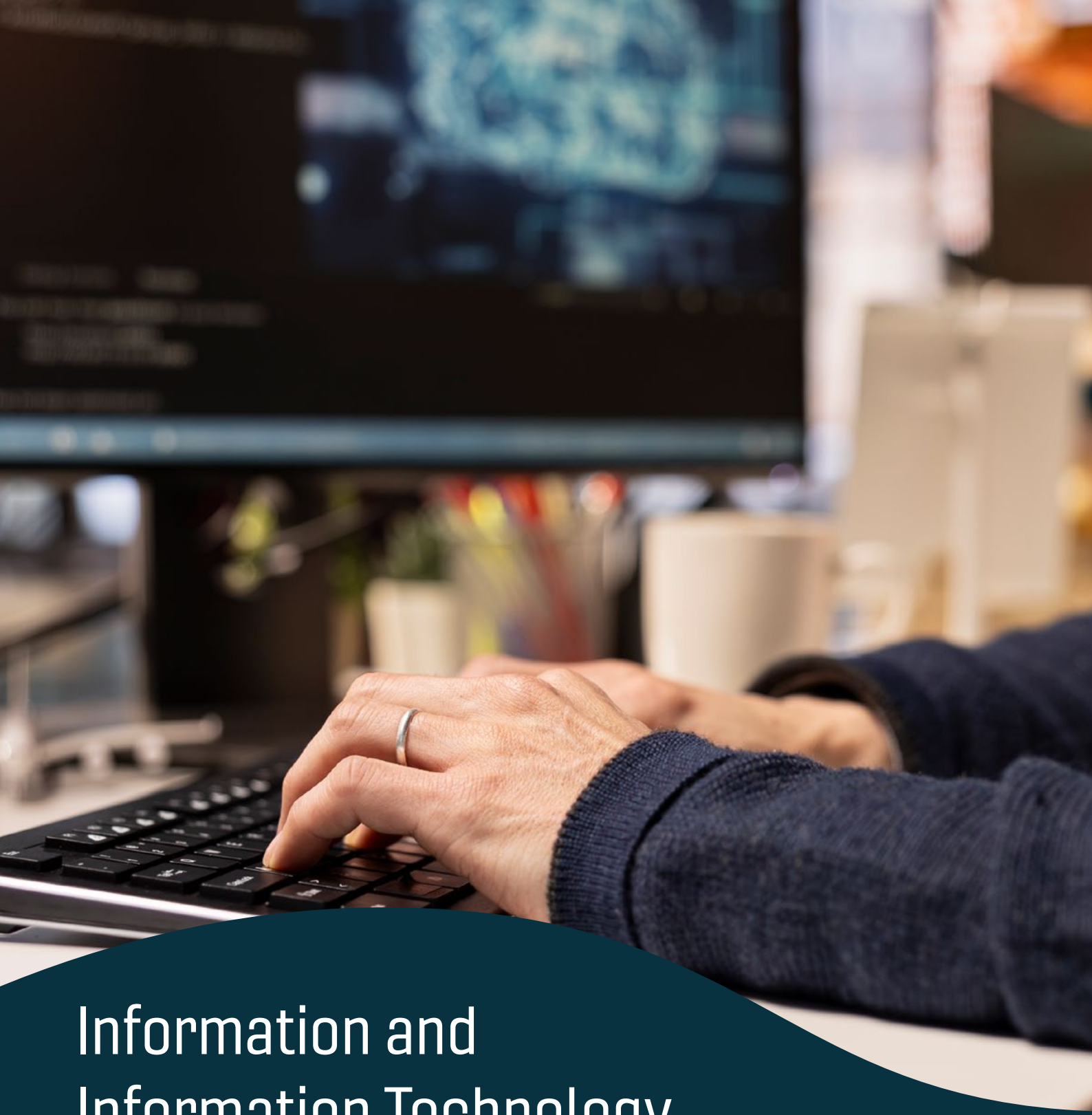


Information and Information Technology Asset Management Plan

2025

WAVERLEY
COUNCIL

Contents

1. Purpose and Scope

The Information and Information Technology (IT) Asset Management Plan (AMP) outlines Waverley Council's approach to managing information and information assets to meet Council's asset management objectives in risk mitigation, community service level achievement, long term financial and environmental sustainability, legislative and regulatory compliance, and continuous improvement.

