City of Canada Bay Council

Asset Management Strategy

March 2022

Document status

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Asset Management Strategy

1 Executive Summary

This overarching Asset Management Strategy (AMS) states the approach to implementing the principles and the objectives set out in the Asset Management Policy. It includes specific requirements to outline the processes, resources, structures, roles and responsibilities necessary to establish and maintain the asset management (AM) system. The asset groups covered by this AMS are transport, buildings, stormwater drainage, parks and recreation and marine assets.

The AMS highlights major issues which need to be addressed for each of the asset classes over the next few years. The strategy also highlights the necessary actions in order for City of Canada Bay Council to help close the gap between current asset management practice and moving towards a 'best appropriate practice' position in the future.

Both the AMS and the Asset Management Plans (AMPs) have been prepared in accordance with the International Infrastructure Management Manual (IIMM). Development of asset management plans for Council's infrastructure assets is a mandatory requirement for NSW local governments. The key findings for each asset class are included in the Asset Management Plans section of this strategy and are covered in a concise but detailed manner.

Within this strategy, Council has an Asset Management Policy which will be adopted as part of this strategy and reviewed every four years. The policy provides a framework for managing infrastructure assets to support the delivery needs of the community.

1.1 Asset Values

In preparing this AMS, it has been identified that City of Canada Bay Council has combined infrastructure assets with a current replacement cost of over $900 million. The five asset classes included in this plan and their values are detailed in Table 1 below.

Table 1 Summary of combined infrastructure assets values

Asset Class	Gross Replacement Cost (CRC)	Written Down Value (WDV)	Annual Depreciation Expense
Transport	$487,633	$352,178	-$5,575
Buildings	$194,133	$134,723	-$2,210
Stormwater	$144,231	$88,459	-$1,784
Parks, Recreation and Other	$71,292	$53,050	-$1,505
Marine	$92,136	$55,055	-$1,763
Combined	$989,425	$683,465	-$12,837

1.2 Asset Backlog

As per the 2020/21 Special Schedule 7 analysis, Council has a combined asset backlog of almost $16 million (2.33% backlog ratio) to bring assets to satisfactory standard which is currently taken as Condition 3. The breakdown of backlog per asset class is shown in the table below.

Table 2 Infrastructure backlog

Estimated cost to satisfactory	Backlog ($)	Backlog Ratio % (Backlog / WDV)
Transport	$3,960	1.12%
Buildings	$1,162	0.86%
Stormwater	$7,783	8.80%
Parks, Recreation and Other	$366	0.69%
Marine	$2,681	4.87%
Combined Assets	**$15,952**	**2.33%**

The overall backlog ratio for Council is 2.3% which is slightly above the 2% benchmark set by the Office of Local Government.

1.3 Asset Condition

Based on the review of asset condition data, most of Council's assets are in 'excellent' or 'very good' condition. Although, the condition data of most assets appears to be reliable, a condition review of Stormwater assets is suggested to confirm the confidence in the data. A considerable amount of work has been undertaken on condition assessment of sea walls in 2021. This included a revaluation exercise and a engineering structural report on condition and treatment options. Details of Council's current asset condition are detailed in Table 3 below. The condition is represented as a percentage of replacement cost of Council's five asset classes as well as combined.

Table 3 Summary of combined asset condition

Asset Class	Asset Condition (% of CRC)				
	1	2	3	4	5
Transport	22.17%	38.65%	33.73%	4.99%	0.51%
Buildings	55.78%	4.71%	34.74%	4.77%	0.00%
Stormwater	13.16%	39.36%	25.88%	10.94%	10.74%
Parks, Recreation and Other	38.16%	26.65%	31.74%	3.26%	0.27%
Marine	18.28%	31.81%	38.83%	10.61%	0.47%
Combined	28.24%	30.60%	33.11%	6.21%	1.88%

1.4 Asset Expenditure

The average capital and maintenance expenditure on Council assets over the ten-year forecast (2022-2032) period is approximately $43,941 million per year. This compares to the expenditure which is required to maintain, operate and renew the asset network as required being $48,941 million per year. This indicates that Council has funded 90% of its required asset expenditure over the period of the plan.

The shortfall in expenditure is primarily in two asset classes, being Buildings and Parks and Recreation assets. The under expenditure in these asset classes appears to be in the area of asset maintenance. It is proposed as part of the LTFP that maintenance be fully funded in future budget years which will result in a maintenance ratio of 100%. This will ensure that the required asset expenditure will be fully funded over the period of this plan.

Expenditure Projections – ($000) Combined Assets		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Actual	Renewal	9,870	14,410	15,358	15,407	15,844	14,947	15,247	15,244	14,302	14,660	15,026	15,402	15,787
	New and Expanded Assets	27,976	57,882	43,072	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
	O&M	15,482	15,869	16,266	16,672	17,089	17,516	17,954	18,403	18,863	19,335	19,818	20,314	20,822
	Total Expenditure	53,328	88,161	74,695	39,080	39,933	39,464	40,202	40,648	40,166	40,995	41,845	42,716	43,609
Required	Required Renewal (Depreciation)	12,837	14,410	14,238	15,122	15,588	16,067	16,559	17,063	17,579	18,109	18,651	19,207	19,777
	New and Expanded Assets	27,976	57,882	43,072	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
	Required O&M	15,952	17,284	18,411	18,984	19,571	20,173	20,790	21,423	22,071	22,736	23,417	24,116	24,831
	Total	56,765	89,575	75,720	41,106	42,159	43,241	44,349	45,486	46,651	47,845	49,069	50,323	51,609
Gap	Maintenance Gap	-470	-1,415	-2,145	-2,311	-2,482	-2,657	-2,836	-3,020	-3,208	-3,401	-3,599	-3,802	-4,010
	Renewals Gap	-2,967	0	1,120	285	256	-1,120	-1,312	-1,819	-3,277	-3,449	-3,625	-3,805	-3,990
	Overall (GAP)	-3,437	-1,415	-1,025	-2,026	-2,226	-3,777	-4,148	-4,838	-6,485	-6,850	-7,224	-7,607	-8,000

1.5 Level of Service

Council has prepared specific Levels of Service that require further consultation with the community. The AMPs detail and specify Levels of Service for each individual asset class that are developed to address the lifecycle management of assets. The AMS establishes a basic framework to measure service level outcomes. These outcomes are accessibility, quality / condition, responsiveness, customer satisfaction, affordability and sustainability.

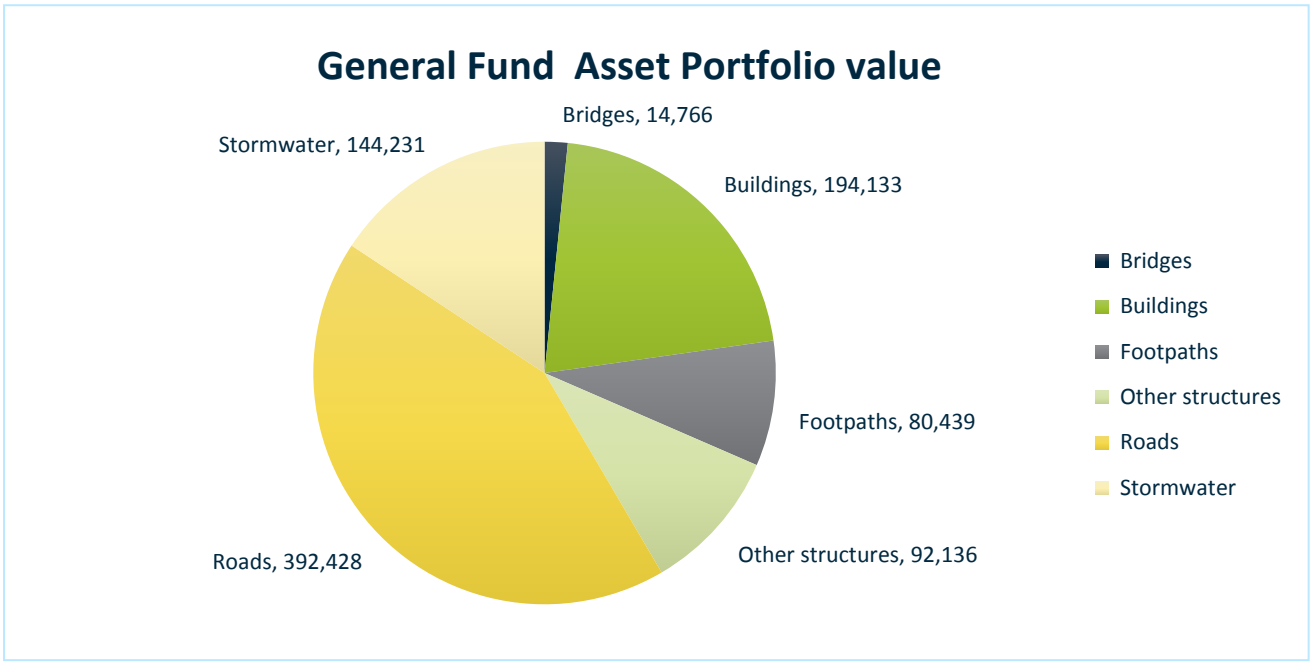
1.6 High Level Strategic Actions

Based on the observations and analysis of current asset management practices, a range of strategic actions has been developed that apply to all asset groups. These strategic actions are to ensure adequate provision is made for the long-term management of Council's infrastructure assets.

