DRAFT STRATEGIC ASSET MANAGEMENT PLAN

CONTENTS

INTRODUCTION

North Sydney Council is committed to continuous improvement and sound governance, striving for best practice in the delivery of services and infrastructure. Our goal is to ensure services and infrastructure are fair, equitable and sustainable – delivering long-term value for both current and future generations.

For decades, the North Sydney community has benefited from high-quality services, well-maintained infrastructure, and strong civic participation. Council has worked in close partnership with local volunteers, Precinct Committees, Community Centres, Bushcare groups, Streets Alive and Community Gardens to support a thriving, connected community.

However, the environment in which Council operates has changed significantly. Population growth and increased urban density have placed additional pressure on our assets and services. Much of our infrastructure is ageing, and community expectations are evolving. Advances in technology, the long-term impacts of COVID-19 pandemic, and the transformative opening of the new Metro have all reshaped how we live, work and travel.

These changes bring both exciting opportunities and growing demands. To meet them, Council requires a robust asset management framework that enables us to plan, invest wisely and deliver the services our community value most.

The Long-Term Financial Plan outlines how and why Council's current financial position is no longer sufficient to sustain the level of service and infrastructure that our community has historically enjoyed.

These financial pressures are compounded by two critical and intersecting sustainability challenges: ageing infrastructure and population growth. Many of our assets are reaching the end of their useful, and current asset management systems are outdated.

This has resulted in reactive decision-making and constrained funding for both renewal and new infrastructure – leaving little or no capacity to deliver on the priorities identified in Council's strategic plans. With the NSW Government housing reforms targeting an additional 5,900 dwellings in the medium term, pressure will be placed on infrastructure and services and Council must move its current reactive position to planning for this change. A strengthened financial position and improved asset management maturity is critical to this.

This Strategic Asset Management Plan provides a pathway to improve asset maturity and sustainability. Although this plan will not resolve all challenges, it represents an important step towards restoring improved governance and resource allocation to align with the expectations and needs of a growing and evolving community and leave a positive legacy for future generations.

PART 1: STRATEGIC AND POLICY CONTEXT

ASSET MANAGEMENT PRINCIPLES

Asset management within local government is founded on a set of principles that ensure public assets are planned, operated, and sustained in a way that delivers long-term value to the community. These principles promote a systematic, transparent, and risk-based approach to decision-making, ensuring that assets support organisational objectives, community expectations, and service delivery needs.

The principles adopted in this strategy are aligned with **ISO 55000:2024**, which emphasises value creation, leadership and culture, assurance, and whole-of-life management. By following these internationally recognised principles, this strategy provides a coherent framework for optimising asset performance, strengthening accountability, and managing resources responsibly and sustainably across the asset portfolio.

Value

Effective asset management is about getting the best value from our community's assets over their whole life. This means making decisions that clearly support Council's goals, planning for maintenance and renewal, and being open about how and why decisions are made. By focusing on value, we ensure that our assets continue to meet community needs in a responsible and sustainable way.

Alignment

Strong asset management depends on good alignment across the whole organisation. Vertical alignment ensures that Council's vision and community goals flow clearly into our asset management objectives, strategies, plans, and day-to-day activities. Horizontal alignment promotes collaboration between different departments and teams, making sure everyone involved in planning, building, operating, and maintaining assets is working together. This coordinated approach helps Council deliver services more effectively and consistently for the community.

Leadership

Strong, consistent leadership is essential for managing community assets well. Leaders at every level help set clear expectations, define roles, and support open communication. By fostering a cooperative and accountable culture, Council leadership ensures that decisions about assets are well-informed, transparent, and aligned with long-term community outcomes.

Legislated principles

In September 2016, the Local Government Amendment (Governance and Planning) Act 2016 commenced. This legislated the approach that Councils should adopt in relation to their financial management. Asset management is a critical function supporting financial management and sustainability.

Legislated principles of sound financial management

Section 8B of the Local Government Act 1993 states that the following principles of sound financial management apply to Councils.

- Council spending should be responsible and sustainable, aligning general revenue and expenses.
- Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- Councils should have effective financial and asset management, including sound policies and processes for the following:
    o performance management and reporting,
    o asset maintenance and enhancement
    o funding decisions
    o risk management practices
- Councils should have regard to achieving intergenerational equity, including ensuring the following:
    o policy decisions are made after considering their financial effects on future generations,
    o the current generation funds the cost of its services.

COMMUNITY CONSULTATION

Community consultation plays a critical role in the management of council assets. Technical analysis informs how infrastructure is planned and maintained; however, a clear understanding of community values, expectations, and emerging needs is essential to ensure that service levels are appropriately set and that future infrastructure investment responds effectively to growth and change.

Council has undertaken consultation throughout 2024 and 2025 to assist in strengthening this alignment.

'The Next Ten Years'

In May and June 2024, 'The Next Ten Years' engagement series included thought-provoking discussion papers, panel sessions, surveys and workshops. The community considered where we are now and where we would like to be over the next decade.

This work together with research in several key areas has informed a number of enabling actions which have been included within eight (8) Informing Strategies to inform Council's new Community Strategic Plan, Delivery Program and Operational Plan.

Actions within the strategic direction respond to challenges and opportunities experienced now and those emerging over the coming ten years.

In addition to highlighting priorities for infrastructure spending, the Governance Strategy also focuses on improving asset maturity through improved asset management systems and data.

Asset management and service levels

In August 2025, Council undertook further consultation to understand service and infrastructure expectations, along with alternate revenue opportunities. 605 demographically selected participants and 433 'opt in' community completed the survey. Key findings from the research were as follows:

- Strong recognition of shared responsibility/intergenerational equity: 72% agree every generation should contribute to renewing infrastructure.

- There is little appetite for 'less' – the majority of residents want services/infrastructure to at least be maintained, if not improved – even knowing that maintaining/increasing services will require an increase in rates

- 87% of residents rated infrastructure maintenance as important or very important.

- Most residents opposed selling assets unless proceeds were reinvested for long-term benefit.

- Nearly 1 in 3 residents prefer more Council spending, and 63% support paying more in Council rates. Support for paying more in rates to cover maintenance and renewal costs was strongest for roads and transport (67%), stormwater (66%) and footpaths (65%); It was lowest for bus shelters and street furniture (57%).

- There is support for the improvement of infrastructure, including open space and recreation, public amenities, and infrastructure in CBD and town centres near Metro.

CLEAR STRATEGIC DIRECTION

A clear and coherent strategic direction is fundamental to effective asset management. It provides the anchor for planning, investment, and prioritisation - especially in a community that is growing and changing. In local government, where expectations increase and resources remain finite, it is essential that funding and infrastructure decisions follow strategic priorities rather than allowing short-term financial pressures or ad-hoc demands to set the agenda.

High-performing organisations align their resources to a well-defined strategy, ensuring decisions are deliberate, long-term and community-focused. For Councils, this means setting clear goals that guide not only the maintenance and renewal of existing assets but also the careful consideration of when, where, and how to invest in new infrastructure to meet emerging needs.

This Strategic Asset Management Plan is founded on the principle that strategy must lead resourcing: financial decisions are aligned with Council's broader objectives so that investment is directed to areas of greatest impact and trade-offs are made transparently and purposefully.

Without this strategic anchor, asset management risks becoming reactive, fragmented, and short-sighted. By placing strategy at the centre, Council can respond responsibly to growth, support community wellbeing, and plan for sustainable, fit-for-purpose infrastructure that meets the needs of both current and future generations.

Integrated Planning and Reporting Framework

In early 2025, North Sydney Council adopted a new strategic framework developed in accordance with the *Integrated Planning and Reporting (IP&R) Framework* issued by the NSW Office of Local Government (OLG).
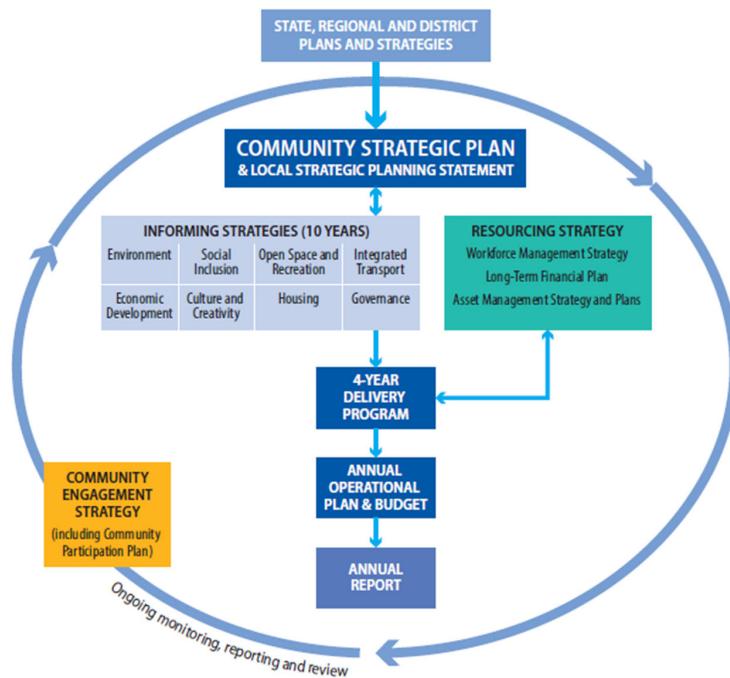
Figure 1: Integrated Planning and reporting Framework

This framework provides a structured approach to planning, ensuring that Council's strategies and actions are informed by community priorities, evidence-based research, and long-term trends. The strategic direction outlined within it draws on a consolidation of previous plans, policies, and strategies, alongside comprehensive community consultation. This approach ensures both continuity and adaptability - recognising the lessons of the past while addressing current and emerging challenges.

Informing strategies

The insights gathered through this process - combined with detailed research in key areas such as infrastructure, housing, sustainability, and demographics - have informed a suite of eight (8) Informing Strategies and directly contributed to the development of Council's new *Community Strategic Plan*.

The Informing Strategies focus on the following priority areas:

- Governance   - Open Space and Recreation

- Economic Development   - Culture and Creativity

- Integrated Transport   - Social Inclusion

- Environment   - Housing

Community Strategic Plan

The Community Strategic Plan (CSP) is the highest-level plan within the Integrated Planning and Reporting Framework, providing the long-term vision, goals, and priorities for the North Sydney local government area over the next ten years. Developed in close consultation with the community and guided by the principles set out by the NSW Office of Local Government, the CSP reflects the aspirations, values, and expectations of residents, businesses, and stakeholders. It sets out the outcomes the community wants to achieve across key areas such as environment, economy, infrastructure, community wellbeing, and civic leadership. The CSP serves as the foundation for all other strategic planning processes, including the Long-Term Financial Plan, Delivery Program, and Operational Plan. By articulating a clear direction and shared vision, the CSP ensures that Council's policies, services, and investment decisions are aligned with community priorities, promoting transparency, accountability, and long-term sustainability.

Long-Term Financial Plan

The Long-Term Financial Plan (LTFP) is a critical component of Council's strategic framework. It serves as a financial roadmap, guiding Council's decision-making over the next ten years to ensure the sustainable delivery of services, infrastructure, and community initiatives.