The Information and IT AMP establishes:

- **Current asset inventory, valuation, and types of assets** within the information and IT asset class.
- **Current condition** of the information and IT asset class, and how it is measured.
- **Asset levels of service**, current state and its implications.
- **10+ Year financial forecast** for OPEX and CAPEX required for information and IT assets.
- **Risk minimisation approach and critical assets** within the information and IT asset class.
- **Continuous improvement** and operational efficiency opportunities for information and IT assets.

2. Asset Class Summary

Waverley Council owns and maintains a $10.5 million portfolio of information and Information Technology assets. This asset class is crucial to Council's operations in providing services to the community, enabling workforce productivity and communication, supporting business continuity, cybersecurity, and data integrity. These assets also ensure that Council meets obligations under records management legislation and accessibility standards.

The information and IT asset portfolio is characterised by predominantly short-lived assets that require frequent renewal and replacement due to wear and tear and technological obsolescence.

Council acknowledges a need to prioritise the ongoing renewal of information and IT assets to ensure business and organisational productivity and continuity over the 10+ year period ahead. A total MoRUN expenditure of $5 million per year is required to ensure that the asset management objectives are achieved for this crucial asset class.

3. Asset Inventory and Valuation

As of the 30th of June 2024, the information and IT asset portfolio has a calculated replacement cost of $10.5 million, and a depreciated value of $5.5 million. The depreciated value reflects the typical wear and tear as well as expected technological obsolescence for these short-lived assets, many of which operate with a useful life between 5 to 20 years.

Table IT1: Valuation and Quantity of Asset Types – Information and IT Asset Class

ASSET CATEGORY	ASSET TYPE	CURRENT REPLACEMENT COST (CRC)	DEPRECIATED VALUE (NET CARRYING AMOUNT)	QUANTITY OF UOM	UOM	COUNT OF ASSETS
Servers and Storage	$400,000	$227,000	10	No.(each)	area(m2)	443
Network and Connectivity	$1,633,400	$907,645	258	No.(each)	area(m2)	42
Computers and Laptops	$780,000	$507,878	600	No.(each)	area(m2)	32
Mobile Devices	$443,300	$308,770	403	No.(each)	area(m2)	4
Software and Applications	$2,808,500	$1,404,250	1	No.(each)	m2	4
Online Library Resources	$14,424	$7,212	1	No.(each)	m2	5
Art, Film and Music	$71,236	$35,618	22	No.(each)	No.(each)	2,799
Books and Resources	$3,516,435	$1,758,218	195	No.(each)	No.(each)	12,940
Community Resources	**$782,920**	**$391,460**	**184**	**No.(each)**		**16,269**
	$10,450,215	**$5,548,050**	**1,674**			

The asset class includes 1,674 individual items, recorded in Council's asset register, and encompassing both physical hardware and resources, as well as intangible digital assets such as applications, software and subscriptions.

The current replacement cost represents the full estimated expenditure that would be incurred by Council to replace the existing assets with new like-for-like assets. This is measured by a variety of evidence-based cost inputs detailed within Council's unit rate register. The depreciated value reflects the estimated remaining value and service potential of the assets that have deteriorated from the value of the assets since acquisition. It is a representation of the expected remaining useful life of the asset based on asset age.

