

# 2025/26-2034/35 Asset Management Strategy

INTEGRATED PLANNING AND  
REPORTING FRAMEWORK



Our home  
*Our City* **Our future**

  
**FairfieldCity**  
Celebrating diversity

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### Version Control Table

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## EXECUTIVE SUMMARY

Asset Management Strategy is prepared by Council to meet the statutory requirements of the Integrated Planning and Reporting (IPR) Framework. This strategy aligns with Council's Asset Management Policy.

Council's Asset Management Policy provides its commitment to strategic asset management aims:

"To provide the appropriate mix of community infrastructure and assets at a sustainable service level and cost that contributes to the achievement of the vision of the Fairfield City Community".

The vision of the Fairfield City Community is articulated through consultation with the community and is expressed in the Fairfield City Plan.

## Linkages to the Community Strategic Plan, Goals and Strategies

The Local Government Integrated Planning and Reporting (IPR) Framework is a legislative requirement for all NSW councils. Councils are required to develop a series of long-term, medium and short-term plans to ensure councils are more community-focused, responsive, and sustainable in the long term.

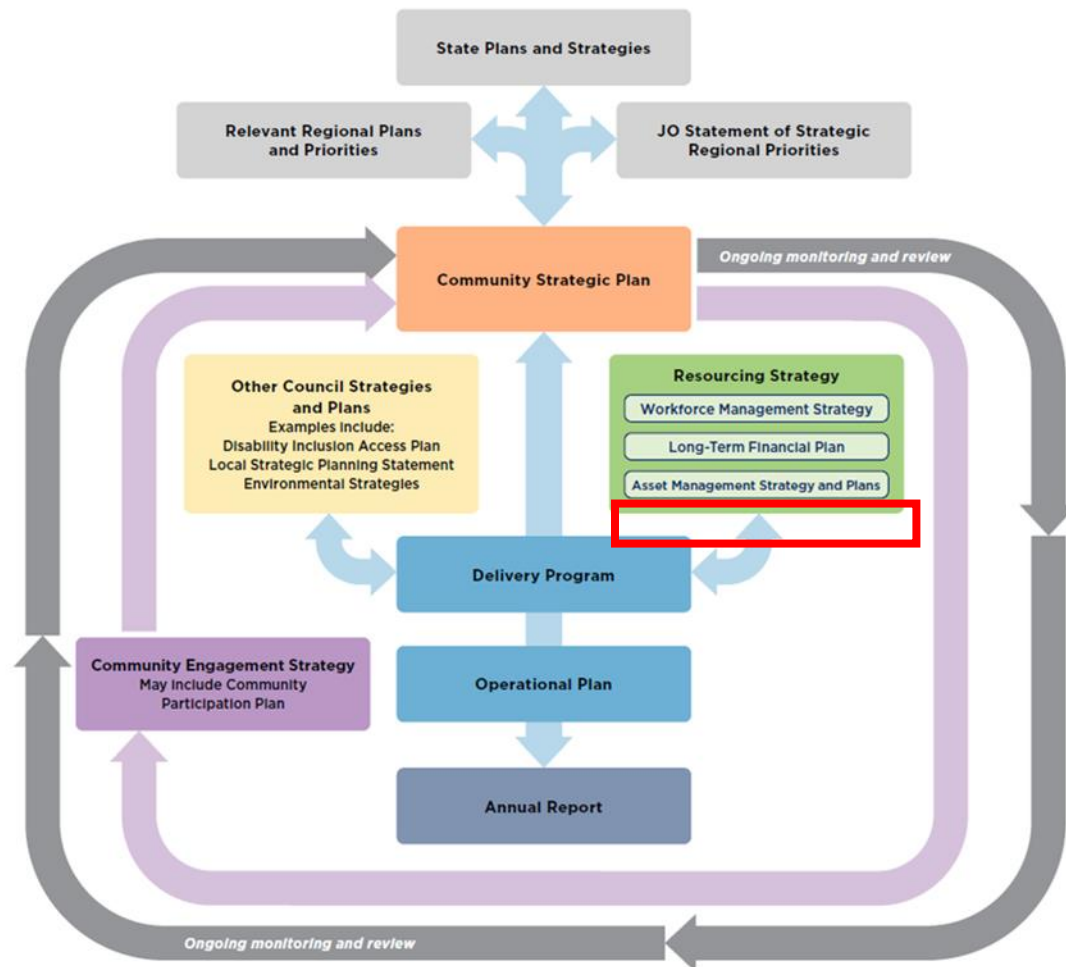
What are the plans in the Framework?

