



# Asset Management Strategy **2018 - 2028**



northern  
beaches  
council

# **Asset Management Strategy 2018 - 2028**

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## Introduction to Our Strategy

Northern Beaches Council was proclaimed on 12 May 2016 through the amalgamation of the former Manly, Pittwater and Warringah Councils. Council now manages over \$2.6 billion worth of infrastructure assets (roads, stormwater, parks and buildings) across the local government area.

Asset management is a “whole of life” approach that includes planning, purchase, construction, operation, maintenance and renewal/disposal of assets.

This Asset Management Strategy (the Strategy) defines objectives that will improve our management practices and knowledge of all assets. It will provide a road map to support the achievement of the community’s vision of:

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

### 1.1 Purpose of the Strategy

This Strategy provides a framework for consistent and effective asset management across all assets. It shows the link between the outcomes and goals in the Community Strategic Plan and the day-to-day management of our assets.

This Strategy intends to:

- provide a basis for the management of current assets;
- identify future assets that will be required to meet the needs of the community in future years;
- provide strategic objectives to allow us to fulfil our Asset Management Policy, and
- identify actions to achieve the objectives of the Strategy.

### 1.2 Northern Beaches Council’s Asset Management Policy

This Strategy has been prepared to support the implementation of our Asset Management Policy which was adopted on 27 February 2018 (refer to Appendix A). The purpose of the Asset Management Policy is:

**“This Policy supports Council’s vision and strategic objectives, and sets guidelines for implementing consistent asset management processes to existing and new assets throughout the Northern Beaches Council. The application of these principles will ensure our assets continue to provide the appropriate level of service to meet the community’s needs and expectations in a sustainable manner.”**

This Strategy provides a high level and long-term (10-year) action plan for how we will manage assets to achieve the objectives of the Asset Management Policy. The Asset Management Policy and Strategy are supplemented by detailed Asset Management Plans for the four asset portfolios (roads, stormwater, buildings and parks).

## The Current Status of Asset Management

### 2.1 Current State

At the time this Strategy was prepared, we had a single consolidated asset listing located in our asset management system. The information in this register was migrated from the former Councils' asset registers and databases. Verifying the accuracy and completeness of the data has been identified as a key future focus area to ensure sound asset management decisions are made.

The adoption of the Asset Management Policy on 27 February 2018 was the first step in consolidating the practices and processes from the former councils. Although this will take some time, the Asset Management Policy provides guiding principles for all asset management decisions.

### 2.2 Asset Management Governance

We have established a senior level steering committee to deliver a coordinated and consistent approach to asset management across the organisation. Membership of the Strategic Asset Management Steering Committee (SAMSC) comprises senior executives from across Council, representing each of the asset owners as well as Finance.

The role of the SAMSC is to:

1. implement an integrated Asset Strategy Framework;
2. implement a Council-wide Integrated Total Asset Management (ITAM) approach supported by systems and processes that deliver cost effective, sustainable, and strategic management of its infrastructure assets across all asset classes;
3. ensure that the responsibility for all asset management activities is appropriately assigned within the organisation, and that skill levels are sufficient to achieve the required results;
4. ensure the implementation of our Asset Management Strategy and Asset Management Plans (AMPs); and
5. provide leadership to set the direction and priorities for the development of our asset management capabilities.

### 2.3 Asset Management Framework

Asset management requires a “Whole of Council” approach and applies to all assets we manage for delivering sustainable services to the community. The Asset Management Framework enables alignment of asset planning and management practices with service delivery priorities and strategies, within the limits of the resources available.

The Framework provides linkages between the various strategic and policy documents. The framework ensures that staff are equipped with the resources to effectively manage our assets and deliver services to the community.

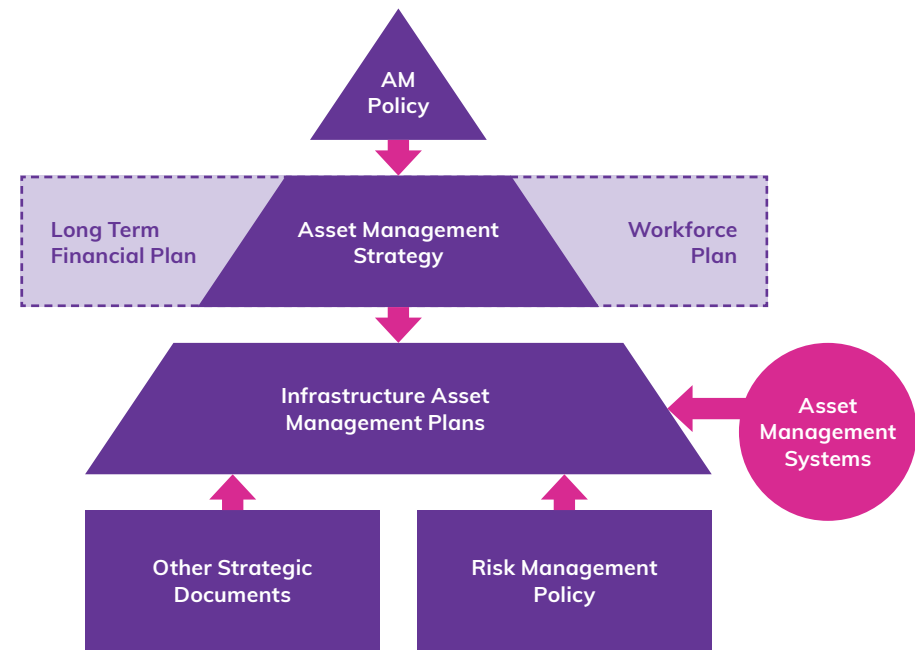


Figure 1: Council's Asset Management Framework

Our Asset Management Framework consists of eight key components:

- **Asset Management Policy:** provides guidelines and a framework for implementing coordinated and consistent asset management across Council, as well as defining key principles in which we will review and manage our assets.
- **Asset Management Strategy:** provides a 10-year action plan to deliver the Asset Management Policy. It specifies asset management objectives and articulates how we will achieve these objectives. As we review the Community Strategic Plan every four years, the Asset Management Strategy will be reviewed and updated to ensure consistency with the Community Strategic Plan.
- **Asset Management Plans:** outlines the practices and procedures implemented to manage and operate our assets to the agreed level of service. Our Asset Management Plans provide details on current assets, future asset requirements, agreed levels of service, and costs to deliver services now and in the future. The Asset Management Plans will be developed for major asset categories, namely roads, stormwater, buildings and parks.
- **Other Strategic Plans:** we will continue to prepare other strategy documents specific to asset classes, such as the Northern Beaches Sportsground Strategy, Walking Plan and the Transport Strategy. These strategy documents provide insight into current and future trends and assist in determining priorities across the assets.
- **Enterprise Risk Management Policy:** encourages a coordinated approach across Council to manage risks, which lead to well-defined strategic, operational, and project related risk actions. We are proactive in identifying events that have the potential to compromise achieving our objectives. All of our major Asset Management Plans will include risk management strategies.
- **Workforce Plan:** comprises a workforce strategy that addresses the human resourcing to ensure we can deliver our asset management responsibilities. All of our major Asset Management Plans will provide information to determine the forward workforce planning requirements.
- **Long Term Financial Plan:** outlines the future funding of our asset management practices, including maintenance, renewal and the provision of new infrastructure. All of our major Asset Management Plans will provide information to inform the Long Term Financial Plan.
- **Asset Management System:** has been implemented to support asset management activities. The system records details of the physical attributes and financial transactions of all assets. It enables the production of required reports in accordance with legislative requirements.

## 2.4 Assets

Existing asset information has been migrated and consolidated into our corporate system, including attributes, financial data, condition data, and mapping information.

A number of improvements have been identified for us to reach core asset maturity across the organisation. The actions identified in this Strategy and improvement programs will aid in realising core maturity, and will take a number of years to complete.

The following assets information is from our consolidated asset register. Not all data has been validated at the time this Strategy was prepared.

### 2.4.1 Inventory and Replacement Costs

Our major built/infrastructure assets are divided into four main asset portfolios.

The current replacement value of the assets<sup>2</sup> is \$2.6 billion. Further detailed information and breakdowns of these assets will be contained in the relevant Asset Management Plans.

<b>Asset Class: Stormwater</b>	<b>Current Replacement Cost \$</b>
Culverts	70,285,465
Pipes	686,810,358
Lined and unlined drainage channels	8,385,800
Pits and headwalls	159,692,744
Water quality improvement devices	13,140,097
<b>Total</b>	<b>938,314,464</b>

<b>Asset Class: Buildings</b>	<b>Current Replacement Cost \$</b>
Administration and depots	74,801,305
Amenities	17,393,794
Beach (including surf clubs, viewing towers etc.)	62,006,293
Community (community centres, libraries, scout halls, senior citizen centres etc.)	186,010,331
Council rented - commercial	38,351,216
Council rented - residential	2,968,794
Emergency Services	12,250,625
Multi-storey carparks	23,536,366
Sporting facility	131,604,472
<b>Total</b>	<b>548,923,196</b>

<sup>1</sup> Four major built/infrastructure asset classes are: Roads, Stormwater, Parks and Recreation, and Building assets

<b>Asset Class: Roads</b>	<b>Current Replacement Cost \$</b>	<b>Asset Class: Roads cont.</b>	<b>Current Replacement Cost \$</b>
Public roads		Lighting System	13,965,437
Road component - wearing course	158,808,905	Skate Facility	3,110,359
Road component - pavement	252,999,286	Feature Walls	69,735
Road component - formation	93,362,263	Retaining Walls in reserve	8,902,607
<b>Sub-total roads</b>	<b>505,170,454</b>	Seawalls	42,705,605
Kerb and gutter	152,232,002	Shelters	744,078
Guard rails	2,972,626	Shade Structures	2,097,327
Footpath	78,709,918	Playgrounds	18,466,051
Vehicular bridges	7,095,428	Exercise Equipment	322,513
Pedestrian bridges in road reserve	899,027	Tennis Courts	6,859,493
Bus shelters	3,831,067	Hardcourts	3,093,049
Carparks	28,538,915	Sportsgrounds	38,117,625
Ticket meters	1,015,458	Synthetic Sportsgrounds	4,787,271
Retaining walls in road reserve	12,042,627	Cricket Wickets	496,640
Pedestrian crossings	2,242,319	Irrigation Systems	4,437,930
Roundabouts	2,607,222	Water Tanks	1,005,563
Traffic control devices	9,696,131	Dinghy Storage	53,014
General infrastructure - roads	3,382,969	Wharves and Jetties	15,384,068
<b>Total</b>	<b>810,436,163</b>	Boat ramps	1,277,148
		Pools	6,973,688
<b>Asset Class: Parks</b>	<b>Current Replacement Cost \$</b>	Rockpools	19,646,603
Pedestrian Bridges	13,839,394	Tidal Pools	2,153,329
Barbeques	2,280,933	Pumps	300,217
Pathways	17,254,148	Water Feature	54,834
Paved Areas	15,015,955	General Infrastructure	44,294,627
Stairs	11,458,205	<b>Total</b>	<b>308,358,619</b>
Barriers	1,920,889		
Boardwalks	6,594,912		
Viewing Platforms	675,371		

We also own, control, manage and maintain other financial assets, including plant and equipment, office equipment, library books, and furniture/fittings in community and Council buildings. The current replacement cost of these assets is \$73.7 million.

### 2.4.2 Condition

We undertake regular condition assessments and will continue to do so over the next four years. This key information informs our renewal programs, valuation processes, and assists us in meeting legislative reporting requirements.

The current condition information within the asset system has come from past condition assessments and inspection reports from the former Councils. For those assets that did not have any related condition data, these assets were assigned an average condition rating, based on the overall condition of that asset class.

### 2.4.3 Valuations

Valuations of our assets are in accordance with the requirements of Australian Accounting Standard AASB 13 - Fair Value Measurement, AASB 116 - Property, Plant and Equipment, AASB 1051 - Land Under Roads.

