City of Newcastle

2025 - 2035

Asset Management Planning

resourcing NEWCASTLE 2040

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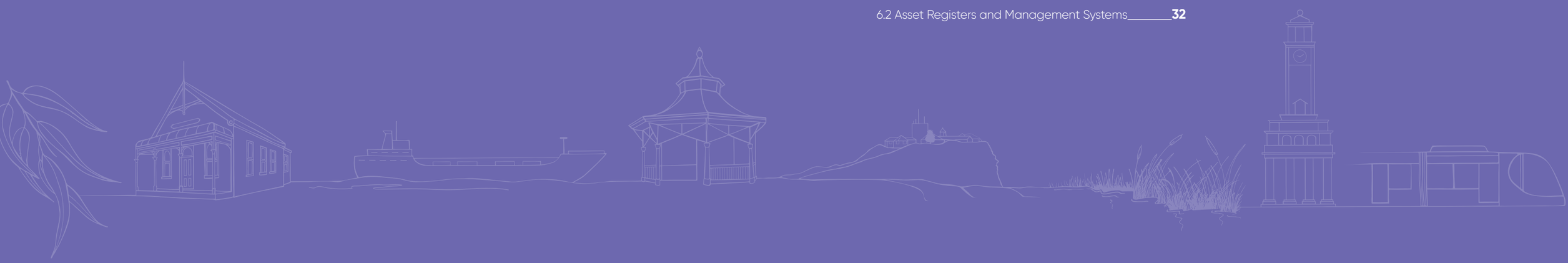

Enquiries

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Acknowledgement of Country

'Niirun Yalawa Awabakal dha Worimi burrai.'
We all sit on Awabakal and Worimi land.

The City of Newcastle (CN) acknowledges its Local Government Area (LGA) sits within the Country of the Awabakal and the Worimi peoples. We acknowledge that Country for Aboriginal peoples is an interconnected set of ancient relationships. The CN Acknowledges the custodianship of the Awabakal and Worimi peoples and the care and stewardship they have performed in this place since time immemorial.

'Wunyibu wunyibu warra wunyibu wunyibu gkuuba Aboriginal burrai.'
Always was, always will be Aboriginal land.

In recognition of Aboriginal cultural heritage, eight Newcastle landmarks are officially dual-named with their traditional Aboriginal names. These are based on Aboriginal references to the landmarks documented in maps, sketches and geological descriptions dating back as early as 1798:

- Nobbys Head – **Whibayganba**
- Flagstaff Hill – **Tahlbihn**
- Pirate Point – **Burrabihngarn**
- Port Hunter – **Yohaaba**
- Hunter River (South Channel) – **Coquun**
- Shepherds Hill – **Khanterin**
- Ironbark Creek – **Toohrnbing**
- Hexham Swamp – **Burraghihnbihng**

Sustainable Development Goals

Our Global Commitment

In September 2015, 193 countries committed to the United Nations Sustainable Development Goals (SDG). These goals provide a global roadmap for all countries to work towards a better world for current and future generations.

CN immediately declared our support and intention to deliver the SDGs and began proactively implementing action and engagement. We are committed to contributing to the achievement of the SDGs and have been working towards increasing and improving our contribution to this shared global vision.

Newcastle 2040 and our ongoing engagement with the community shape our localisation of the goals, and we apply the ideals and intent of the SDGs throughout our organisation. The interconnectedness and integration of actions towards the SDG targets has influenced the development of themes, priorities and objectives within *Newcastle 2040*.

The SDGs are significant and will take time to achieve. However, it is important to recognise the steps we are taking to progress these goals. The United Nations recognises that we are putting extreme pressure on our global environment and has declared this decade 'the Decade of Action' for achieving the SDGs. While CN acknowledges the significance of all 17 SDGs, we have prioritised the areas where we can make the greatest impact within our local communities. These focus areas are detailed on the following page.

City of Newcastle

SUSTAINABLE DEVELOPMENT GOALS

CN supports the Sustainable Development Goals

Localising SDGs for Newcastle

SDG	SDG and how it is addressed by CN
3 GOOD HEALTH AND WELL-BEING	**Goal 3. Ensure healthy lives and promote wellbeing for all at all ages** CN has a strong focus on the health and wellbeing of the community. We are working in partnership with the health and community sector on identified local priorities, such as mental health and overall wellbeing, while promoting healthy lifestyles.
4 QUALITY EDUCATION	**Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all** CN supports opportunities and initiatives that help to build the educational basis for lifelong learning. From early childhood programs at the library through to vocational education and training support for workers, we are focused on improving the inclusivity and equity of education and training to support community outcomes.
5 GENDER EQUALITY	**Goal 5. Achieve gender equality and empower all women and girls** CN promotes opportunities to recognise and celebrate the rights of women and girls to fully participate across the spectrum of political, economic and public life. We enable and empower women through our own employment practices and by supporting information and communications technology programs and advocacy. We support organisations and charities that actively focus on the unique experiences of women and girls.
8 DECENT WORK AND ECONOMIC GROWTH	**Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all** CN encourages equal opportunities for all by actively considering inclusivity across our program design. Our strategies and programs support innovative, productive enterprises that provide decent job creation and promote local culture, economy and products.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation** CN is taking action to build the resilience of our city's infrastructure. We are consistently identifying and promoting inclusive, sustainable solutions to modern challenges in new and responsive ways.
10 REDUCED INEQUALITIES	**Goal 10. Reduce inequality within and among countries** CN is progressively achieving greater equality by identifying and eliminating inequalities of outcomes through appropriate legislation and policies, and through the way we operate and interact in our community and beyond. We provide direct investment and promote social, economic and political inclusion through action and initiatives. We also seek active participation and representation, reflective of our community makeup, in the development of all our guiding strategies.
11 SUSTAINABLE CITIES AND COMMUNITIES	**Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable** SDG 11 is considered the local government-driven goal and our work in creating a sustainable city is extensive. CN commits to building a sustainable city through initiatives and advocacy in housing; transport and natural heritage; waste, green and public space; and the deliberate planning of our city using local materials.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Goal 12. Ensure sustainable consumption and production patterns** CN aims to move towards more sustainable patterns of consumption and production, including reviewing and improving on waste and natural resource use.
13 CLIMATE ACTION	**Goal 13. Take urgent action to combat climate change and its impacts** CN is leading in many aspects of climate change policy, strategy and planning. We are working to mobilise and improve our capacity and that of our community through education, awareness-raising and strategies for climate change mitigation, adaptation, impact reduction and early warning. We are building and transitioning to green jobs and encouraging sustainable, inclusive growth of climate-aware enterprise.
14 LIFE BELOW WATER	**Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development** With some of the best beaches in the world, Newcastle values its coastline, and CN recognises our responsibility to ensure its conservation, resilience and restoration. The need to sustainably manage marine resources for the use of our community is integral to our future, as is the positioning of Newcastle as an international tourist destination.
15 LIFE ON LAND	**Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss** Protecting the natural assets, green space and biodiversity of our region is an important part of CN's work. We have mobilised resources toward management, conservation and planning to ensure biodiversity and sustainable ecosystems.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels** CN seeks to be inclusive, participatory and representative in all our decision-making. Our continuous improvement processes focus on our effectiveness, accountability and transparency with public access to information. Our initiatives focus on how our work impacts the community and how we can best ensure safety and security for all, especially the most vulnerable members of our community.
17 PARTNERSHIPS FOR THE GOALS	**Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development** CN has a strong focus on building and maintaining partnerships for the progress of the SDGs. Through formal and informal partnerships, we are able to best effect change on behalf of our community and to mobilise resources and expertise for the good of Newcastle. In building partnerships, we build our community.

1. Executive Summary

Newcastle is Australia's seventh-largest city, with a resident population of approximately 175,000 (Australian Bureau of Statistics) and a total land area of 187 km^2. The Newcastle LGA shares boundaries with Lake Macquarie Council to the south, Port Stephens Council to the north, and Maitland and Cessnock Councils to the west. The Traditional Custodians of the Newcastle area are the Worimi and Awabakal peoples.

CN provides a wide range of services to residents and visitors, supported by built and natural assets, information technology, fleet and plant. These assets, from park benches to the extensive local road network, play a crucial role in meeting community needs. The delivery of effective community services depend on well-planned, well-built and well-maintained infrastructure. CN is committed to ensuring sustainable service delivery through clear objectives, strategic actions, and integrated asset management and resourcing strategies.

The Asset Management Strategy (AMS) is developed in conjunction with the *Newcastle 2040* Community Strategic Plan (CSP) as a key component of *Resourcing Newcastle 2040*. It integrates with the Long-Term Financial Plan (LTFP) and Workforce Development Strategic Plan (WDSP) to support the sustainable delivery of community services.

The AMS defines CN's asset management approach, bridging the Asset Management Policy (AMP) and Service Asset Management Plan (SAMP). It outlines how CN's asset portfolio will meet current and future service delivery needs.

Built on service planning and best practice asset life cycle management, the AMS ensures CN understands the services the community requires and explores equitable, sustainable delivery options. This approach helps CN identify the people, processes, resources and tools needed to maintain and enhance its extensive asset portfolio.

To maintain data accuracy and strategic alignment, CN regularly updates its AMP, strategy and plans. Additionally, the AMS and SAMP include plans that outline key actions for continuous improvement.

CN manages a diverse range of assets

Arts & Cultural Facilities

1 Museum

1 Art Gallery

2 historical forts

1 Civic Theatre

1 City Hall

Natural Assets

79km creeks

102,799 street and park trees

91 bushland parcels

65 wetlands

4.5km sand dunes

3.5km coastal cliff line

8.7km river walls

3.7km sea walls

Stormwater

545km pipes and culverts

23,500 stormwater pits

326 water quality devices

Waste

Summerhill Waste Management Facility

Transport

850km roads

1,487km kerb and gutter

117 bridges

972km pathways

Aquatic Centres

10 beaches
6 patrolled

5 inland swimming pools

2 ocean baths

Community Facilities

19 community halls and centres

6 surf clubs

10 Libraries

1 visitor centre

1 holiday park

3 cemeteries

Outdoor Spaces

134 playgrounds

250 recreation parks

147 sporting grounds

17 dog off-leash areas

176 public art, fountains and monuments

5.7km tracks and trails

20km retaining walls

Diagram 1: Asset Diversity

2. Integrated Planning and Reporting

The Integrated Planning and Reporting (IPR) legislation, introduced by the NSW State Government in 2013, requires all councils to develop long-term plans that outline community aspirations and strategic directions. The diagram below illustrates how CN's AMP, AMS and SAMP fit within the IPR framework.

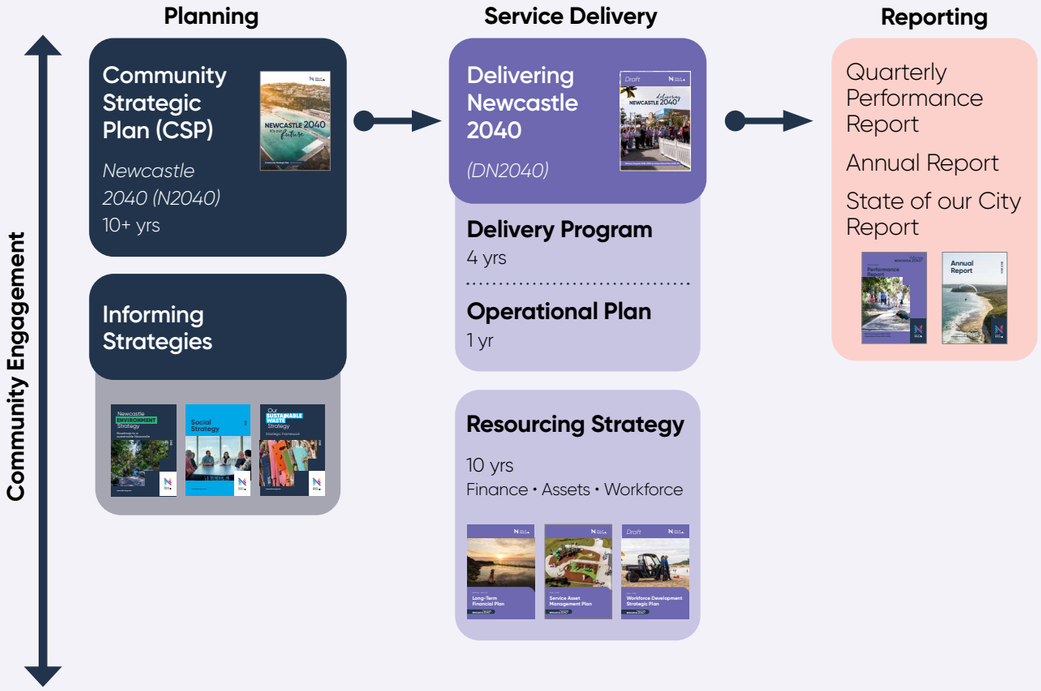

Diagram 2: Integrated Planning and Reporting Framework

CN's asset planning framework consists of the AMP (see Appendix 1), AMS, SAMP and individual operational Service Asset Plans (SAPs).

- The AMP establishes the key principles of CN's asset management approach.
- The AMS translates these principles into core objectives that guide asset portfolio management to support community services.
- The SAMP and SAPs provide detailed asset performance modelling and service alignment to ensure effective planning and decision-making.

SAPs play a critical role in coordinated decision-making regarding service levels, resourcing and funding. They assess asset life cycle requirements, informing daily operations, annual budgets and long-term planning. The long-term projections within SAPs directly support and influence CN's LTFP and WDSP.

3. Our Service Delivery

CN delivers a wide range of services to residents and visitors, with most of these services relying on CN's infrastructure. These include built and natural assets such as roads, drains, bridges, footpaths, public buildings, recreational facilities and trees. Effective asset management, including understanding service levels, is critical to achieving the priorities and objectives of *Newcastle 2040*.

3.1 Community Research and Expectations

Community research and consultation contributes significantly to the shaping of CN's AMP and plans. To determine current and desired service levels, CN engages with the community through:

- Community strategic planning engagement
- Service-based engagement and consultation
- Individual service-based customer experience.

Extensive community consultation was conducted in 2021 and 2022 to develop *Newcastle 2040*, with a review undertaken in 2024.

Extensive review
2019-2021

Extensive review conducted over an 18-month period to inform our new Community Strategic Plan - *Newcastle 2040*

Minor review
2024-2025

Minor review conducted over a two-month period to check in with the community to inform our revised Community Strategic Plan - *Newcastle 2040*

Public exhibition
2024-2025

Legislated Public Exhibition period from 12 December 2024 to 30 January 2025 for the community to comment on the revised Community Strategic Plan - *Newcastle 2040*

Diagram 3: Community consultation

This process resulted in four strategic themes that guide CN's asset management and service delivery, as identified in Diagram 3. These themes help translate community aspirations and service needs into customer and technical service levels, which are used to measure and evaluate performance.

Diagram 4: Newcastle 2040 themes

3.2 Determining Levels of Service

The AMS defines how CN's asset portfolio supports community service delivery. In asset management, levels of service are measurable ratings that assess service performance. These levels typically consider factors such as quality, quantity, functionality, capacity, utilisation, location, accessibility and environmental impact. They establish a clear link between corporate objectives, asset management goals, and detailed technical and operational targets.

Service levels provide alignment between community expectations and CN's service delivery approach. It is important to note that higher service levels generally require greater investment than lower service levels.

To standardise assessment across services, CN uses a 1–5-star rating system to represent average service levels. This system provides a universal framework for comparing service performance at a corporate level, as detailed in Table 1 below.

Star Rating	General Standard of Key Service Attributes
1	Basic quality standard. Low community usage, limited functionality.
2	Average quality standard and presentation. Moderate community usage and functionality.
3	Good quality standard and presentation. Medium–high community usage. Fit for purpose. Maintained and presented in good condition.
4	Very good quality standard. High community usage, functionality and capacity. Maintained and presented in very good condition. Services LGA community and beyond.
5	Excellent quality standard. Very high community usage, functionality and capacity. Maintained and presented in excellent condition. High-profile asset, delivering significant economic benefits and services to LGA and regional community.

Table 1: Star rating system

Levels of service are defined using both customer and technical performance measures:

- Customer performance measures assess service attributes from the customer's perspective, focusing on how the service is received or experienced.
- Technical performance measures support customer measures and are used internally to evaluate and maintain service performance.

Each SAP provides a detailed assessment of service outputs, which are then collated to determine the overall average community level of service. A summary of service star ratings is available in the SAMP.

3.3 Demand

To ensure CN's asset management and service delivery remain sustainable and responsive to the evolving needs of the community, the following demand drivers are considered:

- Population growth or decline
- Economic changes
- Customer expectations
- Technology and innovation
- Climate change adaptation
- Environmental sustainability
- Disability inclusion and access
- Legislative and regulatory changes
- Urban development
- New assets resulting from growth
- Financial sustainability.

The SAMP addresses these challenges through a strategic mix of:

- Managing, upgrading and disposing of existing assets
- Providing new assets to meet demand
- Enhancing technology, including the introduction of AI for defect detection and maintenance planning
- Exploring alternative service delivery options.

4. Asset Management Planning

Asset management planning is a comprehensive process that ensures CN's assets are managed and maintained to support sustainable service delivery for the community. CN adopts a cost-effective life cycle management with a service delivery focus, ensuring that assets perform effectively to meet CSP objectives and community needs.

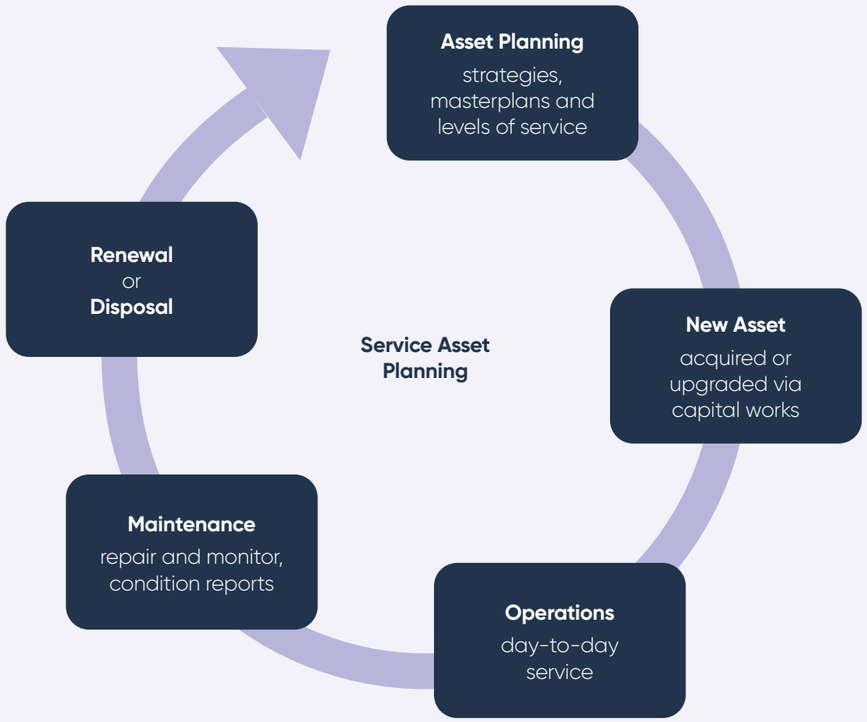

Diagram 5: Asset management planning cycle

To achieve this, CN's asset management planning focuses on:

- Prioritising asset resourcing with a service delivery focus
- Adopting a whole-of-life-cycle approach to asset management
- Using data-driven and informed decision-making
- Monitoring and reporting on asset performance.

4.1 Asset Management Objectives

Asset management involves systematic and coordinated activities aimed at achieving an organisation's objectives through cost-effective life cycle management. CN's asset management goals focus on:

- Proactively managing assets to minimise whole-of-life costs
- Aligning with industry best practices
- Ensuring assets meet agreed levels of service
- Continuously improving asset management systems.