More than a budgeting tool, the LTFP is designed to align Council's financial capacity with its strategic priorities. This ensures that available resources are used effectively to meet the evolving needs and expectations of the community. It provides a forward-looking view of Council's financial sustainability, identifying key pressures, risks, and opportunities, and enabling informed decisions that balance short-term demands with long-term goals.

Asset Management Planning

Asset Management Planning plays a critical role in ensuring the long-term sustainability of Council's infrastructure and service delivery. It provides a structured approach to managing Council's diverse portfolio of assets including roads, buildings, parks, stormwater, and community facilities, so they continue to support community needs now and into the future.

Asset Management Plans directly inform the Long-Term Financial Plan by identifying future funding requirements and helping Council to prioritise resources in a way that supports sustainable service delivery and intergenerational equity

Workforce Management Strategy

The Workforce Management Strategy ensures that Council has the organisational capacity and capability to deliver on its strategic objectives both now and into the future. Developed in accordance with the guidelines set out by the NSW Office of Local Government, the strategy identifies the current and future workforce needs of Council, considering factors such as service demand, technological change, financial constraints, and demographic shifts.

The Workforce Management Strategy directly informs the Long-Term Financial Plan by identifying the human resource investments required to support sustainable service delivery.

CHALLENGES AND OPPORTUNITIES

The eight informing strategies developed for the North Sydney Local Government Area provide a comprehensive framework for addressing both current and emerging challenges and opportunities.

These strategies recognise the legacy of past Council commitments that remain unfunded, while also identifying new possibilities to enhance the wellbeing of the community – both now and into the future.

Together, they reflect a balanced approach to financial planning, ensuring that the needs of today's residents are met without compromising the ability of future generations to thrive. Some of the key challenges and opportunities considered across these strategies are outlined below. For more detail, the informing strategies and independent research are available on Council's website.

Social

Housing and Population growth

In mid-2024, the NSW Government released new dwelling completion targets for each local government area. North Sydney has been allocated a target of 5,900 dwellings to be delivered between 2024 and 2029. Of this target, 2,630 dwellings are already planned, with existing approvals in place or located in areas where rezonings have occurred.

The remaining 3,270 dwellings are expected to be delivered through the NSW Government's Transport Oriented Development (TOD) program (Crows Nest precinct) and through low and mid-rise housing reforms.

These government-led reforms, aimed at accelerating housing supply, will result in significant operational and infrastructure pressures for Council. As the population grows and changes, existing infrastructure will face increased demand, and new infrastructure will be needed to support future communities.

Council's Development Contributions Plan provides a framework for funding new or upgraded infrastructure in response to this growth. However, contributions collected through development alone are insufficient to fully fund the required infrastructure. Additional funding from Council is necessary to bridge this gap. As Council has not yet built financial reserves for this purpose, the use of these contributions will be limited in the short to medium term.

Master planning for Council-owned sites near Metro stations in Crows Nest and North Sydney present a strategic opportunity to meet evolving community needs, including expanding library, community and/or recreational and social needs.

Ageing population

Between 2021 and 2036, the number of North Sydney residents aged over 60 is projected to increase by 19%, representing more than 22% of the total population. This demographic shift presents both challenges and opportunities for Council's asset management approach. An ageing population has distinct service and accessibility needs, including safer public spaces, improved mobility infrastructure, and facilities designed to support ageing in place.

Council's Disability Inclusion and Access Plan (DIAP), which focuses on improving access for people with disability, their families and carers, provides a critical framework for responding to these needs. Many of the actions within the DIAP also deliver broader benefits for older people and the wider community. Sustained investment in accessibility upgrades such as footpath improvements, compliant amenities, wayfinding, and inclusive open spaces is essential to ensuring North Sydney remains safe, welcoming and equitable for all residents as the population ages.

Increased housing density

Increasing density means that demand for public places and spaces will continue to increase. With 89% of residents living in high and medium-density housing in North Sydney, many activities that take place in private back yards in lower density LGA's (e.g. children's birthday parties, BBQs or vegetable gardening) are undertaken in the public realm, increasing the intensity of use within our parks, libraries and surrounding infrastructure.

North Sydney faces a considerable open space deficit, estimated at around 45 hectares, which is expected to increase as the population grows.

Ensuring an adequate supply of accessible public open spaces is essential. Limited land availability and high land prices severely restrict the ability to acquire new open space. Therefore, it is crucial to explore innovative strategies to maximise the use of existing resources. This includes upgraded infrastructure such as drainage and lighting, design modifications as well as the potential repurposing of civic and 'grey' spaces, such as roads and car parks, for recreational use.

Social inclusion and cohesion

North Sydney is a vibrant and diverse community, characterised by a highly mobile population, a significant proportion of lone-person households, and a growing ageing demographic. These factors present both challenges and opportunities for strengthening social connection and community engagement. In this context, the risks of social isolation and loneliness are notable - particularly for older residents, young people and those with limited local support networks - making social inclusion a critical foundation for individual wellbeing and community resilience.

Council's future infrastructure planning recognises the important role that community facilities play in fostering connection, participation and lifelong learning. Strategic planning for the renewal and expansion of library services, new or enhanced community centres, a culture and creativity hub, and community childcare facilities has been identified as a priority to ensure that Council can meet emerging community needs and support a more inclusive and connected North Sydney.

Trends in recreation

There is a growing shift toward lifestyle and adventure-based recreation, with increasing participation in activities such as run clubs, personal fitness, outdoor training and exercising with dogs. These trends highlight the community's preference for flexible, informal and self-directed recreation opportunities. The challenge for Council is to ensure that our network of open spaces can support this diversity - providing a mix of environments and facilities that cater to different activities, ages and abilities while maintaining the quality and sustainability of our public spaces.

The recent demographically selected Micromex survey confirmed support for improved open space and recreation, with 80% of respondents agreeing that Council should maximise the use of existing open space through initiatives such as better drainage, multi-use fields and other adjustments. 65% of respondents agree masterplans should be prepared for parks/ foreshores and 50% would like to see more open space and recreational facilities created – which was considered more important for 18–34-year-olds, with 63% wanting more.

Economic

Changing work environment

North Sydney boasts numerous strengths that establish it as a vibrant economic hub within Greater Sydney. With a Gross Regional Product of $23.37 billion and an impressively low unemployment rate of 2.6%, the area's economy is robust. Its strategic location, combined with a highly educated workforce – 66% of whom hold a bachelor's degree or higher – makes the area an attractive destination for investors and businesses alike. Despite these strengths, North Sydney faces challenges such as limited amenity in the CBD and increasing competition from neighbouring areas.

The COVID-19 pandemic fundamentally reshaped how people work, accelerating a long-term shift toward remote and flexible working arrangements. This change has had lasting impacts on city centres, like North Sydney CBD, prompting businesses and local governments to rethink how CBDs function. Many cities are now transitioning toward experience-focused, and community-oriented spaces, recognising that the role of the CBD is evolving from primarily a place of work to a broader hub for living, culture, innovation, and social connection. The workplace and CBD must now attract people who now have much greater choice in where they work.

Upgrading and renewal of public domain areas, along with the delivery of projects within the North Sydney CBD Public Domain Strategy will support this challenge.

State and federal agency impacts and opportunities

State agencies own and operate a range of essential services within North Sydney including the Metro, train and bus networks, state and arterial roads, and energy distribution infrastructure. The operation and expansion of these services directly influence Council's asset base and service delivery responsibilities. Examples include:

- Ausgrid: street tree pruning, management of overhead powerlines, and the placement of substations, all of which affect Council's public domain and tree canopy management.
- Sydney Metro and Sydney Trains: impacts on active transport routes, pedestrian connectivity and local public domain upgrades.
- Transport for NSW: reduction of open space and urban tree canopy, altered traffic patterns, and broader impacts on local amenity due to state road projects.

State agencies also play a major role in planning and funding new infrastructure in response to housing reforms, major transport initiatives and statewide priorities such as active transport. While these projects bring opportunities to enhance connectivity and public spaces, the long-term operations and maintenance responsibilities for newly delivered assets typically transfer to Council.

This includes assets such as the Berry's Bay Parklands, Woodley's Shed, Hume Street Park Stage 2, and infrastructure delivered through the North Sydney Bike Action Plan. Ensuring appropriate funding, resources and long-term planning for these incoming assets will be essential to maintaining service standards and supporting community expectations.

Education institutions impacts and opportunities

North Sydney is home to 18 educational institutions, including universities and both public and private schools. Each day, these institutions generate significant demand on Council-managed assets such as footpaths, active transport networks, roads, parks, libraries and environmental hubs.

With many schools operating on constrained sites and limited open space, Council's parks and sports fields increasingly function as extensions of school grounds. While this supports active learning and community connection, it also intensifies wear on surfaces, increases maintenance requirements and can create competing demands between school use and community access.

Targeted upgrades - particularly to drainage, turf quality, and supporting infrastructure—are required to maintain the functionality and resilience of these assets under growing pressure.

Educational institutions contribute positively to the local economy and vibrancy of North Sydney; however, as rate-exempt entities they do not contribute to the ongoing costs of maintaining the infrastructure they rely on.

To help manage demand and ensure equitable access, Council will introduce a new policy in 2026 to regulate the use of open space by organised groups, including schools. This policy will strengthen transparency, improve cost recovery where appropriate, and support sustainable long-term management of shared community assets.

Environmental

Safeguarding Ecosystems and Natural Assets

Local biodiversity and the ecological health of bushland areas continue to be threatened by illegal clearing, encroachment, dumping, invasive species, polluted stormwater and unmanaged use of informal tracks.

These pressures are intensified by the limited amount of open space in the area. Strengthening environmental protection, improving maintenance, and providing well-designed and clearly defined bushwalking tracks can help reduce impacts on sensitive ecosystems while supporting responsible community access to natural areas.

Climate change and asset resilience

Climate change presents a significant and escalating challenge for council asset management. The evidence for human-induced warming is clear, and its impacts - environmental, social, political and economic - are already being felt. Rising temperatures, more extreme weather events, and changing rainfall patterns place increasing pressure on infrastructure performance and durability.

Asset management must therefore minimise environmental impacts, transition toward more sustainable practices, and ensure assets are designed, renewed and operated in ways that are resilient to future climate conditions.

Green Cover and Urban Heat Mitigation

Parts of North Sydney are increasingly vulnerable to urban heat, where limited tree canopy and extensive hard surfaces contribute to higher temperatures compared with surrounding areas.

Enhancing urban greening through strategic tree planting and improved landscape design can reduce heat, improve air quality, and create cooler, more attractive public spaces. As density increases, the challenge will be ensuring sufficient space to expand and maintain tree canopy cover, particularly in areas of high development pressure.

This challenge will require Council and the community to consider trade-offs between grey and green space, with road space being an opportunity to incorporate green corridors.

Governance and Leadership

International and Local Standards

The ISO 55001 (2024) standard and the GFMAM Asset Management Landscape together provide a globally recognised framework for effective asset management. While formal certification is not required, there is an increasing expectation that councils demonstrate alignment with these frameworks - particularly in areas such as governance, risk management, lifecycle planning, performance evaluation and continuous improvement. Strengthening alignment with GFMAM principles presents a significant opportunity for Council to mature its asset management system, ensure transparent and evidence-based decision-making, and enhance confidence in long-term service delivery.