The NSW Office of Local Government (OLG) requires councils to undertake revaluations of their assets to ensure the financial value of the assets reflect current valuation rates.

Asset Category	Revaluation Required <sup>1</sup>	Revaluation Schedule
Operational Land	Every three years or whenever material changes to the asset class has occurred.	June 2018
Community Land		June 2019
Community Buildings		June 2018
Investment Properties		June 2018
Land Under Roads	Every five years or whenever material changes to the asset class has occurred.	June 2019
Road Assets		June 2020
Land Improvements		June 2019
Other Structures		June 2019
Stormwater Assets		June 2020

The revaluation of Road Assets, Land Improvements and Other Structures will be undertaken in 2018/19, given the large asset classes and significant material changes to the asset registers post amalgamation.

The revaluation process reviews and updates the replacement costs, accumulated depreciation, depreciation expenses, and remaining useful asset life. Between revaluations, we have the option to index asset values each year as well as the option of desktop revaluations.

### 2.4.4 Operations and Maintenance Costs

The levels of service, maintenance and operational practices were different across the former Councils. Standardisation of levels of service, maintenance and operational practices is an important focus of this Strategy. This standardisation will undergo continued fine-tuning as asset ownership and responsibilities are properly defined between the various infrastructure units.

Defining the services and levels of services of our various asset portfolios has a direct relationship on operational and maintenance costs. Levels of Service are yet to be fully developed and defined.

We have invested in software that has highly accurate budget tracking capabilities and cost capture against assets. This allows staff to be confident when undertaking budget planning, project planning and forward planning activities such as cost-benefit analysis.

Analysis of maintenance and operation costs will be reviewed and consolidated during the preparation of the Asset Management Plans.

<sup>2</sup> OLG Code Update 24, June 2016



#### 2.4.5 Utilisation and Smart Technologies

We need to keep pace with technology and the opportunities for enhancing asset management practices and efficiencies within the organisation. This may deliver efficiencies and cost saving opportunities. Areas of asset management practices that stand to benefit from improving technology include:

- Data collection and mapping via - aerial 3d data capture, car-mounted video data capture and drones
- Field staff mobile solutions - improved mobile technologies

#### 2.4.6 Financial Sustainability

We have adopted a sustainable approach to the management of our assets. Our focus is on ensuring infrastructure backlogs are identified, budgeted for and ultimately minimised. This is aided by practicing accountable financial management of our assets, which includes the following actions:

- Creation and maintenance of assets and asset data in the asset management software
- Correctly attributing assets to the capital works expenditure
- Realistic componentised depreciation of assets, which informs required annual renewal requirements
- Undertaking life-cycle cost analyses of proposed new assets/gifted assets
- Major revaluations every three or five years, depending on the asset category, to ensure asset values are reflective of the current market.

Improvements will be made to our financial management, and will be developed in detail in the asset management plans. Broadly they relate to:

- Developing clear, measurable levels of service
- Improved processes around field staff time and cost data collection
- Minor annual desktop revaluations to ensure quality of asset data

#### 2.5 Risk Management Practices

In 2017, we adopted an Enterprise Risk Management Policy to guide the formation of a risk management framework. This framework which is currently being developed will formalise the principles and practices for effective risk management across Council.

Our enterprise risk practices are aligned with AS/NZS ISO31000:2009 and seek to achieve the principles set by the standard. The following principles form a systematic process that guides us in addressing and controlling risk:

- Establishing the context of risks
- Identifying risks
- Analysing risks
- Addressing risks
- Monitoring and reviewing risks
- Communication and consultation

As owner of a \$2.6 billion infrastructure asset portfolio, we are exposed to a multitude of asset related risks which have the potential to adversely affect community safety, our finances and reputation, the environment and our staff.

The four Asset Management Plans (AMPs) will have a section on the risks specific to the asset portfolios. In these sections, critical assets and risks are identified. Upon completion of the new risk management framework, the critical assets and risks will require review to ensure that the rationale and decision making is in line with the framework.

Critical assets are defined as assets that in failure mode are likely to result in more significant financial, environmental and social cost in terms of impact on organisational objectives. These assets cannot reach failure, and have lower thresholds of intervention than the rest of our asset stock. Examples of these assets include:

- Seawalls that protect our high value assets such as buildings
- Culverts on major roads
- Retaining walls that support major roads
- Bridges that service high volumes of vehicle and pedestrian movements
- Significant built structures such as grandstands

Assets we have identified as critical are inspected at a higher frequency than other assets (in most cases annually), commensurate with the level of risk associated with them.

Critical Risks are asset related risks we have assessed and deemed as 'high risk'. Risk treatments are identified, developed and implemented for these assets. Examples of Critical Risks include playground equipment failure, slips and trips on pathways and entrapment issues in rockpool pump wells.

## 2.6 Best Practice Guidelines

We subscribe to the Institute of Public Works Engineering Australasia (IPWEA), which provides a number of resources for councils in asset management including:

- NAMS.PLUS asset management platform includes templates, tools and training to staff to assist with their asset management planning.
- Various Practice Notes applicable to and relevant to our assets.

The NAMS.PLUS platform is an organisation-based subscription program available to all staff in the organisation and provides up-to-date knowledge and skills on best practice asset management. In addition to IPWEA training modules, staff are encouraged to attend IPWEA asset management related training sessions, workshops and seminars.

The International Infrastructure Management Manual (IIMM) and the Australian Infrastructure Financial Management Guidelines (AIFMG) are also referenced in our asset management practices. The IIMM is widely recognised by practitioners as a best practice manual for providing guidance to those responsible or involved in managing assets, including asset managers, asset planners, operators and developers. The content of the IIMM is strongly aligned to international standards, including the ISO55000 suite of standards for asset management. The AIFMG links the technical and financial aspects of infrastructure management.

The Office of Local Government's Integrated Planning & Reporting Manual provides guidelines to councils to ensure our reporting documents are integrated and meaningful to the community.

We are also implementing an improvement program to advance our current asset management maturity and improve practices, which has been reflected in this Strategy.



