WE MANAGE ASSETS?

- To support the fabric of modern living which is taken for granted until something fails or no longer provides the expected service.
- To provide relevant and sustainable Infrastructure requiring major investment and therefore careful lifecycle management which, has been built up progressively over the last 100 years or more, therefore by applying best asset management practices, it will ensure that the Council's infrastructure continues to provide sustainable and economic service.
- For intergenerational equity whereby future generations can enjoy the facilities as they are now.
- Good quality assets are the cornerstone of public health and safety.
- Risk Management Practices safeguard long-term returns, therefore understanding and quantifying risk costs is necessary for informed decision making by stakeholders.
- Recreational facilities increasingly meet recreational needs of the community.

Council owns and operates more than 1 billion dollars worth of assets. As a rule of thumb, 1% to 3% of the asset value should be spent to maintain the asset at an acceptable level of service. Therefore on average, 1.5% of the asset value should be allocated for maintenance over an asset's whole of life. Based on this rule of thumb, we would need to allocate at least 15 million dollars annually to keep up with the existing asset stock. Funding should be spread appropriately across the asset classes. With the appropriate level of maintenance funding, the optimal asset renewal cycle can be achieved. A longer cycle than optimal, results in a reduction of service level.

The additional funding needed to shorten the cycle can be referred to as "backlog" or "catch up maintenance". An alternative way to view this situation is to recognise that it is the actual, not the desired renewal cycle that defines the level of service being achieved. Funding the backlog is equivalent to increasing the level of service.

MANAGING ASSETS

Asset management has several functions covering planning, analysis, implementation and reporting. Managing assets requires the following:

- Establishing accountability and asset custodianship
- Setting policies consistent with other functions of council
- Setting and implementation of Service Level Agreements
- Customer demand management
- Managing risk associated with infrastructure assets and minimising potential public liability
- Improved asset management systems and asset data integrity
- Statutory reporting
- A maintenance strategy for each asset class
- Application of a whole of lifecycle costing approach

- An asset rationalisation and disposal program

4. RANDWICK COUNCIL'S CURRENT POSITION

Our annual reports in the recent past suggest that the statutory and financial reporting has been handled well. However, further condition monitoring, modelling and examination is required to determine the actual renewal and maintenance requirements for all infrastructure assets.

We need to identify the cash flow required to maintain assets at a satisfactory level of service. The existing systems (except PARMMS) do not have the capability to provide adequate analysis. The impending implementation of the Strategic Asset Management (SAM) system by Asset Lifecycle Pty Ltd, will provide a corporate decision support system.

Our past average expenditure has been lower than the estimated amounts to sustain the existing asset stocks over the long term. The new asset management system will allow the most efficient allocation of scarce resources in order to achieve the objectives of the Randwick City Plan.

The current data sets are currently being validated to determine a "truly accurate" picture of our position. Council has to ensure that Financial Reports, Annual Reports and the Management Plan all provide a consistent picture. The implementation of the asset management plan will verify that the current data presents a "true" picture of Council's position.

We have a high level of in house expertise in information technology, technical, engineering and financial management. We already have in place an excellent planning and reporting framework through the Randwick City Plan, Management Plan and State of Our City (Annual Report). We also have systems including Customer Request Management (CRM), Pavement Management (PARMMS), financial management system and spatial technology (GIS). However, existing asset data, information and the different systems are highly fragmented. Therefore, it is difficult and time consuming to assemble information for corporate policy decisions and statutory reporting such as AAS 27, SS -7 and section 428, 2(d) reports.

We are currently in the process of implementing a corporate asset management system (SAM) linked to the financial system which will overcome the "islands" of information. The objectives of the corporate system are to:

- Measure the impacts of asset custodianship and provide external and internal reporting that reflects the true financial and operational position of Council for assets under its control.
- Predict the likely results of current and future policy options.
- Report on the operational performance of service providers engaged in asset maintenance, renewal, upgrade and expansion.
- Monitor condition of assets, reporting on asset utilisation, risk, operating costs and remaining life.
- Provide optimised maintenance and renewal programs for existing assets, recommendations for asset disposal, and programs for new capital upgrade and expansion.
- Provide lifecycle cost analysis to determine future cash flow for the asset renewal program.

4.1 Organisational Impact (Strengths and Weaknesses)

An assessment of Council's strengths, weaknesses, opportunities and threats are described below.

BUILD ON STRENGTH

Strength	Assessment
Knowledge of assets	80 % good, need more assessment, gradually build on information
Asset Classification (Hierarchy), identification	Very good
Condition Assessment	Good data for road pavements, footpaths, kerb & gutter play equipment and buildings
Customer Request System	CRM is within the Maintenance Management System
GIS	Good system and resources in place. Road assets, parks, reserves and building data collected and plotted on GIS. Aim is to interface the GIS with the Corporate Asset System
Corporate support and commitment	Excellent. Senior management committed to Asset Management
Asset condition	On average assets are in satisfactory condition or better. Some maintenance required on some assets to improve the condition to an acceptable level of service
Recreational Facilities	Good to Excellent. Need to maintain at an acceptable level of service
Staff skill & knowledge retention	Excellent skills and good local knowledge
Training programs	Yes, good
Plans and Records	Asset Plans developed for key assets. Reasonable inventory data
Risk Management	In place through Asset Management Plans

MINIMISE WEAKNESSES

Weakness	Assessment
Future prediction data	Except Road Asset System (PARMMS), models are not developed for other classes of asset systems
Asset Condition	Some drainage and building assets are in poor condition and reaching their end of serviceable life. They need attention to avoid failure
Level of funding for non road assets	Funding for some assets is less than optimum
Lifecycle Costing	Except Road Asset System (PARMMS), models are not developed for other classes of asset systems
Condition assessment	Drainage assets need more investigation. Building and other assets require assessment
Asset utilisation/ rationalisation	Some assets have low utilisation and need further analysis to improve effectiveness
Performance Monitoring	Not in place

Weakness	Assessment
Optimised lifecycle strategy	Management system will provide decision support
Implementation of Corporate Asset	Not in place
Audit and Review	Need linkage to AM system and FIMS
Optimised Renewal Strategy	Currently not available