Sustainable Development Goals 2030

The United Nations Sustainable Development Goals (SDGs) reinforce several core elements of the GFMAM Landscape, including sustainability, resilience, stakeholder engagement and long-term planning. Australia's commitment to the SDGs positions local government as a key contributor to these objectives through the way it plans, manages and renews community assets. Goal 11 – "Make cities and human settlements inclusive, safe, resilient and sustainable" – directly aligns with the GFMAM focus on delivering sustainable services through effective lifecycle asset management. Integrating SDG principles into council planning provides an opportunity to strengthen environmental stewardship, social equity and sustainable infrastructure outcomes.

Professionalisation of asset management

Asset management is an increasingly specialised discipline supported by national and international professional credentials. ISO 55001 emphasises the need for organisations to demonstrate the competence and capability of personnel involved in asset-related decision-making.

For Council, this presents both a challenge and an opportunity: attracting, developing and retaining skilled asset management professionals is essential to delivering contemporary, evidence-based asset practices. Continued investment in training, capacity building and organisational knowledge will support improved decision-making and contribute to the long-term sustainability of Council's asset base.

Intergenerational Equity

Infrastructure provision and management are core responsibilities of local government and underpin essential community services such as transport, open space, community buildings, stormwater, and coastal protection. As assets age, the need for structured lifecycle management - aligned with GFMAM principles of risk-based, sustainable decision-making -becomes increasingly important.

Timely maintenance and renewal are essential to maintaining service levels, managing risk, and ensuring public safety. When renewal is deferred, asset condition deteriorates, service reliability declines, and financial burdens shift to future generations. Maintaining intergenerational equity is a key governance responsibility.

The renewal ratio is a useful indicator of how effectively councils are funding asset renewals relative to depreciation; however, it is retrospective and can obscure actual future needs. Depreciation should be treated as a baseline only, noting that long-term renewal requirements are likely to exceed accounting depreciation due to inflation, rising service expectations and evolving standards.

As of 30 June 2025, Council managed $2.21 billion in infrastructure, property, plant and equipment, with $516 million in accumulated depreciation and a net carrying value of $1.7 billion. Ensuring the long-term sustainability of this asset base requires ongoing investment in:

- timely asset renewals
- upgrades to meet contemporary standards
- new infrastructure to support population growth

Failure to renew assets when required leads to the creation of an infrastructure backlog. Where renewals are deferred, equivalent financial reserves should be established to maintain intergenerational equity - a principle strongly supported by the community, with 72% agreeing each generation should contribute to the renewal of infrastructure they use.

Current Infrastructure Backlog

Current estimates show a growing backlog resulting from prolonged underinvestment in renewal. Addressing this backlog will require sustained, targeted investment supported by robust planning, prioritisation and risk assessment.

A "satisfactory" level of service reflects assets that are operational but require maintenance to prevent further decline. Without adequate maintenance or renewal funding, assets in this category may become unsafe or unreliable, increasing operational risk and community disruption.
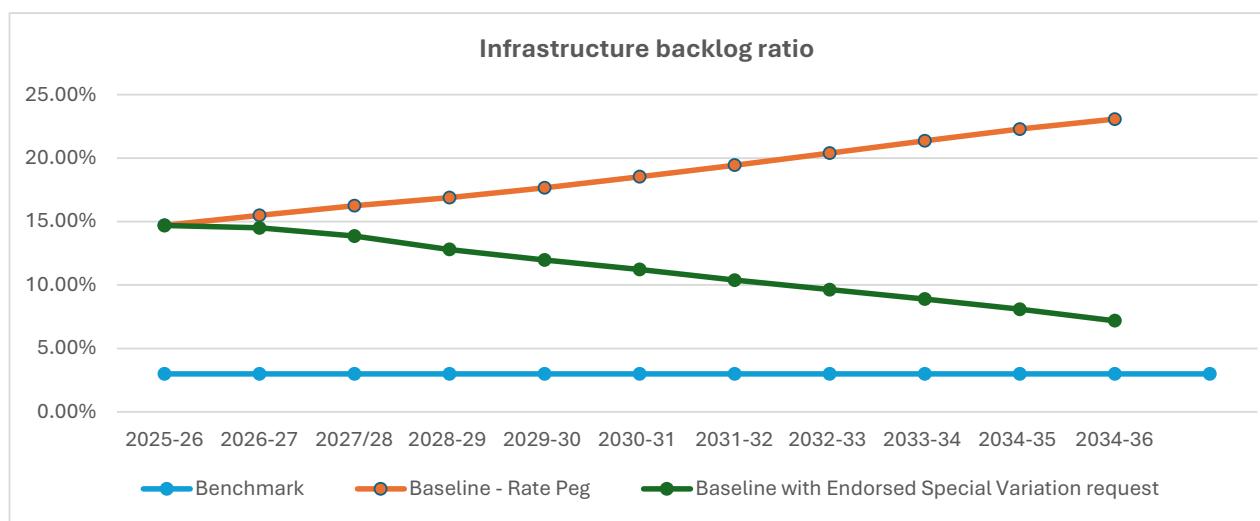
Figure 2: Infrastructure backlog ratio forecasts

The most significant risks relate to buildings and stormwater infrastructure:

- Renewal funding for buildings has averaged only 24% of forecast depreciation since 2020, leading to failures in community centres, administrative buildings, bus shelters and sporting facilities.
- Improved stormwater inspections (including CCTV) and the 2025 asset revaluation highlight emerging structural issues. Without proactive investment, the stormwater network is likely to experience escalating failures.

Given Council's current financial outlook - even with forecast increases to the rate peg – when factoring in existing backlogs, renewal funding is projected to remain below required levels. This reveals an unsustainable long-term position that will require strengthened governance, prioritisation and financing strategies consistent with GFMAM's lifecycle and risk-management principles.

Technology

Effective asset management relies on accurate, reliable and integrated information systems. Asset information, data quality, and system capability are foundational to evidence-based decision-making, risk management and lifecycle planning. Modern technology provides councils with the tools needed to monitor asset condition, optimise performance, improve forecasting, and deliver transparent reporting to stakeholders.

Digital technologies - such as integrated asset management systems, GIS platforms, real-time monitoring, modelling tools and analytics - create significant opportunities to strengthen governance, improve efficiency, and enhance service delivery. They also support more effective community engagement through accessible information, digital channels, and open data.

North Sydney Council currently operates a mixture of legacy systems that have evolved over time, many of which are not integrated and no longer support contemporary asset management requirements. This limits the organisation's ability to maintain accurate asset records, assess risk, plan renewals, or deliver a consistent customer experience. Legacy systems also increase operational inefficiency, reduce data reliability, and elevate cyber and information-management risks.

Strengthening Council's technology environment - through modern, connected systems, improved data capture, and enhanced analytical capability - is essential to improving asset management maturity. Investing in technology is not optional; it is a critical enabler of Council's ability to meet ISO and GFMAM expectations, support long-term planning, and deliver sustainable, reliable services to the community.

Funding

Sustaining a large and diverse infrastructure network requires stable, long-term funding that supports risk-based, lifecycle asset management. The Long-Term Financial Plan (LTFP) highlights the financial pressures experienced in recent years, including reduced renewal expenditure and an increasing reliance on reactive interventions. These trends have limited Council's ability to maintain service levels, address ageing infrastructure, and manage emerging risks consistent with GFMAM principles of planned, proactive asset management.

The proposed special rate variation seeks to improve Council's long-term financial sustainability by restoring renewal funding to a level closer to annual depreciation -providing a more reliable baseline for lifecycle planning - and offering modest capacity to begin addressing critical backlog items. However, given the scale of community infrastructure and competing priorities, funding for upgrades and new assets will remain constrained. This will require transparent, evidence-based prioritisation and clear trade-offs to ensure investments align with community need and support infrastructure that is resilient, safe and fit for the future

PART 2: ASSET MANAGEMENT FRAMEWORK

Council's Asset Management Framework provides a structured, organisation-wide approach to managing assets in a way that delivers value, supports strategic objectives and meets community expectations over the full asset lifecycle. The framework defines how asset-related decisions are informed, governed, planned, delivered and evaluated, ensuring consistency, accountability and transparency across the organisation.

The framework has been informed by ISO 55000:2024 Asset Management – Fundamentals, Concepts and Terminology and the Global Forum on Maintenance and Asset Management (GFMAM) Asset Management Landscape. These internationally recognised references provide a common language and best-practice structure for asset management, emphasising value realisation, risk-based decision-making, whole-of-life thinking and continual improvement.

At the centre of the framework is an understanding of context and stakeholders, which establishes the organisational purpose, strategic objectives, legislative environment and stakeholder expectations that shape asset decisions. Surrounding this are the core asset management capability areas of governance, leadership and people, asset management planning, delivery, data and information, and value realisation. Together, these elements ensure that asset decisions are evidence-based, aligned with Council's strategic and financial planning, and focused on delivering sustainable outcomes.

By adopting this framework, Council is embedding a consistent and mature approach to asset management that aligns policy, people, processes, data and delivery. This supports informed decision-making, optimises asset performance and value for money, and strengthens Council's ability to responsibly steward infrastructure for current and future generations.

Asset Management Framework

CONTEXT & STAKEHOLDERS

This area sets the boundary conditions that inform the approach to Asset Management within North Sydney Council. It defines organisational purpose, strategic objectives and considers internal and external stakeholders and how their needs and expectations shape asset-related decision-making.

GOVERNANCE

This area relates to the governance and management of Asset Management including the AM Policy as well as wider organisational governance for auditing, compliance and risk management that will impact Asset Management.

LEADERSHIP & PEOPLE

Asset Management relies on people. This area considers the leadership, culture, organisational arrangements, competence, training and change management required to effectively deliver Asset Management.

AM PLANNING

This area translates organisational objectives into Asset Management decisions. It covers asset management strategy, demand analysis, levels of service, lifecycle planning, risk-based prioritisation and resourcing required to achieve value realisation.

DELIVERY

This area considers the delivery of Asset Management activities across the full asset lifecycle, including asset creation and acquisition, operation, maintenance, incident response, renewal, repurposing and disposal. It also includes supporting supply chain and procurement activities.

VALUE REALISATION

This area relates to how value is realised. It focuses on outcomes, performance monitoring, reporting and continuous improvement, ensuring asset decisions deliver organisational objectives and inform future planning.

DATA & INFORMATION

Assets require reliable data and information to inform decisions. This area considers the organisation's approach to asset information, including data quality, standards, systems, configuration management and the tools required to capture, manage and use asset data to support planning, delivery and performance monitoring.

PART 3: GOVERNANCE

ASSET MANAGEMENT POLICY

Purpose

Council is the custodian of a wide range of assets including roads, footpaths, stormwater drains, buildings, land, fleet, and equipment. The purpose of this policy is to set a clear direction for asset management in line Council's strategic goals, community needs and intergenerational responsibilities.