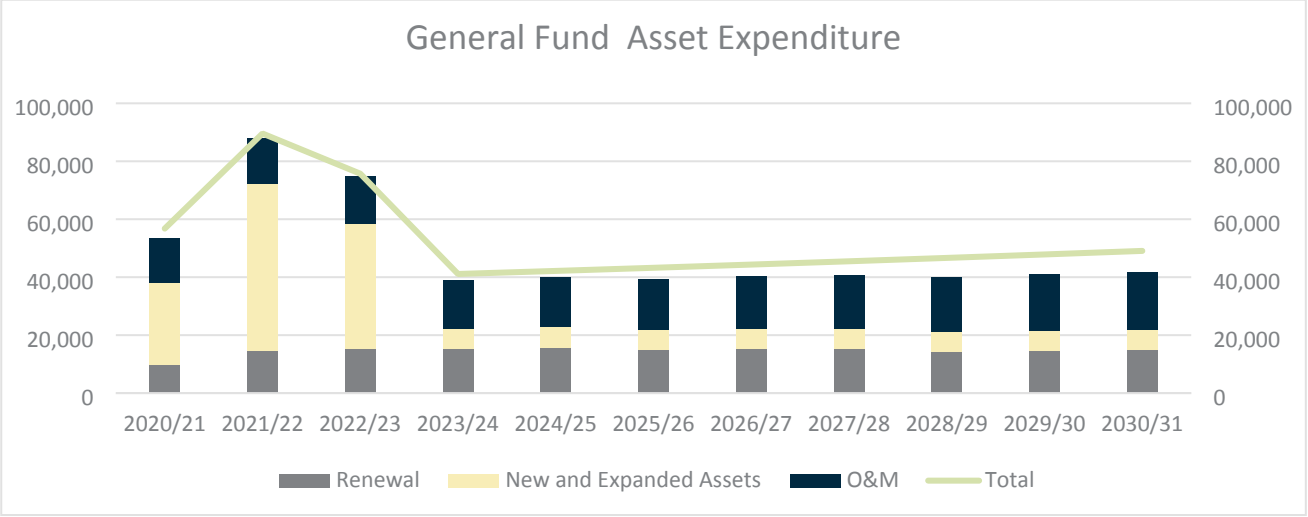
Table 4 High level strategic actions

No	Strategy	Desired Outcome
1	Continue the move from annual budgeting to long term financial planning	The long-term implications of Council services are considered in annual budget deliberations
2	Review and update asset management plan financial projections and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks	Council and the community are aware of changes to service levels and costs arising from budget decisions
3	Continue to Report Council's financial position at Fair Value in accordance with Australian accounting standards, financial sustainability and performance against strategic objectives in annual reports, ensuring that asset remaining lives are assessed on an annual basis	Financial sustainability information is available for Council and the community
4	Ensure Council's decisions are made from accurate and current information in asset registers on service level performance and costs and 'whole of life' costs. As such, Council will need to continually review and update asset condition, particularly in the Stormwater and Marine asset classes	Improved decision making and greater value for money
5	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report	Services delivery is matched to available resources and operational capabilities
6	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions	Responsibility for asset management is defined
7	Implement an improvement plan to initially realise 'core' maturity for the financial and asset management competencies, then progress to 'advanced' maturity	Improved financial and asset management capacity within Council
8	Report annually to Council on development and implementation of Asset Management Strategy and Plan and Long Term Financial Plans	Oversight of resource allocation and performance

1.7 Performance Overview



Infrastructure Ratios	Actual 2020/21	Estimated 2030/31	Funding gap	
Infrastructure Renewals ratio	76.89%	80.57%	Yr 1	$0
			5 Yr Average	$108
			10 Yr Average	(-$1,294)
Infrastructure Backlog Ratio	2.33%	1.83%	Yr 1	(-$674)
			5 Yr Average	$0
			10 Yr Average	$0
Infrastructure Maintenance Ratio	97.05%	84.63%	Yr 1	(-$470)
			5 Yr Average	(-$2,202)
			10 Yr Average	(-$2,707)
Total Infrastructure Funding Gap			Yr 1	(-$1,144)
			5 Yr Average	(-$2,094)
			10 Yr Average	(-$4,001)



2 Introduction

2.1 Asset Planning - Background

City of Canada Bay Council is following the NSW Local Government Act 1993 and regulations as amended in the development of asset management plans and strategy. Development of asset management plans for Council's infrastructure assets is a mandatory requirement for NSW local governments. The key findings for each asset class are included in the asset management plans section of this strategy and are covered in concise but detailed manner.

The primary role of assets is to support the delivery of services that deliver Council's long-term objectives. As Council's assets age there are increased maintenance, refurbishment and disposal costs which increase the cost of the services that they support.

The current Council planning framework has been revised to align with the legislated planning framework in the Integrated Planning and Reporting Guidelines for Local Government in NSW. This plan has been developed in line with the legislated framework and guidelines.

Figure 1 Relationship between Council's plans and resourcing strategies

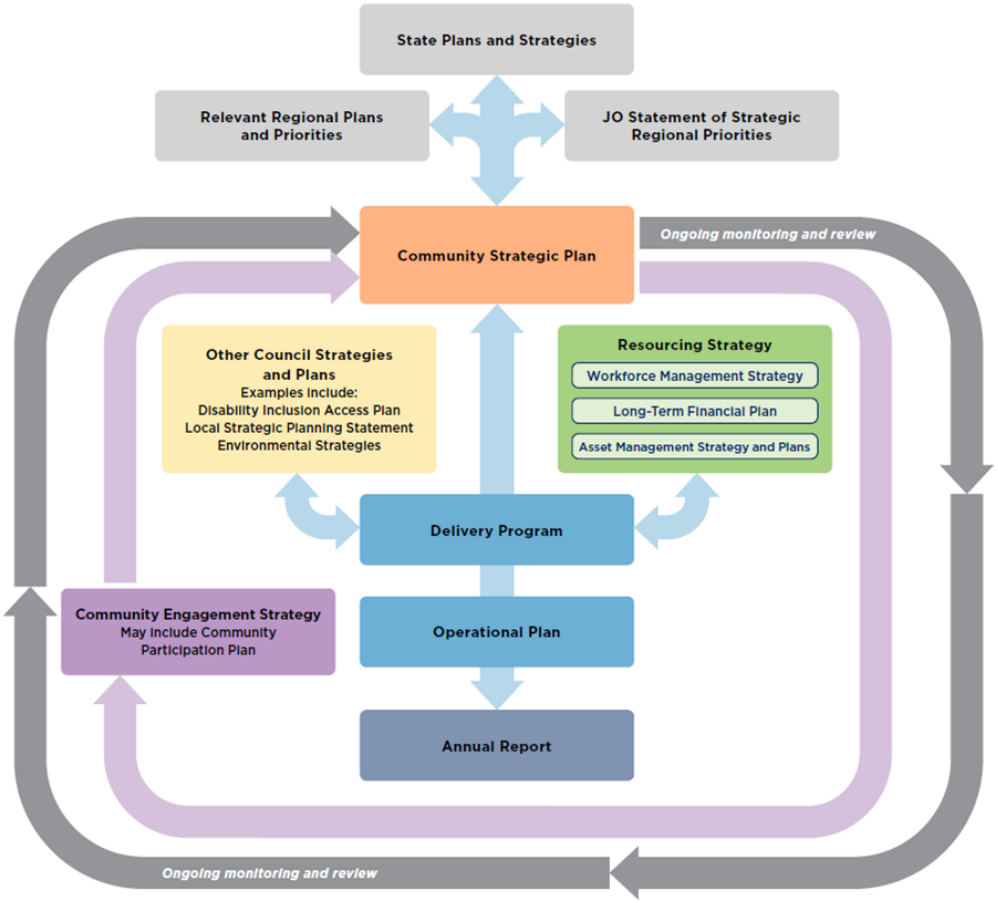


Figure 1 demonstrates the relationship between the various plans and resourcing strategies.

