



Appendix 3

Asset Management Policy and Strategy

Policy Title	Asset Management Policy
Related Documentation	Councils Asset Management Plans, Asset Management Strategy. Community Strategic Plan, Delivery Plan, Asset Management Strategy
Relevant Legislation/ Corporate Plan	<i>Local Government Act 1993</i> Local Government (General) Regulation 2005, <i>Local Government Amendment (Planning & Reporting) Act 2009</i> <i>Civil Liability Act 2000</i>
Responsible Officer	Manager Asset and Supply Services

Policy details may change prior to review date due to legislative changes, therefore this document is uncontrolled when printed.

Objectives

To provide clear direction on the management of Council controlled asset responsibilities and to ensure Council is able to deal with changes to meet community needs in accordance with relevant legislation. Together with Council's Community Strategic Plan and Resourcing Strategy, this policy details specific asset management objectives to ensure Council's asset stewardship is met by"-

1. The development and continual update of an Asset Management Strategy (minimum 10 year period) as the primary framework to maintain asset services for current and future generations.
2. The Management of assets through the development of Asset Management Plans in accordance with relevant legislation, community expectations and recognised best practice for each major asset class.
3. The provision of funding that are identified, agreed upon, and then allocated. This will assist assets in meeting their defined levels of service as detailed in the Community Strategic Plan.
4. Assets are been recorded in accordance with the requirements of the appropriate asset accounting standards and financial reporting requirements. This includes development of an asset management information system containing comprehensive knowledge of all physical assets.
5. Asset management awareness been promoted throughout the council and supported at an organisational level. It provides the framework, which together with the community strategic plan supports an asset management strategy with specific asset management objectives, targets and plans.

DATA AND DOCUMENT CONTROL

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Section: Assets & Supply Services
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Page: 1 of 3

Policy Statement

The management of Council's assets is a key function of Council. The provision of assets maintained to meet community needs and expectations is fundamental to Council's overall service delivery.

This policy demonstrates Council's commitment to the responsible management of Council's assets. This policy addresses relevant legislative requirements and will be revised in accordance with any future changes.

Scope

All physical assets under Council's control that have a life exceeding 12 months and replacement value greater than Council's minimum asset limits are recorded. This policy applies to all assets under Council's control, regardless of their source of acquisition.

Physical assets include, but are not limited to, roads, footpaths, cycle ways, kerbs and gutters, street furniture, trees, signage, bridges, land, parks, open space, buildings and structures, drainage, plant, vehicles and information technology as detailed in the Asset Management Strategy and Plans.

Definitions

Lifecycle Cost:	The life cycle cost (LCC) is the average cost to provide a service over the longest asset life cycle. It comprises annual maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.
Asset Management:	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Risk management:	The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.
Asset	An asset is a resource controlled by Council which has a value and purpose as a result of past events and from which future economic benefits are expected to flow to Council

This policy is requirement under the Integrated Planning and Reporting Guidelines issued by the Division of Local Government in line with Section 406 of the *Local Government Act 1993*.

Principles

This policy sets the broad framework for undertaking asset management in a structured and coordinated way. Asset management improvements directly relate to accountability, risk management and service efficiency. The principles can be summarised as follows:

- A consistent Asset Management Strategy will be maintained that incorporates appropriate best practice systems and procedures for Council
- All relevant legislative requirements together with political, social and economic requirements will be taken into account in Asset Management Planning and subsequent Operational activity
- Asset Management Planning will assist in the preparation of Section Business Plans and Budgets which will be considered in the annual Operation Plan
- Asset renewals required to meet agreed service levels and adopted in the long term financial plans will be considered for funding in the annual budget estimates

- Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service
- An inspection process will be used as part of asset management procedures to check that service levels are maintained and that asset renewal priorities are been established
- Systematic and cyclic reviews will be applied to all asset classes to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards
- Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets
- Asset provision will incorporates sustainability elements in their delivery and functional capability.

Responsibility

- Council's Elected Representatives
- Council's General Manager and Directors
- Asset Management Workgroups consideration

Responsibilities of the above groups allow cross functional council staff to address particular aspects of asset management operations and planning. Working groups may address a specific range of assets or management issues that require:

- The ongoing management of Council's asset management strategy.
- Development of asset management plans for various asset classes
- Development of revised position descriptions to include asset management accountabilities
- Periodical review of Council's asset policy
- Annual review of Council's customer levels of service.
- Inclusion of asset management planning in the procurement process

Policy Review

This policy will be reviewed every four years by the Council's Asset Management Working Group and endorsed within the first 12 months of the new Council term.

END OF POLICY STATEMENT



Campbelltown City Council Asset Management Strategy 2013 - 2023



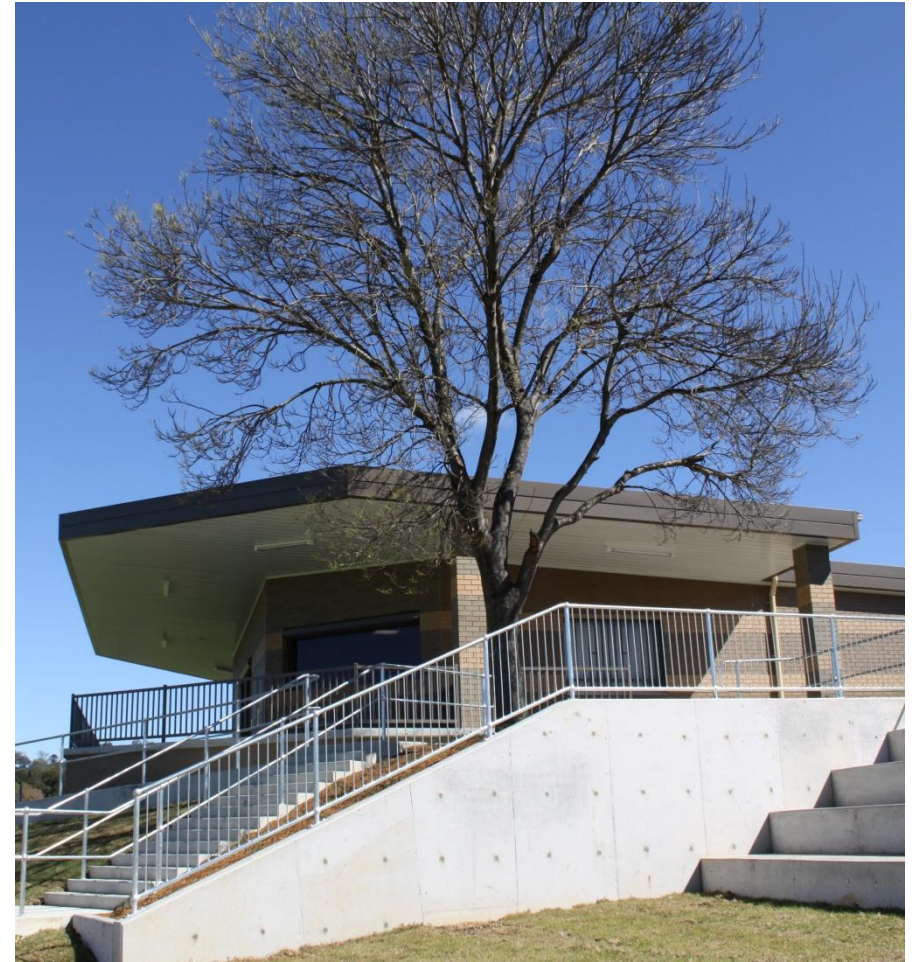
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Introduction

Council's Asset Management Policy, Strategy and Plan facilitate sound planning and management for all existing assets under the control of Council.

The 10 year Asset Management Strategy supports the delivery of the objectives and strategies outlined in the Community Strategic Plan. While sound asset management contributes to the achievement of all the objectives and strategies, the plan contains *Strategy 5.4 – The sound management of public assets and funds* which specifically addresses the issues of sound asset management.

The strategy details the processes that will be used to ensure services are provided to the community at a level that is considered acceptable and is in consideration of optimal lifecycle costs of the assets.

The aim of the strategy is to:

plan, acquire and manage the most appropriate assets to meet current and future service delivery requirements.



The strategy documents Council's asset management practices and activities for each asset class. It provides a framework for ensuring that:

- assets are maintained to an acceptable standard and to meet the community's needs
- asset management practices are applied consistently across Council
- assets are available to provide the appropriate services to the community
- works programs are effectively planned
- assets are managed in a continuous improvement environment now and into the future.

Background

As indicated in the Community Strategic Plan, Council undertook community engagement with relevant stakeholder's to inform the development of all the documents required under Integrated Planning and Reporting.

The community engagement confirmed that Council currently provides the services and functions that are required. It also confirmed that Council's focus on the provision of key services such as road maintenance and community services continues to be appropriate.

The strategy provides the high level information for each of the following asset classes:

- road network (including footpaths and bridges)
- buildings and facilities
- public spaces
- stormwater and drainage.

The relationship between the asset management documents and Council's other documents required in the Integrated Planning and Reporting (IPR) framework is shown in Figure 1.

The document provides a description of each asset class, asset management practices, and current challenges and actions to improve asset management.

Figure 1 Asset management planning and the IPR framework



Asset description

This section of the strategy details what assets Council owns and manages, the asset condition, and the value of the assets. It also details the current operation, maintenance and renewal cost of the assets, the level of utilisation and customer satisfaction.

Asset base, including value and condition

Council classifies assets to facilitate delivery of services into classes as shown in Table 1. Each class (and in some instances sub classes,) is subject to regular condition assessment. The current replacement cost of the asset base stands at approximately \$2.1 billion and the current written down value is approximately \$1.8 billion. Fair value assessment for each of the asset classes has now been completed and has informed this value.

In order to undertake sound condition assessment, Council has developed an extensive set of processes and procedures to inspect and categorise assets. Council has developed a *Condition Inspection Handbook 2011* which details processes, procedures and the condition rating guidelines used in condition inspections. Regular inspections are carried out, as determined by a risk assessment process described later in this strategy.

Staff undertake inspections and uses the guides in the handbook to determine condition ratings. The condition ratings, as indicated in Table 2, are used to describe the condition of all asset classes and sub classes. As an example, road condition is assessed in the field, and then the data is imported into the Pavement Management System before entry into the corporate Asset Management System (the system). Footpaths, car parks, and kerb and gutter assets are assessed in the field by Council staff and then entered directly into the system.

