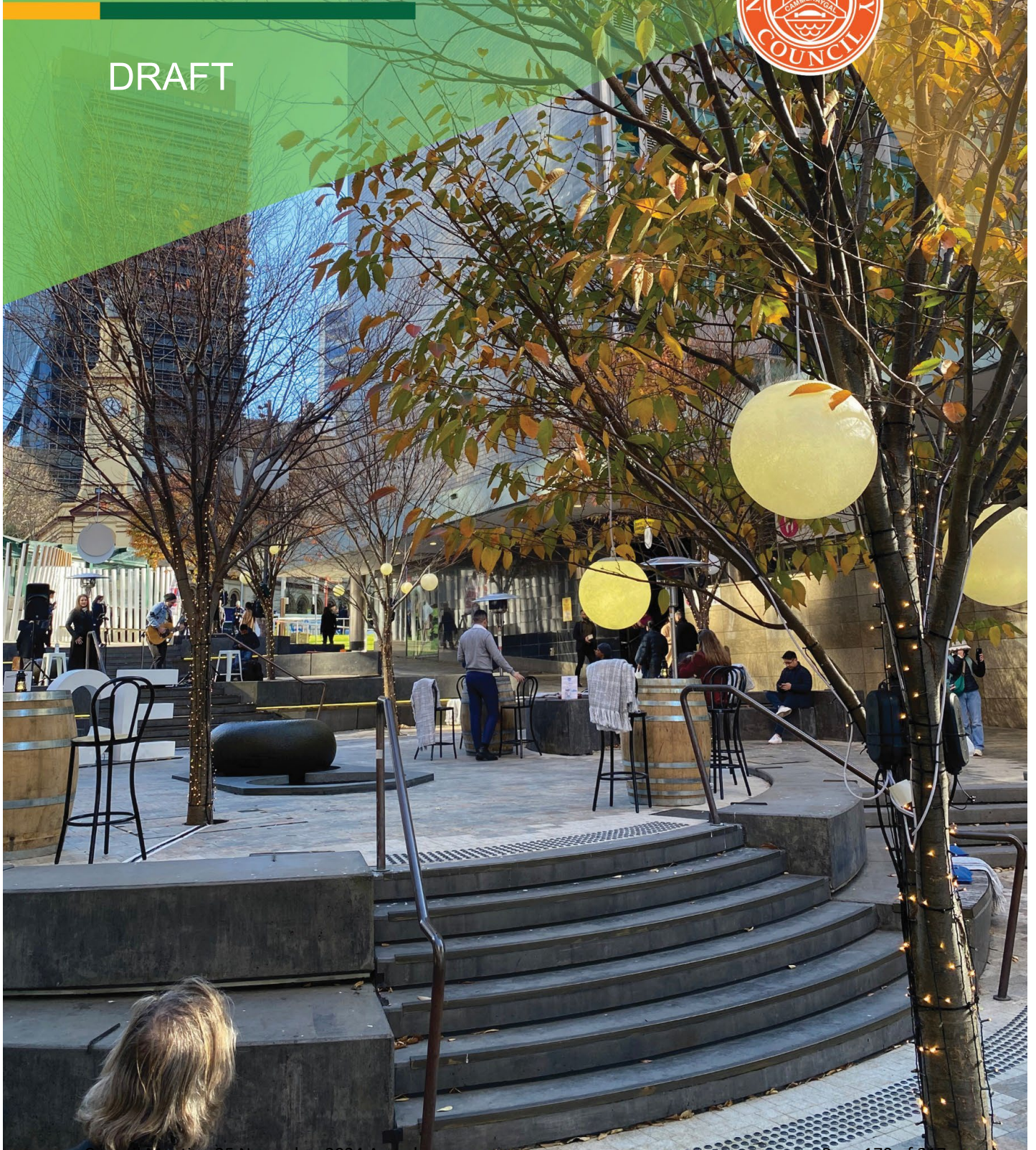


NORTH SYDNEY COUNCIL

# ASSET MANAGEMENT STRATEGY 2025/35

DRAFT





## OVERVIEW

Asset management is the lifecycle management of physical assets that takes into consideration the 'whole of life', including planning, procurement, construction, operation, maintenance and disposal of an asset. A key ongoing issue facing local governments in Australia is the management of ageing assets in need of renewal and replacement.

This extensive portfolio of infrastructure assets requires careful planning and management. Financing the needs of the portfolio can be significant, requiring planning for large peaks and troughs in expenditure for renewing and replacing assets. The demand for new and improved services adds to the planning and financing complexity. The creation of new assets also presents challenges in funding the ongoing operating and replacement costs necessary to provide the needed service over the assets' full life cycle.

Council's Asset Management Strategy shows how the asset portfolio will meet the service delivery needs of the community into the future, that asset management policies are being achieved, and that existing asset management practices integrate with the Community Strategic Plan. Improvement in asset management involves formalising the knowledge about asset performance, maintenance

levels and community expectations to optimise both expenditure and service provision over a longer timeframe. The goal of asset management is to ensure that services are provided in the most cost-effective manner, through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets; and for present and future consumers.

The key objectives of the Asset Management Strategy are to:

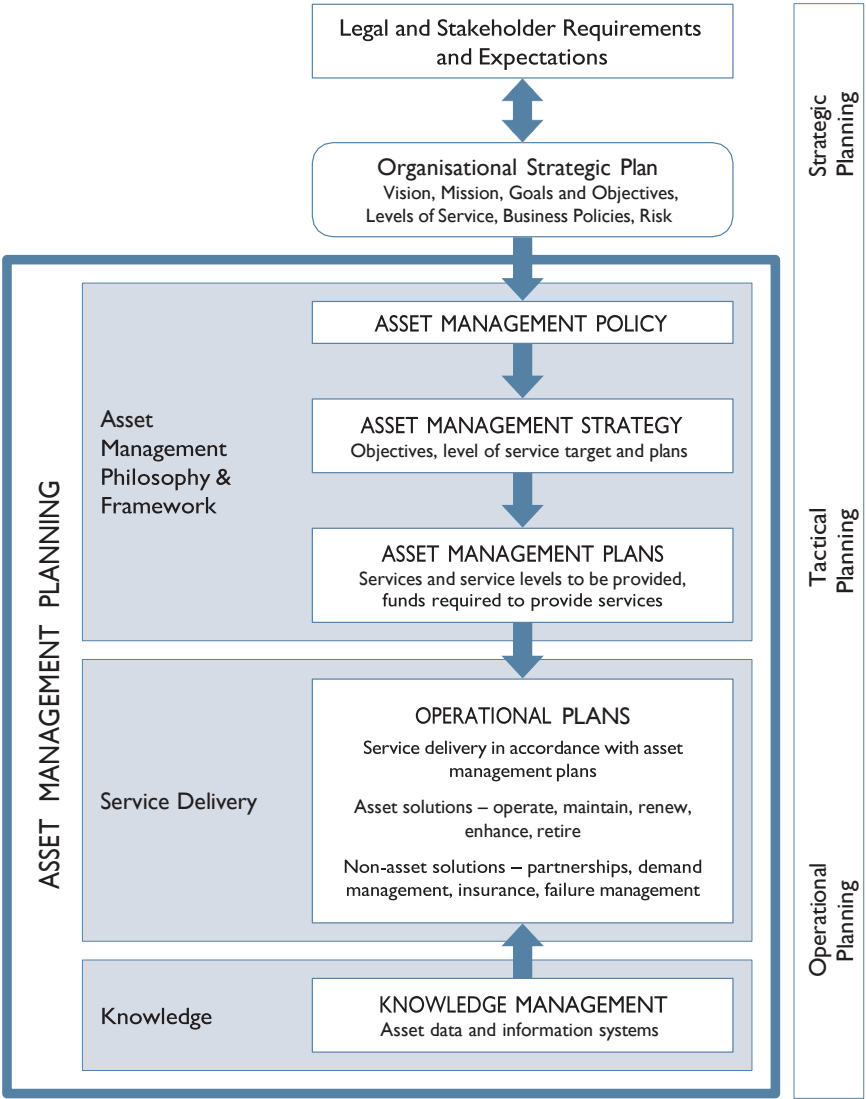
- guide the planning, construction, maintenance and operation of the infrastructure essential for Council to provide services to the community
- ensure that Council's infrastructure services are provided in a financial and economically sustainable way, enabling the appropriate level of service to residents, ratepayers, visitors and the environment
- meet legislative requirements for all Council operations
- ensure resources and operational capabilities are identified and responsibility for asset management is allocated
- inform the Asset Management Plans and Long-Term Financial Plan



Asset Management Framework

As outlined in the following diagram, asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation’s strategic planning, developing an Asset Management Policy, Asset Management Strategy, Asset Management Plans and annual Operational Plan and Budget, linked to a Long-Term Financial Plan with a funding plan (IPWEA, 2009, AIFMG, Quick Guide).