Scope

This Policy applies to all assets owned, controlled, or managed by Council. It shall be applied by Councillors, staff, contractors, and lessees (tenants) who conduct activities associated with the creation, acquisition, maintenance, operation, rehabilitation, and disposal of Council's assets.

Provisions

These provisions guide Council to meet the desired outcomes for Council's assets, consistent with the Community Strategic Plan, Integrated Planning and Reporting legislation and other strategic documents adopted by the Council.

- Council will only acquire new assets where there is demonstrable need in the community for the service; and the need cannot be met by using, improving, or repurposing existing assets; and the lifecycle costs of the asset can be afforded by Council.
- Council will consider consolidating or disposing of assets where the costs and risks of keeping the asset exceed the benefits to Council and the community.
- Prioritisation will be given to the maintenance and renewal of expenditure to keep assets in an acceptable condition and minimise any increase in the renewal backlog.
- Council will develop agreed levels of service for all infrastructure categories in consultation with the community.
- Council will develop Asset Management Plans informed by relevant Council plans and strategies, including demand forecasts, community surveys and technology changes.
- Council will align Asset Management Plans with Council's adopted Long-Term Financial Plan. Any funding gaps will be addressed by balancing risk, lifecycle cost and service levels.
- An asset management framework aligned with the requirements of ISO 55001 will be prepared, implemented, monitored and continually improved.

OVERSIGHT

Effective oversight of the framework is provided internally by the Asset Management Assurance Committee and supported by the Capital Projects and Asset Management Service Unit. External assurance is provided through Councils Audit, Risk and Improvement Committee (ARIC) and Internal Audit function.

The **Asset Management Assurance Committee's** role:

Strategic

- Direct the development and review of Council's Asset Management Policy, Strategy and Plans.
- Review the Development Contributions framework and Local Infrastructure Contributions Plan to ensure consistency with Council's strategic direction.
- Support strategic alignment by ensuring asset management decisions are made in accordance with Council Policy and strategic objectives.

Projects and Programming

- Identify and assess future Capital Works Programs with respect to the renewal of existing, creation of new assets and disposal of surplus assets.
- Inform and confirm with the Executive Leadership Team the annual budget envelope and priorities for the Council's works program.
- Provide direction and advice on draft voluntary planning agreements.

Improvement

- Oversee the development and progressive refinement of Council's asset management practices in alignment with ISO 55000.
- Review asset management processes and templates.
- Receive reports on data capture / storage.

Performance

- Oversee progress against the actions contained within this asset management maturity action plan and strategy to improve asset management maturity.
- Review status reports and provide feedback on the delivery of Council's Capital Works Program.
- Review close-out reports, including benefit realisation and lessons learnt.
- Monitor asset maintenance and project/program delivery risk and performance.
- Monitor management of Section 7.11 and 7.12 development contributions and voluntary planning agreements.

The **Audit Risk and Improvement Committee's** role:

The objective of Council's Audit Risk and Improvement Committee is to provide independent assurance to Council by monitoring, reviewing and providing advice about the Council's governance processes, compliance, risk management and control frameworks, external accountability obligations and overall performance.

The **Internal Audit function** role:

Internal audit provides an independent and objective review and advisory services to provide advice to the Council, Chief Executive Officer, and ARIC about the Council's governance processes, risk management and control frameworks and its external accountability obligations. It also assists the Council to improve its business performance.

MANAGING RISKS

Council manages infrastructure asset risks in accordance with its Enterprise Risk Management Framework, which sets out the processes for identifying, assessing and responding to risks that may impact service delivery, financial sustainability and community wellbeing. Council's risk appetite for assets and infrastructure is set at Medium, meaning the organisation can tolerate minor disruptions to critical services and short-term interruptions to less critical services. However, Council does not accept the loss of asset functionality or failure within an asset's expected lifecycle.

In recent years, reduced funding for asset renewal and the declining condition of some infrastructure - particularly building assets - has resulted in increased occurrence of realised risks. These have included service disruptions, unplanned closures, reactive interventions and the diversion of budgets away from planned activities to address urgent failures. Such events place financial pressure on Council and limit its capacity to deliver other priority services and projects.

Unexpected or premature asset failures remain one of the most significant risks to Council's operations and financial position. They often require immediate action and can necessitate substantial, unplanned expenditure. To manage this, Council undertakes systematic risk assessments of reported asset issues, conducts routine inspections across the network, and intervenes promptly when safety or service impacts are identified.

Critical assets are defined as those whose failure would result in financial, environmental or social consequences that exceed Council's established risk appetite. To mitigate these high-consequence risks, this Strategy commits Council to documenting all critical assets and applying enhanced management measures. This includes increased inspection frequency, stricter intervention thresholds, prioritised maintenance, and proactive renewal planning. Together, these actions will strengthen Council's ability to anticipate, manage and minimise infrastructure-related risks, supporting safer and more reliable services for the community.

Asset Category	Criteria for critical assets managed by Council
Roads	Regional road segments with critical stormwater infrastructure
Retaining walls	Retaining walls >4m supporting significant public or private infrastructure. E.g. Public or private buildings, large public utility or road.
Bridge	Road bridges on regional, arterial or collector roads or servicing isolated community members; significant detours to large populations or service providers.
Bridge over culvert	Culvert>6m wide in direction of travel and crosses a regional or urban collector road
Stormwater pipes	Pipe diameter >1500mm (or equivalent capacity) and crosses regional road (from kerb to kerb) or under major buildings or structures, including commercial centres or emergency/essential buildings.
Stormwater Culverts	Cross sectional area of culvert >1.77m2 and crosses regional road (from kerb to kerb) or under major buildings or structures, including commercial centres or emergency/essential buildings.
Stormwater Pits	Headwalls with trash/safety screens, or headwalls with one-way valves and upstream pipe >1500mm (or equivalent capacity) and adjacent to major building or structure
Buildings	Council administration building, Council Depot

Table 1: Critical infrastructure assets

VALUATIONS

Council undertakes asset valuations in accordance with Australian Accounting Standards and guidance from the Office of Local Government (OLG) to ensure that the financial values recorded in the asset register reflect current fair value. The schedule for comprehensive revaluations for each asset class is outlined below. Typically cost based valuations are undertaken every 5 years, while market-based valuations are undertaken every three years.

Minor asset classes, such as fleet, plant and other short-life assets, are recognised at fair value upon acquisition and depreciated over their relatively short useful lives. As a result, these asset categories do not require formal revaluation during their lifecycle.

Asset	Last comprehensive valuation	Valuation approach
Land:		
Operational Land	31 March 2025	Market value
Community Land	30 June 2026	Market value
Crown Land	30 June 2023	Market value
Depreciable Land Improvements	30 June 2022	Cost based
Infrastructure		
Buildings – non-specialised	31 March 2023	Cost based/market based
Buildings - specialised	31 March 2023	Cost based/market based
Roads	30 June 2025	Cost based
Footpaths	30 June 2025	Cost based
Stormwater drainage	30 June 2025	Cost based
Other structures	30 June 2021	Cost based
Swimming pools	31 March 2018	Cost based
Open space and recreation	30 June 2025	Cost based
Other infrastructure	30 June 2023	Cost based

Table 2: Valuation timing and methodology

PART 4: ASSET MANAGEMENT STRATEGY

This section sets out Council's Asset Management Strategy and the framework through which it will be implemented over the next ten years. The Strategy translates Council's strategic objectives, community expectations and financial constraints into a clear, coordinated approach for managing assets across their full lifecycle - from planning and acquisition through to operation, renewal and disposal.

The Strategy provides a practical roadmap for improving asset management maturity by strengthening governance, clarifying roles and responsibilities, embedding risk-based decision-making, and aligning asset planning with Council's Long-Term Financial Plan. It focuses on ensuring assets are safe, fit for purpose and resilient, while delivering value for money and supporting long-term financial sustainability.

Together, the Asset Management Framework, strategic objectives and action plans outlined in this section establish a consistent, transparent and accountable approach to asset decision-making. This ensures that Council's infrastructure investments are evidence-based, affordable and aligned with community priorities, while also supporting intergenerational equity by balancing current service needs with the long-term stewardship of public assets.

This strategy aims to achieve the following objectives over the next 10 years.

1. Ensure infrastructure meets current and future community needs.

2. Provide and maintain assets that are safe, functional, flexible, accessible and resilient.

3. Strengthen community and Council confidence in asset decision-making.

4. Ensure asset management practices provide optimal value for money and maintain long-term financial sustainability.

5. Embed best practice asset management and clear roles, responsibilities and accountability.

6. Maintain compliance with legislative obligations, regulatory requirements and recognised industry standards.

7. Support intergenerational equity by ensuring that today's asset decisions do not transfer unreasonable costs, risks or service burdens to future communities.

Link to strategic outcomes

Assets underpin the desired outcomes of Council's Community Strategic Plan. The objectives of this Asset Management Strategy will strengthen the services and support provided to the community by ensuring that the assets essential to each strategic outcome are planned, funded, maintained and renewed in a sustainable and coordinated way.

Governance	Environment	Social Inclusion	Open Space/ Recreation	Integrated Transport	Economic Development	Culture and Creativity	Housing
An effective, accountable and sustainable Council that serves the community.	*A healthy environment with thriving ecosystems and strong climate resilience*	*A connected and socially inclusive community where everyone is valued*	*An active community with space for everyone to exercise and enjoy the outdoors*	*A connected LGA where safe, active and sustainable travel is preferred*	*A thriving and resilient local economy*	*A vibrant LGA where culture and creativity is enjoyed by all*	*Housing that meets the needs of a growing population*
IT systems	Bush land	Amenities	Amenities	Street Furniture	Amenities	Library Books	Community housing
Plant and Equipment	Coal Loader	Childcare buildings	Sports clubhouses	Road Pavements	Childcare buildings	Heritage buildings and collections	
Investment properties	Seawalls	Community centres	North Sydney Oval	Footpaths incl. Footbridges, stairs, walking tracks and platforms	Public Domain	Primrose Arts & Crafts Centre	
Operational buildings	Marine Structures	Planet X	Sports infrastructure	Car parks	Public Plaza	Stanton Library	
	Stormwater	Men's Shed	Playgrounds	Bus Shelters			
		Stanton Library	Park Furniture	Kerb and Gutter			
		North Sydney Olympic Pool	North Sydney Olympic Pool	Pedestrian Crossings and Traffic Facilities			

Table 3: Infrastructure contribution to strategic outcomes

STRATEGIC ACTION PLAN

FOCUS AREA 1: Context and Stakeholder

This focus area aims to ensure asset decisions are informed by community priorities, robust financial and valuation practices, and a clear understanding of Council's legislative, economic and environmental context. This will ensure asset decisions are grounded in a clear understanding of the environment in which Council operates, the needs and expectations of stakeholders, and the true value of the assets under management. It integrates legislative, economic, environmental and demographic context with transparent engagement processes to align service delivery with community priorities.

It also ensures that asset costing and valuation practices remain robust, consistent and aligned with recognised standards so that financial information accurately reflects asset condition, performance and remaining life. Strengthening this pillar enables Council to make informed, defensible and sustainable decisions by combining community insight, organisational context and sound financial valuation to optimise long-term service outcomes.

