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CITY OF ADELAIDE

Audit and Risk Committee

AGENDA & REPORTS

for the meeting

Friday, 16 February 2024
at 8.30 am

in the Colonel Light Room, Adelaide Town Hall

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Membership	The Lord Mayor 1 Council Member 4 External Independent Members 2 Proxy Council Members
Quorum	4
Presiding Member	Nicolle Rantanen Reynolds
Committee Members	The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex-officio) Mark Davies Paula Davies Simon Rodger Councillor Jing Li

1 Acknowledgement of Country

'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 recognize 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

Apology -

Paula Davies

3 Confirmation of Minutes

That the Minutes of the meeting of the Audit and Risk Committee held on 10 November 2023, be taken as read and be confirmed as an accurate record of proceedings.

View public 10 November 2023 Minutes here.

4 Presiding Member Reports

5 Reports

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	5.10	Audit and Risk Committee Work Plan	302 - 305
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6	**Workshop**		
	6.1	What Underpins the Build of the 2024/25 BP&B	555 - 566
7	**Emerging Key Risks**		
8	**Independent Member Discussion**		
9	**Other Business**		
10	**Exclusion of the Public**		567 - 568

In accordance with sections 90(2),(3) and (7) of the *Local Government Act 1999 (SA)* the Audit and Risk Committee will consider whether to discuss in confidence the reports contained within section 11 of this Agenda.

11	**Confidential Item**		
	11.1	Strategic Risk and Internal Audit Update [s 90(3) (i)]	569 - 572
12	**Closure**		

2023/24 BP&B Q2 Progress Report

Friday, 16 February 2024
Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:
Michelle Arbon, Acting Manager Strategy, Insights and Performance

Public

Approving Officer:
Anthony Spartalis - Acting Chief Operating Officer

EXECUTIVE SUMMARY

The first Business Plan and Budget 2023/24 (BP&B) of the newly elected Council focuses on delivering services and projects in a post-COVID-19 budget repair environment. Council has planned over $100 million of capital expenditure on renewal, new and upgrade or major projects to support the continued development and maintenance of our City. The BP&B 2023/24 articulates how we will work with partners to support city growth, investment, affordable housing, climate resilience and city-wide improvements, while remaining committed to protecting our Park Lands and greening our city.

This report presents the performance and delivery status of Council's commitments against the BP&B for the second quarter (October to December 2023). Included with these updates are recommendations for any business plan and budget changes and a summary of the quarterly performance of Council subsidiaries.

Quarterly reporting is an important part of monitoring the organisation's performance and effectiveness against Council's planned activities, which is required under Section 122 (1) of the *Local Government Act (SA) 1999*. It enables Council to make informed and timely decisions to maintain or change its services, assets, and budgets to meet community expectations and needs, maintaining or improving Council's financial position, and enabling Council to be responsive to risks and opportunities.

Quarterly reports are provided to the Audit and Risk Committee in accordance with its Terms of Reference and its role in monitoring the integrity of Council's financial statements and reporting, as well as its role in reviewing and overseeing Council's integrated Business Planning process. This reporting framework supports Council's commitment to transparency and accountability.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Receives the quarterly update for the 2023/24 Business Plan and Budget as provided in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024, and notes the highlights of deliverables, status updates and risks and opportunities provided for Projects, Portfolios and Subsidiaries.
2. Approves adjustments for the 2023/24 Business Plan and Budget as identified in this report and reflected in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
3. Approves the budgeted year end Operating Position, which includes:
   - 3.1. Total operating income of $230.537m
   - 3.2. Total operating expenses (including depreciation) of $228.534m
   - 3.3. An operating surplus of $2.003m
4. Approves total capital expenditure of $110.336m for the 2023/24 year.

5. Approved total borrowings of $42.106m projected to 30 June 2024

6. Notes the year-to-date Operating Position (Financial Performance) for the quarter as presented in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024, which includes:

    6.1. Total operating income of $118.306m

    6.2. Total operating expenses (including depreciation) of $109.307m

    6.3. An operating surplus of $8.999m

    6.4. Total Capital Expenditure of $40.741m

    6.5. Net Cash borrowings position of $3.076m, with $5.700m in borrowings, offset by $2.624m in deposits.

7. Notes the detailed quarterly updates of Council Subsidiaries as provided as Attachments B, C, D & E to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

8. Notes the updated Long Term Financial Plan as provided in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation
Policy	Not resulting from this report
Consultation	Not resulting from this report
Resource	Not resulting from this report
Risk / Legal / Legislative	The regular monitoring and reporting of Council's performance is a key step in mitigating risks events that could impact the delivery of the Strategic Plan and Business Plan and Budget. This includes monitoring the performance of services, business activities, project delivery and the performance of subsidiaries.
Opportunities	The provision of quarterly reporting assists Council to fulfill its obligations of Section 122(1) of the *Local Government Act 1999 (SA)* with regard to the development, management and monitoring of Council's Strategic Management Plans
23/24 Budget Allocation	N/A
Proposed 24/25 Budget Allocation	Not resulting from this report
Life of Project, Service, Initiative or (Expectancy of) Asset	N/A
23/24 Budget Reconsideration (if applicable)	Not resulting from this report
Ongoing Costs (eg maintenance cost)	Not resulting from this report
Other Funding Sources	Not resulting from this report

DISCUSSION

Financial Summary

Year to Date Financial Summary

1. The year-to-date operating position as at 31 December 2023 is an operating surplus of $8.999m, which is $5.686m better when compared to the adopted budget of $3.313m for this period.
    1.1. Total operating income of $118.306m.
    1.2. Total operating expenditure of $109.307m.
2. This variance is driven by:
    2.1. Income is $2.598m favourable due to higher fees and charges of $1.922m as well as other income of $0.633m mainly generated from private works reimbursements.
    2.2. Expenditure is $3.088m favourable and is largely driven by timing of materials, contracts and other expenses including professional services $3.744m, consultant fees $0.519m, and waste services $0.419m, offset by external contractors ($2.983m). Resource costs are also $0.836m favourable (Employee costs and contractual labour).
3. The year-to-date Capital Expenditure as at 31 December 2023 is $40.741m, which is $18.977m lower when compared to the adopted budget of $59.718m for this period. This is largely due to the timing of Central Market Arcade Redevelopment $5.571m, Rymill Park Lake $3.949m, and On-Street Parking Meter Replacement $1.307m.
4. As of 31 December 2023, Council had net borrowings of $3.076m, with $5.700m in borrowings, offset by $2.624m in deposits.

Projected Annual Financial Summary

5. The proposed quarter review continues to deliver an end of year operating surplus of $2.003m (0.051m higher than the revised budget of $1.952m):
    5.1. Total estimated operating income of $230.537m.
    5.2. Total estimated operating expenditure (including depreciation) of $228.534m.
6. Total proposed Capital Expenditure for the year is $110.336m.
7. Grant funding to support capital expenditure on new/upgraded assets of $1.170 m ($1.001m reduction to adopted budget of $2.171 largely due to the retiming of projects into future years).
8. The above changes result in an increase to Council's forecasted borrowings as of 30 June 2024 to $42.106m from $40.553m in the adopted BP&B 2023/24.
9. Updated financial statements are provided from page 8 in **Attachment A.**

Adjustments to the Business Plan and Budget

10. Operating Program, which includes Program deliverables and budgets, inclusive of Strategic Projects:
    10.1. Adjustments to the services and activities Council delivers total $0.132m reduction in net expenditure, consisting of:
        10.1.1. Permanent changes to the budget of $0.106m decrease in net expenditure, driven by an increase in fees and charges revenue of $0.360m, offset by an increase in operating expenditure of $0.254m.
        10.1.2. Temporary (one-off) changes to the budget of $0.026m decrease in net expenditure, driven by $0.743m increase in revenue, offset by an increase in operating expenditure of $0.717m.
    10.2. Adjustments to Strategic Projects total $0.081m increase in net expenditure, consisting of:
        10.2.1. New funding (new Strategic Projects) is required for three projects, for a total $0.273m
        10.2.2. Additional funding (a variance increase) is required for three projects, for a total $0.043m
        10.2.3. Decreased funding (a variance decrease) is required for six projects, for a total $0.235m

10.3. For information on these changes refer to the Portfolio updates from page 20 in **Attachment A**.

11. Capital Program, which includes Major Projects, New and Significant Upgrades and Renewals:

11.1. Capital expenditure is proposed to increase to $110.336m for the year, which is $0.056m higher than the budget of $110.280m, due to new grant interest.

11.1.1. Major Projects show a revised expenditure of $42.068m

11.1.2. New and Upgrade projects show revised expenditure of $14.115m

11.1.3. Renewals expenditure remains $54.153m

11.2. Adjustments to the Capital Program include:

11.2.1. Re-timing of works of $4.652m for continuing Major and New and Significant projects into 2024-25 as part of the annual business plan and budgeting process

11.2.2. new grant interest of $0.056m for Major Projects

11.2.3. Project administrative costs of $4.437m

11.2.4. Renewal remained unchanged

11.3. For information on these changes refer to the Capital Works update from page 14 and the appendix from page 38 in **Attachment A.**

Strategic Project Summary

12. Including adjustments Council has a commitment of $9.597m ($5.959m net of grant funding) to deliver 38 Strategic Projects for the rest of 2023/24. As provided in the Portfolio Updates from page 20 of **Attachment A**, at the end of Quarter 2:

12.1. Three projects were completed.

12.2. 31 projects had both timeframe to deliver and budget on track.

12.3. Four projects had both timeframe to deliver and budget at risk and are being managed and may exceed estimated time and adopted budget.

12.4. Two projects have been deferred to a future financial year.

12.5. For information on these changes refer to the Portfolio updates from page 20 in **Attachment A.**

Capital Program summary

13. Including adjustments Council has a commitment of $110.336m to deliver 406 projects for the rest of 2023/24 as part of its Capital Works Program. As summarised from page 15 and detailed in the Appendix from page 38, of **Attachment A**, at the end of Quarter 2:

13.1. Six New and Significant Upgrade Projects and 28 Renewal Projects, were completed in the quarter.

13.2. Five projects had both the timeframe to deliver and budget at risk and is being managed but may exceed estimated time and adopted budget.

13.3. 11 projects had timeframe to deliver at risk and are being managed but may exceed estimated time.

13.4. Four projects had budget at risk and is being managed and may exceed estimated adopted budget.

13.5. One project had timeframe to deliver off track and budget at risk and is being managed but may exceed estimated adopted budget.

13.6. Two projects have a timeframe to deliver off track.

13.7. Two projects have a budget off track.

Assessment of KPIs

14. KPI 1: 70% of Projects capitalised within 10 Weeks - considered to be on track as 85% of completed projects were capitalised within 10 weeks of practical completion at the end of this Quarter.

15. KPI 2: < 10% Variance between Preliminary Year End and Annual Financial Statement – no update this quarter, as this is an annual measure which is determined at the end of the financial year.

Council Subsidiaries

16. Detailed quarterly updates of Council owned Subsidiaries, the Adelaide Central Market Authority, Adelaide Economic Development Agency and Kadaltilla / Park Lands Authority, are provided in **Attachments B, C & D** respectively.

17. Council is also a member of the Regional Subsidiary, the Brown Hill and Keswick Creek Stormwater Board, whose detailed quarterly update is provided in **Attachment E.**

Year to Date Financial Summary – Adelaide Central Market Authority

18. The year-to-date operating position as at 31 December 2023 is an operating surplus of $0.125m, which is $0.331m better when compared to the approved budget of ($0.206m) deficit for this period.

    18.1. Total operating income of $2.650m.

    18.2. Total operating expenditure of $2.525m.

Year to Date Financial Summary – Adelaide Economic Development Agency

19. The year-to-date operating position as at 31 December 2023 is an operating deficit of $4.458m, which is $1.012m better when compared to the adopted budget of $5.470m deficit for this period.

    19.1. Total operating income of $2.243m.

    19.2. Total operating expenditure of $6.701m.

Year to Date Financial Summary – Kadaltilla / Adelaide Park Lands Authority

20. The year-to-date operating position as at 31 December 2023 is an operating deficit of $0.101m, which is $0.025m better when compared to the adopted budget of $0.126m for this period.

    20.1. Total operating income of $NIL.

    20.2. Total operating expenditure of $0.101m.

Long Term Financial Plan (LTFP)

21. The LTFP provided in **Attachment A** has been updated to reflect the following:

    21.1. The starting year for the LTFP 2023/24 has been updated to reflect the proposed Q2 Budget

    21.2. Updated assumptions for South Australia Consumer Price Index (SA CPI), Wages Price Index (SA WPI), and Interest Rates based on the December projections provided by Deloitte Access Economics (DAE)

    21.3. Impact of Council decisions during 2023/24 which have an impact on the LTFP beyond 2023/24

    21.4. Position reached with the State Government for the Adelaide Aquatic Centre outcome.

22. Consistent with the adopted LTFP, the analysis provided in Attachment A indicates that that the City of Adelaide is currently financially sustainable and can remain so for the forecast period covered by the 2023/24 to 2032/33 LTFP.

23. The Key Financial Indicators (KFIs) highlight matters where a Council decision is required with regard to future financial sustainability. Long term financial sustainability is therefore subject to ongoing decisions and effort, and in particular (but not limited to):

    23.1. Ensuring decisions are consistent with Council's adopted financial principles

    23.2. Continued growth in revenue, through both rates and commercial activities, at or above the rate of growth in expenses

    23.3. Investment of $15m per annum for the life of the LTFP on new and upgrade projects

    23.4. The future of Rundle UPark

23.5. Successful resolution of external funding for the renewal of the Torrens Weir and Adelaide Bridge

23.6. Ongoing advocacy for reductions in exemptions and mandatory rebates

23.7. Ongoing advocacy for funding assistance for projects of significance, and

23.8. Use of the Future Fund for particular projects and initiatives

24. A separate report will be presented to Council with recommendations to address the above matters to ensure and maintain future financial sustainability. The report will be presented with sufficient time for Council consideration, prior to adoption of the 2024/25 to 2033/34 LTFP.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – City of Adelaide 2023/24 Business Plan and Budget: Quarter 2 Progress Report

Attachment B – Adelaide Central Market Authority Quarter 2 update

Attachment C – Adelaide Economic Development Agency Quarter 2 update

Attachment D – Kadaltilla / Park Lands Authority Quarter 2 update

Attachment E – Brown Hill Keswick Creek Quarter 2 update

- END OF REPORT -



2023/24
Business Plan & Budget
Investing in streets, parks and the community

October to December 2023
Quarter Two Progress Report

CITY OF ADELAIDE

Kaurna Acknowledgement

City of Adelaide tampendi, ngadlu Kaurna yertangga banbabanbalyarnendi (inbarendi). Kaurna meyunna yaitya mattanya Womma Tarndanyako. Parnako yailtya, parnuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kaurna meyunna itto yailtya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi. Kumarta yaitya miyurna iyangka yalaka ngadlu tampinthi.

City of Adelaide acknowledges the 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.

Legend

Throughout this document, these icons represent:

Status:

- ● ● ● that the project timeline, delivery and budget are on track (based on latest adopted schedule and budget)
- ● ▲ ● that the project has risks that are being managed and may exceed estimated time and adopted budget
- ● ● ◆ that the project is no longer on track or within adopted budget / delivered outside of schedule and budget

Budget:

- ➲ that there is no change from the most recent adopted budget to the proposed budget
- ⓿ that there is a decrease from the most recent adopted budget to the proposed budget
- ⓿ that there is an increase from the most recent adopted budget to the proposed budget

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Acting CEO message



Delivering the 2023/24 Business Plan and Budget

It is my pleasure to provide the second quarter progress report against the 2023/24 Business Plan and Budget to the Council and our Community.

The report highlights our progress in delivering the vision of our Strategic Plan over the second quarter of 2023/24 through the delivery of our programs, projects and services implementing the Council's endorsed priorities and strategies.

The delivery of the 2023/24 Capital Program has seen good progress with works advancing on Market Square, the Market to Riverbank Laneways Upgrade, Rymill Park Lake, Town Hall Facade Conservation project and the annual Renewal Program. Capital expenditure to the end of December 2023 totalled $40.741m. In addition to expenditure, a further $37.698m was contracted, totalling $78.439m to the end of the second quarter. This is a strong position for quarter two and is a significant contribution towards Council delivering its $110.336m Capital Program for 2023/24.

There has been strong delivery on the 2023/24 Strategic Projects including the City Plan, Adaptive Re-use Housing Initiative, and completion of the free Wi-Fi upgrade. Strategic Project expenditure to the end of December 2023 totalled $4.374m.

I hope you will find this Business Plan and Budget Quarterly Update a comprehensive, yet easy to read summary of activities, projects and expenditure over the last quarter.

Our ongoing financial planning and management over the past quarter has seen delivery of an operating result favourable to the budget, with a forecast operating surplus of $2.003m, ensuring that we remain in a strong position to deliver on our commitment to financial sustainability.

Michael Sedgman

Headline deliverables

Quarter update for our headline deliverables / projects, which have been identified due to their complexity, risk, budget and / or impact on our city and community.

Strategic Projects

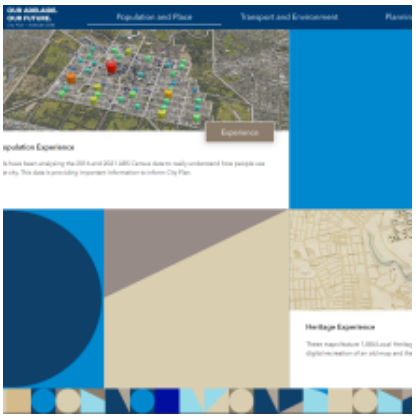


Adaptive Re-use Housing Initiative

Adopted Budget: $0.128m

Project commenced with the first steering group meeting occurring in November 2023.

Works carried out during the quarter included building audits to identify suitable sites, case studies and engagement with key stakeholders.



City Plan

Adopted Budget: $0.390m

Feedback from the 'City Plan Studio' sessions relating to urban design principles and draft development scenarios collated, leading to updates to the City Plan.

Procurement is currently underway for a consultant for Stages 3 and 4; community consultation and finalisation of the City Plan to be delivered by 30 June 2024.



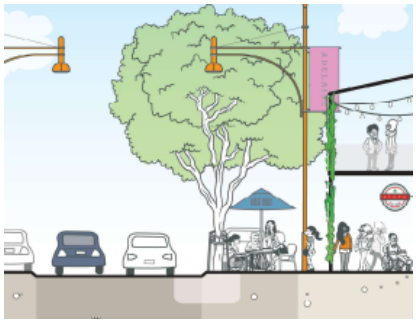
Deliver next generation Adelaide Free Wi-Fi

Adopted Budget: $0.098m

The Adelaide Free Wi-Fi network project, delivered through the Adelaide City Deal, was completed in quarter 2.

The network is now available to the public, following a $4.8m overhaul to improve the speed, coverage and reliability of the network.

Major / New and Upgrade Projects



● Hindley Street Revitalisation

Adopted Budget: $1.680m

Stage: Design only

Hindley Street detailed design has commenced with external consultants engaged.



● Mary Lee Park Sports Building

Adopted Budget: $2.062m

Stage: Plan/ Design

Sports lighting design released for tender for a design and construct lighting specialist. Construction to occur in quarter 3.



● Melbourne Street improvements

Adopted Budget: $0.845m

Stage: Build/ Construct

Public consultation regarding the wombat crossing(s) undertaken.

Planning undertaken during the quarter for construction to commence in quarter 3.



● Central Market Arcade Redevelopment

Adopted Budget: $15.000m

Stage: Build/ Construct

Main demolition works completed, including removal of remaining on-site structural elements and asbestos removal works, in accordance with asbestos removal plans formulated with appropriate authorities.



▲ Market to Riverbank Laneways Upgrade

Adopted Budget: $2.160m

Stage: Build/ Construct

Construction progressed, with works along the west side and works in front of Her Majesty's Theatre continuing, and complete in front of Care Park.

Stakeholder engagement is ongoing, including weekly internal progress reports and regular contractor updates.



▲ Murlawirrapurka / Rymill Park upgrade

Adopted Budget: $5.152m

Stage: Build/ Construct

Construction has progressed. Additional renewal funding has been required for soil management for contaminated soil found beneath Rymill Park Lake, which required removal for public safety.

(Budget includes renewal funding)

Renewals



● Town Hall Facade Conservation

Adopted Budget: $3.600m

Stage: Build/ Construct

Conservation works on the Pirie Street facade progressed during this quarter. The King William facade will commence in February.

The 2023/24 budget has been decreased by $0.87m as the remaining budget will be re-timed into 2024/25.



● Plant and Fleet Replacement

Adopted Budget: $2.700m

Stage: Build/ Construct

All purchase commitments have been placed for the Plant and Fleet replacement for 2023/24. Delivery of plant and fleet will be monitored to ensure arrival prior to End of Financial Year.



● Jeffcott Street South Renewal Project

Adopted Budget: $2.178m

Stage: Build/ Construct

All major works between Wellington Square and Montefiore Hill are completed, including significant enhancement to heritage bluestone kerbing and surfaces.

● Parking Meter Solution Renewal

Adopted Budget: $1.930m

Stage: Plan/ Design

Contracting process is progressing and pre-work/ preparation is underway.

▲ CCTV / Security and BMS Network Renewal and Compliance Program

Adopted Budget: $1.000m

Stage: Plan/ Design

The security access control server has been installed, including a site-by-site audit of security and access needs.

● Road Resurfacing

Adopted Budget: $5.390m

Stage: Build/ Construct

Negotiation with contractor has resulted in a fast-tracked delivery of the road program. This has resulted in approximately 80% of the road program delivered by the end of quarter 2.

Budget update

Summary

December Year To Date (YTD):

- The operating position as at the end of quarter 2 is a surplus of $8.999m, which is $5.686m favourable to the Year to Date (YTD) budget of $3.313m. This is driven by:
    - Income is $2.598m favourable due to higher fees and charges of $1.922m across parking and golf, as well as other income of $0.632m mainly generated from private works reimbursements.
    - Expenditure is $3.088m favourable and is largely driven by timing of materials, contracts and other expenses including professional services $3.744m, consultant fees $0.519m, and waste services $0.419m, offset by external contractors ($2.983m). Resource costs are also $0.836m favourable (Employee costs and contractual labour).
- The Capital Projects spend of $40.741m is $18.977m lower than the YTD budget of $59.718m. This is largely due to the timing of Central Market Arcade Redevelopment $5.571m, Rymill Park Lake $3.949m, and On-Street Parking Meter Replacement $1.307m.
- Council had net cash borrowings of $3.076m as at 31 December, with $5.700m in borrowings, offset by $2.624m in deposits.

Quarter 2 Operating Position

The proposed quarter 2 adjustments increase the operating surplus from $1.952m to $2.003m, an increase of $0.051m driven by:

- Additional income of $1.143m through the recognition of Commercial fees and charges $0.591m including the introduction of 2 new car parks, net increase in grant recognition of $0.329m, accounting treatment for the recognition of interest for 88 O'Connell Street of $0.584m, offset by a one-off rates objection $0.150m and forecast reduction in on-street parking $0.194m.
- Employee costs have increased by $0.008m and include funding for an additional 1.8 FTE funded through savings and grant funding. Additional savings were identified in Employee provisions.
- Materials, contracts and other expenses have increased by $0.649m and includes Insurance premium increases $0.294m, de-silting in the River Torrens $0.200m, expending Rundle Mall Management previous years' surpluses $0.176m and UPark customer carbon credit offsets $0.166m offset by cleaning contract savings $0.167m.
- Depreciation and Finance costs have increased as a result of the revaluation of leased buildings.

Within the operating position movement above, Strategic Projects have increased by $0.080m from $5.897m to $5.959m.

- The Capital Program is proposed to increase by $0.056m from $110.280m to $110.336m as a result of project administrative costs to deliver the program of $4.437m and grant funded projects $0.056m relating to interest received, offset by additional re-timing of works from 2022/23 of $4.437m.
- Borrowings are forecast to increase by $1.553m from $40.553m to $42.106m.

Operating Position (Financial Performance)

$000's	YTD Actuals	YTD Budget	Variance	Full Year Budget (Q1)	Q2 Review	Variance
Income						
Rates Revenues	67,506	67,599	(93)	135,281	135,131	(150)
Fees and Charges	44,372	42,450	1,922	84,598	84,978	380
Grants, Subsidies and Contributions	5,343	5,206	137	8,562	8,891	329
Other Income	1,085	453	632	953	1,537	584
Total Income	118,306	115,708	2,598	229,394	230,537	1,143
Expenses						
Employee Costs	40,692	41,073	381	82,435	82,443	(8)
Materials, Contracts and Other Expenses	38,433	39,988	1,555	81,807	82,456	(649)
Sponsorships, Contributions and Donations	2,646	2,887	241	6,325	6,275	50
Depreciation, Amortisation and Impairment	27,079	28,020	941	56,040	56,473	(433)
Finance Costs	457	427	(30)	835	887	(52)
Total Expenses	109,307	112,395	3,088	227,442	228,534	(1,092)
Operating Surplus	8,999	3,313	5,686	1,952	2,003	51

Capital Program

Capital Program						
Major Projects	15,866	21,984	6,118	41,716	42,068	(352)
New and Upgraded projects	2,760	4,138	1,378	14,411	14,115	296
Renewal / Replacement of Assets	22,115	33,596	11,481	54,153	54,153	0
Total Capital Expenditure	40,741	59,718	18,977	110,280	110,336	(56)

Operating program – adjustments

$000's	budget	proposed	variance
2023/24 Budgeted Operating Position			1,952
Rates Higher level of one-off objections due to construction status of properties.	135,281	135,131	(150)
Park Lands Event Fees Council decision to reduce Park Lands Event Fees based on the Park Lands Fee Policy review ($117k) offset by an increase in bookings $100k.	613	596	(17)
New Years Eve Forecast income associated with New Years Eve did not eventuate.	(589)	(650)	(61)
Development Assessment (DA) Change to DA fees, including no charge for 'complying' applications $21k and lodgement fees $49k.	347	277	(70)
On-Street Parking Fees Forecast reduced revenue	12,955	12,761	(194)
Off-Street Parking Fees (UPark) Forecast additional revenue	29,179	29,422	243
UPark new revenue streams Net new revenue streams for 218-232 Flinders Street and 247 Pirie Street. Gross income of $347k, offset by additional expenditure of $131k.	-	216	216
Roads to Recovery Grant 2022/23 funding received in 2023/24, resulting in additional income.	255	510	255
88 O'Connell Street Interest Income Accounting treatment for the recognition of the remainder of the project milestone payment due to CoA in 24/25. Zero bottom line over the project life.	-	584	584
River Torrens / Karrawirra Parri Dredging De-silting works required within the River Torrens	-	(200)	(200)
Insurance Premiums Net increase in insurance premiums received for 2023/24 across Mutual Liability, Workers Compensation, Income Protection and Asset Mutual.	(4,597)	(4,747)	(150)
Rundle Mall Management Increase in budget due to Surpluses generated through underspends in previous years in line with the AEDA Charter $176k, as well as an increase in Depreciation expense for Assets purchased in 2022/23 $42k	(4,250)	(4,468)	(218)
Cleaning Savings identified through the procurement of a new cleaning contract.	(2,978)	(2,811)	167
Carbon Neutral Certification Purchase of Carbon Credits to offset emissions generated by UPark customers.	-	(166)	(166)
Other Minor Adjustments Other adjustments that are individually minor in value	-	-	(188)
Proposed Quarter 2 Budget Review Operating Position			2,003
Total Proposed Adjustment			51

Operating program – adjustments Continued

The following changes have a net nil impact on the Operating Program, as grant funding received fully offsets incurred expenditure:

$000's	budget	proposed	variance
Community and Neighbourhood Development Program Grant funding received from State Government to fund a position over 3 Financial Years, 2023/24 cost of $80k.	-	-	-
Arts and Culture Grant Grant of $50k not to be received or expended in 2023/24	-	-	-
Re-Adaptive Housing Grant funding received from Capital City Committee to fund operating expenditure over 2 Financial Years, 2023/24 cost of $90k	-	-	-

Capital program – adjustments

$000's	budget	proposed	Variance
Major Projects Significant works of a capital nature that are over the prudential limit, multi year or have significant grant funding being administered via a contractual deed.	41,716	42,068	(352)
New and Upgrades Works of a capital nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.	14,411	14,115	296
Renewals Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.	54,153	54,153	0
Total Adjustment	110,280	110,336	(56)

Financial indicators

		Target	Adopted	Q1	Q2
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	0.9%	0.9%	0.9%
Net Financial Liabilities	Financial liabilities as a percentage of operating income	Less than 80%	-1%	0.7%	7.6%
Asset Renewal Funding Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	90%	97%	97%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	10%	13%	14%
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	0.4%	0.6%	1.4%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.2	0.3	0.3
Cash Flow from Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	101%	99%	99%
Borrowings	Borrowings as a percentage of the Prudential Borrowing Limit	Within Prudential Limits	30.184m	40.553m	$42.106m
			20%	27%	28%

Treasury Reporting

The tables below present the debt and cash investment information as required by Council's Treasury Policy.

Table 1 shows the borrowing facilities taken out by Council. Council had borrowings of $5.700m as at 31 December 2023:

Borrowings Facility *	Available	Interest Type	Interest Rate	Current Borrowings	Change since previous report $'000s	Maturity Date
LGFA CAD 554	$30m	Variable	5.35%	Nil	-	16/12/2023**
LGFA CAD 555	$70m	Variable	5.35%	$5.700m	($5.700m)	15/06/2033

** Note CAD facilities are flexible and allows Council to convert all or part of it into a fixed rate interest only loan for a maximum of 5 years.*
*** Existing facility expired on 16/12/2023. Future facilities will be discussed with Council for approval in line with the review of the Treasury Policy.*

Table 2 shows cash invested by Council. Council had $2.624m in cash investments at 31 December 2023:

Cash & Cash Equivalents	Available	Interest Type	Interest Rate	Current Investments	Change since previous report $'000s	Maturity Date
LGFA General	$-m	Variable	4.55%	-	($1.527m)	-
NAB	$3.1m	Variable	4.55%	$2.624m	0.960m	-

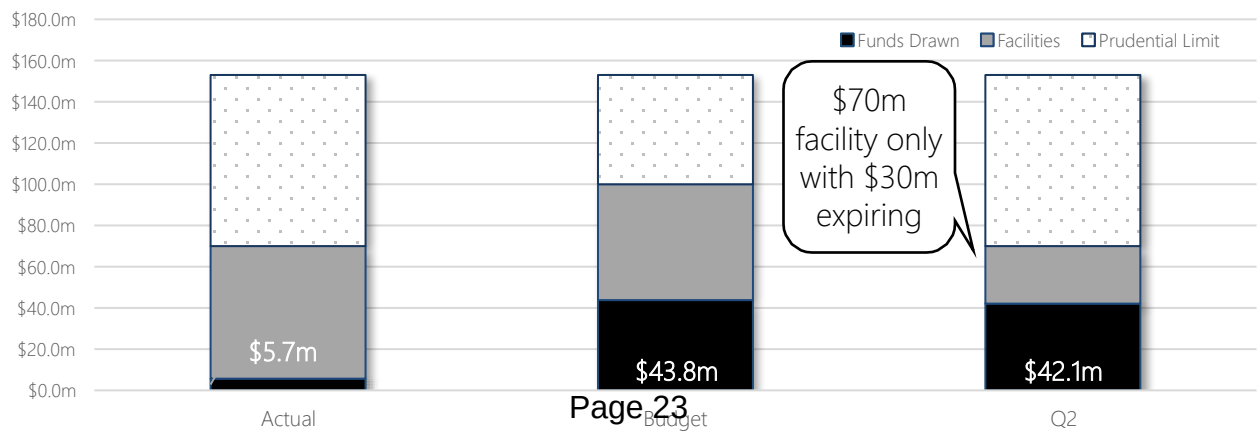
Total borrowings without the Future Fund offset ($20.021m) would otherwise be $23.097m

Table 3 provides the Prudential Limit Ratios as outlined in Council's Treasury Policy:

Prudential Limit Ratio **	Comments	Limits	December 2023 YTD Actual
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	0.1%
Leverage Test	Total borrowings relative to annual General Rates Revenue (Less Landscape Levy)	Max 1.5 years	0.04
Asset Test	The percentage of total borrowings to Council's saleable property assets.	Max 50%	1.86%

*** Prudential borrowing limit as at 31 December 2023 is $152.927 million (an increase from $149 million as per adopted budget)*

Borrowings: showing current facilities against our prudential limit and forecasted position



Capital Works update

Summary

At the end of 2022/23 several Major and New & Upgrade projects including their renewal components had not reached their intended outcome, with works required to continue in 2023/24. The impact was a budget re-timing at end of year of $6.623m. These projects were identified based on the project plans and scheduling for the delivery in 2023/24 and will be re-timed in future years as part of the annual business plan and budgeting process.

- Experience Adelaide Visitor Centre *
- Flinders Street Improvements (Detailed Design)
- Hindley Street Revitalisation (Detailed Design)
- Bonython Park / Tulya Wardli Shared Path Lighting, Retaining Wall and Footpath Upgrade
- Torrens Retaining Structure adjacent Red Ochre
- Wakefield Street Renewals & Streetscape Improvements (Detailed Design)
- Developer works - James Place Upgrade
- Stephens Street and Sanders Place Upgrade (Investigation and Concept Design)

The City of Adelaide is committed to the delivery of a $110.336m capital program. Incorporated in the program are the project administrative costs to deliver the program. To incorporate these costs into the current budget it is recommended to re-time the following project works to the value of the $4.437m. These projects were identified based on the project plans, conflicting projects impacting on delivery in specific areas and scheduling for the delivery in 2023/24 and will be re-timed as part of the annual business plan and budgeting process.

- Market to Riverbank (M2R) Shopfront Program *
- North-South (N-S) Bikeway *
- Glen Osmond Road, Hutt Road and Park 17 Improvements
- Park 27B Hellas Sports Club Building *
- Melbourne Street Improvement *
- City Dirt Masterplan
- Rundle Mall Sound System
- Greener City Streets Program (In conjunction with N-S Bikeway Project)
- New Public Lighting - Stafford Street, Stafford Lane and O'Halloran Street
- Frome Street Footpath Upgrades (In conjunction with N-S Bikeway Project)
- Replacement of Car Park Management System (CPMS)

* Grant funded projects

Summary - continued

- $15.866m has been spent to date and $15.223m has been contracted across major projects, resulting in 75% of the 2023/24 program currently committed.
- $2.760m has been spent to date and $1.636m has been contracted across new and upgrade projects, resulting in 31% of the 2023/24 program currently committed.
- $22.115m has been spent to date and $20.838m has been contracted across renewal projects, resulting in 79% of the 2023/24 program currently committed.
- Proposed revised budgets (subject to Council endorsement this quarter): Major Projects $42.068m; New and Significant upgrades $14.415m; and Asset Renewals $54.153m.

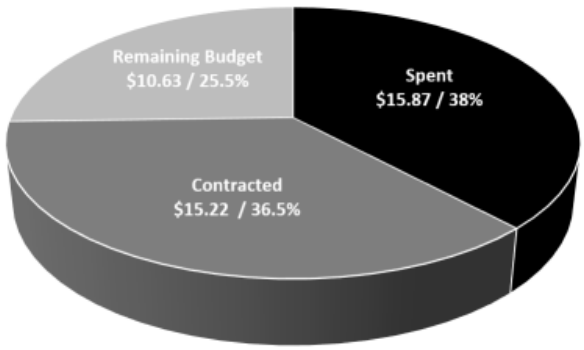
$'000	Projects*	budget	expenditure	commitments	remaining
Major Projects	26	$41,716	$15,866	$15,223	$10,626
New and Significant upgrades	97	$14,411	$2,760	$1,636	$10,016
Renewals	313	$54,153	$22,115	$20,838	$11,200
Major Projects (with renewal)	*10*	*$6,110*	*$1,173*	*$3,876*	*$1,062*
New/Upgrade (with renewal)	*22*	*$1,397*	*$90*	*$67*	*$1,239*
Corporate Overhead	*n/a*	*$5,500*	*$2,986*	*$0*	*$2,514*
Bridges	*4*	*$360*	*$119*	*$5*	*$236*
Buildings	*40*	*$9,667*	*$2,428*	*$6,017*	*$1,221*
ICT	*7*	*$1,792*	*$1,111*	*$604*	*$78*
Lighting and Electrical	*24*	*$2,202*	*$468*	*$501*	*$1,233*
Park Lands assets	*17*	*$1,060*	*$1,632*	*$829*	*($1,401)*
Plant and Fleet	*5*	*$3,215*	*$1,159*	*$2,119*	*($63)*
Traffic Signals	*12*	*$2,143*	*$848*	*$1,550*	*($255)*
Transport	*118*	*$14,844*	*$8,227*	*$3,932*	*$2,684*
Urban Elements	*46*	*$4,013*	*$688*	*$564*	*$2,761*
Water infrastructure	*8*	*$1,850*	*$1,186*	*$774*	*($110)*
Total	406*	$110,280	$40,741	$37,697	$31,842

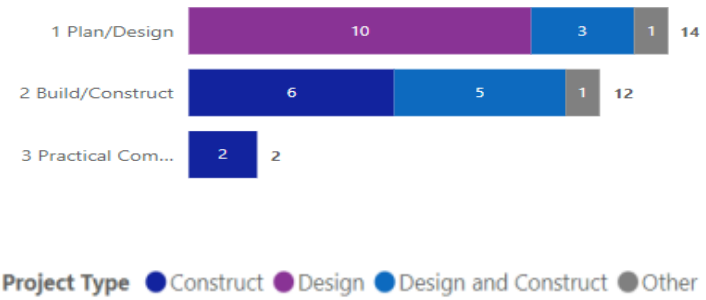
Note
**Total Project count: mixed-funded projects are only counted once in the total project count*
- *Transport is made up of Roads, Pathways and Kerb and Water Table*
- *Plant and Fleet includes Commercial Plan and Fleet*
- *some projects have been broken down into sub-projects, so total appears different*

Major Projects

Major Projects are significant works of a capital nature that are over the prudential limit, multi-year, or have significant grant funding.

Approved Budget





some projects have been broken down into sub-projects, so total appears different

Planning updates:

The second quarter has seen good progress in the delivery of our major projects. Progress highlights include:

- The Central Market Arcade Redevelopment has commenced construction works.
- Pitt Street project (final section of the Market to Riverbank program) and Rymill Park Lake upgrade project commenced work on site, with planned completion in June 2024.
- CCTV network renewal scheduled to finish next quarter.
- Hindley Street Main Street Revitalisation project and Charles Street streetscape upgrade designs have commenced.
- Hutt Street Entry Statement has gone to market with works expected to commence next quarter.
- North-South Bikeway remaining sections (construction) have gone to market with scoped works aimed to commence in March.

Budget updates:

The Annual forecast expenditure this quarter has increased by $0.352m from an approved Q1 budget of $41.716m to a proposed budget of $42.068m.

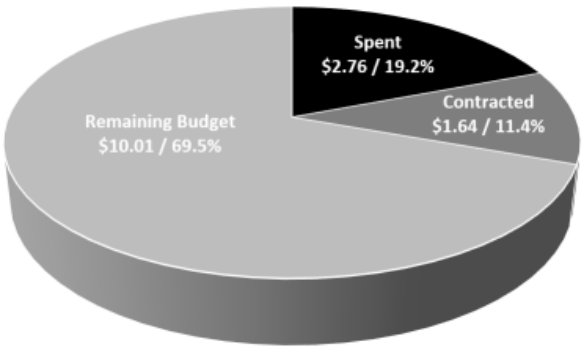
Significant demand was made on the Major project budget in Q2 due to project administrative costs delivering the program and cost increases to existing projects of $3.628m. The majority of the required funding comes from the re-timing of $2.829m of Major Projects into future years (subject to budget approval) and savings from other Major projects $0.502m. This leaves a shortfall of $0.297m which is funded from a budget transfer of savings from New and Significant upgrade projects to Major projects.

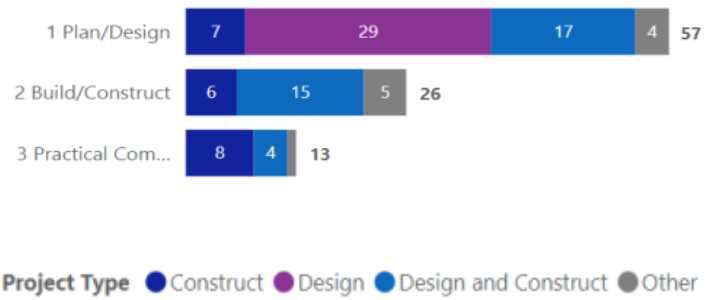
The ledger has increased further by grant interest of $0.056m.

New and Significant Upgrades

New and Significant Upgrade projects are works of a capital nature that are either introducing new assets or significantly upgrading existing assets, usually by extending the footprint of an asset or increasing the level of service the asset provides.

Approved Budget





some projects have been broken down into sub-projects, so total appears different

Planning updates:

The second quarter has seen some progress in the delivery of our New and Upgrade program. Progress highlights are:

- seven projects have reached practical completion this quarter, including Blackspot Signal upgrade works at the intersections of Currie/Morphett Streets and Jeffcott/Ward Streets, Adelaide Wi-Fi and Torrens Lake earth retaining structure at the University Footbridge.
- Blackspot Signal upgrade works at the intersections of Morphett Street/South Terrace will be completed next quarter.
- Field Street and the Greener City Streets program have awarded contracts, Rymill Park upstream supply has completed tender evaluation with construction commencing next quarter.
- Several new projects have been created from available savings during the quarter, for example, Adelaide Central Market Dry Room investigation and Hutt Road permeable pavement pilot project.

Budget updates:

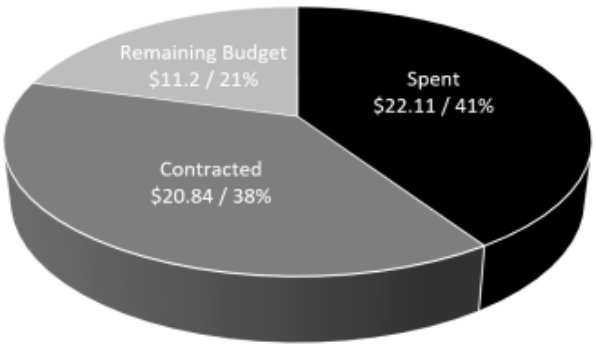
The Annual forecast expenditure this quarter has decreased by $0.296m from an approved Q1 budget of $14.411m to a proposed budget of $14.115m.

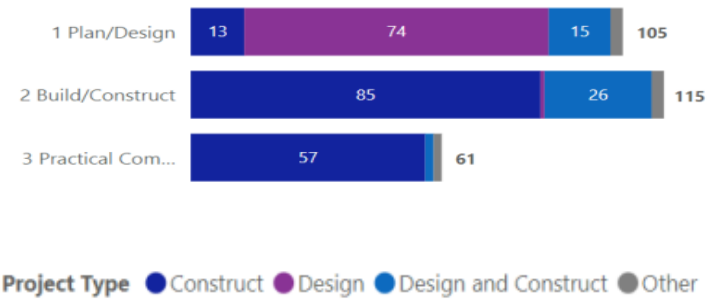
$1.823m of project works are proposed to be re-timed into future years (subject to budget approval). This reduction is proposed to be used to cover $1.527m of project administrative costs delivering the program and cost increases to existing projects. This allows $0.296m to be transferred to Major projects to contribute to the existing funding shortfall.

Renewals

Renewals are works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.

Approved Budget





some projects have been broken down into sub-projects, so total appears different

Planning updates:

Significant progress has been made across all asset classes for Renewals in the second quarter. Progress highlights are:

- 28 projects have achieved practical completion this quarter, including Gawler UPark façade panel replacement, Francis Street stormwater renewals, 'bud' lighting renewal and various road and footpaths renewal projects
- Several projects have commenced construction, including six traffic signal renewals at major intersections and the traffic signal controller renewal program as well as the LED renewal program
- Several projects completed their procurement activity this quarter with delivery commencing in future quarters, including Pinky Flat Pond and surrounds, George Street lighting and Pioneer Women's Garden Heritage wall renewal
- A number of projects are forecasting completion in the next quarter, including Jeffcott Street South, Eagle Chambers IT Server Room AC unit renewal, Adelaide Pavillion AC renewal and various road and footpaths renewal projects

Budget updates:

The annual forecast expenditure this quarter has remained unchanged at $54.153m.

Portfolio updates

City Shaping

The City Shaping Portfolio leverages and celebrates our role as a Capital City Council and delivers the services that lead, shape and enable a creative, dynamic, resilient and diverse city both now and into the future.

Programs:

- City Culture
- Park Lands, Policy and Sustainability
- Regulatory Services

Key Focus areas:

- City activation, initiatives, grants and sponsorship
- Park Lands greening, management and improvements
- Develop the City Plan
- Partnerships that support creative and resilient communities
- Kaurna heritage and voice and cultural mapping of the Park Lands
- Heritage promotion and protection

City Services

The City Services Portfolio delivers essential local government services for our community, making it easier to conduct business in our city, and providing a safe and attractive urban environment.

Programs:

- City Operations
- Infrastructure
- Strategic Property and Commercial

Key Focus areas:

- Capital Works Program, including Major Projects, New and Significant Upgrades and renewals
- Main street revitalisation and improvements
- Maintenance of public realm and city presentation

Corporate Services

The Corporate Services Portfolio provides effective and efficient services and insights to strengthen and grow our organisational capability, and support a culture of accountability, transparency, and innovation.

Programs:

- Customer and Marketing
- Finance and Procurement
- Governance
- Information Management
- People
- Strategy, Insights and Performance
- *Adelaide Central Market Authority*
- *Adelaide Economic Development Agency*
- *Kadaltilla / Adelaide Park Lands Authority*

Key Focus areas:

- Revised Strategic Management Framework and new Strategic Plan
- New and different ways to engage our community
- Adelaide free Wi-Fi expansion and improvements
- City of Adelaide Graduate Program

City Shaping

YTD Operating Position	($'000)		
	Actual	**Budget**	**variance**
Income	13,519	13,718	(199)
Expenditure	(21,078)	(23,267)	2,189
Net Operating Surplus / (Deficit)	(7,559)	(9,549)	1,990

Operating Budget	Income ($'000)			Expenditure ($'000)		
	budget	**proposed**	**variance**	**budget**	**proposed**	**Variance**
Office of the Director, City Shaping	-	-	-	(652)	(652)	-
City Culture	12,004	11,956	(48)	(27,438)	(27,370)	68
Park Lands, Policy and Sustainability	296	43	(253)	(7,817)	(7,554)	263
Regulatory Services	15,054	14,984	(70)	(9,902)	(9,943)	(41)
Strategic Projects	128	218	90	(2,482)	(2,612)	(130)
Total	27,482	27,201	(281)	(48,291)	(48,131)	160

City Shaping

Planning updates / changes

- Completed Strategic Projects:
  - Social Planning Homelessness and Adelaide Zero Project Resourcing
- New Strategic Projects:
  - Park 21 West - New Community Sports Building
- Council decisions relating to:
  - EV Transition Roadmap
- Administrative changes relating to:
  - Additional funding for Light Square Masterplan. No change in scope, increase in funding to meet tender responses, which came in above budget (higher than estimate)
  - Funding for Park Lands Greening
  - Additional funding for Social Planning Homelessness and Adelaide Zero Project Resourcing
  - Timing of funding for Adaptive Re-use Housing Initiative (receipt of grant payment from State Government)

Budget updates / changes

- Operational budget changes resulting in $0.281m reduction to income, as well as $0.411m reduction in expenditure:
  - Reduction in Income of $0.117m through Council Decision relating to Park Lands Fee Policy review
  - Reduced income through forecast revenue across Development Assessment, New Years Eve and Park Lands Events $0.031m
  - 1.0 additional FTE for Graduate Planner role transferred from People Program. 2 year fixed-term contract from January 2024
- Changes to the operational budget identified above includes funding for New Strategic Projects this quarter of $0.032m, and net increase of $0.008m across existing projects

Select Portfolio achievements from this quarter

- The 2023 Christmas Festival and the return of New Year's Eve celebrations to Elder Park were successful and attracted record numbers of patrons.
- Multiple strategies and policies have been developed with Council for consultation and Council final endorsement, draft Homelessness Strategy, and draft Integrated Climate Strategy. The Economic Development Strategy Round Table was held on 14 December 2023.
- The Community Land Management Plan for the Adelaide Park Lands was endorsed, and the Adelaide Aquatic Centre Project Agreement between the Department of Infrastructure and Transport was executed in October 2023.
- CEO KPI Achieved - Develop a Housing Policy that supports the provision of affordable and social housing. Presented to Council by end December 2023.

City Shaping | Budget

City Culture

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	variance	Expenditure ($'000) budget	proposed	variance
Office of the A/D City Culture	-	-	-	(385)	(385)	-
Adelaide Town Hall	2,863	2,863	-	(2,921)	(2,914)	7
Aquatic Centre	6,593	6,593	-	(7,443)	(7,430)	13
City Experience	695	616	(78)	(4,080)	(4,080)	-
City Lifestyle	1,245	1,245	-	(4,661)	(4,654)	7
Creative City	82	112	30	(2,902)	(2,861	41
Libraries	526	526	-	(5,046)	(5,046)	-
Total	12,004	11,956	(48)	(27,438)	(27,370)	68

Park Lands, Policy and Sustainability

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	proposed	variance	Expenditure ($'000) budget	proposed	variance
A/D, Park Lands Planning & Policy	-	-	-	(356)	(356)	-
City Planning and Heritage	43	43	-	(3,660)	(3,650)	10
Low Carbon & Circular Economy	-	-	-	(1,909)	(1,909)	-
Park Lands, Policy & Sustainability	-	-	-	(1,639)	(1,639)	
Kadaltilla / Park Lands Authority	253	-	(253)	(253)	-	253
Total	296	43	(253)	(7,817)	(7,554)	263

Regulatory Services

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	proposed	variance	Expenditure ($'000) budget	proposed	variance
A/D, Regulatory Services	-	-	-	(843)	(843)	-
City Development	3,340	3,270	(70)	(2,588)	(2,629)	(41)
City Safety	458	458	-	(1,641)	(1,641)	-
On-Street Parking Compliance	11,256	11,256	-	(4,725)	(4,725)	-
Total	15,054	14,984	(70)	(9,902)	(9,943)	(41)

City Shaping | Strategic Projects

	Plan		Expenditure ($'000)				
		delivered by		**budget**	**proposed**	**variance**	
Office of the Director, City Shaping							
Adaptive Re-use Housing Initiative*	●○○	October 2025	●○○	(128)	(218)	(90)	➲
City Culture							
Aquatic Centre Investigations	●○○		●○○	(75)	(75)	0	➲
City Activation	●○○	June 2024	●○○	(400)	(400)	0	➲
Cultural Mapping of the Adelaide Park Lands	●○○	June 2024	●○○	(75)	(75)	0	➲
Park Lands, Policy and Sustainability							
City Wide Waste and Recycling Program	○▲○		○▲○	(788)	(788)	0	➲
Delivering the City Plan	●○○		●○○	(390)	(390)	0	➲
Local Heritage Assessments - 20th Century Buildings	●○○		●○○	(70)	(70)	0	➲
Master Plan of Light Square	○▲○	June 2024	○▲○	(75)	(90)	(15)	➲
Park 21 West - New Community Sports Building	●○○	February 2024	●○○	-	(32)	(32)	➲
Park Lands Biodiversity Survey	●○○	June 2024	●○○	(150)	(150)	0	➲
Park Lands Greening	●○○		●○○	(30)	(15)	15	➲
Social Planning Homelessness and Adelaide Zero Project Resourcing	●○○	Complete	●○○	(200)	(208)	(8)	➲
Regulatory Services							
On-Street Parking Compliance Technology and Customer Analytics Reform	●○○		●○○	(100)	(100)	0	➲
Total				(2,482)	(2,612)	(130)	➲

** fully funded by State Government Grant*

City Services

YTD Operating Position	($'000)		
	Actual	Budget	variance
Income	32,373	29,327	3,046
Expenditure	(60,790)	(62,298)	1,508
Net Operating Surplus / (Deficit)	(28,417)	(32,971)	4,554

Operating Budget	Income ($'000)			Expenditure ($'000)		
	budget	proposed	variance	budget	proposed	variance
Office of the Director, City Services	-	-	-	(677)	(677)	-
City Operations	2,482	2,482	-	(43,161)	(43,389)	(228)
Infrastructure	211	722	511	(44,520)	(44,602)	(82)
Strategic Property and Commercial	52,322	53,303	981	(32,238)	(32,810)	(572)
Strategic Projects	3,020	3,020	-	(5,123)	(5,212)	(89)
Total	58,035	59,527	1,492	(125,719)	(126,690)	(971)

City Services

Planning updates / changes

- New Strategic Projects:
  - Telecommunication Infrastructure and Communication System - Part 1
- Council decisions relating to:
  - Future Fund Governance Framework Establishment
- Administrative changes relating to:
  - Additional funding for Asset Condition Audit
  - Reduction in funding for Climate Change Risk Adaptation Actions Year Two
  - Moonta Street Roof Installation Feasibility Study is no longer occurring this financial year.
  - Smart Lighting Platform Technical Specification is no longer occurring this financial year.