Figure 1: Asset Management Framework



The key steps in preparing an effective Asset Management Strategy are:

1. develop an Asset Management Policy that underpins the Strategy. The Policy provides guiding principles for asset management and planning
2. develop Asset Management Plans
3. apply good governance and management arrangements to link asset management to service delivery and assign roles and responsibilities
4. define levels of service to establish mechanisms, including community consultation, to define the levels of service councils are expected to provide from their asset base
5. establish data and systems frameworks for asset management data collection
6. develop skills and processes as part of the continuous improvement program
7. evaluate the Strategy's effectiveness

Council's Asset Management Strategy has been prepared to help Council improve the way it delivers services from infrastructure. These infrastructure assets have a replacement cost of approximately \$1.5 billion as at 30 June 2024 (as per notes C1-5 and C1-6 Annual Financial Statements for the year ended 30 June 2024). The purpose of this Strategy is to show that:

- Council's asset portfolio will meet the service delivery needs of its community into the future
- asset management policies are being achieved
- asset management practices integrate with the Community Strategic Plan

This Strategy was prepared following a review of Council's service delivery, financial sustainability indicators, asset management maturity, and fit with the community's vision outlined in the Community Strategic Plan. The Improvement Plan details a program of tasks and the timeline for completion. The Improvement Plan will be periodically reviewed and re-prioritised to match available resources in Council's Delivery Program and Long-Term Financial Plan.

## Asset Management Policy

The provision and maintenance of assets to meet community needs and expectations is fundamental to Council's overall service delivery. The purpose of the Asset Management Policy (Appendix I) is to demonstrate Council's commitment to the responsible management of its assets and to set the framework for the Asset Management Strategy and Asset Management Plans, while the Strategy and Plans support implementation of the Policy.

The Policy:

- establishes goals and objectives for asset management
- integrates asset management within Council's corporate and strategic planning
- maximises value for money through lifecycle costing and performance measurement
- assigns accountability and responsibility for service delivery together with asset management
- promotes sustainability to protect the needs of future generations i.e. the principles of intergenerational equity

## Asset Management Plans

Asset Management Plans support the Asset Management Strategy. These are long-term (ten-year) plans that outline the asset activities for each service (asset class). They detail the intended asset management program for each asset class, based on controlling the organisation's understanding of customer requirements (including desired levels of service and satisfaction with current service levels), existing projected networks, and asset conditions and performance (International Infrastructure Management Manual 2011). Council has prepared the following Asset Management Plans:

Asset Category	Asset Sub-category
Footpaths	Footpaths
Other Infrastructure	Fences
	Marine Structures
	Public Lighting – Parks
	Retaining Walls – Roads
	Seawalls
Open Space and Recreation Facilities	Park Furniture
	Playgrounds
	Sporting Infrastructure
	Other Open Space and Recreation Facilities
Other Structures	Statues, Monuments, Memorials, Public Art
Property	Operational Buildings
	Amenity Buildings
	Coal Loader
	Quarantine Depot
	Community Housing
	Investment Properties
	Heritage Buildings
Roads	Bus Shelters
	Kerb and Gutter
	Road Pavements
	Street Furniture
	Traffic Facilities (Including Cycleways)
Stormwater Drainage	Pipes
	Pits
	Gross Pollutant Traps
Swimming Pools	Swimming Pools



All of Council's asset management documents are periodically reviewed and updated. Council's condition analysis reports, financial valuations, projections, maintenance and operation costs outlined in Council's Asset Management Plans are prepared using the best available data and will be improved as updated information becomes available. The ongoing implementation of the Corporate Asset Management System helps to achieve continuous improvement.

The Asset Management Strategy and Asset Management Plans identify the asset renewal and maintenance requirements for Council's ten-year Capital Works Program. This program addresses the identified infrastructure backlog whilst providing new and upgraded infrastructure and facilities to meet growing community demand in the future.



## CURRENT ASSET ANALYSIS

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services from infrastructure to be provided in an economically optimal way. In turn, affordable service levels can only be determined by assessing Council's financial sustainability under scenarios with different proposed service levels.

### Existing Assets and Services

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from the assets is shown in Table 1.

Table 1: Existing Infrastructure Assets and Services Summary

Existing Infrastructure Assets and Services		
Asset Class	Description	Services Provided
Footpaths	266km footpaths	Pedestrian access
Other Infrastructure	44.4km fences	Safety, structural support, amenity, foreshore and environmental protection, property protection, waterway access
	2,618 bollards	
	25 km retaining walls	
	1,874 public lighting	
	4.9km seawalls	
	44 marine structures including wharves	
Open Space and Recreation Facilities	Includes playgrounds, sporting infrastructure, park furniture, Maccallum Pool	Parks and recreation services supporting community and recreational needs
Other Structures	Various statues, monuments, memorials, public art	
Property	Investment properties, heritage buildings, amenity buildings, Coal Loader, community housing, operational, quarantine depot	Support administration, operational, social, recreational, cultural, heritage and economic infrastructure for the community
Roads	9.6km regional road pavements	Support transportation, and community and economic activities in the local government area
	130km local road pavements	
	260km kerb and gutter	
	1,173 traffic facility items	
	1,084 street furniture items	
	67 bus shelters	
Stormwater Drainage	106.6km pipes	Control local flooding and damage to infrastructure and property; control water quality of discharge of stormwater into the natural environment
	6,659 pits	
	27 stormwater quality improvement devices	
Swimming Pools	North Sydney Olympic Pool complex	Swimming and recreational activities

## Value of Current Assets

The current financial status of Council's infrastructure assets, per asset class, is shown in Table 2, as at the financial year ended 30 June 2024.

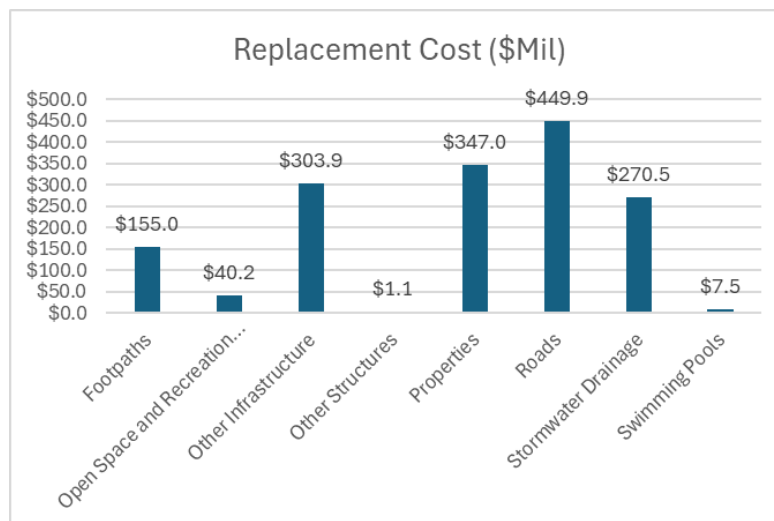
Table 2: Current Financial Status per Asset Class (\$) 2023/24

Asset Class	Replacement Cost	Accumulated Depreciation	Net Carrying Amount
Footpaths	\$155,038,554	\$59,693,239	\$95,345,314
Open Space and Recreation Assets	\$40,209,304	\$16,137,957	\$24,071,346
Other Infrastructure	\$303,916,424	\$99,570,660	\$204,345,765
Other Structures	\$1,146,200	\$175,337	\$970,863
Properties	\$347,014,881	\$145,083,006	\$201,931,876
Roads	\$449,886,586	\$143,575,246	\$306,311,340
Stormwater Drainage	\$270,450,822	\$81,971,986	\$188,478,836
Swimming Pools	\$7,546,950	\$4,616,275	\$2,930,675
<b>TOTAL</b>	<b>\$1,575,209,722</b>	<b>\$550,823,706</b>	<b>\$1,024,386,016</b>

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

The 2023/24 replacement costs detailed in Table 2 are also represented in Figure 2 below. Council's largest asset classes, in terms of replacement costs, are Roads, Other Infrastructure and Properties.

Figure 2: Asset Replacement Cost (\$M) 2023/24





Consumption ratios are indicative of how much value remains in the asset. Figure 3 below shows the remaining value of Council's assets (as at 2024) compared to its replacement cost in percentage terms. It should be noted that accumulated depreciation does not necessarily indicate the extent of asset renewal required in the short to medium term. Some assets may be in fair condition resulting in higher depreciation but may not require renewal within the next ten years.