This strategy outlines how CN will implement the principles of the AMP (see Appendix 1) by defining key asset management objectives. These objectives are presented in Table 2 below, in the order that they appear, not by priority.

No.	Objective	How CN plans to achieve the objective	Asset Policy principles
1	Align service delivery expectations with available funding to achieve sustainable management of all required supporting assets	SAPs define service delivery expectations and required funding levels to deliver the service. Periodic reviews of the SAMP and SAPs are completed to reflect decisions from the integrated planning process.	B
2	Identify funding levels required for a sustainable Capital Works Program and assess their impact on levels of service	Maintain and utilise a project management system for project proposal, prioritisation and approvals to align service delivery expectations with available funding. Implement the Strategic Asset Management (SAM) module as part of the Enterprise Asset Management system to enhance data-driven decision-making. Leverage the SAM module to integrate asset life cycle cost analysis with financial forecasting, supporting long-term asset planning. Use predictive models to enhance asset treatment planning, enabling proactive interventions based on real-time asset performance. Facilitate asset revaluations to model different funding scenarios and adjust service level expectations with financial constraints. Optimise asset management strategies to enhance service delivery and ensure sustainable infrastructure management.	E, G
3	Adjust resources and invest in building capacity to deliver works programs	Each SAP will continue to review its associated works program and identify resourcing challenges to enable efficient delivery.	B
4	Ensure renewal and maintenance funding to minimise life cycle costs and maintain agreed levels of service	Asset modelling will provide detailed data on optimised maintenance and renewal expenditure, informing the LTFP and enabling proactive funding planning. Levels of service, capital works forecasting and maintenance plans are clearly defined in the SAMP. The Capital Works Program prioritises asset renewal based on community drivers, to provide long-term sustainability. Maintenance funding is allocated to meet service level requirements.	B, E
5	Use SAPs to coordinate decision-making regarding levels of service and implement relevant strategies and plans	The SAMP forecasts demand and its impact on service levels and associated assets. Assets no longer required will be identified through SAP development and disposed of via the asset review process. Each SAP will incorporate a risk management plan, integrated with CN's corporate software, enabling proactive risk mitigation. Periodic SAMP and SAP reviews (maturity assessments) will be conducted to maintain strategic alignment and data accuracy. SAPs will outline legislative and statutory compliance requirements, enabling CN to meet all reporting obligations.	D, E, F
6	Only approve new services and/or assets where the full life cycle cost has been evaluated and appropriate budget allocations made	As per IPR requirements, strategies are fully costed. The Expenditure Review Committee reviews all strategies prior to approval. Business case development in PPM will require staff to conduct whole-of-life asset costing before prioritising projects.	B
7	Capture and improve asset data and service information	CN follows a continuous improvement approach to enhance asset management practice across the organisation. CN maintains a single source of truth for asset-related data to achieve consistency and accuracy.	G
8	Align asset management activities with Newcastle 2040	The SAMP supports service delivery and enables integration with the CSP.	C
9	Ensure accountability, responsibility and reporting requirements for assets are established, relevant, clearly communicated and implemented	CN is committed to understanding community service priorities and making informed decisions about asset provision and maintenance. Responsibilities for asset custodianship and management are clearly defined and guide CN's asset management system. Asset reporting is conducted through CN's Annual Report, Operational Plan, Delivery Program, monthly capital works reporting and annual financial statements.	A
10	Incorporate environmental sustainability into service delivery and asset management, considering: • Emission prevention and reduction • Climate resilience • Biodiversity and water-sensitive urban design, urban forest expansion • Circular economy principles, including resource efficiency and waste reduction • Whole-of-life asset management.	Continued investment in public natural asset management to provide long-term benefits for current and future generations. Implementation of strategic environmental frameworks, including CN's Environment Strategy, circular economy, climate action and adaptation plans, and coastal management programs. CN will: • Measure environmental performance and impact to track progress and refine sustainability initiatives • Identify priority assets for targeted sustainability improvements • Enhance environmental sustainability through proactive asset planning and management. Improve corporate information systems to strengthen natural asset management planning and decision-making. Ensure SAPs incorporate sustainable environmental measures, including: • Climate mitigation and adaptation planning requirements • Environmental risks and opportunities • Biodiversity and water sensitive urban design.	B, E

Table 2: Key objectives and actions

4.2 Environmental Sustainability

Section 8 of the *Local Government Act 1993* requires CN to:

- Properly manage, develop, protect, restore, enhance and conserve the environment in line with the principles of Ecologically Sustainable Development (ESD)
- Consider the long-term and cumulative impact of its decisions
- Incorporate ESD principles into Council activities, including asset management.

To fulfil these obligations, CN will continue to apply systems thinking and adaptive planning to asset management governance.

As the custodian of a diverse natural asset portfolio, CN recognises the importance of protecting city waterways, biodiversity, and local blue and green corridors. Through its environmental policies, strategies and plans, CN is committed to reducing pollution, emissions and waste, minimising water and material consumption, and investing in public natural asset management to benefit both current and future generations.

This investment enables resilience against the impacts of infrastructure expansion and urban development while advancing ESD objectives.

To integrate best environmental management practices into SAPs, CN has incorporated environmental sustainability measures into its star rating system for all service outputs. These measures assess:

- Energy efficiency and emissions reduction
- Water conservation
- Biodiversity, land and water quality protection
- Recycling and waste material management
- Sustainable transport promotion
- Use of sustainable building materials across the full life cycle of each service project.

5. Our Assets

CN manages infrastructure assets valued at over $2.7 billion and natural assets valued at approximately $556 million. These assets are critical to delivering services that support the city's residents, businesses and visitors.

Tables 3 and 4 below summarise the replacement values of CN's built and natural assets.

Asset Class	Description	Current Replacement Cost ($,000)
Buildings	Community buildings including libraries and cultural facilities, investment properties	468,317
Fleet and Plant	Light vehicles, trucks, plant, trailers	39,870
Open Spaces	Playgrounds, structures, retaining walls, park furniture	333,282
Stormwater	Stormwater drainage including pits and pipes, culverts, headwalls, open channels, water quality devices	399,702
Transport	Roads, footpaths, cycleways, bridges, carparks, roadside furniture	1,383,455
Waste Management	Waste facilities	101,139
Total		**2,725,765***

*Includes excavation works

Table 3: Built asset value (Financial Statements 23/24)

Asset Class	Description	Current Replacement Cost ($,000)
Bushland	Bushland, habitat trees, tracks and trails, inland cliff lines	130,109
Public Trees	Street and park trees	117,266
Watercourses	Natural and constructed watercourses including vegetation	95,022
Coast	Coastline including beaches, dunes rock platforms, cliff lines	64,218
Wetlands	Natural and constructed water bodies including fringe vegetation	55,705
Sea/River Walls	Sea and river walls	93,269
Total		**555,589**

Table 4: Natural asset value

CN's built and natural assets enable the delivery of a wide and diverse range of essential services, including:

- Administrative services
- Community, arts and cultural facilities and programs
- Customer service
- Environmental management
- Urban water cycle management, including flood mitigation and protection
- Strategy and innovation
- Libraries and learning
- Parks and recreation, including sporting facilities, aquatic services and natural areas
- Development and compliance
- Traffic and transport
- Tourism and economic development
- Waste services.

5.1 Critical Assets

Critical assets are those with a high consequence of failure, resulting in significant financial, environmental or social impact to organisation objectives. While CN does not provide utility networks or sewer supply and therefore does not classify any assets as critical, it does manage high-risk assets.

High-risk assets are those that:

- Have a high consequence of failure
- Have the potential to reduce service levels and availability
- Require immediate action to prevent disruption.

CN's high-risk assets include the Works Depot, road network and other assets identified within individual operational SAPs.

To minimise risks and ensure service continuity, CN:

- Identifies high-risk assets through SAPs
- Develops methodologies to manage risk and maintain service levels
- Targets and refines investigative activities, maintenance schedules and capital expenditure plans
- Utilises asset modelling software to prioritise investment in high-risk assets, improve risk mitigation strategies and enhance long-term asset performance.

By proactively managing high-risk assets, CN provides efficient resource allocation, improved infrastructure resilience and sustainable asset management.

5.2 Asset Depreciation and Useful Life

Depreciation is a method of allocating an asset's cost over its estimated useful life. CN applies a straight-line method for all non-current assets, except for bulk earthworks, parcels of land and heritage collections, which are not depreciated as their value does not depreciate over time.

CN evaluates an asset's expected useful life based on:

- The period it is expected to be available for service, rather than its physical lifespan
- The asset's role in supporting CN operations and services.

Asset useful lives and residual values are reviewed regularly and adjusted as needed to provide accurate reflection of consumption patterns, and alignment with financial reporting requirements.

The estimated useful lives of CN's assets, as reported in General Purpose Financial Statements at 30 June 2024, are shown in Table 5 below.

Asset Classification	Useful Life in Years
Office equipment	3 to 5
Furniture and fittings	2 to 25
Plant and equipment	3 to 50
Library books	3 to 100
Depreciable land improvements	20 to 50
Buildings[1]	20 to 100
Other structures[2]	3 to 200
Swimming pools	60 to 100
Other open space/recreational assets	15 to 70
Stormwater drainage	18 to 94
Roadside furniture	20
Sealed roads: surface	17 to 74
Sealed roads: pavement	114 to 119
Sealed roads: kerb and gutter	79
Unsealed roads: surface	28
Bridge: substructure, superstructure	67 to 89
Bridge: handrail, guardrail	45 to 89
Footways	28 to 49
Other infrastructure	15 to 100

[1] 100-year life is only applicable to building shell on four culturally significant buildings

[2] 200-year life is only applicable to one leading light tower

Table 5: Asset Useful Life (Financial Statements 23/24)

5.3 Asset Condition

To enable effective service delivery and maintain asset performance, CN conducts regular condition assessments across its asset portfolio. These assessments help monitor asset health, inform maintenance and renewal planning, and ensure accurate financial reporting.

Most condition assessments are undertaken in alignment with scheduled asset revaluation five-yearly timeframes for:

- Buildings
- Transport infrastructure, such as roads, parking, footpaths, cycleways, and public domain elements
- Stormwater assets, including stormwater drainage network, and flood planning assets
- Open space assets, such as parks, playgrounds, and pools
- Natural assets including beaches, bushland, wetlands, street and habitat trees, waterways and cliff lines, and sea/river walls.
- Waste Management

Data from these condition assessments is used to reassess asset useful lives and adjust depreciation rates, ensuring that annual depreciation expenses accurately reflect each asset's remaining service potential. Each asset revaluation aims to improve the accuracy by incorporating detailed information on construction materials, methods and usage to ensure CN's asset management remains proactive, cost effective, and aligned with long-term service delivery objectives.

5.3.1 Asset Condition Profile

To enable the sustainable management of infrastructure in Newcastle's historic coastal setting, CN relies on condition and asset consumption modelling to inform asset planning. This approach optimises maintenance and renewal expenditure, enabling efficient resource allocation. As the city's infrastructure ages, overall asset consumption increases, requiring a strategic focus on long-term sustainability.

Asset condition (excluding fleet, plant and equipment) is assessed using the Office of Local Government's (OLG) five-point condition scale, which rates infrastructure condition from excellent to very poor. Table 6 below provides a breakdown of this rating system, which serves as a key tool for monitoring infrastructure performance and planning future maintenance and renewal activities.

Infrastructure Asset Condition Assessment Key		
1	Excellent/Very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Table 6: Condition scale

CN's condition distribution for major asset classes is provided in Diagram 6 below, presenting an overview of the current state of key infrastructure.

Average Condition

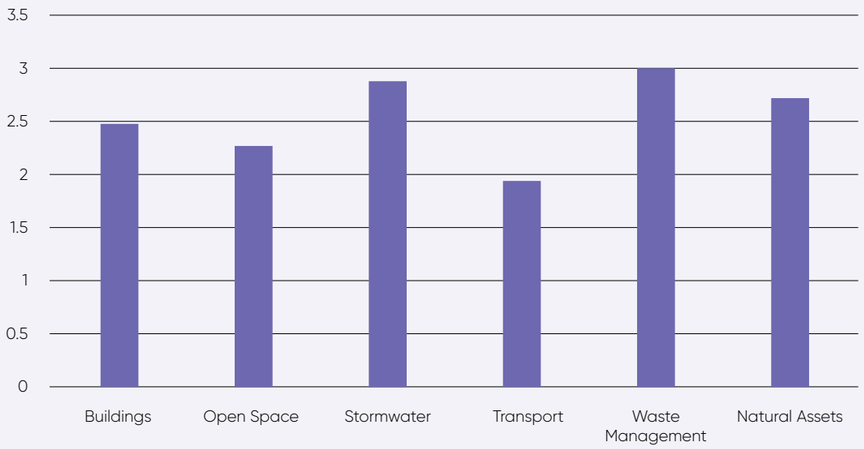

Diagram 6: Average condition profile

Detailed condition data is integrated with an analysis of asset service attributes, including functionality, quality, capacity and utilisation, to inform CN's asset planning. This comprehensive approach enables CN's asset management decisions to be based on a clear understanding of both physical condition and service performance. By leveraging this analysis, CN can implement data-driven asset life cycle management.

6. Asset Management System

Understanding how well CN's current asset management system supports service delivery is essential for identifying opportunities for continuous improvement. The asset management system encompasses not only the IT platforms used to manage assets, but also the people, processes and tools involved in delivering services. Key elements include asset registers and management systems, condition assessments, strategic planning capabilities, predictive and deterioration modelling, risk analysis and life cycle costing.

Core part of the Enterprise Asset Management System, which integrates various functions to enhance asset efficiency and decision-making, include:

- Asset Management - Managing asset registration, bookings and configuration
- Project Management - Overseeing the entire project lifecycle, including project planning, budgeting, billing and execution
- Strategic Asset Management - Configuring strategic asset models, processing valuations and supporting long-term asset planning
- Work Management - Administering work management processes, including work request systems configuration, crew management, scheduling, execution, timesheet integration and billing.

6.1 Asset Management System Confidence Rating

Confidence in CN's asset management system components has been evaluated using the Confidence Rating System outlined in Table 7. Both financial and asset processes are assessed within each SAP to determine data reliability and system effectiveness.

Low confidence in the asset system can restrict CN's ability to use data for high-level business decisions and option analysis. To address this, the asset management system and SAPs provide a structured framework for monitoring asset performance. Each SAP includes an action plan aimed at improving asset data quality.

Confidence Grade	Description
A	**Highly reliable** - Data based on sound records, procedure, investigations and analysis, documented properly and recognised as the best method of assessment.
B	**Reliable** - Data based on sound records, procedures, investigations and analysis, documented properly, but has minor shortcomings, for example old data, some documentation is missing, and/or reliance is placed on unconfirmed reports or some extrapolation.
C	**Uncertain** - Data based on sound records, procedures, investigations and analysis is incomplete, unsupported or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete, but up to 50% is extrapolated data.
D	**Very uncertain** - Data based on unconfirmed verbal reports and/or cursory inspection and analysis. Dataset may not be fully complete and most data is estimated or extrapolated.
E	**Unknown** - No or very little data held.

Table 7: Confidence Rating System (Source: International Infrastructure Management Manual [2020] – IPWEA)

6.2 Asset Registers and Management Systems

CN has implemented an Enterprise Resource Planning (ERP) system and is currently upgrading the combined financial and operational asset register (Works and Assets). This register is used to capture maintenance and capital costs against individual assets, while other operational costs are recorded in the ERP's financial module under relevant cost centres.

CN recognises the need for ongoing investment in maintaining and improving asset data and knowledge to enable good governance and support well-informed asset management decisions that meet community needs sustainably.

The Confidence Rating for asset data used in the AMS and SAMP ranges between B (reliable) and C (uncertain), dependent on service. There are opportunities for improvement, including establishing processes for data capture, enhancing integration with the Geographical Information System and expanding asset class inclusion in the Works and Assets register.

To improve the current confidence ratings, CN is implementing a structured program that considers:

- Continuous master data cleansing to provide accuracy and consistency
- Integration of Asset Management Systems such as TechOne (CI and CIA) and GIS for enhanced data accessibility
- Implementing mobile technologies, including a field app enabling asset data capture
- Process improvements, including subject matter experts within individual teams to strengthen data management.

Each SAP details specific asset register and management system improvements. These plans outline asset condition, inspection timetables, and required maintenance and renewal plans. Where asset condition data is incomplete, CN extrapolates the overall condition of the asset class and develops data improvement plans. For transport assets, condition assessments are conducted based on the required level of service, ensuring that infrastructure remains safe, functional and aligned with community expectations.

6.3 Strategic Planning Capabilities

CN's ERP software includes a Strategic Asset Management module, which provides an optimised view of asset life cycle costs. By modelling asset data, this module helps inform service levels, SAPs and the LTFP. The implementation of this module will be aligned with ongoing ERP upgrades to enable seamless integration.

The AMS and SAMP integrate with the LTFP, enabling predictive and deterioration modelling of assets. This integration ensures forecasted life cycle costs are reflected in CN's long-term financial planning, allowing CN to determine sustainable funding limits, make data-driven decisions on future service priorities, and optimise resource allocation for asset maintenance and renewal.

6.4 Risk Management

CN incorporates risk management into its core business planning and decision-making processes to enable asset management resilience and sustainability. CN's Enterprise Risk Management (ERM) Framework provides a structured and consistent approach to responding to uncertainty, aligned with international best practices.

The ERM Framework considers both the internal and external operating environment and is overseen by two key governing bodies:

- The Governance and Risk (Executive) Committee, which provides strategic oversight and guidance
- The independent Audit and Risk Committee, which ensures independent oversight and accountability.

CN's ERM Framework integrates the asset risk management approach outlined in ISO 55000:2014, the global standard for effective asset management. This approach includes key stages of the asset life cycle, ensuring that risks are managed from the initial planning phase through to disposal. The core components include:

- Planning (concept and specification)
- Acquisition
- Operation and maintenance (ongoing use, maintenance and improvement)
- Disposal.

CN's risk assessment process evaluates risk identification, likelihood and potential consequences across the asset life cycle. Asset risks are assessed to mitigate potential failures, including:

- Selection of unnecessary or unsuitable asset solutions
- Poor specification of asset requirements
- Inadequate whole-of-life budgeting, leading to financial shocks
- Poor asset life cycle management planning
- Assets failing to meet prescribed specifications
- Difficulty or high cost associated with asset maintenance and improvements
- Environmental risks linked to asset management and operations.

Asset Custodians and Service Unit Managers are responsible for identifying significant risks to assets and the services they support. The asset risk assessment process includes identifying critical and high-risk assets and developing risk treatment strategies to mitigate potential impacts. Failure to manage these risks effectively can disrupt service delivery, impact community outcomes and increase financial liabilities.

6.4.1 Resilience

The International Infrastructure Management Manual defines resilience as more than just the ability to respond to natural disasters. Resilience encompasses an organisation's ability to withstand disruption, absorb disturbances, manage crisis effectively, adapt to changing conditions (including climate change) and continue to grow over time.

CN addresses resilience through its Business Continuity Management Framework (the Framework), which implements measures to:

- Minimise the impact of disruptions on services and operations
- Safeguard critical services and functions to ensure continuity
- Support the efficient return to normal operations while strengthening organisational resilience.

The Framework enables CN to continue delivering critical business functions even when an incident or emergency causes a disruption beyond normal operational capacity.

The Framework consists of several essential components that guide recovery efforts and mitigate risks to critical business activities, revenue, reputation and service delivery. These include:

- Business Continuity Management Policy - Establishes the principles for managing business continuity risks
- Business Continuity Plans - Provide structured response strategies for maintaining essential services during disruptions
- Crisis and Emergency Management Plan - Outlines actions for responding to major incidents that could significantly impact CN operations.

The Framework is designed in accordance with ISO 22301:2019 - *Societal security – Business Continuity Management Systems – Requirements.* This standard allows CN to adopt best-practice business continuity measures, enabling proactive risk management and strengthening long-term resilience in the face of potential crises.

