Strategic Resource Document 2022-2032

CANTERBURY BANKSTOWN

SUPPORTING PLAN

Asset Management Strategy 2022-32

April 2022

Document Control

This document was originally adopted by Canterbury-Bankstown Council on 26 June 2018.

Version	Years Covered	Date Adopted
1	2018-2028	26/06/2018
2	2019-2029	25/06/2019
3	2020-2030	23/06/2020
4	2021-2031	22/06/2021
5	2022-2032	

7 destinations

Safe & Strong

A proud inclusive community that unites, celebrates and cares

Safe & Strong documents are guided by the Social Inclusion Lead Strategy. Supporting Plans, Action Plans and Policies cover such themes as being a child friendly City, children's services, community safety and crime prevention, inclusiveness, community services, universal access, reconciliation, ageing, community harmony and youth.

Clean & Green

A cool, clean and sustainable city with healthy waterways and natural areas

Clean & Green documents are guided by the Environmental Sustainability Lead Strategy. Supporting Plans, Action Plans and Policies cover such themes as managing our catchments and waterways, natural resources, hazards and risks, emergency management, biodiversity and corporate sustainability.

Prosperous & Innovative

A smart and evolving city with exciting opportunities for investment and creativity

Prosperous & Innovative documents are guided by the Prosperity and Innovation Lead Strategy. Supporting Plans, Action Plans and Policies cover such themes as revitalising our centres, employment, investment, being SMART and creative, and providing opportunities for cultural and economic growth.

Moving & Integrated

An accessible city with great local destinations and many options to get there

Moving & Integrated documents are guided by the Transport Lead Strategy. Supporting Plans, Action Plans and Policies cover such themes as accessibility, pedestrian and cycling networks, pedestrian and road safety, transport hubs, and asset management.

Healthy & Active

A motivated city that nurtures healthy minds and bodies

Healthy & Active documents are guided by the Health and Recreation Lead Strategy. Supporting Plans, Action Plans and Policies cover such themes as lifelong learning, active and healthy lifestyles, and providing quality sport and recreation infrastructure.

Liveable & Distinctive

A well designed, attractive city which preserves the identity and character of local villages

Liveable & Distinctive documents are guided by the Liveable City Lead Strategy. Supporting Plans, Action Plans and Policies cover such themes as preserving the character and personality of centres, heritage, affordable housing, and well managed development.

Leading & Engaged

A well-governed city with brave and future focused leaders who listen

Leading & Engaged documents are guided by Council's Lead Resourcing Strategies. Supporting Plans, Action Plans and Policies cover such themes as open government, managing assets, improving services, long term funding, operational excellence, monitoring performance, being a good employer, civic leadership, and engaging, educating and with our community.


WHERE INTERESTING HAPPENS

Contents

Vision and values

CBCity 2036 - City Vision

"Canterbury-Bankstown is thriving, dynamic and real".

Our Corporate Vision

"A leading organisation that collaborates and innovates".

Our Corporate Mission

"To provide quality services to our community every day".

Acknowledgement

CBCity acknowledges the traditional custodians of this land, the Darug and the Eora peoples. We recognise and respect their cultural heritage, beliefs and relationship with the land, and pay our respects to their Elders past, present and emerging, and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Executive Summary

The Canterbury Bankstown Council (CBC) is the custodian of an extensive portfolio of infrastructure, community and operational assets that assist Council in delivering services to the community.

The Total Gross Replacement Cost (GRC) of our assets are valued at an excess of $4.8 billion. This includes the value of non-depreciable and non-infrastructure assets such as Land, Plant and Equipment. Council's four major depreciable infrastructure asset groups (Roads, Buildings & Other Structures, Open Space & Recreation and Stormwater Drainage) are currently worth over $3.9 billion (with roughly $600 million valued for bulk earthworks) with an annual depreciation of approximately $67 million.

This report aims to address the two most pressing issues faced by local governments. To develop funding and resourcing strategies to address the growing renewal gap and to clear existing unfunded renewals within a reasonable timeframe. This will enable the optimisation of renewal and maintenance budgets to minimise overall costs and impacts to the community.

Based on the infrastructure assets lifecycle models, an average of $60 million p.a. has been calculated as the funds required to negate the existing renewal gap and resolve most of the unfunded renewals over the 10-year midterm period.

To address this issue Council has adopted a new financial scenario for the next 10 years. In May 2021, IPART approved Council’s application to permanently increase its general income through a Special Rate Variation (SRV). The SRV allows for increases in rates to be applied gradually each year over the next five years.

Modelling indicates there will be insufficient funds over the next 10 years for ongoing maintenance and renewal works, with the current adopted budget, of $9.4 million p.a. averaged over this period. However, the adopted SRV will reduce the renewal gap existing unfunded renewal.

In addition to the base case, four scenarios have been modelled to see the effect they will have on the lifecycle management of council's extensive asset portfolio. The scenarios involve either an additional SRV or alternative funding strategies during the next 10-year period to address the renewal gap.

Section 4 outlines the rationale behind each proposed strategy to address the funding gaps to deliver the required level of service to a satisfactory standard for our community.

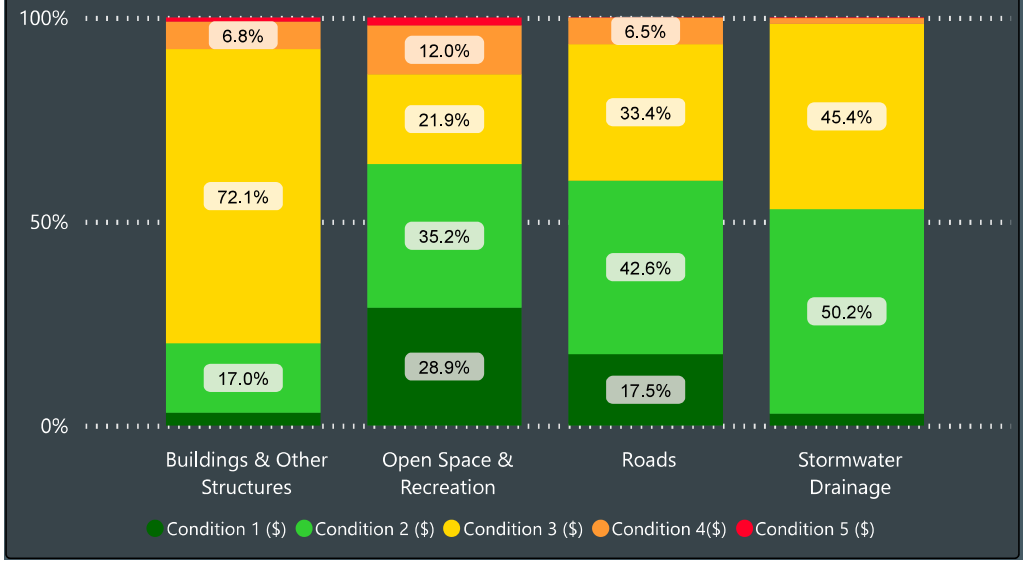
A visual summary of the ‘State of the Asset’ Report detailing the Required vs Actual Budget, Condition Distribution and the proposed Budget Allocation for each major infrastructure asset group has been provided in the following page.

State of Major Assets Infrastructure Portfolio

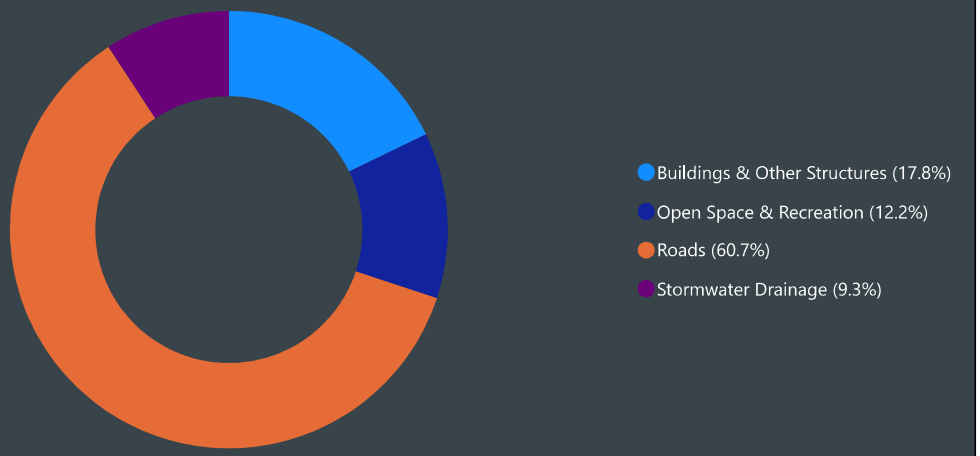
Current Replacement Cost	$3,357,300,692
Current Average Annual Budget	$50,582,200
Required Average Annual Budget	$59,989,200
Average Annual Renewal Gap	$9,407,000
Unfunded Renewal	$101,577,555
Average Condition	2.4

Asset Management Group	Current Replacement Cost	Written Down Value	Current Average Annual Budget (10 year)	Required Average Annual Budget (10 year)	Unfunded Renewal	Annual Depreciation
Buildings & Other Structures	$759,314,838	$386,015,536	$8,262,296	$11,723,182	$28,081,378	-$21,867,313
Open Space & Recreation	$171,089,941	$113,386,958	$6,303,708	$7,189,404	$12,164,325	-$6,277,994
Roads	$1,719,575,064	$1,172,106,288	$31,238,894	$35,628,082	$55,872,291	-$32,515,157
Stormwater Drainage	$707,320,850	$440,089,251	$4,777,302	$5,448,532	$5,459,562	-$6,698,360

Condition Distribution



Budget Breakdown (Average 10 Years)



Section 1: Background

Introduction

Canterbury Bankstown Council (CBC) is the custodian of an extensive portfolio of infrastructure, community and operational assets that assist Council in delivering services to the community. These assets include roads, footpaths, drainage and water quality devices, parks, sporting complexes and playgrounds, libraries, amenities and other community buildings as well as Council's administration facilities, depots and other operational assets. If they were to be built today the overall cost would be more than $4.8 Billion.

Asset management is recognised by all levels of government as one of the most significant issues facing local governments throughout Australia today. This Asset Management Strategy (AMS) is the cornerstone to Council's approach to Strategic Asset Management (SAM). The purpose of this Strategy is the development, implementation and administration of service centric, community focused and sustainable asset management across Council.

The principles and strategies outlined in this document will help shape the decisions made by Council for its short, medium and long term planning, to ensure sustainable service delivery for both current and future generations in the City of Canterbury Bankstown.

This Strategy is dynamic. It will undergo regular reviews to ensure alignment with Council's service delivery practices, financial sustainability indicators, asset management maturity and annual Operational Plan processes.

Goals and Objectives

Council is strongly committed to delivering high quality assets and services to the community and complying with its legislative requirements. Implementing this Strategy will lead to:

- **Outcome focused assets:** Improved services and assets utilising fewer resources through better aligning future services and assets
- **Informed decision making:** An understanding of the nature and condition of our assets and the effects our actions have on them
- **Sustainable lifecycle management:** A key set of actions that will allow us to manage the provision of these assets into the future at lowest long-term cost
- **Budget allocation:** Being able to assign appropriate levels of funding for both the renewal and upgrade of existing assets
- **Prioritised maintenance:** Being able to assign appropriate levels of funding for operational actions for each asset group in line with service level targets
- **Understanding limitations:** Being able to clearly define what service levels can be delivered with the resources available
- **Minimising risk:** Identifying and planning for potential asset related risks with the resources available

At its highest level, this AMS is driven by Canterbury Bankstown's Asset Management Policy. The adopted Asset Management Policy (shown in Attachment C) outlines Council's commitment to serving the community as required through lifecycle asset management and provides guidance about what outcomes should be achieved. It provides a clear direction for managing assets and sets the framework for the development of our asset management practices and processes.

The AMS details the current status (in terms of condition and asset funding requirements) of Canterbury Bankstown's extensive asset portfolio, plan for improvement to further advance our asset management systems and the Strategic Actions necessary to develop best practice asset management across our Local Government Area.

This strategy also guides the ongoing management of various asset groups, through the development and review of Asset Management Plans (AMPs) for major asset groups and Facility Asset Management Plans (FAMPs) for significant facilities. These plans detail the actions and resources required for the ongoing lifecycle management of the assets.

Canterbury Bankstown Council has developed and will continue to commit to refining a modern Asset Management System to put its strategies and plans into action. This is being done as part of the ongoing SAM Program.

An effective Asset Management System needs to provide:

- A whole of Council relational database for asset information, supported by a logical data schema to govern interactions with other Council systems and to automate as far as possible data exchanges
- Data logging and workflow devices to streamline the issue of works and the acquisition of work details and other asset data
- Asset scenario modelling tools to allow various strategic options to be assessed
- User systems to enable the asset information to be easily viewed and used for informed decision making at all levels, across the whole of Council
- Documented business procedures and processes to support these initiatives.

The principal objectives of the system are to:

- Provide accurate inventory and condition information of Council's assets
- Facilitate efficient day-to-day management of Council's assets
- Enable objective asset planning and adopted strategies based on a sound knowledge of the current state of Council's assets i.e., long-term impacts of funding decisions
- Allow the adoption of robust depreciation and other lifecycle cost measures
- Ensure an optimal arrangement of assets are employed to support the services delivered to the Canterbury Bankstown community
- Ensure the service delivery potentials of the assets are maximised whilst related risks and costs are minimised over the entire lifecycle of each asset.

The Integrated Planning and Reporting Framework

Communities do not exist in isolation – they are part of a larger natural, social, economic and political environment. Council's plans and strategies also do not exist in isolation – land use and infrastructure planning support social, environmental and economic outcomes, and vice-versa – they are all connected and must therefore be integrated.