EXPLOIT OPPORTUNITIES

Assessment	Opportunity
Improved stewardship and accountability	Key Performance and financial measures
Customer satisfaction	Efficient and effective service delivery
Improved communication with service user	Community consultation
Improved Risk Management	Reduction in insurance premium
Improved Financial efficiency	Cash flow projection capability
Improve asset utilisation and rationalisation	Link asset data to GIS
Informed decision making	Process based on benefit analysis
Cost of owning / operating asset over lifecycle	Lifecycle costing analysis capability in the AM system
Improved statutory reports	Centralised asset management system linked to FIMS, payroll and GIS
Future Demand Management	Community survey and asset utilisation trends
Resource Optimisation	Accurate information in a central place, holistic approach to the asset management
Link Level of Service to Council Budget	Developing options for service level delivery across asset classes

NEUTRALISE THREATS

Threat	Assessment
Risk of Asset failure	Need proactive approach to manage assets
Increased Public Liability	Managing risk to avoid potential public liability
Resource underutilisation	Resource optimisation by way of asset utilisation / rationalisation
Loss of Community Confidence / Credibility	Community satisfaction in provision of Council Services
Amalgamation / Merger	Set up best asset management practice at Randwick City Council
Inter-generational inequity	Avoid by reducing debt to create future borrowing capacity

5. RANDWICK COUNCIL'S DESIRED POSITION

To achieve the objectives of good Asset Management, we need to:

- Provide accurate information to asset custodians and policy decision makers.
- Reduce lifecycle expenditure on the existing asset stock by improving maintenance strategies.
- Improve asset utilisation and resource allocation to better target management plan priorities.
- Improve asset management performance by ensuring a link between the management plan objectives, maintenance levels and the asset stock retained.
- Manage risk to acceptable levels.
- Ensure that new capital works are subject to strategic asset evaluation techniques such as service strategies, economic appraisal, and examination of non-asset solutions, lifecycle costing and energy management, and performance measurement.
- Ensure that the allocation of scarce resources is being optimised.
- Implement a Corporate system that provides information to measure how effectively, the above objectives are being achieved by consolidating and integrating the current fragmented information while preserving the "best of breed" approach.

However, we currently have "information gap/s" for some asset classes that are preventing us from achieving the above objectives. We need to have a system of data collection and review that will ensure high level data integrity. Together with a centralised Asset Management System, we can analyse the information to set policy, levels of service linked to the budget and accurate reporting.

The analysis will allow us to determine the short, medium and long-term financial liabilities associated with set levels of service. This will result in the best possible utilisation of existing infrastructure and the most effective delivery strategy for service delivery.

Analysis of the asset information will also allow the following:

- Information on expenditure
- Risk management strategies
- Development of planned infrastructure maintenance programs
- Develop renewal, expansion and upgrade strategies.

6. GUIDELINES FOR ASSET MANAGEMENT

6.1 Accountability / Asset Custodianship

Custodianship for each asset class should be clearly defined. The Director City Services is Council's Asset Owner on behalf of the General Manager. However, the management of Infrastructure Assets is conducted by various sections within City Services. The custodian of each asset class is listed below.

Asset Class / Category	Custodian
Transportation Assets	Technical Services – Engineering Services
Drainage Assets	Technical Services – Engineering Services
Property and Building Assets	Technical Services – Building Services
Parks and Recreational Facilities	Technical Services – Open Space and Recreation
Plant and Equipment	Infrastructure Services
Foreshore Assets	Technical Services – Engineering Services

PERFORMANCE STANDARD

Performance standards should be developed for each asset class and outlined in the relevant Asset Management Plan. As benchmarking promotes best practice, Council's asset custodians should undertake benchmarking exercises to search for best practices and incorporate those in Council's processes as part of normal operations. These benchmarks will be used to assess the performance of Council's assets against Local Government and industry norms. Where benchmarks and performance measures do not exist, they will need to be collated and if necessary, modified to fit our requirements over time.

A clear link will be developed between the quantified performance standard and the available budget for consideration by Council.

SERVICE RETURN

For each asset, the following costs will be identified:

- Acquisition or Construction or Purchase
- Running or Utilisation
- Maintenance
- Replacement

For each asset, the return will be identified. In many cases there will not be any monetary income, but benefits from the assets. Beneficial factors may include but not restricted to:

- Convenience (all assets)
- Environmental factors (all assets)
- Aesthetics (all assets)
- Improved quality of life (all assets)
- Reduction in travel time (transportation assets)
- Reduction in user costs (transportation assets)
- Better access (transportation assets)
- Traffic management (transportation assets)
- Recreation (Parks and Playgrounds)
- Sporting improvement (Parks and Playgrounds)
- Flood control (drainage)

6.2 Asset Management System

ASSET REGISTER

An Asset Register is part of the Asset Management System and shall contain comprehensive information on all assets. It will be an ongoing project to maintain the asset register and it will evolve to suit Councils needs. It shall contain the following basic asset details:

- Asset Identification Number - a unique identifier that is structured to indicate the type, division responsible and approximate location.
- Asset Description (Name, Type, Location, Title, Zone etc.)
- Ownership/Custodianship
- Economic/Useful life
- Value at time of acquisition
- Date of acquisition
- Method of construction/acquisition
- Major components

- Permitted uses/restrictions
- Tenure
- Statutory reporting requirements

THE ASSET SYSTEM

An Asset Management System is a tool that is used to ensure that liabilities incurred in retaining an asset does not outweigh the benefits gained by the community from owning it. Accordingly, the Asset Management System shall incorporate the Asset Register and a Maintenance Management System and will ideally have the following:

- Basic Asset details
- Asset Attributes
- Year Constructed/Manufactured
- Year Repaired/Rehabilitated
- Replacement cost
- Remaining Effective Life
- Condition Assessment
- Depreciation Schedule
- Budget Optimisation
- Lifecycle Cost analysis
- Maintenance Requirements
- Operation Costs
- Rehabilitation/Renewal Options & Costs
- Complaints
- Faults
- Factors Influencing Failure
- Direct/Indirect cost of Failure
- Probabilities of Failure Models
- Be based on a commonly/widely used database
- Be easily interfaced with the GIS system
- Have the ability to import data from and/or export data to existing Council systems
- Be easy to setup in the network.