- **Community Strategic Plan** – outlines what the community wants, the objectives of the community and strategies to achieve those objectives

- **Resourcing Strategy** – details the resources that the Council has to deliver the CSP
- **Delivery Program/Operational Plan** – how Council will use the resources that it has to meet the objectives in the Community Strategic Plan, specifically where Council has been identified as responsible or as a supporting partner in the identified strategies
- **Annual Report** – reporting mechanism used by Council to report on those activities and actions that Council proposed in its Delivery Program and Operational Plan

This asset management strategy establishes a framework to enable prioritisation of asset groups through planning, construction, maintenance and operation of the infrastructure necessary to achieve the goals and objectives as set out in City of Canada Bay Council Community Strategy Plan, Delivery Program and Operational Plan.

2.2 Scope of this Asset Management Plan

This asset management strategy has been developed to provide the framework to ensure that Council's infrastructure assets are operated, maintained, renewed and upgraded to ensure that the Levels of Service are achieved in the most cost effective and sustainable way. It meets Council commitments under the IP&R framework by ensuring that all Council's infrastructure assets are fully accounted for. Details on each asset class including the inventory financial and predicted expenditure and required expenditure are included in the appendices.

The audience for this asset management strategy is Council staff, the Council executive management team, elected representatives (councillors), interest groups, stakeholders and other interested members of the general community.

The specific objectives of this strategy are to

- prioritise funding and resources between asset groups
- demonstrate responsible and sustainable stewardship of the community assets
- define how Council's assets are, and will be, managed to achieve the Levels of Service
- assist the management of the environmental, financial and public risks related to the infrastructure assets
- provide the basis for forward works programs
- provide the basis for optimising whole of life costs
- support long term financial planning across all asset classes.

The strategy identifies the future funding requirements and service delivery in the context of

- current asset condition and performance
- Levels of Service
- forecast demand for infrastructure and services
- funding constraints.

The strategy supports Council's aim to have the "best value" asset management strategies and practices. This is achieved by continually developing and improving Council's knowledge, systems, processes and strategies. This will ensure that Council is providing the level of asset management necessary to competently, responsibly and sustainably manage the community assets now and into the future.

This is a core asset management strategy and plans prepared using a 'top down' approach where analysis is applied at the 'system' or 'network' level. The focus is on current Levels of Service and current practices. It includes expenditure forecasts for asset maintenance, rehabilitation and replacement based on local knowledge of assets and options for meeting current Levels of Service.

Future revisions of this asset management plan and strategy will move towards a more 'advanced' level of asset management, using a 'bottom up' approach for gathering information for individual assets to support the optimisation of activities and programs to meet the Levels of Service. The focus of future plans developed in this manner will include risk and performance optimisation, risk based strategies, use of predictive methods and optimised decision-making techniques.

This strategy is based generally on the guidelines outlined in the International Infrastructure Management Manual 2015 incorporating the Sections defined in Table 5.

Table 5 Asset management plan sections

Sections	Guidelines
1. Executive Summary	Provides a high-level summary of the combined asset management plans and highlights the main issues for consideration
2. Introduction	Outline of the purpose and scope of the plan and how the plan relates to other key policies and strategies
3. Asset Management Practices	Provision of a comprehensive strategic asset management gap analysis process for asset management
4. Levels of Service	Outline of levels of service and asset performance standards and customer/community expectations and feedback regarding levels of service
5. Future Demand	Identification of demand trends, factors which may influence demand, forecast changes in demand, impacts and implications of future demand and effects on future planning
6. Risk Management Plan	Provision of an asset based risk management plan
7. Overarching Asset Management Strategy	Provision of a summary of Council's overall asset strategy including asset management policy and identification of critical assets

2.3 Assets Covered by this Plan

The following asset groups are covered by this Asset Management Strategy and Plan

- Roads and Transport
- Stormwater Drainage
- Parks and Recreation
- Buildings
- Marine

Full details of the Council's assets are included in the lifecycle management section of this strategy.

2.4 About City of Canada Bay Council

The City of Canada Bay is located in the inner-western suburbs of Sydney, about six kilometres from the Sydney CBD. It is bounded by the Parramatta River to the north, the Inner West Council to the east, Burwood and Strathfield Council areas to the south and the City of Parramatta to the west.

The traditional owners of the area are the Wangal clan of the Dharug Aboriginal people with European settlement dating from 1793. Significant development occurred during the post-war years followed by a period of stability in population growth between 1991 and 1996. The City's population increased from nearly 54,000 in 1996 to about 88,000 in 2016. The estimated resident population in 2021 is 98,295 people The population is forecast to grow to 115,866 by 2031.

Recent growth has been largely due to the redevelopment of previous industrial sites into residential developments, and the pressure to accommodate the increasing population moving into cities and urban areas.

2.5 Links to Council Plans and Strategies

The Asset Management Strategy and Plans have been prepared in line with the vision and strategies outlined in the Community Strategic Plan "OUR future 2036".

Infrastructure assets will play both a direct and an indirect role in achieving the strategic objectives. The following table indicates how Council's assets play a role in the delivery of the key strategies linked to the Community Strategic Plan.

Table 6 CSP Direction 1 – Connected Community

	Priority	Objective (where we want to be)	Strategy (how we will get there)	Road Transport	Stormwater Drainage	Parks and Recreation	Buildings	Marine
Connected community	Community diversity and inclusion	The City is inclusive and community diversity is fostered, welcomed and celebrated.	Implement inclusive initiatives that address the needs of all people in our community	X		X	X	X
			Foster and promote volunteering programs and connections between residents and local community groups that support stronger community ties		X	X		
			Ensure the provision of affordable housing is addressed and supported at a local level.					
	Aboriginal and Torres Strait Islander culture	Increased recognition and honouring of Aboriginal and Torres Strait Islander culture.	Work with Aboriginal and Torres Strait Islander communities to improve celebration of our Aboriginal cultures.	X	X	X	X	X
	Services and facilities	The community has equitable access to community services and facilities	Facilitate delivery of community and cultural facilities that respond to a diversity of community and cultural needs.			X	X	
			Provide access to community services and facilities, and deliver programs and events that encourage social connection and cohesion.			X	X	
			Improve efficiency and customer experience of Council facilities and venues.	X		X	X	X
			Investigate opportunities to improve the quality of children's services within the City Canada Bay.			X	X	

	Community safety	A community where residents feel safe and enjoy good health	Implement initiatives that increase the community's sense of safety and well being.	X			X	
			Support the community and stakeholders to prepare for, respond to and recover from local disasters and emergencies	X	X		X	X
			Continuously improve public and environmental health services to ensure health and safety of residents.		X			
	Active lifestyles	Open space and recreation facilities and programs meet the community's diverse needs and preferences for recreation.	Improve existing open space quality and capacity to support a diversity of recreational opportunities.			X	X	X
			Investigate and plan new and connected open spaces, recreation facilities and programs to meet the needs of a growing and changing population			X		X
			Activate open space and recreation facilities and programs to help connect and build an inclusive community			X	X	X

Table 7 CSP Direction 2 - Sustainable Natural Environment

	Priority	Objective (where we want to be)	Strategy (how we will get there)	Road Transport	Stormwater Drainage	Parks and Recreation	Buildings	Marine
Sustainable natural environment	Climate change	Greenhouse gas emissions are reduced across the City.	Lead initiatives that empower the community to reach emissions targets, transition to renewable energy and improve climate resilience.	X	X	X	X	X
	Tree cover	The extent of the City's urban tree canopy is increased	Work with residents and other stakeholders to plant, retain and maintain the urban tree canopy.	X		X		

	Waste	Waste to landfill is reduced and more materials are reused and recycled	Deliver best practice services, programs and initiatives which reduce waste to landfill.	X	X	X	X	X
			Deliver innovative programs that keep our streets and parks clean from illegal dumping and litter.	X	X			
	Biodiversity	Native flora and fauna is enhanced and protected to support local biodiversity	Deliver initiatives to protect, manage and restore the City's habitat areas, fauna and native species.		X	X		
	Foreshore and waterways	Improved access and enhanced quality of foreshore and waterways.	Implement initiatives to expand, enhance and promote publicly accessible places and paths along the foreshore.	X		X		X
			Work with the Parramatta River Catchment Group to deliver the Parramatta River Masterplan	X	X	X		X

Table 8 - CSP Direction 3 - Vibrant Urban Living

	Priority	Objective (where we want to be)	Strategy (how we will get there)	Road Transport	Stormwater Drainage	Parks and Recreation	Buildings	Marine
Vibrant urban living	Thriving places	Local village centres and community hubs are great places that reinforce a vibrant atmosphere	Collaborate with partners to deliver a range of events, activities, and experiences for residents and visitors			X	X	
			Implement a multidisciplinary approach to the management of key places to achieve high level of social, economic and environmental outcomes across the City.	X		X	X	
	Art, culture, and creative	Improved access to local art,	Deliver new, innovative and accessible arts and cultural projects, programs and creative activities.			X	X	

	activities	culture and creative activities	Ensure public art and design are integrated into both new development and Council improvement work.	X		X	X	X
	Prosperity	The City is attractive, welcoming and supportive of business	Support and promote the development of an enlivened evening economy.	X		X	X	
			Provide economic development activities in partnership to stimulate the local economy.	X		X		
	Shaping growth	A built environment that respects the unique character of our neighbourhoods and responds to the evolving needs of the community	Protect and conserve items and places of heritage significance.	X	X	X	X	X
			Effectively plan for future growth by balancing regional priorities with local values	X	X	X	X	X
			Ensure land use planning and construction utilises best practice to achieve quality development outcomes.	X	X	X	X	X

