

STRATHFIELD COUNCIL

Asset Management Policy and Strategy- 2022



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Asset Management Planning

Background

The Integrated Planning and Reporting Framework (IP&R) provides the mechanism for the implementation of Strathfield 2035. The Community Strategic Plan 'Strathfield 2035' is the highest-level plan within this framework. Robust asset management is an objective of the Council's IP&R framework.

Strathfield Council is responsible for approximately \$514.36 million in physical assets (approximately \$118.5 million in land and \$ 395.86 million in in built assets) to support its delivery of services to the community.

Strathfield Council has developed a framework for embedding asset management objectives and principles. These principles are aimed solely at managing Strathfield Council's community assets to give the best possible long-term services to Strathfield Council's residents, ratepayers and visitors.

Strathfield Council commits significant funds to asset management and currently spends annually about \$5 million in maintenance, plus \$12.94 million in renewal and upgrade of the critical infrastructure assets.

With a growing infrastructure asset portfolio, Strathfield Council needs to carefully manage service levels within funding restraints to cater for an expected population increase and efficient management all our assets.

This Asset Management Plan demonstrates how Strathfield Council is meeting its current and future demands on our assets.

What is Asset Management?

A Council asset is defined as "a resource controlled by a council as a result of past events and from which future economic benefits are expected to flow to the council" ¹.

The term "asset management" as defined in Strathfield Council's Asset Management Strategy is:

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

Asset management is a "whole of life" approach that includes planning, acquisition, operation, maintenance and disposal of assets.

Asset Management Framework

Strathfield Council is enhancing our asset management governance in line with the recommendations from a recent ISO55000/55001² maturity review. It is intended that the current framework outlined in this plan will be optimised to provide greater clarity and efficiencies.

The Asset Management Steering Committee oversees Strathfield Council's asset management framework. The objectives of the Committee are to:

- Ensure that all asset management activities are consistent with the objectives of the Community Strategic Plan and incorporate lifecycle asset management principles.
- Ensure compliance with the requirements of the Integrated Planning and Reporting Legislation and Guidelines and other infrastructure asset reporting.
- Oversee the development of Strathfield Council's Asset Management key strategy themes and projects.
- Set direction and outcomes for the Asset System Working Group and the Strategic Asset Management System (SAMS).
- Ensure all asset management policies, strategies and plans (new and reviewed) are submitted to Executive and then approved by Council.
- Ensure the integrity of the asset management process within Council and arbitrate and resolve any dispute or issue arising. The Panel is the decision making and oversight authority of all condition-based renewal capital works projects.

The Asset System Working Group is responsible for the delivery of system improvements, training, mapping, and integration to other systems, system maintenance and deliver process improvements.

To support this framework, Strathfield Council will prepare and adopt several Asset Management documents, including:

- Asset Management Policy
- Asset Management Strategy
- Risk Management Plans for the critical assets
- Detailed Asset Management Plans for discrete asset classes.

These documents will be reviewed and updated periodically.

The condition analysis, financial valuation and projections and maintenance and operation costs in the current plans are prepared using the best available data and will be improved as updated information becomes available. The ongoing expansion and improvement of the Strategic Asset Management System will aid the development of data to support decision making.

Consistent with the requirements of the Office of Local Government performance measures, the information and modelling contained within this plan (and more broadly within Strathfield Council's IP&R documents) demonstrate that Strathfield Council is managing its infrastructure assets effectively and efficiently. Over the ten-year window of this Plan, identified asset renewal and maintenance requirements are planned to be met, and the Council's ten-year capital works program is set to

address identified infrastructure renewal whilst providing new and upgraded infrastructure and facilities to meet growing community demand in the future.

¹ Integrated Planning & Reporting Guidelines handbook for local Government NSW: Office of Local Government NSW

² ISO 55000/55001 is the international asset management and asset management system standards, the main objective of which is to help organisations manage the lifecycle of assets more effectively. The standard supports optimization of assets and reduces the overall cost of ownership while helping to meet the necessary performance and risk/safety requirements.

