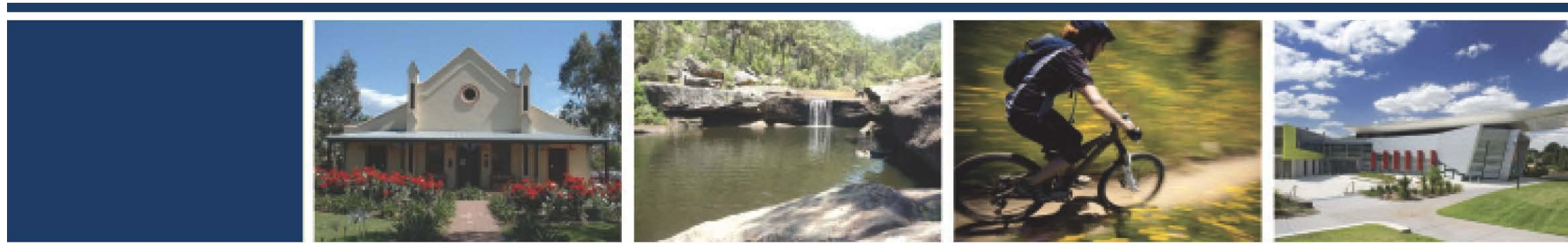




# Campbelltown City Council Asset Management Strategy 2015 - 2025



#### Disclaimer

This document was first published on 18 June 2015. The information contained in this document is to be considered general in nature and Council reserves the right to make changes accordingly. Any document that contains financial information is to be considered an estimate based upon information available at the time of publication. Council takes no responsibility for actions taken by third parties based on information contained in this document.

**This document was adopted by Council at an Extraordinary Meeting held on 23 June 2015.**

**Version 3**

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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 area 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 Delivery Program, Council undertook community engagement with relevant stakeholders 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 bridges)
- buildings and facilities
- public spaces
- stormwater and drainage.

The relationship between the asset management documents and Council's other documents required in the 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, are subject to regular condition assessment. The current value of the asset base stands at approximately \$2.2b.<sup>1</sup> Fair value assessment for each of the asset classes has now been completed and is what 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 of assets, as determined by a risk assessment process described later in this strategy. Staff undertake inspections and use 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.

<sup>1</sup> This is based on the 2015-2016 estimates and includes the value of land under assets such as roads.

Table 1 Summary of replacement costs by asset class as at 2013-2014

Asset class	Replacement cost	Overall condition
Road network	\$701,437,539	Fair
Buildings and facilities	\$244,231,344	Fair
Public spaces	\$33,949,303	Fair
Stormwater and drainage	\$280,413,677	Good
Other (land, Land under road etc.)	\$905,228,000	-

Appendix 1 contains replacement cost and quantities/volumes information about each asset class.

Table 2 Condition ratings and descriptions

Condition rating	Condition description	Life consumed (%)
1	Excellent/new-no work required	0-15
2	Good condition-normal maintenance only	>15 to 50
3	Fair (average condition)-some work required	>50 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 and setting of 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.

### Operation and maintenance cost and activities

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

<b>Programed Maintenance</b>	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.
<b>Reactive maintenance</b>	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 and post public exhibition, approved budgets are determined by Council. Operations and maintenance expenditure, by asset class is shown in Table 3 below.

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

Table 3 Operations and maintenance expenditure by asset class<sup>2</sup>

Asset class	Operations and maintenance expenditure in 2013-2014
Road network	\$3,753,193
Buildings and facilities	\$2,668,241
Public spaces	\$6,325,350
Stormwater and drainage	\$1,449,543

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

Operational and maintenance activities on buildings and facilities are carried out by either Council staff or third parties. Building maintenance requests can be generated in numerous ways. These include requests or through inspections carried out in line with the *Condition Inspection Handbook* developed by Council. 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.

<sup>2</sup> This includes actions such as heavy /minor patching of the road network, mowing of parks and public spaces as well as insurances and utilities for buildings and facilities. These figures do not include capital renewal cost detailed in schedule 7 of the financial statements.

## Asset description

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 stormwater drains and gross pollutant traps, as well as maintenance and minor repair of drains.

### 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 \$16m<sup>3</sup> 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. Whilst 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 more pressure on Council in the future. 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. These can be found in the Asset Management Plan and work on refining them will be key in the coming years.

Council's telephone survey undertaken in late 2010 indicated that the community were satisfied with the performance of Council. However, as indicated in the Delivery Program, road maintenance was an area that the community felt was important and that should continue to be an area of focus.