Under the Local Government Act 1993, Councils are required to develop a hierarchy of plans known as the Integrated Planning and Reporting (IP&R) Framework. IP&R requires councils to draw their various plans together and understand how they interact. It also acknowledges that the City is constantly changing and that decisions made now may have a long 'lead' time before they are realised in the future.

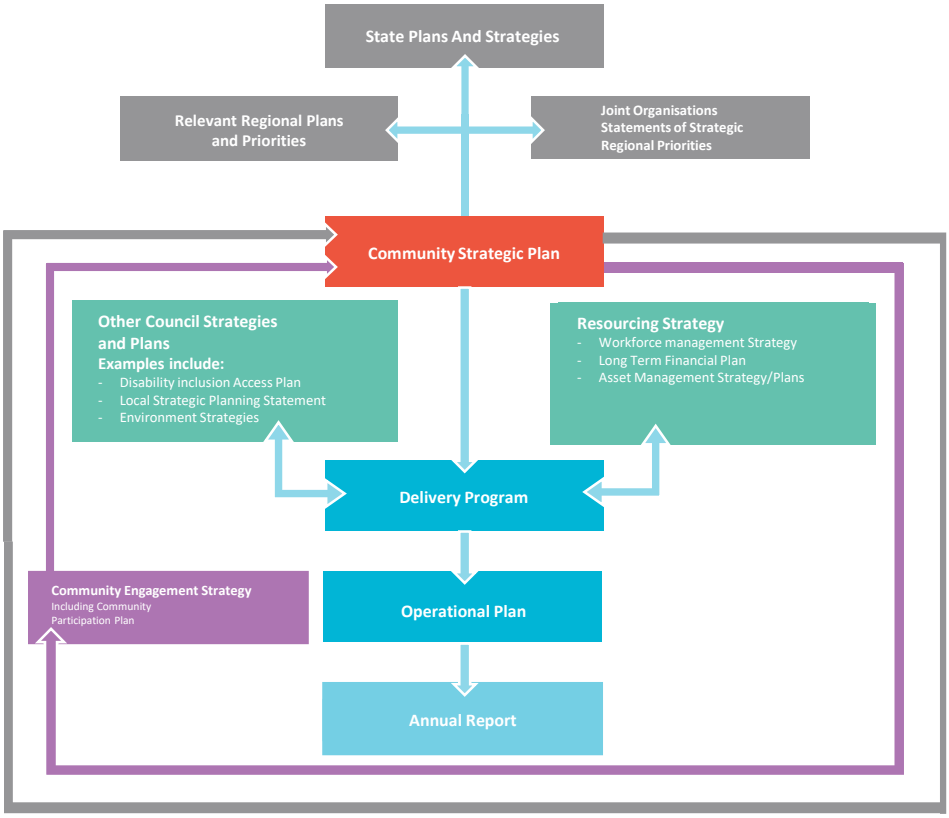
Council's IP&R obligations are detailed in Section 8c of the Local Government Act 1993 which outlines the principles for strategic planning that must be applied to the IP&R Framework.

These principles are to:

- identify and prioritise key local community needs and aspirations and consider regional priorities;
- identify strategic goals to meet those needs and aspirations;
- develop activities, and prioritise actions, to work towards the strategic goals;
- ensure that the strategic goals and activities to work towards them may be achieved within Council resources;
- regularly review and evaluate progress towards achieving strategic goals;
- maintain an integrated approach to planning, delivering, monitoring and reporting on strategic goals;
- collaborate with others to maximise achievement of strategic goals;
- manage risks to the local community or area or to the Council effectively and proactively; and
- make appropriate evidence-based adaptations to meet changing needs and circumstances.

Decisions made by Council should:

- recognise diverse local community needs and interests;
- consider social justice principles – access, equity, rights and participation;
- consider the long term and cumulative effects of actions on future generations;
- consider the principles of ecologically sustainable development; and
- be transparent and accountable in decision-making.



The Community Strategic Plan

CBCity 2036 guides Canterbury-Bankstown for the next decade and beyond on its journey to be a thriving, dynamic and real city of people who are interested and interesting – unapologetically themselves.

It's based on thousands of conversations with residents, businesses and government agencies, and interprets their vision into a blueprint to transform Canterbury-Bankstown.

CBCity 2036 is for the people who live, visit and work in Canterbury–Bankstown now and in the future. These people want what everybody wants - to be happy, healthy and safe in a community that:

- provides for their needs;
- values their culture, religion, and heritage;
- respects the environment;
- considers the future; and
- respects the past.

Council's response to CBCity 2036 can be found in its Delivery Program annual Operational Plans.

The Delivery Program

The Delivery Program examines the important issues facing the Council and outlines the priorities for the Council term to ensure that services continue to meet community expectations in terms of quality and value for money.

The Operational Plan

Annual Operational Plans expand on the priorities in the Delivery Program by identifying the specific services and projects Council will provide annually, and

The Resourcing Strategy

Other supporting strategies and plans ensure that Council's work is integrated and well planned, chief amongst these, being the Resourcing Strategy, which comprises a 10-year Asset Management Plan, 10-year Long Term Financial Plan and a three-year Workforce Strategy. The Resourcing Strategy ensures that Council has all of the resources it needs to deliver on its commitment to the community.

Section 2: Our City

The City of Canterbury Bankstown was formed on 12 May 2016, amalgamating the former Bankstown and Canterbury Councils. With more than 378,000 residents (2020 Estimated Residential Population), we are currently one of the most populous local government area (LGA) in New South Wales. CBCity is located in Sydney's south-western suburbs, between eight and 23 kilometres of the Sydney CBD.The City occupies a strategic position within Sydney's primary transport and freight corridors, accessible by air, rail, and road and only 30 minutes from Sydney (Kingsford Smith) Airport and Port Botany. There are 18 employment land precincts located across the LGA comprising about 986 hectares of employment land, providing an array of opportunities.

The City is a gateway to western and southern Sydney, traversed by major state and regional roads including the M5 Motorway, Hume Highway, King Georges Road, Henry Lawson Drive, Canterbury Road, Roberts Road and Stacey Street. It contains important freight routes, providing a conduit for mineral and agricultural exports from regional NSW to Port Botany. It is also crossed by three rail lines: the Australian Rail Track Corporation (ARTC) freight line, and the East Hills and Bankstown commuter lines. Under the Sydney Metro Project, stations along the Bankstown Line to Bankstown Station will be converted from heavy rail to rapid transit standard. Construction began in mid 2017.

On the far western border of the City lies Sydney Metro Airport Bankstown, one of two leading general aviation airports in NSW. It is a major centre of economic activity operating as the base for NSW Police Air Wing, the NSW National Parks and Wildlife Service, the Royal Flying Doctor Service, NSW Forests, Greater Sydney Area Helicopter Medical Service, and the Aviation Studies program of the University of NSW. In October 2020, construction commenced on a new 'vertical city' campus of the Western Sydney University in the heart of the Bankstown CBD where 10,000 students and 700 staff, with facilities for the teaching of health, education, manufacturing and IT students will be accommodated.

Canterbury Bankstown features two significant health precincts, Canterbury Memorial Hospital and the Bankstown-Lidcombe Hospital. In July 2020, The NSW Government called for proposals to secure a site to provide a new world-class $1.3 billion Bankstown-Lidcombe Hospital.

- **We are a fast-growing City:** expected to reach 500,000 people in the next 20 years. We are a diverse City: In Canterbury-Bankstown, 44 per cent of our population were born overseas and 60 per cent speak any one of around 100 languages and dialects. This is almost double the diversity of Greater Sydney.
- **We are a productive City:** home to over 38,456 businesses and 118,897 local jobs, up from 32,432 and 114,679 in 2017 respectively. This results in $16.42 billion in output making Canterbury-Bankstown the eighth largest economy in NSW and a contributor of 4.1% of Greater Sydney's employment. The City is well placed to capitalise on the growth of knowledge intensive, healthcare and education employment sectors.

- **We are a young City:** nearly 50 per cent of the City is younger than 34 years old. This is a huge opportunity - young people are tech-savvy, innovative and are the future leaders. They are optimistic and excited about the future, and the future of our City.
- **We are a beautiful City:** there are large expanses of native bushland, quality arts and sporting facilities, numerous recreational parklands and reserves, and access to the Georges and Cooks Rivers.

OUR CITY

23 kilometres southwest of the Sydney CBD

41 suburbs

AREA **110** square kilometres

138,197 employed residents

2,019,434 international visitor nights in 2019-20

94,793 local workers

$16.42 billion gross regional product

38,456 businesses

OUR ASSETS

3 river catchments

281 playgrounds

623 parks

75 sporting complexes

17 train stations

318 community buildings

900+ kilometres roads

180+ kilometres footpaths

Include **4,600** + traffic management devices

OUR COMMUNITY

378,425
est. population in 2021

500,000
population by 2036

35
median age

44%
born overseas

60%
speaks a language other than English

18.8%
over 60

24.2%
under 18

1
art centre

113
schools

1
university

2
TAFE campuses

2
hospitals

9
libraries

75
water quality devices

660+
drainage conduits

Council’s Asset Portfolio

Council’s extensive asset collection includes:

- Infrastructure like roads, footpaths, drains and parks
- Community buildings like parks amenities, town halls and community and aquatic centres
- Operational assets like the administration centres and depots and plant & equipment
- Natural and heritage assets

Council also has some residential and commercial properties.

A snapshot of each of the Infrastructure Assets including Road, Open Space, Stormwater and Buildings and Other Structures are shown in following pages.

Our road assets – a snapshot

1

Road Pavement

Over 900 km of Paved Road

2

Bridges

101 Pedestrian Bridges
50 Vehicular Bridges

3

Ground Level Carparks

166 Ground Level Carparks

4

Kerb and Gutter

Over 1800km of Kerbs built within the LGA

5

Traffic Management Devices

Over 4500 individual units including:

- 313 Roundabouts
- 1032 Median Islands
- 1010 Speed Humps
- 895 Kerbside Islands
- 192 Pedestrian Crossing
- 868 Pedestrian Fencing

6

Footpaths

Over 1200 km of Footpaths built within the LGA

7

Street Furniture

Over 7100 individual units across 12 different asset types

8

Road Signs

Over 43,000 individual warning and regulatory signs

Our open space and recreation assets – a snapshot

1

Parks and Sport Fields

623 Parks including 324 different sport fields

2

Natural Spaces

Open Space across our city comprises of:

- 440 Hectares of Sportgrounds
- 340 Hectares of Parkland
- 350 Hectares of Natural Bushland

3

Golf Courses

2 Golf Courses

4

Irrigation

164 fields with irrigation services

5

Park Furniture

Over 8000 individual units including:

- 2660 Seats
- 1099 Water Devices
- 600+ Bins
- 123 Cricket Wickets
- 100km + of fencing

6

Lighting

1330 permanent light poles installed in parks and sport fields

7

Playgrounds

281 Playgrounds across 280 different parks and reserves

8

Park Signs

Over 3,100 individual signs

Our stormwater drainage assets – a snapshot

1

Drainage Conduits
Over 720km of conduits constructed including:
- RCP Pipes
- Culverts
- Open Drains
- Subsoil Drainage Systems

2

Drainage Devices
Over 27,000 pits constructed including:
- Surface Pits
- Buried Pits
- Combined Kerb Inlet Pits
- Head Walls

3

Water Quality Devices
201 Devices installed around the LGA including:
- Underground Proprietary Devices
- Gross Pollutant Traps
- Biofilters
- Stormwater Harvesting Schemes

4

Flood Mitigation
2 flood levees constructed at critical areas within the LGA

Our buildings and structure assets – a snapshot

1

Community Facilities

100 different facilities including community, children's and other essential services

2

Leisure and Aquatic Facilities

5 different facilities constructed around the LGA

3

Libraries

9 different libraries located in central locations around the LGA

4

Multi Story Carparks

6 Multi Story Carparks

5

Other Major Structures

42 Major Structures including:

- 24 Grandstands
- 9 Outdoor Pools
- 5 Skate Parks
- 4 Wharves

6

Operational Buildings

42 different buildings for administration, operation and support services

7

Park Buildings and Facilities

217 unique park building which include amenities, club houses, gardener's sheds and more

8

Tenanted Properties

31 differenet tenanted properties that are used for investmenet purposes

Asset Values

Table 1 below summarises the valuation figures of the Asset Management Groups. These figures are for 30 June 2021. Table 1 does not include allowances for asset replacement or renewal works that are underway or are proposed. For the breakdown of these figures to the various Asset Categories with the Asset Management Groups see Table B4 – Values of the Asset groups and categories in Attachment B.

Table 1 - Asset Group Values, 30 June 2021

Asset Management Group	Current Replacement Cost	Written Down Value
Roads	$1,719,575,064	$1,172,106,288
Buildings & Other Structures	$759,314,838	$386,015,536
Open Space & Recreation	$171,089,941	$113,386,958
Stormwater Drainage	$707,320,850	$440,089,251
Plant & Equipment	$85,719,444	$32,168,984
Land	$765,483,524	$765,483,524
Other Assets	$97,512,765	$54,240,832
Bulk Earthworks	$623,236,197	$623,236,197
Total Assets	**$4,929,252,623**	**$3,586,727,570**

Council owns depreciable infrastructure assets (Road, Buildings, Stormwater and Open Space only) that would cost over $3.3 billion to replace today (GRC - Gross Replacement Cost, excluding Land, P&E, Bulk Earthworks and Other Assets). Their current “used” value or Written Down Value (WDV) is estimated to be approximately $2.1 billion.

This AMS details proposals for the management of the assets in the four major Asset Management Groups (Roads and Transport, Buildings and Other Structures, Parks and Recreation, and Stormwater Drainage Assets) only. Plant and Equipment, Other Assets and Land are not considered further in this version of the AMS.

The initial non-depreciable earthworks associated with roads and drainage, permanent earthworks for flood mitigation structures and land (land under roads and parks, and other lots owned and/or managed by Council) are excluded from the lifecycle calculations of this Strategy.