Figure 3: Accumulated Depreciation / Net Carrying Amount as a percentage of Replacement Cost, 2023/24

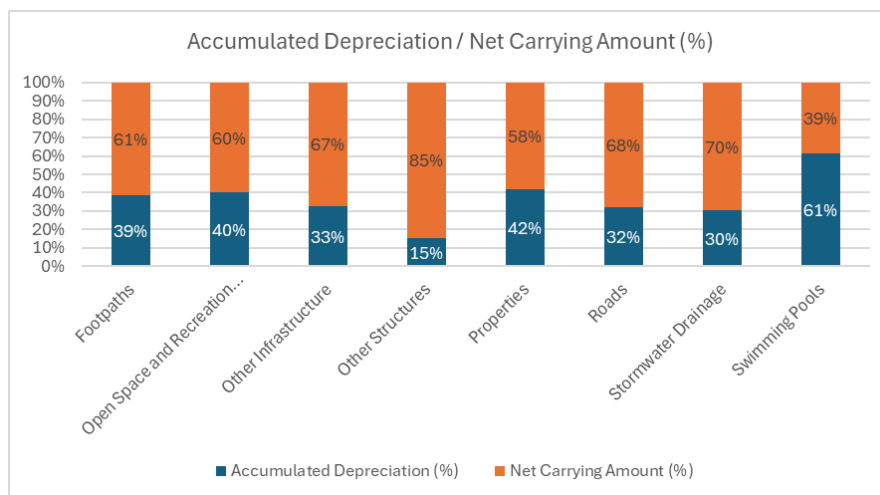
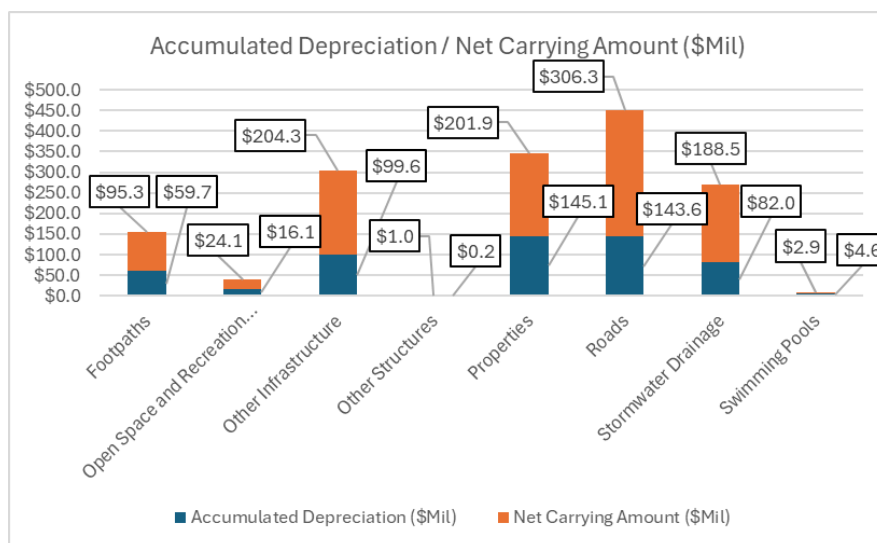


Figure 3 shows asset consumption as a percentage, while Figure 4 below shows it as the dollar value and brings the relativity of each asset group into the representation (as at 2024). These graphs should be read in conjunction with the renewal forecasts coming from the Asset Management Plans for the next ten years to achieve an appreciation of renewal requirements.

Figure 4: Accumulated Depreciation / Net Carrying Amount (\$Mil) 2023/24



## Condition of Current Assets

The condition of Council's assets has been assessed using guidelines and practice notes produced by the Institute of Public Works Engineering Australasia. The condition gradings used range from condition 1 (very good) to condition 5 (very poor). Council undertakes detailed condition assessments of individual asset classes at regular intervals to provide a snapshot of asset class condition. These network surveys are generally undertaken every four to five years and depend on funding availability. The replacement of infrastructure assets can depend on many factors. Often this factor is condition, however other factors that affect replacement may include function, amenity, compliance, capacity and obsolescence.

The current condition of Council's assets is based on the most recent condition survey and adjusted each financial year as assets are constructed. The condition of each asset class is discussed below.

## Condition of Footpath Assets

The condition of Council's footpaths was surveyed at 10m intervals in 2019 by consultants Rapid Map Services Pty Ltd. The condition scores used are shown in Table 3.

Table 3: Footpath Condition Matrix

Footpath Condition Matrix				
Score	Age Estimate	Minor Defects	Major Defects	Trips
1	Almost New (likely < 5 years)	0	0	
2	Minor Ageing (5 to 10 years)	<10%	0	
3	Moderate Ageing (10 to 15 years)	10 - 25%	< 10%	10 - 25mm
4	Significant Ageing (> 25 years)	25 - 50%	< 25%	> 25mm
5	N/A	> 50%	> 25%	> 50mm

Table 4 below shows the replacement cost for each of the condition scores. It should be noted that the replacement cost is based on the condition of footpaths at 10m intervals. In practice and where funds permit, footpath sections in condition 3 are generally replaced at the same time as footpath sections in condition 4 or 5 if they are adjacent and it is cost effective.

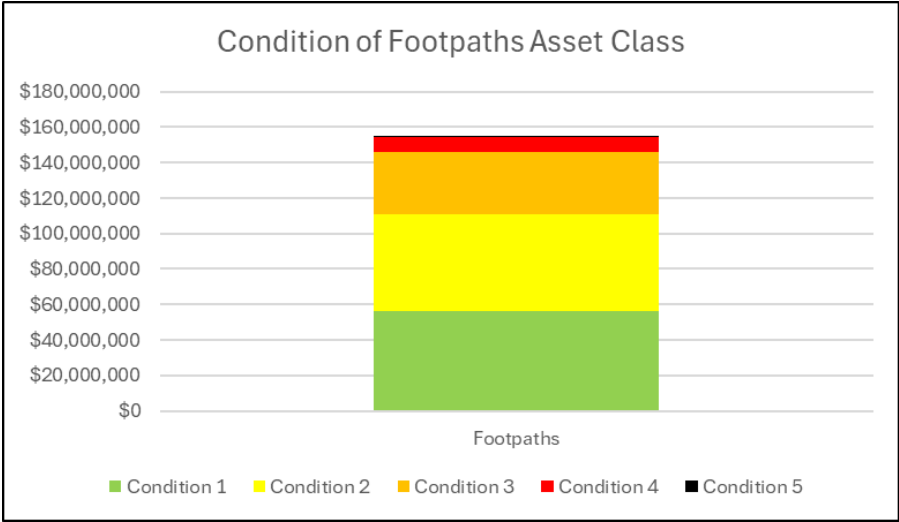
Table 4: Replacement Cost of Footpaths Asset Class by Condition (\$)2024

Condition of Footpaths Asset Class in Terms of Replacement Cost	
Condition	Footpaths
1	\$56,081,304
2	\$54,773,810
3	\$34,979,521
4	\$8,667,839
5	\$536,080
<b>TOTAL</b>	<b>\$155,038,554</b>

The Replacement Cost of Footpaths Asset Class by Condition is shown graphically in Figure 5.



Figure 5: Replacement Cost of Footpaths Asset Class by Condition (\$)2024



Examples of Footpath assets in very good condition are shown in the following photos:



Examples of Footpath assets in very poor condition are shown in the following photos:



Condition of Open Space and Recreation Assets

The Open Space and Recreation asset class includes the following asset categories: Playgrounds, Sporting Infrastructure, Park Furniture, Maccallum Pool. The replacement costs for each condition are detailed in Table 5.

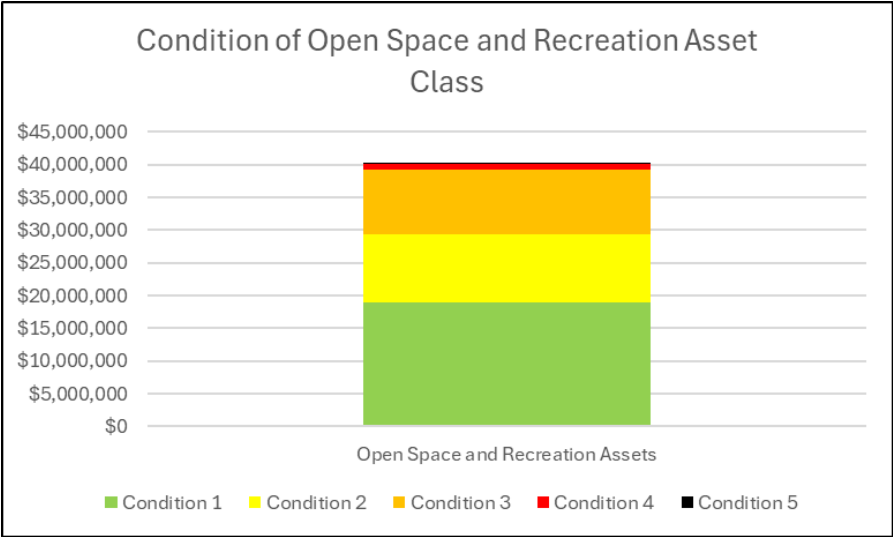
Table 5: Replacement Cost of Open Space and Recreation Asset Class by Condition (\$)2024

Condition of Open Space and Recreation Asset Class in Terms of Replacement Cost	
Condition	Open Space and Recreation Assets
1	\$19,005,142
2	\$10,315,756
3	\$9,984,508
4	\$821,986
5	\$81,912
TOTAL	\$40,209,304

The Replacement Cost of Open Space and Recreation Asset Class by Condition is shown graphically in Figure 6.