The Asset Management System should be able to transfer maintenance and capital improvement costs to the Asset Register to show the progressive improved value of the asset.

A system of ongoing visual condition rating, say 20% of all assets per year shall be developed to compliment the financial accumulated improvement costs to assist with lifecycle modelling and regulatory reporting.

COSTING

Apart from the acquisition and full implementation of the Asset Management System and ongoing asset condition data, maintenance data and modelling will be done with existing staff. No additional costs are expected except an amount of say $50,000 to $100,000 per annum for specialist asset condition investigation, i.e. CCTV investigation of stormwater system.

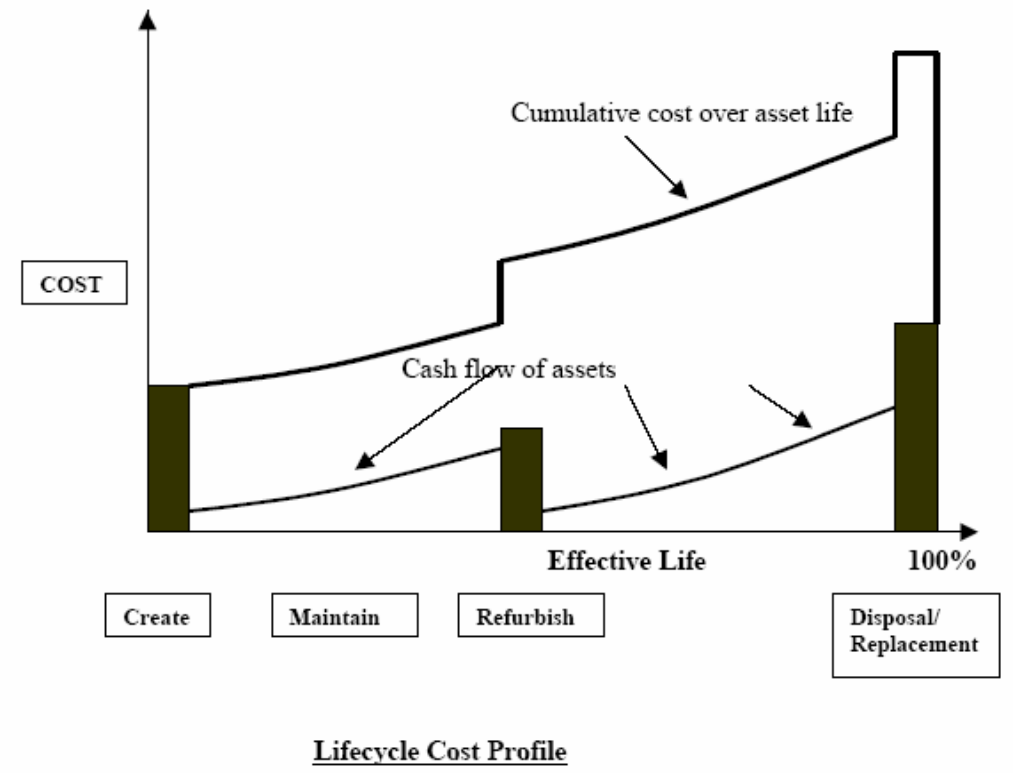
6.3 Lifecycle Costing

The objectives of lifecycle costing are:

- To determine the total costs of ownership over the life of an asset**.**
- Evaluating options for the acquisition of new assets.
- On-going decision making throughout the life of an asset.

- Benchmarking the actual cost performance of the asset.
- Reviewing the process for future design/ acquisition decisions.

Recurrent expenditure for the operations and maintenance of assets represents a significant proportion of the total lifecycle costs of some short lived assets. Therefore, it is important to be able to attribute the costs to each phase in an asset's lifecycle so that the total lifecycle costs can be established. The cost of infrastructure asset services is complex and interrelated. The following figure shows the long-term lifecycle cost profile of an asset.



Lifecycle Cost Profile

The Key Elements in Asset Lifecycle Costing are:

- acquisition and financing costs
- rate of return requirement on capital use charges
- asset depreciation
- asset operations
- asset maintenance
- asset renewals
- asset administration
- taxes

Council needs to monitor and plot the existing performance of its existing assets and then extrapolate this performance into the future and model different funding and treatment strategies to provide the most effective solution for each asset and asset class.

6.4 Maintenance Strategy

A "stich in time saves nine" is still a sound concept for extending economic life of an asset and reducing renewal and life cycle costs. Appropriate and timely application of maintenance can greatly reduce costs of renewal. A good maintenance plan can ensure

that service life potential is extended as far as possible before renewal is needed. It is important to develop an appropriate maintenance strategy for each asset class. The three strategies for the maintenance are, Breakdown Maintenance, Scheduled Maintenance and Condition Based Maintenance.