Fairfield City Council's IPR Framework is made up of several plans including:

- Fairfield City Plan (10 years)
- Community Strategic Plan
- Delivery Program (4 years)
- Operational Plan (1 year)

These plans are informed by a Resourcing Strategy that is made up of:

- Long Term Financial Plan – 10 years (money)
- Asset Management Policy, Strategy and Plans – 10 years (assets)
- Workforce Management Strategy – 4 years (people)



\*The red box above identifies the document you are reading and where it sits in the IPR.

### About the Resourcing Strategy

The resourcing strategy is the point at which Council reviews what money (Long Term Financial Plan), assets (Asset Management Strategy) and people (Workforce Management Strategy) are available to ensure that the services, major programs, and projects identified in the Delivery Program are delivered to the community. The resourcing strategy determines what Council as a stakeholder can deliver of the community's vision, priorities and needs as set out in the 2025-2035 Fairfield City Plan (City Plan).

## About the Asset Management Policy, Strategy and Plans

The Asset Management Policy, Strategy and Plans are one part of the resourcing strategy that enables Council to implement strategic asset management. Together they outline how Council is going to manage its infrastructure in the long term.

- The Asset Management Policy provides an overall direction and intention of Fairfield City Council for undertaking essential asset management in a structured and coordinated way.
- The Asset Management Strategy provides more detail on the implementation and growth of asset management capability and optimisation of resources to meet the community's expectations.
- Asset Management Plans capture an inventory of fixed assets Council owns or controls, setting out maintenance requirements and intervention points where renewal is required. This planning enables efficient and cost-effective service delivery with funding allocated to ensure that Council can sustain its assets into the future (Long Term Financial Plan).

## Community Engagement and Service Satisfaction Reporting

The Fairfield City Plan identifies the following key priorities for the Community:

1. Cleaner streets and public areas
2. Attractive and lively town centres
3. Inviting and well-used community places and parks
4. Affordable housing (such as apartments, granny flats and townhouses)
5. Connected transport system, including regional links.
6. Car parking spaces
7. Healthcare, medical facilities and services
8. Schools, universities, colleges, and TAFE
9. Safe streets and public spaces
10. Job opportunities
11. Tourism throughout the city

Council has developed the following Asset Management Plans, providing fixed infrastructure that addresses the above Community priorities:

| <b>Asset Management Plans</b> | <b>Community priorities addressed</b>   |
|-------------------------------|---|
| Roads and Transport           | (i.e. roads, footpaths, and traffic facilities promoting safer and cleaner streets)   |
| Parks and Recreation          | (i.e. Play/fitness equipment, sports fields providing inviting community places and parks)  |
| Stormwater Drainage           | (i.e. pits/pipes, detention basins providing safer streets, public places)  |
| Community Buildings           | (i.e. libraries, halls, and car parks providing parking spaces, promoting lively town centres and supporting schools, TAFE and university learning) |
| Monuments and Memorials       | (i.e. Cabramatta Bandstand promotes attractive and lively town centres, promotes tourism)   |
| Trees – Public and Private    | (i.e. streetscapes promote inviting public spaces and parks)  |

The priorities identified through community engagement are further addressed within the Asset Management Plans.

Additionally, the following Asset Management Plans are proposed to be developed over the next 4 years to effectively manage Council Assets:

- Leisure Centres (i.e. Aquatopia)
- Plant and equipment (i.e. cars)
- IT Infrastructure (i.e. computers)

## Legislative Compliance

Council's Asset Management System is based on ISO55001. The Asset Management System consist of the following:

1. **Policy** – Commitment from Leadership, to how we are going to manage our assets.
2. **Planning** - Strategy and Asset Plans, Actions, and responses to deliver on the Policy
3. **Support and Operation** – Resources, Competence, Communication, Data, Life Cycle Management
4. **Performance and evaluation** – Asset revaluations, Service Reviews, IPR, Management reviews, improvement, and reform.

