

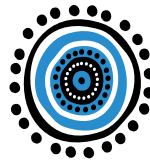


CUMBERLAND
CITY COUNCIL

Asset Management Strategy

2025-2035

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Acknowledgement of Traditional Custodians

Cumberland City Council acknowledges the Darug Nation and People as Traditional Custodians of the land on which the Cumberland Local Government Area (LGA) is situated and pays respect to Aboriginal Elders past, present and future.

We acknowledge Aboriginal and Torres Strait Islander Peoples as the First Peoples of Australia.

Cumberland City Council also acknowledges other Aboriginal and Torres Strait Islander Peoples living in the Cumberland Local Government Area and reaffirms that we will work closely with all Aboriginal and Torres Strait Islander communities to advance reconciliation within the area.



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Welcome
Belong
Succeed



SECTION ONE: Executive Summary





Executive Summary

This Asset Management Strategy has been prepared to enable Cumberland City Council to optimise the way it manages the infrastructure assets including transport, buildings, stormwater drainage and parks and recreation assets in the Council area. These infrastructure assets have a replacement value of \$3.121 billion as at 30 June 2024.

This Strategy outlines a structured set of actions aimed at enabling Council to improve its asset management practices, to achieve the objectives of the Cumberland Community Strategic Plan 2025-2035 and the intended outcomes of the adopted Asset Management Policy, with a focus on:

- How its asset portfolio will meet the service delivery needs of the community into the future.
- Enabling Council's asset management policies to be achieved.
- Ensuring the integration of Council's asset management with its long term strategic plans.

The Strategy and its Asset Management Plans for the various asset groups, will provide Council with the detailed asset information and knowledge required for short, medium and long term planning.

It also establishes the framework to support and guide planning and prioritisation of infrastructure investment and activities with holistic data and analysis regarding capital works, maintenance and operation of infrastructure essential for Council to provide services to the community. It answers two key questions:

How well equipped is Council to manage its infrastructure now and into the future?

Council has made significant progress in preparing and enabling itself to better manage its asset portfolio. Measurement against national standards shows strength in a number of key maturity areas, while also highlighting opportunities for further improvement items to be undertaken.

An improvement and performance measurement program is in place to continue to guide Council towards its asset management objectives.

How well is our infrastructure performing and how well will it perform into the future?

Overall, the asset portfolio is in relatively reasonable condition with the majority of assets in the early to middle portion of their life.

There are, however, significant costs associated with maintaining and renewing these assets over the course of their lives to ensure they continue to provide the intended community services.

Council continues to monitor and analyse asset performance in order to anticipate these funds required and identify the gaps.

This Strategy is a 'living document'. It will be reviewed and updated on a periodic basis in line with strategic planning and asset management development timeframes.



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2.1

Background

The current population of Cumberland City Council is approximately 245,323. It is forecast that the population will grow over 17% to approximately 302,453 by 2036. The City has a diverse population with more than 50% having been born overseas and more than 60% speaking a language other than English at home.

Council controls a large portfolio of community assets with an estimated current replacement cost of approximately \$3.121 billion as at 30 June 2024. Infrastructure assets include roads, footpaths, vehicular and pedestrian bridges, traffic facilities, stormwater drainage, water quality improvement devices, buildings, sporting and recreational facilities, swimming pools, and parks and playgrounds. Non-infrastructure assets include vehicles, plant, equipment, Information Technology (IT) equipment, artworks and library books.

Council is the custodian of an extensive portfolio of community assets that will deliver a range of services. In order to deliver these services over the long term in a high growth environment, Council must ensure that the assets supporting these services are managed in a sustainable way. This Asset Management Strategy along with Council's Asset Management Policy and Asset Management Plans for transport, buildings, stormwater and open space assets form the basis of developing a framework for sustainable service delivery.

2.2

Purpose and Objective

The role of public owned and managed assets is to support the delivery of government services to the community. The purpose of this Asset Management Strategy is to integrate Council's strategic objectives, with the desired service delivery outcomes whilst addressing future challenges, by developing a set of actions that aim to improve the asset management function of the Council and ensure that Council's assets are providing value for money.

The Asset Management Strategy is intended to identify how the asset management process will respond to the challenges of managing infrastructure assets sustainably, which underpins Council's delivery of services to the community.



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Asset Management Systems and Planning Process

To enable Council to meet its obligations and strategic objectives, it must ensure that the asset portfolio is managed effectively, efficiently and in a coordinated manner.

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services to be provided in an economically efficient way. In turn, affordable service levels can only be determined by assessing Council's financial sustainability under scenarios with varying service levels. Asset management planning is integrally linked with formulating an informed Long Term Financial Plan (LTFP). These links are iterative with the forecast asset expenditure costs from Asset Management Plans (AM Plans) fed into the LTFP. If the required expenditure cannot be met by available income, then service levels from AM Plans are reviewed and (re)formulated to allow a sustainable delivery of asset-related services.

Asset management planning commences with defining stakeholder and legislative requirements and needs, incorporating these needs into the organisation's strategic plan, developing an Asset Management Policy, Asset Management Strategy, Asset Management Plans and Operational Plans and linking these to the LTFP.

This Strategy aligns to the ISO 55001 Asset Management approach and is underpinned by the GFMAM¹'s 'The Asset Management Landscape' Second Edition. The Asset Management Landscape identifies 39 Asset Management subjects as being at the core of Asset Management practice. The IAM Conceptual Model for Asset Management shown in Figure 1 (pictured right), highlights the scope of asset management and how it connects the AM landscape