Section 3: Current State of Assets

Each dashboard provides a visual representation of some essential information about the assets in each Group including the Required and Actual Budgets, Condition Distribution and the proposed Budget Breakdown for each Category.

State of Roads Infrastructure Assets Portfolio

Current Replacement Cost
$1,719,575,064

Current Average Annual Budget
$31,238,894

Required Average Annual Budget
$35,628,082

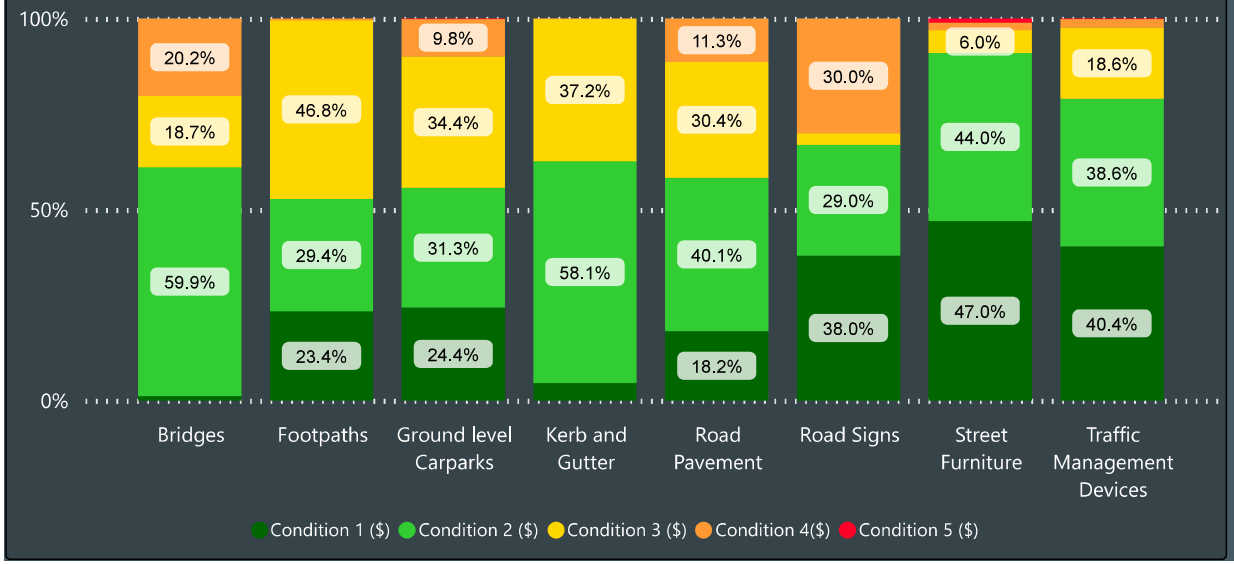
Average Annual Renewal Gap
$4,389,188

Unfunded Renewal
$55,872,291

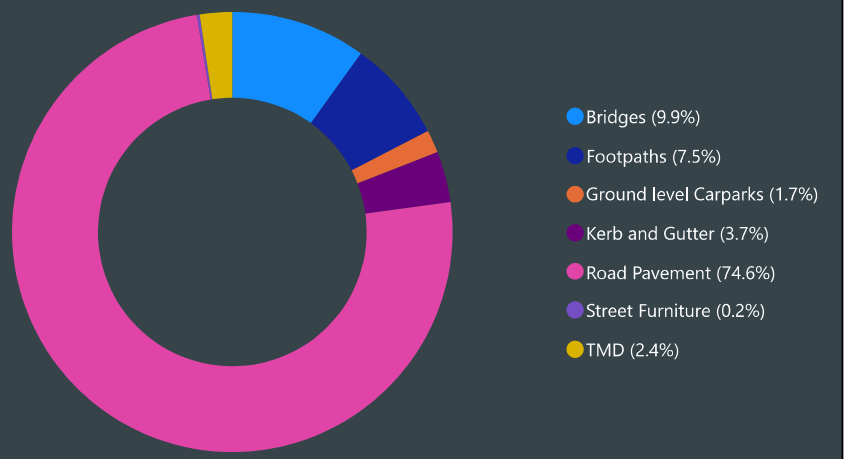
Average Condition
2.3

Asset Category	Current Replacement Cost	Written Down Value	Current Average Annual Budget (10 year)	Required Average Annual Budget (10 year)	Unfunded Renewal	Annual Depreciation
Bridges	$58,125,988	$32,686,705	$3,104,717	$3,540,942	$5,870,725	-$684,012
Footpaths	$311,964,666	$202,559,964	$2,330,391	$2,657,820	$623,929	-$5,248,676
Ground level Carparks	$19,557,333	$11,554,699	$529,634	$604,050	$969,864	-$768,574
Kerb and Gutter	$379,648,484	$255,821,565	$1,165,196	$1,328,910	$189,824	-$4,847,102
Road Pavement	$806,668,664	$567,000,682	$23,303,912	$26,578,204	$45,412,561	-$16,818,643
Street Furniture and Road Signs	$15,805,698	$10,041,804	$63,556	$72,486	$1,243,198	-$954,837
Traffic Management Devices	$127,804,231	$92,440,870	$741,488	$845,670	$1,562,190	-$3,193,312

Condition Distribution



Budget Breakdown (Average 10 Years)

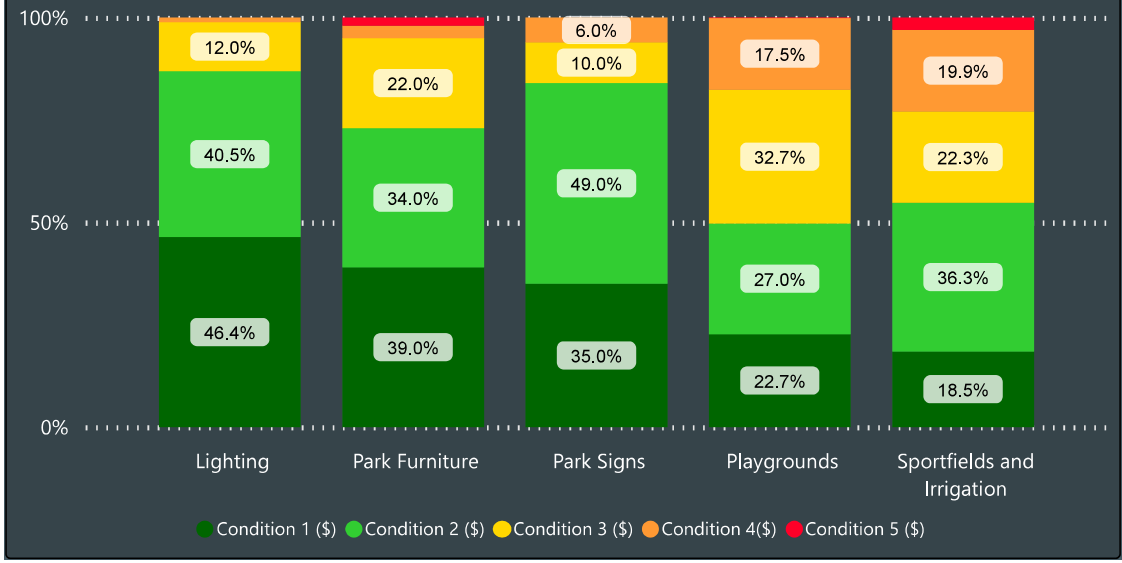


State of Parks and Open Space Infrastructure Assets Portfolio

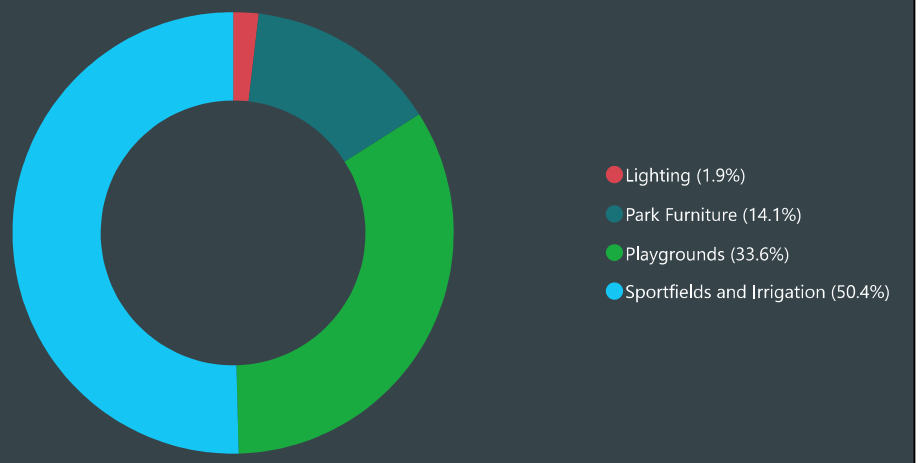
Current Replacement Cost	$171,089,941
Current Average Annual Budget	$6,303,708
Required Average Annual Budget	$7,189,404
Average Annual Renewal Gap	$885,696
Unfunded Renewal	$12,164,325
Average Condition	2.2

Asset Category	Current Replacement Cost	Written Down Value	Current Average Annual Budget (10 year)	Required Average Annual Budget (10 year)	Unfunded Renewal	Annual Depreciation
Lighting	$23,241,610	$19,303,473	$117,579	$134,099	$127,829	-$843,089
Park Furniture and Signs	$51,584,597	$33,976,810	$889,786	$1,014,804	$1,455,127	-$1,708,637
Playgrounds	$20,223,896	$13,085,536	$2,118,537	$2,416,200	$1,782,676	-$1,011,195
Sportfields and Irrigation	$76,039,838	$47,021,140	$3,177,806	$3,624,301	$8,798,692	-$2,715,073

Condition Distribution



Budget Breakdown (Average 10 Years)

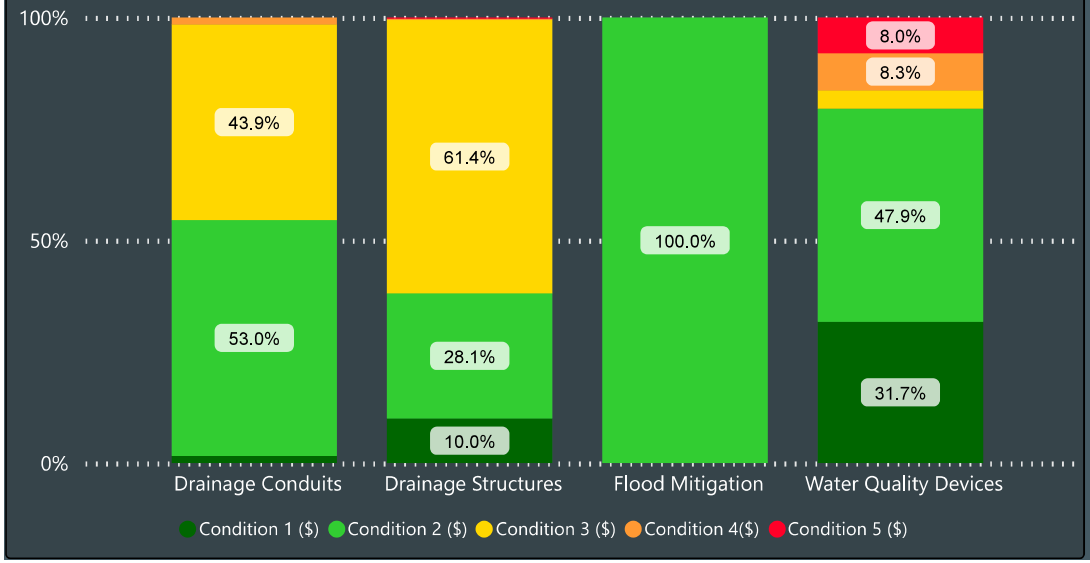


State of Stormwater Drainage Infrastructure Assets Portfolio

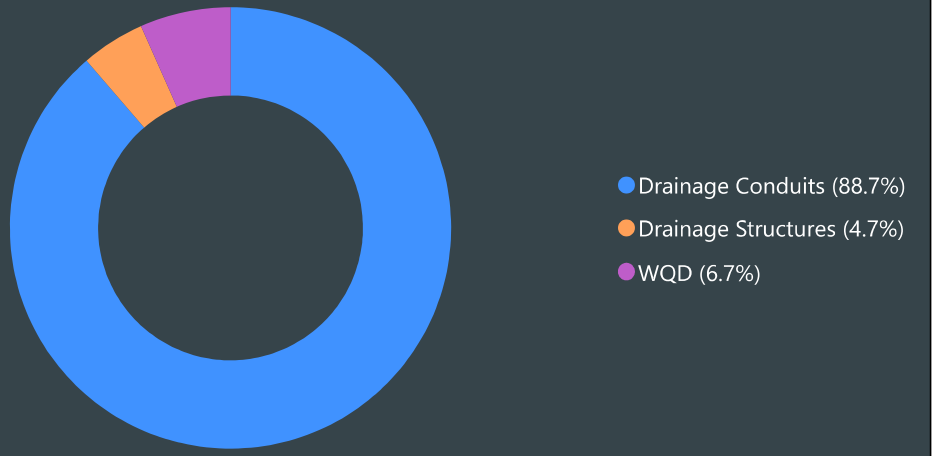
Current Replacement Cost	$707,320,850
Current Average Annual Budget	$4,777,302
Required Average Annual Budget	$5,448,532
Average Annual Renewal Gap	$671,230
Unfunded Renewal	$5,459,562
Average Condition	2.5

