



Strategic Asset Management Plan

Strathfield Council

Document status

Ref	Version	Written	Peer Review	Approving director	Date
7834	draft	C. Scanlon	C. Anich	C. Anich	12/2/25
7834	Revision 1	C. Scanlon	NA	NA	13/3/25
7834	Final	C. Scanlon	NA	NA	17/6/25

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1 Executive Summary

This overarching Strategic Asset Management Plan (SAMP) states the approach to managing Strathfield Council's ("Council") asset portfolio over a ten-year period from 2025-2034. The coming decade is expected to see growth in population and dwelling numbers, increasing extreme weather events, and shortages of essential skills and workers. Emerging technologies such as machine learning are assisting councils to collect large amounts of data about their assets.

The asset groups covered by this SAMP are transport, buildings, stormwater drainage and open space assets. An Asset Management Plan (AMP) for each asset group is included in the appendices to this AMS.

The strategy supports Council's aim to be financially sustainable, while delivering services to a growing and diverse population in a relatively small geographic area.

To achieve this aim, Council has identified four areas of focus:

- **Community expectations** – ensuring the right assets are acquired, operated and maintained to deliver services desired by the community.
- **Growth and demand** – planning for a future population, increased density, and the assets contributed by developers and Government to meet future demand.
- **Risk and resilience** – being prepared for events, particularly extreme weather, to minimise risks to safety and disruption to services.
- **Governance and leadership** – demonstrating transparency and responsibility in decision-making about assets and asset expenditure.

The SAMP highlights major issues which need to be addressed for each of the asset groups over the next few years. The strategy also highlights the necessary actions for Council to help close the gap between current asset management practices and moving towards demonstrating best appropriate practices in the future.

Both the SAMP and the accompanying Asset Management Plans (AMPs) have been prepared in accordance with the guidance in the International Infrastructure Management Manual 2020 (IIMM). The NSW Office of Local Government (OLG) requires Council to develop an asset management strategy and plans for inclusion in the Resourcing Strategy and adoption by Council.

This Strategy includes Council's Asset Management Policy which will be adopted as part of this strategy and reviewed every two years. The policy provides a framework for managing infrastructure assets in a consistent manner to support the delivery needs of the community.

Could we include commentary that this is a requirement of IP&R, Integrated Planning and Reporting Framework

1.1 Asset Value and Condition

Council owns and manages infrastructure assets with a current replacement cost of over \$584 million. The four asset groups included in this plan and their values are detailed below.

Table 1 Summary of combined infrastructure assets values (as at June 30 2024)

Asset Grop	Gross Replacement Cost (GRC) (\$'000s)	Written Down Value (WDV) (\$'000s)	Annual Depreciation Expense (\$'000s)
Transport	320,601	181,557	3,317
Buildings	90,791	67,051	1,227
Stormwater	129,697	58,592	931
Open Space	43,694	33,035	2,153
Total	584,783	340,235	7,628

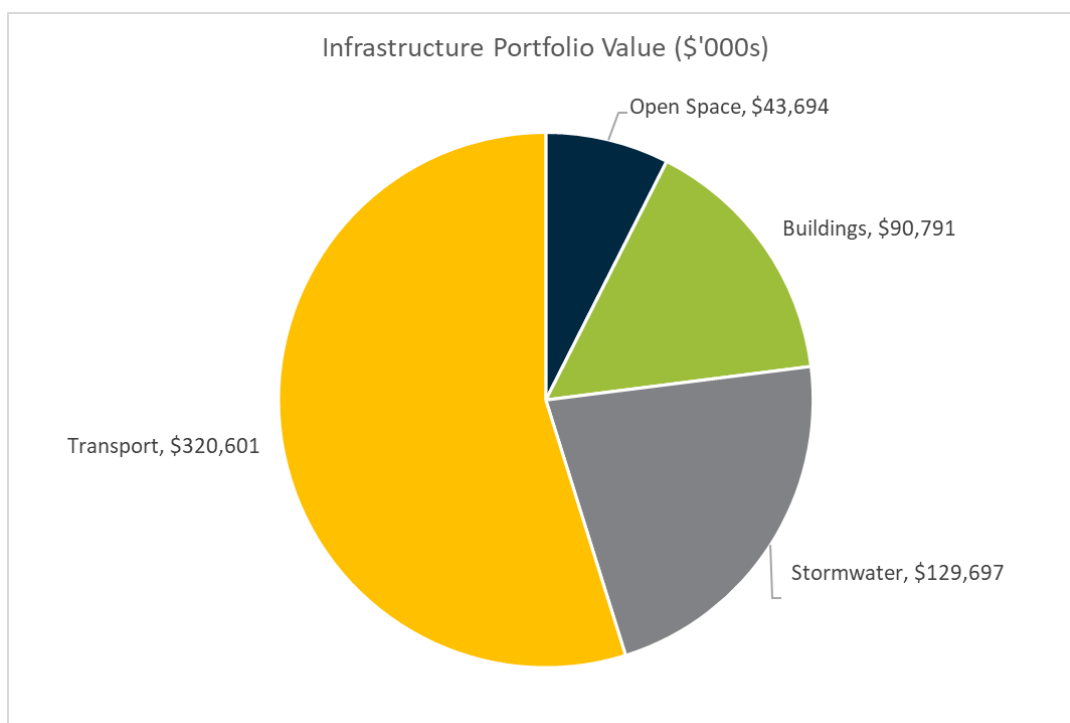


Figure 1 Portfolio by asset class

Details of Council's current asset conditions are detailed in the table below. The condition is represented as a percentage of replacement cost of Council's four asset groups as well as combined.

Table 2 Summary of combined asset condition

Asset Group	Asset Condition (% of GRC)				
	1	2	3	4	5
Transport	15.9%	28.2%	45.5%	9.3%	1.0%
Buildings	41.2%	23.8%	28.5%	3.7%	2.8%
Stormwater	6.2%	16.0%	35.5%	33.7%	8.6%
Open Space	33.0%	45.8%	18.5%	2.5%	0.1%
Combined	19.0%	26.1%	38.7%	13.3%	2.9%

Based on the review of asset condition data, just over 45% of Council's assets are in 'excellent' or 'very good' condition. The condition data of most asset classes appears to be acceptable. A condition review of some asset types at the component level is suggested to ensure that high value, and shorter life components that are in fair or poor condition, are accurately reflected in the forward works program and in the cost to satisfactory (backlog).

1.2 Asset Backlog

As per the 2023/24 Special Schedule 7 analysis, Council has a combined asset backlog of \$38.5 million (11.21% backlog ratio) to bring assets to satisfactory standard which is currently taken as Condition 3. The breakdown of backlog per asset class is shown in the table below.

Table 3 Infrastructure backlog

Estimated cost to satisfactory	Backlog (\$'000s)	Backlog Ratio %	Estimated 2024/25	Estimated 2033/34	Comment
Transport	10,636	5.86%	5.32%	1.75%	Reflects Council's use of SRV funding to renew transport assets.
Buildings	5,435	8.11%	7.97%	4.56%	Above benchmark of 2%, but within a tolerable range.
Stormwater	20,878	35.63%	34.45%	25.67%	Based on uncertain condition data derived from asset age.
Open Space	1,186	3.59%	3.83%	0.00%	None
Combined Assets	38,135	11.21%	10.76%	7.09%	

Council should use a consistent, OLG-verified approach to calculating the backlog to ensure that its SS7 reporting accurately reflects the true level of expenditure required. This is especially critical for the stormwater portfolio, with a backlog of 35.63%, and uncertain condition data.

1.3 Asset Expenditure

The average capital and maintenance expenditure on Council assets over the ten-year forecast (2025-2034) period is approximately \$25.1 million per year as shown in the table below. This compares to the expenditure required to maintain, operate and renew the asset network being \$18.0 million per year. This indicates that Council has funded 139.4% of its required asset expenditure over the period of the plan. In the figure below, the above-benchmark expenditure for renewals and maintenance roughly matches the expenditure required to meet the backlog and maintenance ratio benchmarks by 2033/34.

The current surplus of expenditure is largely funded by the special rate variation to address the renewal backlog.

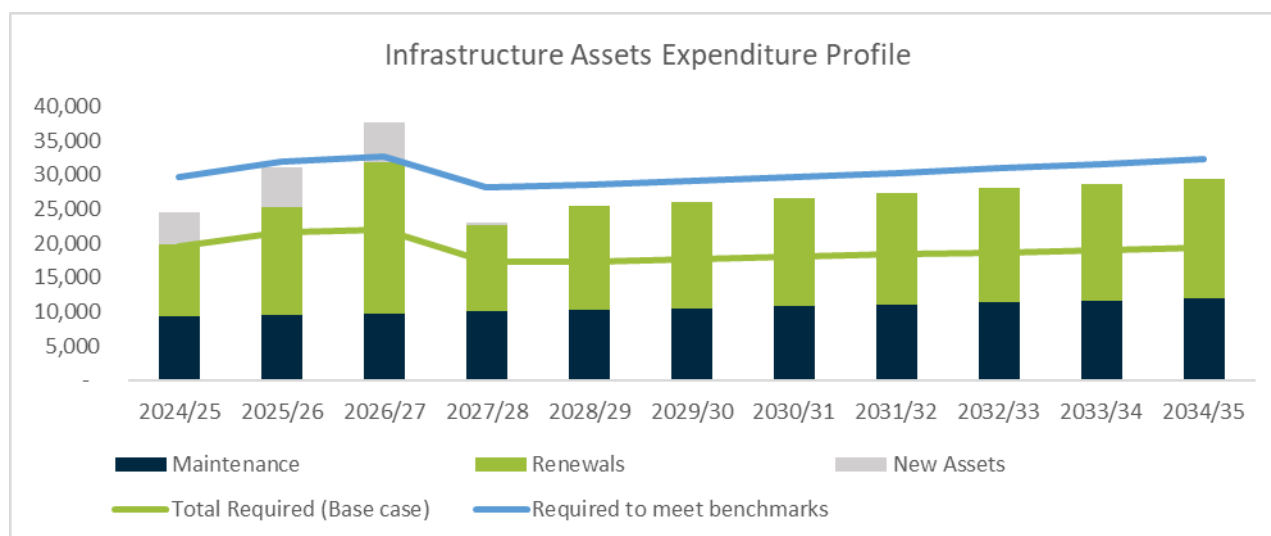


Figure 2 Infrastructure expenditure profile

Table 4 Expenditure projections

Expenditure Projections (\$000) - Combined Assets		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Actual	Renewal	10,599	15,704	22,168	12,691	15,150	15,529	15,917	16,315	16,723	17,141	157,935
	New and Expanded Assets	4,659	5,945	5,666	312	0	0	0	0	0	0	16,583
	O&M	9,270	9,502	9,739	9,983	10,232	10,488	10,750	11,019	11,295	11,577	103,855
	Total Expenditure	24,528	31,151	37,573	22,986	25,382	26,017	26,667	27,334	28,017	28,718	278,373
Required	Required Renewal (Depreciation)	7,819	8,108	8,533	8,922	9,121	9,304	9,490	9,679	9,872	10,068	90,916
	New and Expanded Assets	4,659	5,945	5,666	312	0	0	0	0	0	0	16,583
	Required O&M	7,097	7,473	7,836	8,009	8,166	8,326	8,490	8,656	8,825	8,997	81,875
	Total	19,575	21,527	22,035	17,243	17,287	17,630	17,979	18,335	18,697	19,066	189,373
Gap	Maintenance Gap	2,173	2,029	1,904	1,974	2,066	2,162	2,261	2,363	2,470	2,580	21,981
	Renewals Gap	2,780	7,595	13,634	3,769	6,029	6,225	6,427	6,636	6,851	7,072	67,019
	Overall (GAP)	4,953	9,624	15,538	5,743	8,095	8,387	8,688	8,999	9,320	9,652	89,000