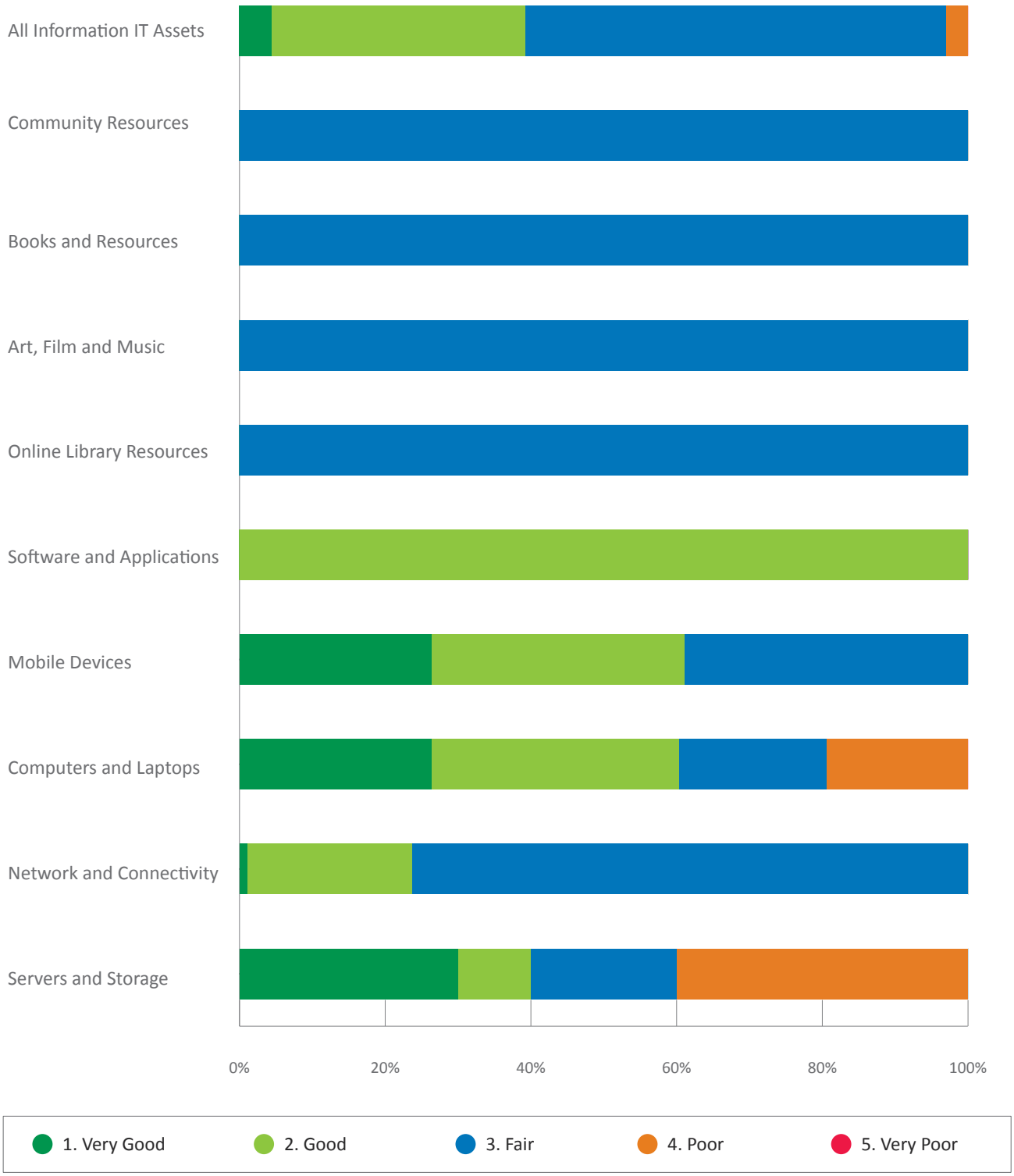
Hardware assets represent a significant portion of the portfolio but have short lifespans, resulting in high frequency demand for replacements, and higher annual depreciation.

These short-lived assets are capitalised at acquisition and undergo straight-line depreciation each year based on their typical expected useful lives of 5 to 20 years. Software and digital assets are captured as intangible assets but remain capitalised where they meet Australian Accounting Standards Board and NSW Treasury asset recognition thresholds.