Action	Responsibility	Timeframe
1.1 Develop and implement a Community and Stakeholder Engagement Plan for Asset Management Establish a structured engagement approach that defines key stakeholders, consultation methods and feedback processes to ensure asset decisions reflect community needs and service expectations.	Communications and Engagement	Short-term
1.2 Align Asset Management Plans and investment priorities with Council's Community Strategic Plan, Delivery Program and Operational Plan Review and update Asset Management Plans to demonstrate direct line-of-sight between community priorities and asset lifecycle decisions.	Asset Management Coordinator	Short-term
1.3 Undertake asset revaluations for each major asset class Ensure valuations adhere to accounting standards, support long-term financial planning, and maintain accurate representation of asset condition, performance and remaining useful life.	Asset Management Coordinator	Ongoing
1.4 Review and update Council's asset capitalisation thresholds and depreciation policies every four years Confirm ongoing alignment with accounting standards, service delivery needs, financial sustainability principles and whole-of-life asset management practices.	Financial Controller	Ongoing

FOCUS AREA 2: Governance

This focus area aims to establish a clear and accountable asset management governance framework that aligns with recognised standards, strengthens risk-based decision-making, and ensures consistent, transparent and sustainable asset practices across the organisation.

Effective governance is the foundation of a mature asset management system. Governance ensures that clear direction, accountability, and oversight guide all asset-related decisions. Actions within this pillar focus on establishing the policies, structures, and leadership required to support consistent, transparent and risk-based asset management across the organisation.

Strengthening governance improves alignment between strategic objectives and day-to-day asset practices, enhances decision-making, and ensures that investments in infrastructure are sustainable, defensible and responsive to community needs.

Action	Responsibility	Timeframe
2.1 Develop an Asset Management System Manual Document and formalise the Asset Management System (AMS), including governance structures, processes, responsibilities and linkages to strategic, financial and risk management frameworks, ensuring alignment with ISO 55001.	Asset Management Coordinator	Medium-term
2.2 Review the Asset Management Policy every four years Undertake a structured review of Council's Asset Management Policy at least every four years to ensure ongoing alignment with GFMAM principles, ISO 55001 requirements and organisational priorities.	Asset Management Coordinator	Ongoing
2.3 Review and update the Strategic Asset Management Plan (SAMP) including Asset Management (AM) Strategy and Asset Class Management Plans every four years Ensure the SAMP and all asset-specific plans remain current, reflect community priorities, and support informed long-term planning and sustainable asset lifecycle management.	Asset Management Coordinator	Ongoing
2.4 Ensure alignment of asset risk management assessments with Council's enterprise risk management policy and framework Maintain a clear and consistent asset risk assessments that includes risk criteria, criticality assessment, roles and reporting requirements to strengthen risk-based decision-making.	Asset Management Coordinator	Ongoing
2.5 Develop a change management process for physical assets and the Asset Management System	Asset Management Coordinator	Short-Term

Create a structured process for assessing, approving and documenting changes to physical assets, asset data, supporting systems and key processes, ensuring system integrity and governance compliance.		
2.6 Develop a register of applicable technical standards, regulations and legislation Compile and maintain a register of asset-related standards, codes, regulations and legislative requirements to support compliance and guide consistent decision-making across the Asset Management System.	Asset Management Coordinator	Medium-Term
2.7 Develop an Internal Audit Program for asset management Implement a periodic internal audit program to provide independent assurance of compliance, performance, governance effectiveness and continuous improvement across the AMS.	Governance	Medium-Term
2.8 Conduct quarterly meetings of the Asset Management Assurance Committee Ensure regular governance oversight of capital works, developer contributions, project prioritisation and financial impacts, supporting transparent and accountable decision-making.	Asset Management Coordinator	Short-Term
2.9 Develop and maintain an Asset Management System Improvement Plan Establish a regularly updated improvement plan that consolidates audit findings, maturity assessments, compliance requirements and system enhancements, and monitor progress through governance forums.	Asset Management Coordinator	Short-Medium Term

FOCUS AREA 3: Asset Management Planning

This focus area aims to ensure the development and maintenance evidence-based, long-term asset planning that clearly defines service levels, manages risk, and guides sustainable investment across the full asset lifecycle, ensuring Council's infrastructure continues to meet community needs now and into the future.

Asset Management Planning provides the framework for translating Council's strategic objectives into practical, evidence-based plans for the creation, operation, maintenance, renewal and disposal of assets. Effective planning ensures that service levels are clearly defined, risks are understood, and lifecycle strategies are developed to deliver services sustainably and cost-effectively. Strengthening this pillar enables Council to move from reactive, short-term responses toward proactive, long-term planning that supports informed investment decisions, optimises asset performance, and ensures infrastructure continues to meet the evolving needs of the community.

Action Plan	Responsibility	Timeframe
3.1 Define roles and responsibilities for asset owners, managers and custodians Document and communicate roles and responsibilities to ensure clear accountability for asset planning, service levels, maintenance, financial management and performance reporting.	Asset Management Coordinator	Short-Term
3.2 Define and document service levels for all asset classes Develop clear, measurable service levels and minimum acceptable standards for each asset class, including technical, functional and customer-focused measures.	Asset Management Co-ordinator	Short – Medium Term
3.3 Establish transparent prioritisation criteria for all capital projects Develop clear prioritisation criteria for new, upgrade and renewal projects that consider service levels, risk, demand, sustainability, financial capacity and community value – supporting assessment of trade-offs between competing priorities.	Asset Management Coordinator	Short-Term
3.4 Align renewal funding with depreciation, condition and backlog needs Progressively align renewal funding levels with asset condition, risk profiles, useful life assumptions and identified backlog requirements.	Financial Controller	Short – Medium Term
3.5 Integrate sustainability principles into asset planning and delivery Embed sustainability considerations - including climate resilience, environmental impacts, energy efficiency and whole-of-life costs - into all new, upgrade and renewal projects.	Capital Projects Coordinator	Short-Term
3.6 Incorporate access and inclusion requirements into projects Ensure new and renewal projects align with access and inclusion standards, supporting equitable use and compliance with relevant legislation.	Capital Projects Coordinator	Short-Term

3.7 Introduce planned maintenance schedules and lifecycle renewal programs Develop and implement planned maintenance schedules and lifecycle-based renewal programs consistent with service levels and affordability constraints.	Public Presentation	Medium-Term
3.8 Establish backlog management plans with clear reduction targets Define backlog levels for each asset class and prepare plans with annual targets for reduction aligned with available funding and risk priorities.	Asset Management Coordinator	Medium-Term
3.9 Review and identify critical infrastructure assets Review, identify and document critical assets essential to service delivery, public safety, environmental protection or significant financial impact.	Asset Management Coordinator	Ongoing
3.10 Develop business continuity and contingency plans for critical assets Prepare and maintain continuity and contingency plans to mitigate service disruption risks for critical infrastructure, including response protocols, redundancy options and recovery strategies.	Asset Management Coordinator	Short Term
3.11 Develop and implement a demand analysis process Identify demand drivers, population and usage trends, and assess the capacity of existing assets to meet future needs. Document the process to ensure consistent application across asset classes.	Asset Management Coordinator	Medium-Term
3.12 Develop long-term capital and renewal plans integrated with the LTFP Prepare 10–20-year capital and renewal programs that reflect service levels, risk priorities, asset condition and financial capacity, and ensure alignment with the Long-Term Financial Plan.	Asset Management Coordinator	Medium - Long Term

PRIORITY 4: Leadership and People

This focus area aims to ensure strong leadership, clear accountability and a skilled, collaborative workforce that supports a culture of evidence-based, whole-of-life asset management and enables consistent, informed and sustainable infrastructure decision-making.

Strong leadership and a skilled, capable workforce are essential foundations of an effective asset management system. This priority area focuses on building organisational commitment, clear accountability, and a culture that values evidence-based, whole-of-life asset management. Developing staff capability, fostering cross-functional collaboration, and ensuring that roles and responsibilities are well defined enables consistent and informed decision-making. Strengthening leadership and people ensures Council has the competence, capacity and organisational culture necessary to deliver sustainable, reliable and community-focused infrastructure services.

Action	Responsibility	Timeframe
4.1.1 Assess and align asset management resourcing Undertake a review of current asset management resourcing, skills and workload to identify gaps and opportunities to better support implementation of the Asset Management System and accelerate improvement in overall maturity.	Director Open Space and Infrastructure	Short-term
4.1.2 Implement a foundational training and development program Develop and deliver a practical training and development plan that builds awareness and competency in ISO 55001, GFMAM principles, lifecycle management, risk-based decision-making and good data practices. Ensure training is accessible, role-appropriate and embedded into induction and ongoing professional development.	People and Culture	Short-term
4.1.3 Strengthen cross-organisational collaboration mechanisms Establish or enhance simple, structured forums, working groups and communication channels to support collaboration between service areas, share knowledge, resolve issues and reinforce a consistent, organisation-wide asset management culture.	Service Unit Manager – Capital projects and Asset Management	Short-term

PRIORITY 5: Data and Information

This focus area aims to establish a reliable, integrated and well-governed asset information environment that provides accurate, accessible and consistent data to support proactive planning, risk management and evidence-based asset investment decisions.

High-quality data and integrated information systems are critical enablers of effective asset management. This priority area aims to ensures that decisions about asset performance, risk, and investment are supported by accurate, timely and reliable information. Strengthening maturity in this area involves improving data governance, enhancing system capability, and ensuring that asset information is complete, consistent and accessible across the organisation. By building a robust asset information environment, Council can shift from reactive responses to proactive, evidence-based planning, leading to better lifecycle outcomes, greater transparency, and more sustainable service delivery.

Action	Responsibility	Timeframe
5.1 Define asset information requirements Identify and document the data and information requirements for each asset class - covering asset components and hierarchies, condition, performance, utilisation, risk, lifecycle costs, and maintenance history - to support strategic planning, operational decision-making and statutory reporting.	Director Corporate Services	Short-Term
5.2 Assess current data maturity and gaps Undertake a comprehensive assessment of current data availability, quality, and information flows, comparing them against the defined requirements to identify gaps, redundancies, and improvement opportunities.	Director Corporate Services	Short-Term
5.3 Implement an integrated Asset Management System (AMS) Plan, procure and implement an integrated AMS that supports GIS integration, condition and performance monitoring, financial system linkage, mobile data capture, and consistent workflows across the asset lifecycle.	Director Corporate Services	Short - Medium Term
5.4 Establish and embed asset data governance Develop and enforce asset data governance protocols - including ownership, roles and responsibilities, quality standards, security requirements, and data maintenance processes - to ensure ongoing accuracy, consistency, completeness and compliance.	Director Corporate Services	Short-Term
5.5 Enhance analytics capability Evaluate and adopt appropriate analytics, reporting and decision-support tools to enable predictive maintenance, improved risk assessment, performance analysis and evidence-based investment planning.	Director Corporate Services	Medium - Long Term

PRIORITY 6: Delivery

This focus area aims to ensure asset management plans are executed through efficient, well-coordinated lifecycle activities that optimise asset performance, manage risk, and deliver reliable, safe and cost-effective services to the community. This includes the creation, operation, maintenance, renewal and disposal of assets in a way that optimises performance, manages risk, and delivers services reliably to the community. Strengthening delivery practices requires clear processes, defined service levels, effective contract and project management, and a balanced approach to proactive and reactive maintenance. By improving delivery capability, Council can extend asset life, reduce whole-of-life costs, and ensure infrastructure remains safe, functional and fit for purpose.