Asset Category	Current Replacement Cost	Written Down Value	Current Average Annual Budget (10 year)	Required Average Annual Budget (10 year)	Unfunded Renewal	Annual Depreciation
Drainage Conduits	$610,878,017	$378,869,089	$4,237,075	$4,832,401	$4,581,585	-$5,648,008
Drainage Structures	$85,933,059	$54,226,078	$222,446	$253,701	$237,352	-$859,331
Flood Mitigation	$3,765,184	$2,485,021	$0	$0	$0	-$37,652
Water Quality Devices	$6,744,590	$4,509,062	$317,781	$362,430	$640,625	-$153,370

Condition Distribution



Budget Breakdown (Average 10 Years)



State of Buildings and Structures Infrastructure Assets Portfolio

Current Replacement Cost
$759,314,838

Current Average Annual Budget
$8,262,296

Required Average Annual Budget
$11,723,182

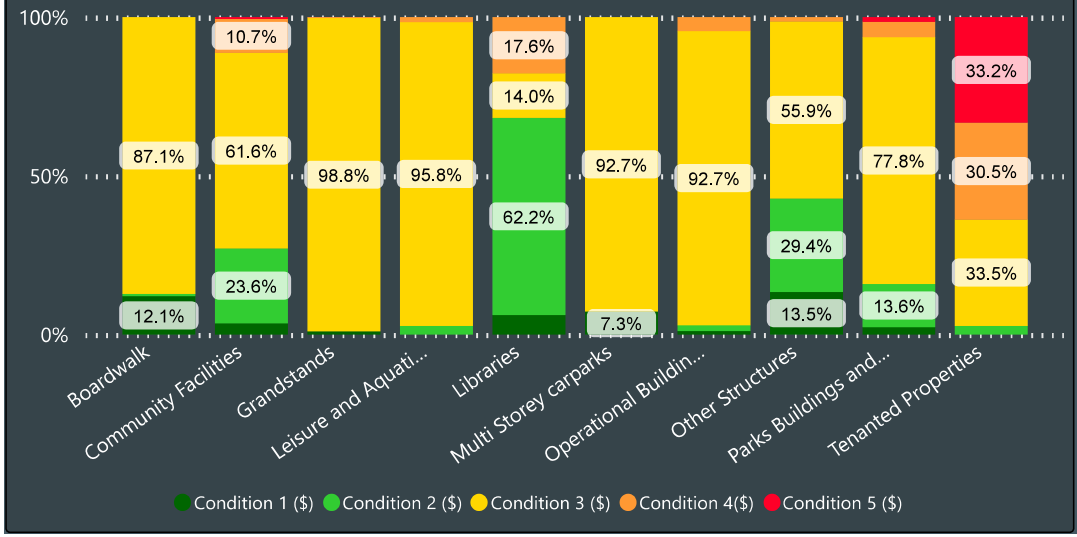
Average Annual Renewal Gap
$3,460,886

Unfunded Renewal
$28,081,378

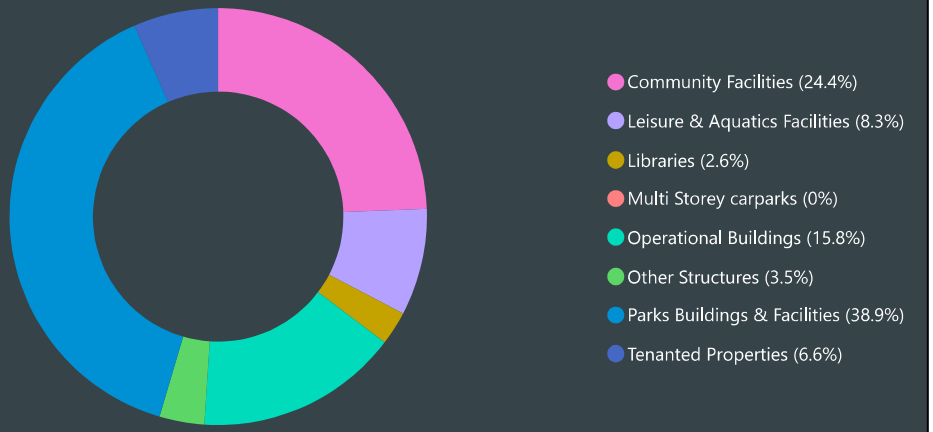
Average Condition
2.9

Asset Category	Current Replacement Cost	Written Down Value	Current Average Annual Budget (10 year)	Required Average Annual Budget (10 year)	Unfunded Renewal	Annual Depreciation
Boardwalk	$5,896,795	$3,285,762	$245,250	$279,710	$0	-$147,420
Community Facilities	$133,059,000	$67,980,492	$1,788,133	$2,557,051	$7,425,969	-$4,251,655
Grandstands	$5,365,376	$2,644,939	$795	$907	$5,365	-$97,199
Leisure and Aquatics Facilities	$126,322,062	$66,521,668	$1,479,201	$2,115,274	$952,967	-$3,564,417
Libraries	$97,303,000	$65,086,419	$192,162	$274,795	$8,565,856	-$2,500,993
Multi Storey carparks	$41,556,900	$15,829,381	$0	$0	$0	-$642,382
Operational Buildings	$149,067,856	$73,560,610	$1,154,193	$1,650,509	$3,214,608	-$4,485,229
Other Structures	$30,263,848	$19,853,541	$71,735	$81,814	$189,480	-$871,292
Parks Buildings and Facilities	$157,457,000	$68,219,330	$2,849,875	$4,075,355	$4,734,039	-$4,912,184
Tenanted Properties	$13,023,000	$3,033,394	$480,952	$687,767	$2,993,094	-$394,543

Condition Distribution



Budget Breakdown (Average 10 Years)



Asset Consumption Ratios

The asset consumption ratios of Council's assets (average "remaining service potential" left in assets, being the depreciable WDV divided by the depreciable GRC) are shown in Figure 1 - Asset Consumption Ratios.

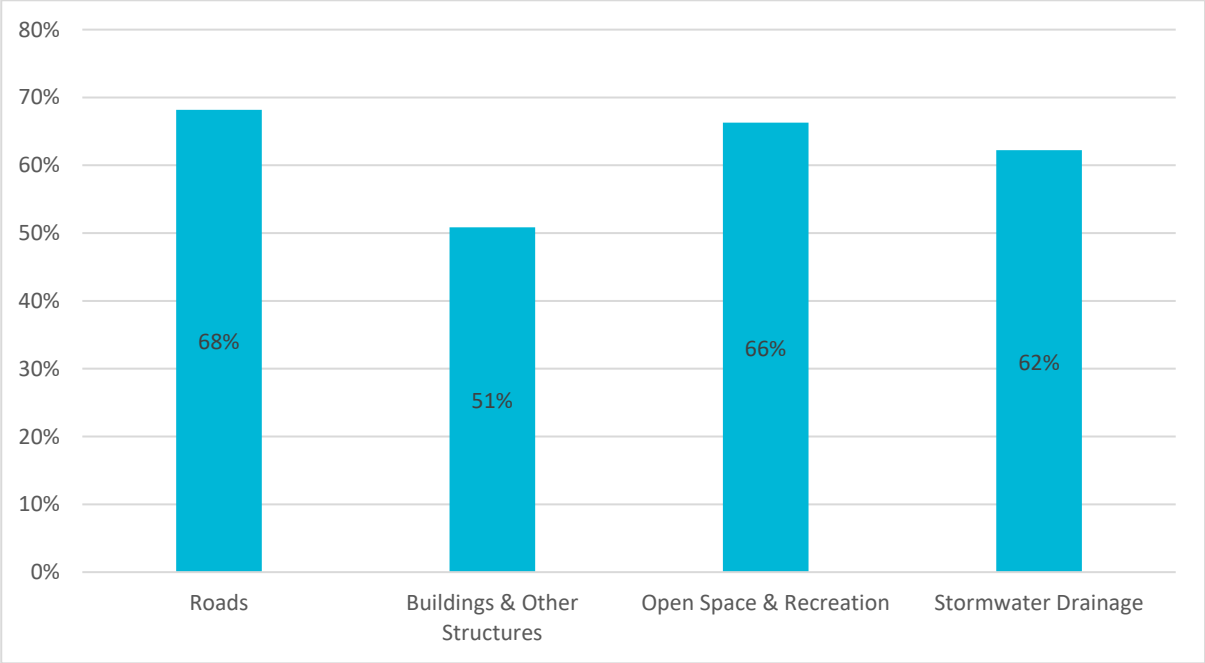


Figure 1 - Asset Consumption Ratios

The Asset Consumption Ratio is an indicator of the potential level of service remaining in an infrastructure group. A higher percentage indicates that a greater future service potential is available to the community.

For large collections of assets that are kept in services on an ongoing basis (like roads and buildings) the Consumption Ratio is also an indicator of the average asset group Condition. It may also indicate how well an asset group is being managed.

In layman's terms, ratios above 60% indicate the asset group remaining service potential is high and the average group condition is satisfactory. Provided that sufficient funding is maintained in the future, the group will continue to provide service at planned levels and will remain in satisfactory condition (this is optimal or near optimal lifecycle management). Ratios below 60% tend to indicate the group's service potential is below planned levels and that some assets in the group are below optimal condition – it is likely that the additional funding will address the situation.

Renewal Gap and Unfunded Renewals

Two broad measures are commonly used to quantify the sufficiency of ongoing infrastructure asset management funding. These measures are referred to as the *Renewal Gap* and the *Unfunded Renewals*. The shortfall of maintenance and renewal funding (if any) is known as the *Renewal Gap*. In numerous cases, asset condition, capacity and functionality has deteriorated below acceptable levels to the community and substantial funds need to be expended on such assets for rehabilitation, for safe and satisfactory operation.

The second term is "Unfunded Renewals" which is defined,[1] as the total cost of all asset treatments (maintenance and component/asset renewals) due for renewal or past its due date at the date of review. For asset management practices, Unfunded Renewal is calculated by estimating the cost of 50% of assets in condition 4 and 100% of assets in condition 5. The two most pressing challenges council is faced with are the increase in Renewal Gap and the increase in Unfunded Renewal.

Developing funding and resourcing strategies to address the Renewal Gap and clearing the Unfunded Renewal in a reasonable timeframe are the two key pressing issues across the whole of NSW local government. The Renewal Gap is also recognised at both state and federal level as one of the most pressing issues facing local government today. Detailed breakdown of the Renewal Gap and Unfunded Renewal for asset categories is provided in Table B5 in Attachment B. The average condition and the percentage of assets by Current Replacement Cost (CRC) in each condition rating for asset categories is provided in Table B6 in Attachment B.

A positive Renewal Gap indicates that Council is more than adequately funding asset renewal expenditures and the average condition of the Asset Group will improve over time. A negative Renewal Gap indicates insufficient asset renewal funding, and the average condition of the Asset Group will deteriorate over time and there may not be sufficient funds in the future to replace the assets when they reach the end of their useful lives. The Renewal Gap expenditure does not address the Unfunded Renewals but addressing the Renewal Gap will lead to the Unfunded Renewals reducing over time.

The Current Average Annual Budget figures provided in this report are from the current LTFP (Scenario 1 – Base Case, includes adopted SRV). The figures shown are the average over the 10 years of the LTFP for the costs budgeted for infrastructure renewal including the maintenance gap. Table 2 shows that for all four major Asset Groups the Current Average Annual Budgets are insufficient and have Renewal Gaps and/or Unfunded Renewals. Table 3 shows the condition profiles of the four major Asset Groups. These profiles are reasonable with most assets in Condition 3 or better with a small amount of unfunded renewals. Nonetheless, if medium term action (over the next 10 years) is not taken to address the asset maintenance and renewal expenditure shortfall the situation will deteriorate.

[1] International Infrastructure Financial Management Guidelines.

Table 2 - Estimated Infrastructure Asset Group Renewal Gap and Unfunded Renewal Totals 2021

Asset Management Group	Current Replacement Cost	Written Down Value	Required Average Annual Budget (10 year)	Current Average Annual Budget (10 year)	Annual Renewal Gap	Unfunded Renewal
Roads	$1,719,575,064	$1,172,106,288	$35,628,082	$31,238,894	$4,389,188	$55,872,291
Buildings & Other Structures	$759,314,838	$386,015,536	$11,723,182	$8,262,296	$3,460,886	$28,081,378
Open Space & Recreation	$171,089,941	$113,386,958	$7,189,404	$6,303,708	$885,696	$12,164,325
Stormwater Drainage	$707,320,850	$440,089,251	$5,448,532	$4,777,302	$671,230	$5,459,562
Total Assets	$3,357,300,692	$2,111,598,033	$59,989,200	$50,582,200	$9,407,000	$101,577,555

Table 3 - Estimated Infrastructure Asset Group GRC Weighted Condition Percentages 2021

Asset Management Group	Current Replacement Cost	Average Condition	Condition 1 (%)	Condition 2 (%)	Condition 3 (%)	Condition 4 (%)	Condition 5 (%)
Roads	$1,719,575,064	2.3	17.5%	42.6%	33.4%	6.5%	0.0%
Buildings & Other Structures	$759,314,838	2.9	3.2%	17.0%	72.1%	6.8%	0.9%
Open Space & Recreation	$171,089,941	2.2	29.0%	35.2%	21.9%	12.0%	1.9%
Stormwater Drainage	$707,320,850	2.5	2.9%	50.2%	45.4%	1.4%	0.1%
Total Assets	$3,357,300,692	2.4	11.8%	38.0%	44.10%	5.80%	0.30%

Section 4: Long Term Financial Strategy

Financial Scenarios

A financially sustainable council, as defined by the NSW Government, is one that over a long term can generate sufficient funds to provide the level and scope of services and infrastructure agreed with its community through the Integrated Planning and Reporting Process. (Source: NSW Government, 2012).

Council's Financial Strategy 2022 – 2032 has been developed with the aim of having an appropriately funded capital works program and maintaining a "fit for purpose" asset base. Five scenarios have been developed and included in the Long-Term Financial Plan.