1.4 Levels of Service

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

Current performance of levels of service is summarised in the table below:

Table 5 Levels of service performance (2023/24)

Level of Service Outcome	Measure	Transport	Buildings	Stormwater	Open Space
Condition	Assets in acceptable condition (>95%)	89.7	93.5%	57.7	97.3
(Financial) Sustainability	Sustainability ratios meet benchmarks	Partially meeting	Partially meeting	Not meeting	Meeting

The levels of service not currently measured are summarised in the table below. As Council's systems and data are improved, these levels of service should be able to be measured.

Table 6 Levels of service not currently measured

Level of Service Outcome	Measure
Availability	Assets available for use
Responsiveness	Requests are attended to and resolved within Council's customer service timeframes
Accessibility	Assets meet accessibility standards
Health and safety	Reported incidents
Environment	Meeting or exceeding Council's environmental targets

1.5 Critical Assets

Council has identified some critical assets. The key criteria and highest criticality assets for each asset group are summarised below:

Table 7 Critical assets summary

Asset group	Highest consequences of failure	Highest criticality assets
Transport	Community unable to access essential services and facilities Personal injury; damage to property	To be identified in future AMP
Buildings	Council unable to deliver essential services	Town Hall Depot
Stormwater	Damage to property	To be identified in future AMP
Open Space	Personal injury Facilities unavailable	Irrigation Lighting Playground equipment

1.6 Asset class key findings

The main findings of the four AMPs are summarised below.

Table 8 Key findings by asset group

Asset Group	Main Findings
Transport	The transport portfolio is moderate-to-good condition overall. Assets are currently being renewed at a higher rate than they are depreciating, making up for funding shortfalls in previous years.
Buildings	The Buildings portfolio overall is in good condition with some assets in conditions 3-5 to be proactively monitored and managed. Developer-contributed assets are anticipated as a result of growth.
Stormwater	There is an unusually high percentage of assets thought to be in condition 4 or 5, based on age. A CCTV inspection program is recommended to improve the reliability and confidence in asset condition.

Open Space

The portfolio overall is in good condition. Asset data is acceptable and would benefit from some verification and restructuring. Developer-contributed assets are anticipated as a result of growth.

1.7 Areas of focus and strategic actions

Council's asset management practices are estimated to be at an 'Aware' level of maturity as measured by Morrison Low Consultants (2024).

Based on the observations and analysis of current asset management practices, and the findings of the asset financial modelling and Asset Management Plans, four areas of focus have been identified that apply to all asset classes. The strategic actions attached to each area of focus are to ensure adequate provision is made for the long-term management of Council's infrastructure assets. Short term actions linked to the strategic actions are detailed in the improvement plan.

Table 9 Areas of focus

Area of focus	Strategic direction	Desired Outcome
Community Expectations	Identify and manage community expectations by documenting, consulting and reporting on service and assets performance.	The community is well-informed about the cost, performance and risk associated with Council's services and assets.
Growth and Demand	Strengthen asset and service planning for new, upgraded and renewed assets in areas of significant housing development.	Infrastructure associated with new developments is fit-for-purpose, good quality, affordable and available to new residents and businesses after development completion.
Risk and resilience	Develop robust frameworks to identify and manage risks associated with assets and infrastructure.	Service interruptions, failures and incidents are minimised.
Governance and leadership	Plan for and provide the right resources (people, skills, technology, information and budgets) to deliver this strategy and the AMPs.	A culture of asset management drives asset-related and sound decision-making.

2 Introduction

2.1 Asset Planning - Background

Council owns and manages assets to support the delivery of services to the community, businesses, and visitors. As Council's assets age, there are increased maintenance, refurbishment and disposal costs which increase the cost of the services that they support. At the same time, the population and number of dwellings is increasing, resulting in a need to expand existing infrastructure and build new infrastructure to support a larger population. This in turn adds to Council's ongoing operations and maintenance cost, and depreciation expense.

Council's asset management planning function sits within the Engineering and Operations directorate. The key teams and staff responsible for asset management are shown in the organisation chart below:

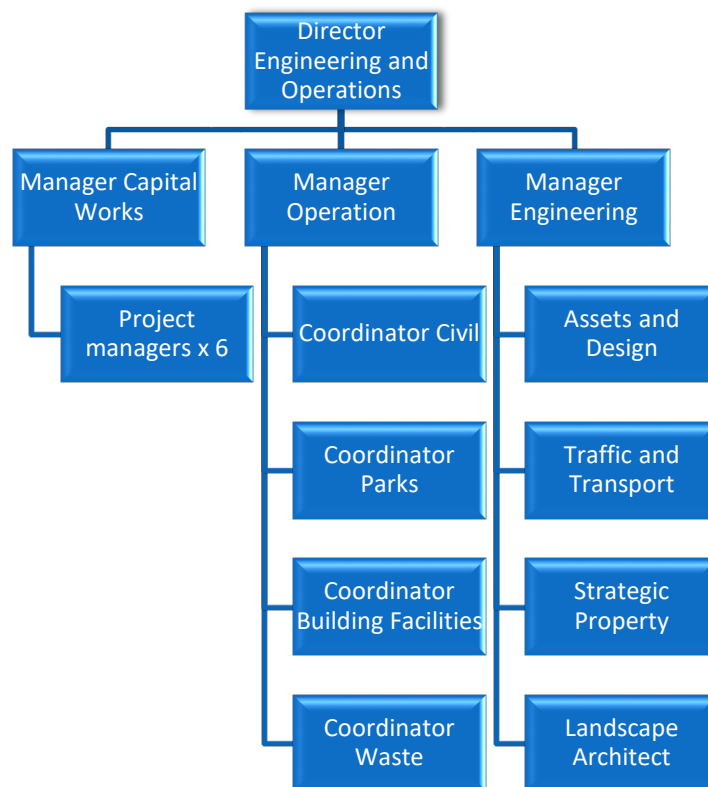


Figure 3 Organisation chart

Council's asset management staff work in collaboration with other areas of Council (e.g. Finance, Governance, Planning) to develop, inform and align asset management strategies in line with the IP&R framework illustrated below.

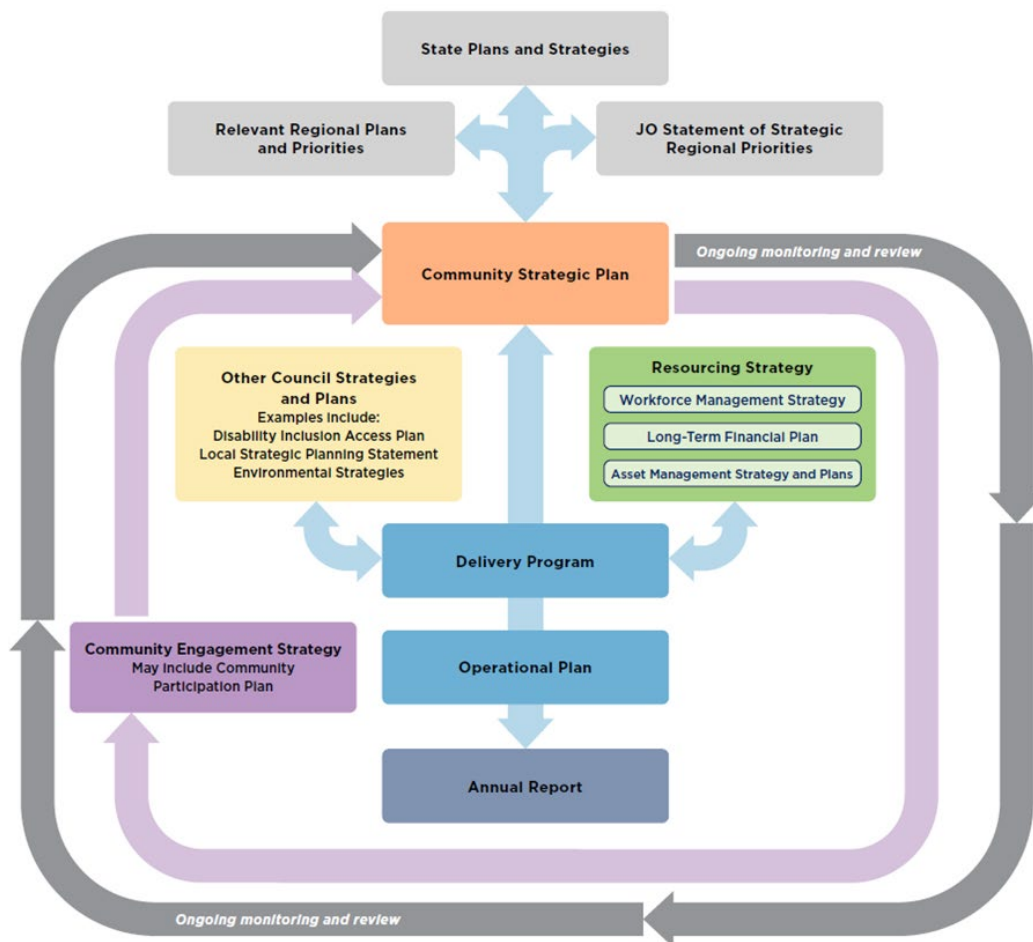


Figure 4 Relationship between Council's plans and resourcing strategies

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

The figure above demonstrates the relationship between the various plans and resourcing strategies.

