



# THE COMMITTEE AGENDA & REPORTS

for the meeting

Tuesday 19 October 2021  
at 5:30 pm

in the Colonel Light Room  
Adelaide Town Hall



Members - The Right Honourable the Lord Mayor, Sandy Verschoor  
Deputy Lord Mayor, Councillor Couros (Chair)  
Councillors Abrahamzadeh, Donovan, Hou, Hyde, Khera, Knoll,  
Mackie, Martin, Moran and Snape.

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## 1. Acknowledgement of Country

At the opening of The Committee meeting, the Chair will state:

'Council acknowledges that we are meeting on traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.'

## 2. Apologies and Leave of Absence

Nil

## 3. Confirmation of Minutes – 5/10/2021 [TC]

That the Minutes of the meeting of The Committee held on 5 October 2021, be taken as read and be confirmed as an accurate record of proceedings.

## 4. Discussion Forum Items

[Presentations](#)

[Strategic Alignment – Enabling Priorities](#)

4.1. [Asset Management Planning \[2021/01808\] \[Page 2\]](#)

[Workshops](#)

Nil

## 5. Closure

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# Enabling Priorities

Asset Management Planning

Infrastructure

Geoff Norris / Caitlin Evans



## Asset Management Plans

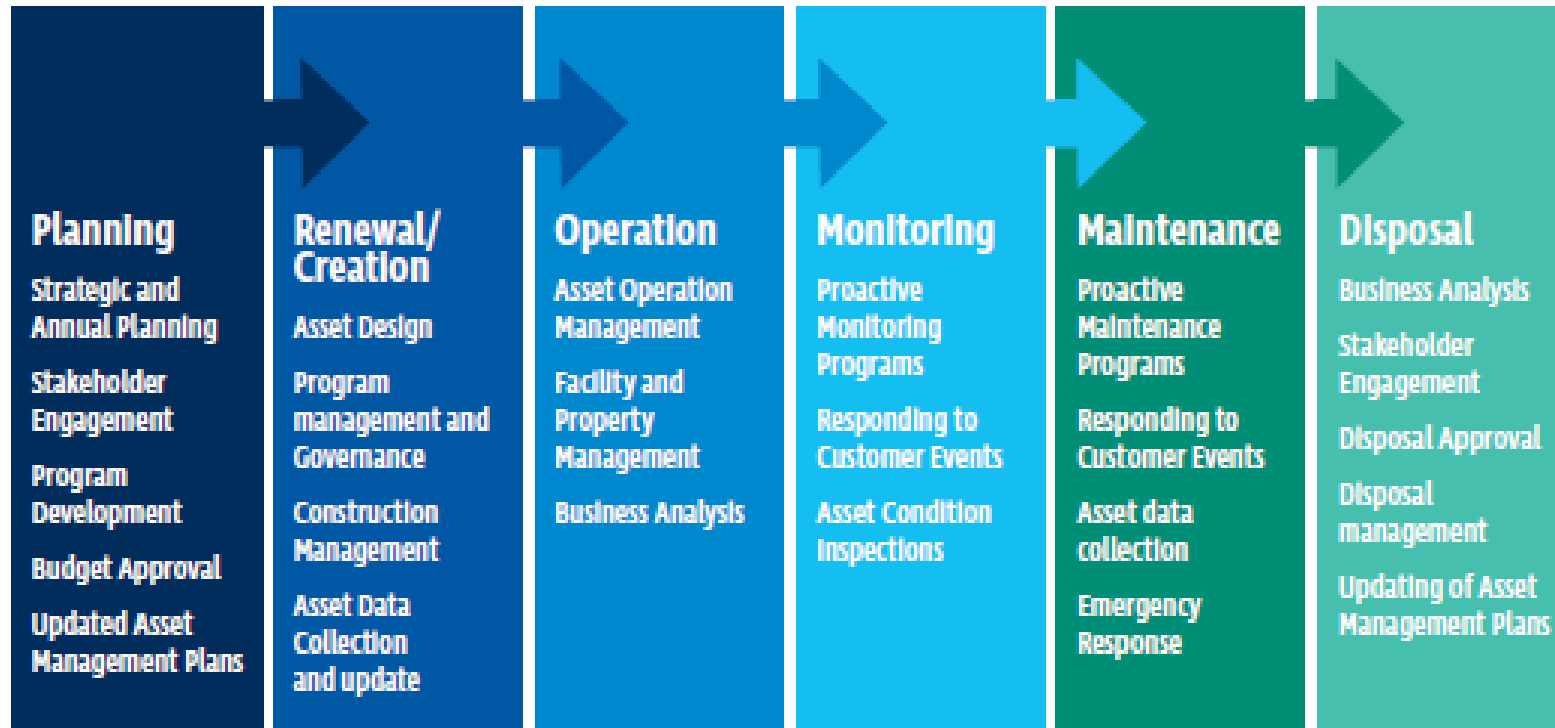
# Key Messages

- Delivering on the commitment made through the Strategic Asset Management Plan to explain the Asset Management Plan revision process to Council.
- Asset Management Plans are the next step within the Asset Management Framework and Asset Management Transformation program.
- Asset Management is about planning for the entire asset lifecycle, not just renewing assets.
- Asset Management Plans are linked to the Long Term Financial Plan and Council will be able to apply Strategic Asset Management Levers to ensure financial sustainability or address areas of focus.
- Community Consultation on Levels of Service will help us understand the needs of our ratepayers and visitors
- Elected Members will get the opportunity to review and influence the Asset Management Plans through workshops and Council reports

