

Author name: Name suppressed

Date of submission: Wednesday, 7 February 2024


Your submission for this review:

I would like iPart to consider making the following additions to the Terms of Reference. As Operational and Capital Grants are a significant component of Council's revenue, there should be some requirement to them to apply for grants. I have attached a spreadsheet comparing Sutherland Shire Council's revenue with similar sized (and a smaller) Council and the deficit is stark. It is also noted that our Council is conspicuous by its absence from the lists of successful applicants in Grant Announcements. This spreadsheet quantifies the financial repercussions from the poor performance in securing grants. There is no oversight, nobody knows about this, and they answer to nobody. Also attached is a document outlining a seriously poor standard of policy management plus how a Council can [REDACTED] pretend to comply with the OLG Integrated Planning and Reporting Framework. It is even more ludicrous that they have never complied with the Policy that they have revised and put out for public consultation. I would like to see a process where Councils undergo an external audit that verifies their compliance with whatever framework iPart recommends. I am a Registered Nurse and hospitals undergo an Accreditation process every 4 years where their clinical and governance systems are assessed. OLG should be providing some sort of oversight, but they don't. They are a large part of the problem as they promote their Integrated Planning and Reporting Framework as a guarantee of NSW Local Councils performance. As shown in the attached Asset Mgt Document, that is a complete furphy. Without some form of quality assessment/validation, poorly performing Councils can just game the OLG 'system' and their local community is at risk.

Sutherland Shire Council
Asset Management Policy Review February 2024

Below is a screenshot of the purpose and principles of the revised Policy.

ASSET MANAGEMENT POLICY



- 1. PURPOSE**

Council owns and is the custodian of a large portfolio of assets including roads, footpaths, stormwater drains, buildings, land, open space and plant and equipment. The purpose of this Policy is to articulate Council's commitment to the establishment of a clear direction and framework for asset management in line with the adopted strategic direction and in order to respond to the needs of our community.
- 2. APPLICATION**

This Policy applies to all assets owned, controlled or managed by Council. It shall be applied by Councillors, staff, contractors and lessees (tenants) who conduct activities associated with the creation, acquisition, maintenance, operation, rehabilitation, and disposal of Council's assets.
- 3. PRINCIPLES**

 - 3.1 Application of Principles**

No one principle should be applied to the detriment of another. Principles must be collectively considered and applied to the extent that is reasonable and practicable in the circumstances.
 - 3.2 Value: Cost effective assets that meet service needs of current and future generations**

 - We will prioritise maintenance and renewal expenditure to keep assets in an acceptable condition and minimise any increase in the renewal backlog.
 - We will acquire new assets only where there is demonstrable need in the community for the service; the need cannot be met by using, improving or repurposing existing assets; and the lifecycle costs of the asset can be afforded by Council.
 - We will consider consolidating or disposing of assets where the costs and risks of keeping the asset exceed the benefits to Council and the community.
 - 3.3 Alignment: Community and organisational priorities are considered in all decisions**

 - We will develop asset management plans informed by relevant Council plans and strategies, including demand forecasts, community surveys and technology changes.
 - We will align Asset Management Plans and the Long Term Financial Plan and any funding gaps will be addressed by balancing risk, lifecycle cost and service levels.
 - 3.4 Leadership: Collective leadership and culture determine the realisation of value**

 - We will develop the capability and capacity of our business units and teams to deliver our asset management objectives and responsibilities.
 - We will communicate and consult with stakeholders when making decisions about assets.

Asset Management Policy

2

ASSET MANAGEMENT POLICY



3.5 Assurance: Confidence in our decision making and our capacity to provide for community needs

- An asset management framework aligned with the requirements of ISO 55001 will be prepared, implemented, monitored and continually improved.
- We will regularly determine acceptable and affordable service levels in consultation with the community.
- We will apply the principles in Council's risk management framework to ensure community and environmental safety, and asset performance and availability.

[90c9f4bfa271a387de595a006f7b592b_Draft_-_SSC_Asset_Management_Policy_-_August_2023.pdf \(amazonaws.com\)](#)

It is relevant to evaluate Sutherland Shire Council's compliance to the 2020 (current) Asset Management Policy. Below is a screenshot from the Draft 22/23 Annual Report, with the outcome of a Service Review into Infrastructure Asset Management.

Please take a deep breath before you read this. This is frankly appalling.

It is an outline of how Sutherland Shire Council are NOT managing our Infrastructure.

Remember, the Infrastructure belongs to the community. Council are supposed to be managing it on our behalf. That is their job!

