



# Asset Management Strategy

2025-2035

Adopted 17 June 2025

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# Introduction





## Introduction

Assets are an integral part of the way Council delivers services for the community. They provide transport links within, to and from the Northern Beaches; provide safe areas for communities to play, learn, be active and social; and reduce the impacts of storms.

Each year Council invests significantly into our assets to ensure that they meet the needs of the community, are well maintained, safe and operational, refurbished when needed and disposed of when required.

There needs to be effective and sustainable management of these activities, which includes considering asset resilience to natural hazards and climate change.

Asset management is a 'whole of life' approach that ensures the sustainable delivery of assets to the community, meets community needs and is consistent with Council's business improvement approach.

Good asset management maintains an understanding of the cost, risk and performance trade-offs in the short, medium and long-term, and caters for future growth and changing needs.

The Asset Management Strategy is one element of a larger suite of documents that provides guidance on consistent, effective and sustainable asset management practices across Council. It provides a framework to support staff in delivering the community's vision of:

*Northern Beaches - a safe, diverse, inclusive and connected community that lives in balance with our extraordinary coastal and bushland environment.*

### Our assets

Council is responsible for over \$3.9 billion of infrastructure assets, \$2.5 billion of land and \$91 million of other assets including plant and fleet. The asset classes covered by this Strategy are stormwater, transport, open space and recreation, buildings, land and others. These assets help meet a variety of community needs by supporting Council's service delivery. Each class also addresses the 7 community outcomes that are captured in our long-term Community Strategic Plan 2040 (CSP).

**Table 1**

Alignment of asset classes to CSP Outcomes

Asset class	Community Strategic Plan Outcomes						
	Protection of the environment	Environmental sustainability	Community & belonging	Housing, places & spaces	Vibrant local economy	Safe & efficient transport	Good governance & participation
Stormwater assets - conveying rainwater, improving water quality and reducing flood risk	●	●		●	●	●	
Transport assets – providing connectivity with roads, paths, cycleways, bus shelters, wharves, bridges		●	●	●	●	●	
Open space and recreation assets in public reserves - providing recreational opportunities, accessibility, foreshore protection, and water reuse opportunities		●	●	●	●		
Buildings – structures which provide community services such as amenities, club houses, libraries, childrens centres, community centres, including water and energy efficiency solutions		●	●	●	●		●
Land assets – land which Council owns/manages on the community's behalf to provide services upon	●		●	●	●	●	●
Other assets – including Council's internal vehicle stock that assist in service delivery, IT equipment, library books and furniture/fitouts.	●	●	●	●	●	●	●

### **Purpose of the Asset Management Strategy**

The purpose of this Strategy is to ensure our asset portfolio is meeting the current and future needs of our community in the most cost effective and sustainable way, consistent with a business improvement approach. It also responds to future needs by aligning with our Asset Management Policy, Long Term Financial Plan and Community Strategic Plan (CSP).

The Strategy is supported by an asset management approach that is consistent, meets statutory requirements, and is cost effective and sustainable. It provides strategic guidance for the planning, construction, maintenance and operation of the assets essential for Council to provide services to the community.

It sets out high level objectives, our current asset management maturity and where we need to improve. Areas for improvement over the next 10 years are outlined in this document's Action Plan.

### **Why is the Strategy needed?**

This Strategy demonstrates how our Asset Management Policy will be implemented. This Policy, at Appendix A, supports the vision and aspirations of the Northern Beaches community, and provides a foundation for sustainable, consistent, and sound asset management practices in a transparent and trusted manner.

There are various legislative requirements and codes of practice that Council must comply with to manage its assets. Some key examples are:

- Integrated Planning and Reporting framework: under the Local Government Act 1993, Council must have a 10-year Resourcing Strategy covering the provision of resources required to implement our Community Strategic Plan and Delivery Program of capital works. The Asset Management Strategy is one of three components of the Resourcing Strategy, in addition to strategies on workforce management and the Long Term Financial Plan.
- Local Government Act: Council also has a number of statutory responsibilities in relation to asset management under the Local Government Act 1993, which outlines Council's functions, responsibilities and powers, including providing and maintaining community infrastructure. This legislation states in part that Council shall have regard to the long term and cumulative effects of its decisions; bear in mind that it is the custodian and trustee of public assets; and effectively account for and manage the assets for which it is responsible.
- Other legislation: the NSW and federal acts and associated regulations that apply to strategic asset management include the Roads Act 1993; Environmental Planning and Assessment Act 1997 and Regulations 2000; Work Health and Safety Act 2011 and Regulations 2017; and the Protection of the Environment Operations Act 1997 and Regulations 2009. The Civil Liability Act 2002 also



requires Council to minimise the risk to Council from public liability and address the reasonable expectations of the community in managing the risk to the public through the prudent management of Council's assets.

Codes and standards: many standards and other codes apply to asset management from planning, to risk, technical and financial management. These include:

- Building Code of Australia (and referenced Australian Standards)
- AS/NZ ISO 31000 Risk Management – Principles and Guidelines
- AS/NZ ISO 55000 Asset Management – Principles and Guidelines
- International Infrastructure Management Manual
- International Infrastructure Financial Management Manual
- Australian Infrastructure Financial Management Manual
- AS/NZ 3760 In-service Safety Inspection and Testing of Electrical Equipment
- AASB 116 Property, Plant and 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
- 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
- Local Government Code of Accounting Practice and Financial Reporting.

Other drivers include some of Council's key policies, strategies and plans that address the long term needs of our community:

- Local Strategic Planning Statement
- Transport Strategy and action plans
- Environment and Climate Change Strategy and action plans
- Coastal Zone Management Plans
- Local Housing Strategy
- Property Management Framework
- Economic Development Strategy
- Resilience Strategy
- Sportsground Strategy
- Community Centres Strategy
- Enterprise Risk and Opportunity Management Policy

These documents provide insight into current and future trends and assist in determining priorities across the assets.





A romantic couple is seen from behind, standing on the deck of a ship. The man is wearing a white long-sleeved shirt, and the woman is wearing a dark top and a light-colored skirt. They are looking out at the ocean as the sun sets, creating a warm, golden glow. The ship's white railing and wooden deck are visible in the foreground and middle ground.

# Our community



## Our community

### How our community has changed

The trends in this section primarily draw on Census data up to 2021.

### Population growth 2006 to 2021

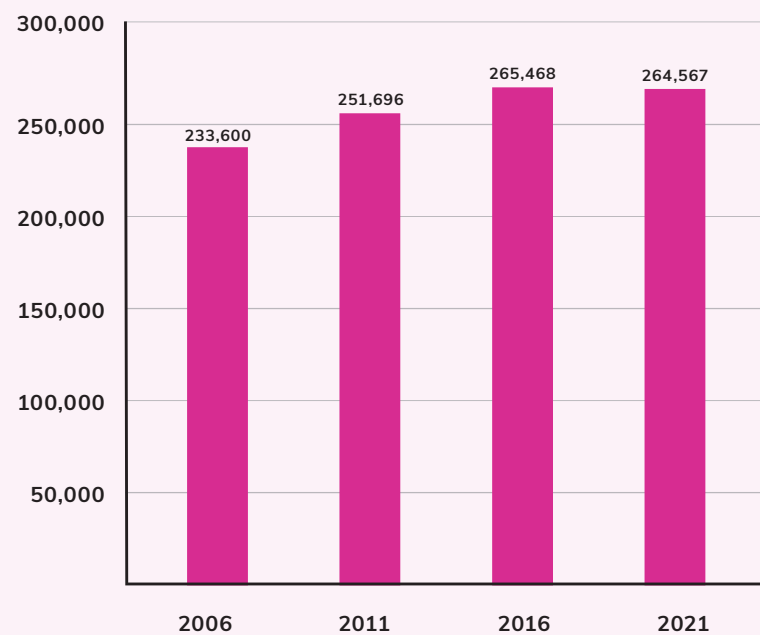
For the 15 years to 2021 our population increased by over 30,000 people to 264,567, an average increase of 2,064 people per year. Figure 1 shows steady growth up to 2016 where growth declined due to the COVID-19 pandemic and limits on overseas migration numbers.

Figure 2 shows changes in the population by service age groups.

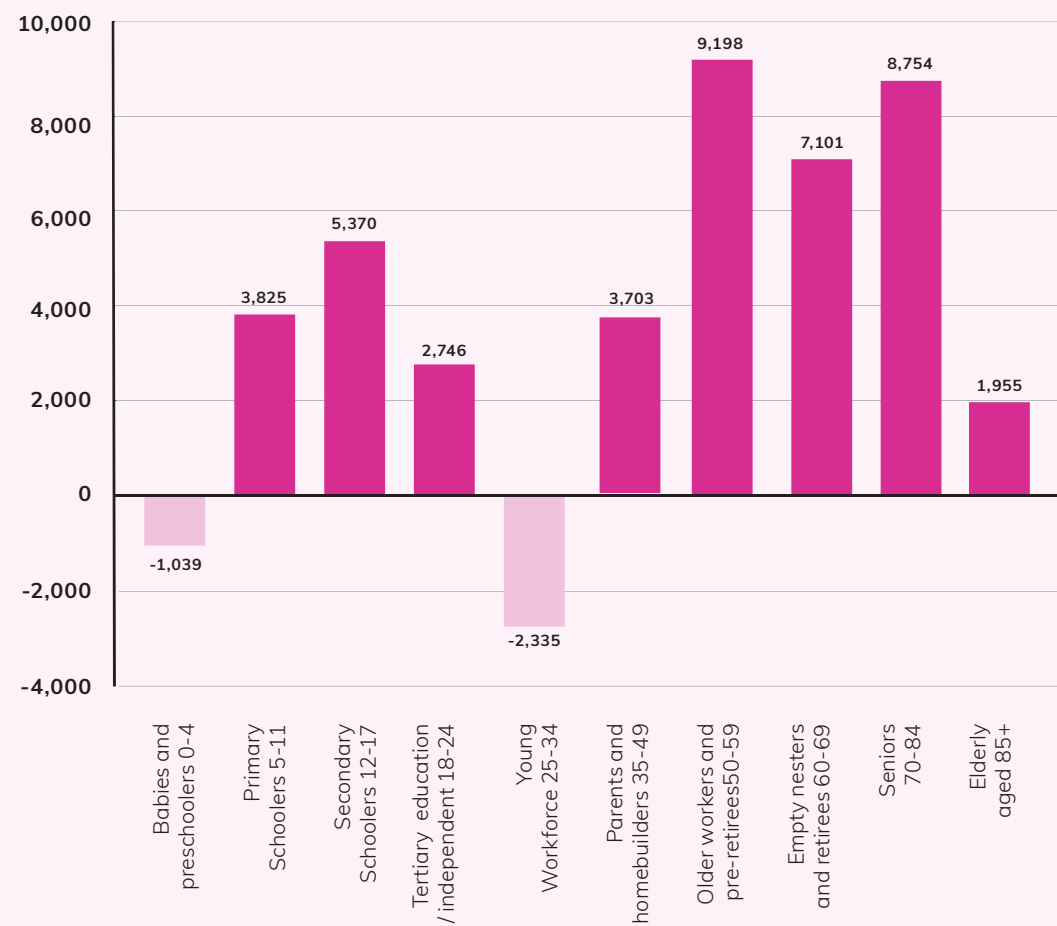
Service age groups divide the population into age categories that reflect typical lifestyles, based on Census data. The largest single group in our community are the parents and homebuilders aged 35 to 49 years, comprising 21% of our population.