Figure 6: Replacement Cost of Open Space and Recreation Asset Class by Condition (\$2024)



Examples of Open Space and Recreation assets in very good condition are shown in the following photos:



Examples of Open Space and Recreation assets in very poor condition are shown in the following photos:



Condition of Other Structures Assets

The Other Structures asset class includes the following assets: Statues, Monuments, Memorials, Public Art. The replacement costs for each condition are detailed in Table 6.

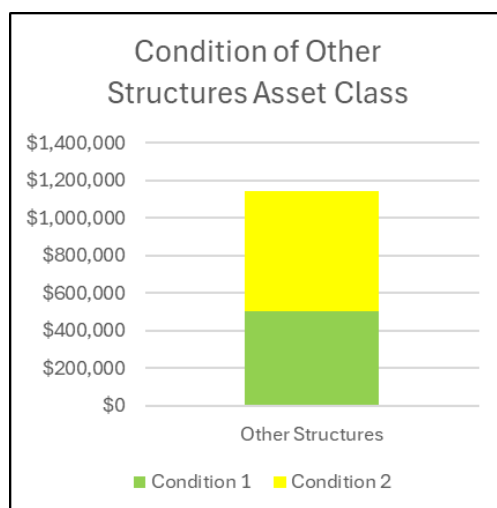
Table 6: Replacement Cost of Other Structures Asset Class by Condition (\$)'2024

Condition of Other Structures Asset Class in Terms of Replacement Cost	
Condition	Other Structures
1	\$505,000
2	\$641,200
3	\$0
4	\$0
5	\$0
TOTAL	\$1,146,200

The Replacement Cost of Other Structures Asset Class by Condition is shown graphically in Figure 7.



Figure 7: Replacement Cost of Other Structures Asset Class by Condition (\$)2024



## Condition of Other Infrastructure Assets

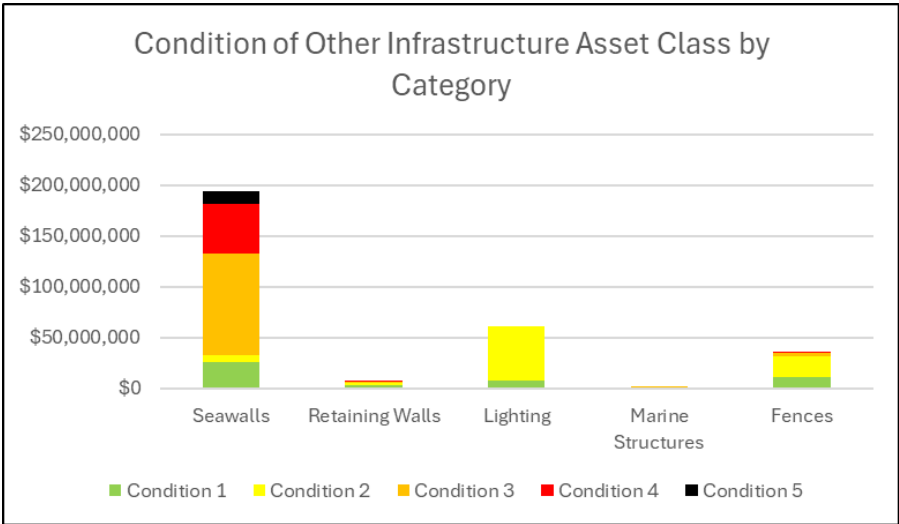
The Other Infrastructure asset class includes the following asset categories: Seawalls, Retaining Walls, Lighting, Marine Structures, Fences. The replacement costs for each condition are detailed in Table 7.

Table 7: Replacement Cost of Other Infrastructure Asset Class per Asset Category by Condition (\$)2024

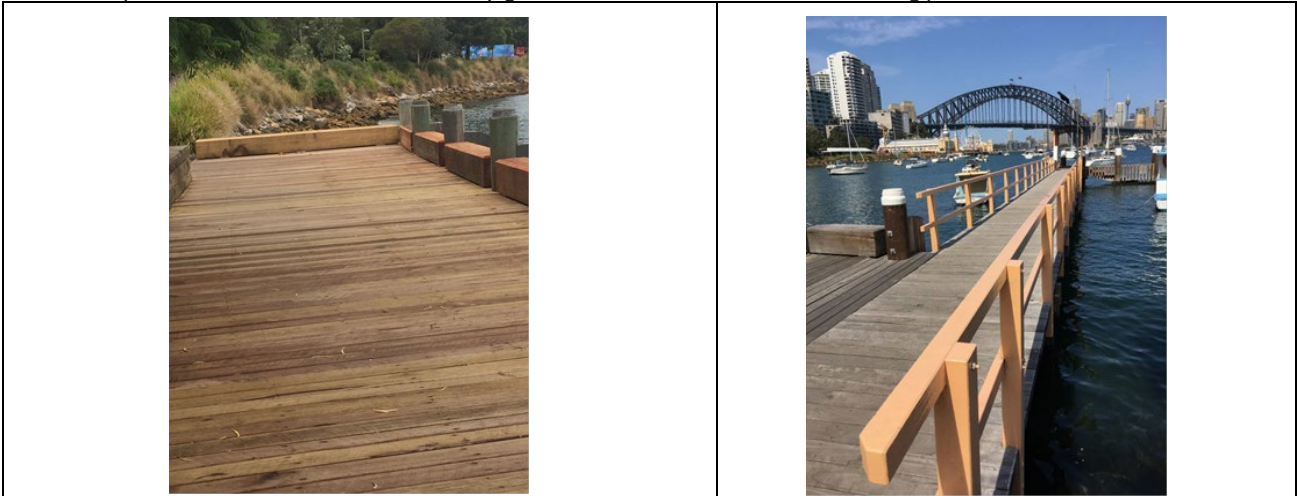
Condition of Other Infrastructure Asset Class in Terms of Replacement Cost					
Condition	Seawalls	Retaining Walls	Lighting	Marine Structures	Fences
1	\$16,217,157	\$1,112,137	\$4,824,607	\$3,210,426	\$3,724,139
2	\$36,202,286	\$65,547,603	\$9,592,308	\$26,854,411	\$15,470,147
3	\$63,488,514	\$25,334,146	\$4,073,741	\$1,911,784	\$15,351,754
4	\$1,104,730	\$3,316,234	\$744,689	\$184,001	\$612,124
5	\$626,650	\$640,496	\$3,707,725	\$0	\$64,616
<b>TOTAL</b>	<b>\$117,639,337</b>	<b>\$95,950,616</b>	<b>\$22,943,070</b>	<b>\$32,160,622</b>	<b>\$35,222,780</b>

The Replacement Cost of Other Infrastructure Asset Class per Asset Category by Condition is shown graphically in Figure 8.