Budget updates / changes

- Operational budget changes resulting in $1.492m additional income offset by $0.972m additional expenditure:
  - Parking Revenue of $0.397m offset by associated operating expenditure of $0.297m
  - $0.584m income for the accounting treatment for the recognition of the remainder of the 88 O'Connell Street project milestone payment due to CoA in 24/25
  - Additional Grant funding of $0.255m for Roads to Recovery, as well as $0.255m reallocation from Corporate Services portfolio
  - De-silting works required within the River Torrens / Karrawirra Parri $0.200m
  - Increase in Emergency Services Levy $0.050m
  - Legal Settlement $0.100m
  - Additional 2.0 FTE Infrastructure Graduates. 2-year Fixed Term Contract from January 2024 transferred from the People program.
- Changes to the operational budget identified above includes funding for New Strategic Projects this quarter of $0.229m, offset by savings or reallocations of $0.140m

Select Portfolio achievements from this quarter

- First six (6) months reflects the largest spend profile associated with Capital Works delivery.
- Significant progress in the development of six (6) Asset Management Plans for Council review and endorsement prior to the 30 June 2024.
- Commercial businesses (UParks and North Adelaide Golf Links) have reflected a favourable variance to budget and increased visitation numbers.

City Services | Budget

City Operations

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
A/D City Operations	-	-	-	(2,922)	(2,964)	(42)
Manager, City Maintenance	-	-	-	(184)	(384)	(200)
Manager, City Presentation	-	-	-	(199)	(199)	-
Cleansing	7	7	-	(7,053)	(7,075)	(22)
Facilities	-	-	-	(4,614)	(4,522)	92
Horticulture	2,334	2,334	-	(13,668)	(13,697)	(29)
Infrastructure Maintenance	-	-	-	(5,820)	(5,831)	(11)
Trades	107	107	-	(4,884)	(4,890)	(6)
Waste	29	29	-	(3,603)	(3,603)	-
Workshops	6	6	-	(214)	(224)	(10)
Total	2,482	2,482	-	(43,161)	(43,389)	(228)

Infrastructure

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
A/D Infrastructure	-	-	-	(632)	(714)	(82)
Infrastructure Planning and Delivery	211	722	511	(43,378)	(43,378)	-
Technical Services	-	-	-	(510)	(510)	-
Total	211	722	511	(44,520)	(44,602)	(82)

Strategic Property and Commercial

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
A/D Strategic Property & Commercial	-	-	-	(473)	(473)	-
Commercial	221	221	-	(915)	(918)	(3)
Parking	42,378	42,775	397	(13,685)	(14,060)	(375)
North Adelaide Golf Course	3,443	3,443	-	(3,579)	(3,606)	(27)
Strategic Property Development	-	584	584	(765)	(765)	-
Strategic Property Management	6,280	6,280	-	(12,821)	(12,988)	(167)
Total	52,322	53,303	981	(32,238)	(32,810)	(572)

City Services | Strategic Projects

	Plan		Expenditure ($'000)				
		delivered by		**budget**	**proposed**	**variance**	
City Operations							
Private Laneways Fee-for-Service Trial	●○○		●○○	(50)	(50)	0	➲
Infrastructure							
Asset Condition Audit	●○○		●○○	(179)	(199)	(20)	🡅
Climate Change Risk Adaptation Actions Year 2	●○○		●○○	(200)	(160)	40	🡇
Conservation Management Plans for Heritage Assets	●○○	June 2024	●○○	(200)	(200)	0	➲
Lighting and Electrical Data Collection	●○○		●○○	(300)	(300)	0	➲
Moonta Street Roof Installation Feasibility Study	●○○	Deferred	●○○	(50)	-	50	🡇
North Terrace West Masterplan	○▲○		○▲○	(100)	(100)	0	➲
Resilient Flood Planning*	●○○	May 2025	●○○	(2,325)	(2,325)	0	➲
SA Power Networks (SAPN) Luminaire Upgrades	○▲○	June 2024	○▲○	(100)	(100)	0	➲
Smart Lighting Platform Technical Specification	●○○	Deferred	●○○	(40)	-	40	🡇
Stormwater Network Cleaning	●○○	February 2024	●○○	(500)	(500)	0	➲
Transport Strategy	○▲○		○▲○	(350)	(350)	0	➲
Telecommunication Infrastructure and Communication System - Part 1	●○○		●○○	-	(229)	(229)	🡅
Underground of powerlines	●○○		●○○	(239)	(239)	0	➲
Strategic Property and Commercial							
88 O'Connell Project Delivery	●○○		●○○	(30)	(30)	0	➲
Central Market Arcade Redevelopment	●○○	January 2026	●○○	(280)	(280)	0	➲
Future Fund Governance Framework Establishment	●○○		●○○	(30)	-	30	🡇
Strategic Property Action Plan Implementation	●○○		●○○	(150)	(150)	0	➲
Total				(5,123)	(5,212)	(89)	🡅

** fully funded by Federal Government Grant*

Corporate Services

YTD Operating Position	($'000)		
	Actual	Budget	variance
Income	72,414	72,662	(248)
Expenditure	(25,564)	(25,004)	(560)
Net Operating Surplus / (Deficit)	46,850	47,658	(808)

Operating Budget	Income ($'000)			Expenditure ($'000)		
	budget	Proposed	Variance	budget	proposed	variance
Office of the Chief Operating Officer	-	-	-	(1,148)	(939)	209
Customer and Marketing	1	1	-	(6,249)	(6,499)	(250)
Finance and Procurement	134	134	-	(4,283)	(4,283)	-
Governance	-	-	-	(3,735)	(4,213)	(478)
Information Management	1,430	1,430	-	(13,312)	(13,312)	-
People	-	-	-	(3,945)	(3,741)	204
Strategy, Insights & Performance	-	-	-	(1,474)	(1,474)	-
Corporate Activities *	132,729	132,323	(406)	3,837	3,949	112
Strategic Projects	400	400	-	(1,823)	(1,775)	48
Total	134,694	134,288	(406)	(32,132)	(32,287)	(155)
Subsidiaries						
Adelaide Central Market Authority	4,914	4,914	-	(5,310)	(5,310)	-
Adelaide Economic Development Agency	4,269	4,354	85	(12,465)	(12,809)	(344)
Kadaltilla / Adelaide Park Lands Authority	-	253	253	-	(253)	(253)
Total Subsidiaries	9,183	9,521	338	(17,775)	(18,372)	(597)
Total Corporate Services (including Subsidiaries	143,877	143,809	(68)	(49,907)	(50,659)	(752)

**Corporate Activities includes Rates Revenue, Corporation grants (e.g. Financial Assistance Grants), vacancy management Target, and capital overhead.*

Corporate Services

Planning updates / changes

- Completed Strategic Projects:
  - Deliver next generation Adelaide Free Wi-Fi network as part of the Adelaide City Deal
  - Promoting the City during Adelaide 500
- New Strategic Projects:
  - Grant Management Software to facilitate identification of funding opportunities
- Council decisions relating to:
  - Not applicable
- Administrative changes relating to:
  - Reduction in funding for Cyber Security Enhancement
  - Subsidiaries of Council (ACMA, AEDA and Kadaltilla) now reporting through Corporate Services

Budget updates / changes

- Operational budget changes resulting in $0.406m reduction in income, as well as $0.378m additional funding:
  - Reallocation of Roads to Recovery Funding of $0.255m to Infrastructure Program
  - Increase in Rates objections $0.150m
  - Reallocation of Searches & Information budget of $0.209m to Customer & Marketing from the Chief Operating Officer in line with an increase in Search Fees for expiation notices
  - Transfer of Councillor Support from Office of the Lord Mayor to Governance $0.471m, and Graduate positions to programs of reporting responsibility $0.163m
  - Additional Insurance Premium budget of $0.060m
  - Movement in Employee provisions $0.164m
  - Transfer of 3.0 Graduate Roles from 1 January 2024 to City Services and City Shaping Portfolios $0.123m
- New Strategic Funding of $0.012m for the Grant Management Software, offset by $0.060m savings.
- Subsidiary net operating movements of $0.259m increase in budget through:
  - Additional Income and Expenditure for Adelaide Fashion Week $35k and AEDA Summit $50k
  - Increase in budget due to Surpluses generated through underspends in previous years in line with the AEDA Charter $176k, as well as an increase in Depreciation expense for Assets purchased in 2022/23 $42k

Corporate Services

Select Portfolio achievements from this quarter

- Council adoption of key strategic documents – Annual Report 2022/23 including Annual Financial Statements; City of Adelaide Strategic Plan 2024-28; Kadaltilla Strategic Plan 2023-28; Long Term Financial Plan.
- Delivery of the Adelaide Free Wi-Fi project.
- Council adoption of policies to ensure better Council transparency and meeting effectiveness.
- Recruitment and selection of five graduates through CoA's new Graduate Program, to attract and retain talent and develop the CoA workforce.
- Approval and commencement of an AEDA Review implementation plan.
- Contracted for comprehensive mass appraisal valuations to inform 2024-25 property valuations for rating purposes.
- Voice of Customer survey data has trended upwards for Ease of Service and Customer Satisfaction and both measures met the 70% KPI target in December.

Adelaide Central Market Authority

- Strong progress against the initiatives and measures set out in the 2023/24 business plan and budget with 95% actions progressed, ongoing or on track.
- The operating position of $331,000 favourable to budget YTD is due to additional leasing income and 100% rental occupancy, and by a favourable variance in expenditure due to the timing of professional fees for the leasing of the future Market Expansion.
- December and Christmas trade successful with the same average daily visitation as 2022. Annual traffic in 2023 reached 8.15m, 9.4% higher than the 7.45m in 2022. Producer in Residence stall has seen 100% occupancy from July to Dec 2023 (8 businesses).

Adelaide Economic Development Agency

- The University of Adelaide/ThincLab, MTPConnect and South Start received Strategic Partnership Program funding to support smaller growth oriented small businesses to scale up.
- A campaign promoting citywide shopping around the Black Friday period was developed and delivered over the fortnight leading up to and including Black Friday through to Cyber Monday. The campaign highlighted the unique attributes of shopping in the city. Foot traffic in Rundle Mall increased by 8.2% on last year.
- ADL Fashion Week was held in October with 33 events and 80 additional fashion related experiences or offers. Eighty eight percent of tickets across the core events were sold.
- The Commercial Events and Festivals program committed $240,000 in funding to seven events in the medium-large category and $136,500 to nine small-medium events.

Kadaltilla / Adelaide Park Lands Authority

- Delivered the Kadaltilla 2023-2028 Strategic Plan.
- Delivered the final two Annual Community Forum events in October 2023.
- Embarked on a Park Lands Site Tour with Kadaltilla Board Members.
- Undertook public Expressions of Interest for the vacant Council appointed Board Member position with skills in tourism and event management.
- Consulted with the State Planning Commission regarding Kadaltilla's Greater Adelaide Regional Plan submission.
- Continued the comprehensive review of Adelaide Park Lands Management Strategy 2015-2025 (APLMS), including delivery of digital version.

Corporate Services | Budget

Customer and Marketing

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager, Customer & Marketing	-	-	-	(213)	(213)	-
Customer Experience	1	1	-	(3,769)	(3,978)	(209)
Marketing & Communications	-	-	-	(2,269)	(2,310)	(41)
Total	1	1	-	(6,249)	(6,499)	(250)

Finance and Procurement

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager, Finance & Procurement	-	-	-	(265)	(265)	-
Financial Planning & Reporting	-	-	-	(1,811)	(1,811)	-
Procurement & Contract Management	-	-	-	(990)	(990)	-
Rates & Receivables	134	134	-	(1,217)	(1,217)	-
Total	134	134	-	(4,283)	(4,283)	-

Governance

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager, Governance & Risk	-	-	-	(209)	(209)	-
Corporate Governance	-	-	-	(1,965)	(1,972)	(7)
Council Governance	-	-	-	(573)	(1,045)	(471)
Legal Governance	-	-	-	(987)	(987)	-
Total	-	-	-	(3,735)	(4,213)	(478)

Corporate Services | Budget

Information Management

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager, Information Management	7	7	-	(1,379)	(1,379)	-
Project Delivery	1,400	1,400	-	(2,553)	(2,553)	-
Service Desk	-	-	-	(1,111)	(1,111)	-
Technology, Infrastructure & Platforms	23	23	-	(8,268)	(8,268)	-
Total	1,430	1,430	-	(13,312)	(13,312)	-

People

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager People	-	-	-	(698)	(493)	204
People Experience	-	-	-	(1,355)	(1,355)	-
People Safety and Wellbeing	-	-	-	(751)	(751)	-
People Services	-	-	-	(1,141)	(1,141)	-
Total	-	-	-	(3,945)	(3,741)	204

Strategy, Insights and Performance

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager, Strategy, Insights & Performance	-	-	-	(187)	(187)	-
Project Management Office	-	-	-	(155)	(155)	-
Strategy and Insights	-	-	-	(1,132)	(1,132)	-
Total	-	-	-	(1,474)	(1,474)	-

Corporate Services | Budget

Adelaide Central Market Authority

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	Variance
ACMA Operations	4,820	4,820	-	(5,073)	(5,073)	-
Online Market Platform	94	94	-	(236)	(236)	-
Total	4,914	4,914	-	(5,310)	(5,310)	-

Adelaide Economic Development Agency

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager Director AEDA	-	-	-	(748)	(748)	-
Business and Investment	-	50	50	(2,429)	(2,520)	(91)
Marketing	-	35	35	(1,847)	(1,882)	(35)
Rundle Mall Management	4,250	4,250	-	(4,250)	(4,468)	(218)
Visitor Economy	19	19	-	(3,191)	(3,191)	-
Total	4,269	4,354	85	(12,465)	(12,809)	(344)

Kadaltilla / Park Lands Authority

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	proposed	variance	Expenditure ($'000) budget	proposed	variance
Kadaltilla / Adelaide Park Lands Authority	-	253	253	-	(253)	(253)

Corporate Services | Strategic Projects

	Plan		Expenditure ($'000)				
		delivered by		**budget**	**proposed**	**variance**	
Finance and Procurement							
External Property Valuations	●○○	April 2024	●○○	(240)	(240)	0	➲
Transactional Banking	●○○	June 2024	●○○	(150)	(150)	0	➲
Information Management							
Records Digitisation	●○○	June 2024	●○○	(80)	(80)	0	➲
Cyber Security Enhancement	●○○	June 2024	●○○	(160)	(100)	60	➲
Deliver next generation Adelaide Free Wi-Fi*	●○○	Complete	●○○	(98)	(98)	0	➲
Strategy, Insights and Performance							
Grant Management Software to facilitate identification of funding opportunities	●○○	June 2024	●○○	-	(12)	(12)	➲
Adelaide Economic Development Agency							
Destination Adelaide Promotion	●○○		●○○	(300)	(300)	0	➲
Promoting the City during Adelaide 500	●○○	Complete	●○○	(75)	(75)	0	➲
Strategic Events Fund	●○○	June 2024	●○○	(600)	(600)	0	➲
Welcome to Adelaide	●○○		●○○	(120)	(120)	0	➲
Total				(1,823)	(1,775)	48	➲

** Partially funded by Federal Government Grant*

Regional Subsidiary and Offices

Further to these subsidiaries, the City of Adelaide is also a member of:

Brown Hill and Keswick Creek Stormwater Board

The Regional Subsidiary, known as the Brown Hill and Keswick Creeks Stormwater Board, was established in February 2018. The Board coordinates the delivery of the Brown Hill Keswick Creek Stormwater Project, which is a collaborative undertaking between the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens. The Board is governed by a Charter prepared by these five constituent Councils and subsequently approved by the Minister for Local Government.

Reporting for this Board is done separately and is not embedded in the City of Adelaide quarterly reporting, however where available, the Board's own reports and plans will be provided as attachments as well as being available on the Board's website.

Office of the Chief Executive Officer (CEO)

Supports the CEO to lead a sustainable, successful organisation, to make well informed decisions to deliver on Council's priorities, and to foster productive partnerships both with industry, and local government and other government bodies through the delivery of effective intergovernmental relations.

Key Focus areas:

- Capital City oversight
- Communication and Public Relations
- Executive Support and Administration
- Grants and Advocacy
- Partnerships and Intergovernmental Relations

Office of the Lord Mayor

Supports the Lord Mayor and Council Members to foster productive relationships with peak bodies, other government bodies and the community, to deliver our strategic priorities, plan, and fulfill our Capital City leadership responsibilities.

Key Focus areas:

- Civic Protocols and Events
- Communication and Public Relations
- Lord Mayor and Council Administration
- Partnerships and Intergovernmental Relations

Office of the CEO and Office of the Lord Mayor

YTD Operating Position	($'000)		
	Actual	Budget	variance
Income	-	-	-
Expenditure	(1,875)	(1,825)	(50)
Net Operating Surplus / (Deficit)	(1,875)	(1,825)	(50)

Operating Budget	Income ($'000)			Expenditure ($'000)		
	budget	Proposed	Variance	budget	proposed	variance
Office of the CEO	-	-	-	(1,470)	(1,470)	-
Civic Events, Partnerships, & Other Events	-	-	-	(587)	(467)	120
Councillor Support	-	-	-	(471)	-	471
Lord Mayor's Office Administration	-	-	-	(997)	(1,117)	(120)
Strategic Projects	-	-	-	-	-	-
Total	-	-	-	(3,525)	(3,054)	471

Plan and Budget updates / changes identified:

- Councillor Support budget and responsibility has been transferred to the Governance Program within the Council Governance team
- Permanent reallocation of Civic Events, Partnerships, & Other Events have been identified to fund an additional 1.0 FTE within the Lord Mayor's Office Administration.
- Budgets for both the Office of the Lord Mayor and Office of the CEO are on track with expenditure.

There are no Strategic or Capital Projects within this program and as a result there are no changes identified to planning timeframes.

Select Portfolio achievements from this quarter

- Capital City Committee met in November 2023.
- Hosted a delegation from George Town, Penang between from 4 to 8 December, including a formal Anniversary Dinner to celebrate the 50th Anniversary of the sister city relationship with George Town, Penang.
- Continued planning the celebration to mark the 10th anniversary of the sister city relationship with Qingdao.
- A Citizenship Ceremony and 16 civic events were delivered during the quarter.
- Lord Mayor hosted a stand for over 200 guests for the National Pharmacies Christmas Pageant on 4 November, including welcoming Father Christmas to Town Hall with the Premier.
- Lord Mayor also hosted a Council Member End of Year Dinner on 9 November 2023 with 16 guests including Councillors and partners.
- Lord Mayor additionally hosted the SA State Government Small Business Strategy 2023-2030 Round Table on 13 November where Minister Michaels' presented, and the Economic Development Strategy Round Table Forum held on 14 December.

Long Term Financial Plan

Summary

Long Term Financial Plan (LTFP) updates:

- The starting year for the LTFP 2023/24 has been updated to reflect the proposed Q2 Budget
- Updated assumptions for South Australia Consumer Price Index (SA CPI), Wages Price Index (SA WPI), and Interest Rates based on the December projections provided by Deloitte Access Economics (DAE)
- Impact of Council Decisions during 2023/24 which have an ongoing impact on the LTFP, including:
  - Bilingual FTE $0.088m
  - An increase to New Year's Eve Funding $0.177m
  - Reduction in Park Lands Event Fees $0.087m
  - Increase to Customer & Marketing 3.8 FTE as a result of the Council decision to fund 8 Property Information Officer's $0.334m
  - Park Land Fee Policy review $0.117m
- Council decision to fund 218-232 Flinders Street $1m from 2024/25
- Position reached with State for Adelaide Aquatic Centre outcome

Financial sustainability

"A council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."

Financial Principles and Finance Strategy

In order to guide financial strategy and future decision making to ensure long term financial sustainability can be achieved, Council endorsed the following Financial Principles:

- Transparency in decision making
- Continue to deliver a minimum of the current suite of services and asset maintenance, indexed in line with Consumer Price Index (CPI)
- Fees and charges reflect cost of services provided
- Maintain the rating system
- Maintain an operating surplus
- Capitalise on external funding, fast-tracking projects that attract such funding, recognising the potential need for increased borrowings in order to respond to external funding opportunities
- Consider new and different revenue streams and the approach to commercial businesses to reduce reliance on existing revenue sources
- Adjust rate revenue after consideration of all other budget components and use growth in rate revenue to partly fund servicing new rateable properties and to service new borrowings
- Capital renewal expenditure will be based on asset management plans
- New or enhanced services, assets or maintenance requiring an increase in operating costs are to be funded from the adjustment of priorities, rate revenue or other revenue increases and/or through savings
- Consider the disposal, purchase and /or repurposing of property assets to unlock the potential and future prosperity of the City, without incurring a financial loss
- Borrowings will be used to fund new and upgrade projects (which include major projects) and not used to fund operations, expenses or renewal projects

How do we monitor and communicate financial sustainability?

A suite of financial sustainability indicators (KFIs) is used to measure Council's financial performance, to guide decision making on major projects and significant components within the LTFP, and to secure its continued financial sustainability.

The LGA endorsed KFIs, which are incorporated into reporting based on the Model Financial Statements (LGA endorsed), are:

- The Operating Surplus Ratio
- The Net Financial Liabilities Ratio
- The Asset Renewal Funding Ratio.

Council also considers an additional four indicators to monitor its ability to borrow in line with its Prudential Borrowing Limit:

- Asset Test Ratio
- Interest Expense Ratio
- Leverage Test Ratio
- Cashflow from Operations Ratio.

Financial sustainability

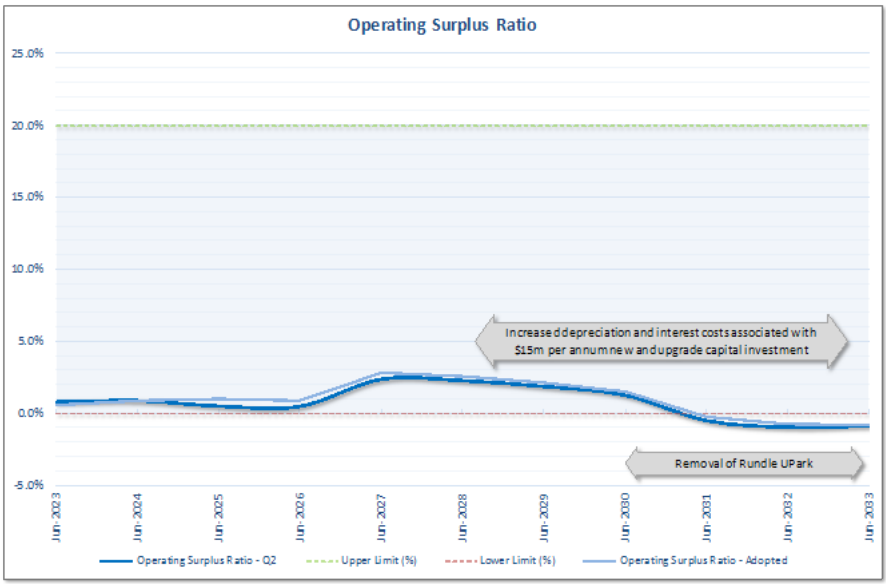
Operating Surplus Ratio

This indicator represents the difference between day-to-day income and expenses for a period, as is expressed the Operating surplus as a percentage of operating revenue.

A council's long-term financial sustainability is dependent upon ensuring that, on average over time, its expenses are less than associated revenues. If a council is not generating an operating surplus in most periods then it is unlikely to be operating sustainably.

What is being measured:
This indicator represents the percentage by which the major controllable revenue source varies from day to day operating expenses. Financial sustainability is indicated where a council consistently achieves operating surpluses and has soundly based projections showing it can continue to do so in the future, having regard to asset management and the service level needs of its community.

Target:
The *Local Government Act (SA) 1999* target is to achieve an average operating surplus ratio between 0% and 10% over any five-year period. However, as a Capital City Council, the City of Adelaide has significant responsibilities in improving its public realm and considers that an average operating surplus ratio between 0% and 20%, over any five-year period, is a more appropriate target.



Explanation of LTFP Projected Results:
The chart above compares the adopted budget against Q2. Which illustrates minimal change. The ratio continues to highlight the need for decisions around revenue growth, capital investment and a solution for Rundle UPark.
The underlying structural budget is sustainable in the short to medium term and, subject to Council's eventual position on the matters discussed above, has the ability to remain sustainable in the longer term.

Financial sustainability

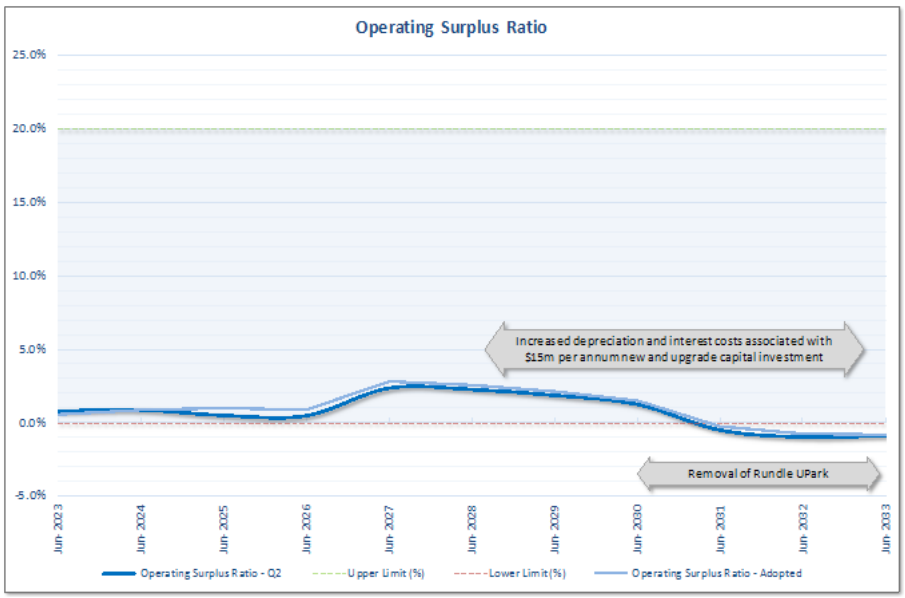
Net Financial Liabilities Ratio

This indicator represents the money owed to others less money held, invested or owed to Council as is expressed as Financial Liabilities as a percentage of operating income.

A council's indebtedness should be managed to ensure its liabilities and associated costs can be met without the prospect of disruptive service cuts and/or excessive rate increases (ie without impinging on financial sustainability). There is in essence no right or wrong target level for net financial liabilities (defined as total liabilities less financial assets) as this depends on infrastructure plans. The ideal target is that net financial liabilities are no greater than annual operating revenue and not less than zero.

What is being measured:
This indicator represents the significance of the net amount owed compared with operating revenue. It measures the extent to which Council is managing its debt and highlights that borrowings are often an effective means of financial sustainability, rather than trying to fund all assets and services from operating income.

Target:
The LGA recommends that the target for Net Financial Liabilities should be greater than zero (and less than 100%, that is, the amount owed is equal to or less than total annual income). The more conservative target set by City of Adelaide is that liabilities as a percentage of total operating revenue will not exceed 80%.



Explanation of LTFP Projected Results:
The chart above compares the adopted budget against Q2, which illustrates the impact of extra debt from some major projects there is minimal change. City of Adelaide's net financial liabilities are, until 2031/32, within the prescribed target for the life of the plan. The negative ratio from 2031/32 (updated from 2030/31) onwards reflects a combination of Council continuing to invest in assets, matched to a decrease in operating revenue from the removal of UPark Rundle. Averages demonstrate a positive position over the life of the LTFP however, borrowings and/or operating revenue needs to be addressed to bring the ratio back within target and remain so beyond the life of the LTFP.

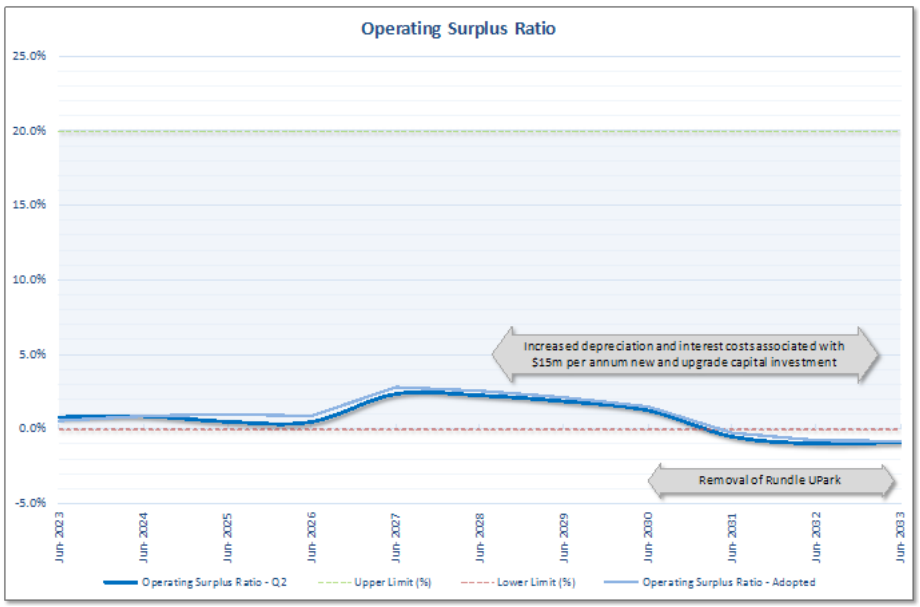
Financial sustainability

Asset Renewal Funding Ratio

This ratio represents expenditure on asset renewals as a percentage of forecast expenditure required as per the asset management plans.

What is being measured:
This indicator expresses expenditure on asset renewals as a percentage of the projected funding required. It illustrates whether existing assets are being replaced or renewed at the rate they are being consumed and ensures consistent service delivery as determined by the Infrastructure and Asset Management Plans.

Target:
The *Local Government Act (SA) 1999* recommends a target ratio between 90% and 110%. A ratio lower than 100% suggests that Council is not maintaining assets and infrastructure in order to optimise asset lives. A ratio higher than 100% suggests that Council is replacing assets earlier than needed or at a level in excess of that set in the asset management plans.



Explanation of LTFP Projected Results:
It is assumed that over the long term financial plan, asset renewals will be funded in line with the Strategic Asset Management Plans. Averages demonstrate a positive position over the life of the LTFP however, borrowings and/or operating revenue needs to be addressed to bring the ratio back within target and remains so beyond the life of the LTFP.

The 2023/24 projection (approximately 97%) represents the expected expenditure of the proposed capital program, above the 90% target.

The eventual result for 2023/24 will be based on actual expenditure as at 30 June 2024.

Financial sustainability

Borrowings Ratios and Prudential Limits

The maximum level of debt is prescribed by Council by way of prudential limits. While Council does not place a physical monetary limit on the level of borrowings, an upper limit is determined through its financial indicators. When borrowing, Council will consider these indicators in terms of total borrowings, and the ability to service the interest incurred and debt repayments.

What is being measured:

- Asset Test Ratio: Borrowings as a percentage of total saleable property assets
- Interest Expense Ratio: Annual interest expense relative to General Rates Revenue (less Landscape Levy)
- Leverage Test Ratio: Total borrowings relative to General Rates Revenue (less Landscape Levy) expressed as the number of years of General Rates Revenue required to repay borrowings

Target:

The Treasury Policy reviewed in 2022 ensures Council's ability to manage cash and borrowings in accordance with prescribed limits. The Prudential limits set within the Treasury Policy are:

- Asset Test Ratio: Maximum of 50%
- Interest Expense Ratio: Maximum of 10%
- Leverage Test Ratio: Maximum 1.5 Years

Prudential limits are breached when one of the ratios fall outside the targets stipulated in the policy. The breach must be reported with remediation actions to the CEO immediately.

Explanation of LTFP Projected Results:

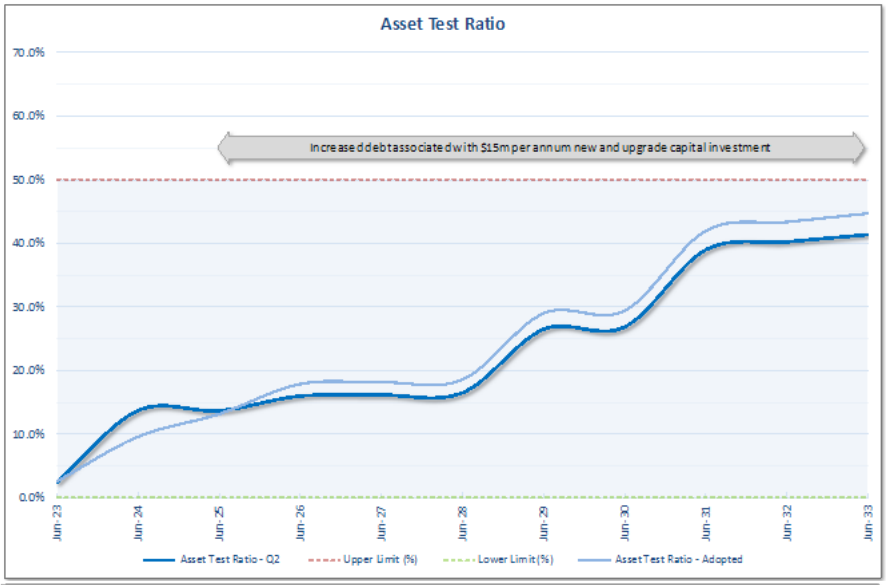
The charts on the following page compares the adopted budget against Q2, and illustrate minimal change. City of Adelaide's borrowings are within the prescribed targets across the Long Term Financial Plan.

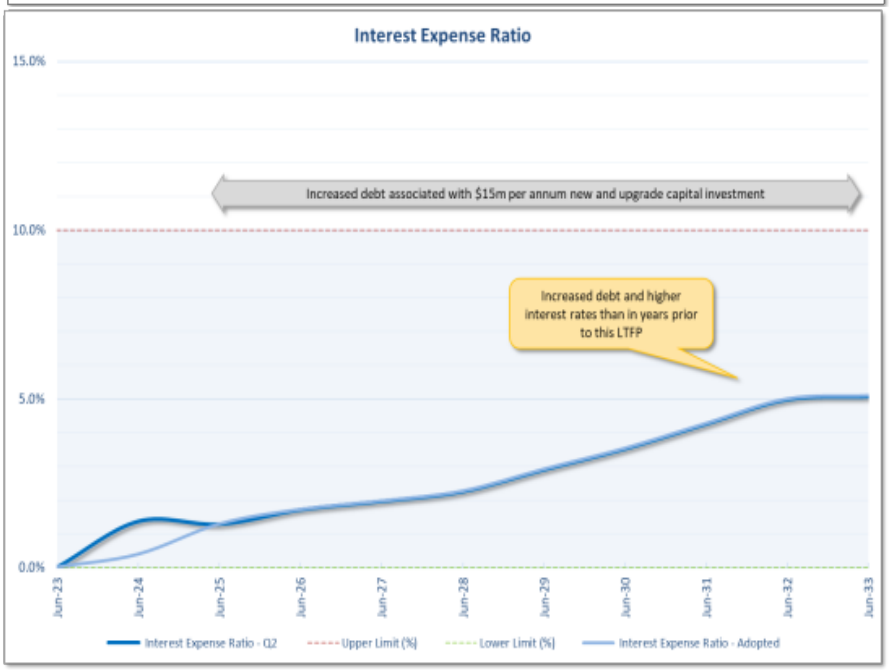
Averages over the life of the LTFP show Council's ability to keep borrowing within prudential limits. The averages are reflective of plans for sustained borrowings for capital delivery over the life of the LTFP.

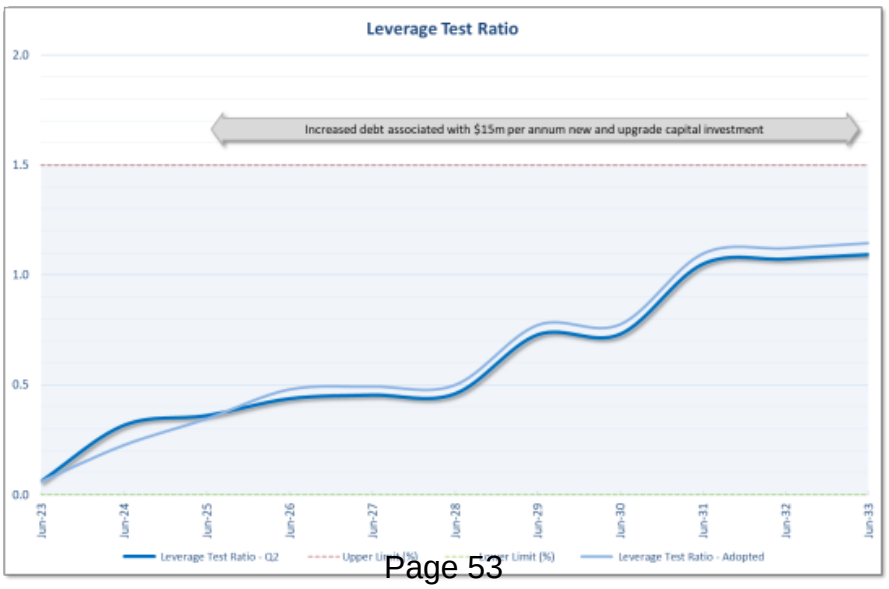
The increase in 2023/24 levels are the direct consequence of higher levels of debt as at 30 June 2024 than previously projected, and result from a higher capital spend.

Financial sustainability

Borrowings Ratios and Prudential Limits







Financial sustainability

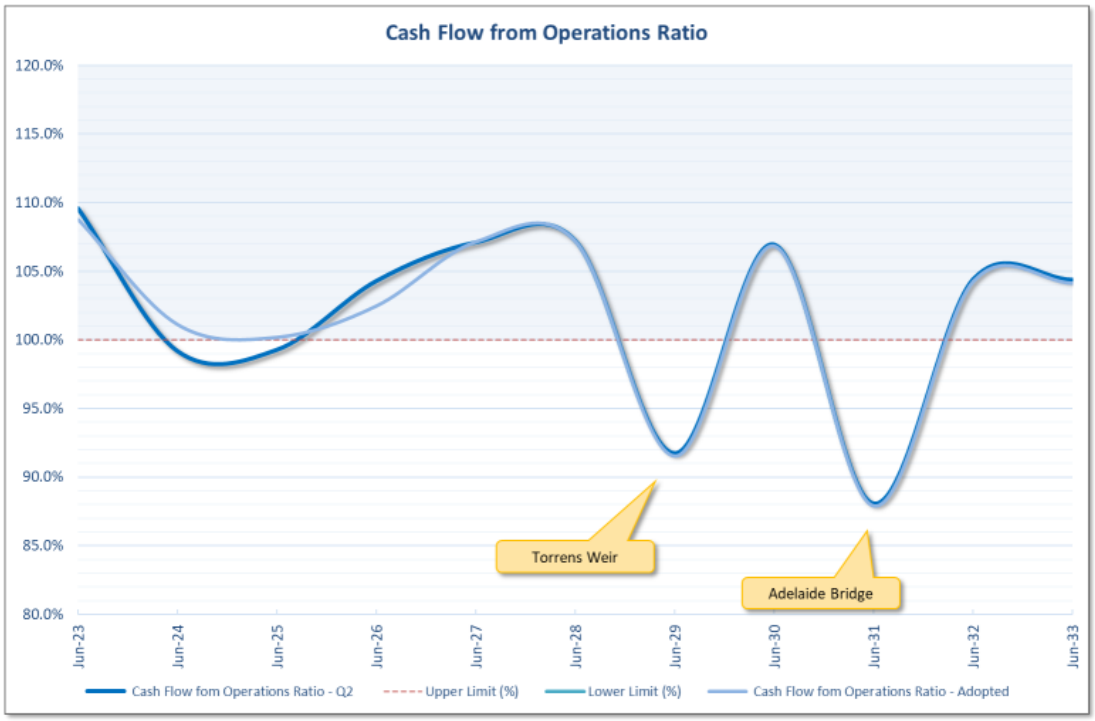
Cash Flow from Operations

This ratio measures Cash Flow from Operations as a percentage of forecast expenditure in the asset management plans and is expressed as operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets.

What is being measured:
This indicator shows whether Council is generating adequate cash from its operations to cover the replacement of assets over time.

A lower ratio indicates that Council is not generating enough cash from operations to cover asset replacement (less than 100%). As a result, Council will need to fund the replacement of assets from unsustainable sources of income resulting in increased levels of borrowings over time.

Target:
A result greater than 100% suggests Councils operations will generate enough cashflow to support the funding of asset replacement over time.



Explanation of LTFP Projected Results:
The chart above compares the adopted budget against Q2. Most years of the LTFP project a positive result.

Years 6 and 8 of the plan reflect the significant renewals required in these years. This ratio highlights the risk in Council's ability to fully fund the larger renewals that are identified in the LTFP in the later years. This is not to suggest deficiency in renewal, but rather highlight the opportunity in advance to seek alternative funding sources such as State or Federal grants to assist with the funding of significant asset renewal projects for the benefit of the wider SA metropolitan area.

Financial sustainability

In conclusion, and consistent with the adopted LTFP, the analysis indicates that the City of Adelaide is currently financially sustainable and can remain so for the forecast period covered by the 2023-24 to 2032-33 Long Term Financial Plan.

In all cases, Council remains relatively sustainable for each relevant indicator. The results highlight matters where a Council decision is required with regard to future financial sustainability. Long term financial sustainability is therefore subject to ongoing decisions and effort, and in particular (but not limited to):

- Ensuring decisions are consistent with Council's adopted financial principles
- Continued growth in revenue, through both rates and commercial activities, at or above the rate of growth in expenses
- Investment of $15m per annum for the life of the LTFP on new and upgrade projects
- The future of Rundle UPark
- Successful resolution of external funding for the renewal of the Torrens Weir and Adelaide Bridge
- Ongoing advocacy for reductions in exemptions and mandatory rebates
- Ongoing advocacy for funding assistance for projects of significance, and
- Use of the Future Fund for particular projects and initiatives

A separate report will be presented to Council with recommendations to address the above matters to ensure and maintain future financial sustainability. The report will be presented with sufficient time for Council consideration, prior to adoption of the 2024/25 to 2033/34 LTFP.

Financial indicators

		Target	2023-24 Q2	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	0.9%	0.5%	0.5%	2.3%	2.2%	1.8%	1.2%	(0.5%)	(1.0%)	(0.9%)
Net Financial Liabilities	Financial liabilities as a percentage of operating income	Less than 80%	7.6%	19%	39%	39%	39%	56%	57%	78%	80%	81%
Asset Renewal Funding Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	97%	92.5%	95.0%	97.5%	100%	100%	100%	100%	100%	100%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	14%	14%	18%	18%	18%	28%	28%	40%	42%	43%
Interest Expense Ratio	Number of times General Rates Revenue (less Landscape Levy) can service the annual interest expense	Maximum 10%	1.4%	1.3%	1.7%	2.0%	2.3%	2.9%	3.5%	4.3%	5.0%	5.1%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1 . 5 years	0.3	0.4	0.5	0.5	0.5	0.8	0.8	1.1	1.1	1.1
Cash Flow from Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	99%	99%	104%	107%	107%	92%	107%	88%	104%	104%
Borrowings	Borrowings as a percentage of the Prudential Borrowing Limit	Within Prudential Limits	42.106m	49.814m	68.870m	74.201m	77.683m	123.786m	128.145m	186.804m	197.009m	207.308m
			28%	27%	35%	35%	36%	56%	57%	81%	83%	85%

The explanation for the variations in each KFI is provided in the previous section.

Glossary

Budget:

Financial Indicators: Measures used to assess Council's financial performance, to guide decision making on major projects, and ensure its continued financial sustainability.

Reallocation: Reallocation of funds from one source to another.

Reclassification: A change of a project categorisation to reflect the scope, size or funding source of a projects (e.g. Renewal to Major Project).

Retimed: Deliberate change of timing of a project into a future year based on an agreed decision.

Subsidiaries: Established by Council under Section 42 of the *Local Government Act (SA) 1999* that operate under independent boards or organisations that City of Adelaide either operates or supports.

Capital Works:

Major project:
Significant works of a capital nature that are over the prudential limit, multi-year or have significant grant funding.

New and upgrade:
Works of a capital nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.

Renewal:
Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.

Project Management Phases:

Commit/Concept: A project plan is being finalised with scope, and greater understanding of budget timing and stakeholder management.

Design: Projects for which only the design phase will be undertaken in the current year, with construction occurring in another financial year.

Design / Detail Planning: The planning and design phase of a project, which includes activities such as project planning and technical design.

Build/Construct (also Deliver): The build and construction phase of a project, which includes activities such as tendering, and construction/creating an asset.

Practical Completion: The practical completion phase of a project, where works are completed to a point where an area/asset is open and created in our asset system. Depreciation commences at this point.

On Hold: Project status indicating a decision of Executive or Council is required and cannot proceed until a decision is reached.

Types of projects:

Capital project: A long term project to establish, develop, improve or renew a capital asset.

Strategic project: Delivers the Strategic Plan and are generally 'once off' that have been prioritised to be delivered in a specific timeframe. Strategic Project budgets are operational in nature (not capital) and are aligned to a relevant service.

Appendix: Risk and opportunities

Summary of key risks and opportunities being managed:

- The City of Adelaide Strategic Plan 2024-2028 and its vision, '*Our Adelaide. Bold. Aspirational. Innovative.*' sets the strategic direction for the city over the next four years and outlines Council's key actions and deliverables. By providing a platform to publicly position Council, it enables us to clearly articulate and promote the work we do on behalf of community and businesses. Implementing the Integrated Community Engagement Framework will also allow us to engage more effectively so we can better understand our community's needs.
- Delays in delivery of Central Market Arcade Redevelopment will have a negative impact on the performance on the Market.
- Continued macroeconomic trends such as rising interest rates and cost of living pressures create a subsequent impact on potential spend in city businesses.
- Continuing challenges associated with Capital Works delivery relating to costs associated with materials and resources and the availability of contractors to service the projects.
- The current review and update of Council's Asset Management Plans (AMPs) provides the opportunity for Council and the community to provide input to how we maintain our assets, including levels of service. The AMPs are to be delivered by 30 June 2024.
- Retention, attraction and recruitment of staff is a national challenge.
- Endorsement of the draft Housing Strategy, draft Homelessness Strategy, and draft Integrated Climate Strategy provides Council and the community the opportunity to provide input on these important strategic documents that will shape the future of the city.