Table 1 *Summary of replacement costs by asset class as at 2012 -2013*

Asset class	Replacement cost	Overall condition
Road network	\$561,720,302	Fair
Buildings and facilities	\$260,759,601	Fair
Public spaces	\$94,675,304	Fair
Stormwater and drainage	\$262,784,367	Good
Other	\$908,174,000	-

* As of January 2013

Appendix 1 contains valuation and dimensions information about each asset class.

Table 2 *Condition ratings and descriptions*

Condition rating	Condition description	Life consumed (%)
1	Excellent/new - no work required	0-20
2	Good condition - normal maintenance only	>20 to 55
3	Fair (average condition) - some work required	>55 to 75
4	Poor condition - renewal required within one year	>75 to 90
5	Very poor (critical condition) - urgent renewal required	>90 to 100

Asset description

Council continues to refine the asset condition assessment process with optimum condition ratings for each asset class and sub class. This information will be used to provide a sound basis for determining the level of expenditure that is required to maintain assets to continue to meet the needs of the community.

Maintenance cost and activities

The following maintenance work functions are used to manage assets at Council:

Programmed maintenance	Maintenance that occurs on an annual cycle that is planned to bring the asset back to its intended level of service or Maintenance that addresses legislative or Australian Standard requirements.
Reactive maintenance	Maintenance that is unplanned due to unforeseen changes to the assets intended level of service.

As part of the annual planning and budgeting process, operational and maintenance budgets are proposed to Council. They are placed on public exhibition, with the entire budget proposal. Approved budgets are determined by Council. Maintenance expenditure, by asset class is shown in Table 3.

Generally maintenance activities are carried out by qualified Council staff. Where this is not possible, contractors are employed to undertake other activities, particularly those that relate to Australian Standards or legislative requirements.

Table 3 *Maintenance expenditure by asset class*

Asset class	Maintenance expenditure in 2012 - 2013
Road network	\$10,062,000
Buildings and facilities	\$2,120,000
Public spaces	\$823,000
Stormwater and drainage	\$652,000

Road maintenance includes maintaining kerb and gutter, footpaths, cycle ways, bridges, culverts and car parks. It is generally undertaken by Council staff and in some instances, contractors. Work programs are generally determined by requests and inspections. The Asset Management Plan contains more detail on road operations and maintenance.

Operational and maintenance activities on buildings and facilities are carried out by Council staff or contractors. Building maintenance requests can be generated in a number of ways. These include requests or through inspections carried out in line with the *Condition Inspection Handbook*. Requests are entered into the Asset Management System and prioritised for action. Any significant issues that are identified are included in future renewal programs.

Maintenance of public spaces is generally carried out by Council staff, however in peak times, contractors may be used to maintain appropriate service levels. Maintenance of public spaces is programmed by request and regular inspections. Mowing and horticulture activities are determined by seasonal changes and weather patterns.

The stormwater and drainage network is designed to operate without physical intervention, and there is little or no mechanical/electrical equipment that requires control. Maintenance activities include cleaning and doing minor repairs to stormwater drains and gross pollutant traps.

Asset description

Renewal of assets

Renewal activities are informed by models that are influenced by intervention levels. Intervention levels are condition factors used to determine renewal maintenance programs. A renewal program is intended to bring assets back to their optimum life to ensure services are continually delivered to the community.

The funding of renewal activities to maintain Council's assets at an agreed level of service is continually considered by Council and an issue that is recognised across the industry in general.

In addition, Council uses a number of principles to ensure that the renewal program is sound. These include:

- allocating funds year by year on a prioritised basis, ensuring that the most risk affected assets are rehabilitated
- modelling long term consolidated renewal expenditure requirements over 10 years
- detailing renewal requirements and associated funding requirements for the Delivery Program and budget cycle over ongoing four year periods
- consultation with relevant stakeholders regarding funding required and consideration of funding options
- allocating additional renewal funding per year to reduce the need for reactive maintenance
- seek supplementary funding from various sources (Government grants, contributions).

Council currently dedicates approximately \$10m a year towards asset renewal. Current modelling and condition assessments indicate that Council is experiencing a gap in the funding required to maintain and renew assets at appropriate standards.

While this is an issue for Council and Local Government in general, it does not currently reduce the levels of service to the community, however will place financial pressure on Council and may impact the usability of key assets. The Long Term Financial Plan provides more detail on this topic.

The asset renewal program for each asset class is determined annually through the budget preparation process. It is published in Council's business papers annually.

Level of utilisation and customer satisfaction

Council uses various methods to determine utilisation of a number of its assets. Utilisation of childcare centres, libraries, leisure centres and attendance at the Arts Centre are regularly monitored and reported to Council. An area of improvement for the asset management process is for this data to be entered into the Asset Management System.

Council has commenced the development of defined service levels for each asset class. This includes the development of performance measures.

Council's telephone survey, undertaken in late 2010, indicated that the community were satisfied with the overall performance of Council. However, the condition of Council's assets continues to be an area of concern that has been identified through community consultation. Specifically, the overall condition of the road network is the key area the community felt requires attention.

Asset management practices

This section of the strategy describes the approach to asset management that Council has taken.

The strategic goals of asset management are to:

- integrate the financial and maintenance aspects of asset management
- facilitate management of the total asset lifecycle for all assets
- develop and facilitate a consistent works management process to ensure operational efficiencies
- optimise the life of assets through better forecasting of required maintenance for the total lifecycle of the asset/equipment (ie from planning through to disposal)
- provide information to support replacement versus rehabilitation decisions
- assist the business to evolve from reactive to programmed maintenance where appropriate
- facilitate reporting on asset condition, value and performance.

Council's Asset Management System is the database for asset information. The range of functions and activities that are addressed by this system include:

- asset register
- valuations
- managing acquisition and disposal
- planning long term/renewal maintenance programs
- works order generation and management
- spatial representation of assets
- risk analysis through management of probability and consequence data

- dynamic link to asset management software for condition assessment of roads
- links with modelling software for life cycle predictive scenarios as well as financial analysis.

The management of risk is at the centre of the asset management process. The Asset Management System is also utilised for:

- identifying and managing key risks across each asset class
- benchmarking the performance of all assets against prescribed objectives
- developing a risk-based works program and inspection schedules
- recording the history of completed maintenance work.

The Asset Management System is central to asset management decision making processes. There are a number of parameters that are used to develop maintenance programs, programs for the frequency of asset inspections and future works programs for assets. These include utilisation, importance to the community, economic benefit and a risk score.

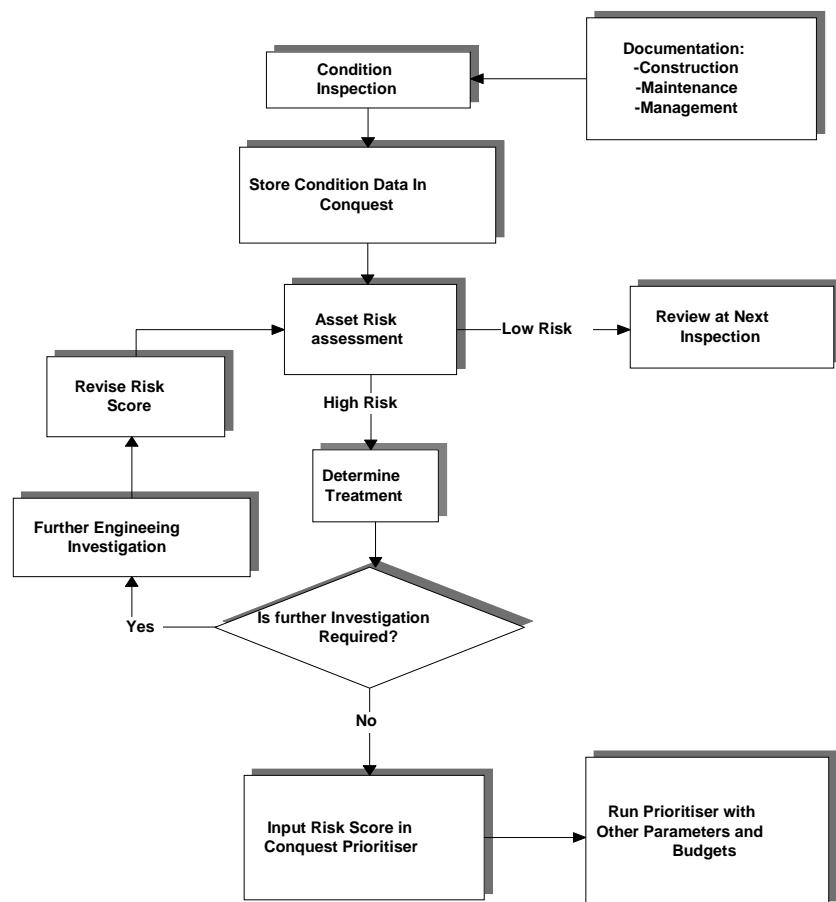
A general overview of the risk assessment process is provided below. The *Institute of Public Works Engineering Australia (IPWEA) International Infrastructure Management Manual 2011* defines risk as the product of the probability of failure and the consequence of failure of an asset:

Risk score = probability (of failure) score x consequence (of failure) score.

Figure 2 provides an overview of the process.

Asset management practices

Figure 2 Development of risk based works/inspection programs



Council relies on various other information systems to manage assets. Table 4 describes the information systems that are utilised to inform asset management planning.

Table 4 *Reliance on information systems for asset planning*

Asset management system	Current business system
Financial Asset Register	Conquest
Asset Register	Conquest
Spatial (Mapping)	Mapinfo
Maintenance Management	Conquest
Asset Performance Assessment and Monitoring	Conquest
Asset Condition Monitoring	Conquest
Customer Requests	Pathways request
Asset Risk Management	Conquest
Forward Works Programming	Conquest, SMEC PMS
Annual Maintenance Programs	Conquest
Document Management System	ECM
Financial and Predictive Modelling	Moloney, SMEC

With continued use of these systems and other systems that become available, Council continually improves the approach to the management of assets.

Current asset management challenges and vision for the future

External challenges

Although each asset will be affected by demand drivers particular to their class, calculations for future demand on each asset class is influenced by a common set of characteristics including:

- population growth
- demographics (changes in community age profile)
- legislative requirements
- changes in community expectations.

It is expected that the population in Campbelltown will increase from 155,000 in 2011 to approximately 185,000 by 2021¹. The existing centres of Campbelltown and Ingleburn are expected to increase in population density, while greenfield development in areas such as Edmondson Park and Menangle Park is also expected to take place. In addition, areas such as the Oran Park development will see residents come from outside the Local Government Area to use the services provided by Council. The changing population and demographics both within the Local Government Area and in surrounding Local Government Areas will have a significant impact on transport corridors and infrastructure needs within the Campbelltown Local Government Area.