7. Life Cycle Management

The AMP, AMS and SAMP provide a consistent framework for managing assets throughout their life cycle. A whole-of-organisation approach is critical to achieve best practice alignment and maximise the value of assets across their life cycle. The table below summarises key components of asset life cycle management.

Life Cycle Category	Description
Operations	Recurrent expenditure, which is continuously required to provide a service, e.g. power, fuel, staff, plant equipment.
Maintenance	All actions necessary for retaining an asset as near as practical to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets operating.
Renewal	Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally.
Upgrade/New	Upgrade: Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. New: Expenditure which creates a new asset providing a service/output that did not exist beforehand, including planning, design, construction and acquisition.
Disposal	Expenditure on activities necessary to dispose of decommissioned assets.

Table 8: Asset life cycle expenditure categories. Source: Australian Infrastructure Financial Management Manual 2020

7.1 Roles and Responsibilities

Responsibility for service outputs delivered by CN assets is distributed across multiple service units. Table 9 outlines the service units responsible for managing the service delivery and developing SAPs. Given the structure of CN's organisation, many services are delivered collaboratively, with multiple units contributing to their overall management and performance.

To provide efficient asset management and service delivery, CN has adopted an Asset Custodian/Asset Manager/Delivery Partner model for delivery of services across the LGA:

- Asset Custodian - CN Service Unit Manager responsible for the stewardship of the asset. This role defines the level of service required for the asset to meet community and operational needs
- Asset Manager - CN Service Unit Manager responsible for providing ongoing asset management, including advisory services, maintenance, renewal and support, to enable assets to remain functional and meet the requirements set by the Asset Custodian
- Delivery Partner - CN Service Unit Manager/Coordinator responsible for supporting both the Asset Custodian and Asset Manager in the delivery of asset-related works. This includes providing technical expertise, project management and operational support.

Asset Life Cycle Management Role	Description	Responsibility
Service Unit Management	• Coordination, resource allocation, SAP implementation, project submissions • Planning for future service required, including level of service • Providing information for establishing, monitoring and reviewing level of service to assist ongoing development of SAPs • Managing assets in accordance with legislative requirements and standards	Managers of responsible Service Unit as per organisation structure
Service Planning	• Development and implementation of SAPs • Providing support and guidance to Service Units in preparing SAPs and strategies • Identifying asset requirements – New/Upgrade/Renewal/ Maintenance	Manager of: • Assets and Facilities • Responsible Service Unit delivering the CN service
Asset Design	• Designs and specifications; adherence to and application of relevant standards and legislative requirements	Manager of: • Project Management Office • Community and Recreation • Information Technology • Assets and Facilities
Asset Construction	• Delivery and project management of construction programs; adherence to and application of design and required specifications; budgeting and estimating	Manager of: • Assets and Facilities • Project Management Office • Civil Construction and Maintenance • Community and Recreation • Information Technology
Asset Renewal Scheduling	• Planning, scheduling and reporting on asset renewal activities	Manager of: • Assets and Facilities • Community and Recreation • Project Management Office
Asset Condition Inspections	• Scheduling and delivery of asset condition inspections	Manager of: Assets and Facilities • Community and Recreation • Depot Operations • Waste Services
Asset Maintenance and Operations	• Planning, implementing and managing reactive and proactive maintenance and operational activities • Implementing cyclic/periodic/programmed maintenance and operational programs in consultation with Assets and Facilities • Approved asset-related maintenance and operation work	Manager of: • Civil Construction and Maintenance • Assets and Facilities • Community and Recreation • Information Technology • Waste Management
Asset Disposal	• Identifying service requirements and assets no longer fit for purpose • Repurposing assets	Managers of responsible Service Unit as per organisation structure Supported by Property Services

Table 9: Roles and responsibilities

7.2 New and Upgrade Planning

New works involve the creation or acquisition of a service or asset, while upgrade works significantly enhance an existing asset or service. To effectively deliver these for the community, CN collaborates with Asset Custodians and Managers to align projects with service needs.

CN strategies and plans provide whole-of-life costings as part of internal review and endorsement through CN's Expenditure Review Committee. New and upgrade projects are forecasted and prioritised in CN's PPM system, with each project reflected in the relevant SAP to inform funding in the LTFP across all asset life cycle categories.

Delivery of these works for built and natural assets is managed through portfolio and program management. Increasing capital works demands are straining CN's finite resources. To support sustainable Capital Works Programs, CN is reviewing its project prioritisation methodology and life cycle costing approach to provide efficient resource allocation.

7.3 Renewal Planning

Asset renewal involves the restoration, rehabilitation or replacement of an asset to maintain its original or required service capacity. To maintain existing service levels, renewal should take priority over new and upgrade expenditure. Major renewal projects are funded through the Capital Works Program and identified within individual SAPs. These plans are developed in consultation with Asset Custodians and Managers, and key stakeholders.

When assessing whether an asset requires renewal, CN considers:

- Condition of the asset - Can its useful life be extended, delaying renewal?
- Service level requirements - Does the asset meet or fall short of required standards?
- Fitness for purpose – Does its capacity and functionality align with service needs?
- Environmental ratings - Does the asset meet sustainability and efficiency targets?
- Utilisation rates - Is the asset being used efficiently, or is demand changing?

Renewal intervention points may vary across asset classes, categories and locations, influenced by fitness for purpose and service demand. Regular condition inspections help inform renewal planning and prioritisation. All proposed capital renewal works are recorded in CN's PPM system, with proposals providing strategic alignment with service priorities, a business case and cost estimate, priority rating and delivery timeframe. Proposed renewal works are subject to resource availability and evolving community priorities.

7.3.1 Renewal Demand

Renewal demand refers to assets that have met or exceeded their intervention point and may no longer provide the intended level of service. Factors influencing asset condition and deterioration include utilisation rates, environmental conditions, age, design and location. Investing in asset renewal at the appropriate intervention point is essential to maintaining community service levels. When assets exceed this threshold, renewal demand and maintenance requirements increase.

CN is committed to sustainable asset renewal aligned with agreed service levels. Renewal demand is proactively assessed through robust financial planning, integrating asset life cycle forecasting and strategic investment. The LTFP framework provides a balanced approach, addressing both existing assets' needs and future service enhancements. While asset replacement costs have risen significantly above CPI due to increases in materials, transport and labour, CN's strategic approach optimises resource allocation, maintaining service levels while minimising financial pressure.

To manage growing renewal demands, CN is prioritising works programs and enhancing condition data capture and asset systems. Renewal demand for each asset class is identified in individual SAPs and incorporated into the Capital Works Program. Each SAP evaluates assets nearing or exceeding their intervention point, determining whether they continue to meet service level requirements. Investment decisions to return assets to an agreed level of service and maintain remaining asset condition profile is considered in the LTFP.

7.4 Maintenance Planning

Maintenance refers to the regular work required to ensure an asset achieves its useful life. Increased maintenance investment often reduces long-term capital costs by extending asset longevity. Examples include road resurfacing and building repainting. Maintenance strategies aimed at minimising life cycle costs are detailed in individual SAPs.

To achieve the lowest whole-of-life cost, a proactive maintenance approach is required. CN is progressing towards this model by implementing service level agreements and prioritised maintenance schedules. The City-Wide Maintenance Plan and preventative maintenance schedules monitor asset condition and provide timely servicing.

To further refine optimal life cycle funding, CN plans to implement a Strategic Asset Management module that will enable the modelling of maintenance and renewal scenarios. This data-driven approach will help determine funding requirements and allow funding within the LTFP.

7.5 Operational Planning

Operations encompasses the ongoing business activities required to deliver services to the community. In asset management, operational costs are divided into:

- Service delivery costs - Expenses related to delivery of the service
- Asset operations costs - Cost associated with maintaining and managing the supporting assets to deliver the service.

Operational costs are included in CN's annual adopted budget and are reviewed quarterly, with any adjustments requiring Council approval. The annual budget cycle provides an opportunity to assess and adjust operational budgets to ensure efficient service delivery, with additional modifications undertaken through quarterly review.

Further details of CN's adopted operational plan can be found in *Delivering Newcastle 2040*.

7.6 Asset Disposal

Disposal is the closing, decommissioning or sale of an asset or service. Asset disposal is considered within each SAP to ensure assets are managed efficiently and aligned with service needs. When proposing disposal of an asset, SAPs evaluate:

- Compliance with CN's policies and procedures for asset disposal
- Assets that have reached or are nearing the end of useful life
- Findings from service and asset reviews, identifying assets that are no longer fit for purpose or under/over-utilised based on current service levels
- Alternative service delivery methods that may require changes to the asset
- Opportunities to repurpose the asset within CN services.

For asset disposal, Property Services is responsible for:

- Managing negotiations for the disposal of surplus land and buildings
- Coordinating with legal service providers on all property transactions
- Keeping stakeholders informed to ensure accurate ownership and maintenance records
- Ensuring title documentation is current and facilitating title conversions.

Significant asset disposals require endorsement from the Asset Advisory Committee, ensuring transparency and strategic alignment with CN's asset management objectives.

8. Financial Summary

To accurately estimate the life cycle costs of managing assets, CN evaluates the plans and expenditure required for both asset maintenance and the services they support. When allocating resources, CN considers:

- Annual operating costs, including maintenance and day-to-day operations
- Upfront capital costs for procuring new assets and renewing or upgrading existing assets.

8.1 Capital Works

This strategy provides capital expenditure estimates for acquiring, upgrading and renewing assets over a 10-year period. A summary of the 10-year Capital Works Program is outlined below, with forecasts from FY24 onwards averaged, assuming CN priorities may shift based on evolving community expectations. As a result, some projects may extend beyond the 10-year timeframe due to prioritisation adjustments.

The Capital Works Program is integrated into LTFP scenarios to assess financial sustainability and support strategic decision-making. Currently, demand for capital works exceeds our available resources, creating challenges in balancing competing priorities. To address this, the Asset Management Improvement Plan (refer Section 9) outlines measures to enhance investment prioritisation and resource allocation.

CN funds infrastructure capital works through a mix of funding sources generated from operating activities, including rates, developer contributions, Special Rate Variations, grants and community contributions. Where appropriate, CN may secure loan funding through the guidance of Financial Services. Funding constraints are determined through the LTFP, which is reviewed and updated annually. These constraints may also be influenced by borrowing decisions and councillor commitments, impacting CN's ability to finance capital projects.

8.2 Forecast Estimated Service Costs

To achieve the objectives of *Newcastle 2040*, it is important to identify life cycle costs associated with service delivery. These costs estimate expenditure across all asset-based services required to maintain the agreed level of service.

Life cycle cost forecasts are integrated into LTFP scenarios, enabling CN to assess financial sustainability and make informed investment decisions. The estimated life cycle costs for the 29 operational SAPs are provided in the table below.

Life Cycle Category	FY 26 ($,000's)	FY 27 ($,000's)	FY 28 ($,000's)	FY 29 ($,000's)	FY 30 ($,000's)	FY 31 ($,000's)	FY 32 ($,000's)	FY 33 ($,000's)	FY 34 ($,000's)	FY 35 ($,000's)
Operational	190,248	195,004	199,879	204,876	209,998	215,248	220,629	226,145	231,798	237,593
Maintenance	68,552	70,266	72,022	73,823	75,668	77,560	79,499	81,486	83,524	85,612
Renewal	80,340	70,469	72,230	74,036	75,887	77,784	79,729	81,722	83,765	85,859
Upgrade and New	74,160	57,656	59,098	60,575	62,089	63,642	65,233	66,864	68,535	70,249
Disposal – Proposed Asset Sale	-	-	-	-	-	-	-	-	-	-
Disposal – Other	-	-	-	-	-	-	-	-	-	-
Total	413,300	393,395	403,229	413,310	423,643	434,234	445,090	456,217	467,622	479,313

Note: These budgets are subject to change based on individual year bids, CN strategies and available funding opportunities, meaning they are expected to fluctuate annually. CN reviews new capital projects annually, with one year of works approved through the annual *Delivering Newcastle 2040*.

Table 10: Estimated life cycle costs

9. Asset Management Improvement Plan

CN's asset management goals are twofold:

1. Proactively manage assets to achieve the lowest whole-of-life cost, aligning with industry best practice while maintaining agreed levels of service
2. Continuously improve asset management systems, ensuring efficiency, data accuracy and strategic decision-making.

The table below outlines key focus areas aimed at enhancing asset management planning and practices.

Ref	Objectives[1]	Action	Responsibility	Due Date
1	Align service delivery expectations with available funding to achieve sustainable management of all required supporting assets	1.1 SAPs summarise 10-year actions. Costings are aligned with renewal and capital budgets in the LTFP (link to funding) 1.2 Development of Project Management Policy and procedures 1.3 Project prioritisation: review of current methodology 1.4 Standard asset creation and handover processes	Asset Services Program and Project Services Executive Service Unit Managers	25/26
2	Identify levels of funding required to achieve a sustainable Capital Works Program and assess the implications of different funding levels on levels of service	2.1 Asset management system is utilised to model funding versions, adjusting service level expectations with available funding and reviewing cost of service per SAP	Assets and Projects Information Technology Executive Service Unit Managers	Ongoing
3	Adjust resources and invest in building capacity to deliver works programs	3.1 Project prioritisation policy and procedures implemented 3.2 Capital Works Program is planned and resourced as per prioritisation procedure	Program and Project Services Executive Service Unit Managers	Ongoing
4	Ensure renewal and maintenance required to minimise life cycle costs and maintain agreed level of service is fully funded and reportable by service	4.1 Gap analysis of existing data, detailed condition reporting, and development of maintenance and renewal plans is documented in individual SAPs 4.2 Continue to mature proactive maintenance for asset classes (SAPs align to scheduled servicing, preventative maintenance schedules etc.)	Asset Services Program and Project Services Executive Service Unit Managers	Ongoing
5	Use SAPs to coordinate decision-making regarding levels of service and implementing relevant CN strategies and plans	5.1 Periodic review and update of SAPs to ensure alignment with CSP and related strategies and plans	Asset Services Corporate Planning and Performance Executive Service Unit Managers	Ongoing
6	Ensure new services and/or assets are only approved where the full life cycle cost of doing so has been evaluated and appropriate supporting budget allocations made	6.1 Implement a program of training for business case development for PPM users 6.2 Review and update PPM user guides	Asset Services Program and Project Services	Ongoing
7	Capture and improve asset data and service information	7.1 Asset Register and Management Systems – process establishment for future data capture, improved integration with GIS and further rollout of asset classes into Works and Assets 7.2 Update Works and Assets with assets not yet migrated to corporate asset register 7.3 Program and undertake scheduled inspections on all assets	Asset Services Program and Project Services Information Technology	Ongoing
8	Align asset management activities with Newcastle 2040	8.1 Regular review and update of operational SAPs to ensure alignment with CSP objectives 8.2 Internal working groups across resource planning and strategy units	Asset Services Corporate Planning and Performance Executive Service Unit Managers	Ongoing
9	Ensure accountability, responsibility and reporting requirements for assets are established, relevant, clearly communicated and implemented	9.1 Update Asset Custodian and Manager roles and responsibilities in Asset Register 9.2 Asset-related activities current in both CAMMS Risk and CAMMs Strategy	Asset Services Audit and Risk Corporate Planning and Performance Executive Service Unit Managers	Ongoing
10	Delivery of services will incorporate environmental sustainability	10.1 Each SAP continues to detail sustainable environmental measures, including climate mitigation and adaptation requirements	Asset Services Program and Project Services Climate Change and Sustainability Assets - Environments Executive Service Unit Managers	Ongoing

[1] Objectives are listed in the order that they appear, not by priority
Note: Corporate Accounting and Corporate Planning and Performance teams will have an advisory role across numerous actions

Table 11: Asset management improvement plan

10. Strategy Review Cycle

The AMS will be regularly reviewed to ensure that key drivers, strategies and asset management direction remain relevant and accurately reflect current conditions. This process supports ongoing integration with *Resourcing 2040* strategies and plans.

A comprehensive review will occur every four years to maintain strategic alignment with *Newcastle 2040* updates, ensuring that asset management continues to support the city's long-term vision and evolving community needs.

11. Appendix

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Asset Management Policy

April 2025

Version: 7

City of Newcastle

Table of Contents

Part A - Preliminary

1 Purpose

1.1 The purpose of this Policy is to:

a) Establish a framework for the strategic and sustainable management of City of Newcastle's (CN) assets.

b) Ensure that CN's asset management practices enable the efficient delivery of services in line with Newcastle 2040 objectives.

c) Promote accountability, transparency, and continuous improvement in the stewardship of CN's infrastructure.

2 Context

2.1 This Policy supports compliance with the Local Government Act 1993 (NSW) and the Local Government (General) Regulation 2005. It aligns with the Integrated Planning and Reporting (IP&R) Guidelines for Local Government in NSW and the International Infrastructure Management Manual (2020).

3 Scope

3.1 This Policy applies to:

a) All built infrastructure and associated physical assets owned, controlled, or managed by CN that directly support service delivery, including related land under CN's care.

b) Natural assets under CN's care and control.

c) CN's Asset Custodians, Asset Managers, and Delivery Partners.

d) CN employees, Councillors, and contractors involved in asset management related activities.

e) Projects, programs, and activities that utilise CN's assets, including those funded by external grants.

4 Principles

4.1 CN commits to the following objectives:

a) **Accountability and transparency** – Providing clear decision-making processes for asset management.

b) **Sustainability** – Promoting cost-effective, fit-for-purpose assets, considering climate adaptation, emissions reduction, and lifecycle costs.

c) **Alignment with CN strategies** – Ensuring asset management aligns with Newcastle 2040 and supporting documents.

d) **Risk Management –** Proactively identifying and mitigating risks relating to community, people, services, and property.

e) **Levels of Service** (LOS) **–** Defining and maintaining measurable, sustainable LOS to meet community needs and where feasible expectations.

f) **Legislative Compliance –** Ensuring adherence to applicable laws and regulations.

g) **Continuous Improvement** – Embedding best practices and innovation in asset management.

Part B - Policy Statement

5 Organisational Commitment

5.1 CN is committed to strategically managing its assets to deliver sustainable, value-for-money services aligned with community needs and Newcastle 2040 objectives. Asset management will follow a structured framework aligned with the NSW Office of Local Government's (OLG) Integrated Planning and Reporting (IP&R) framework, ensuring coordinated, transparent, and accountable planning, delivery, maintenance, and renewal.

6 Asset Management Activities

6.1 To support this Policy and comply with the IP&R framework, CN and its officers will undertake the following asset management activities across defined roles. CN will:

a) Provide organisational leadership and governance to support integrated asset management practices.

b) Conduct lifecycle planning for all assets, including acquisition, operation, maintenance, renewal, and disposal with the IP&R framework.

c) Maintain a corporate asset management system for accurate data collection, analysis, and reporting.

d) Integrate community consultation into asset management planning ensuring service expectations are considered.

e) Ensure role clarity across asset portfolios through defined responsibilities for Asset Custodians, Asset Managers, and Delivery Partners.

7 Custodian-Manager-Delivery Partner Model

7.1 CN applies a collaborative stewardship model across all asset classes, comprising three core roles:

a) Asset Custodians – Rely on assets to provide their services. Accountable for defining service needs and LOS aligned with community and operational requirements.

b) Asset Managers – Provide life-cycle planning, technical oversight and stewardship to enable assets to meet defined LOS in a cost-effective and sustainable manner.

c) Delivery Partners – Responsible for executing works and services to maintain, renew and upgrade assets supporting both Asset Custodians and Asset Managers in achieving service outcomes.