Appendix: Detailed Capital Works

Major Projects

Title	Plan delivered by	2023/24 Budget ($'000) budget	proposed	variance	
Initiate / Commit / Concept					
218-232 Flinders Street		8,700	8,700	0	
Experience Adelaide Visitor Centre	February 2025	614	614	0	
Gouger Street Revitalisation (Concept Design)	September 2026	500	500	0	
Hutt Street and South Terrace Stormwater Improvements (Detailed Design)		66	66	0	
Jeffcott Street Pavement Rehab. and Catchment 13 Stormwater Improvements (Concept Design)*		20	20	0	
Victoria Park / Pakapakanthi (Park 16) Master Plan implementation		50	50	0	
Design / Detailed Planning					
Carriageway Park / Tuthangga (Park 17) Improvements (Detailed Design)*		210	45	165**	
Charles Street Streetscape Upgrade*	January 2025	800	800	0	
Flinders Street Improvements (Detailed Design)*		3	3	0	
Hindley Street Revitalisation (Detailed Design)	December 2026	1,680	1,680	0	
Hutt Street Entry Statement (Construction)	October 2024	2,942	3,362	(420)	
Mary Lee Park (Park 27B) Community Sports Building Redevelopment (Construction)	April 2024	2,062	791	1,271**	
Wakefield Street Improvements (Detailed Design)	February 2026	1	1	0	
Deliver					
Central Market Arcade Redevelopment	February 2026	15,000	15,000	0	
City of Adelaide Bikeways (North-South)	August 2024	3,091	1,403	1,688**	
City Safe CCTV Network Upgrade*	June 2024	2,890	2,925	(35)	
Market to Riverbank Laneways Upgrade	June 2024	2,160	2,103	57**	
Melbourne Street Improvements	October 2024	845	695	150**	
Rymill Park /Murlawirrapurka (Park 14) Lake Upgrade (Construction)*	June 2024	5,152	5,173	(21)	
Major Projects Total		**46,786**	**43,931**	**2,855**	

** The budget for these projects includes renewal funding **budget to be considered as part of 2024/25 BP&B*

New and Significant Upgrades

Title	Plan	2023/24 Budget ($'000)			
	delivered by	budget	proposed	variance	
Initiate / Commit / Concept					
Adelaide Central Market -Dry Storage		-	50	(50)	
Bonython Park / Tulya Wardli Shared Path Lighting, Retaining wall and Footpath Upgrade (Construction)*	February 2025	41	41	0	
Botanic Catchment Water Course Rehabilitation (Detailed Design)*		191	191	0	
City Activation (Festoon Lighting)	September 2024	105	105	0	
City Operations Android Tablet Procurement	May 2024	132	132	0	
Climate Change Action Initiative Fund (CCAIF)		332	332	0	
Electric Vehicle Charging Infrastructure in UParks	June 2024	68	68	0	
Flinders Street Pedestrian Crossing Improvements (Adjacent Pilgrim Lane)		10	10	0	
Francis Street Public Art	May 2024	-	39	(39)	
Glen Osmond Road & Hutt Road Intersection Upgrade		50	50	0	
Gunson Street Improvements (Detailed Design)*		90	90	0	
Illuminate Adelaide Public Artwork	June 2024	-	200	(200)	
Implementation of Resource Recovery (Organics, Recycling, Waste) Strategy & Action Plan 2020-2028	December 2023	170	150	20	
Kingston Terrace Bus Stop Upgrades (Construction)	March 2024	150	150	0	
Minor Traffic Signal Safety Upgrades (Construction)		50	33	18	
New Access Ramps for Accessible Car Parks (Construction)		50	50	0	
New Street and Parklands Bicycle Racks (Construction)	June 2024	25	25	0	
Public Art		500	300	200	
Royal Avenue Improvements (Detailed Design)*	April 2024	80	80	0	
Rundle Mall Sound System	August 2024	960	256	704**	
Southwest Community Centre	May 2024	1,500	1,500	0	
Stafford Street Public Lighting Upgrade (Construction)	March 2025	225	25	200**	
Town Clerks Walk and Red Gum Park / Karrawirra (Park 12) Improvements (Detailed Design)*		50	50	0	
Upark Equipment Test Bed Network Switch		19	19	0	
Vincent Street and Vincent Place Improvements (Concept & Detailed Design)*		112	112	0	
Ward Street Improvements (Concept Design)*		70	70	0	
Whitmore Square Stage 2 Masterplan Implementation Upgrades (Concept Design)*		60	60	0	

** The budget for these projects includes renewal funding* ***budget to be considered as part of 2024/25 BP&B*

New and Significant Upgrades

Title	Plan		2023/24 Budget ($'000)				
		delivered by		budget	proposed	variance	
Design / Detailed Planning							
Adelaide Central Market Authority (ACMA) - New Parents Room	●●●		●●●	15	15	0	➲
Adelaide Central Market Authority (ACMA) - New Security Gates	●●●	March 2024	●●●	75	75	0	➲
Adelaide Central Market Authority (ACMA) - New Trolley Bays and Trolleys	●●●	July 2024	●●●	130	130	0	➲
City Dirt BMX Facility Master Plan - Blue Gum Park/Kurangga (Park 20)	●▲●		●●●	57	30	27**	❶
Hutt Road Earthen Levee Embankment	●●◆		●▲●	50	50	0	➲
Kingston Terrace Streetscape and Stormwater Improvements (Detailed Design)*	●●●		●●●	74	74	0	➲
Light Square Electrical Infrastructure Upgrade	●●●	May 2024	●●●	400	400	0	➲
Mini Golf in North Adelaide Golf Course Development (Future Fund)	●▲●		●●●	11	11	0	➲
Newlands Lane - Public Lighting Renewal	●●●		●●●	10	10	0	➲
Place of Courage / Spirit of Woman (Park 27)	●▲●		●●●	95	95	0	➲
Public Art Action Plan - Capital Projects	●●●	December 2023	●●●	12	12	0	➲
Rymill Park / Murlawirrapurka (Park 14) Public Lighting Upgrade (Construction)	●●●	July 2024	●●●	300	300	0	➲
Stephens Street and Sanders Place Improvements (Detailed Design)	●▲●		●●●	1	1	0	➲
Strangways Terrace Golf Course Carpark and Access Improvements (Detailed Design)	●●●		●●●	33	33	0	➲
Torrens Retaining Structure (Construction)	●●●		●●●	280	280	0	➲
West Pallant Project Steet Lighting Design	●●●		●●●	35	35	0	➲
Deliver							
Brougham Place Footpath Improvements & Greening	●●●	February 2024	●●●	159	159	0	➲
Brown Hill Keswick Creek - Stormwater Project (Financial Contribution)	●●●		●●●	320	320	0	➲
Central Market Arcade Redevelopment	●●●	February 2026	●●●	200	200	0	➲
Christmas 2024	●●●	June 2024	●●●	200	200	0	➲
Christmas Festival Capital Budget	●●●	December 2023	●●●	200	200	0	➲
Field Street Improvements (Construction)*	●●●	July 2024	●●●	2,203	2,203	0	➲
Frome Street Footpath Upgrades (In conjunction with N-S Bikeway Project)	●▲●	October 2024	●▲●	550	-	550**	❶
Greener City Streets Program	●●●	February 2024	●●●	914	874	40**	❶

** The budget for these projects includes renewal funding* ***budget to be considered as part of 2024/25 BP&B*

New and Significant Upgrades

Title	Plan		2023/24 Budget ($'000)				
		delivered by		budget	proposed	variance	
Deliver							
Hutt Road / Park Lands Trail Signalised Crossing (Construction)		September 2024		332	1,044	(712)	
Minor Traffic Signal Safety Upgrades - 3G Hardware Replacement		June 2024		-	18	(18)	
Mistletoe Park / Tainmuntilla (Park 11) Public Lighting Upgrade (Construction)*		September 2024		672	672	0	
Morphett Street and South Intersection Traffic Signal Safety Upgrade (Construction)		February 2024		150	150	0	
New Street and Park Lands Furniture (Construction)		June 2024		50	50	0	
North Terrace / Station Road Footpath Improvements (Construction)		April 2024		353	353	0	
Public Art 21-22		January 2024		85	85	0	
Replacement of UPark Car Park Management System (CPMS)		June 2024		229	10	219**	
Rymill Park /Murlawirrapurka (Park 14) Sustainable Water Supply (Construction)		April 2024		1,000	1,000	0	
Skate Park CCTV and Greening		December 2023		34	34	0	
Complete							
Adelaide Free Wi-Fi Electrical Works		October 2023		12	12	0	
Currie Street and Morphett Street Intersection Traffic Signal Safety Upgrade (Construction)		December 2023		48	48	0	
Installation of compliant handrailing to Weir 3 Footbridge		December 2023					
Laptops for Additional Resources		November 2023		184	169	15	
Reignite Adelaide - East End Festival and Event Place Retractable Bollards		October 2023		6	0	6	
Torrens Lake Earth Retaining Structure adjacent University Footbridge		December 2023		715	268	448	
Cancelled							
ACMA -2112 - Cool room				89	0	89	
Kerbing - Hutt St/South Tce Stormwater				2	2	0	
Town Hall Complex Improvements				8	0	8	
West Pallant Street Improvements (PLEC)							
New and Significant Upgrade Total				15,333	13,810	1,523	

** The budget for these projects includes renewal funding* ***budget to be considered as part of 2024/25 BP&B*

Renewals

Category	Total	Design only	Plan / Design	Build / Construct	On Hold	Complete
Bridges	4	2	-	1	-	1
Buildings	40	6	6	18	-	10
ICT Renewals	7	-	4	3	-	-
Lighting & Electrical	24	8	1	11	-	4
Park Lands Assets	17	4	3	9	-	1
Plant and Fleet	5	-	1	3	-	1
Traffic Signal	12	3	-	9	-	-
Transport	118	40	6	35	-	37
Urban Elements	46	6	9	23	-	8
Water Infrastructure	8	5	-	1	-	2
Renewal Total	281	74	30	113	-	64

Note

- *Transport is made up of Roads, Pathways and Kerb and Water Table*
- *Plant and Fleet includes Commercial Plan and Fleet*
- *Total Project count: mixed-funded projects are only counted once in the total project count*

Renewal Projects COMPLETED this quarter	Category
Installation of compliant handrailing to Weir 2 Footbridge	Bridges
Gawler Upark - Facade Panel Replacement	Buildings
ATH Renewal of Commercial Assets - Round Tables	Buildings
Undertake Site Portable Fire Extinguisher remediation works.	Buildings
Accelerated Works Town Hall Chiller	Buildings
Lighting Renewal - Bud lighting Removals and Reinstatements Works	Lighting & Electrical
Three Rivers Fountain Lighting	Park Lands Assets
Boom Gate Renewal – Nursery	Plant and Fleet
23/24 Road Resurfacing - Roper Street - Flinders Street to Wakefield Street	Transport
Pavement Gawler Place - Pirie St. to Flinders St.	Transport
Road Resurfacing and Footpath Renewal - Marlborough Street and Churchill Street	Transport
23/24 Road Resurfacing - Morphett Street - Whitmore Square to South Terrace	Transport
23/24 Road Resurfacing - Gray Court & Petronella Lane - Wright Street to Sturt Street	Transport
Road Resurfacing - Anster Street & Surrounding Lanes - Waymouth Street to Dead End	Transport
Footpath Renewal - Park 22 - Horticulture Hub Access Path	Transport
23/24 GPO Footpath Project	Transport
Footpath Renewal - Park 1 / Golf Course	Transport
Footpath Renewal - Brougham Gardens - Various Locations	Transport
Footpath Renewal - Park 13 / Rundle Park - Various Locations	Transport
Public Art - The Spheres - Malls Balls - Rundle Mall	Urban Elements
Public Art - Sun Dial - Pennington Gardens - Park 26	Urban Elements
Public Art - Days In The Diocese - Park 21	Urban Elements
Public Art - Picanniny Commemorative Drinking Fountain - Park 14	Urban Elements
Public Art - South African War Memorial - North Terrace	Urban Elements
Moonta Street Chinese Gateway	Urban Elements
Boat Landing Renewal - Park 12 South Bank Adjacent Jolleys Boat House	Urban Elements
Francis Street Project	Water Infrastructure
Park 16 - Channel Rehabilitation and Erosion Protection	Water Infrastructure

Appendix: Financial statements

Statement of Comprehensive Income		**$'000s**	
	2023/24 Adopted Budget	**2023/24 Q1**	**2023/24 Q2**
Income			
Rates Revenues	135,395	135,281	135,131
Statutory Charges	14,683	14,683	14,613
User Charges	70,002	69,915	70,365
Grants, Subsidies and Contributions	4,449	8,562	8,891
Investment Income	150	150	734
Reimbursements	338	338	338
Other Income	465	465	465
Total Income	**225,481**	**229,394**	**230,537**
Expenses			
Employee Costs	81,586	82,435	82,443
Materials, Contracts and Other Expenses	85,100	88,130	88,730
Depreciation, Amortisation and Impairment	56,040	56,040	56,473
Finance Costs	835	835	887
Total Expenses	**223,561**	**227,442**	**228,534**
Operating Surplus / (Deficit)	**1,920**	**1,952**	**2,003**
Asset Disposal & Fair Value Adjustments	1,125	1,125	1,125
Amounts Received Specifically for New or Upgraded Assets	14,075	10,651	8,053
Net Surplus / (Deficit)	**17,120**	**13,728**	**11,181**
Changes in Revaluation Surplus- I,PP&E	-	-	(13,843)
Total Other Comprehensive Income	**17,120**	**13,728**	**(2,662)**

Statement of Financial Position $'000s

	2022/23 Adopted Budget	2023/24 Q1	2023/24 Q2
ASSETS			
Current Assets			
Cash and Cash Equivalents	800	800	800
Trade & Other Receivables	35,560	41,964	42,081
Inventories	541	741	741
Total Current Assets	**36,901**	**43,505**	**43,622**
Non-Current Assets			
Financial Assets	377	754	754
Equity Accounted Investments in Council Businesses	1,928	1,938	1,938
Investment Property	2,928	2,939	2,939
Infrastructure, Property, Plant and Equipment	1,942,188	1,877,539	1,877,162
Other Non-Current Assets	129	1,306	1,306
Non-Current Receivable	26,027	26,027	26,100
Total Non-Current Assets	**1,973,576**	**1,910,503**	**1,910,200**
TOTAL ASSETS	**2,010,477**	**1,954,008**	**1,953,822**
LIABILITIES			
Current Liabilities			
Trade and Other Payables	14,316	14,158	14,966
Provisions	14,574	14,045	27,888
Other Current Liabilities	5,066	5,066	5,066
Total Current Liabilities	**33,956**	**33,269**	**47,920**
Non-Current Liabilities			
Trade and Other Payables	293	293	293
Borrowings	30,184	40,553	42,106
Provisions	1,773	2,036	2,036
Other Non-Current Liabilities	36,064	36,064	36,064
Total Non-Current Liabilities	**68,313**	**78,947**	**80,499**
TOTAL LIABILITIES	**102,269**	**112,216**	**128,420**
Net Assets	**1,908,208**	**1,841,792**	**1,825,402**
EQUITY			
Accumulated Surplus	801,303	791,995	789,449
Asset Revaluation Reserves	1,066,521	1,018,226	1,004,383
Future Reserve Fund	40,384	31,571	31,571
Total Council Equity	**1,908,208**	**1,841,792**	**1,825,402**

Statement of Changes in Equity $'000s

	2023/24 Adopted Budget	2023/24 Q1	2023/24 Q2
Balance at the end of previous reporting period	1,891,088	1,828,064	1,828,064
a. Net Surplus / (Deficit) for Year	17,120	13,728	11,181
b. Other Comprehensive Income	-	-	(13,843)
Total Comprehensive Income	17,120	13,728	(2,662)
Balance at the end of period	**1,908,208**	**1,841,792**	**1,825,402**

Statement of Cash flows		$'000s	
$'000s	2023/24 Adopted Budget	2023/24 Q1	2023/24 Q1
Cash Flows from Operating Activities			
Receipts			
Operating Receipts	226,982	229,532	227,550
Payments			
Operating Payments to Suppliers and Employees	(174,706)	(177,335)	(175,848)
Net Cash provided by (or used in) Operating Activities	**52,276**	**52,196**	**51,701**
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets	5,295	2,171	1,170
Proceeds from Surplus Assets	27,125	27,125	27,125
Sale of Replaced Assets	630	630	630
Payments			
Expenditure on Renewal/Replacement of Assets	(50,416)	(54,153)	(54,153)
Expenditure on New/Upgraded Assets	(49,998)	(55,807)	(55,863)
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)	(320)
Net Cash provided by (or used in) Investing Activities	**(67,684)**	**(80,354)**	**(81,412)**
Cash Flows from Financing Activities			
Receipts			
Proceeds from Borrowings	20,285	33,034	34,587
Payments			
Repayment from Borrowings	-	-	-
Repayment of Lease Liabilities	(4,877)	(4,877)	(4,877)
Net Cash provided by (or used in) Financing Activities	**15,408**	**28,158**	**29,710**
Net Increase (Decrease) in Cash Held	-	-	-
plus: Cash and Cash Equivalents at beginning of period	800	800	800
Cash & Cash Equivalents at end of period	**800**	**800**	**800**

Uniform Presentation of Finances	$'000s		
	2023/24 Adopted Budget	2023/24 Q1	2023/24 Q2
Income			
Rates Revenues	135,395	135,281	135,131
Statutory Charges	14,683	14,683	14,613
User Charges	70,002	69,915	70,365
Grants, Subsidies and Contributions	4,449	8,562	8,891
Investment Income	150	150	734
Reimbursements	338	338	338
Other Income	465	465	465
Total Income	**225,481**	**229,394**	**230,537**
Expenses			
Employee Costs	81,586	82,435	82,443
Materials, Contracts and Other Expenses	85,100	88,130	88,730
Depreciation, Amortisation and Impairment	56,040	56,040	56,473
Finance Costs	835	835	887
Total Expenses	**223,561**	**227,442**	**228,534**
Operating Surplus / (Deficit) before Capital Amounts	**1,920**	**1,952**	**2,003**
Net Outlays on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	(50,416)	(54,153)	(54,153)
add back Depreciation, Amortisation and Impairment	56,040	56,040	56,473
add back Proceeds from Sale of Replaced Assets	630	630	630
Net Outlays on Existing Assets	**5,624**	**1,887**	**2,320**
Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	(50,318)	(56,127)	(56,183)
add back Amounts received specifically for New and Upgraded Assets	5,295	2,171	1,170
add back Proceeds from Sale of Surplus Assets	27,100	27,100	27,100
Net Outlays on New and Upgraded Assets	**(17,923)**	**(26,856)**	**(27,913)**
Net Lending / (Borrowing) for Financial Year	**(10,379)**	**(23,016)**	**(23,590)**

Appendix: Long Term Financial Plan

Statement of Comprehensive Income

$'000s	2023-24 Adopted Budget	2023-24 Quarter 1	2023-24 Quarter 2	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan
Income												
Rates Revenues	135,395	135,281	135,131	140,452	146,035	152,436	157,782	163,177	168,533	173,947	179,855	186,122
Statutory Charges	14,683	14,683	14,613	15,041	15,377	15,762	16,156	16,545	16,922	17,306	17,719	18,158
User Charges	70,002	69,915	70,365	65,612	67,302	74,922	76,794	78,646	80,435	76,541	78,369	80,311
Grants, Subsidies and Contributions	4,449	8,562	8,891	4,567	4,345	4,454	4,565	4,675	4,781	4,890	5,007	5,131
Investment Income	150	150	734	154	158	162	166	170	174	178	183	187
Reimbursements	338	338	338	348	357	366	375	384	393	402	411	422
Other Income	465	465	465	479	491	503	516	529	541	553	566	580
Total Income	225,481	229,394	230,537	226,653	234,065	248,605	256,354	264,126	271,778	273,817	282,110	290,911
Expenses												
Employee Costs	81,586	82,435	82,443	80,546	83,001	85,500	88,090	90,758	93,517	96,393	99,452	102,617
Materials, Contracts & Other Expenses	85,099	88,130	88,730	84,371	86,210	90,612	92,877	95,116	97,279	98,400	100,750	103,246
Depreciation, Amortisation & Impairment	56,040	56,040	56,473	57,979	60,497	63,156	65,819	68,547	71,550	72,889	75,654	78,135
Finance Costs	835	835	887	2,525	3,117	3,502	3,970	5,044	6,138	7,526	9,000	9,477
Total Expenses	223,561	227,442	228,534	225,422	232,826	242,770	250,755	259,465	268,485	275,207	284,856	293,475
Operating Surplus / (Deficit)	**1,920**	**1,952**	**2,003**	**1,231**	**1,239**	**5,835**	**5,599**	**4,661**	**3,293**	**(1,390)**	**(2,746)**	**(2,564)**
Physical Resources Received Free of Charge	-	-	-	-	-	-	-	-	-	-	-	-
Asset Disposal & Fair Value Adjustments	1,125	1,125	1,125	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	14,075	10,651	8,053	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	**17,120**	**13,728**	**11,181**	**1,231**	**1,239**	**5,835**	**5,599**	**4,661**	**3,293**	**(1,390)**	**(2,746)**	**(2,564)**
Changes in Revaluation Surplus - I,PP&E	-	-	(13,843)	-	18,470	-	-	-	-	-	-	-
Total Other Comprehensive Income	-	-	(13,843)	-	18,470	-	-	-	-	-	-	-
Total Comprehensive Income	**17,120**	**13,728**	**(2,662)**	**1,231**	**19,709**	**5,835**	**5,599**	**4,661**	**3,293**	**(1,390)**	**(2,746)**	**(2,564)**

Statement of Financial Position

$'000s	2023-24 Adopted Budget	2023-24 Quarter 1	2023-24 Quarter 2	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan
ASSETS												
Current Assets												
Cash and Cash Equivalents	800	800	800	800	800	800	800	800	800	800	800	800
Trade & Other Receivables	35,560	41,964	42,081	45,151	13,123	13,937	14,371	14,806	15,235	15,349	15,814	16,307
Inventories	541	741	741	741	741	741	741	741	741	741	741	741
Non-Current Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	36,901	43,505	43,622	46,692	14,664	15,479	15,912	16,347	16,776	16,890	17,355	17,848
Non-Current Assets												
Financial Assets	377	754	754	679	611	550	495	445	401	361	325	292
Equity Accounted Investments in Council Businesses	1,928	1,938	1,938	2,258	2,578	2,898	3,218	3,538	3,858	4,178	4,498	4,818
Investment Property	2,928	2,939	2,939	2,968	2,998	3,028	3,058	3,089	3,120	3,151	3,183	3,214
Infrastructure, Property, Plant & Equipment	1,942,188	1,877,539	1,877,162	1,899,602	1,960,233	1,966,136	1,991,411	2,038,017	2,041,511	2,094,621	2,097,921	2,100,698
Other Non-Current Assets	129	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306
Non-Current Receivable	26,027	26,027	26,100	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	1,973,576	1,910,503	1,910,200	1,906,814	1,967,727	1,973,919	1,999,489	2,046,396	2,050,196	2,103,618	2,107,233	2,110,330
TOTAL ASSETS	2,010,477	1,954,008	1,953,822	1,953,506	1,982,391	1,989,397	2,015,401	2,062,743	2,066,972	2,120,508	2,124,588	2,128,178
LIABILITIES												
Current Liabilities												
Trade & Other Payables	14,316	14,158	14,966	17,008	18,690	19,273	20,185	21,273	22,341	23,074	24,124	24,385
Provisions	14,574	14,045	27,888	21,596	15,113	15,569	16,041	16,527	17,030	17,554	18,112	18,689
Borrowings (Lease Liability)	5,066	5,066	5,066	5,142	5,264	4,649	5,066	5,066	5,066	5,066	5,066	5,066
Total Current Liabilities	33,956	33,269	47,920	43,745	39,067	39,491	41,292	42,866	44,437	45,695	47,302	48,140
Non-Current Liabilities												
Trade & Other Payables	293	293	293	293	293	293	293	293	293	293	293	293
Borrowings	30,184	40,553	42,106	49,814	68,870	74,201	77,683	123,786	128,145	186,804	197,009	207,308
Provisions	1,773	2,036	2,036	2,098	2,160	2,225	2,293	2,362	2,434	2,509	2,589	2,671
Borrowings (Lease Liability)	36,064	36,064	36,064	30,922	25,658	21,009	36,064	30,998	25,932	20,867	15,801	10,735
Total Non-Current Liabilities	68,313	78,947	80,499	83,127	96,981	97,729	116,333	157,440	156,805	210,473	215,692	221,008
TOTAL LIABILITIES	102,269	112,216	128,420	126,873	136,049	137,220	157,625	200,306	201,242	256,167	262,994	269,148
Net Assets	**1,908,208**	**1,841,792**	**1,825,402**	**1,826,633**	**1,846,342**	**1,852,177**	**1,857,776**	**1,862,437**	**1,865,731**	**1,864,341**	**1,861,594**	**1,859,030**
EQUITY												
Accumulated Surplus	801,303	791,995	789,449	788,397	791,886	798,121	803,720	808,381	811,674	810,284	807,538	804,974
Asset Revaluation Reserves	1,066,521	1,018,226	1,004,383	1,004,383	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853
Future Reserve Fund	40,384	31,571	31,571	33,854	31,604	31,204	31,204	31,204	31,204	31,204	31,204	31,204
Total Council Equity	**1,908,208**	**1,841,792**	**1,825,402**	**1,826,633**	**1,846,342**	**1,852,177**	**1,857,776**	**1,862,437**	**1,865,731**	**1,864,341**	**1,861,594**	**1,859,030**

Statement of Changes in Equity

$'000s	2023-24 Adopted Budget	2023-24 Quarter 1	2023-24 Quarter 2	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan
Balance at the end of previous reporting period	1,891,088	1,828,064	1,828,064	1,825,402	1,826,633	1,846,342	1,852,177	1,857,776	1,862,437	1,865,730	1,864,340	1,861,594
a. Net Surplus / (Deficit) for Year	17,120	13,728	11,181	1,231	1,239	5,835	5,599	4,661	3,293	(1,390)	(2,746)	(2,564)
b. Other Comprehensive Income	-	-	(13,843)	-	18,470	-	-	-	-	-	-	-
Total Comprehensive Income	17,120	13,728	(2,662)	1,231	19,709	5,835	5,599	4,661	3,293	(1,390)	(2,746)	(2,564)
Balance at the end of period	**1,908,208**	**1,841,792**	**1,825,402**	**1,826,633**	**1,846,342**	**1,852,177**	**1,857,776**	**1,862,437**	**1,865,730**	**1,864,340**	**1,861,594**	**1,859,030**

Statement of Cash flows

$'000s	2023-24 Adopted Budget	2023-24 Quarter 1	2023-24 Quarter 2	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan
Cash Flows from Operating Activities												
Receipts												
Operating Receipts	226,982	229,532	227,550	217,062	232,592	247,791	255,921	263,691	271,349	273,703	281,645	290,418
Payments												
Operating Payments to Suppliers and Employees	(174,706)	(177,335)	(175,848)	(170,286)	(171,388)	(179,019)	(184,320)	(190,303)	(196,855)	(203,281)	(209,731)	(216,641)
Net Cash provided by (or used in) Operating Activities	52,276	52,196	51,701	46,777	61,204	68,772	71,601	73,388	74,494	70,422	71,914	73,777
Cash Flows from Investing Activities												
Receipts												
Amounts Received Specifically for New/Upgraded Assets	5,295	2,171	1,170	-	-	-	-	-	-	-	-	-
Proceeds from Surplus Assets	27,125	27,125	27,125	18,500	-	-	-	-	-	-	-	-
Sale of Replaced Assets	630	630	630	500	500	500	500	500	500	500	500	500
Payments												
Expenditure on Renewal/Replacement of Assets	(50,416)	(54,153)	(54,153)	(48,682)	(51,932)	(52,739)	(54,922)	(97,894)	(57,400)	(107,961)	(60,494)	(62,001)
Expenditure on New/Upgraded Assets	(49,998)	(55,807)	(55,863)	(31,417)	(23,407)	(16,320)	(15,820)	(17,259)	(17,644)	(18,038)	(18,461)	(18,910)
Net Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)
Net Cash provided by (or used in) Investing Activities	(67,684)	(80,354)	(81,412)	(61,419)	(75,158)	(68,879)	(70,562)	(114,973)	(74,865)	(125,819)	(78,775)	(80,732)
Cash Flows from Financing Activities												
Receipts												
Proceeds from Borrowings	20,285	33,034	34,587	19,631	19,055	5,331	3,482	46,103	4,359	58,659	10,205	10,299
Payments												
Repayment from Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Lease Liabilities	(4,877)	(4,877)	(4,877)	(4,989)	(5,102)	(5,224)	(4,521)	(4,518)	(3,989)	(3,262)	(3,344)	(3,344)
Repayment of Bonds & Deposits												
Net Cash provided by (or used in) Financing Activities	15,408	28,158	29,710	14,642	13,954	108	(1,039)	41,585	370	55,397	6,861	6,955
Net Increase (Decrease) in Cash Held	-	-	-	-	-	-	-	-	-	-	-	-
plus: Cash & Cash Equivalents at beginning of period	800	800	800	800	800	800	800	800	800	800	800	800
Cash & Cash Equivalents at end of period	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**

Uniform Presentation of Finances

$'000s	2023-24 Adopted Budget	2023-24 Quarter 1	2023-24 Quarter 2	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan
Income:												
Rates Revenues	135,395	135,281	135,131	140,452	146,035	152,436	157,782	163,177	168,533	173,947	179,855	186,122
Statutory Charges	14,683	14,683	14,613	15,041	15,377	15,762	16,156	16,545	16,922	17,306	17,719	18,158
User Charges	70,002	69,915	70,365	65,612	67,302	74,922	76,794	78,646	80,435	76,541	78,369	80,311
Grants, Subsidies and Contributions	4,449	8,562	8,891	4,567	4,345	4,454	4,565	4,675	4,781	4,890	5,007	5,131
Investment Income	150	150	734	154	158	162	166	170	174	178	183	187
Reimbursements	338	338	338	348	357	366	375	384	393	402	411	422
Other Income	465	465	465	479	491	503	516	529	541	553	566	580
Total Income	**225,481**	**229,393**	**230,536**	**226,653**	**234,065**	**248,605**	**256,354**	**264,126**	**271,778**	**273,817**	**282,110**	**290,911**
Expenses:												
Employee Costs	81,586	82,435	82,443	80,546	83,001	85,500	88,090	90,758	93,517	96,393	99,452	102,617
Materials, Contracts & Other Expenses	85,099	88,130	88,730	84,371	86,210	90,612	92,877	95,116	97,279	98,400	100,750	103,246
Depreciation, Amortisation & Impairment	56,040	56,040	56,473	57,979	60,497	63,156	65,819	68,547	71,550	72,889	75,654	78,135
Finance Costs	835	835	887	2,525	3,117	3,502	3,970	5,044	6,138	7,526	9,000	9,477
less Total Expenses	**223,561**	**227,441**	**228,533**	225,422	232,826	242,770	250,755	259,465	268,485	275,207	284,856	293,475
Operating Surplus / (Deficit) before Capital Amounts	**1,920**	**1,952**	**2,003**	**1,231**	**1,239**	**5,835**	**5,599**	**4,661**	**3,293**	**(1,390)**	**(2,746)**	**(2,564)**
Net Outlays on Existing Assets												
Capital Expenditure on Renewal & Replacement of Existing Assets	(50,416)	(54,153)	(54,153)	(48,682)	(51,932)	(52,739)	(54,922)	(97,894)	(57,400)	(107,961)	(60,494)	(62,001)
add back Depreciation, Amortisation and Impairment	56,040	56,040	56,473	57,979	60,497	63,156	65,819	68,547	71,550	72,889	75,654	78,135
add back Proceeds from Sale of Replaced Assets	630	630	630	500	500	500	500	500	500	500	500	500
Net Outlays on Existing Assets	**5,624**	**1,887**	**2,320**	**9,298**	**8,565**	**10,417**	**10,897**	**(29,347)**	**14,150**	**(35,072)**	**15,161**	**16,133**
Net Outlays on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets	(50,318)	(56,127)	(56,183)	(31,737)	(23,727)	(16,320)	(15,820)	(17,259)	(17,644)	(18,038)	(18,461)	(18,910)
add back Amounts received specifically for New and Upgraded Assets	5,295	2,171	1,170	-	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets	27,100	27,100	27,100	18,500	-	-	-	-	-	-	-	-
Net Outlays on New and Upgraded Assets	**(17,923)**	**(26,856)**	**(27,913)**	**(13,237)**	**(23,727)**	**(16,320)**	**(15,820)**	**(17,259)**	**(17,644)**	**(18,038)**	**(18,461)**	**(18,910)**
Net Lending / (Borrowing) for Financial Year	**(10,379)**	**(23,016)**	**(23,590)**	**(2,708)**	**(13,922)**	**(68)**	**676**	**(41,945)**	**(201)**	**(54,500)**	**(6,047)**	**(5,341)**

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Adelaide Central Market

Quarter 2 Report, 1 October 2023 – 31 December 2023

Executive Summary

The Adelaide Central Market Authority is making strong progress against the initiatives and measures set out in the 2023/24 business plan and budget with 95% actions progressed, ongoing or on track. The operating position of $331,000 favourable to budget YTD is due to additional leasing income, 100% rental occupancy, and minimal debt, compounded by a favourable variance in expenditure due to the timing of professional fees for the leasing of the future Market Expansion.

December and Christmas trade were a success with the same average daily visitation than 2022. Annual traffic in 2023 reached 8.15M, 9.4% higher than the 7.45M in 2022. However, results have plateaued somewhat since July 2022 with growth in 2024 likely to be harder to achieve in the context of cost of living pressures, muted retail results Australia wide and potential impact of local development works.

Financial Report

Operating budget

$'000	Year to Date			Revised Budget
	Actual	Budget	Var	
Income	2,649	2,457	192	4,914
Expenditure	2,525	2,663	138	5,310
Net Operating Surplus/(Deficit)	125	(206)	331	(395)

Income

- Favourable rental income (124K) and electricity recovery ($68K)

Expenditure

- $100K favourable expense variance is mostly due to the timing of spend on professional fees and consultancy relating to One Market leasing.

Risks and Opportunities

- The construction of Market Square, the decreased capacity in the Central Market car park, as well as economic conditions and cost of living pressures may impact on potential spend in Market. Visitation has plateaued in Quarter 2, except for December with a visitation increase of 10% vs 2022 when comparing date to date.
- Leasing remains strong with 100% occupancy.

Business Plan & Budget 2023/24 and Strategic Plan Measures

The 2023/24 ACMA Business Plan and Budget includes 44 priority actions across the five strategic pillars of the ACMA Strategic Plan 2023/28: Our Customers, Our Traders, Our Business, Our Community and Our Market.

Summary Strategic actions		On track	Needs attention	Off track
OUR CUSTOMERS		10	0	0
OUR TRADERS		4	0	0
OUR BUSINESS		16	1	0
OUR COMMUNITY		5	0	0
OUR MARKET		7	1	0
	TOTAL	**42**	**2**	**0**

The two actions requiring urgent attention in quarters 3 and 4 relate to the Market Expansion and are essential to attract and secure future tenancies. Dependencies include the completion of the CMAR program of works (led by ICD/CoA) and Leasing Strategy advice (in progress):

- Development of EOI for Market Expansion
- Completion of One Market Retail and Fit Out Guidelines

OUR CUSTOMERS

We will keep customer experiences at the heart of all decisions, every day.

OBJECTIVE (Strategic Plan 2023-2028)	Key Achievements and Measures
1.1 Know our customer	Customer Experience Tracker: Full year results presented to ACMA Board in December 23 - 82% of Market Visitors were satisfied or completely satisfied with the Market.
	Customer perception and pre-construction/ mid construction Impact research: presented to ACMA Board in December 23: 100% Satisfaction for in-person surveys (up from 97% in May). Summary shared with traders in Jan 2024.
	Align trading hours to customer preferences: • 86% of traders said 2023 Christmas trading hours were suitable for their customers. • 24th December (Christmas Eve) stall opening rate: 98% • 31st December (New Years Eve) stall opening rate: 62.6%
1.2 Engage our customer	Market Vibrancy - elevated events and activations: • Bastille Day celebrated Jul23 - live music, cooking demos, kids activities, walking tour, crepe pop up. • Seafood & Sounds event in November. • Saturday Market Day program continues with live music and free kids activities. • Producer in Residence stall has seen 100% occupancy from July to Dec 2023 • The 2023 Christmas Campaign & Activation investment was $75k, including live music, cooking demonstrations, kid's activities, and Christmas village, roving entertainment, in-market decorations, signage, design, printing, promotion and an extensive advertising campaign. 46 activations, 5 more than last year.
	Connected customers: Improved car park experience and precinct wayfinding during Christmas trade with: • 3 hours free car park offer (Andrew and Grote Upark): to Friday nights and Sundays in Dec for Christmas and New Year. • Upark internal traffic management • Gouger st Traffic Management • Precinct Map showing 7 car parks within 3 min walk to Market.

1.3 Deliver extraordinary customer experiences	Delivered demonstrations and tastings with well know chefs. Collaboration with: • Katie Spain and Adam podcast with 570 listens as of late December. • Ex Masterchef Larissa Sewell for Christmas affordable menu campaign, alongside luxe recipes for premium publications. • 11 Cooking Demonstrations were held including OzHarvest (September), Karena and Justin James (October), Fogolar Furlan/Lorenzo Andriola (November), Larissa Sewell (December) and Mandy Hall (co-hosting).
	Online market: Survey completed with results in July 23: Among online shoppers 87% are satisfied with their overall experience, and less than 5% dissatisfied.

OUR TRADERS

We will work with our traders to support them in the delivery of an exceptional shopping experience.

OBJECTIVE (Strategic Plan 2023-2028)	Achievements and Measures
2.1 Support Trader success	Supported traders with retail visual merchandise Completed at YTD: Adelaide Nut /Fair Seafood/ Yoghurt Shop/ Something Wild/ Fleurieu Milk

OUR BUSINESS

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results.

OBJECTIVE (Strategic Plan 2023-2028)	Achievements and Measures
3.1 Ensure our Market is financial self sufficient	• Cleaning Contract expiry Feb24: Following tender process, saving of $100K per year following alignment with CoA. New contractor SKG transitioning on 01/03/2024. • Identified cost efficiencies for exhaust cleaning, benefiting traders too.
	Lease revenue: 11 out of 16 leases renewed at end of Q2, in line with tenancy schedule. Q1: Achieved 100% occupancy
	Leasing framework completed. Independent retail valuations completed for existing market. Retail valuations for Market expansion delivered in Q2.
3.2 Deliver Retail & Leasing Strategy	Retail mix, completed: Fair Seafood launched: unique offer, reviving southeast corner. Rental Valuations for Market Expansion Request for proposal for Leasing strategy and services.
3.3 Deliver Marketing Strategy	Marketing purpose: • 'Only at the Market' Campaign refresh: rolled out Sept 2023 and ongoing including in-Market signage. • Christmas campaign: ASR media value was $755k with 90 pieces of media content shared relating to the Market Christmas over November and December.
	Access: • Clear customer communication upon loss of car parking for development and open for business-as-usual messaging: • Increase in communication surrounding 3 hours free promotion, as well as nearby alternative parking options. • Refresh of external wayfinding signs as well as CMAR construction hoarding to raise awareness and access to Market.
	Tourism: #1 Top attraction in Adelaide, Trip Advisor, Jan 2024 • Worked with AEDA on The Santa Course promotion, as well as multiple business conferences with branded merchandise and produce giveaway. • Connection with major City events, completed at YTD: Adelaide International players visit & promotional video, Jan 24 Tour Down Under: 'Wines of the Tour' event, Jan 24 and TDU Village presence (signage and 30sec TVC) Lunar New Year collaboration.

	• Delivered targeted offer for tourists with self guided tour podcast. • Collaboration with SATC and State Government (tram wrap, airport completed). • Blog Coverage on SouthAustralia.com
3.4 Ensure the Market remains safe & secure environment	Security - Completed: • Implemented Wors Security system: reporting online - August 2023 • Body worn security camera implemented - July 2023 • Roster adapted resulting in cost savings • Review of emergency evacuation procedures + staff training -1/11/23 • Emergency management manual updated October 2023 • Upskilling/training of new security team provided for all security guards to act as Chief Warden, Nov 23
	• Partnerships: Regular SAPOL meetings re planning of Christmas and other major activations.
3.5 Treat Traders as business partners	Traders group: Established new Terms of Reference upon update of ACMA Charter dated October 2023 + coordination of Election of new trader group (TRC) in Nov/ Dec 2023. Meet bi-monthly from December 23
	Communications with traders: • 'Market Talk' (internal communications with traders) design refresh including increase in visual content. • Actively engaged with traders re Christmas trading hours, resulting in record 88% survey participation. • High engagement for TRC election (59% voted) and post Christmas survey (53% completed the survey vs 20% in 2022)
3.6 Deliver brilliant basics	• Christmas Operations: 92% of traders were satisfied with the operations of the Market with 51% of traders being very satisfied (2023 Christmas traders survey) • Increase in Pest control management activities depending on requirements. • weekly meetings with cleaning supplier and ACMA/ COA.
	Waste program now renewed for 2 years in line with CoA (expire Sept 2025) New contractor SKG transitioning on 01/03/2024.
3.7 Focus on people and capability	Engaged and trained two staff to fill existing vacant positions with a full management team from December 23, which will relieve management team from the demands of extended trading hours and weekend shifts. Ongoing management of TOIL for corresponding duty management shifts.
	Acting roles as training opportunities: MM acting as CM, gaining leasing and revenue generating perspective as well as technical and negotiation skills. Industry events as relevant

OUR COMMUNITY

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results.

OBJECTIVE (Strategic Plan 2023-2028)	**Achievements and Measures**
4.1 Connect with our community	Sustainability: • Water bottle refill station delivered. • Request for proposal Sustainability consultant • Sustainable September delivered. Social reach: • Donation of all ingredients for Catherine House Christmas Lunch (70 at-risk women) • Weekly OzHarvest food rescue collections equating to approx 270kg / 550 meals per week. • In-Market OzHarvest fundraising over Christmas raised $5,663 across four days - equating to 11,326 meals.

- Monthly Guide Dogs fundraising

4.2 Contribute to the wider Market precinct	Engagement with CoA and precinct stakeholders • Meetings with Gouger St precinct to discuss events, attendance at monthly GBP Committee meetings. • Supported Christmas precinct activations. • Ongoing negotiation for Lunar new year with organising committee. • Delivered traffic management Strategy over Christmas peak visitation to manage decrease in ACM car parking, including street management and coms campaign for other parking options.

OUR MARKET

We will deliver infrastructure and programs that address the current and emerging needs for our customers and traders.

OBJECTIVE (Strategic Plan 2023-2028)	Achievements and Measures
5.1 Ensure quality outcomes for our Market	Trolley investigation: Concept stage delivered, community consultation to follow.
	Customer amenities: Feasibility and investigation completed in in FY2023/24 for Parents Room on northern Roadway. Completed bid for detailed design and construction as part of FY24/25 Budget process, subject to capital funding.
	Market Expansion - Completed Dec 2023: Market Expansion Leasing Valuation, New One market Lease template
	Advocacy for traders: • Negotiated to move coolrooms on vacant construction site to avoid congestion on Gouger • Trader advocacy when exploring additional storage facilities for market expansion • And negotiating road closure and LNY Event with Chinatown
	Communications to stakeholders about market expansion: 23 project updates to traders YTD. Adjustment of frequency of communication and filtering relevant area - segregation by aisle/zone to increase accurate targeting for relevant information.
5.2 Review technology systems to inform decision making	September 2023, 7 new counter locations, now capturing external street trade improved technology

Upcoming quarter ACMA: 1 January 2024 – 30 March 2024

- Market activations, including Saturday Market Day activities, Lunar New Year, Sauce Day events, Easter and Fringe
- Marketing:
    - Calendar 24/25 development will begin Q3.
    - Easter Campaign
    - Tourism: JetStar Advertising & Gather round brand awareness campaign
- Sustainability:
    - Review of the waste process options
    - Consultancy to advise sustainability strategy with report to Board
- Entry lighting and canopies repairs in progress
- Trolley project: Community consultation phase
- Market Expansion:
    - EOI brochure delivery in Q3/Q4
    - Fit Out guidelines process to start
    - Leasing and project advisory services procurement

Q2 Key Achievements



Seafood + Sounds

October 27 & 28 saw a celebration of South Australian seafood, with trader specials, exclusive pop-ups, live music and cooking demonstrations with industry leading chefs. Over the two days more than 1200 serves of Asian style Chilli Crab were served up, as well as a pop-up Oyster and Wine Bar.



Christmas 2023

The busiest trading period for the Market saw an extensive marketing campaign, alongside a month-long calendar of live music, school choirs and roving entertainment. 2023 saw the collaboration with Masterchef alumni Larissa Sewell in a Christmas lunch for 8 guests for under $150 using Market ingredients.



Oulianoff Bench Unveiling

With the support of traders, ACMA commissioned and unveiled a bench and plaque dedicated to Stephan Oulianoff and his late wife Maria from the Central Organic stall. Stephan Oulianoff has been part of the Market for more than 50 years and illustrates the strength of the Market community.



Refillable Milk Station

In collaboration with Fleurieu Milk Company, the Market unveiled the first refillable milk station in South Australia. This is another valuable step in our sustainability journey and has been very positively received by shoppers.



Fair Seafood Opening

Australia's first and only seafood wholesaler and retailer to offer 100% fisher-to-consumer traceability on all products opened in the south-east corner. They offer a range of freshly caught seafood as well as a menu of seasonal dishes for dine-in.



100% Market Occupancy

The opening of Fair Seafood, with another unique and innovative food offer, signals 100% leasing occupancy across the Market - a very positive sign for the upcoming Market Expansion that confidence in the Market remains strong.

Adelaide Economic Development Agency

Quarter 2 Report

1 October 2023 – 31 December 2023

Executive Summary

Between 1 October 2023 and 31 December 2023, AEDA:

- Approved $503,855 of funding to 29 organisations across 4 funding programs
- Delivered events including Adelaide Fashion Week and Wellfest Adelaide
- Heightened promotion and activity in Rundle Mall to capitalise on Black Friday and the Christmas trading periods
- Supported the visitor economy through participation in the Australian Tourism Export Council's Meeting Place event, delivery of services through the Visitor Information Centre and delivery of a cooperative marketing campaign with the SATC.

Budget is on track with variances primarily relating to staffing vacancies and timing of receipt of invoices from grant recipients.

Tracking against business plan remains strong with eleven measures completed/met and a further eleven on track.

Financial Report

Operating Position	December YTD			Annual		
$000s	2023/24 Actuals	2023/24 Q1 Budget	Variance	2023/24 Q1 Budget	2023/24 Proposed	Variance
Income						
Rundle Mall Levy	1,960	1,930	30	3,890	3,890	0
Rundle Mall User charges	242	180	62	360	360	0
CoA Contribution	0	0	0	9,291	9,332	41
Other Income	41	9	31	19	104	85
Total Income	2,243	2,120	123	13,560	13,686	126
Expenses						
Employee Costs	1,954	2,272	318	4,579	4,620	41
Materials, Contracts and Other Expenses	2,807	3,664	857	5,794	6,055	216
Sponsorship, Contributions and Donations	1,919	1,654	(265)	3,187	3,187	0
Depreciation, Amortisation and Impairment	21	0	(21)	0	42	42
Total Expenses	6,701	7,590	889	13,560	13,904	344
Operating Surplus / Deficit	(4,458)	(5,470)	1,012	0	(218)	(218)

Income

- Rundle Mall Levy income is favourable in comparison to the YTD budget as there have been no objections. This represents the $30k favourable variance
- Rundle Mall user charges are favourable to YTD budget
- Other income includes retail sales from the Visitor Information Centre $7k along with Adelaide Fashion Week income, which offsets some expenses in that activity.

Expenditure

Favourable expense variances are currently the result of timing and staff vacancies.

Variances and Budget Requests

Quarter 2 budget adjustments:

- Recognition of Rundle Mall prior year underspend of $176k and depreciation of $42k budgets
- Recognition of $85k income - $35k for Adelaide Fashion Week and $50k forecast for AEDA Summit ticket sales. This will then to be offset by corresponding expenses, resulting in nil bottom line increase/decrease
- $41k for 1.0 FTE increase for the Economic Research & Data Analyst Graduate. 2-year Fixed Term Contract from January 2024 in line with City of Adelaide Graduate program.

Risks and Opportunities

- Continued macroeconomic trends such as rising interest rates and cost of living pressures create a subsequent impact on potential spend in city businesses
- With new office stock coming online, opportunity exists to increase investment attraction activity

NB: AEDA's strategic risks are included within the City of Adelaide's Strategic Risk Register, which is reported through the Strategic Risk and Internal Audit Group that then reports into the Audit and Risk Committee

Board and Advisory Committee Term Changes

Within quarter two recruitment was undertaken for a Board Member position in preparation for the conclusion of Manuel Ortigosa's term that expired in January 2024. Jim Kouts was recommended for appointment by the selection panel and the appointment was endorsed by Council on 12 December 2023.

The term of office for Eloise Hall, Dino Vrynios, David West and Andrew Wallace for their positions on the Advisory Committee expired on 31 October 2023. Recruitment was undertaken and Lauren Giorgio and James Black were appointed to the Committee. Nikki Hamdorf was also appointed to the Committee via the vote of the collective Precinct groups as their representative on the Committee.

Grant Funding Approved

Strategic Partnership Program

Funding was approved by the AEDA Board at its meeting on 27 October 2023 to deliver intensive support programs which will aim to help the growth of participating businesses:

Organisation	Funding
The University of Adelaide/ThincLab	$155,669
MTPConnect	$114,213
SouthStart	$135,118

New Year's Eve 2023 Activities and Events Fund for Businesses

Funding was approved in-line with the delegation of Council by the Acting Managing Director, AEDA on 11 October 2023 to support NYE events and activities:

Event	Funding
Chaise-lounge	$6,000
Lion Hotel New Years Eve Block Party	$20,000
New Year's Eve at Eleven	$8,000
Bai Long Night on New Year's Eve	$4,355
New Year's Owl	$4,000
NYE at the Queen's Head Adelaide	$10,000
NYE Balcony Party with Friends	$5,000
Austral East End Street Party	$20,000

Commercial Events and Festivals Sponsorship Program

Funding was approved by the AEDA Board at its meeting on 27 October 2023 to support the following events in the **medium-large** category. Based on information provided in the applications, these events are expected to deliver $95.1 million in economic benefits:

Event	Date(s)	Funding
Laneway Festival Adelaide	9 February 2024	$35,000
Garden of Unearthly Delights	15 February - 17 March 2024	$40,000
Gluttony	15 February - 17 March 2024	$45,000
Wonderland Spiegeltent Hub	16 February - 17 March 2024	$20,000
Fool's Paradise	16 February - 17 March 2024	$35,000
Adelaide Motorsport Festival	15 - 17 March 2024	$40,000
Asia Street Food Festival	14 - 17 November 2024	$25,000

Funding was approved by the Acting Managing Director, AEDA on 6 November 2023 to support the following events in the **small-medium** funding category. Based on information provided in the applications, these events are expected to deliver over $13 million in economic benefits:

Event	Date(s)	Funding
Blitz Golf Adelaide	19 January 2024	$14,000
Ebenezer Night Markets	3 February - 16 March 2024	$5,000
Gathered Market in the Mall	11 February - 1 December 2024	$18,000
The Courtyard of Curiosities	15 February - 17 March 2024	$14,000
Sidebyside 2024	24 - 25 February 2024	$14,000
Holi Festival Adelaide	9 - 10 March 2024	$19,500
Home Base: Footy Place	4 - 7 April 2024	$20,000
EMPYRE Fire Festival 2024	28 September 2024	$20,000
Summer Sessions Vardon Ave	15 November - 21 December 2024	$12,000

Mainstreet Development Program

The following Precinct Groups have received the mainstreet development program grant following the receipt of their acquittal of 2022-23 funding and their business plan for 2023-24

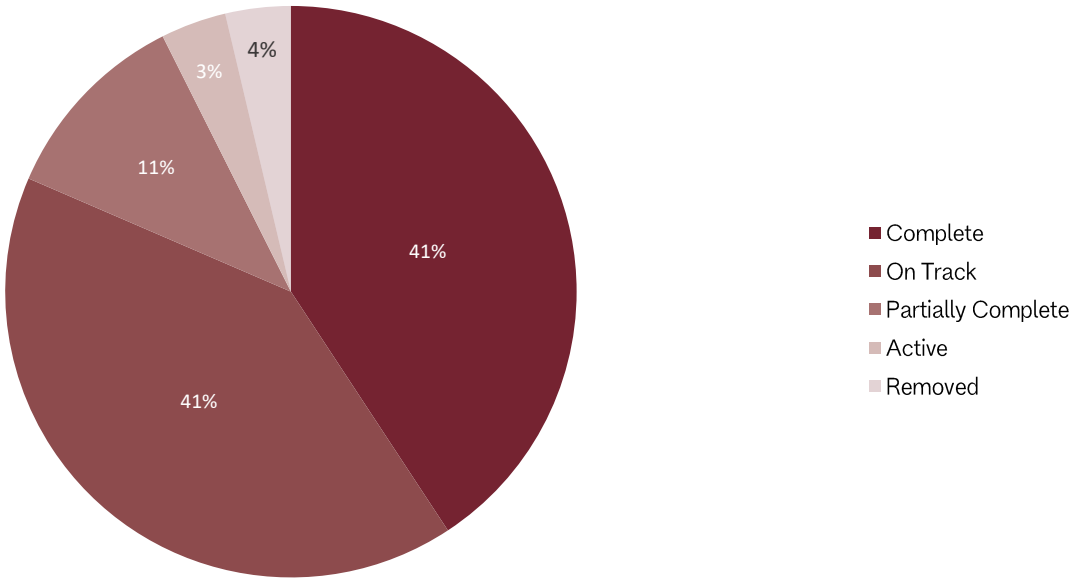
Organisation	Funding
City South Association	$25,000
Grote Business Precinct	$25,000

Business Plan & Budget and Strategic Plan Measures

The 2023/24 AEDA Business Plan and Budget includes 27 measures across the four key areas, Business, Investment & Residential Growth; Visitor Economy; Rundle Mall and Brand and Marketing.