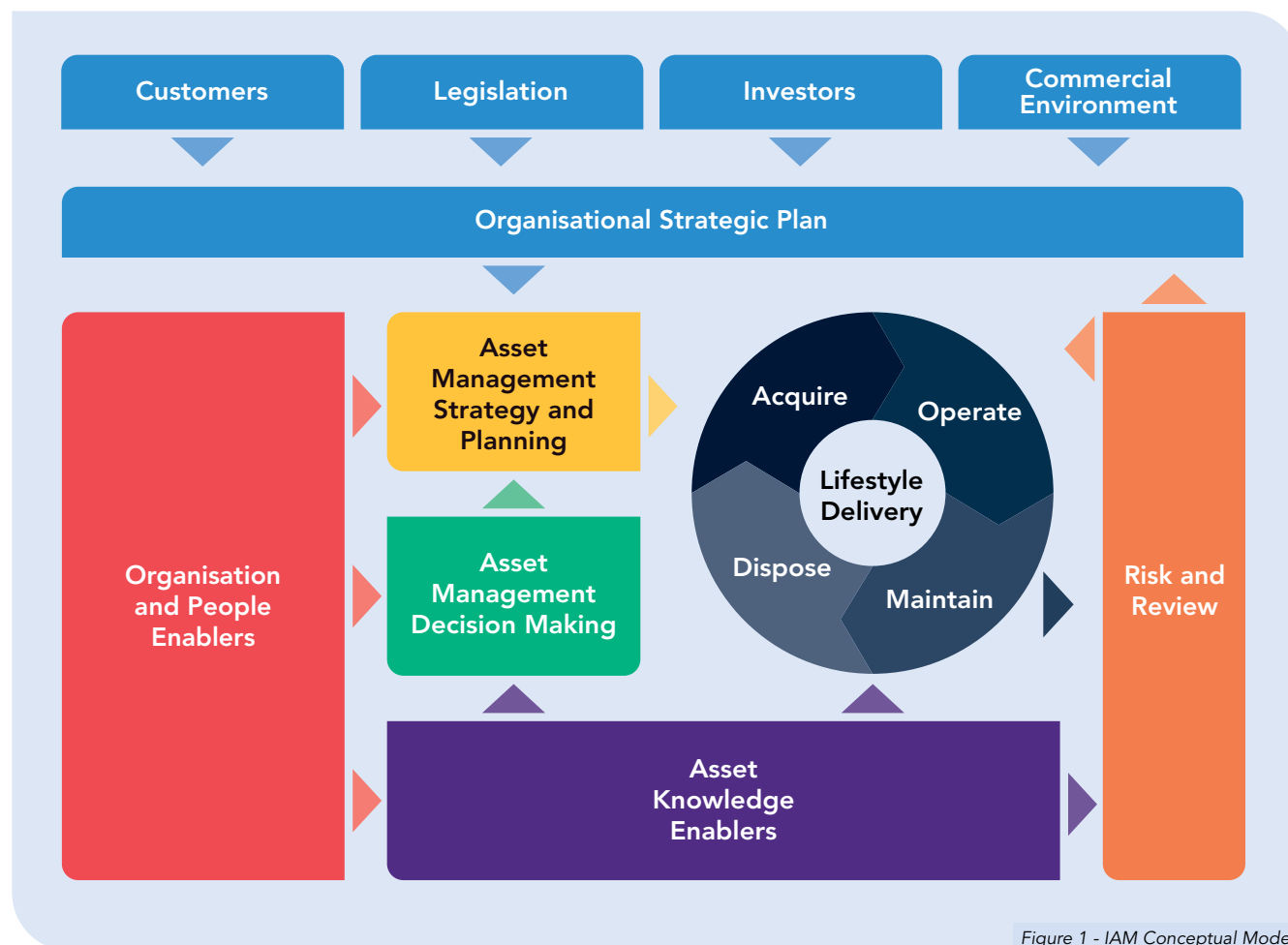


Figure 1 - IAM Conceptual Model

¹ GFMAM Global Forum on Maintenance Management (www.gfmam.org)

3.1

The Asset Management System

An asset management system is a set of interrelated and interacting elements of an organisation to establish the asset management policy, asset management objectives and the processes needed to achieve those objectives. An asset management system is more than 'management information system' software. The asset management system provides a means for:

- Coordinating contributions from, and interactions between, functional units within and outside an organisation².
- Consistent application of the asset management processes to achieve uniform outcomes and objectives.

The asset management system includes:

- The Asset Management Policy.
- The Asset Management Objectives.
- The Asset Management Strategy.
- The Asset Management Plans, which are implemented in: operational planning and control; supporting activities; control activities; and other relevant processes³.

² ISO, 2014, ISO 55000, Sec 2.5.1, p 5

³ ISO, 2014, ISO 55002, Sec 4.1.1, p 2.

3.2

National Frameworks for Financial Sustainability in Local Government

At a national level, in 2006 the Local Government and Planning Ministers' Council (LGPMC) agreed to a consistent approach to asset planning and management, financial planning and reporting and assessing financial sustainability.

The LGPMC subsequently endorsed the National Frameworks for Financial Sustainability in Local Government, consisting of three main frameworks:

- Framework 1 - Criteria For Assessing Financial Sustainability
- Framework 2 - Asset Planning and Management
- Framework 3 - Financial Planning and Reporting

The Asset Planning and Management Framework identifies the seven key elements as:

- Development of an asset management policy.
- Strategy and planning.
- Governance and management arrangements.
- Defining levels of service.
- Data and systems.
- Skills and processes.
- Evaluation.

The National Asset Planning and Management Framework indicates that 'each State and Territory will adopt these elements to facilitate an improvement in asset management performance by local governments in their jurisdiction'.

The NSW implementation of the National Frameworks is included in the Office of Local Government's (OLG) Integrated Planning and Reporting Framework (IP&R Framework).

The aim of the NSW IP&R Framework is to improve the way that local government plans and meets the needs of the community.

The IP&R Framework, including its relationship with asset management planning (which is a component of the Resourcing Strategy), is illustrated in Figure 2.

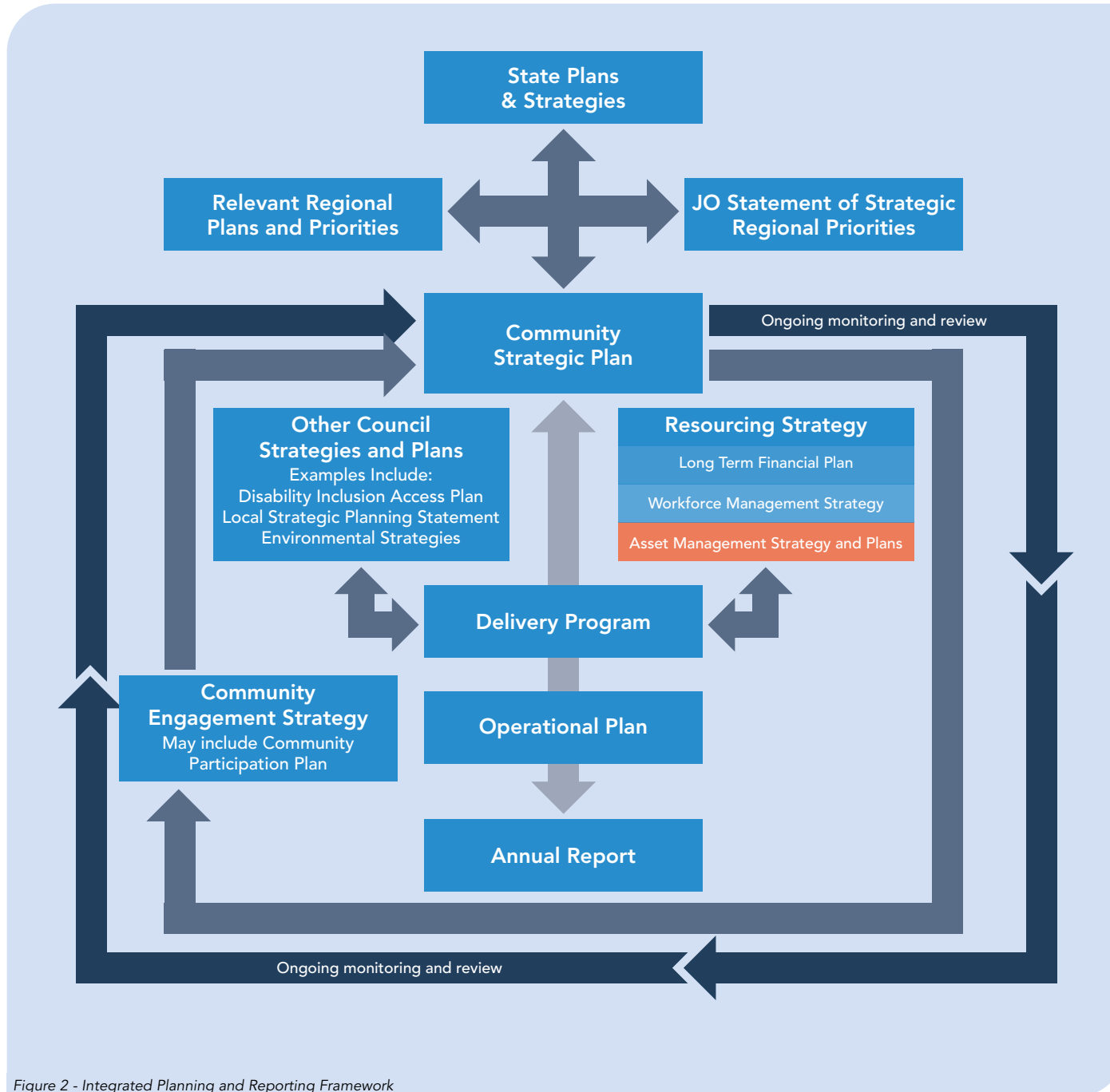


Figure 2 - Integrated Planning and Reporting Framework



Randolph Street Reserve

3.3

Local Government (Planning and Reporting) Act 2009

The *Local Government Amendment (Planning and Reporting) Act 2009* was assented to in October 2009. This legislation introduced a new strategic planning framework for local government.