Action	Responsibility	Timeframe
6.1 Define and document service levels for all asset classes Develop clear, measurable service levels and minimum acceptable standards for each asset class, including technical, functional and customer-focused measures.	Asset Management Coordinator	Short – Medium Term
6.2 Strengthen asset creation and acquisition processes Establish and apply standardised processes for planning, designing, procuring and commissioning new or upgraded assets, ensuring alignment with service needs, risk management requirements, whole-of-life costs and future operational capacity.	Capital Projects Coordinator	Short – Medium Term
6.3 Develop and implement asset operations plans - Prepare operations plans for each major asset and/or asset class that define operating parameters, required service levels, compliance obligations, and procedures to ensure safe, efficient and consistent operation throughout the asset's life.	Asset Owners	Medium-Term
6.4 Establish risk-based maintenance planning - Develop maintenance plans that outline routine and corrective maintenance tasks, frequencies and responsibilities. Prioritise activities based on safety, service continuity and asset criticality. Establish basic processes for scheduling work, recording completed tasks and reviewing effectiveness, in line with ISO 55001's requirement for controlled operational planning.	Public Presentation	Medium-Term
6.5 Establish incident and response processes - Create and implement clear, easy-to-follow procedures for reporting, responding to and documenting incidents, failures or service interruptions. Include basic steps for identifying root causes, recording actions taken and using the information to improve future operations and maintenance.	Asset Owners	Medium-Term
6.6 Create an asset repurposing and disposal processes - Develop a policy and procedure that outline when and how assets may be decommissioned, repurposed or disposed of. Include steps for assessing risk, environmental obligations, community impact, documentation requirements and updating the asset register. Align the process with organisational objectives and ISO 55001's change management and lifecycle control expectations.	Asset Management Coordinator	Medium-Term

PRIORITY 7: Value Realisation

This focus area aims to ensure that assets deliver the intended benefits and outcomes that support Council's strategic objectives and community priorities. Value is achieved by aligning asset investments with desired service levels, optimising whole-of-life costs, and ensuring that assets continue to perform effectively throughout their lifecycle.

Strengthening this pillar involves measuring and monitoring the benefits derived from assets, evaluating performance against expectations, and adjusting plans to maximise long-term value. By focusing on value realisation, Council can ensure its infrastructure portfolio contributes meaningfully to community wellbeing, financial sustainability and strategic outcomes.

Action	Responsibility	Timeframe
7.1 Implement quarterly capital works performance reporting Develop and implement a consistent quarterly reporting process for capital works that monitors progress, expenditure, risks, scope changes and delivery outcomes, enabling transparent governance and timely decision-making.	Capital Projects Coordinator	Short-Term
7.2 Develop a performance monitoring and measurement framework Establish a clear framework for monitoring and reporting asset performance, service levels, risk, financial sustainability and delivery outcomes, aligned with ISO 55001 performance evaluation requirements.	Asset Management Coordinator	Medium-Term
7.3 Conduct periodic independent asset management maturity assessments Undertake an independent review of Council's asset management maturity, capability and system effectiveness at least every four years. Use the findings to update the Asset Management Improvement Plan and prioritise actions that strengthen governance, performance and long-term value delivered to the community.	Governance	Ongoing

PART 5: CURRENT ASSET ANALYSIS

Council manages a diverse asset portfolio with a gross carrying amount of $2.2 billion, encompassing infrastructure, land and a wide range of service-supporting assets. This includes roads, footpaths, buildings, open space, stormwater networks, as well as plant, fleet, equipment, information technology assets, library collections and heritage items. Together, these assets enable Council to deliver essential services, support community wellbeing and meet legislative obligations.
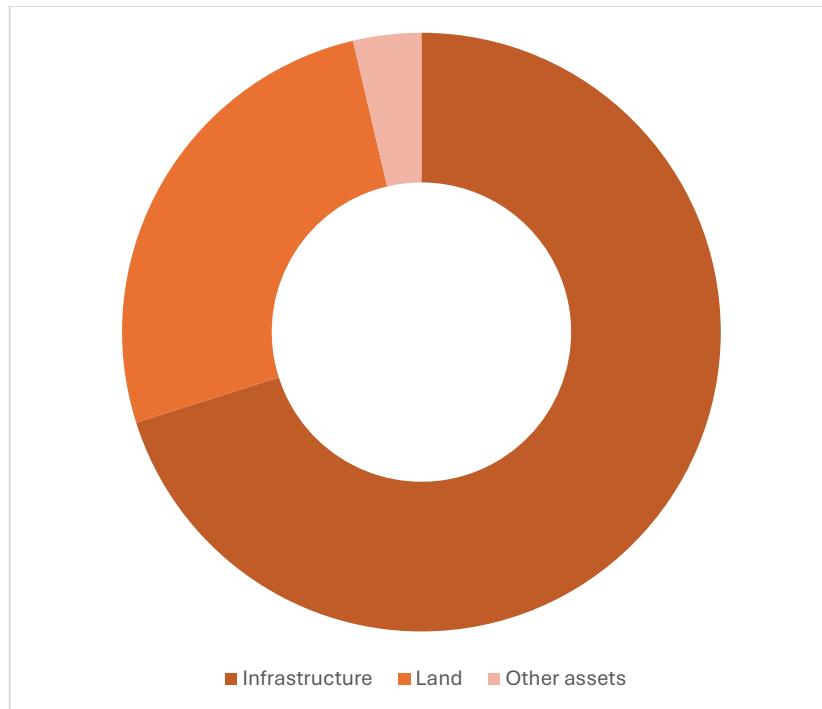
Infrastructure - **$1,516M**

Land - **$567M**

Other Assets - **$69M**

Figure 3: Council assets

Infrastructure assets

Councils infrastructure assets are comprised of 6 major portfolios:

- **$413M** - Roads and transport – sealed roads, kerb and gutter, traffic facilities, street furniture, bus shelters and car parks)

- **$348M** - Property buildings – operational buildings, amenities, community housing, investment properties and heritage buildings

- **$311M** - Other infrastructure - seawalls, retaining walls, marine structures, fences and lighting

- **$156M** - Footpaths

- **$247M** - Stormwater drainage – Pits, pipes and GPT

- **$33M** - Open space and recreation facilities

- **$7M** - Swimming pools*

- **$1M** - Other structures
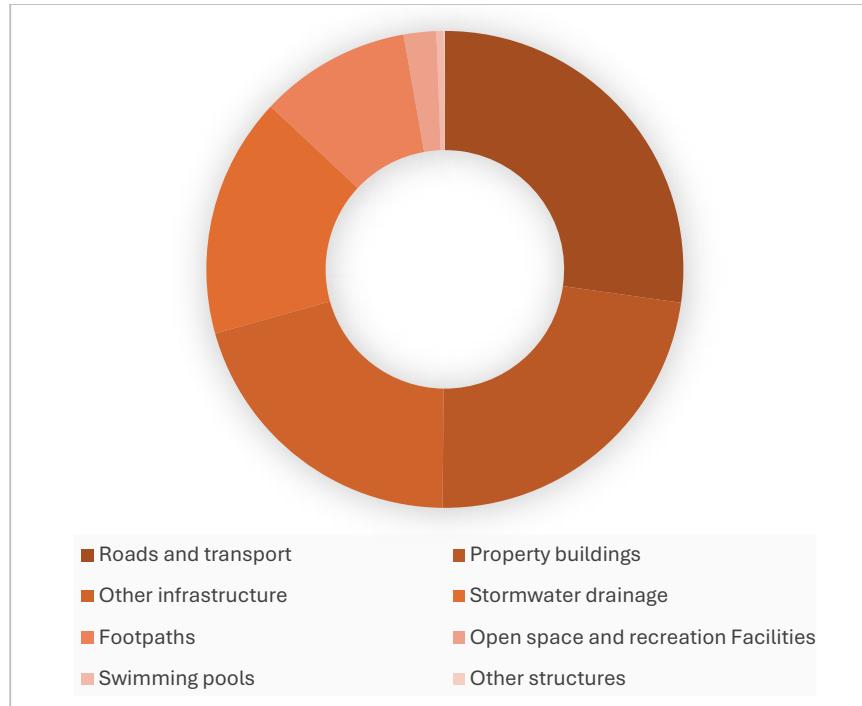
Figure 4: Infrastructure assets

As at 30 June 2024 the North Sydney Olympic Pool redevelopment was not complete. Figures are subject to change upon completion.

The infrastructure asset portfolio is rated on a scale of 1 to 5 as follows:

1. Excellent – no work required (normal maintenance)
2. Good – only minor maintenance work required
3. Satisfactory – maintenance work required
4. Poor – renewal required
5. Very Poor – urgent renewal/upgrading required

	Condition 1 – Excellent ($,000)	Condition 2 – Good ($,000)	Condition 3 – Satisfactory ($,000)	Condition 4 – Poor ($,000)	Condition 5 – Very Poor ($,000)	Total ($,000)
Roads and transport	147,549	178,505	74,922	11,532	708	413,216
Footpaths	51,384	60,064	36,579	7,321	272	155,620
Open space and recreation Facilities	10,086	10,562	11,984	777	75	33,484
Stormwater drainage	133,329	51,494	6,531	6,097	49,796	247,247
Property buildings	47,106	84,238	146,871	56,343	13,054	347,612
Swimming pools	3,924	2,068	1,494	60	0	7,546
Other infrastructure	36,130	153,667	110,160	5,962	5,039	310,958
Other structures	505	641	0	0	0	1,146
Total	**430,013**	**541,239**	**388,541**	**88,092**	**68,944**	**1,516,829**

Table 4: Infrastructure condition by condition scale

Assets assessed as Condition 4 or 5 are generally prioritised for renewal and form part of Council's infrastructure backlog, which currently represents approximately 10% of the overall infrastructure portfolio. Over the past three years, broader funding constraints have reduced available renewal budgets and resourcing, contributing to this infrastructure backlog. These resourcing challenges, combined with outdated systems have resulted in reactive management. Staff have been diverted towards responding to and investigating asset failures and renewal budgets have required significant flexibility to address emerging risks and urgent defects as they arise.

If Council is successful in restoring infrastructure funding, it is anticipated that a reactive operating environment will continue for at least the next one to two years while the program stabilises and planned renewal cycles are re-established.