As at the end of the quarter two progress against the measures are as follows:

- 11 measures have been 'Complete';
- 11 measures are 'On Track', meaning the pro-rata measure is tracking ahead or in-line with the target;
- 3 measures are 'Partially complete', as some progress has been made towards the target, but we are not tracking ahead of the pro-rata benchmark;
- 1 measure is 'Active' which means work is being done towards the target but no numerical figure towards the target has been recorded and;
- 1 target has been removed from tracking



Business, Investment and Residential Growth

Key Performance Indicator	Status	Annual Measure	Actual	Pro Rata Difference*
50 inward investment proposals/local expansions supported, with at least 10,000sqm of office space committed to	On Track	50	37	+12
1,000 Welcome to Adelaide employee introduction packs distributed	Partially Complete	1,000	312	-188
30+ vacant shopfronts/premises activated	Partially Complete	30	13	-2
Deliver AEDA Business Summit	On Track	1	0	-
Deliver 3 industry briefing events	On Track	3	2	+0.5
Enrolled international student numbers 5+% above 2019 levels (44,318 students across all segments) **Source: StudyAdelaide**	Complete	44,318	48,019	7,678
2+% increase in the number of city workers above 2020/21 levels (148,369) **Source: Economy.id**	Complete	2% (151,336)	157,498	+7,645
2+% increase in the number of city businesses above 2020/21 levels (12,018) **Source: ABS**	Complete	2% (12,518)	12,558	+290
2 campaigns/projects/market interventions to support emerging industries in the city	Complete	2	5	+3

Visitor Economy

Key Performance Indicator	Status	Annual Measure	Actual	Pro Rata Difference*
Delivery of the new Experience Adelaide Visitor Centre	Active	1	0	1
Maintain accreditation of the Visitor Information Centre	Complete	1	1	-
8 training sessions with VIC volunteers and staff	On Track	8	6	+2
2 destination marketing campaigns or initiatives with the state government to increase the number of people visiting the city	On Track	2	1	-
20 new bookable city tourism products/experiences	On Track	20	12	2
City hotel occupancy above 70%	Partially Complete	70%	68%	-2%

Rundle Mall

Key Performance Indicator	Status	Annual Measure	Actual	Pro Rata Difference*
3 recommendations from Rundle Mall place vision workshop implemented	On Track	3	2	+0.5
5 major brands committed to Rundle Mall	On Track	5	3	+0.5
Stakeholders agree that the volume and quality of communication and data/insights to stakeholders has improved over the previous 12 months	On Track	1	-	-
Rundle Mall average strip vacancy rates below 8%	Complete	8%	5.7%	2.3%
Average vacancy rates below 20% for arcades, centres and laneways in the Rundle Mall precinct	Complete	20%	19%	1%
3 significant campaigns that are aligned with exclusive city events and festivals	Complete	3	3	-
Uplift in foot traffic across 3 major events/festivals	Complete	3	3	-
Uplift in market share across 3 major events/festivals	On Track	3	2	+0.5
Moving annual total market share remains above 5%	Complete	5%	5.7%	+0.7%

Brand & Marketing

Key Performance Indicator	Status	Annual Measure	Actual	Pro Rata Difference*
Generate $2 million in advertising space rate with reference to City of Adelaide/AEDA	On Track	$2m	$1.3m	+$300,000
Support 200 city businesses to establish or extend their e-commerce capability on byADL.com.au	Removed	200	N/A	-
Total city expenditure above $4.45b	Complete	$4.450b	$4.560b	+$110k

*Difference relates to the difference between the measure and the quarter 2 pro-rata benchmark, not the full KPI.

Key Achievements



ADL Fashion Week

The second ADL Fashion Week was held Friday 20 to Sunday 22 October 2023 with 33 events and 80 additional fashion-related experiences or offers. Tickets across AFW events reached 87.6% of capacity (1,720 / 1,964 tickets).

Of the 33 events, 21 were part of the citywide Associated Events Program - an initiative that created opportunity for city businesses to leverage the festival benefits. These events reached 78.6% of capacity with $44k generated in ticket sales.

Benefits included advantages beyond the festival period. 78.6% of surveyed respondents said that attending the event would increase their likelihood of shopping in the city, 83% said it increased their chances of engaging with the SA fashion industry and 82% agreed that it strengthened Rundle Mall's positioning as a place of fashion.

Industry participants believed participating increased awareness of their brand (73%) and increased business exposure/publicity (46%). 18% said they received bookings and 27% said it generated future leads. Following the event, three brands expressed interest in conducting a pop up in Rundle Mall.

Within Rundle Mall, the Gift with Purchase offer performed extremely well with 47.9% more customers visiting to take up the offer (3,076), 9.4% higher average spend per customer ($348) and 61.8% higher total spend recorded ($1,069,209) on receipts redeemed.

Rundle Mall Foot traffic over the weekend was up 9.7% on AFW 2022 weekend and market share was 6.1% up on benchmark for Oct 5.2%



Strategic Partnership Program

The 2023-24 Strategic Partnerships program aimed to support to initiatives that support growth oriented business in the city. The University of Adelaide/ThincLab, MTPConnect and South Start were awarded funds to deliver programs.

Throughout the quarter existing Strategic Partners delivered on the following achievements:
Renew Adelaide launched ten new ventures into vacant premises including Dulcie Vintage, Longplay Bistro and Frida las Vegas. 120 Grenfell St was offered as a new available site.

Adelaide Business Events supported Dreamtime, attended by 94 international business event planners, the Professional Organisers Association Conference, that was attended by more than 400 professional conference organisers, event planners and industry suppliers and hosted a Famil for the Direct Selling Association of Singapore to showcase Adelaide's best attractions and activities.

Festival City Adelaide hosted a leadership breakfast that informed stakeholders and government about the opportunities and challenges facing the festival sector and delivered a TV Commercial Campaign during ADL500 to cross promote the broader event calendar.

StudyAdelaide hosted their Christmas Garden party attended by over 400 international students, launched a new Accommodation Advisory Service for international students, visited Vietnam, Cambodia and India meeting with over 220 education agents and helped Adelaide host the Australian International Education Conference with over 1,700 delegates.



Christmas & Boxing Day in Rundle Mall



WellFest Adelaide

AEDA and City of Adelaide combined resources to deliver a new decorative, interactive city-wide experience called 'The Santa Course'. Nine giant inflatable illuminated, and bespoke Santa's were placed around the city, with 3 being located in Rundle Mall. Complementing the Santa Course in the Mall was the Santa Course Christmas trail, street entertainment and performances (including Australia Girls Choir and the Adelaide Symphany Orchestra) and extended Christmas trading hours.

Despite signs of slight reductions of foot traffic to the precinct in December (-2% in total traffic in December YoY) the foot traffic over the Christmas and Boxing Day period in relation to the activations was strong:

- The last Thursday before Christmas experienced total traffic 40% higher than the average of the four Thursdays before it and 28% higher than the average day of the month.
- On the same Thursday passerby traffic was 51% higher than the average of the four Thursdays before it and 41% higher than the average day of the month.
- Boxing Day total traffic was 26% higher than 2022.

WellFest Adelaide 2023 was delivered over the weekend of 06 –08 October 2023 and the program consisted of:

- Over 65 city-wide free and paid experiences as part of the city-wide activation
- WellFest Adelaide Amazing Race – 7 checkpoints around ADL CBD and finishing in Rundle Mall. Gawler Place activated with DJ, Cosi as the MC and goodie bag for each entrant.
- WellFest Adelaide B2B Breakfast presented by Showcase SA at the Hotel Grand Chancellor
- Vera Mai "Moon Feast" A place, taste and story of first nations foods and experience in partnership with Nature Festival at Carclew.

The event analysis further noted the potential for longer term impact in terms of:

- Benefits to organisations participating in the event with all operating participants indicating they were satisfied with the involvement in the event and 43% rating it as 10/10 in terms of beneficial outcomes.
- A community wellbeing impact that has longer term economic outcomes, with 92% of attendee respondents believing the event had had positive impact on their mental well being, 74% on their physical wellbeing, and 89% on their social wellbeing.

Longer term tourism outcomes –92% of survey respondents indicated that they would be likely (29%) or very likely (63%) to attend the event in 2024 should it be repeated.



Black Friday – Citywide Campaign

Following a resolution of Council, a campaign promoting shopping in the city over the Black Friday period was delivered from 13-27 November, covering the fortnight leading up to and including Black Friday through to Cyber Monday.

Promotion highlighted the unique attributes of shopping in the city including longer trading hours, best bargains and greatest choice.

Advertising directed shoppers to a Shop Black Friday page on the Experience Adelaide website.

Results included:

- 16,900 landing page views from 13,600 visitors - the highest performing page across the site and 3 times higher than the next best performing page
- Radio/podcasts: 244,734 spots (2,000+ hrs of airtime)
- Ooh media screens: 180,980 spots (502 hrs of screentime)
- Search Engine Marketing & social media 146,300 impressions, 2,300+ clicks
- EDMs 120,200 article views / 10,300 clicks



Black Friday – Rundle Mall

To reinforce Rundle Mall's position as the premier destination to shop during Black Friday, a range of initiatives and activtations were delivered including:

- Rundle Mall Concierge: a complimentary concierge service for shoppers to leave their bags and continue to shop
- Pit Stop Bar – a bar was set up under the Gawler Place Canopy with seating to allow shoppers to take a break
- Valet Service – a valet service was offered via a buggy on the Mall that was available at no costs to shoppers to get from one shop to the next, to their parking or public transport
- DJs – through out the mall pop up DJs were scattered

Spend and foot traffic that compared 2022 to 2023 demonstrated:

- Foot traffic for Rundle Mall increased on Black Friday by 8.2%
- Rundle Mall had 12.5% of market share compared with the usual Friday average of 6.7%.
- Comparing Black Fridays across the years, market share increased from 12.3% in 2022 to 12.5% in 2023.



Australian Tourism Export Council

AEDA sponsored the Australian Tourism Export Council's 'Meeting Place' trade event in October. AEDA attended 24 business to business trade engagement appointments and break-out sessions. These appointments were with tourism product providers and tourism operators, which provided the opportunity to showcase the city as a Tourism destination and promote AEDA's roles in the city's visitor economy.

Delegate surveys indicated that 96% are very likely or likely to recommend South Australia as a tourism destination.



Data4Lunch

The most recent industry briefing, Data4Lunch was hosted on 8 November 2023, one day after the Reserve Bank of Australia's interest rate decision. The RBA's decision to lift interest rates tied into the theme of the "State of the Economy". Registrations booked out weeks in advance at 145 attendees.

Event speakers, including ANZ State General Manager for SA and the NT, Adele Fiene, and AEDA Economic Researcher, offered perspectives on Adelaide's economic status and trends compared to the broader national landscape. These insights sought to equip attendees to make informed decisions and position their organisation for success.



Frida Trail

AEDA established the Frida trail, engaging 26 city businesses that offered a Frida inspired experience or product during the exhibition (24 June – 17 Sept) as reported previously. Results of the trail are now available and through the campaign 11,000 visitors viewed the webpage and 725 leads were sent to participating businesses.

75% of participating businesses believed the trail was helpful in promoting their business and attracting more visitors to the city, and 100% wanted to be involved in future city trail initiatives. AGSA exceeded their target of 60,000 visitors, reaching 80,000.



Co-op Campaign with SATC

SATC's 'Travel Our Way' campaign launched in October 2023. Within the first two months there have been 5,321 page visits generated from AEDA's ads and 1,850 ATDW leads directly to city businesses.

Up Next

Coming up from 1 January 2024 – 31 March 2024 are:

- AEDA & Council Members workshop – 30 January 2024
- Partnership with the Property Council to deliver the Office Market Report, supported by a data and insights presentation from AEDA's Economic Research and Data Analyst – 1 February 2024
- Commercial Events and Festivals Sponsorship Program round two (small – medium category) opens 5 February 2024
- Lunar New Year in Rundle Mall – 16 February 2024
- MallFest in Rundle Mall – 16 February – 17 March 2024
- Annual round of Events and Festivals Sponsorship Program will open Mid March
- 2024 Edition of the Adelaide Visitor Guide will be delivered February/March 2024
- City Resturants and Bars Tourism Product Development program commences
- Development of AEDA Business Plan and potential progression AEDA Strategic Plan.

Kadaltilla

Adelaide Park Lands Authority









Quarterly Update
October to December 2023

Kadaltilla
Adelaide Park Lands Authority

Key Highlights
October to December 2023

- Delivered the final two Community Forum events in October 2023
- Park Lands Site Tour with Board Members
- Adoption of Kadaltilla 2023-2028 Strategic Plan
- Submission to the State Planning Commission on the Greater Adelaide Regional Plan
- Continued the review of Adelaide Park Lands Management Strategy 2015-2025 (APLMS), including the delivery of digital version workshop







Core Responsibilities

PURPOSE FOR WHICH THE AUTHORITY IS ESTABLISHED

The Council and the State Government of South Australia are committed to protecting and enhancing the Adelaide Park Lands for the benefit of all South Australians.

The Kadaltilla / Adelaide Park Lands Authority (Kadaltilla) is the principal advisor to both the Council and the State Government on the protection, management, enhancement and promotion of the Adelaide Park Lands.

The Council, on behalf of the communities of the City of Adelaide and the State, is committed to ensuring that Kadaltilla delivers maximum benefit for the future of Adelaide's Park Lands as the City of Adelaide's defining feature.

In this context, Kadaltilla is established by Statute to undertake in accordance with the powers conferred by the APLA Charter, the Functions of Kadaltilla as set out in section 9 of the *Adelaide Park Lands Act 2005*.



Strategic Pillars



PURPOSE

- To be the trusted voice on the Adelaide Park Lands which actively conserves, promotes, and enhances the environmental, economic, cultural, recreational, and social importance value of the Adelaide Park Lands

Strategic Plan 2020-2025
Key Actions October to December 2023

Cultural Value

1.1 Seek Kaurna cultural authority in everything we do

✓ Undertook a site visit to the 'Place of Reflection'

1.4 Champion the development of World Heritage listing nomination

✓ Included in the Kadaltilla Board Meeting agenda as a standing item

Environmental Performance

2.4 Increase the accessibility of evidence-based information

✓ Delivered the draft digital APLMS

Management and Protection

3.1 Monitor delivery of priority projects in the Adelaide Park Lands Management Strategy

✓ Comprehensive review is ongoing

3.3 Review State Government Management Plans

✓ The proposed National Heritage Management Plan was reviewed and endorsed



Strategic Plan 2020-2025
Key Actions October to December 2023

Expert Advice

4.1 Provide advice on plans, projects, and policies for the Adelaide Park Lands

- ✓ Advice of Kadaltilla is endorsed and adopted
- ✓ Heard deputation on proposed facility improvements

4.3 Review leasing and licensing and event management policies together with other relevant Park Lands use policies

- ✓ Reviewed two Park Lands Lease Agreements

4.5 Increase the profile of the Kadaltilla Board

- ✓ Two annual community forums hosted in October 2023
- ✓ Noted the Kadaltilla 2023 Community Forum Consultation Report



Kadaltilla Advice to Council
October to December 2023

- Approval of the draft Kadaltilla / Adelaide Park Lands Authority Strategic Plan 2023-2028

- Noting the success of the 2023 Kadaltilla Annual Community Forum
  - ✓ Approximately 400 people participated in person
  - ✓ 312 responses received in person
  - ✓ 6 responses received via post, email or social media
  - ✓ Held across four locations (Adelaide Central Market, Mary Lee Park (Park 27B), Victoria Park/Pakapakanthi (Park 16), and Pelzer Park/Pityarilla (Park 19))

- Endorsement of the revised concept plans and the draft 21-year Commercial Park Lands Lease Agreement between the Corporation of the City of Adelaide and Creative Place Hospitality Group for the Rymill Park Kiosk, noting that a detailed concept plan will be presented back in February 2024



Kadaltilla Advice to Council
October to December 2023

- Endorsement of the proposed National Heritage Management Plan for the Adelaide Park Lands and City Layout and requested that Council consider the budget requirements outlined by the National Heritage Management Plan as part of future budget processes

- Authorisation for the Lord Mayor or Chief Executive Officer to enter into lease negotiations for a two-year and six-month Park Lands Lease Agreement with Blackfriars Priory School for the sports building, playing fields and courts located in Pardipardinyilla / Denise Norton Park (Park 2)

- Support of the Adelaide Comets Football Club proposed facility improvements to Ellis Park / Tampawardli (Park 24) subject to gates remaining open on non-game days, no permanent signage except wayfinding, the temporary outer spectator fence to be installed no earlier than 24 hours before a game and removed within 24 hours following conclusion of the final scheduled game, the use of exposed aggregate concrete for the pathways, consultation with Administration regarding species selection of new trees, and detailed landscape plans submitted to Administration for approval. The driveway addition was not supported.



2023-2024 Business Plan & Budget
October to December 2023

Performance Measures Addressed:

- ✓ Support for the development of a World Heritage listing nomination
- ✓ Kaurna culture is made intrinsic to everything we do
- ✓ A review of the Adelaide Park Lands Management Strategy is conducted which will include prioritisation of projects
- ✓ Hosted an annual community forum
- ✓ Kadaltilla is insured according to the requirements of the Local Government Mutual Liability Scheme
- ✓ Provided advice on plans, projects and policies for the Adelaide Park Lands
- ✓ A high level of knowledge and understanding of the Park Lands is developed amongst Members through regular site visits and briefings
- ✓ Utilisation of skills is maximised through effective meetings that foster dialogue and the development of shared thinking



2023-2024 Business Plan & Budget
October to December 2023

Performance Measures Addressed:

- ✓ The Adelaide Park Lands Fund is operational and monies are received and expended according to the provisions of Kadaltilla's Charter
- ✓ Advice of Kadaltilla is endorsed and adopted
- ✓ Kadaltilla makes appropriate use of available finances provided by Council
- ✓ Provide advice in relation to tree canopy cover, biodiversity and environmental sustainability and improvements
- ✓ Review leasing and licensing and event management policies together with other relevant Park Lands use policies
- ✓ Increase the accessibility of information
- ✓ Seek early input into issues relating to the Park Lands to ensure Kadaltilla advice is timely and relevant
- ✓ Monitor developments subsequent to Kadaltilla's advice



Budget Position
October to December 2023

$	YTD Actual	YTD Budget	Variance	Annual Budget
Income	-	-	-	$253,360
Expenditure	$100,959	$126,680	$25,721	$253,360

- For 2023/2024, Kadaltilla's budget of $253,360 includes:
  - Sitting Fees and Salary (Kadaltilla Advisor) of $199,880
  - Operations (e.g. Marketing; community forum) of $16,878
  - Insurance, Audit and Legal of $21,602
  - Grants (Adelaide Park Lands Art Prize Sponsorship) of $15,000
    - Note: the Adelaide Park Lands Art Prize is biennial and won't be spent until the 24/25 FY



Upcoming Quarter

Key Actions:

- Preparation of Kadaltilla's draft Annual Business Plan and Budget 2024/2025
- Finalise the updated Adelaide Park Lands Management Strategy (APLMS)
- Appointment of Kadaltilla / Adelaide Park Lands Authority Board Member with skills in tourism and event management
- Development of a Kadaltilla social media profile



Upcoming Quarter

Forward Report Schedule:

- Kids on Country 2023
- Rymill Park Kiosk – Lease Consultation Results
- North Adelaide Railway Station
- Park Lands Leasing - Expressions of Interest
- Draft Park Lands Community Buildings Policy
- Draft Adelaide Park Lands Management Strategy (APLMS)
- Bonython Park/ Tulya Wardli (Park 27) Informal Carpark
- X5500 - Glen Osmond Road, Hutt Road and Park 17 Improvements
- Draft Victoria Park Master Plan Engagement Summary
- Adelaide Aquatic Centre Redevelopment - Return to Park Lands Proposed Design
- South Australian Motor Sport Board Event Consultation - Adelaide 500 2024
- Golden Wattle Park / Mirnu Wirra (Park 21W) Community Sports Hub



Thank You.



Kadaltilla
Adelaide Park Lands Authority

Brown Hill Keswick Creek
STORMWATER PROJECT
PO Box 124, UNLEY SA 5061
www.bhkcstormwater.com.au

Notes to the Reg 9 Report prepared for the 2023/24 financial year

Brown Hill and Keswick Creeks Stormwater Board

Quarter 2 – 31 December 2023

Note 1 – SMA Funding

Funding from the Stormwater Management Fund was budgeted at $4m for the 2023/24 financial year. The current full-year revised forecast has now been updated to $8.5m as the 2022/23 contribution of $4.5m was delayed and will also be paid in the current financial year. Public Works Committee approval was recently provided and grant agreements are currently being prepared.

Note 2 – Federal Funding

Federal funding relates to funds being provided under the Commonwealth Government's Preparing Australian Communities Program (PACP). Total funding of $10m has been secured and payment of these funds is dependent upon project milestones being reached. Updates to the forecast reflect expected timing for funds to be received. The total funding remains unchanged.

Note 3 – Interest Income

Interest income self-calculates in the budget process dependent on funds held. *Year to Date Actual* is tracking significantly ahead of budget due to the timing of funds spent and the *Current Full-Year Revised Forecast* has been updated accordingly.

Note 4 – Asset Operating Costs and Maintenance

Asset maintenance costs relating to the South Park Lands wetland and Glenside sites are tracking ahead of budget. Measures are being taken to reduce the cost overrun in the remaining months but the forecast 30 June 2024 position will be in excess of budget. The overrun is being funded by operating surplus accrued in previous years.

Note 5 – South Park Lands Remaining Works

The South Park Lands remaining works relates to final capital works currently being delivered on site. These works have been scheduled to suit weather conditions and were deferred until after winter 2023.

Note 6 – LBHC Packages 1-3

The total project budget for Lower Brown Hill Creek packages 1-3 remains unchanged but the timing of delivery has changed.

Note 7 – UBHC 1 Third to Leah; UBHC Forestville Reserve; UBHC 5 Cross to Hampton; UBHC Betty Long Gardens; UBHC Orphanage Park; Discretionary Projects

The Board's 2023/24 budget included an allowance of $6m for discretionary projects. The term discretionary projects refers to projects that are required under the Stormwater Management Plan, but had not yet been scheduled at the time the budget was prepared. Allocation of these funds is reliant upon outcomes of grant funding submissions that were not yet known at the time of budget preparation.

Three grant funding applications were submitted requiring $8.4m in matching funds, as follows:

	Disaster Ready Fund Application 1	Disaster Ready Fund Application 2	Urban Rivers and Catchments Program
Total Project Cost	$7.4m	$4.774m	$7.289m
Grant Funding	$3.7m	$2.387m	$4.93m
Board Contribution	$3.7m	$2.387m	$2.359m
Works Location	UBHC Forestville Third Ave-Leah St	UBHC Hawthorn Cross Rd–Hampton St	Forestville Reserve, Orphanage Park, Betty Long Gardens

All of these grant applications were successful and the funding previously allocated to discretionary projects has therefore now been reallocated to the appropriate works packages over the 3-year delivery schedules.

Brown Hill & Keswick Creeks Stormwater Board

Statement of Comprehensive Income

Regulation 9 Report

July 2023 - December 2023

	NOTES	Original Full year budget	Full-year Revised Budget in Last Update	Year to Date Revised Budget in Last Update	Year to Date Actual	Current Full-year Revised Forecast
Income						
Grants, Subsidies & Contributions						
Operating - Adelaide 20%		140,000	140,000	70,000	70,000	140,000
Operating - Burnside 20%		140,000	140,000	70,000	70,000	140,000
Operating - Mitcham 20%		140,000	140,000	70,000	70,000	140,000
Operating - Unley 20%		140,000	140,000	70,000	70,000	140,000
Operating - West Torrens 20%		140,000	140,000	70,000	70,000	140,000
SMA Funding	1	4,000,000	4,000,000	4,000,000		8,500,000
Federal Funding	2	3,346,229	6,880,348	3,534,119	5,765,119	5,765,119
Total Grants, Subsidies & Contributions		**8,046,229**	**11,580,348**	**7,884,119**	**6,115,119**	**14,965,119**
Interest Income	3	247,371	350,187	197,618	250,365	428,640
Total Income		**8,293,600**	**11,930,535**	**8,081,737**	**6,365,484**	**15,393,759**
Other Expense						
Other Expense						
Employee Costs						
Insurance - workers compensation		3,200	3,200	1,992	2,081	3,200
Wages - Employees		249,996	250,000	125,000	125,000	250,000
Wages - Board Members		82,700	82,700	40,900	43,000	82,700
Board expenses		2,000	2,000	667		2,000
Superannuation		36,601	36,597	18,249	18,480	36,597
Total Employee Costs		**374,497**	**374,497**	**186,808**	**188,562**	**374,497**
Materials, Contracts & Other Expenses						
Contractors & consultant services		41,760	41,760	18,768	19,792	41,760
Financial services & audit (incl bookkeeping)		44,304	44,304	24,227	26,183	44,304
IT services		5,400	5,400	2,091	1,494	5,400
Insurance - mutual liability scheme		51,880	51,768	25,828	25,715	51,431
Legal services		15,660	15,660	7,983	10,133	15,660
Meeting Room Hire & Teleconference		5,400	5,400	1,954	769	5,400
Office Expenses, Printing & Post		2,160	2,160	966	766	2,160
PR, website and graphic design		12,960	12,960	7,050	8,216	12,960
Staff training		5,220	5,220	1,740	904	5,220
Other		2,616	2,616	1,026	372	2,616
Total Materials, Contracts & Other Expenses		**187,360**	**187,248**	**91,633**	**94,344**	**186,911**
Asset Expenses						
Asset Management Plan & Valuations		12,000	12,000	245	491	12,000
Asset Operating Costs & Maintenance	4	279,996	280,000	148,024	208,422	320,000
Total Asset Expenses		**291,996**	**292,000**	**148,269**	**208,913**	**332,000**
Non-Cash Items						
Depreciation		168,528	168,522	84,261	84,261	168,522
Total Non-Cash Items		**168,528**	**168,522**	**84,261**	**84,261**	**168,522**
Total Other Expense		**1,022,381**	**1,022,267**	**510,971**	**576,079**	**1,061,930**
Net Operating Surplus/(Deficit)		**7,271,219**	**10,908,268**	**7,570,766**	**5,789,405**	**14,331,829**

Brown Hill & Keswick Creeks Stormwater Board

Statement of Financial Position

Regulation 9 Report

July 2023 - December 2023

	NOTES	Original Full-year Budget	Full-year Revised Budget in Last Update	Year to Date Revised Budget in Last Update	Year to Date Actual	Current Full-year Revised Forecast
Current Assets						
Cash & Cash Equivalents		1,249,244	6,314,630	10,964,495	10,788,617	9,314,532
Trade & Other Receivables		0	28,973	28,973		
Prepayments			12,858	12,858	12,858	12,858
Accrued Income						
Total Current Assets		**1,249,244**	**6,356,461**	**11,006,326**	**10,801,474**	**9,327,390**
Non Current Assets						
UBHC - Hawthorn Reserve		3,079,785	3,079,785	3,079,785	3,079,785	3,079,785
Less: Accum Depreciation on Hawthorn Reserve		(73,198)	(76,873)	(70,464)	(70,464)	(76,873)
Glenside		3,435,437	3,435,437	3,435,437	3,435,437	3,435,437
Less: Accum Depreciation on Glenside		(129,714)	(143,824)	(119,810)	(119,810)	(143,824)
South Park Lands - Victoria Park Wetland		10,953,645	10,953,645	10,953,645	10,953,645	10,953,645
Less: Accum Depreciation Sth Park Lands - Victoria Park Wetland		(103,512)	(88,117)	(66,057)	(66,057)	(88,117)
South Park Lands - Park 20 Creek Works		4,897,368	4,897,368	4,897,368	4,897,368	4,897,368
Less: Accum Depreciation Sth Park Lands - Park 20 Creek Works		(17,370)	(17,370)	(8,685)	(8,685)	(17,370)
South Park Lands - Remaining Works	5	120,000	246,216	186,216	151,697	246,216
UHBC - Area 3a Millswood		3,300,422	3,300,422	2,047,425	2,190,927	3,300,422
LBHC Packages 1-3	6	17,557,165	13,666,065	6,164,517	5,138,811	14,809,569
LBHC 4 Birdwood to South (Daly Street)		952,931	952,931	952,931	952,931	952,931
Less: Accum Depreciation on Birdwood to South		(22,700)	(24,009)	(17,999)	(17,999)	(24,009)
UBHC - Area 1a Everard Park		3,409,400	3,409,400	3,409,400	3,409,400	3,409,400
Less: Accum Depreciation on Everard Park		(123,573)	(136,376)	(119,294)	(119,294)	(136,376)
UBHC - Area 1a Everard Park Land			2,855	2,855	2,903	2,903
UBHC - Area 1c Forestville		754,400	704,235	267,447	49,053	704,235
UBHC 1 Third to Leah	7		339,216	5,000		339,216
UBHC Forestville Reserve	7		66,764	5,000		66,764
UBHC 5 Cross to Hampton	7		176,046	5,000		176,046
UBHC Betty Long Gardens	7		122,128	5,000		122,128
UBHC Orphanage Park	7		141,466	5,000		141,466
Discretionary Projects	7	6,000,000	0			0
Reference Design - Capital		1,300,000	1,002,879	903,838	911,718	1,002,879
Total Non Current Assets		**55,290,486**	**46,010,289**	**35,923,555**	**34,771,366**	**47,153,841**
Computer Equipment			2,454	2,454	2,454	2,454
Less: Accumulted Depreciation			(605)	(605)	(605)	(605)
		0	**1,849**	**1,849**	**1,849**	**1,849**
TOTAL ASSETS		**56,539,730**	**52,368,599**	**46,931,730**	**45,574,689**	**56,483,080**
Current Liabilities						
Trade & Other Payables		858,045	564,588	432,420	1,081,015	1,582,959
GST Payable/(Refundable)		(336,821)	(183,764)	(145,693)	(369,967)	(505,943)
Accrued Expense			5,270			
Contract Liability						
Total Current Liabilities		**521,224**	**386,094**	**286,727**	**711,047**	**1,077,016**
TOTAL LIABILITIES		**521,224**	**386,094**	**286,727**	**711,047**	**1,077,016**
NET ASSETS		**56,018,506**	**51,982,505**	**46,645,003**	**44,863,641**	**55,406,064**
Capital and Reserves						
Capital Contributions						
Capital - Adelaide 8%		1,945,593	1,945,593	1,785,593	1,785,593	1,945,593
Capital - Burnside 12%		2,918,389	2,918,389	2,678,389	2,678,389	2,918,389
Capital - Mitcham 10%		2,431,991	2,431,991	2,231,991	2,231,991	2,431,991
Capital - Unley 21%		5,107,180	5,107,180	4,687,180	4,687,180	5,107,180
Capital - West Torrens 49%		11,916,754	11,916,754	10,936,754	10,936,754	11,916,754
Total Council Contributions		**24,319,907**	**24,319,907**	**22,319,907**	**22,319,907**	**24,319,907**
Asset Revaluation Reserve		(1,191,177)	570,390	570,390	570,390	570,390
Accumulated Surplus		16,251,255	9,867,760	6,530,258	4,748,896	13,291,319
Capital Funds		16,638,521	17,224,448	17,224,448	17,224,448	17,224,448
Total Capital and Reserves		**56,018,506**	**51,982,505**	**46,645,003**	**44,863,641**	**55,406,064**
TOTAL EQUITY		**56,018,506**	**51,982,505**	**46,645,003**	**44,863,641**	**55,406,064**

Brown Hill & Keswick Creeks Stormwater Board

Cash Flow

Regulation 9 Report

July 2023 - December 2023

	Original Full-year Budget	Full-year Revised Budget in Last Update	Year to Date Revised Budget in Last Update	Year to Date Actual	Current Full-year Revised Forecast
Receipts					
Capital Contributions					
Capital - Adelaide 8%	352,000	352,000	176,000	176,000	352,000
Capital - Burnside 12%	528,000	528,000	264,000	264,000	528,000
Capital - Mitcham 10%	440,000	440,000	220,000	220,000	440,000
Capital - Unley 21%	924,000	924,000	462,000	462,000	924,000
Capital - West Torrens 49%	2,156,000	2,156,000	1,078,000	1,078,000	2,156,000
Total Capital Contributions	**4,400,000**	**4,400,000**	**2,200,000**	**2,200,000**	**4,400,000**
Operating Contributions					
Operating - Adelaide 20%	154,000	154,000	77,000	77,000	154,000
Operating - Burnside 20%	154,000	154,000	77,000	77,000	154,000
Operating - Mitcham 20%	154,000	154,000	77,000	77,000	154,000
Operating - Unley 20%	154,000	154,000	77,000	77,000	154,000
Operating - West Torrens 20%	154,000	154,000	77,000	77,000	154,000
Total Operating Contributions	**770,000**	**770,000**	**385,000**	**385,000**	**770,000**
SMA Income	4,000,000	4,000,000	4,000,000		8,500,000
Federal Funding	3,346,229	3,346,229	0	2,231,000	2,231,000
Total Contributions	**12,516,229**	**12,516,229**	**6,585,000**	**4,816,000**	**15,901,000**
Interest Received	247,369	383,530	230,961	283,708	461,983
Total Interest	**247,369**	**383,530**	**230,961**	**283,708**	**461,983**
Total Receipts	**12,763,598**	**12,899,759**	**6,815,961**	**5,099,708**	**16,362,983**
Payments					
Capital Expenditure					
South Park Lands					
Blue Gum Park Creek Works & Remaining Wetlands	455,160	130,985	130,985	163,963	289,934
Park 20 Creek Works		232,636	144,636	100,636	100,636
Total South Park Lands	**455,160**	**363,621**	**275,621**	**264,599**	**390,570**
UBHC upgrade - Area 1					
UBHC 1c - Forestville	705,063	704,720	224,252		680,661
UBHC Area 1a Everard Park - Land Acquisition	2,180	694	694	3,624	3,624
UBHC Forestville Reserve		62,117	3,667		63,034
UBHC 1 Third to Leah		311,865	3,667		312,781
Total UBHC upgrade - Area 1	**707,243**	**1,079,396**	**232,280**	**3,624**	**1,060,100**
UBHC 3a Millswood					
UBHC 3a Millswood	1,926,962	2,069,608	691,312	960,777	2,207,531
Total UBHC 3a Millswood	**1,926,962**	**2,069,608**	**691,312**	**960,777**	**2,207,531**
UBHC Area 5					
UBHC 5 Cross to Hampton		162,292	3,667		163,209
Total UBHC Area 5	**0**	**162,292**	**3,667**	**0**	**163,209**
UBHC Area 6					
UBHC 6 Betty Long Gardens		112,867	3,667		113,784
Total UBHC Area 6	**0**	**112,867**	**3,667**	**0**	**113,784**
Other UBHC					
UBHC Orphanage Park		130,594	3,667		131,511
Total Other UBHC	**0**	**130,594**	**3,667**	**0**	**131,511**
LBHC Package 1					
LBHC Package 1 - 3	15,430,151	12,969,723	4,718,020	2,762,169	13,038,981
Total LBHC 1a Airport to Watson	**15,430,151**	**12,969,723**	**4,718,020**	**2,762,169**	**13,038,981**
Reference Design - Capital	386,527	132,404	41,617	11,000	109,231
Discretionary Projects	6,600,000	0			
Total Capital Expenditure	**25,506,043**	**17,020,505**	**5,969,851**	**4,002,168**	**17,214,917**

Operating Costs					
Employee Costs					
Insurance - workers compensation	5,443	2,757	1,428	2,284	3,515
Wages - Employees	250,000	244,149	119,149	124,623	249,623
Wages - Board Members	82,700	82,700	40,900	43,000	82,700
Board expenses	2,200	2,200	733		2,200
Superannuation	36,434	35,908	17,560	17,461	35,578
Total Employee Costs	**376,777**	**367,714**	**179,770**	**187,368**	**373,616**
Materials, Contracts & Other Expenses					
Contractors & consultant services	52,041	45,503	20,211	20,396	44,748
Financial services & audit (incl bookkeeping)	50,805	53,324	31,239	39,829	60,121
Insurance - mutual liability scheme	57,068	56,944	28,410	42,430	70,717
IT services	6,754	6,005	2,365	1,820	6,008
Legal services	17,917	18,599	10,154	12,491	18,965
Meeting Room Hire & Teleconference	7,095	5,803	2,013	846	5,722
Office supplies/printing	2,376	2,375	1,062	843	2,376
PR, website and graphic design	14,341	13,635	7,134	9,368	14,800
Staff training	5,742	6,072	2,244	330	5,078
Other	2,882	2,863	1,114	391	2,859
Total Materials, Contracts & Other Expenses	**217,021**	**211,123**	**105,946**	**128,742**	**231,394**
Asset Expenses					
Asset Management Plan Review	13,200	20,752	7,821	8,361	18,911
Asset Operating Costs & Maintenance	308,000	333,744	188,571	251,062	373,798
Total Asset Expenses	**321,200**	**354,496**	**196,392**	**259,422**	**392,709**
Total Operating Costs	**914,998**	**933,333**	**482,108**	**575,532**	**997,719**
Total Costs	**26,421,041**	**17,953,838**	**6,451,959**	**4,577,700**	**18,212,636**
GST Payable/(Refundable)	(1,775,460)	(1,216,784)	(448,567)	(114,683)	(1,012,260)
Total Payments	**24,645,581**	**16,737,054**	**6,003,392**	**4,463,017**	**17,200,376**
Net Cash Inflow/(Outflow)	**(11,881,983)**	**(3,837,295)**	**812,569**	**636,692**	**(837,393)**
Opening Bank	**13,131,227**	**10,151,925**	**10,151,925**	**10,151,925**	**10,151,925**
Net Cash Movement	**(11,881,983)**	**(3,837,295)**	**812,569**	**636,692**	**(837,393)**
Closing Bank	**1,249,244**	**6,314,630**	**10,964,494**	**10,788,617**	**9,314,532**

Climate Change Action Plan Internal Audit

Friday, 16 February 2024
Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:
Alana Martin, Manager Governance

Public

Approving Officer:
Anthony Spartalis, Acting Chief Operating Officer

EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit on the integration of relevant actions included within the Climate Change Risk Adaptation Action Plan within relevant CoA systems was performed.

The internal audit identified two high and four moderate risk rated findings.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively, and to advise how it can improve performance.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
2. Endorses the responses of the Administration to the Climate Change Action Plan Internal Audit as outlined in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Effective Leadership and Governance Deliver a robust internal audit program that aligns to service outcomes.
Policy	Not as a result of this report.
Consultation	Not as a result of this report.
Resource	Not as a result of this report.
Risk / Legal / Legislative	The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities. Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively, and to advise how it can improve performance.
Opportunities	Internal audit suggests a range of improvement opportunities related to the area being reviewed, enhancing functions and services, and aligning Council processes to best practice standards.
23/24 Budget Allocation	Not as a result of this report.
Proposed 24/25 Budget Allocation	Not as a result of this report.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report.
23/24 Budget Reconsideration (if applicable)	Not as a result of this report.
Ongoing Costs (eg maintenance cost)	Not as a result of this report.
Other Funding Sources	Not as a result of this report.

DISCUSSION

Background

1. The Climate Change Risk Adaptation Action Plan Internal Audit was performed by KPMG, in accordance with the 2023-24 Internal Audit Plan. A copy of the Internal Audit Report can be found in **Attachment A**.

Report

2. This audit relates to the CoA Climate Change Risk Adaptation Action Plan 2021-26 ("Action Plan"), which includes actions to integrate climate risk management into governance documents and processes, facility planning and management and service provision.
3. The Action Plan has identified 283 individual physical risks, including five extreme risks to 2030, and 39 extreme risks to 2090. To enable effective action, 119 high priority risks are consolidated into 8 key decision-making areas. The Action Plan outlines 95 actions for progress over the Action Plan's five year lifespan.
4. The objectives of the Climate Change Action Plan Internal Audit were to:
   - 4.1. Assess the integration of completed actions within the COA's governance, finance, procurement, asset management and project management systems.
   - 4.2. Confirm the status of the completed actions included within the Action Plan.
5. The scope of this review considered the following areas:
   - 5.1. Understanding the integration of the Action Plan within the CoA's governance, procurement, asset management and project management systems.
   - 5.2. The development, prioritisation and funding of included actions, including the alignment to the CoA's Long-term Financial Plan.
   - 5.3. Development of the target dates for completion of actions, including consideration of available funding and resources and interdependence to actions.
   - 5.4. Adequacy of monitoring and reporting processes to provide oversight.
6. The findings of the internal audit are indexed into the following risk ratings:

Finding	Risk Rating	Management response (KPMG Report reference)
The reported status of the Action Plan is inaccurate for some actions	High	Attachment A – p. 9-10 of original
A supporting implementation plan linked to the CoA's LTFP is not in place	High	Attachment A – p. 11-12 of original
Gaps identified in monitoring and reporting of the Action Plan	Moderate	Attachment A – p. 13 of original
Further communication and awareness in relation to the Action Plan is required	Moderate	Attachment A – p. 15 of original
Opportunity to refresh actions aligned to the CoA's current strategic priorities	Moderate	Attachment A – p. 17 of original
Consideration required for long-term integration of the Action Plan into a broader sustainability strategy and reporting	Moderate	Attachment A – p. 18 of original

7. Management have considered the findings and provided actions and time frames to address these findings. These can be found in **Attachment A**.

ATTACHMENTS

Attachment A – Climate Change Action Plan Internal Audit

- END OF REPORT -

KPMG

Strategic Review of Climate Change Risk Adaptation Action Plan

Internal Audit Report

City of Adelaide

—

January 2024

Acknowledgement of Country

KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.

At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

Guided by our purpose to 'Inspire Confidence. Empower Change', we are committed to placing truth-telling, self-determination and cultural safety at the centre of our approach. Driven by our commitment to achieving this, KPMG has implemented mandatory cultural awareness training for all staff as well as our Indigenous Peoples Policy. This sincere and sustained commitment has led to our 2021-2025 Reconciliation Action Plan being acknowledged by Reconciliation Australia as 'Elevate' – our third RAP to receive this highest level of recognition. We continually push ourselves to be more courageous in our actions particularly in advocating for the Uluru Statement from the Heart.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.

*This acknowledgement of country has been developed within KPMG Indigenous Network (KIN) should you wish to modify the wording please reach out for consultation of the KIN. The KIN is a culturally safe and supportive space for Aboriginal and Torres Strait Islander colleagues from all geographies, divisions, and levels of the firm and you can get in touch by emailing smoates@kpmg.com.au

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Executive Summary

In accordance with the 2023 Internal Audit Plan for the City of Adelaide (CoA), an internal audit focussing on the integration of relevant actions included within the Climate Change Risk Adaptation Action Plan within relevant CoA systems and the review of their status was performed.The objective, scope and approach for this project are outlined below.

Objective

The overall objectives of the internal audit were to:

- Assess the integration of completed actions within the CoA's governance, finance, procurement, asset management and project management systems.
- Confirm the status of the completed actions included within the Climate Change Risk Adaptation (the Action Plan).

Scope

The scope of this review considered the following areas:

- Understanding the integration of the Action Plan within the CoA's governance, procurement, asset management and project management systems.
- The development, prioritisation and funding of included actions, including the alignment to the CoA's Long-term Financial Plan.
- Development of the target dates for completion of actions, including consideration of available funding and resources and interdependence of actions.
- Adequacy of monitoring and reporting processes to provide oversight.

Internal Audit Approach

The internal audit was performed using the following approach:

- Workshops and consultations with relevant stakeholders to understand the integration of completed actions within key CoA systems, monitoring and reporting processes and consideration of actions into financial planning processes.
- Desktop review of relevant documentation for completed actions, to validate they have been correctly updated as completed, and on a sample basis, performed a high-level check of the status for in-progress actions.
- Close-out meeting with the internal audit project sponsor and key stakeholders to discuss initial findings and recommendations.
- Finalisation of an internal audit report outlining findings, recommendations and any performance improvement opportunities.

Positive Observations

The CoA has taken a number of steps to address challenges the Council is facing due to climate change. Our review identified the following positive observations:

The development of the Action Plan included a significant amount of initial stakeholder consultation resulting in a strong foundation, and to date, a large amount of work has been completed helping to build the future resilience of the CoA, its operations and the broader city community.

Sponsorship of the climate change agenda from an Executive level was evident, including addressing climate and environmental risks at an operational level to support the health and wellbeing of CoA's staff, environment, and community members.

The CoA is taking a proactive stance in addressing significant climate risks facing the Council and the community, including the conduct of this review.

Multiple initiatives have been conducted to reduce the impact of extreme heat on the outdoor workforce.

Key Findings and Recommendations

Overall, whilst recognising a number of initiatives have been completed to continue to build climate change resilience across the CoA, further improvements to the governance of the Action Plan are required. Specifically, our review noted the following key themes and issues:

- The reported status of some actions within the Action Plan are inaccurate, in part due to a lack of quality assurance over completed actions and gaps in monitoring and reporting of the Action Plan.
- Greater communication of the purpose and intent of the Action Plan is required, to further embed a culture of sustainability at the CoA.
- Further work is required to support the implementation of the Action Plan, including prioritisation of actions with a clear linkage to the long-term financial plan.

Findings identified during the course of this internal audit are shown in the table below. A full list of the findings identified, and the recommendations made are included in this report.

Critical	High	Moderate	Low	PIO
-	2	4	-	-

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Background

Context

There is an increasing expectation on organisations in the private and public sectors to proactively manage climate change risks. Local Government plays a key role in helping address the economic and social climate change impacts by reducing disruptions to public services, protecting government assets, and supporting community adaptation.

Local Government is also a unique driver of sustainability outcomes. In addition to being a major provider of services, Local Government can also raise levels of ambition, encourage action through regulatory change, and seed new initiatives as a market maker. Local Government organisations are also significant employers, asset owners and operators, and environmental and cultural stewards.

Many councils are working towards 100% renewable energy goals and zero emissions targets. There has also been a significant focus across the sector on investing time, effort and capability into obtaining a further understanding of climate related risks and developing climate change adaption and mitigation plans.

State, Territory, and Local Governments in Australia are expected to play a key role in leading the transition required. The governments of New South Wales, Victoria, Queensland, South Australia, Tasmania, and the Australian Capital Territory each have 2050 net zero emissions targets. Local Governments and their communities are also leading the way on climate action.

In May 2022, South Australia declared a climate emergency and made a commitment to achieving net zero emissions. In alignment with this, the Department for Environment and Water has developed the **South Australia - Responding to Climate Change** document with priority actions for State Government. Key priorities outlined in this document include:

1. Reducing net greenhouse gas emissions by more than 50% by 2030.

2. Achieving net zero emissions by 2050.

3. Achieve 100% renewable energy generation by 2030.

4. Seeking to achieve net zero emissions from government operations.

Climate Change Risk Landscape

Responding to potential risks resulting from climate change is an emerging area of risk management for many organisations.

To address growing climate risks, the CoA undertook a significant body of work in developing the Climate Change Risk Adaptation Action Plan, endorsed by Council in 2021. Prior to this, the Climate Change Risk Assessment Report was developed in June 2020. However, climate risks continue to evolve. On 3 July 2023, the US National Centers for Environmental Prediction recorded the hottest average global temperature at 17.01 degrees Celsius, beaten one day later at 17.18 degrees Celsius. This was exceeded again two days later at 17.23 degrees Celsius on 6 July 2023.

In 2022, the Department for Environment and Water released updated climate change projections for South Australia. These included:



Declining rainfall



More dangerous fire weather. Hotter and more frequent hot days



More intense heavy rainfall events



Increasing maximum, minimum and average temperatures

As global conditions worsen, local risks will inevitably exacerbate. Some of the ways these global risks could manifest in the local landscape as strategic climate change risks include:

- Increased costs associated with the management of assets and infrastructure vulnerabilities due to changing environmental conditions.
- Increased public liability exposure and higher insurance costs exacerbated by climate change impacts.
- Poor reputation as a result of failing to manage community expectations.
- Water insecurity and biodiversity loss, exacerbated by warmer temperatures and reduced rainfall.
- Increased severity and frequency of bushfires for Councils, and public safety and health issues caused by extreme weather events and temperatures.
- The inadequacy of land use planning and the reduction of viable land for food production.

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Background

Developing the Climate Change Risk Adaptation Plan

The CoA Action Plan was developed through a staged approach, with the input of a 15 person Project Steering Group. Feedback was also provided by 37 staff representing CoA programs (including Executive Leadership) and 28 CoA staff providing feedback on drafts.

Analysis was undertaken in relation to governance, physical and transitional climate change related risks, through approaches aligned to ISO31000 Risk Management and AS5334 Climate Change Adaptation for Settlements and Infrastructure. This informed the Climate Change Risk Assessment Report, which included a series of recommendations in relation to governance, and identified 283 individual physical risks, including five extreme risks for 2030, and 39 extreme risks for 2090.

The 119 highest priority risks identified in the Climate Change Risk Assessment Report were used as the basis for defining the Key Areas of Decision Making (KADMs). The highest priority risks were consolidated into eight (8) KADMs based on similarities, with the input of the Project Steering Group:

1. **Key CoA Buildings and Community Spaces –** ensure buildings and the services provided from them are adapted to the changing climate and help to build community resilience.
2. **Rundle Mall Business Continuity –** strategically plan for a Mall that is fit-for-purpose in a changing climate and continues to provide exceptional retail and service opportunities for residents and visitors.
3. **Infrastructure Longevity –** investigate, plan and implement best practice climate change adaptation across CoA infrastructure portfolio to ensure built and natural assets continue to support a livable city.
4. **Green Spaces –** increase the amount of green space across the city, as well as the capture and reuse of water to support these spaces, to shade and cool the CoA.
5. **Workforce Safety –** support CoA staff health and wellbeing and continue to provide exceptional customer service in a changing climate.
6. **Events –** continue to provide world leading events in a safe and flexible way to adapt to climate change.
7. **Building Development –** ensure city buildings are fit-for-purpose now and in a changed future climate.
8. **Homelessness Support –** work with partner organisations to ensure CoA's most vulnerable are supported in the more extreme weather predicted for climate change.