Table 9 – CSP Direction 4 – Infrastructure and transport

	Priority	Objective (where we want to be)	Strategy (how we will get there)	Road Transport	Stormwater Drainage	Parks and Recreation	Buildings	Marine
Infrastructure and transport	Local assets	Public assets are efficiently managed, renewed and replaced to meet the community's changing needs, and address climate adaptation.	Plan for, develop, maintain and manage Council's buildings, parks, stormwater and seawalls, and infrastructure assets, ensuring they are fit-for-purpose and support a growing community.	X	X	X	X	X
			Proactively manage and maintain the Council's local road and footpath network.	X		X		
	Traffic and parking	Traffic and parking is managed to minimise	Ensure traffic and parking are appropriately planned, delivered and managed to address an increase in population.	X				

		congestion and increase road safety.	Deliver road safety infrastructure and education.	X				
	Walking, cycling and public transport	More opportunities to safely walk, cycle and use public transport within the City.	Provide safe and accessible active transport networks, and deliver education on walking and cycling.	X		X		
			Advocate for improved public transport services.					

Table 10 – CSP Direction 5 – Civic Leadership

	Priority	Objective (where we want to be)	Strategy (how we will get there)	Road Transport	Stormwater Drainage	Parks and Recreation	Buildings	Marine
Civic leadership	Good governance	Council is ethical and effective in its decision making	Ensure decision-making processes are continuously improved, open, accountable and informed by integrated planning and risk management.					
			Manage information in a transparent and accessible way.					
	Sustainable Council	Council is environmentally and financially sustainable	Strengthen the financial sustainability of Council.	X	X	X	X	X
			Lead action to adapt and mitigate climate change, and improve environmental sustainability and waste management in Council operations.	X	X	X	X	X
			Ensure procurement practices are ethical and environmentally and financially sustainable.	X	X	X	X	X

			Provide a safe, skilled and engaged workforce that delivers valuable services to the community.					
			Ensure innovative and efficient technology supports the needs of Council and the community.	X	X	X	X	X
			Increase focus and priority on excellence to improve efficiency and effectiveness.	X	X	X	X	X
	Advocacy and partnerships	Council works with partners to shape the City's future	Develop partnerships with the community and other stakeholders to advocate for the delivery of the Community Strategic Plan objectives.					
	Communication and engagement	The community is well-informed and engaged, with opportunities to participate in issues and decisions that affect them.	Actively collaborate with the community about decisions, policies and plans.	X	X	X	X	X
			Place customers and the community at the centre of service delivery.	X	X	X	X	X
			Ensure the community is well-informed through high quality, accessible and timely information	X	X	X	X	X
	Smart City	The City is transformed through innovation, efficiency and smart technology.	Seek Smart City partnerships and approaches to improve the quality of life in the community.	X	X	X	X	X
			Innovate using Smart City partnerships and approaches to improve organisational efficiency and effectiveness.	X	X	X	X	X

3 Asset Management Policy

The Asset Management Policy sets out Council's commitment to manage its assets, which will help achieve the OUR Future 2036 vision to meet the needs of the community. This policy will guide the strategic management of Council's assets.

It will be supported by:

- an asset management strategy
- an asset management plan and detailed plans for each asset class
- operational and delivery plans
- an asset management information system.

Together, these documents and our processes, software and data, make up Council's Asset Management Framework that support the management of Council's assets

3.1 Objectives

The International Infrastructure Management Manual defines Asset Management as:

The combination of management, financial, economic, and engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner

A broader interpretation appropriately introduces environmental and social considerations into the context.

The Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by 'purchase', by contract, construction by council staff and by donation of assets constructed by developers and others to meet increased levels of service.

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

- taking a life cycle approach
- developing cost-effective management strategies for the long term
- providing a defined level of service and monitoring performance
- understanding and meeting the demands of growth through demand management and infrastructure investment
- managing risks associated with asset failures
- sustainable use of physical resources
- continuous improvement in asset management practices.

The asset management plan is a tool combining management, financial, engineering and technical practices to ensure that assets are managed appropriately and the level of service required by the community is provided at the most economical cost. The plan is also intended to protect the environmental and cultural values of the assets providing the service.

3.2 Policy

In order to realise the policy objectives, Council is committed to:

- preparing and reviewing detailed asset management plans for all major classes of assets and using these plans to assist in determining priorities for capital and maintenance expenditure
- funding asset maintenance and renewal to levels identified in the Asset Management Plans
- funding programs of works identified in the Operational and Delivery Plan
- integrating management, linking asset management strategy, policy and procedures to other Council policies, strategies and procedures
- using technological advances relevant to asset management
- using an integrated planning approach to ensure manager roles are understood and documented and that communication procedures are in place that ensure assets are planned and delivered in a sustainable manner
- improving its maintenance and rehabilitation practices
- maintaining and rehabilitating its existing assets in a manner that is acceptable to the community in terms of financial burden, safety, quality, impact on the environment, meeting needs and Council's ability to fund those works
- maximising resources to achieve the best outcome for the community
- consulting and surveying the community to determine whether its needs are being satisfied
- managing assets in accordance with relevant legislation
- preparing an Asset Management Strategy that details how this policy is to be implemented
- monitoring performance in accordance with measures developed as part of its Asset Management Strategy.

3.3 Adoption of Policy

Councils Asset Management Policy was last updated in June 2018 and adopted as was part of the previous Community Strategic Plan. The Asset Management Policy and the Strategic Asset Management Plan will be reviewed and adopted in 2022 by the new Council for this 3 year period of the new Community Strategic Plan.

This asset management policy has been developed to ensure that the assets utilised by Council to ensure quality services to the City of Canada Bay community are managed, maintained and renewed in a manner that is sustainable and meets community expectations.

4 Asset Management Practices

4.1 Asset Management Systems

Over the past years, considerable effort has been placed on ensuring Council's asset knowledge base and strategies are Fit for the Future.

Data collection programs have captured detailed information in a structured and intuitive format. For example, Council can currently locate, value and assess the condition of its assets, understand replacement costs, remaining life and risk and understand the maintenance and renewal requirements of assets.

To improve decision making, Council has implemented an integrated corporate information system from Technology One. Key asset management modules have been implemented to form Council's Asset Management System.

One of the major benefits of an asset management system is that it outlines what is required to manage and operate the assets at agreed levels of service, while at the same time optimising life cycle costs.

4.2 Data Collection and Validation

In the preparation of this Asset Management Strategy and Plans, Council has used the most current and up to date information.

The data used for this AMS was obtained from Council corporate finance system and Councils Technology One Asset Management System.

As part of the Asset Management Improvement Plan it is proposed that asset conditions are continually monitored on a wider range with particular focus on the poor condition assets. Particular emphasis needs to be placed on the condition monitoring of Stormwater and Seawall assets. These assets are aging through their asset lifecycle and their maintenance demand increases to assist in managing risks associated with unexpected failure.

The condition data of stormwater assets is poor as condition data is not complete as CCTV inspection is required to review the pipe condition. Council undertakes CCTV inspections on a prioritised basis as it is not possible (cost prohibitive) to CCTV inspect 130Km of underground pipe on a 5 year cycle. Council has been utilising a quick view system to prioritise which pipes require a more thorough CCTV inspection. There is a residual risk associated with this system as localised failures may not be identified within the system.

12 % of Marine assets are in poor condition and there has been a substantial amount work undertaken in 2021 to understand condition and treatment options to improve the condition profile of these assets. Many of the Marine Assets (Seawalls) were constructed around the same period and there is a large renewal wave that Council is facing now and for the next 20 years.

In the roads asset class, the aim is to utilise the current pavement management system to optimise Council's road renewal expenditure and develop service levels based on overall pavement condition. This index looks at a range of factors impacting on the road condition and assists in optimising Council's renewal expenditure and achieving best value whilst minimising overall lifecycle cost of the assets.

Council is continuing to collect and monitor asset condition on an ongoing basis. There is likely to be some errors and out of date information in the current system, however these are not expected to be material in nature. Council will continue to monitor and improve its asset data collection practices.