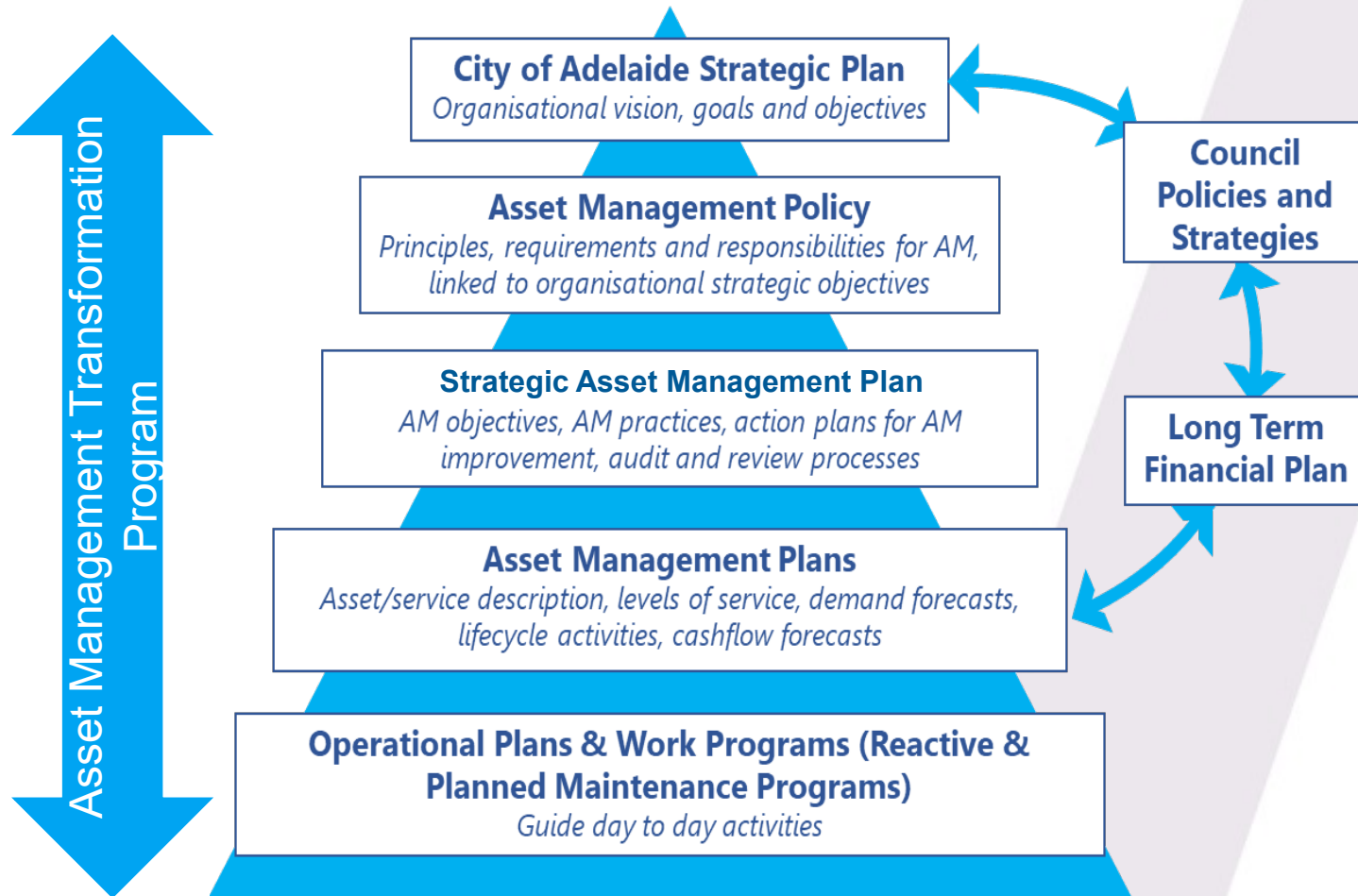
# What is Asset Management

- Asset Management is lifecycle management of physical assets to achieve the organisational long-term objectives with the best value to the community.

## Asset Management Lifecycle



# Asset Management Framework



# Principles of the Strategic Asset Management Plan

## Environmental Sustainability:

Efficient use of resources and protection of the natural environment will be embedded into asset lifecycle planning to support the environmental sustainability objectives of the City.



## Community benefit:

Develop levels of service in consultation with the community to ensure the appropriate balance of their expectations and Council's objectives and requirements are achieved.



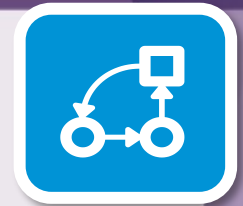
## Evidence Based Decision Making:

Develop and maintain an asset management information system that will underpin effective asset lifecycle analysis and sound financial management to enable accountability and sustainable management of infrastructure assets and services.