Part C - Roles and Responsibilities

POSITION	RESPONSIBILITY
Executive Director City Infrastructure	Oversee the implementation and compliance with the Asset Management Policy.
Executive Manager Assets & Facilities	Support Asset Custodians by leading the development and review of the AMS and SAPs, ensuring asset management alignment with CN's strategic objectives.
Asset Custodians (Service Unit Manager)	Define and review service needs and levels of service (LOS) in line with CN's strategic objectives, legislative requirements and engagement with the community, contribute to Service Asset Plan (SAP) development, monitor asset performance, and support continuous improvement through maturity assessments.
Asset Managers (Service Unit Manager)	Lead implementation of the Asset Management Policy, Strategy (AMS), and SAPs in line with the IP&R framework; align planning and lifecycle strategies; plan & oversee condition assessment; and maintain up-to-date asset data to support informed decision-making.
Delivery Partners (Service Unit Manager)	Support to Asset Custodians and Asset Managers through delivery of asset-related projects and services to agreed standards, provide operational feedback to inform planning and improvements, and ensure accurate documentation of completed works to support asset data integrity.
Executive Leadership Team	Approve LOS and significant asset management initiatives.
Council Committees in relation to built infrastructure and natural assets	Provide advice and guidance in support of asset management, including the development of strategies, and identification of challenges and opportunities, in relation to built and natural facilities and systems within the local government area.

Annexure A - Definitions

Act means the Local Government Act 1993 (NSW).

Asset means a physical item that is owned, managed or maintained by CN to provide services to the community such as land, plant, machinery, building that has a lifecycle greater than 12 months.

Asset Custodian means the CN Service Unit Manager responsible for the stewardship of an asset, including defining its required level of service.

Asset Management means the coordinated application of management, financial, economic, and engineering practices to physical assets, with the objective of providing the required level of service in the most cost-effective manner.

Asset Management Strategy (AMS) means the high-level long-term approach to managing CN's asset portfolio.

Asset Manager means the CN Service Unit Manager with responsibility for providing ongoing advice, maintenance, renewal and support services to facilitate the service provided by the Asset Custodian.

CEO means Chief Executive Officer of the City of Newcastle and includes their delegate or authorised representative. References to the Chief Executive Officer are references to the General Manager appointed under the *Local Government Act 1993* (NSW).

City of Newcastle (CN) means Newcastle City Council.

CN Staff means employees of CN (including full time, part time, fixed term and casual) or Specific Talent Contractor who is engaged under a CN position description.

Council means the elected Council.

Councillor means a person elected to civic office as a member of the governing body including the Lord Mayor.

Delivery Partner means the CN Service Unit Manager responsible for supporting both the Asset Custodian and Asset Manager in the delivery of asset related works to plan, build, renew, maintain, demolish, and/or dispose a CN asset.

Landowner Consent means the formal approval granted by CN as the legal or delegated landowner for development or use of CN-owned land, required in certain planning and regulatory processes.

Level of Service (LOS) means the specific standards or outcomes CN Asset Custodians intend to provide to customers.

Lifecycle means the total time span of the asset from the initial planning or acquisition of an asset, throughout its operation, maintenance, renewal, and eventual disposal.

Predictive Analytics means the use of data analysis to anticipate asset performance, identify potential failures, and optimise maintenance and renewal strategies for cost effective and proactive asset management.

Regulation means the *Local Government (General) Regulation 2021.*

Service Asset Plans (SAPs) mean the detailed operational plans for effectively managing assets that support service delivery.

Annexure B - Policy Authorisations

This Policy Authorisation may be updated and amended by the CEO from time to time.

In accordance with section 378 of the *Local Government Act 1993*, the Chief Executive Officer delegates the following functions to the positions listed:

Title of Authorisation	Description of Authorisation	Position Number and Title
Landowner Consent	Authority to provide land owner's consent on land owned by CN, or where CN otherwise has authority to grant such consent, and in accordance with CN's Managing Conflicts of Interest for CN related development Policy.	P60629 - Executive Director Corporate Services P60631 - Executive Director Creative and Community Services P60630 - Executive Director City Infrastructure P60632 - Executive Director Planning and Environment

Document Control

Policy Title:	Asset Management Policy
Audience:	CN Staff, Councillors, Contractors
Service Unit:	Assets and Facilities
Policy Owner:	Executive Director City Infrastructure
Policy Writer:	Executive Manager Assets and Facilities
Approved by:	Council
Date Approved:	29 April 2025
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Required on Website:	Yes
Key Words:	Asset, asset management, infrastructure services, asset lifecycle, Asset Custodian, Asset Manager

Related Document Information, Standards & References

Related Legislation:	Local Government Act 1993 (8B) Local Government (General) Regulation 2005 Local Government Amendment (Planning and Reporting) Act 2009 Integrated Planning and Reporting Guidelines for Local Government in NSW (Division of Local Government) Integrated Planning and Reporting Manual for local government in NSW (Division of Local Government (s3.4) International Infrastructure Management Manual (2020) Australian Infrastructure Financial Management Guidelines Edition 2 2015 (ISO 55000).
Related Policies (Council & Internal):	Enterprise Risk Management Policy
Related Procedures, Guidelines, Forms or documents:	Asset Management Strategy 2025-2035 Service Asset Management Plan 2025-2035
Standards, Codes or other references:	N/A

Relevant Newcastle 2040 Theme/s

Term / Abbreviation
Liveable, Sustainable.

Version History

Version No - Date Approved - ECM
Version 1 - April 2010 - ECM: 2935100, Version 2 - August 2012 - ECM: 3438058, Version 3 - June 2016 - ECM: 4873789, Version 4 - July 2020 - ECM: 6525846, Version 5 - April 2022 - ECM: 7363544, Version 6 - June 2024 - ECM: 7421116.

City of Newcastle

2025 - 2035

Service Asset Management Plan

resourcing NEWCASTLE 2040

Contents

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Acknowledgement of Country

'Niirun Yalawa Awabakal dha Worimi burrai.'
We all sit on Awabakal and Worimi land.

The City of Newcastle (CN) acknowledges its Local Government Area (LGA) sits within the Country of the Awabakal and the Worimi peoples. We acknowledge that Country for Aboriginal peoples is an interconnected set of ancient relationships. The CN Acknowledges the custodianship of the Awabakal and Worimi peoples and the care and stewardship they have performed in this place since time immemorial.

'Wunyibu wunyibu warra wunyibu wunyibu gkuuba Aboriginal burrai.'
Always was, always will be Aboriginal land.

In recognition of Aboriginal cultural heritage, eight Newcastle landmarks are officially dual-named with their traditional Aboriginal names. These are based on Aboriginal references to the landmarks documented in maps, sketches and geological descriptions dating back as early as 1798:

- Nobbys Head – **Whibayganba**
- Flagstaff Hill – **Tahlbihn**
- Pirate Point – **Burrabihngarn**
- Port Hunter – **Yohaaba**
- Hunter River (South Channel) – **Coquun**
- Shepherds Hill – **Khanterin**
- Ironbark Creek – **Toohrnbing**
- Hexham Swamp – **Burraghihnbihng**

1. Executive Summary

1.1 Purpose of the Plan

This Service Asset Management Plan (SAMP) provides a cohesive view of CN's service asset planning objectives, Levels of Service (LOS), and associated asset management delivery for the next 10 years. It delivers the strategic objectives of the Asset Management Strategy (AMS) and should be read in conjunction with CN's Asset Management Policy (AMP).

The SAMP aims to:

- Provide a coherent, integrated approach to asset management that enhances efficiency and performance
- Support the implementation of the AMS and drive continuous improvement in asset management practices
- Embed service planning principles within asset management
- Serve as a living document, ensuring it remains accurate, reflects business activities, and tracks progress on key initiatives
- Promote asset management awareness across the organisation while recognising the challenges of service delivery, funding constraints, and associated risks

The SAMP is designed to manage risk and deliver sustainable LOS for the community by:

- Identifying current services, future demands, and the infrastructure needed to support *Newcastle 2040* priorities and objectives
- Integrating Service Asset Plans (SAPs) with broader Integrated Planning and Reporting (IPR) resourcing strategies
- Continually improving the SAP process to provide a sustainable and affordable service delivery model
- Developing and maintaining safe, sustainable infrastructure that supports accessible, high-quality community services.

1.2 Asset Description

CN manages over $2.7 billion in built assets and approximately $556 million in natural assets to support community services. In addition to these assets, information technology, fleet, and plant play a vital role in delivering essential services. From park benches to the local road network, every asset contributes to meeting community needs. Effective asset planning, construction and maintenance ensure infrastructure reliability and long-term service delivery.

This SAMP covers the following asset categories:

- Buildings - Art Gallery, libraries, community halls and centres
- Natural assets - e.g. bushland, watercourses, dunes, public trees
- Transport - roads, footpaths, cycleways, bus shelters, bridges
- Waste management - Summerhill Waste Management Facility
- Stormwater - pipes, pits, water quality devices
- Fleet and plant - light vehicles, trucks, earthmovers
- Open space - retaining walls, park fixtures, playgrounds, sporting facilities
- Other assets - information technology, furniture and equipment

1.3 Asset Life Cycle Management

The objective of life cycle management is to prioritise the lowest long-term cost, rather than short-term savings, when making asset-related decisions. According to the *International Infrastructure Management Manual 2020* (IIMM), the life cycle of an asset begins at 'the identification of the need for an asset and terminates with the decommissioning of the asset or any liabilities thereafter'.

This SAMP includes the following key life cycle activities:

- Requirement definition and service planning
- Asset planning
- Asset creation and acquisition
- Asset operations and maintenance
- Monitoring asset condition and performance
- Asset renewal (rehabilitation/replacement)
- Asset disposal and rationalisation.

1.4 Asset Management Practices

Asset management involves systematic and coordinated activities required to deliver organisational objectives optimally and sustainably through cost-effective life cycle management. It ensures that funds and resources are allocated to manage ageing assets while maintaining service delivery at an acceptable level.

CN models its asset management practices on the IIMM, published by the Institute of Public Works Engineering Australasia (IPWEA). This manual serves as a best practice guide for asset management. CN's asset management practices include:

- Community consultation to align asset planning with community needs
- Establishing and monitoring LOS to maintain service quality
- Maintaining asset registers and databases for informed decision-making
- Utilising information systems (financial, spatial) for asset tracking and analysis
- Implementing life cycle planning to optimise asset performance and cost
- Developing maintenance plans to extend asset life and reduce unexpected failures
- Conducting condition inspections to assess asset health and prioritise interventions
- Planning for renewal and new/upgrade projects to ensure infrastructure stability
- Managing demand to align resources with service requirements
- Integrating risk management to mitigate potential asset failures and service disruptions.

1.5 Levels of Service

CN defines LOS to establish measurable service performance standards. According to the IIMM, LOS refers to the 'defined service quality for an activity or service area against which service performance may be measured'.

Service levels encompass key factors such as location, functionality, quality, quantity, safety, capacity/utilisation, aesthetics, reliability and responsiveness. They provide a direct link between high-level community, corporate and asset management objectives and technical operational objectives.

LOS are defined using customer and technical performance measures:

- Customer LOS define service attributes from a customer perspective, focusing on how the service is received or experienced.
- Technical LOS support customer measures by providing internal performance benchmarks, ensuring assets are managed efficiently to meet service expectations.

1.6 Future Demand

Demand refers to service users' needs and expectations, which evolve over time due to various influencing factors. Traditionally, demand is shaped by population changes, leisure trends, and economic growth or decline. CN considers several key demand drivers when planning future service provision, including:

- Population growth or decline
- Climate change adaptation
- Customer expectations
- Technology and innovation
- Environmental sustainability
- Disability inclusion and access
- Legislative and regulatory changes
- New assets from urban growth and development.

As demand for services shifts, sustainable strategies and adaptive management are essential. CN will address changing demand through a combination of:

- Managing, upgrading and disposing of existing assets
- Providing new assets where required
- Enhancing technology to improve efficiency
- Exploring alternative service delivery options.

1.7 Financial Summary

Financial projections for maintenance and operational costs have been completed for all infrastructure classes (see Diagram 1). These estimates assume that assets will be maintained at their current LOS throughout their expected life cycle.

Funding for renewal, upgrades and new capital projects is sourced through existing resourcing strategies. The financial projections and funding requirements identified in asset planning directly inform CN's Long-Term Financial Plan (LTFP) to enable sustainable budgeting and resource allocation.

Financial Summary

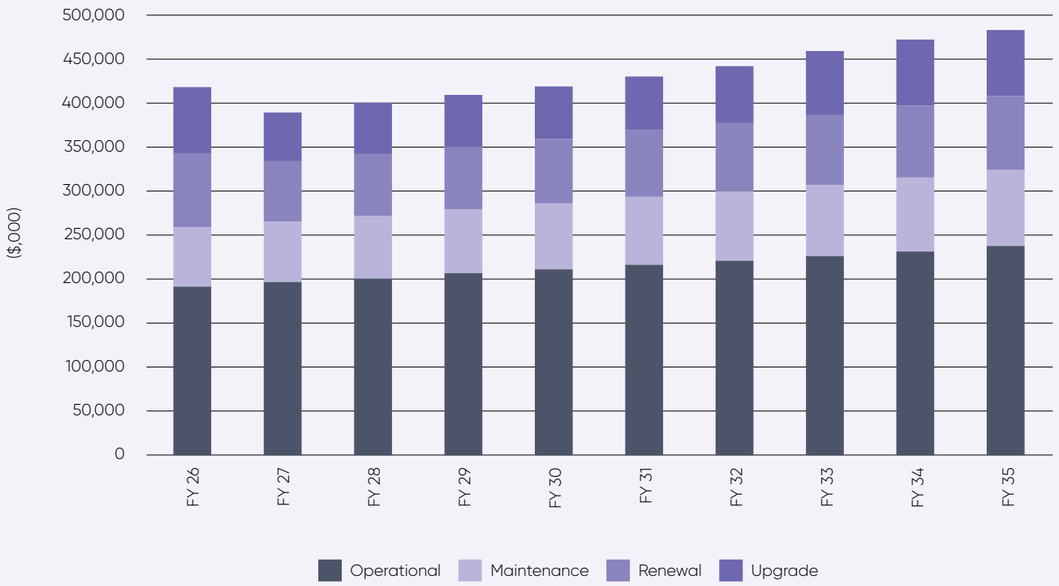


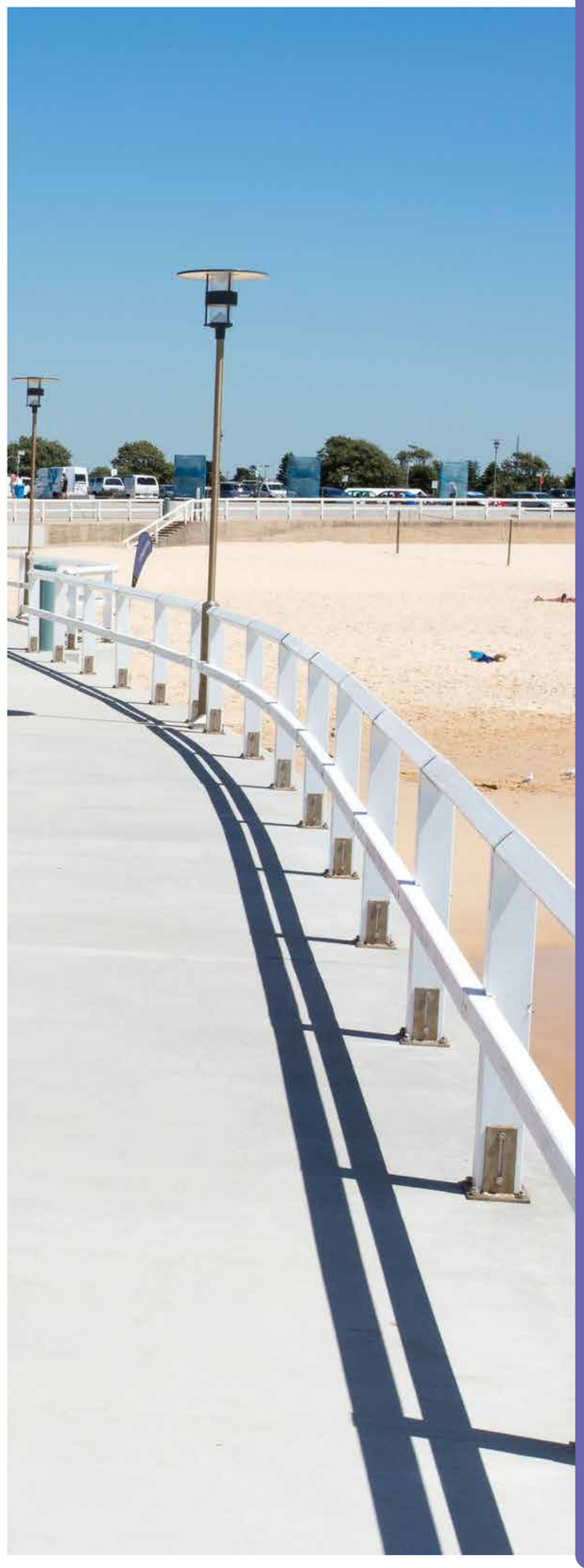
Diagram 1: Financial summary

1.8 Monitoring and Improvement Program

This SAMP includes an improvement plan (Section 9) outlining key actions to enhance CN's asset management process. These improvements support CN's commitment to sustainable, long-term infrastructure-based services that align with community needs and strategic objectives.

Key focus areas for asset management enhancement include:

- Reviewing LOS in alignment with *Newcastle 2040* and related strategies
- Improving the asset management system to enhance efficiency and data accuracy
- Increase broad staff awareness of the importance of updating SAPs
- Strengthening integration between asset planning and resourcing strategies
- Clarifying roles and responsibilities of Asset Custodians and Asset Managers in service delivery and asset management
- Reviewing strategies that propose new assets or changes to existing LOS
- Conducting condition inspections and reports to inform renewal and maintenance planning
- Assessing operations and maintenance budgets to ensure service delivery is adequately funded
- Reviewing the Project Management Policy and procedures to identify opportunities for project delivery improvements
- Embedding environmental sustainability into service delivery and asset management practices.



2. Introduction

2.1 Background

CN manages over $2.7 billion of infrastructure assets and approximately $556 million of natural assets to deliver services to residential and business communities. These assets include roads, footpaths, buildings, drainage, waste management, parks and natural assets, as well as fleet and plant. CN applies best practice asset management through systematic, coordinated activities and practices that enable cost-effective life cycle management of assets. Strategic, well-resourced asset planning is essential to deliver services sustainably and equitably to the community.

The AMP, AMS and SAMP form a key part of CN's resourcing strategies within the IPR Framework. CN's asset management planning aligns with *Newcastle 2040* themes, priorities and objectives. It informs the Operational Plan and Delivery Program, as well as supporting the management of long-term asset renewal, new and upgrade planning, and funding requirements. As a core component of *Resourcing Newcastle 2040*, this plan integrates with CN's LTFP and Workforce Development Strategic Plan (WDSP).

2.2 Strategic and Corporate Goals

CN's asset management planning is guided by the four key strategic themes outlined in *Newcastle 2040*. These themes shape the priorities and objectives that drive infrastructure investment, maintenance and delivery.

The *Newcastle 2040* themes, priorities and objectives that influence CN's asset management approach are illustrated in the diagram below.