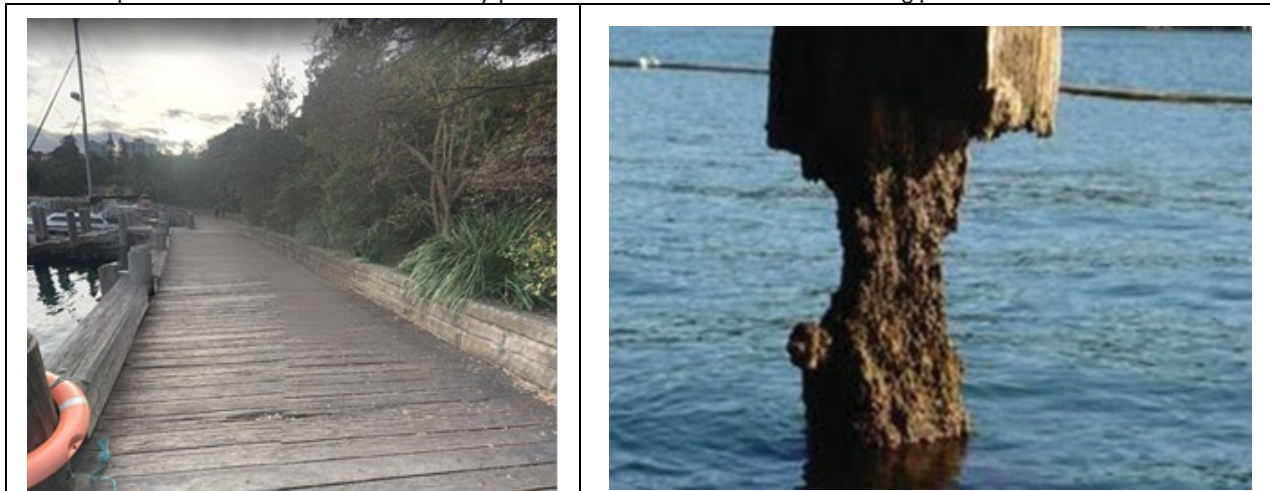
Figure 8: Replacement Cost of Other Infrastructure Asset Class per Asset Category by Condition (\$)'2024



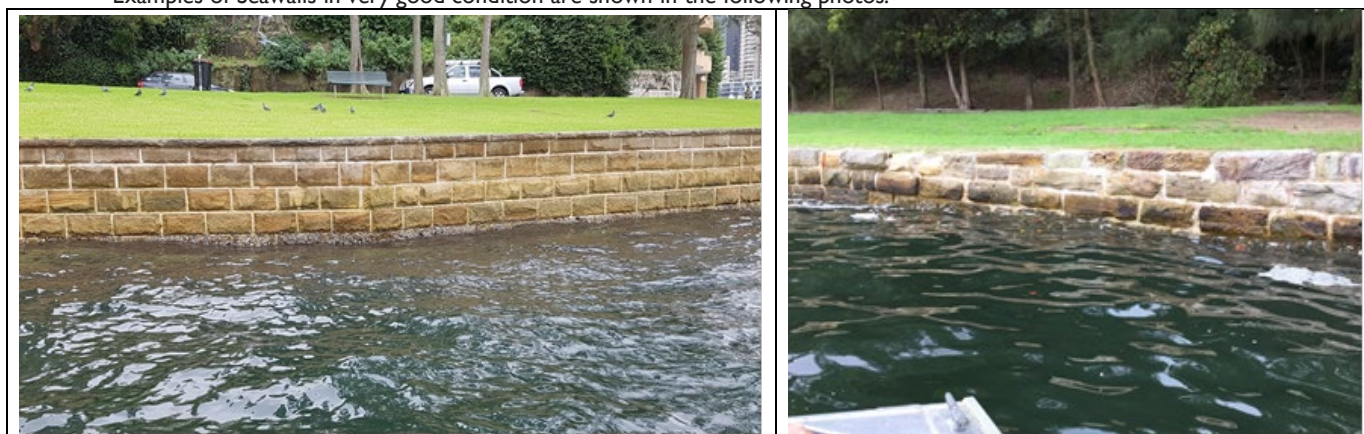
Examples of Marine Structure assets in very good condition are shown in the following photos:



Examples of Marine Structure assets in very poor condition are shown in the following photos:



Examples of Seawalls in very good condition are shown in the following photos:



Examples of Seawalls in very poor condition are shown in the following photos:





Examples of Retaining Walls in very good condition are shown in the following photos:



Examples of Retaining Walls in very poor condition are shown in the following photos:



## Condition of Property Assets

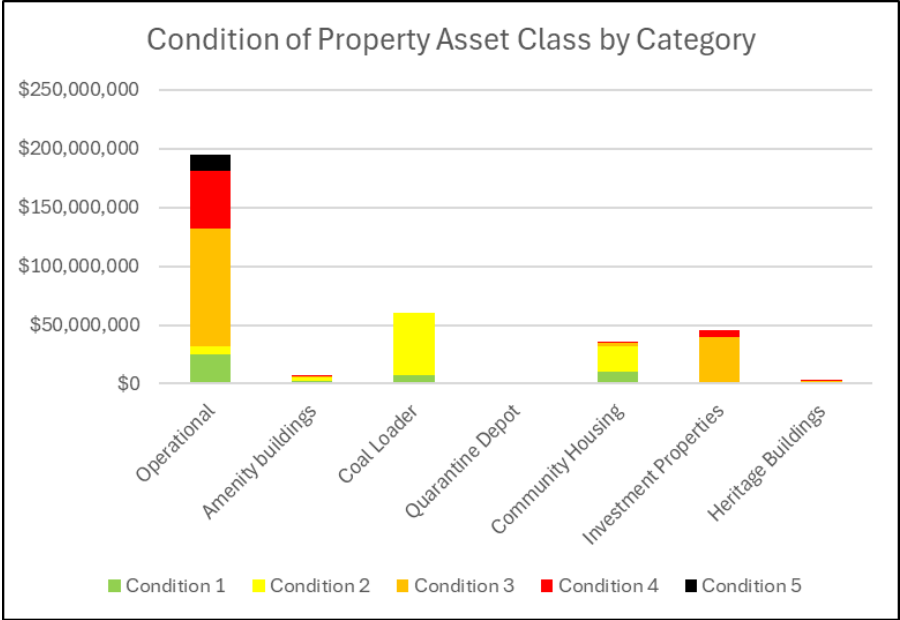
The Property asset class includes the following asset categories: Operational Buildings, Amenity Buildings, Coal Loader, Quarantine Depot, Community Housing, Investment Properties. The replacement costs for each condition are detailed in Table 8.

Table 8: Replacement Cost of Property Asset Class per Asset Category by Condition (\$)'2024

Condition of Property Asset Class in Terms of Replacement Cost							
Condition	Operational	Amenity Buildings	Coal Loader	Quarantine Depot	Community Housing	Investment Properties	Heritage Buildings
1	\$25,293,954	\$2,599,664	\$7,146,289	\$212,842	\$10,403,646	\$849,995	\$0
2	\$6,932,535	\$2,590,802	\$53,648,603	\$0	\$21,066,556		\$0
3	\$99,957,433	\$1,320,340	\$0	\$1,076,971	\$2,840,781	\$39,252,000	\$2,444,000
4	\$49,326,429	\$1,184,951	\$0	\$0	\$12,234	\$5,300,000	\$500,000
5	\$13,054,858	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$194,565,209</b>	<b>\$7,695,757</b>	<b>\$60,794,891</b>	<b>\$1,289,813</b>	<b>\$34,323,216</b>	<b>\$45,401,995</b>	<b>\$2,944,000</b>

The Replacement Cost of Property Asset Class per Asset Category by Condition is shown graphically in Figure 9.

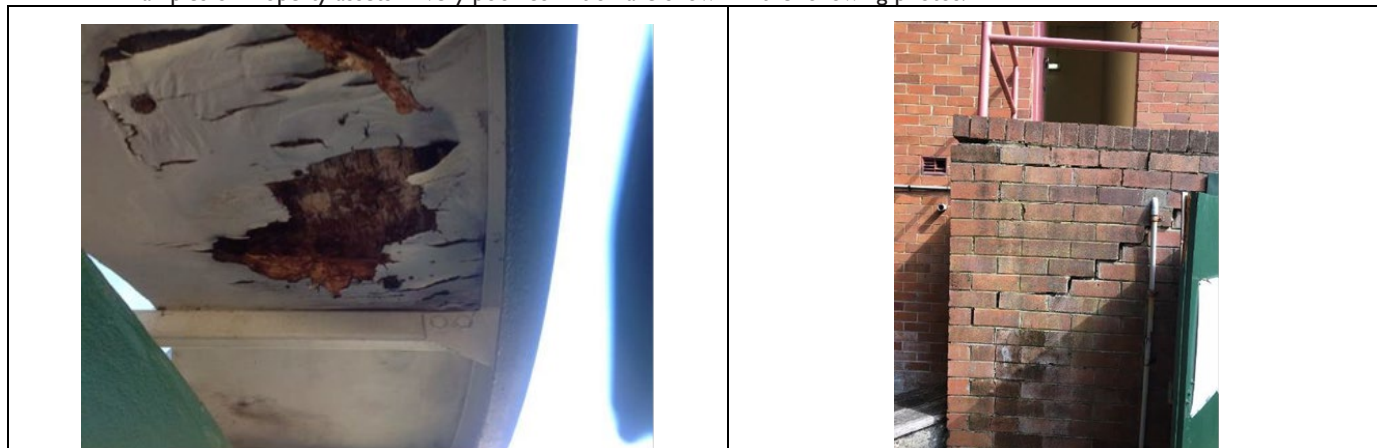
Figure 9: Replacement Cost of Property Asset Class per Asset Category by Condition (\$)'2024



Examples of Property assets in very good condition are shown in the following photos:



Examples of Property assets in very poor condition are shown in the following photos:



## Condition of Roads Assets

The Roads asset class includes the following asset categories: Bus Shelters, Kerb and Gutter, Road Pavements, Street Furniture, Traffic Facilities (Including Cycleways), Car Parks and Access Roads. The replacement costs for each condition are detailed in Table 9.