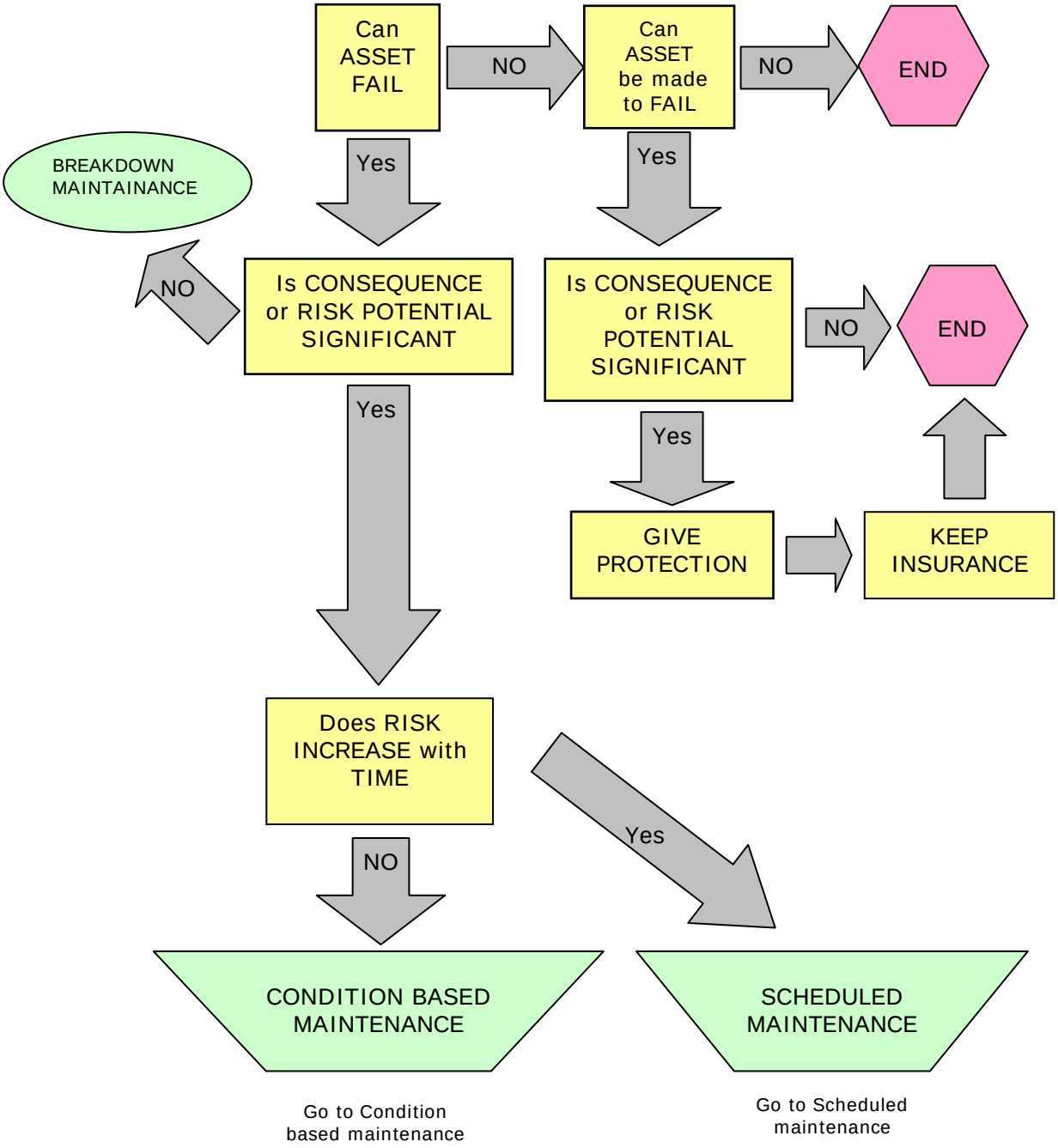
- **Breakdown Maintenance** - an asset has been damaged or failed and the matter reported via a customer service request or regular inspection report. This strategy is reactive and has the highest risk potential.

- **Scheduled Maintenance** - an asset is maintained at a regular cycle. Risk potential is low but can result in unnecessary work.

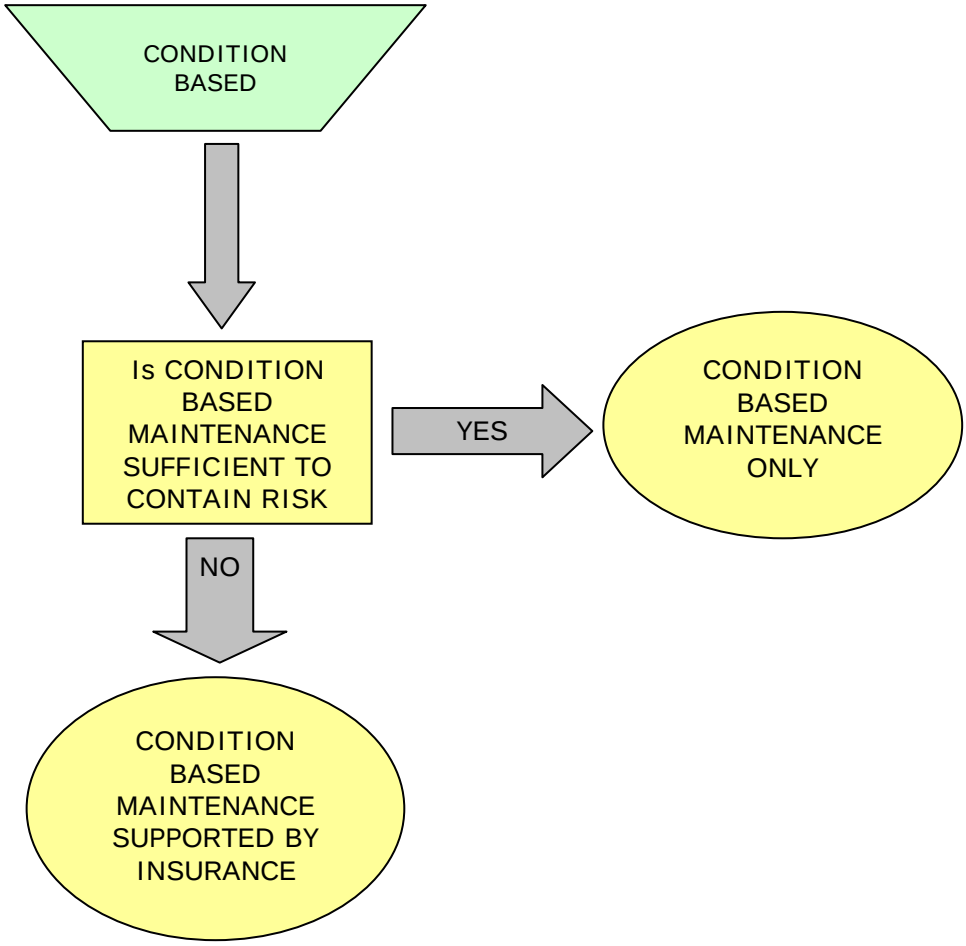
- **Condition Based Maintenance** - maintenance and renewal work is based on asset condition and pre determined by strategic objectives. It determines the intervention level for each asset class. The intervention level can be failure for low risk assets or well before failure where there is a high risk or cost penalty associated with the failure. This strategy requires a lot of information and a system in place to determine the intervention level for each class of assets.

