

# ASSET MANAGEMENT STRATEGY & POLICY

2021-2029





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# 1.

## INTRODUCTION

Hunter's Hill Council utilises asset management to make informed decisions about infrastructure assets and to deliver reliable and cost-effective services to the community.

The Asset Management Policy, Strategy (AMS) and Digital Asset Management Plan (DAMP) provide the framework within the Integrated Planning and Reporting suite of documents for Council to effectively manage its infrastructure resources. Council's infrastructure assets include:

- Roads
- Footpath
- Kerb and Gutter
- Open Spaces
- Stormwater Pipes
- Stormwater Pits
- Marine Structures
- Buildings

### Strategy Objectives

Council manages over \$163 million of infrastructure assets. The objective is to ensure the asset portfolio meets the service delivery needs of the community and is consistent with the Community Strategic Plan.

The purpose of this AMS is to ensure adequate provision is made for the long-term cost-effective management of Council's infrastructure assets by:

- Identifying all relevant legislative, regulatory and statutory requirements together with political, social, economic, and environmental requirements
- Establishing consistent Asset Management throughout Council
- Integrating asset management principles within existing planning, development and operational processes
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated
- Demonstrating transparent and responsible asset management processes that align with best practice
- Ensuring that Council's infrastructure is provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment

### Scope

This AMS and policy applies to all Council infrastructure assets and sets guidelines for implementing consistent asset management processes for a period of 10 years.

The Plan considers the financial implications of maintaining community assets and balancing this expenditure against the operational realities of other community priorities and regulatory requirements.



# 2.

## PLANS AND POLICIES

### Policy

The purpose of the policy is to provide a framework for managing Council's infrastructure assets sustainably to achieve the objectives of Council's Community Strategic Plan 2018-2028 through optimal life cycle, risk and performance management.

#### BACKGROUND

The Local Government Amendment (Planning and Reporting) Act 2009 requires Council to have a Community Strategic Plan that identifies the main objectives for the future of Hunters Hill over a period of 10 years. The plan is supported by a Resource Strategy that includes a Long-Term Financial Plan, Workforce Management Plan and Asset Management Framework. In addition, Council has included a Digital Resource Strategy given the critical role that information technology plays in the delivery of Council services.

#### GOALS AND OBJECTIVES

Council's goal in managing infrastructure assets is to provide equitable and appropriate services to the community that are cost effective, sustainable, safe and are of a quality consistent with the requirements of the Hunters Hill community.

The key objectives of the Asset Management Framework are:

- An integrated, accurate and consistent approach
- Cost-effective strategies for the long-term management of infrastructure
- Sustainable use of resources to deliver affordable services
- Risk management strategies to ensure Hunters Hill is a safe place to live, work and play

- Protect the natural environment through the integration of sustainable practices
- Provide a defined level of service to the community and monitor performance
- Continuously improve asset management practices
- Use the asset management data to make informed decisions

#### SCOPE

This Policy applies to Councillors, General Manager and Council Officers that have a role in managing infrastructure assets in the following classes:

- Buildings
- Kerb
- Marine structures
- Open space
- Paths
- Roads
- Stormwater pipes
- Stormwater pits

Councillors are responsible for adopting the Policy and ensuring that sufficient resources are available to manage the assets.

The General Manager is responsible for ensuring that an Asset Management Policy, Strategy and Plan are developed and reviewed.

Directors and Managers are responsible for implementing the Asset Management Strategy and Plan by ensuring that Officers are tasked with completing the actions outlined in the plans.



## Policy

The following statements underpin the strategic goals of the Policy:

- Council will implement the Asset Management Plan and actions to support informed decision making on assets and to identify future funding needs.
  - The Asset Management Plan will be maintained for 10 years and data updated every year.
  - The Plan will consider the sustainability of delivering infrastructure assets to protect the needs of future generations.
  - The Plan will balance risk, cost and performance with community expectation.
  - Council will endeavour to ensure that assets are planned, created, operated, maintained, renewed and disposed of in accordance with the Asset Management Plan and Community Strategic Plan objectives.
  - Every 5 Years condition inspections, data collection, valuations and performance and risk monitoring will be carried out to ensure the effectiveness of the Asset Management Plan.
  - All relevant legislation, political, social, environmental and economic considerations will be considered in managing assets.
  - Council will promote staff training and seek expert advice where necessary so as to maintain a high standard of asset management practices.
- Community Strategic Plan 2018-2028
  - Boronia Park Plan of Management (POM) 2020
  - Communication and Engagement Strategy 2020
  - Regional Disability Inclusion Action Plan Hunter's Hill, Lane Cove and Ryde Councils
  - Gladesville Town Centre Pedestrian Access and Mobility Plan PAMP 2014
  - Gladesville Reserve and Betts Park POM 2004
  - Hunters Hill Council Bike Plan 2020
  - Hunters Hill Local Environmental Plan 2009
  - Hunters Hill Village Pedestrian Access and Mobility Plan PAMP 2014
  - Long Term Financial Plan
  - Asset Management Policy
  - Digital Asset Management Plans:
    - Roads
    - Footpath
    - Kerb and gutter
    - Stormwater pipes
    - Stormwater pits
    - Buildings
    - Open Space
    - Marine.