Actions within the 8 KADMs were initially prioritised by applying a multi-criteria assessment. Each action was scored against the following six criteria, which contained categories allocated a score of 1-5:

- ***Skills/capacity need to deliver the action.***
- ***Commencement timing of the action.***
- ***Timeframe to completion for the action.***
- ***Monitoring frequency, specific to the action.***
- ***Budget required to deliver the action.***
- ***Existing budget available for the activity.***

Implementation and Governance of the Action Plan

Currently, the Park Lands, Policy and Sustainability team are responsible for the implementation and monitoring of the Action Plan. This includes preparation of quarterly reporting to the Audit and Risk Committee, informed through a tracking tool that is managed within Microsoft Excel. At present, content within the tracking tool is the responsibility of the Managers assigned responsibility for actions with oversight by the Park Lands and Sustainability team through the Senior Sustainability role. Prior to development of the tracking tool, actions were monitored through the Council's Audit and Risk tool ProMapp. It is acknowledged all action plans across the CoA are currently being managed manually through spreadsheets.

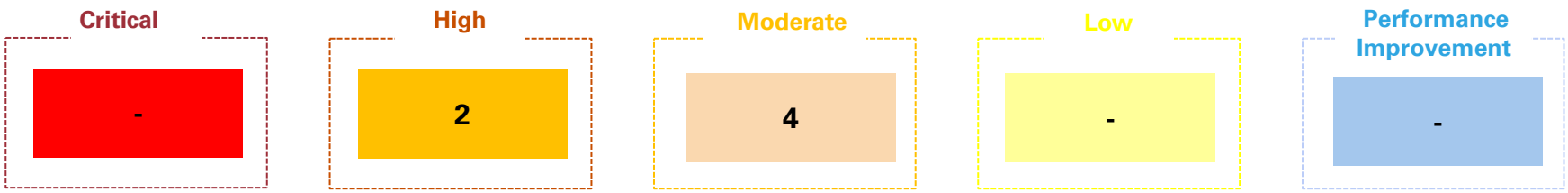
A multi-disciplinary Climate Change Risk Steering Group has also been established to support oversight of the Action Plan, monitoring progress on a quarterly basis. This group assists with informing the reporting process and was composed with the intent to embed a culture of sustainability across multiple areas at the CoA.

Throughout the review, it was noted updates to the status of actions are reported to the Senior Sustainability Advisor. This includes supporting information, in particular for actions reported as 'Complete'. Instances were noted of inaccurate reporting for some actions within the Action Plan, in part attributed to a lack of a formalised quality assurance process for completed actions.

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Internal Audit Findings

Internal Audit identified two (2) high risk-rated and four (4) moderate risk-rated findings. The details of the findings are provided in the 'Detailed Findings' section of this report. These findings have been individually rated as follows:



Rating	Ref #	Description
High	F1	The reported status of the Action Plan is inaccurate for some actions
High	F2	A supporting implementation plan linked to the CoA's LTFP is not in place
Moderate	F3	Gaps identified in monitoring and reporting of the Action Plan
Moderate	F4	Further communication and awareness in relation to the Action Plan is required
Moderate	F5	Opportunity to refresh actions aligned to the CoA's current strategic priorities
Moderate	F6	Consideration required for long-term integration of the Action Plan into a broader sustainability strategy and reporting

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Detailed Findings

Observations and Recommendations

Finding 1: The reported status of the Action Plan is inaccurate for some actions

Rating: High

Observations	Recommendation(s)	Agreed Management Actions
Upon review of the Climate Change Risk Adaptation Action Plan, the status of various actions were identified as being incorrectly reported, including four (4) actions being marked as 'Complete' which were noted as still in progress and four (4) actions reported as 'Not yet started' that were acknowledged to be BAU activities and more accurately marked as 'Complete'. Post audit it has been advised that the incorrectly reported actions have subsequently been updated with the correct status. The following were noted in relation to factors impacting the accuracy of the Action Plan: • The organisational climate risks facing the CoA, and subsequent actions identified within the Action Plan, were assessed and composed at a point in time. The climate change risks of the CoA are dynamic and as a result the relevance of the specific content in certain actions has dissipated over time and as new information has come to light. • Anecdotal evidence suggests there is an inconsistent understanding across the organisation as to when actions can be considered 'Complete'. This was particularly evident for actions that have changed responsible owners and been progressed or closed in the past. Specifically, the status of the Action Plan for four (4) of the twenty-two (22) actions marked as 'Completed' were identified in the September 2023 Audit & Risk Committee Report to be more accurately defined as 'In progress' including: • **Action 5.6** - Identification of cool refuge areas for outdoor council workers. This action requires further investigation to understand the impact of hot days before completion. Through additional research, the CoA will assess the effectiveness of current practices and may identify potential improvement opportunities. • **Action 6.4** - Identification of strategic tree planting locations through a collaborative approach with Assets, Public Realm and Event team. Through stakeholder consultations, it was identified this action is currently 'In-progress' with some progress initiated, however further work is required to complete this action. • **Action 6.8** - Establishment of average temperature trend thresholds to improve CoA's capacity to hold uninterrupted outdoor events. Progress has been made in relation to this action, demonstrating effective practices for identification and mitigation of potential extreme weather risks. However, a comprehensive assessment of the impact of more frequent and longer heat waves to CoA events has not been performed. This includes considerations such as additional infrastructure to provide cool refuges or guidelines to cancel events in extreme heat not yet in place. • **Action 7.7** - Consideration to climate risk assessment for high-priority large-scale infrastructure projects prior to approval. Work relating to this action has commenced with informal pre-lodgement stage consideration now performed, however this process has not been formalised.	Internal Audit recommends that CoA: 1. Develops and communicates a standardised process for reporting updates of the status of actions to the Parklands, Policy and Sustainability team, for quarterly reporting at the Audit and Risk Committee meetings. 2. Formalise the quality assurance process for marking actions as 'Complete' (see Finding 3). 3. Develops an Integrated Sustainability Strategy as a guiding framework for the Action Plan (see Finding 4) and an implementation plan to support its delivery (see Finding 2).	1. A standard report format is provided to the Audit & Risk Committee quarterly using an Excel spreadsheet to document status against the Action Plan. An instructions tab-sheet will be included in the Excel workbook to support standardisation of the process until such times as the Action Plan is replaced. 2. To improve quality assurance processes, responsible managers across the CoA have been requested to provide evidence of the action being taken by way of Content Manager reference or other documentation. This process can be further formalised such that actions cannot be marked 'Complete' without supporting evidence being provided. 3. Council endorsed a draft Integrated Climate Strategy on 12 December 2023 for public consultation and finalisation is expected to occur in the first half of 2024 including development of the monitoring and reporting framework.

(Continued on the following page)

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Observations and Recommendations

Finding 1: The reported status of the Action Plan is inaccurate for some actions

Rating: High

Observations

(Continued from the previous page)

The following four (4) 'Not yet started' or 'In progress' actions have been reviewed and identified to be more accurately reflected as 'In progress' or 'Completed':

- **Action 1.2** - Completion of an audit of key sites relating to energy efficiency and identification of active and passive cooling measures. This action was previously identified as 'In progress', however it was noted an audit report has been finalised and this action is 'Complete.'
- **Action 6.1** – Identifying ways to increase community engagement and messaging for events impacted by rising temperatures. It was advised this action aligns to BAU practices and has been 'Completed', despite being marked as 'Not yet started' within the tracking tool.
- **Action 6.5** – Further collaboration within teams at CoA as a part of the review of Adelaide Park Lands Event Management Plan/City Event Management Strategy, to ensure comprehensive incorporation of climate change adaptation strategies. It was advised this action is 'Complete' as this collaboration between teams is ongoing, however the action was marked 'Not yet started' in the tracking tool.
- **Action G2 –** Consideration of including statements regarding CoA's divestment from fossil fuels, energy transition and carbon price in adaptation decisions within financial planning documents. Through discussions with Finance, it was advised that although this action is marked 'Not yet started' in the tracking tool, it is better placed as 'In progress' as the CoA has commenced the following:
    - Intention and progress of electrifying the CoA vehicle fleet.
    - Recent review of portfolio and confirmation cash investments are not placed with heavy carbon-emitting companies.
    - Council transactional banking is with NAB, who have committed to be net zero emitters by 2025.
    - Other considerations have been made in the procurement process for seeking a sustainable supply chain.

Risk(s)

Inaccuracy in the reported status of some actions within the Action Plan may result in a risk of:

- Errors in the quarterly status of the Action Plan reported to the Audit and Risk Committee.
- The unsubstantiated closure of completed actions, potentially leading to incomplete or insufficiently executed tasks.
- An inability to identify outstanding or completed actions that may have become obsolete as climate risk to the Council evolves.
- Reputational damage to Council, including a possibility of greenwashing.

Agreed Management Actions

(Continued from previous page)

Responsibility:

Manager Park Lands & Sustainability.

Target Dates:

1. 30 June 2024.
2. 30 June 2024.
3. 30 June 2024.

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Observations and Recommendations

Finding 2: A supporting implementation plan linked to the CoA's Long-Term Financial Plan is not in place

Rating: High

Observations	Recommendation(s)	Agreed Management Actions
The Action Plan commits to a number of aspirational actions and various other capital projects. Whilst the CoA has delivered on multiple projects detailed within the Action Plan, a supporting implementation plan which includes a roadmap summarising the actions, resources and funding required is not in place. This includes absence of a breakdown of costings around the relevant time horizons and linkage to the CoA's Long-term Financial Plan (LTFP). It is noted however, the CoA has a number of different avenues to support sustainability related initiatives across the organisation, including the Climate Change Action Initiative Fund (CCAIF). The following were highlighted from our review of supporting frameworks and processes associated with delivery of the Action Plan: • The Action Plan includes 85 actions across 12 departments at the CoA. During the annual budgeting process, the CoA considers and approves key initiatives, projects and programs which includes consideration of linkage to the Council's sustainability strategy. It was observed that a supporting roadmap to unify, co-ordinate and align the various projects included within the Action Plan has not been developed. Better practice would see development of a supporting roadmap with key milestones, helping to support the required planning for resources and cementing a stronger commitment for the continued roll out of the Action Plan. • The CoA has committed funding of $1.262 million for FY24 for greening related initiatives as part of the CCAIF and a bid to increase this amount from FY23 was unsuccessful. Our review of the allocation and administration of these funds highlighted the following: ◦ Approximately $1 million has been budgeted toward sustainability related initiatives in FY24, with approximately $255,000 of this budget expended as at 31 October 2023. ◦ Capital expenditure of approximately $332,000 from the CCAIF has been budgeted for FY24 across seven (7) different projects. Review of the breakdown for this amount noted six (6) capital related projects have been cancelled and moved to a 'future spend and scope to be determined' bucket. In recognition of the large number of infrastructure related Action Plan initiatives, the status of these unallocated funds may be contributing to the limited progress for Infrastructure related initiatives. ◦ Overall, the Action Plan has not been costed in its entirety and does not have clear linkage or breakdown to the forecast costs for its delivery across all actions, including linkage to the CoA's LTFP. • The activities required to deliver on the 85 actions detailed within the Action Plan have not been consistently defined or scoped. To support delivery of the Action Plan, it is recommended that the CoA agrees the activities required to deliver on the remaining actions of the Plan. Going forward, this process should be performed on a regular basis to help ensure sufficient resource capacity with required capability and experience. *(Continued on the following page)*	Internal Audit recommends the CoA develops an implementation plan to deliver the Action Plan. This should include consideration of: 1. Developing key milestones to support planning processes in delivering the Action Plan. This should be linked to the LTFP. 2. Access of CCAIF/sustainability project funding is best placed through the budget bidding process, in the initiation phase of Council projects. This should occur prior to commencing the planning and design phases. 3. Integrating existing CCAIF annual costing allocation breakdowns into the LTFP. 4. Through consulting key stakeholders and reviewing outstanding actions, refreshing timelines to ensure they are achievable and prioritised appropriately, subject to capacity and other resources available. 5. Resourcing requirements to effectively manage and implement the Action Plan. It is noted a replacement resource was being sought for the Senior Sustainability Officer at the time of this review.	1. Council endorsed a draft Integrated Climate Strategy on 12 December 2023 for public consultation. The final strategy will include a costed Implementation Plan for delivery from 2024/25, and implementation over the Council term. 2. Sustainability guidance for infrastructure projects is in development as part of the Project Management System. 3. The Climate Implementation Plan will be integrated into the CoA's 2024/25 LTFP. 4. The timeframes in the Climate Change Risk Action Plan will continue to be discussed the quarterly reporting process in 2023/24 and retiming of actions reported to Audit and Risk Committee. Timeframes for delivery of the new Integrated Climate Strategy from 2024/25 will include an agreed implementation plan with updated timeframes for delivery.

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Observations and Recommendations

Finding 2: A supporting implementation plan linked to the CoA's Long-Term Financial Plan is not in place

Rating: High

Observations

(Continued from previous page)

- The lack of clarity over the remaining priorities contained within the Action Plan has impacted on the ability of the CoA to effectively plan ahead, including time to allow for communication, consultation and resource planning related to the activities to deliver on the Action Plan.
- A mechanism to capture risks related to delivery of the Action Plan, which includes associated risk mitigation plans, has not been developed.

Risk(s)

Without an implementation plan to support delivery of the Action Plan, (which is linked to the LTFP), there is a risk of:

- A lack of clarity for the objectives and priorities of the Action Plan, including key initiatives, projects and programs.
- Insufficient resource planning to deliver on agreed actions and meet key milestones within the Action Plan.
- Under utilisation or poor allocation of available funding for greening and other sustainability related initiatives.
- An inability to effectively capture risks related to the delivery of the Action Plan.

Agreed Management Actions

(Continued from previous page)

5. The CoA has sought to address resourcing gaps in other programs to deliver climate change adaptation initiatives as part of the annual business plan and budgeting process. This includes, as an example, securing 2 FTE and operating budget to deliver an accelerated greening program in the Adelaide Park Lands in 23/24.

Responsibility:

1. Manager Park Lands and Sustainability
2. Manager Park Lands and Sustainability
3. Manager Finance and Procurement
4. Manager Park Lands and Sustainability

Target Dates:

1. In progress, implementation date 30 June 2024.
2. In progress, implementation date 30 September 2024.
3. 30 June 2024.
4. 30 June 2024.
5. Completed.

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Observations and Recommendations

Finding 3: Gaps identified in monitoring and reporting of the Action Plan

Rating: Moderate

Observations

A number of inconsistencies in the governance of the Action Plan were identified, impacting the effectiveness of the plan's integration within the CoA's relevant systems.

Currently, progress of the Climate Change Adaptation Action Plan is being managed through an Excel spreadsheet and is updated by responsible managers with coordination by a member of the Park Lands, Policy & Sustainability team. From Council adoption of the plan in October 2021 until February 2022, the monitoring and reporting of the Action Plan's status was noted to have been an automated process through the organisation's Audit and Risk tool ProMapp. A Climate Change Risk Steering Group also meets quarterly to discuss progress of the Action Plan and includes a multi-discipline committee.

Through review of the current governance over the Action Plan, the following observations limiting the effectiveness of the Action Plan's integration at the organisation were noted:

- Existing follow-up and accountability processes for actions within the plan are being managed through a spreadsheet which has been managed by the Park Lands and Sustainability team. At present, this process does not incorporate automatic reminders for responsible staff on approaching or overdue actions and is reliant on cooperation and diligence from responsible Managers to close-out actions. It was noted this process was previously being managed through ProMapp when the Action Plan was adopted by Council in 2021. It was advised an internal decision on the use of a reporting tool for action plans is yet to be finalised.
- There is currently an absence of an effective quality assurance process in place to validate the completion of actions reported as closed which are reported to the Audit and Risk Committee. While it is noted the tracking spreadsheet has recently been updated to consider additional commentary explaining the status of actions and for TRIM documentation references, in some instances this commentary did not adequately detail how the action was closed, and the associated supporting documentation did not always warrant the closure of actions (see Finding 1).
- There is no obligation or KPIs set at a strategic level to drive completion of actions within the Action Plan, resulting in limited accountability from responsible Managers and individuals outside of the Sustainability Team. While a strong commitment to reducing climate change risk exposure was noted at a Council Body and Executive level, there is a disconnect within Management across the organisation and demonstration of prioritising progression of the Action Plan. Anecdotal evidence suggested actions from within the Action Plan are viewed as burdensome, irrelevant in some instances and there was limited understanding of the intrinsic linkage to the success of the organisation going forward (see Finding 4).

(Continued on the following page)

Recommendation(s)

Internal Audit recommends the CoA:

1. Introduces a more formalised quality assurance process to validate the actions reported as completed have been sufficiently addressed.
2. Consider uplifting monitoring and reporting processes for the Action Plan, by considering and implementing better practice sustainability reporting frameworks (refer Appendix 1 – Future Linked Environmental Reporting Considerations).
3. Consider ways to alleviate the administrative burden of coordinating the Action Plan by key staff in the Parklands, Policy and Sustainability team. This would provide greater capacity for further value adding activity to communicate and support the implementation of sustainability activity across the CoA.
4. Assigns greater accountability to Managers responsible for actions within the Action Plan through greater alignment of strategic KPIs.

Agreed Management Actions

1. Council endorsed a draft Integrated Climate Strategy on 12 December 2023 for public consultation that prioritises actions and introduces a new reporting framework.
2. See Action 1 above.
3. The CoA's Corporate Services team is currently in consultation with Governance, investigating the opportunity of using an organisation-wide reporting tool to address this recommendation.
4. A separate piece of work is being commissioned in Q3 (2023/24) to peer review the draft Integrated Climate Strategy including priorities and metrics and provide recommendations on implementing strategy and process for identifying, managing and reporting relevant actions and risks. Through this review, a new process for managing and reporting relevant actions and risks will be identified and implemented from 2024/25.

Responsibility:

1. Associate Director Park Lands, Policy & Sustainability.
2. Associate Director Park Lands, Policy & Sustainability.
3. Manager Park Lands & Sustainability.
4. Associate Director Park Lands, Policy & Sustainability.

Target Dates:

All actions in progress, to be completed by 30 June 2024.

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Observations and Recommendations

Finding 3: Gaps identified in monitoring and reporting of the Action Plan

Rating: Moderate

Observations

(Continued from the previous page)

- Overall, reporting over the Action Plan is based on the status of the 85 actions within the Action Plan. Going forward, it would be recommended that the CoA consider better practice sustainability reporting frameworks that would consider, quantify and report the financial, community or environmental benefits realised by the organisation as a result of completing relevant actions. Operationally, the reporting of status of completed actions should be monitored and managed through internal reporting channels.

It is understood that the CoA is currently seeking a tool to better manage, automate and consolidate all action plans across the organisation as a part of broader CoA strategic ambitions. If adopted, this is likely to alleviate the administrative burden on key personnel and assist with current challenges in reporting accuracy.

Risk(s)

An inconsistent approach to governance of the Action Plan may lead to a risk of:

- Unintended outcomes for the Council from action completion, that are ineffective at reducing climate change risk exposure for the community.
- Inaccurate reporting to the Audit and Risk Committee and a lack of visibility of the status of the Action Plan.
- Ineffective allocation of labour and the skillset for key members of the Park Lands, Policy and Sustainability team in addressing climate change risk of the CoA.
- A growing list of overdue actions, without accountability from responsible Managers.
- Reputational and financial implications from impacted delivery of the Action Plan.

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Observations and Recommendations

Finding 4: Further communication and awareness in relation to the Action Plan is required

Rating: Moderate

Observations	Recommendation(s)	Agreed Management Actions
Greater communication of the risks climate change present to council and the intent of the Action Plan is required across the CoA, to further embed a culture of sustainability from the top down. A number of limiting factors are currently impacting the level of engagement with the Action Plan across the organisation. At present, there is a misalignment between the Executive sponsorship of the plan and delivery of the actions from CoA Management. There is also a need to further clarify the relevant roles, responsibilities and accountabilities across the CoA in delivery of the Action Plan. It was noted the roles and responsibilities associated with the overarching delivery of the Action Plan have not been formally defined or documented. The following items were noted relating the clarity of roles, responsibilities and commitment towards implementing the Plan across the CoA: • Recent turnover of a number of key Management personnel has contributed to a patchy understanding of the Action Plan and inherited actions. This includes a number of the CoA Management team interviewed advising a hand-over of their actions had not been performed, and they had 'inherited a number of actions' to complete without any background context or understanding of what was required, or progress of the action. • For members outside of the Park Lands, Policy and Sustainability team, there is a lack of understanding of the critical importance of the Action Plan to the Council, the community and other stakeholders impacted. It was advised limited training has been delivered across the organisation to educate staff and support implementation of the CoA's sustainability objectives. To bolster the belief and attitude among employees, it is important to invest in educating employees about sustainability as well as to create systems and processes that make it easier for employees to integrate sustainability into their business decisions. Many sustainability initiatives require specialised knowledge and expertise. • In the conduct of this review, Internal Audit was advised the implementation of climate change risk actions was not a priority for some staff at the CoA. This was due to constraints in resource capacity (outside of the Park Lands, Policy and Sustainability team) that could be redirected from required BAU activities to support the implementation of the Action Plan. It was further noted that the Action Plan has not considered resource requirements for each action in their entirety. • Further resource capacity is required, to drive and implement the Action Plan. It is noted resourcing for coordination of the plan is sufficient within the Park Lands, Policy and Sustainability program, however teams across the CoA have indicated they are not resourced to deliver on their climate risk actions. Action was taken to address this in FY24 budget bids, by requesting additional program funds and FTE staff in combination. To keep visibility high and reinforce the idea that achievements in sustainability are meaningful for the CoA, it is also important to celebrate success when goals are reached or actions are successfully completed. *(Continued on the following page)*	Internal Audit recommends the CoA develops an Integrated Sustainability Strategy with consideration given to: 1. Engaging with relevant managers in relation to the effectiveness of current actions assigned (and any new sustainability related initiatives). This process should be driven by the desired outcomes for the Council in reducing climate risk exposure. 2. Providing sustainability training to employees to further create a culture of sustainability. 3. Ensuring actions are aligned with the CoA's updated strategic plan and are complimentary across teams, where possible. 4. External stakeholder engagement forums to support the wider community and provide a platform for information sharing. 5. Further integrating sustainability into the decision-making framework used for identifying new projects.	Council endorsed a draft Integrated Climate Strategy for public consultation on 12 December 2023 that consolidates existing CoA climate related plans. The draft framework was presented to Executive in October 2023. The draft Strategy was: • Developed alongside the draft Strategic Plan for 2024-28. • Received input from teams responsible for actions in existing plans; and • Shared with senior leaders across the organisation to support budget proposals for FY25. Information sessions for the CoA employees on the draft Integrated Climate Strategy are scheduled for February 2024. **Responsibility:** Manager Park Lands & Sustainability. **Target Dates:** All actions in progress, to be completed by 30 June 2024.

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Observations and Recommendations

Finding 4: Further communication and awareness in relation to the Action Plan is required

Rating: Moderate

Observations

(Continued from the previous page)

Risk(s)

Without uplift in communication and awareness of the risks climate change poses to council and the importance of the Action Plan in reducing those risks, there is a risk of:

- Constrained managerial uptake of the actions within the plan and limited improvement in completion rates.
- Poor awareness of the importance and impact of climate change for the future of the Council.
- Resource constraints within different teams across the Council continuing to limit progress of actions.

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Observations and Recommendations

Finding 5: Opportunity to refresh actions aligned to the CoA's current strategic priorities

Rating: Moderate

Observations

There is an opportunity to review and refresh the Action Plan, to ensure ongoing alignment with the CoA's strategic priorities.

Specifically, our review noted the following opportunities for improvement within existing processes:

- The prioritisation of actions through multi-criteria assessment appears to have been misaligned with the actual organisational capacity to deliver in agreed timelines. Additionally, factors such as alignment with strategic objectives and organisation or community impact have not been considered in the action prioritisation process. A full list of the multi-criteria assessment applied to prioritisation of the Action Plan is available in the background of this report.
- A number of actions included were advised to be onerous, without a strong basis or foundation of the expected impact of each. For example, altering the high-priority project pre-approval process by formalising a process for conducting climate risk assessments before granting approval, particularly for new large-scale infrastructure projects.
- Some actions may have regulatory or legislative requirements that were not considered in development of the Action Plan and should be reconsidered or removed.

Since the inception of the Action Plan in October 2021, a number of organisational changes, climate-related research and additional information has become available to the CoA. As a result, it is recommended a 'refresh' of actions within the Action Plan is completed, with consideration to the additional information corroborated. The above may present as an opportunity to aggregate some actions within the Action Plan and update the overall timing to better reflect capacity, capability and committed funding.

Risk(s)

Without a refresh of actions within the Action Plan, there is a risk of:

- Prioritisation being driven by timelines, rather than organisational or community impact.
- Actions are outdated, redundant and/or not in line with legislative/regulatory considerations.
- Competition for resources between actions, with the potential for conflicting outcomes for the Council.

Recommendation(s)

Internal Audit recommends the CoA:

1. Refreshes the Action Plan by leveraging the multi-criteria assessment approach for prioritisation of actions that includes organisation and community impact of climate change related actions. This process should also include removing actions that are no longer fit-for-purpose, or face significant legislative/regulatory barriers to complete.

Agreed Management Actions

1. Council endorsed a draft Integrated Climate Strategy on 12 December 2023, which prioritises actions based on outcome and alignment to risk mitigation. External review will be utilised that uses multi-criteria assessment to test priorities against CoA's comprehensive risk assessment in 2021.

Responsibility:

Associate Director Park Lands, Policy & Sustainability.

Target Dates:

1. 30 June 2024.

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Observations and Recommendations

Finding 6: Consideration required for long-term integration of the Action Plan into a broader sustainability strategy and reporting

Rating: Moderate

Observations

There is an opportunity to uplift integration of the Action Plan into the CoA's future approach to climate-related reporting. The following items were noted in relation to this:

- Currently, there is limited consideration within the Action Plan to proactively integrate emerging better practice climate-related reporting requirements within BAU practices. There is a need for CoA to consider how actions within the Action Plan align with their emerging climate change related reporting requirements based on IFRS 2 - Climate Related Disclosures and AASB Exposure Draft Reporting Requirements. The current Action Plan presents an opportunity for the CoA to align its actions with future reporting needs.
- There is an opportunity to consolidate all climate and environmental strategies and plans, including the Action Plan, into an integrated sustainability strategy.

It is noted the CoA publicly discloses its progress through its Annual Report and communicates internally through quarterly reports to the Audit and Risk Committee and CDP reporting. However, without adequate consideration to long-term integration of the Action Plan into the broader sustainability and reporting process, there is a risk the Council is unprepared for emerging climate related reporting requirements.

Risk(s)

Without further consideration of the long-term integration of the Action Plan in the CoA's broader sustainability strategy, there is a risk of:

- Legislative implications resulting from not aligning with future sustainability reporting obligations.
- Development of climate and environmental strategies, which are not sufficiently aligned to legislative requirements and organisational priorities.
- Ineffective and inefficient allocation of limited resource capacity, without a holistic and aligned strategy.

Recommendation(s)

Internal Audit recommends the CoA considers the following opportunities for uplifting long-term integration of the Action Plan:

1. Aligning with better practice climate related reporting frameworks (see Appendix 1 – Future Linked Environmental Reporting Considerations).
2. Develop an Integrated Sustainability Strategy (see Finding 4).
3. Formalise external communication of greening initiatives and other climate change mitigation or adaptation activities to CoA stakeholders.

Agreed Management Actions

1. Council endorsed a draft Integrated Climate Strategy on 12 December 2023, which prioritises actions and introduces a new reporting framework.
2. See Action 1 above.
3. The CoA website is to be updated to publicly report against the Integrated Climate Strategy in 24/25 (subject to budget).
4. The Project Risk section of the Project Request System (Project Management System) has been updated to include a field for "Climate Change Risk Assessment".
5. A draft Housing Strategy (Investing in our Housing Future) was endorsed by Council in November 2023 and is on public consultation until mid-January 2024. This policy includes minimum environmental sustainability performance criteria for Council housing projects.

Responsibility:

Manager Park Lands & Sustainability.

Target Dates:

1. 30 June 2024.
2. 30 June 2024.
3. Completed.
4. 30 June 2024.
5. 31 December 2024.

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Review of Completed Actions

Review of completed actions

Below is a summary of the sample of completed actions, selected from the tracking tool:

Key
- Action complete
- In progress, strong steps toward completion
- Incomplete

Action Ref #	Action	CoA Tracking Tool Comments	KPMG Review of Status	KPMG Commentary	CoA Documents Provided
1.2 (AEDA)	By June 2023, complete an audit of the key sites relating to energy efficiency and building thermal efficiency improvements, including active and passive cooling measures.	Contractor engaged and has audited all community centres and libraries. Final reports and recommendations in draft format. (Central Market fresh air ventilation and ducting into car park projects commencing 2023/24 therefore this audit will be performed post this work).		No evidence was provided for this action. There is lack of awareness on the outcomes, planning and work associated with the audit activity and a need to improve communication and knowledge transfer. It was identified that there is a requirement to provide further support to staff to drive implementation of the action plan.	• No evidence received.
2.1 (AEDA)	By December 2022, develop and implement promotion/campaign centred on the Rundle Mall as a cool refuge during heat wave events (e.g. "we're still cool" campaign).	Executive Manager, Rundle Mall notified by email 20/12 that this was to be implemented Boxing Day 2022 via socials post and RM web page (refer screen shots in TR email)		Reviewed examples of promotional activities undertaken such as 'Rundle Mall cool zones' for Boxing Day. Black Friday Survival Guide promoted on Rundle Mall website, including additional campaigns running over their website. Additional evidence reviewed includes positive feedback received from shoppers at Rundle Mall.	• Media Release_Boxing Day sales bonaza in Rundle Mall Dec_2022 • Climate risk action Rundle MallClimate risk action Rundle Mall • Correspondence on action from Executive Manager
3.5 (Infrastructure)	By December 2022, identify opportunities to implement a regular collaboration and knowledge sharing "event" with other local Councils to share knowledge / trial outcomes of new products or applications.	Network opportunity provided - Training delivered 26 May 2022 as a collaborative project with CoA Sustainability, Infrastructure and IPWEA with 86 attendees, approx 50 CoA. TR - Caitlin & TR agree occurring via regular prof devt/training/webinars etc. Staff attending regular training for eg.IPWEA events.		Reviewed evidence of training provided by Dr Jacqueline Balston – IPWEA's Director of Sustainability and covered Climate Science. These documents also include practice notes and list of attendees. The trainings are conducted on a case-by-case basis based on decision made by management on determining appropriateness of training required. From stakeholder consultations it was identified that there are intentions to conduct additional training to ensure collaboration with other local councils.	• IPWEA Practice Note 12.1 & 12.2 Training Day CoA Participation workshop • IPWEA Practice Note 12.1 and 2.2 Training Day Logistics • IPWEA Practice Note 12.1 and 12.2 Training Day attendees
5.1 (Corporate Services)	By December 2022, commence implementation of the Safety and Wellbeing research (currently underway) into workplace heat management.	Research piece has been completed and the draft report produced. It was hampered somewhat by Adelaide experiencing the coolest summer in 5 years. More testing occurring in summer 2023/24.		Reviewed evidence of research conducted by the University of Adelaide on the management and productivity of Adelaide City Council's outdoor workers during heatwaves. This research was conducted in three phases and included heat risk mapping for City of Adelaide Council work zones, environmental monitoring to validate heatwave risk categories, and mixed methods approach included surveys to assess worker's experience in working during hot weather conditions.	• Research document "The management and productivity of City of Adelaide Outdoor workers during heatwaves"

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Review of completed actions (cont)

Action Ref#	Action	CoA Tracking Tool Comments	KPMG Review of Status	KPMG Commentary	CoA Documents Provided
5.5 (Corporate Services)	By June 2023, review the safe work heat policy and explore how it is implemented for individual work groups.	Waiting to test new ESIM II for application to heat index. Field testing with Hort and PIOs starts Feb 2023 Heat map work zone matrix developed for teams.		The work heat safety procedure document was reviewed. This document includes a procedure that applies to all CoA owned infrastructure and is a part of CoA's Safety Management Systems. This document also includes roles and responsibilities of CoA staff, system and training requirements. Controls have been suggested for outdoor workers, indoor workers and temperature heat index chart. Additionally, the 'Heat Study PPT Draft' provides evidence of work zone heat risk mapping activity and analysis of local conditions within the CoA Council.	• OS 006 P 012 Working in Extreme Weather Procedure V 3.1 May 2023 (4) • Heat Study PPT Draft • Research document "The management and productivity of Adelaide City Council Outdoor workers during heatwaves"
5.6 (Corporate Services)	By August 2023, all Council cool refuge areas within the City are to be clearly identified and, where active works are happening, dedicated for outdoor Council workers during periods of extreme heat.	Cool refuge areas have been identified but need further work to assess the impact of watering so meeting deadline is at risk. Cooler parkland areas are cooler due to the evaporative effect of watering. The consequence of watering is increased humidity that may not be beneficial to the people working in the area, so although the area will be cooler from an environmental perspective, it may not be suitable as a cool refuge. Proposed for re-timing to 30 Aug 2023 due to unexpected results from Phase 1 meaning extra research required (TR). Currently there is a climate map of all parklands and streets within the CBD and North Adelaide, which identify cool, medium and hot areas. Currently refuge areas are in shady locations, CoA buildings and airconditioned vehicles.		Reviewed evidence of identification of cool refuge areas as documented within the 'Heat Study PPT Draft' document. Whilst this action has been marked 'Completed' and mapping has been completed to identify cool refuge areas, further research is required to identify and assess the evaporative effect and impact of watering in green zones and further hot day impacts (e.g., impact of watering and impact to city water pressure).	• Heat Study PPT Draft • Research document "The management and productivity of Adelaide City Council Outdoor workers during heatwaves"
5.7 (Corporate Services)	By June 2023, produce a validated work zone map indicating high/medium/low risk areas for heat exposure and a matrix which can be used for the allocation and prioritisation of activities during forecast heatwaves/extreme heat events.	Uni research's have produced the decision matrix and we are identifying how we will determine the micro climate variables. Technically complete, but we are exploring options to automate some of the process and remove complexity.		This action was completed in conjunction with Action 5.1. Reviewed evidence of research conducted by the University of Adelaide on the management and productivity of Adelaide City Council's outdoor workers during heatwaves. This research was conducted in three phases and included heat risk mapping for City of Adelaide Council work zones, environmental monitoring to validate heatwave risk categories, and mixed methods approach included surveys to assess worker's experience in working during hot weather conditions.	• Research document "The management and productivity of Adelaide City Council Outdoor workers during heatwaves"

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Review of completed actions (cont)

Action Ref#	Action	CoA Tracking Tool Comments	KPMG Review of Status	KPMG Commentary	CoA Documents Provided
5.11 (Corporate Services)	By June 2023 develop and begin implementing a plan for expanding the network of cool refuges available across the City for outdoor workers to access during extreme weather conditions	Superseded due to results of research, and heat map work zone matrix being used in conjunction with ESIM (Environmental Stress Index Monitor 2.0).		Reviewed evidence of research conducted by the University of Adelaide on the management and productivity of Adelaide City Council's outdoor workers during heatwaves. This research was conducted in three phases and included heat risk mapping for City of Adelaide Council work zones, environmental monitoring to validate heatwave risk categories, and mixed methods approach included surveys to assess worker's experience in working during hot weather conditions.	• Research document "The management and productivity of Adelaide City Council Outdoor workers during heatwaves"
6.3 (Park Lands, Policy and Sustainability)	By June 2023, establish and implement a protocol for regular monitoring, internal analysis and communication of long term weather and climate projections.	Established & Implemented refer ACC2023/84767.		Reviewed evidence of protocol developed for regular monitoring, internal analysis and communication of long term weather and climate projections. Whilst this action has been implemented, there is an opportunity to further utilise this tool within business operations.	• Long-term Weather and Climate Projections Monitoring Protocol for Events Team
6.4 (City Operations)	By December 2022, strengthen the collaborative approach with Assets, Public Realm and Events team to identify strategic tree planting locations in key open spaces that will benefit CoA outdoor events	Previously reported by Manager, City Maintenance as complete in ProMapp.		Whilst this action was previously reported as 'Completed' in the tracking tool, from stakeholder consultations it was identified that there is an absence of formalised process for strategic tree planting and replacement in events spaces which hinders efficient implementation. Engagement with assets and events team is positive, but ensuring trees do not disrupt space usage is essential for council's green agenda. Thus, this action requires additional work.	• No evidence received.
6.6 (Corporate Services)	By June 2022, review the Event Risk Assessment and Risk Management Planning spreadsheets and system to strengthen consideration of climate change related extreme weather conditions	No comments available.		Reviewed evidence of risk assessment template that has been developed to identify risks associated with climate changed relating to extreme weather conditions.	• Event risk management plan - template 2022
6.7 (City Culture)	By July 2022, consider whether the mechanism for tolerance for changes to event times during extreme weather events (e.g. date can't be moved, but time of day event is run can) can be more flexible (i.e. as part of Adelaide Park Lands Event Management Plan/City Event Management Strategy review).	The flexibility is occurring as ongoing event planning work. The relevant document is now the Adelaide Events Guidelines and next review is timed for early 2023 and climate change adaptation flagged for inclusion. Provisions already exist for flexibility within events in situations of extreme weather. An adverse weather plan is incorporated into Event Management Plans which includes extreme weather. This Action Plan review is on hold. The Adelaide Events Guidelines is the overarching guideline or management of events. The flexibility is occuring as ongoing event planning work, and will be formalised as part of 6.5. Adelaide Events Guidelines annual update to be in place by December 2023.		It has been noted that currently there is an integrated and well established process for identifying extreme weather impacts or risk assessments. This approach is flexible and has been incorporated within the Event Management Plans (including extreme weather).	• The Committee Meeting Agenda Report (report ACC2022 64914)

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Review of completed actions (cont)

Action Ref#	Action	CoA Tracking Tool Comments	KPMG Review of Status	KPMG Commentary	CoA Documents Provided
6.8 (City Culture)	By December 2023, establish average temperature trend thresholds (e.g. when average weather predicted to change from 17 days over 35 to 30 days over 35) that will trigger standard additional resourcing/ expenditure, to improve CoA capacity to continue to hold uninterrupted outdoor events.	This process is being achieved through the Event Management Plan (eg. ACC2023/84640) for each event which includes completing an Event Risk Assessment (refer Action 6.6) and Adverse Weather Procedure (for which the Quarterly Long Term Weather & Climate projections [Action 6.3] will be used) per event. This is undertaken as part of event facilitation and coordination. Consideration added into Adelaide Events Guidelines. Can also add into internal event planning process and contracting for events such as New Years Eve.		Whilst this action has been marked as 'Completed', from stakeholder consultations, it is identified that there is a need to establish a comprehensive process for reassessing and managing risks associated with extreme heat events, including consideration for water, shade, breaks and additional staff. Additionally, there is a requirement to plan for potential budget adjustments in case of unforeseen weather-related expenses, such as allocating funds to an extreme weather contingency fund.	• EEU 23- Adverse Weather and Cancellation Policy - Long-term Weather and Climate Projections Monitoring Protocol for Events Team
7.3 (Park Lands, Policy and Sustainability)	By June 2022, review new Planning and Design Code and discussion papers to identify areas for amendment related to climate change	Manager, Park Lands & Sustainability. Reported as complete by Rick 28-8-22, Aug 2021 Council Recieved report ACC2022 64914.		Reviewed the Committee Meeting Agenda Report (pages 62-63) with reference to Planning Reform as an area of development policy that requires attention. This includes reference to resource recovery/ circularity, water sensitive urban design, climate change national emergency and natural resources/Environment Discission paper as areas for amendment.	• Winter Weekends 2023 – Event and Risk Management Plan (ACC2023/84640) Event Risk Assessments Quarterly Long-term Weather and Climate Projections July-Sept 2023 Long-term Weather and Climate Projections Monitoring Protocol for Events Team
7.7 (Regulatory Services)	By June 2023, agree on a process by which high priority projects, especially new large-scale infrastructure projects, are subject to climate risk assessments prior to approval.	This will be pursued in quarter one of 2023. Seb to meet with Tanya in early 2023 to discuss specific requirements for this action and to plan accordingly. Senior Consultant, Sustainability and Manager, City Development have met multiple times during 2023. We are currently working through a pre-lodgement document to address climate risk for large scale developments. As the P&D Code is relatively light on in terms of this issue a pre-lodgement document is where we are likely to have the greatest impact at this point. Need to retime this action as we have not met the due date.		Reviewed preliminary advice document developed to kick off the action progress. This document includes Planning and Design Code requirements and expansion of Development Plan requirements. Currently, this action is at a pre-lodgement stage. Whilst this action has been initially marked as "Completed', the action has been delayed and requires additional work.	• Document 'Summary of progress on Action 7.7'
8.1 (Park Lands, Policy and Sustainability)	By December 2022, approach the State Government to request CoA be involved in extreme weather planning.	Council staff are updated with notifications through the State Government's email distribution list. Council also provides support to the State Government for the distribution of messaging about coding.		Reviewed example correspondence of state-wide Code Blue activation from SA Housing Authority on 6 July 2023. Demonstrated open facilities on 6, 7 and 8 July in Adelaide Metro including Baptist Care's Westcare Centre, Toward Home the Resolve Team, Adelaide North West Homelessness Alliance and Hutt St Centre. This action has been completed.	• Code Blue Activation SAHA example correspondence
8.3 (Park Lands, Policy and Sustainability)	By December 2022, partner with the LGA to formalise an approach to people experiencing homelessness and other vulnerable community members	In November 2022 a Local Government Homelessness forum was established. The first meeting was held 30 November 2022 where representatives from various Councils discussed social issues and shared resources and information amongst members.		Internal Audit noted that this action focuses on a significant area of policy development where work has been completed. Wording of action is very specific that work is being undertaken and enough steps in place to continue open dialogue.	• Local Government Homelessness Forum

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Review of completed actions (cont.)

Action Ref#	Action	CoA Tracking Tool Comments	KPMG Review of Status	KPMG Commentary	CoA Documents Provided
8.4 (Corporate Services)	By June 2023, approach digital screen providers (e.g. Ooh!) to donate communications support during extreme weather conditions (code red/blue)	Refer to email from Manager, Customer and Marketing 29/9/2022 about engaging oOh! for multiple digital screens across city.		Reviewed evidence of email stating contract details. The objective of this action was to provide emergency messaging through digital panels on Council owned bus shelters. CoA has access to 60 digital displays. In addition to that CoA has 6 comms panels. This was a successfully procured solution and hence, has been completed.	• Evidence of comms with Ooh within email including details of the contract with digital screen provider.
8.5 (Park Lands, Policy and Sustainability)	By December 2022, investigate broader and novel communications pathways with people experiencing homelessness, relating to extreme heat events.	Working with Marketing and the Community Safety Officers we utilise multiple communication pathways when notified by State Government that a Code Blue or Code Red is called. Two recent Code Blues or Code Reds were called on Friday 18 November 2022 and Tuesday 20 December 2022.		Reviewed example correspondence of state-wide Code Blue activation from SA Housing Authority on 6 July 2023. Demonstrated open facilities on 6, 7 and 8 July in Adelaide Metro including Baptist Care's West care Centre, Toward Home the Resolve Team, Adelaide North West Homelessness Alliance and Hutt St Centre. This information is forwarded onto marketing comms and they put on social media.	• Clarification of Budget – Climate Change Risk Adaptation Plan 2021-2026 email chain.
8.6 (Park Lands, Policy and Sustainability)	By December 2022, develop and implement (with CoA marketing team) a formalised process for communication signs (e.g. within CoA breezeway) during extreme weather conditions.	Aligning with 8.5, we utilise multiple communication pathways and produce signage which is managed via the City of Adelaide Screens (Breezeway screen). Two recent Code Blues were called on Friday 18 November 2022 and Tuesday 20 December 2022, Marketing, Business Partner and Team Leader Marketing and Communications from the Marketing and Communications team were notified and they put out comms messaging across social media platforms.		This action aligns with Action 8.5. Reviewed example correspondence of state-wide Code Blue activation from SA Housing Authority on 6 July 2023. Demonstrated open facilities on 6, 7 and 8 July in Adelaide Metro including Baptist Care's West care Centre, Toward Home the Resolve Team, Adelaide North West Homelessness Alliance and Hutt St Centre. This information is forwarded onto marketing comms and they put on social media.	• Code Blue Activation SAHA example correspondence.
8.8 (Park Lands, Policy and Sustainability)	By June 2023, enhance communication approaches and community reach regarding existing multifunctional refugia programs (offered by State Government) that can be utilised by people experiencing homelessness during extreme weather conditions (e.g. cool spaces and dry spaces).	Working in partnership with the State Government, Council is exploring ways on how we can support offerings of refuge in our LGA. Homelessness Coordinator met with Homeless Connect SA on Tuesday 20 December 2022.		CoA has updated the homelessness strategy to go to Council on 7 November as a request from one of Councillors. From stakeholder consultations, it is noted that this action has been completed.	• Code Blue Activation SAHA example correspondence.
G7 (Park Lands, Policy and Sustainability)	Endorse a Climate Change Risk Adaptation Action Plan and integrate risks into existing CoA governance risk management processes.	No additional information provided.		The Climate Change Risk Adaptation Action Plan was initially integrated into ProMapp. However, this is now being managed by an excel spreadsheet by the Senior Sustainability Officer.	• Action Plan Tracking Tool • Clarification of Budget – Climate Change Risk Adaption Plan 2021-2026 email chain

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Appendix 1 - Future Sustainability Reporting Considerations

There has been a shift in the climate-reporting landscape following the release of the first two International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards that many entities will be required to navigate. As such, it is critical impacted organisations have a strong understanding of obligations under these new, soon-to-be mandatory standards.

The upcoming International Sustainability Standards Board (ISSB) standards bring together four (4) global 'better practice' reporting frameworks, including the Taskforce on Climate-Related Financial Disclosures (TCFD), Integrated Reporting Framework, Sustainability Accounting Standards Board (SASB) and the Climate Disclosure Standard Board (CDSB). Going forward, it will be important that the CoA understands any gaps in their existing reporting processes and what will be required to report to address these gaps.

In the context of the CoA, the ISSB IFRS Standard 1 (S1) is in alignment to better practice governance, strategy, risk management and monitoring of metrics and targets, applicable to environmental management broadly (as outlined below). ISSB IFRS S1 helps companies understand how sustainability metrics affect financial performance over the short and long-term, with a strong focus on aligning key financial reporting principles with sustainability.

The below captures high-level considerations in line with **ISSB IFRS S1**:



Governance

- Who is tasked with governance?
- Skills and competencies
- How often they are informed
- Remit of oversight (targets, risks, opportunities)

Strategy

- Sustainability risks/opportunities, cash flows and capital, financial performance
- Resilience of strategy
- Quantitative and qualitative progress of plans

Risk Management

- Process for identification and prioritisation
- Assumptions
- Assessment of likelihood and impacts
- Monitoring and management

Metrics and Targets

- Specific metrics not yet identified
- Any targets or revisions to targets
- Guidance provided on how to report on metrics

ISSB IFRS Standard 2 (S2) governance and risk management considerations align closely to IFRS S1, however with a focus on climate related risk. IFRS S2 will require Scope 3 green house gas emissions and use of scenario analysis when describing assessment of climate-related resilience.

The below outlines criteria specific to **ISSB IFRS S2**:



Strategy: the same as general disclosure, plus:

- How climate-related targets will be resourced and achieved
- Planned adoption of new technologies
- Adaptation and mitigation efforts, including use of offsets
- Use of climate-related scenarios
- Key inputs and assumptions into the scenario



Metrics and Targets: 7 consistent for all industries

- Greenhouse gas emissions – Scope 1, 2 and 3
- Transition risks
- Physical risks
- Climate-related opportunities
- Capital deployment
- Internal carbon price
- Remuneration

Australian Accounting Standards Board (ASSB) Exposure Draft (ED)

On 25 October 2023, the AASB released ED Sustainability Reporting 1 (SR1): Australian Sustainability Reporting Standards (ASRS) – Disclosure of Climate Related Financial Information.

ED SR1 includes three (3) proposed ASRS Standards that include modifications to the baseline of IFRS Sustainability Disclosure Standards:

- (Draft) **ASRS 1 General Requirements for Disclosure of Climate-related Financial Information –** based on IFRS S1 but limited to climate-related financial disclosures.
- (Draft) **ASRS 2 Climate-related Financial Disclosures -** based on IFRS S2 with Australian specific requirements.
- (Draft) **ASRS 101 References in Australian Sustainability Reporting Standards -** a draft service Standard to list the relevant versions of any non-legislative documents published in Australia and foreign documents that are referenced in ASRS Standards.

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Appendix 2 - Assigned Actions by Responsible Department

The below reflects the most recent content of the tracking tool utilised by CoA. The tool was noted to be updated during the review.

Responsible Department	Number of Assigned Actions	Number of Completed actions	Number of In Progress actions	Number of Not Yet Started Actions
ACMA	2	-	2	-
AEDA	3	1	2	-
City Culture	11	1	9	1
City Operations	1	-	1	-
Corporate Services	15	7	7	1
Finance and Procurement	2	-	-	2
Governance	2	-	-	2
Infrastructure	30	2	9	19
Park Lands, Policy and Sustainability	23	10	10	3
Regulatory Services	4	-	2	2
Strategic Property	1	1	-	-
Strategy	1	-	-	1

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Appendix 3 - Stakeholders Consulted

The table below outlines all personnel who were involved in discussions and contributed to the observations in this report.

Department	Role
Sarah Gilmour	Associate Director - Parklands, Policy and Sustainability
Adam Hornhardt	Events Manager
Noni Williams	Manager Park Lands & Infrastructure Maintenance
Tanya Roe	Senior Sustainability Advisor
Matthew Field	Manager – Park Lands, Policy & Sustainability
Colleen McDonnell	Manager - City Planning & Heritage
Andrew White	Executive Manager- Rundle Mall (AEDA)
Ashley Bowden	Manager - Infrastructure Planning
Seb Grose	Manager - City Development, Regulatory Services
Alan Beaton	Team Leader - People Safety & Wellbeing
Nicole Van Berkel	Corporate Accountant
Anthony Spartalis	Manager/Senior Business Partner Finance Planning & Reporting
Annette Pianezzola	Risk & Audit Analyst

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Appendix 4 - Classification of Findings

The following framework for internal audit ratings is based on the City of Adelaide's risk assessment matrix.

Rating	Definition	Examples of business impact	Action(s) required
Extreme/Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	• Detrimental impact on operations or functions. • Sustained, serious loss in reputation. • Going concern of the business becomes an issue. • Decrease in the public's confidence in the CoA. • Serious decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty. • Life threatening.	• Requires immediate notification to the CoA Audit Committee via the Presiding Member. • Requires immediate notification to CoA's Chief Executive Officer. • Requires immediate action planning/remediation actions.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	• Major impact on operations or functions. • Serious diminution in reputation. • Probable decrease in the public's confidence in the CoA. • Major decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty. • Extensive injuries.	• Requires immediate CoA Director notification. • Requires prompt management action planning/remediation actions.

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Appendix 4 - Classification of Findings

The following framework for internal audit ratings is based on the City of Adelaide's risk assessment matrix.