**Figure 1**  
Total population 2006-2021 (Estimated Resident Population)



**Figure 2**  
Change in service age groups 2006 to 2021



## Projected changes to 2036

### Population and dwellings

From the latest population estimate of 270,772 (2024 - ABS Estimated Resident Population) the Northern Beaches area is forecast to have a population of over 290,000 people by 2040<sup>1</sup>. Population growth on the Northern Beaches will be lower than surrounding areas, and Greater Sydney, due to local constraints. With large areas of national park, other bushland and floodplains, and the lack of major transport infrastructure such as a train line to support the efficient movement of people, more substantial growth cannot be supported in an efficient and sustainable way.

Council's Local Housing Strategy 2021 projects that 12,000 more dwellings will be required between 2020 and 2036 to accommodate the growth in population<sup>2</sup>. However, on 29 May 2024, the NSW Government announced 5-year local housing completion targets for all councils in Greater Sydney. The targets have been expressed as 'dwelling completions' to ensure consistency with the National Housing Accord metric of 377,000 homes completed within 5 years. The Northern Beaches Local Government Area has been given a target of 5,900 new completed homes by 30 June 2029.

This target is substantially higher than anticipated by the Local Housing Strategy (from an average of 600 new dwellings to 1,180 new dwellings per annum) and is proposed to be achieved through the implementation of the Government's Low and Mid-Rise Housing Reforms. The first stage of the reforms commenced on 1 July 2024, permitting dual occupancy development on an additional 34,000 properties in the Council area.

The second stage of the reforms commenced on 28 February 2025, involving more medium density development around existing local centres. The new controls will apply to all residential zoned land within 800 metres walking distance of:

- Balgowlah Shopping Centre
- Dee Why Town Centre
- Forestville Town Centre
- Forestway Shopping Centre
- Frenchs Forest Precinct (Warringah Road)
- Manly Town Centre
- Manly Vale Town Centre
- Mona Vale Town Centre
- Warringah Mall Shopping Centre

<sup>1</sup>ID Planning – Population forecast [forecast.id.com.au](https://forecast.id.com.au)

<sup>2</sup> Northern Beaches Local Housing Strategy, Northern Beaches Council 2021.

### **Growth area**

The Local Housing Strategy also outlines that most of the Northern Beaches will see little change, with new development focused on centres. Strategic centres at Dee Why, Brookvale, Mona Vale, Manly and Frenchs Forest serve as hubs for employment, and typically have higher density forms of housing. There are also opportunities for more housing diversity along the existing B-Line bus route (Manly Vale, Brookvale, Dee Why, Narrabeen, Warriewood and Mona Vale) and Manly. If a new east-west B-Line bus route is established in future, Beacon Hill and Forestville may also accommodate more housing diversity.

The second stage of the Government's Low and Mid-Rise housing reforms allow a significant increase in medium density development around several local centres in the Council area.

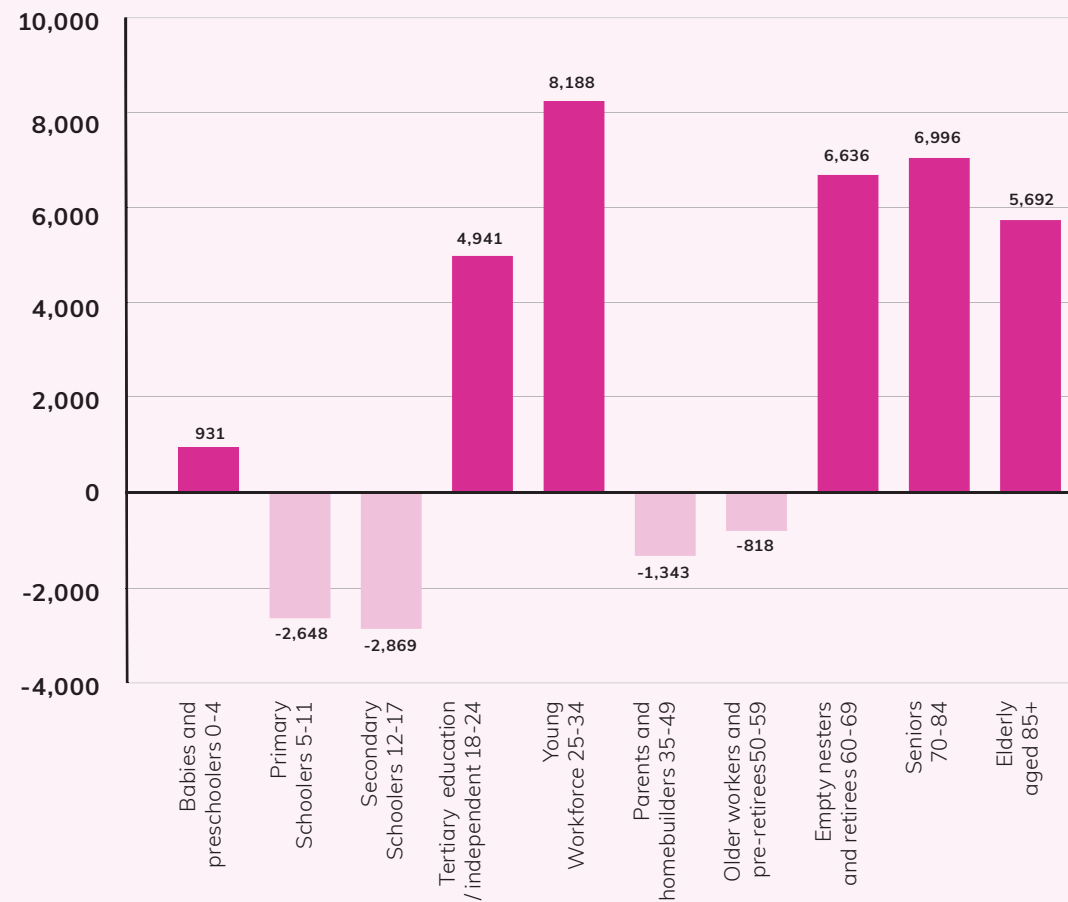
Growth areas will require assets that cater to their changing demographics, as well as serving the general population. Council will continue to plan for and assess the needs of their communities – especially the provision of footpaths, local road infrastructure (parking, stormwater, kerb and guttering, etc) as well as community facilities and open spaces. Planning in and around our centres will incorporate high quality urban design and associated infrastructure such as open space, community facilities and transport. However, Council may be limited in its ability to fund infrastructure needs generated by housing growth associated the State Government's Low and Mid-Rise Housing reforms.

### **Age groups**

Looking at expected changes between 2021 to 2036, growth across the service age groups is not consistent. The parents and home builders group (aged 35-49) will remain the dominant group at 19% of the community.



**Figure 3**  
**Change in service age groups 2021 to 2036<sup>3</sup>**



These changes in the age profile have significant implications for the provision of flexible assets and services that can cater for the shifting needs across children, tertiary students and workers, as well as families, seniors and the elderly. These forecasts also need to be considered in future planning for community needs such as housing, education, health, recreation, care and accessibility, transport, economic development and our centres.



## Community expectations related to assets

In developing our first Community Strategic Plan, comprehensive engagement in 2016-17 highlighted the community's concerns about population growth - such as more traffic and commuting pressures, accessibility of community facilities, parking, parks and open space usage. They were also concerned whether current infrastructure (such as water, stormwater, sewerage, waste, local roads and footpaths) could withstand additional population pressures. Other priorities important to asset planning included:

- safe, connected and inclusive neighbourhoods, playgrounds and community spaces
- accessibility of multi-purpose community centres
- supporting businesses and local place initiatives and improvements, for business growth and tourism
- improvements to public places and facilities in centres.

Engagement with our community when developing our long-term strategies and as part of the review of the Community Strategic Plan, highlighted transport and congestion, housing affordability, the environment including climate change, and infrastructure, as our greatest challenges. Our community acknowledge that the need for more infrastructure is at odds with the over-arching desire to maintain and protect the natural environment that makes the Northern Beaches so special.

In response, the revised Community Strategic Plan 2040 has a stronger emphasis on some aspects that are relevant for asset planning:

- safe and efficient transport including:
  - enhancing and promoting multimodal transport options
  - safety for all users of transport infrastructure, including pedestrians and e-bike users

- supporting the introduction of new technologies, including infrastructure for electric vehicles.

