

## 1. Executive Summary

### Key outcomes of this document

According to independent assessment, Willoughby Council has increased from 70% to 75% of target maturity scores in a range of areas relating to asset management since the previous version of this Strategy was adopted in 2012. The most notable improvements include:

- Completion of data collection and valuation of open space assets;
- Adoption of target levels of service following an extensive community engagement program; and
- Implementation of corporate software to model asset renewals and predict expenditure.

As a direct result of these improvements, Council has been able to identify areas that will not be able to meet service level targets under current funding. The funding required to meet these levels, and thus sustain assets at a standard that is both safe and acceptable to the community, has been calculated. This information has formed the bases of a "Sustainable service case" in Council's long term financial plan and is driving the intended application for a special rate variation.

### State of the assets

Council is responsible for a pool of assets worth at least \$793 million. These include road pavements, footpaths, kerb and gutter, stormwater, bridges, community buildings, parks, sportsgrounds and playgrounds. The majority of these assets are in moderate or good condition.

Of concern, however, is the large proportion (21%) of the stormwater network that is at or beyond the adopted intervention point, a major culvert that has been assigned a critical rating and the unsustainable use of sportsgrounds that are already not meeting demand. Strategies have already been devised for these issues and are detailed in individual asset management plans.

### Funding gaps

A total funding gap of \$5.4 M per year (averaged over the 20 year planning period) has been identified for Council's complete pool of assets.

Addressing this gap would provide the necessary funding to meet maintenance and operational costs, perform timely renewal of assets at the end of their expected lives, or earlier when service level targets demand a higher standard, and would permit all capital works to take place that have already been through a community engagement and adoption process.

The largest contribution to the funding gap is made by Sportsgrounds, Stormwater drainage and Community Buildings (excluding the Concourse) in relatively equal amounts. In terms of service levels, bridges are furthest from being able to meet targets under current funding, followed by Sportsgrounds and then Stormwater drainage.

### Gaps in asset management practices

The most critical gaps in asset management practices relate to the storage and maintenance of asset inventory data in Council's corporate asset management system (AMS). Resources have been largely redirected towards strategic planning and financial projections for several years, so that AMS implementation has proceeded very slowly. In addition, critical integration between Council's spatial mapping system and the asset databases has not been provided as was hoped.

### Key steps for improvement

Implementation of asset inventories and integration with spatial data are of the highest priority for the next phase of the project. This will ensure that the data is accessible for all those who need it, that manual data entry effort is minimised and that potential sources of error are identified and eliminated.

In terms of work practices, information flows between crews completing works in the field and staff maintaining data in the office need to be formalised.

Further refinement of the parameters involved in modelling asset renewals and forecasting financial information needs to be a continual focus, to minimise the uncertainty that is otherwise inherent in all forms of prediction.