The selection of a maintenance strategy for each asset should be based on a logical analysis that aims to optimise the cost of maintenance.

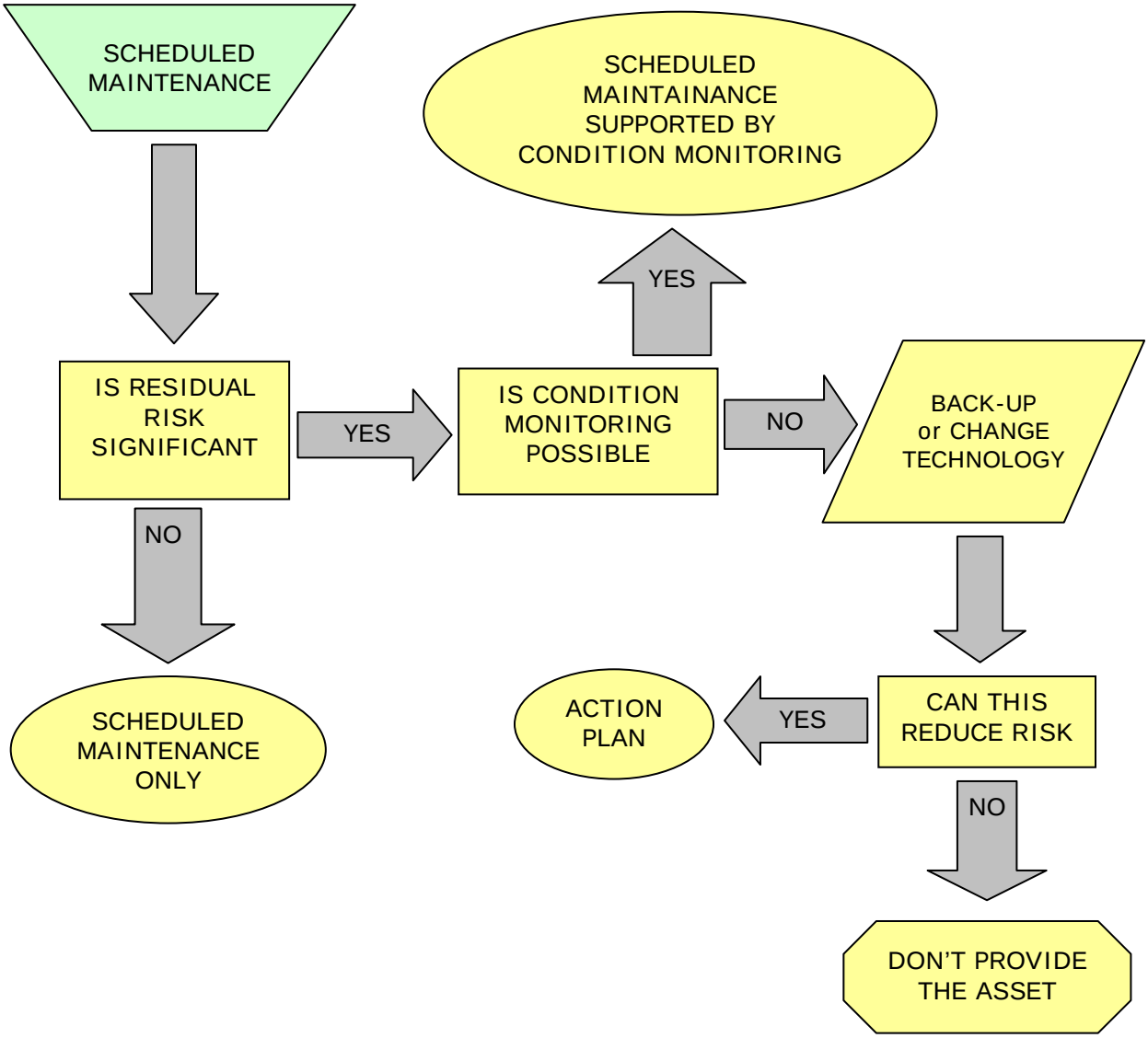
The decision trees shown in the figures below are a guide for selection of an appropriate strategy.



MAINTENANCE STRATEGY DECISION TREE



CONDITION BASED MAINTENANCE DECISION TREE



SCHEDULED MAINTENANCE DECISION TREE

6.5 Demand Management

Public expenditure for assets is directly related to demand for services. In a climate of fiscal restraints, it is essential to ensure that infrastructure and services are provided in the most efficient manner possible. As part of this process, it is essential that the community's expectations of the infrastructure be managed. That means we must set service levels for our infrastructure.

Accordingly, Demand Management encompasses the notions of need, expectation and aspiration which arise within the community. As the needs are satisfied, expectations and aspirations tend to rise automatically, that is, expectations tend to rise above the social and economic needs of the community.

Council should seek to increase value for money from all assets by:

- Separating proven community needs from expectations
- Satisfying defined demand for and/or warranted increases in need for services
- Increasing the economic and social benefit to the community
- Optimising utilisation and performance of existing assets, and thereby also conserving scarce resources
- Reducing demand for new and replacement assets
- Enabling consumers to participate in the process of selection of services and standards.