Rating	Definition	Examples of business impact	Action(s) required
Moderate	Issue represents a control weakness, which could have or is having a moderate adverse effect on the ability to achieve process objectives.	• Moderate impact on operations or functions. • Reputation will be affected in the short term. • Possible decrease in the public's confidence in the CoA. • Moderate decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty. • Medical treatment required.	• Requires CoA Director and/or Associate Director attention. • Requires short-term management action.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	• Minor impact on internal business only. • Minor potential impact on reputation. • Should not decrease the public's confidence in the Council. • Minimal decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty. • First aid treatment.	• Timeframe for action is subject to competing priorities and cost/benefit (i.e. 90 days).

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Draft Integrated Climate Strategy 2030

Friday, 16 February 2024
Audit and Risk Committee

Strategic Alignment – Our Environment

Program Contact:
Sarah Gilmour, Associate Director Park Lands, Policy & Sustainability

Public

Approving Officer:
Ilia Houridis, Director City Shaping

EXECUTIVE SUMMARY

The purpose of this report is to provide an update to the Audit and Risk Committee on the consolidation of City of Adelaide's climate-related strategies and action plans, including the Climate Change Risk Adaptation Action Plan 2021-2026, and Climate Action Plan 2022-2025, into a single integrated Strategy.

The draft Integrated Climate Strategy (**Attachment A**) is informed by recommendations and feedback from the Audit and Risk Committee at its meetings on 10 May 2023 (Link 1), 4 August 2023 (Link 2) and 10 November 2023 (Link 3) and includes a comprehensive review of all existing plans and strategies.

The draft Strategy outlines Council priorities for climate-related action to 2030 and establishes consolidated directions for the community and Council's own operations under five goals as follows:

- Goal 1: A climate resilient city
- Goal 2: A net zero city
- Goal 3: A city where nature thrives
- Goal 4: Transition to a decarbonised economy
- Goal 5: A climate leading capital city council.

Each goal includes priorities, targets and an outline of the scale of action required to deliver on the draft Strategy. The timing of the draft Strategy will enable it to inform Council's 2024/2025 annual business plan and budget process.

The draft Integrated Climate Strategy 2030 was endorsed by Council for public consultation on 12 December 2023 (Link 4), with targeted stakeholder and broader community consultation to commence on 5 February 2024.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the integration of the Climate Risk Adaptation Action Plan into the draft Integrated Climate Strategy 2030, along with six other climate related City of Adelaide action plans and strategies.
2. Notes that Council endorsed the draft Integrated Climate Strategy 2030 contained in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024 for public consultation on 12 December 2023.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Environment Outcome: Lead as a Low Carbon Emissions City
Policy	The draft Integrated Climate Strategy (draft Strategy) public consultation will be undertaken in accordance with Council's Community Consultation Policy dated 16 July 2019 and the engagement plan endorsed by Council on 12 December 2023 (Link 4). The Integrated Climate Strategy will replace the Climate Action Plan 2022-2025, Carbon Neutral Strategy 2015-2025, Climate Risk Adaptation Plan 2021-2026, Resource Recovery Strategy and Action Plan 2020-2028, Zero Emissions Vehicle Plan 2019-2030, Water Sensitive Cities Plan 2021-2025 and Integrated Biodiversity Management Plan 2018-2023 and delivers on the former Council's decision to develop a Climate Policy.
Consultation	Targeted stakeholder and broad community consultation will be undertaken in accordance with Council's Community Consultation Policy. Internal consultation to develop this draft Strategy occurred across the City of Adelaide Park Lands, Policy and Sustainability Program and Traffic and Transport teams. Further internal engagement will be undertaken during the public consultation period, including discussion about potential budget proposals for 2024/25 and resource plan.
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	The development of an Integrated Climate Strategy will clarify Council's policy position and role in responding to climate change for the community and its own operations.
23/24 Budget Allocation	Funding for climate related objectives in 2023/24 is $2,571,683, across: • Climate Change Action Initiative Fund (CCAIF) $783,250 (excluding salaries): ○ $125,000 to climate action plan implementation, ○ $140,000 to climate active certification and inventories, ○ $225,500 to Sustainability Incentive Scheme and ○ $180,000 to community and business support, ○ $51,250 to climate risk adaptation, ○ $20,500 to water sensitive city, ○ $10,250 for Resilient East Partnership and ○ $30,750 to the Taking Climate Action Roadmap. ○ The CCAIF deliverables have included funding direct works via the Sustainability Incentive Scheme, community battery investigations, urban cooling approach project with University of Adelaide, River Torrens recovery project, development of carbon calculators, Race for 2030 precinct electrification partnership, collaborative offsets project and purchase of offset credits. • The City of Adelaide Resource Recovery Strategy and Action Plan of $788,433 to deliver. This strategic project funding concludes in 2023/24. • Council allocated an additional $1.0M for greening in 2023/24 to increase tree canopy cover in the City of Adelaide.
Proposed 24/25 Budget Allocation	The draft Strategy is unfunded and will require prioritisation of actions through the 2024/25 annual business plan and budget process, considering climate initiatives in the short, medium and long term. Costs, above current service levels, for implementation of key initiatives over the life of the Strategy will be presented with the final draft Strategy and incorporated into the Long-term Financial Plan pending prioritisation through the 2024/25 budget process, which will include consideration of grant program funding levels as well as initiative funding.

Life of Project, Service, Initiative or (Expectancy of) Asset	The draft Strategy is proposed to deliver climate actions from 2024-2030
23/24 Budget Reconsideration	Not as a result of this report
Ongoing Costs	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. At its meeting on 10 May 2023 (Link 1), the Audit and Risk Committee requested that the mid-point review of the Climate Change Risk Adaptation Action Plan 2021-2026 be brought forward and an update be provided to the October 2023 Audit and Risk Committee meeting.

   1.1. At the Audit and Risk Committee meeting on 10 May 2023, at Item 5.1 - Climate Change Risk Adaptation Action Plan, it was resolved that the Audit and Risk Committee:

   1.1.1. Notes the report.

   1.1.2. Recommends bringing forward the mid point review of the Climate Change Risk Adaptation Action Plan and requests an update to the October Audit and Risk Committee meeting.

2. The Climate Change Risk Adaptation Action Plan (Plan) 2021-2026 includes 95 actions to integrate climate risk management into governance documents and processes, facility planning and management and service provision.

3. An update was provided to the Audit and Risk Committee at its meeting on 4 August 2023 (Link 2), at which the Committee commended the intention to integrate Council's Climate Change Risk Adaptation Action Plan 2021-2026 and the City of Adelaide Climate Action Plan 2022-2025 by December 2023.

   3.1. At the Audit and Risk Committee meeting on 4 August 2023, at Item 5.3 – Climate Change Risk Adaptation Action Plan, it was resolved that the Audit and Risk Committee recommends to Council that Council:

   3.1.1. Notes the report.

   3.1.2. Commends the intention to integrate Council's Climate Change Risk Adaptation Action Plan 2021-2026 and the City of Adelaide Climate Action Plan 2022-2025 by December 2023.

   3.1.3. Notes the internal audit review project proposed as part of the strategic internal audit plan in relation to strategic climate change impacts.

4. On 4 August 2023 (Link 2), the Audit and Risk Committee considered a three-phase approach to review the Climate Change Risk Adaptation Action Plan:

   4.1. Phases 1 and 2 of the review are complete and involved an assessment of the Action Plan's achievements to date and a comprehensive review of the Plan to enhance its effectiveness and improve its capacity to address climate risks.

   4.2. Phase 3 of the approach includes target setting, developing metrics and measurement, defining Council's role(s), integration across the organisation and roadmap for implementation. Phase 3 is being delivered through the draft Strategy and an internal audit of the Climate Change Risk Adaptation Action Plan. The internal audit of the Climate Change Risk Adaptation Action Plan is presented in Report Item 5.1 of the meeting of the Audit and Risk Committee on 16 February 2024.

5. On 5 December 2023 (Link 5), the draft Integrated Climate Strategy was presented to the special meeting of the City Planning, Development and Business Affairs Special Committee. The Committee resolved to recommend to Council that Council.

   5.1. Endorses the draft Integrated Climate Strategy contained in Attachment A to Item 5.1 on the Agenda for the Special meeting of the City Planning, Development and Business Affairs Committee held on 5 December 2023, for the purposes of public consultation.

   5.2. Endorses the draft Integrated Climate Strategy Engagement Plan contained in Attachment B to Item 5.1 on the Agenda for the Special meeting of the City Planning, Development and Business Affairs Committee held on 5 December 2023, for the purposes of public consultation.

   5.3. Authorises the Chief Executive Officer to make minor and technical amendments to the documents contained in Attachment A and Attachment B to Item 5.1 on the Agenda for the Special meeting of the City Planning, Development and Business Affairs Committee held on 5 December 2023, for the purposes of finalising the documents for public consultation.

6. Council endorsed these recommendations and the draft Integrated Climate Strategy (**Attachment A**) for public consultation at its meeting on 12 December 2023 (Link 4).

Development of the Draft Strategy

7. The draft Strategy in Attachment A has been prepared in consultation with key consultation stakeholders and is informed by a series of Council decisions and strategic directions, as follows:

   7.1. Council's Strategic Plan 2024-2028 (endorsed on 12 December 2023 (Link 4)).

   7.2. City Plan – stakeholder engagement through the City Plan Studio Sessions held in September 2023.

   7.3. Council endorsed its current Climate Action Plan 2022-2025 on 2 May 2023 following comprehensive community consultation. The Plan was developed for a three-year timeframe to align with the conclusion of the Carbon Neutral Strategy 2015-2025. Implementation of the Plan commenced under the previous Council term in 2022/23 and has continued in 2023/24. The remaining actions are integrated into the draft Strategy.

   7.4. In endorsing the Climate Action Plan 2022-2025, the Council decision included as a priority action in 2023/24, that Administration would revise the community emissions target and map emission reduction pathways. Updated targets and emission reduction pathways are included in the draft Strategy.

   7.5. A draft Climate Policy was developed in response to a CEO Undertaking given at the Council meeting on 10 May 2022 (Link 6). A draft Climate Change Policy was developed and approved for consultation on 9 August 2022 (Link 7) under the previous Council term. The draft Climate Policy was publicly consulted on in 2022 and is delivered through the draft Strategy.

   7.6. On 28 March 2023 (Link 8), Council requested Administration prepare a report for Council on an electric vehicle (EV) transition roadmap for consideration as part of the 2024/25 budget process. Council endorsed the EV Transition Roadmap on 24 October 2023 (Link 9) with seven priority actions which are included in the draft Strategy. Additional work to progress targets for EV Infrastructure and further investigation of electric micro-mobility are being progressed in parallel with the draft Strategy.

   7.7. On 13 June 2023 (Link 10), Council directed Administration to prepare a report reviewing the Sustainability Incentives Scheme (SIS) to assess its effectiveness in reducing community greenhouse gas emissions and identify opportunities for more targeted future investment. The SIS is a key funding mechanism for the Integrated Climate Strategy and work to enact Council's decision is occurring in parallel with the draft Strategy for reporting to Council in February 2024.

8. The draft Strategy replaces seven existing City of Adelaide climate strategies and plans suitable for integration into a single Strategy that focuses Council's climate activities and investment:

   8.1. Climate Action Plan 2022-2025 (review brought forward from 2024/25)

   8.2. Carbon Neutral Strategy 2015-2025 (final report published with the State Government at the conclusion of the partnership)

   8.3. Climate Risk Adaptation Plan 2021-2026 (mid-point review brought forward to 2023/24 at the request of Audit and Risk Committee)

   8.4. Resource Recovery Strategy and Action Plan 2020-2028 (mid-point review in 2023/24)

   8.5. Zero Emissions Vehicle Plan 2019-2030 (mid-point review in 2023/24)

   8.6. Water Sensitive Cities Plan 2021-2025 (review brought forward from 2024/25)

   8.7. Integrated Biodiversity Management Plan 2018-2023 (being reviewed in 2023/24).

9. A review of actions across the existing strategies and plans has been undertaken to prioritise those that best align with the feedback from Council to date on its climate priorities and with reference to the strategic priorities set out in Council's draft Strategic Plan 2024-2028. The draft Strategy includes themes from all existing plans updated to reflect Council priorities.

10. The draft Strategy is being informed by Council initiatives funded in the 2023/24 Annual Business Plan and Budget including:

    10.1. Electric Vehicle (EV) Infrastructure Roadmap (endorsed by Council on 24 October 2023).

    10.2. Adelaide Park Lands Biodiversity Survey as a key evidence base for the draft Strategy and its ongoing monitoring and reporting.

    10.3. Water Sensitive Urban Design (WSUD) Infrastructure Investment priority study to inform opportunities to improve 29 priority locations for street scale WSUD improvements and 14 Adelaide Park Lands large-scale WSUD opportunities.

10.4. Tree auditing and canopy analysis undertaken as a key evidence base for the draft Strategy and urban greening.

10.5. Kerbside audit of waste diversion and resource recovery by residents and businesses.

10.6. An additional $1M for greening to increase tree canopy cover in the City of Adelaide.

Draft Integrated Climate Strategy

11. The draft Strategy is structured under five goals, each with priorities, targets and required undertakings, that address community and Council climate action. A two-page summary of the goals, priorities and targets is provided for reference (Link 11). The goals and priorities are:

11.1. Goal 1: A climate resilient city

11.1.1. A cool city with no urban heat island effect.

11.1.2. Greening supported by sustainable water resources.

11.1.3. Homes and businesses are protected from climate hazards.

11.2. Goal 2: A net zero city

11.2.1. All homes and businesses will be electrified and powered by renewables.

11.2.2. Public EV charging infrastructure is available for all users, including micro-mobility, catalysing the uptake of EV's in Adelaide.

11.2.3. Triple the number of city workers who cycle to work, and double the number of local residents who walk to work.

11.3. Goal 3: A city where nature thrives

11.3.1. Caring for Country in partnership with Kaurna Miyurna.

11.3.2. Biodiversity, native grasslands and woodlands are protected and enhanced.

11.3.3. Karrawirra Pari, waterways, Adelaide Park Lands and Squares act as arteries connecting our native species.

11.4. Goal 4: Transition to a decarbonised economy

11.4.1. Growth in circular economy industries in the city.

11.4.2. Procurement decisions that localise supply, prioritise reuse and drive green industries.

11.4.3. Zero avoidable kerbside waste to landfill ('zero waste') by 2035.

11.5. Goal 5: A climate leading capital city council

11.5.1. Reduce City of Adelaide's operational carbon emissions 75% from 2020 to 2030 and achieve absolute zero emissions by 2035.

11.5.2. Transitioning our corporate fleet to zero emissions.

11.5.3. Climate change and sustainability are integrated into how we do business.

Resourcing and Financing

12. The City of Adelaide has existing funding mechanisms to deliver the draft Strategy. These will be considered as part of the 2024/25 annual business plan and budget process for prioritisation and contribute towards climate actions that impact the operation of the City of Adelaide and community progress on climate action.

12.1. Climate actions are currently funded via the Climate Change Action Initiative Fund (CCAIF). The CCAIF is comprised of 1% of rates revenue and funds operating priorities and salary costs.

12.2. Of the total CCAIF funding, $225,500 is directed to the Sustainability Incentives Scheme (SIS) which offers small-scale rebates (up to $25,000) for eligible community, not-for-profit and business sustainability improvements. Since 2015, the SIS has invested over $1.6 million dollars in over 700 projects and leveraged $8.30 of community investment for every dollar spent. A review of the SIS will be presented to Council in February 2024 seeking to expand funding to enable larger scale Council investment in business and community activities, such adaptive reuse projects.

12.3. Investment in capital works (major projects, new and significant upgrades) and further integration of climate priorities in procurement, project management frameworks, Asset Management Plans, and the Long Term Financial Plan.

13. The scale of action identified in the draft Strategy will require additional budget allocation toward climate activities. The draft Strategy will enable discussions by Council through the 2024/25 budget deliberations.

Next Steps

14. Targeted stakeholder and broader community consultation will commence on 5 February 2024.

15. A review of the Sustainability Incentives Scheme is scheduled to be presented to the City Planning and Development Affairs Committee on 6 February 2024.

16. A separate piece of work is being commissioned in 2023/24 to peer review the draft Strategy including priorities and metrics, and to develop a risk and reporting structure for the delivery and monitoring of the Strategy. These will be included in the draft Strategy for consideration by Council post-consultation.

17. The updated Integrated Climate Strategy is targeting presentation to the City Planning, Development and Business Affairs Committee in March or April 2024, subject to conclusion and assessment of the public consultation process. It will include a resource plan and monitoring framework.

DATA AND SUPPORTING INFORMATION

Link 1 – Audit and Risk Committee, Agenda Item 5.1, Wednesday 10 May 2023

Link 2 – Audit and Risk Committee, Agenda Item 5.3, Friday 4 August 2023

Link 3 – Audit and Risk Committee, Agenda Item 5.4, Friday 10 November 2023

Link 4 – Council, Agenda Item 15.1, Tuesday 12 December 2023

Link 5 – City Planning, Development and Business Affairs Special Committee, Agenda Item 5.1, Tuesday 5 December 2023

Link 6 – Council, Minute Item 13, Tuesday 10 May 2022

Link 7 – Council, Agenda Item 10.13, Tuesday 9 August 2022

Link 8 – Council, Agenda Item 15.1, Tuesday 28 March 2023

Link 9 – Council, Agenda Item 12.3, Tuesday 24 October 2023

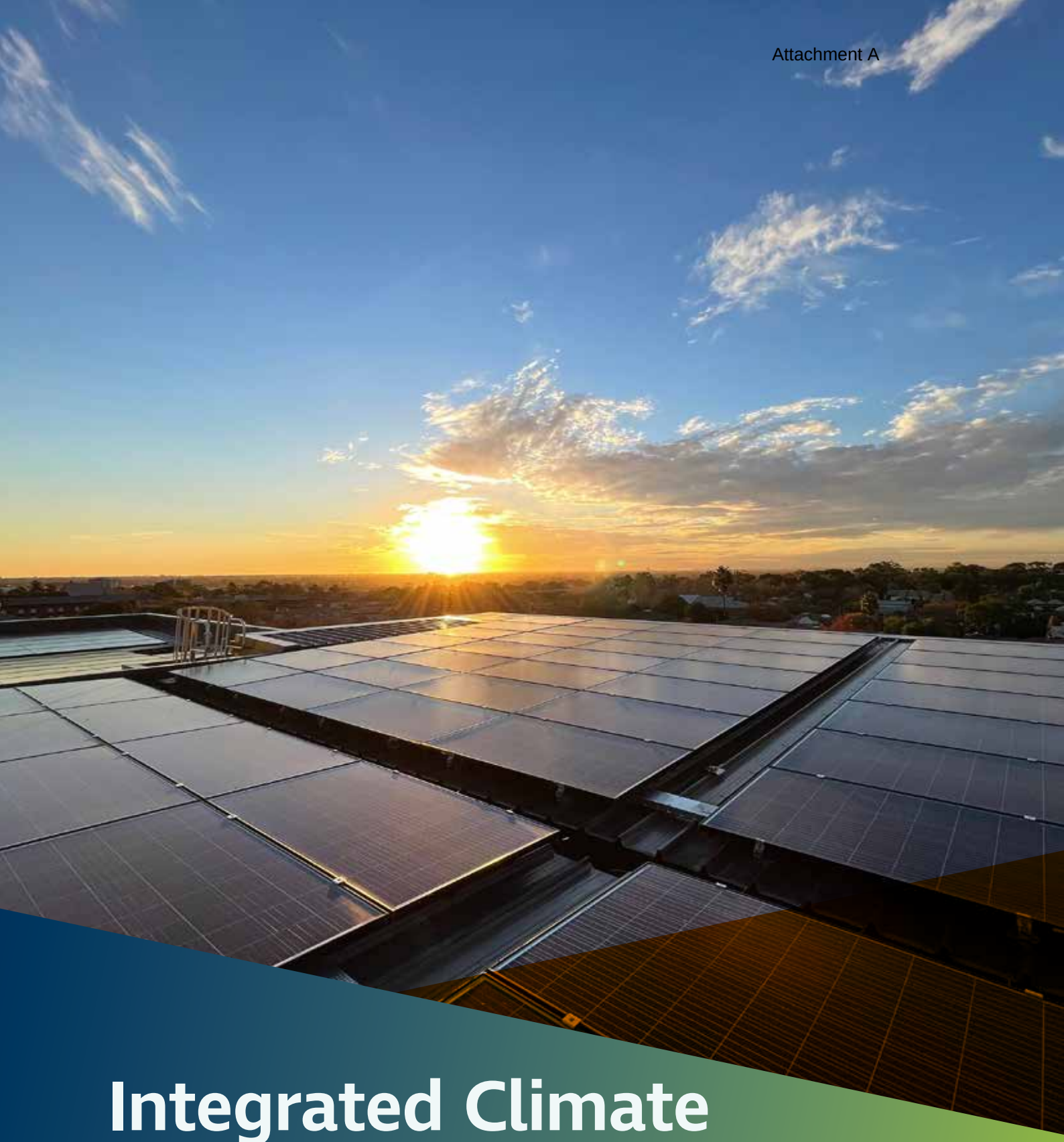
Link 10 – Council, Agenda Item 15.1, Tuesday 13 June 2023

Link 11 – Draft Integrated Climate Strategy – Two Page Summary

ATTACHMENTS

Attachment A – Draft Integrated Climate Strategy

- END OF REPORT -



Integrated Climate Strategy 2030

Resilient, Protected, Sustainable

Draft 22 November 2023

CITY OF ADELAIDE

Acknowledgement of Country

The City of Adelaide acknowledges that we are located on the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past, present and emerging.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We also extend that respect to visitors of other Aboriginal Language Groups and other First Nations.



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Front Cover Image: Sunset from the rooftop of M Suites Hotel in North Adelaide – featuring strong energy efficiency principles in the building design, air conditioning system and rooftop solar.

From the Lord Mayor

Climate change has been unremitting, irrevocable, and constant not just in the City of Adelaide, but for communities across the globe.

Cities have a crucial role to play – both as significant contributors to climate change and as the places where most people choose to live.

While extreme heat and weather events may have altered our environments, our perception of what is happening has also changed.

We now know demolishing buildings risks wasting embedded energy and valuable resources.

We understand unless we plant more trees, and increasing canopy cover, our city will get hotter.

We know that unless we invest in cooling infrastructure now, our city will cease to function well when days are much hotter.

Adelaide is audacious in its ambition to become a leader in transitioning to a low carbon economy, and now is the time to fast-track those goals.

That's why the City of Adelaide is taking a leadership position in addressing climate change and resilience, including through carbon neutral certification of our operations since 2020.

We are focused on what we can do now to continue driving down our carbon footprint and adapting our assets and services to climate impacts.

We are ramping up our action to strive for net zero emissions by 2035, and a 50% reduction in 2020 greenhouse gas levels by 2030.

Our Council is working to maintain and enhance our natural ecosystems and move to a circular economy. As a world-class city, there is ample opportunity in accelerating the transition to a low carbon, green and electrified city.



Climate change is an issue that affects us all and we must all play our part in its solutions. The onus is on us to play our part the solutions to support communities into the future.

We don't want to let our children and grandchildren look back on this era and think we could have done it better.



Dr Jane Lomax-Smith
Lord Mayor

Introduction

The City of Adelaide has developed this Integrated Climate Strategy to set our vision for a resilient, protected and sustainable city where people can live, work, study and play and adapt to changes in the climate that bring social and economic opportunity and disruption.

Our city will be one where our communities are interconnected, prepared and resilient in the face of changing conditions and extreme weather.

People will be able to move to, from, and around the city safely, comfortably, and sustainably as the city streets are kept cool with trees and plants and shaded against the summer sun.

Wetlands, biodiversity and ecosystems are enhanced, protected and thriving as the natural lifeline of the city and important assets to offset heat impacts.

The diversion of material from landfill into recycling, composting, and circular economy alternatives will continue to grow.

The Strategy is driven by a bold ambition to make a step change towards a decarbonised city.

The world requires emissions to be reduced drastically to avoid the worst impacts of climate change. For most, this means halving emissions by 2030 and zero emissions by 2050.

City of Adelaide has taken action to address climate change since 2015, when it set itself the aim to be one of the world's first carbon neutral cities.

Nations, cities and states need to adopt stronger targets for absolute emissions reduction.

City of Adelaide is updating its baseline year from 2007 to 2020 and bringing forward the target for 'net zero' from 2050 to 2035. The Strategy is our plan to achieve this target to:

Halve our climate impact by 2030 and make it nil by 2035.

City of Adelaide achieved a 5% emission reduction from 2020 to 2022. Our new target requires 50% emission reduction from 2020 levels by 2030.

City of Adelaide acknowledges that an increase in global temperatures is already locked in and there is a need to build resilience, adapt and show leadership.

The Strategy focuses Council's effort on the priorities and scale of action required by the community and through the City of Adelaide's own operations across five goals:

Goal 1: A climate resilient city – we adapt to our climate by understanding risks, preparing our infrastructure and assets to withstand change, and ensuring our community is prepared.

Goal 2: A net zero city – we play our part in global efforts to halt climate change.

Goal 3: A city where nature thrives – our natural ecosystems are protected and enhanced in a changing climate.

Goal 4: Transition to a decarbonised city – the economy transitions to become low carbon and circular.

Goal 5: A climate leading capital city – we accept the challenge as one of the world's leading cities in addressing climate change.

Our Strategy will be delivered in partnership with other levels of government, business and community organisations. We will prioritise action and investment in physical infrastructure, community development, natural assets, and economic sustainability.

We will listen deeply and learn from Kaurna people who have cared for Country for thousands of years to learn from their spiritual and cultural knowledge and connection with the landscape.

The Strategy is informed by detailed assessment of climate change risk, modelling of future climate scenarios and clear pathways to drive carbon emission reduction.

By working together, our city will be resilient, protected and sustainable.

Our Policy

Climate change has far-reaching risks for the environment, economy, communities and our lifestyles.

City of Adelaide supports meaningful and immediate climate action to reduce emissions and address the impacts of climate change risk such that:

1. Adelaide is a city where government, non-government, communities, industry and research institutions coordinate action to adapt, respond to and mitigate climate change to ensure it is climate ready.
2. Climate change risk governance and management frameworks are essential to understand and manage impacts on Council business, assets, infrastructure and service provision.
3. Proactive action to reduce energy use, grow renewable and low carbon energy sources, and continuous reduction of greenhouse gas emissions is necessary to transition Council operations to net zero emissions.
4. Access to data, public reporting and disclosure of emissions for the community and Council operations builds confidence in the climate-related ambition, performance and leadership of City of Adelaide.
5. City of Adelaide supports the transition to electric vehicles and decarbonisation of the transport system and acknowledges that this requires appropriate electric vehicle, cycling and walking infrastructure, and zero emission public transport.

Council's role will be to:

Lead. We will set science-based targets in line with international climate science, trial innovative and emerging systems, products and technologies for climate mitigation and adaptation, and showcase leading climate-related initiatives.

Deliver. We will procure and provide services that contribute to reducing community emissions or fund other organisations to deliver relevant services as appropriate; and take action to minimise the risks of climate change to Council services, assets, infrastructure, natural resources and biodiversity.

Facilitate. We will facilitate community-led climate action by connecting interested parties; raising awareness of climate-related information and initiatives; and incentivising action.

Advocate. We will advocate for relevant climate targets, investment and programs to be established at State and Federal level and recognition of the impacts of embodied carbon.

Our goals and priorities

Goal 1. A climate resilient city	Goal 2. A net zero city	Goal 3. A city where nature thrives	Goal 4. Transition to a decarbonised economy	Goal 5. A climate leading capital city council
Priority: A cool city with no urban heat island effect	**Priority:** All homes and businesses will be electrified and powered by renewables	**Priority:** Caring for Country in partnership with Kaurna Miyurna	**Priority:** Growth in circular economy industries in the city	**Priority:** Reduce City of Adelaide's operational carbon emissions by 75% from 2020 to 2030 and achieve absolute zero emission by 2035
Priority: Greening supported by sustainable water resources	**Priority:** Public EV charging infrastructure is available for all users, including micro-mobility, catalysing the uptake of EVs in Adelaide	**Priority:** Biodiversity, native grasslands and woodlands are protected and enhanced	**Priority:** Procurement decisions that localise supply, prioritise reuse and drive green industries	**Priority:** Transitioning our corporate fleet to zero emissions
Priority: Homes and businesses are protected from climate hazards	**Priority:** Triple the number of city workers who cycle to work, and double the number of local residents who walk to work	**Priority:** Karrawirra Pari, waterways, Adelaide Park Lands and Squares act as arteries connecting our native species	**Priority:** Zero avoidable kerbside waste to landfill ('zero waste') by 2035	**Priority:** Climate change and sustainability are integrated into how we do business



Image: Clean wood waste for recycling into woodchip mulch at Jeffries Transfer Station

Goal 1. A climate resilient city

We will adapt to our climate by understanding risks, preparing our infrastructure and assets to withstand change, and ensuring our community is prepared.

94% impervious surfaces in the city	6,300 kilolitres per year of irrigation water for greening and the Adelaide Park Lands	5,259 megalitres total flow of stormwater discharged from properties and streets which could be harvested	1,243 megalitres of water used by City of Adelaide

The science is certain. Global temperatures, climate systems and seasonal weather patterns are changing. The rate of change and extent of impacts is directly linked to human activities from the past, present and future.

Climate change is impacting all aspects of life in Australia, from the way our community functions, through to our economy and environment. Without a coordinated global response, conditions will become more challenging as greenhouse gases continue to increase in the atmosphere over the coming century.

The outlook for Adelaide is a hotter, drier climate with increasing frequency and intensity of extreme events such as heatwaves and floods. To remain a liveable and prosperous community we need to adapt, prepare and develop resilience to a changing climate.

76% of the City of Adelaide's operational climate risks relate to increasing temperatures, reduced rainfall and flooding.

The impact of a changing climate have already been felt in Adelaide. In September 2016 major storms brough damaging winds and flooding which disrupted power supply for 24 hours.

Extreme heat across the city and damaging bushfires in the peri-urban areas during the 2019 summer directly impacted health and wellbeing across the community and resulted in direct impacts on city businesses.

We're adapting to the increasing heat by:

- Planting trees – canopy in public spaces has increased by 6.3% in the last 7 years.
- Developing an Urban Greening Strategy to grow more tree canopy where it is most needed.
- Using green infrastructure such as water sensitive urban design and shading in our street designs.
- Auditing community buildings and assets to optimise cooling options.

We're adapting to reduced rainfall by:

- Efficiently watering open spaces with climate controlled irrigation networks.
- Investing in a diversity of water resources such as recycled wastewater, harvested stormwater and roadside rainfall runoff.
- Strategically planning water resources for the Adelaide Park Lands so we can continue to sustain our natural assets.
- Investing in infrastructure that delivers climate independent water sources to reduce reliance on drinking water.

We're adapting to increased rainfall intensity by:

- Surveying and modelling stormwater networks and planning a flood resilient system for the future.

We're assisting community climate resilience by:

- Providing information about climate ready homes and other environmental sustainability topics.
- Providing a Sustainability Incentives Scheme which has invested over $1.5 million to support over 700 community projects since 2015, including nearly 400 solar installations.

Key resilience challenges

Adelaide's climate is characterised by hot summers, with prolonged heatwaves a common feature. High temperatures in urban areas can have significant impacts on the liveability of a city, and on the health and wellbeing of its people.

Our communities face these challenges unequally and Council is also focused on increasing social and affordable housing, and removing homelessness through our Housing Strategy, Investing in Our Housing Future, and Homelessness Strategy, Everybody's Business.

Extreme Heat

Extreme heat has implications for health, the environment and liveability of the city, particularly as the number of days over 40°C in Adelaide is expected to double by 2030.

In January 2019, Adelaide was named the 'hottest city on the planet' as temperatures in the CBD soared to 47.7°C. We have experienced prolonged heatwave conditions, with 2009 recording a 10% higher mortality rate than normal during a 13 day heatwave event.

Climate patterns such as El Nino will exacerbate heatwaves in both intensity and duration, with observations in Adelaide already indicating a five-fold increase in days over 40°C since 2012.

Overnight (diurnal) temperatures during heatwave events are expected be higher, meaning cooler evenings will not provide respite.

Urban Heat

In the City of Adelaide, temperatures in the built-up areas can be as much as 8°C hotter than in the surrounding Adelaide Park Lands (Guan et al., 2013).

The difference in temperature is caused by heat captured in roads, footpaths and buildings, and heat emitted from sources such as vehicles and air-conditioning units. This is known as the urban heat island (UHI) effect.

The western and northern areas of the CBD are the hottest parts of the city. This corresponds with greater amounts of hard surfaces, lower levels of vegetation and vehicle traffic.

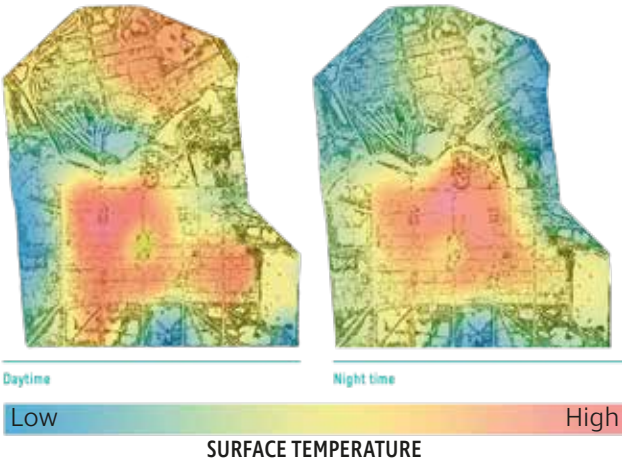


Figure 1. UHI effect shown as the variation in mean daily maximum and minimum temperatures during the day and night (Neto Duarte et al., 2016).

High temperatures have been shown to reduce social and recreational activity in the city, particularly where there is an absence of urban greening (Sharifi, 2016). This reduction in activity during heatwaves has a direct impact on business and economic activity.

Water Security

Water resources will be impacted by hotter and drier conditions and prolonged drought conditions. The Mount Lofty and River Murray watersheds are at risk of not meeting urban drinking water demands and new and more sustainable water resources need to be created, storing water in times of high rainfall and having multiple sources during drought.

More than 70% of water in the City of Adelaide is used on the Adelaide Park Lands and open spaces. Much of this is sourced from the Glenelg Adelaide Recycled Wastewater Scheme (GARWS) operated by SA Water. In years of low rainfall, Adelaide's potable water is sourced from desalinated water. Both resources are climate independent, but also energy intensive and higher in salinity than natural rainfall.

Assets and Infrastructure

City of Adelaide has an infrastructure and asset portfolio worth $2 billion that provide a variety of services to the community and the State as the capital city. The portfolio includes urban elements such as roads, bridges, footpaths, kerbs and drainage.

Increasing heat and intense rainfall will increase localised flooding, reduce the useful life of assets, and given the long-term design life of many of these assets, they can be particularly vulnerable to climate change impacts.

Climate Justice

Climate change will disproportionately affect vulnerable people in our community as multiple factors such as chronic health conditions, low quality housing, housing insecurity, and fewer resources afford less ability to adapt to impacts.

We will prioritise programs, activities, and actions for people and communities most impacted and least able to adapt.

Homelessness

People sleeping rough are especially vulnerable to shocks, such as extreme weather events including heat stress, rain and flooding, and the Covid-19 pandemic. City of Adelaide acknowledges the impacts of climate change on people experiencing homelessness and will ensure our responses reflect climate justice principles related to representation, inclusion, and protection.

We will focus on solutions to homelessness through our Draft Homelessness Strategy: Everyone's Business.

Housing

Housing is a significant contributor to global warming through energy use, building materials and waste. With all levels of government working to increase housing supply, all new housing developments should consider embodied carbon, sustainability, and sufficiency principles.

We will explore innovation in housing design, adaptive reuse of existing buildings, sustainability, and housing models which improve affordability through cost of living.

We will invest in our housing future through our Draft Housing Strategy.

Air Quality and Health

Climate change is predicted to increase pollution and decrease air quality with serious implications for human health, such as lung and heart diseases. Less rain and hotter temperatures will exacerbate this, allowing pollutants to stay in the air for longer. Bushfires, drier conditions and extreme weather will increase our exposure to particulates in the air.

Case Study – Urban Heat & City Activity

Research from the CRC for Low Carbon Living: Urban Microclimates Project investigated the impacts of urban heat on human thermal comfort and activity levels in Adelaide.

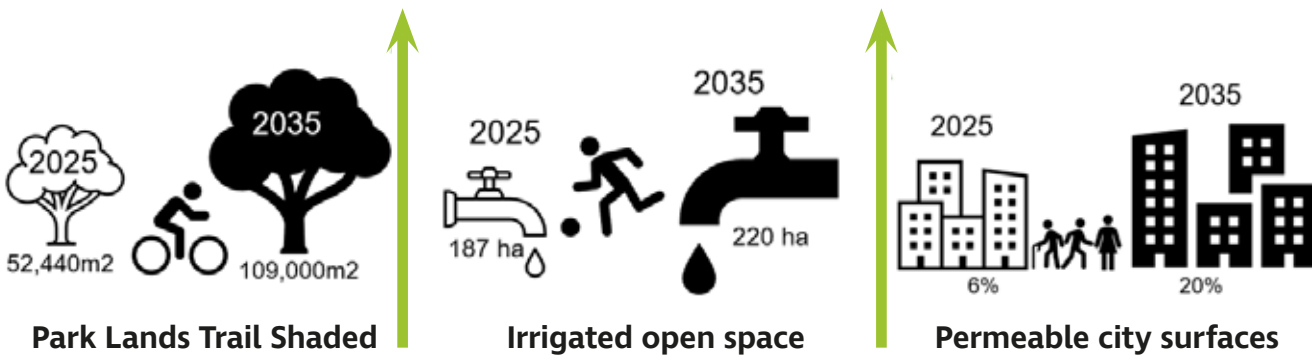
The research examined the impact of heat on three categories of activity – 'necessary', 'optional' and 'social'. Necessary activities were unavoidable everyday activities such as travelling to school or work. Optional activities related to activities such as eating, sitting and site seeing – Optional and social activities are critical to the life and vibrancy of the city.

The research found that optional activities are more sensitive to the impacts of urban heat and start to decrease after the temperature reaches 28–32°C. Activities in public spaces with more urban greenery show higher resilience to heat stress.

The research is clear – providing urban greening is key to the vibrancy and life of the city, and failure to reduce urban heat will have economic and social consequences.

Priorities for a climate resilient city

PRIORITIES	SCALE OF ACTION REQUIRED		INTEGRATED BENEFITS
	Where we are	What is needed	
1 A cool city with no urban heat island effect	Temperatures in the built-up areas can be as much as 8°C hotter than in the Adelaide Park Lands	Reduce the temperature of road, footpath and pavement surfaces by more than 9°C compared to existing bitumen surfaces in full sun	Net Zero City Nature Thrives Circular Economy Climate Leader
2 Greening supported by sustainable water resources	52,440m² of Adelaide Park Lands Trail is shaded by tree canopy	109,000m² of Adelaide Park Land Trail to be covered by continuous tree canopy	
	33% canopy cover in streets and parks	40% canopy cover by 2035	
	117 average annual net increase in street trees between 2015 and 2022	Net increase of 485 street trees every year until 2035	
	1.5% of street trees have WSUD passive watering	40% of street trees (5,143) have WSUD passive watering by 2030 and 60% by 2035	
	6.1% of the built city area is permeable	Double the permeability in the built city areas	
	Increase the area of stormwater micro-catchments directed to gardens from 19.037 hectares (2.3%)	20% of city stormwater drainage catchment is directed to WSUD green assets (159 ha)	
	163 hectares of the Adelaide Park Lands is irrigated, with 60% of water sourced from sustainable supplies	220 hectares of the Adelaide Park Lands are irrigated, and sustainable water increases to 95% for outdoor use	
3 Homes and businesses are protected from climate hazards	20% AEP and 10% AEP minor drainage service level	Upgrade existing stormwater infrastructure to meet future climate scenarios for rainfall intensity	Net Zero City Nature Thrives Climate Leader
	40% of Infrastructure Assets are rated as High for 2030 climate risk	2030 Climate Risk ratings for Infrastructure Longevity is Medium or Low	



Priority: A cool city with no urban heat island effect

Keeping the city cooler will require more shade, less hard, dark surfaces and higher soil moisture. This can be achieved through well-designed buildings, fewer and narrower roads and hard surfaces, and light-coloured, natural and permeable pavements.

The Adelaide Park Lands provide a critical cool refuge with large, irrigated spaces, open watercourses and broad trees that provide shade and respite. We will design these spaces to be useable in hotter months.

City of Adelaide's heat mapping tells us that the afternoon sea breeze in summer is useful for cooling Adelaide's CBD and that urban development should intentionally be designed to harness this airflow.

We will shade and cool areas where people move around and use the city, such as footpaths, outdoor dining, events, sports, main streets and retail destinations.

Using our heating mapping we know where hot spots are located throughout the city and will target these areas for cooling.

We will look for opportunities to narrow roads, reduce through traffic, implement traffic calming measures that contribute to greening and cooling.

We will work with the Environment Protection Authority to understand and improve air quality in the city.

We will investigate a temperature sensor network to help monitor air temperature and inform planning decisions.

What has been done

In 2020, City of Adelaide together with Climate KIC, assessed the performance of three different road surface products to reduce heat from dark bitumen roads.

This project was the first in Australia to capture the day time and night time surface temperatures for new road sealant products.

The results showed varying success of between a 2.9°C and 8.7°C difference in reduced surface temperature.

Widespread use of the most effective product could generate a 1°C temperature drop at a city scale, equivalent to having 33% of Adelaide roads covered by shade from tree canopy (currently 27% in 2022).

Priority: Tree canopy and greening supported by sustainable water resources

Over the last seven years the City of Adelaide's tree canopy has grown. The largest increase in canopy has occurred in the Adelaide Park Lands with an additional 3,018 trees with three successive high rainfall years (La Nina) boosting tree health and growing conditions.

This contrasts with city streets and public spaces where space is highly contested above and below ground.

Whilst tree canopy cover along roads and streets has grown, streets and public spaces need to perform better as the city's economy and population grow.

We will make space for more urban trees and make standard water sensitive urban design (WSUD) in our streets to harness stormwater runoff and direct it to raingardens, permeable areas and soakage inlets.

What has been done

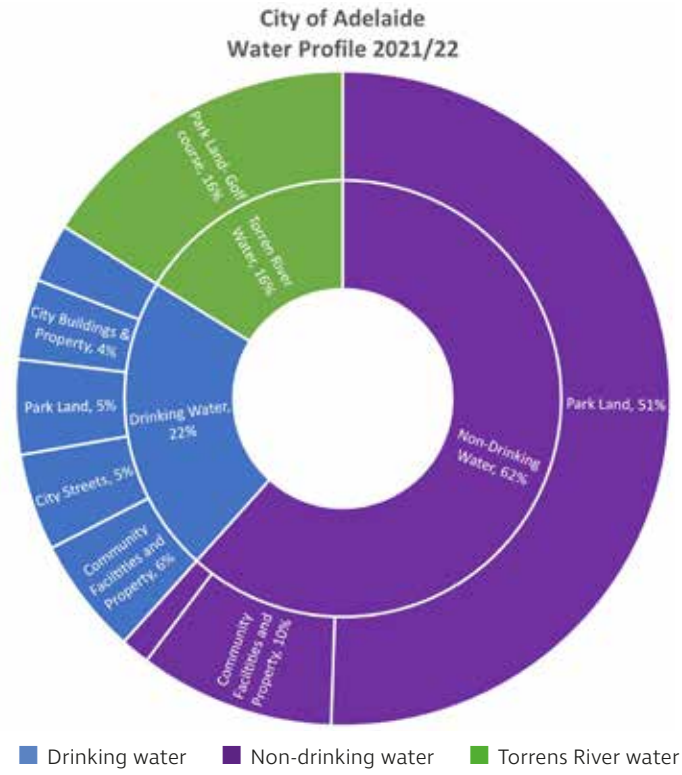
Using LiDAR and aerial photography, City of Adelaide's tree canopy (above 1m) was spatially mapped in 2015 and 2022.

The mapping provides an evidence based assessment of tree canopy change and will be used to identify opportunities to increase tree canopy:

- City wide tree canopy has increased from 21.7% to 27.6% from 2015 to 2022.
- 18% of all tree canopy is located along roads and streets.
- 27 streets that had no tree in 2015, now have at least one tree in 2022.

City of Adelaide has been actively monitoring its water consumption for more than 20 years (Figure 2) and has an expansive network of recycled water, that provides more than 700 megalitres of treated wastewater each year to the Adelaide Park Lands, Whitmore, Victoria and Light Squares and the entrance to the Royal Adelaide Hospital.

Figure 2 – City of Adelaide Water Profile 2021/22



We will continue to invest in a citywide network of sustainable water infrastructure through partnerships and co-funded projects.

We will continue to automate irrigation systems and install real-time smart water meters to monitor consumption at public facilities.

We will install a recycled water standpipe at the Council Nursery to provide a sustainable water supply for streetscape watering.

Priority: Homes and businesses are protected from climate hazards

Drainage networks constructed to mitigate rainwater inundation of homes and properties more than 100 years ago are no longer providing the same level of protection.

This is due to changes in the urban environment, less permeable surfaces and connection of new stormwater networks to receiving watercourses. Stormwater infrastructure needs to contend with increased rainfall intensity and short duration events which may overwhelm existing pipes and channels quickly, causing flooding.

We will undertake comprehensive stormwater management planning across the City of Adelaide's catchments, in partnership with the State Government, to ensure the stormwater network is planned to meet the needs of the community under climate scenarios.

We will increase the resilience of City of Adelaide's infrastructures assets through detailed planning for climate change, new design requirements and investment.

Image: Uniting Church Netball Association Club Rooms receiving a 'cool roof' treatment in Adelaide's Josie Agius Park/Wikaparntu Wirra (Park 22)



Goal 2. A net zero city

We play our part in global efforts to halt climate change

39% community carbon emissions from energy use in 2022	45% community carbon emissions from transport in 2022	11% community carbon emissions from refrigerants in 2022	5% community carbon emissions from waste in 2022

Climate change is the largest crisis facing the world and we need all hands on deck to prevent the worst of its impacts.

While we work to address the impacts already being felt by climate change, there's still a major task ahead of us to slow it down – that starts with understanding what our impacts are.

City of Adelaide calculates greenhouse gas emissions generated by its community in a carbon inventory, which is prepared in accordance with the Greenhouse Gas Protocol for Community Scale Greenhouse Gas Emissions inventories (GPC) and shared publicly.

Between 2007 and 2022 our residential population grew by 41% and Gross Regional Product increased by 58 per cent. An important global goal is 'decoupling' economic growth from the use of fossil fuels that drives climate change.

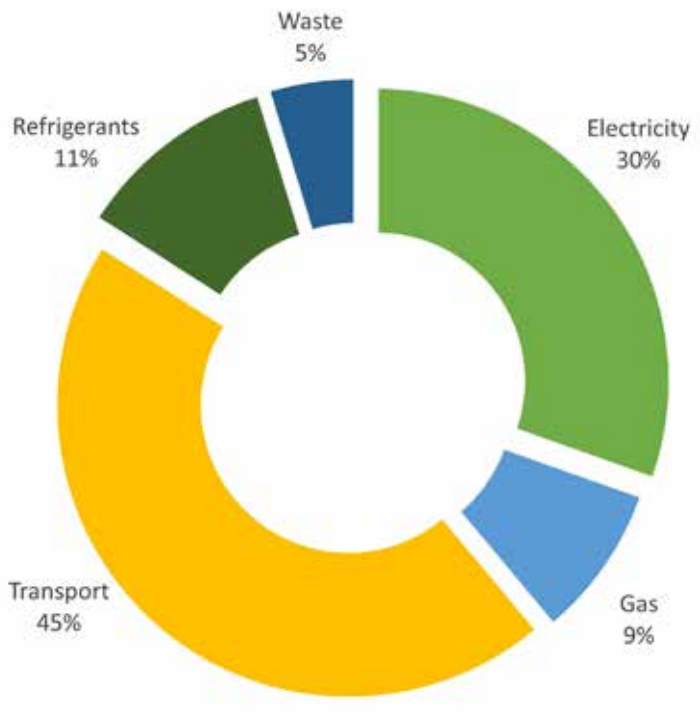
Following great gains in the first decade of the century, City of Adelaide set an aspirational target of a 35% reduction of our community emissions from 2006 by 2020 – the community achieved a 26% decrease by 2022.

By mid 2022:

- Emissions from electricity had **decreased by 62%** – primarily due to the State's rapid and world-leading transition to renewable electricity.
- Emissions from gas **increased by 10%**.
- Emissions from transport **increased by 64%**, including flights originating from or visiting the city.
- Waste emissions made up about 5% and refrigerants (from air conditioners and refrigerators) made up 11% of the total.

In 2022, community carbon emissions comprised of energy use (39%), transport (45%), refrigerants (11%) and waste (5%).

Figure 2. Community emission 2021/22



Building energy comprised 39% of City of Adelaide's community carbon emissions. Commercial buildings and apartments made up around 91% of this energy. Emissions from electricity are dropping fast – 62% since 2007 – while gas remains steady.

The biggest areas of influence for the next 10 years will be in the transition from gas to electric in buildings, and support for electric and low carbon vehicles.

Our achievements to now



More than 15MW

of solar capacity installed in the city and North Adelaide, quadrupled since 2016



65 % renewable electricity

in the South Australian grid



Over 54

public electric vehicle chargers installed since 2017, the amount of electricity dispatched increased 10-fold to 2023



Over 220

Carbon Neutral Adelaide partners



Over 700 projects

supported by $1.5 million in incentives for sustainability provided by the Council



50 small businesses

received free energy efficiency audits in 2021



23 small businesses

received over $81,000 towards efficiency upgrades



First organic waste separation

trial for outdoor spaces in Adelaide's Rundle Mall

Priorities for a net zero city

PRIORITIES	SCALE OF ACTION REQUIRED		INTEGRATED BENEFITS
	Where we are	What is needed	
4 All homes and businesses will be electrified and powered by renewables	Between 10 and 20 homes and businesses electrified with Council support per year	500 homes and businesses electrified each year, and all-electric new buildings	Net Zero City Nature Thrives Climate Leader
	Over 90 solar installations in 2022–23, 20 with Council support	300 new solar installations each year	
5 Public EV charging infrastructure is available for all users, including micro-mobility, catalysing the uptake of EVs in Adelaide	City of Adelaide first installed publicly available EV charging infrastructure in 2017, to demonstrate and provide leadership to the emerging EV industry and users, with 54 installed across our UPark businesses and on-street in 2022	Install an additional 100 public EV and bicycle chargers between 2022–2025 in collaboration with partners	
6 Triple the number of city workers who cycle to work, and double the number of local residents who walk to work	2.6% of city workers cycling to work (around 3,400 individuals)	10% of city workers choose to cycle to work, at least 10,000 extra people per day	
	24% of local residents walking to work (around 3,000 individuals)	48% of local residents choosing to walk to work, at least 6,000 extra people per day	

Priority: All homes and businesses will be electrified and powered by renewable energy

South Australia has a world leading renewable energy grid and regularly experiences days and weeks where the State's electricity needs are met entirely with wind and solar. The State Government has committed to a fully decarbonised grid by 2030 and is likely to beat this deadline.