4. Asset Condition and Current State

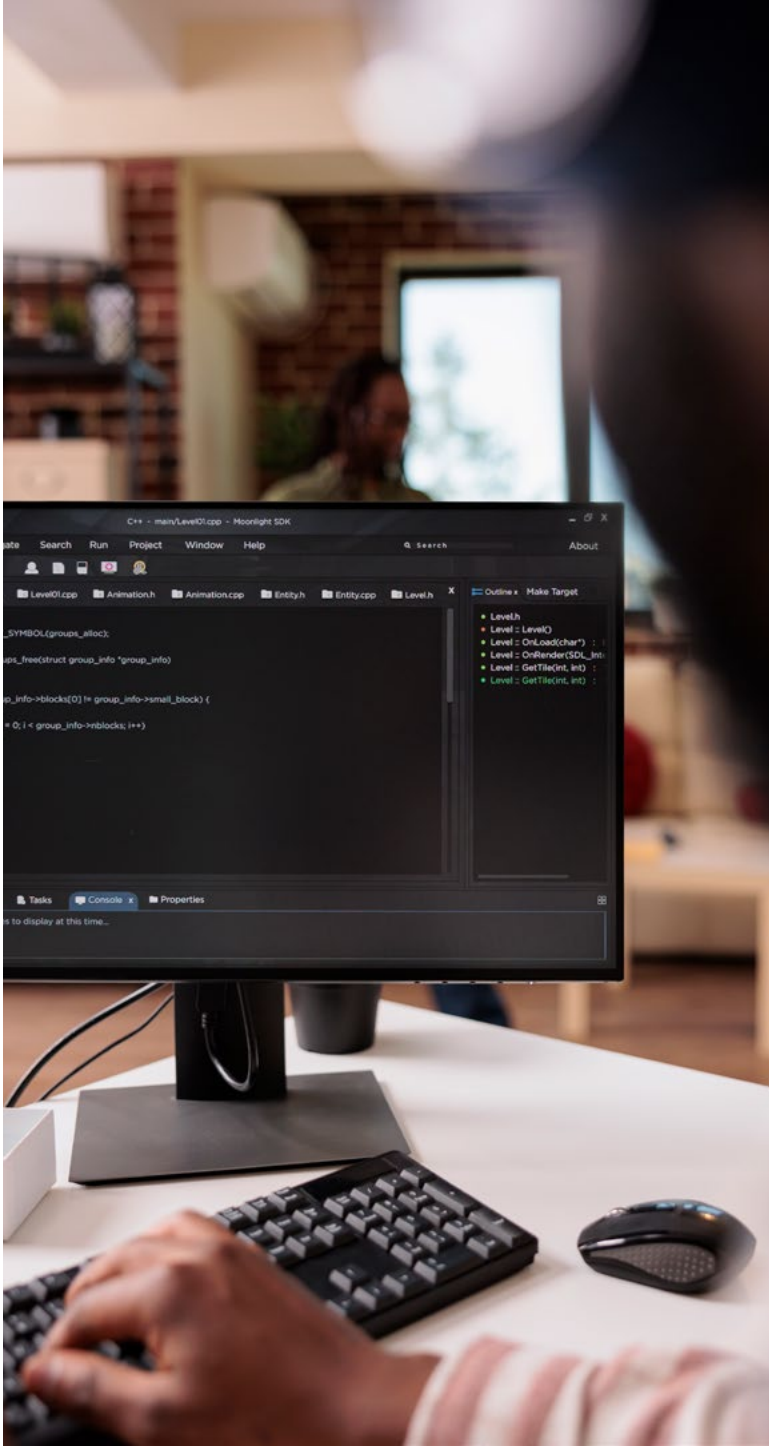
Waverley Council applies a 1 to 5 asset condition rating matrix to support its approach to fair valuation, renewal forecasting, and lifecycle planning for information and IT assets. Given the nature of these assets as short-lived, high-depreciation items, condition is derived using a straight-line depreciation method, converting remaining useful life (RUL) into a condition score. Condition is captured as follows.

Graph IT2: Condition by Asset Category – Information and IT Asset Class



5. Asset Levels of Service

Waverley Council monitors five key service level measures for information and IT assets, ensuring alignment and success with Council's asset management objectives and principles.



5.1. Asset Condition and Performance

Asset condition and performance is assessed based on the remaining useful life for the information and IT asset type and category. Unlike infrastructure assets, the majority of these staff usage assets will not undergo routine maintenance. Reactive maintenance and support will take place when performance degrades, or electronic faults occur.

These service levels are designed to minimise risk to the community, meet community expectations for infrastructure performance, and ensure long-term financial and environmental sustainability. Good condition information and IT assets ensure that Council's information and information technology is renewed with latest technology to enable Council to deliver its services sustainably and effectively to the latest standards.

Table IT3: Preferred Minimum Condition - Information and IT Asset Class

PERFORMANCE MEASUREMENT	ASSET TYPE / CATEGORY	TARGET PERFORMANCE	PERFORMANCE AS AT 30/06/2024
Council's asset condition assessments and asset register	All Information and IT assets.	30% in condition 1 and 2 90% in condition 1, 2, and 3	39% in condition 1 and 2 97% in condition 1, 2, and 3

5.2. Asset Availability and Response Time

The asset availability and response time service level is assessed based on Council's ability to respond to and resolve infrastructure-related internal customer requests within the timeframes. This service level is designed to ensure that information and IT issues are addressed promptly, enabling Council to operate effectively and sustainably. Key strategies to meet availability levels include:

- Maintaining a pool of rotable assets including spare laptops and network hardware to ensure business operations resilience.
- Ensuring service level agreements are in place and monitored.
- Prioritising high-impact issues including server outages and major network failures.

PERFORMANCE MEASUREMENT	ASSET TYPE / CATEGORY	TARGET PERFORMANCE
Council's Internal IT Request Management System	All Information and IT assets.	Requests are responded to and resolved within Service Level Agreements. Defective information and IT assets are made available through spare and rotable IT assets.