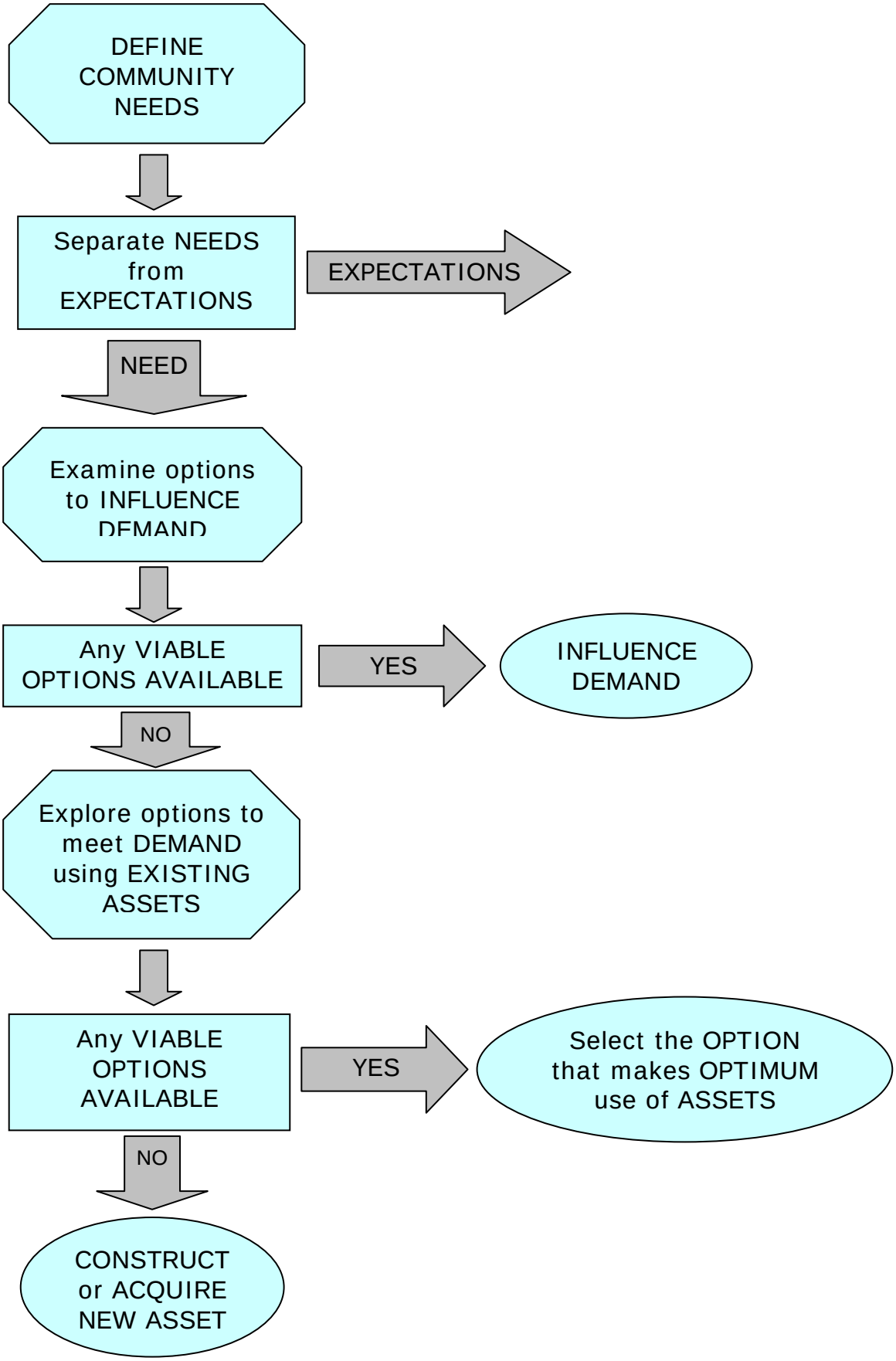
IMPLEMENTATION OF DEMAND MANAGEMENT

Before initiating actions leading to the use, enhancement or creation of physical assets for delivery of services, a series of questions should be asked.

- Has the demand for services been properly identified and needs separated from wants?
- Have the options for meeting those demands been fully explored?
- Have the options to influence that demand been examined?
- Can demand be satisfied without having to create, utilise or expand physical assets?
- Are physical assets needed in order to satisfy customer needs?

THE DEMAND MANAGEMENT PROCESS

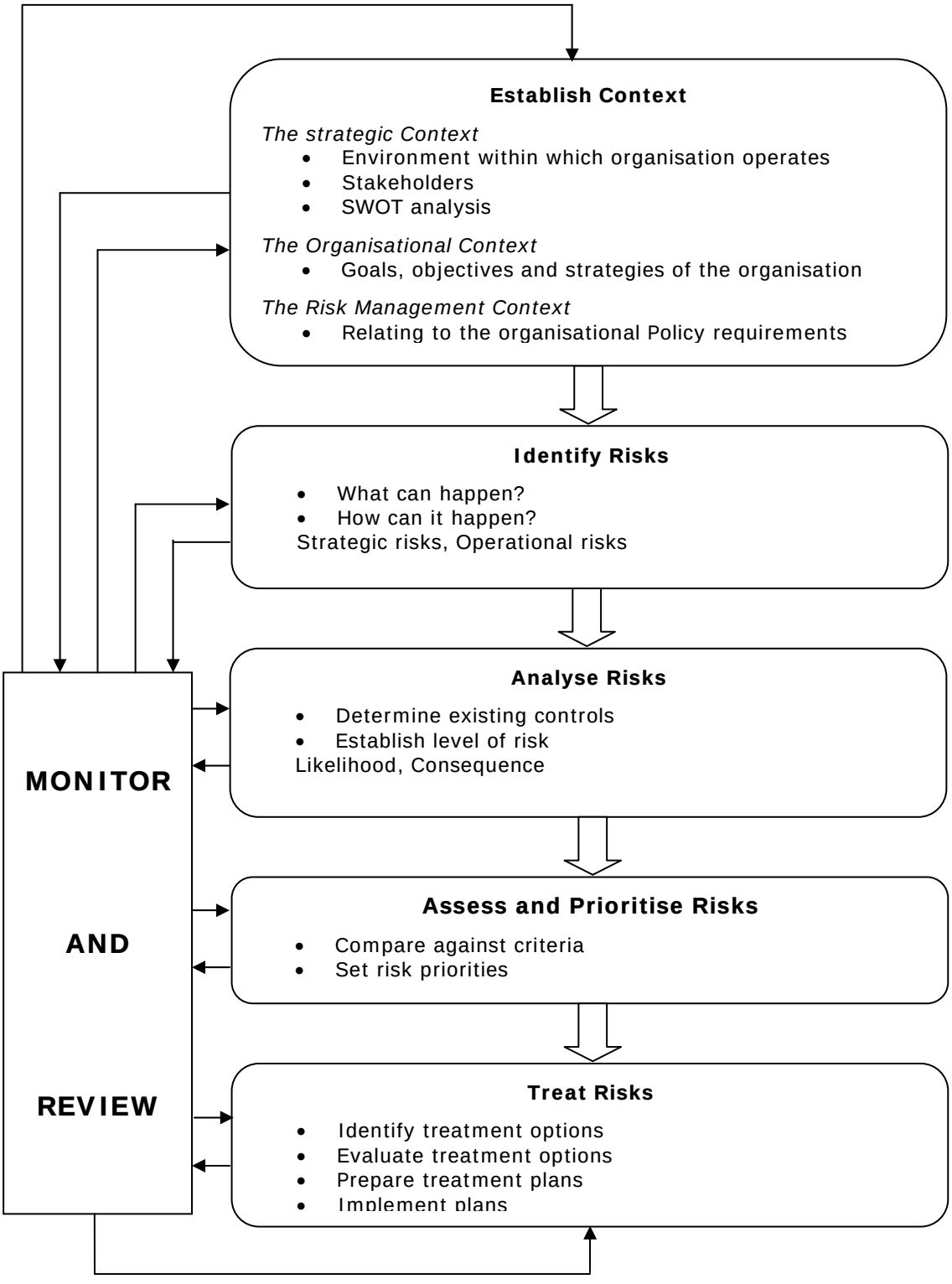
The following flow chart should be used as a guide before creation or acquisition of any asset.