While the population will grow, it will also change significantly with the redevelopment of a number of Housing NSW estates within the Local Government Area. This brings with it the potential for a growing base of aged assets being handed over to Council to manage. This is particularly relevant to roads.

¹ NSW Statistical Local Area Population Projection, 2006-2036, NSW Department of Planning

The Community Strategic Plan provides guidance to Council on the expectations of the community with respect to services and assets required. To ensure that Council is prepared for the challenges it continues to face, regular strategic planning days are held with Councillors and senior staff to discuss future plans.

Internal challenges

As with any business and particularly Local Government, the asset base will continue to require appropriate funding to ensure that service levels are maintained. In addition, the asset management processes and procedures used at Council will require continual refinement and updating, to ensure they provide the necessary support to staff to manage the assets in line with best practice principles.

The work that has been completed on asset management has provided a sound basis for Council to complete the necessary longer term planning and funding strategies required.

As a result of this work the asset maintenance and renewal backlog stands at \$29.7million as at June 2013. This \$29.7m stands for the amount required to be spent today to bring all assets (roads, buildings, K&G, footpaths etc) up to an average or better condition. More than half of this backlog is attributable to roads with buildings second.

To address the backlog over 10 years and provide adequate renewal funding on a yearly basis, an additional \$5.2m (with a 3 per cent annual increase) would need to be allocated to Asset Maintenance and Renewal from the 2014 - 2015 financial year.

For more information about the backlog please see special schedule 7 of the [financial statements](#) on Councils website.

Current asset management challenges and vision for the future

Vision for the future - Council's action plan

There are a number of activities that Council will undertake over the coming years to refine and further develop the approach to asset management, which are outlined in Table 5. The action plan will be reviewed and updated regularly.

Table 5 *Action Plan*

Action	Timeframe
Action area: Asset Management Strategy (leadership)	
Review and update policy as required	Ongoing
Continually review and refine Asset Management Strategy	Ongoing
Continually review and refine Asset Management Plan	Ongoing
Action area: Outcome driven (customer and market focus)	
Further refine approach to the analysis and management of demand for assets	Ongoing
Further refine asset related service level standards and performance measures for each asset class	Ongoing
Periodic review of asset related levels of service	Yearly
Develop robust utilisation measures for the main services/assets	2014-2015
Develop options for assets if utilisation is poor	2014-2015
Investigate innovative approaches to the provision of public space and building facilities	2014-2015
Consult with community groups to establish community expectations for assets	2014-2015
Develop procedures related to the management of new buildings and facilities	2014-2015
Action area: Success and sustainability	
Develop a strategic capital works program	2014-2015
Continually refine asset renewal predictive models	Ongoing
Carry out revaluations to meet statutory requirements on a five year cycle	As per program
Consider lifecycle costs to be considered in all decision making processes relating to new/upgrade services and assets	Ongoing
Continue to review and refine asset condition information	Ongoing

Current asset management challenges and vision for the future

Action	Timeframe
Refining Council's Asset Disposal Policy	2014-2015
Action area: Asset knowledge (information and knowledge)	
Undertake strategic review of asset related information systems	2014-2015
Further refine methodologies for collection of asset data and condition assessment for inclusion in the <i>Condition Inspection Handbook</i>	Ongoing
Link asset management planning activities more closely with Council's section business planning and budgeting process	Ongoing

Appendix

Details of road network assets owned by Council:

Asset category	Sub category	Quantity	Total replacement cost
Roads	Formation	5,955,930m ²	\$21,366,538
	Pavements	5,955,930m ²	\$186,952,823
	Surfacing	5,952,715m ²	\$71,406,774
Car parks	Formation	390,086m ²	\$1,859,868
	Pavements	390,086m ²	\$8,376,613
	Surfacing	369,287m ²	\$4,674,740
Footpaths and cycle ways	Footpaths and cycle ways	559,289m ²	\$35,489,102
Kerb and gutter	Concrete kerb and gutter	1235.20km	\$105,317,587
Kerb and gutter	Kerb and gutter pavements	1,063,633m ²	\$19,826,126
Bridges and culverts	Road bridges	32	\$44,363,911
	Major culverts	124	\$22,201,020
	Foot bridges	37	\$5,126,220
Road furniture	Signs	17,357	\$7,430,160
	Street litter bins	274	\$306,670
	Street seatings	86	\$66,016
	Crash barrier fencing	16.085km	\$4,249,570
Road structures	Bus shelters	277	\$2,926,448
	Local area traffic management	209	\$354,259
	Road intersections - islands	549	\$2,938,500
	Raised crossing	295	\$1,523,856
	Roundabouts and other devices	176	\$13,332,161
	Retaining walls	5614m ²	\$1,631,338
Total			\$561,720,300

Appendix

Details of buildings and facilities assets owned by Council:

Asset category (as determined by Council)	No. of buildings
Council offices	4
Works depot	5
Halls / community centres	30
Council houses	4
Libraries	4
Childcare centres	18
Bushfire buildings	8
Recreation centres	12
Other buildings	70
Amenities/toilet buildings	66
Art gallery buildings	2
Total	223
Total value of building and facility assets	\$260,759,601

Appendix

Details of public space assets and value owned by Council:

Asset group	Quantity	Replacement cost
Other structures		
Walls	4,763.50 m ²	\$1,207,952
Lighting	1878 nos	\$6,395,135
BBQ	25 nos	\$168,060
Gates	424 nos	\$379,439
Signage at Council facilities	854 nos	\$323,665
Park furniture	576 nos	\$415,000
Shade structures	9466.27m ²	\$4,170,981
Handrails	1756m	\$136,963
Special features	164 nos	\$731,635
Flagpoles	47 nos	\$68,730
Sporting facilities	288 nos	\$1,970,771
Garden and playground edging	1421m	\$30,900
Fencing	96398m	\$6,477,965
Play equipment	93 nos	\$5,379,708
Grandstands	583m ²	\$428,993
Water tank	45 nos	\$311,587
Litterbins	361 nos	\$396,946
Goal posts	2242m	\$324,310
Stadia seating	13028 nos	\$1,954,200

Appendix

Asset group	Quantity	Replacement cost
Public spaces - land improvements depreciable		
Artificial grass area	5312 m ²	\$239,040
Asphalt area	6752 m ²	\$391,616
Concrete skating area	1800m ²	\$141,840
Cricket practice wickets	2766m ²	\$513,324
Cricket wicket (concrete)	484m ²	\$31,634
Pump and motor	36 nos	\$224,400
Rubber Track Area	30 m ²	\$3,570
Running Track Surfacing	5580m ²	\$1,116,000
Sport ground - Irrigation System	40 nos	\$760,313
Campbelltown Art Centre Sculpture Garden & Items	3 nos	\$385,300
Public Spaces - Land Improvement Non Depreciable		
Sporting Fields	1281165.5m ²	\$58,521,777
Cricket Wicket (Turf)	1710m ²	\$11,238
Artificial Lake	41690m ²	\$496,111
Landscaping - Building Garden Beds	6528m ²	\$187,779
Landscaping - Parks & Reserves	61817m ²	\$370,815
Floating Wetlands	3 nos	\$7,506
Total for public spaces		\$94,675,204

Appendix

Details of stormwater and drainage assets and values assets owned by Council:

Asset type	Quantity	Replacement value
Pits	20346 Nos	\$46,886,993
Pipes	574.212 km	\$141,820,876
Headwalls	809 Nos	\$2,373,653
Detention basins earthworks	3,038,564 m ³	\$36,766,624
Natural and concrete channels	72.535 km	\$24,269,140
Water quality devices	43	\$1,360,500
Detention basin structures	96	\$9,306,581
Total value		\$262,784,367

Value of other assets owned by Council

Asset type	Replacement value
Other	\$908,174,000



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Appendix 4

Asset Management Plan



Campbelltown City Council Asset Management Plan 2013 - 2023



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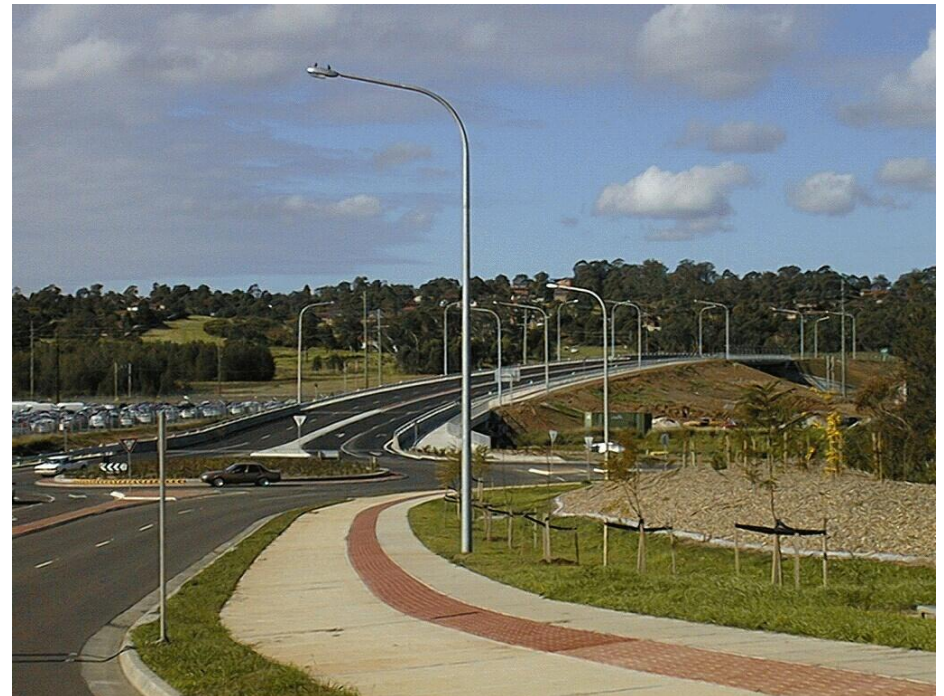
Introduction

This 10 year Asset Management Plan along with the policy and strategy is a component of the Resourcing Strategy.

The plan provides details about Council's approach to the management of the community's assets in line with appropriate standards and also contributes to the achievement of the objectives and strategies in the Community Strategic Plan.

The plan has been written in line with the *International Infrastructure Management Manual* (International Edition 2011) and addresses the areas of levels of service, demand forecasts, operations and maintenance, renewals, new works (capital), disposals and also includes a reference to the 10 year financial forecasts for the management of the assets as contained in the Long Term Financial Plan.