Scenario 1: Base Case Option –IPART approved SRV to address asset renewal and maintenance gaps with additional loans to fund Council's Leisure and Aquatic Strategy

Scenario 2: Servicing Model Option – Base Case with funds distributed from infrastructure reserves to OPEX reserves to address resourcing requirements of a growing city

Scenario 3: Asset Management Model Option – Base Case with additional income to address Council's asset maintenance and renewal requirements over a 20-year time horizon

Scenario 4: Base Case without SRV Model Option – Base Case without additional funding from SRV nor the proposed borrowings

Scenario 5: Reduce Services Model Option – Council will cut the provision of existing services to deliver required asset renewals

The objective is to provide sufficient funds each year into an asset reserve to cover the Required Annual Budget for the maintenance and renewal of Council's existing infrastructure as determined in Council's asset lifecycle models (myPredictor).

This section details the projected annual renewal budgets required and annual maintenance gap for the infrastructure assets and compares them against the current and proposed Long Term Financial Plan's scenarios over the next 10 years. The figures have been calculated by making estimates for the required replacement and maintenance costs to ensure that assets can reach their complete potential service life. These values have been summarised in Table 4 below and more details can be found in Table B7 in the appendix.

These estimates have been tailored to the requirements of each asset type and have been cost weighted where asset categories in a Group have varying effective useful lives. The Required Budget figures shown are the projected averages for the next 10 years including allowances for inflation. The projected required annual infrastructure budget details from myPredictor were also utilised in the preparation of the LTFP.

Summary of Renewal and Maintenance Gap for Various LTFP Scenarios ('000)					
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Average Renewal Budget (10 years)	$ 48,862	$ 41,230	$ 56,201	$ 22,318	$ 47,432
Total Renewal and Maintenance Gap over 10 years	$ 94,070	$ 170,386	$ 20,681	$ 412,258	$ 161,111

Table 4 – Renewal and Maintenance Gaps Summary of the Long-Term Financial Plan Scenarios ('000)

Scenario 1

Base Case Option

IPART approved SRV to address asset renewal and maintenance gaps with additional loans to fund Council's Leisure and Aquatic Strategy.

The Base Case proposes a SRV over a four-year period starting from the 22/23 Financial Year. In addition, a $30 million loan will be obtained in the 22/23 Financial Year and a further $55 million loan in the 25/26 Financial Year to fund Council's adopted Leisure and Aquatics Strategy. This scenario completely addresses the Maintenance Gap that exists for Operational Expenditures (OPEX) as it includes a 10-year average of $5.3 million p.a. in OPEX for additional services to the community.

However, based on the proposed budget projection for the next 10 years, funds will be shy of completely addressing the required renewal of Council's infrastructure assets. As a result, the average renewal gap is estimated to be $9.4 million p.a.

For the four major Asset Groups, the total average annual amount budgeted for asset lifecycle renewal over the next ten years is approximately $48.9 million p.a. (the actuals vary from year to year). Correspondingly over the next 10 years, the Required Average Annual Budget to keep the $3.36 billion infrastructure asset stocks in satisfactory condition is of the order of $60.0 million p.a.

Scenario 2

Servicing Model Option

Base Case with funds distributed from infrastructure reserves to OPEX reserves

The Servicing Model Scenario applies the same assumptions as the Base Case Scenario. However, it adjusts operational expenditure by diverting $2.0 million of the approved SRV to OPEX to account for adjusted resourcing requirements of a growing city and meeting the ever-increasing community expectations around service level provision.

Although this model will result in improved services being provided to the community, due to the limitations in the IPART rate peg, available funds to be allocated to infrastructure reserves will be reduced, increasing the renewal gap to $17.0 million p.a. in comparison to the $9.4 million p.a. in scenario 1.

Scenario 3

Asset Management Model Option

Base Case with additional income to address Council's asset maintenance and renewal requirements over a 20-year time horizon

Scenario 3 provides the funding required to optimise the lifecycle management of Council's extensive infrastructure asset portfolio. That is, the medium term (20 years) asset renewal budgets required to maintain the current levels of service to the community. Hence, to address the renewal and maintenance gap, Scenario 3 proposes an SRV over two periods.

- $40 million over four years starting from 2022/23
- $17 million over four years starting from 2026/27
- $85 million loan to fund Council's Leisure and Aquatic Strategy as per Scenario 1

The budgets shown in Scenario 3 (an average of $56.2 million p.a.) will negate the existing Renewal Gap in 2027/28 and then resolve some of the Unfunded Renewals over the 10 years. It is predicted that an additional SRV in 2025/26 would potentially address most of the infrastructure assets maintenance and renewal requirements over a 20-year time horizon.

Scenario 4

Base Case without SRV Model Option

Base Case without additional funding from SRV nor the proposed borrowings

Scenario 4 has been labelled as the "Base Case without SRV" Model. This is the case in which the SRV application has been rescinded by Council in future years, leaving Council with no additional rate income. Under this scenario Council is not adequately funding its asset maintenance/renewal requirements, is unable to meet the service levels expected by our growing community and would not be able to fund its adopted Leisure and Aquatics Strategy.

This scenario will fail to address the existing maintenance and renewal gap and collude in deteriorating existing assets at an accelerated rate. This ultimately impacts the safety and quality of services provided to the community and also challenges the sustainability of asset maintenance and renewal in the future. A total of $22.3 million p.a. is estimated as the available funding, resulting in an average renewal and maintenance gap of $41.2 million p.a. over the 10-year period.

Scenario 5

Reduce Services Model Option

Council will cut the provision of existing services to deliver required asset renewals

The final scenario, "Reduce Services" Model is a scenario developed should Council decide not to proceed with the approved SRV. This model assumes that rather than applying the approved IPART SRV, that Council consider reducing services to deliver the required asset maintenance and renewal costs outlined in Council's Asset Management Plan over the next 10 years. The possible services to be reduced could consist of:

- Closing all aquatic facilities
- Closing all libraries except BlaKC (close 8 libraries)
- Ceasing all City Cleaning operations (litter bins, street cleaning, graffiti)
- Not undertaking any civic or community events
- Cease community grants program, aged and disability programs, and youth development programs
- Cease mowing in all parks
- Not undertake any parks garden works
- Cease mowing all sports fields

The final model projects a budget of $47.4 million p.a. with an overall average renewal and maintenance gap of $16.1 million p.a. over the 10-year period.

The lifecycle modelling carried out in myPredictor to support the LTFP and the AMS shows that overall Council's infrastructure assets (with the exception of some Buildings and Other Structures) are in satisfactory condition and their condition profiles (the mix of assets in each condition state) are reasonable. It can also be seen that LTFP Scenario 3 can reduce the renewal and maintenance gap. However, these assets are ageing, additional funding will be required to keep these assets in satisfactory condition in the future. In the Buildings and Other Structures group approximately 78.8% of the assets are in condition 3 or worse – these assets are getting old. In the coming years additional budgets will be required to replace these assets. In addition, there are certain asset groups such as stormwater that may need major upgrades due to their limited design capacity to manage flows. Some of Council facilities such as buildings are also required to be upgraded to better fit the purpose for the ever-growing community.

Section 5: Council's Asset Management Maturity

This section of the AMS provides an overview of Councils capacity to manage infrastructure assets and demonstrate value for money for infrastructure-based services.

How We Define Asset Management Maturity

Asset Management Maturity is the level or ability of the Council to achieve contemporary best practice asset management. In general terms, contemporary best practice asset management for Canterbury Bankstown Council means the following:

- *We know what we own or have responsibility or legal liability for*
- *We have recorded these assets in a register down to an identifiable level and our valuations are reported at a component level*
- *We monitor the condition, functionality, capacity, performance, utilisation, and costs of assets down to the managed component level and aggregate this data up to give outputs of cost and performance at the portfolio levels*
- *We understand and have recorded the current levels of service in terms of reliability, repeatability and quality of service as well as our responsiveness to any asset failures*
- *We understand the likely future levels of service required based on population growth, demographic changes and community expectations*
- *We understand the long term (10 years plus) funding needs of our city to meet customer expectations in both capital and maintenance expenditure*
- *We monitor and report on the condition, performance and functionality of our assets against prescribed service levels and regulatory requirements*
- *We have uniform processes across our whole organisation for the evaluation of any investment in capital works (new/upgrade, renewal/rehabilitation), maintenance and operations*
- *We have a consistent method of developing annual needs-based budgets*
- *We regularly report and compare actual performance against planned performance – costs, service levels and responsiveness*

How We Measure Asset Management Maturity

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting (adopted by the Australian Local Government and Planning Ministers Council (LGPMC) on 8th March 2009) defined 10 elements. From these 10 elements, 11 core asset management practice areas have been developed to assess 'core' competency under the National Frameworks.

The 11-core asset management practice areas are:

Financial Planning and Reporting
- Strategic Long-Term Plan
- Annual Budget
- Annual Report

Asset Planning and Management

- Asset Management Policy
- Asset Management Strategy
- Asset Management Plans
- Governance & Management
- Levels of Service
- Data & Systems
- Skills & processes
- Evaluation

This approach was developed by Jeff Roorda and Associates (JRA) for the Institute of Public Works Engineering Australia (IPWEA) and is now widely used across Australia.

Asset Management Maturity Matrix

In 2018, Council's Asset Management Team (AMT), in collaboration with the Asset Managers completed a self-assessment of the Council's Asset Management Maturity. This was based on the extensive experiences of the stakeholders involved and their understanding of best practice Asset Management. The results are shown in Figure 3.

This is the first Asset Management Maturity Assessment for the amalgamated Canterbury Bankstown Council. As shown, Council is within 85% - 95% of target apart from "Evaluation" currently at 50% of target. Further advancements need to be made to reach maturity for 2023 targets. The necessary actions are addressed in Section 6 of this AMS.

CBC's Asset Management Maturity will be reviewed next financial year by engaging an independent party to assess whether the 2023 targets have been achieved.

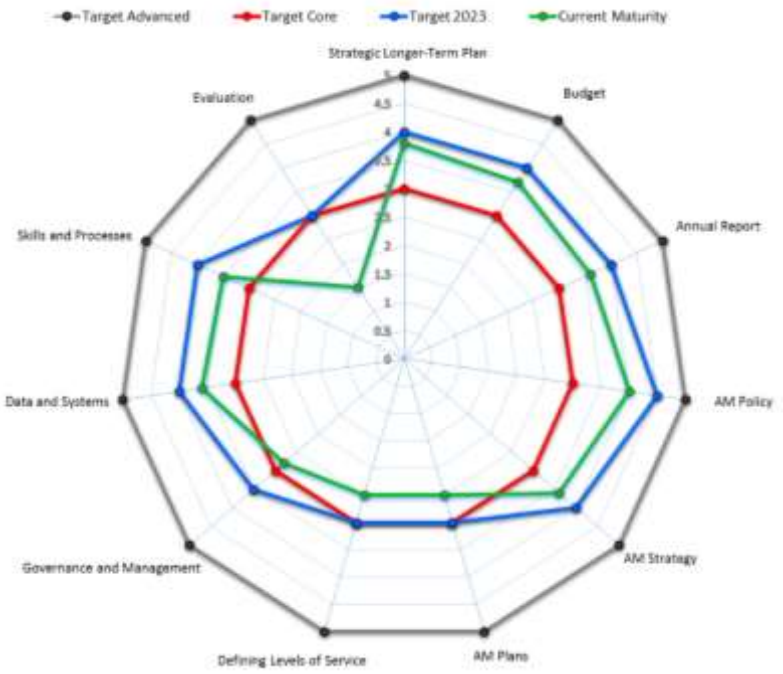


Figure 2 - Asset Management Maturity Spider Diagram

Section 6: Strategic Actions

Canterbury Bankstown Council is facing a series of asset management challenges that are common to most LGA's throughout Australia. The majority of Council's assets were first constructed at the same time as the original suburbs were built in 1930-1950's. These assets are in the latter half of their expected lives, if not near the end. As such, their physical condition has deteriorated and will continue to deteriorate at an accelerated rate in the coming years.

At the same time, population growth and changing demographics are challenging the functionality and capacity of these assets. Community expectations are also changing, which will further impact the ability of these assets to meet the emerging needs of the community.

Adequately funding asset maintenance and renewal and reducing Unfunded Renewals will require Council to develop efficiencies, rationalise assets, review service levels, source additional grant funds, raise additional revenue and/or a mixture of some or all these. These are crucial decisions that will affect the Canterbury Bankstown Community now and future generations.

At Canterbury Bankstown, these challenges will be met by:

- Developing a Council-Wide approach to Strategic Asset Management
- Continuing to review our communities needs and expectations and aligning the provision of our services and condition of assets in a sustainable manner
- Adopting best-practice asset management strategies to ensure intergenerational sustainability of Council's community and operational assets
- Ensuring that required funding is available to renew/upgrade existing assets of the Council to meet changing expectations of the community
- Modelling asset behaviour to reliably predict the condition of assets in the future for various funding scenarios
- Ensuring sound risk management and mitigation associated with Council's assets
- Developing and maintaining asset management staff, databases, new systems and technologies, and other resources to support the above

Since its proclamation, Canterbury Bankstown Council has made substantial progress in establishing SAM at the new Council. Nonetheless, the asset management journey continues and there is still much to be done. It is vital that the Council capitalises on its efforts to date and keeps on travelling down the path of continuous improvement. By adopting the following Strategic Actions, Council will reach closer in achieving its asset management objectives.

Importantly, the following strategies are a series of linked steps that will enable Council to produce advanced asset management processes that will guide the long-term financial planning for its assets.

The responsibility for all strategies is the Asset Management Team (AMT), supported by other teams across Council. The action year terms refer to the Financial Year ending in the year shown (e.g. 2023 refers to the 2022-2023 Financial Year).