The Asset Management System follows the IPR Framework and meets the provisions of the Local Government Act 1993, Environmental legislation, including the NSW Planning and Assessment Act, Protection of Environmental Operations (POEO) and WHS legislation, in addition to the community expectations. These legislative compliances are considered during the development of the Delivery Program and Operational Plan, primarily during the Planning element of the Asset Management System.



## Guiding Principles for Asset Management

The guiding principles for Asset Management are:

1. Financial Sustainability by optimising resources
2. Whole of life costing when acquiring new and renewing assets
3. Consideration of recycling and environmental sustainability when developing designs and delivery
4. Continual improvement through data integrity

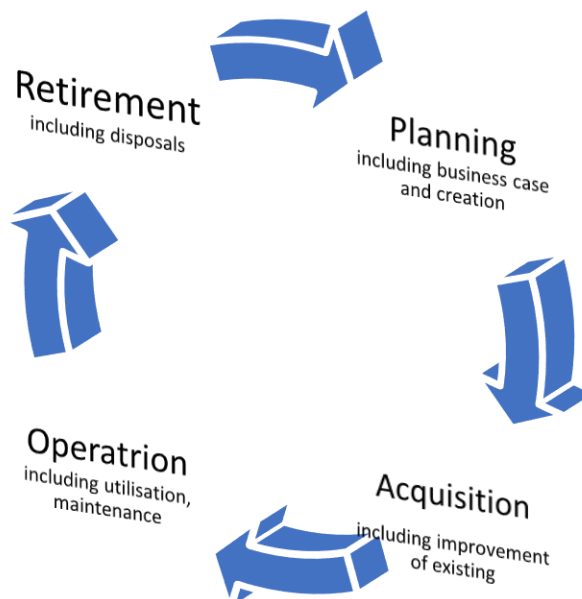
Council is using these guiding principles when developing the Delivery Program and Operational Plan.

Council intends to deliver on the Asset Management Policy in accordance with the Asset Management through the development of an Asset Management Plan for key Assets.

The decision will follow the Asset Management System and will consider the cost of the entire life cycle. The whole asset lifecycle consists of:

1. Planning
2. Acquisition
3. Operation and Maintenance
4. Retirement

Please provide a process (1-4)



Council uses condition rating as the basis for the prioritisation of its investment decision. The condition rating considers risk, strategic priorities, community feedback, availability of grants, statutory requirements, and whole-of-life considerations. The decisions are supported by the Executive Leadership Team and endorsed by Council (Top Management).

The condition rating for fixed assets is expressed in terms of:

- 1      Excellent- No work required (normal maintenance)
- 2      Good - Only minor work required.
- 3      Average - Some work required.
- 4      Poor - Some renovation required within 1 year.
- 5      Very Poor - Urgent renovation/upgrading required.

Please add pictorial examples for asset condition



Fairfield City Council has adopted the OLG Financial Benchmarks and considers reducing backlog as a key determinant of asset performance.

## ASSET RISK MANAGEMENT

Council uses the FORM Framework based on ISO31000 for Asset Risk Management. This approach considers both risk (downside or increased cost) and opportunity (upside or expansion of service, reduction of service cost).

The framework considers opportunities such as the availability of grants and future costs as part of its Risk Management Framework. The risk rating is included in the formulae used for the calculation of the Asset Condition rating for each Asset Class. The condition rating is used as the basis for the renewal and maintenance decision-making.

Risk assessment is carried out for each individual assets that make up the program. The program is balanced with available resources. Funds are allocated to determine the affordability and mitigation of the risk exposure. Risk is calculated for each project by measuring compliance against standards and specifications of the list of assets that are rated to be in the worst condition and working our way up the list. The residual risk after assessment is reported in the overall performance of the asset and reported as a backlog for each class of assets within the annual financial statements. The risk rating and specification are tailored to the individual class of assets.