- increased resilience of assets to storm events, floods, erosion, landslides, bushfires and impacts of climate change
- access to housing options that are diverse and affordable
- places and spaces that support people at each stage of their lives
- supporting our community to be resilient to external impacts.



Council continues to seek community feedback on aspects that are vital to asset planning. In 2024 we conducted a broad community survey on the importance and satisfaction placed by residents on our services and facilities - this helps highlight perceived gaps in meeting expectations.

The priorities arising from all this community feedback are factored into our asset planning, particularly in the annual review of our Asset Management Plan.





A large crowd of people is gathered in a modern, dimly lit hall. The room features a curved ceiling with hanging string lights and a wall with large, illuminated decorative panels. The lighting is predominantly red, creating a warm and vibrant atmosphere. The crowd is diverse in age and appearance, and many are looking towards the right side of the frame. The overall scene suggests a social or entertainment event.

# Objectives and actions







## Objectives and actions

### Strategic context and principles

This document provides the strategic line of sight starting with the community vision and goals captured in the Community Strategic Plan, flowing onto priorities in our lead strategies and plans. These are responded to by the Asset Management Policy at Appendix A, which sets out key principles

Drawing on these principles, the Strategy then identifies priority actions needed over the next 10 years to address the community's changing needs. This provides the strategic context for the Asset Management Plan. Figure 4 shows this relationship.

**Figure 4**  
**Strategic line of sight for asset management**



The five objectives of the Asset Management Policy guide our asset management approach:

- plan for and provide assets that are safe, adaptive, fit-for-purpose and resilient
- meet the needs of the community into the future
- follow best value and sustainable asset management practices
- promote best practice asset management and clear responsibilities within the organisation
- comply with legislative requirements and industry standards.

These objectives are expanded upon in the following principles of this Strategy:

- apply risk management practices to ensure sound asset performance, community safety and resilience, including risks associated with climate change and other stressors
- focus adaptation and mitigation investment on critical assets and infrastructure to ensure they are resilient to natural disasters and climate change impacts
- build understanding of system and asset risks, interdependencies, vulnerabilities, and identify opportunities to improve continuity, redundancy and scalability
- consult with the community and key stakeholders to establish agreed levels of service to meet current and changing needs
- ensure asset management decisions consider sustainability and adaptability, based on full life cycle costs through acquisition, operation, maintenance, renewal, adaptation and disposal
- integrate asset management, long term financial and strategic resource planning to ensure Council's long-term financial sustainability
- allocate adequate resources to asset management functions across the organisation, ensuring roles and responsibilities are well defined, understood and accepted
- implement the asset management framework for consistent, systematic, and sustainable asset management planning and delivery, balance financial, environmental and social outcomes
- implement asset management procedures to ensure that best value, best practice and legislative compliance are implemented and exhibited throughout Council.



### High-level actions

The principles provide direction for a suite of strategic actions, outlined in the Asset Strategy Action Plan in Appendix B. This action plan provides a list of high-level actions which aim to:

- improve Council's Asset Management Maturity
- improve Council's forward planning capabilities
- ensure Council's asset related risks are managed appropriately
- ensure that environmental considerations and climate resilience is incorporated into Asset Management practice
- ensure that the assets that Council provides meet the needs of the community.

The high-level actions in the Action Plan are to be delivered over the coming 10-year period, acknowledging that they require significant investment of time and resources.

The strategic objectives and actions align with the Australian Business Excellence Framework (ABEF) and Council follows the principles of the ABEF for continuous improvement.

Implementing these elements will improve Council's approach to ABEF by addressing the key elements of an improvement cycle:

- approach: a clear asset management strategy and plan on what we are trying to achieve
- deployment: effective deployment of the approach throughout the organisation, equipping the asset managers and their staff with the knowledge, plans and systems needed

- results: measuring the progress of the strategy and plan, as well as asset performance and improvement
- improvement: implementing an annual review of the Asset Management Plan and Action Plan for their relevance and effectiveness.





# Our structured approach







## Objectives and actions

The Asset Management Strategy forms part of Council's Resourcing Strategy. The other elements of the Resourcing Strategy are:

- Long-Term Financial Plan: outlines the future funding of our asset management practices, including maintenance, renewal and the provision of new infrastructure
- Workforce Management Strategy: addresses the human resourcing to ensure we can deliver our asset management responsibilities.

Our Asset Management Framework provides a consistent approach to managing a wide range of assets across our services. It aligns asset planning and management practices with service delivery priorities and strategies, within the limits of the resources available.

The framework consists of several distinct elements:

Figure 5 - Asset Management Framework

Asset Management Policy	<ul style="list-style-type: none"> <li>Provides a clear direction and defines key principles that underpin asset management</li> <li>Outlines how Asset Management is an organisation wide responsibility</li> </ul>
Asset Management Strategy	<ul style="list-style-type: none"> <li>Outlines the demographic trends of the LGA, and the changing asset requirements to continue to meet the community's needs</li> <li>Outlines high level strategic actions that improve the organisations level of Asset Management Maturity</li> <li>Identifies long term expenditure trends in Council's forward financials, and outlines steps to take to ensure sustainability</li> </ul>
Asset Management Plan	<ul style="list-style-type: none"> <li>Provides detailed practices for assets to deliver services</li> <li>Aligned with Council's Long-Term Financial Plan and a range of other strategies</li> <li>Manages risks and plans for assets in a sustainable and cost effective way</li> </ul>
Asset Management System	<ul style="list-style-type: none"> <li>Asset management standards and procedures</li> <li>Systematic details of the physical attributes and financial transactions of all assets</li> <li>Enables the production of required reports in line with legislative requirements</li> </ul>
Delivery Program and Operational Plan	<ul style="list-style-type: none"> <li>Sets out capital projects for new and renewed assets over 1 to 4 year timeframe</li> </ul>

## Governance

Effective oversight of the framework is provided by three internal bodies - the Strategic Asset Management Panel (SAMP), the CAPEX and Strategic Asset Management Working Group and the Projects Panel (PP).

The Strategic Asset Management Panel (SAMP) role is to:

- direct the development and oversight of the Asset Management Policy, Strategy and Plan
- identify/assess/approve future Capital Works Programs with respect to the renewal of existing, and creation of new assets
- inform and confirm with the Chief Executive Team the annual budget envelope for Council's Works Program
- monitor asset maintenance and project/program delivery and risk

The CAPEX and Strategic Asset Management Working Group assist in implementing and delivering asset management planning. The Working Group brings staff from across the organisation together to implement asset management planning, deliver projects, prepare the Asset Management Plan, and share knowledge.

The Projects Panel's (PP) focus is on renewal and new capital projects as well as operational projects. It includes:

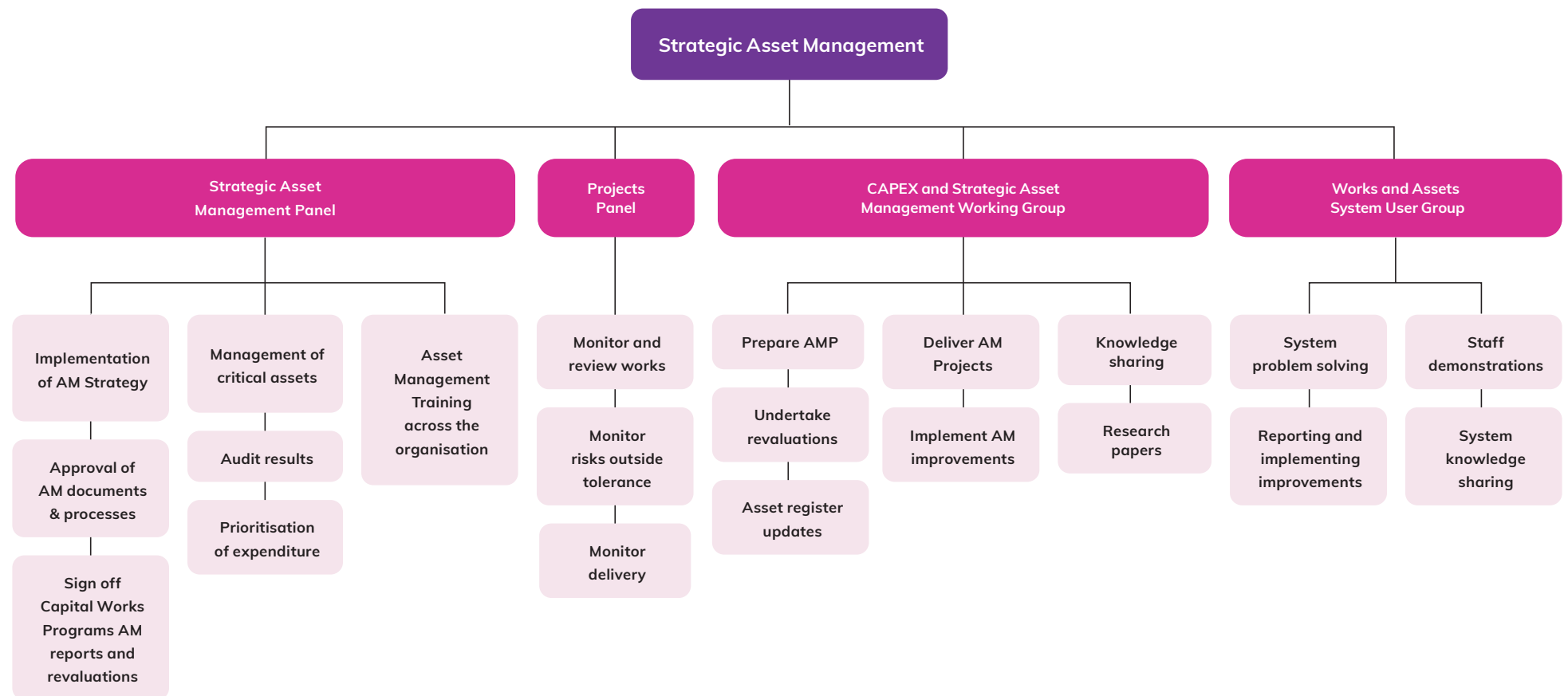
- monitoring of project delivery including consideration of variations above contingency and/or acceptable risk level
- delivery of assurance reviews on project over budget/outside risk tolerance
- review close-out reports, benefit realisation and lessons learnt
- review project management framework, processes and template.