Council's Asset Management Plans provides detailed information on how assets are managed across each portfolio, including their condition, operational, maintenance and renewal requirements. These plans will be progressively matured as new systems are implemented to support long term programming. This forward planning will be essential in transitioning from reactive management to a more sustainable, proactive and financially responsible asset management approach.
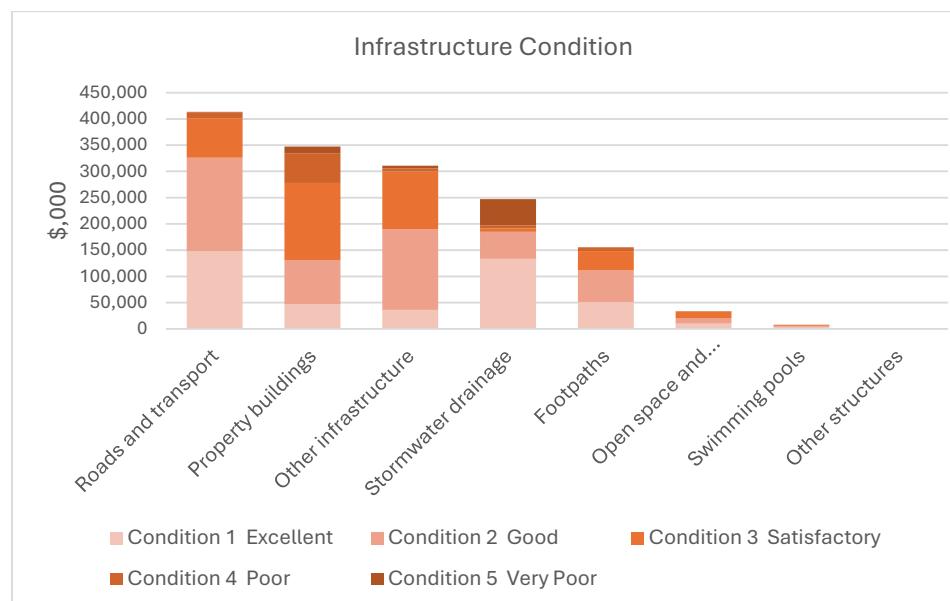

Figure 5: Infrastructure condition by asset class

Land assets

Council manages/owns $567 million of land. This is comprised of the following land types:

- **$373M** - Operational land

- **$128M** - Community land

- **$56M** - Crown Land

- **$10M** – Depreciable land improvements
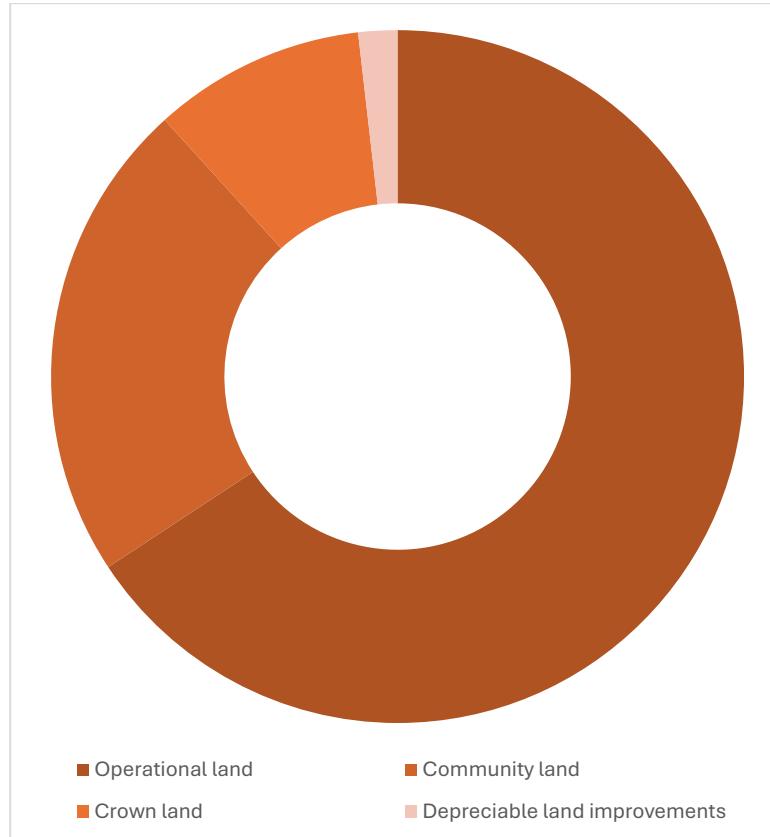

Figure 6: Land assets

Other assets

Councils other assets include:

- **$21M** - Plant and equipment

- **$23M** - Office equipment

- **$2M** - Library books

- **$9M** - Furniture and fittings

- **$14M** – Heritage
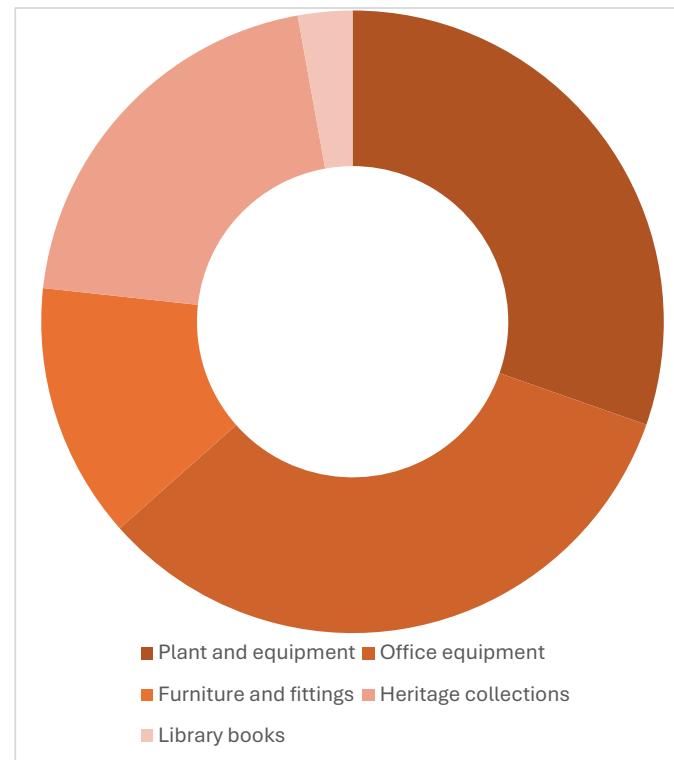
Figure 7: Other Assets

Performance indicators

Council's asset management performance is assessed using key infrastructure ratios used by the NSW Office of Local Government (OLG). These ratios - including the Infrastructure Backlog Ratio, Asset Maintenance Ratio, and Building and Infrastructure Renewals Ratio - provide an indication of the condition, adequacy of renewal investment, and long-term sustainability of Council's asset base.

They form a critical component of the Integrated Planning and Reporting (IP&R) Framework and help ensure infrastructure decisions are transparent, financially responsible and aligned with community needs. The following section outlines Council's current performance against these ratios and highlights the areas where further improvement is required to maintain safe, functional and financially sustainable infrastructure.

The Infrastructure Backlog Ratio

The infrastructure backlog ratio indicates whether the council has a need for additional revenue to maintain its infrastructure assets. It shows the infrastructure backlog as a proportion of the total value of a council's infrastructure. OLG's benchmark for the infrastructure backlog ratio is less than 2%.

Assets requiring renewal are those in condition 4 (poor) or 5 (very poor). Renewal values are indicative only and provide estimates for like renewal only and not for upgrade costs based on new community needs. Council manages infrastructure through technical service levels and community service levels.

Council's recent community research undertaken by Micromex Research concluded that the community expects infrastructure to be in fair condition as a minimum, with reasonable support for very good/good condition.

Asset Class	Gross replacement cost $,000	Net carrying amount $,000	Accumulated Depreciation $,000	Total cost to bring to 'satisfactory' standard $,000
Buildings	347,616	197,457	150,159	69,398
Other structures	1,147	958	189	Nil
Roads	413,217	314,541	98,676	12,241
Footpaths	155,620	108,866	46,754	7,593
Stormwater drainage	247,247	170,668	76,579	55,893
Open space and recreational assets	41,031	25,346	15,685	912
Other infrastructure assets	310,958	207,149	103,809	11,001
Total	**1,516,836**	**1,024,985**	**491,851**	**157,038**

As of 30 June 2025, the total value of Councils infrastructure backlog included condition 4 and 5 and was valued at $157 million. Assets in condition 5 (very poor) has increased from 2.9% to 4.6% of gross replacement cost in the past year and now total $69 million.

Infrastructure renewal requirements are inherently uneven over time. Asset backlogs are typically assessed based on condition at a point in time, while renewal funding is commonly benchmarked against depreciation. Forecasts derived from this approach represent minimum funding requirements and do not, in isolation, address accumulated renewal deficits. Infrastructure is depreciated over the useful life of the asset, which ensures that each generation contributes to the use and enjoyment of the infrastructure each year. Despite accumulated depreciation for infrastructure assets being recorded at $492 million, Council holds no reserve for renewal. This indicates that over the longer term, higher levels of investment may be required to manage renewals as and when they fall due.

Based upon Council's current ten-year forecast (Baseline – Rate Peg only), continued underfunding of infrastructure renewals could lead to the ratio increasing to 31.56% or $339 million over the ten-year period.
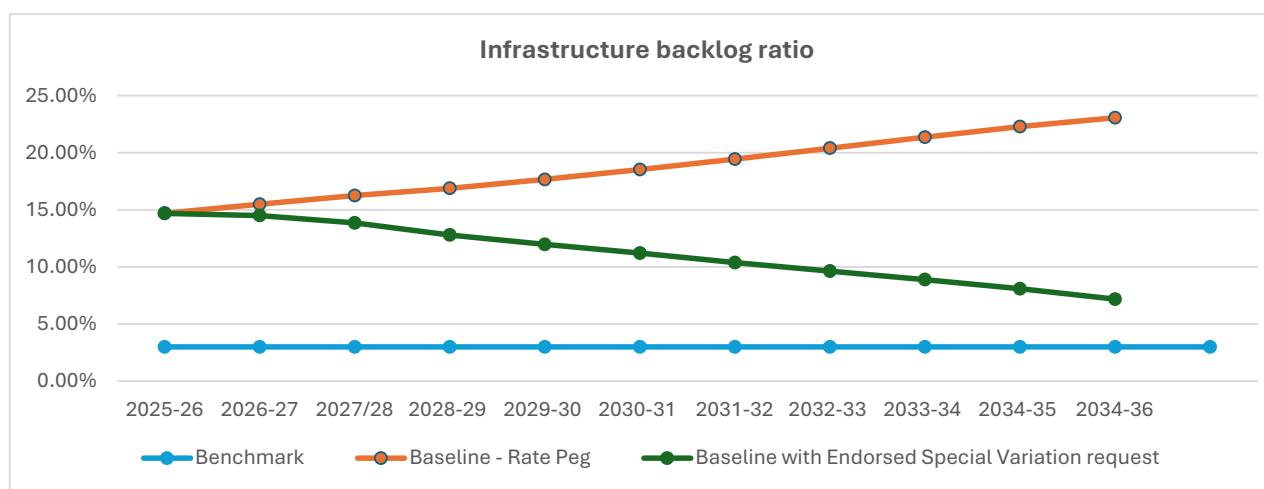

Figure 8: Infrastructure backlog forecast

This indicates that without a special variation to increase rating revenue, Council's infrastructure backlog ratio will remain below the benchmark and continue to deteriorate over time.