The plan covers the four asset classes as identified in the Asset Management Strategy. The strategy contains a detailed description of each asset class.



Levels of service

The level of service expected by the community is the first factor that influences the approach to asset management. The community engagement that was undertaken, and the resulting objectives and strategies contained in the Campbelltown Community Strategic Plan provide an overview of the levels of service that the community want from Council. The general feeling from the community is that they are satisfied with the level of service that they receive from Council¹, however, with respect to asset management, they would like Council to place greater emphasis on the renewal and maintenance of roads, availability of car parking and traffic management.

Council continues to work on defining and documenting the levels of service for each of its asset classes. Indicative service levels for each asset class have been suggested in the plan, however these will be finalised as part of the improvements to Council's overall asset management approach.

All of Council's assets are considered critical to the delivery of services to the community.



¹ Campbelltown City Council 2010 telephone survey

Levels of service

Road network

Roads, bridges and associated structures are of vital importance to the ever expanding community and industrial landscape within and around Campbelltown. The road network allows the community to move in, out and around the City. Council supports this transport network to enable economic activity, tourism links and social connectivity to meet community needs. In doing this, Council contributes to the Campbelltown Community Strategic Plan, Objective 3 - *An accessible City* and more specifically, to Strategy 3.1 - *The development and implementation of infrastructure plans to support efficient movement around the City*.

The road network is made up of the following categories of assets. The Asset Management Strategy contains a comprehensive list of road assets in the Campbelltown Local Government Area:

- road and car park surfaces
- kerb and gutters
- footpaths and cycle ways
- bridges and culverts
- road furniture
- road structures.

As indicated earlier, the Local Government Area has an extensive network of roads and associated assets. While Council maintains a large component of the road network, both the State and Federal Governments also have a role to play in the management of the roads.

Work has commenced on the development of performance measures and service levels for the provision of roads and related structures, see Table 1. These measures will be refined along with a process for monitoring and reporting against them.

Table 1 *Suggested performance measures and levels of service for Council's road network and associated structures*

Key performance measure	Level of service	Performance measure process
Quality	Well maintained and suitable road network and footpaths	Sealed road network condition
		Footpath network condition
		Kerb and gutter asset conditions
		Bridges and culverts conditions
		Road network condition
Safety	A safe road network	Customer reported accidents
Customer satisfaction	Provision of services such that there is a low number of customer requests	Number of customer requests

Levels of service

Building and facilities

Council manages a wide variety of buildings and facilities. These range from childcare centres and an Arts Centre to office blocks and swimming pools. It is a diverse portfolio of assets that requires a diverse range of strategies and expertise to ensure that they continue to deliver an acceptable level of service to the community. For a comprehensive list of building and facilities in the Campbelltown Local Government Area, refer to the Asset Management Strategy.

The extensive range of buildings and facilities provides the community with a broad range of services that, in conjunction with other service providers, contributes to the Campbelltown Community Strategic Plan, Objective 4 - *A safe, healthy and connected community*. More specifically, they contribute to Strategies 4.1 and 4.3 - *The provision of a balanced range of services to the community* and *The provision of activities that foster a sense of community spirit*.

Work has commenced on the development of performance measures and service levels for the management and provision of buildings and facilities, see Table 2. The measures will continued be refined with a process for monitoring and reporting also being developed.

Table 2 *Suggested performance measures and levels of service for Council's buildings and facilities*

Key performance measure	Level of service	Performance Measure
Quality	Provide clean and serviceable facilities	Customer feedback
	Meets user requirements	Feedback logs
Accessibility	Available when needed	Customer feedback related to user requirements
	Facilities are accessible in line with <i>Disability Discrimination Act</i> (DDA) groups	Customer feedback related to availability
Safety	Facilities are free from hazards	Customer feedback related to accessibility for DDA groups
		Reported accidents/incidents

Levels of service

Public spaces

Public space, for the purposes of asset management, is defined as sports grounds, parks, playgrounds and the equipment and furniture that is located within these spaces. For a comprehensive list of public space assets in the Campbelltown Local Government Area, refer to the Asset Management Strategy.

Council maintains public space assets to appropriate standards or agreed levels of service, as they provide the community with important recreation and exercise opportunities. In doing this, they contribute to the Campbelltown Community Strategic Plan, Objective 4 - *A safe, healthy and connected community*. More specifically, they contribute to the three Strategies, 4.1, 4.2 and 4.3 - *The provision of a balanced range of services to the community*, *The provision of clean and safe public spaces* and *The provision of activities that foster a sense of community spirit*.

Work has commenced on the development of performance measures and service levels for the management and provision public spaces in the Local Government Area, see Table 3. The measures will continued be refined with a process for monitoring and reporting also being developed.

Table 3 *Suggested performance measures and levels of service for Council's public space assets*

Key performance measure	Level of service
Accessibility	Information brochures and website available on frequently asked questions.
	Public space assets will be maintained in a reasonably usable condition. Defects found or reported that are outside our service standard will be scheduled for repair.
Health and safety	All public space assets will be inspected. Inspections will be carried out, with defects identified and repaired in accordance with adopted servicing regimes and schedules to ensure they are safe.
Reliability/responsiveness	No complaints from sporting codes about fields or surfaces not being ready.
Whole community benefits	Regular consultation with community groups enables satisfaction with a range of events held within parks.

Levels of service

Stormwater and drainage

Council manages an extensive network of stormwater and drainage assets. For a comprehensive list of stormwater and drainage assets in the Campbelltown Local Government Area, refer to the Asset Management Strategy.

Council ensures best practice management of the quality and quantity of stormwater and drainage throughout the catchment. This contributes to the Campbelltown Community Strategic Plan, Objective 3 - *An accessible City*. More specifically, it contributes to the Strategy 3.1 - *The development and implementation of infrastructure plans to support efficient movement around the City*.

Work has commenced on the development of performance measures and service levels for the management of stormwater and drainage assets in the Local Government Area, see Table 5. They will be refined over the coming 12 months, along with a process for monitoring and reporting against them.

Table 4 *Suggested performance measures and levels of service for Council's stormwater and drainage assets*

Key performance measure	Level of service	Performance measure process
Quality	Provide a high level of underground drainage with minimal street flow widths and nuisance flooding	Surveys
Function	Average recurrence intervals standard of underground drainage	Catchment modelling
Safety	Reduce flooding hazards such as excess roadway ponding in minor events, and flow velocities around walkways	Reported accidents from water on road, insurance claims from injury in wet conditions

Demand forecast and management

There are various factors that will affect the demand for the services and associated assets that Council provides, now and in future years. While some factors will affect all services and assets, such as population growth, others will only affect particular services and assets, such as growth in car ownership. The changing population and demographics both within Campbelltown and in surrounding Local Government Areas will have a significant impact on transport corridors and infrastructure needs within the Campbelltown Local Government Area.

Council completes modelling of the impacts of population growth across the Local Government Area. It is expected that the population of Campbelltown will increase from 155,000 in 2011 to approximately 185,000 by 2021². Growth will largely be urban renewal, medium density and smaller scale master-planned estates.

The most significant sites likely to experience growth and development are the Campbelltown and Ingleburn CBDs, Edmondson Park, the University of Western Sydney (UWS) site, Menangle Park and areas within Macquarie Fields, Minto, Airds and Ambarvale-Rosemeadow.

It is anticipated that there will be extra pressure on already stressed roads from development within the Local Government Area, however residents from areas such as the South-West Growth Centre (including Oran Park) and in the north and south of Campbelltown will come to use the services provided at Campbelltown, for example the hospitals and railway stations.

These changes in demand will place pressures on the road networks, the types and numbers of buildings and facilities that Council manages, and also the amount of public space that is in the Local Government Area. These will be discussed in further detail in the following pages.



² NSW Statistical Local Area Population Projection, 2006-2036, NSW Department of Planning

Demand forecast and management

Road network

The expected growth in and around the Local Government Area, has implications for Council in its continued provision of services and assets to meet the needs of both existing and new populations. The more specific factors affecting demand for roads can be found in Table 5.

Table 5 *Factors specifically affecting demand and expected impacts on road assets*

Demand factor	Present position	Projection	Impact on services/assets
Residential impacts	Number of dwellings as at 2011 census 51,281	This will increase over the next 10 years	The road system has a number of existing or potential stress points that are likely to require remedial works in order to accommodate the growth in traffic that will accompany development
Public transport	Council reviews existing transport needs for new developments in conjunction with the State Government and surrounding Local Government Areas	With a higher population and more congested roads, demand for public transport is likely to be higher	Increase in the provision of bus lanes, bus shelters and commuter car parks to facilitate alternative forms of transport
Cycling	Facilities are being provided in accordance with the Local Area Bike Plan	It is anticipated that there will be an increase in the length of cycle ways required	More cycle ways
Legislative requirements	There are changes in NSW Roads and Maritime Services technical directions and disability accessibility standards	Higher standards for improved safety and amenity	Higher levels of service will require consideration of funding arrangements to ensure that service standards are met
Growth in car ownership	Census data shows there is a growth in the number of cars per residences	It is anticipated the ownership of cars will continue to increase	If current car ownership is maintained and the population rises, there will be a greater demand for roads services
Commercial/industrial impacts	Movement in and out of the City via the main arterial roads and highways is currently at capacity, reducing the ability for customers and employees to reach their destination	This will increase over the next 10 years	The congestion will increase and therefore the roads will have higher utilisation and deteriorate faster. There is also the potential for the loss of jobs through employers relocating

Demand forecast and management

Council utilises the Institute of Public Works Engineering Australia model to estimate demand for new roads and associated assets. One of the main inputs to model is population data. The model predicts that over the next 10 years, Council will be required to build approximately 18kms of new road, 25kms of new footpath and 34kms of new kerb and gutter. This will also generate a need for new street signs, bus stops, street lights (renewals are dealt with later in this document in more detail).

Council will address the increasing demand for roads and develop strategies to manage it, in the following ways:

- by modelling and analysing traffic in the Local Government Area
- by modelling and analysing utilisation in the Local Government Area
- by modelling and analysing traffic in partnership with Camden Council, focusing on the combination of areas and demand factors
- by participating in State Government strategies.

With new development comes increased traffic in and around the City. This is important as there is a need to retain quality traffic access to the City centres to maintain their commercial competitiveness. There is also a need to expedite bus movements through and facilitate traffic circulation within the centre. To mitigate the traffic issues, Council builds at least \$250,000 worth of cycle ways a year and supports all reasonable requests for bus priority works in an attempt to reduce the use of private cars.