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

This asset management strategy establishes a framework to deliver services to the community through planning, construction, maintenance and operation of the infrastructure assets necessary to achieve the goals and objectives as set out in the Strathfield Council Community Strategic Plan, Delivery Program and Operational Plan.

2.2 Scope of this Strategic Asset Management Plan

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

The specific objectives of this strategy are to:

- define how Council's assets are, and will be, managed to achieve the Levels of Service.
- provide the basis for forward works programs.
- support long term financial planning across all asset classes.
- identify the activities, skills and resources necessary to deliver asset management to a 'Core' level of maturity.
- demonstrate responsible and sustainable stewardship of the community assets.

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

- current asset condition and performance.
- levels of service performance.
- demand scenarios for infrastructure and services.
- funding constraints.

This strategy is based generally on the guidelines outlined in the IIMM incorporating the Sections defined in the table below.

Table 10 Asset management strategy sections

Section	Description
1. Executive Summary	Provides a high-level summary of the combined asset management plans and highlights the main issues for consideration.
2. Introduction	Outline of the purpose and scope of the plan and how the plan relates to other key policies and strategies.
3. Asset Management Policy	Statement of Council's commitment to asset management principles and practices.
4. Strategy	Focus areas and the strategic (5-10 year) initiatives required to achieve the objectives of the strategy.
5. Asset Management Practices	Summary of asset portfolio age, condition, values and lifecycle management practices.
6. Levels of Service	Outline of levels of service and asset performance standards, and customer/community expectations and feedback regarding levels of service.
7. Future Demand	Identification of demand trends, factors which may influence demand, forecast changes in demand, impacts and implications of future demand and effects on future planning.
8. Financial projections	Projected expenditure for the asset portfolio and the expected funding position at the end of the planning period.
9. Risk and Criticality	Provision of an asset-based risk management approach.
10. Implementation, monitoring and improvement	Details of Council's asset management maturity assessment and improvement plan.

2.3 Assets Covered by this Strategy

The following asset groups are covered by this Strategic Asset Management Plan:

- Transport
- Stormwater Drainage
- Open Space
- Buildings

Full details of the Council's assets are included in the Appendices (Asset Management Plans) to this strategy.

2.4 About Strathfield Council

Strathfield Council is in the inner-western suburbs of Sydney, as shown in the figure below:

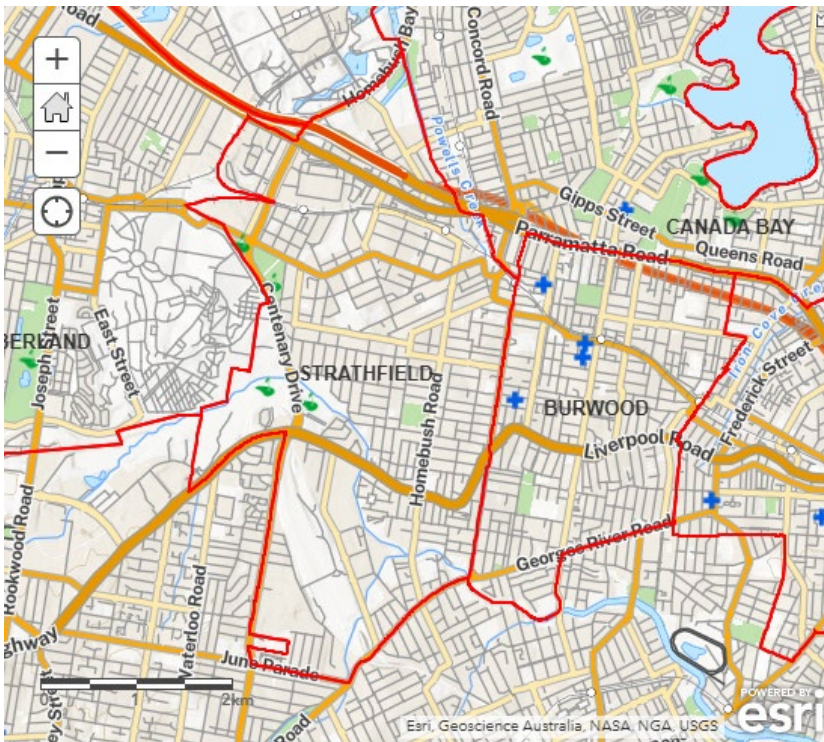


Figure 5 Strathfield LGA (olg.nsw.gov.au)

The traditional owners of the area are the Wangal clan of the Darug Aboriginal people with European settlement dating from the late 1700s. Following World War II, Strathfield has become highly multicultural. Families are the predominant household structure and housing takes many forms including freestanding houses, walk-up flats, and high-rise apartments.

The estimated residential population in 2023 is 47,824 people. The population is forecast to grow to 80,000 by 2036 (source: Council website).

2.5 Links to Council Plans and Strategies

The Strategic Asset Management Plan and associated Asset Management Plans have been prepared in line with the vision and strategies outlined in the Community Strategic Plan 'Strathfield 2035'.

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

Table key:

 Asset/asset management directly supports this goal and strategy	 Asset/asset management indirectly supports this goal and strategy
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Table 11 Asset management links to community goals and strategies

CSP's Theme	Goal (where we want to be)	Strategy (how we will get there)	Transport	Stormwater	Open Space	Buildings	Non-Infrastructure asset	Asset management
1. Connectivity	1.1 Sustainable growth supported by well-planned and accessible infrastructure and service	1.1.1 Collaborate with NSW Government and agencies to plan and deliver high quality and accessible infrastructure to support population growth and increasing density	●	●	●	●	●	●
		1.1.2 Plan and deliver high quality and strategically located local infrastructure to support current and future population need	●	●	●	●	●	●
	1.2 All areas of Strathfield LGA are connected by integrated and safe transport network	1.2.1 Ensure transport networks are integrated and connected and offer efficient and safe movement to, from and around Strathfield LGA	●	○	○			●
		1.2.2 Ensure local transport infrastructure, networks and services are connected, safe and well-maintained across the Strathfield LG	●	○	○			●
	1.3 Optimised service and information access and delivery through effective communications and digital technology	1.3.1 Deliver effective communications using various media forms that inform and engage with diverse communities						○
		1.3.2 Assess and develop digital technology frameworks and systems to improve and expand service delivery and information access						○
2. Community Wellbeing	2.1 Culturally diverse, socially cohesive and connected communities	2.1.1 Provide opportunities and programs to build community capacity and resilience						○

CSP's Theme	Goal (where we want to be)	Strategy (how we will get there)	Transport	Stormwater	Open Space	Buildings	Non-Infrastructure asset	Asset management
	2.2 Healthy and Active Communities	2.1.2 Deliver programs to meet identified community needs in partnership with key stakeholders, community and government agencies			○	○		
		2.2.1 Manage open space, recreation and community facilities and programs to provide fair access and meet community, leisure and recreational need			○	○		○
		2.2.2 Promote healthy and active living programs			○	○		
	2.3 Safe, resilient and accessible local areas	2.3.1 Collaborate and deliver public safety programs and promote community safety awareness	○					
		2.3.2 Promote and build community resilience, capacity and self-reliance						○
3. Celebrating Culture and Place	3.1 Enticing, vibrant and safe centres blending services and social connectivity	3.1.1 Plan and deliver vibrant attractive and safe town and village centres and commercial area	○	○	○	○	○	○
		3.1.2 Support programs to promote activity and sustain local business				○		
	3.2 Place of creativity, culture and learning	3.2.1 Facilitate and support learning, community and cultural programs, events and activities			○	○		
		3.2.2 Foster and celebrate local identity	○		○	○	○	
4. Liveable neighbourhoods	4.1 Quality, liveable and sustainable urban design and development	4.1.1 Urban design and development that balances growth with quality living, sustainable and aesthetic outcomes reflecting local character and heritage	○	○	○	○	○	○

CSP's Theme	Goal (where we want to be)	Strategy (how we will get there)	Transport	Stormwater	Open Space	Buildings	Non-Infrastructure asset	Asset management
	4.2 Clean, attractive and well-maintained neighbourhoods and public domain	4.1.2 Deliver effective and efficient planning and development processes						●
		4.2.1 Provide high quality, efficient and sustainable waste services and education to reduce landfill and improve recycling and reuse					●	
		4.2.2 Maintain high standards of public health, amenity and safety				○	●	●
5. Responsible Leadership	5.1 Council's leadership and decision making reflects community priorities and values	5.1.1 Strathfield community is well informed, engaged and represented in Council policy making and advocacy						●
		5.1.2 Deliver ethical, effective and responsible leadership and transparent and accountable decision making						●
	5.2 Council is effectively and responsibly managed and responds to community needs	5.2.1 Prepare and implement plans and strategies to deliver and resource efficient and accountable services, programs and infrastructure						●
		5.2.2 Promote organisational culture of safety, best practice and continuous quality improvement						●
		5.2.3 Deliver efficient and effective customer services to the community				○	○	○

3 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 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.

Context

The NSW Local Government Act 1993 places several obligations on councils in relation to asset management. Strathfield Council must account for and plan for all the existing assets under its control, and any new assets proposed in its Community Strategic Plan and Delivery Program and associated Resourcing Strategy.

Scope

This policy applies to all infrastructure-related service provision such as road and transport, stormwater 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

- **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.
- **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:** 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.
- **Strategic Asset Management Plan:** A strategic document that demonstrates how Strathfield Council's asset portfolio supports the service delivery needs of the community into the future.