5.3. Financial Sustainability

The financial sustainability of Waverley Council's information and IT assets is assessed based on remaining useful life, renewal expenditure, and the rate of asset depreciation.

By achieving these service levels, Council ensures that these crucial business enabling assets are sufficiently funded to maintain their minimum required service levels now, and into the future. Capital expenditure is strategically allocated to the most critical assets at the most technologically and financially viable intervention points.

Waverley Council uses four key financial ratios to evaluate funding sufficiency and renewal efficiency:

- **Asset Consumption Ratio:** This ratio measures the extent to which an assets useful life has been consumed. The ratio is important for long-term distribution of renewal demand and financial sustainability. A position below the target would indicate that Council is overspending and renewing assets too early. A position above the target would indicate that assets are not meeting minimum asset condition expectations from the community, and that Council is accumulating unsustainable backlog.

$$\text{CONSUMPTION RATIO} = \left(\frac{\text{ACCUMULATED DEPRECIATION}}{\text{TOTAL ASSET REPLACEMENT COST}} \right) \times 100$$

The information and IT asset class consists of short-lived assets that deteriorate over a short time due to wear and tear, electronic degradation and technological obsolescence. To maintain an optimal balance between serviceability and financial sustainability, Waverley Council targets an Asset Consumption Ratio of 30% to 50%. This ensure that information and IT assets are neither renewed too early and too frequently, nor are they underfunded and resulting in increased business risk and technological backlog to Council.

Council strives to ensure that the consumption ratio is appropriately designated across different information and IT asset types and locations based on criticality and optimal renewal intervention points. A well distributed asset consumption across the organisation ensures financial sustainability and a balanced distribution of asset renewal intervention points year-on-year over the long term.

- **Annual Renewal Funding Ratio:** This ratio measures how effectively Council has funded information and IT asset renewals and replacements when compared with the depreciation of the assets. This measure provides insight into whether the assets are renewed at a sustainable rate each year.

$$\text{RENEWAL FUNDING RATIO} = \left(\frac{\text{ACTUAL RENEWAL EXPENDITURE}}{\text{DEPRECIATION EXPENSE}} \right) \times 100$$

Information and IT assets will be scheduled for a full renewal as they approach Condition 4. The majority of these assets are electronic equipment assets meaning that partial renewals are typically impractical, although minor repairs could restore the asset to a fair condition.

Council typically renews assets when they reach 27.5% remaining useful life. Council avoids running assets to complete failure and deterioration to Condition 5 – Very Poor (100% consumption), as failed and obsolete technological assets pose significant business continuity risk to Council.

Council sets its Renewal Funding Ratio target between 100% and 130% as information and IT assets are typically fully replaced with new assets as they approach 72.5% consumption, and very rarely are the assets run to 100% consumption before replacement.

- **10+ Year Long-Term Funding Ratio:** This ratio is similar to the Renewal Funding Ratio. However, rather than measuring the previous year's renewal expenditure, it assesses whether Council's 10+ Year planned renewal expenditure is adequate in supporting the services and requirements of Council's existing information and IT assets, and their forecasted depreciation expense.

$$\text{LTFR} = \left(\frac{\text{PLANNED ASSET RENEWAL EXPENDITURE (10+YRS)}}{\text{ACCUMULATED DEPRECIATION EXPENSE (10+YRS)}} \right) \times 100$$

As with the targets set for the Renewal Funding Ratio, Council sets its 10+ Year Long-Term Funding Ratio target between 100% and 130% as information and IT assets are typically full replaced as they approach 72.5% consumption and replaced with new. Very rarely are the assets run to 100% consumption before full replacement.

- **Backlog Ratio:** This ratio measures the proportion of infrastructure assets that are in Condition 4 – Poor and Condition 5 – Very Poor that require replacement. The backlog ratio allows Council to assess the extent of deferred renewal, renewal funding adequacy, and risks to community service levels.

$$\text{BACKLOG RATIO} = \left(\frac{\text{TOTAL ASSET BACKLOG REPLACEMENT COST}}{\text{TOTAL ASSET REPLACEMENT COST}} \right) \times 100$$

Council aims to achieve a backlog ratio of less than 5% to demonstrate that renewal programs are prioritised to deteriorating assets as to prevent technological obsolescence and risk to technological availability and performance.