In addition to the works identified above and in order to examine these issues, Council is developing a traffic model that will allow future traffic demands to be quantified and implications of possible improvement options to be assessed. Another model will allow separate overall arterial/sub-arterial and town centre road system development strategies to be prepared.

More specifically, Council will develop:

- a Campbelltown road traffic model suitable for the prediction of area wide traffic forecasts
- a Campbelltown town centre road traffic model
- an Ingleburn town centre road traffic model.

Once developed, Council will use the Campbelltown road traffic model to establish a 10 to 20 year road network development strategy to cover residential, collector, and regional arterial roads. The Campbelltown and Ingleburn town centre road traffic models will be used to assess the effects of expected development and develop a town centre traffic management strategy.

Council worked together with Camden Council and the State Government to develop the *Campbelltown and Camden Councils Integrated Transport Strategy Final Report*.

The strategy was aimed at:

- bringing together the various existing transport studies and strategies affecting the region into one comprehensive strategy document
- outlining the costs and benefits of the various transport priorities identified for the region
- providing both Councils with information and facts to support actions to implement and lobby for transport improvements
- outlining an implementation strategy for transport improvements including costings, timing and responsibilities.

Demand forecast and management

The strategy identifies five key areas: land use, road network, parking, public transport, and walking and cycling and contains a number of individual actions under each of the areas including an appropriate implementation plans. A number of the actions are already in progress through Council's normal planning processes for new release areas, or are part of existing transport reviews such as the bus services review recently completed and implemented by Transport for NSW.

Other actions that will commence shortly include:

- a review of the footpath strategies
- increased funding for cycle way linkages
- an increase in Council involvement in the bus services review by Transport for NSW
- an increase in Council involvement in the RailCorp commuter parking strategy
- an increase in lobbying activities for improvements to the road network for all forms of transport, rail services, commuter parking and expansion of bus services to keep in step with resident demands.

Council recently endorsed the *Campbelltown Local Government Area Bicycle Plan* and the *Pedestrian Access and Mobility Plan*. These plans act as a guide to ensure crucial linkages and access is provided throughout the City. The plans will ensure that future development takes into account access and alternate forms of transport at the concept stage of any development, and appropriate land is set aside within the developments to adequately provide for these plans.

Building and facilities

The expected growth in and around the Local Government Area, will have an impact on the types of buildings and facilities that Council owns now and into the future. It is anticipated that residents from the new development areas in the nearby South West Growth Centre will utilise services provided by Council. This has the potential to place

more pressure on some services that are currently operating at or near capacity. However, Council must continue to provide services and assets to meet the needs of the changing existing population.

The more specific factors affecting demand for Council buildings and facilities and an analysis of these factors are shown in Table 6.

Table 6 *Expected impact on service demand for buildings and facilities from various demand influences*

Demand factor	Present position	Projection	Impact on services
Demographics	Mix of elderly and young from varying social and economic backgrounds	Ageing population, but new growth areas in next 20 years may see an influx of younger families with children	Review of services and subsequently buildings and facilities, required to service community
Increasing level of service via legislative requirements	Current requirements of the Building Code of Australia 1993, and <i>Disability Discrimination Act 1992</i>	Improved access for the disabled and vision impaired community	Providing a higher level of service for easier access will require a review of how we implement the requirements

Demand forecast and management

Another key factor that will affect Council's buildings and facilities is technological change. More specifically, improvements in the area of sustainability and energy saving technologies will see changes to how Council builds and operates these assets.

Table 7 provides a summary of some of the changes.

Table 7 *Technology changes*

Technology changes	Effect on service delivery
Power factor correction program	Improvement to the power correction factor devices in larger buildings equates to additional funds available to improve building maintenance programs
Improved air conditioning units (hydrochlorofluorocarbon – HCFC)	Improve greenhouse gas emissions (carbon footprint)
Fluorescent light replacement program	Reduce cost and again lower the carbon footprint

Council currently has no quantitative analysis methods for determining how these changing factors will affect demand. Changes in this area are generally informed by the drivers for demand and external pressures by external parties. This is an area for improvement in the asset management process.

Over the coming years, Council will be investigating how it can deliver services in new and innovative ways, incorporating technology changes and sustainability wherever possible.

Demand forecast and management

Public spaces

Council currently has an extensive portfolio of public space assets. These assets are important to the community as they provide valuable space for families to gather and for sports and recreation activities to take place, which is necessary for the health and wellbeing of the community.

There are many issues facing Council with respect to public space assets. Some include current spaces used for sporting activities which are at capacity, and the potential new public space that Council will inherit with new development anticipated around the Local Government Area.

There are a number of unique factors that directly impact the demand for public space assets. These factors include:

- changes in recreation and leisure trends
- change in community expectations
- changes in community age profile.

Council monitors recreation and leisure trends closely by maintaining excellent networks with the relevant industry and community groups. This enables Council to react to the needs of the community when it is able to do so.

With a changing population and demographics comes changing expectations of the community for services. A move in the demographics towards an ageing population has seen an increased demand for services to support the aged community, for example hydrotherapy and aqua aerobics.

Another key factor that may affect public space assets is technological change, which will require further investigation. For example, changes to playground equipment and soft fall provides a longer lasting area for falls and increased safety for children in these areas. Table 8 provides a summary of some of the changes.

Table 8 *Technology changes*

Technology changes	Effects on service delivery
New playground equipment and soft-fall materials ie TPV (Thermoplastic Polymer Vulcanizates)	Longer lasting material which is not affected by sunlight
New steel playground equipment from Europe	Designed to withstand more robust type activity (no plastic or timber materials used)
Multi-purpose synthetic grass materials for sports grounds	Enables sports ground to be used for cricket wickets in summer, and soccer fields in winter
Introduction of storm water tanks for irrigation purposes	Enables sports ground to last longer and be more sustainable

The Institute of Public Works Engineering Australia model used by Council utilises population projections and ratios of asset value per person to predict the needs for public space assets. At present, the model predicts the need for more facilities within public space assets to be available for future communities. Council is mindful that traditional methods for determining public space requirements do not take into consideration the 'actual' or 'real' needs of the community. Council has taken a considered approach to this issue and will finalise a study shortly that will provide some direction on this critical asset class. This is another area where innovative service delivery methods will be investigated to ensure that Council can meet the changing needs of the community.

Demand forecast and management

Stormwater and drainage

The expected growth in and around the Local Government Area has implications for Council in its continued provision of stormwater and drainage services. As additional impermeable areas from new development increase, the stormwater runoff potentially also increases.

The following factors affect the demand for services provided by stormwater and drainage assets:

- climate change and long and short term weather patterns (making storms more intense and the burden on stormwater and drainage assets greater, meaning making levels of service are more difficult to achieve)
- population growth (indirectly by promoting greenfield development)
- development – particularly greenfield development (by increasing hard-surface areas and therefore increasing run-off rates and the size and concentration of flows to stormwater assets)
- increased legislative demands
- more sophisticated flood predictions (which may uncover the previously unknown need for new or higher-capacity stormwater and drainage assets).

Council is aware of the factors affecting demand and to aid in understanding the issue, Council is preparing a number of detailed flood studies. These studies will identify any areas of deficiencies in the system and provide the means to determine the impact of new development. These studies take into account future development and climate change predictions.

To ensure current systems can manage the flows associated with new developments, each development is designed to ensure the increased stormwater flows are mitigated to pre-development levels, or the downstream system is upgraded to cater for the changes in flow.

The development control processes used by Council has the aims of:

- retaining natural stormwater systems as far as possible
- taking a major/minor approach to stormwater and drainage design to limit the frequency of flooding
- in no case allowing a development that would overload the downstream drainage system
- considering floods greater than the design floods when designing stormwater and drainage systems.

These principles are addressed by encouraging and/or mandating the use of Water Sensitive Urban Design (WSUD), which includes:

- detention facilities in new development areas
- stormwater treatment facilities in new development areas.

Maintenance

Building and facilities

Council has an extensive program of maintenance for its assets. Table 9 below provides an indication of the expenditure for 2012-2013, which included additional funding through the Local Infrastructure Renewal Scheme.

Table 9

Asset class	Maintenance expenditure in 2012 - 2013
Road network	\$10,062,000
Buildings and facilities	\$2,120,000
Public spaces	\$823,000
Stormwater and drainage	\$652,000

Generally, operations and maintenance activities are carried out by qualified Council staff. Where this is not possible, contractors are employed to undertake other activities, especially those that are related to compliance with Australian Standards or legislative requirements.

The following maintenance work functions are used to manage assets at Council:

Programmed maintenance	Maintenance that occurs on an annual cycle that is planned to bring the asset back to its intended level of service or Maintenance that addresses legislative or Australian Standard requirements.
Reactive maintenance	Maintenance that is unplanned due to unforeseen changes to the assets intended level of service.



Maintenance

Road network

Council spent approximately \$10m on road maintenance activities in 2012-2013. The typical maintenance activities carried out are listed in Table 10.

Generally, maintenance activities are guided by the following principles:

- ensuring the network is maintained to deliver the desired levels of service
- assessing whether minor maintenance is required if road pavements are due for rehabilitation
- ensuring that all defects in the road are rectified before the road is re-sealed.

Road maintenance activities are carried out by qualified Council staff. If a section of road requires more than minor maintenance works, then the road is listed on the future renewal program.

Table 10 *Typical maintenance activities for road assets*

Asset group	Asset management
Roads	Reactive maintenance pot holes and heavy patching Programmed preventive maintenance Crack sealing Spray sealing Rejuvenation/micro sealing Programmed renewal Rehabilitation - stabilisation Asphalt overlay
Kerb and gutter	Reactive maintenance where urgent annual kerb and gutter reconstruction program road works, kerb and gutter reconstruction program
Footpaths and cycle ways	Reactive maintenance where urgent annual footpath reconstruction program
Bridges and culverts	Miscellaneous programmed maintenance improvement works where required
Car parks	Reactive maintenance programmed maintenance

Maintenance

Council has drafted key performance measures for road operations and maintenance activities as listed below in Table 11.

Table 11 *Draft key performance measures for road assets operations and maintenance activities.*

Key performance measure	Level of service	Performance measure process
Cost effectiveness of maintenance	Proactive maintenance	Percent of maintenance completed by proactive repairs

Undertaking road maintenance work is a difficult activity. Some of the operational challenges faced when attempting to undertake this work includes:

- carrying out rehabilitation/reconstruction works while minimising traffic delays
- identifying critical timeframes to plan work
- managing public expectation
- sustaining natural products in construction works by recycling all materials, soils, aggregates and vegetation
- reducing erosion and protecting waterway systems
- minimising noise and restricted working hours
- resourcing skilled staff
- ensuring adequate and appropriate training
- ensuring quality standards are met
- operating with the least amount of disruption.