## Associated Council Documents

# 3.

## CURRENT POSITION

A summary of assets condition as at 30 June 2020 is set out in Table 1.

A very small percentage of the total assets 0.48% are in unsatisfactory condition due to the implementation of strategic operational, maintenance and capital works.

Council has also taken a number of steps in improving asset management practices and systems which include:

- Adoption of the asset management system, Assetic
- Transition from asset registers stored on spreadsheets to an online Asset Register
- Improvements to GIS asset data and implementing one system, Spectrum Spatial
- Introduction of a 5 Yearly data validation program
- Standardisation of maintenance and inspection practices
- Implementation of scheduled maintenance and operational activities
- Update of asset values and useful lives

### Asset Conditions

Condition	Replacement Value	Assets in condition as a percentage of total value
0	As good as New	1.22%
1	Very Good	10.48%
2	Good	24.50%
3	Fair	58.86%
4	Poor	4.46%
5	Very Poor	0.48%
6	End of Life	0%

# 4.

## ASSET MANAGEMENT PLANNING

Council's infrastructure assets exist primarily to provide services to the community.

The objective in managing assets is to meet the agreed level of service in the most cost-effective manner for the benefit of present and future members of the Hunters Hill community.

To support the achievement of this, Council has developed a Digital Asset Management Plan (DAMP) for each asset class.

The key elements of the DAMP are:

- Taking a life cycle approach to managing assets
- Developing cost-effective management strategies
- Providing performance monitoring processes
- Understanding and meeting the demands of growth, legislative change, statutory requirements and infrastructure investment
- Managing risks associated with asset failures
- Providing long term financial projections for asset sustainability
- Continuing to improve asset management processes and practices

The DAMP has been prepared in accordance with the relevant industry standards and guidance from Council's vision, goals and objectives.

The DAMP includes provision for capital and maintenance works and the principles used to prioritise work on assets. It provides a long-term planning framework, including expenditure forecasts, which will assist Council in making informed decisions on maintenance programs and capital projects.

The DAMP includes:

- Future demand – the impact on future service delivery and the resources required
- Asset data status – Network measure, network value and its most recent assessed condition
- Life cycle management – service level analysis, funding distribution, asset life cycle and service level comparison
- Prioritised capital and maintenance works
- Financial net strategy analysis – what funds are required to provide the agreed service levels

The data that informs the Plan includes:

- Asset register data on location, extent, size, age, value, condition and remaining life of the asset network
- Unit rates for categories of assets, materials and works
- Performance relative to adopted service levels
- Projections of factors affecting future demand for services
- Lifecycle analysis data

This information links to and impacts on Council's Long Term Financial Plan, annual Operational Plan (budget and works program) and department work plans.

The following information on each asset class is based on Scenario 2 where the income from existing special variations continues permanently (which would require IPART approval), and is directed to asset renewal in accordance with DAMP recommendations.



## Stormwater Drainage AMP

Stormwater pipes and pits are considered as two separate asset classes in the DAMP. There are approximately 26 kilometres of Council managed stormwater pipes, culverts and open drains in the Hunters Hill Municipality. Council also manages 1,233 stormwater assets including stormwater quality improvement devices, junction and kerb inlet pits, manholes and headwalls.

Hunters' Hill stormwater system is designed to safely convey rainwater falling within the catchment to the harbour and minimise flooding on public and private property. Water quality devices have been constructed with the objective of improving the quality of the storm water runoff into Parramatta River.

Issues	Program
Only 20% of assets underground have been inspected	CCTV investigations of critical pipes and pits. Target of 10% of the network per year
Parts of the stormwater network are under capacity	Identify by investigation and update as need arises
Gross Pollutant Traps may not be achieving maximum results with only one clean per year	Monitor and implement more cleans as necessary. Budget would need to be revised
Other utility services (gas, electricity, communications) being installed across and through stormwater assets	Identify locations. Develop approach with service providers

## Financials

The budgeted expenditure for the stormwater program consists of maintenance and renewal works.