The Integrated Planning and Reporting (IP&R) Guidelines that provide guidance and expand on specific requirements of the new Planning and Reporting legislation were first issued by the Office of Local Government (OLG) in 2010. The Guidelines have been updated to reflect legislative changes enacted through the *Local Government Amendment (Governance and Planning) Act 2016* and set out the mandatory requirements (Essential Elements) relevant to asset management planning.

The general requirements for asset management planning:

- Each council must account for and plan for all the existing assets under its ownership, and any new asset solutions proposed in its Community Strategic Plan and Delivery Program.
- Each council must prepare and adopt an Asset Management Policy, an Asset Management Strategy and Asset Management Plan/s to support the Community Strategic Plan and Delivery Program.

The minimum timeframe for the Asset Management Strategy and Plan/s:

- The Asset Management Strategy and Plan/s must be for a minimum timeframe of 10 years.

The basic structure of the Asset Management Strategy:

- The Asset Management Strategy must include the council-endorsed Asset Management Policy.
- The Asset Management Strategy must identify assets that are critical to the council's operations and outline risk management strategies for these assets.
- The Asset Management Strategy must include specific actions required to improve council's asset management capability and projected resource requirements and timeframes.

The basic structure of the Asset Management Plan:

- The Asset Management Plan/s must encompass all the assets under council's control.
- The Asset Management Plan/s must identify asset service standards.
- The Asset Management Plan/s must contain long term projections of asset maintenance, rehabilitation and replacement costs, including forecast costs (for reflection in the Long Term Financial Plan).

Asset Management Reporting:

- Councils must report on the condition of their assets in their annual financial statements, in line with the Local Government Code of Accounting Practice and Financial Reporting, including condition assessment, renewal and maintenance expenditure

The guidelines reinforce that the new legislation requires Councils to integrate various Council plans together, to understand how they interact and to have them aligned to support the objectives of the Community Strategic Plan (CSP).

3.4

Asset Management Policy

Council's Asset Management Policy outlines Council's guiding principles regarding asset management and planning and confirms Council's commitment to asset management. The purpose, policy statement and principles are outlined in the Asset Management Policy.



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4.1

Infrastructure Assets

The Asset Management Strategy has been developed using audited asset data as at 30 June 2024 and 2024-2025 financial information.

Council controls a large portfolio of community assets with an estimated current replacement value of \$3.121 billion.

Infrastructure assets covered by this Strategy are outlined in Table 1.

Non-infrastructure assets not covered by this Strategy, include motor vehicles, plant & equipment, library books and IT equipment.

Asset Management Group	Measure	Unit of Measure
Transport		
Roads	623	km
Bridges (Vehicular and Pedestrian)	160	count
Kerbs	1,215	km
Pathways	895	km
Car Parks	200,500	sq.m
Public Transport Shelters	223	count
Signs (VAS + Street names)	4743	count
Street Furniture	478	count
Traffic Management Devices	1,509	count
Retaining Walls	7	count
Buildings		
Buildings	379	count

Asset Management Group	Measure	Unit of Measure
Parks and Recreation		
Swimming Pools	13	count
Park Active Areas	1918	count
Park Infrastructure	19702	count
Parks and Gardens	415	count
Bins	591	count
Open Space Furniture	3160	count
Stormwater Drainage		
Stormwater Drains	519	km
Stormwater Quality Control Devices	136	count
Stormwater Pits	18,410	count

Table 1 - Infrastructure assets covered by the Strategy



4.2

Asset Value

The financial status of Council's infrastructure assets as at 30 June 2024 is shown in Table 2.

Asset Management Group	Replacement Value (\$)	Accumulated Depreciation (\$)	Fair Value (\$)	Annual Depreciation (\$)
Transport				
Roads	\$747,135,880	\$202,024,005	\$545,111,876	\$10,163,147
Bridges	\$98,456,463	\$7,365,767	\$91,090,695	\$1,190,797
Kerbs	\$328,152,808	\$161,249,420	\$166,903,388	\$3,014,045
Pathways	\$302,422,517	\$84,552,956	\$217,869,561	\$3,772,407
Car Parks	\$16,630,142	\$5,716,117	\$10,914,025	\$233,251
Public Transport Shelters	\$2,238,035	\$1,932,462	\$305,574	\$82,582
Signs	\$583,196	\$214,419	\$368,777	\$50,678
Street Furniture	\$7,765,827	\$2,412,881	\$5,352,946	\$226,751
Traffic Management Devices	\$43,841,301	\$19,721,901	\$24,119,400	\$757,041
Retaining Walls	\$6,311,467	\$1,420,564	\$4,890,903	\$101,160
Civil Assets	\$118,965	\$1,988	\$116,977	\$1,829
Total	\$1,553,656,601	\$486,612,480	\$1,067,044,122	\$19,593,688
Buildings				
Buildings	\$428,799,069	\$78,860,686	\$349,938,383	\$10,215,955
Total	\$428,799,069	\$78,860,686	\$349,938,383	\$10,215,955
Parks and Recreation				
Swimming Pools	\$14,772,316	\$2,682,760	\$12,089,556	\$252,506
Park Active Areas	\$74,581,894	\$12,579,654	\$62,002,239	\$411,030
Park Infrastructure	\$145,079,513	\$43,283,149	\$101,796,364	\$2,499,231
Bins	\$889,970	-	\$889,970	-
Open Space Furniture	\$16,587,323	\$2,293,126	\$14,294,197	\$166,121
Total	\$251,911,016	\$60,838,689	\$191,072,327	\$3,328,887
Stormwater Drainage				
Stormwater Drains	\$774,669,443	\$260,843,849	\$513,825,594	\$5,767,926
Stormwater GPTs	\$10,950,008	\$1,732,923	\$9,217,085	\$58,052
Stormwater Pits	\$101,022,867	\$37,438,678	\$63,584,189	\$890,178
Total	\$886,642,318	\$300,015,450	\$586,626,868	\$6,716,156
Grand Total	\$3,121,009,004	\$926,327,305	\$2,194,681,700	\$39,854,687

Table 2 - Financial status of assets as at 30 June 2024



Figure 3 presents the replacement value split by asset class, as at 30 June 2024.

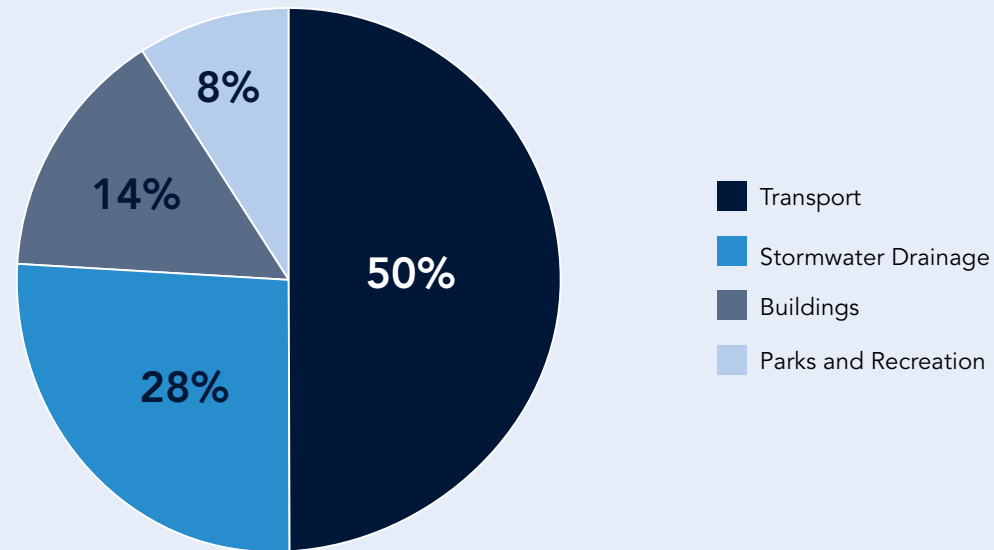


Figure 3 - Asset Replacement Values as % of Total Value, as at 30 June 2024



4.3

Asset Consumption Ratio

The asset consumption ratios of Council's assets by class (i.e. the average proportion of 'as new' condition assets in accordance with financial valuations), is shown in Figure 4. This is calculated as Fair Value over Replacement Cost as at 30 June 2024.