### **Asset responsibilities and ownership**

Council has assigned asset management roles and responsibilities across teams within Council. Roles and responsibilities are clearly defined in a matrix available to all staff that outlines criteria such as:

- asset ownership
- internal stakeholders
- capital works responsibilities
- maintenance responsibilities
- cleansing responsibilities.

Figure 6 - Council's asset management governance framework





## Asset management maturity

A key part of this Asset Management Strategy is an assessment of our maturity and capability to sustainably manage our community infrastructure through effective asset management, financial planning and business improvement. In 2024, we reviewed our asset management practices and conducted a self-assessment on the maturity of our organisation.

The NAMS.PLUS<sup>5</sup> toolkit provides an assessment tool for us to quantify our maturity at a point in time and identifies the areas where improvement will strengthen our asset management practices. The assessment tool, National Assessment Framework (NAF) which was developed for Australian local government, incorporates tangible criteria for organisations to score themselves against.

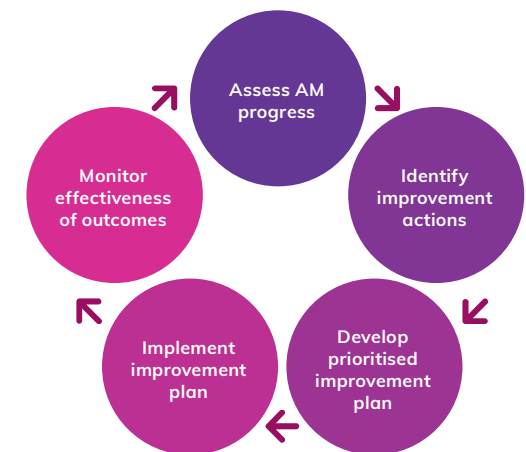
There are 5 levels of maturity: Aware, Basic, Core, Intermediate and Advanced. The criteria for Core maturity is based on responsibilities identified in the International Infrastructure Management Manual (IIMM). Core maturity is an indicator that the organisation is meeting the minimum requirements as a custodian of community assets, including:

- record and report on the state of all assets to the community
- meet current statutory reporting requirements
- ensure community safety
- provide management information to guide decisions by council on the cumulative impact of decisions.

The objective of this assessment was to:

- ensure we are achieving and maintaining Core level asset management and maturity
- identify areas of improvement to achieve Advanced level asset management.

**Figure 7** - Continual improvement to enhance our asset management maturity



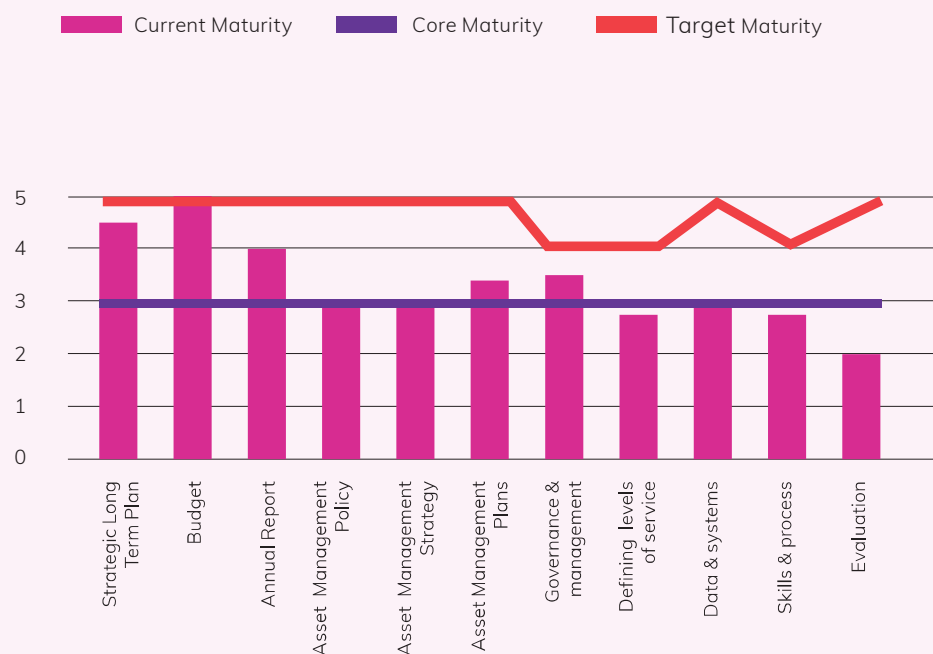
<sup>5</sup>Developed by Institute of Public Works Engineering Australasia (IPWEA), is an online toolkit to assist organisations with asset management planning.

Eleven categories were assessed, with each given a score (0-5) corresponding with the 5 maturity levels.

The 2024 review showed that Council exceeds or meets Core level in 8 of the 11 categories. Council does not currently meet core maturity in three areas; defining levels of service, skills and processes and evaluation. These three areas need improvement and are incorporated in the Action Plan.

Using the results of the maturity assessment, over the next 10 years this Strategy's Action Plan provides a roadmap on how we can improve our asset management practices to firstly achieve Core competency for the 11 categories, and then progress to the final target level of Advanced maturity, enhancing the management of our infrastructure.

Figure 8 - Asset management maturity assessment 2023/24



### Target maturity

As an organisation, Council strives to deliver assets that are fit for purpose and meet the needs of the community. We have set an achievable target maturity level across the 11 categories so we can continue to provide sustainable asset management to the community. Activities required to improve our maturity level have been identified and are captured in the Action Plan.

As shown in the maturity assessment, the weakest areas of Council's Asset Management maturity is in Levels of Service and Evaluation. These areas will be addressed in the short term of the forward plan, as they are the main areas that need to be addressed to ensure that Council achieves Core maturity.

### Risk of maturity

A risk assessment of the current and target maturity levels across each category was completed and identified those categories where the organisation requires improvements.

Improvements have been identified to improve our maturity level. These include:

- equipping staff with the right skills, knowledge and tools for asset management
- developing clear and detailed processes for asset management activities
- implementing technology solutions and automation for strategic asset management (i.e. valuations)
- addressing data gaps in our asset registers (i.e. lifecycle asset data)

- establishing reports and indices to measure how well we are managing our assets
- expanding our future planning to consider different scenarios and financial modelling for better decision making.

Improvements in these categories are a priority and are captured in the Action Plan.

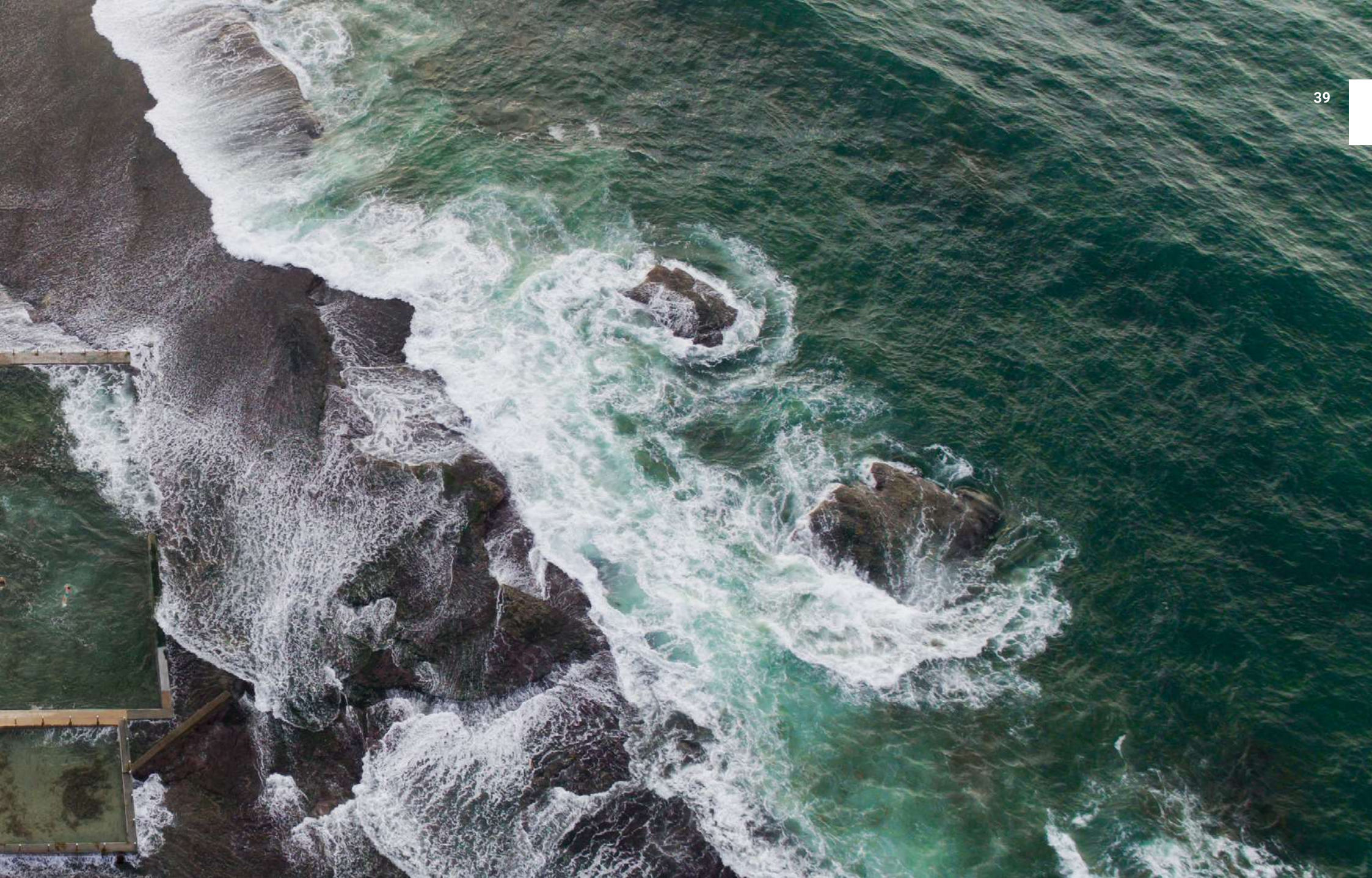




An aerial photograph of a coastal area. The left side shows turbulent green water with white foam from breaking waves. The right side features a dark, rocky shoreline with a concrete structure, possibly a breakwater or pier, extending into the water. The text 'The management of our assets' is overlaid in white on the left side of the image.