City of Adelaide seeks to make the most of this world-leading grid through electrification, converting all energy sources to electricity.

Once the city's electricity is 100% renewable, this alone will result in a 35% reduction in the community's carbon emissions from 2020. If all city buildings are electrified, this will increase to a 44% drop in carbon emissions.

Our award-winning Sustainability Incentives Scheme provides rebates to support our community to make this transition, such as replacing gas appliances with electric, undertaking home energy assessments and solar installations.

In 2024 we will embark on an electrification program to support harder-to-electrify strata residential and commercial buildings to transition.

While the fit-out choice of new buildings is not under direct Council control, we support all new houses in the city being all-electric from 2025.

We will continue to investigate the use of community batteries and energy projects that capitalise on our green grid and support more affordable electricity, grid stability, and equitable sharing of renewable resources.

What has been done

88 O'Connell Street is being developed as a mixed use of apartments, commercial and retail, with sustainability principles at the forefront.

Residents will benefit from highly efficient, all-electric apartments with the most up-to-date kitchen appliances, air conditioning, centralised HVAC system for reuse of heat within the building, and electric vehicle chargers. The apartment designs are targeting a rating of 7 stars under the National House Energy Rating Scheme (NatHERS), one star higher than the minimum standards at the time of building, and 15% better performing than the construction code requirements.

The building provides shading treatments, double glazing and light-coloured external finishes to block and reflect heat, together with green landscaping.

Priority: Public EV charging infrastructure is available for all users catalysing the update of EVs, including micro-mobility, in Adelaide

Car vehicle ownership in the City of Adelaide indicates strong transition to low emissions vehicles. To support this uptake, we will develop the city's EV charging network to contribute to an overall sustainable transport system that maintains the city as an attractive place to live and work, and as an exciting destination for a range of visitors.

City of Adelaide's role will be to use its influence and market power to strike a balance between market demand for accessible EV charging infrastructure and broader integrated transport and city outcomes.

The most recent amendments to the National Construction Code (NCC) in Australia stipulate that starting from October 2024, 100% of car parking spaces in new apartment buildings must be EV-Ready along with 10% of office car parking and 20% of other commercial parking spaces.

We will work with developers and the development industry to support information provision and guidance for EV infrastructure.

For Adelaide, accelerating the shift to electric vehicles offers an opportunity for both improving local air quality and reducing noise and carbon emissions. This transition will be supported by City of Adelaide guiding the installation of new public electric vehicle chargers according to usage type.

City of Adelaide has a high population density compared to other parts of the metropolitan area – as well as high job density. These factors create demand for EV charging beyond what can be provided in private residences.

An accelerated EV uptake trajectory[1] would mean 25% of vehicles owned in 2030 and 100% in 2050 are electric, compared to 5% in 2030 and 75% in 2050 predicted with no government intervention.

Public charging solutions will be required to maintain the City of Adelaide as a preferred destination for visitors, as existing building stock is upgraded over time to support EVs.

1 Australian Electric Vehicle Market Study (ARENA and Energeia, 2018)

City of Adelaide's EV transition roadmap comprises seven key actions:

1. Lead on-street charging trials in residential areas with limited private off-street charging and constrained charging options through partnerships.
2. Facilitate the deployment of EV charging infrastructure within the City of Adelaide by establishing a clear framework for the roll-out of EV chargers at strategic locations.
3. Enable on-street EV chargers in select locations which support the transition to EVs and minimise impacts on public realm.
4. Partner with industry for the provision of destination charging within U-Park facilities.
5. Work with residential strata corporations to remove the barriers of installing EV charging infrastructure within multi-unit dwellings constructed prior to October 2024.
6. Advocate to the State Government for a coordinated approach to on-route and hub EV charging networks that considers the aspirations of the City of Adelaide for our community, environment, economy and places.
7. Advocate to the State Government for inclusion of EV charging provisions in legislation and statutory documents such as the Planning and Design Code and that pertain to EV parking for charging.

A carbon neutral UPark service is being developed to reduce carbon impact while electric vehicle price parity and a second-hand market is developing.

We will continue to support residents and businesses to install electric vehicle chargers through the Sustainability Incentives Scheme.

Investment Principles for EV Infrastructure

A net zero city	Aligns to sustainability objectives and powered by renewable energy
	Integrated with active transport infrastructure
Fosters attractive and competitive destinations	Aligned to key destinations
	Facilitates a range of visitor types and supports businesses, events, and visitations
User-Oriented, convenient and consistent	Interoperable, allowing charging for various vehicle types
	Reliable and minimises network downtime and disruption
	Conveniently located to support city users
Future-ready and innovative	Seeks to leverage new technologies and digital technology for management
	Seeks opportunities for pilots and trials
Fair and equitable	Meets the needs of all city users, including residents
	Equitable provision for residents and to support businesses
Leverages partnerships and collaboration	Active across advocacy, education, partnership and provision
	Delivered in partnerships with the private sector where appropriate
	EV owners have access to information on latest trends and opportunities

Priority: Triple the number of city workers cycling to work, and double the number of local residents walking to work.

Transport emissions account for around 45% of the community's carbon footprint. Movement of people to and around the city is essential for economic activity and vibrancy, and the City of Adelaide seeks to realise opportunities for low carbon, safe and equitable options for all.

Around the world, cities are being re-envisioned to create healthier streets that enable more people to walk, wheel, cycle, scoot or use public transport. Increasing the range and uptake of low carbon transport options in the city is essential to meeting ambitious carbon targets, community expectations and creating a liveable neighbourhoods.

For commuting into the city, over 43% of people use a car, equivalent to over 56,000 people. Around one quarter of those trips are coming from areas that

could be cycled in less than a 30-minute one-way trip. The average travel distance to the CBD is relatively short, at just over 13km compared to more than 18km for Sydney and Melbourne, 17km for Brisbane and 16km for Perth.

The Strategy seeks to create step change to dramatically increase walking, wheeling and cycling uptake by:

- Creating calmer, more pleasant and shady streets
- Creating a network of protected cycle lanes and intersections
- Increasing priority at intersections for pedestrian and cyclists.

We will develop an Integrated Transport Strategy to address movement, climate and community health and wellbeing by 2025.

Image: Community engagement to support cycling to work, Spring 2023.



Goal 3: A city where nature thrives

Natural ecosystems are protected and enhanced in a changing climate

One endangered ecological community*	Three threatened fauna species and one threatened flora species	183 indigenous plant species many of which are remnant to the Adelaide Plains	10 of the 33 native mammal species remain in the Adelaide Park Lands	1,300 megalitres of stormwater drains to local waterways per year

*Based on 2017/18 Flora and Fauna Surveys of the Adelaide Park Lands

The Adelaide Park Lands are a unique part of the City of Adelaide's character and culture. They receive approximately 10 million visits a year, for a wide variety of purposes. Their landscapes are highly variable and include open woodlands and grasslands, creeks, wetlands, a river, sporting fields, event spaces, curated gardens, playgrounds, roads and paths.

Embedded within these landscapes are areas of remnant native vegetation, mainly in the form of open grassy woodland and grasslands. These areas attract and host hundreds of species of associated wildlife, including some with conservation significance.

Karrawirri Pari/River Torrens is a significant ecosystem in the city winding through the Adelaide Park Lands on route from the Mt Lofty Ranges to Gulf St Vincent.

City of Adelaide has been protecting and enhancing biodiversity in the Adelaide Park Lands for many years, with the support of partners and the community.

This Strategy confirms our commitment to biodiversity conservation at the ecosystem, species, and genetic level, and sets new directions for management.

Adelaide is a city for nature, unrivalled by any other Australian capital city. We will protect and enhance nature for nature's sake, through First Nations' perspectives and nature positive design.

Nature-positive design focuses on the repair and regeneration of our species and ecosystems for nature's sake.



Priorities for a city where nature thrives

PRIORITIES	SCALE OF ACTION REQUIRED		INTEGRATED BENEFITS
	Where we are	What is needed	
7 Caring for Country in partnership with Kaurna Miyurna	Return of cultural fire to the Adelaide Park Lands with Kaurna Kardla Parranthi (cultural burn)	In collaboration with Kaurna, integrated, celebrated, and promoted 'Caring for Country' approaches	Resilience Climate Leader
8 Biodiversity, native grasslands and woodlands are protected and enhanced	Establish a comprehensive baseline of species, vegetation communities, and habitats to inform decision-making, guide management actions, and evaluate success	There is a net increase in biodiversity, habitats, and ecosystem health within the City of Adelaide by 2030	
9 Karrawirra Pari, waterways, Adelaide Park Lands and Squares act as arteries connecting our native species	Increase the stormwater catchment area diverted through large-scale treatment systems such as swales, basins and wetlands from 124.4 ha in 2020 (8%)	15% of urban stormwater catchment is directed to large-scale treatment systems	
	3.31 ha of aquatic and riparian flora and fauna in the River Torrens and urban water courses in 2022	Greater diversity of aquatic and terrestrial flora and fauna in the River Torrens and urban water courses	
	187 tonnes of stormwater (gross) pollutants captured and diverted to improve water quality in creeks and rivers in 2020	Reduce catchment-wide stormwater pollutant discharge loads by 856,922 kg/yr to meet SA Water Quality Targets	

Priority: Caring for Country in partnership with Kaurna Miyurna

Kaurna Miyurna hold native title over a large portion of the Adelaide Plains, including the City of Adelaide. The health, diversity and abundance of the land is due to thousands of years of Kaurna care. As a result, the ecosystems that were intact at the time of colonisation were carefully managed including the use of fire to clear and rejuvenate the land.

Many native species have adapted to rely on heat, flame or the chemicals in smoke to trigger seed germination. This practice has been halted since colonisation and seeds lay dormant in the soil.

We will work in partnership with Kaurna Miyurna to return Caring for Country practices and principles to management of the Adelaide Park Lands.

We will investigate a Kaurna interpretation program for the Pakapakanthi Wetlands.

What has been done

In 2021, Kaurna Kardla Parranthi (cultural burn) saw the return of cultural fire to the Adelaide Park Lands in Tuthangga (Park 17). An Adelaide Park Lands cultural fire management plan has also been prepared by Kaurna people.

Implementation of this plan will begin to repair areas of native grassland and woodland. There are known opportunities associated with the cultural burn (e.g. site preparation, monitoring).

Increasing collaboration with Kaurna Miyurna will provide cultural benefits for traditional owners and benefit our native ecosystems and local biodiversity by returning to the land practices that formed the landscape.

Priority: Biodiversity, native grasslands and woodlands are protected and enhanced

Native grasslands and woodlands are a window into the natural and cultural history of the Adelaide Park Lands. They attract, provide habitat and host native species that have lineage that pre-date colonisation.

As climate change increases its impact, heat refuges will become increasingly important for wildlife and the ecological integrity of our natural systems will assist in protecting against extreme weather events.

City of Adelaide has identified six Key Biodiversity Areas in the Adelaide Park Lands. We will continue to manage these areas to improve their ecological integrity and identify ways to expand and identify new biodiversity areas.

Through seed collection and native plant germination, City of Adelaide is contributing to the protection of important native seed banks.

We are focused on a comprehensive survey of the biodiversity of the Adelaide Park Lands to provide an evidenced base for our effort.

From the biodiversity survey, we will develop comprehensive mapping of our biodiversity and implement monitoring programs to quantify changes in biodiversity and ecosystem health due to large scale factors, such as climate change.

We will continue to work with communities and not-for-profit organisations to ensure the integrity of the city's biodiversity. We will strengthen our relationship to research institutions and the Adelaide Botanic Gardens in our quest to be native positive.

Priority: Karrawirra Pari, waterways, Adelaide Park Lands and Squares act as arteries connecting our native species

Water has always influenced the culture and creation of Adelaide. Karrawirra Pari is of continuing importance to the Kaurna people, for its association with food, hunting, resources and the Red Kangaroo Dreaming.

Other waterways that flow through the city include Park Lands Creek and Botanic Creek. These natural water courses have been augmented to drain rainfall runoff from urban areas, bringing with it pollutants. The waterways of the city are also impacted by stormwater discharging from upstream which requires active management of blue-green algae in the Torrens Lake, silting at Torrens Weir, woody weeds and pests such as carp.

City of Adelaide remains committed to slowing the flow of water, preventing pollutants, and enhancing aquatic and terrestrial biodiversity to restore highly valued areas of nature in our city.

We will restore aquatic biodiversity in Karrawirra Pari by establishing in-lake macrophyte zones to naturally filter stormwater and establish habitat for a diversity of riparian creatures.

We will renew Rymill Lake with integrated natural water management systems to sustain water quality.

We will rehabilitate watercourses such as Botanic Creek, Wirrarninith Wetlands, Park Lands Creek with native vegetation and protect their natural flow regime by managing urban stormwater volumes.

Waterways act as movement corridors for biodiversity, increasing the resilience of native animals and the spread of seed, pollen and other genetic material.

We will identify connections between areas of biodiversity and along waterways and restore these areas to nature.



What has been done

Wirranrninthi Wetlands

In Kaurna language Wirrarninthi (pronounced Wirranindi) means 'being transformed into a green forested area'.

During the last twenty years Wirranrninthi has been improved by planting trees, shrubs and grasses like those that were here prior to European colonisation.

The site is now used for recreation and is an environmentally valuable area for biodiversity.

The Park is the location for key initiatives for connecting with Country including Kids on Country.

Goal 4: Transition to a decarbonised economy

The economy transitions to become low carbon and circular

Adelaide has over 10,000 multi-unit dwellings in 600 strata and community title buildings	75% of waste bin contents in multi-unit dwellings are unrecovered resources	Over half of multi-unit waste bins were full of green organics waste that could be diverted	Only half of the materials that kerbside residents generate are successfully diverted from landfill

Worldwide, total material extraction is on the rise and has almost doubled since 2000, reaching 100 billion tonnes today[2].

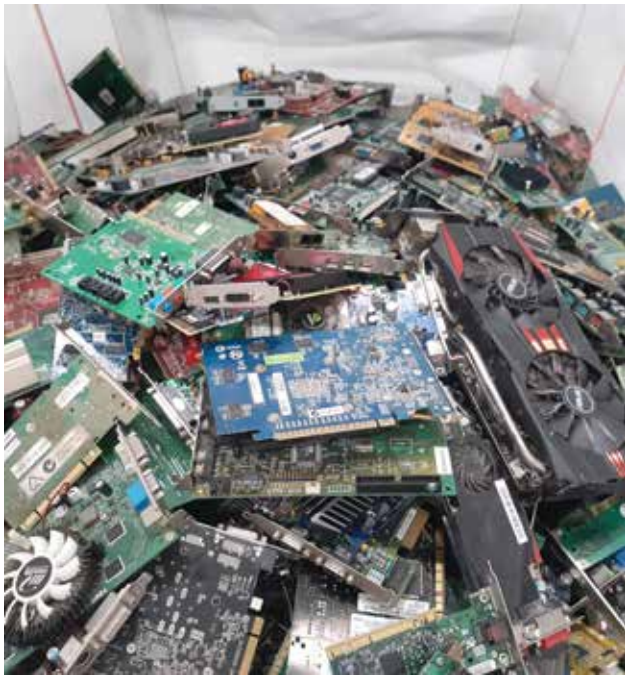
The prevailing linear economic model, characterised by a 'take-make-dispose' approach, results in the squandering of valuable materials in landfills, all while we persist in depleting precious natural resources for new production.

The concept of a low carbon and circular economy addresses concerns regarding resource scarcity, environmental pollution, and the economic constraints tied to current patterns of production and consumption. It prolongs the lifespan of materials, diminishing the necessity for extracting fresh natural resources. It urges re-evaluation of our consumption patterns, prompting us to question the need for new purchases and explore alternatives such as reuse, repair, refurbishment, and participation in product-sharing services.

Transition to a low carbon and circular economy opens avenues for innovation, economic expansion, and job creation. This requires structural changes that go beyond recycling. It comprises of a new understanding that there is not waste but only resources that can be reused and modified.

City of Adelaide will be a catalyst for change to address embodied carbon and achieve more circularity by 2035. To make this a reality, we will involve broad stakeholders and the State Government to localise supply chains and prioritise reuse.





Images: Electronic Recycling Australia (ERA) facility in Mansfield Park where customer drop-off to the Reuse and Recycling Hubs is processed.

2 The Circularity Gap Report 2023

Priorities for a transition to a decarbonised economy

PRIORITIES	SCALE OF ACTION REQUIRED		INTEGRATED BENEFITS
	Where we are	What is needed	
10 Growth in circular economy industries in the city	Establish baseline of existing circular economy industries including on its value and employment opportunities	Growth in circular economy industries in the city	Net Zero City Nature Thrives Climate Leader
11 Procurement decisions that localise supply, prioritise reuse and drive green industries	Establish baseline of common supply chains used by City of Adelaide and its community	Increase in sustainable supply chains commonly used by City of Adelaide and its community	
12 Zero avoidable kerbside waste to landfill ('zero waste') in 2035	50% landfill diversion rate from residential kerbside collections[3]	Divert 85% of residential kerbside collected waste from landfill	
	Food waste in landfill is over 30% by weight	Food waste in landfill is below 5% by weight	
	588 kilograms of waste generated per year per premise in 2022	Reduce waste generation by 15% per capita	
	21% of recycling bins from residential kerbside collections have some form of contamination	21% of recycling bins from residential kerbside collections have some form of contamination	

3 Waste and recycling audit report from 2022

Priority: Growth in circular economy industries in the city

City of Adelaide is unique, agile and ready for change. Our leading industries are well poised to capitalise on the economic benefits of a circular economy.

City of Adelaide will foster critical connections and support industry in this transition by leveraging the city's points of differentiation.

We will focus on six key areas:

1. **Food.** Reduce food waste generation and increase diversion of food waste from landfill.
2. **Fashion.** Boost the local economy through innovation in textile/fashion industry leading to retaining high quality resources in circulation and reducing impacts of fast fashion.
3. **Furniture.** Reduce the level of waste generated from discarded furniture, in particular from student accommodation and short-term rental accommodation.
4. **Fix-it (Repair).** Boost community resilience, reduce cost of living, keep materials in circulation through skill-share and repair.
5. **Fit-outs.** Support fit outs in city businesses to include circular economy and move higher up on the waste management hierarchy.
6. **Festivals.** Avoid waste generation, recover more resources, and boost circular economy in festivals and events.

Priority: Procurement decisions that localise supply, prioritise reuse and drive green industries

To influence supply chains, City of Adelaide will review its procurement practices to select products that:

- Replace raw materials with low embodied carbon, sustainably produced, renewable and recycled content.
- Reduce carbon emissions and keep materials in circulation for longer and at their highest value.



Image: Event Recycling System at WOMADelaide

Priority: Zero avoidable kerbside waste to landfill ('zero waste') in 2035

City of Adelaide residents live in a range of houses including many people choosing to call medium or high-density premises, like row houses, cottages or apartments, home.

Traditional 3-bin kerbside waste collection services are effective for some residents, but new models will be investigated to support multi-unit dwellings (MUDs) and higher density living.

Our focus in creating zero kerbside waste to landfill is removing food organics from the waste stream:

- **Food Organics** – change the frequency of collection of the food organics kerbside bin from fortnightly to weekly.
- **Research Partnership** – partner on a 3-year program of world-leading research to understand the behaviours that contribute to food waste.
- **Trials** – partner to deliver interventions that reduce food waste for residents, visitors, and businesses, with a focus on multi-unit dwellings, dining and hospitality.

City of Adelaide provides a kerbside service for eligible businesses. We will review these services to ensure equity and increase resource recovery.

What has been done

City of Adelaide in collaboration with Green Industries SA and the Adelaide Economic Development Agency introduced a three bin waste collection system in Rundle Mall in 2022 to support separation and recycling of food waste, compostable packaging, and bottles and cans.

The program was supported through a business incentive program, activations and events in the retail precinct.

Goal 5: A climate leading capital city council

We accept the challenge as one of the world's leading cities in addressing climate change

25% operational emissions from gas use in buildings	17% operational emissions from transport choices for fleet and commuting	57% operational emissions from supply chain purchases

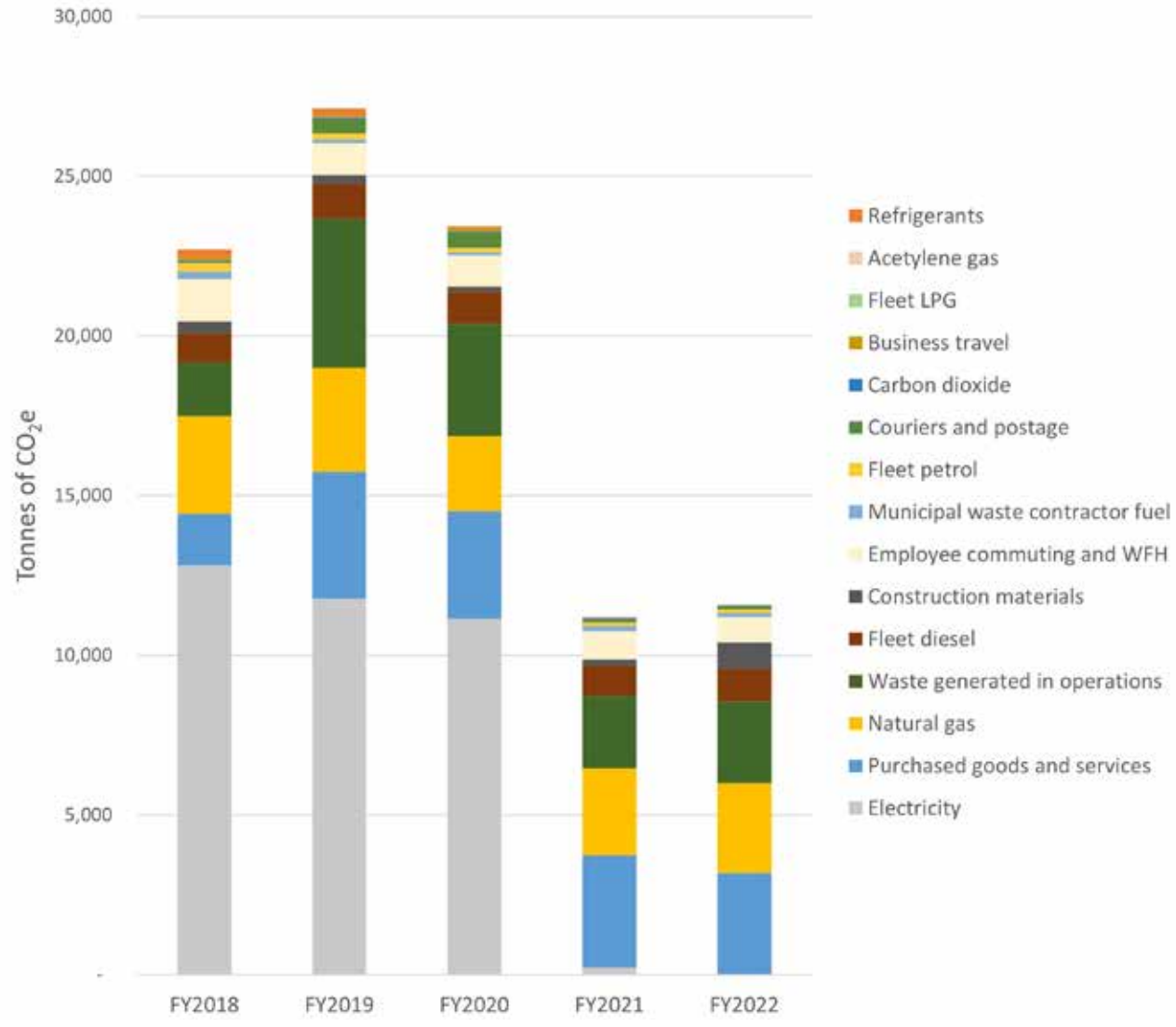
Our role in leading by doing cannot be underestimated. We aim to inspire others and share what we learn.

We have already achieved a 49% reduction in operational emissions, largely gained through moving to a 100% renewable electricity contract.

The remaining emissions will take concerted effort, as we explore new technologies and balance emission reductions with cost effectiveness and fit-for-purpose requirements.

We still have work to do to drive down our absolute emissions.

City of Adelaide Corporate Greenhouse Gas Emissions Profile 2018–2022



Priorities for a climate leading capital city council

PRIORITIES	SCALE OF ACTION REQUIRED		INTEGRATED BENEFITS
	Where we are	What is needed	
13 Reduce City of Adelaide's operational carbon emissions 75% from 2020 to 2030, and achieve absolute zero emissions by 2035	49% emissions reduction from 2020 to 2023	75% emission reduction from 2020 by 2030, and absolute zero by 2035	Net Zero City Resilience Nature Thrives Climate Leader
	13 buildings use natural gas	No buildings use natural gas	
	Partial measurement of embodied carbon	Embodied carbon is measured and minimised across all asset renewals and capital works	
	55% landfill diversion rate from City of Adelaide operations[4]	Divert 95% of waste from City of Adelaide activities and events from landfill	
14 Transitioning our corporate fleet to zero emissions	65% of light passenger vehicles are zero emission	100% of light passenger vehicles are zero emission	
	No zero emission utility vehicles and one hybrid truck	Transition over 70 utility vehicles and 20 trucks to zero emission models	
15 Climate change and sustainability are integrated into how we do business	Climate risk is reported through Council's Audit and Risk Committee	Climate resilience and risk are effectively measured and mitigated	
	Ad hoc assets and infrastructure are climate ready	Programmed approach for assets and infrastructure to be climate ready	
	Minimum standards for development on Council owned or operated land	All Council operations are undertaken with minimum sustainability requirements	

Priority: Reduce City of Adelaide's operational climate emission 75% from 2020 to 2030, and achieve absolute zero emissions by 2035

4 REMONDIS Australia: Customer reporting for the City of Adelaide July 2023

Image: Selection of City of Adelaide Fleet vehicles – Hyundai IONIQ 5 and an SEA Hino 100% electric truck



City of Adelaide has been Climate Active carbon neutral certified since 2020. Our progress towards carbon neutral certification has been a 20-year journey, improving efficiencies and employing smart technology to drive down emissions.

We have measured emissions in a formal corporate inventory since 2016.

After more than a decade of action, operational emissions have been halved to 12,152 tonnes of CO2-equivalent.

Council operates on a 100% renewable energy contract that removed all electricity emissions and reduced the City of Adelaide's carbon footprint by 52% from 2020 to 2021.

The challenge is to electrify the remaining buildings, vehicles and plant as renewals and replacements are due.

The remaining corporate emissions footprint is comprised of:

- Gas use in buildings (25%)
- Transport choices for fleet and commuting (17%)
- Supply chain purchases, including information technology, catering, waste, building maintenance, asphalt and concrete collectively (57%).

What has been done

City of Adelaide purchases a mix of Australian and international carbon offsets for its emissions footprint.

We purchase from credible certification schemes as permitted under the Federal Government's Climate Active Program. Nature-based projects that provide co-benefits for biodiversity and communities, and renewable energy projects in developing countries that will hasten the global transition away from fossil fuels, are prioritised.

City of Adelaide is leading a study to investigate how carbon offsets and local benefits can be generated in South Australia, in collaboration with nearly half the councils in the state.

Priority: Transitioning our corporate fleet to zero emissions

City of Adelaide has made great strides in transitioning its fleet to all-electric with over half of the Council's light passenger fleet converted to electric vehicles.

In 2022, City of Adelaide purchased a 100% electric Hino truck, the first in South Australia. We will continue to monitor the market for new electric vehicles models like utilities and trucks and encourage our contractors and suppliers to explore these options when they become available.

City of Adelaide is a founding member of the South Adelaide Government Electric Vehicle Fleet Pledge Program where we have pledged to integrated electric vehicles into our fleet as cost effective and fit for purpose models become available.

Our targets for completing the transition of our operational vehicles to electric are:

Type	Total vehicles*	Status 2023	Target 2030
Utility passenger	70	0%	75%
Golf carts, shuttles, small sweepers	37	100%	100%
Medium and heavy vehicles	22	4% – pilot	50%
Light passenger vehicles	20	65%	100%
Ride on mowers	18	0%	50%
Horticulture 'gators'	13	54%	100%
Light rigid trucks	15	0%	50%

*The total count of vehicles changes frequently, due to the renewal schedule.

Priority: Climate change and sustainability are integrated into how we do business

Climate change and sustainability are everyone's responsibility at the City of Adelaide and will be integrated into how we do business.

In implementing the Strategy:

- We will maintain transparent reporting of climate change impacts for our organisation and our community.
- We will purchase goods and services that are low carbon, sustainable, and incorporate recycled materials.
- We will consider climate change risk and sustainability in all capital works projects and asset renewals.
- We will plan for climate resilience through our infrastructure and asset management plans and targets in our long-term financial plan.
- We will improve intelligence in asset management and geographic information system services to allow predictive asset management strategies.
- We will integrate sustainability in our project and asset management frameworks.
- We will provide training and induction in City of Adelaide's climate and sustainability commitments to all new employees.
- We will advocate to our State and Federal Governments and engage with our communities.



Climate Change Governance

Delivery and Resourcing

A resource plan and monitoring approach for the Strategy is in development. Key delivery mechanisms include:

Climate Change Action Initiative Fund

City of Adelaide has an established Climate Change Action Initiative Fund to drive investment in the Strategy. The Fund can be scaled up proportional to Council's priorities as determined through its annual business plan and budget processes.

Sustainability Incentives Scheme

Partnerships and support to businesses and communities will be through our Sustainability Incentives Scheme which provides rebates for residents, businesses, and not-for-profit groups to make sustainable practices and technology more accessible and affordable.

Property Strategy

There is opportunity for Council's property portfolio to drive transitional resilience including alternative energy generation and storage networks as Council assets.

Urban Greening

Over the 2022/23 and 2023/24 financial years Council allocated $1.7 million to greening to increase tree canopy cover in the City of Adelaide and the Adelaide Park Lands.

Asset Management & Long-term Financial Plans

Council will progressively review its long-term Asset Management and Financial Plans to capture the costs and required service levels for improved resilience of Council's infrastructure and asset portfolio.

Audit and Risk Committee

Reporting of climate risk will be through Council's Audit and Risk Committee. Progress towards the Strategy will be reported in Council's Annual Report.

Climate Disclosure

Responses to climate change are now being assessed by more broadly considering physical risk (the risks posed by a different future climate) and climate change governance.

City of Adelaide has a strong commitment to responding to the challenges posed by climate change and addressing current and emerging physical and traditional risks and climate change governance. This includes prioritising climate change governance actions, public disclosure of risk, incorporating physical and transition risks into Council's risk register, this adaptation roadmap and reviewing liabilities.

We will implement best practice sustainability reporting frameworks to ensure alignment to better practice governance, strategy, risk management and monitoring of metrics and targets applicable to environmental management.

Partnerships

Engagement with the residents and businesses in the City of Adelaide is critical to becoming net zero carbon and nature positive, because much of the decision-making for change rests with them.

Partnerships are fostered to deliver multiple priority outcomes and catalyse action in the community. Our partnership and engagement approaches are for sharing knowledge; supporting early adoption of great ideas and technology; fostering business growth for climate solutions; and celebrating excellence and leadership. Established partnerships for climate responses and nature protection include:

Kaurna Yerta Aboriginal Corporation

The holders of Native Title for Greater Adelaide who hold traditional knowledge and values in caring for country over tens of thousands of years, with the City of Adelaide at the heart of Kaurna Yerta (Country).

Carbon Neutral Adelaide Partners

A group of more than 220 organisations launched in 2017 and facilitated by Council, who support the goal of a carbon neutral city and actively 'play their part' through sharing knowledge, collaborating and advocacy.

Capital City Committee

An intergovernmental body whose primary function is to enhance and promote the development of the city of Adelaide as the capital city of the state, through projects, engagement, partnerships and investment.

Capital City Committee of Lord Mayors

Operated for over 50 years, the CCCLM represents the interests of the Lord Mayors of Australia's eight capital cities and ACT Chief Minister. In 2019, the CCCLM made a commitment to work together over the long term on climate action and City of Adelaide has a formal role on the climate action working group.

Carbon Neutral Cities Alliance

A collaboration of 22 leading global cities formed in 2015 working to achieve carbon neutrality in the next 10–20 years, representing the most aggressive greenhouse gas reduction targets undertaken anywhere by any city.

Resilient East

A group of eight Councils under a State Government sector agreement who collaborate to tackle climate change impacts and increase adaptation at a regional scale.

Green Industries SA

SA Government department that supports development of the circular economy and fosters the resource recovery and recycling sectors though funding and education.

Green Adelaide

A statutory board established in July 2020 by the Government of South Australia, with a vision to create a cooler, greener, wilder and climate-resilient Adelaide that celebrates our unique culture.

Cooperative Research Centres and Universities

Project partnerships have been established with the Fight Food Waste CRC to tackle food waste in restaurant districts and multi-unit dwellings and the RACE for 2030 CRC to investigate pathways to a net zero Rundle Mall.

Community and business groups

Several other local groups have connections to the Adelaide Park Lands, for example through tree-planting and bush care, business activity, advocacy and recreation. These include residents' associations and precinct groups.

Community and business engagement is a dynamic practice, evolving in line with the increasing sophistication of climate responses. It can include general information campaigns, research collaborations, art and cultural activity, project working groups, seeking advice and fostering cooperation, and more.

Strategic Alignment

City of Adelaide

City of Adelaide endorsed a draft Strategic Plan 2024–2028 on 24 October 2024 that sets a vision:

Our Adelaide. Bold. Aspirational. Innovative.

This draft Integrated Climate Strategy delivers the Environment pillar of the Strategic Plan:

Our Environment: resilient, protected and sustainable.

It provides additional detail about how Council will deliver the following outcomes:

- Lead as a Low Carbon Emissions City
- Be a sustainable climate resilient city and embed climate resilience in all that we do.
- Be active in the promotion of the status, attributes and character of our green spaces and the Adelaide Park Lands by protecting and strengthening their integrity and value

City of Adelaide is preparing **City Plan 2036** to support growth in the city and North Adelaide. City Plan includes spatial mapping and digital tool to improve evidenced based decision making.

State Government

The draft Strategy has been prepared with reference to key strategic documents of the Government of South Australia including:

South Australian Economic Statement – Smart, Sustainable, Inclusive: sets the vision of the State Government for South Australia, to be 'an economy fit for the future, improving the wellbeing of all South Australians'. It contains three missions in response to the challenges South Australian's face today and will face in the future; to capitalise on the global green transition, be a partner of choice in an insecure world and build South Australia's talent.

South Australia's Electric Vehicle Action Plan: in 2020, the State Government released the Electric Vehicle Action Plan, which outlines their ambition to bring forward the adoption of EVs and achieve a 50% reduction in State greenhouse gas emissions by 2030 from 2005 levels. The Action Plan includes actions to make EVs the common choice for motorists by 2030, and the default choice by 2035.

Green Industries SA Strategic Plan 2021–2025: this strategic plan outlines how South Australia can ensure a sustainable future while maintaining a thriving economy. Green Industries SA's five strategic priorities will focus on: Circular products and services, Circular consumption, Circular resource recovery, Circular sectors and Circular capacity over the next five years. This strategic plan delivers a circular economy roadmap that aligns with the United Nations' Sustainable Development Goals.





CITY OF ADELAIDE

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2023-24 End of Year Financial Reporting Process & External Timetable

Friday, 16 February 2024
Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:
Nicole Van Berkel, Acting Manager Finance & Procurement

Public

Approving Officer:
Anthony Spartalis, Acting Chief Operating Officer

EXECUTIVE SUMMARY

This report seeks Audit and Risk Committee endorsement of the External Audit terms of engagement, provisional timetable and audit plan.

The *Local Government Act 1999 (SA)* and the *Local Government (Financial Management) Regulations 2011* require an audit opinion to be expressed assuring that the Council financial statements are in accordance with Australian Accounting Standards. BDO has been engaged as the audit firm for this requirement to express an opinion on the veracity of the Annual Financial Statements.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the endorsement by the Audit and Risk Committee that the external audit plan, as contained in **Attachment C** to Item 5.4 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024, is consistent with the scope of the External Audit engagement and relevant legislation and standards.
2. Approves the proposed 2023-24 End of Year Financial Reporting process and external audit timetable as contained in **Attachment C** to Item 5.4 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
3. Notes the external auditor's independence declaration in relation to the audit engagement for the year ended 30 June 2024 as detailed in **Attachment A** to Item 5.4 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
4. Approves the External Audit terms of engagement as contained in **Attachment A** and **Attachment B** to Item 5.4 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Financial sustainability is critical to achieving our vision and Council will carefully manage its revenue, costs, debts and assets.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Regulation 10 of the *Local Government (Financial Management) Regulations 2011*
Opportunities	Not as a result of this report
23/24 Budget Allocation	The external Audit Fees of $78,500 are fully budgeted for in Operating Expenditure
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. The objective and scope of the external audit and the audit obligations are established by the *Local Government Act and Regulations*. Specifically, the conduct of the annual external audit is set out in Section 129 of the *Local Government Act 1999 SA* (the Act), while the *Local Government (Financial Management) Regulations 2011* (the Regulations) also refer to auditing standards and consideration of internal controls. The Act also requires a separate report on matters arising from the audit report be provided to the Audit and Risk Committee, as well as the principal member of Council, who must ensure that copies are provided to the other members of Council.
2. The Australian Auditing Standards recommends that the auditor sends an engagement letter documenting and confirming the auditor's acceptance of the appointment, objectives and scope, the auditor's responsibilities and the form of any reports. The Letters of Engagement received from BDO have been included as **Attachment A** and **Attachment B.**
3. Under the Regulations, the financial statements of the Council must include a certification of financial statements, in a form determined by the Minister, signed by the Chief Executive Officer and the principal member of the Council as set out in Part 4 (14) of the Regulations.
4. There is further requirement under section 126(4) of the Act for the Audit and Risk Committee to review the annual financial statements for The Corporation of the City of Adelaide to ensure that they fairly represent the state of affairs of the Council.
5. The Audit and Risk Committee Terms of Reference state that the Audit and Risk Committee shall oversee the relationship with the External Auditor, including, but not limited to:
    5.1. Recommending the approval of the External Audit terms of engagement.
    5.2. Endorsing the Audit timetable and the Annual External Audit Plan.
    5.3. Meet with the External Auditor at least once a year, without management present.
    5.4. Review findings of the External Audit with the External Auditor.
6. A provisional timetable has been prepared (**Attachment C**) setting out the key dates to ensure end of year reporting is completed in a timely and efficient manner.
7. BDO is scheduled to carry out their interim internal control and financial statement testing during the period 29 April to 10 May 2024.
8. The final audit concentrating on the Corporation of the City of Adelaide's Financial Statements will be carried out during the period 12 August to 30 August 2024.
9. The purpose of the External Audit is primarily to enable the External Auditor to express an opinion on the veracity of the Annual Financial Statements. It is standard practice of the External Auditor to plan and organise the external audit independently of management. A copy of BDO's proposed external audit plan is included as **Attachment C**.
10. The terms of reference require that the Audit and Risk Committee meet the External Auditor at least once a year, without management being present, to discuss their merit and any issues arising from the External Audit. In line with the proposed audit timetable, it is considered that the meeting proposed for September 2024 (subject to change based on approved Audit and Risk Committee Workplan) to receive the Auditor's Report is an appropriate forum for this to occur.
11. The External Auditors are required to provide a report on matters arising from the audit including management's comments on those issues, where applicable. This report will be provided to the Audit and Risk Committee for consideration. The Audit and Risk Committee's Terms of Reference also require the committee to review any Letter of Representation that the External Auditors may wish to be signed by the Chief Executive Officer, on Council's behalf. Subject to any outstanding issues in relation to the Audit being resolved on a timely basis, it is proposed to sign the Annual Financial Statements together with the required Letter of Representation after the Audit and Risk Committee meeting in September 2024 (subject to change based on approved Audit and Risk Committee Workplan).
12. The final report for presentation to Council of the Financial Statements is planned for the meeting of Council scheduled in September 2024 (subject to change based on approved Audit and Risk Committee Workplan).
13. BDO has also provided a statement of auditor's independence to the Audit Committee in relation to the audit engagement for the year ended 30 June 2024. This has been included as Appendix 1 to **Attachment A.**

ATTACHMENTS

Attachment A – Letter of Engagement – Financial Statements

Attachment B – Letter of Engagement – Internal Controls

Attachment C – Annual External Audit Plan

- END OF REPORT -

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Ms Nicolle Rantanen Reynolds
City of Adelaide
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25 January 2024

Dear Ms Rantanen Reynolds

ASSURANCE ENGAGEMENTS ON CONTROLS

Design and Operating Effectiveness of Controls

You have requested that we undertake a reasonable assurance engagement on the design of controls established by City of Adelaide in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, and the operating effectiveness of these controls throughout the period 1 July 2023 to 30 June 2024 in accordance with the requirements of the *Local Government Act 1999*. The control objectives to be addressed are specified by legislation, which are that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are conducted properly and in accordance with law.

We are pleased to confirm our acceptance and our understanding of this reasonable assurance engagement by means of this letter. Our assurance engagement will be conducted with the objective of expressing an opinion on the suitability of the design of controls within City of Adelaide's systems to achieve the stated control objectives, and the operating effectiveness of those controls throughout the period.

Responsibilities of the assurance practitioner

We will conduct our assurance engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls*. That standard requires that we comply with ethical requirements applicable to assurance engagements and plan and perform procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives, and the controls operated effectively throughout the period. An assurance engagement involves performing procedures to obtain evidence about the design, description and operating effectiveness of controls.

The procedures selected depend on the assurance practitioner's professional judgement, including the assessment of the risks of material deficiencies in the design or deviations in the operating effectiveness of the controls.

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of controls there is an unavoidable risk that some deficiencies in the design or deviations in the operating effectiveness of controls may not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

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The responsibilities of management and identification of the applicable control framework

Our assurance engagement will be conducted on the basis that management acknowledges and understands that they have responsibility:

a) That throughout the period, in all material respects, and based on suitable criteria:
   i. The controls within City of Adelaide's system were suitably designed to achieve the identified control objectives; and
   ii. The controls operated effectively to achieve the control objectives;
b) For the identification of suitable control objectives which are specified by law in relation to the system;
c) For the identification of risks that threaten achievement of the control objectives identified;
d) For design of the system, comprising controls which will mitigate those risks so that those risks will not prevent achievement of the identified control objectives and therefore that the control objectives will be achieved;
e) For operation of the controls as designed throughout the period;
f) To provide us with:
   i. Access to all information of which those charged with governance and management are aware that is relevant to the description of the system and design and operation of the controls within that system;
   ii. Additional information that we may request from those charged with governance and management for the purposes of this assurance engagement; and
   iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

As part of our engagement, we will request from management written confirmation concerning representations made to us in connection with the engagement.

Assurance Approach

We will examine and evaluate the controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities.

Due to the complex nature of internal control, our assurance procedures will not encompass all individual controls at City of Adelaide, but will be restricted to an examination of those controls reported which achieve the control objectives specified by legislation.

Assurance Procedures

Our assurance procedures will include:

a) Obtaining an understanding of the control environment of City of Adelaide relevant to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
b) Evaluating the design of specific controls by:
   i. Assessing the risks that threaten achievement of the control objectives; and
   ii. Evaluating whether the controls described are capable of addressing those risks and achieving the related control objectives;
c) Making enquiries, inspecting documents, conducting walk throughs and re-performance of controls to ascertain whether the degree of compliance with controls is sufficient to achieve their control objectives throughout the period.

Assurance Report

The format of the report will be in accordance with ASAE 3150 with respect to reasonable assurance engagements. An example of the proposed report is contained in the appendix to this letter.

Our opinion will be phrased in terms of the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls as designed.

Material Deficiencies in Design or Deviations in Operating Effectiveness of Controls

We will issue an assurance report without modification, to provide a reasonable assurance conclusion on the controls relevant to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities where our procedures do not identify a material deficiency in the design of controls necessary to achieve the control objectives, or deviation in the operating effectiveness of controls as designed. For this purpose, a material deviation, misstatement or deficiency exists when:

a) The controls as designed or the degree of compliance with them will not or may not achieve the control objectives in all material respects; and
b) Knowledge of that deficiency or deviation would be material to users of the assurance report.

If our assurance engagement identifies that there are material deficiencies in the design or deviations in the operating effectiveness of controls during the period covered by the report, such deficiencies or deviations will be disclosed in our report even if they were corrected prior to the end of the reporting period. However, our report will indicate that such deviations were corrected if that is the case. If any material deficiencies or deviations disclosed in our report have been corrected subsequent to this period (or are in the process of being corrected), we will refer to this in our report.

Although the primary purpose of our assurance engagement will be to enable us to issue the above described report, we may also provide you with a letter containing recommendations for strengthening controls if such matters are observed during the process of the assurance engagement. Although issues raised may not represent deficiencies in design or deviations in operating effectiveness of the controls which are material to our conclusion, our recommendations will address areas where we believe controls could be improved.

We look forward to full cooperation from your staff during our assurance engagement.

Terms of Trade

The terms of this engagement are per the services agreement for provision of external audit services contract number T2020 0038.

Yours faithfully

BDO Audit Pty Ltd

Linh Dao
Director

APPENDIX 1

DRAFT INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF CITY OF ADELAIDE

Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of Adelaide (the Council) in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2023 to 30 June 2024 relevant to ensuring such transactions have been conducted properly and in accordance with law.

In our opinion, in all material respects:

(a) The controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
(b) The controls operated effectively as designed throughout the period from 1 July 2023 to 30 June 2024.

Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Council's responsibilities for the internal controls

The Council is responsible for:

a) The receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
b) Identifying the control objectives
c) Identifying the risks that threaten achievement of the control objectives
d) Designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
e) Operating effectively the controls as designed throughout the period.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Assurance practitioner's responsibilities

Our responsibility is to express an opinion, in all material respects, on the suitability of the design to achieve the control objectives and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities. ASAE 3150 requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

Limitations of controls

Because of the inherent limitations of an assurance engagement, together with any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved and so fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

BDO Audit Pty Ltd

Linh Dao
Director

Adelaide, XX Month 2024

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Ms Nicolle Rantanen Reynolds
Presiding Member, Audit & Risk Committee
City of Adelaide
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25 January 2024

Dear Ms Rantanen Reynolds

TERMS OF ENGAGEMENT - AUDIT

The purpose of this letter is to set out the basis on which BDO Audit Pty Ltd (BDO) acts as auditors of City of Adelaide (the Council) and the respective areas of responsibility of the Council's officers and of BDO.

Audit of the financial report

The objective and scope of the audit

You have requested that we audit the financial report of City of Adelaide which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies, and the certification of the financial statements of the consolidated entity comprising the Council and the entities it controlled at the year's end or from time to time during the financial year.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

The responsibilities of the auditor

We will conduct our audit in accordance with Australian Auditing Standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

The responsibilities of management and identification of the applicable financial reporting framework

Our audit will be conducted on the basis that the Council's officers acknowledge and understand that they have responsibility:

a) For the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011* made under the Act and Australian Accounting Standards

b) For such internal control as the Council's officers determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error and

c) To provide us with:

   i. Access to all information of which the Council's officers and management are aware that is relevant to the preparation of the financial report whether obtained from within or outside of the general and subsidiary ledgers, such as records, documentation and other matters including access to information relevant to disclosures;

   ii. Additional information that we may request from the directors and management for the purpose of the audit; and

iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;

d) To inform us of any documents that you expect to issue that may comprise other information;

i. If the other information is provided prior to the auditor's report date; the financial report and any other information obtained prior to the date of the auditor's report will be consistent with one another, and the other information will not contain any material misstatements;

ii. If the other information is not provided prior to the auditor's report date; to provide and/or issue such other information that will enable us to complete our required procedures.

As part of our audit process, we will request from management and where appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation from your staff during our audit.

Other requirements

The Council's officers will inform us of any material event occurring between the date of our report and the date of issue of the financial report, which may affect the financial report.

Expected form and content of the auditor's report

We have included an example audit report in Appendix 1 to this letter, which reflects the form and content of the auditor's report, in the circumstance where the auditor has concluded that an unmodified opinion is appropriate based on the audit evidence obtained, including the reporting on other information. The form and content of our report may vary from the example in light of our audit findings.

Fees

Our audit fees are detailed in the annual audit plan.

Our fees are based on our understanding of your current operations and the required scope of the engagement. If these alter, the estimated fee will need to be revised.

Our fees do not include any advice or assistance that may be given in respect of accounting issues. Whilst brief ad hoc advice provided in the course of our engagement is generally included in our proposed fee, formal advice, assistance with complex issues or meetings to discuss these issues which necessitate increased professional time fall outside the scope of this engagement and the estimated fee. Fees for any assistance provided outside the scope of this engagement will be negotiated and agreed prior to the services being performed.

Our fees assume that all engagement schedules and reports will be available upon commencement of the engagement and that the financial report will be prepared by your staff. If schedules and reports are not provided within the agreed timetable, additional costs may be incurred and charged to you.

Should these assumptions not remain valid, we will inform you prior to the occurrence of additional costs.

In addition, we will disburse to you a technology levy as a percentage (3%) of our fees to cover software licensing, data storage and usage costs.

Other matters under the Local Government Act 1999

Independence

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of the *Local Government Act 1999* in relation to the audit of the financial report. In conducting our audit of the financial report, should we become aware that we have contravened the independence requirements of the *Local Government Act 1999*, we shall notify you on a timely basis. As part of our audit process, we shall also provide you with a written independence declaration as required by the *Local Government Act 1999*.

Enquiries from oversight bodies

The Council's officers shall notify BDO of any enquiries, such as financial reporting surveillance enquiries, from any oversight body that relate to the audit engagement as soon as practicable.

Presentation of the audited financial report on the internet

If you intend to electronically present the audited financial report and auditor's report on your web site or any other digital media, the security and controls over information on the relevant web site shall be addressed by the entity to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial information on the entity's web site is beyond the scope of the audit of the financial report. Responsibility for the electronic presentation of the financial report on the entity's web site is that of the governing body of the entity.

Terms of trade

The terms of this engagement are per the services agreement for the provision of external audit services contract number T2020 0038.

Yours faithfully

BDO Audit Pty Ltd

Linh Dao
Director

EXAMPLE INDEPENDENT AUDITOR'S REPORT

TO THE PRINCIPAL MEMBER OF THE CITY OF ADELAIDE

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of Adelaide and its subsidiaries (the Council), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the certification of the financial statements.

In our opinion the accompanying financial report of City of Adelaide presents fairly, in all material respects, the Council's financial position as at 30 June 2024, and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards, the *Local Government Act 1999,* and the *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Local Government Act 1999, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the X report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council's Officers for the Financial Report

The Council's officers are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as the Council's officers determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council's officers are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council's officers either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf.