Table IT4: Financial Sustainability Service Level Performance - Information and IT Infrastructure Asset Class

PERFORMANCE MEASUREMENT	ASSET TYPE / CATEGORY	TARGET PERFORMANCE	PERFORMANCE AS AT 30/06/2024
Asset Consumption Ratio	All Information and IT assets.	Between 30% and 50%	47%
Annual Renewal Funding Ratio	All Information and IT assets.	Between 100% and 130%	122%
10+ Year Long-Term Funding Ratio	All Information and IT assets.	Between 100% and 130%	122%
Backlog Ratio	All Information and IT assets.	Less than 5%	3.0%

6. Long Term Financial Plan and Sustainable Funding Scenario

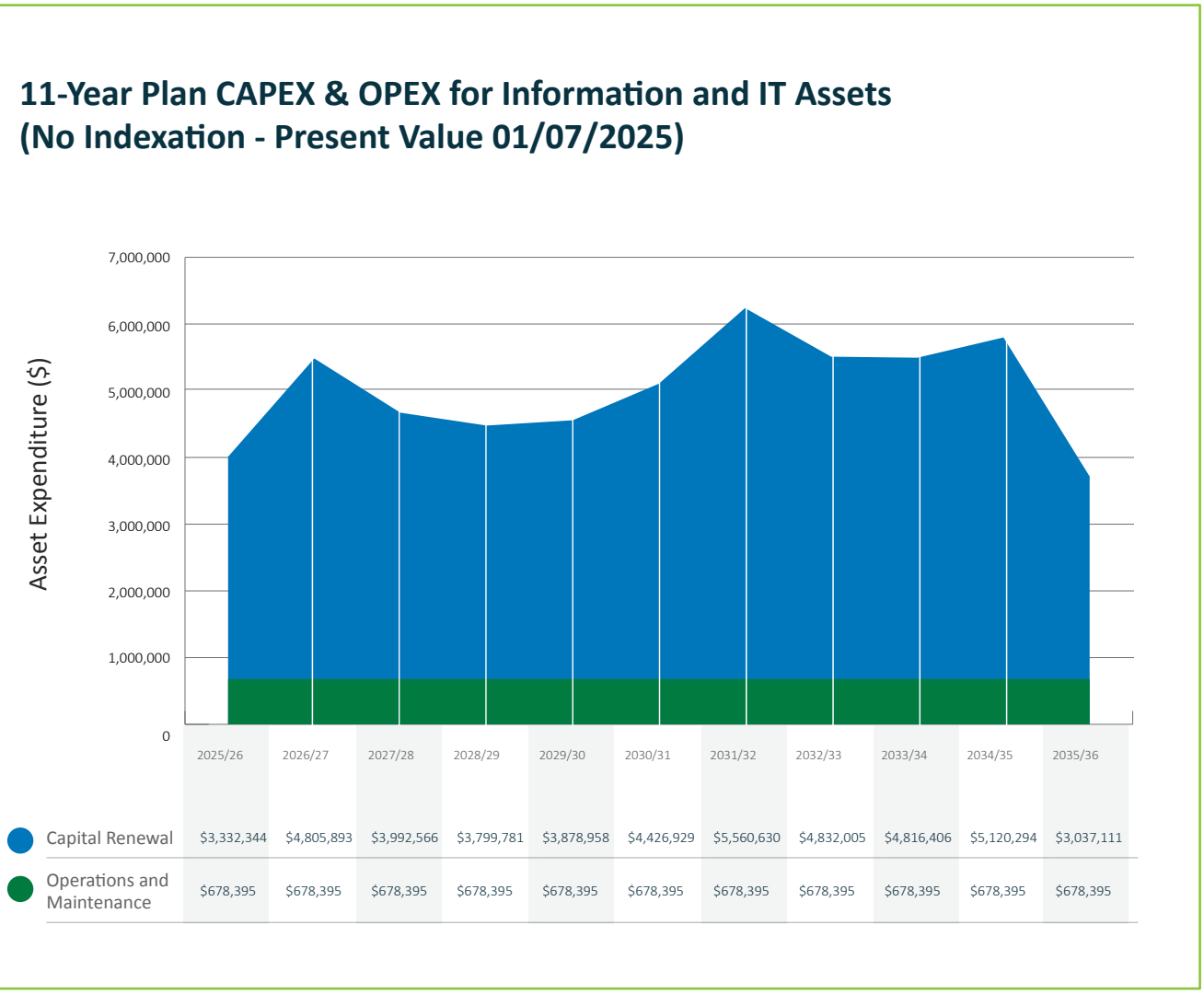
In December 2024, Waverley Council engaged external financial and asset management consultants to assess Council's long term financial sustainability and advise on the development of Council's Asset Management Strategy. A sustainable funding scenario was developed based on the technical levels of service, which were used to calculate the funding that would be required to sustainably treat and manage the assets.