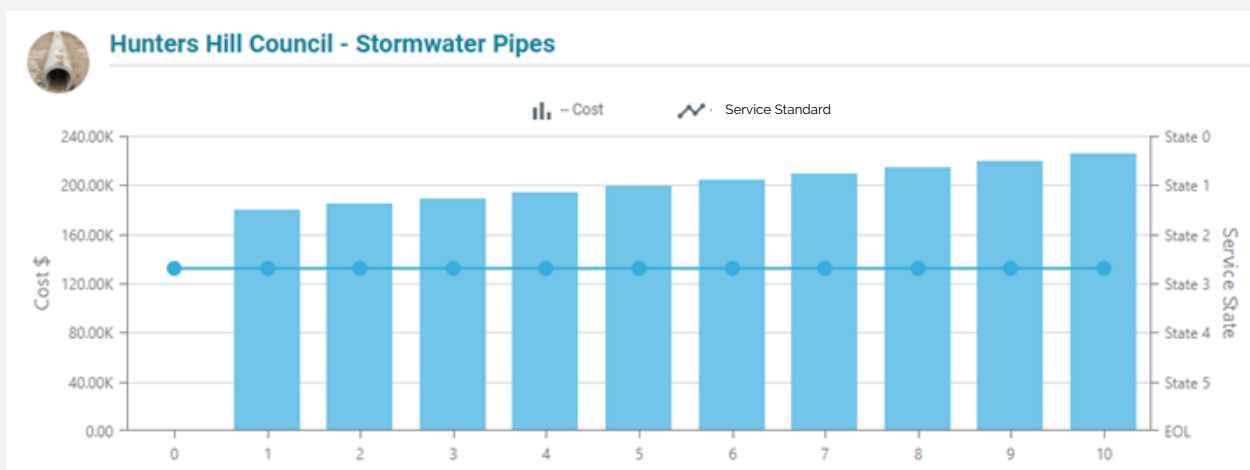


Figure 2 - Total Stormwater Expenditure and Service State

# Buildings AMP

Council manages 48 buildings and facilities. These assets are operated and maintained in partnership with specialist contractors to ensure community services levels are met.

Table 3 – Current Issues and Projected Action Program

Issues	Program
Lack of preventative maintenance	Identify current services and implement a preventative maintenance program allowing for a 60/40 split. 60% Planned, 40% Reactive.
Legislative compliance	Implement inspections for data gathering on council assets to identify non compliance relating to EPA, BCA and WHS
Improvement to accessibility to community facilities and public amenities	Improve access to community facilities and public amenities within open spaces when buildings are being upgraded.
Security and access	Allow for security and access to be included within building upgrades. This would include, all locks to be on a key registered system and alternative access for hire venues via a Security/access system

## Financials

The funding for the projected action program is part of the overall budget expenditure which consists of maintenance and capital works.

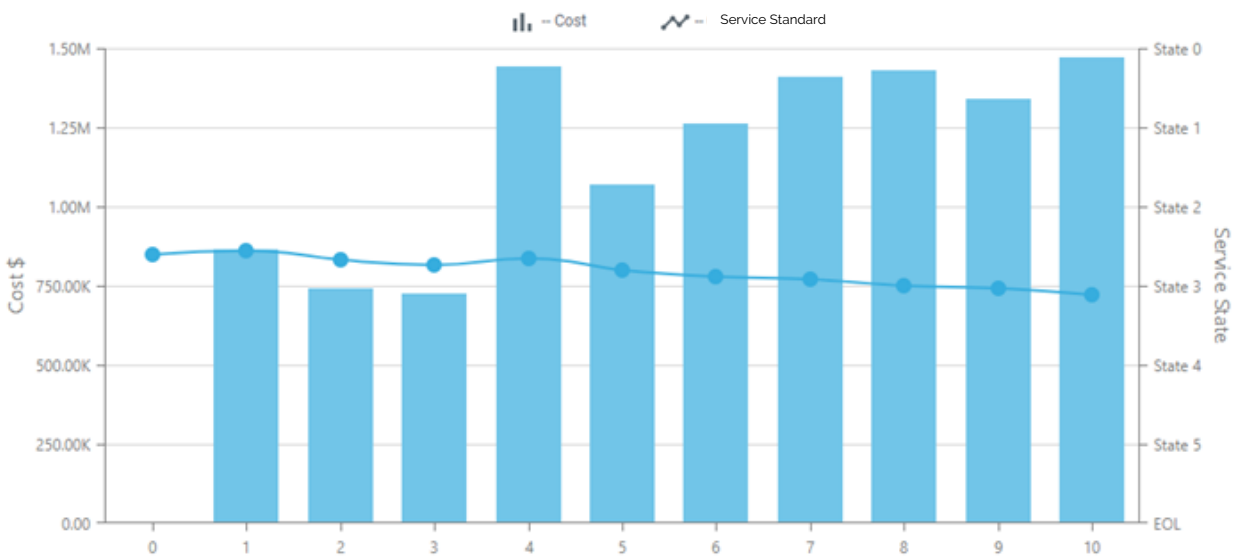


Figure 3 – Buildings Expenditure and Service State

# Roads AMP

There are approximately 51.78 kilometers of Council managed roads. Road assets cover road pavements, line marking, signs and physical traffic devices. These assets are designed to support efficient and safe travel in the area for vehicles, pedestrians and cyclists.