Policy Principles

- **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:** 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

1. **Provide Infrastructure and Services:** Sustain Strathfield Council communities, support quality of life, adapt to emerging needs, and enhance resilience.
2. **Implement a Lifecycle Approach:** Asset planning decisions are based on evaluation of alternatives considering the whole life of an asset.
3. **Ensure Service Delivery Needs:** Establish and monitor levels of service for each asset class.
4. **Develop a Sustainable Funding Model:** Funded model for all asset-related services extending at least 10 years into the future.
5. **Implement Best Value Environmentally Sustainable Practices:** Encourage flexible and scenario-based approaches, acknowledge climate change adaptation, and minimise environmental impacts.
6. **Create a Resilient Strathfield Council:** Identify and renew critical assets vulnerable to future shocks and stresses.
7. **Provide Reliable Asset and Infrastructure Data:** Implementation of sound data governance and quality management.
8. **Implement an Integrated Decision Support System:** Provide systems and knowledge necessary to achieve policy outcomes.
9. **Ensure Compliance with Legislative Requirements:** Clear policies, processes, and information to meet organisational objectives and legislative requirements.
10. **Allocate Asset Management Responsibilities:** Clearly identify roles and responsibilities of Council, the General Manager, and Asset Managers.

Responsibilities

- **Mayor and Councillors:** Adopt policy objectives and ensure sufficient resources are applied to manage the assets.
- **General Manager:** Overall responsibility for developing infrastructure asset management systems, policies, procedures, financial models, and reporting.
- **Asset Management Steering Committee:** Ensure all asset management activities are consistent with the objectives of the Community Strategic Plan, integrated planning, and the Long-Term Financial Plan.

- **Director Engineering and Operations and Asset Management Team:** Develop and implement infrastructure asset management plans, systems, policies, and procedures.
- **Chief Financial Officer:** Prepare the Long-Term Financial Plan to support the delivery of the asset management plans.
- **Employees with Management or Supervisory Responsibility:** Manage assets within their area of responsibility as determined under asset management plans.

References

- 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 be reviewed every 2 years.

4 Strategy

The Asset Management Strategy is to enable Council to:

- demonstrate how its asset portfolio will meet the service delivery needs of its community into the future.
- enable Council's Asset Management Policy to be achieved.
- demonstrate good leadership and governance of decisions and activities relating to the asset portfolio.

The Asset Management Strategy proposes the following areas of focus and strategic initiatives to enable the objectives of the Community Strategic Plan to be achieved.

4.1 Focus Area 1 – Community Expectations

Strathfield's residential community is multicultural and diverse. Cost-of-living concerns including housing affordability, energy prices, and general cost-of-living increases are an issue for many residents. Council's costs are also rising due to inflation and skills and materials shortages in construction and services. More than ever, Council must balance the community's expectation to receive quality essential services without excessive price increases.

Table 12 Community expectations action plan

Area of focus	Action	Desired Outcome
Levels of Service	Develop levels of service for all asset classes	Levels of service are clearly defined and measured for all asset types
	Consult levels of service with community	Levels of service are acceptable to the community
	Develop service and lifecycle costing methods	Cost, affordability and value for money of services and assets is understood
Value for money	Consider affordability and sustainability of assets at all stages in the asset lifecycle	Council can demonstrate achievement of value for money

4.2 Focus Area 2 – Growth and Demand

As the population and number of dwellings increases, Council will have to expand the infrastructure portfolio to meet the increased demand for services and facilities. It is important that Council plans and budgets for the commissioning, handover and ongoing costs of new assets; grants and developer contributions generally cannot be used for operations and maintenance costs.

Table 13 Growth and demand action plan

Area of focus	Action	Desired Outcome
Assets from development	Plan for, acquire and manage assets and programs from the Homebush TOD areas	Seamless transition from development assets into Council's portfolios
	Plan for and acquire fit-for-purpose, quality assets from development	Service needs of additional residents are met
Assets for new services	Plan for and acquire fit-for-purpose, quality assets for new services	New services can be provided in a timely fashion
Asset rationalisation	Identify opportunities to optimise the functionality and utilisation of facilities	Reduce portfolio lifecycle costs and risks
	Consider developing an asset rationalisation plan to decommission assets that are underused, obsolete, or otherwise not fit-for-purpose	

4.3 Focus Area 3 – Risk and Resilience

Asset management involves balancing levels of service, cost, and risk. Council should develop a full understanding of the risks of its assets, asset portfolio and asset management, and integrate assets risk management with the enterprise risk management framework.

Council must prepare for Climate Change which serve weather is expected to become more frequent, and design, build and modify assets to withstand such events. Council should also provide leadership in climate change mitigation by reducing its carbon footprint and water usage

Table 14 Risk and resilience action plan

Area of focus	Strategy	Desired Outcome
Environmental Outcomes	Develop environmental levels of service	Reduce impact of Council's asset portfolio on the environment
	Identify and plan for achieving environmental outcomes	Achieve Council's environmental goals and targets
Climate Change	Design, build and modify assets to minimise energy and resource consumption	Reduce Council's carbon emissions and water usage.
	Design and build assets that will withstand the effects of climate change	Reduce service disruption and recovery costs due to extreme weather events
	Address resilience in AMPs	
Managing Risks	Review and formally document the criticality framework, and identify and manage critical assets	Critical assets remain in service at all times
	Assess, monitor and mitigate risks to facilities, assets, and asset management	Reduce risk exposure

4.4 Focus Area 4 – Governance and Leadership

Council recently assessed its asset management maturity and is committed to implementing an improvement plan and embedding good asset management practices.

Table 15 Governance and leadership action plan

Area of focus	Strategy	Desired Outcome
People and Leaders	Develop a culture of asset management through continual communication, awareness and training	Increase asset management maturity
	Enable better asset management practices by providing fit-for-purpose technology, software, data and equipment	Asset-related decisions are informed and supported by trustworthy data
	Establish an Asset Management Steering Committee	Strategy and plans are successfully implemented with support of senior leadership
Governance	Develop a robust framework for decision-making and prioritisation of asset investment and expenditure	Decisions are justified, defensible, and transparent to stakeholders
Asset knowledge	Identify and define the data needed for asset management reporting, costing and decision-making	Information about assets is reliable, up-to-date, and relevant
	Implement the necessary software applications and associated devices and technologies to acquire, maintain and use asset information more efficiently and effectively.	Council's asset information systems and technologies are affordable and sustainable.
	Develop and implement an asset information strategy and plan to manage asset data and information throughout its lifecycle	Council manages asset data as a corporate asset and provides adequate resources to manage asset information.

5 Asset Management Practices

5.1 Asset inventory and data

5.1.1 Asset inventory

Council's asset portfolio is valued at almost \$585 million across four portfolios, as shown in the table below.

Table 16 Asset portfolio (values at 30 June 2024)

Asset Management Plan	Asset Class (SS7)	GRC (\$'000s)	WDV (\$'000s)	Ann Dep (\$'000s)
Buildings	Buildings	90,791	67,051	1,227
Buildings Total		90,791	67,051	1,227
Transport	Roads	217,327	126,025	2,619
	Bridges	11,106	7,916	91
	Footpaths	45,684	2,848	534
	Bulk earthworks	38,830	38,830	
	Car parks	7,654	5,938	73
Transport Total		320,601	181,557	3,317
Stormwater	Stormwater	129,697	58,592	931
Stormwater Total		129,697	58,592	931
Open Space	Other open space	43,694	33,035	2,153
Open Space Total		43,694	33,035	2,153
Grand Total		584,783	340,235	7,628

5.1.2 Asset information systems

Council is in the process of reviewing our asset management information system, as part of a larger project to refresh Council's Enterprise Resource Planning (ERP) systems. Council's asset registers have been structured and verified in readiness for the eventual system.

5.2 Condition Data Collection and Validation

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

Table 17 Condition assessment matrix

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

5.3 Confidence in Data

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

Table 18 Data confidence rating

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

The summary of confidence in asset data for all asset classes is shown in the table below.

Table 19 Summary of asset class data confidence

Asset Class	Inventory	Condition	Age	Overall
Transport Assets	Reliable	Acceptable	Acceptable	Acceptable
Stormwater Assets	Reliable	Uncertain	Acceptable	Acceptable
Open Space Assets	Reliable	Acceptable	Acceptable	Acceptable
Buildings Assets	Reliable	Acceptable	Acceptable	Acceptable

5.4 Asset Lifecycle Management Strategies

This section considers the need to balance expenditure and risk across all asset classes. As shown in the table below, some asset classes are in a negative funding position while others are in a positive funding position. Overall, such a position is not surprising given the current growth in population and dwelling numbers. However, care must be taken to ensure that the funding position is justifiable. This can be done by:

- Improving the quality of data and undertaking sound analysis to be confident that the required amounts of funding are reasonable
- Consulting stakeholders within Council to reach agreement that the funding position is acceptable or discuss trade-offs.

Table 20 Asset lifecycle management strategies

Asset Management Plan – asset group	Operational expenditure funding position (\$'000s)	Capital expenditure funding position ('000s)	Management Strategies
Transport	-\$12,578	+38,715	Consider adopting the sustainable scenario from Year 5 onwards
Buildings	+\$5,742	+\$11,597	Condition inspection and component-level renewal programs; consider rationalisation plan
Stormwater	-\$14,457	-\$3,026	Condition inspections and defect analysis (CCTV)
Open Space	+\$24,667	+19,734	Consider adopting the sustainable scenario from Year 5 onwards

5.4.1 Lifecycle strategies

The key strategies in each asset class are summarised below, with further details in the Appendices.

Buildings

Plan for acquisitions as a result of growth, in particular transport-oriented development (TOD). Consider rationalising or disposing of older buildings.

Open Space

Plan for acquisitions as a result of growth, in particular transport-oriented development (TOD). Ensure maintenance and operational costs are correctly captured in the finance and assets systems so that future expenditure needs are forecast and funded.

Transport

Continue to investigate emerging technologies and materials to reduce lifecycle costs while achieving improved environmental performance.

Stormwater Drainage

Undertake a prioritised CCTV inspection program to identify assets in poor or failed condition.

5.4.2 Acquisition Strategies

The growth in population, dwellings and associated infrastructure, within Strathfield LGA and the surrounding LGAs, will result in Council acquiring new assets and upgrading existing assets. Upgrading an existing asset is a

combination of renewal, disposal and new expenditure. The Council estimates the following split between renewal (replacement of existing assets) and new (additional assets) for upgrade projects:

Table 21 Upgraded assets renewal/new and upgrade split

Asset Group	Renewal	New / Upgrade	Total
Transport			
Bridge	60%	40%	100%
Footpath	80%	20%	100%
Road	80%	20%	100%
Roadside	60%	40%	100%
Buildings	70%	30%	100%
Stormwater	60%	40%	100%
Open Space	60%	40%	100%

Council will deliver capital new assets, upgrade of existing asset and renewal of existing assets projects to meet level of service objectives by:

- reviewing current and required skills base and implementing training and development to meet required construction and project management needs.
- reviewing management of capital project management activities to ensure Council is obtaining best value for resources used.
- ensuring upgrade forecasts are correctly split between the renewal component and the new component.
- continually reviewing project data to determine the renewal component based on modern engineering equivalent assets.