NEWCASTLE 2040
it's our future

1. Liveable

SOCIAL
ECONOMIC

1.1 Enriched neighbourhoods and places

1.1.1 Create and maintain vibrant, inclusive and well-designed public spaces
1.1.2 Promote sustainable and accessible urban design
1.1.3 Protect and celebrate Newcastle's heritage
1.1.4 Increase access to affordable housing
1.1.5 Enhance and protect public safety

1.2 Safe, active and linked movement across the city

1.2.1 Develop accessible, connected cycleways and pedestrian networks
1.2.2 Maintain safe and efficient road networks
1.2.3 Implement effective parking strategies
1.2.4 Strengthen active and public transport connections and services

2. Sustainable

ENVIRONMENT

2.1 Action on climate change

2.1.1 Support the transition to net zero emissions
2.1.2 Assess and share climate risks
2.1.3 Support climate change adaption by building resilient communities and urban and natural areas

2.2 Nature-based solutions

2.2.1 Protect and regenerate natural systems
2.2.2 Protect and expand the urban forest
2.2.3 Support the transition to a water-sensitive city

2.3 Circular economy

2.3.1 Design out waste and promote resource recovery and reuse
2.3.2 Support local supply chains and sustainable procurement

3. Creative

SOCIAL
ECONOMIC

3.1 Vibrant and creative city

3.1.1 Plan, support and deliver vibrant events and programs
3.1.2 Position Newcastle as a premier destination
3.1.3 Foster cultural vibrancy and creativity

3.2 Opportunities in jobs, learning and innovation

3.2.1 Provide inclusive learning and employment opportunities
3.2.2 Grow our local skills base

3.3 Connected and fair communities

3.3.1 Support strong social and cultural connections
3.3.2 Celebrate diversity and champion inclusion
3.3.3 Promote and support active and healthy communities

3.4 City-shaping partnerships

3.4.1 Optimise city opportunities
3.4.2 Advocate and collaborate across government, industry, business and community

4. Achieving Together

GOVERNANCE

4.1 Inclusive and integrated planning

4.1.1 Ensure financial sustainability
4.1.2 Strengthen our integrated planning and reporting
4.1.3 Develop a skilled and engaged workforce

4.2 Trust and transparency

4.2.1 Foster genuine community engagement
4.2.2 Share information and celebrate success
4.2.3 Deliver a trusted customer experience

4.3 Collaborative and innovative approach

4.3.1 Build a collaborative organisational culture
4.3.2 Encourage innovation and continuous improvement

Diagram 2: Newcastle 2040 themes, priorities and objectives

2.3 Asset Management Objectives

CN's asset management objectives are proactive and aligned with industry best practice. Management takes a lowest whole-of-life cost approach while maintaining agreed LOS and continuously improving systems to enhance efficiency, decision-making and service delivery.

CN's AMS defines 10 key asset management objectives that drive asset planning and service delivery:

1. Align service delivery expectations with available funding to achieve sustainable management of all required supporting assets.
2. Identify funding levels for a sustainable Capital Works Program and assess their impact on LOS.
3. Adjust resources and invest in building capacity to deliver works programs.
4. Ensure renewal and maintenance funding to minimise life cycle costs and maintain agreed LOS.
5. Use SAPs to coordinate decision-making regarding LOS and implement relevant strategies and plans.
6. Only approve new services and/or assets where the full life cycle cost has been evaluated and appropriate budget allocations made.
7. Capture and improve asset data and service information.
8. Align asset management activities with *Newcastle 2040.*
9. Ensure accountability, responsibility and reporting requirements for assets are established, relevant, clearly communicated and implemented.
10. Incorporate environmental sustainability into service delivery and asset management.

2.4 Core and Advanced Asset Management

The IIMM (2020) outlines three key asset management approaches, each offering a different method for planning, analysing and managing infrastructure assets:

- Core Asset Management - A top-down approach that applies analysis at the system or network level, focusing on overall infrastructure performance and strategic planning.
- Advanced Asset Management - A bottom-up approach that gathers detailed information on individual assets to optimise activities and programs, enabling alignment with agreed service levels.
- Mixed Asset Management - A combination of both approaches, integrating system-wide analysis with detailed asset-level data to provide a balanced and strategic asset management framework.

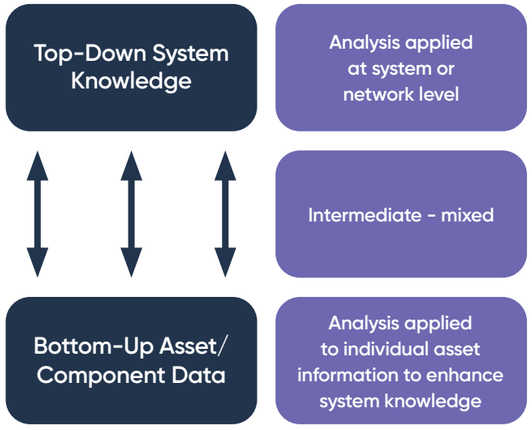


Diagram 3: Level of maturity (from IIMM)

This SAMP is developed using mixed asset management, combining top-down system analysis with bottom-up asset-specific data to meet legislative and organisational requirements for sustainable service delivery.

Future revisions of the SAMP will incorporate more information for individual assets to support the optimisation of activities and programs to meet agreed service levels. This approach supports continuous improvement in asset planning and management.

2.5 Legislative Requirements

CN's asset management practices must comply with various legislative requirements that guide the planning, maintenance and delivery of infrastructure and services. These laws ensure that CN aligns with legal, environmental, safety, accessibility and governance standards. Legislative requirements that impact the delivery of CN's asset management include, but are not limited to:

- *Biodiversity Conservation Act 2017*
- *Coastal Management Act 2016*
- *Child Protection (Working with Children) Act 2012* and associated Child Safe Standards
- *Crown Land Management Act 2016* and *Crown Land Regulations 2017*
- *Disability Discrimination Act 1992 (Cth)* and associated standards
- *Disability Inclusion Act 2014 (NSW)*
- *Electrical Safety Act 2002*
- *Environmental Planning and Assessment Act 1979* and *Environmental Planning and Assessment Regulation 2000*
- *EP&A (Development Certification and Fire Safety) Building Fire and Safety Regulations 2022*
- *Government Information (Public Access) Act 2009*
- *Heritage Act 1977*
- *Local Government Act 1993 (NSW)*
- *Plumbing and Drainage Act 2011*
- *Privacy and Personal Information Protection Act 1998*
- *Protection of the Environment Operations Act 1997* and associated regulations
- *Roads Act 1993*
- *Work Health and Safety Act 2011* and *Work Health and Safety Regulation 2017.*

These legislative requirements inform and guide service delivery to the community.

3. Levels of Service

3.1 Service Asset Planning

Service asset planning determines community service needs and plans for their sustainable delivery. CN's approach to asset planning is structured to align with *Newcastle 2040* and focuses on long-term infrastructure sustainability.

CN's asset planning approach:

- Aligns with *Newcastle 2040,* identifying actions that support community aspirations
- Establishes clear management responsibilities, including accountability and reporting
- Applies a life cycle approach, ensuring asset management strategies remain sustainable over the 10-year planning period
- Forecasts a 10-year works program, covering maintenance, renewal, upgrades, new assets and disposals
- Recognises assets as enablers of essential services, focusing on service provision and maintenance
- Defines measurable LOS, including location, capacity, functionality, quality and quantity
- Promotes informed decision-making to enhance service provision
- Applies full life cycle analysis and costing, forecasting financial requirements for operations, maintenance and renewal
- Demonstrates financial sustainability and best management practices
- Ensures appropriate asset use, maintaining optimal functionality
- Optimises service potential, accounting for future demand and possible service decline
- Establishes an improvement program to enhance service delivery efficiency.

The SAMP is supported by operational SAPs, which provide detailed technical asset information, condition assessments, service level definitions, funding requirements and future demand analysis. This comprehensive analysis ensures CN's asset life cycle planning remains effective, sustainable and aligned with long-term service delivery needs.

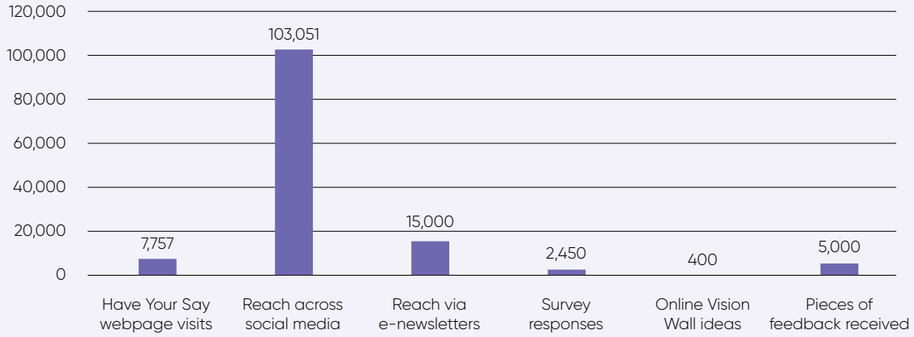
3.2 Community Research and Expectation

CN conducts community engagement to assess current and desired service levels, ensuring that asset planning aligns with community expectations and priorities. Engagement methods include:

- Community strategic planning engagement - Broad consultations to shape long-term planning
- Service-based engagement and consultation - Focused discussions on specific services and infrastructure needs
- Individual service-based customer experience - Feedback from users on service quality and performance
- Targeted surveys - Data collection to measure public sentiment and service expectations.

As part of the development and review of *Newcastle 2040,* CN consulted with the community between 2019-2021 and 2024-2025 to gather insights and refine the strategic asset planning approach (see diagrams below).

Community Engagement 2019-21



Extensive review conducted over an 18-month period to inform the new Community Strategic Plan - *Newcastle 2040*

Diagram 4: Community Engagement Extensive Review 2019-2021

Community Engagement 2024-25

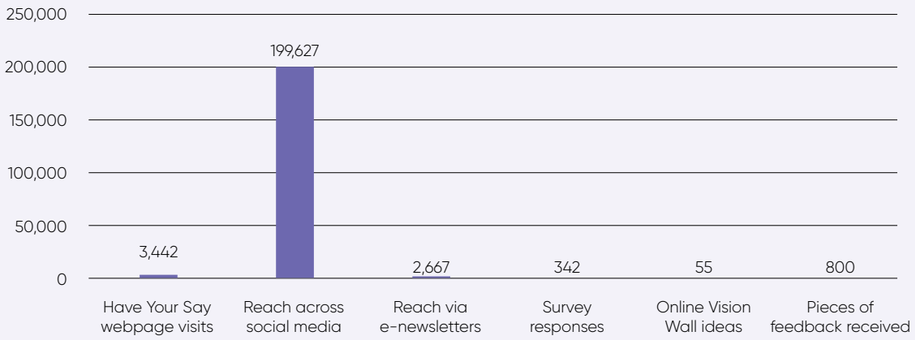


Diagram 5: Community Engagement Minor Review 2024-2025

3.2.1 Community Survey

The Community Satisfaction Survey is conducted annually to assess community priorities and overall satisfaction with CN services and facilities. The survey results inform planning and decision-making, ensuring that CN's activities align with community needs and expectations.

In June 2024, a telephone survey was conducted with a randomly selected sample of 401 residents, designed to be representative of the Newcastle LGA by age, gender and ward.

Below is a summary of the community's overall satisfaction with services and facilities by category.

Summary - Satisfaction Scorecard

15 of the 46 services/ facilities received a satisfaction rating of 50% or more, while 10 were below 30%

Good performance
(T2B sat score ≥50%)

Monitor
(T2B sat score 30-49%)

Needs improvement
(T2B sat score <30%)

Arts and culture	Community	Infrastructure and transport
Library services and programs	Informing the community about CN activities and services	Footpaths
Art Gallery and programs		Local neighbourhood roads
Entertainment and events	Response to community needs	Street and commercial area cleansing
Museum and programs	Community involvement in Council decision-making	Regulating traffic flow on our local roads
Civic Services including Civic Theatre, City Hall and Visitor Information Centre	Community halls and centres	Cycling facilities
Public art and monuments	Cemeteries	Parking in the Newcastle CBD
Economic development	Online services such as the website	Stormwater drainage
Promotion of Newcastle (tourism)	Service you receive when you deal with Council, either in person or by phone, mail, email or website	Public amenities
City innovation	**Coastal and aquatics**	Public domain - e.g. bus stops, street furniture
Economic development	Beaches and beach facilities	**Parks and recreation**
Environment	Swimming pools	Playground equipment available
Environmental programs	Ocean baths and facilities	Sporting facilities
Climate actions	Lifeguards	Parks and recreation areas (including public parks, skate parks and dog parks)
Environmental monitoring and protection	Coastal management	**Waste**
Greening and tree preservation	**Planning and development**	Green waste collection
City's bushland and waterways	Heritage conservation	Recycling services and programs
City's wetlands and estuary	Management of residential development	Garbage collection and disposal
	Long-term planning and vision for the city	
	Flood planning	

Diagram 6: Community consultation

The results of these engagements and consultations are available on CN's website. CN uses these findings to inform and refine LOS.

3.3 Levels of Service

LOS are key business drivers and influence all asset management decisions. They define the standards to which assets and services are delivered and provide transparency and justification for how resources are allocated. LOS create a clear link between the service CN delivers and the community's expectations. The LOS determine:

- The amount, type, standard and distribution of facilities and assets
- The quality of service from a community perspective
- The effectiveness of organisational performance.

Service levels are defined to measure service performance, typically considering location, functionality, quality, quantity, safety, capacity/utilisation, aesthetics, reliability and responsiveness. They provide the connection between high-level community, corporate and asset management objectives, and detailed operational goals.

LOS are defined using customer and technical measures, defining service attributes from a customer perspective and ensuring assets are managed efficiently to meet service expectations.

LOS are assessed using a 1–5 star rating system, which provides a universal platform for comparing service performance at a corporate level. These ratings are collated to form an average LOS, offering a structured benchmarking system for evaluating and improving service delivery. A general description of each star rating is provided below.

Star Rating	General Standard of Key Service Attributes	Level of Service – Description
1	Basic quality standard. Low community usage, limited functionality.	Services are important to the local neighbourhood. Maintenance is aimed at safety and security, protecting against vandalism or other damage. Scheduled inspections and maintenance programs are undertaken.
2	Average quality standard and presentation. Moderate community usage and functionality.	Services provided are locally important. The asset is preserved in a satisfactory condition by regular inspection, maintenance programs and response times to meet requirements of local community.
3	Good quality standard and presentation. Medium–high community usage. Fit for purpose. Maintained and presented in good condition.	Services provided are locally important and regularly accessed by the wider community. The asset is in good condition. Regular inspection and maintenance programs and response times are met. Meets community expectations for service provided.
4	Very good quality standard. High community usage, functionality and capacity. Maintained and presented in very good condition. Services LGA community and beyond.	Services that provide major contribution to the social and/or economic wellbeing of Newcastle. The assets are in good–very good condition. Good public presentation, high use and high-quality working environments are necessary; important public focus (e.g. a district park).
5	Excellent quality standard. Very high community usage, functionality and capacity. Maintained and presented in excellent condition. High-profile asset, delivering significant economic benefits and services to LGA and regional community.	Services that provide the largest contribution to the social and economic wellbeing of Newcastle. High profile, use and economic value. Important public focus. Excellent public presentation. The asset providing the service is kept in very good condition and meets requirements to deliver regional services/objectives. Facilities are of major local or regional significance (e.g. heritage and cultural facilities).

Table 1: 1–5 star ratings for LOS

LOS are assessed using quantitative and qualitative data. Key measurement sources include:

- Community engagement and customer satisfaction surveys
- Targeted customer feedback
- Analysis of customer requests
- Asset condition, functionality and usage data
- Environmental performance and sustainability metrics
- Accessibility provisions.

Using these data points, CN determines the current LOS for all asset-based services and assigns a star rating for consistency in evaluating and comparing service performance across different areas. Examples of performance measures for LOS include:

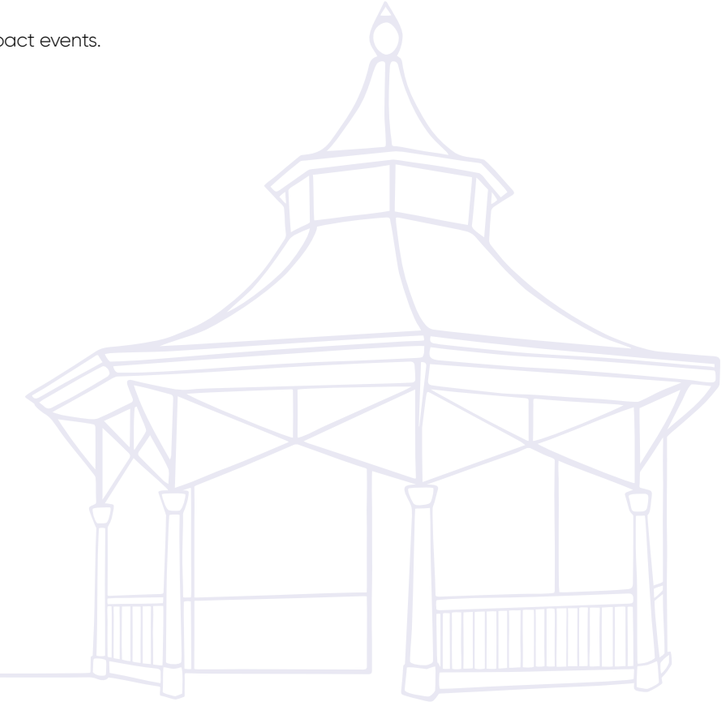
- Cultural facilities support programs and events, serving as valued community space for art, heritage, music and performance.
- Libraries are accessible both physically and virtually, offering adaptable spaces for innovation, collaboration, events, training, exhibitions and programs.
- Roads can carry the required loading, ensuring safety and functionality.
- Bushland preserves native plant and fauna diversity, while contributing to soil stability.
- Lifeguard facilities and patrolled beaches provide community safety and enhanced recreation.
- Parks are available for community use and accommodate a range of low- to high-impact events.

The current LOS is compared with a desired state for the service. The desired LOS captures the balance between the current services provided, the LOS that service users expect, and the level CN can sustainably deliver. In an asset management context, desired service levels inform:

- Future operations, maintenance and renewal resourcing requirements
- Management of existing assets and the services they provide
- Decisions regarding provision of new and upgraded assets and services
- Consideration of non-asset solutions for service delivery.

Formulated to reflect *Newcastle 2040*'s objectives, desired LOS are obtained from various sources, including community engagement and customer satisfaction surveys, residents' feedback, CN data on service requests, and consultation with stakeholders. Through community engagement processes, we will endeavour to establish mechanisms whereby agreed LOS will be recognised by both CN and the community. CN will seek to establish affordable service levels for asset maintenance, renewal, upgrade or expansion.

Frequently, the desired service level is met by current service provision; however, CN will continually review, refine and adjust LOS to ensure community satisfaction. A summary of current and desired LOS for our asset-based services is provided in the table below.



Asset-Based Service	LOS	Service Description
Art Gallery	★★★★☆	Newcastle Art Gallery, located in Newcastle's cultural precinct, is the city's major cultural institution for the visual arts and is responsible for the curation and preservation of its nationally significant collection. The Gallery plays a significant role in contributing to the city's social and economic vibrancy. It delivers high-quality exhibitions, public programs and events that connect to diverse audiences locally and nationally, fostering curiosity and passion for the visual arts. The Gallery is one of the only regional galleries to provide full-time staff within its public exhibition spaces. This is key to providing a high level of customer service through face-to-face communication with visitors. Staff answer questions and share expert knowledge about exhibitions and works of art, enriching each visitor's experience and engagement. The Gallery is currently undergoing an expansion. During this time the collection will still be available online and will be displayed on digital screens through CN's Henge initiative, which will allow the community to engage with the collection in unexpected ways at various times of the year throughout the city. Educational programs, special activations and community partnerships will also continue through the closure period.
Bushland, Watercourses and Public Trees	★★★☆☆	CN's bushland, watercourses and public trees create the green and blue corridors that weave through the city, providing the 'living' in our liveability and sustainability aspirations. Bushland, watercourses and public trees are the baseline of a desirable urban environment that enhances amenity, liveability, resilience, psychological wellbeing and sense of place – from vegetated horizon lines to natural running waterways to shaded green cycleways and footpaths. Bushland, watercourses and public trees provide a multitude of community services, including: • Ecological and habitat preservation • Scientific and educational opportunities • Recreational opportunities • Quality of life • Scenic and aesthetic amenity • Historic landscape preservation • Climate control • Air quality • Water quality • Stormwater attenuation and conveyance • Economic benefit • Direct economic return to residents.
Beresfield Community Children's Education Centre	★★★☆☆	The service is centre-based long day care for children aged between six weeks and school age, and is managed on a community-based not-for-profit business model. It is one of nine childcare facilities owned by CN, but the only centre managed by Council staff.