With a special rate variation the ratio will remain below benchmark, however the backlog will improve. Investment in new corporate systems, including asset management systems, will increase Council's asset management maturity and provide improved data to support funding prioritisation and inform future financial strategies.

The Infrastructure Renewal Ratio

The infrastructure renewal ratio measures the rate at which the council is renewing its infrastructure assets against the rate at which they are depreciating. OLG's benchmark for the infrastructure renewals ratio is greater than 100%. Based upon Council's current ten-year forecast (Baseline – Rate Peg), the Council's infrastructure renewal ratio would average 69%.
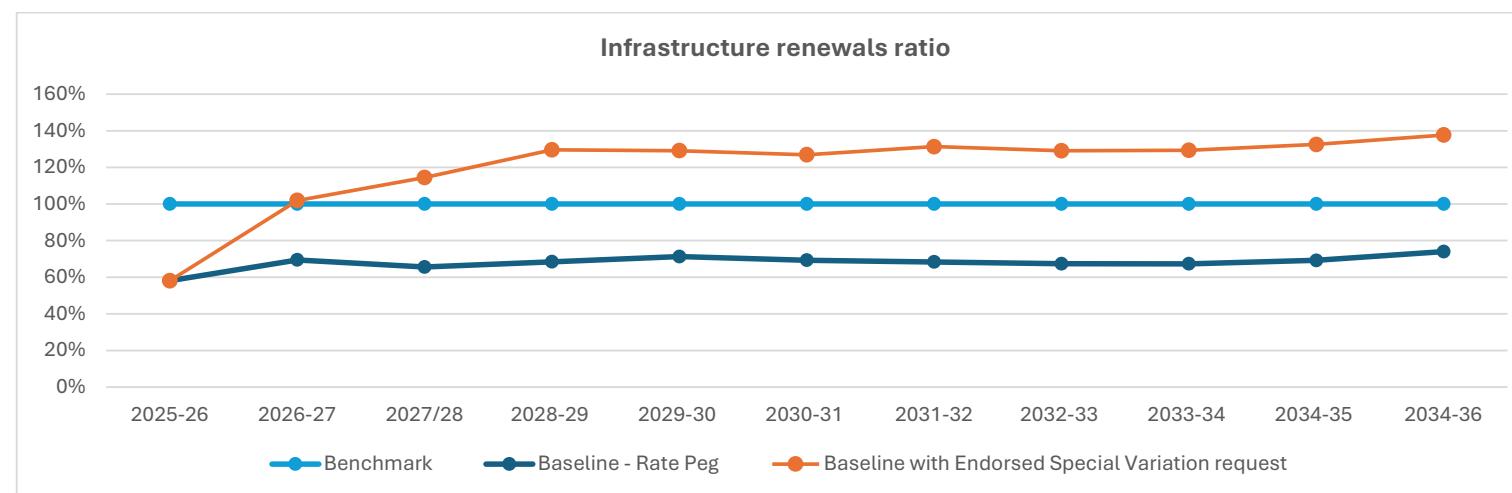

Figure 9: Infrastructure renewal forecast

This indicates that without a special variation to increase rating revenue, the Council's infrastructure renewal ratio will remain below the OLG benchmark and continue to deteriorate over time.

The Asset Maintenance Ratio

The asset maintenance ratio compares actual versus required asset maintenance. OLG's benchmark for the asset maintenance ratio is greater than 100%. Based upon Council's current ten-year forecast, (Baseline – Option 1), due to insufficient funding for infrastructure renewal, Council's asset maintenance ratio would reduce to 64% by Year 10.
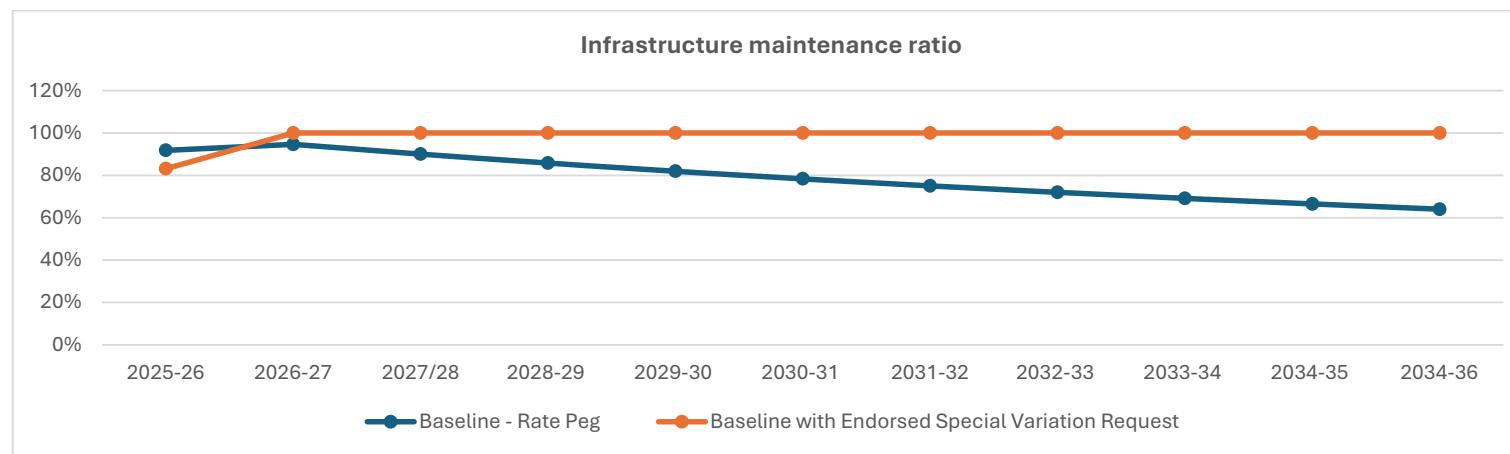

Figure 10: Asset maintenance ratio forecast

This indicates that without a special variation to increase rating revenue, the council's asset maintenance ratio will remain below the OLG benchmark and continue to deteriorate over time.

PART 6: FINANCE AND RESOURCING

Council has developed a 10-year Long-Term Financial Plan (LTFP) that identifies the available funding for both operating and capital expenditure required to manage, maintain and renew its existing asset portfolio, as well as to deliver new infrastructure to support population and service growth. The LTFP is reviewed annually to incorporate changes in asset condition, renewal priorities, service needs, cost escalations and funding assumptions, ensuring Council's financial planning remains adaptive, transparent and aligned with community expectations.

Based on Council's current financial position, annual renewal expenditure is below the level of depreciation, resulting in a renewal ratio of less than 1:1. This indicates that current funding levels are insufficient to deliver all required renewals at the optimal time or to reinstate assets to contemporary standards following renewal. Compounding this challenge, the cost of labour and materials has increased significantly in recent years, placing further pressure on Council's capacity to maintain assets to the desired standard.

Infrastructure funding is primarily sourced from general rates, user charges and fees. However, these funding streams are not adequate to meet the total cost of maintaining and renewing Council's infrastructure portfolio. To address this gap, Council has outlined the following strategies within this Plan:

1. Pursuing a Special Rate Variation (SRV) to increase recurrent renewal funding to minimum sustainable levels and provide a modest contribution towards reducing the infrastructure backlog.
2. Prioritising grant-funded capital projects, such as bicycle paths, where external funding can offset Council contributions.
3. Accelerating the use of developer contributions for projects where a high proportion of costs can be funded through contributions plans.
4. Master planning key strategic Council-owned properties to explore opportunities for unlocking broader community and financial value.
5. Investigating the sale of roads and underutilised reserves where disposal delivers strategic or financial benefits and does not negatively impact community access or service outcomes.

These strategies are essential to restoring financial sustainability, addressing renewal gaps and enabling Council to move towards a more proactive and planned asset management approach. Further detail is provided in Council's Long-Term Financial Plan.

Sensitivities

Capital works cost

Risk: That costs of construction increase above the assumptions within the Long-Term Financial Plan.

Council's financial strategy aims to reduce current infrastructure backlogs, undertake renewals in a timely manner and provide new infrastructure for a growing population. There are several factors that may impact the capital works estimates included within the Long-Term Financial Plan. Forecasts provided for capital renewals and new assets are based on high level estimates and will require detailed design and scoping prior to construction. This may result in either additional costs or savings. All project costing will be reported to Council as they are developed. Should additional funds be required, Council may have to re-prioritise projects and this may impact the desired reduction in backlog renewals. The Long-Term Financial Plan includes indexing based upon 2.5%. Should the indexes fluctuate due to market or economic conditions, this will impact the volume of renewals Council is able to complete. Increases in building indexes over and above the assumptions in this Long-Term Financial Plan will also affect Council's operating surplus, as infrastructure is revalued and depreciation increases. Typically, financial provision is made for asset renewals based upon depreciation, however as depreciation is backward facing, it is often not sufficient to cover the cost of future renewals.

Upgrade components in infrastructure renewals

Risk: Infrastructure backlogs do not reduce at levels anticipated

Infrastructure backlogs are calculated based upon like for like replacement of component costs. For some asset classes, it is common for upgrades to be undertaken when renewing infrastructure to meet modern standards. This may result in renewal expenditure being higher than the recorded infrastructure backlog, thereby reducing the relative contribution to infrastructure backlog. With low levels of funding provided in special variation options for new infrastructure, this risk is heightened. With improved asset management systems, the impact of these upgrades will be able to be better monitored for future financial planning.

Future renewal obligations

Risk: Over the medium to longer term, infrastructure renewal requirements may exceed available renewal funding.

Infrastructure renewal planning is informed by both asset depreciation estimates and identified renewal backlog. As of 30 June 2025, Council's infrastructure renewal backlog was valued at $157 million, while accumulated depreciation for infrastructure assets totalled $492 million. Accumulated depreciation represents the portion of an asset's useful life that has been consumed and provides an indicator of the scale of renewal demand emerging across the asset portfolio.

In the absence of available reserves to smooth uneven renewal investment requirements, the gap between identified backlog and the level of accumulated depreciation highlights the potential for future renewal obligations to exceed those currently funded through Council's financial strategies, placing ongoing pressure on budgets and service levels.

PART 7: MEASURING ASSET MANAGEMENT

Developing a comprehensive performance and reporting framework is a key action of this Strategy and is essential for monitoring progress, strengthening accountability and ensuring continuous improvement in asset management. Council will measure its performance against the strategic objectives and actions outlined in this document through the following approaches:

- Assigning clear ownership and responsibility for each strategic action, ensuring that staff understand their roles and are accountable for delivering outcomes.
- Using dashboards and data visualisation tools to enable tracking of capital works programs.
- Integrating the actions of this Strategy into Council's corporate and operational reporting processes, enabling regular, transparent monitoring of progress and strengthening organisational accountability.
- Reviewing key financial and asset performance ratios over the forward planning period to assess the impact of strategic improvements on renewal sustainability, backlog levels, service delivery and long-term financial performance.

These measures will support a more structured and evidence-based approach to tracking asset management maturity and ensuring that Council's progress remains aligned with organisational priorities, community expectations and the requirements of NSW OLG's Integrated Planning and Reporting Framework.