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<sup>3</sup> This figure may fluctuate depending on the availability of grants and borrowings available



# Asset management practices

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

The strategic goals of the 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 (i.e. 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:

- identification and management of key risks across each asset class
- benchmarking the performance of all assets against prescribed objectives
- development of 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.

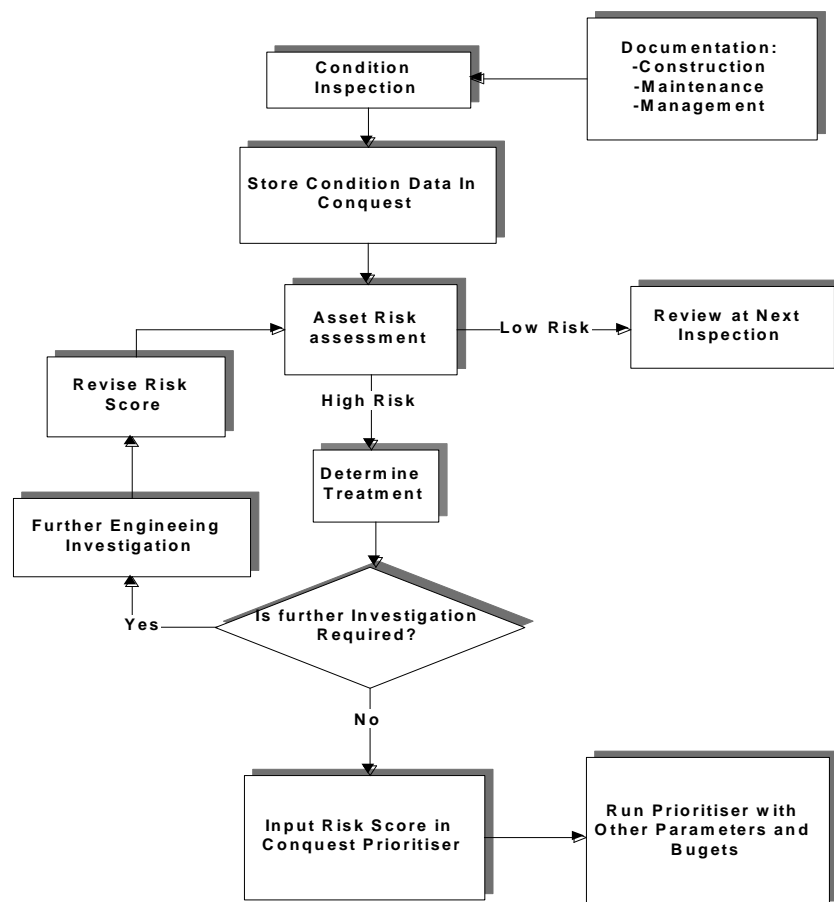
A general overview of the risk assessment process is provided below. The *Institute of Public Works Engineering Australia (IPWEA) International Infrastructure Management Manual 2011* defines risk as the product of the probability of failure and the consequence of failure of an asset:

*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.

In December 2014, the State Government's new metropolitan planning strategy – A Plan for Growing Sydney was released. The plan identified Campbelltown/Macarthur as one of three regional city centres (outside the Sydney and Parramatta CDB's). This status puts Campbelltown in a position to attract a range of new business, government, health, cultural, retail and recreational opportunities to support our growing population.

It is expected that the population in Campbelltown will increase from the 154,400 in 2011 to approximately 184,500 by 2021<sup>4</sup>. 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

<sup>4</sup> NSW Statistical Local Area Population Projection, 2006-2036, NSW Department of Planning

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.

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, it holds regular strategic planning days 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.



Bicycle Education and Road Safety Centre

# 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 the action plan in Table 5. The action plan will be reviewed and updated regularly.

Table 5 Action Plan

Action	Timeframe
<b>Action Area: Asset Management Strategy (leadership)</b>	
Review and update policy as required	Ongoing
Continually review and refine Asset Management Strategy	Ongoing
Continually review and refine Asset Management Plan	Ongoing
<b>Action Area: Outcome driven (customer and market focus)</b>	
Further refine approach to the analysis and management of demand for assets	2015-2016
Further refine asset related service level standards and performance measures for each asset class	2015-2016
Periodic review of asset related levels of service	Yearly
Develop robust utilisation measures for the main services/assets	2015-2016
Develop options for assets if utilisation is poor	2015-2016
Investigate innovative approaches to the provision of public space and building facilities	2015-2016
Consult with community groups to establish community expectations for assets	2015-2016
Develop procedures related to the management of new buildings and facilities	2015-2016