## Community Engagement

### 3.1 Annual Community Survey

We recognise the importance of community engagement to gain a better understanding of how the community views our performance in managing its assets. We believe effective engagement is crucial in ensuring a fair and unbiased snapshot of the community's views of our management. In June 2017, we undertook our first Annual Community Survey (ACS) as an amalgamated Council. The survey provides information on those asset related services that the community values the most, those that the community is satisfied with, and those that may need further attention.

### 3.2 Community Responses on Assets and Services

The survey found the community valued assets such as beaches, headlands and rock pools, followed by parks and recreation areas, waterways, creeks and lagoons, local roads and footpaths.

#### 3.2.1 Importance

Importance is measured on a scale of 1 being not important and 5 being very important to the community.

<b>Table 1: Highly Important Assets/Services</b>	<b>Mean Rating (out of 5)</b>
Maintenance of beaches, headlands and rock pools	4.67
Parks and recreation areas (including playgrounds)	4.62
Managing and protecting creeks, lagoons and waterways	4.57
Condition of local roads	4.52
Footpaths	4.49

These assets were rated of lower importance as they may not be used regularly by all members of the community:

<b>Table 2: Assets/Services with lower importance rating</b>	<b>Mean Rating (out of 5)</b>
Wharves and boat ramps	3.27
Arts and cultural facilities	3.75
Warringah and Manly Aquatic Centres	3.79
Bike paths	3.86
Bus shelters	3.97
Community centres	3.99

#### 3.2.2 Satisfaction

The community also rated their satisfaction of various assets and services on a scale of 1 being not satisfied and 5 being very satisfied.

Library services, beaches and rock pools, parks and recreation areas, trails and tracks, and village and town centres were rated by the community as the top five assets and services they were most satisfied with.

<b>Table 3: Highly Satisfied Assets/Services</b>	<b>Mean Rating (out of 5)</b>
Library Services	4.06
Maintenance of beaches, headlands and rock pools	3.96
Parks and recreation areas (including playgrounds)	3.87
Trails and tracks	3.69
Cleaning of villages and town centres	3.63

At the other end of the scale, parking, traffic management, condition of public toilets, bike paths, local road conditions and footpaths were the assets and services the community had a moderate level of satisfaction with.

<b>Table 4: Moderately Satisfied Assets/Services</b>	<b>Mean Rating (out of 5)</b>
Parking	2.77
Traffic Management	2.87
Condition of public toilets	2.90
Bike paths	3.03
Condition of local roads	3.04
Footpath	3.16

### 3.2.3 Performance Gap Analysis

In comparing the importance rating of each asset and service with the satisfaction rating, we can gain an understanding of what the community feels can be improved. This is achieved by undertaking a gap analysis which identified the gap between the importance and satisfaction ratings. Identifying areas for improvements can inform our current and future plans, such as our asset management plans, capital allocations, annual budgets, Delivery Program and annual Operational Plan.

The gap analysis indicates the community is extremely satisfied with library services, lifeguards on our beaches, and domestic waste collection services.

The assets and services that are most important to the community with the greatest 'performance gap' are shown in Table 5.

**Table 5: Summary of Performance Gap Analysis (PGA)<sup>3</sup>**

<b>Ranking</b>	<b>Service/ Facility</b>	<b>Importance Mean</b>	<b>Satisfaction Mean</b>	<b>Performance Gap</b>
1	Parking	4.47	2.77	1.70
2	Traffic management	4.54	2.87	1.67
4	Condition of public toilets	4.39	2.90	1.49
5	Condition of local roads	4.52	3.04	1.48
6	Footpaths	4.49	3.16	1.33
7	Managing and protecting creeks, lagoons and waterways	4.57	3.33	1.24

Other assets that were rated highly important (rated above 4) and with a moderate to high satisfaction rating, were:

- Facilities and services for youth (4.20 importance mean; and 3.21 satisfaction mean)
- Facilities for older people (4.26 importance mean; and 3.36 satisfaction mean)
- Parks and Recreation areas (4.62 importance mean; and 3.87 satisfaction mean)
- Maintenance of beaches, headlands and rock pools (4.67 importance mean; and 3.96 satisfaction mean)
- Sportsfields and amenities (4.32 importance mean; and 3.58 satisfaction mean)
- Trails and Tracks (4.09 Importance Mean and 3.69 Satisfaction Mean)

<sup>3</sup> PGA establishes the gap between importance and satisfaction. This is calculated by subtracting the mean satisfaction score from the mean importance score. The higher the differential between importance and satisfaction, the greater the difference is between the provision of that service by Council and the expectation of the community for that service/facility

### 3.3 Community Strategic Plan Engagement

We completed a comprehensive engagement process as part of the preparation of the 10 year Community Strategic Plan. This engagement occurred in three phases from October 2016 to November 2017.

Community members were generally concerned about the implications of sustainable population growth and wanted to minimise impacts on the natural and built environment, including infrastructure. Further qualitative discussions revealed the challenges with higher housing costs were often seen in the context of infrastructure limitations on traffic, transport, community facilities, parking accessibility, open space usage, water, stormwater, sewerage, waste, local roads and footpaths.

The community also identified opportunities for improvement including:

- protecting and maintaining the natural environment assets and open spaces
- safe and friendly neighbourhoods and inclusive community spaces and services, that can change and meets the needs of youth, seniors and aged, as well as other community members
- sustainable business growth, innovative business infrastructure and diverse business opportunities

### 3.4 Community Levels of Service

The current levels of service reflect those established by the three former Councils'.

The community needs to be involved in developing and defining new levels of service. An action, under this Strategy is to consult the community on expectations and priorities for assets to assist with defining new sustainable levels of service.