Asset Management Policy

Purpose

The purpose of the Asset Management Policy is to ensure that Strathfield Council has information, knowledge and understanding about the long-term and the cumulative consequences of being the custodian of public infrastructure.

This is achieved by ensuring that the systems and processes are in place to enable people to determine the most effective and efficient options for delivering infrastructure related services while controlling exposure to risk and loss.

The Asset Management Policy also provides the framework that together with the Community Strategic Plan enables the asset management strategy and specific asset management plans to be produced.

Context

The NSW *Local Government Act 1993* places several obligations on Councils in relation to asset management.

Strathfield Council must account and plan for all existing assets under its control, and any new assets proposed in its Community Strategic Plan and Delivery Program and associated Resourcing Strategy.

Strathfield Council must:

- Prepare an Asset Management Strategy and Asset Management Plan(s) to support the implementation of the Community Strategic Plan and Delivery Program.
- Ensure that the Asset Management Strategy and Plan(s) cover a minimum timeframe of 10 years.
- Ensure that the Asset Management Strategy includes an overarching Council endorsed Asset Management Policy.
- Ensure that the Asset Management Strategy identifies assets that are critical to Strathfield Council's operations and outline risk management strategies for these assets.
- Ensure that the Asset Management Strategy includes specific actions required to improve Strathfield Council's asset management capability and projected resource requirements and timeframes.

Strathfield Council first adopted an Asset Management Policy in 2012 which has been reviewed and updated regularly since that time.

Scope

This policy applies to all infrastructure related service provision such as road and transport, storm water drainage, community services delivered by Council's buildings and facilities, parks and open spaces, sport and recreation, information and technology assets and environmental protection.

Definitions

Term	Meaning
Policy	A statement of Strathfield Council's attitude and preference of direction.
Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.
Resourcing Strategy	This document collates the long-term resources required to achieve the objectives established by the Community Strategic Plan. The strategy includes long-term financial planning, workforce management planning and asset management planning.
Asset Management Steering Committee	Strategic and operational Committee to provide outcome focused oversight and management control for Strathfield Council's asset management policy, strategy, objectives and targets.
Asset Management Plan	A specific plan developed with an outline to acquiring, operating, maintaining, renewing and disposing of the assets within the asset class in the most cost-effective manner possible, whilst providing a specific level of service.
Long Term Financial Plan	The Long-Term Financial Plan (LTFP) is a ten-year financial planning document that contains financial strategies and accompanying performance indicators that Strathfield Council considers when making significant strategic decisions about financial resource allocation.
Asset Management Strategy	The asset management strategy is a strategic document that demonstrates how Strathfield Council's asset portfolio supports the service delivery needs of the community into the future. The strategy contains <ul style="list-style-type: none"> • A description of the status of the Council's asset management practices (processes, asset data and information systems) • Specific actions to be undertaken to improve or enhance the council's asset management capability (a gap analysis), including resource requirements and timeframes • Specific actions to be undertaken to achieve the council's strategic objectives.

Policy principles

Strathfield Council's Asset Management policy is based on the following principles to guide sustainable management of infrastructure assets. They are:

- A lifecycle approach – Strathfield Council applies a whole of life methodology for managing infrastructure assets including planning, acquisition, operation, maintenance, renewal and disposal.
- Sustainable environmental performance – Strathfield Council considers the long-term cumulative impacts of its assets and how they are managed.
- Best value – balancing financial, environmental and social outcomes.
- Evidence based decision making – core systems will include up to date infrastructure asset information to inform decisions.

- Alignment with long term financial planning.
- Addressing community needs – including as they change over time through transparent service levels.
- Effective management of risk.
- Increasing resilience - planning and renewing Strathfield Council's assets to be more resilient to future acute shocks and chronic stresses.

Policy objectives

The following policy objectives guide Strathfield Council to meet desired outcomes for Strathfield Council's assets consistent with the Community Strategic Plan, Integrated Planning and Reporting legislation and other strategic documents.