# The management of our assets



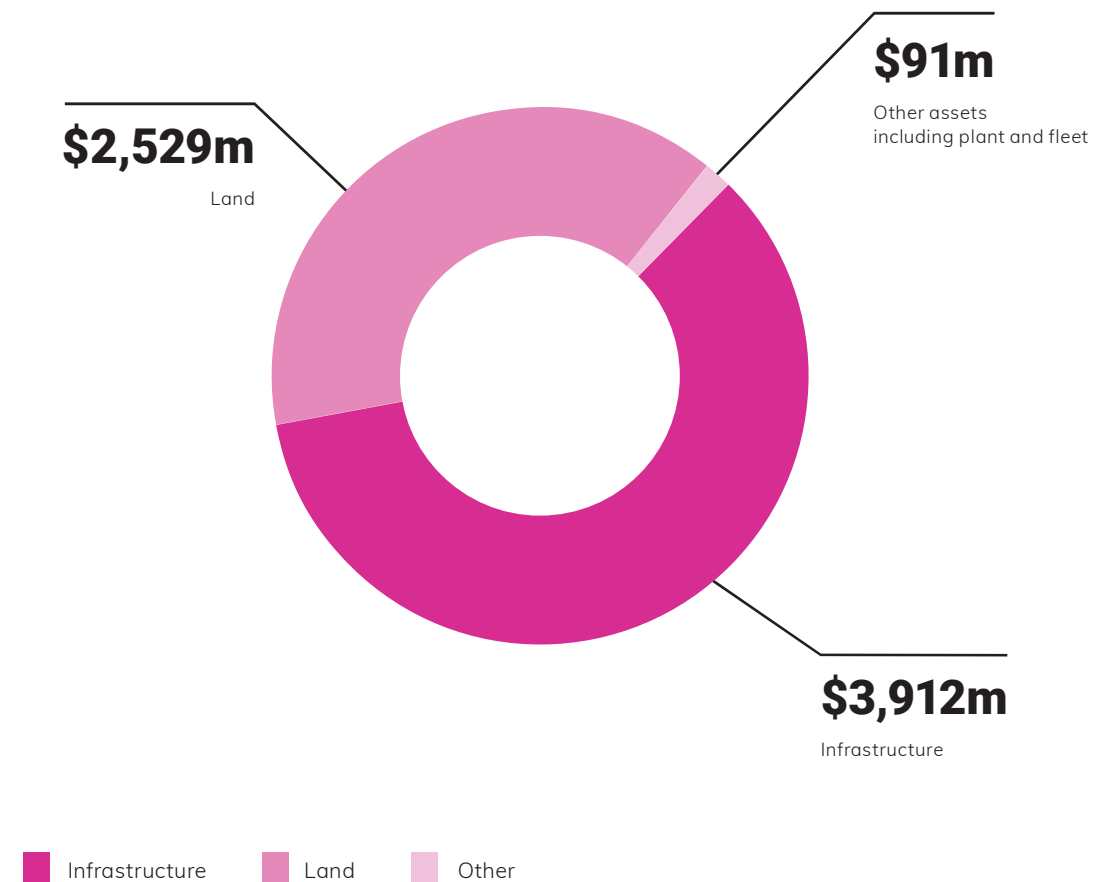




## The management of our assets

Council is responsible for \$6.5 billion of assets, including infrastructure assets, land and other assets required to deliver services to the community, such as plant, equipment, fleet, library books and IT equipment.

Figure 9 - Northern Beaches Council assets as at 30 June 2024





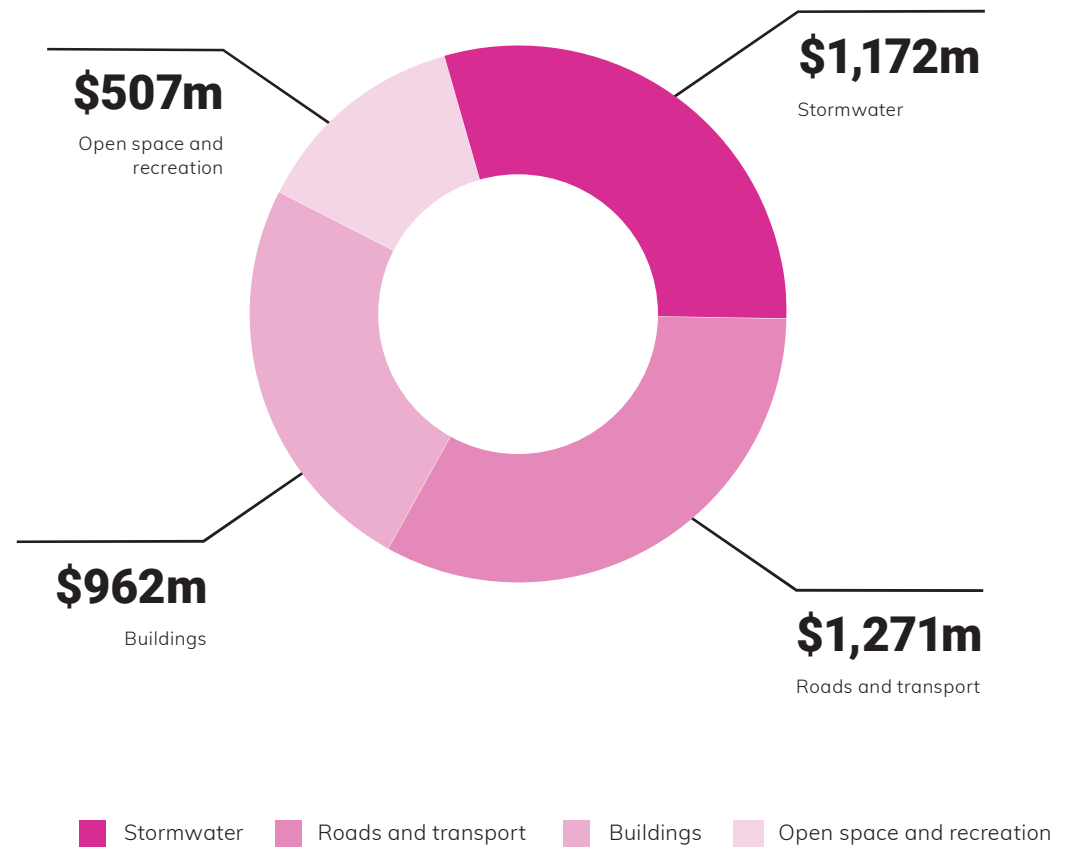


## Our infrastructure assets

Council's infrastructure assets are comprised of 4 major portfolios:

- stormwater
- roads and transport
- buildings
- open space and recreation.

Figure 10 - Value of infrastructure assets – as at 30 June 2024



Our asset portfolio is rated on a scale of 1 to 5 as follows:

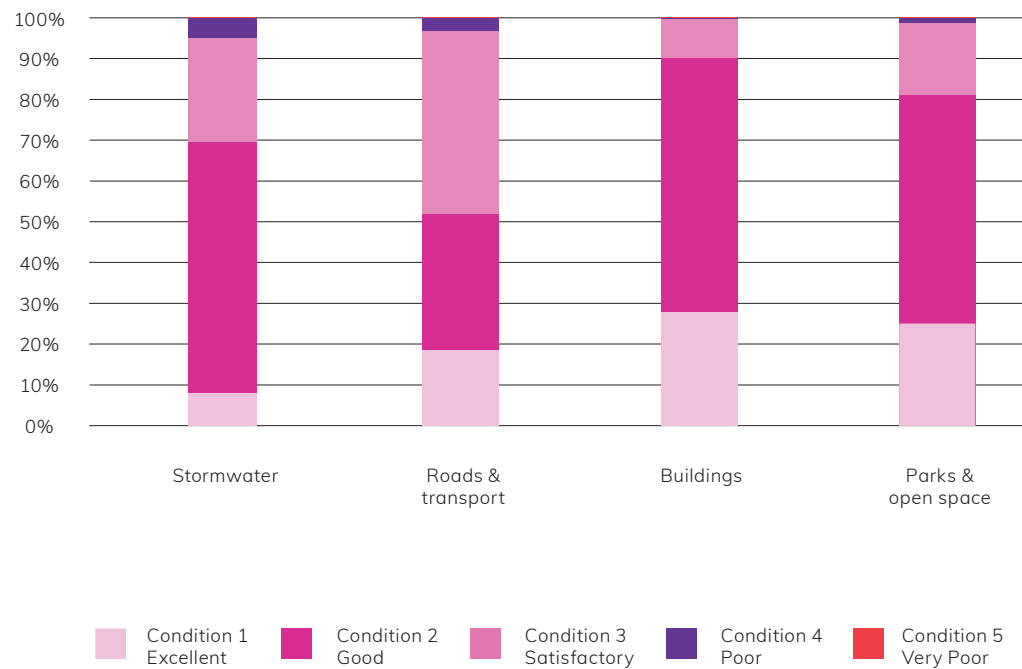
1. Excellent - no work required (normal maintenance)
2. Good - only minor maintenance work required
3. Satisfactory - maintenance work required
4. Poor - renewal required
5. Very poor - urgent renewal/upgrading required

The condition of the portfolios is shown in Table 2 and Figure 11.