5.4.3 Funding Strategies

Funding for new and upgrade assets (including the new component of existing assets) is ideally sought from developer contributions and grants; however, these do not include the ongoing operation and maintenance costs.

Grants and programs currently funding new and upgraded assets include:

- Western Sydney Infrastructure Grants Program ('WestInvest') (State).
- Essential Community Sport Assets Program – Sport Infrastructure Recovery fund (State).
- Local Roads and Community Infrastructure (LRCI) Grant – Federal.

Renewals are funded by the four-year special rate variation (SRV). Other acquisitions are funded from general

revenue.

6 Levels of Service

6.1 Defining Level of Service

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

‘Levels of Service are output descriptions supported by quantifiable performance measures’

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

- the quality and functionality of the assets
- the quantity and provision of assets
- the condition of the assets
- the safety and security of the assets.

The objective of asset management is to manage assets in a way that delivers best possible value to the community, while complying with legislative requirements and meeting technical standards. This requires an understanding of the community’s service needs, expectations, and preferences, as obtained through community consultation. Setting levels of service needs to balance known community service priorities with the cost of providing the service and the community’s willingness to pay (directly through fees and charges or indirectly through rates).

There are two types of service levels:

- Customer levels of service relate to the service the customer receives, for example the quality and safety of play equipment.
- Technical levels of service relate to how Council supports the service, for example the frequency of safety inspections, or the time taken to replace a failed part.

6.2 Performance Measures

The level of service statement is supported by performance measure(s), that indicate how the organisation is performing in relation to that level of service.

For some performance measures in this plan, Council will have full control over the outcome, for example ‘respond to service requests within seven days’. However, it is important to recognise that performance measures may be influenced by external factors that Council cannot fully control. For example, Council may have limited ability to influence antisocial behaviour that leads to vandalism, but can respond to vandalism within a specified time.

6.3 Service Level Outcomes

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

Table 22 Service level outcomes

Criteria	Desired outcome	Example performance target
Access	Customers have access to the services they need and want. Access criteria include location and time available (e.g. out of work hours)	Service located within 400m of every dwelling
Accessibility	Facilities incorporate provisions for people with a disability to have physical access	100% of public toilet blocks are DDA compliant
Availability	Services are available to customers as advertised	Service is open 365 days per year
Affordability	The cost of services is affordable to customers	Fees increase by CPI or less every year
Health and safety	Services do not pose hazards to people, property or wildlife. Services are operated safely.	Zero road fatalities
Quality	Assets are built to last their design life	Premium paving is used in all high traffic shopping areas
Condition	The extent of deterioration or wear and tear on the assets is acceptable	90% of assets in condition 3 or better
Reliability	Assets perform their function when required	Asset is in service 95% of the time
Responsiveness	Customers' requests and reports are acknowledged and acted on in a timely manner	Customer requests are responded to within seven days
Customer satisfaction	Customers report that the service meets their needs	Customer satisfaction is 80% or more
Sustainability.	Services and assets are financially and environmentally sustainable for current and future generations.	100% of Council's electricity is sourced from renewable energy

Each of the service level outcomes is related to the objectives in Council's Community Strategic Plan. Each asset class helps deliver the services required by the community. These service level outcomes are important to ensure the asset portfolio is not only maintained to a satisfactory level but also caters for the future demands of the community whilst balancing the potential risks to the community and Council, as shown in the table below.

Table 23 Levels of Service - current performance

Asset Type	Key Performance Indicators	Target Performance	Current Performance
Roads	Accessibility, Quality/Condition, Reliability/Responsiveness, Community Satisfaction, Sustainability, Health & Safety	Refer to AMP	Refer to AMP
Buildings	Accessibility, Quality/Condition, Reliability/Responsiveness, Community Satisfaction, Affordability, Sustainability, Health & Safety	Refer to AMP	Refer to AMP
Stormwater	Quality/Condition, Reliability/Responsiveness, Affordability, Sustainability, Health & Safety	Refer to AMP	Refer to AMP
Parks & Recreation	Accessibility, Quality/Condition, Reliability/Responsiveness, Community Satisfaction, Sustainability, Health & Safety	Refer to AMP	Refer to AMP

7 Future Demand

7.1 Population growth

The population of greater Sydney continues to grow, with State and Local governments devising strategies and plans to increase housing and provide the required infrastructure and services. Population forecasts are shown in the table below.

Table 24 Future population projection

Demand Drivers	Present Position	Forecast	Impact on Services
Residential development (forecast.id)	Estimated population in 2023 of 47,824 18,273 dwellings in 2021 Source: population.id	Estimated population of 55,049, an increase of 7.67% (source: forecast.id) 22,150 dwellings in 2036	Will lead to increased demand for services and increased usage of community facilities
Residential development (contributions plan)		Additional 19,440 residents 8,100 new dwellings	Developer contributed assets potentially valued at more than \$400m

Council's draft Section 7.12 Local Infrastructure Contributions Plan (2024) details the changes in population that will lead to a substantial increase in the size and complexity of the asset portfolio.

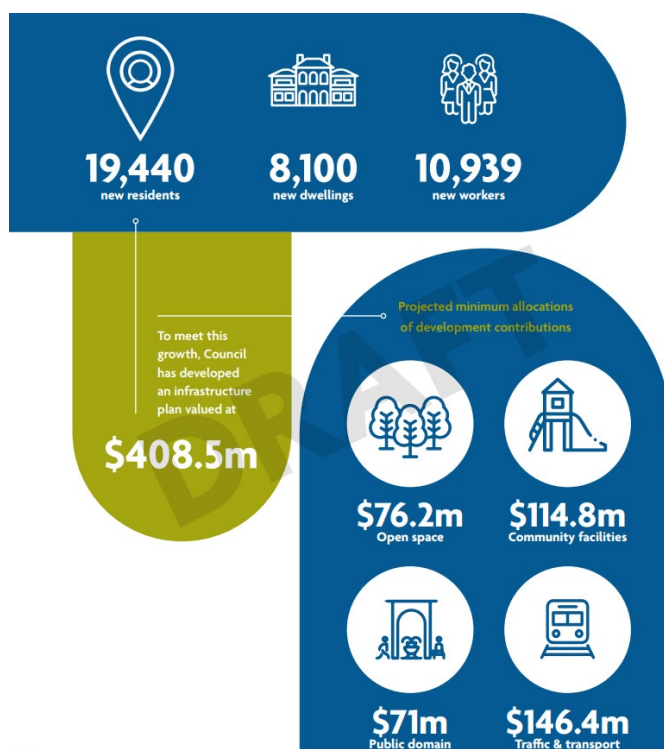


Figure 6 Projected growth from development (excluding Homebush TOD)

7.2 Demand Impacts

The following general implications and impacts predicted on the Council assets, based upon changes and trends, are summarised in the table below.

Table 25 Future demand impact

Demand Factor	Impact on Services
Population	Population growth will place an increased demand on assets, parks, active transport links, and community centres and lead to increased parking and traffic congestion
Demographics	The trend towards multicultural society, an increasing and older population will place an increased demand on some assets, especially aged care facilities, community centres and recreation assets
Lifestyle and recreation	Will impact on the type and size of facilities provided into the future. Emerging sports (e.g. pickleball) and mobility devices (e-scooters, e-bikes)
Social/Economic	High inflation and cost-of-living pressures affect demand for (or willingness to pay for) discretionary services
Transportation Changes	Smart, multi-modal transport solutions will be required to keep up with the growth and provide cheap, efficient and sustainable means of transport
Environment and Climate	Some assets may be impacted by change such as more severe weather events. Buildings and facilities will need to be safe to access, occupy and use in more extreme weather (heat, wind, rain)
Technology	Community may demand Council adopt new or recently emerged technologies such as AI, Internet of Things, Smart (city) poles, renewable energy, battery storage Community may demand Council expand technologies such as public Wi-Fi in buildings and parks, decorative lighting, EV chargers, parking meters (or alternatively may oppose these technologies)

7.3 Demand Management Strategies

Ideally, demand for specific infrastructure types is analysed in specific service-related strategies, strategic planning documents such as master plans and developer contribution plans, and population forecasts.

A forecast increase in demand for services and infrastructure will require Council to consider options such as:

- increasing the quantity, capacity or functionality of existing assets.
- acquiring new assets to meet newly emerging service demand.
- adjusting levels of service (e.g. more frequent maintenance).

Where Council is unable or unwilling to acquire new assets, non-asset solutions should be considered.

Demand for services can also decrease due to changes in demographics, population, lifestyle, technology and fashion. Where demand is decreasing, Council can consider options such as:

- rationalising assets – moving services to higher quality facilities so that older, lower quality or underutilised facilities can be demolished or sold.
- repurposing – reconfiguring or renovating facilities to accommodate alternative services.
- temporarily closing ('mothballing') assets to reduce operational cost temporarily.

These options enable Council to divert resources to services that are in higher demand.

Demand management strategies will be developed for each asset class to effectively manage the growth of Strathfield Council. The plans will also need to manage the changing expectations of the community as the demographic profile of the area changes and develops. The eventual demographic profile may change as the planned new dwellings are approved and built.

Key strategies and plans that will inform the acquisition strategies in the asset management plans are:

- Homebush TOD Master Plan (State Govt 2024).
- Section 7.12 Local Development Contributions Plan (2024).
- Recreation and Wellness Strategy (2025 – in development).

Additionally, demand for assets may lead to State Government initiatives and projects. For example, the review of the Roads Act (1993), taking place in 2025 and 2026, will impact Councils.

8 Expenditure Projections and Reporting

Based on the proposed expenditure detailed in the individual Asset Management Plans, the following figures and table summarise the overall expenditure on infrastructure assets by Council. It compares this to the expenditure required to maintain the asset base in the base case position (i.e. the required spend as reported in the 2023/24 financial statements).

The average capital and maintenance expenditure on Council assets over the ten-year forecast (2025-2034) period is approximately \$27.8 million per year. This compares to the expenditure required to maintain, operate and renew the asset network being \$18.9 million per year. This indicates that Council has funded 147% of its required asset expenditure over the period of the plan. This is as expected as Council has increased its rates revenue via SRV to fund renewals at a level that will reduce the backlog.