1. Provide infrastructure and services to sustain Strathfield Council communities that:
 - Supports the quality of life and amenity, urban environment and cultural fabric appropriate to Strathfield Council.
 - Adapts to emerging needs in sustainable transport.
 - Facilitates the changes to infrastructure needed to cater for changing communities.
 - Enhance the resilience of Strathfield Council's infrastructure and communities.
2. Implement a life-cycle approach to the management of infrastructure assets where:
 - Asset planning decisions are based on an evaluation of alternatives that consider the "whole of life" of an asset through acquisition, operation, maintenance, renewal and disposal.
 - The asset management cycle considers the current and future environmental, economic, cultural and social outcomes.
3. Ensure that service delivery needs are the primary driver for infrastructure asset management practices by:
 - Establishing and monitoring levels of service for each asset class through the detailed Asset Management Plans.
 - Identifying and monitoring individual and network risks to assets and service levels for each asset class.
4. Provide a sustainable funding model that provides assets aligned with Strathfield Council's long-term plans and community needs with a:
 - Funded model for all asset related services extending at least 10 years into the future that addresses the need for funds, considers renewal peaks and troughs and identifies how the funds will be sourced.
5. Develop and implement best value environmentally sustainable asset management practices that:
 - Encourage a flexible and scenario-based approach through systems and plans to allow for innovative use of assets, particularly in recycling and environmental initiatives.
 - Acknowledge climate change adaptation, environmental protection and enhancement

- protocols are fundamental to sustainable asset management planning.
- Minimise energy and water use, waste generation and air quality impacts through our own initiatives and by working with stakeholders.
 - Utilise low energy products, infrastructure materials and methods wherever possible.
 - Incorporate sustainability criteria into infrastructure projects and procurement.
6. Create a resilient Strathfield Council by modelling and planning to make it adaptable to acute shocks and chronic stresses.
 - Identify and renewing critical assets that are vulnerable to future acute shocks and chronic stresses
 - Perform return on investment studies when delivering renewed or new assets in the resilience context
 - Include resilient assets when renewal planning in the long-term models and long-term financial plans.
 7. Provide reliable asset and infrastructure data through supported digital platforms demonstrated by:
 - Implementation of sound data governance and data quality management.
 - Access to systems and information by mobile technology wherever possible.
 8. Implement an integrated decision support system that:
 - Provides systems and knowledge necessary to achieve policy outcomes.
 - Proactively interrogates and models data to support informed decisions.
 - Minimise risk of corporate knowledge and data loss.
 - Manages information as efficiently as possible through the appropriate use of software, hardware and communication tools.
 - Reduces data duplication.
 9. Ensure compliance with legislative requirements by:
 - Having clear policies, processes and information to ensure that organisational objectives and legislative requirements are met.
 10. Allocate Asset Management responsibilities where:
 - The roles and responsibilities of Council, the General Manager and Asset Managers are clearly identified.

Responsibilities

The Mayor and Councillors adopt the policy objectives and ensure sufficient resources are applied to manage the assets.

The General Manager has overall responsibility for developing infrastructure asset management systems, policies and procedures and financial models and reporting on the status and effectiveness of asset management within Strathfield Council.

The Asset Management Steering Committee is responsible for ensuring that all asset management activities are consistent with the objectives of Community Strategic Plan, integrated planning and Strathfield Council's Long Term Financial Plan.

The Asset Management Steering Committee is responsible to oversee that people, processes and systems are in place and work together to deliver services and meet the corporate infrastructure asset management objectives. They will also oversee the development and implementation of asset and risk management plans and capital renewal plans for all asset classes.

Director Engineering and Operations and Asset Management Team are responsible for developing and implementing infrastructure asset management plans, systems, policies and procedures.

The Chief Financial Officer is responsible for preparing the LTFP to support the delivery of the asset management plans

Employees with management or supervisory responsibility are responsible for the management of assets within the area of responsibility as determined under asset management plans.

Consultation

The policy has been reviewed with asset owners and relevant stakeholders.