Table 4 - Current Issues and Projected Action Program

Issues	Program
Road deterioration such as potholes, cracks and poor workmanship by utilities	Review maintenance program and update on yearly basis
Insufficient street sweeping	Revise budget to allow for more regular cleaning
Engineered pavement analysis	Include engineering pavement report analysis when doing condition rating

## Financials

The budgeted expenditure for the roads program consists of maintenance and capital works

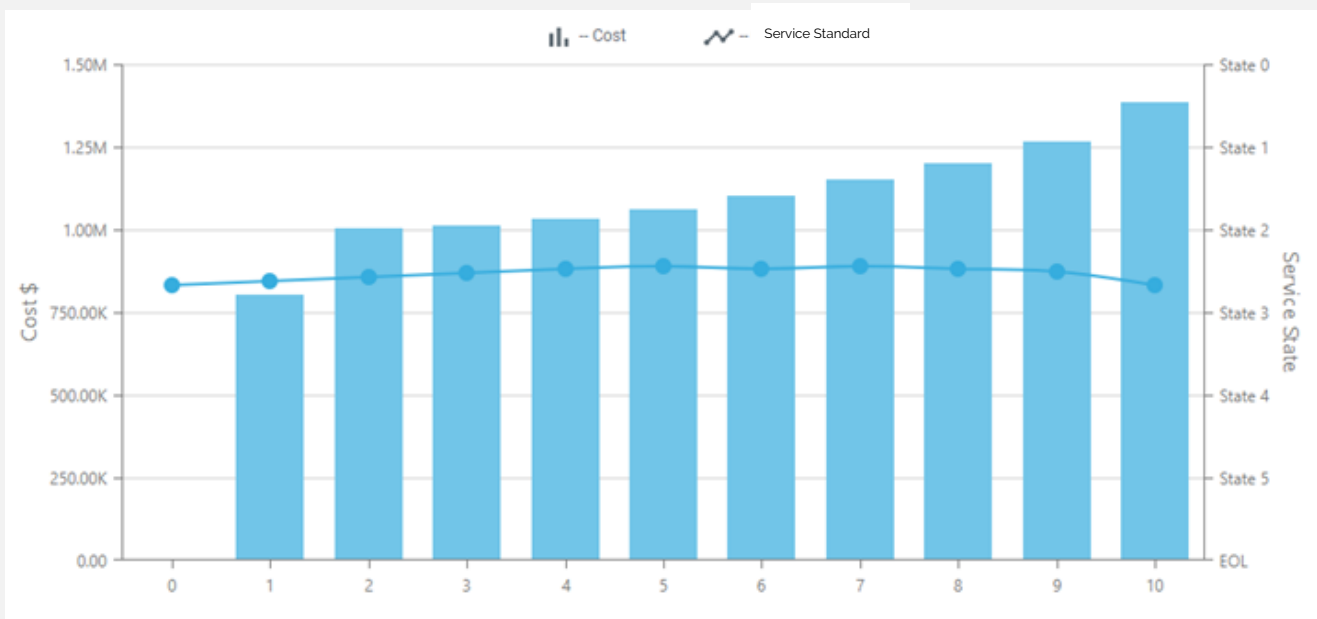


Figure 4 - Roads Expenditure and Service State

# Kerb and Gutter AMP

There is approximately 106 kilometers of Council managed kerb and gutter. Kerb and gutter assets are either sandstone or concrete. These assets are designed to support efficient and safe flow of stormwater drainage.

Table 5- Current Issues and Projected Action Program

Issues	Program
Reinstate Sandstone Kerb and Gutter	Revise renewal program to ensure sandstone kerb and gutter is maintained/reinstated with sandstone not concrete.
Out dated sandstone kerb and gutter register	Review and update sandstone kerb register

## Financials

The budgeted expenditure for the Kerb and Gutter program consists of maintenance and capital works.