## Population Growth and Demographic Trends

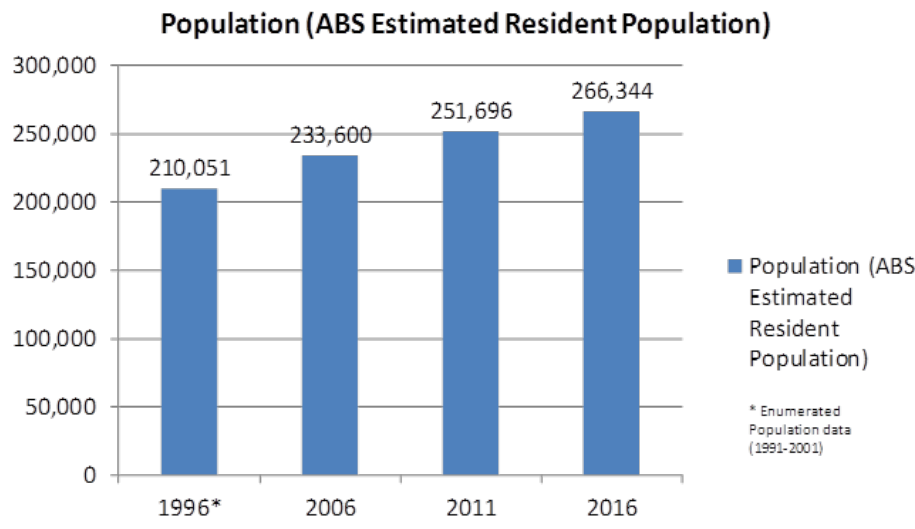
The expected demand for local infrastructure associated with population growth will require the allocation and provision of additional services throughout the life of this Strategy.

While capacity may exist to accommodate the anticipated population growth, there are some asset classes, particularly the building assets, for which we will need to plan for increased demand and adopt innovative solutions. This will allow us to manage the expectations of the community whilst retaining acceptable levels of service.

### 4.1 Population Growth of the Northern Beaches

For the 10 years to 2016 our population increased by 32,744 people to 266,344, an average increase of 3,274 people per year<sup>4</sup>. Looking over a longer period of 20 years, the average increase is 2,814 people per year<sup>5</sup>.

This steady growth is shown in the Figure 1 below.

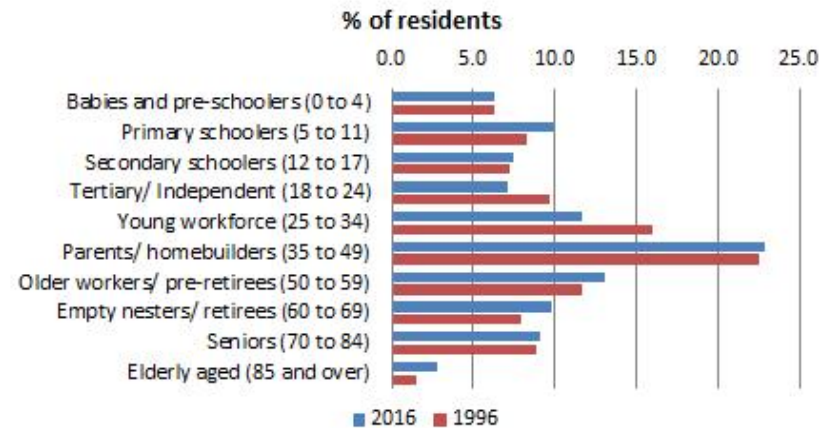


### 4.2 Service Age Group Trends

Service age groups divide the population into age categories that reflect typical life-stages. Between 1996 and 2016, proportionally the largest growth is in the service age groups:

- empty nesters and retirees aged 60 to 69 (up 1.9%);
- primary schoolers aged 5-11 (up 1.6%);
- older workers and pre-retirees aged 50 to 59 (up 1.4%); and,
- elderly aged 85 and over (up 1.2%).

## Change in Age Structure & Groups, 1996 to 2016



<sup>4</sup> Estimated Resident Population 2016, at Profile ID, <https://profile.id.com.au/northern-beaches>

<sup>5</sup> Using Enumerated Resident Population 1996, at Profile ID, <https://profile.id.com.au/northern-beaches>



This shows an increasing demand over time on services for older people in our area such as pre-retirees and retirees, as well as primary school children. Sometimes, these demands can be competing and this poses challenges for future plans.

In terms of actual numbers, the largest growth has been in the parents and homebuilders age group (35-49 years). Parents and homebuilders increased by 9,513 people between 1996 and 2016 and make up 23% of the population. This increases demand for services and assets that cater for families.

By contrast the young workforce aged 25-34 has decreased by 4,340 people between 1996 and 2016. The loss in this group is a concern for the young workforce, local productivity, creativity and generational change.

By understanding the changes to the demographics of our community, we can better understand the current level of demand for assets on the Northern Beaches and plan for the future.

### 4.3 Five-year age group analysis

Further analysis of the five year age groups provides additional insight into the level of demand for age based services and facilities (e.g. child care versus older workers and pre-retirees<sup>6</sup>). As each age group covers exactly five years this enables direct comparison between each group.

The result indicate we have a higher proportion of people in the younger age groups (under 15) as well as a higher proportion of people in the older age groups (65+) compared to Greater Sydney. Overall, 19.9% of the population was aged 15 or under, and 16.6% were aged 65 years and over, compared with 18.7% and 13.8% respectively for Greater Sydney.

Other differences between the age structure of the Northern Beaches' community and Greater Sydney were a:

- larger percentage of persons aged 45 to 49 (7.7% compared to 6.7%);
- smaller percentage of persons aged 25 to 29 (5.3% compared to 7.9%);
- smaller percentage of persons aged 20 to 24 (5.0% compared to 7.1%); and,
- smaller percentage of persons aged 30 to 34 (6.4% compared to 8.2%)

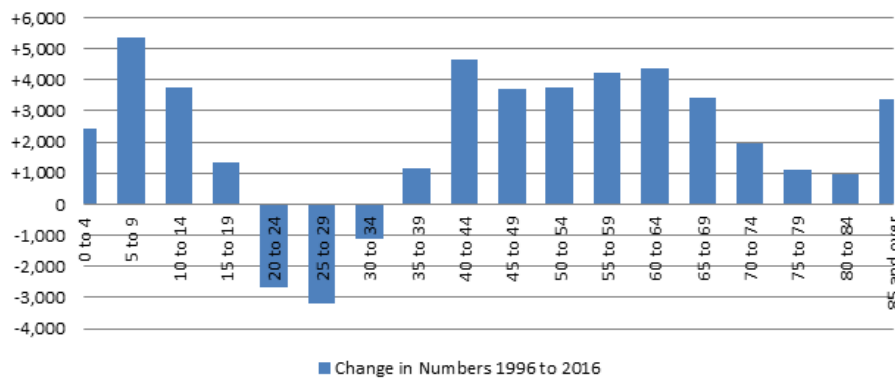
This means the area is enticing to pre-retirees and less attractive to younger more mobile workers and residents (aged 20-34 years). This may reflect some of the constraints of the area's transport, worker and jobs access to Greater Sydney, as well as the high cost of housing and affordability issues facing the Northern Beaches.