Figure 3 shows that Transport is Council's largest asset class comprising 50% of total asset value and that assets have been moderately consumed with the average remaining value ranging between 66% and 82% as shown in Figure 4.

The condition of Council's various infrastructure assets are shown within the respective Asset Management Plans for transport, buildings, stormwater drainage and parks and recreation assets. Field inspections and in-field (general) condition ratings carried out by Council staff or external contractors support the magnitude of relative asset consumptions shown in Figure 4.

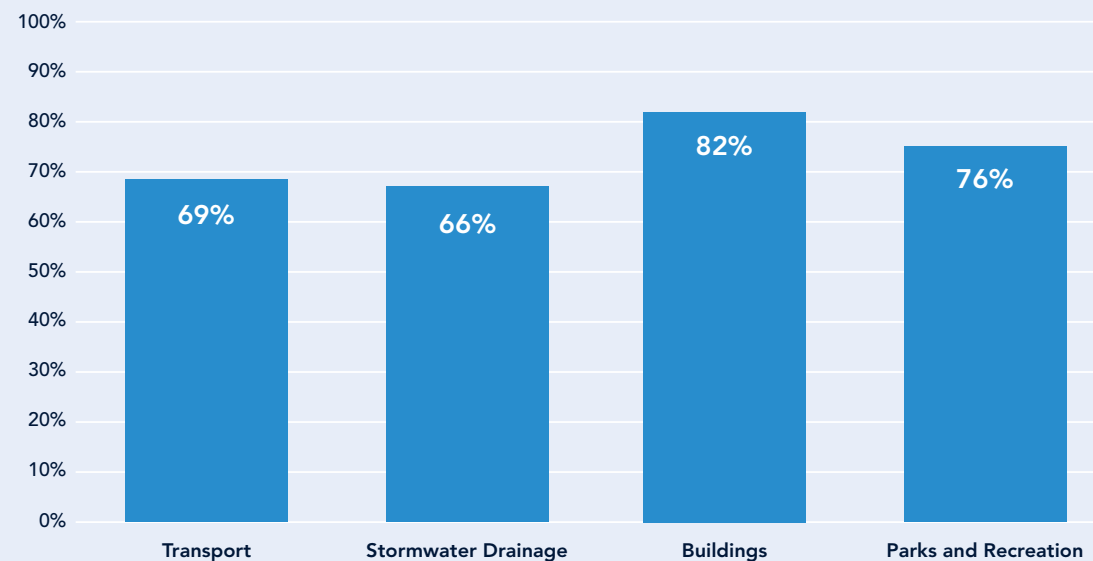


Figure 4 – Asset Consumption Ratio - % 'As New' Remaining as at 30 June 2024

4.4

Asset Condition Summary

Asset condition ratings are the result of a continuous or periodic inspection, assessment, measurement and interpretation of the data to indicate the condition of a specific asset, so as to determine the need for some preventative or remedial action.

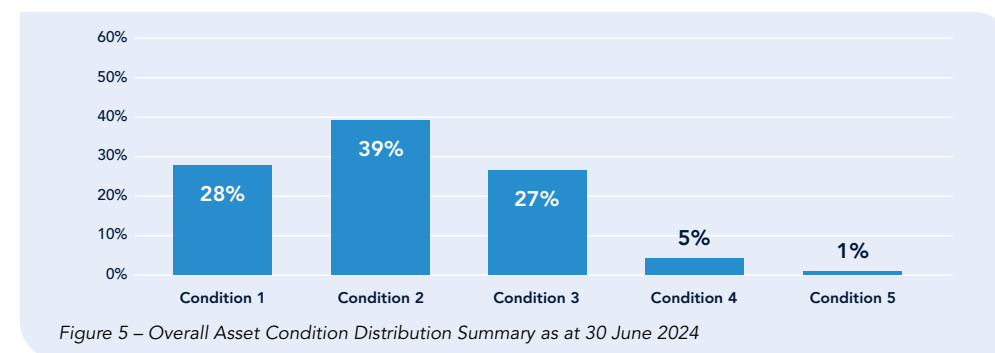
Comprehensive condition assessment and revaluation is carried out on a rolling program over a five year cycle. Council's program for the asset condition assessments can be referenced in Table 6, in Section 7.5.

Condition is generally assessed on a 1 – 5 scale as set out in the International Infrastructure Management Manual (IIMM). Table 3 below summarises these requirements.

Rating	Condition	Description
1	Excellent / Very Good	New or as new condition. Only planned cyclic inspection and routine maintenance required.
2	Good	Good condition with minor defects. Minor routine maintenance along with planned cyclic inspection and maintenance.
3	Satisfactory / Average	Average / fair condition with some significant defects requiring regular maintenance on top of planned cyclic inspections and maintenance.
4	Poor	Poor condition with asset requiring significant renewal / rehabilitation, or higher levels of inspection and substantial maintenance to keep the asset serviceable.
5	Very Poor	Very poor condition. Asset physically unsound and / or beyond rehabilitation. Urgent renewal required.

Table 3 – Asset Condition Rating Scale

Figure 5 below provides a high level snapshot of the current condition distribution of Council's asset portfolio.



Merrylands CBD Drainage Project

4.5

Risk and Criticality

Council is committed to a Risk Management Framework for its assets in accordance with the fundamentals of International Standard ISO 31000:2009 Risk Management – Principles and Guidelines.

A key aspect of this approach is the identification of critical assets and failure modes, to ensure that resources and activities are targeted and prioritised based on identified risk and criticality.

Critical assets are defined as those which have a high consequence of failure causing significant reduction or loss of service.

Those currently identified by Council include:

Transport

- Major Vehicular bridges and culverts on regional and collector roads.

Buildings

- Council administrative buildings (Merrylands and Auburn).
- Council work depots (Guildford and Auburn).

Stormwater Drainage

- Dams and basins (Pemulwuy detention basin dam formerly known as CSIRO dam, Lidcombe basin 6).
- Major trunk drainage through CBD and highly populated areas.

Parks and Recreation

- No critical assets have been identified to date.