### Strategic Directions and Improvements

The following are key strategic initiatives for Asset Management:

1. Optimise life cycle costs through planning of renewals and acquisition of new Assets, by providing input into the design and planning of new Assets delivered through the Major Project Area.
2. Enhance the resilience of our asset base through addressing known and emerging risks as they arise and mitigating their impact on maintenance and renewal costs.
3. Continue to enhance the integrity of the data and update through timely capitalisation and asset revaluation once every 5 years.
4. Provide continued incentives for financial sustainability through scrutiny of expenditures and reviewing returns on investments. Undertake life cycle analysis of assets.

The following specific actions are to be included within the next 4 years:

| Specific Actions for the Delivery Program   | Year    |         |         |         |
|---|---------|---------|---------|---------|
|   | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| 1. Develop Asset Management Plans for high-risk Assets. Import Asset register data into Conquest for any remaining assets, including Leisure Centres, Fleet and IT and develop Asset Plans over the next 4 years.   |         | ✓       | ✓       | ✓       |
| 1.1 - Fairfield Showground – Develop an Asset Plan and update maintenance expenditures  |         |         |         | ✓       |
| 1.2 - Leisure Centres -   |         | ✓       |         |         |
| 1.3 - Fleet   |         |         | ✓       |         |
| 1.4 – IT - Consolidate IC&T management strategies and asset registers into an Asset Management Plan.  |         |         |         | ✓       |
| 2. Asset Review of key locations (i.e. Aquatopia/Cabravale Leisure Centre to ensure capture of all programmed maintenance/inspection responsibilities) and optimise Whole of Life Costs   | ✓       |         |         |         |
| 3. Identify methodology and develop a process for Council's Financial System (Peoplesoft) to report on Operational Costs and separate Planned maintenance, Compliance and Operational costs for physical assets, undertake financial analysis of the data to optimise whole of life costs | ✓       | ✓       | ✓       | ✓       |
| 4. The transport Asset Plans include Road Safety as a key feature of planning and allocation of resources. Integrate traffic into road and transport funding during the planning of asset renewal and upgrades.   | ✓       |         |         |         |
| 5. Develop a process that coordinates renewal and maintenance schedules between stormwater and Catchment Management functions.<br><br>Implement a process that filters Catchment Planning funding through Asset Management processes.   | ✓       | ✓       |         |         |

| Specific Actions for the Delivery Program  | Year    |         |         |         |
|--|---------|---------|---------|---------|
|  | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| 6. Develop performance data to enable financial analysis and use this analysis for improved decision-making. Develop a benefit-cost ratio for each building asset and report findings for the development of renewal and retirement of assets. | ✓       | ✓       |         |         |
| 7. Asset Management System to capture planned maintenance schedules for building assets.   |         | ✓       |         |         |
| 8. Include location data within the Asset Register for each Asset.   |         |         | ✓       |         |
| 9. Improve Asset Maturity in line with IPWEA for key asset classes.  | ✓       | ✓       | ✓       | ✓       |

It is proposed that the above focus areas be included to monitor performance through ICorp reporting.

### Asset Funding Overview and Resource Allocation

Council is investing in resources over the next 4 years. A summary breakdown of the program is provided below.

| Asset Class           | 2025-2026   |          | 2026-2027   |          | 2027-2028   |          | 2028-2029   |          |
|-----------------------|-------------|----------|-------------|----------|-------------|----------|-------------|----------|
|                       | Renewal (m) | OPEX (m) | Renewal (m) | OPEX (m) | Renewal (m) | OPEX (m) | Renewal (m) | OPEX (m) |
| Road and Transport    | \$18.9      | \$4.7    | \$21.9      | \$4.8    | \$20.8      | \$4.9    | \$21.3      | \$5.1    |
| Stormwater Drainage   | \$4.2       | \$1.1    | \$3.3       | \$1.1    | \$3.4       | \$1.1    | \$2.7       | \$1.2    |
| Open Space            | \$2.6       | \$1.7    | \$2.6       | \$1.8    | \$2.7       | \$1.8    | \$2.8       | \$1.9    |
| Building & Facilities | \$3.9       | \$10.0   | \$3.0       | \$10.3   | \$3.0       | \$10.6   | \$3.3       | \$10.9   |