## Financial Sustainability:

Investment decisions for new and upgraded infrastructure will consider asset lifecycle costs to ensure adequate funding is allocated in the long term financial plan.



## Continuous Improvement:

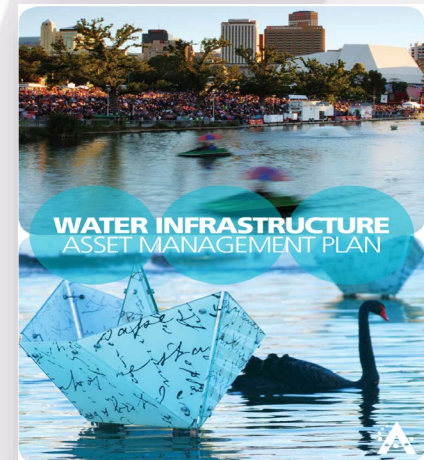
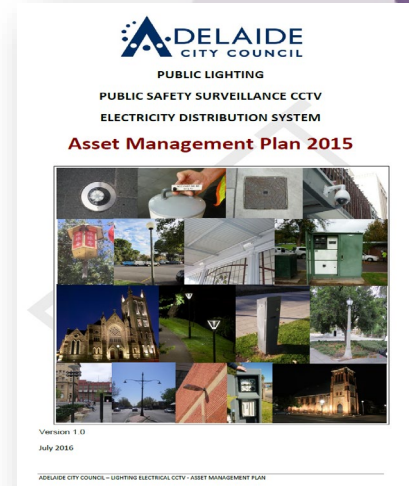
Advance the practice of asset management including the use of smart technology to optimise decisions, performance and reporting.

# What are Asset Management Plans

- Asset Management Plans (AMPs) provide a plan to manage the city's current infrastructure portfolio and prepare for future infrastructure needs. They also:
  - Enable Council to make provisions to maintain and renew its \$2.6 billion of assets in a cost effective and sustainable manner.
  - Reflect the needs of the community through the development of levels of service.
  - Reflect long term asset impacts from approved strategies and action plans.
  - Consider future demand drivers.
  - Considers financial, legislative and safety risks associated with owning assets infrastructure.
  - Align to the City of Adelaide Strategic Plan, Long Term Financial Plan and Business Plan and Budget.