<sup>6</sup> Profile ID, <http://profile.id.com.au/northern-beaches/five-year-age-groups>

#### 4.4 Age Group Changes

By examining the changes in these five year age groups we can further understand the provision of assets and related services in the Northern Beaches area. The graph below shows the changes in age groups (five year groups) across the area during the period 1996 to 2016.

**Change in Age Structure - five year age groups, 1996 to 2016**



The age groups with the greatest growth are:

- 5-9 years (up 5,347);
- 40-44 years (up 4,655);
- 60-64 years (up 4,361); and,
- 55-59 years (up 4,246).

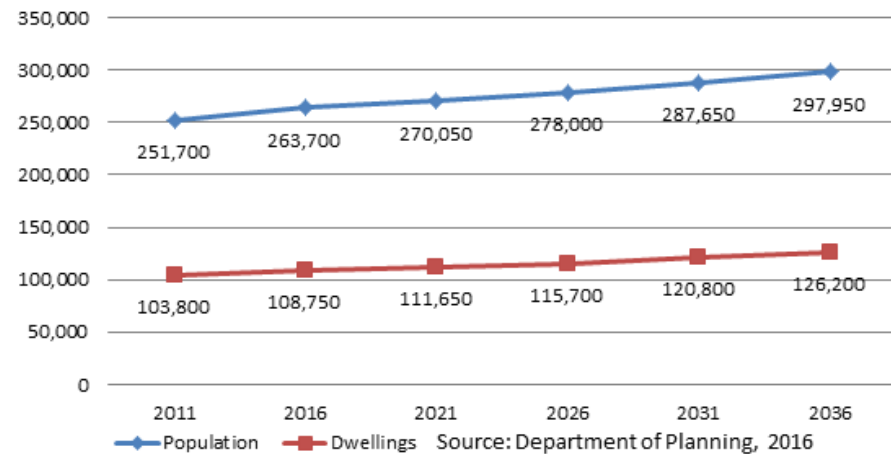
At the same time the age group 20 to 34 declined by 7,003 or 6.4%.

#### 4.5 Growing Population Forecasts

Our community is forecast to continue growing and provide a residential role in the Sydney metropolitan region.

The Department of Planning projects our population will increase by 18% (46,250 people) and new dwellings by 22% (22,400 dwellings) between 2011 and 2036.

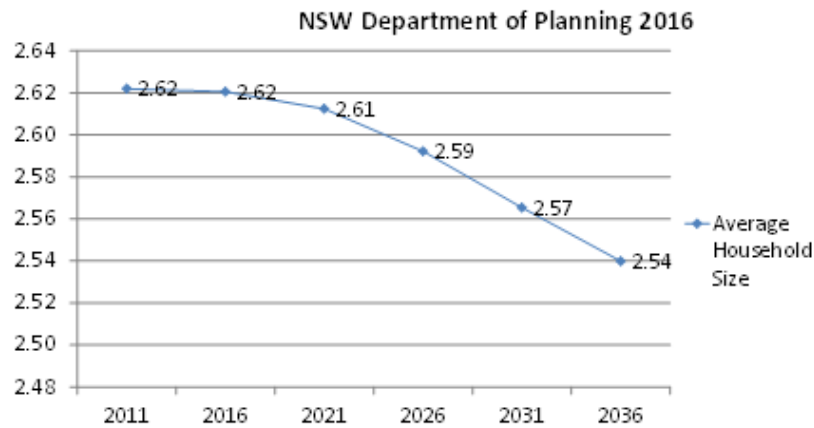
**Northern Beaches Population and Dwellings, 2011-2036**



Household size is expected to decline over this period. The Department of Planning forecasts show households shrinking from 2.62 persons per household in 2016 to 2.54 persons by 2036.

<sup>7</sup> Department of Planning, New South Wales State and Local Government Area Population and Household Projections, and Implied Dwelling Requirements, October 2016

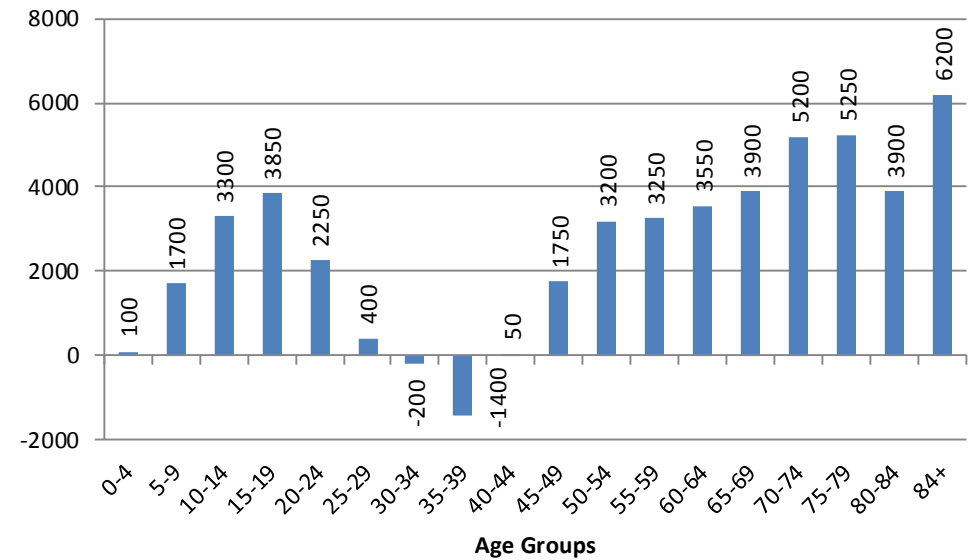
## Northern Beaches, Households Size Forecasts



Our community will also have more people aged over 45 years with a significant increase in the 70 plus group across the Northern Beaches. The forecasts also show minimal increases in young children (0-4 years), and some growth in those between 5 to 20 years.