In this scenario, Council's forecast expenditure will see a reduction in backlog, an increase in depreciation and potentially a reduction in maintenance spends.

While it is theoretically desirable to meet financial sustainability ratios, there are a number of assumptions and variables that could change in the future. These include:

- Improved condition assessment techniques (including technologies that use AI and machine learning to identify and classify defects in roads and stormwater assets).
- Changes to useful lives.
- Continued availability of developer contributions, and state and federal grant money, to fund new and expanded assets.
- Cessation of the special rate variation after four years.

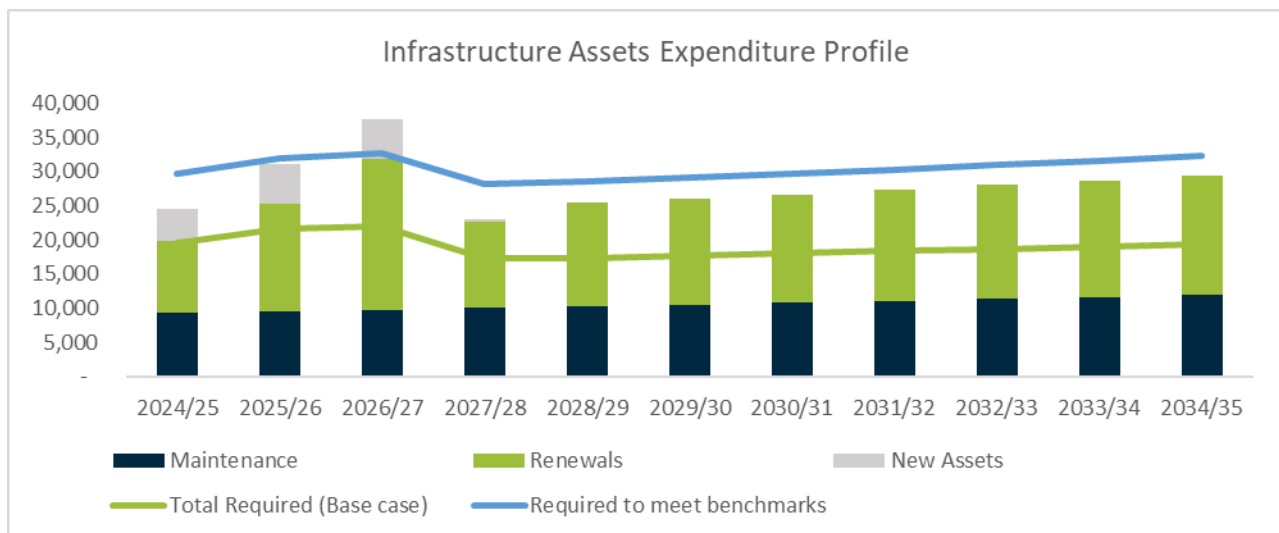


Figure 7 Infrastructure expenditure profile

Table 26 Long term expenditure projections

Expenditure Projections (\$000) - Combined Assets		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Actual	Renewal	10,599	15,704	22,168	12,691	15,150	15,529	15,917	16,315	16,723	17,141	157,935
	New and Expanded Assets	4,659	5,945	5,666	312	0	0	0	0	0	0	16,583
	O&M	9,270	9,502	9,739	9,983	10,232	10,488	10,750	11,019	11,295	11,577	103,855
	Total Expenditure	24,528	31,151	37,573	22,986	25,382	26,017	26,667	27,334	28,017	28,718	278,373
Required	Required Renewal (Depreciation)	7,819	8,108	8,533	8,922	9,121	9,304	9,490	9,679	9,872	10,068	90,916
	New and Expanded Assets	4,659	5,945	5,666	312	0	0	0	0	0	0	16,583
	Required O&M	7,097	7,473	7,836	8,009	8,166	8,326	8,490	8,656	8,825	8,997	81,875
	Total	19,575	21,527	22,035	17,243	17,287	17,630	17,979	18,335	18,697	19,066	189,373
Gap	Maintenance Gap	2,173	2,029	1,904	1,974	2,066	2,162	2,261	2,363	2,470	2,580	21,981
	Renewals Gap	2,780	7,595	13,634	3,769	6,029	6,225	6,427	6,636	6,851	7,072	67,019
	Overall (GAP)	4,953	9,624	15,538	5,743	8,095	8,387	8,688	8,999	9,320	9,652	89,000

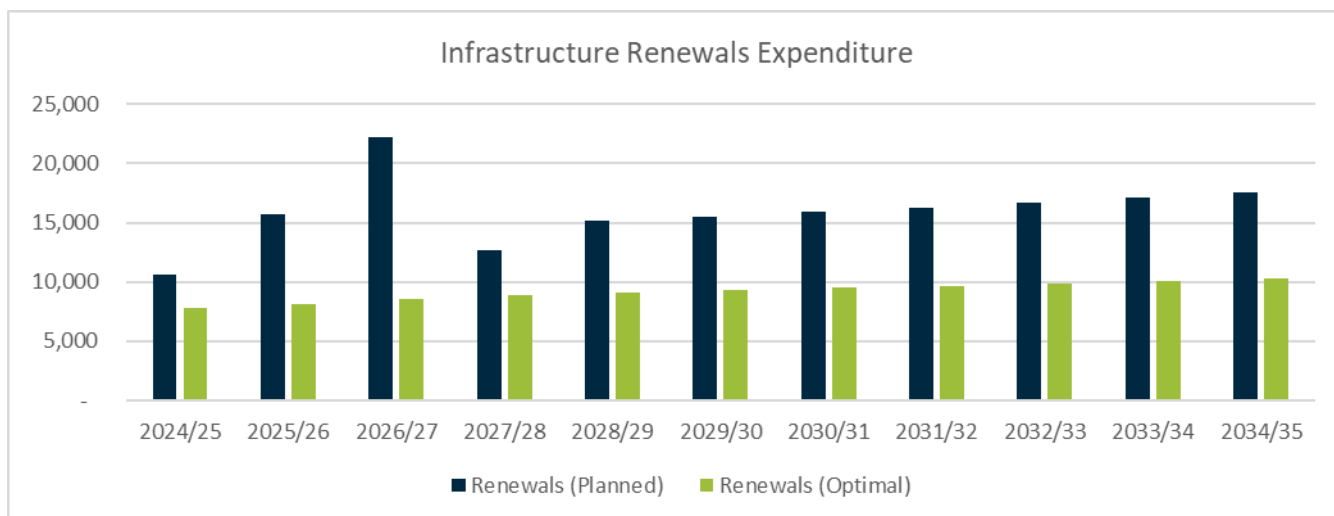


Figure 8 Asset renewal expenditure

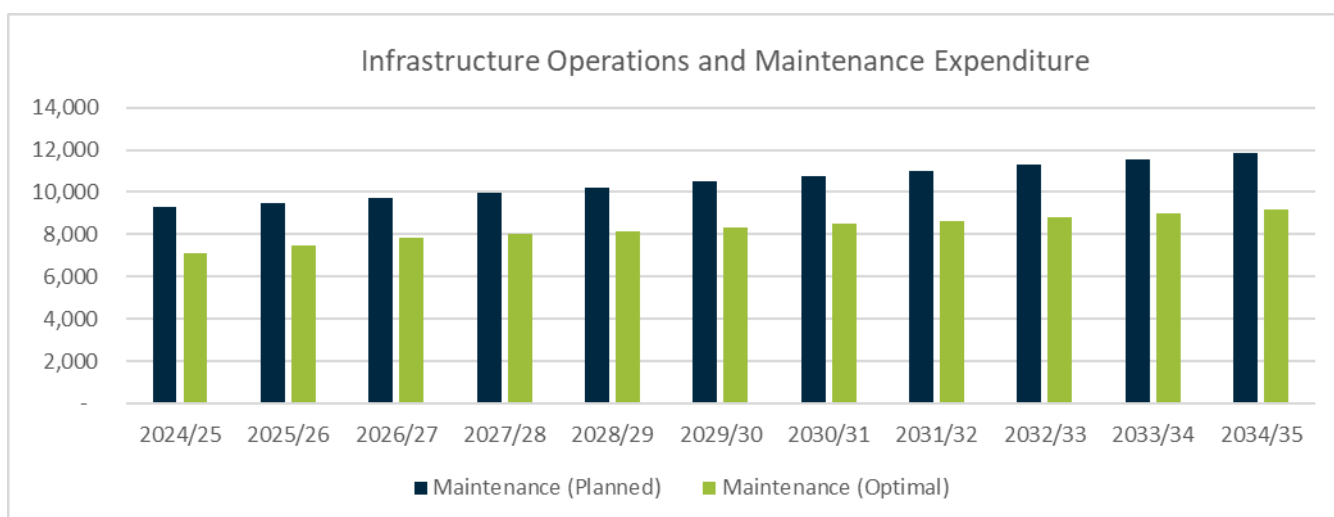


Figure 9 Asset operational and maintenance expenditure

8.1 Financial Ratios

8.1.1 Asset Renewal Ratio

This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the rate of depreciation of assets for the same period.

The renewal ratio fluctuates largely due to the forecasting of large, grant-funded projects for parks and public domain areas, which have a renewal component (estimated around 60%) and new component (40%). New assets add to future depreciation estimates.

The forecast expenditure includes renewal works funded by the special rate variation approved by IPART from 2023 onwards. These works were to address the backlog which, based on the data at the time, stood at 4.2%.