Central Park playground



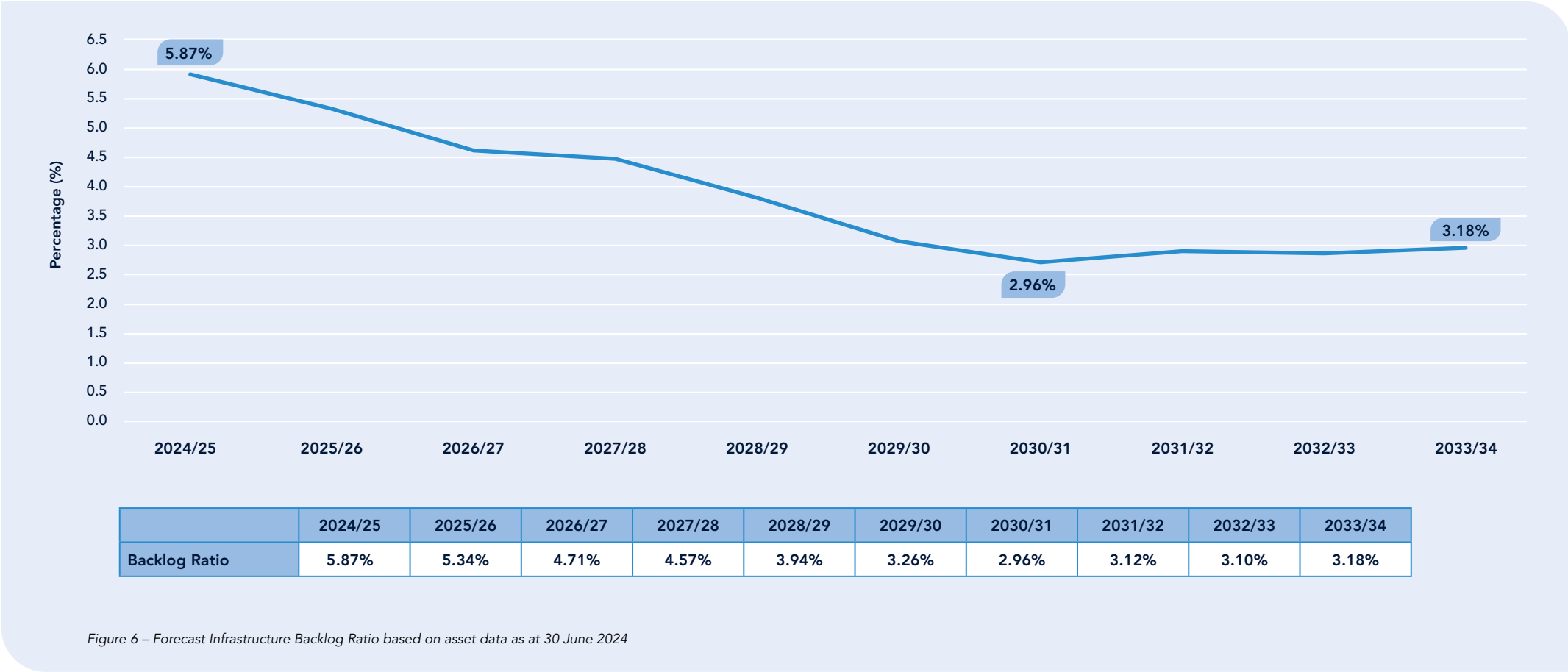
4.6

Infrastructure Backlog Ratio

This ratio shows what proportion the infrastructure renewal gap is against the total value of Council’s infrastructure. The benchmark is less than 2%. The ratio is determined by dividing the estimated cost to bring assets to a satisfactory condition by the carrying value of infrastructure, building, other structures and open space assets. Figure 6 below provides the projected infrastructure backlog ratio over next 10 year period.

This ratio is a snapshot in time, based on the last set of comprehensive asset condition assessments. This ratio will vary significantly as asset conditions change due to severe events, such as extreme weather.

While the ratio indicates progress made and investment required, it is influenced by the outcomes of Council’s asset condition assessments, particularly those of its largest asset categories.





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Where are we now?

Council is committed to consistently improving asset management processes and practices, a key aspect of which is understanding its asset management data and process gaps as part of the roadmap for progression towards a corporate wide asset management system.

This section reflects the recent asset management maturity diagnostic undertaken by Assetic on behalf of Cumberland City Council. The diagnostic has been developed to align and measure Council's asset management capability against a robust Asset Management Framework, based on years of successful framework development, mainly across Australian Local Government Areas (LGAs) and Infrastructure Management Agencies and consistent with the International Infrastructure Management Manual and ISO5500 Standards.

There are many elements in a typical maturity assessment across an organisation's level of knowledge, competency and skills in a range of asset management inputs such as the asset register detail, componentisation of complex assets, asset accounting and fair value, long term financial planning, service planning, and maintenance management.

A series of Asset Management discovery interviews were previously held and several staff from Council were involved in the diagnostic assessments and follow-up discussions.

The elements considered within this diagnostic predominantly refer to asset data and processes within Council and cover the following key areas:

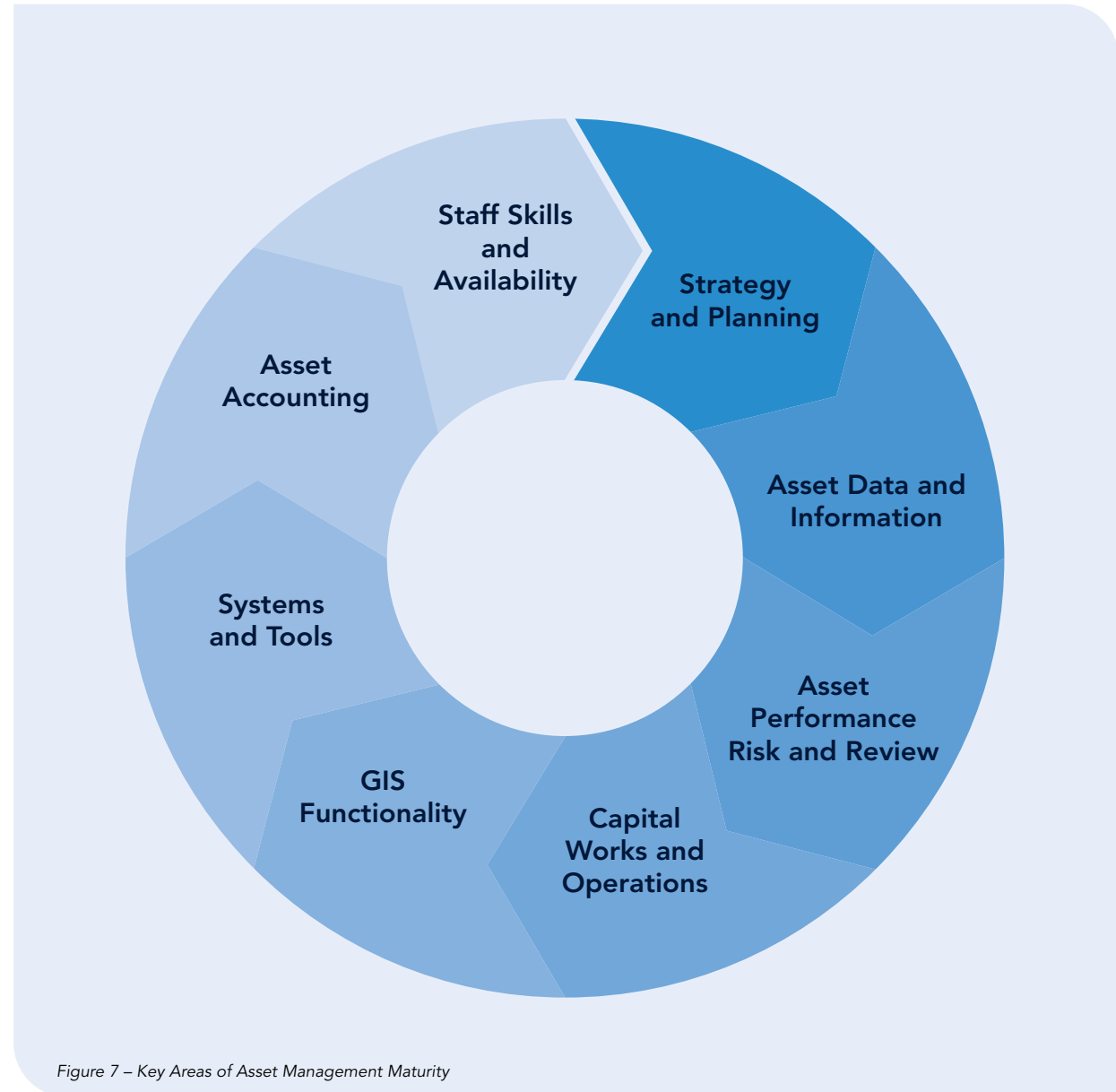


Figure 7 – Key Areas of Asset Management Maturity

5.1

Asset Management Maturity

In line with the International Asset Management Standard ISO55000, a robust Asset Management Framework typically involves the following objectives:

- a. To be able to confidently produce management style reporting on future funding requirements, future condition predictions of assets, accurate financial depreciation, asset consumption and optimised needs-based budget analyses. This also includes mandatory reporting like ALGA Grants Commission Reports.
- b. To be able to produce annual and bi-annual capital work programs by location which are objectively produced by a prediction mechanism using Council's specific decision criteria. These decision criteria are corporately endorsed.
- c. To be able to produce accurate accounting reports in compliance with AASB.
- d. To plan and track day-to-day maintenance works including both reactive customer requests and proactive inspections. To be able to confidently analyse and report on work quantities, unit rates, work locations and weekly/monthly maintenance plans.
- e. To have all asset data in one central asset management system with access to all relevant staff. To make the system intuitive in thinking self-develop and self-enhance over time and be the one point of knowledge repository. To customise the system using Asset Management practitioner expertise to suit Council's needs.
- f. To ensure that ownership is achieved at all levels – managers, coordinators, inspectors, engineers, technicians, finance staff, accountants, and strategic decision makers. Such ownership will allow Asset Management to become a way of life at Cumberland.
- g. To integrate an asset management system into work processes so that intuitive asset management is a way of life. It is established as critical that this framework is NOT just a snapshot effort in time.

5.2

The Context for Asset Management Maturity

In simple terms Strategic Asset Management (SAM) is about being in control and having robust asset management planning based on a sound understanding of and being able to confidently answer the following questions:

1. Asset Inventory: What assets do we own, and which ones are critical?
2. Asset Health: What is the current condition of these assets?
3. Asset Remaining Life: How long will our assets last?
And can we achieve that with current resource levels?
4. Long Term Financial Plan: What level of optimal funding is needed?
5. Asset Values: At what rate are our assets getting consumed?

5.3

Key Findings

The review of Council's asset management practices in 2021-2022 identified a number of strengths and gaps, the findings of which have been summarised below:

- The core maturity elements are:
 - » Strategy and Planning
 - » Asset Data and Information
 - » Asset Performance Risk and Review
 - » Capital Works and Operations
 - » GIS Functionality (Spatial Mapping)
 - » Systems and Tools
 - » Asset Accounting
 - » Staff Skills and Availability

Areas identified as offering the greatest opportunities for improvement were Asset Performance, Risk and Review, Project Management Framework (PMF) and Project Lifecycle Management (PLM) developed since then , and Asset Data and Information.

A full list of Asset Management Improvement Recommendations can be found in Appendix A. This defines the identified improvement action items that will guide Council in planning and budgeting for the enhancement, alignment and future capability of their asset management practices.

To assist in identifying the high priority items and those with the greatest potential return on investment, a simple evaluation of impact and effort has also been included, resulting in an Impact/Effort Matrix across which each action item is assigned.

This tool enables decisions to be made concerning which action items Council should pursue first from the Asset Management Improvement Recommendations. The figure in Appendix A illustrates that by placing the action items into a matrix based on the level of effort, from low to high, and the impact of implementation, from low to high, it is easier to visualise which action items will provide the biggest impact with the least amount of effort.

While full details of all items can be found in Appendix A, the resulting high priority improvement actions by maturity area have been identified as follows:

Strategy and Planning

- Development and formal adoption of an Asset Management Policy.
- Update and formal adoption of the Asset Management Strategy.
- Formal creation of an organisation-wide representative Asset Management Steering Committee and associated Terms of Reference.

Asset Data and Information

- Review of asset attribute data requirements to identify minimum mandatory requirements in alignment with business needs.

Asset Performance, Risk and Review

- Development/update of asset performance and condition monitoring manuals for each asset (sub)class, including key processes and measures in regard to performance, failure, maintenance and risk.
- Development/update of asset criticality frameworks for each asset (sub)class.
- Development/update of strategic and operational levels of service for each asset (sub)class.
- Development/update of asset-related risk registers, profiles, and management plans for each asset (sub)class.

Capital Works and Operations

- Development of formal whole-of-life cost analysis processes for proposed capital investment options.
- Development of formal capital investment analysis and prioritisation processes that include consideration of benefits, costs, and risks.



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6.1

Community Strategic Plan (CSP) Alignment

The future of asset management at Cumberland will be based on robust practices and foundations to ensure that Council fulfils its obligations in managing assets in an efficient and sustainable way.

The Cumberland Community Strategic Plan 2025-2035 identifies four strategic directions that capture the shared aspirations of the community for asset management, now and into the future.

This Strategy aligns with the CSP - Strategic Direction 3 Delivering sustainable, safe and accessible infrastructure and services.

STRATEGIC DIRECTIONS:



*Supporting a safe, healthy,
creative and connected community*



*Enhancing the natural
and built environment*



*Delivering sustainable, safe and
accessible infrastructure and services*



*Providing transparent, accountable
and strong local leadership*

6.2

Levels of Service

Service levels are typically defined in three ways, being customer values, customer levels of service and technical levels of service.

Customer values indicate:

- What aspects of the service are important to the customer.
- Whether they see value in what is currently provided.
- The likely trend over time based on the current budget provision.

Customer levels of service measure how the customer receives the service and are typically defined as follows:

- Quality/Condition – How good is the service?
- Function – Does it meet users' needs?
- Capacity/Utilisation – Is the service usage appropriate to capacity?

Technical levels of service support the customer service levels and are operational or technical measures of performance. They are typically defined as follows:

- Operation – the regular activities to provide services, such as availability, cleansing, mowing.
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service standard (e.g. road patching, building and structure repairs).
- Renewal – the activities that return the service capability of an asset similar to that which it had originally (e.g. road resurfacing and pavement reconstruction, pipeline replacement, building component replacement).
- Upgrade/Acquisition – the activities to provide a higher level of service (e.g. widening a road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).

Council plans, monitors and implements technical levels of service to respond to and influence customer service level outcomes.

The formal review and establishment of service levels across Council's portfolio has been identified as a key element of this Asset Management Strategy and is included in the Asset Management Improvement Plan (Appendix A).



Harry Gapes Reserve



SECTION SEVEN: How will we get there?

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7.1

Asset Management Strategies

A range of key asset management strategies and their desired outcomes have been defined as outlined in Table 5 below.

No.	Strategy	Desired Outcome
1	Ensure all future infrastructure is planned, designed and constructed in accordance with relevant legislation, standards and guidelines from federal, state, and local authorities and service providers.	Council's decisions are made from accurate and current information on service level performance and 'whole of life' costs.
2	Infrastructure design is to consider consistency of componentry to access spares, technical familiarity and efficiency, along with quality of construction, maintenance periods and asset longevity.	Improved decision making and greater value for money.
3	Infrastructure planning should embrace innovation and future change, without introducing onerous construction and operation costs.	Sustainable funding model to provide Council services.
4	Ensure Council decisions are made from accurate and current information in asset registers, on service level performance and 'whole of life' costs.	Improved decision making and greater value for money.
5	Review and update asset management plans and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
6	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.