Asset-Based Service	LOS	Service Description
Blackbutt Reserve	★★★★☆	The service offers recreational and educational programs to Newcastle and the broader community. The reserves are highly valued by the Newcastle community as places for recreation, wellbeing, relaxation, socialising, education and learning.
Caravan Park	★★★★☆	Stockton Beach Holiday Park is located on Crown land on the beachfront of Stockton Beach and operates as a commercial enterprise through a management contract. The park is currently operated by Australian Tourist Park Management and branded 'NRMA'.
Cemeteries	★★★☆☆	Cemeteries are critical community infrastructure. Vital for remembrance and reflection, they are also a rich source of cultural and environmental heritage and provide valuable open space. CN cemeteries offer pleasant and cost-effective burial and ash memorial sites. They provide lawn and monumental sites for burial and ash interments, as well as memorial sites for the placement of ashes, including niche walls and memorial gardens.
City Hall and Venues	★★★★☆	The Newcastle City Hall and Venues service provides: • Commercial services – live performance presentation, venue hire and hospitality • Cultural services – support of the performing arts • Civic services – civic functions related to Newcastle City Hall, Council meetings and some ceremonial and hospitality events. The service also manages functions in the Fort Scratchley Community Centre, as well as the Parade Ground and Barracks at the Fort Scratchley Historic Site.
Civic Theatre	★★★☆☆	The Civic Theatre is operated as a commercial venue for hire and is primarily a provider of live performance and associated hospitality. The Theatre is also the principal provider of artform support of the performing arts. This occurs through provision of opportunities for professional development of local performing artists, programming of locally created work and a variety of creative/presentation partnerships. The Theatre's performing spaces include: • A 1,450-seat two-tier proscenium arch theatre (the Civic) • The Playhouse Theatre, an arena-style studio theatre seating 195 in raked seating • the 805-seat Concert Hall at Newcastle City Hall, where the Civic Theatre service regularly programs and presents events. The Theatre also supports civic functions related to Newcastle City Hall, Council meetings and some ceremonial and hospitality events.
Climate Change and Sustainability	★★★☆☆	The service aims to measure, monitor and reduce community and operational greenhouse gas emissions to meet climate change targets of net zero by 2030 for Council operations and 2040 for the community, as well as build a resilient city that is better prepared for the impacts of climate change. This is achieved through developing and delivering strategy, infrastructure and programming across three streams: • Towards net zero emissions • Know and share climate risk; resilient urban and natural areas • Drive a circular economy.

Asset-Based Service	LOS	Service Description
Visitor Information Centre	★★★★☆	The Visitor Information Centre offers hands-on interactive experiences, tourist information and unique souvenirs for visitors and those welcoming friends and family to the city. Conveniently located at the Civic Light Rail stop at 430 Hunter Street, the Centre is open seven days a week.
Coast, Estuary and Wetlands	★★★☆☆	The coastline is a sensitive and dynamic natural environment that is exposed to natural processes, population growth, coastal lifestyles and coastal hazards that create complex challenges. The coast, estuary and wetlands provide a variety of services, including: • Ecosystem services – coastal and estuarine landscapes support a complex system of interdependent ecological processes, producing biologically diverse habitats for native species. These habitats nourish local species and serve as important foraging and roosting grounds for many migratory species, some of which are threatened and/or endangered • Increased resilience of beaches, estuarine and coastline infrastructure from erosive processes • Beach and coastal amenity and safety • Beach and river access for social and ecological benefit • Water quality to meet recreational and ecological purposes • Economic benefits to urban communities, fisheries, industry, tourism and recreation • Significant contribution to psychological wellbeing, including enduring connection to Country • Intergenerational equity in the context of a changing climate.
Community Centres and Halls	★★☆☆☆	Community centres and halls provide opportunities for social interaction, activities, recreation and meeting spaces for the community throughout the Newcastle LGA and surrounds. There are community halls and centres in each ward; combined, they form a network of facilities with a variety of sizes and purposes.
Information Technology	★★★☆☆	The Information Technology service supports the delivery of a range of services for CN and the community, including: • Digital services • IT infrastructure and network • Technology enablement • Geospatial information services • Information and network security.
Libraries	★★★☆☆	Newcastle Libraries provides library services to the Newcastle LGA through a network of 11 branch service points and the substantial online library. Newcastle Region Library is also responsible for systems management and the acquisition and cataloguing of resources for Dungog and Port Stephens Councils.

Asset-Based Service	LOS	Service Description
Museum	★★★★☆	Newcastle Museum is a collection of multiple facilities whose primary role is to provide science education and interpretation of movable cultural heritage. Through collaboration and stakeholder relationships, the service also enables other organisations to achieve similar outcomes for the community.
Property – Investment and Community Portfolio	★★★☆☆	Community assets are leased or licensed to community groups or organisations (generally not-for-profit) that provide services or goods that deliver benefits to the community. These properties support the delivery of a diverse range of community services, including surf lifesaving activities, community meal provision, childcare and early learning services, and emergency response services (SES headquarters). Investment properties are operated to provide a financial return and/or provide for future income/profit generation.
Public Art, Monuments and Memorials	★★☆☆☆	Newcastle is home to artists, galleries, creative enterprises, art organisations, cultural collections and a community that embraces cultural expression. This service enhances public spaces through the provision of permanent and temporary art installations, fountains, monuments and memorials.
Recreation – Aquatic Services	★★★☆☆	Aquatic services provide facilities and programs for the health, wellbeing and enjoyment of the community, including learn-to-swim classes and water safety education. Attracting visitors to the city as a sporting and leisure destination, the service supports recreational activities at patrolled beaches as well as inland and coastal pools. These facilities enable a range of recreational activities to be practised and enjoyed.
Recreation – Open Spaces	★★★☆☆	CN provides a diverse range of open spaces, including parklands, reserves, recreation facilities, sportsgrounds and other public land. The approach to managing park and recreational spaces incorporates the principles and outcomes of: • Accessibility and connectedness • Equity and opportunity • Safety and security • Sense of place and wellbeing.
Stormwater Drainage and Water Quality	★★★☆☆	CN provides stormwater drainage and water quality for the health and safety of the community and environment. This service integrates closely with the delivery of transport, public spaces and environmental management, contributing to vibrant, safe and activated public places, protected environments and a liveable built environment.

Asset-Based Service	LOS	Service Description
Depot Operations	★★★☆☆	Depot Operations provide the facilities to support services CN delivers to the community. This includes the Works Depot and supporting structures, including: • Administrative buildings • Amenities buildings • Garaging and car parking for fleet and plant • Outdoor storage facilities • Records warehouse • Store warehouse and weighbridge • Vehicle fuelling facilities and washbay • Workshops – fleet and plant; building trade services; tyre shop.
Fleet and Plant	★★★☆☆	This service supports CN in delivering a wide variety of services to the community, ranging from the collection of household waste to the maintenance of local roads and parks.
Bridges and Structures	★★★☆☆	Bridges and structures support the transport network, enabling the movement of people and goods across the community.
Car Parking	★★★☆☆	CN provides on-street and off-street spaces (paid and unpaid) for short-term vehicle parking. Car parking enables participation in the city's opportunities, including work, education, health, social and recreational activities.
Footpaths and Cycleways	★★★☆☆	CN provides footpaths, shared paths and associated infrastructure (such as pedestrian refuges and kerb ramps) to facilitate the safe access and movement of pedestrians and cyclists. The service involves maintenance and renewal of existing paths and facilities and augmentation of cycling and pedestrian networks through the construction of new assets. We are aiming to build connected networks of cycling and pedestrian paths that: • Link homes with places of employment, education, shopping and recreation • Encourage walking and riding for transport and recreation • Are well-designed and able to cater for expected increase in future use • Enhance street amenity and public domain generally.
Public Domain Elements	★★★☆☆	These assets provide street furniture in the road reserve for the community's safety, comfort and amenity. Assets include transport stops, street lighting, street signs, guard rails, roadside fencing and line marking. The service also delivers seats, garbage bins, bike racks and advisory signs that provide comfort and amenity to public domain users. The Urban Centres delivery program is also included in this service.
Roads	★★★☆☆	This service provides safe, reliable and efficient road networks through vehicular connection and travel demand management. Newcastle's road network comprises approximately 865km of roads, of which 751km are classified as local roads, 44km as regional roads and 70km as state roads. Responsibility for transport is shared across all levels of government, with significant overlap. This service also supports the provision of cycleways through on-road facilities and incorporates local area traffic management works, delivering traffic calming of local streets through intersection realignments, horizontal and vertical deflection devices, and improved conditions for walking and cycling. Similarly, the service delivers and supports devices such as raised crossings, kerb extensions and pedestrian refuges to aid pedestrian movement and assist with calming traffic.
Waste Management	★★★☆☆	These services include: • Kerbside collection – a three-bin system for residential properties in Newcastle, with weekly collections for residual waste and alternating fortnightly collections for recycling and green waste • Public waste and recycling bin collection – this service plays a critical role in improving environmental amenity, as well as providing residents with the opportunity to dispose of waste and recycling away from home • Household bulk waste collection. CN also operates the Summerhill Waste Management Centre, which provides recycling, resource recovery and solid waste disposal services for Newcastle residents and commercial/industrial customers.

Table 2: Asset-based services

4. Future Demand

Demand refers to the needs and expectations of service users. CN manages demand through a combination of managing, upgrading and disposing of existing assets; providing new assets; enhancing technology; and exploring alternative service delivery models.

Traditionally, service demand is influenced by:

- Population growth or decline
- Climate change and adaptation
- Evolving customer expectations
- Advancements in technology and innovation
- Commitment to environmental sustainability
- Disability inclusion and accessibility needs
- Legislative and regulatory changes
- Economic changes
- New assets from urban growth and development.

4.1 Demand Management Plan

Table 3 below provides a summary of the forecasted factors expected to impact CN's future service delivery. These influences shape infrastructure planning, resource allocation and services strategies.

Demand Driver	Demand Background	Predicted Impact	Management of Demand and Required Resources
Population Changes (growth or decline)	Newcastle is Australia's seventh-largest city. Over the past decade the population of Newcastle has increased with significant growth in the western corridor. Newcastle's estimated population in 2023 was 174,294, with a projected increase to 205,445 by 2041. The Greater Newcastle population was 604,115 in 2021, with a forecasted growth to 773,825 by 2041.	Increases in population, coupled with growing numbers of people visiting the local region, create additional demand for open spaces, community facilities and transport services. Predicted impacts may include: • Upgrades to the capacity of existing assets and services • New assets to enable CN to maintain service levels • Asset maintenance and renewal demands shifting with increased usage patterns.	Demand will be managed through: • Evidence-based strategies that drive future modelling and resourcing • Identifying resource requirements through service planning and integration with the LTFP • Financial, asset and workforce planning undertaken as part of *Resourcing Newcastle 2040*.
Climate Change and Adaptation	The majority of CN's current infrastructure was designed, built and maintained on the basis that climate conditions in the future would be similar to the past. Building and site modifications are required to preserve the ecological values of the site in response to predicted extreme weather events.	Climate change is expected to increase temperatures and alter the frequency and intensity of extreme weather events such as heatwaves and flooding. This is likely to increase existing infrastructure's vulnerability to natural hazard risks. Damage to one asset may impact other assets, affecting their capacity to provide services. This may impose significant economic and social costs on the community, while also increasing the costs of repairing or replacing damaged assets. Sustainable design should inform new and upgrade capital works, ensuring all opportunities are explored and implemented to improve the environmental performance of an asset and its operation. Capital works and operational programs should incorporate local suppliers and sustainable procurement.	Demand will be managed through: • New and/or upgraded assets being designed and built to support CN's commitment to delivering climate-adapted assets with enhanced environmental performance • Greater collaboration across a range of agencies and stakeholders for the identification, funding and delivery of collaborative solutions to reduce climate change impacts • Proposed capital works being included forecasted programs.
Evolving Customer Expectations	There are increasing expectations for local, diverse and accessible services, including: • Parks • Walkable streets • Integrated accessible transport network • Blue and green corridors • Resilient assets and services.	Increased demand for diverse, customer-centric services that meet user needs. Community expectations relating to transparency demonstrate the need for continued evidence-based decisions. Expectation that services will continue through periods of disruption (e.g. natural disasters and public health emergencies).	Demand managed through: • Monitoring of customer expectations through engagement • Annual updating of operational budgets.
Advancements in Technology and Innovation	Changes in technology are occurring rapidly. Internal and external customers expect that new technologies will be made available quickly for their use.	Advancements in IT, as well as community knowledge and awareness, increase demand for improved and localised services. The integration of technology into service delivery allows for the collection of 'open data' on traffic movements, parking, pedestrian mobility and wayfinding throughout the city. When integrated, this data can provide insight into how the city functions and will enhance urban, transport and development evaluation, as well as safety and emergency responses.	Demand managed through: • Annual updating of upgrade and maintenance plans • Annual updates of resourcing for operational plans and capital works programs • Monitoring industry trends and technologies to determine applicability to CN service elements.

Demand Driver	Demand Background	Predicted Impact	Management of Demand and Required Resources
Commitment to Environmental Sustainability	We are responsible for the delivery of services and infrastructure for a significant proportion of the Newcastle region. Environmental sustainability must be incorporated into service delivery, considering: • Emission prevention and reduction • Climate resilience • Biodiversity, Water Sensitive Urban Design, Urban Forest expansion • Circular economy, including resource efficiency and designing out waste • Whole-of-life-cycle asset management.	There will be increased demand for services to be ecologically sustainable, incorporating environmental management best practice.	To achieve the drive for environmental sustainability, asset management will consider: • Energy efficiency and emissions reduction • Water conservation • Protection of biodiversity, land and water quality • Recycling of waste materials • Promotion of sustainable transport • Use of sustainable building materials. Through the Capital Works Program and operational plan, we will: • Continue investment in public natural assets • Measure environmental performance and impact • Identify priority assets • Improve the quality of corporate information systems underpinning natural asset management planning and decision-making.
Disability Inclusion and Accessibility Needs	CN's Disability Inclusion Action Plan outlines the responsibilities, commitment and actions for creating a more inclusive community. The plan is a key driver in shaping future service delivery. Compliance with S.12(3) of the *NSW Disability Inclusion Act* and *Disability Discrimination Act*.	It is important to consider the different functions CN assets and services may need to fulfil in the future. Factors such as accessibility and the range and type of programs provided need to be considered. The trend towards an ageing population will also place a higher demand on accessible assets and services. Universal and accessibility design principles will need to be incorporated into upgrades and new capital works.	Demand managed through: • Monitoring of legislation • Assessing feedback from community to assist in assigning works to comply with standards • Capital works programs developed to manage compliance with regulatory changes.
Legislative and Regulatory Changes	The SAMP considers local, state and federal legislation, regulations and statutory requirements that may impact demand.	These factors often define minimum requirements for asset management service levels. Changes to these assets and the effect they have on this plan will be considered during the period in which they are proposed.	Demand managed through: • Monitoring of legislation • Education of customers • Maintaining professional networks and alliances • Annual updates of resourcing for operational plans and capital works programs to meet regulatory changes.
Economic Conditions	Changing economic conditions can result in either an increase or decrease in demand.	Improved economic conditions may result in increased leisure and tourism activities. A decline in economic conditions could result in increased need for social support.	Demand managed through: • Annual updates of resourcing for operational plans and capital works programs • Monitoring visitor numbers and facility usage.
New Assets from Urban Growth and Development	The NSW Department of Planning and Environment *Greater Newcastle Metropolitan Plan 2036 (*GNMP) identifies catalyst areas – places of metropolitan significance that need a collaborative approach to the delivery of new jobs and homes. For CN, catalyst areas include Broadmeadow, John Hunter Hospital, Kotara, Newcastle City Centre and trading hubs at Beresfield. The GNMP recognises that good access to transport services is critical for new employment and housing opportunities to be realised, and for achieving the target of 95% of people living within 30 minutes of a strategic centre. This is in addition to the progressive development in the western corridor.	Acquiring new and/or contributed assets will commit CN to funding ongoing operations and maintenance costs. These must be identified and considered when developing future financial forecasts. These assets will increase CN's renewal and maintenance liability as they age in the longer term.	Demand managed through: • Collaborative forward planning across CN service units, utilising operational and capital budgets • Annual updates of operational plans and capital works programs to meet demand.

Table 3: Demand Management Plan

4.2 Asset Programs to Meet Demand

To meet growing demand, new or upgraded assets may be acquired, donated or constructed. Details on additional assets are provided in Section 6.4 and are included in the Capital Works Program.

Acquiring new assets requires CN to plan for ongoing operational, maintenance and renewal costs for as long as the asset remains in service. These future costs are identified and incorporated into long-term financial forecasts, ensuring they are accounted for in the LTFP (see Section 8).

5. Our Assets

5.1 Asset Summary

CN has a wide range of infrastructure and natural assets, captured across eight asset classes:

- Buildings
- Natural assets
- Transport
- Waste management
- Stormwater
- Fleet and plant
- Open space
- Other assets.

CN assets support a wide and diverse range of services, including, but not limited to:

- Administrative services (including development applications and compliance services)
- Community, arts and cultural facilities and programs
- Customer service
- Environmental management
- Urban water cycle management (including flood mitigation and protection)
- Strategy and innovation
- Libraries and learning
- Parks and recreation (including sporting facilities, aquatic services and natural areas)
- Traffic and transport
- Tourism and economic development
- Waste services.

A summary of CN assets is shown in Table 4 below.

Service Output	Asset Stock
Art Gallery	Art Gallery facility, including collection
Beresfield Community Children's Education Centre	Education building
Blackbutt Reserve	Blackbutt Reserve - amenities, information kiosk, toilet block, wombat enclosure, sheds, caretaker's cottage; Richley Reserve - office and storage, amenities; March Street - bush house, potting shed, hothouse, grow tunnel, administration centre, shed; 123 Lookout Road - toilet Blackbutt and Richley Reserves - playground equipment, animal enclosure fencing and raised walkways, shelters, BBQs, bins, seats, tables, bubblers, sandstone log edging/seating, irrigation spear points, signage, bridges, lookouts, lighting, ornamental planting areas, garden walls, turfed areas, gates, footpaths (in recreation areas), public amenities March Street - seats, irrigation, edging, footpaths Lookout Road - wishing well/shelter
Bushland, Watercourses and Public Trees	Watercourses (81km with 4,733m constructed elements); street and park trees (102,799); bushland parcels (91 parcels totalling 5.1 million m^2); tracks and trails (58km); inland cliffs (42 assets totalling 3.6km); nest boxes (106)
Caravan Park	Holiday park
Cemeteries	Cemeteries (3)
City Hall and Function Venues	City Hall facility, including art collection, specialist equipment and furniture; Fort Scratchley function facility
Civic Theatre	Civic Theatre facility, including Playhouse and Civic Digest, Civic Theatre storage, Civic Theatre loading shelter, specialist equipment and furniture, Wheeler Place
Climate Change and Sustainability	Solar farm, EV charging stations
Coast, Estuary and Wetlands	14km coastline, including 21 coastal cliff lines (3.6km); dunes (4.5km); wetlands (65); coastal and estuary native vegetation parcels, including littoral rainforest, themeda grasslands and EEC casuarina; 35 saltmarsh and mangroves (12km); 9 rock platforms (3.3km); rock catch barrier fencing; rock bolt anchors
Community Halls and Centres	Community facilities (19) including senior citizens' centres, halls and community centres
Information Technology	Computers; IT peripheral items; mobile devices; network devices; network storage; software; software licences
Libraries	Libraries (11), including collections
Museum	Museum facility, including collections; historic Fort Scratchley
Property Services – Investment and Community Portfolio	Surf clubs (6); community-leased childcare; SES headquarters; Meals on Wheels; commercial buildings including kiosks; Shepherds Hill Cottage
Public Art, Monuments and Memorials	Public art, fountains, monuments and memorials; heritage fort (Shepherds Hill)
Recreation – Aquatic Services	Ocean baths facilities (2); aquatic centres (5); patrolled beaches (6); lifeguard facilities (8)
Recreation – Open Spaces	Dog off-leash areas (17); outdoor exercise facilities (4); community gardens (14); recreation parks (250); sporting grounds (147); sports venues (63); grandstands (15); BMX/skate parks (13); playgrounds (134); support buildings such as clubhouses and sheds; supporting structures such as fencing, flagpoles, scoreboards, lighting, irrigation, seating, animal enclosures, shade and shelter structures, kiosks, jetties, public amenities and boat ramps
Stormwater Drainage, Water Quality and Flood Planning	Pipes (515km); culverts (187km); pits (26,889); headwalls (1,115); water quality devices including gross pollutant traps, water-sensitive urban designs and stormwater (635); quality improvement devices; flood detention basin (prescribed dam); detention basins (38); detention tank; tide gates (28); open channels (stormwater) (5.5km); flood warning system; groundwater monitoring assets (4); rain gauges (10)
Support Services – Depot Operations	Works Depot buildings (21); Works Depot supporting structures (3)
Support Services – Fleet and Plant	Fleet and plant vehicles (525)
Transport – Bridges and Structures	Road bridges (41); pedestrian and cycle bridges (70); subways (4); tunnel (Fernleigh Track); retaining walls (road network) (184 totalling 10.4km); mangrove pedestrian boardwalk
Transport – Carparking	Off-street carparks (120); parking meters on- and off-street (360)
Transport – Cycleways and Pathways	Constructed footpaths (900km, including 63km shared paths); on-road cycleways (72km)
Transport – Public Domain Elements	Transport stops with seat (230); transport stops with shelter (140)
Transport – Roads	Local roads (865 km); state roads (70km); regional roads (44km); kerb and gutter (1,487km)
Visitor Information Centre	Civic Station – Visitor Information Centre
Waste Services	Waste and resource recovery centre including 11 support buildings, weighbridges, gates and fencing, internal roads

Table 4: Asset summary

5.2 Asset Condition

To sustainably manage the infrastructure of our historic coastal city, CN uses condition and asset consumption modelling to inform asset planning, optimising maintenance and renewal expenditure. As infrastructure ages, overall asset consumption increases, requiring strategic investment in ongoing maintenance and renewal.