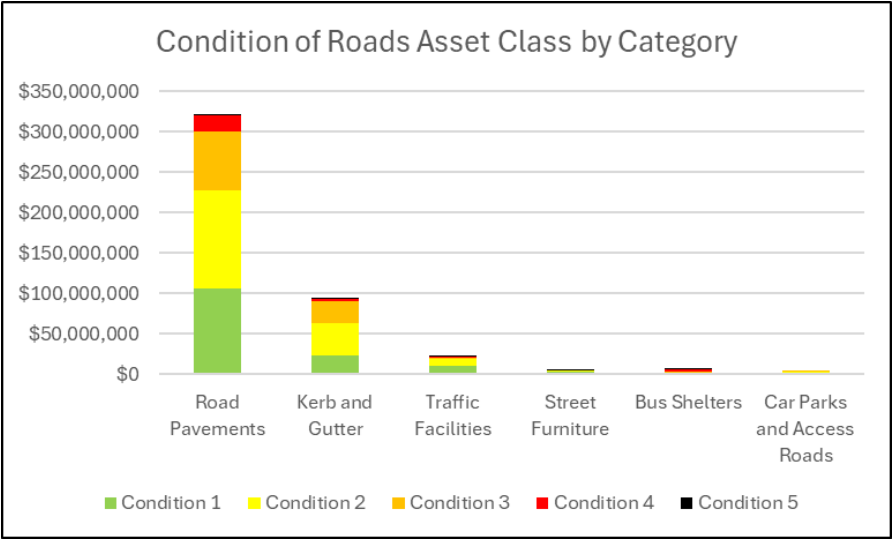
Table 9: Replacement Cost of Roads Asset Class per Asset Category by Condition (\$)2024

Condition of Roads Asset Class in Terms of Replacement Cost						
Condition	Road Pavements	Kerb and Gutter	Traffic Facilities	Street Furniture	Bus Shelters	Car Parks and Access Roads
1	\$105,804,786	\$22,704,429	\$10,190,706	\$2,396,237	\$1,305,387	\$2,070,342
2	\$121,288,242	\$40,390,623	\$8,887,524	\$1,606,852	\$732,020	\$1,093,106
3	\$73,883,408	\$26,813,382	\$1,639,750	\$648,532	\$1,756,850	\$567,327
4	\$18,804,721	\$2,948,098	\$320,291	\$67,892	\$1,683,646	\$0
5	\$1,375,239	\$506,252	\$25,870	\$9,065	\$366,010	\$0
<b>TOTAL</b>	<b>\$321,156,396</b>	<b>\$93,362,784</b>	<b>\$21,064,141</b>	<b>\$4,728,578</b>	<b>\$5,843,913</b>	<b>\$3,730,775</b>

The Replacement Cost of Roads Asset Class per Asset Category by Condition is shown graphically in Figure 10.



Figure 10: Replacement Cost of Roads Asset Class per Asset Category by Condition (\$2024)



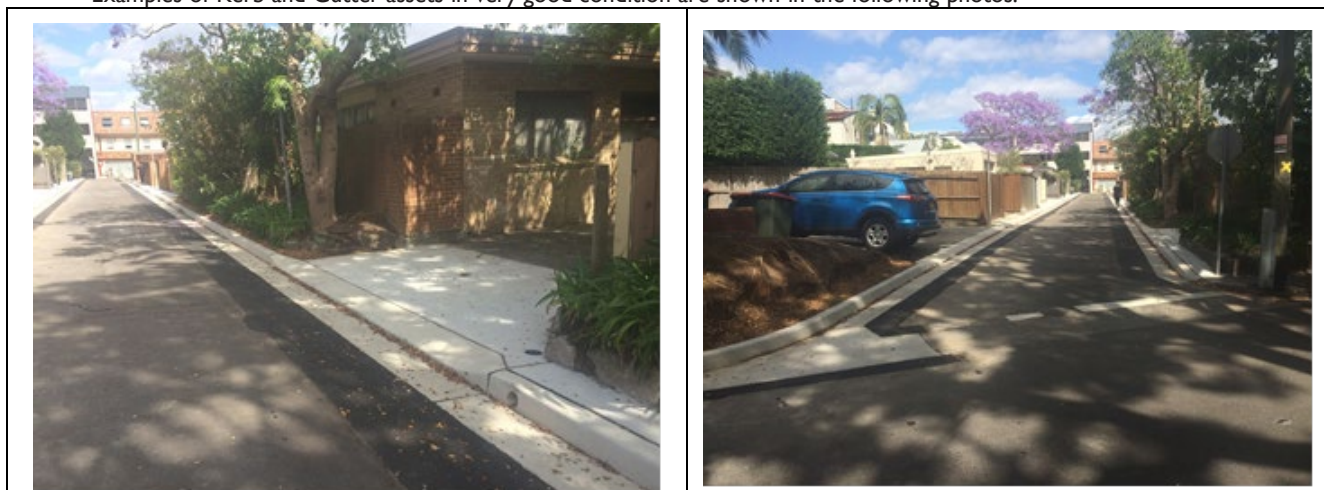
Examples of Road Pavements in very good condition are shown in the following photos:



Examples of Road Pavements in very poor condition are shown in the following photos:



Examples of Kerb and Gutter assets in very good condition are shown in the following photos:





Examples of Kerb and Gutter assets in very poor condition are shown in the following photos:



Examples of Street Furniture assets in very good condition are shown in the following photos:



Examples of Street Furniture assets in very poor condition are shown in the following photos:





## Condition of Stormwater Drainage Assets

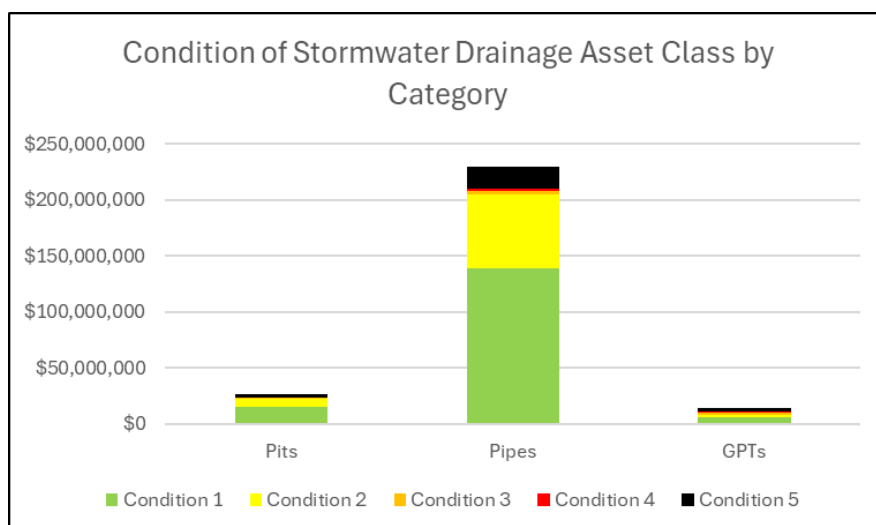
The Stormwater Drainage asset class includes the following asset categories: Pipes, Pits, Gross Pollutant Traps. The replacement costs for each condition are detailed in Table 10.

Table 10: Replacement Cost of Stormwater Drainage Asset Class per Asset Category by Condition (\$)2024

Condition of Stormwater Drainage Asset Class in Terms of Replacement Cost			
Condition	Pits	Pipes	GPTs
1	\$14,777,004	\$138,998,009	\$5,656,186
2	\$7,711,106	\$65,610,972	\$2,697,166
3	\$417,057	\$3,022,231	\$1,420,827
4	\$494,678	\$2,452,635	\$1,620,128
5	\$3,250,610	\$19,366,893	\$2,955,320
<b>TOTAL</b>	<b>\$26,650,455</b>	<b>\$229,450,740</b>	<b>\$14,349,627</b>

The Replacement Cost of Stormwater Drainage Asset Class per Asset Category by Condition is shown graphically in Figure 11.