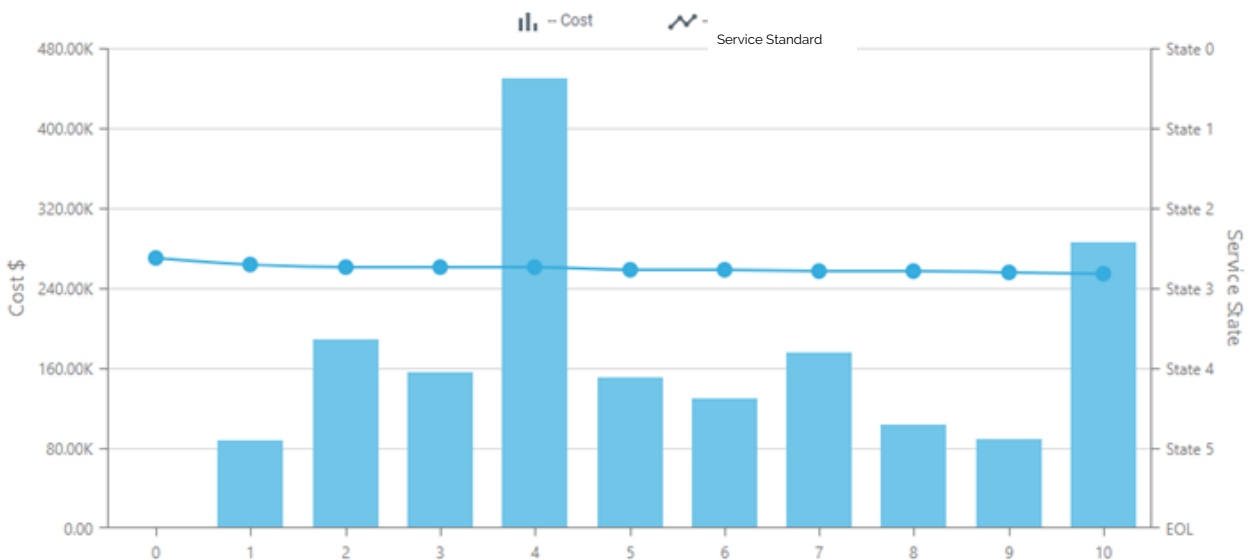


Figure 5- Kerb and Gutter Expenditure and Service State

# Footpath AMP

There is approximately 77 kilometers of Council managed footpath. Footpath assets are either concrete or asphalt. These assets are designed to support efficient and safe travel in the area for, pedestrians and cyclists.

Table 6- Current Issues and Projected Action Program

Issues	Program
Pram ramps missing around LG	Review and audit existing pram ramps and plan for future capital program where missing.
Tree root lifting/damaging footpath segments	Develop a procedure for tree root damaging footpath and revise budget.
Footpath maintenance program	Review and update footpath maintenance program as outlined in the DAMP.

## Financials

The budgeted expenditure for the roads program consists of maintenance and capital works.

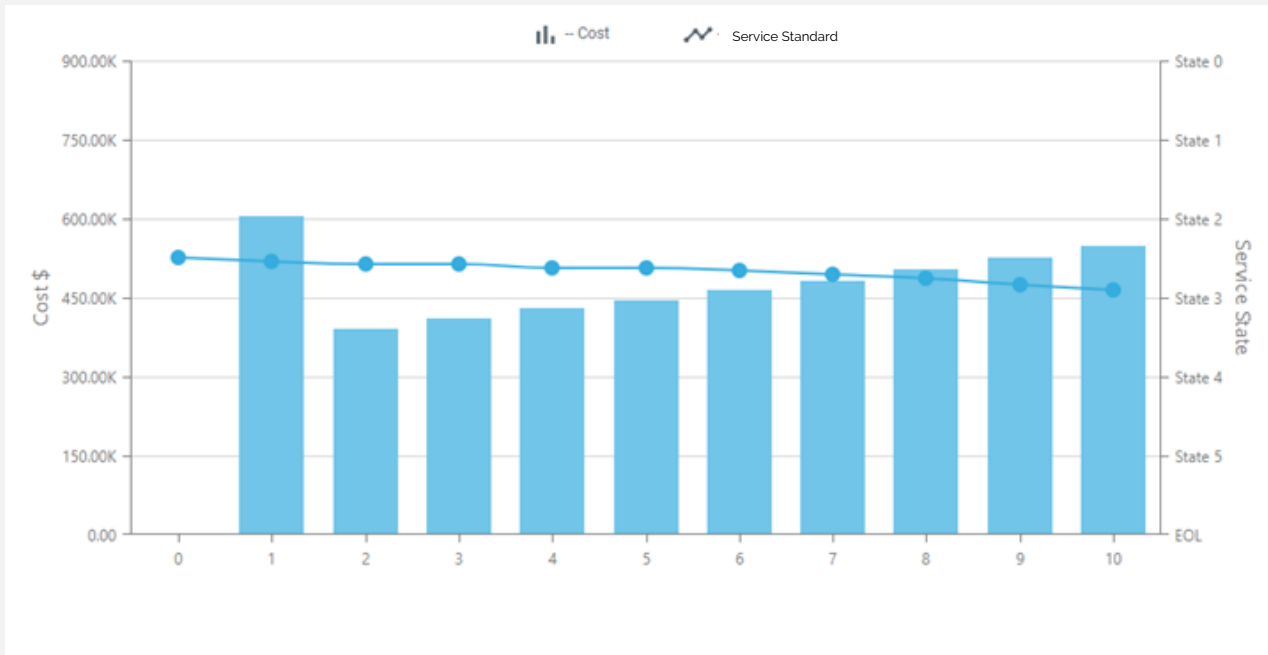


Figure 6- Footpath Expenditure and Service State

# Open Space AMP

Council maintains 10 Playgrounds, and 10 Sports fields.