**Table 2** - Infrastructure portfolio rating by Gross Replacement Cost as at 30 June 2024

	Condition 1 Excellent (\$000)	Condition 2 Good (\$000)	Condition 3 Satisfactory (\$000)	Condition 4 Poor (\$000)	Condition 5 Very poor (\$000)	Total (\$000)
<b>Stormwater</b>	\$85,536	\$731,158	\$303,477	\$49,213	\$2,343	<b>\$1,171,727</b>
<b>Roads and transport</b>	\$226,293	\$428,431	\$574,632	\$39,411	\$2,543	<b>\$1,271,310</b>
<b>Buildings</b>	\$255,849	\$602,110	\$100,031	\$962	\$2,886	<b>\$961,837</b>
<b>Parks and open space</b>	\$127,474	\$283,317	\$87,392	\$7,475	\$1,810	<b>\$507,469</b>
<b>Total</b>	<b>\$695,152</b>	<b>\$2,045,016</b>	<b>\$1,065,533</b>	<b>\$97,060</b>	<b>\$9,582</b>	<b>\$3,912,343</b>

**Figure 11** - Infrastructure assets condition rating



Council assets in Condition 4 and 5 are generally considered for inclusion on our renewal programs and are viewed as a backlog to address. Currently Council has a backlog valuing 2.8% of its overall infrastructure portfolio. It is Council's priority to address this backlog via both capital renewal and disposal, where appropriate.

Council's Asset Management Plan provides detail on how the assets within these portfolios are managed, and includes information on condition, operational and maintenance activities and planned renewals. It provides forward planning of these assets for the next 10 years to ensure they are fit, functional and meet community needs.

### Our land assets

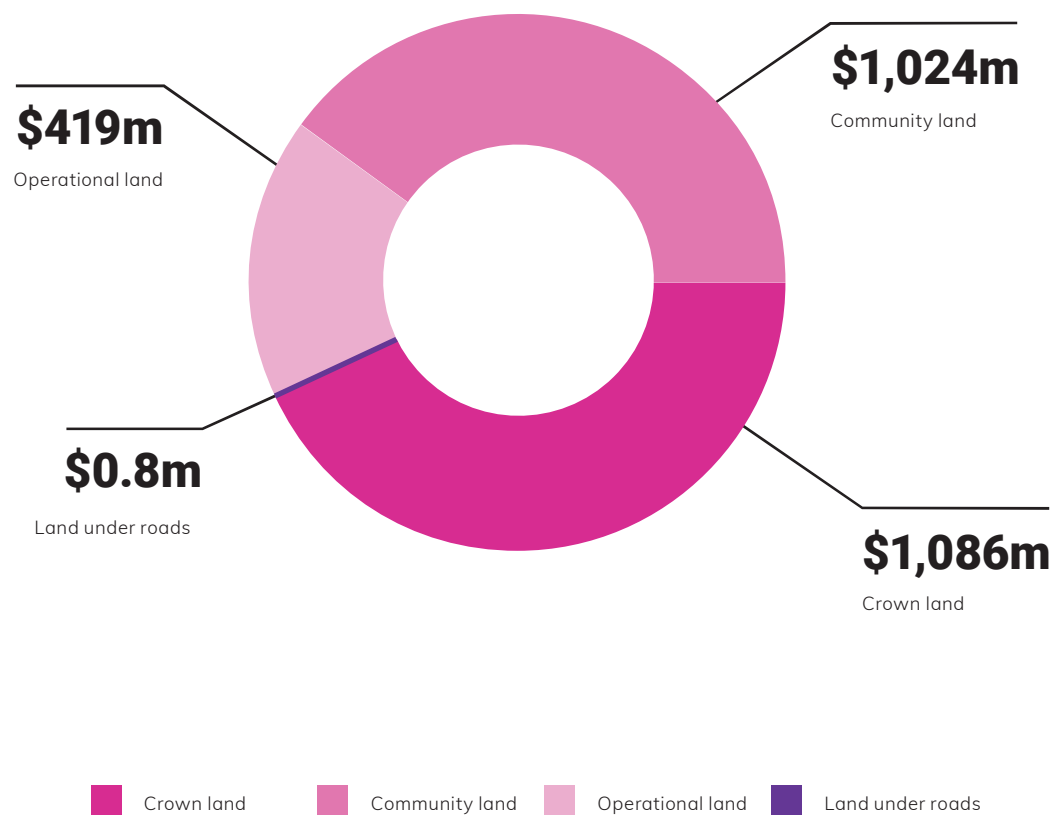
Council manages/owns \$2.5 billion of land.

This is comprised of the following land types:

- Operational land
- Community land
- Crown land
- Land under roads.

The value of these land types is shown in figure 12.

Figure 12 - Land value by type





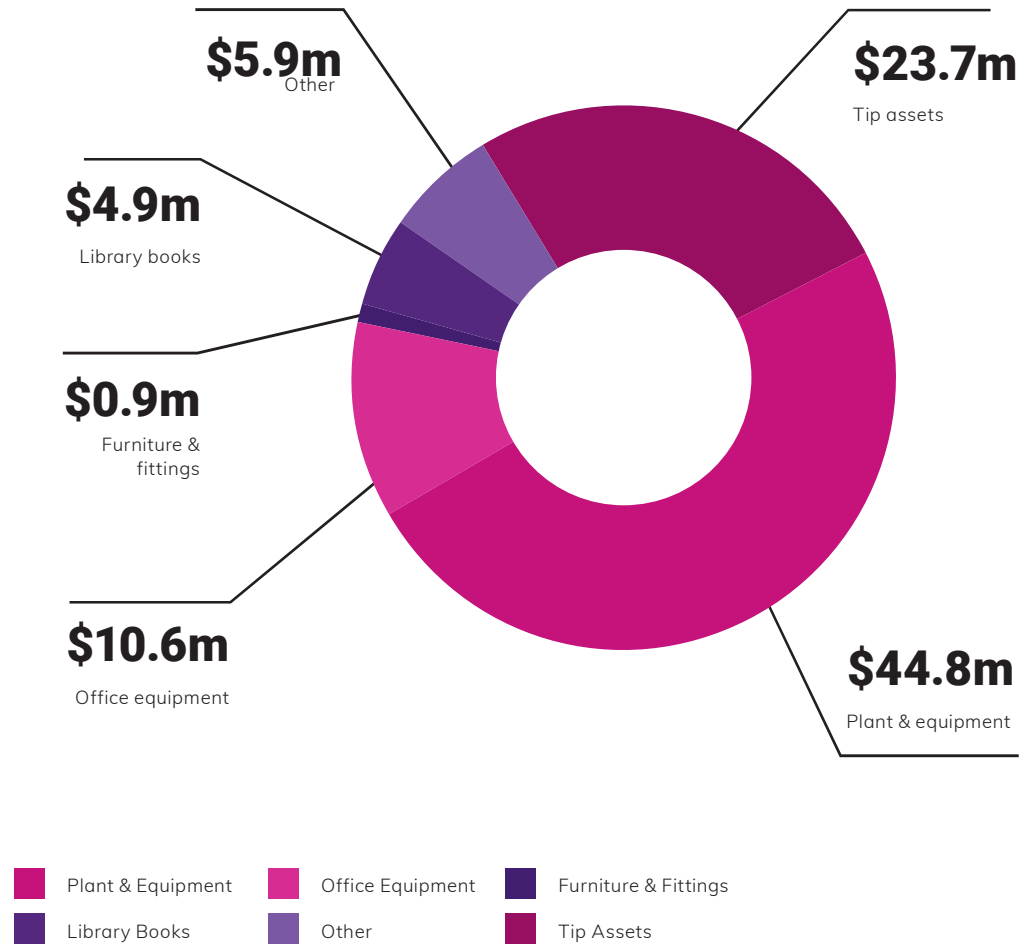
### Our other assets

Council's other assets include:

- plant and equipment
- tip assets
- office equipment
- library books
- furniture and fittings
- other.

These assets are currently managed outside the primary asset framework that is employed for Council's infrastructure assets. It is a goal of this strategy to further develop the asset management oversight of these assets in alignment with the infrastructure portfolios.

Figure 13 - other assets value<sup>6</sup> as at 30 June 2024



### Managing risks

Council undertakes hazard identification and risk assessments for each of its infrastructure asset portfolios. A risk assessment is undertaken in line with Council's risk management framework.

It identifies the risks to assets, analyses potential mitigation or elimination measures and determines any residual risk remaining.

Critical assets have been defined as those assets that in failure mode are likely to result in more significant financial, environment and social cost in terms of impact on organisational objectives. We have management practices in place to safeguard these assets from failure, including implementing inspection regimes and lower thresholds for intervention (such as maintenance or renewal works).