The technical levels of service model guides service delivery through the MoRUN framework: Maintenance and Operations, Renewal, Upgrade and New. The scenario prioritises asset renewal and replacement to maintain service levels, acknowledging that the acquisition of new and upgraded assets results in higher ongoing maintenance and operations costs.

Table IT5: Planned 11 Year LTFP CAPEX Program - Information and IT Asset Class

CAPITAL RENEWALS	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Software and Applications	$2,739,944	$2,900,693	$3,067,766	$3,241,381	$3,421,758	$3,609,129	$3,803,730	$4,005,805	$4,215,606	$4,433,394	$2,585,311
Servers and Storage	$140,000	$-	$20,000	$110,000	$-	$140,000	$-	$20,000	$110,000	$30,000	$-
Network and Connectivity	$-	$1,243,500	$370,500	$17,500	$-	$-	$1,243,500	$370,500	$17,500	$-	$-
Computers and Laptops	$316,000	$520,500	$377,000	$294,500	$316,000	$520,500	$377,000	$294,500	$316,000	$520,500	$294,500
Mobile Devices	$136,400	$141,200	$157,300	$136,400	$141,200	$157,300	$136,400	$141,200	$157,300	$136,400	$157,300
Total - Information and IT Assets	**$3,332,344**	**$4,805,893**	**$3,992,566**	**$3,799,781**	**$3,878,958**	**$4,426,929**	**$5,560,630**	**$4,832,005**	**$4,816,406**	**$5,120,294**	**$3,037,111**

Graph IT6: Council's Planned 11 Year LTFP Expenditure – Information and IT Asset Class

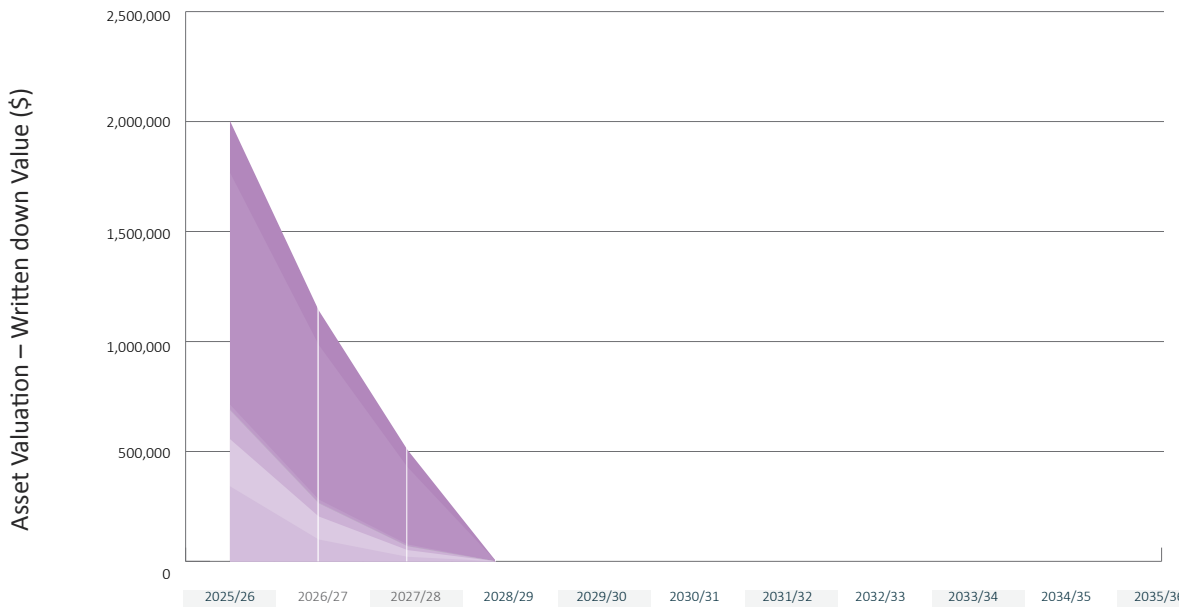


The information and IT asset class experiences an annual depreciation expense of $3,898,342 each year. This means that without any capital works taking place, the plant and equipment asset class would deteriorate from 19% to 0% in the 11-years between FY2025/26 and FY2035/36. The implementation of the current LTFP will maintain the asset health up to FY2035/36. There is some skewing of data due to software and application assets having a single year useful life before renewal.