DEMAND MANAGEMENT PROCESS

6.6 Risk Management

Sound asset management should include Risk Management principles at each stage. Risk management is a systematic process for identifying, analysing, assessing, communicating, treating and monitoring risks. It has application across every phase of strategic asset management, from service demand to service delivery. The risk management process is shown below.



OPTION FOR RISK TREATMENT

Risks can be managed in several ways as follows:

- Insurance
- Audit and compliance programs
- Formal review of requirements, specifications, design
- Inspection and process controls
- Preventive maintenance
- Quality assurance
- Contract conditions
- Supervision

6.7 Asset Rationalisation / Disposal

The objective of asset rationalisation is to reduce the cost of holding assets. Asset Rationalisation considers the following:

- Needs of customers
- Strategic direction of the Council
- Level of utilisation and service potential of an asset
- Whole of life cost including acquisition, holding, maintenance, and disposal
- Alternative uses for an asset and the cost of achieving it
- Return from the asset (monetary or benefits)

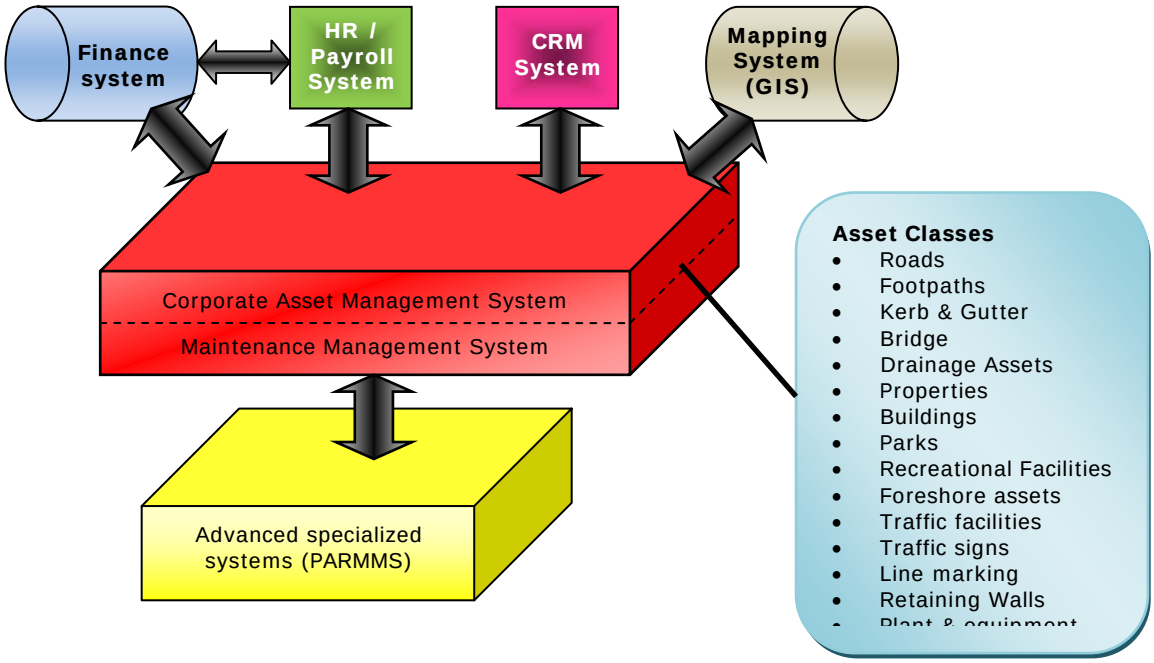
As part of the Asset Rationalisation process, Council needs to examine the services and facilities currently provided and reassess the standard of the service. As overall cost information becomes available and as the Asset Management process develops within the financial systems of Council, it will be possible to plan for the disposal of assets. The issues for consideration when planning asset disposal are:

- The methods of disposal available
- Whether the asset has a residual value
- The consequences of removing the asset
- Social or Heritage impacts
- Whether the asset or part of it can be reused?
- Alternative ways of providing the same service.
- Whether the asset is now technologically obsolete
- Barriers to disposal - legal, environmental, etc