References

Laws and Standards

- Local Government Act 1993
- Local Government (General) Regulation 2021
- National Asset Management Framework
- IPWEA NAMS.PLUS3 Templates for Asset Management Plans -International Infrastructure Management Manual

Review period

This policy will reviewed be in 2 years.

Approval status

Council approved this policy on [DD MONTH YYYY].

Asset Management Strategy

Background

This asset management strategy provides a summary of how the resources available in Strathfield Council's Resourcing Strategy will deliver the key objectives of the Community Strategic Plan Strathfield 2035 and the Delivery Program.

The Asset Management Strategy is a dynamic document that helps to guide the asset management activities and decision making of the organisation into the future. The initiatives are reviewed on a regular basis to ensure their relevance in a changing environment, and to also incorporate community feedback.

Current Situation

Strategy

Strathfield Council is making significant advances and continues to seek and implement initiatives to increase council's productivity in the asset management context. Some recent outcomes include the:

- Review and adoption of an overarching Asset Management Policy.
- Review and enhancement of the asset management framework and governance structure.
- Creation and continuous review of all detailed infrastructure asset management plans.
- Ensure accurate and timely data is available for us to make informed decisions.
- Streamlining of infrastructure asset valuation processes through interfacing of systems.
- Coordination of infrastructure data collection projects aimed at improving the quality of the underlying base asset data for road assets, buildings and their components.
- Redesign of the detailed asset management plan template and migration of all asset management plans to this template.
- Creation of advanced asset condition and prioritisation methods to develop renewal works programs.

Asset Inventories

This is the current infrastructure asset inventory and replacement value for council's assets, excluding land.

Asset Category	Asset Type	Quantity	Value (\$M)
Roads	Road Surface	99 km	35.1
	Road Base	99 km	92.3
	Footpath	180 km	45.6
	Kerb and Gutter	194 km	49.3
	Traffic Facilities	743	17.8
		Total	240.1
Structures	Bridges	20	14.2
		Total	14.2
Stormwater	Drainage pipes	65.95 km	80
	Drainage pits	2447	6.8
		Total	86.8
Open Space & Recreation	Parks, Reserves and playgrounds	60	55.8
		Total	55.8
Buildings	Buildings Specialised / Non-Specialised and Investment	58	68.6
		Total	68.6

Asset Condition

Condition Definition

In line with International Infrastructure Management Manual, the Institute of Public Works Engineering Australia (IPWEA) condition rating standards, this is the condition ranking Strathfield Council has adopted. The scale and how the rankings apply varies between each asset category.

Condition	Description
1	Very Good
2	Good
3	Fair
4	Poor
5	Very Poor

Satisfactory = % total of assets with 1, 2, or 3 Condition

Current Asset Condition Assessments

Asset Category	Asset Component	Average Condition	Latest Year of Assessment	Next proposed Assessment	% of Assets rated as Satisfactory
Roads	Road Surface	2.8	2022	2027	70
	Footpaths	2.7 ²	2022	2027	93
	Kerb and gutter	2.9 ²	2022	2027	91
	Traffic Facilities	2.1	2022	2027	95
Structures	Bridges	2.2	2022	2027	95
Storm water	Drainage – Pits	3 ¹	2020	2023-2033	100
	Drainage – Pipes	3 ¹	2020	2023-2033	100
Open Space and Recreation	Parks, Reserves, playgrounds and other ancillary facilities	2.5	2021	2026	95

¹ Condition 3 was assumed in 2020 and no inspection was undertaken

² Condition assessment is underway, and the figures will be updated once the data is available.