No.	Strategy	Desired Outcome
7	Continually review and update asset data and condition assessments in asset registers and asset management information system.	Up-to-date data guides decision making processes.
8	Asset-related risks are fully integrated into the organisational Risk Management Framework.	Integrated Risk Management processes.
9	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Service delivery is matched to available resources and operational capabilities.
10	Asset Management practices are to be aligned with the requirements and principles outlined in the international standard ISO 55000 Asset Management Series.	Alignment with ISO 55001.
11	Asset planning and management are integrated into relevant government policy, planning frameworks, budgetary and evaluation processes, and are aligned with Council objectives.	Integration with planning frameworks.

Table 5 – Asset Management Strategies

7.2

Asset Management Improvement Plan

Council is well placed on its strategic asset management journey; however, the journey is far from complete. The roadmap for improvement over the next few years, to evolve Council into an organisation that is practicing service driven optimisation is set out in this Strategy as an Improvement Plan. This plan is summarised in Appendix A.

It is noted that improvement actions specific to a certain asset (sub)class shall be detailed in the individual Asset Management Plans for each Asset Group.

7.3

Responsibilities and Resourcing

To implement the improvement program, significant effort, commitment and resources will be required. Key responsibility for developing and implementing asset management will rest with the Executive Team. They will take leadership for, manage and in some cases 'do' the asset management improvement items outlined. Importantly, this will give the Asset Management Team ownership and will help develop various asset management skills and knowledge.

Executive Team

- To ensure Council's commitment to sound asset management and the community needs
- To ensure all staff are educated in asset management and that responsibilities are undertaken

Asset Custodians

- To be responsible for managing assets to ensure their most efficient use
- To ensure that accurate information is provided to update asset registers when assets are acquired, maintained, renewed or disposed

Asset Management Team

- To provide leadership and coordination for the implementation of sound asset management principles
- Development of Asset Management Framework
- Implementing and delivering of Asset Management Information System functions
- Ensuring asset management in the organisation aligns with the Community Strategic Plan 2025-2035

Finance Team

- To update financial systems with asset transactions in accordance with standards

Information Technology Team

- To implement and maintain software solutions that enable sound asset management principles for all persons involved
- Provide financial information and analysis to support the Asset Management Plan development and long term financial strategy
- Provide Asset Valuations for reporting requirements.
- Develop the Long Term Financial Plan incorporating asset financial forecasts and scenarios

Staff

- Undertake assets management activities to comply with processes stipulated in asset management system

7.4

Monitoring Progress

This Asset Management Strategy will be reviewed and updated with subsequent versions every four years. The Improvement Plan is to be reviewed and updated on an annual basis, with subsequent status reporting.

7.5

Frequency of Asset Condition Assessments

Asset Category	Last Comprehensive Revaluation	Next Comprehensive Revaluation Required:
Fences	30th June 2024	2028/29
Irrigation	30th June 2024	2028/29
Lighting	30th June 2024	2028/29
Other Structures	30th June 2024	2028/29
Park Active Areas	30th June 2024	2028/29
Park Infrastructure	30th June 2024	2028/29
Playgrounds	30th June 2024	2028/29
Community Land	30th June 2024	2028/29
Car Parks	30th June 2021	2025/26
Kerbs	30th June 2021	2025/26
Public Transport Shelters	30th June 2021	2025/26
Roads	30th June 2021	2024/25
Street Furniture	30th June 2021	2025/26
Traffic Management Devices	30th June 2021	2025/26
Buildings	30th June 2024	2028/29
Footpaths	30th June 2022	2026/27
Operational Land	30th June 2021	2025/26
Stormwater	30th June 2021	2025/26

Table 6 – Asset Condition Assessments as at 30 June 2024



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Summary

The Asset Management Strategy and associated objectives enables Council to meet national asset management frameworks, State legislative requirements and the provision of community services in an equitable and financially sustainable manner. It presents the current state of Council’s assets and Asset Management System⁴, highlighting the improvements necessary to meet delivery requirements as described in Cumberland’s Community Strategic Plan.

An asset management maturity diagnostic undertaken in preparation of this Strategy identified many Council strengths across the areas of Systems and Tools, GIS Functionality, Asset Accounting and Staff Skills and Availability (which includes the use of contractors as appropriate).

To further build on these asset management strengths, a number of high priority improvement items were proposed in the areas of Strategy and Planning, Asset Data and Information, Asset Performance, Risk and Review, and Capital Works and Operations.

These items have been logically sequenced in an achievable manner across the next four years, together with an additional number of medium and low priority improvement items that should also be undertaken should resources permit.

This Strategy, its objectives and the associated asset management improvement items provide a clear path for Council on its journey to enhanced asset management maturity and the consequent benefits to the community.

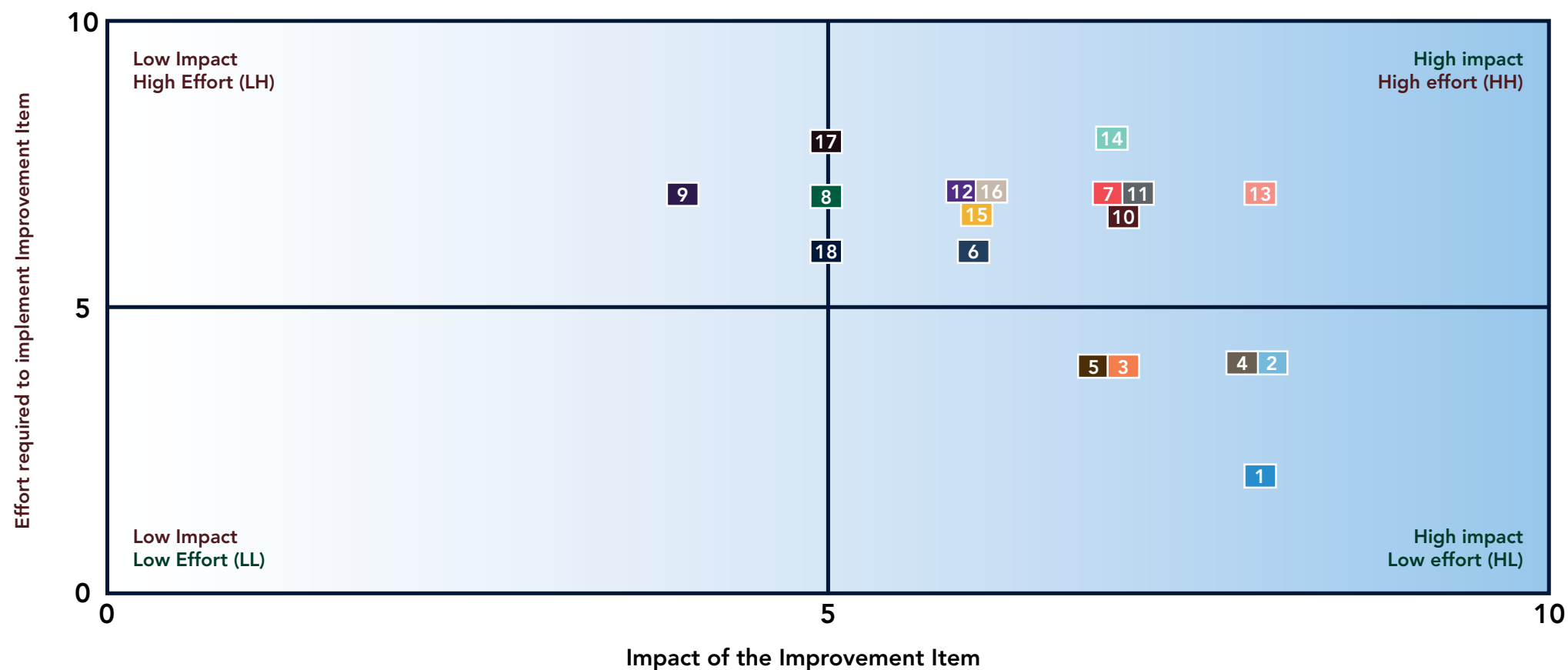


Merrylands Civic Square

⁴ Asset management — Management systems — Guidelines for the application of ISO 55001