## Governance Framework for Asset Management

The Top Management includes the Executive Leadership Team, along with elected Councillors (Council) and has the ultimate say on the future direction, setting priorities and allocation of resources. The following committees provide key input into the decision-making related to Asset Management:

1. **Council** means Fairfield City Council as an independent, locally elected corporate body.
2. The Executive Leadership Team (**ELT**) provides leadership, decision support and primary advice to Council. ELT reviews draft programs, determines key priorities, monitors delivery and performance and reviews and approves processes related to Asset Management within Fairfield City Council. ELT meets once a week.
3. Delivery Program Review Committee (**DPRC**) aimed at reviewing and approving the preparation, planning, programming, alignment of the draft program with community feedback, approving acceptability of asset risk, reviewing funding modelling scenarios and considering affordability. The DPRC is a key advisory committee which provides advice to ELT before approval by Council. DPRC meets during the delivery of the Delivery Program. DPRC also considers projects outside the normal renewal asset base and considers new services proposed by the community and the internal Council's staff.
4. Capital Expenditure (**CAPEX**) Review committee monitors the progress of the Delivery Program and Operational Plan, recommends, and approves quarterly adjustments to the Operational Plan, before presenting summary recommendations to Council for approval at the statutory mandated Quarterly Reporting.
5. The Audit, Risk, and Improvement Committee (**ARIC**), provides an external review of the allocation of resources, assesses Council's operation against best practices, and advises Council on improvement(s). The ARIC reviews Asset Management processes and performance once a year.
6. Work In Progress (**WIP**) monitors capitalisation and monitors expenditure, and performance of CAPEX.
7. The Asset Revaluation Committee consist of account and asset management staff, providing advice and support on Asset revaluation. The committee meets at the time of the Asset revaluation as per the Office of Local Government Financial Benchmark.

## Benchmarking and Best Practice

Council uses overall condition rating as the basis for benchmarking. The methodology for the calculation of the condition rating is based on IPWEA guidelines. For Roads and Transport Assets Council uses independent video records for the assessment of condition rating. The assessment is consistent with the International Infrastructure Management Manual (IIMM).

Council uses Special Schedule 7 of the financial reporting for condition rating reporting to the public. Council benchmark Assets life and unit rates at the time of Asset Revaluation. The findings are reported to external Financial Auditors.

The IPWEA methodology and Asset valuation allow us to benchmark our asset lives, condition rating and asset performance against neighbouring Councils in addition to assessment against industry practice.

This benchmarking assists with continuous improvement and recommendations are considered by ELT.

## Record keeping and knowledge management.

Council's asset register is Conquest. The Asset data in Conquest keeps a record of the location and condition of the asset and is used as a primary source for record-keeping. The data is backed up in the cloud by vendors. Council keeps a copy of the record as a backup.

Council uses the Pavement Management System (PMS) for modelling and forecasting of road pavement performance. This data is locally stored on the network and backed up.

Council uses "Predictor" software for the modelling and forecasting of other asset classes. This data is stored on Council's network.

Council record management complies with the NSW State Records Act 1998, following the Information Management Policy.

Limited staff can modify data within the Asset Register. An interface of Conquest is available to all Asset Management staff and is gradually being made available to operational staff for reporting and service delivery.

## Demand forecasting and the impacts of Major Projects

Fairfield Local Government Area has changing needs and community expectations. Asset Planning must respond to these needs and meet the current and future needs of the community.

Council is expected to plan for the acquisition of the new Fairfield Showground and Community Events Centre. Allowances must be made for the maintenance of the new facility after construction is complete.

The new M12 Motorway and widening of the M7 will have impacts on land use. Council may need to review pavement needs connected with the proposed new roads, which will carry financial impacts for Council.

Housing density is forecast to increase, and there will be greater pressure on existing open space and bush regeneration areas. Council may continue to invest in the development of new and the upgrade of existing green space.

Roads connecting the industrial area may need strengthening over the next decade to prepare our Council to support industrial growth around the Southern Link Road project and the new Sydney Airport.