Strategy 1 - AM Planning and Reporting	2023	2024	2025	2026
1.1. Review the Asset Management Strategy and the Asset Management Plans annually to inform the development of Council's annual Operational Plan and the Delivery Program				
1.2. Update the Asset Valuation Manual and the supporting Asset Assessment Manuals and undertake asset revaluations in line with the asset revaluation schedule				
1.3. Perform Fair Value Assessment of the Asset Classes and provide the relevant documents to the auditors				

Strategy 2 - Integrating AM Across Organisation	2023	2024	2025	2026
2.1. Collaborate with project stakeholders to develop a 5 year rolling Capital Works Program to be submitted through PMO				
2.2. Develop strategies to improve the organisational understanding and involvement in Strategic Asset Management				
2.3. Develop an Asset Management Portal and make it available on the Intranet for organisational use				

Strategy 3 - Developing AM Service Levels	2023	2024	2025	2026
3.1. Document the current asset management service levels				
3.2. Consult with the community to agreed service levels for the four major infrastructure asset groups (i.e. what the community wants, what it can afford and what it's willing to pay)				

Strategy 4 - AM Data and Systems Development	2023	2024	2025	2026
4.1. Move asset register to a cloud-based system to enable it to be updated and viewed in real time				
4.2. Support the development of systems and processes to improve the automation of the data collection practices in collaboration with BI and IT team (Refer to Table B1 for completed or current projects)				

Strategy 5 - Improving Organisational Capabilities	2023	2024	2025	2026
5.1. Assist with the development of interactive reports to support asset owners and decision makers				
5.2. Develop a plan to create the organisation's funding prioritisation model for the operations, maintenance and renewal of existing assets				
5.3. Update the Critical Asset Register and Risk Register for all asset groups including Roads, Open Space, Buildings and Other Structures and Stormwater				
5.4. Utilise business analytics applications such as Power BI and ESRI to enhance sharing data and information internally and externally				

Strategy 6 - AM Financial Modelling and Planning	2023	2024	2026	2027
6.1. Review and update life cycle modelling for the infrastructure asset classes (using the myPredictor tool)				
6.2. Align asset life cycle financial modelling with the Long-Term Financial Plan				
6.3. Support the development of an appropriate community facilities strategy.				

Strategy 7 - Building Continuous Improvement	2023	2024	2025	2026
7.1. Conduct an independent review of compliance with ISO 55000 Asset Management - Overview, Principles and Terminology and provide a gap analysis report.				
7.2. Strengthening whole of life Asset Management Planning in the development of the project business cases through the PMO				

Section 7: Attachments

Attachment A - Definitions
Attachment B - Detailed Figures and Tables
Attachment C - Asset Management Policy
Attachment D - References and Related Information

Attachment A - Definitions

Term	Definition
Accumulated Depreciation	The total cumulated value of how much of an asset's value has been used up over its useful life or life expectancy.
Asset	An asset is an item, thing or entity that has potential or actual value to an organisation. The value will vary between different organisations and their stakeholders, and can be tangible or intangible, financial or non-financial
Asset Condition Assessment	The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset to determine the need for preventative or remedial action
Asset Group	An asset group refers to an umbrella of assets that have similar characteristics or purpose. For example, "Stormwater Drainage" assets all help to contribute towards
Asset Management	The balancing of costs, opportunities and risks against the desired performance of assets, to archive the organisational objectives. The balancing might need to be considered over different timeframes. Additionally, it enables the application of analytical approaches towards managing an asset over the different stages of its lifecycle
Capital Expenditure	Expenditure which contributes or results in a physical asset
Capital Grants	Monies received from a third party which are generally tied to specific projects
Component	An individual part of an asset which contributes to the composition of the whole and can be separated/attached from the whole. It may also require different types of treatments and have differing useful lives and lifecycle costs
Componentisation	The practice of considering the components of a fixed asset individually, to account for the fact that these components have unique physical and economic lives
Condition	Assessed and given a value on a scale of 1 (new) to 5 (end of life). The Average Condition of a group of assets is the GRC weighted average of all assets in the group.
Current Average Annual Expenditure	An estimate of the current total maintenance and capital works expenditure on the Asset Group, being the annualised present worth of the value of the last 2 years' maintenance and 2 years' capital renewals expenditure.
Depreciation	The systematic allocation of the depreciable amount (service potential) of an asset over its useful life
Fair Value	The amount for which an asset can be exchanged, or a liability settled between knowledgeable, willing parties, in an arm's length transaction

Term	Definition
Gross Replacement Cost (GRC) aka Current Replacement Cost (CRC)	The amount it would cost at the revaluation date to acquire or construct a brand-new substitute asset that has comparable utility and no obsolescence. Also referred to as Current Replacement Cost (CRC).
Infrastructure assets	Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and cycle ways. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally, the components and hence the assets have long lives. They are fixed in place and are often have no market value
Level of service	The defined service quality for a particular service from an asset. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost.
Lifecycle Cost	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
Minimum Average Annual Expenditure	The average annual expenditure required to keep the Asset Group in good condition after the Unfunded Renewal (if any) has been addressed.
Reactive maintenance	Unplanned repair work that carried out in response to service requests and management/supervisory directions.
Remaining life	The time remaining until an asset ceases to provide the required service level or economic usefulness.
Renewal	Refer capital renewal expenditure
Renewal Gap	The gap (if any) between the Minimum Average Annual Expenditure and the Current Average Annual Expenditure. The Renewal Gap expenditure does not address the Unfunded Renewal, if any.
Risk management	The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.
Satisfactory Condition	As designated in Special Schedule 7 of Council's Annual Financial Report, being condition 3.
Unfunded Renewals	The total cost of all asset treatments (maintenance and component/asset renewals) due or past due at the date of review.
Useful Life	The period over which an asset is expected to be available for service by an entity. The estimated period from installation till removal of the asset upon the end of its serviceability
Written Down Value (WDV)	Also referred to as the book value, WDV reflects the assets present value from on accounting perspective. It is calculated by subtracting the depreciated value from its original value.

Attachment B - Detailed Figures and Tables

Table B1 – List of Projects Developed in Konect

Project Name	Description
Advertisement Cabinets CBC	To locate all known advertisement cabinets
Alcohol Sign Audit	To inspect and locate signs with an Alcohol related message
API - Artworks Inspection 2021	To inspect and value artworks 2021
BCA-Building Condition Project	Project for Buildings Condition Inspection
BCI Building Capex Investigation	Project to investigate capital works location for Buildings
Blocked Pits Cleaning	To identify and streamline blocked pits cleaning process
BMI Building Maintenance Inspection	To process defects and services checks performed by building inspectors
Bridges L1	To inspect and identify any bridge issues on L1 Level
Building Lighting Replacement	For replacing lights in Building
Building Locks and Keys	To audit lock and keys associated with Council Building and Parks
Building Valuations Project	For external valuers to find Council owned buildings
Buildings Signage Audit	For the identification and mapping of Signs on or around Buildings with a CBC, CCC, or BCC logo
Bus Pad Inspection 2020	To inspect Bus pad within the CBC LGA

Project Name	Description
Bushland Regeneration	For external contractors to perform bushland works and internal reporting
Carpark Condition	For condition rating CBC owned carparks
Council Amenities	For finding and locating council toilets. For Inspectors use
CWP Inspections	For regular inspections on Capital Work Projects
Disability Parking Investigation	For Traffic Investigation Officers to locate and identify disability parking locations
Drainage Investigation	For Drainage team to record information on-site during drainage investigations
Drainage Maintenance Works	To streamline drainage maintenance works
Drainage Survey CBC 2020	To investigate Invert levels and diameter of Drainage Devices and Conduits
Endangered Species	For mapping endangered plant species
Evacuation centres audit	For checking CBC evacuation centres data
Evacuation Centres CBC	For the Roads Manager and Director, when on call, to find nearest evacuation centre in an emergency
Flag Banner Pole Inspection	For identifying the flag type on a flagpole and the poles condition
Flood Mark	To identify flood levels after heavy rain in Feb 2020
Footpath and K&G Condition Audit	For condition rating kerb and gutter, and footpath assets

Project Name	Description
Footpath Grinding	For streamlining process of identifying, ordering works and closing grindable footpath trip defects
Habitat Boxes	To capture location, conditions and works needed for CBC habitat boxes
Ibis Nesting Location	For mapping and inspecting Ibis nesting sites
Kathryn's Notes	For Kathryn to note issues
Kerb Ramp Audit	For condition rating and compliancy of Kerb ramps
Kerb Ramp PAMP Program 2020	To inspect identified kerb ramps 2020
L2 Inspection Project	For recording and centralising information on L2 inspections
MDR	For inspecting assets and recording defects (Maintenance Defects Register)
Minor Concrete Works	To streamline workflow of minor concrete works
Native Bee Hives	To keep track on bee hives given to local schools
Nature Strip Mowing	Project for mowing nature strip
NLM - Linemarking	To perform Line Marking Maintenance and Capex works
NRM - Cameras	For locating camera that record wild life movements that can be used for studies and planning
NTS - New Traffic Committee Sign	For streamlining the process of ordering works on new traffic committee signs

Project Name	Description
Operations Project Register	For streamlining the process of identifying and completing capital works carried out by Roads Operation
Outdoor Advertisement Inspection	For identifying and locating outdoor advertisement signs
PAI - Parks Asset Inspections	For the Parks team to add their inspections for the Capital Works Projects.
Park Asset Condition	For Park Officer to find and confirm Condition 4 or 5 assets in Parks
Park Name Sign Replacement	To identify and replace park name signs
Park Sign Replacement	For replacing park regulatory signs
Parks and Sportsfield Mowing	Project for mowing Sportsfield
Pedestrian Crossing Inspection	For auditing pedestrian crossings for compliancy
Playground CWP	For Playground Capital Works Planning
Poles	For Inspecting/Testing Council owned Power & Light Poles
Pothole Repairs	For streamlining the process of identifying and completing pothole defects
Previous Incident Administration	Project used to manage the Previous Incident layer
Public Place Inspection	To investigate the condition and usability of public infrastructure in council area
Public Toilet Facilities	For Inspecting Public Toilets in CBC

Project Name	Description
Recycle Right	For the inspection of contamination in residential recycling bins
Secondary Sign Blades	To locate and identify secondary sign blades
Speed Hump Investigation 2020	To inspect speed humps 2020
Sportsfield Condition Check	For the condition assessment of sports playing field turf
Street Bin	For inspecting Bins in streets and parks as part of the Bin replacement program
Traffic Management Device Condition Audit	To condition rate Traffic Management Device, Bus Shelter and Other Structures
Tree Inspection	Series of projects related to tree inspections
Tree Under pruning	For under pruning trees in the CBC LGA
Tree Works	For issuing tree related works to external contractors
UM - Utility Meterage Inspection	For locating and identifying utility meter and its reading
Utility Restoration	For mapping location of Utility restorations and Inspections during 2-year warrantee period
Vulnerable Facilities CBC	For the Roads Manager and Director, when on call, to know of vulnerable facilities in an emergency
War Memorial Inspection	For inspecting war memorials in CBC
Waterway Asset Mapping	To complete liveability surveys of waterway assets

Project Name	Description
Way Finding Sign	To locate and identify Way Finding Signs
Weeds	For Inspecting Properties for the occurrence of notifiable Weeds. Meets DPI WAP funded projects metadata standard
WQD OWB Water Quality Device	For the Inspection and servicing of WQD and Open water bodies
WSUD Inspection	To investigate Water Sensitive Urban Devices

Table B2 - Asset Management Group Details

AMP Group	Includes Assets Such As
Roads and Transport	All vehicle and pedestrian infrastructure (both in roads and in parks) including pavements; kerb and gutter; footpaths, boardwalks and cycleways; road furniture; street structures (such as bus shelters); signs and pavement markings, bridges (both in roads and in parks); traffic management devices, and open (surface level) carparks.
Buildings & Other Structures	Bankstown Arts Centre, memorials, monuments and public art installations across the LGA.
	Children's Facilities, Youth Facilities, Senior Citizens' Centres, Community Centres/Halls, Baby Health/Immunisation Clinics
	Council Chambers, the Civic Tower and the Campsie Administration Centre, and the Council Depots
	Canterbury - Bankstown SES Facilities
	Birrong, Canterbury, Greenacre, Max Parker (Revesby), Roselands and Wran Aquatic and Leisure Centres.
	Bankstown Library and Knowledge Centre; Campsie, Chester Hill, Earlwood, Greenacre, Lakemba (Library and Senior Citizens Centre), Padstow, Panania and Riverwood Libraries.
	Bankstown Memorial Park Indoor Sports Centre and the Media Centre; and the Basketball Stadium; parks toilets/amenities buildings and clubhouses; grandstands; skateparks
	Major (multi-Storey) carparks; wharves; Boardwalk; Outdoor Pools; Grandstands; Skate parks; Retaining Wall; Stage; Viewing Platform; Vehicle Port; Bus Interchange; Miscellaneous Structure; Practice Net; Shade Structure; Shelter; Stairs; Waste Enclosure; Boat Ramp
	Tenanted Dwellings and Investment Properties
Open Space & Recreation	The Canterbury and Sefton golf courses; sports fields, courts and other active sports areas; gardens, playgrounds, park and sports field lighting; BBQs and other furniture; signs and other park (passive recreation) assets.
Stormwater Drainage	Pipes, culverts, channels, and other conduits; pits, junction pits, headwalls, outlets and other devices; retarding basins, gross pollutant traps, trash racks, booms, ponds, dams and other water quality devices; levees, and other flood mitigation structures.
Plant & Equipment	Plant and fleet vehicles, trucks, major plant, minor plant, workshop equipment, office equipment, furniture and fittings. Domestic waste and recycling plant and bins.
Other Assets	Tips assets; library books; information management hardware; low value assets and artwork.
Natural Assets	Open water bodies, riverfronts, urban streams, riparian corridors; escarpments; bushland and all trees (Street, Park and Facility).
Land	Community and Operational Lands, land under roads, Crown Lands and drainage reserves.