Appendix A: Asset Management Improvement Plan

Asset Management Improvement Impact Matrix





Asset Management Maturity Element	Action No.	Improvement Action Description	Success Criteria	Proposed Timeframe	Impact	Effort	Matrix Quadrant	Priority	Responsibility
Strategy and Planning	1	Development and formal adoption of an Asset Management Policy.	Asset Management Policy adopted by Council.	Completed	8	2	HL (1)	H	Asset Team
Strategy and Planning	2	Update and formal adoption of the Asset Management Strategy.	Updated Asset Management Strategy adopted by Council.	Completed	8	4	HL (1)	H	Asset Team
Strategy and Planning	3	Asset Management Framework developed and implemented as part of Council's Asset Management System.	Asset Management Framework implemented as part of Council's Asset Management Practice.	Year 1	7	4	HL (1)	M	Asset Team
Strategy and Planning	4	Formal creation of an organisation-wide representative Asset Management Steering Committee and associated Terms of Reference.	Asset Management Steering Committee exists, meets regularly and is driving Council's asset management agenda.	Year 1	8	4	HL (1)	H	Director City Services
Asset Data and Information	5	Development and application of an Asset Information Strategy.	Asset Information Strategy exists and is consistently applied to asset information management practices.	Year 1	7	4	HL (1)	M	Asset Team
Asset Data and Information	6	Development and application of Asset Information Standards.	Asset Information Standards exist and are consistently applied to asset information practices.	Ongoing	6	6	HH (2)	M	Asset Team
Asset Data and Information	7	Development / update and application of Business Process Manuals for each asset (sub) class.	Business Process Manuals exist for each asset (sub)class and are consistently applied to business practices.	Year 2	7	7	HH (2)	M	Asset Team / Asset Managers
Asset Data and Information	8	Review of asset componentisation to ensure alignment with business needs.	Asset componentisation is applied in accordance with business needs.	Completed	5	7	HH (2)	M	Asset Team / Finance
Asset Data and Information	9	Review of asset hierarchies to ensure alignment with business needs.	Asset hierarchies are applied in accordance with business needs.	Completed	4	7	LH (4)	L	Asset Team
Asset Data and Information	10	Review of asset attribute data requirements to identify minimum mandatory items in alignment with business needs.	Asset attributes are recorded in accordance with minimum mandatory requirements.	Ongoing	7	7	HH (2)	H	Asset Team
Asset Performance, Risk and Review	11	Development / update of asset performance and condition monitoring manuals for each asset (sub)class, including key processes and measures in regard to performance, failure, maintenance and risk.	Asset performance and condition monitoring manuals exist for each asset (sub)class and are consistently applied in everyday practice.	Year 2	7	7	HH (2)	H	Asset Team / Asset Managers

Key: HL: High impact, Low effort HH: High impact, High effort LL: Low impact, Low effort LH: Low impact, High effort



Asset Management Maturity Element	Action No.	Improvement Action Description	Success Criteria	Proposed Timeframe	Impact	Effort	Matrix Quadrant	Priority	Responsibility
Asset Performance, Risk and Review	12	Development / update of asset criticality frameworks for each asset (sub)class.	Asset criticality frameworks exist for each asset (sub)class and are consistently applied in everyday practice.	Completed	6	7	HH (2)	H	Asset Team / Asset Managers
Asset Performance, Risk and Review	13	Development / update of strategic and operational levels of service for each asset (sub) class.	Strategic and operational levels of service have been defined for each asset (sub)class and are consistently applied to everyday practice and decision-making processes.	Year 3	8	7	HH (2)	H	Asset Team / Asset Managers
Asset Performance, Risk and Review	14	Development / update of asset-related risk registers, profiles and management plans for each asset (sub)class.	Risk registers, profiles and management plans exist for each asset (sub)class and are consistently considered in decision making processes.	Year 4	7	8	HH (2)	H	Asset Team / Asset Managers
Capital Works and Operations	15	Development of formal whole-of-life cost analysis processes for proposed capital investment options.	Whole-of-life cost analysis is determined and considered for all capital investment options.	Ongoing	6	7	HH (2)	H	Asset Team / Asset Managers / Finance Team
Capital Works and Operations	16	Development of formal capital investment analysis and prioritisation processes that include consideration of benefits, costs and risks.	Capital investment options are prioritised in accordance with their associated benefits, costs and risks.	Year 3	6	7	HH (2)	H	Asset Team / Finance Team / Asset Managers
Capital Works and Operations	17	Development / update of maintenance standards for each asset (sub)class, including inspection frequencies, defect types, intervention levels and work instructions.	Maintenance standards exist for each asset (sub)class and are consistently applied in everyday practice.	Year 2	5	8	HH (2)	M	Assets Team / Asset Managers
Capital Works and Operations	18	Review / update asset handover processes to ensure asset register updates occur in a timely manner and are consistent with the Asset Information Standards.	Asset register updates occur in a timely fashion and are consistent with the Asset Information Standards.	Year 2	5	6	HH (2)	M	Asset Team / Projects and Construction

Key: HL: High impact, Low effort HH: High impact, High effort LL: Low impact, Low effort LH: Low impact, High effort



Glossary

Asset	An object (physical or intangible) that has an identifiable value and a useful life greater than 12 months, that is or could be used by the entity responsible for it to provide a service.
Asset Consumption Ratio	The ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.
Asset Management	Coordinated activity of an organisation to realise value from assets.
Asset Management Plan	A plan developed for the management of one or more infrastructure asset classes with a view to operating, maintaining and renewing the assets within the class in the most cost effective manner possible, whilst providing a specific level of service.
Asset Management Strategy	Documented information that specifies how asset management objectives are to be delivered, the approach for developing asset management plans and the role of the asset management system in supporting achievement of the asset management objectives.
Capability	Measure of capacity and the ability of an entity (system, person or organisation) to achieve its objectives.
Competence	Ability to apply knowledge and skills to achieve intended results.
Critical Asset	Asset having potential to significantly impact on the achievement of Council's objectives.
Depreciation	The reduction in the value of an asset due to usage, passage of time, environmental factors, wear and tear, obsolescence, depletion or inadequacy.
Fair Value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction. This is equivalent to the market value of the asset where one exists. If there is no market the fair value can be determined on a (depreciated) cost of acquisition basis.
Incident	Unplanned event or occurrence resulting in damage or other loss.

Long Term Financial Plan (LTFP)	A financial plan that forecasts expected revenue and expenditure over a period of ten or more years.
Management system	Set of interrelated or interacting elements of an organisation to establish policies, objectives and processes to achieve those objectives.
Monitoring	Determining the status of a system, a process or an activity.
Objective	Result to be achieved.
Optimise	Achieve by a quantitative or qualitative method, as appropriate, the best value compromise between conflicting factors such as performance, costs and retained risk within any non-negotiable constraints.
Performance	Measurable result.
Policy	Intentions and direction of an organisation as formally expressed by its top management.
Replacement Cost	The Replacement Cost of an asset (also Asset Replacement Cost & Current Replacement Cost) is the cost of replacing an existing asset with a substantially identical new asset or a modern equivalent.
Risk	Effect of uncertainty on objectives.
Stakeholder	Person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or activity.
Sustainable	Achieving or retaining an optimum compromise between performance, costs and risks over the Life Cycle, whilst avoiding adverse long-term impacts to the organisation from short-term decisions.
Whole of Life	The total expense of owning an asset over its entire life, from purchase to disposal.



CUMBERLAND
CITY COUNCIL

Asset Management Strategy 2025-2035

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