## Current asset management challenges and vision for the future

<b>Action Area: Success and sustainability</b>	
Develop a strategic capital works program	2015-2016
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
Refining Council's Asset Disposal Policy	2015-2016
<b>Action Area: Asset knowledge (information and knowledge)</b>	
Undertake strategic review of asset related information systems	2015-2016
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	6,118,396m <sup>2</sup>	\$22,039,107
	Pavements	6,118,396m <sup>2</sup>	\$189,119,401
	Surfacing	6,112,791m <sup>2</sup>	\$84,368,333
Car parks	Formation	397,663m <sup>2</sup>	\$1,975,855
	Pavements	397,66m <sup>2</sup>	\$9,656,055
	Surfacing	380,096m <sup>2</sup>	\$5,313,318
Footpaths and cycleways	Footpaths and cycle ways	412.81km	\$45,317,689
Kerb and gutter and traffic island	Kerb and gutter	1,252.80km	\$232,176,032
	Road intersections - islands	528	\$3,234,217
	Roundabouts and other devices	725	\$14,146,187
Bridges and culverts	Road Bridges	32	\$46,404,462
	Pedestrian Bridges	37	\$5,301,488
	Major Culverts	126	\$22,402,869
Traffic management devices	Raised/Wombat Crossing	256	\$1,594,391
	Local Area Traffic Management	214	\$370,647
Road furniture	Signs	17397	\$7,430,160
	Street Litter Bins	239	\$250,950
	Wheelie Bin Enclosures	45	\$54,648
	Concrete Street Benches	33	\$31,326
	Aluminium Street Benches	53	\$65,720
	Crash barrier fencing	19.26km	\$5,354,816
	Trolley Coral	4	\$8,850
	Footpath Baulks	40	\$66,150
Other infrastructure	Bus shelters	217	\$3,047,098
	Road Related Retaining Walls	5,764 m <sup>2</sup>	\$1,707,770
<b>Total</b>			<b>\$701,437,539</b>

## Appendix

### Details of buildings and facilities assets owned by Council

Asset category (as determined by Council)	No of buildings
Council administration buildings	2
Amenities/toilets	74
Arts Centre	1
Baby health centres	3
Bushfire buildings	8
Early Learning Centres	10
Commercial facilities	2
Investment properties	6
Halls/community centres	26
Council Works Depot	5
Animal Care Facility	5
Historical buildings	10
Irrigation pump sheds	3
Libraries	4
Occasional Care Centres	8
Other buildings habitable	31
Sports / recreation centres	17
Sanitary depot	7
Swimming centres	3
<b>Total</b>	<b>225</b>
<b>Total value of building and facility assets</b>	<b>\$244,231,344</b>

# Appendix

Details of public space assets and value owned by Council

Asset Group	Quantity (unit)	Replacement Cost
Play equipment	98	\$3,996,526
Fencing	97,476m	\$6,784,745
Walls	5,764m <sup>2</sup>	\$1,441,067
Shade structures	42,615m <sup>2</sup>	\$4,938,824
Sporting facilities	296	\$2,698,697
GI goal post	545m	\$128,847
Nets and equipment	131	\$1,710,491
BBQ	29	\$168,060
Campbelltown arts centre sculpture garden items	3	\$385,300
Flagpoles	55	\$76,551
Garden and playground edging	1,811m	\$41,429
Gates	407	\$380,359
Handrails	1,466m	\$116,908
Lighting	1207	\$6,518,445
Litterbins and enclosures	393	\$421,392
Metal sheds	22	\$4,884
Park furniture	669	\$2,410,987
Park signs	861	\$327,295
Special features	176	\$1,398,496
<b>Total value</b>		<b>\$33,949,303</b>

## Appendix

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

Asset Type	Quantity	Replacement value
Pits	22,234	\$50,616,000
Pipes	657.25km	\$141,194,503
Headwalls	922	\$1,026,732
Detention basins earthworks	3,056,960m <sup>3</sup>	\$47,443,975
Channels	88.848km	\$37,781,862
Water quality devices	44	\$2,350,605
<b>Total value</b>		<b>\$280,413,677</b>

Details of other assets owned by Council

Asset Type	Replacement value
Other (land, land under road etc.)	\$905,228,000



New amenities building, Mawson Park



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Campbelltown City Council  
ABN: 31 459 914 087

Civic Centre  
Cnr Queen and Broughton Sts  
Campbelltown NSW 2560

[www.campbelltown.nsw.gov.au](http://www.campbelltown.nsw.gov.au)

[council@campbelltown.nsw.gov.au](mailto:council@campbelltown.nsw.gov.au)

Telephone: (02) 4645 4000  
Fax: (02) 4645 4111

PO Box 57  
CAMPBELLTOWN NSW 2560