Council continues investing in new infrastructure, improving amenities supporting the social and economic growth of our town centres. Council continues investing in infrastructure supporting housing and growth.

| Definitions                 |   |
|-----------------------------|---|
| Stakeholder                 | Stakeholder is an interested party, person, or organisation. For this document, stakeholders include the local community, Top Management and Managers.  |
| Top Management              | The Executive Leadership Team (ELT), along with the elected Council as a corporate body.  |
| Management System           | Set of interrelated elements of an <i>organisation</i> to establish <i>policies</i> and <i>objectives</i> as well as <i>processes</i> to achieve those objectives.<br><br>The Asset Management System of Fairfield City Council consists of Policy, Planning, Support, Operations, Performance, and Evaluation related to Assets. |
| Asset Management Plan (AMP) | A plan developed for the management of assets that combines multi-disciplinary management techniques (including financial and technical) over the life cycle of the asset in a cost-effective manner to provide an appropriate level of service.  |
| Asset Management Policy     | Intentions and directions of Fairfield City Council as formally expressed by its <i>top management</i> .  |
| Objective                   | Result to be achieved.  |
| Risk                        | Effect of uncertainty on <i>objectives</i> .  |
| Asset Risk Management       | Identification, evaluation, and prioritising of risks followed by coordinated and economical application of resources to minimise, monitor, and control the impact of unfortunate events in line with Council's FORM framework guided by Risk Management Standards (ISO 31000-2009).  |
| Documented Information      | Information required to be controlled and maintained by an <i>organisation</i> and the medium on which it is contained.<br><br>For Fairfield City Council, information is documented in Objective, PeopleSoft, Conquest, and ICorp (SharePoint) for the purpose of Asset Management.  |
| Asset Performance           | Measurable results.<br><br>Asset Performance is measured through Asset Condition, and performance against service level, external auditing, and feedback arising from community surveys.  |
| Service Level               | Defining community expectations about the quality and quantity of a service delivered by Council.   |
| Effectiveness               | The extent to which planned activities are realised and planned results are achieved.   |



| Definitions                            |   |
|--|---|
|  | Council measures effectiveness through the delivery program and is monitored through ICorp.   |
| Requirements                           | Council's "Requirement" actions to deliver on the Service Level are provided in the Delivery Program and Operational Plan.  |
| Incident                               | Unplanned event or occurrence.  |
| Audit                                  | <p>Systematic and independent <i>process</i> for obtaining evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled.</p> <p>Council undertakes an independent external Audit each year as part of the financial audit and undertakes an evaluation of its Assets once every five years.</p> |
| Monitoring                             | Determining the status of a system, a <i>process</i> , or an activity. Council undertakes monitoring using ICorp software (SharePoint).   |
| Asset                                  | Infrastructure, Plant, and Equipment owned, leased, or managed by Council that has value, enables services to be provided, or has an economic life greater than 12 months   |
| Asset Management                       | Asset Management is the coordinated activity of an organisation to realise value from assets.   |
| Asset Management Strategy              | Identifies assets critical to Council's operations and includes specific actions required to improve Council's asset management capability and resourcing.  |
| Strategic Asset Management Plan (SAMP) | Sets out Fairfield City Council's long-term management of assets under its control and any new asset solutions proposed in the City Plan and Delivery Program. Consists of three components: an Asset Management Policy, an Asset Management Strategy and Asset Management Plans.   |
| Asset Register                         | A record of asset information is considered worthy of separate identification, including inventory, historical, financial, condition, and construction, technical and financial information about each.   |
| Lifecycle Cost                         | The total cost of a fixed asset throughout its life includes planning, design, construction, acquisition, operation, maintenance, rehabilitation, and disposal costs.   |
| Long Term Financial Plan (LTFP)        | Informs decision-making in the Fairfield City Plan (Community Strategic Plan) and the Delivery Program. The Long-Term Financial Plan covers a minimum of ten (10) years. Updated annually as part of the development of the Operational Plan.   |

## Definitions

### Resourcing Strategy

The long-term resources required to achieve the objectives established by the City Plan and the Delivery Program. The Strategy includes provision of the long-term financial planning, workforce management planning, and asset management planning.



Fairfield City Council's Resourcing Strategy  
is available for viewing at Council's website:  
[www.fairfieldcity.nsw.gov.au/ipr](http://www.fairfieldcity.nsw.gov.au/ipr)

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**Design and Production**

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