4.3 Monitoring and Review Procedures

The executive management team will consider a summary report on the progress against the Asset Management Improvement Plan on a regular basis and will prepare a detailed report on progress against the plan on an annual basis at the end of each financial year and present it to Council.

4.4 Confidence in Data

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the following grading system.

Table 7 Data confidence rating

Confidence Grade	General Meaning
Highly Reliable	Data based on sound records, procedure, investigations, and analysis that is properly documented and recognised as the best method of assessment.
Reliable	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example, the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample.
Very Uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Summary of confidence in asset data for all asset classes is detailed in the table below.

Table 8 Summary of asset class data confidence

Asset Class	Confidence Grade
Roads and Transport Assets	Reliable
Stormwater Drainage Assets	Uncertain
Parks and Recreation Assets	Reliable
Buildings Assets	Reliable
Marine Assets	Uncertain/reliable

4.5 Funding Strategy

The fundamental approach that Council has is to align the financial strategy to the asset management policy and have budgets based on lifecycle requirement of assets.

Council will plan capital upgrade and new projects to meet level of service objectives by:

- managing developer / donated assets to ensure that these new / upgraded assets deliver the right services in a cost efficient and effective manner
- planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner undertaking project scoping for all capital upgrade/new projects to identify:
  - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset
  - the project objectives to rectify the deficiency including value management for major projects
  - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency
  - management of risks associated with alternative options, and
  - evaluate the options against evaluation criteria adopted by Council, and
  - select the best option to be included in capital upgrade/new programs
- reviewing current and required skills base and implementing training and development to meet required construction and project management needs
- reviewing management of capital project management activities to ensure Council is obtaining best value for resources used.

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal.

4.6 Asset Lifecycle Management Strategies

Provide table showing the asset performance in terms of Acquisitions, Renewal, Maintenance, Operations and Disposals over the 10 year planning period for each of the asset categories. Show what are the gaps in funding and strategies to manage those gaps

Buildings and Property

Council is significantly increasing its asset portfolio between 2022 and 2024 with the acquisitions of the $85 Million redevelopment of Concord Oval and the $65 Million Rhodes Recreation Centre to support the Parramatta Road urban growth corridor and the growing population demand in Rhodes. These new facilities will increase maintenance and operational financial asset demand above present levels. Income from these facilities will part fund some maintenance and operations, however these facilities are available for our entire City and will be funded in a similar manner to all our other buildings and properties.

Other acquisitions include an increasing portfolio of affordable housing. Affordable housing is available to Hospital workers and other essential service workers to remain employed locally and continue provide the high level of service for our community. These acquisitions are self sustaining and provide value to the community by way of continued essential services.

There is a shortfall in funding building maintenance in the amount of $1M per annum. This shortfall can either be addressed via reducing levels of service in consultation with the community

Parks and Recreation

Whilst operations are adequately funded, maintenance funding needs to be increased to sustain the current

level of service. Increased asset monitoring and condition assessment is required to inform maintenance programs whilst reducing risk.

The application of the appropriate level of maintenance will ensure our parks asset will achieve their intended asset lifecycle and reduce overall asset lifecycle management costs. Council will renew and maintain its playgrounds to achieve a 25 year asset lifecycle. The savings in playground renewal costs can part fund the maintenance gap.

Council's strategy to increase tree canopy by six percent will similarly increase tree management costs by a similar amount. Increased tree canopy will also increase the amount of leaf and stick drop requiring additional operational spending in street sweeping, stormwater pit and Gross Pollutant Trap cleaning.

Demand for use of Council's sportsfields continues to grow and Council must keep their condition in a safe standard. Part of this strategy is to limit field usage to less than 25 hours per week for all turf fields. Overuse of sportsfields increases safety risk for Council and users as well as forcing an early renewal of the fields which is not funded within Council's Long Term Financial Plan.

Roads and Traffic

Road Pavements and Surfaces are Council's highest value assets ($295 Million) thus small changes in network condition have huge financial impacts for Council. The imperative is to apply the appropriate maintenance at the right time to ensure that road pavements and surfaces achieve the asset lifecycle specified in Council's Asset Accounting Operational Management Standard.

Key strategies include:

- Apply pavement rejuvenation treatments every 7 years. We must apply rejuvenation to condition 1 surfaces to delay those pavements from becoming condition 2 and so on. The objective is to keep our pavements to the optimal network condition standard. Rejuvenation is a maintenance treatment. Surface cracks must be crack sealed and pavement failures heavy patched before the rejuvenation treatment is applied
- Crack seal concrete road pavements to protect the sub-base every seven years. Concrete pavement which have been overlaid with asphalt are very susceptible to moisture ingress as the asphalt acts as a reservoir for the water. Concrete pavement must also be monitored for rocking and grout injection applied before the slab fractures.
- Undertake deflection testing prior to all renewals to ensure the appropriate depth of asphalt is applied. This strategy will prevent premature failure of the pavements and ensure that the optimal asset lifecycle is achieved.
- Mapping on a plan and on the kerb of all the heavy patching required during resurfacing to ensure localised pavement failures won't occur and the pavement will achieve its asset lifecycle.
- When undertaking heavy patching, patch the entire lane width such that upon renewal that heavy patch previously installed may not need to be re-deep lifted with asphalt.

Stormwater Drainage

Our stormwater drainage system is underground and difficult to inspect. Council expends $60,000 on CCTV inspections per annum. As the drainage system cannot be inspected on a 5 year cycle a quick view system is

used to prioritise which pipes should be inspected.

Our stormwater system was designed and constructed in accordance with the standards that applied at that time of construction. Increasing capacity is not possible in most circumstance as the available space underground is consumed with other underground services such as gas, electricity, telecommunications, water and sewer. To mitigate the risk of flooding Council continues to review overland flow paths where possible.

Council will manage flooding in accordance with the State Government Flood Prone lands Policy and will progressively undertake the development of Flood Risk Management Plans in accordance with the NSW Government Floodplain Development Manual. The application of development controls upon new development will maintain flooding at present frequency and flood depth for a design storm event.

Marine Structures.

Marine structure include seawalls. Seawalls are integral in containing landfill used to reclaim parts of the Parramatta River. These reclaimed areas are highly valued by our community as foreshore reserves. Council manages 12.4 km of constructed seawall and a further 7 km of river bank.

Most of our seawalls are of a similar age and are in the last phase of their asset lifecycle. The consequence of this is that there is a large renewal demand for seawalls over the next twenty years where most of the 12.4 km of seawalls will need to be renewed.

The Seawalls have been condition assessed in 2021 and a renewal program developed to reduce the risk of sudden failure. River Cat Ferry wakes have increased the rate of demise of our seawalls. There high energy wakes scour the toe of the seawall and wash out fine materials from behind the walls which greatly increase the rate and risk of failure.

It is recommended that Council seek a special rate variation to renew the seawalls in accordance with the proposed renewal plan.

5 Levels of Service

5.1 Defining Level of Service

There are a variety of ways to describe Levels of Service (also known as service level). The concept adopted in this plan is that:

"Levels of Service are output descriptions supported by quantifiable performance measures"

A level of service is a measurable description of what Council delivers (or intends to deliver) in a particular activity which relates to something that can be controlled. Service levels may relate to:

- how reliable the asset is?
- the right quality of the assets

- having the right quantity of assets
- the safety/risk/security of the assets.

The objective of asset management is to enable assets to be managed in the most cost-effective way, based on an understanding of customer needs, expectations, preferences and their willingness to pay for any increase in the Levels of Service.

5.2 Performance Measures

The level of service statement is supported by performance measure(s), also referred to as performance indicators, that indicate how the organisation is performing in relation to that level of service. The performance measure includes targets that are made up of customer and technical measures. Customer measure relates to how the customer receives the service, whereas technical measures support customer measures to ensure all aspect of organisational performance are being monitored, even those that may not be understood by customers.

In this plan, the level of services is prepared so that they are clearly and directly linked with the performance measures. For some performance measures in this plan, Council will have full control over the outcome, for example 'respond to service requests within seven days'. However, it is important to recognise that some performance measures may be influenced by external factors. For example, the number of fatalities can be influenced by road management but driver behaviour, police enforcement and number of other factors also strongly contribute to the overall outcome.

5.3 Service Level Outcomes

The Levels of Service in this plan have been developed with a customer focus and grouped into core customer value areas that are referred to as 'Service Level Outcomes'. These service level outcomes (sometimes referred to as service criteria) encompass:

- accessibility and/or availability
- affordability
- health and safety
- quality / condition
- reliability / responsiveness
- customer satisfaction
- sustainability.

5.3.1 Accessibility

To ensure the asset base performs as required it is essential that the asset, no matter which type of asset, is generally available to the community as required. As a service outcome the council's customer will require assets that are accessible and can be relied upon to deliver the services that are not only expected, but the services that are required.