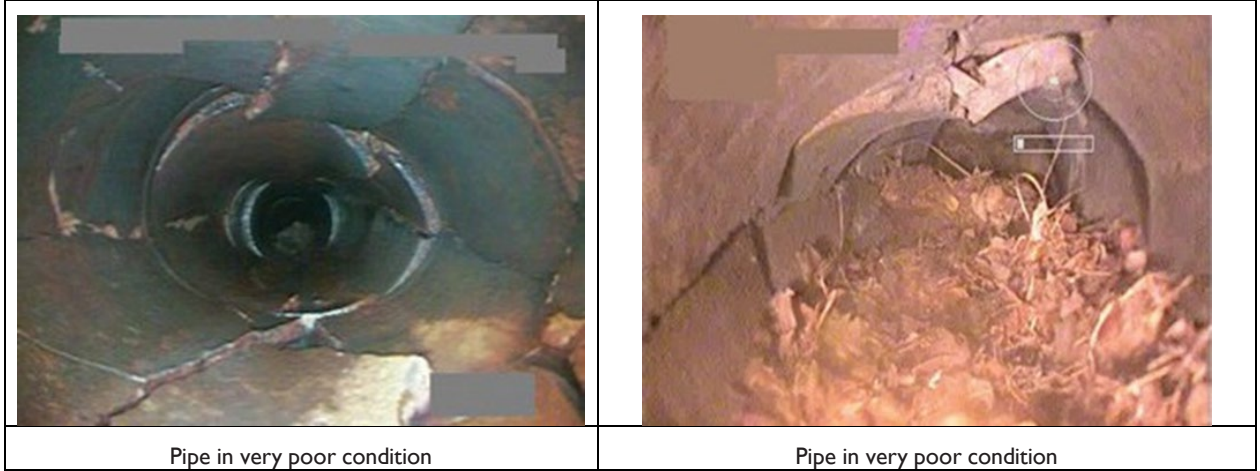
Figure 11: Replacement Cost of Stormwater Drainage Asset Class per Asset Category by Condition (\$)2024



Examples of Stormwater Drainage assets in very good condition (newly installed pipes and GPT) are shown in the following photos:



Examples of Stormwater Drainage assets in very poor condition are shown in the following photos:



	
Flooding issue	Flooding issue
	
Flooding issue	Sink hole in road near defective pipe



## Condition of Swimming Pool Assets

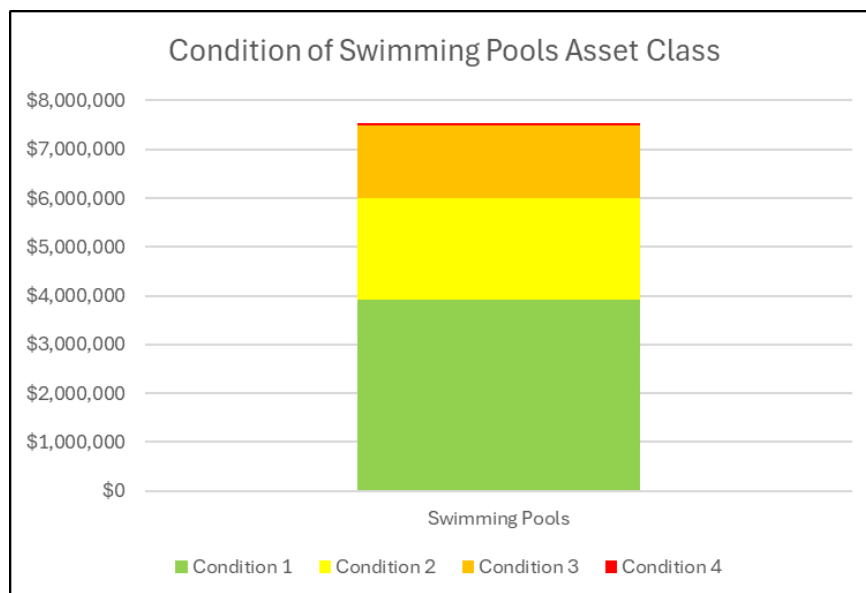
The Swimming Pool asset class includes the following assets: North Sydney Olympic Pool. The replacement costs for each condition are detailed in Table 11.

Table 11: Replacement Cost of Swimming Pool Asset Class by Condition (\$)2024

Condition of Swimming Pool Asset Class in Terms of Replacement Cost	
Condition	Swimming Pools
1	\$3,924,414
2	\$2,067,864
3	\$1,494,296
4	\$60,376
5	\$0
<b>TOTAL</b>	<b>\$7,546,950</b>

The Replacement Cost of Swimming Pool Asset Class by Condition is shown graphically in Figure 12.

Figure 12: Replacement Cost of Swimming Pool Asset Class by Condition (\$)2024



Note: As at 30 June 2024 the North Sydney Olympic Pool redevelopment was not complete, and the development is still currently ongoing. Figures subject to change upon completion.

# PLANNING ASSUMPTIONS

Council recognises its stewardship role in appropriately managing the assets that have been provided by past and current generations. It also aims to fulfil its obligation in ensuring a sustainable level of infrastructure for future generations. The key challenges relating to managing an optimum level of infrastructure assets and delivering services are as follows:

- new residents and managing population increase and demographic changes
- retaining and continuing to attract business, industry and tourism to the area
- funding asset renewal requirements relating to ageing assets in a sustainable manner and ensuring that required levels of service continue to be delivered

## Funding Requirements

Individual Asset Management Plans for the various asset categories include ten-year future funding predictions with capital renewal requirements. These ten-year funding programs are fed into Council's Long-Term Financial Plan, which drives the annual Budget.

The funding requirements for maintaining infrastructure assets are dependant on the expected level of service.

- A 'satisfactory' level of service refers to infrastructure that continues to function but requires maintenance to sustain its operational capacity. If maintenance is insufficient, infrastructure in this category will deteriorate further, leading to service disruptions and potential public safety risks.
- A 'good' level of service is defined as infrastructure that operates effectively with only minor maintenance required.

Table 12 below shows that:

- the current cost to bring all of Council's infrastructure assets to a 'satisfactory' standard is \$146.8m. This amount includes the cost to replace existing infrastructure currently in either poor or very poor condition (condition 4 or 5). This represents 9.3% of the total infrastructure network in terms of replacement cost.
- the total current annual depreciation expense for infrastructure assets is approximately \$24m or 1.5% of the total replacement cost of Council's Infrastructure assets.
- the long-term cost to bring all Council's infrastructure assets to a 'satisfactory' standard as well as maintain the current standard is \$386.8m over ten years, or an average annual cost of \$38.7m. This includes the total depreciation expense over ten years (maintaining the existing standard) and assumes that all condition 4 and 5 assets will be replaced over the next ten years (bringing all assets to a 'satisfactory' level of service).

Whilst a 'satisfactory' level of service has been used as the general standard to ensure the effective management of Council's infrastructure assets, the preferred level of service for property (Buildings) assets is 'good' to improve operational effectiveness. Currently, 62.32% of building assets are below a 'good' level of service, which has led to a range of service delivery issues, including: low utilisation rates; periods of closure for reactive maintenance; increased frequency and cost of ongoing reactive maintenance; and public safety risks.

An additional column has been included in Table 12 to show what the cost would be to bring all of Council's infrastructure assets (including property/ buildings assets) to a 'good' level of service.