Table B3 - Meaning of Condition Scores

Condition	Tag	Description	Remaining Service Potential
1	**Excellent**	New or near new or in excellent to very good condition with no indicators of obsolescence. Only nominal maintenance required.	Very High
2	**Good**	In good condition with no sign of immediate or short-term obsolescence. Only minor maintenance required.	High
3	**Average**	In fair condition and there may be some signs of short to medium term obsolescence. Significant maintenance may be required to improve condition to 2.	Adequate
4	**Poor**	In poor condition with significant signs of impending (short term) obsolescence. Substantial maintenance required to keep the asset serviceable.	Low
5	**Unserviceable**	In very poor condition or obsolete – the asset no longer provides an adequate level of service and/or immediate remedial action required to keep the asset in service.	Very Low

Table B4 - Values of the Asset Groups and Categories, 2021

Asset Management Group	Current Replacement Cost	Written Down Value
Roads		
Road Pavement	$806,668,663.59	$567,000,681.63
Footpaths	$311,964,666.42	$202,559,963.79
Bridges	$58,125,987.69	$32,686,704.59
Kerb and Gutter	$379,648,483.94	$255,821,565.06
Street Furniture	$8,524,478.93	$6,577,033.52
Road Signs	$7,281,219.08	$3,464,770.67
Traffic Management Devices	$127,804,230.70	$92,440,869.90
Ground level Carparks	$19,557,333.48	$11,554,698.76
Total	**$1,719,575,064**	**$1,172,106,288**
Buildings & Other Structures		
Leisure and Aquatics Facilities	$49,789,062.00	$20,096,086.00
Bankstown Arts Centre	$8,997,000.00	$6,457,918.00
Children's Facilities	$27,504,000.00	$10,998,682.00
Civic Tower	$96,419,000.00	$51,739,705.00
Community Facilities	$96,558,000.00	$50,523,892.00
Council Chambers	$2,190,000.00	$1,183,695.00
Council Works Depots	$28,447,856.28	$12,090,113.28
Dunc Gray Velodrome	$76,533,000.00	$46,425,582.00
Libraries	$41,182,000.00	$23,172,450.00
Campsie Administration Centre	$22,011,000.00	$8,547,097.00
Parks Buildings and Facilities	$157,457,000.00	$68,219,330.00
Tenanted Properties	$13,023,000.00	$3,033,394.00
Bankstown Library and Knowledge Centre	$56,121,000.00	$41,913,969.00
Boardwalk	$5,896,795.25	$3,285,761.72
Multi Storey carparks	$41,556,900.00	$15,829,381.00
Grandstands	$5,365,375.80	$2,644,939.00
Other Structures	$30,263,848.46	$19,853,541.22
Total	**$759,314,838**	**$386,015,536**
Open Space & Recreation		
Golf Courses	$8,184,000.00	$6,138,000.00
Irrigation	$17,851,340.00	$9,605,277.50
Lighting	$23,241,610.00	$19,303,472.50
Park Furniture	$50,104,310.54	$32,957,698.14
Park Signs	$1,480,286.52	$1,019,112.34
Playgrounds	$20,223,896.17	$13,085,535.74

Asset Management Group	Current Replacement Cost	Written Down Value
Sportfields	$50,004,498.00	$31,277,862.25
Total	**$171,089,941**	**$113,386,958**
Stormwater Drainage		
Drainage Conduits	$610,878,017.15	$378,869,089.32
Drainage Structures	$85,933,058.64	$54,226,077.58
Water Quality Devices	$6,744,589.76	$4,509,062.13
Flood Mitigation	$3,765,184.00	$2,485,021.48
Total	**$707,320,850**	**$440,089,251**
Plant & Equipment		
Plant and Equipment	$43,502,447.37	$15,110,238.94
Office Equipment	$8,148,033.85	$767,984.98
Furniture and Fittings	$6,264,358.70	$956,734.46
Waste Management Assets	$27,804,604.33	$15,334,025.94
Total	**$85,719,444**	**$32,168,984**
Land		
Operational Land	$513,280,200.00	$513,280,200.00
Community Land	$208,685,582.00	$208,685,582.00
Crown Land	$42,558,600.00	$42,558,600.00
Land Under Roads	$959,142.32	$959,142.32
Total	**$765,483,524**	**$765,483,524**
Other Assets		
Tip Assets	$15,235,263.20	$5,774,860.53
Library Books	$19,458,193.18	$2,914,083.14
Information Management	$18,118,112.34	$1,387,873.18
Artworks	$2,816,564.86	$2,816,564.86
Low Value Assets	$537,181.45	$0.00
Assets Under Construction	$41,347,450.25	$41,347,450.25
Total	**$97,512,765**	**$54,240,832**
Bulk Earthworks		
Road formation and Base non depreciable	$562,502,679.37	$562,502,679.37
Bulk Earthworks - Drainage	$60,733,517.15	$60,733,517.15
Total	**$623,236,197**	**$623,236,197**
Total Assets	**$4,929,252,623**	**$3,586,727,570**

Table B5 - Estimated Infrastructure Asset Renewal Gap and Unfunded Renewals Totals 2021

Asset Management Group	Current Replacement Cost	Written Down Value	Required Average Annual Budget (10 year)	Current Average Annual Budget (10 year)	Annual Renewal Gap	Unfunded Renewal
Roads						
Road Pavement	806,668,664	567,000,682	26,578,204	23,303,912	3,274,292	45,412,561
Footpaths	311,964,666	202,559,964	2,657,820	2,330,391	327,429	623,929
Bridges	58,125,988	32,686,705	3,540,942	3,104,717	436,225	5,870,725
Kerb and Gutter	379,648,484	255,821,565	1,328,910	1,165,196	163,714	189,824
Street Furniture	8,524,479	6,577,034	72,486	63,556	8,930	151,015
Road Signs	7,281,219	3,464,771	0	0	0	1,092,183
Traffic Management Devices	127,804,231	92,440,870	845,670	741,488	104,182	1,562,190
Ground level Carparks	19,557,333	11,554,699	604,050	529,634	74,416	969,864
Total	**1,719,575,064**	**1,172,106,288**	**35,628,082**	**31,238,894**	**4,389,188**	**55,872,291**
Buildings & Other Structures						
Leisure and Aquatics Facilities	49,789,062	20,096,086	867,594	606,704	260,890	952,967
Bankstown Arts Centre	8,997,000	6,457,918	2,282	1,596	686	0
Children's Facilities	27,504,000	10,998,682	805,482	563,270	242,212	3,168,437
Civic Tower	96,419,000	51,739,705	218,584	152,855	65,729	0
Community Facilities	96,558,000	50,523,892	1,749,287	1,223,267	526,020	4,257,532
Council Chambers	2,190,000	1,183,695	80,600	56,363	24,237	0
Council Works Depots	28,447,856	12,090,113	807,668	564,798	242,870	3,214,608
Dunc Gray Velodrome	76,533,000	46,425,582	1,247,680	872,497	375,183	0

Asset Management Group	Current Replacement Cost	Written Down Value	Required Average Annual Budget (10 year)	Current Average Annual Budget (10 year)	Annual Renewal Gap	Unfunded Renewal
Libraries	41,182,000	23,172,450	274,795	192,162	82,633	8,565,856
Campsie Administration Centre	22,011,000	8,547,097	543,657	380,177	163,480	0
Parks Buildings and Facilities	157,457,000	68,219,330	4,075,355	2,849,875	1,225,480	4,734,039
Tenanted Properties	13,023,000	3,033,394	687,767	480,952	206,815	2,993,094
Bankstown Library and Knowledge Centre	56,121,000	41,913,969	0	0	0	0
Boardwalk	5,896,795	3,285,762	279,710	245,250	34,460	0
Multi Storey carparks	41,556,900	15,829,381	0	0	0	0
Grandstands	5,365,376	2,644,939	907	795	112	5,365
Other Structures	30,263,848	19,853,541	81,814	71,735	10,079	189,480
Total	**759,314,838**	**386,015,536**	**11,723,182**	**8,262,296**	**3,460,886**	**28,081,378**
Open Space & Recreation						
Lighting	23,241,610	19,303,473	134,099	117,579	16,520	127,829
Park Furniture	50,104,311	32,957,698	1,014,804	889,786	125,018	1,410,719
Park Signs	1,480,287	1,019,112	0	0	0	44,409
Playgrounds	20,223,896	13,085,536	2,416,200	2,118,537	297,663	1,782,676
Sportfields and Irrigation	76,039,838	47,021,140	3,624,301	3,177,806	446,495	8,798,692
Total	**171,089,941**	**113,386,958**	**7,189,404**	**6,303,708**	**885,696**	**12,164,325**
Stormwater Drainage						
Drainage Conduits	610,878,017	378,869,089	4,832,401	4,237,075	595,326	4,581,585
Drainage Structures	85,933,059	54,226,078	253,701	222,446	31,255	237,352

Asset Management Group	Current Replacement Cost	Written Down Value	Required Average Annual Budget (10 year)	Current Average Annual Budget (10 year)	Annual Renewal Gap	Unfunded Renewal
Water Quality Devices	6,744,590	4,509,062	362,430	317,781	44,649	640,625
Flood Mitigation	3,765,184	2,485,021	0	0	0	0
Total	**707,320,850**	**440,089,251**	**5,448,532**	**4,777,302**	**671,230**	**5,459,562**
Total Assets	**3,357,300,692**	**2,111,598,033**	**59,989,200**	**50,582,200**	**9,407,000**	**101,577,555**

Table B6 - Estimated Infrastructure Asset GRC Weighted Condition Percentages 2021

Asset Management Group	Current Replacement Cost	Average Condition	Condition 1 (%)	Condition 2 (%)	Condition 3 (%)	Condition 4 (%)	Condition 5 (%)
Roads							
Road Pavement	$806,668,664	2.4	18.2%	40.1%	30.4%	11.3%	0.0%
Footpaths	$311,964,666	2.2	23.4%	29.4%	46.8%	0.4%	0.0%
Bridges	$58,125,988	2.6	1.2%	59.9%	18.7%	20.2%	0.0%
Kerb and Gutter	$379,648,484	2.3	4.6%	58.1%	37.2%	0.1%	0.0%
Street Furniture	$8,524,479	1.7	47.0%	44.0%	6.0%	2.0%	1.0%
Road Signs	$7,281,219	2.3	38.0%	29.0%	3.0%	30.0%	0.0%
Traffic Management Devices	$127,804,231	1.8	40.4%	38.6%	18.6%	2.3%	0.1%
Ground level Carparks	$19,557,333	2.3	24.4%	31.3%	34.4%	9.8%	0.1%

Asset Management Group	Current Replacement Cost	Average Condition	Condition 1 (%)	Condition 2 (%)	Condition 3 (%)	Condition 4 (%)	Condition 5 (%)
Total	**$1,719,575,064**	**2.3**	**17.50%**	**42.60%**	**33.40%**	**6.50%**	**0.00%**
Buildings & Other Structures							
Leisure and Aquatics Facilities	$49,789,062	3.0	0.0%	6.9%	89.3%	3.8%	0.0%
Bankstown Arts Centre	$8,997,000	2.9	0.0%	14.0%	86.0%	0.0%	0.0%
Children's Facilities	$27,504,000	3.1	0.3%	14.5%	62.0%	22.4%	0.8%
Civic Tower	$96,419,000	3.0	0.0%	1.5%	98.5%	0.0%	0.0%
Community Facilities	$96,558,000	2.7	4.9%	27.1%	59.2%	8.4%	0.4%
Council Chambers	$2,190,000	3.0	0.0%	0.0%	100.0%	0.0%	0.0%
Council Works Depots	$28,447,856	3.1	6.2%	4.5%	66.7%	22.6%	0.0%
Dunc Gray Velodrome	$76,533,000	3.0	0.0%	0.0%	100.0%	0.0%	0.0%
Libraries	$41,182,000	2.8	14.6%	28.8%	15.0%	41.6%	0.0%
Campsie Administration Centre	$22,011,000	3.0	0.0%	0.0%	100.0%	0.0%	0.0%
Parks Buildings and Facilities	$157,457,000	2.9	2.4%	13.6%	77.8%	4.8%	1.4%
Tenanted Properties	$13,023,000	3.9	0.0%	2.8%	33.5%	30.5%	33.2%
Bankstown Library and Knowledge Centre	$56,121,000	2.1	0.0%	86.7%	13.3%	0.0%	0.0%
Boardwalk	$5,896,795	2.8	12.1%	0.8%	87.1%	0.0%	0.0%
Multi Storey carparks	$41,556,900	2.9	7.3%	0.0%	92.7%	0.0%	0.0%
Grandstands	$5,365,376	3.0	1.0%	0.0%	98.8%	0.2%	0.0%
Other Structures	$30,263,848	2.5	13.50%	29.40%	55.90%	1.30%	0.00%
Total	**$759,314,838**	**2.9**	**3.20%**	**17.00%**	**72.10%**	**6.80%**	**0.90%**

Asset Management Group	Current Replacement Cost	Average Condition	Condition 1 (%)	Condition 2 (%)	Condition 3 (%)	Condition 4 (%)	Condition 5 (%)
Open Space & Recreation							
Golf Courses	$8,184,000	2.0	0.0%	100.0%	0.0%	0.0%	0.0%
Irrigation	$17,851,340	2.9	33.0%	4.6%	19.7%	29.9%	12.8%
Lighting	$23,241,610	1.7	46.4%	40.5%	12.0%	1.1%	0.0%
Park Furniture	$50,104,311	2.0	39.0%	34.0%	22.0%	3.0%	2.0%
Park Signs	$1,480,287	1.9	35.0%	49.0%	10.0%	6.0%	0.0%
Playgrounds	$20,223,896	2.5	22.7%	27.0%	32.7%	17.5%	0.1%
Sportfields	$50,004,498	2.5	16.3%	37.2%	26.9%	19.6%	0.0%
Total	**$171,089,941**	**2.2**	**29.00%**	**35.20%**	**21.90%**	**12.00%**	**1.90%**
Stormwater Drainage							
Drainage Conduits	$610,878,017	2.5	1.6%	53.0%	43.9%	1.5%	0.0%
Drainage Structures	$85,933,059	2.5	10.0%	28.1%	61.4%	0.3%	0.2%
Water Quality Devices	$6,744,590	2.1	31.7%	47.9%	4.1%	8.3%	8.0%
Flood Mitigation	$3,765,184	2.0	0.0%	100.0%	0.0%	0.0%	0.0%
Total	**$707,320,850**	**2.5**	**2.90%**	**50.20%**	**45.40%**	**1.40%**	**0.1%**
Total Assets	**$3,357,300,692**	**2.4**	**11.80%**	**38.24%**	**43.85%**	**5.77%**	**0.34%**