Asset Strategy Focus Areas

Focus Area	Key Outcomes	Priority Projects
<p>Asset Management Governance</p> <p>Consistent and appropriate data and corporate governance processes are in place for all asset activities and classes</p>	<p>Improved data governance</p> <ul style="list-style-type: none"> Structured infrastructure risk management plans Current and relevant policy and strategy Compliance with Integrated Planning and Reporting requirements Digital service delivery designed around the user. 	<p>Cyclic review by the Asset Management Steering Committee.</p> <ul style="list-style-type: none"> Review and update business, data governance and management processes Adopt risk management plans for the critical asset classes, including climate change adaptation, at a network level Policy reviewed on two-year cycle Endorse Asset Management Plans Identify areas of improvement for better return on investment Review and reassign roles and responsibilities related to infrastructure assets.
<p>Asset Management Skills and Processes</p> <p>Strathfield Council's staff will have sufficient data and system knowledge, rigorous processes, clear communication and a culture committed to asset and service improvement</p>	<ul style="list-style-type: none"> Proactive asset management culture Standard asset creation and handover processes Developed asset management skills Effective communication and on-line tools. 	<ul style="list-style-type: none"> Develop on-line references and tools for asset managers Develop standard templates and processes for asset demolition and creation Communications strategy for asset management practices Provide or facilitate training for asset managers.
<p>Asset Information and Systems</p> <p>Strathfield Council will support service delivery through the provision of up-to-date asset information and integrated systems providing digital and mobile platforms</p>	<ul style="list-style-type: none"> Integrated platforms Fully resourced system support Quality data and information Adopted long term strategy for system Best practice data modelling and reporting. 	<ul style="list-style-type: none"> Review and update of the stormwater drainage inventory and condition data incorporating CCTV analysis of pit and pipe capacity and structure Building and condition audit for relevant buildings Develop and enable advanced modelling within the corporate system.

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Focus Area	Key Outcomes	Priority Projects
<p>Levels of Service Strathfield Council will measure the performance of all asset classes against agreed levels of service including intervention levels, inspection frequency and condition thresholds</p>	<ul style="list-style-type: none"> ● Agreed service levels for all asset classes ● Costs associated with service delivery captured and understood ● Validated asset lifecycle models ● Service levels of new and acquired infrastructure identified at inception ● Environmental considerations included in all service level outcomes. 	<ul style="list-style-type: none"> ● Development of service levels specific to individual asset classes including intervention levels, priority determination and inspection frequency ● Develop cost collection model and implement through mobile technology ● Develop processes to directly link the corporate asset management system to water, energy and waste consumption ● Consult with the community to identify any over or under servicing of assets.
<p>Environmentally Sustainable Asset Management Practices Embed best practice environmental management practices into all aspects of infrastructure service delivery</p>	<ul style="list-style-type: none"> ● Climate change considerations as part of normal business ● Cleaner stormwater solutions ● Embedded sustainable design guidelines ● Environmental impact considered in plant and equipment acquisition ● Asset reporting includes environmental outcomes. 	<ul style="list-style-type: none"> ● Embed environmental guidelines in all renewal and upgrade activity ● Develop processes to directly link all corporate asset management systems to water, energy and waste consumption ● Develop processes to minimise the environmental impact of new or replacement plant and equipment.
<p>Financial Sustainability The cost of infrastructure service delivery will be fully understood and incorporated into lifecycle modelling linked to the long-term financial plan</p>	<ul style="list-style-type: none"> ● Full understanding of costs to deliver services to support budget preparation ● Benchmarked asset operation and maintenance activities and costs ● Validated lifecycle models ● Integrated asset operational and financial data ● Purpose specific tools for asset reporting. 	<ul style="list-style-type: none"> ● Develop and implement strategy, processes and procedures to capture costs associated with infrastructure maintenance activities ● Migrate asset financial and valuation data to the Strategic Asset Management System.

Focus Area	Key Outcomes	Priority Projects
<p>Resilience in our infrastructure assets</p> <p>Planning for Strathfield Council's infrastructure assets to be resilient against future shocks and stresses</p>	<ul style="list-style-type: none"> – Clear definition of resilience – Asset management plans address resilience issues – Resilience considered at the time of renewal. 	<ul style="list-style-type: none"> – Define resilience and its context for each asset group – Rate current infrastructure against adopted definition of resilience. – Develop plans to accommodate resilience into future renewal and operational planning if required.