Sutherland Shire Council Asset Management Policy Review February 2024

Council Meeting

6 November 2023



During 2022/23 a Service Review was conducted for the operational areas within the Infrastructure and Operations Directorate which included: Open Space, Cleansing, Buildings and Civil. The Service Review was established to assist with the implementation of a new Enterprise Asset Management (EAM) system.

The Service Review commenced in January 2023 with overall key findings including:

- Service standards don't match community expectations and is inconsistent
- Quality of maintenance is below the typical standard for a metropolitan Council
- Productivity can be improved with changes to work methods and equipment
- Supervision and management can be improved
- Predominantly reactive in many activities and not triages based on priorities
- Asset information is poor, making it difficult to benchmark performance and to program works
- Key major building assets do not have Asset Management Plans
- Internal communication is not adequate and results in budget impacts
- Planned compliance and maintenance programs are under funded for buildings

- High-profile public domain and tourist areas require additional presence for cleansing services during weekends and evenings

Opportunities for Improvement

An implementation framework has been developed based on the key findings from the review. This will include two streams working collaboratively through the next 12 months to create and commence implementation plans for the identified improvements.

The implementation framework includes:

- Development of service standards that match community expectations as endorsed in strategies
- Update maintenance schedules to meet the service standards
- Develop information (Asset Data) management requirements to support the delivery and regular monitoring of performance
- Transition to a proactive planned approach rather than reactive
- Develop key facility asset plans
- Undertake analysis for gaps in buildings maintenance and develop a business plan for long term funding
- Review and align functions and key tasks across the Directorate
- Review and improve contractor management and supervision
- Review services in 2025 with the aim of achieving improved performance

This report outlines Sutherland Shire Councils **failure** to comply with the principles of both their 2020 Asset Management Policy and the 2023 version.

- 3.2. They do not have a routine maintenance program. It is reactionary. They do not triage (prioritise) repairs.
- 3.3. There are no Asset Management Plans for key building. There is no Stormwater Asset Management Strategy.
- 3.3. The 2022-2032 Stormwater Asset Lifecycle costs are not aligned with the 2023-2033 Long Term Financial Plan. The Lifecycle cost is \$5 million per year and the Long-Term Financial Plan budget is approximately \$2.3 million per year. ** Note that this was cut to \$1.7 million in 23/24 Financial Year.

Sutherland Shire Council
Asset Management Policy Review February 2024

- The Benchmark budget of peer Councils for Building Asset Maintenance is 2.05% of the Capital Replacement Cost (CRC). Sutherland Shire Council's budget is 1.2% of the CRC.
- There has been **no** discussion with the community regarding acceptable service levels. This is evident with the ongoing concern raised about the standard of Stormwater Assets following the publication of the Draft Overland Study.
- There is no evidence of a risk management framework being applied to ensure community and environmental safety, asset performance and availability.
- The screenshot below, from the Resourcing Assets Management Strategy demonstrates that there are insufficient resources allocated to provide an acceptable service level.
- Again, there is no evidence of consultation with the community regarding acceptable service levels.

Asset Management Plan – Stormwater and Waterways

Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Known locations where deficiencies in service performance exist are shown below. Source: Flood studies, site inspections and customer complaints.

The above figure shows location which are serviced on a periodic basis i.e. pit in some locations are cleaned once every 12 weeks and others once a year.

Council's stormwater and waterway assets are generally provided to meet industry design standards at that time where these are available. It is considered that Council's stormwater and waterway assets are meeting appropriate performance requirements.

Council is reviewing the information regarding capacity, utilisation and performance of stormwater assets through flood studies and drainage investigations to inform future asset management planning and decision-making.