# Asset Management Plans Asset Management Plans



## Asset Management Plans

# Levels of Service

Level of service is the defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

Level of Service considers both technical elements such as condition rating and risk, and community expectations regarding the performance of the assets.

Level of Service can be in the form of a hierarchy for example premium standard for high profile assets/areas or lower service where there is less demand.

### Example: Streets



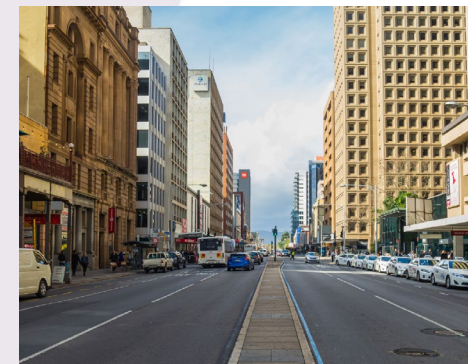
Main Streets



Residential Streets



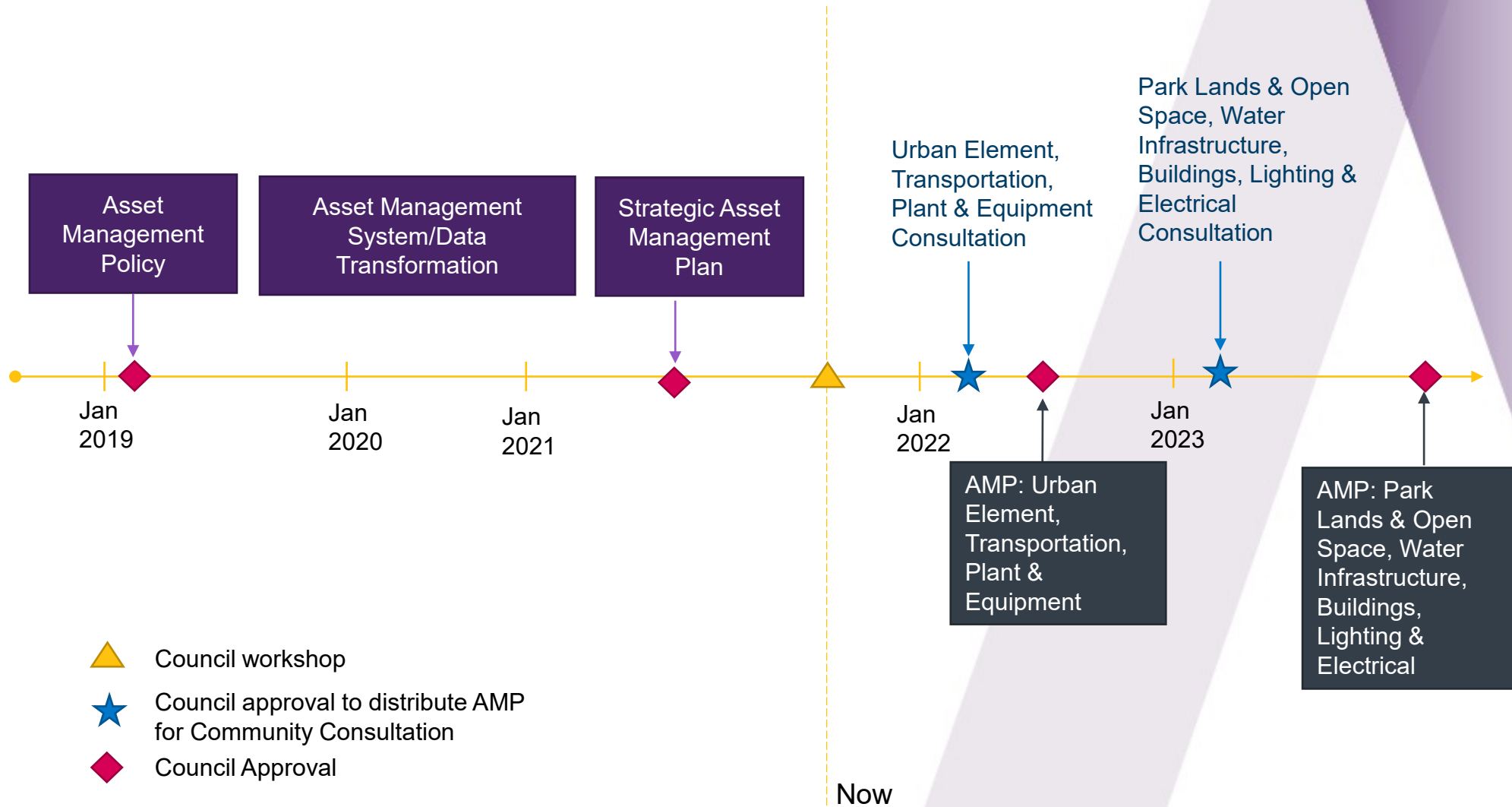
Laneways