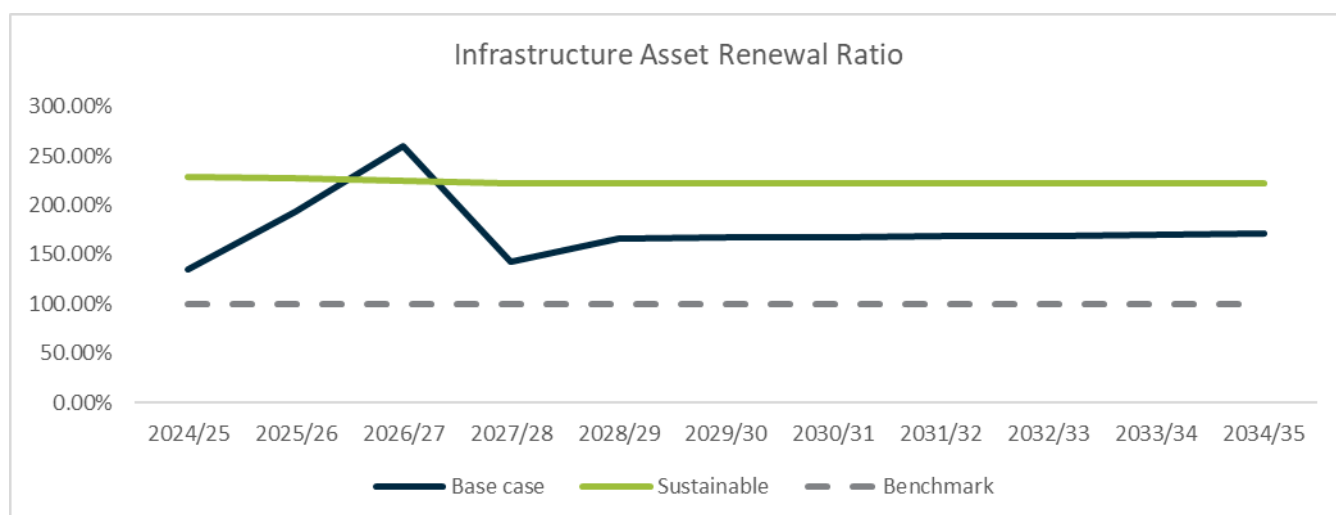


Figure 10 Asset renewal ratio

8.1.2 Asset Maintenance Ratio

This ratio compares actual versus required annual asset maintenance for each asset class, i.e. the expenditure considered sufficient to keep the asset in service and in the condition expected for its age. A ratio of above 100% indicates that the council is investing enough funds that year to prevent the infrastructure backlog from growing. The benchmark is greater than 100%.

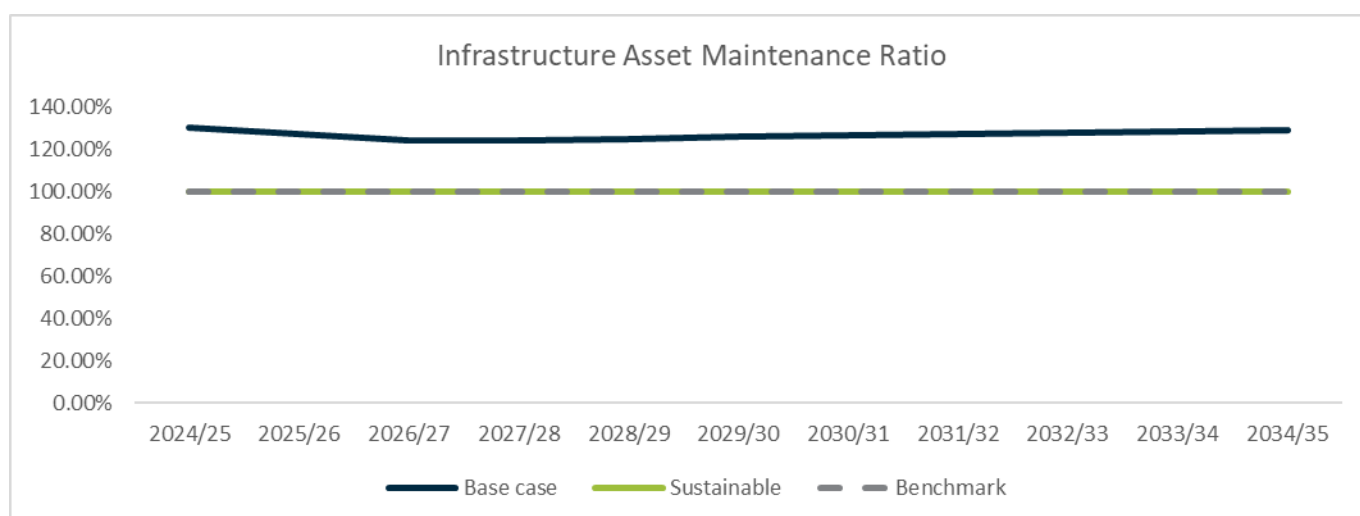


Figure 11 Asset maintenance ratio

8.1.3 Asset Backlog Ratio

This ratio shows what proportion the infrastructure backlog (cost to satisfactory) is against the carrying value of a council's infrastructure. The benchmark is less than 2%. A ratio in the range of 2-5% is considered reasonable.

The base case forecast sees the backlog ratio reduced to around 5% by 2027/28. A large proportion of the backlog is due to stormwater assets assigned an age-based condition of '4'. This is probably overstated and should decline as Council undertakes CCTV inspection of the stormwater network in the coming years. (Refer also to the Stormwater AMP).

The chart below compares backlog (cost to satisfactory and backlog ratio) by asset class and assumption. There is no standardised method for councils to determine cost to satisfactory.

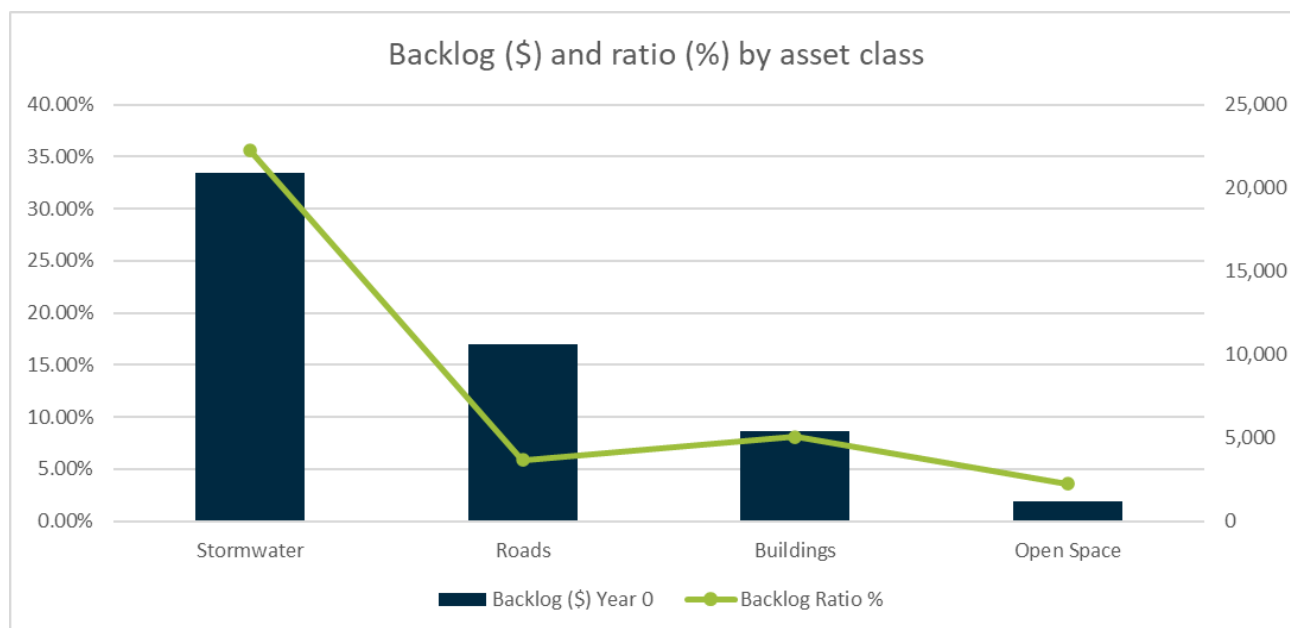


Figure 12 Backlog by asset class (2023/24)

The figure below shows the backlog ratio forecast based on the standard calculation used by Morrison Low. In this scenario, Council's current planned expenditure will see the backlog decline to around 7% in ten years. The 'sustainable' spend would not see the backlog reach the benchmark by 2033/34, however, Council is unlikely to have the funds for such a large spend.

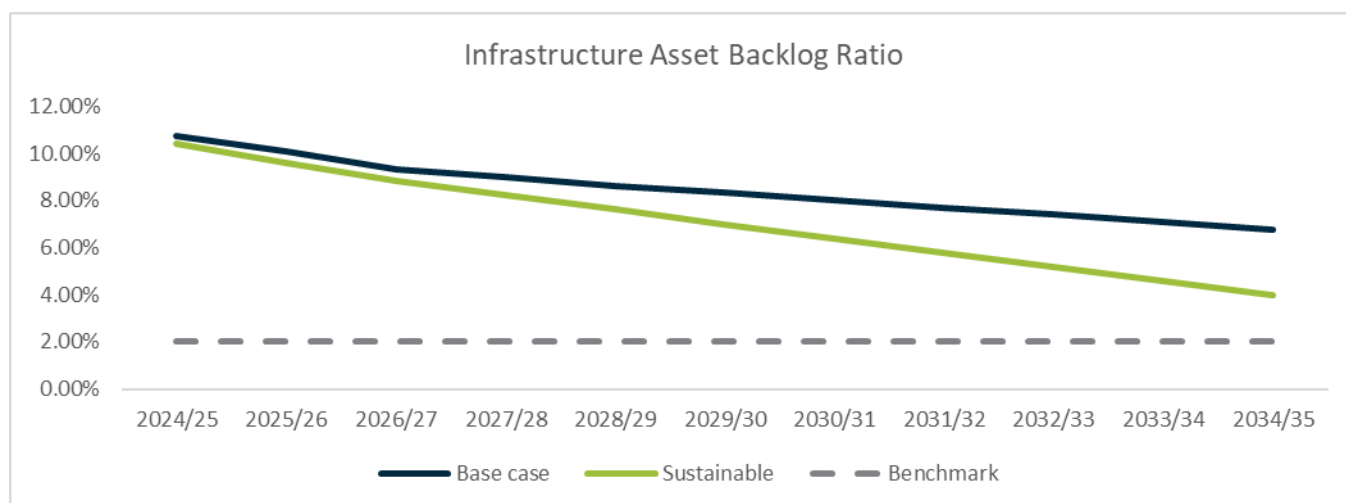


Figure 13 Backlog ratio forecast (SS7 2023/24)

9 Risk and Criticality

9.1 Risk Management

Risk management is defined in AS ISO 31000:2018 as: *‘the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects.’*

A high-level risk assessment process to identify risks and to outline a plan to address the risks relating to assets is being developed (2024). The risk matrix is shown below:

Table 27 Strathfield Council Risk matrix

	Consequences				
likelihood	Insignificant	Minor	Moderate	Major	Critical
Almost Certain	MEDIUM Specify responsibility and treatment	MEDIUM Specify responsibility and treatment	HIGH Quarterly ELT Review	EXTREME Monthly ELT Review	EXTREME Monthly ELT Review
Likely	MEDIUM Specify responsibility and treatment	MEDIUM Specify responsibility and treatment	HIGH Quarterly ELT Review	HIGH Quarterly ELT Review	EXTREME Monthly ELT Review
Possible	LOW Accept the Risk Routine Management	MEDIUM Specify responsibility and treatment	MEDIUM Specify responsibility and treatment	HIGH Quarterly ELT Review	HIGH Quarterly ELT Review
Unlikely	LOW Accept the Risk Routine Management	LOW Accept the Risk Routine Management	MEDIUM Specify responsibility and treatment	MEDIUM Specify responsibility and treatment	HIGH Quarterly ELT Review

9.1.1 Enterprise Risk Management Framework

Council’s Enterprise Risk Management (ERM) Framework covers a wide range of services, programs and activities. Council has many diverse stakeholders with varying needs and expectations. Therefore, the scope of Council’s organisation-wide risk management is broad and includes strategic and operational risks.