Graph IT7: Asset Value Depreciation and Capitalisation over 11 Years – Information and IT Asset Class

Note: This graph demonstrates the projected Written Down Value of Information and IT Assets as they depreciate annually.

Asset Value Depreciation over 11 Years - Information and IT (No Indexation - Present Value 01/07/2025)



	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Community Resources	$234,876	$156,584	$78,292	$-	$-	$-	$-	$-	$-	$-	$-
Books and Resources	$1,054,931	$703,287	$351,644	$-	$-	$-	$-	$-	$-	$-	$-
Art, Film and Music	$21,371	$14,247	$7,124	$0	$-	$-	$-	$-	$-	$-	$-
Online Library Resources	$4,327	$2,885	$1,442	$0	$-	$-	$-	$-	$-	$-	$-
Software and Applications	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-
Mobile Devices	$131,450	$60,060	$17,490	$-	$-	$-	$-	$-	$-	$-	$-
Computers and Laptops	$214,890	$105,040	$30,810	$-	$-	$-	$-	$-	$-	$-	$-
Network and Connectivity	$254,285	$52,275	$2,625	$-	$-	$-	$-	$-	$-	$-	$-
Servers and Storage	$87,000	$47,000	$18,000	$-	$-	$-	$-	$-	$-	$-	$-

7. Minimising Risks to Community and Council

In line with its asset management objectives, Waverley Council is committed to proactively mitigating risks associated with the performance, availability, and management of its information and IT assets. These assets are vital to ensuring business and operational continuity, effective community service delivery, and enable communications and emergency response.

Asset prioritisation decisions are made through the determination and application of risk prevention approaches that consider severity, likelihood, criticality and resilience across communities, staff, and services. Waverley Council considers the below risk areas when prioritising information and IT asset maintenance, operations, renewal, and upgrade activities.

- Safety and wellbeing impacts
- Reputational impacts
- Financial impacts
- Regulatory compliance and legal risks
- Service delivery and asset availability risks
- Environmental impacts
- Loss of corporate knowledge, data loss, and risks to resilience and continuity

7.1. Critical Assets

Waverley Council has identified two key asset categories as critical to business continuity and risk mitigation.

- **Servers and storage assets:** These assets enable business and operational activities to take place, and are core to data management, business systems, record retention compliance, and continuity in corporate knowledge and information.
- **Network and connectivity assets:** These assets enable digital communications, cloud services, internal systems access, and service delivery. A failure in these assets can disrupt organisation-wide operations.

Council ensures that its critical server, storage, network, and connectivity assets are managed with a plan for resilience, continuity, and disaster recovery.

8. Continuous Improvement and Operational Efficiency

In line with its asset management objectives, Waverley Council strives to be proactive in enhancing the operational efficiency of its asset management processes, and in pursuing continuous improvement. The development and delivery of Council's Asset Management Improvement plan is crucial to ensuring that Council's asset management objectives are achieved in the most sustainable, resilient, and efficient manner.

Table IT8: Asset Management Improvement Plan – Information and IT Asset Class

STRATEGY COMPONENT	TASK	DESCRIPTION OF REQUIREMENTS	EXPECTED TIMEFRAME FOR IMPLEMENTATION
Asset Information Management System	Define Data Attribute Requirements	Define data attribute requirements for informed decision making and implement into the Asset Information Management System.	12 months (Medium Priority)
Asset Financial Planning	Develop Asset Maintenance and Operations Plans	Develop the fair valuation methodology for Plant and Equipment assets including the development of the asset hierarchy, useful life approach, and inventory stock-take and naming conventions. Develop an approach to ensure plant and equipment asset expenditure is appropriately capitalised. captured, and depreciated into the financial asset registers. Ensure process exists so that that plant and equipment assets are decommissioned in the asset register as they become disposed or sold.	36 months (Medium Priority)
Work Order Management System	Define Work Orders and Defects	Ensure that financial asset registers are cleansed to reflect actual plant and equipment asset inventories and aligned to meet AASB reporting requirements and enable effective asset management and planning. E.g. decommissioning assets that have been disposed.	36 months (Medium Priority)
Risk Management Approach	Develop Asset Resiliency Plans	Ensure that risk management and resiliency plans are developed and up to date for critical assets including waste and recycling fleet, public cleansing fleet, and asset maintenance fleet and equipment assets.	36 months (Medium Priority)

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GET IN TOUCH
9083 8000
info@waverley.nsw.gov.au
waverley.nsw.gov.au

CUSTOMER SERVICE CENTRE
55 Spring St, Bondi Junction, NSW 2022