Traffic Corridors

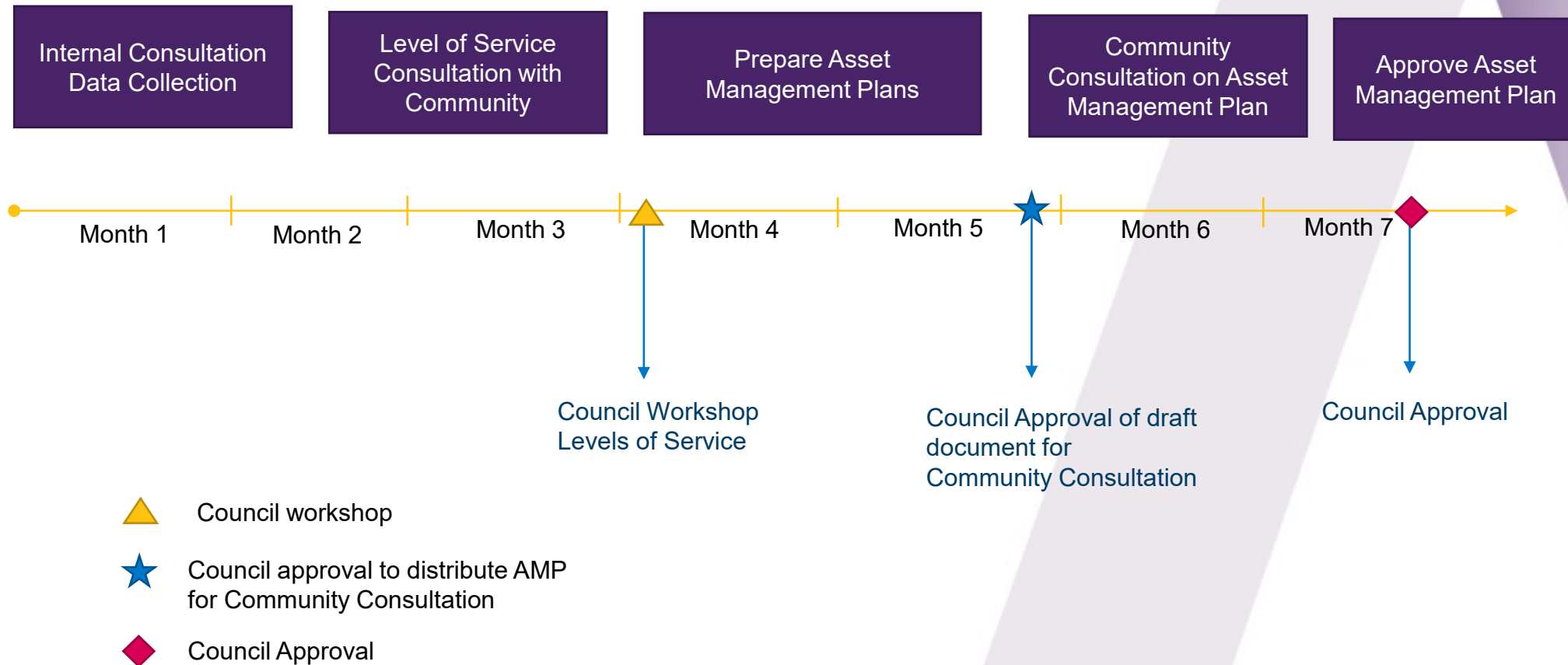
# Asset Management Plans

## Asset Management Plan Council Touchpoints



# Asset Management Plans

## Typical workflow to deliver AMP's



# Consultation on AMP's – Internal, Community and Council

## Internally

Data collection and condition audits

Develop risk framework for all asset classes

Demand Planning

- Understanding trends in population and impacts
- Collating approved strategies and their alignment to Assets such as:
  - Climate Risk Adaptation Action Plan
  - Stretch Reconciliation Action Plan
  - Adelaide Design Manual
  - Active City Strategy
  - Carbon Neutral Action Plan