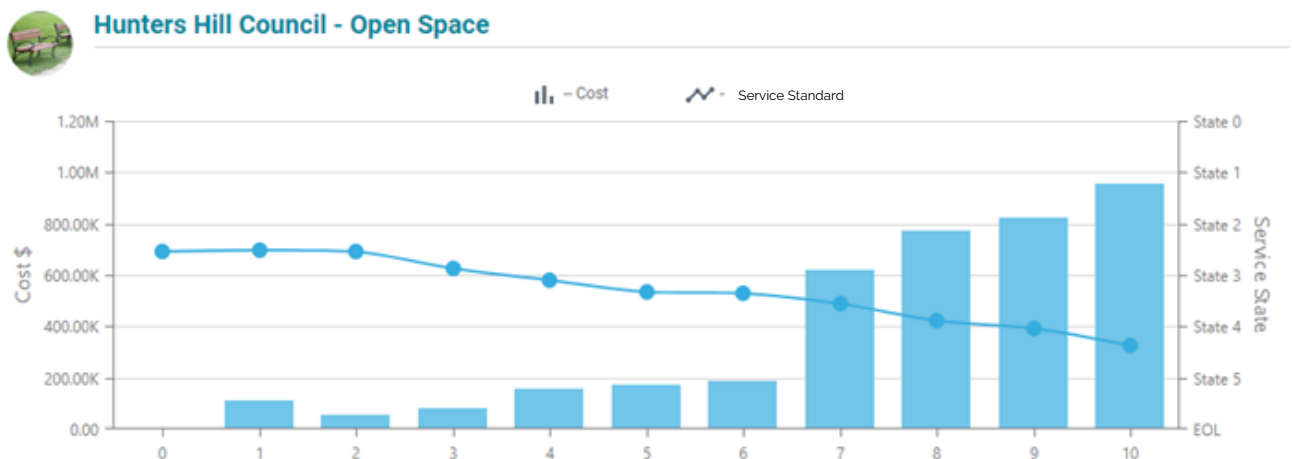
These assets provide a range of passive and active recreation opportunities for the community. While traditionally it has been difficult to put a value on parks and open space assets, increasing demands on these facilities is making the community more aware of their worth.

Table 6- Current Issues and Projected Action Program

Issues	Program
A number of playgrounds require new equipment or upgrades to cater for accessibility	Revise and include these upgrades in the 10 year open space capital works program.
Sports field require various upgrades such as irrigation, drainage and flood light installation	List these renewals and upgrades and include them in the 10 year open space capital works program.
Conversion of park lights to LED	Identify these locations and arrange for the upgrade to LED lighting when funding allows.

## Financials

The funding for the projected action program is part of the overall budget expenditure which consists of maintenance and capital works.



Open Space Expenditure and Service State

# Marine Structures AMP

There is approximately \$3.26 million in marine structures which includes 4 jetties, 2 public baths and seawalls.

Table 7- Current Issues and Projected Action Program

Issues	Program
Reduction of the structural capacity of timber piles due to marine borer attacks	Use of new treatment techniques and sourcing materials not susceptible to marine borer attack.
Timber raker piles causing abrasive wear to the shark nets	When due for renewal, replace with HDPE sleeved steel piles.
Damage to shark nets due to other marine forces	Check and maintain the shark nets in accordance with the Marine AMP.

## Financials

The funding for the projected action program is part of the overall budget expenditure. The budgeted expenditure consists of maintenance and capital works.

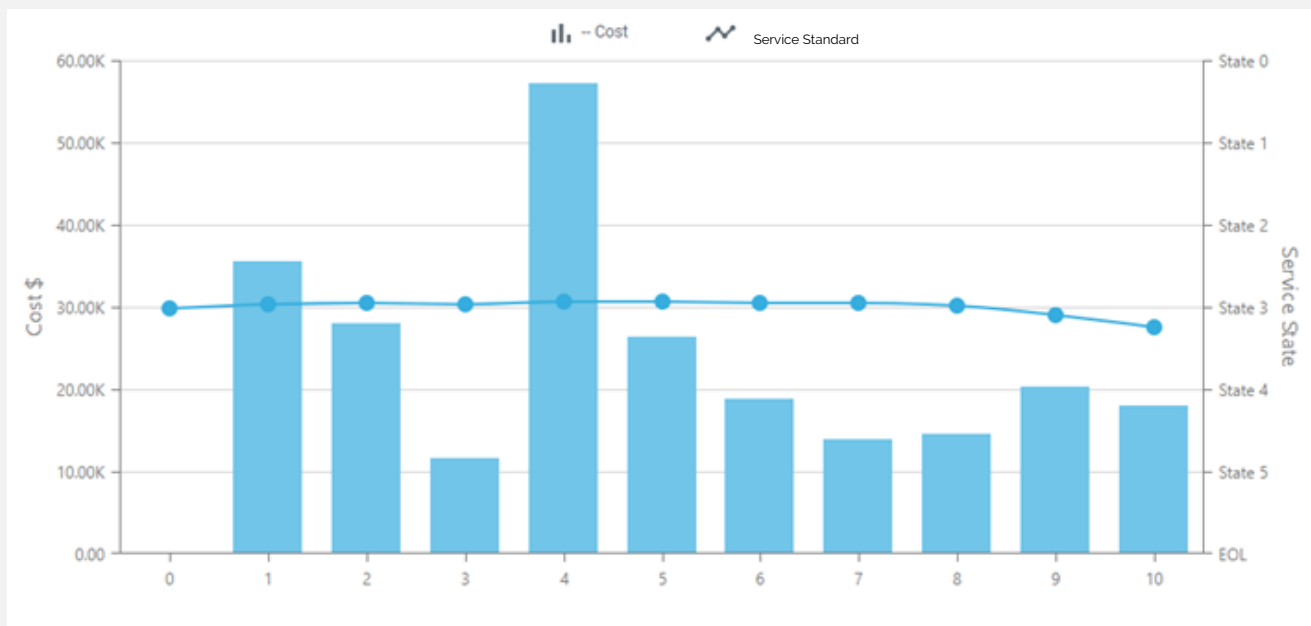


Figure 7 - Marine Expenditure and Service State

# 5.

## ASSET MANAGEMENT IMPLEMENTATION

### Prioritisation Criteria

The DAMP contains a 10-year works program which is developed to align with the priorities in the Community Strategic Plan as well as take into consideration asset condition, risks and resources available in each asset class.