CN assesses infrastructure condition using a 0–10 scale, which is then converted to a 1–5 condition scale for financial reporting. Asset condition data is recorded in CN's corporate asset system, Works and Assets, ensuring consistent and accurate asset tracking and management.

	Infrastructure Asset Condition Assessment Key	
1	Excellent/Very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Table 5: Condition scale

Table 6 below provides a summary of CN's overall built and natural asset condition as of June 2024.

Asset Class	Asset Type	Average Condition	Year of Assessment	Next Proposed Assessment	% of Assets Rated as Satisfactory
Buildings		2.5	2023	2028	91%
Open Spaces	Animal Enclosure	3.4	2021	2026	46%
	Barriers	1.9	2021	2026	100%
	Boating Facility	2.2	2021	2026	100%
	Cemetery	1.2	2021	2026	100%
	Feature Wall	1.6	2021	2026	100%
	Flagpoles	2.2	2021	2026	96%
	Fort	3.7	2023	2028	40%
	Garden Wall	2.2	2021	2026	100%
	Inland Pool	3.1	2021	2026	80%
	Lighting	2.2	2021	2026	100%
	Monument or Memorial	3.4	2021	2026	71%
	Observation Tower	3.0	2021	2026	100%
	Ocean Baths	2.4	2021	2026	100%
	Park Furniture	1.8	2021	2026	99%
	Playground Area	2.1	2021	2026	99%
	Public Artwork	2.5	2021	2026	95%
	Retaining Wall	2.5	2021	2026	92%
	River Wall	3.1	2021	2026	71%
	Sea Wall	2.6	2021	2026	72%
	Shelter	2.4	2021	2026	85%
	Signage	2.6	2021	2026	99%
	Skateboard Facility	2.0	2021	2026	100%
	Solar Farm	2.0	2021	2026	100%
	Sporting Fixture	2.0	2021	2026	98%
	Storage	2.5	2021	2026	76%
	Waste Collection Point	1.5	2021	2026	100%
	Water Feature	3.0	2021	2026	100%
	Water Fixtures	1.8	2021	2026	100%
Stormwater	Constructed Waterway	1.7	2025	2030	98%
	Culvert	3.7	2025	2030	42%
	Headwall	3.1	2025	2030	60%
	Stormwater Pipe	3.2	2025	2030	60%
	Stormwater Pit	2.9	2025	2030	67%
	Surface Drain	2.0	2025	2030	94%
	Tidal Control	2.1	2025	2030	89%
	Water Quality Device	2.2	2025	2030	2.2
Transport	Bridges	2.1	2025	2030	93%
	Parking Areas	2.4	2025	2030	95%
	Pathways & Footpaths	2.1	2025	2030	99%
	Roads	2.3	2025	2030	94%
	Street Furniture	2.0	2025	2030	100%
Waste Management	Summerhill Waste Management	2.0	2021	2026	100%
Natural	River walls	2.01	2021	2026	52%
	Watercourses	2.96	2008 ongoing	Ongoing	52%
	Bushland	3.04	2025	Ongoing	58%
	Public Trees	2.26	2025	Ongoing daily	76%
	Wetlands	2.56	2011 ongoing	Ongoing	56%
	Sea Walls	2.19	2021	2026	60%
	Dunes	3.42	2025	2027	72%
	Coastal Cliff Lines	3.38	2025	2026	53%

Table 6: Built and natural assets

The asset consumption ratio reflects the condition of CN's infrastructure assets. Currently, 50% of CN's infrastructure assets have been consumed, indicating they have moved into the second half of their life cycle. As a result, the demand for asset renewal will continue to increase, requiring ongoing investment to maintain service levels and infrastructure sustainability.

Asset Consumption Ratio

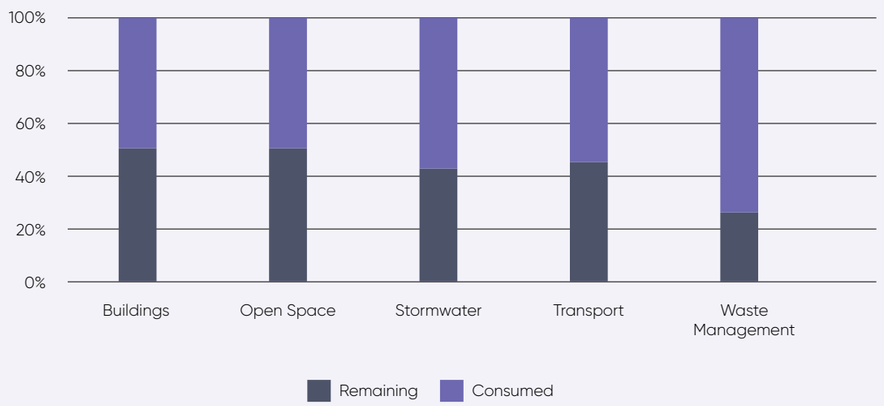


Diagram 7: Asset consumption ratio (built assets)

6. Asset Life Cycle Management

6.1 Background

The AMP, AMS and this Plan provide a consistent framework for managing assets throughout their entire life cycle. A whole-of-organisation approach is critical to align with best practices and maximise asset value over time.

According to the *Australian Infrastructure Financial Management Manual (2015),* effective asset management involves the following components:

- Operations - Routine work needed to deliver services, such as power, fuel, staffing, plant and equipment
- Maintenance - Routine work needed to keep asset in serviceable condition, ensuring functionality and reliability
- Renewal - Investment in restoring or replacing an asset to return it to its original capacity
- Upgrade - Enhancements that extend an asset's life or improve its level of service
- New Assets - Investment in planning, design, construction and acquisition of infrastructure that did not previously exist
- Disposal - Activities required to decommission and remove assets that are no longer needed.

6.2 Operations and Maintenance Plan

Operations and maintenance planning enables the day-to-day management and upkeep of assets to support agreed LOS. CN's annual budget cycle provides opportunity to review and adjust operational and maintenance budgets, ensuring service provision remains efficient and sustainable.

To support a diverse range of social, economic and environmental services, CN maintains assets to:

- Prevent further deterioration, extending asset life
- Meet statutory and technical requirements, including scheduled and reactive inspections for health, safety and security
- Maintain assets at an appropriate standard, ensuring functionality and community value
- Minimise whole-of-life costs, optimising resource allocation and efficiency.

CN implements preventative, statutory and condition-based maintenance to sustain service delivery. Maintenance responsibilities are outlined in individual Service Level Agreements, the City-Wide Maintenance Plan or specialist maintenance contracts. These documents define timeframes and prioritisation for maintenance activities.

Timely maintenance is essential to ensure service delivery and sustainable asset management. Preventative maintenance slows down asset deterioration, whereas reactive maintenance restores the serviceability of the asset. As such, the scope of maintenance includes:

- Scheduled preventative maintenance – Proactively protects the asset to optimise useful life, reducing the risk of failures, safety hazards and service disruptions
- Reactive maintenance – Addresses urgent asset failures requiring immediate action. Assessments and prioritisation ensure resources are allocated efficiently.

6.2.1 Operational and Maintenance Systems

Scheduled and reactive maintenance activities are identified and managed through the Works and Assets system, covering various asset classes. These activities are currently managed using TechOne-Ci or Ci-Anywhere.

To enhance efficiency and data consistency, CN plans to fully integrate maintenance management into Ci-Anywhere over the next two years. This transition will unify maintenance processes across all asset classes; improve planning, scheduling and reporting capabilities; and enhance data confidence for better decision-making and resource allocation.

6.3 Renewal Plan

Asset renewal ensures that infrastructure is restored, rehabilitated or replaced to maintain its original or required service capacity. When determining renewal needs, CN evaluates:

- Condition of the asset - Can its useful life be extended, delaying renewal?
- Service level requirements - Does the asset meet or fall short of required standards?
- Fitness for purpose – Does the asset's capacity and functionality align with service needs?
- Environmental ratings - Does the asset meet sustainability and efficiency targets?
- Utilisation rates - Is the asset used efficiently, or is demand changing?

Regular condition inspections inform the renewal program. All proposed capital renewal works are recorded in the Project Portfolio Management (PPM) system. Project proposals include strategic alignment with CN objectives; detailed business case and justification; indicative cost estimate; priority rating based on asset needs; and timeframe for delivery.

The financial projections and renewal requirements outlined in this plan inform CN's LTFP and are incorporated into the annual planning and budget process.

Given the scale and prioritisation of capital works, some projects may be scheduled beyond the current 10-year timeframe. Renewal programs for delivery are identified in *Delivering Newcastle 2040* and support CN's commitment to sustainable infrastructure management and service delivery, including:

Roads, bridges and footpaths

Fleet management

Stormwater

Environment

6.4 Acquisition and Upgrade Plan

The need for additional or upgraded services is determined through analysis of CN's strategic goals, current and desired service levels, and legislative requirements. The need for a service drives the planning and acquisition of assets to deliver the service.

All proposed new and upgrade capital works are recorded in CN's PPM system. Project proposals include:

- Strategic alignment with CN's objectives
- A detailed business case outlining justification
- Indicative cost estimates for financial planning
- Priority rating based on service impact
- Timeframe for delivery to manage expectations.

To ensure capital upgrade and new projects effectively support LOS objectives, CN will:

- Plan and schedule projects efficiently to deliver the defined LOS
- Review capital project management activities to maximise value for resources used
- Conduct thorough project scoping, including:
  - Identifying service delivery gaps, risks and required timelines
  - Defining project objectives, ensuring value management for major projects
  - Assessing options for universal access and inclusion
  - Exploring multiple solutions, evaluating capital and life cycle costs
  - Managing risks associated with various options
- Evaluate all project options against CN's adopted selection criteria
- Select the most viable option for inclusion in the capital upgrade and new asset programs.

Financial projections and requirements identified in this plan inform CN's LTFP and are incorporated into the annual budget process. Due to project prioritisation, some capital works may extend beyond the current 10-year timeframe.

Priority projects for delivery are outlined in *Delivering Newcastle 2040* and include:

Newcastle Ocean Baths upgrade

Local Centre upgrades

- Wallsend Local Centre

- Orchardtown Road, New Lambton

Foreshore Park, Newcastle all-abilities playground and water park upgrade

Expansion of Newcastle Art Gallery

6.5 Disposal Plan

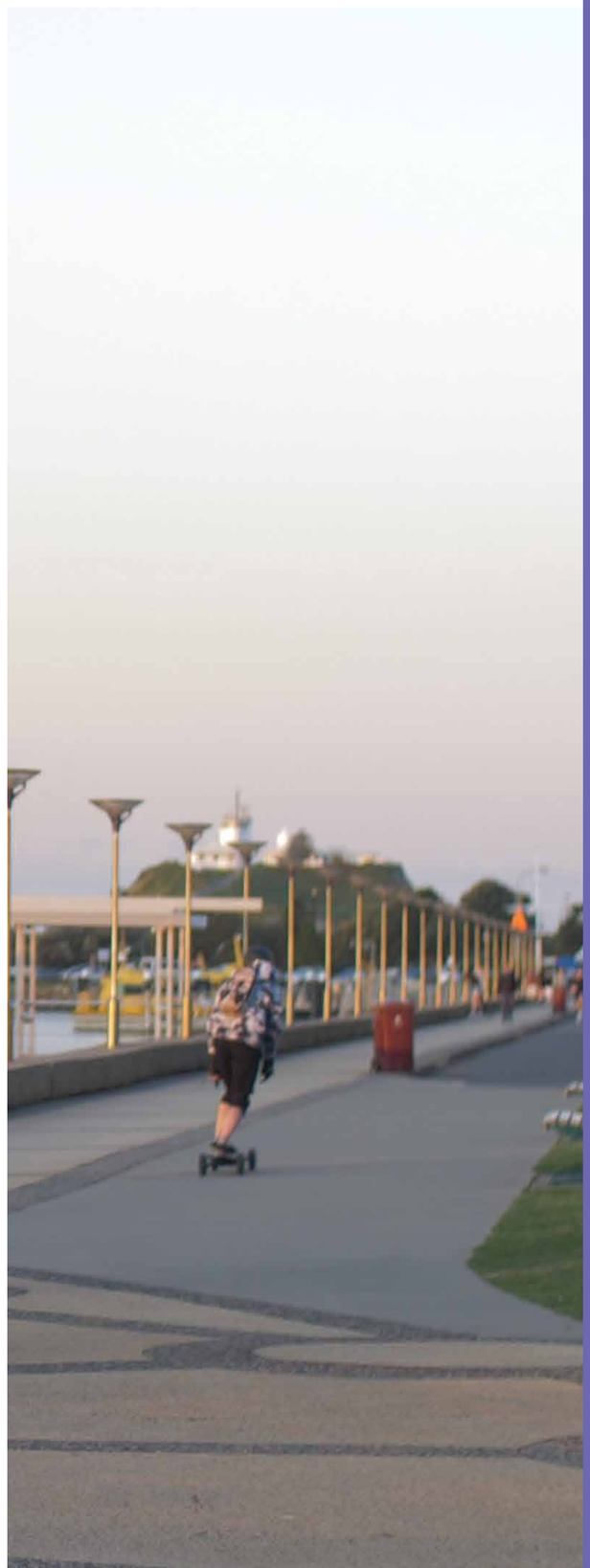
Disposal is the closing, decommissioning or sale of an asset or service. Asset disposal is considered within each SAP to ensure assets are managed efficiently and aligned with service needs. When proposing disposal of an asset, SAPs evaluate:

- Compliance with CN's policies and procedures for asset disposal
- Assets that have reached or are nearing the end of useful life
- Findings from service and asset reviews, identifying assets that are no longer fit for purpose or under/over-utilised based on current service levels
- Alternative service delivery methods that may require changes to the asset
- Opportunities to repurpose the asset within CN services.

For asset disposal, Property Services are responsible for:

- Managing negotiations for the disposal of surplus land and buildings
- Coordinating with legal service providers on all property transactions
- Keeping stakeholders informed to ensure accurate ownership and maintenance records
- Ensuring title documentation is current and facilitating title conversions.

Significant asset disposals require endorsement from the Asset Advisory Committee, ensuring transparency and strategic alignment with CN's asset management objectives.



7. Risk Management

7.1 Risk Assessment

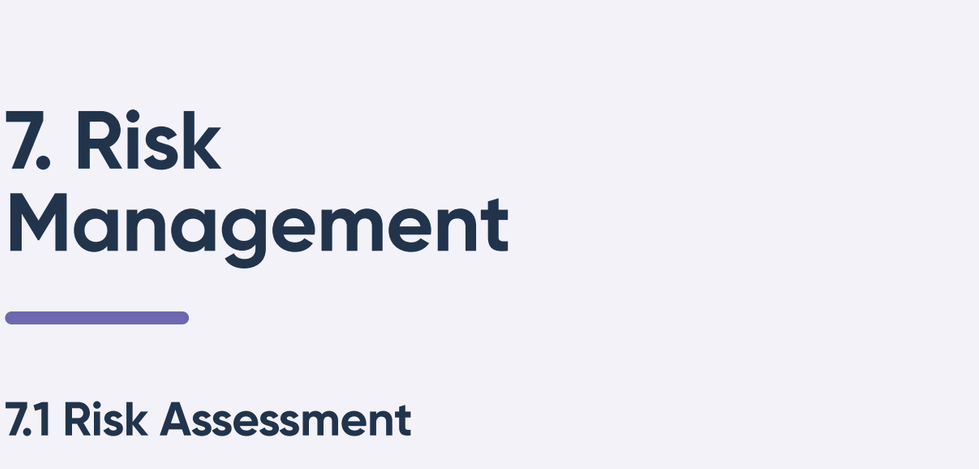
CN is committed to integrating risk management into its core business functions, ensuring risk is embedded in asset planning and decision-making. A strong risk culture is essential to delivering on CN's vision and purpose.

Asset Custodians and Service Unit Managers are responsible for evaluating assets and identifying significant risks that may impact asset performance and service delivery.

Effective asset governance aligns with CN's objective of ensuring efficient, reliable and sustainable operations for the community.

CN's risk management framework aligns with:

- *ISO 55000:2014 Asset Management* - Ensuring a structured, strategic approach to asset governance
- *ISO 31000:2018 Risk Management Guidelines* - Applying a risk-based approach to inform decisions throughout the asset life cycle.



CN's risk assessment process involves:

- Identifying critical and high risk assets based on likelihood and consequence of potential risks
- Evaluating risks to determine their impact on service delivery and asset performance
- Developing action plans to mitigate identified risks and ensure asset resilience.

This process is guided by CN's Enterprise Risk Management (ERM) Framework, ensuring a consistent and structured approach to risk management. All identified risks are recorded in the Enterprise Risk Management System (CAMMS Risk Module).

7.2 Critical and High-Risk Assets

CN's risk assessment process focuses on identifying high-risk assets and implementing strategies to mitigate potential failures. While CN does not manage utility networks or sewer supply, and therefore does not classify any assets as critical, it does manage high-risk assets, which are defined as assets that:

- Have a high consequence of failure
- Have the potential to reduce service levels and availability
- Require immediate action to prevent disruption.

CN's high-risk assets include the Works Depot, road network, and other assets identified within individual operational SAPs.

To minimise risks and ensure service continuity, CN:

- Identifies high-risk assets through SAPs
- Develops methodologies to manage risk and maintain service levels
- Targets and refines investigative activities, maintenance schedules and capital expenditure plans
- Utilises asset modelling software to prioritise investment in high-risk assets, improve risk mitigation strategies and enhance long-term asset performance.

By proactively managing high-risk assets, CN provides efficient resource allocation, infrastructure resilience and sustainable asset management to support continuous service delivery.

7.3 Infrastructure Resilience Approach

The *International Infrastructure Management Manual* defines 'resilience' as more than just responding to natural disasters. It encompasses an organisation's capacity to withstand disruption and absorb disturbances, act effectively during a crisis, adapt to changing conditions including climate change, and grow and strengthen over time.