## Community

Stage 1: Level of Service

Consultation:

- Seeks to understand community satisfaction with Council assets and how they want them to be managed in the future.
- Community will have the opportunity to provide feedback through:
  - Yoursay Adelaide
  - Intercept surveys, including Ride to Work Day and APLA Community Forum
- Notification within Q1 rates notice

Stage 2: Asset Management Plan

- Community will get the opportunity to provide feedback on the draft Asset Management Plan following Council endorsement

## Council

Stage 1: Level of Service (LoS)

Workshop:

- Present Community Feedback
- Provide a recommended LoS based on community feedback and examples of Increased LoS, Decreased LoS or stay the same
- Demonstrate how the level of service will be applied and the financial impacts
- Explain in detail how to implement the Strategic Asset Levers

Stage 2: Asset Management Plan  
Council will review the individual AMP's as they are developed, prior to releasing for consultation and finally for adoption.

**Annual revisions of the AMP's will be provided to Council as part of the BP&B process for consideration each year**

# Asset Management Plan Funding

Asset Type	Funding options for Capital Spend	Funding for associated operating costs
Renewal	<ul style="list-style-type: none"> <li>Cashflow from operations</li> <li>External Funding</li> </ul>	<ul style="list-style-type: none"> <li>Assume operating costs are equal to that of existing assets</li> </ul>
New & Upgrade/Major Projects	<ul style="list-style-type: none"> <li>Borrowings</li> <li>External Funding</li> </ul>	<ul style="list-style-type: none"> <li>Existing operating budget</li> <li>New funds allocated in budget</li> </ul>

- In order to ensure sustainable Asset Renewal, the only funding option should be cashflow from operations. Indicatively, this cashflow is similar to the value of depreciation.
- Borrowings are indirectly impacted by altering levels of Asset Renewals due to the Treasury Policy

## Asset Management Plan & LTFP

- It is a requirement of the financial management regulations that the endorsed AMP are included in the LTFP.
- Based on the timeline the LTFP updated for 2022/23 will include any AMP's that are endorsed, projected to be as follows:

AMP	22/23 LTFP Inclusion	23/24 LTFP Inclusion
Buildings	2016 AMP	2023 AMP
Transportation	2021 AMP	2022 AMP
Water Infrastructure	2016 AMP	2023 AMP
Parklands and Open Space	2016 AMP	2023 AMP
Urban Elements	2021 AMP	2022 AMP
Lighting and Electrical	2015 AMP	2022 AMP
Plant & Equipment (NEW)	2022 AMP	2022 AMP
ICT Equipment	2022 AMP	2022 AMP

# Council and Community ability to influence the AMP's

## Council

Council adopted the following Financial Levers through the SAMP, and can apply these levers to influence the Asset Management Plans and long term financial sustainability

Lever	How to apply
Optimisation of renewals to stretch Council's dollar further	Options to be developed to be considered by Council in February 2022
Review and redefine Level or Service (LoS) to find optimal cost	Options to be developed to be considered by Council in February 2022
Asset Sustainability Ratio	Planned renewal program based on a sustainability ratio between 90-110%. Council may opt to fund a lower capital budget through the annual BP&B which will lead to a lower sustainability ratio for that year.
Divest and Investing Assets	Land and Asset Acquisition & Disposal Policy Future Fund and Investment Policy
Seek External Funding	Council continue to support and advocate for external funding opportunities to fund new/significant upgrades or new projects. We also continue to explore co-contribution for infrastructure that delivers benefits to the broader community of South Australia.



# Next Steps

## Next 3 Months

- Levels of Service Community Consultation

## 3 – 6 Months

- Council Workshop on Levels of Service
- AMP development – Transportation, Urban Elements and Plant & Equipment

## 6 – 12 Months

- Council approval to release Urban Element, Transportation and AMP's for community consultation
- Community Consultation on draft AMP
- Council Adoption of Urban Element, Transportation and AMP's
- Commence writing remaining Asset Management Plans