The forecast indicates there will be fewer people aged between 25 - 29 and 40-44 years. There will also be decreases in young home makers between 30 - 39 years.

## Population Forecast 2011-2036



Source: Department of Planning 2016

### 4.6 Trends by Suburb

When planning for the current and future provision and maintenance of assets, it is important for us to consider growth suburbs within the LGA to ensure that assets and services are distributed equitably and residents can access these services without the need to travel long distances.





#### 4.6.1 Highest growing suburbs

Brookvale and Dee Why are growing suburbs and designated as a strategic centre by the NSW Department of Planning. Dee Why has experienced a high growth rate in terms of population (up 1,728 people) and dwellings (up 558) between 2011 and 2016<sup>8</sup>. However, Brookvale experienced a smaller level of actual numbers (up 604) of people, and dwellings growth (up 296)<sup>9</sup>. This growth is important for us to monitor for asset planning especially in the provision of footpaths, local road infrastructure (parking, stormwater, kerb and guttering, etc.), as well as the availability of community centres and open spaces.

Other areas demonstrating population and housing growth during the last five years to 2016 include:

- Bayview (up 736 people and 324 dwellings),
- Frenchs Forest (up 662 people and 77 dwellings),
- Narrabeen (up 665 people and 303 dwellings),
- Mona Vale (up 720 people and 421 dwellings), and
- Warriewood (up 712 people and 226 dwellings).

The associated planning of infrastructure and assets to accompany these growing areas is not only important now but in the next 10 years.

#### 4.6.2 Suburbs/Localities with the highest forecast populations in 2016-2026

The suburbs/localities that are forecast by the Council's Profile ID demographers to have the largest population growth in the period 2016 to 2026 are:

- Dee Why (up 3,394)
- Ingleside (up 3,309)
- Frenchs Forest (up 2,898)
- Narrabeen (up 1,240)
- Manly Town Centre and Pittwater Road (up 1,158)
- Belrose/Oxford Falls (up 1,082)
- Balgowlah (up 1,040)

Each of these suburbs/localities will require both assets that cater to demographics, as well as those that serve the general population. As these suburbs/localities continue to develop, we will continue to plan for and assess the needs of these communities.

<sup>8</sup> Enumerated Population estimates for Dee Why the Census counts is for people where they are on the night of the Census; and is different to the Estimated Resident Population which is by where they usually live (usual residence). Profile ID, <http://profile.id.com.au/northern-beaches/population>

<sup>9</sup> As above.

## **Strategic Asset Management Objectives 2018-2028**

We have identified Strategic Asset Management Objectives we are committed to achieving in the 10 year period to 2028 to enable the Asset Management Policy to be achieved.

These Objectives have been developed through internal workshops and considered the priorities identified from the results of the community satisfaction survey. The Objectives reflect the Community's Vision for the "Northern Beaches: a safe, inclusive and connected community that lives in balance with our extraordinary coastal and bushland environment". The Objectives also reflect the importance of efficient asset management processes, continual improvement and sustainable practices.

One of the Objectives is to undertake community engagement to define levels of service across our assets. This piece of work will ensure the communities' priorities are reflected in our day-to-day management of our assets.

The other objectives aim to strengthen our knowledge and reporting framework, ensuring we continue to manage assets in accordance with best practice, and promote a positive and effective asset management culture within Council and the community.

The Objectives directly support key principles from our Asset Management Policy at Attachment A

## Action Plan

The actions to achieve our organisational asset management objectives are at Appendix B. These actions follow the same framework as the objectives and therefore directly support the key principles of our Asset Management Policy.

We have committed to establishing a reporting and monitoring system across Council. The progress will be reviewed regularly by the SAMSC, as well as reported to the Executive Leadership Team.

There are a number of priorities to achieve within the first year of the action plan to improve the knowledge, management practices and reporting across Council.

## Conclusion

This Strategy supports the Communities vision and provides a clear link between the outcomes and goals in the Community Strategic Plan and the day-to-day management of our assets.

The Strategy articulates how the principles contained within the Asset Management Policy will be achieved. The Strategy defines 12 strategic objectives for asset management across the organisation and community. The preparation of this Strategy reinforces our commitment to asset management, continuous improvement and becoming a leader in this space.



## 8.1 Appendix A: Asset Management Policy



## Council Policy - Asset Management

### Policy Statement

This Policy supports Council's vision and strategic objectives, and sets guidelines for implementing consistent asset management processes to existing and new assets throughout the Northern Beaches Council. The application of these principles will ensure our assets continue to provide the appropriate level of service to meet the community's needs and expectations in a sustainable manner.

### Asset Management Principles

- Council will apply nine (9) key principles in managing its assets.
- Best Practice: Council's asset management procedures will be developed to ensure asset management best practice is implemented throughout Council.
- Sustainability: Council will implement asset management in a sustainable manner balancing economic, social and community impacts while demonstrating civic and environmental leadership.
- Levels of Service: Agreed service levels will be determined in consultation with the community and defined in Council's Asset Management Plans.
- Accountability & Responsibility: Asset management accountabilities and responsibilities will be defined, understood and accepted by all involved.
- Environment: Council will develop and implement best value environmentally sustainable asset management practices.
- Finances: Council will integrate asset management, long term financial and strategic resource planning to ensure Council's long term financial sustainability.