Hand in hand with maintenance activities comes the inspection program that Council undertakes. Council has extensive procedures in place to undertake condition assessment of roads and other assets. Council has developed a *Condition Inspection Handbook* which contains the procedures used for asset management inspection activities.

Building and facilities

Council spent approximately \$2m on building and facility assets maintenance activities in 2012-2013.

Each building is maintained to a certain standard. Prestigious public buildings such as the Arts Centre are generally kept in a higher condition than community halls. A detailed list of the building and facilities managed by Council can be found in the Asset Management Strategy.

Building maintenance works can be generated in numerous ways. These include requests or through inspections carried out in line with the *Condition Inspection Handbook*. Staff utilise tablet technology to download building information prior to going into the field to undertake inspections. Requests are contained in the Asset Management System used by Council and prioritised for action. Any significant issues that are identified are included for future renewal programs.

Operational and maintenance activities are carried out on each building by either Council staff or third parties. Some Council owned buildings and facilities are occupied by others, so they undertake the maintenance of those buildings.

Maintenance

Council has drafted key performance indicators for the operation and maintenance activities for buildings and facilities. They are shown in the table below.

Table 12 *Draft key performance measures for operations and maintenance for buildings and facilities*

Key performance measures	Level of service	Performance measure process
Condition	Provide regular maintenance as per schedule	Inspection log and outstanding defects log, service requests
Function/accessibility	Provide access and services for all user groups	DDA legislative compliance
Cost effectiveness	Provide service in cost – effective manner	Facility maintenance cost within budget \$/facility per annum Percentage planned / reactive maintenance
Safety	Provide safe suitable facilities free from hazards with hazards clearly identified	Outstanding hazards log Legislative compliance for asbestos hazardous chemicals Work Health Safety

When maintenance activities are undertaken on a building by third parties, the contracts for the work generally cover the following:

- procedures, standards and end results are mandated to ensure that the most appropriate materials and methods are used for building construction, refurbishment and maintenance
- compliance with legislation, eg Work Health and Safety and Australian Standards
- response times (to routine and emergency work) are defined by activity type
- approvals and scheduling of work programs
- monthly reporting of activities at facilities.

If a building component is assessed to be in need of maintenance work, a defect is raised and then an action is placed into the Asset Management System. This action generates the next inspection date which is linked to a risk factor defined by Council and the system. Asset staff may extract reports that allow them to better schedule inspection activities related to the type of building and location.

The frequency of inspections for legislative and Australian Standard compliance are shown below:

Table 13 *Example of inspection frequencies*

Type of inspections	Frequency of inspections (months)
Fire equipment	6
Air conditioning	3
Emergency lighting	6
Pest spraying	12

Maintenance

Public spaces

Council spent approximately \$800,000 on public space maintenance activities in 2012-2013. Approximately half of the expenditure was attributed to lawn mowing, while other major expenditure has been on garden maintenance, litter collection, tree care, weeding and graffiti removal.

Maintenance of public spaces is programmed by request and regular inspections that are undertaken. Mowing and horticulture activities are driven by seasonal changes and weather patterns.

Draft operations and maintenance key performance measures have been prepared and are detailed in Table 14.

Table 14 *Draft key performance measures for operations and maintenance of public space assets*

Key performance measure	Level of service	Performance measure process
Risk/condition	Playground equipment and soft fall areas are maintained at a technically optimal threshold	Annual comprehensive inspections carried out by approved contractor
	Other public space asset conditions are maintained at a technically optimal threshold	Annual condition inspection
Cost effectiveness	Proactive maintenance – playground equipment	Percent of maintenance done by proactive repairs
	Proactive maintenance – other public space assets	Percent of maintenance done by proactive repairs

Maintenance

Stormwater and drainage

Council spent approximately \$650,000 on stormwater and drainage maintenance activities in 2012-2013. This budget was mostly assigned to cleaning stormwater drains and gross pollutant traps, as well as maintenance and minor repair of drains.

The stormwater and drainage network, during storm events, is designed to operate without human intervention, and there is little or no mechanical/electrical equipment that requires control.

There are no known major operational or maintenance issues at present. Assets are generally in a good condition or better.

Council undertakes regular inspections of the assets in line with the *Condition Inspection Handbook*.

Council has key performance measures for the operations and maintenance of its stormwater and drainage assets as detailed in Table 15.

Table 15 *Draft key performance measures for operations and maintenance of stormwater and drainage assets*

Key performance measure	Level of service	Performance measure process
Condition	Provide a network free of blockages or failures	Response time to unblocking pits and pipes
Cost effectiveness	Maintain high levels of proactive maintenance for pipe and pit cleaning	Ratio of planned and cyclic maintenance vs reactive maintenance

Bringing old assets back to life...asset renewals

Council describes renewals as expenditure on assets that returns them to their original state or as close to it as possible.

Capital works are defined as activities that enhance the function of an asset or materially extend the life of an asset beyond its original designed life. More information on capital works can be found in the Long Term Financial Plan, the Operational Plan and annual budgets.

Council undertakes extensive modelling using data captured by rigorous inspection programs to project the renewal of assets.

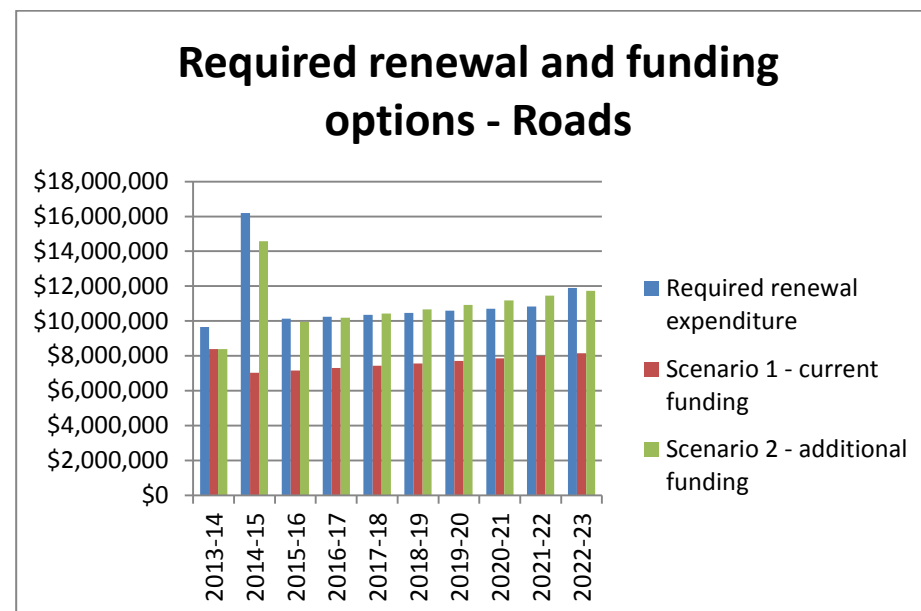
Road network

Road asset renewals are identified and prioritised in a cost effective manner based on a comparison of the costs and benefits of alternatives. This prioritisation is performed using the Pavement Management System. Renewal is undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing them at a cost less than replacement cost.

There are a number of projects that Council will consider to revitalise the business centres. This will include refurbishment of paving and increased parking in the Campbelltown Central Business District, which will contribute to improved amenity and encourage new investment.

Figure 1 shows the predicted renewal rates for roads (which are determined by models) and both the financial scenarios (detailed in the Long Term Financial Plan). Scenario 1 does not address the required renewal funding for the roads network over the next 10 years with the backlog continuing to grow. Scenario 2 addresses the funding shortfall with the backlog reducing to zero by 2022-2023.

Figure 1 *Predicted required renewal expenditure with both Scenario 1 and Scenario 2 for road assets*

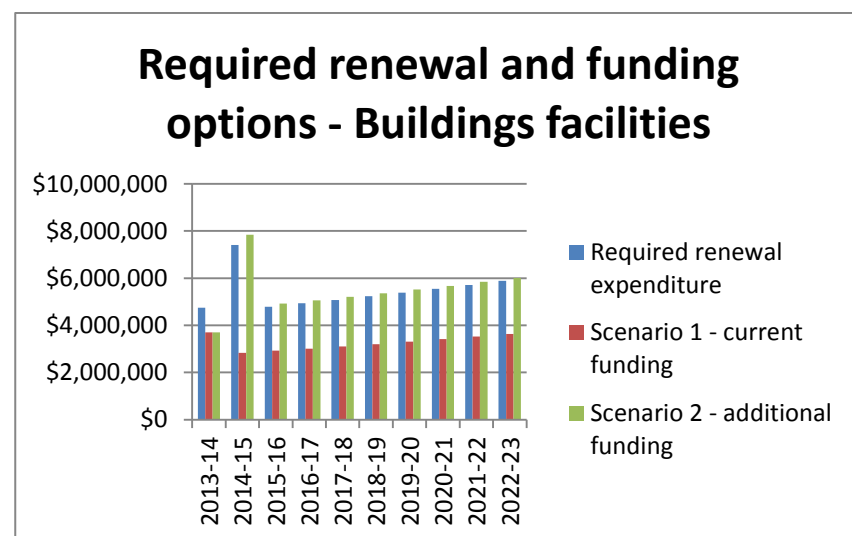


Bringing old assets back to life...asset renewals

Building and facilities

Figure 2 shows the predicted renewal rates for building and facilities (which are determined by models) and both the financial scenarios (detailed in the Long Term Financial Plan). Scenario 1 does not address the required renewal funding for the building and facilities over the next 10 years with the backlog continuing to grow. Scenario 2 addresses the funding shortfall with the backlog reducing to zero by 2022-2023.