CN's Business Continuity Management Framework (the Framework) establishes structured measures to:

- Minimise the impact of disruptions
- Safeguard critical services and functions
- Support a rapid and effective return to normal operations
- Enhance capability and long-term organisational resilience.

The Framework ensures that critical business functions remain operational, even during incidents or emergencies beyond normal business capabilities. It consists of:

- Business Continuity Management Policy - Outlines approach to resilience
- Business Continuity Plans - Provide strategies for service recovery
- Crisis and Emergency Management Plan - Addresses high-risk disruptions that could impact business activities, revenue, reputation and service delivery.

The Framework is developed in accordance with ISO 22301:2019 Societal security – Business continuity management systems – Requirements.

8. Financial Summary

8.1 Forecast Life Cycle Costs

Life cycle asset management involves planning and implementation management strategies at every stage of an asset's life cycle, from initial planning to eventual disposal.

The estimated life cycle costs are shown in Table 7 below. These projections are based on:

- Operational and maintenance expenditure derived from the adopted 2024/2025 operational budgets, with assumed increases of 3.2% for 2025/2026, and 2.5% annually for future years, as per the LTFP
- Renewal, upgrade and new asset costs drawn from the proposed 2025/2026 Capital Works Program.

When calculating annual new, upgrade and renewal costs, CN factors in operational cost estimates, which include salaries and employee entitlements, materials and external contractor costs, bank charges and depreciation, internal fleet charges, and telecommunications expenses.

Life Cycle Category	FY 26 ($,000's)	FY 27 ($,000's)	FY 28 ($,000's)	FY 29 ($,000's)	FY 30 ($,000's)	FY 31 ($,000's)	FY 32 ($,000's)	FY 33 ($,000's)	FY 34 ($,000's)	FY 35 ($,000's)
Operational	190,248	195,004	199,879	204,876	209,998	215,248	220,629	226,145	231,798	237,593
Maintenance	68,552	70,266	72,022	73,823	75,668	77,560	79,499	81,486	83,524	85,612
Renewal	80,340	70,469	72,230	74,036	75,887	77,784	79,729	81,722	83,765	85,859
Upgrade and New	74,160	57,656	59,098	60,575	62,089	63,642	65,233	66,864	68,535	70,249
Disposal – Proposed Asset Sale	-	-	-	-	-	-	-	-	-	-
Disposal – Other	-	-	-	-	-	-	-	-	-	-
Total	413,300	393,395	403,229	413,310	423,643	434,234	445,090	456,217	467,622	479,313

Note: These budgets are subject to change based on individual year bids, CN strategies and available funding opportunities, meaning they are expected to fluctuate annually. CN reviews new capital projects annually, with one year of works approved through the annual *Delivering Newcastle 2040.*

Table 7: Financial summary

8.2 Funding Strategy

The funding strategy for service and asset delivery is outlined in CN's 10-year LTFP. Projected expenditure identified in Table 9 is funded through a combination of CN's operating and capital budgets, loans and reserves, and Commonwealth and NSW Government grants.

The LTFP is a dynamic document, continuously reviewed and refined to reflect changing financial circumstances as accurately as possible. As a core component of CN's IPR Framework, the LTFP demonstrates the financial impacts of providing service levels and assets to the community. It aligns with *Delivering Newcastle 2040,* which sets service infrastructure priorities through the annual budget process, and integrates key objectives from CN's corporate planning documents, including *Newcastle 2040,* AMS, SAP and the WDSP. The LTFP has been updated through the 2025/2026 annual budget process to ensure ongoing alignment with strategic priorities.

The diagram below demonstrates the relationship between discretionary and non-discretionary funding strategies, supporting sustainable asset life cycle management. CN reviews budget requirements annually to maintain a financially sustainable approach to service delivery and infrastructure investment.

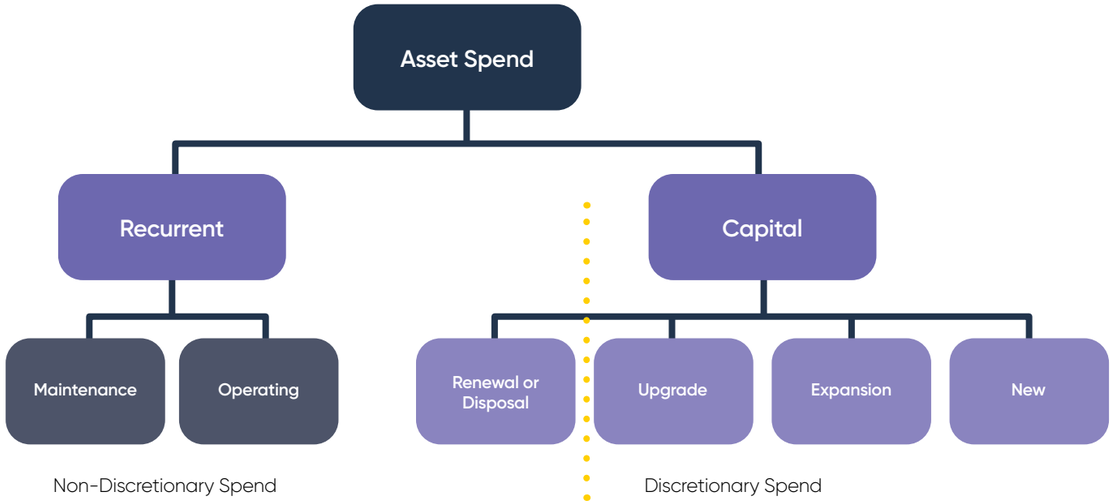


Diagram 8: Asset spending model

8.3 Valuation

Our assets represent significant financial investment and value. All financial assets covered by this SAMP are required to be valued at fair value with comprehensive revaluations occurring at least every five years using appropriate methodology.

The market approach is used when appropriate to determine the fair value of the limited number of non-specialised buildings, investment properties and the Museum and Art Gallery collections; however, for the majority of infrastructure assets, fair value is derived using the cost approach. Under this method the current replacement cost of an asset is determined, then adjusted for physical deterioration and other obsolescence.

Current replacement cost is the amount that it would cost to replace the service capacity of an asset based on the cost to a market participant buyer to acquire or construct a substitute asset of comparable utility. The reference asset could be a modern equivalent asset or a replica asset. Unit rates for current replacement cost used in the fair value process include all observable costs that a market participant buyer would need to incur to acquire or construct the reference asset, in the subject asset's location. Where costs are not observable, CN relies on its own data to form assumptions on the costs necessarily incurred by the market participant buyer. Where no data are reasonably available, costs are omitted.

The table below is a summary of the current replacement value of CN's infrastructure and other assets relating to this SAMP.

Asset Class	Current Replacement Cost ($,000)	Accumulated Depreciation ($,000)	Written Down Value ($,000)
Buildings	468,317	231,247	237,070
Open Space	333,282	165,912	167,371
Stormwater	399,702	193,522	206,180
Transport	1,383,455	656,056	727,400
Waste Management	101,139	74,665	26,474
Fleet	39,870	28,397	11,473
Other Assets*	128,676	17,797	110,879
Total	**2,854,441****	**1,367,596**	**1,486,847**

*Other assets include collections, equipment and furniture

** Includes excavation

Table 8: Asset valuation and depreciation (Source: 2023/2024 Financial Statements)

A summary of the current replacement value of natural assets is provided below.

Asset Description	Current Estimated Value ($,000)
Bushland[1]	130,109
Public trees[2]	117,266
Watercourses	95,022
Coast[3]	64,218
Wetlands	55,705
Retaining Walls	93,269
Total	**555,589**

[1] Includes bushland, habitat trees, tracks and trails, and inland cliff lines
[2] Public trees include street and park trees and nest boxes
[3] Includes rock catch fences and sand dune fencing

* Constructed assets included with natural asset estimated value

Table 9: Natural assets – current replacement value (Source: Natural Asset Register)

9. Improvement Plan and Monitoring

9.1 Status of Asset Management Practices

CN models its asset management practices on the IIMM published by the Institute of Public Works Engineering Australasia. The manual serves as a best practice guide for effective asset management.

9.1.1 The Asset Management System

The asset management system encompasses both the information technology systems used for asset management and the people, processes and resources involved in delivering services. Its key functions include asset registration, condition assessments, strategic planning, predictive and deterioration modelling, risk analysis, and life cycle costing. The system is further supported by the relevant financial and governance policies.

Key components of the asset management system include:

- Asset management planning – Includes plans such as the AMP 2025, AMS 2025–2035, SAMP 2025–2035 and operational SAPs
- Works and Assets module - Maintains the asset register and records maintenance and capital costs
- Project management software - Facilitates project identification, approval, prioritisation, delivery and long-term forecasting of capital works
- CAMMS Strategy module - Integrates organisational, strategic and service planning into a unified monitoring and reporting framework
- CAMMS Risk module - Identifies, profiles and assesses risks while managing mitigation strategies
- Property and Rating module - A request management system that captures, tracks, stores and retrieves information on both internal and external service requests
- Asset management procedures - Covers asset life cycle processes such as procurement, maintenance, project management and disposal.

9.1.2 Asset Management Confidence Rating

The confidence level in CN's asset management systems, which is used as a basis for financial forecasting, has been assessed using the Confidence Rating System in Table 10. A low confidence rating indicates limitations in the reliability of asset data, reducing its effectiveness for high-level business decisions and option analysis.

Confidence Grade	Description
A	**Highly Reliable** Data based on sound records, procedure, investigations and analysis, documented properly and recognised as the best method of assessment.
B	**Reliable** Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example old data, some documentation is missing, and/or reliance is placed on unconfirmed reports or some extrapolation.
C	**Uncertain** Data based on sound records, procedures, investigations and analysis that is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data.
D	**Very Uncertain** Data based on unconfirmed verbal reports and/or cursory inspection and analysis. Dataset may not be fully complete and most data is estimated or extrapolated.
E	**Unknown** No or very little data held.

Table 10: Confidence Rating System (Source: International Infrastructure Management Manual [2020] – IPWEA)

The confidence rating for the asset data informing the AMS and SAMP ranges between B and C, dependent on the service and asset classes supporting that service. CN's built and natural assets are mapped in a Geographic Information System (GIS). Maintenance works are captured on work orders, and capital projects are captured and recorded in project management software. Condition assessments are undertaken approximately every five years. In cases where asset condition data is incomplete, extrapolated data is used to forecast renewal needs for certain asset classes.

Each SAP details specific improvements to asset registers and management systems detailing asset condition, inspection schedules, and maintenance and renewal plans. Where asset condition data is incomplete, CN extrapolates the overall condition of the asset class and develops data improvement plans. For transport assets, condition assessments are based on the required level of service, ensuring that infrastructure remains safe, functional and aligned with community expectations.

CN has identified opportunities to enhance asset management capabilities, including improving data capture processes, enhancing GIS integration, and expanding asset class inclusion in the Works and Assets register.

To improve the current confidence ratings, CN is implementing a structured program that includes:

- Ongoing master data cleansing to provide accuracy and consistency
- Integration of asset management systems (e.g. TechOne CI and CIA) with GIS for enhanced data capabilities
- Integration of natural asset systems for a more holistic asset management approach
- Deployment of mobile technologies (e.g. field apps) for real-time asset data capture
- Process enhancements, including the designation of Subject Matter Experts within individual teams
- Clearly defined roles and responsibilities across all asset classes.

These initiatives will enable CN to develop optimised asset life cycle cost models, informing service levels, operational SAPs and the LTFP. Additionally, they will improve confidence in the financial data supporting this plan, which is currently assessed between B and C (see Section 8). To further enhance confidence in asset life cycle costing, CN has outlined key actions within its asset management improvement programs.

9.2 Improvement Program

An active and effective SAMP should include ongoing review and continuous improvement of the systems, data and processes used to manage both assets and services. Table 11 below identifies key areas for potential enhancement to support more effective asset management planning and practices, while strengthening financial planning capabilities.

No.	Priority	Deliverables	AMS Objective	Timeline
1	Reviewing LOS in alignment with *Newcastle 2040* and related strategies	Completed star rating review *Newcastle 2040* alignment CAMMS reporting	2, 5, 8, 9	2026/27 Align with CSP reviews
2	Improving the asset management system to enhance efficiency and data accuracy	Continual maturity in asset data and maintaining asset management system's confidence rating	2, 7	Ongoing
3	Increase broad staff awareness of the importance of updating SAPs	The plan outlines the types of services provided in respect to the budget	9	Ongoing
4	Strengthening integration between asset planning and resourcing strategies	The plan contributes to CN's LTFP and budget bids	1, 8	Ongoing
5	Clarifying roles and responsibilities of Asset Custodians and Asset Managers in service delivery and asset management	Updated operational SAPs	9	25/26
6	Reviewing strategies that propose new assets or changes to existing LOS	IPR strategy costing requirements achieved and sustainable capital works delivered for the community Capital works identified, costed and included in future forecasts	1, 6	Ongoing
7	Conducting condition inspections and reports to inform renewal and maintenance planning	Condition inspections undertaken and reports imported to asset register	4	On a 5 year rotation - as per asset class and category
8	Assessing operations and maintenance budgets to ensure service delivery is adequately funded	LOS sustainably achieved over the life of the plan	1, 4, 6	Ongoing
9	Reviewing the Project Management Policy and procedures to identify opportunities for project delivery improvements	Project prioritisation methodology implemented	1, 3	25/26
10	Embedding environmental sustainability into service delivery and asset management practices	Each operational SAP continues to detail sustainable environmental measures, including climate mitigation and adaptation requirements	1, 10	Ongoing

Table 11: Improvement plan (actions are listed numerically, not in order of priority)

9.3 Monitoring and Review Procedures

The SAMP spans a 10-year period and is scheduled for a full revision and updating within six months of a newly elected Council. The monitoring and review cycle for the plan is outlined in Table 12 below.

Plan Attribute	Required Processes	Review Cycle	Next Due
Performance Reporting	CAMMS corporate reporting (including dashboards) Report on action plan and performance measures (six-monthly and annual reporting)	Quarterly Biennially and annually	Ongoing
Current Level of Service	Assess current LOS using the 5-star rating matrix	Biennially	26/27
Desired Level of Service	Consult with community to ascertain desired LOS	Biennially	26/27
Asset Summary and Condition	Update: • Asset condition profile • Age condition profile • Asset valuations • Depreciation • List of assets currently in the backlog	In line with revaluation cycle	Ongoing
Demand Forecast	Forecast effect of future demand on service	Biennially	26/27
Forecast Life Cycle Costs	• Forecast operations, maintenance, renewal, upgrade, new and disposal expenditure • Update LTFP assumptions	Annually	Ongoing
Cost of Service	Calculate cost of service	Biennially	26/27
Cost of Service for Desired LOS	Forecast cost of service to deliver desired LOS	Biennially	26/27
Risk Management	Update Risk Management Plan (CAMMS Risk)	Annually	Ongoing

Table 12: Plan review cycle

9.4 Performance Measures

The effectiveness of this SAMP can be measured through the following key indicators:

- Integration of CN resourcing strategies, ensuring that forecast costs identified in this SAMP are incorporated into the LTFP and resourcing strategies
- Achievement of improvement actions, which are tracked and reported through Service Unit performance targets
- Enhanced accuracy in forecasted life cycle budgets, leading to greater financial confidence
- Development and implementation of defined LOS
- Identification of risks that influence LOS attributes, with these risks being captured in the risk register
- Alignment with asset renewal funding ratio targets
- Improvement in the asset data confidence rating (Refer to Section 9.1.2).

10. References

Asset Management Policy August 2025

Asset Management Strategy 2025–2035

Australian Infrastructure Financial Management Manual 2015 – IPWEA

Delivering Newcastle 2040

Enterprise Risk Management Guideline 2019

General Purpose Financial Statements 2023/2024

International Infrastructure Management Manual 2020 – IPWEA

Integrated Planning and Reporting Framework 2020

Newcastle 2040

Our Budget – Delivery Program and Operational Plan 2024

Practice Note 8: LOS & Community Engagement 2014 – IPWEA

11. Appendix

11.1 Glossary

	Description
Asset	A physical component of a facility, which has value, enables services to be provided and has an economic life of greater than 12 months.
Asset Custodian	The CN staff member with responsibility for the stewardship of an asset, who is responsible for defining the level of service required for the asset.
Asset Register	A record of asset information considered worthy of separate identification, including inventory, historical, financial, condition, construction, technical and financial information.
Asset Infrastructure Service	Any service provided in the identification, management and construction of CN assets.
Asset Life Cycle	The series of stages involved in the management of an asset, starting with the planning stage when the need for an asset is identified and continuing through an asset's useful life and eventual disposal.
Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.
Asset Manager	The CN staff member with responsibility for providing ongoing advice, maintenance, renewal and support services to facilitate the service provided by the Asset Custodian.
City of Newcastle (CN)	Newcastle City Council.
Customer Levels of Service (LOS)	Attributes of a service from a customer viewpoint; how the customer receives or experiences the service. Customer LOS are reported using 1–5 star rating assessments for each service output, which are collated to form a current average LOS.
Depreciation	The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.
Integrated Planning and Reporting (IPR) Framework	Office of Local Government framework allowing NSW councils to draw their various plans together, understand how they interact and get the maximum leverage from their efforts by planning holistically and sustainably for the future.
ISO 22301:2019	Management system standard that specifies requirements to plan, establish, implement, operate, monitor, review, maintain and continually improve a documented management system to protect against, reduce the likelihood of occurrence, prepare for, respond to, and recover from disruptive incidents when they arise.
ISO 55000	An international standard covering management of assets of any kind. The objective of ISO 55000 is to achieve and ensure the highest level of asset performance by balancing the organisation's costs, risks and opportunities.
Level of Services (LOS)	The outputs or objectives an organisation or activity intends to deliver to customers. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental factors, acceptability and cost.
Life Cycle	The cycle of activities that an asset (or facility) goes through, from planning and design to decommissioning or disposal.
Life Cycle Cost	The total cost of an asset throughout its life, including planning, design, construction, acquisition, operation, maintenance, and rehabilitation and disposal costs.
Long-Term Financial Plan (LTFP)	The LTFP is a tool for stakeholders (Council and the community) to use in deciding what resources CN needs to apply to deliver on the outcomes contained within the Community Strategic Plan.
Maturity Assessment	The process used to understand the effectiveness of an organisation's asset management system and LOS, and to comply/align with standards and regulatory requirements.
Predictive Modelling	The method of projecting costs associated with maintenance, renewal, acquisition and disposal of assets to achieve an acceptable condition or service level. Predictive modelling can be used to predict a required budget or to view the distribution of a specified budget.
Risk	The effect of uncertainty on objectives. Risk events are events that may compromise the delivery of CN's strategic objectives.
Risk Management	The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.
Remaining Life	The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining life is economic life.
Replacement Value	The amount CN would have to pay to replace an asset at the present time.
Services	The actual deliverables that CN provides to the community.
Service Asset Plan (SAP)	Internal planning document detailing the requirements necessary to effectively manage assets that exist to support service delivery. SAPs establish a framework to ensure sustainable community service expectations are met. This involves achieving a balance between delivering services to meet community needs and our ability to manage and resource the asset portfolio accordingly. SAPs enable rational and coordinated decision-making about LOS where resources, funding, people and assets are used through clear links to long-term financial planning.
Star Rating System	Provides a universal platform for comparing LOS across different services at a corporate level.
Technical Levels of Service (LOS)	Support Customer LOS measures and are used internally to measure the performance of a service.
Useful Life	The period over which an asset is expected to be available for use by an entity (in the context of its service to the entity and not the asset's actual physical life).
Workforce Development Strategic Plan (WDSP)	Outlines how CN will develop and prepare our workforce to meet the changing demands of our community as well as the emerging challenges faced by an ageing workforce.
Written Down Value	The amount at which an asset is recorded (either at cost or fair value) within the asset register after deducting any accumulated depreciation and impairment losses. This is the same as an asset's carrying amount or net book value.

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