Table 28 Material strategic risks for assets

Risk category	Effects on assets
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Climate change	Extreme weather events may damage or destroy assets, reducing availability Increasing temperatures may affect user comfort and safety, reducing utilisation and function
Evidence-based decision-making	Long term costs of poor design decisions Increased risk from assets remaining in service while in poor condition
Financial Sustainability	Operations and maintenance costs are unaffordable Levels of service are reduced
Information and Communication Technology	Data is not fit-for-purpose for decision making Systems are cumbersome for users leading to poor data maintenance
Infrastructure	Council's infrastructure is insufficient to meet community expectations for availability, accessibility, affordability, functionality Infrastructure cannot keep up with demand from development

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

9.2 Critical Assets

Critical assets are those assets that have a high *consequence* of failure, although not necessarily a high *likelihood* of failure. By identifying critical assets and critical failure modes, Council can develop management strategies for those assets. Such strategies include:

- more frequent inspection
- preventive maintenance
- security enhancements
- capital works prioritisation
- resource prioritisation
- emergency preparedness and business continuity planning
- resilience improvements (e.g. redundancy).

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

Strathfield Council has used a basic approach in identifying critical assets for each major asset class. The critical asset risk matrix rates Council-owned assets from high to low in various criteria specific to the asset class.

Council uses four categories of criticality, as shown in the table below:

Table 29 Asset criticality levels

Category	Description	Management strategy
Low	There are no material consequences from asset failure	Normal operations and maintenance
Medium	The consequences of failure are within acceptable	Normal operations and maintenance

	limits (e.g. risk appetite)	
High	The consequences of failure are near the limit of acceptability	Monitor asset health and performance
Very High	The consequences of failure are unacceptable	Specific management plan

The assets identified as high have currently been ranked as critical. Common criteria for 'High' critical assets per asset group are listed in the table below.

Table 30 Criteria for 'High' critical assets per asset group

Transport	Buildings	Stormwater	Open Space
Road Classification	Civic purpose	Pipe Size	To be developed
Emergency Services	Size	Private Property / Building	
Schools	Multipurpose	Road Classification	
Bus routes	Daily use	Critical Flooding Location	
Accident history	Hazardous materials stored on site	Flood Function	
Isolated Communities	Historical significance Emergency Service / management use		

Having considered the critical risk matrices and based on the operational expertise and experience of Council officers, the following assets are considered the most critical assets for the organisation.

Table 31 Critical assets

Asset Class	Organisational Critical Assets
Transport	To be determined in AMP
Buildings	To be determined in AMP
Stormwater	To be determined in AMP
Open Space	To be determined in AMP

10 Implementation, Monitoring and Improvement

10.1 Implementation

The Asset Management Strategy and Asset Management Plans will be implemented by Council's Engineering and Operations teams.

To increase the likelihood of successful and effective implementation Council has undertaken a maturity assessment and identified key areas of improvement that align with the priorities and areas of focus of this Strategy.

10.2 Monitoring and Review Procedures

The Asset Management Steering Committee will monitor the implementation and effectiveness of the Asset Management Strategy and Asset Management Plans.

The Strategy will be revised at least every four years in line with the Integrated Planning and reporting Cycle. Additional revisions may be undertaken if required, at the recommendation of the asset staff or the steering committee.

10.3 Asset Management Maturity

Council's asset management practices are estimated to be at an 'Aware' level of maturity (Morrison Low, 2024).

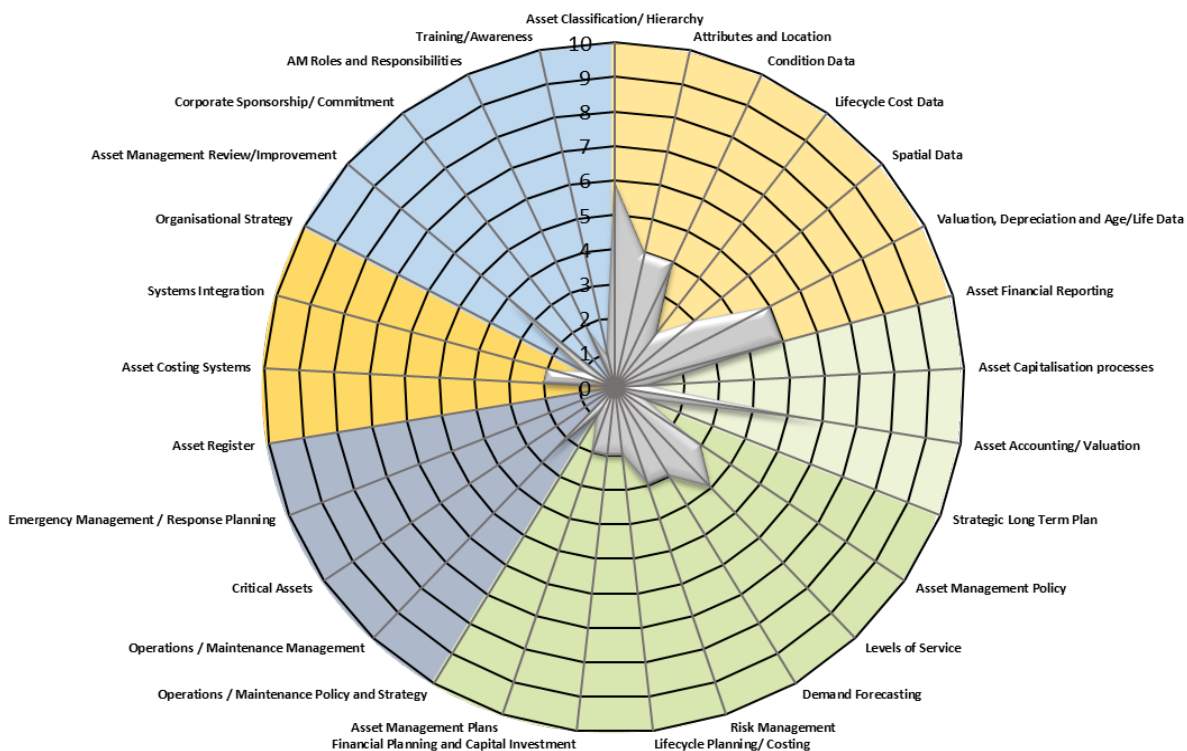


Figure 14 Maturity assessment 2024

Table 32 Improvement plan

Action	Priority	Responsibility	Effort	24/25	25/26	26/27
Asset Knowledge and Data						
Document all condition and defect identification assessments	H	Internal	\$		●	
Develop processes for asset identification using unique IDs	H	Internal	\$		●	
Asset Knowledge Processes						
Document the assumptions and method for calculating the asset performance ratios (backlog, maintenance, renewal and sustainability)	H	Internal/external	\$	●		
Strategic Asset Planning Processes						
Develop a ‘first cut’ Asset Management Strategy and AMPs by April 2025. Involve all relevant departments in consultation and development of SAMP and AMPs	VH	Internal/external	\$\$	●		
Review and update the Asset Management Policy	H	Asset Management Steering Committee	\$		●	
Develop lifecycle costing processes and guidelines and start identifying lifecycle costs against assets	H	Internal	\$\$	●	●	●
Develop annual, four year and ten-year capital programs based on weighted, prioritised criteria.	H	Internal	\$\$	●	●	●
Operations and Maintenance Work Practices						

Action	Priority	Responsibility	Effort	24/25	25/26	26/27
Identify critical assets and document these in the SAMP and AMPs. Establish a methodology for assessing critical assets	VH	Internal/external	\$	●		
Document processes for managing planned and unplanned maintenance	VH	Internal	\$\$	●		
Identify and catalogue existing and required or missing O&M manuals	VH	Internal	\$	●		
Develop service level agreements for maintenance	H	Internal	\$\$		●	●
Develop and document data collection, validation, auditing and management processes for maintenance	H	Internal/external	\$\$	●	●	●
Integrate maintenance and works management processes to the AMIS	H	Internal	\$\$	●	●	●
Develop and document quality management processes where appropriate	M	Internal	\$		●	●
Information Systems						
Procure and implement an asset management information system (AMIS)	VH	Internal	\$\$\$	●	●	
Combine all asset registers into the AMIS	H	Internal/external	\$\$	●	●	●
Develop parent-child and other relationships between assets in the AMIS	H	Internal	\$	●	●	
Ensure AMIS is integrated with other corporate and business systems	H	Internal	\$\$	●	●	●
Organisational Context						
Establish the asset management steering committee and meet at least three times before June 2025 and at least four times annually after that	VH	Director	\$	●	●	●

Action	Priority	Responsibility	Effort	24/25	25/26	26/27
Involve all departments with the development of the SAMP/AMP suite (through consultation)	VH	Internal	\$\$	●	●	●
Review organisation structure and position descriptions to capture required asset management responsibilities, skills and qualifications	H	Internal	\$	●	●	
Develop and document a process for making capital investment decisions	H	Internal/external	\$\$		●	●
Actively promote asset management throughout Council	H	AMSC	\$	●	●	●
Undertake a training needs assessment and develop a training plan for all asset management-related roles	H	Internal/external	\$\$	●	●	