Figure 2 *Predicted required renewal expenditure with both Scenario 1 and Scenario 2 for buildings and facilities*

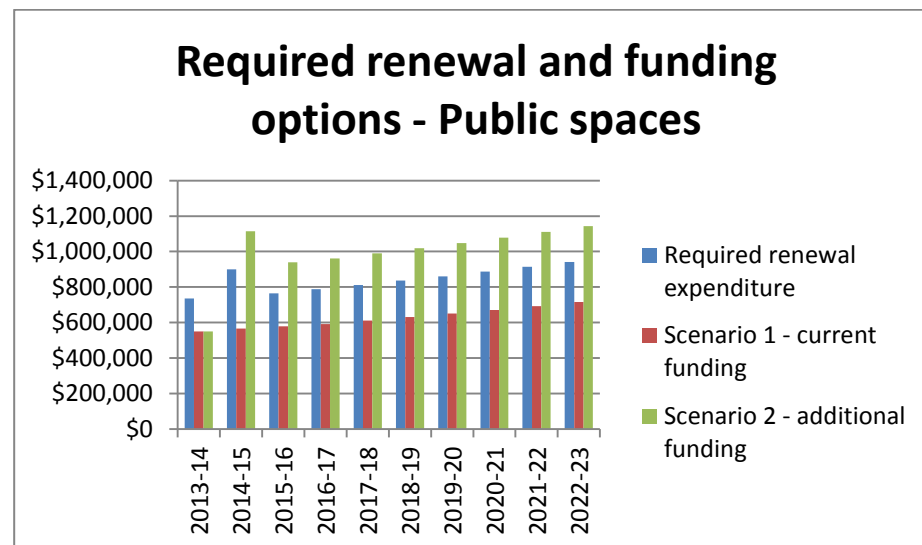


Public spaces

Figure 3 shows the predicted renewal rates for public spaces (which are determined by models) and both the financial scenarios (detailed in the Long Term Financial Plan). Scenario 1 does not address the required renewal funding for public spaces over the next 10 years with the backlog continuing to grow. Scenario 2 addresses the funding shortfall with the backlog reducing to zero by 2022-2023.

There are a number of projects that Council will consider to revitalise the business centres. This will include renovation of public areas in Campbelltown, Ingleburn and Glenfield, which will contribute to improved amenity and encouraging new investment.

Figure 3 *Predicted required renewal expenditure with both Scenario 1 and Scenario 2 for public spaces*



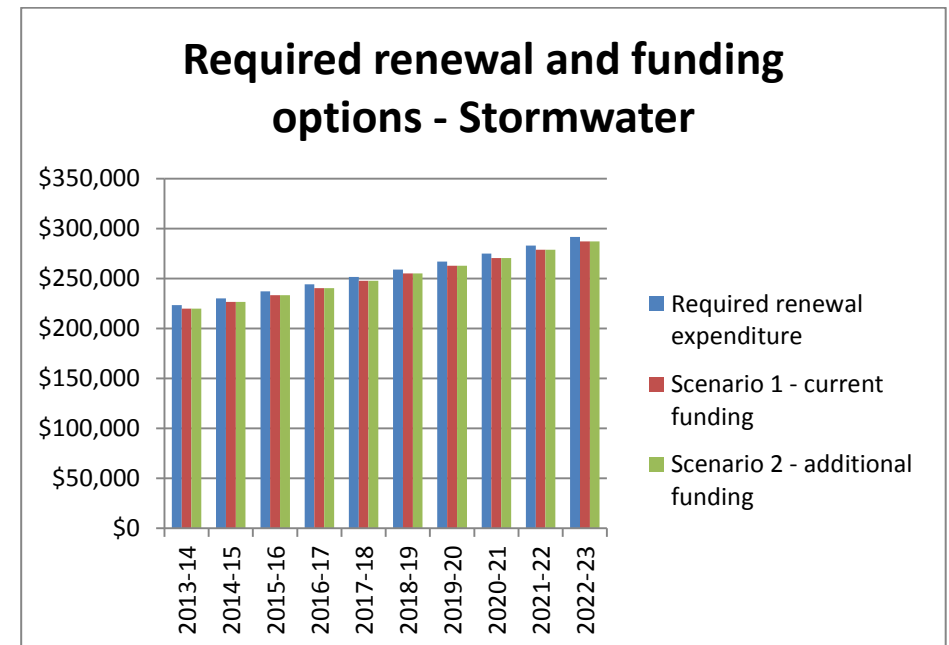
Bringing old assets back to life...asset renewals

Stormwater and drainage

Figure 4 shows the projected renewals costs for stormwater and drainage assets for the next 10 years. Both Scenario1 and 2 have the same projected expenditure. The maintenance of the stormwater and drainage network is funded through the stormwater levy. Current stormwater levy funding is used to both design and build new stormwater assets as well as maintain existing stormwater infrastructure.

The distribution of funding between new and existing stormwater infrastructure will need to be reviewed in future years to totally address any possible backlog.

Figure 4 Predicted required renewal expenditure for stormwater and drainage assets



New works

The program of new works is generated by a number of means, including new development in and around the Local Government Area. Council is currently developing a strategic capital works program that will provide a framework for a more structured approach to the need for capital works. The Long Term Financial Plan and the 2013–2014 Operational Plan and Budget provide details about the capital expenditure for Council.

Road network

The creation of new road assets is effected in several ways:

- vested in Council through subdivision/developments
- construction of new roads
- installation of traffic management devices and street furniture on existing streets to address identified needs
- where new Council-owned bus shelters are constructed, action is taken to ensure that they are *Disability Discrimination Act 1992* compliant.

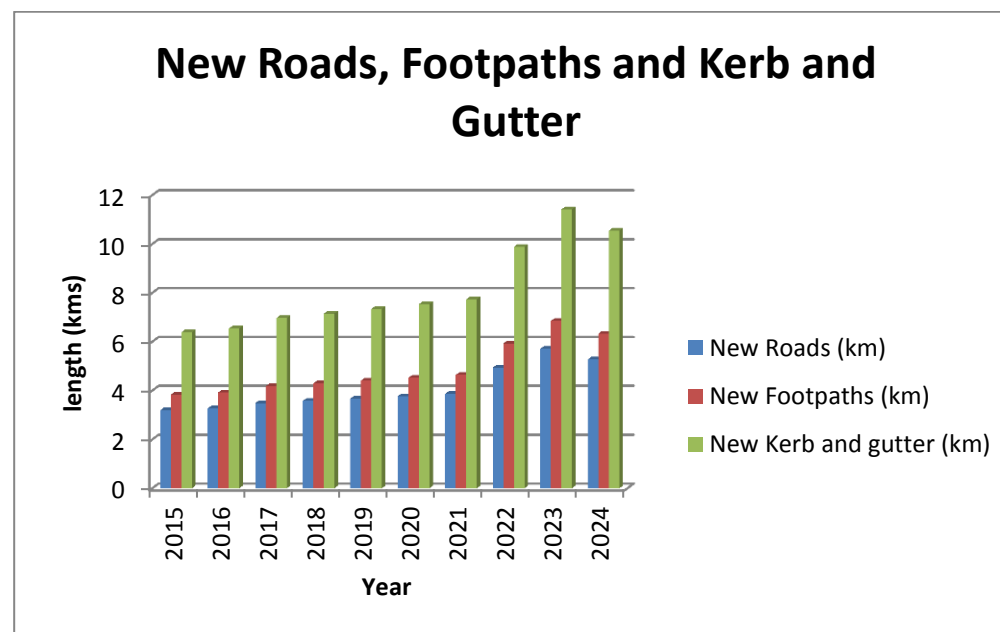
The model developed by the Institute of Public Works Engineering Australia (IPWEA) is used by Council to predict the demand for new road assets. Figures 5 and 6 show the forecast demand for new road assets up until 2024.

The assumptions the Institute of Public Works Engineering Australia model uses are:

- a new house has a street frontage of 12-15m
- location of houses on the road (one or both sides)
- a new road will have 1.2m of footpath associated with it
- stormwater drains are on one side of a road
- the spacing between river culverts is 5000m
- the length of a river culvert is 10m
- there are five new signs for every new km of road

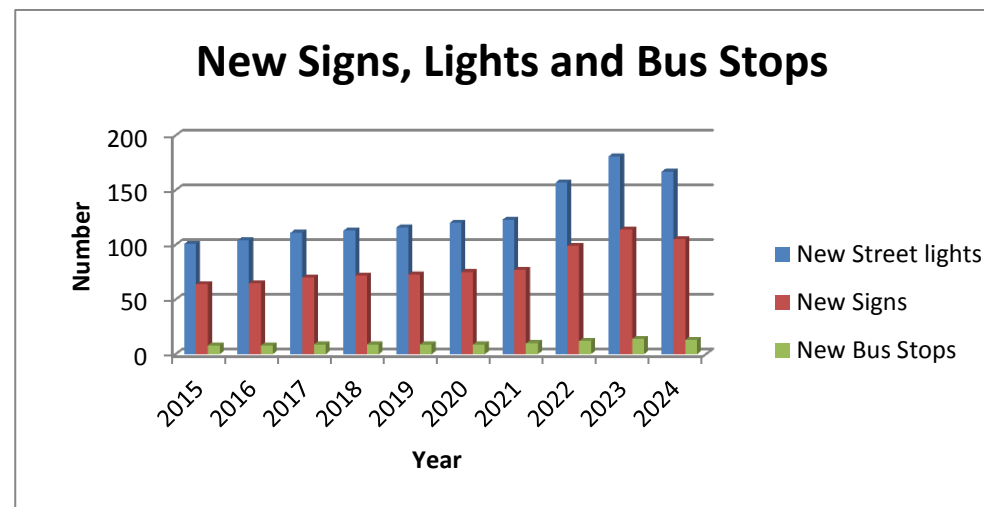
- the length of new kerb and channel is once/twice that of the length of new road built
- there is one stormwater pit every 32m of road
- there is one street light every 55m of road
- there is one bus stop every 1000m of road
- the average persons per household will be three
- there is a linear average annual growth increase and population figures are based on the projections based on census data
- the cost of new assets is based on the unit rate of the current replacement cost.

Figure 5 Projected demand for new roads, footpaths and kerb and gutter (km) (IPWEA modelling)



New works

Figure 6 *Projected demand for new street signs, lights and bus stops (IPWEA modelling)*



As indicated earlier, Council has worked in conjunction with Camden Council and the State Government on the *Campbelltown and Camden Councils Integrated Transport Strategy Final Report*. This report provides a regional perspective to transport issues, providing Council with information to support actions to implement and lobby for transport improvements and outlines an implementation strategy for transport improvements, including costings, timing and responsibilities.

Other issues that are particularly relevant to Council and the community include:

- Campbelltown Hospital extensions
- Badgally Road link to Campbelltown CBD and railway
- Raby Road intersection upgrades
- Eagle Vale Drive upgrade
- Narellan/Kellicar Road upgrade
- Spring Farm Parkway
- development of a support road and traffic management network for the Campbelltown CBD
- M31 capacity and future ramps at Menangle Park and Badgally Road.
- alternative/upgrades to University of Western Sydney access
- redevelopment of housing estates – community and recreation facilities
- Narellan Road upgrade
- development of Macarthur Bus/Rail Interchange
- future commuter parking provision at Campbelltown, Leumeah, Minto, Ingleburn, Macarthur Rail Stations.