**Table 3** - Critical asset criteria

<b>Asset Category</b>	<b>Criteria for critical assets managed by Council</b>
<b>Roads</b>	Regional road segments with critical stormwater infrastructure
<b>Bridges</b>	Road bridges on regional, arterial or collector roads or servicing isolated community members; significant detours to large populations or service providers
<b>Retaining Walls - in the road reserve</b>	Adjacent to a State, regional, collector or local road, and Height >4m or on a bus route
<b>Bridge over Culverts</b>	Culvert >6m wide in direction of travel and crosses a regional or urban collector road
<b>Wharves</b>	Public ferry wharf or cargo wharf servicing isolated community members with detours to remote populations not available, or where major disruption to transport, freight and safety would occur if wharf failed
<b>Stormwater Pipes</b>	Pipe diameter > 1500mm (or equivalent capacity) and crosses regional road (from kerb to kerb), or under major buildings or structures, including commercial centres, industrial precincts or emergency/essential services buildings
<b>Stormwater Culverts</b>	Cross-sectional area of culvert > 1.77m <sup>2</sup> and crosses regional road (from kerb to kerb), or under major buildings or structures, including commercial centres, industrial precincts or emergency/essential services buildings
<b>Stormwater Pits</b>	Headwalls with trash/safety screens, or headwalls with one-way valves, and upstream pipe > 1500mm (or equivalent capacity) and adjacent to major building or structure
<b>Buildings</b>	Council's Dee Why computer room facilities Rural Fire Service Headquarters Emergency services facilities backup generators
<b>Retaining Walls - in Parks and Open Space</b>	Retaining walls supporting significant public or private infrastructure eg public buildings, large water, sewer or stormwater assets
<b>Seawalls</b>	Seawalls supporting significant public or private infrastructure eg surf club, Manly promenade, large water, sewer or stormwater assets

Unforeseen or unexpected failures are one of the main risks which have the potential to affect Council's risk profile as well as its financial position. They may require urgent action and can require significant new funds to be allocated, which in turn can limit Council's ability to provide other services. Unexpected failures are managed by assessing the risks associated with any reported asset problems, continuing to survey the network for any new issues and intervening as soon as it is appropriate.

The impact of climate change is increasing the frequency and severity of natural events across our Local Government Area. These events have the potential to impact on Council's service provision. Council has an incident response framework in place that helps guide the response to these events and minimise the impacts on the community. Longer term strategies will need to be developed to improve the resilience of Council's assets to ensure that climate change risks can be mitigated and any impacts on service provision minimised.



## Valuations

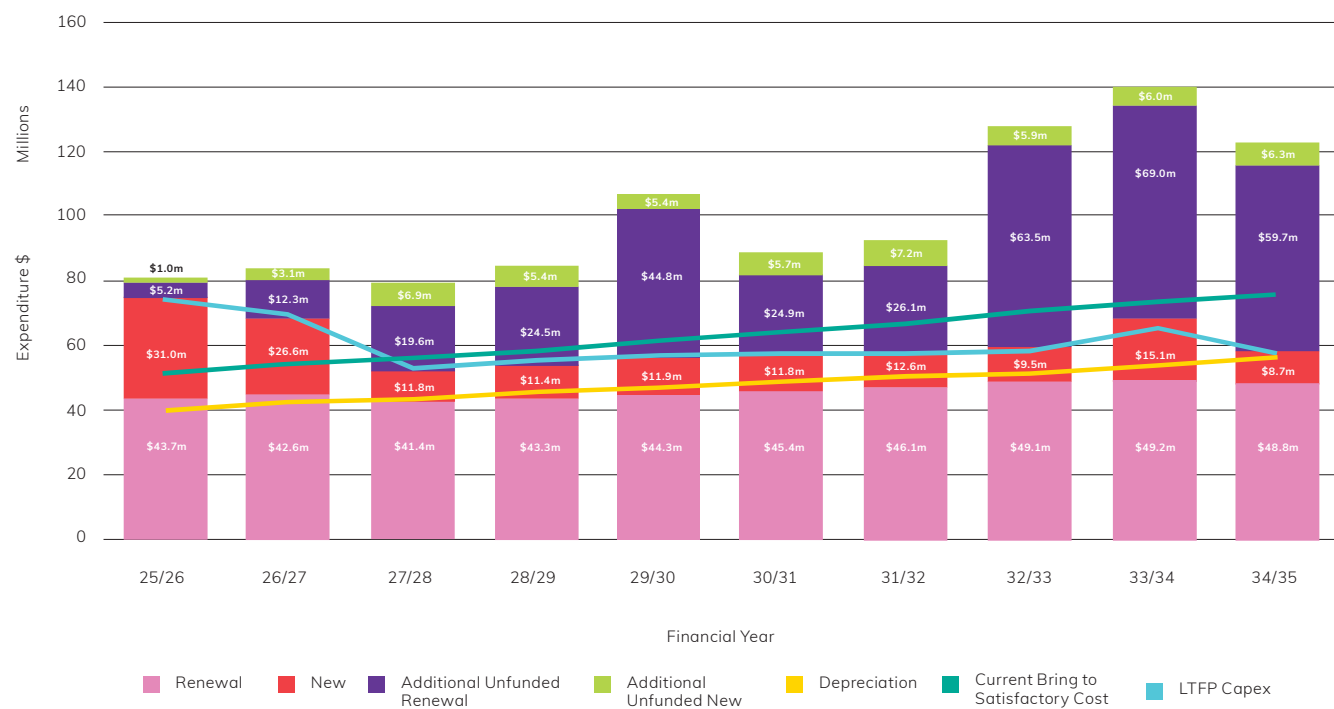
Council undertakes valuations of its assets in accordance with the requirements of Australian Accounting Standards and advice from the Office of Local Government (OLG) to ensure the financial value of the assets kept in our register reflect that of the present day value. The Comprehensive Revaluation Schedule is listed in our Asset Management Plan.

Minor asset classes (fleet and other assets) are considered as fair value at time of purchase, and are depreciated over a short period of time, therefore do not require valuations during their life.

### **Funding levels and strategies**

Council has developed a 10-year Long-Term Financial Plan that outlines the forecast expenditure to manage its assets. This plan covers both capital and operational expenditure and is reviewed annually to account for variations in renewal priorities, projected expenditure and funding estimates.

Figure 14 - 10 year capital infrastructure forecast



### **Capital expenditure**

Over the 10-year forward period, there is a consistent requirement for an increase in renewal expenditure, reflecting the year-on-year addition of newly constructed and acquired assets into Council's infrastructure portfolios as well as the ageing of our infrastructure portfolio. Renewal expenditure for each year is currently lower than annual depreciation, resulting in a renewal ratio less than 1:1

This negative renewal ratio will not allow Council to ensure that all existing asset renewal programs are undertaken at the optimum time, nor that all assets are brought back to 'as new condition' based on current construction and community standards. Added to this, Council has been experiencing significantly higher costs for materials and labour than in the past to undertake our asset renewals. The size of Council's asset portfolio and improvements in data on asset condition have identified a renewal gap for asset renewal works. This unfunded level and our infrastructure backlog has been growing in recent years, which indicates that additional revenue is required to bridge this gap.

Council's forward expenditure shows sustained levels of new infrastructure investment. It is important that this development is founded on sound asset management practices which include robust lifecycle costings and sustainability considerations to ensure that Council can account for the ongoing costs of these new assets.

### **Operational funding**

Figure 15 outlines the increase in operational expenditure over the next 10 years, reflecting the accumulation of new assets and their associated upkeep costs over that period.

Figure 15 - 10 year operational expenditure forecast as at 30 June 2024





Operational and maintenance spending is increasing year-on-year over the 10 year period as a result of new asset construction/acquisitions, and a current shortfall in the maintenance budget.

Over the 10 year forward period there is an increasing shortfall in the required maintenance and operational spend. If this gap is not addressed, it will result in an acceleration in asset deterioration and may ultimately result in increased safety risks to the community and will increase Council's infrastructure backlog.

This gap will need to be addressed and minimised, with actions in this strategy aimed at tackling this issue. At a high level, these actions include:

- reviewing asset levels of service, and reducing targeted levels of service where appropriate to better fund expenditure gaps
- review asset lifecycle costings, explore new opportunities in asset design and materials that result in improvements in asset sustainability and longevity
- review asset portfolio for redundancy and disposal opportunities.

The aim of maintenance expenditure across all the infrastructure portfolios is to prevent the premature deterioration of Council's assets and keep our assets providing a satisfactory level of service. Shortened useful lives of Council assets have a negative impact on Council's financial position and so it is very important to have asset maintenance programs in place that identify, resolve and future-proof against further deterioration.

Examples of maintenance activities include:

- inspections
- cyclical proactive maintenance
- event related inspections (pre and post storm event)
- reactive maintenance in response to an identified asset defect.

Operational expenditure ensures the continued provision of asset services and includes activities such as cleaning, mowing and line marking.

A key action of this strategy for the future is for Council to better understand its operational spending and any efficiencies that can be implemented. Examples of potential efficiencies include:

- improving the ratio of proactive to reactive maintenance, i.e. preventing asset deterioration before it manifests
- reviewing maintenance intervention levels and frequencies
- adjusting service levels where appropriate to lower costs.

Further information on the asset infrastructure portfolios maintenance and operational activities are provided in the Asset Management Plan.

### **New and acquired assets**

New assets can come into Council's ownership through:

- construction under a capital funded Council project
- construction by a developer (as per requirements of a Development Application) and gifted to Council
- purchased by Council (i.e. land)
- gifted from others (i.e. Government, community).

New assets need to be accounted for in our asset register and accounting books like any other asset. Council has processes in place to ensure new assets are recorded and accounted for in our registers.

The population demographics of the Northern Beaches is shifting towards older age groups. It is important that Council acknowledges this trend and responds appropriately through its asset management practices, ensuring that new infrastructure considers access and utilisation needed as our community changes.

## Implementing the Strategy

### Action plan

The strategic actions to achieve our objectives are set out in the Action Plan at Appendix B. The structure of the Action Plan is the foundational objectives of the Asset Management Policy, and the strategic asset management principles of this Strategy. The high level actions are set out over a 10-year period.

While these actions are strategic in nature, they are supported by detailed and more operational-level actions in the Asset Improvement Plan within the Asset Management Plan, which is reviewed annually.

### Assessing performance

Evaluation is a critical point of improvement that was identified in the most recent self-assessment of Council's Asset Management capability. The steps that must be taken to ensure that Council's performance in implementing the strategic objectives outlined in this strategy document include:

- assigning staff resources to the strategic actions in the Action Plan, to ensure ownership of outcomes
- building the actions of this strategy into Council's reporting requirements, to improve accountability
- review of financial ratios over the forward period to measure impacts of objective implementation.