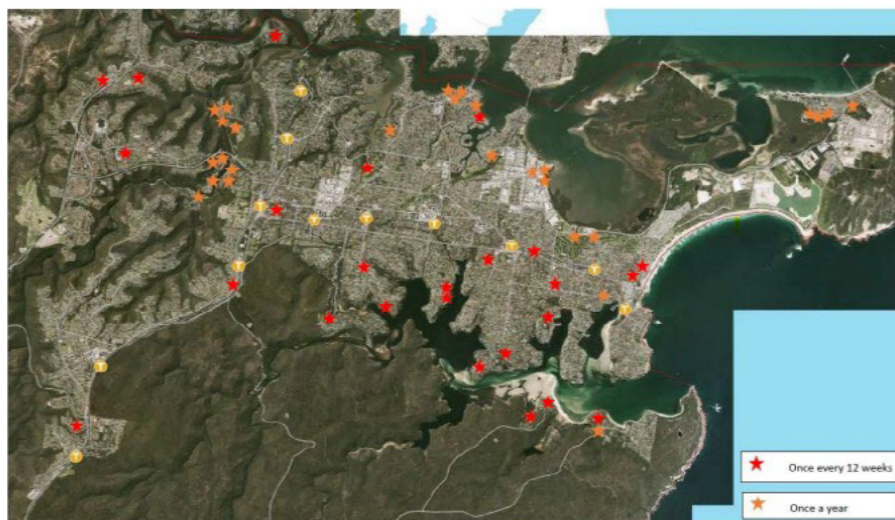


Figure 2: Known "hotspots" requiring more frequent cleaning

**Sutherland Shire Council
Asset Management Policy Review February 2024**

Concerns about the Asset Management Policy

Aside from Sutherland Shire Councils **failure** to comply with the 2020 version of this Policy, there are significant concerns with the contents.

- There is no reference to the Community Strategic Plan.
- The principle outlined in 3.2 of the criteria for acquiring new assets is that the lifecycle costs can be afforded by Council is a very simplistic and it is unreasonable to ask the public to approve this statement without clear qualifications.
- This statement appears to mean that even if the new asset **was** needed and there was no alternative option, it would not be acquired if the lifecycle costs 'could not be afforded'. This needs to be supported by a transparent process of risk assessment, considered budget realignment and community consultation.
- The Draft Policy does not clearly articulate the roles and responsibilities of each level of Council.
- Below is a screenshot of the relevant section of the revised Policy.

environmental safety, and asset performance and availability.

4. RESPONSIBILITIES

4.1 Responsible Officer

The Director Shire Infrastructure and Operations is the Responsible Officer for this Policy and is responsible for its currency and communication.

4.2 Chief Executive Officer

Council has delegated the Chief Executive Officer the authority to exercise the responsibilities detailed in this Policy.

4.3 Directors

Directors are responsible for ensuring their Directorate adheres to the requirements of this Policy and providing guidance in respect of the strategic objectives of the Policy within their Directorate and the Organisation.

4.4 Employees

Employees must adhere to the requirements of this Policy and operate within its authorities.

5. POLICY COMPLIANCE

Adherence to this Policy will be monitored by the Asset Management and Delivery Committee.

Council will review this Policy once per Council term or at the request of Council or in response to legislative and statutory requirements.

6. RECORD KEEPING, CONFIDENTIALITY AND PRIVACY

Council adheres to and complies with the *NSW State Records Act 1998* and *Privacy and Personal Information Protection Act 1998* through its Access to Information Policy and Privacy Management Plan.

The Asset Management Policy of a peer Sydney Council (Northern Beaches) provides a clear outline of the roles and responsibilities.

Councillors are responsible for:

- **Adopting** the Policy Principles and Objectives and the Asset Management Strategy
- Noting the Asset Management Plan
- Ensuring sufficient resources are applied to manage our assets effectively and sustainably.
- Making decisions regarding assets, as custodians of public assets on behalf of the community, in accordance with the Asset Management Policy, Strategy and Plan

Senior Management are:

- **Endorsing** the asset management framework and report to Council for adoption.
- Providing professional advice to Council to enable informed strategic management decisions.
- Promoting asset management across the organisation.
- Ensuring that teams are adequately resourced to deliver this Policy.
- Consulting with the community and key stakeholders on agreed levels of service and interventional levels.
- Authorising senior internal Panels in their roles with respect to asset management.
 - Strategic Asset Management Panel
 - New Projects and Strategy Panel
 - Budget Panel

Staff are responsible for:

- **Developing and implementation** the asset management framework, consistent with legislation and the objectives of Council's plans.
- Implementing our Asset Management Strategy.
- Maintaining asset management systems and documentation.
- Consulting our community on service levels and asset management documents.
- Providing timely reports on our assets.
- Audit and review procedures, including timeframes for review of the policy, strategy and plan.

Recommendation

Sutherland Shire Council's revised Asset Management Policy is not fit for purpose and needs to be rejected.

Sutherland Shire Council
Asset Management Policy Review February 2024

This Policy needs to be redrafted, not just a revision of a poorly written 2020 version that Council had not complied with.

Can you please respond to the community consultation on Join the Conversation by the **19th February 2024** and provide feedback to Council.

This can include that:

- There is no reference to the Community Strategic Plan.
- There are no clear definitions of roles and responsibilities for each level of Council personnel, including Councillors.
- There is evidence that Council did not adhere to or comply with the current 2020 version.
- The statement that Council will not acquire a new asset that is needed by the community if they can't meet the lifecycle costs is inappropriate. This needs to have qualifications.