Investigations are underway for the following projects:

- Moore Oxley Bypass/Queen Street intersection improvement - dual right turn lane into Queen Street
- University of Western Sydney intersection improvements
- Minto to Ingleburn industrial link road
- Cambridge Avenue high level bridge
- St Helens Park skate facility
- upgrade to sections of Appin Road
- upgrade of Denham Court Road and Campbelltown Road.

New works

Building and facilities

There will be growth in and around the City over the coming years that will have an impact on the types of buildings and facilities that Council owns and manages. Council is currently working closely with the major land developers in the Local Government Area to ensure there is appropriate buildings and facilities available to the community of the new estates. More specifically, Council is working with Landcom and NSW Department of Family and Community Services (through Housing NSW) on the buildings and facilities required through the redevelopment of housing estates in the Local Government Area.

An opportunity for improvement for Council is the development of a more formal approach to the planning of future capital works for buildings and facilities. This asset class will see benefits from this process.

Public spaces

Modelling is a useful tool in advising on the need for public space within the Local Government Area. The model predicts the need for more facilities in public space into the future. However, Council is mindful that traditional methods for determining public space requirements do not take into consideration the 'actual' or 'real' needs of the community. Council has taken a considered approach to public space assets and will finalise a study shortly that will provide direction on this critical asset class. This may include the provision of regional parks in a similar manner to Koshigaya Park.

Investigations are underway for the following projects:

- Department of Sport and Recreation projects
- St Helens Park skate facility.

An opportunity for improvement for Council is the development of a more formal approach to the planning of future capital works. This asset class will see benefits from this process.

Stormwater and drainage

Council estimates the amount of additional stormwater and drainage assets based on a model developed by the Institute of Public Works Engineers Australia. These projections are based on the rise in the population only, and are therefore a fairly simplistic model.

Figure 7 shows the estimated number of kilometres of new stormwater pipes, while Figure 8 shows the estimated number of new stormwater pits. In addition to these projections, the IPWEA model also suggests the need for an additional two headwalls in 2024. No projections for lined channels, detention basins or water quality control devices have yet been made.

Figure 7 *Projected additional kilometres of stormwater pipes*

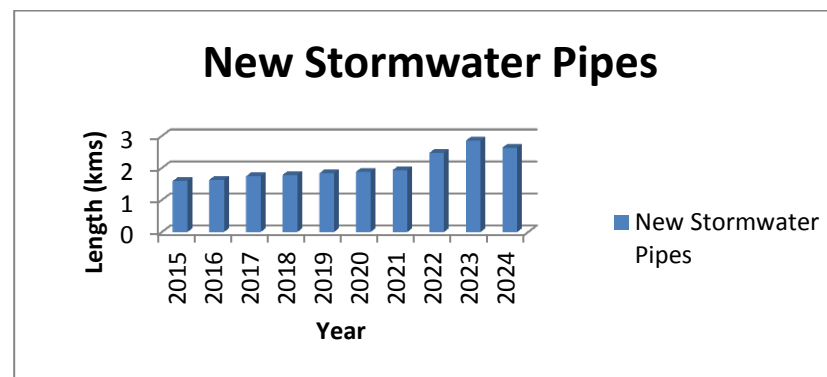
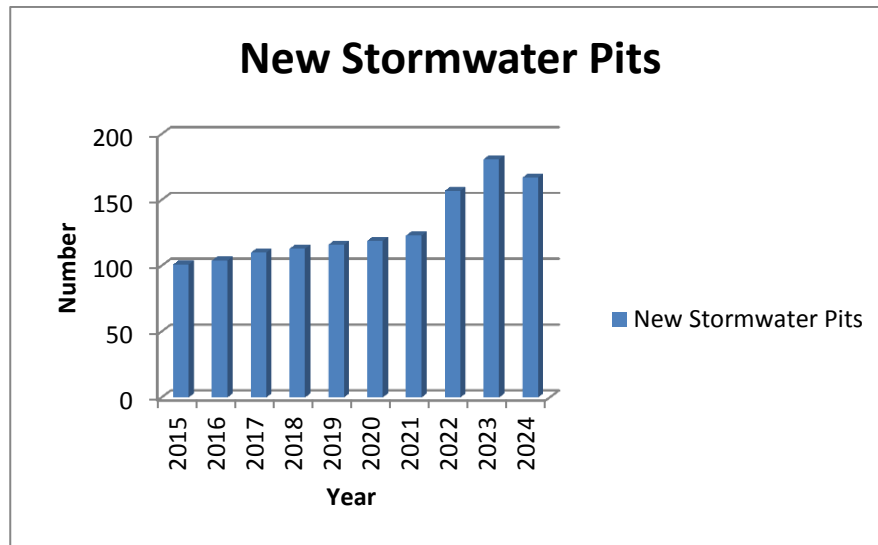


Figure 8 *Projected additional number of stormwater pits*



A detailed procedure on asset disposal has been prepared by Council in line with the statutory requirements. This document is currently being reviewed to ensure that it is contemporary. It is the responsibility of all staff who are involved in the disposal of assets to ensure the process is performed in a transparent and accountable way.

A decision to dispose of an asset may be based on the following:

- asset is no longer required
- asset is unserviceable or beyond economic repair
- asset is obsolete or operationally inefficient
- asset does not comply with Council's Work Health Safety standards
- there is no use expected for the asset in the foreseeable future
- optimum time to maximise return or part of the asset replacement program
- discovery of hazardous chemicals contained within the asset
- costs associated with the retaining of the asset (eg storage, insurance, security and management) outweigh the benefits of retaining the asset.

Council has an extensive approval process in place prior to any asset being disposed of. Significant assets will not be disposed of without the approval of Council.

10 year financial forecasts

The Long Term Financial Plan provides scenarios for meeting the funding requirements for operation, maintenance and renewal of assets. The scenarios have been informed by the complex models that are run from the Asset Management System used by Council. The models allow Council to predict the funding requirements over time, based on the levels of service required and the age of the asset. As outlined in the Long Term Financial Plan and Asset Management Strategy, Council currently has an asset backlog of \$29.7 million which needs to be addressed.

A number of scenarios have been modelled for the purposes of the Long Term Financial Plan. These scenarios include:

Scenario 1 maintains a balanced budget over the next 10 years. This scenario will result in reductions in service levels and an escalation of the asset renewal and maintenance backlog.

Scenario 2 - Addresses the asset maintenance and renewal backlog through the introduction of a range of options including, loan borrowings, a Special Rate Variation of 11% and ongoing service and facilities reviews. This scenario would reduce the asset maintenance and renewal backlog over the next 10 years to \$0.

Extensive modelling of several financial scenarios has been undertaken to determine the most effective way to address the infrastructure backlog. Council has put forward a proposal for a one-off permanent increase to rates by 11 % called a special rate variation (SRV). 8 of the 11% rate increase in 2014-2015 would be used solely for managing existing infrastructure, including the capital renewal and ongoing maintenance of community assets such as public buildings and amenities, roads, bridges, parks and facilities (including leisure centres, pools, playgrounds and community halls). The remainder will be used to fund the operational and day to day activities of Council's services.

Renewal activities are necessary to extend the life of an infrastructure asset, while maintenance includes repairs, painting and replacement of broken fixtures. The additional money will not be used for new infrastructure or providing new or expanded services.

By increasing rates by 11%, rather than adopting only the annual increase set by IPART (Independent Pricing and Regulatory Authority), an additional \$5.2 million in revenue will be generated each year. Under this proposal, Council intends to apply for a \$10 million subsidised loan under the State Government's Local Infrastructure Renewal Scheme (LIRS), as well as contributing \$1 million annually from the asset replacement reserve. This will significantly decrease the funding gap for the upgrade, maintenance and renewal of our assets in 2014-2015 alone. Evidence of the financial modelling can be found in the Long Term Financial Plan.

The income and expenditure report on the following page details the income that is required to address the backlog and where the money will be spent by asset category.

10 year financial forecasts

INCOME & EXPENDITURE REPORT

WHAT IS REQUIRED?

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
Income	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
New Revenue -											
Special Rate											
Variation - 8%	5,214,000	5,370,400	5,531,500	5,697,400	5,868,300	6,044,300	6,225,600	6,412,400	6,604,800	6,802,900	59,771,600
Loan	10,000,000										10,000,000
Asset											
Replacement											
Reserve/											
Efficiency											
savings	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	10,000,000
Total income											79,771,600

WHERE WE WILL SPEND IT...

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	
Expenditure											
Loan Repayment	612,000	1,223,000	1,223,000	1,223,000	1,223,000	1,223,000	1,223,000	1,223,000	1,223,000	1,223,000	11,619,000
Roads	8,652,000	1,907,400	1,987,500	2,070,300	2,156,100	2,244,900	2,336,800	2,431,800	2,530,300	2,632,200	28,949,300
Footpaths	400,000	225,000	230,600	236,400	242,300	248,400	254,600	261,000	267,500	274,200	2,640,000
Kerb and Gutter	400,000	300,000	307,500	315,200	323,100	331,200	339,500	348,000	356,700	365,600	3,386,800
Bridges	300,000	175,000	179,400	183,900	188,500	193,200	198,000	203,000	208,100	213,300	2,042,400
Car Parks	300,000	180,000	184,500	189,100	193,800	198,600	203,600	208,700	213,900	219,200	2,091,400
Buildings	5,000,000	2,000,000	2,050,000	2,101,300	2,153,800	2,207,600	2,262,800	2,319,400	2,377,400	2,436,800	24,909,100
Drainage	-	-	-	-	-	-	-	-	-	-	-
Public Spaces	550,000	360,000	369,000	378,200	387,700	397,400	407,300	417,500	427,900	438,600	4,133,600
	16,214,000	6,370,400	6,531,500	6,697,400	6,868,300	7,044,300	7,225,600	7,412,400	7,604,800	7,802,900	
Total expenditure											79,771,600

* It should be noted that the infrastructure backlog is projected to be \$88 million by 2023/24 if no additional funds are allocated during this ten year period to address the current and growing backlog, as the cost to repair and maintain these assets will increase due to the level of deterioration. Investing in the renewal and maintenance of these assets before it becomes too costly to do so will also reduce the cost of these works.



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