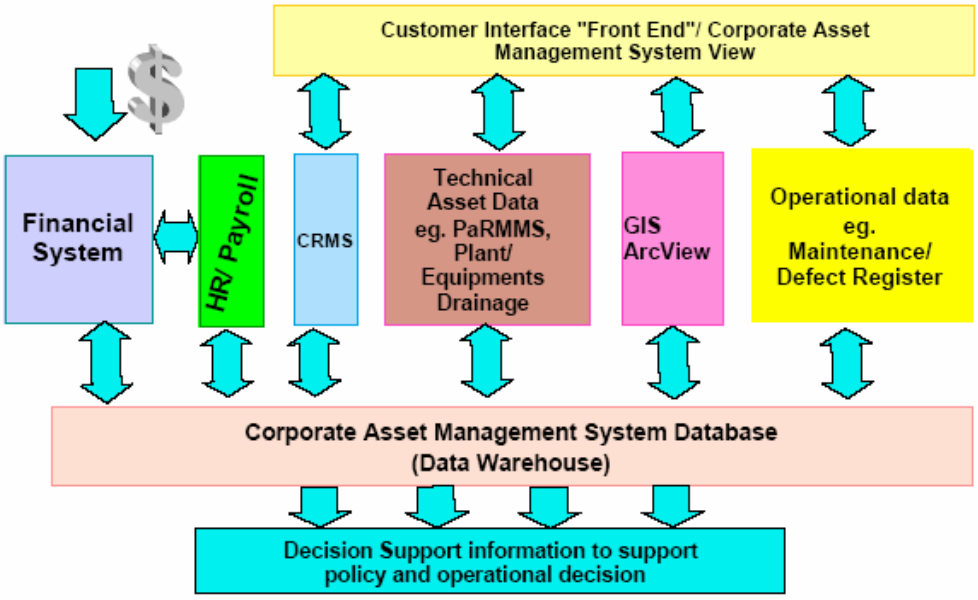
6.8 Systems and Data

The implementation of the corporate asset management system (SAM) is likely to be the most effective method of achieving the objectives and the integration of existing information, systems and processes to improve information accessibility and analysis capability. The existing fragmented sources of information will be integrated by using a corporate data warehouse approach. The approach is shown schematically in the following figure.

Asset Management System Modules and Interfaces



Linking Customer Request, Financial and Asset Technical Information



ASSET DATA UPDATING/MAINTENANCE RESPONSIBILITIES

Maintaining accurate information is a key component of Asset Management. Changes to assets should be shown in the Asset Management System (database). This responsibility lies with the asset custodians.

Data should be updated when there are changes. Such changes may occur because of capital works, asset transfer or acquisition, maintenance works, asset rationalisation review, etc.

Works Report No. W8/08

Subject: **Road Safety Steering Committee**

Folder No: F2004/07225

Author: Tony Lehmann, Manager Integrated Transport Management

Introduction

The road safety steering committee is a committee designed give guidance and direction to the Road Safety Officer in development of action plans and projects. The committee is a funding requirement of the Roads and Traffic Authority (RTA).

Issue

A road safety steering committee meeting was convened for 26 March 2008. The minutes of this meeting are attached.

Relationship to the City Plan

The relationship with the City Plan is as follows:

Outcome 6: A liveable City

Direction 6c: The safety of our community is paramount and is acknowledged and supported through proactive policies, programs and strategies.

Financial Impact Statement

There are no financial implications of this report

Conclusion

The minutes are a reflection of discussions and outcomes from the road safety steering committee meeting.

Recommendation

That the minutes be received and noted.

Attachment/s:

1 Road Safety Steering Committee Minutes 2 Pages

Item W8/08

Randwick City Council
Road Safety Steering Committee

Meeting Minutes

Wednesday 26 March, 2008
3:00 pm

Randwick Room
Administrative Centre
Randwick City Council
30 Frances Street
Randwick NSW 2031

Apologies (in alphabetical order)
Anthony Andrews, Councillor, Randwick City Council
Bert Conran, Sergeant, Highway Patrol Supervisor, Rose Bay Local Area Command
Sandra Coppe, Road Safety Education Consultant, Dept. Education and Training
Gary Thompson, Traffic Sergent, Maroubra Local Area Command
Shane Lowe, Coordinator Community Programs and Partnerships, Randwick City Council
Murray Matson, Councillor, Randwick City Council

Present
Margaret Egan, Road User Safety Officer, Roads and Traffic Authority (RTA)
Heidi Leadley, Road Safety Officer, Randwick City Council (RCC)
Tony Lehmann, Manager Integrated Transport, Randwick City Council

2008 – 2009 Action Plan
The 2008 – 2009 Road Safety Action Plan was presented at the meeting. The plan has been approved by the RTA and will be finalised when the replacement Road Safety Officer (David Ernest) begins on April 7.

David will also complete the grant application process, as he will be one implementing the programs. A two week extension on the grant application deadline has been requested. (ie deadline 18 April, 2008)

Additional projects to include in the plan were also discussed. These included a 40km High Pedestrian Activity area for Coogee Beach and a regular child restraint checking program that would include training council mechanics as authorised restraint checkers, with a BBQ at the depot etc. Again these ideas would be up to the new RSO to include in the action plan.

ACTION: for the new RSO to complete.

Current Projects
2007 – 2008 Pumpkin Bus report was presented at the meeting. The report included a discussion section which proposed some future directions for the service. Again, these were considered appropriate for the new RSO to implement.

Evaluation of the service is currently based on patronage statistics, which have shown an increase in the past 3 months (but down overall as a result of the equine flu). The idea of using local area drink drive statistics, ie numbers breathalysed, numbers booked etc was discussed. It was generally considered that this would be a useful tool to measure success of an alternative transport option like the Pumpkin Bus.

ACTION: That the RSO draft a letter to be sent from the General Manager to Maroubra LAC Commander, requesting statistics be made available to the RSO for analysis and evaluation.

Margaret requested that this evaluation and others for 2007 – 2008 financial year be finalised and final invoices be sent to the RTA as soon as possible.

ACTION: RSO to complete

General business

Margaret requested that Heidi complete the monthly reports in a word format while the RTA database is not operating properly and the new RSO enter the information into the database when able.

ACTION: RSO to complete

Next meeting
To be advised.

Meeting close
The meeting closed at 3.45 pm