5.3.2 Quality / Condition

Asset quality is also very important. In this regard, Council should determine the quality of the assets

required. Quality will have more to do with manner and type of the asset rather than its condition. An asset may be poor in quality yet have a condition which is described as good.

Condition is a measure of an assets physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 0 - 5, where 0 = new and 5 = totally failed. A copy of a typical condition rating matrix is detailed below.

Table 9 Condition assessment matrix

Condition Rating	Condition	Descriptor	Guide	Residual life as a % of total life	Mean percentage residual life
1	Excellent	An asset in excellent overall condition however is not new and providing its intended level of service.	Normal maintenance required	>86	95
2	Good	An asset in good overall condition with some possible early stages of slight deterioration evident, minor in nature and causing no serviceability issues. No indicators of any future obsolescence and providing a good level of service.	Normal maintenance plus minor repairs required (to 5% or less of the asset)	65 to 85	80
3	Satisfactory	An asset in fair overall condition with some deterioration evident, which may be slight or minor in nature and causing some serviceability issues. Providing an adequate level of service with no signs of immediate or short-term obsolescence.	Significant maintenance and/or repairs required (to 10 - 20% of the asset)	41 to 64	55
4	Poor	An asset in poor overall condition, moderate to high deterioration evident. Substantial maintenance required to keep the asset serviceable. Will need to be renewed, upgraded or disposed of in near future. Is reflected via inclusion in the ten year Capital Works Plan.	Significant renewal required (to 20 - 40% of the asset)	10 to 40	35
5	Very Poor	An asset in extremely poor condition or obsolete. The asset no longer provides an adequate level of service and/or immediate remedial action required to keep the asset in service in the near future.	Over 50% of the asset requires renewal	<10	5

5.3.3 Responsiveness

Council will maintain assets in a workman-like manner and be responsive to the needs of the community now

and into the future. Whilst this may be difficult in some instances, Council places a high emphasis on customer service and its responsiveness to customer enquiries. Strategies will be implemented to ensure that Council maintains a high level of customer support.

5.3.4 Affordability

Council will maintain its infrastructure assets in a cost effective affordable manner in accordance with responsible economic and financial management. In order for Council's assets to assist in meeting the strategic goals and in attaining optimum asset expenditure, Council will need to continually review its current operational strategies and adopt new and proven techniques to ensure that assets are maintained in their current condition.

5.3.5 Customer Satisfaction

Council will continue to provide services to the community in a manner that is efficient and effective. Council will continue to monitor community satisfaction with its current services and strive to improve community satisfaction where possible.

5.3.6 Sustainability

Council will ensure that its assets are maintained in a manner that will ensure the long term financial sustainability for current and future generations. This will be achieved by ensuring efficient and effective service delivery and ensuring appropriate funds are allocated to maintain and renew infrastructure assets

5.3.7 Health and Safety

Council will endeavour to identify and mitigate all key health and safety risks created by provision of services. Examples of level of service based on safety might include the following:

- Services do not cause a hazard to people
- Water is safe to drink
- Sewage is managed without risk to public health

Each of the service level outcomes is related directly to the Council's Community Strategic Plan by the way each asset class helps deliver the services required by the community. These service level outcomes are essential to ensure the asset portfolio is not only maintained to a satisfactory level but also caters for the future demands of the community whilst balancing the potential risks to the community and the Council.

5.4 Financial Based Service Levels

The premise of asset management is that asset requirements and asset management strategies should be driven by defined and acceptable service levels and performance standards. This section defines the various factors that are considered relevant in determining the Levels of Service for Council's assets that have been used to provide the basis for the life cycle management strategies and works programme identified within this asset management strategy.

'Levels of Service' is a generic term used to describe the quality of services provided by an asset. Some specific financial based service levels are described below.

5.4.1 Asset Renewal Ratio

Are assets being replaced at the rate they are wearing out? This ratio indicates whether a local government is

renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the rate of depreciation of assets for the same period. A local government would need to understand and be measuring its renewal expenditure to be able to determine this ratio.

5.4.2 Asset Maintenance Ratio

This ratio compares actual versus required annual asset maintenance for each asset class. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing. The benchmark is greater than 100%.

5.4.3 Asset Backlog Ratio

This ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure. The benchmark is less than 2%. The ratio is determined by dividing the estimated cost to bring assets to a satisfactory condition by the carrying value of infrastructure, building, other structures and depreciable land improvement assets.

5.4.4 Asset Consumption Ratio

The average proportion of 'as new' condition remaining for assets. This ratio shows the written down current value of the local government's depreciable assets relative to their 'as new' value. It highlights the aged condition of a local government's stock of physical assets and the potential magnitude of capital outlays required in the future to preserve their service potential. It is also a measure of Council's past commitment to renewal of the asset class. A consumption ratio of less than 50% would suggest that past renewal funding has been inadequate or that the asset could expect to decay more rapidly.

5.4.5 Asset Renewals Funding Ratio

Is there sufficient future funding for renewal and replacement of assets? This ratio indicates whether Council is allocating sufficient funds in its long term financial plan to adequately fund asset renewals.

6 Future Demand

6.1 Demand Forecast

The future infrastructure demand for community infrastructure and facilities is driven by changes and trends in:

- population growth/reduction
- changes in the demography of the community
- lifestyle changes
- residential occupancy levels
- commercial/industrial demand
- technological changes which impact the asset
- the economic situation

- government policy
- environmental.

Table 10 Future population projection

Demand Drivers	Present Position	Projection	Impact on Services
Residential development	Estimated population in 2016 of 88,015 Currently 36,767 dwelling	Estimated population of 115,500 by 2030 an increase of 27,485 people This will result in an additional 10,000 dwellings by 2030	Will lead to increased demand for services and increased usage of community facilities

6.2 Changes in Technology

Technology changes may affect the delivery of infrastructure services as a result of improvements to construction materials, methods, maintenance and operations. These may potentially increase the life of some assets and reduce susceptibility to damage.

6.3 Demand Management Strategies

Demand management strategies will be developed for each asset class to effectively manage the growth of the City of Canada Bay. The plans will also need to manage the changing expectations of the community as the demographic profile of the area changes and develops.

6.4 Demand Management Plan

The following general implications and impacts predicted on the Council assets, based upon changes and trends, are shown in Table 14.

Table 11 Future demand impact on major facilities

Demand Factor	Impact on Services
Population	Population growth will place an increased demand on assets, especially libraries, community centres and lead to increased parking and traffic congestion
Demographics	The trend towards multicultural society, an increasing and older population will place an increased demand on some assets, especially aged care facilities, community centres and recreation assets
Social/Economic	Not directly applicable
Transportation Changes	Smart, multi-modal transport solutions will be required to keep up with the growth and provide cheap, efficient and sustainable means of transport
Increasing Costs	Requirement to continue to maximise service delivery within the funding limitations
Environment and Climate	Some assets may be impacted by change such as more severe weather events
Lifestyle	Will impact on the type and size of facilities provided into the future

Demand Factor	Impact on Services
Technology	May require improved environmental management of facilities

7 Expenditure Projections and Reporting

Based on the proposed expenditure detailed in the individual asset management plans, the following tables map the proposed expenditure on infrastructure assets by Council and compare this to the expenditure required to maintain the asset base in a sustainable position.

The average capital and maintenance expenditure on Council assets over the ten-year forecast (2022-2032) period is approximately $43,941 million per year. This compares to the expenditure which is required to maintain, operate and renew the asset network as required being $48,941 million per year. This indicates that Council has funded 90% of its required asset expenditure over the period of the plan

The shortfall in expenditure is primarily in two asset classes, being Buildings and Parks and Recreation assets. The under expenditure in these asset classes appears to be in the area of asset maintenance. It is proposed as part of the LTFP that maintenance be fully funded in future budget years which will result in a maintenance ratio of 100%. This will ensure that the required asset expenditure will be fully funded over the period of this plan.

Council will need to develop long term renewals plans (20 years) for these assets to ensure that any spike in renewal funding is planned and accounted for in both the asset management plan but also the business plans for these services.