- Risk Management: Council will apply risk management practices to ensure asset performance and community safety, including risks associated with climate change.
- Life Cycle Approach: Asset planning decisions will be based on full life cycle costs of an asset through acquisition, operation, maintenance, renewal and disposal.
- Statutory Compliance: Council will meet all relevant legislative requirements for asset management.

### Scope and application

This policy applies to all employees, agents, officers and councillors of Northern Beaches Council. The Strategic Asset Management Steering Committee is responsible for ensuring the application of this Policy.

### References and related documents

- Local Government Act 1993, Office of Local Government, NSW Government
- Local Government (General) Regulation 2005, Office of Local Government, NSW Government
- Integrated Planning & Reporting Manual for Local Government in NSW (2013), Division of Local Government, NSW Government
- International Infrastructure Management Manual (2011), IPWEA
- Australian Accounting Standards

**Definitions**

Council's "assets" include roads, bridges, footpaths and recreational trails, car parks, furniture, stormwater network, parks and reserves, sportsgrounds, playgrounds, ocean pools, aquatic centres, buildings, and public amenities.

The members of the "Strategic Asset Management Steering Committee" are defined in the Strategic Asset Management Steering Committee Terms of Reference.

**Responsible Officer**

General Manager Environment & Infrastructure

**Review Date**

27 February 2022

**Revision History**

Revision	Date	Change	TRIM Ref
1	28/11/2017	First draft Northern Beaches Council policy for exhibition	2017/355120
2	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

## 8.2 Appendix B: Action Plan





Policy Principle	Objective	Action	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Best Practice	Continue to integrate all knowledge and management systems for infrastructure assets into our corporate systems and asset registers so informed decisions can be made regarding maintenance, renewal and replacement.	Establish best practice benchmarks, and monitor performance against Local Government and external organisations.	X	X	X	X	X	X	X	X	X	X
		Develop an assessment tool to optimise capital asset programs against the quadruple bottom line.	X	X								
Sustainability	Develop a framework that assesses the pillars of sustainability (economic, social, environmental, and governance) to include in all aspects of Asset Management and assets' life cycles.	Develop a 10 year strategic capital works program, which integrates into our 10 year Long Term Financial Plan, recognising both funding sources and expenditure.		X	X							
		Develop the procurement strategy that includes sustainability criteria, cost efficient work packages, and supports staff.	X									
		Review existing asset disposal policies and incorporate policies for asset disposal into all Asset Management Plans.			X	X						
		Establish a forum that allows staff to share knowledge and build internal capacity on sustainable practices.	X									
		Capture, collate, review, and analyse the current levels of service, and service standard. We deliver to the community across the Northern Beaches.	X									
Levels of Service	Engage with the community to define levels of service across the Northern Beaches that are sustainable and measurable and monitor and report our performance on providing the agreed levels of service to the community.	Prepare an engagement plan and consult the community to determine the agreed Community Levels of Service across the Northern Beaches, and educate the community on levels of service and expenditure.		X	X							
		Prepare financial models for delivering the agreed levels of service to the community and integrate these in the Long Term Financial Plan.			X							





Policy Principle	Objective	Action	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
Environment	Align asset management practices with the community's expectations on the management of our environment.	Establish performance measures and a platform to monitor and report on the environmental performance and outcomes whilst delivering the agreed levels of service.			X								
Finances	Improve the financial reporting capability of our corporate systems.	Establish the level of financial reporting for all asset classes and prepare a financial register to deliver the required reporting levels.	X	X	X								
		Establish a balanced level of expenditure across the asset to ensure our assets are in good, or above, condition.				X	X	X					
	Ensure there is appropriate integration between the asset register for engineering purposes and the financial register to identify the costs of our assets.	Review asset related information systems, registers, processes, and hierarchies to ensure the information required to financially assess the assets is available.	X	X	X	X	X	X	X	X	X	X	X
		Establish the remaining useful lives of our assets by undertaking a full condition assessment of all infrastructure assets.	X	X	X								
		Carry out revaluations in accordance with the Asset Management Strategy.	X	X			X	X	X				X
	Risk Management	Assess and prioritise risks and opportunities across the portfolio of infrastructure assets, rather than in isolation, and promote risk awareness across the organisation.	Define criticality across the organisation and identify critical assets and risks.	X									
Integrate critical risks across the organisation.				X	X	X	X	X	X	X	X	X	X
Prepare a framework for identifying, assessing, monitoring and prioritising asset risks and opportunities to the organisation.			X	X									
Develop risk management plans for all infrastructure asset groups and integrate with our Enterprise Risk Management.					X	X							



Policy Principle	Objective	Action	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
Life Cycle Approach	Promote proactive and sustainable asset management practices and responses, and include these practices in the Asset Management Plans.	Investigate innovative practices and approaches for the provision of, maintenance and renewal of assets.	X	X	X	X	X	X	X	X	X	X	
		Undertake an annual review of scheduled maintenance to identify failures and unscheduled maintenance to inform future decision making and identify improvements in maintenance practices.	X	X	X	X	X	X	X	X	X	X	X
		Roll out mobile technologies to all areas to improve data collection for asset management planning.	X	X	X	X	X	X	X	X	X	X	X
		Review service standards and develop agreed intervention levels, documented in the asset management plans, and prepare financial modelling of these standards and levels.		X		X		X		X			X
	Adopt a life cycle approach whereby all decisions and actions consider the anticipated life of an asset.	Develop a framework to apply to new assets and upgrades to be considered in the decision making process.				X	X						
		Continue the asset management forums across the infrastructure groups to discuss asset management decisions, including planning of new assets, operations and maintenance.	X	X	X	X	X	X	X	X	X	X	X
		Review, consolidate and update Council's design standards, specifications, and guidelines, including costs, to ensure informed decisions are made about products.	X	X	X	X	X	X	X	X	X	X	X
		Develop sustainable design technical guidelines to provide guidance for renewal and creation of new assets.		X	X								
		Review and determine appropriate depreciation for each of our assets, and direct this funding source to asset renewals.	X	X	X	X	X	X	X	X	X	X	X
		Develop a database of life cycle assessments to be utilised by staff to make informed decisions.			X	X							





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