There may be variation to the Works program as updated information becomes available, for example:

- Change in the condition of an asset warrants earlier renewal
- Grant funding applications are either successful or unsuccessful
- Additional funding is provided for a specific project (e.g. donation from an external organisation or an increase in budget allocation)
- Budget constraints mean that full funding for a project is not available and a project of lower priority and cost can be completed that financial year
- Larger projects may require more budget than initially estimated and other projects are deferred to compensate
- Upgrade of other surrounding assets near a capital works project will achieve cost efficiency, an example is stormwater assets within a major road reconstruction
- Safety concerns, increased risks or regulatory requirements
- Resolution by Council

### Procedures

Guidelines exist within a number of the asset categories which outline maintenance procedures based on risk analysis for corrective maintenance. This involves moving from reactive maintenance to programmed maintenance for more efficient and effective expenditure. These procedures can be expanded to all asset categories.

### Risk Management

Council's broad risk management approach is covered in the Strategic Risk Review and Risk Management Policy. The standard procedure includes the following:

- Risk context
- Risk identification
- Risk analysis
- Risks evaluation
- Risk treatment
- Monitoring and review

The implementation of an effective asset management strategy is integral in assisting Council to manage the risks and liabilities of infrastructure assets.

The DAMP covers a number of risk management procedures including:

- Routine maintenance regimes
- Prioritisation of maintenance and capital works to support the delivery of Council services
- Long term asset renewal program and required funding estimates
- High quality data on the useful life and condition of assets





The DAMP also covers the major risks and their treatments.  
 The major risks for infrastructure assets are set out below:

Table 8- Risk and Treatment Plan

Description of Risk	Previous Risk Rating	Risk Planning	Risk Treatment	New Risk Rating
General Defect	Medium	Inspections and routine maintenance	Replace aged and/or damaged infrastructure as a part of routine maintenance.	Low
Hazards & emergency	High	Regular monitoring and emergency procedures	Road closure or set up exclusion zone if necessary. Clear communication through signage. Assistance from Emergency Services, Rangers and SES.	Medium
Failure of critical assets	High	Identify alternatives available such as buildings, road detours or temporarily discontinuing the service	Review alternative facilities to continue operations.	Medium
Construction risks	Medium	CTMP, barriers, insurance and WHS site plan	Review traffic plan and construction management plans. Prior to construction, contractor insurances are to be submitted. Check on site to ensure construction works are carried out in a safe manner.	Low
WHS and environmental protection	Medium	Appointment of suitable contractor, clear contract conditions	Selection of contractors will entail their compliance with WHS and Environmental requirements. Regular audits will be undertaken to ensure work is compliant with WHS and Environmental standards.	Low

## Information Systems

Council uses a cloud base system for its asset register called Assetic to effectively store all detailed information on its assets. The Assetic system integrates with the spatial Geographic Information System (GIS) component containing the spatial data of the assets within Spectrum.

Council's information systems are integral in the management and monitoring of assets and allows Council to:

- Document asset attributes, conditions and values
- Assign works via the works requests system and record the expenditure
- Fulfil the requirement to report regularly to the community and other government authorities about Council's asset management programs and asset information
- Continuously develop the process, knowledge and support information systems as the feedback process progresses

Desired uses of the system include:

- Projecting forward capital and recurrent expenditure
- Understanding the risk levels associated with the assets
- Undertaking predictive modelling to optimise the decision making process
- Developing preferred treatment options for assets requiring expenditure
- Weighing up asset maintenance with renewal to decide the most cost-effective approach

Assetic contains the asset register including dimensions, unit rates, useful lives and condition ratings for all assets and is used to issue work orders.



# 6.

## ASSET MANAGEMENT REVIEW

### Asset Management Improvement Planning

The asset management improvement program enhances the processes, systems and data that support the AMP by:

- Identifying the corporate need for asset management planning
- Assessing the current status of asset management practices
- Identifying gaps between current practices and business needs
- Developing an optimised program for asset management improvements, considering risks, costs and availability of resources
- Monitoring and reviewing the effectiveness of AM planning activities

### Review Approach

The AMS will be reviewed every 5 years to ensure that it meets the requirements of legislation and Council. Reviews will consider factors such as external changes in asset management practice, industry standards, new technology, legislation changes, variation in available resources and community demand. Reviews may be conducted earlier if required due to major changes in these factors.