Table 12 Long term expenditure projections

Expenditure Projections ($000) - Combined Assets		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Actual	Renewal	14,410	15,358	15,407	15,844	14,947	15,247	15,244	14,302	14,660	15,026	15,402	15,787
	New and Expanded Assets	57,882	43,072	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
	O&M	15,869	16,266	16,672	17,089	17,516	17,954	18,403	18,863	19,335	19,818	20,314	20,822
	Total Expenditure	88,161	74,695	39,080	39,933	39,464	40,202	40,648	40,166	40,995	41,845	42,716	43,609
Required	Required Renewal (Depreciation)	14,410	14,238	15,122	15,588	16,067	16,559	17,063	17,579	18,109	18,651	19,207	19,777
	New and Expanded Assets	57,882	43,072	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
	Required O&M	17,284	18,411	18,984	19,571	20,173	20,790	21,423	22,071	22,736	23,417	24,116	24,831
	Total	89,575	75,720	41,106	42,159	43,241	44,349	45,486	46,651	47,845	49,069	50,323	51,609
Gap	Maintenance Gap	-1,415	-2,145	-2,311	-2,482	-2,657	-2,836	-3,020	-3,208	-3,401	-3,599	-3,802	-4,010
	Renewals Gap	0	1,120	285	256	-1,120	-1,312	-1,819	-3,277	-3,449	-3,625	-3,805	-3,990
	Overall (GAP)	-1,415	-1,025	-2,026	-2,226	-3,777	-4,148	-4,838	-6,485	-6,850	-7,224	-7,607	-8,000

Figure 2 Asset renewal expenditure

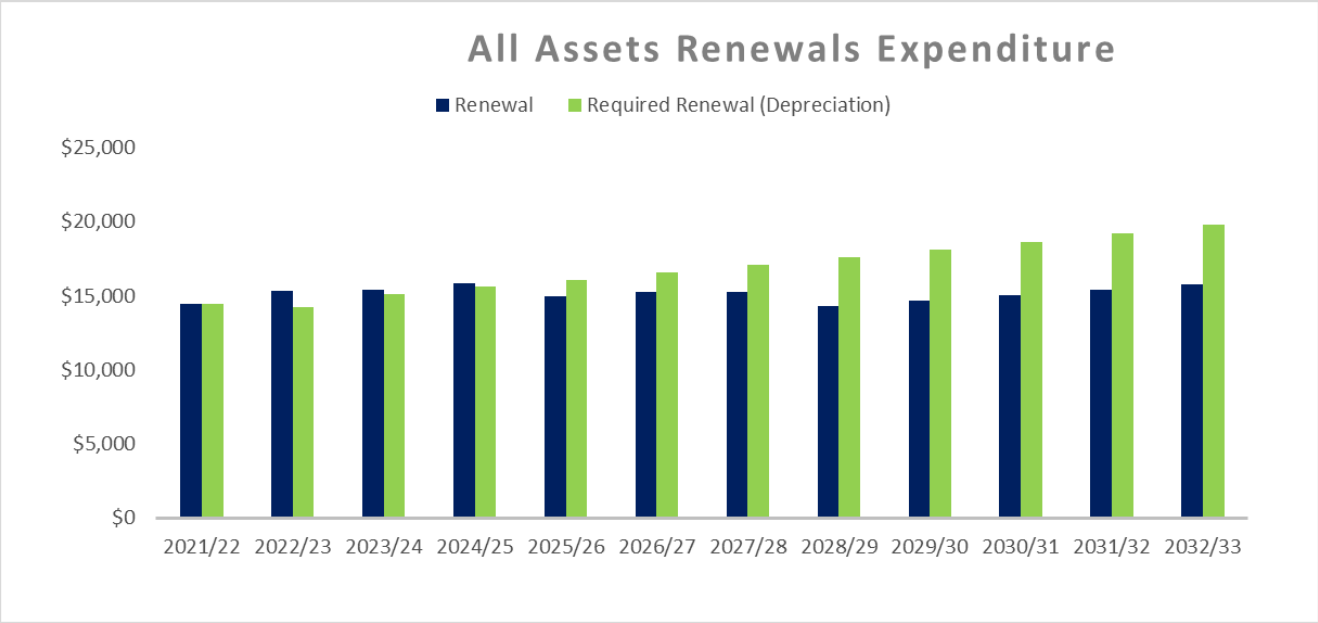
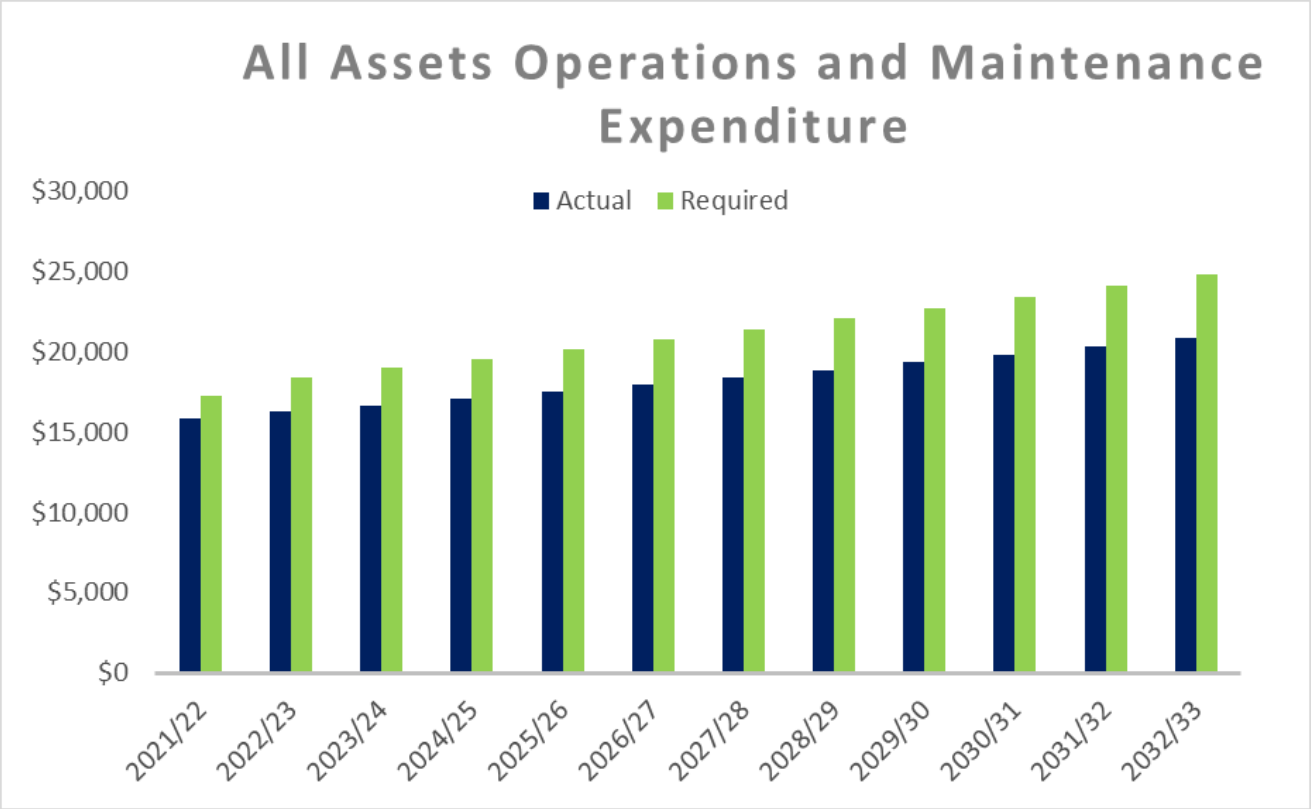