Table 12: Long-Term Infrastructure Funding Required (\$)'2024

Asset Class / Category	Cost to bring assets to 'satisfactory' condition (4 + 5)	Total replacement cost	Depreciation expense (2024)	Funding required over ten years (depreciation x 10 + condition 4 + 5)	Average annual funding required (2024)	Cost to bring assets to 'good' condition (3+ 4 + 5)
Footpaths	\$9,203,919	\$155,038,554	\$3,903,505	\$48,238,971	\$4,823,897	\$44,183,440
Open Space and Recreation Assets	\$903,898	\$40,209,304	\$1,608,679	\$16,990,684	\$1,699,068	\$10,888,406
Other Infrastructure / Fences	\$676,740	\$35,222,780	\$848,952	\$9,166,256	\$916,626	\$16,028,494
Other Infrastructure / Lighting	\$4,452,413	\$22,943,070	\$716,983	\$11,622,246	\$1,162,225	\$8,526,155
Other Infrastructure / Marine Structures	\$184,001	\$32,160,622	\$408,304	\$4,267,046	\$426,705	\$2,095,785
Other Infrastructure / Retaining Walls	\$3,956,730	\$95,950,616	\$1,059,706	\$14,553,785	\$1,455,379	\$29,290,876
Other Infrastructure / Seawalls	\$1,731,380	\$117,639,337	\$1,059,698	\$12,328,361	\$1,232,836	\$65,219,894
Other Structures	\$0	\$1,146,200	\$13,494	\$134,943	\$13,494	\$0
Properties / Amenity Buildings	\$1,184,951	\$7,695,757	\$136,668	\$2,551,633	\$255,163	\$2,505,291
Properties / Coal Loader	\$0	\$60,794,891	\$350,824	\$3,508,238	\$350,824	\$0
Properties / Community Housing	\$12,234	\$34,323,216	\$870,699	\$8,719,228	\$871,923	\$2,853,015
Properties / Heritage Buildings	\$500,000	\$2,944,000	\$0	\$500,000	\$50,000	\$2,944,000
Properties / Investment Properties	\$5,300,000	\$45,401,995	\$0	\$5,300,000	\$530,000	\$44,552,000
Properties / Operational	\$62,381,286	\$194,565,209	\$3,685,636	\$99,237,647	\$9,923,765	\$162,338,720
Properties / Quarantine Depot	\$0	\$1,289,813	\$4,756	\$47,556	\$4,756	\$1,076,971
Roads / Bus Shelters	\$2,049,656	\$5,843,913	\$110,481	\$3,154,470	\$315,447	\$3,806,506
Roads / Car Parks and Access Roads	\$0	\$3,730,775	\$53,994	\$539,942	\$53,994	\$567,327
Roads / Kerb and Gutter	\$3,454,350	\$93,362,784	\$1,331,873	\$16,773,082	\$1,677,308	\$30,267,732
Roads / Road Pavements - surface	\$9,766,649	\$64,641,232	\$2,231,215	\$32,078,800	\$3,207,880	\$27,330,477
Roads / Road Pavements - structure	\$10,413,311	\$234,463,491	\$2,599,225	\$36,405,559	\$3,640,556	\$66,732,891
Roads / Road Pavements - formation	\$0	\$22,051,673	\$0	\$0	\$0	\$0
Roads / Street Furniture	\$76,957	\$4,728,578	\$217,010	\$2,247,054	\$224,705	\$725,489
Roads / Traffic Facilities	\$346,161	\$21,064,141	\$303,549	\$3,381,647	\$338,165	\$1,985,911
Stormwater Drainage / GPTs	\$4,575,448	\$14,349,627	\$297,464	\$7,550,087	\$755,009	\$5,996,275
Stormwater Drainage / Pipes	\$21,819,528	\$229,450,740	\$1,778,479	\$39,604,319	\$3,960,432	\$24,841,759
Stormwater Drainage / Pits	\$3,745,288	\$26,650,455	\$332,711	\$7,072,400	\$707,240	\$4,162,345
Swimming Pools	\$60,376	\$7,546,950	\$74,559	\$805,963	\$80,596	\$1,554,672
<b>TOTAL</b>	<b>\$146,795,276</b>	<b>\$1,575,209,722</b>	<b>\$23,998,464</b>	<b>\$386,779,918</b>	<b>\$38,677,992</b>	<b>\$560,474,429</b>

## Notes:

- Source: Note CI-5 Annual Financial Statements for the year ended 30 June 2024.
- Figures are not adjusted for inflation.
- As at 30 June 2024 the North Sydney Olympic Pool redevelopment was not complete, and the development is still currently ongoing. Figures subject to change upon completion.



## Service Demand and Satisfaction

The key objective of asset management planning is to provide the required level of service for the community in accordance with the Community Strategic Plan and in the most cost-effective manner. Levels of service are key business drivers for asset planning.

Achieving and maintaining sustainability in local government requires consideration of services, their level of service, and associated costs and risks. The appropriate management of Council's infrastructure requires asset management estimates and accounting estimates that are realistic and support decision-making.

The linking of service levels and the cost of service delivery is an essential component of strategic asset management. It is essential that Council knows the true costs of service delivery, priorities placed by the community on infrastructure, the service levels the community desires, and what level they are willing to pay for.

Ultimately, setting service levels should be done in conjunction with the community. This enables Council to make informed decisions about the allocation of community resources in accordance with community priorities and willingness to pay.

Council periodically undertakes a Customer Satisfaction Survey to determine community attitudes towards its services and facilities. The survey is conducted on Council's behalf by an independent research company. The randomly selected representative sample consists of 400 residential and 200 business customers (both owners and renters). Full survey results are available on Council's website.

The Customer Satisfaction Survey provides Council with feedback about the appropriateness of each of its key services including some asset classes, and this information is used in the development of the Delivery Program and Asset Management Plans to ensure areas that are not meeting community expectation are reviewed and ultimately improved. It is clear from the most recent surveys that the North Sydney community expects the current level of service to be retained and is happy with what is currently being delivered.

Table 13 details 2023 resident and business satisfaction including comparison with the 2020 results.

**Table 13: Customer Satisfaction Survey Results\* – Asset Related Services**

Service/Function	Category	2023	2023 v 2020 (% difference)
Maintenance of parks, ovals and bushland areas	Residents	95%	4%
Recreation facilities	Residents	84%	2%
Appearance of local village centres	Residents	93%	15%
Look and feel of commercial areas and villages	Businesses	87%	13%
Appearance of public spaces in the North Sydney CBD	Residents	91%	18%
Maintenance of commercial areas	Residents	64%	-9%
Appearance of public spaces in the North Sydney CBD	Businesses	90%	20%
Maintenance of local roads and footpaths	Residents	82%	9%
	Businesses	84%	11%
Pedestrian and cycle paths	Residents	66%	14%
Community centres and facilities	Residents	96%	46%

\*Percentage of respondents who are at least somewhat satisfied with the services

Council should further develop these service levels in Asset Management Plans for each major asset class. This will improve the link between service levels and costs of service delivery. It will give a tool for community consultation and better inform decision-making on service levels and costs in setting budgets.

## IMPROVEMENT PLAN

A whole-of-organisation approach is essential for continuous asset management practices to continue to improve. Council's Asset Management Plans need to be based on accurate data and require detailed valuations to be done on a periodic basis. Accurate valuations in turn require detailed condition assessments of infrastructure assets. The following Improvement Plan summarises the areas for improvement within Asset Management Plans.

Asset	Last comprehensive valuation (Year)	Comprehensive valuation to be performed
<b>Land:</b>		
Operational Land	2022	Planned for 2025
Community Land	2023	No later than 2026
Crown Land	2023	No later than 2026
Depreciable Land Improvements	2022	No later than 2027
<b>Infrastructure:</b>		
Buildings – non-specialised	2023	No later than 2028
Buildings – specialised	2023	No later than 2028
Other Structures	2021	Schedule to be determined
Roads	2020	Planned for 2025
Footpaths	2020	Planned for 2025
Stormwater Drainage	2020	Planned for 2025
Swimming Pools	2018	Planned for 2025
<b>Other Assets:</b>		
Other Open Space and Recreation Assets	2020	Planned for 2025
Other Infrastructure	2023	No later than 2028
Heritage Collections	2021	Schedule to be determined

Further development of service levels is required to ensure that assets are meeting community needs. The quality, function, capacity and use of Council assets should be examined in detail and expanded through community engagement.

## RESOURCING

The sustainable management of assets is a 'whole of council' responsibility, recognised at all levels within the organisation. Council has undertaken a strategic level review of its asset management practices and systems to provide future direction and guidance for improving its asset management performance. Implementing these improvement actions will have strategic and corporate significance to Council.

Council's Asset Management Strategy is directly aligned with the vision and desired outcomes of the Community Strategic Plan and Delivery Program. Central to this is forecasting service delivery needs and the capacity to meet them on a short, medium and long-term basis.

The cost of implementing the Asset Management Strategy has been incorporated within Council's Delivery Program and Long-Term Financial Plan. However, it should be noted that this Strategy reflects Council's intentions at the time of publication. As with any plan or budget, the actual results may vary from that forecast.





## MONITORING AND EVALUATION

Council's Open Space and Infrastructure Division leads monitoring and reporting against the Asset Management Strategy, Asset Management Policy and Asset Management Plans. However, implementation requires cross-organisational collaboration.

Council must prepare its asset performance reports in accordance with statutory requirements and accounting standards.

Within five months after the end of each financial year, Council must prepare its Annual Report in respect to the implementation of its Operational Plan and Budget. This report includes:

- the assets acquired by Council during that year
- the assets held by Council at the end of that year, for each of Council's principal activities
- a report on the condition of the public assets under the control of Council as at the end of that year, together with an estimate (at current value) of the amount of money required to bring the works up to a satisfactory standard, an estimate (at current value) of the annual expense of maintaining the works at that standard, and Council's program of maintenance for that year in respect of the works

The results in Council's Annual Report on the condition of infrastructure assets (reported in Council's Financial Statements) are used to inform funding requirements for assets to ensure that the service levels provided by infrastructure assets are maintained in line with the performance indicators detailed in the Delivery Program. Council will also continually monitor and review the condition of its infrastructure assets, the levels of service these assets provide, and any funding gaps. This data will be then used to inform and update Asset Management Plans and the Asset Management Strategy.