Updates to the data in the AMP will be updated at least annually.

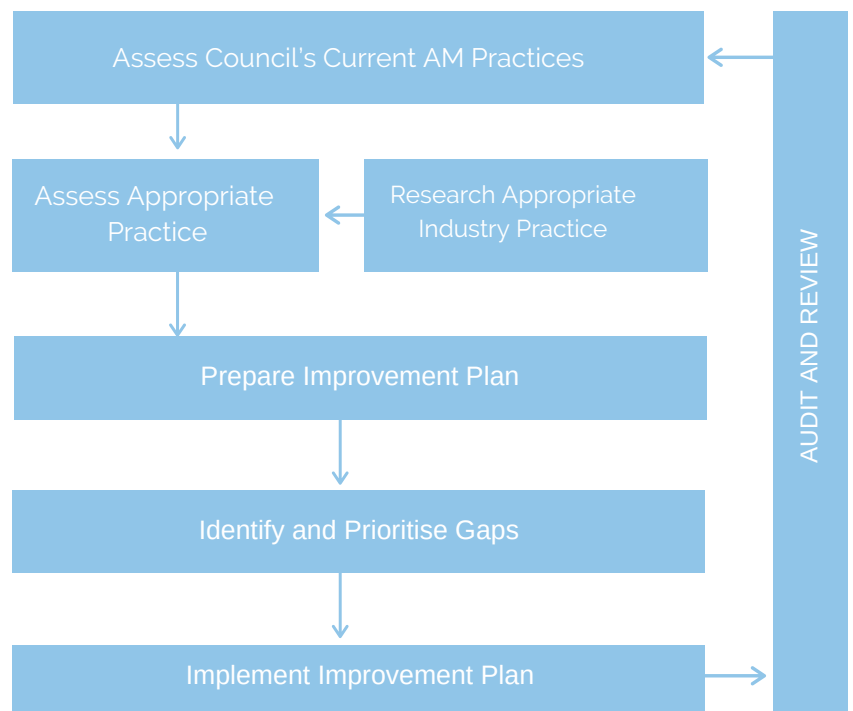


Figure 8– Asset Management Improvement Program Process (adopted from International Infrastructure Management Manual, 2006)

### Asset Management Resources

The Manager Assets and Design is responsible for managing the portfolio of assets and updates through the Asset register and Spectrum. The task requires specialised skills and the support of internal and external staff.

Condition inspections are carried out by internal staff that manage the assets or external contractors when budget is available. The ability to understand the full life cycle of an asset is important when undertaking inspections to be able to calculate the remaining life of the asset.

Table 9- Asset Management Resource Issues and Improvement Projects

Issues	Program
The level of resources available to support asset management practise including funding for external consultants	Review resource requirements to implement DAMP.
Review capacity to inspect assets as required in the DAMP	Review work schedules of internal staff or allocate budget for external consultants.
Internal knowledge of assessing asset remaining useful may be limited	Train staff to understand life cycle of assets and be able to determine in how many years before an asset will no longer be able to provide service.

## Asset Revaluations

Asset registers will be revalued when there is a material change in the fair value. This typically occurs every 5 years. Revaluations are generally conducted by external consultants.

## Asset Funding Strategy

Council will be outlining four funding scenarios with the community in 2021/22. Each scenario provides for a differing result in relation to service and condition of assets. In each scenario the DAMP provides for sufficient allocation of funding to meet the minimum requirements over the next 10 years. Unforeseen circumstances can alter the funding and resources available for assets. If this occurs the following additional resources and actions may be necessary:

- Use of emergency funds
- Rate variations
- Grants
- Infrastructure levies
- Loans
- Reducing the level of service (may increase risk in some asset categories)

## Backlog Ratio

The backlog ratio is calculated by measuring the replacement value of assets in an unsatisfactory condition against the depreciated value of all assets. As unsatisfactory assets are renewed each year, the backlog of assets decreases, however there may also be other assets that decline to an unsatisfactory condition.

Therefore, the amount spent needs to offset not just those unsatisfactory assets but also assets that are deteriorating.

Each scenario modelled in the DAMP has a different impact on the backlog, from an increase in backlog through to elimination of the backlog at the end of the 10 year plan.

## Asset Management Strategy Summary

Council has a significant and varied asset portfolio which requires strategic direction to assist in its management and provide services to the community. The AMS acts as the essential link between Councils policy direction and more detailed asset management planning and delivery. It highlights major issues, which need to be addressed for each of the asset classes in order for Council to achieve best practice asset management that is appropriate for Hunters Hill.

Council's assets and asset management practices are currently in good standing and it is expected that this will continue with the adoption of the AMS and DAMP. To improve asset management, Council will provide the necessary resources and undertake the programs recommended in this AMS and will continue to monitor and update it regularly to ensure its currency and consistency with Council's policy directions.



Hunter's Hill Council  
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[huntershill.nsw.gov.au](http://huntershill.nsw.gov.au)