Table B7 – Renewal and Maintenance Gaps of the Long-Term Financial Plan Scenarios ('000)

Renewal and Maintenance Gap for Various LTFP Scenarios ('000)											
	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	Total
Required Renewal for Infrastructure Assets	$60,752	$49,049	$50,823	$63,306	$55,589	$58,182	$60,971	$64,003	$67,186	$70,031	$599,892
Annual Maintenance Gap[2]	$4,707	$4,825	$4,946	$5,070	$5,197	$5,327	$5,460	$5,597	$5,737	$5,880	$52,746
Scenario 1 - Base Case Option - Available Renewal Budget	$32,851	$27,625	$37,270	$54,022	$53,069	$54,637	$54,603	$56,675	$58,160	$59,706	$488,618
Scenario 1 - Base Case Option Total Renewal and Maintenance Gap	$27,901	$21,424	$13,553	$9,284	$2,520	$3,545	$6,368	$7,328	$9,026	$10,325	$94,070[3]
Scenario 2 - Servicing Model - Available Renewal Budget	$32,851	$27,522	$37,911	$55,118	$45,528	$45,068	$42,898	$42,713	$41,823	$40,870	$412,302
Scenario 2 - Servicing Model Total Renewal and Maintenance Gap	$27,901	$21,527	$12,912	$8,188	$10,061	$13,114	$18,073	$21,290	$25,363	$29,161	$170,386[3]
Scenario 3 - Asset Management Model - Available Renewal Budget	$32,851	$29,301	$40,662	$58,900	$54,516	$59,639	$64,234	$70,610	$74,675	$76,619	$562,007
Scenario 3 - Asset Management Model Total Renewal and Maintenance Gap	$27,901	$19,748	$10,161	$4,406	$1,073	-$1,457	-$3,263	-$6,607	-$7,489	-$6,588	$20,681[3]
Scenario 4 - Base Case without SRV Model - Available Budget	$19,851	$21,724	$21,875	$22,039	$22,711	$23,175	$22,014	$22,936	$23,250	$23,601	$223,176
Scenario 4 - Base Case without SRV Model Renewal Gap	$40,901	$27,325	$28,948	$41,267	$32,878	$35,007	$38,957	$41,067	$43,936	$46,430	$376,716
Scenario 4 - Base Case without SRV Model Total Renewal and Maintenance Gap	$45,608	$32,150	$33,894	$46,337	$38,075	$40,334	$44,417	$46,664	$49,673	$52,310	$412,258[3]
Scenario 5 - Reduce Services Model - Available Budget	$19,851	$36,026	$43,812	$51,876	$53,557	$54,018	$52,860	$53,781	$54,095	$54,447	$474,323
Scenario 5 - Reduce Services Model Renewal Gap	$40,901	$13,023	$7,011	$11,430	$2,032	$4,164	$8,111	$10,222	$13,091	$15,584	$125,569
Scenario 5 - Reduce Services Model Total Renewal and Maintenance Gap	$45,608	$17,848	$11,957	$16,500	$7,229	$9,491	$13,571	$15,819	$18,828	$21,464	$161,111[3]

[2] Annual Maintenance Gap is accounted for in Scenario 1 -3 budget; Annual Maintenance Gap is not accounted for in Scenario 4 and 5 budget.
[3] Includes $17.204 million opening balance

Attachment C - Asset Management Policy

ASSET MANAGEMENT POLICY

1.0 PURPOSE

The Asset Management Policy outlines the commitment of Canterbury- Bankstown Council (Council) to best practice, service focused and sustainable lifecycle asset management for all assets owned and/or administered by the Council.

2.0 SCOPE

This Policy applies to all assets owned and/or administered or proposed to be acquired by Council. This includes:

- Community and infrastructure assets,
- Operational assets used in the provision of community services and other Council's operations, and;
- Natural and heritage assets in the Canterbury- Bankstown Local Government Area (LGA).

3.0 POLICY STATEMENT

All assets proposed, owned and/or administered by Council are to be acquired, managed and maintained, on a lifecycle basis, in terms of sustainable social, environmental, economic and governance outcomes, for the ongoing benefit of the Canterbury- Bankstown Community.

This Policy establishes the framework that will underpin Council's Asset Management Strategy and Asset Management Plans. These supporting documents and processes will facilitate:

- Keeping the assets in appropriate condition so they fulfil their various roles, serving the community as required at the least possible short, medium and long term cost (we will minimise the overall costs of managing our assets),
- Managing the assets in environmentally sustainable ways,
- Paying for the assets as the community uses them (we will not defer costs unnecessarily to future generations),
- The ongoing custodianship of natural and heritage assets on behalf of the community so they can be used by the community now and in the future,
- The rationalisation of existing, and the development of appropriate new and upgraded assets, to meet the future needs of the community,
- The development or enhancement of the community capital of Bankstown,
- Delivery of new and reconstructed assets at the right cost, right time and right standard,
- Council's ability to report within the Integrated Planning and Reporting Framework, and
- Development of appropriate systems, procedures and controls to enable the above.

3.1 Asset Management Objectives

Assets owned or administered by Canterbury- Bankstown Council must:

- Have an identified strategic purpose that contributes to Council's community infrastructure and/or service delivery objectives as defined in Council's Strategic Community, Delivery and Operational Plans.
- Be managed so that the assets are structurally sound (fit for service), functionally sound (fit for purpose), aesthetically sound (look good) and environmentally and financially sustainable.
- Be accessible, adaptable and have sufficient capacity to meet the varying needs of the Canterbury-Bankstown community over time.
- Add to or enhance the community capital of Canterbury- Bankstown.
- Have clearly defined custodianship and operational accountabilities for the respective aspects of their management.
- Be identified, registered and recorded in accordance with relevant legislation and accounting standards.
- Have a current Asset Management Plan detailing the whole lifecycle of the asset including responsibilities and accountabilities for the delivery, routine maintenance, partial capital renewal and (as required) the disposal or renewal of the asset.
- Have budgeted funding planned for their long term management, maintenance, disposal and/or renewal, and
- Be managed within a documented framework of clear and transparent processes so that it can be demonstrated that responsible management practices have been followed.

4.0 RELATED RESOURCES

4.1 Legislation

- *Local Government Act 1993 and Regulations*
- *Roads Act 1993*
- *Environmental Planning and Assessment Act 1979 and Regulations*
- *Work Health and Safety Act 2011 and Regulation 2017*
- *The Protection of the Environment Act 1997 and Regulations*
- *Anti-Discrimination Act 1977*
- *Disability Discrimination Act 1992*

4.2 Associated Documents

- Integrated Planning and Reporting Framework documentation including the Community Strategic Plan, Delivery Program, Operational Plan and Resourcing Strategy
- Asset Management Strategy (AMS)

- Various Asset Management Plans (AMPs)
- Various facility level Asset Management Plans (FAMPs)
- Asset Condition Assessment Manuals
- Asset Stocktake Procedure TBD
- Canterbury- Bankstown Council asset related policies and procedures
- International Infrastructure Management Manual (IIMM), 2015
- Australian Infrastructure Financial Management Manual (AIFMM), 2015
- International Standard for Asset Management (ISO5500), 2014

The Australian Accounting Standards that apply to Local Government include:

- AASB 116 Property, Plant & Equipment – prescribes requirements for recognition and depreciation of property, plant and equipment assets
- AASB 13 Fair Value Measurement
- AASB 136 Impairment of Assets – aims to ensure that assets are carried at amounts that are not in excess of their recoverable amounts
- AASB 1021 Depreciation of Non-Current Assets – specifies how depreciation is to be calculated
- AASB 1001 Accounting Policies – specifies the policies that Council is to have for recognition of assets and depreciation
- AASB 1048 Interpretation and Application of Standards
- AASB 1041 Accounting for the reduction of Non-Current Assets – specifies the frequency and basis of calculating depreciation and revaluation basis used for assets
- AASB 1015 Accounting for acquisition of assets – method of allocating the value to new assets on acquisition
- AASB 1010 Recoverable Amounts of Non-Current Assets – specifies requirement to test the reasonableness of valuations

4.3 Definitions

Asset	Plant, Equipment, Property, Buildings, Facilities, Infrastructure, Commercial Investments, Natural and Heritage Items owned or administered by Council.
Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Asset Management Plan	A plan outlining the full physical and financial life cycle of an asset. It will include details of the asset components, asset values, depreciation rates, lifecycle expectations, routine and major periodic maintenance plans for the whole of the life of the asset and its separable components together with any necessary plans for the ultimate sale or disposal of the asset.

Capital Expenditure	Expenditure for new infrastructure, the renewal or upgrade of existing assets that enhances the service potential of the assets. Such expenditure is to be capitalised.
Community Asset	An asset that is used to enable a service or to provide a service to the community, e.g. community centres, town halls, swimming pools, libraries and sports complexes.
Community Capital	The natural, human, social, and built capital from which a community receives benefits and on which the community relies for continued existence.
Financial Sustainability	The financing of the life cycle costs of an asset does not unreasonably burden future generations or unreasonably reduce the asset choices of future generations.
Infrastructure Asset	An asset that by its nature provides value to the community or enables the community to function, e.g. roads, traffic facilities, footpaths, drains, parks and sports fields.
Level of Service	The defined service quality for a particular activity or service area against which service performance may be measured.

5.0 POLICY OWNER

Director Operations

6.0 AUTHORISATION

Adopted by Canterbury-Bankstown Council on 26 June 2018.

Attachment D - References and Related Information

References

- NSW Office of Local Government Integrated Planning and Reporting Framework Guidelines and Manual
- Canterbury Bankstown Community Strategic Plan
- IPWEA International Infrastructure Management Manual
- IPWEA Financial Management Guidelines
- CBC Asset Management Policy
- CBC Asset Valuation Methodology Manual
- Local Government Financial Sustainability Nationally Consistent Frameworks, Frameworks 1, 2 & 3, May 2009
- National State of the Assets, Roads and Community Infrastructure Report, Nov 2018

The National Frameworks and Asset Management

In line with the Local Government and Planning Ministers' Council's (LGPMC's) National Frameworks for Local Government Sustainability and the NSW Office of Local Government's (OLG's) Integrated Planning and Reporting Framework, Council is committed to the ten key asset management elements of the Frameworks:

Financial Planning and Reporting[4]	Asset Planning and Management[5]
Strategic longer-term plan	Asset management policy
Annual budget	Strategy and Planning: - asset management strategy - asset management plans
Annual report	Governance and management
	Levels of service
	Data and systems
	Skills and processes
	Evaluation

For the assessment of Council's Asset Management Maturity, "Strategy and planning" has been treated as two elements (AM Strategy and Plans), leading to the 11 asset management practice areas used in the assessment.

NSW OLG Integrated Planning and Reporting Framework

The Integrated Planning and Reporting Framework (IPRF) is the NSW Government's implementation of the Local Government and Planning Ministers' Council (LGPMC) endorsed Nationally Consistent Frameworks for Local Government Financial Sustainability.

[4] LGPMC Framework 3 Financial Planning and Reporting, May 2009
[5] LGPMC Framework 2 Asset Planning and Management, May 2009

Implementation of the IPRF has been mandated through the NSW Local Government Act and the associated IPRF Guidelines and Manual.

NSW and Federal Acts and Regulations

The NSW and Federal Acts and associated Regulations that may apply to Strategic Asset Management include:

- Local Government Act and Regulations,
- Roads Act,
- Environmental Planning and Assessment Act and Regulations,
- Work Health and Safety Act and Regulations 2011,
- The Protection of the Environment Act and Regulations, and
- Anti-Discrimination Act.
- Disability Discrimination Act

Some acts and regulations may also have reporting frameworks and implementation targets.

Australian Standards and other Codes of Practice

Many Australian Standards and other Codes apply to asset management. These include:

- Building Code of Australia (and referenced Australian Standards),
- ISO 31000 Risk Management – Principals and Guidelines,
- AS/NZ 3760 In-service Safety Inspection and Testing of Electrical Equipment, and
- ISO 55000 International Standard for Asset Management.

Australian Accounting Standards

The Australian Accounting Standards that apply to Local Government include:

- AASB 116 Property, Plant & Equipment – prescribes requirements for recognition and depreciation of property, plant and equipment assets;
- AASB 13 Fair Value Measurement – sets out methods for determining Fair Value;
- AASB 136 Impairment of Assets – aims to ensure that assets are carried at amounts that are not in excess of their recoverable amounts;
- AASB 1021 Depreciation of Non-Current Assets – specifies how depreciation is to be calculated;
- AAS 1001 Accounting Policies – specifies the policies that Council is to have for recognition of assets and depreciation;
- AASB 1041 Accounting for the reduction of Non-Current Assets – specifies the frequency and basis of calculating depreciation and revaluation basis used for assets;
- AAS 1015 Accounting for acquisition of assets – method of allocating the value to new assets on acquisition; and
- AAS 1010 Recoverable Amounts of Non-Current Assets – specifies requirement to test the reasonableness of valuations.