This strategy document is reviewed every four years at which point the Action Plan progress is reviewed and updated.









# Appendices





## Appendix A – Asset Management Policy

### Purpose

The purpose of this Policy is to support the vision, values and aspirations of the Northern Beaches community, and provide a foundation for sustainable, consistent, and sound asset management practices in a transparent and trusted manner. The application of the Policy will ensure our assets continue to provide an appropriate level of service to support the community's needs and expectations captured in the Community Strategic Plan.

Council is committed to providing an asset management framework that ensures assets are planned, created, operated, maintained, renewed, adapted and disposed in line with our priorities for service delivery, risk management, resilience and best practice.

To address the purpose of this Policy, Council will implement the following objectives:

1. Plan, deliver and manage assets that are safe, fit-for-purpose, adaptive and resilient throughout their lifecycle
2. Plan, deliver and manage assets that will continue to meet the needs of the community into the future
3. Follow best value and sustainable asset management practices
4. Promote best practice asset management and clear responsibilities within the organisation
5. Comply with legislative requirements and industry standards.

### Policy Principles

The following asset management principles will be applied:

1. Apply risk management practices to ensure sound asset performance, community safety and resilience, including risks associated with climate change and other stressors
2. Focus adaptation and mitigation investment on critical assets and infrastructure to ensure they are resilient to natural disasters and climate change impacts
3. Build understanding of system and asset risks, interdependencies and vulnerabilities, and identify opportunities to improve continuity, redundancy and scalability
4. Consult with the community and key stakeholders to establish agreed levels of service to meet current and changing needs

5. Ensure asset management decisions consider sustainability and adaptability, based on full life cycle costs through acquisition, operation, maintenance, renewal, adaptation and disposal
6. Integrate asset management, long term financial and strategic resource planning to ensure Council's long-term financial sustainability
7. Allocate adequate resources to asset management functions across the organisation, ensuring roles and responsibilities are well defined, understood and accepted
8. Implement the asset management framework for consistent, systematic and sustainable asset management planning and delivery balancing financial, environmental and social outcomes
9. Implement asset management procedures to ensure that best value, best practice and legislative compliance are implemented and exhibited throughout Council.

All measurement and reporting related to the implementation of this policy will be undertaken in line with the Local Government Code of Accounting Practice and Financial Reporting. Integration of asset and financial management is guided by the AIFM Manual and ISO 55000 standards.

#### **Scope and Application**

This policy outlines the principles and direction for the strategic management of assets owned or managed by Council. This includes infrastructure, land, IT equipment, fleet and other assets. It is part of a framework of asset management documents, including the Asset Management Strategy which builds upon this policy, providing strategic actions for a 10-year period. The Asset Management Plans provide further detail on the asset classes, and direction on implementation and the resources required.

#### **References and Related Documents**

- Policy Framework NB-P-01
- Local Government Act 1993
- Local Government (General) Regulation 2021
- Community Strategic Plan 2040, Northern Beaches Council 2022
- Integrated Planning and Reporting Guidelines for Local Government in NSW (2021), NSW Office of Local Government
- International Infrastructure Management Manual (2020), IPWEA
- International Infrastructure Financial Management Manual (2024), IPWEA
- Australian Infrastructure Financial Management Manual (2015), IPWEA
- Australian Accounting Standards
- ISO 55000 series of international standards on asset management
- Local Government Code of Accounting Practice and Financial Reporting. Community Strategic Plan



### Community Strategic Plan

This Council policy relates to the Community Strategic Plan Outcome of:

- Environmental sustainability - Goal 5 Our built environment is developed in line with best practice sustainability principles
- Housing, places and spaces - Goal 11 Our local centres are vibrant and healthy, catering for diverse economic and social needs
- Housing, places and spaces - Goal 12 Our community has access to spaces that enable healthy and active living and allow for a broad range of creative, sporting and recreational opportunities to be enjoyed
- Good governance - Goal 19 Our Council is transparent and trusted to make decisions that reflect the values of the community

### Definitions

- Asset: Any physical item or property vested in, or under the ownership of Council. This includes land, roads, bridges, car parks, paths and trails; stormwater network; buildings, pools and amenities; parks, sportsfields, playgrounds, furniture, shelters and associated equipment; retaining walls, seawalls and foreshore protection; plant, fleet and IT assets.
- SAMP - The Strategic Asset Management Panel (SAMP) is an internal panel comprising senior management which provides leadership, oversight and approvals of the asset management policy, strategy and plan, as well as infrastructure works programs

### Responsible Officer

Director, Transport & Assets  
Director, Environment & Open Space

### Review Date

30 June 2029

## Revision History

Policy number	Date	Detail	TRIM Ref
<b>Revision 1</b>	28/11/2017	First draft Northern Beaches Council policy for exhibition	2017/355120
<b>Revision 2</b>	27/2/2018	Policy adopted by Council with amendment to definitions section following public exhibition and minor amendments to format as approved by the Acting Chief Executive Officer on 5/4/2017 (TRIM 2018/200581).	2018/200557
<b>Revision 3</b>	28/6/2022	Revised policy adopted by Council following public exhibition	2021/560772
<b>NB-P-45</b>	25/03/2025	Draft policy following scheduled review to improve clarity and align with Policy Framework endorsed by SAMP. Recommended to Council for Public Exhibition	2025/194956

## Appendix B – Action Plan

The strategic actions below will be implemented over a 10 year period within our existing resources in line with the Long-Term Financial Plan. We will seek opportunities to leverage external sources of funds where we can. Indicative time of implementation of strategic actions is provided:

- Annual
- Short = 1 – 4 years
- Medium = 5 - 7 years
- Long = 8 - 10 years

### Objective 1 - Plan, deliver and manage assets that are safe, fit-for-purpose, adaptive and resilient throughout their life cycle

Strategic Principles		Strategic Actions		Timing
1.1	Apply risk management practices to ensure sound asset performance, community safety and resilience, including risks associated with climate change and other stressors.	1.1.1	Regularly review the risk assessments across all asset classes, in line with Council's risk and opportunity management policy	Annual
1.2	Focus adaptation and mitigation investment on critical assets and infrastructure to ensure they are resilient to natural disasters and climate change impacts	1.2.1	Establish a reporting framework on the management performance of critical assets.	Short/Medium
1.3	Build understanding of system and asset risks, interdependencies, vulnerabilities, and identify opportunities to improve continuity, redundancy and scalability	1.3.1	Develop tools and guidelines to identify and manage assets at risk of climate change	Short/Medium
		1.3.2	Implement priority actions to mitigate, adapt or retire assets at risk of climate change within the parameters of the Long-Term Financial Plan	Short/Medium/Long
		1.3.3	Identify actions to reduce carbon emissions and water use to achieve net zero emissions by 2045 and a 10% reduction in water consumption by 2040 across asset classes	Short/Medium
		1.3.4	Implement priority actions to reduce emissions and water consumption of assets within the parameters of the Long-Term Financial Plan	Short/Medium/Long



**Objective 2 - Plan, delivery and manage assets that will continue to meet the needs of the community into the future**

Strategic Principles		Strategic Actions		Timing
2.1	Consult with the community and key stakeholders to establish agreed levels of service to meet current and changing needs	2.1.1	Periodically test levels of service with the community	Short/Medium /Long
		2.1.2	Review the consistency in applying risk management across asset classes	Short

Objective 3 - Follow best value and sustainable asset management practices

Strategic Principles		Strategic Actions	Timing
3.1	Ensure asset management decisions consider sustainability and adaptability, based on full life cycle costs through acquisition, operation, maintenance, renewal, adaptation and disposal.	3.1.1 Incorporate sustainability practices into new and renewal projects	Short/Medium /Long
		3.1.2 Optimise existing corporate asset management systems and research new technologies to enhance collection and analysis of asset management data	Short/Medium /Long
		3.1.3 Strengthen information on each asset category through regular condition assessments, audits of asset registers, enhanced tools for life cycle assessment and periodic reviews of the useful life of assets	Short/Medium /Long
3.2	Integrate asset management, long term financial and strategic resource planning to ensure Council's long-term financial sustainability.	3.2.1 Enhance maintenance expenditure benchmarks across asset classes based on levels of service	Short/Medium
		3.2.2 Improve predictive modelling of asset conditions to support the Long-Term Financial Plan	Short/Medium /Long
		3.2.3 Strengthen prioritisation of works across asset classes (new and renewal) and forecasting over 10 years	

**Objective 4 - Promote best practice asset management and clear responsibilities within the organisation**

Strategic Principles		Strategic Actions	Timing
4.1	Allocate adequate resources to asset management functions across the organisation, ensuring roles and responsibilities are well defined, understood and accepted	4.1.1 Conduct a skills audit and deliver training to develop staff to support best practice asset management	Short
		4.1.2 Support cross organisational forums and communication networks to support upskilling of staff and facilitate a strong asset management culture	Annual
		4.1.3 Periodically review and update the responsibility matrix for asset management to reflect changes in responsibilities	Annual
4.2	Implement the asset management framework for consistent, systematic and sustainable asset management planning and delivery balancing financial, environmental and social outcomes	4.2.1 Review and strengthen the metrics used to assess the asset management framework and report performance through the Governance Framework	Annual
		4.2.2 Establish a framework for measuring and reporting on performance against levels of service	Medium
		4.2.3 Regularly review the asset management policy, strategy and plan to reflect changing conditions and priorities	Short/Medium/Long

Objective 5 - Comply with legislative requirements and industry standards

Strategic Principles	Strategic Actions	Timing
5.1 Implement asset management procedures to ensure that best value, best practice and legislative compliance are implemented and exhibited throughout Council	5.1.1 Periodically assess the maturity and capability of our asset management procedures practices and implement findings to strengthen our approach to asset management	Short
	5.1.2 Adopt innovative and best practice approaches to asset provision, maintenance and renewal	Short/Medium /Long