Figure 3 Asset operational and maintenance expenditure



7.1 Financial Ratios

Figure 4 Asset renewals and maintenance ratios

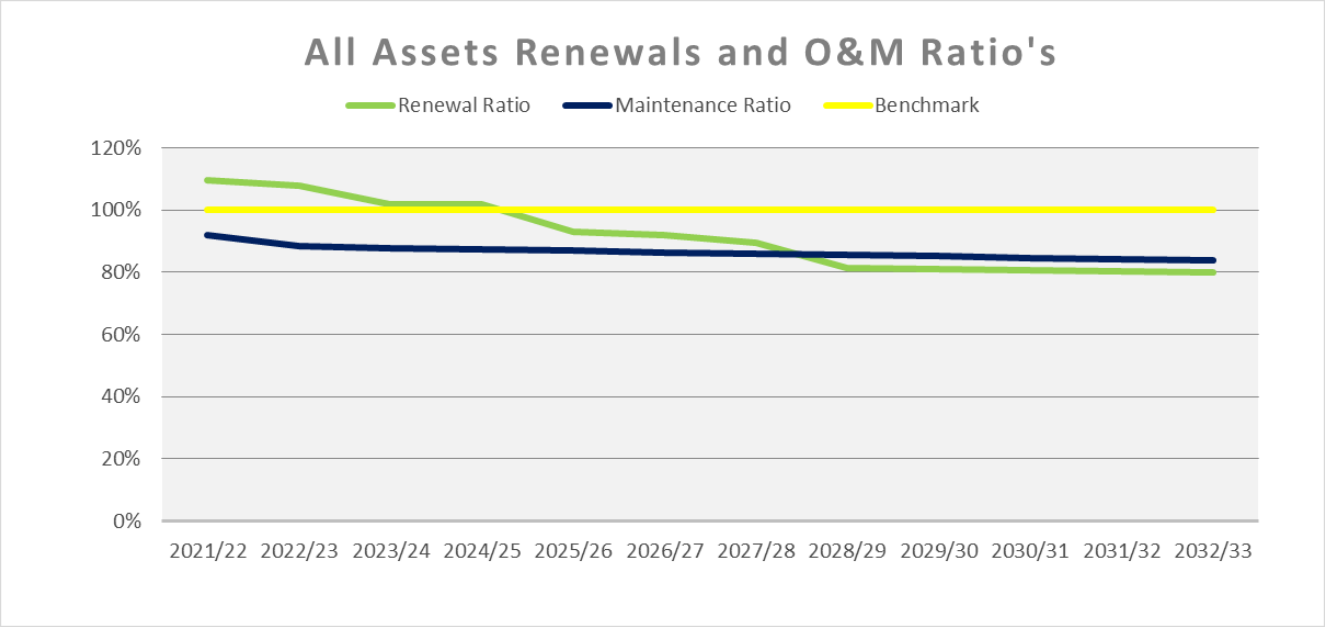
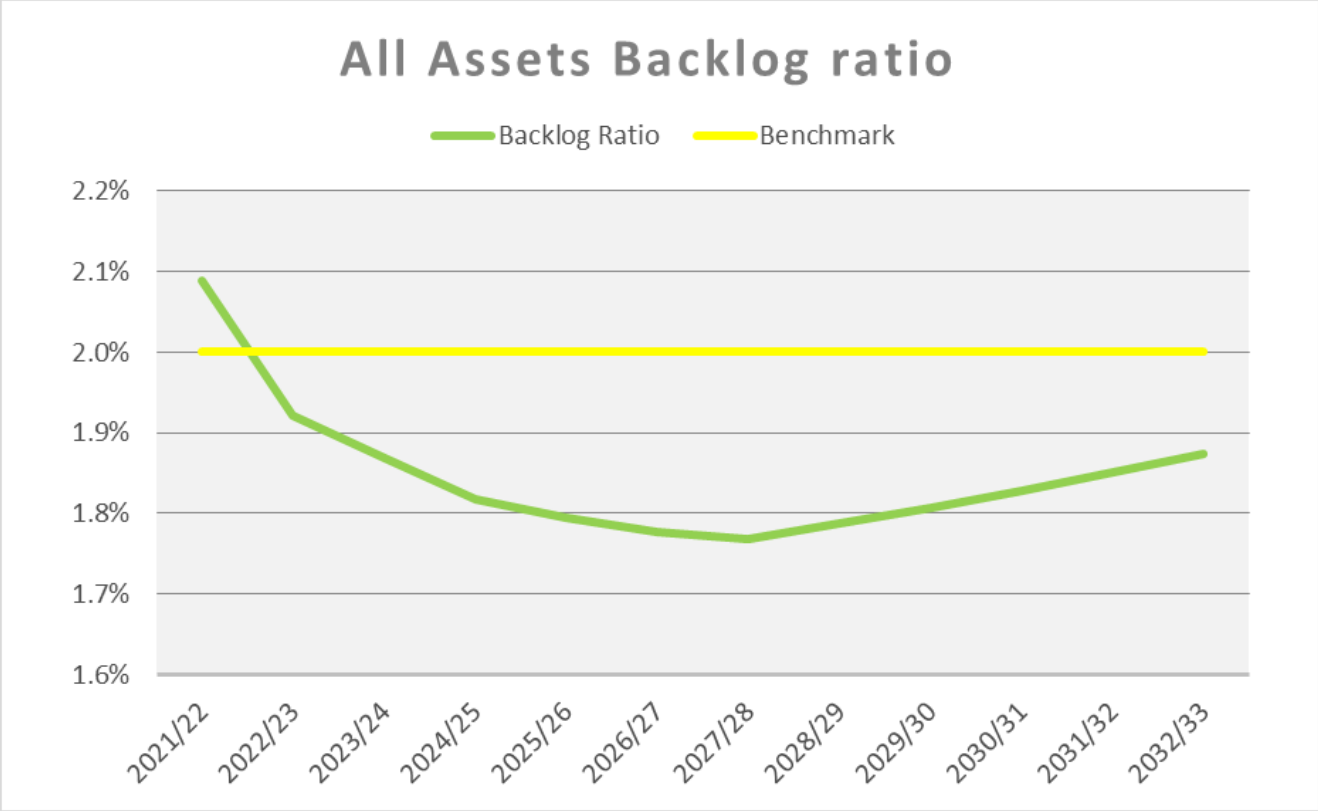


Figure 5 Asset backlog ratio



8 Risk Management

Risk Management is defined in AS/NZS 4360:2004 as: "*the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects*".

A high level risk assessment process to identify risks and to outline a plan to address the risks relating to assets was undertaken. The risk assessment process was carried out generally in accordance with Australian Standard for Risk Management AS/NZS 4360:2004.

Likelihood	Consequences				
	Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	Medium	High	Extreme	Extreme	Extreme
Likely	Medium	Medium	High	Extreme	Extreme
Possible	Low	Medium	High	Extreme	Extreme
Unlikely	Low	Low	Medium	High	Extreme
Rare	Low	Low	Medium	High	High

The risk assessment process identified and evaluated community and service risks that may impact on the community and delivery of services and developed a risk treatment plan.

Currently no critical assets have been identified for each facility and no risk mitigation strategies have been developed. More work is required in terms of business continuity planning in relation to these assets.

8.1 Enterprise Risk Management Framework

Council's Enterprise Risk Management (ERM) Framework covers wide range of projects, programs and activities. The plan feeds into the Delivery Program and Operational Plan and is also to be used in management of assets or infrastructure related risk.

Council operates a wide range of diverse projects, programs and activities and has a large number of diverse stakeholders with varying needs and expectations. Therefore, the scope of Council's organisation-wide risk management must encapsulate all activities. Specifically, the context of risk management will include:

Governance	Sound processes for decision-making i.e. the processes by which decisions are implemented or not implemented
Compliance	Meeting the expectations and requirements of those stakeholders who regulate the organisation
WH&S	Achieve fewer and less severe injuries, better trained and informed employers and workers, improved morale among workers
Financial	Includes strategic and business planning, financing and accounting

Operational	Includes programs, activities and processes to deliver internal and external services
Environmental	Given exposure or series of exposures that may damage human health or the physical environment

Council's risk management process closely follows guidelines that set out in AS/NZ 31000:2009.

8.2 Critical Assets

Critical assets are those assets that are likely to result in a more significant financial, environmental and social cost in terms of impact on organisational objectives. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at critical areas.

ISO 55001 Cl 6.2.1.2b requires organisations to "review the importance of assets related to their intended outcomes, objectives and product or service requirements." ISO 55002 Cl 6.2.2.1 suggests that "a risk ranking process can determine which assets have a significant potential to impact on the achievement of AM objectives".

City of Canada Bay Council has used a basic approach in identifying critical assets for each major asset class. The approach uses the 'Critical Asset Risk Matrix' developed by Morrison Low Consultants that rates Council-owned assets from high to low in importance, significance and consequences. The assets identified as high have currently been ranked as critical. Having taken into account the critical risk matrices and based on the operational expertise and experience of Council officers, the following assets have been considered the most critical assets for the organisation as a whole.

Asset Class	Organisational Critical Asset
Buildings	– Council's Administration Centre
	– Works and Services Depot

9 Asset Management Strategic Actions

The Asset Management Strategy is to enable Council to:

- demonstrate how its asset portfolio will meet the service delivery needs of its community into the future
- enable Council's Asset Management Policy to be achieved
- ensure the integration of Council's asset management with its Community Strategic Plan.

The Asset Management Strategy proposes the following strategies to enable the objectives of the Community Strategic Plan to be achieved.

Table 13 Asset Management Strategic Actions

No	Strategy	Desired Outcome
1	Continue the move from annual budgeting to long term financial planning	The long term implications of Council services are considered in annual budget deliberations
2	Review and update asset management plan financial projections and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks	Council and the community are aware of changes to service levels and costs arising from budget decisions
3	Continue to Report Council's financial position at Fair Value in accordance with Australian accounting standards, financial sustainability and performance against strategic objectives in annual reports, ensuring that Asset remaining lives are assessed on an annual basis	Financial sustainability information is available for Council and the community
4	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs. As such Council will need to continually review and update asset condition particularly in the stormwater and marine asset classes	Improved decision making and greater value for money
5	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report	Services delivery is matched to available resources and operational capabilities
6	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions	Responsibility for asset management is defined
7	Implement an improvement plan to initially realise 'core' maturity for the financial and asset management competencies, then progress to "advanced" maturity	Improved financial and asset management capacity within Council
8	Report annually to Council on development and implementation of Asset Management Strategy and Plan and Long Term Financial Plans	Oversight of resource allocation and performance