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Linh Dao
Director

Adelaide, XX Month 2024



CITY OF ADELAIDE

Annual audit plan

30 June 2024

IDEAS | PEOPLE | TRUST

BDO

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Dear Audit and Risk Committee Members

Thank you for the opportunity to present our annual audit plan ('plan') for City of Adelaide ('Council' or 'CoA') for the year ending 30 June 2024.

Our plan has been developed with input from Council's management and continues to be based on our understanding of City of Adelaide's business and operating environment.

We acknowledge that throughout the year there may be business developments, circumstances may change and additional matters may arise. Our plan will be responsive to your needs and will maximise audit effectiveness so we can deliver the high-quality audit you expect.

This plan is intended solely for management and the Audit & Risk Committee and is not intended to be and should not be used by anyone other than these specified parties.

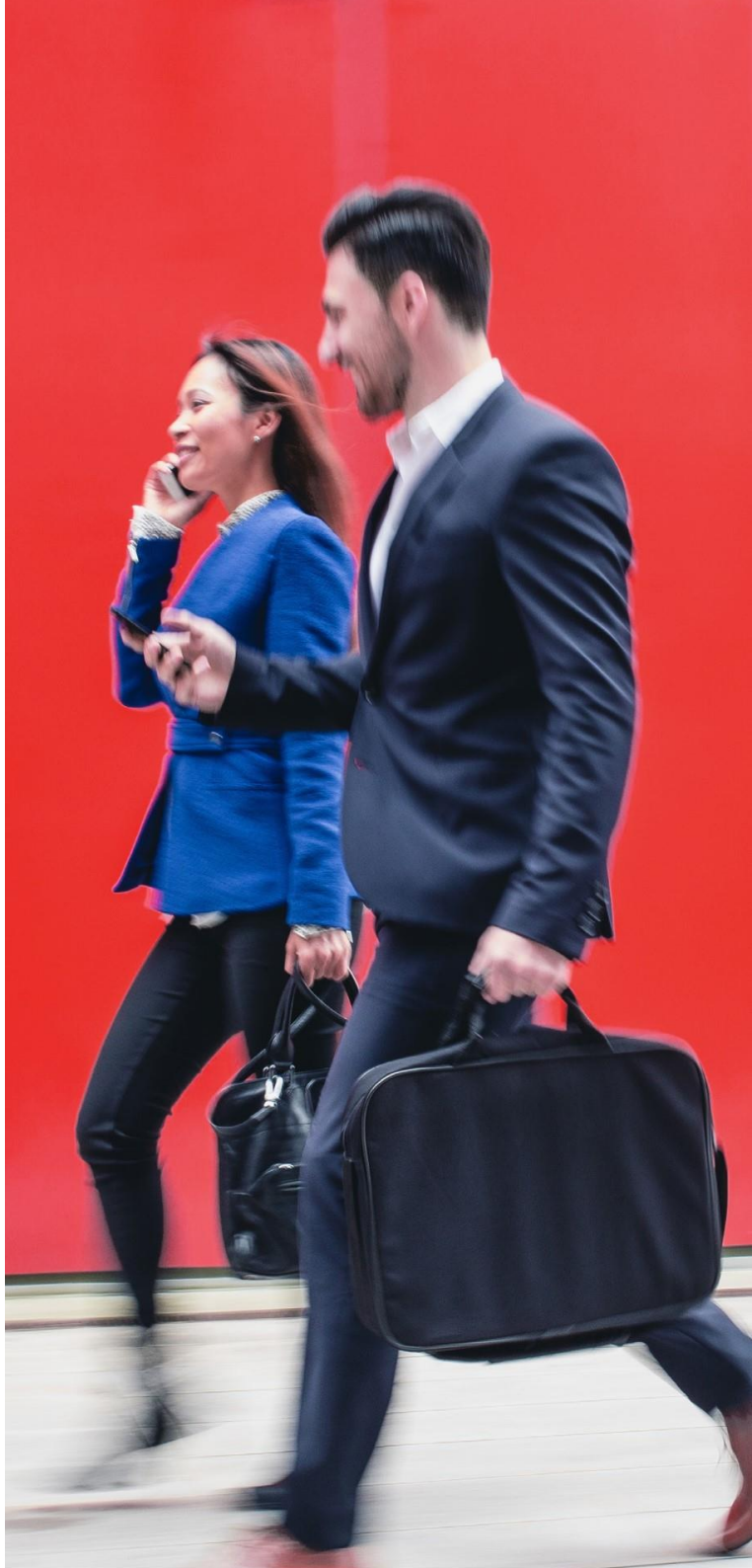
We welcome the opportunity to discuss our plan with you at the Audit & Risk Committee on 16 February 2024.

Please feel free to contact me on +61 8 7324 6147 if you have any questions or would like to discuss the content of this plan further.

Yours faithfully

Linh Dao
Lead audit partner

Adelaide, 25 January 2024





YOUR BDO TEAM

Your engagement team provides a combination of continuity and fresh ideas. This helps to ensure that we build on previous experience and make the audit process as smooth as possible.

YOUR BDO TEAM

Our audit of City of Adelaide will be led by Linh Dao as Engagement Partner. Linh will oversee the co-ordination of the audit and will have primary responsibility for working with Anthony Spartalis, Nicole Van Berkel and their team.

Supporting Linh will be Jennifer Zhou as audit manager and Andy Nguyen as senior in charge.

Jennifer is responsible for the day-to-day direction of the audit work and is the key point of contact for Council management.

The day-to-day audit team will be led by Jennifer.

SPECIALISTS

When auditing key judgements, we are often required to engage specialists who have qualifications and expertise not possessed by the core audit team. Supporting the engagement team will be our IT Specialist, who will review the IT environment and any relevant IT general controls as part of the audit.



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OUR OBJECTIVES AND APPROACH

OBJECTIVES

Our audit is performed with the objective of enabling us to express an opinion as to whether

- The financial report is prepared, in all material aspects, in accordance with Australian Accounting Standard, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, and
- Controls exercised by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law based on criteria established in the Better Practice Model – Financial Internal Control for South Australia Councils issued by the Local Government Association of South Australia.

APPROACH

Our audit is performed in accordance with the BDO Audit Approach, which is documented using our global audit tool, APT. It consists of four key phases:

Scoping → Planning → Obtain evidence → Completion

A RISK DRIVEN AUDIT

Our audit approach is driven by our assessment of risks of material misstatement, based on a robust understanding of your business from an internal and external point of view. Our approach is centred around:

- Obtaining an understanding of the business, its environment, and the applicable financial reporting framework
- Identifying and assessing risks of material misstatement
- Assessing the controls in place to address and prevent these risks
- Designing and executing appropriate procedures to obtain evidence, including the use of data analytics where appropriate
- Ensuring rigorous quality management over audit performance.

INTERNAL CONTROL

We obtain an understanding of the system of internal control relevant to the audit to assist us with our risk assessment procedures. Our understanding covers:

- The overall control environment
- The entity's risk assessment process
- The information system, including IT applications and related business processes, relevant to financial reporting, and communication
- Control activities relevant to the audit
- Activities the entity uses to monitor internal control relevant to financial reporting.

OUR OBJECTIVES AND APPROACH *CONTINUED*

COMMUNICATIONS

We communicate to the Audit & Risk Committee in writing any significant deficiencies that come to our attention during the audit on a timely basis.

In addition, we communicate with management the significant deficiencies being reported to those charged with governance and any other deficiencies identified that in our judgement are of sufficient importance to merit management's attention. In doing so, we will provide recommendations to improve internal controls and business systems.

FRAUD

During the course of our audit, we make enquiries of those charged with governance, management, and others to identify any known instances of fraud. We also make enquiries to understand where you consider the risks are in relation to fraud and if you have any knowledge of actual or suspected fraud. This also includes considering the risk of management override of controls.

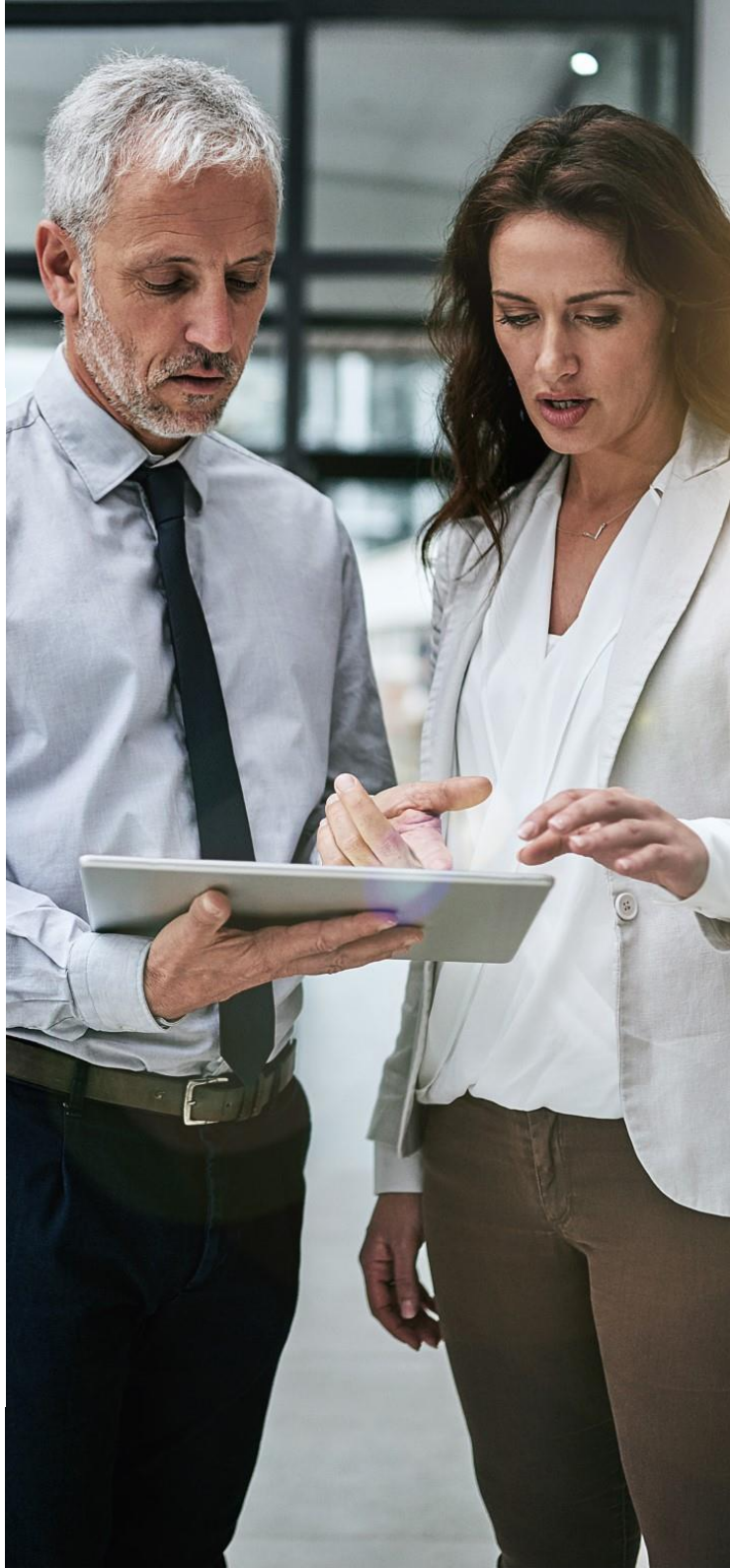
It should be noted that our audit is not designed to detect fraud, however, should instances of fraud come to our attention, we will report them to you.

GOING CONCERN

As part of our audit, we will review management's assessment of the ability of the entity to continue as a going concern for the 12 months from the date of signing the financial report and therefore whether the going concern basis for the preparation of the financial report is appropriate.

LAWS AND REGULATIONS

We make enquiries in relation to any non-compliance with laws and regulations impacting the period under audit. If we become aware of any instances of non-compliance with laws and regulations which would materially impact on the financial position or performance of the entity, then we will report them to you on a timely basis to consider the impact on the financial report.





AUDIT QUALITY

Our System of Quality Management (SOQM) provides the foundation on which we build and maintain a culture of quality and it enables the behaviours and actions of our partners and staff to achieve quality on a consistent basis. Our SOQM sets out the key drivers of audit quality, including the specific attributes that are critical in enhancing and maintaining quality. For further information on the elements of our SOQM and how we consistently achieve quality outcomes, refer to our Transparency Report.

INDEPENDENCE AND OBJECTIVITY

Our commitment to be independent, act objectively, with the necessary integrity, professional competence and due care are key defining qualities that contribute to exceptional client service. At BDO, we adhere to all relevant ethical standards and requirements both within and external to our network.

All engagement team members, including experts and specialists, are required to confirm and declare their independence from audit clients and any related entities prior to commencing work on the engagement.

Your BDO team is independent and will continue to work with objectivity in all aspects of the engagement.

EXPERIENCE AND EXPERTISE

The appropriate composition of engagement teams is fundamental to delivering a high-quality audit. We ensure partners and staff have the necessary experience, competencies, and technical skills to undertake their engagements. For complex engagements, we consider the need to appoint specialists or experts to assist with specific risk areas.

Your BDO team possesses the relevant experience and expertise necessary to perform an effective audit.

PROFESSIONAL JUDGMENT AND SCEPTICISM

Professional judgment is the systematic practice of making the best possible decision considering professional standards and the facts and circumstances of a situation. To exercise professional judgment requires professional scepticism. This means having a questioning mind, being alert to anything that may indicate misstatement and critically assessing audit evidence.

We will continue to question and challenge key assumptions and judgments made by management in preparing the 30 June 2024 financial report.



RISK ASSESSMENT AND AREAS OF FOCUS

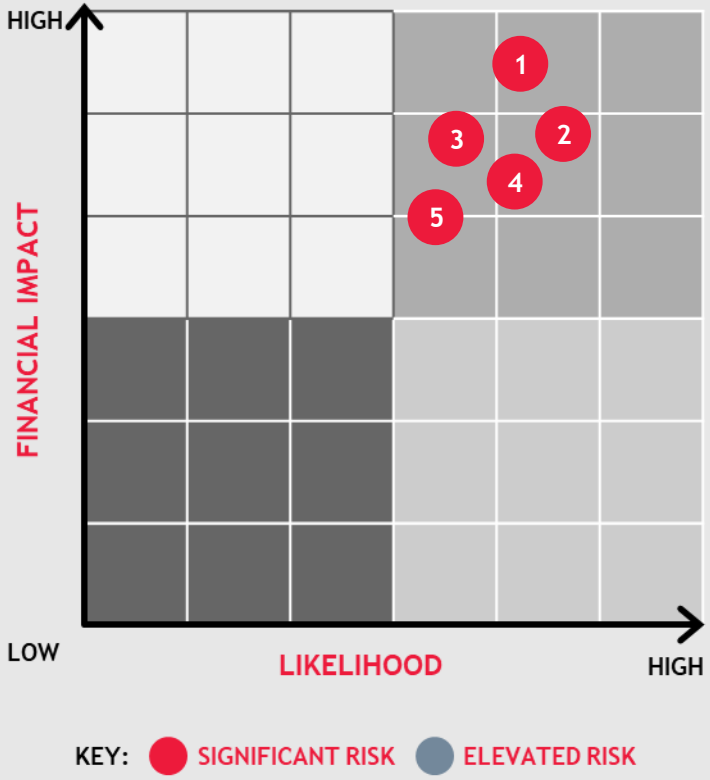
In line with our audit approach and based on our understanding of City of Adelaide, we have identified the risks of material misstatement (RMM) at both the engagement and assertion level. In assessing the RMMs, we use a spectrum of risk based on the likelihood of a misstatement occurring and the magnitude of the misstatement in the context of our materiality. We use inherent risk factors (complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or fraud) to drive risk identification and assessment.

Our initial assessment is shown in the matrix for the risks identified at the upper end of our spectrum (Significant and Elevated).

On the subsequent page we have set out our perspective on the potential impact on the financial statements and our proposed approach to respond to the risks.

We will continue to be alert for risks during the course of the audit and update our assessment and responses as required.

RISK MATRIX





RISK ASSESSMENT AND AREAS OF FOCUS *CONTINUED*

#	AREAS OF FOCUS	OUR PERSPECTIVE	PLANNED RESPONSE
1	Revaluation of infrastructure, property, plant and equipment	Council's infrastructure, property, plant and equipment is carried at valuation. There is a risk that these balances are misstated as a result of the application and inappropriate valuation methodologies, or incorrect underlying assumptions.	We will evaluate the competence, capability and objectivity of the independent valuers, if any, obtain an understanding of their work and evaluate its appropriateness.
2	Accounting treatment of Capital Work In Progress (WIP)	There is a risk that the accounting treatment of items captured within Capital WIP may not be in accordance with Australian Accounting Standards.	We will obtain the WIP schedule and review in detail a sample of projects outstanding at the end of the year to ensure they are likely to generate assets. We will also review a sample of assets transferred out of the Capital WIP to check that the categorisation and value allocated to the relevant fixed asset class is appropriate. Furthermore, we will make inquiry of Central Market Arcade development progress and assess the appropriateness of ongoing accounting treatment for relevant financial statement areas.
3	Management override of internal controls	Australian Auditing Standards require that we presume there is a risk that management has the ability to manipulate accounting records and override control that otherwise appear to be operating effectively.	Our response will include a review of key internal controls at the Council to mitigate the risk of management override. We will test the appropriateness of journal entries and other adjustments made in the preparation of the financial report. We will also review accounting estimates for bias, and evaluate the business rationale (or lack of) of any significant transactions that are outside of the normal course of business or that otherwise appear to be unusual.



RISK ASSESSMENT AND AREAS OF FOCUS *CONTINUED*

#	AREAS OF FOCUS	OUR PERSPECTIVE	PLANNED RESPONSE
4	Cut-off of grant funding and accuracy of any amounts deferred at 30 June 2023	There is a risk of error in the calculation of grant income recognised and deferred at the end of the year by reference to grant agreements and Australian Accounting Standards.	We will obtain the schedule of grant income recognised and deferred at year end. We will select a sample of grants and obtain the agreements to review in detail and test that they have been recognised in accordance with AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities.*
5	Assets held for sale & discontinued operations	In prior year, Council reported $26mil non-current assets held for sale relating to the former Franklin Street bus terminal. A contract for sale and purchase has been entered into with regard to this site during the year. Furthermore, Council and State Government entered into an agreement to develop a new Adelaide Aquatic Centre (AAC). Under this arrangement, the current AAC will cease operations from August 2024. These agreements are complex in nature involving various components that need accounting for separately under relevant Australian Accounting Standards.	We will audit the accounting treatment by reference to supporting documents including management position papers, relevant agreements, and the requirement of applicable Accounting Standards. We will assess if relevant disclosures made to the financial statements are in compliance with the applicable reporting framework.



INTERNAL CONTROL ASSESSMENT

We are required to provide an audit opinion on Council's internal controls in accordance with Section 129(1)(b) of the *Local Government Act 1999*. Our assessment of internal controls is based on the criteria in the Better Practice Model – Financial Control for South Australian Councils as issued by the Local Government Association of South Australia.

The Better Practice Model emphasises a risk based approach to internal financial controls. It states that a Council should design and implement internal financial controls activities and monitoring systems that prioritise extreme and high financial risk as identified by the Council's risk tolerance framework.

RISK ASSESSMENT

BDO has used the risk assessment matrix per the Better Practice Model to create a general expected risk assessment. The assessment is only focused on the business impact of the risks. Each risk is assigned risk category of low, moderate, high. The results of our initial assessment is as follows:

RISK CATEGORY	RISK LEVEL		
	HIGH	MODERATE	LOW
Strategic Financial Planning	-	3	9
Assets	3	5	19
Liabilities	-	4	10
Revenue	3	6	5
Expenses	6	5	8
External Services	-	2	-
Financial Governance	-	-	3

We expect to receive Council's risk assessment of internal controls as part of the planning process. Once received we will compare and understand any differences between the two assessments. Based on the results of this comparison, we will consider the impact on our audit approach.

CONTROL ASSESSMENT

Once the risk assessment is complete, we undertake a control assessment classifying each control as key or non-key. All controls associated with high risks are considered to be key controls. Controls with moderate risks are assessed and allocated key or non-key.

CONTROL TYPE	DESCRIPTION
Key Control	The absence of these controls operating may have a significant impact on mitigating the risks. All key controls are included within our audit testing.
Non-Key Control	The absence of these controls in place may not have a significant impact on mitigating the risks as the operation of a key control in the same area may provide sufficient mitigation. The level of testing of non-key controls is dependent on the risk assessment. See the next section for more details.



INTERNAL CONTROL ASSESSMENT *CONTINUED*

CONTROL TESTING

The risk and control assessments performed by BDO will then determine our level of testing of the controls in place to address the risks.

RISK LEVEL	LEVEL OF TESTING OF CONTROLS	REASON
High	All controls to be tested, all considered to be key.	Control failure may result in a significant business impact, therefore an increased level of assurance is required in relation to the effectiveness of the controls supporting high risks.
Moderate	All identified key controls and a selection of non-key controls selected based on our professional judgement.	Control failure may result in a moderate business impact, therefore a normal level of assurance is required in relation to effectiveness of the controls supporting moderate risks.
Low	No testing of controls.	Control failure is unlikely to result in a significant business impact.

The number of controls to we plan to test for each risk category is as follows:

RISK CATEGORY	CONTROLS TO BE TESTED
Strategic Financial Planning	11
Assets	20
Liabilities	8
Revenue	16
Expenses	24
External Services	3
Financial Governance	-
Total	**82**

Due to the number of controls involved we have not provided a detailed list of controls in this report. We can provide the detailed list of controls separately as required. The controls selected for testing represent our assessment of those required to be tested to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law based on criteria established in the Better Practice Model – Financial Internal Control for South Australia Councils issued by the Local Government Association of South Australia.

MATERIALITY CONTINUED

Materiality means, in the context of an audit, if financial information is omitted, misstated or not disclosed it has the potential to (adversely) affect the decisions of users of the financial report. Materiality is used by auditors in making judgements on the amount of work to be performed, which balances require work and for evaluating the effect of misstatements. Materiality is initially calculated at the planning stage and re-assessed prior to providing our opinion.

During the course of our audit we may identify misstatements and these will be reported to you at the conclusion of our work based on our assessment of materiality at that stage (this may have been updated from the materiality calculated at the planning stage). It should be noted that the auditing standards do not require us to communicate misstatements that are considered 'clearly trivial' and as such, if we identify such misstatements we will not communicate these to you.

We determine materiality by considering a range of both qualitative and quantitative factors when applying our professional judgement.

Our engagement materiality for the 30 June 2024 audit is based on 1.8% forecasted total assets. Our estimated materiality levels are set in the table below:

ENGAGEMENT MATERIALITY	$34,000,000
SPECIFIC MATERIALITY	$3,800,000
CLEARLY TRIVIAL THRESHOLD	$190,000

Specific materiality will be applied to the financial statement areas that are related to operating activities, whereas engagement materiality will be applied to financial statement areas of capital expense nature. Specific materiality is set at 1.8% of Council's total expenditure for the year.

The planning materiality has been calculated based on Council's budgeted results and financial position for the year ended 30 June 2024. These will be revisited and amended accordingly based on final trial balance provided to us for audit.





TIMELINE

AUDIT MILESTONES

We recognise that regular, timely communication with management and the Audit & Risk Committee is critical to maintaining an effective and transparent relationship. Our audit process operates throughout the year so that we can respond to issues as they arise and maintain close communication, with management and the Audit & Risk Committee, as the audit cycle progresses.

We have set out below the timing of significant milestones to include on-site visits, key meeting dates and reporting deadlines with respect to the completion of the audit.

MILESTONE	RESPONSIBILITY	DATE
Planning meeting with management	BDO & management	Completed
Audit & Risk Committee meeting and submission of Annual audit plan	BDO & management	February 2024
ITGC review planning commences	BDO & management	April/ May 2024
Interim audit visit commences, including review of controls and transactional testing	BDO & management	2 weeks commencing 29 April 2024
Issuance of interim management letter	BDO	By 3 June 2024
Final audit visit commences (ACMA and acquittal audits to commence first)	BDO & management	12 August to 6 September 2024
Financial statements ready for the audit	Management	The week commencing 19 August 2024
Close out meeting with management	BDO & management	6 September 2024
Submission of audit completion report	BDO	16 September 2024



TIMELINE *CONTINUED*

MILESTONE	RESPONSIBILITY	DATE
Financial statements presented to Audit & Risk Committee	BDO, management & Audit & Risk Committee	27 September 2024
Chief Executive Officer and Principal Member of Council to approve and sign off Certification of Financial Statements, Certification of Auditors Independence and management representation letter	Council	27 September 2024
Issue Independent Auditor's Report and Certificate of Auditor Independence in relation to Independence	BDO	27 September 2024



FEES

FEES

The proposed fee for all services provided for the year ending 30 June 2024 is as below. All amounts are exclusive of GST.

AUDIT SERVICES	FY24 PROPOSED	FY23 ACTUAL
Financial statement audits	$36,600	$38,000
Internal financial control audit	$24,400	$23,000
Minor Audits	$11,000	$10,000
Total fee	$72,000	$71,000

ASSUMPTIONS

Any reasonable out of pocket expense are charged to you as disbursements when incurred. Our estimate is based on our understanding of your current operations and the required scope of the audit. If these alter, the proposed fee will need to be revised.

Our proposed fees do not include any advice or assistance that may be given in respect of accounting issues. Whilst brief ad hoc information provided in the course of our audit is generally included in our proposed fee, formal advice, assistance with complex issues or meetings to discuss these issues falls outside the scope of our proposed fee. Fees for assistance provided will be negotiated prior to services being performed.

In addition, we will disburse to you a technology levy as a percentage of our fees to cover software licensing, data storage and usage costs.

ASSISTANCE REQUIRED

In order to keep our time and costs to a minimum, we appreciate your assistance with the following:

- Ensure you have documented your policies and procedures surrounding your business processes, from initiation and processing through to recording and reporting, of transactions, account balances and disclosures. Including how your IT systems and applications are being used in this process
- With your approval, providing us access to extract data from your IT systems to enable us to use our data analytic tools in the BDO Advantage suite
- Preparing position papers for all key judgements and estimates, using your experts and specialists as required
- Management providing all deliverables in line with the agreed timetable
- Assistance from your staff with supporting documentation and explanations during the audit process
- Disclosure by your staff of all information relevant to the engagement in a timely manner

We will provide you with an audit preparation package through our Global Portal.



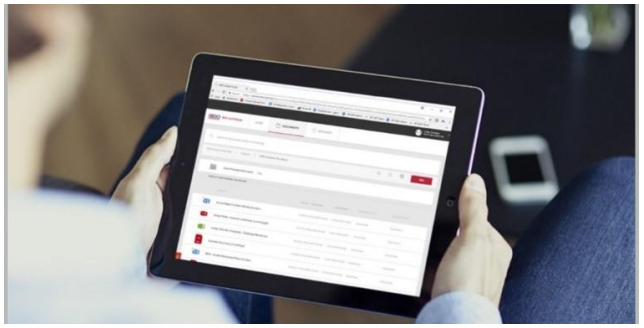
BDO'S GLOBAL PORTAL

BDO'S CLIENT PORTAL

To enhance our communication and to reduce any potential expectation gaps, we will continue to use the BDO Global Portal ('portal').

In addition to facilitating the secure exchange of information, the use of the portal assists with project management and provides a live view of progress to both BDO and City of Adelaide.

We will consult with you about how you would like us to communicate during the engagement, and the frequency of our status updates. In addition, whether it is to provide ad-hoc support, brainstorm ideas, or discuss any aspect of our services, the portal can assist. The key features of the portal are illustrated below:



ONLINE CLIENT COLLABORATION

- Upload information and documentation in one secure place
- Track actions and milestones for BDO and client responsibilities.

A FLEXIBLE, SECURE PLATFORM WITH LOCAL CUSTOMISATION

- Security - permission and access can be set at a project level for different users such as your staff or our BDO teams
- You can receive a daily or weekly digest, summarising all activity that has occurred on the portal
- View document audit trails, reducing the risk of email misdirection.

DIGITISED PAPERWORK AND WORKFLOW

- Approve and sign documents all within the portal, allowing for better transparency and speedier project progress
- Set dates with calendar reminders for when BDO requires certain documentation or information to be uploaded or completed
- Assign tasks to specific users
- Portal supports multiple document types and views.



BDO ADVANTAGE

BDO ADVANTAGE: OUR INNOVATIVE AUDIT TECHNOLOGY PLATFORM

Today's business, regardless of industry or location, becomes increasingly digital-centric. Companies accumulate a great amount of data in their systems, but data becomes valuable only if we present and analyse them in such a way that they actually bring benefits. Today, we can do this effectively with **BDO Advantage**.

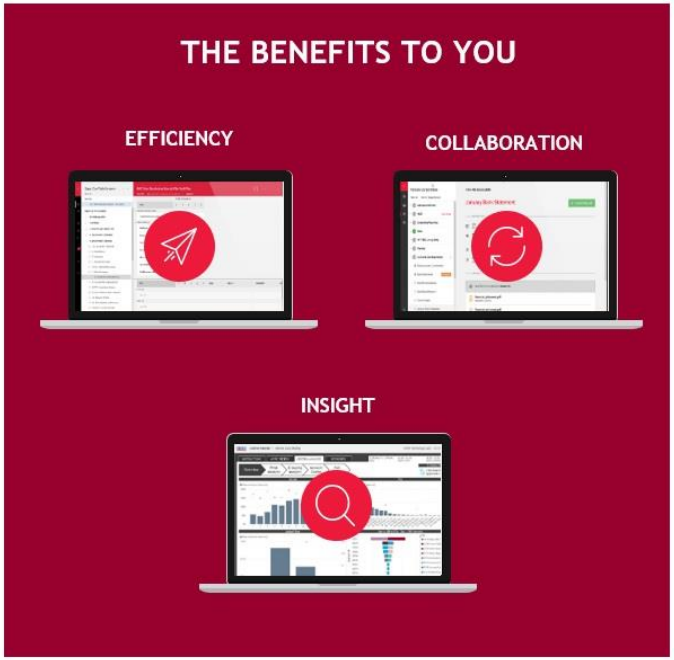
Our new suite of Data Analytics tools (BDO Advantage) enables us to enhance our audit approach through the extraction and analysis of data, to provide assurance for our audit and valuable insights for your business – allowing you to quickly address anomalies and make better decisions.

BENEFITS TO YOU

- **Audit** quality – Audit Data Analytics (ADAs) are engineered to identify risk areas requiring attention more rapidly. Conversely, areas requiring less attention are similarly identified using consistent visualisations derived from underlying data, providing a more effective audit and enhanced audit quality
- Reduced reliance on sampling – ADAs and the supporting methodology focuses our attention on notable items indicating higher risk of material misstatement within a population, allowing for targeted efforts to be directed to those items meriting the most attention. Entire populations do not ordinarily require significant amounts of traditional sampling. Rather, efforts are directed to tests of transactions indicative of higher risk, while simultaneously reducing efforts on those that do not indicate risk
- More meaningful audits – As we perform less sampling on entire populations and focus our efforts on outliers and unusual patterns within your datasets in consistent models, we will increasingly focus our energy on performing more meaningful and interesting work.

THE FUTURE

BDO is committed to innovation. As a firm, we are increasingly investing in building and implementing digital tools as part of the BDO Digital Audit Suite, to make the audits we deliver more efficient and insightful for you. As the BDO Digital Audit Suite evolves, we will apply these tools as part of your audit, where we believe they will deliver benefits to you as our client.





APPENDIX 1 OTHER COMMUNICATION

ETHICS AND INDEPENDENCE

In conducting our audit, we are required to comply with the independence requirements of the *Local Government Act 1999,* the *Local Government (Financial Management) Regulation 2011* and Part 4A of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

We obtain independence declarations from all staff engaged in the audit. We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

Should any independence matters arise, we will bring them to your immediate attention.

For the comfort of those charged with governance, we note that the following processes assist in maintaining our independence:

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- All services performed by any BDO division or office have been reported below.

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To enhance our communication and to reduce any potential expectation gaps with clients, BDO has adopted a structured reporting system. We will communicate with the Audit & Risk committee and management through various means. This includes but is not limited to:

- This audit plan
- Management letter after our interim visit
- The BDO Client Portal
- An audit completion report at the conclusion of the audit
- The audit report.

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We have prepared this report solely for the use of City of Adelaide. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

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Community Safety Internal Audit

Strategic Alignment – Our Corporation

Public

Friday, 16 February 2024
Audit and Risk Committee

Program Contact:
Manager Governance

Approving Officer:
Anthony Spartalis, Acting Chief Operating Officer

EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focusing on the Council's community safety framework was performed.

The internal audit identified two high, five moderate and one low risk rated finding, with four improvement opportunities.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively, and to advise how it can improve performance.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 5.5 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
2. Endorses the responses of the Administration to the Community Safety Internal Audit Report as outlined in Attachment A to Item 5.5 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Internal audit is an essential component of a good governance framework. It enables the Council to ensure it performs its function legally, effectively, and efficiently.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities. Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively, and to advise how it can improve performance
Opportunities	Internal audit suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The Community Safety Internal Audit was performed by CoA's Risk and Audit Analyst, in accordance with the 2023-24 Internal Audit Plan. A copy of the Audit Report can be found in **Attachment A**.

Report

2. This audit aligns with CoA's Strategic Risk – Compliance: Non-compliance of Council policies and legislative requirements.
3. The objective of the Community Safety audit considered the following three elements:
    - 3.1. Community Safety:
        - 3.1.1. CoA's policies and procedures
        - 3.1.2. The overall organisation structure
        - 3.1.3. End-to-end processes for conducting and recording community safety inspections
        - 3.1.4. Processes regarding regulatory enforcement
    - 3.2. Role of Community Safety in Homelessness
    - 3.3. Safer City Action Plan
4. The findings of the internal audit are indexed into the following risk ratings:

Finding	Risk Rating	Management response Report reference
No finalised documented guideline for the prioritisation of requests	High	Attachment A – p.10 of original
No documented processes in place for managing expiations	High	Attachment A – p.12 of original
Finalise the Local Nuisance Exemption Assessment	Moderate	Attachment A – p.14 of original
Inconsistent reporting channel for a work order request	Moderate	Attachment A – p.15 of original
Staff email is used for waste work order request notifications	Moderate	Attachment A – p.17 of original
Inconsistent reporting on actions when on-call	Moderate	Attachment A – p.18 of original
Clarification of roles	Moderate	Attachment A – p.20 of original
No review period was identified for SOPs	Low	Attachment A – p.23 of original
Opportunity to streamline the questions and workflows in Pathway	Improvement Opportunity	Attachment A – p.25 of original
Opportunity to improve monitoring of the Action Plan	Improvement Opportunity	Attachment A – p.27 of original
Opportunity to streamline customer service requests	Improvement Opportunity	Attachment A – p.29 of original
No categorisation for Dry Areas	Improvement Opportunity	Attachment A – p.31 of original

5. Management has considered the findings and provided actions and time frames to address these findings. These have been included in the report in **Attachment A**.

ATTACHMENTS

Attachment A – Community Safety Internal Audit

- END OF REPORT -

INTERNAL AUDIT REPORT:

COMMUNITY SAFETY

Prepared by: Annette Pianezzola, Risk & Audit Analyst

December 2023

CITY OF ADELAIDE


PRO-TEC
NIKE SB
SHANNON
COTE & TOTS

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Distribution			
For action:		For information and approval:	
Alana Martin	Manager, Governance	City of Adelaide	Strategic Risk and Internal Audit Group
Stephen Zaluski	Associate Director, Regulatory Services	City of Adelaide	Audit and Risk Committee
Sarah Gilmour	Associate Director Park Lands, Policy & Sustainability	Clare Mockler	Chief Executive Officer
Martin Smallridge	Manager, Customer & Marketing		
Noni Williams	Acting Associate Director, City Operations		

1. EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA), an internal audit focussing on the Council's community safety framework was performed. The objective, scope, approach, and findings are outlined below.

2. OBJECTIVES

The objective of this internal audit project considered the following three elements:

- Community Safety
    - CoA's policies and procedures.
    - The overall organisation structure.
    - End-to-end processes for conducting and recording community safety inspections.
    - Processes regarding regulatory enforcement.
- Role of Community Safety in Homelessness
- Safer City Action Plan

The review assessed the processes and procedures within the community safety framework and the relationship between the Homeless Coordinator role and the community safety officer roles, including the roles and relationships with non-profit organisations and government agencies. In addition, with the conclusion of the 2019-2023 Safer City Action Plan, the requirements for consideration in the new action plan.

This review is included in the 2023-24 Internal Audit Plan to assure the CoA Executive Team, the Executive Strategic Risk & Internal Audit Group (SRIA), and the CoA Audit & Risk Committee (ARC).

3. SCOPE

This audit has assessed the overall community safety framework.

3.1 Scope Topics

The eight main audit areas are:

- **Governance Framework** – are there relevant policies/procedures and guidelines about community safety in place? Are we adhering to legislative requirements? What is the overall organisation structure, resources, roles, and responsibilities for community safety? Is this sufficient? What is the role of SAPOL and relevant State Government agencies, and what are their current touch points/relationships with CoA?
- **Compliance** – are there processes for conducting and recording community safety inspections? Is this managed efficiently and effectively? What is the process for following up on any issues raised during the inspection? What is the process for determining any enforcement action, including issuing, appealing, and waiving any regulatory expiations? Is the decision-making process documented in case it is challenged?
- **Customer Service** – how are queries/reports responded to? Are reports/incidents prioritised for investigation? Are current request volumes, response times, and SLAs appropriate/consistent with other Councils? Is the current operational resourcing mix of responding to requests vs proactive monitoring considered appropriate?

- **Roles and Responsibilities** – what support do the Community Safety Officers provide to the community? What support does the Homelessness Coordination role provide to the community, and how does this relationship impact Community Safety Officers? Are there duplications of duties/tasks, and what opportunities can be identified?
- **Systems** – what systems are used to manage community safety inspections? Does legislation manage this? How is the data collected for the city's inspection and monitoring, including enforcement? What systems are in place for supporting homelessness data collection and other homelessness-related tasks?
- **Safety and Training** – what safety measures and processes do we have in place for CoA Community Safety staff (including when working after hours)? Is sufficient relevant training provided?
- **Policy and Strategy** – as the 2019-2023 Safer City Action Plan concludes, what is required for the new action plan? How well did we go against the concluding plan, and was it sufficient, or change is required? Can any improvements be made to the new plan, that will be beneficial? What must CoA consider and how will this impact the Community Safety service? Are there clear targets, the Council's role definitions, and transparent CoA integration? How are these targets covered in the current framework?
- **Benchmarking** – how does CoA compare to other capital cities in their approach to customer inquiries and close-out of requests?

3.2 Timeframes

- The scope was developed and approved by SRIA on 2 August 2023. The audit began in August 2023.
- Consultation and meetings with relevant stakeholders occurred from August to November 2023 to gather and source information.
- Meetings with action owners and report finalisation occurred in December 2023.
- The report will be presented to SRIA in December 2023.
- The final report will be presented to the ARC in February 2024.

4. METHODOLOGY

The audit focused on the community safety framework against the following guidelines and procedures:

- City Safety Enforcement Guideline
- Community Safety – Standard Operating Procedures
- Homelessness, Social Housing & Housing Affordability Policy 2022 - 2025

The engagement was performed using the following approach:

- CoA staff member Annette Pianezzola, Risk & Audit Analyst performed the audit.
- One-on-one discussions with relevant CoA Programs:
    - City Culture
    - City Operations

  - Park Lands, Policy & Sustainability
  - Governance
  - Customer & Marketing
  - Information Management
- Review of relevant documentation associated with the community safety framework.
- Review of current IT systems utilised and the effectiveness of those systems.
- Review the current prioritisation of customer requests and how these are forwarded to the relevant areas to address.
- Review the roles and responsibilities to ensure the Community Safety team has the sufficient resources to perform their duties.
- Review the roles and responsibilities of CoA, other government agencies, and non-profit organisations.
- Review the concluding Safer City Action Plan to determine how actions were achieved and what is required for the new plan.
- Benchmark against other South Australian Councils on several customer requests received and current resourcing structures.

5. BACKGROUND

5.1 Customer Service Request

Customer service requests are received via the Customer Centre via email, phone, or online. These requests are entered into Pathway, the City of Adelaide's enterprise resource planning system, enabling local governments to manage regulatory services, land, property revenue, and customer requests. The requests are forwarded to the relevant teams to address the customer's inquiry. When a request is forwarded to the Community Safety Team, these requests are allocated to the five Community Safety Officers (CSO) depending on the location of the request. Over the last three financial years, the number of requests received are as follows:

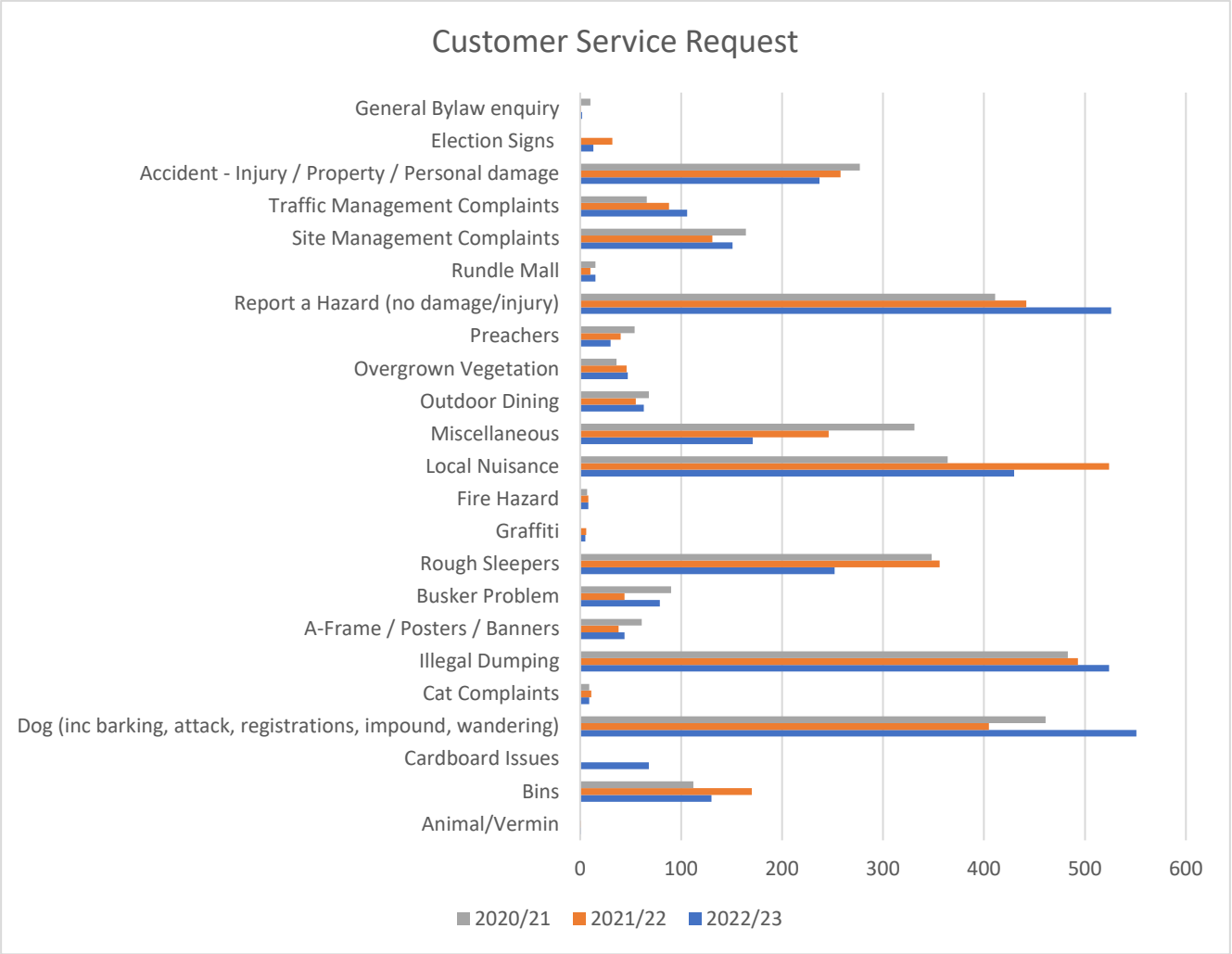
	2022 – 2023	2021 – 2022	2020 - 2021
Number of requests received	3462	3405	3367

The requests are investigated by the assigned CSO by following several steps, but not limited to:

- Site inspection and investigation.
- Discussion with the members of the public (if applicable).
- Follow up discussion with the customer who submitted the inquiry.
- Document the findings in the Pathway system.
- Reassign the request to maintenance or governance (if applicable).

Once a request has been investigated, all correspondence is saved against the customer service request in Pathway. If maintenance is required, the customer service request is forwarded to the City Operations team to raise a Work Order and make good of the site. Sometimes, the customer may submit an insurance claim, then the customer service request is forwarded to the Governance team to lodge the claim with the Council's insurance company.

The following table demonstrates the requests received over the last three financial years:

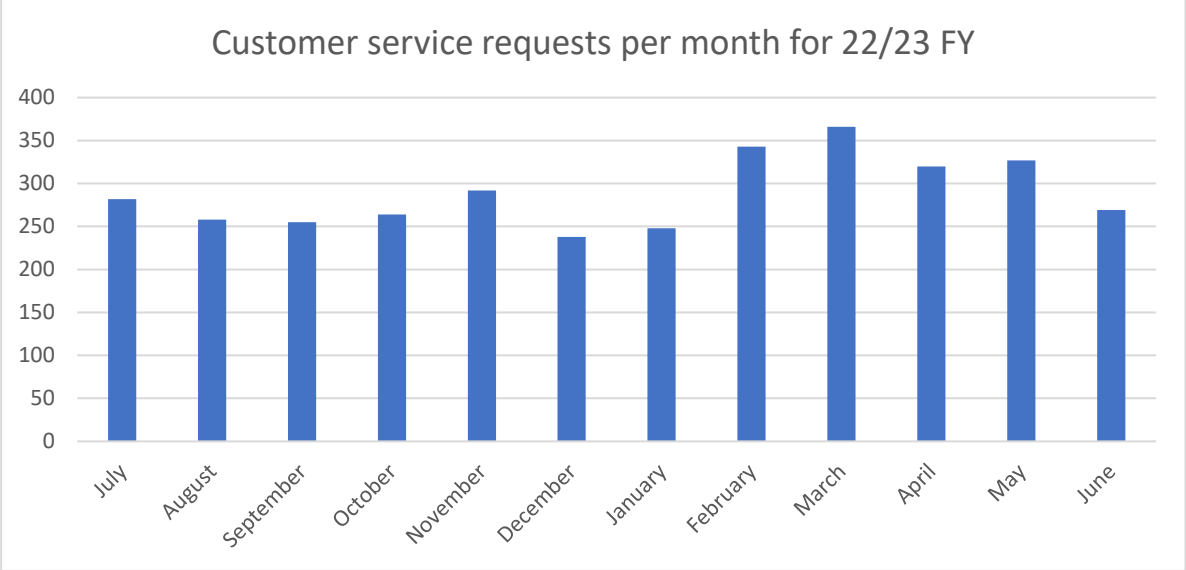


The majority of customer service requests received over the past financial years are as follows:

- Report a hazard (no damage/injury) – 13.47% of requests received.
- Local Nuisance (general, dust, noise, smoke, odour) – 12.88% of requests received.
- Illegal dumping – 14.65% of requests received.
- Dog Management (includes barking, harassment, attacks, wandering, registration inquiry, and payment) – 13.85% of requests received.
- Accident (injury/property or personal damage) – 7.54% of requests received.
- Miscellaneous – 7.30% of requests received.

NOTE: Miscellaneous covers any other inquiry that does not fall under a predefined category, such as people training in park lands, private car parks, vehicles on the park lands, etc)

In the last financial year 2022 – 2023, the number of customer service requests received show that it is consistent across the year:



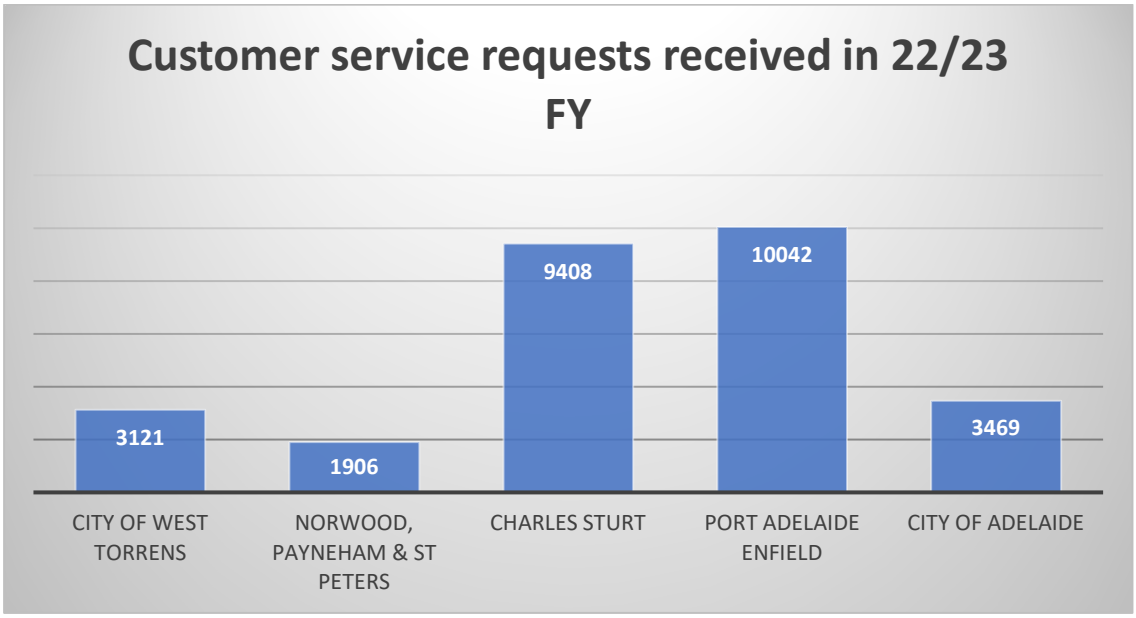
5.2 Benchmarking

A review against other South Australian councils was performed on:

- Customer service requests received.
- Timeframes in responding to customers/inquiries.
- Resourcing.

Customer Service Requests

The following table provides a snapshot of customer service requests received by councils for the 2022-2023 financial year:



NOTE: The figures for Norwood, Payneham & St Peters are low due to the unavailability of capture data.

Timeframes

A review of councils' timeframes in responding to customers/inquiries noted that generally the priorities were determined by the CSO who assigned the tasks across the five councils. There doesn't appear to be any structure assigning priority levels to the requests received, apart from priority 1 for emergency management requests such as hazards, dog attacks, burning, etc across the state. The Senior Community Safety Officer assigns the priorities at the City of Adelaide.

Resourcing

Resourcing across the councils varied, reflected in the number of requests received (refer to table above). The following indicates the resourcing structure of the councils within the Community Safety teams:

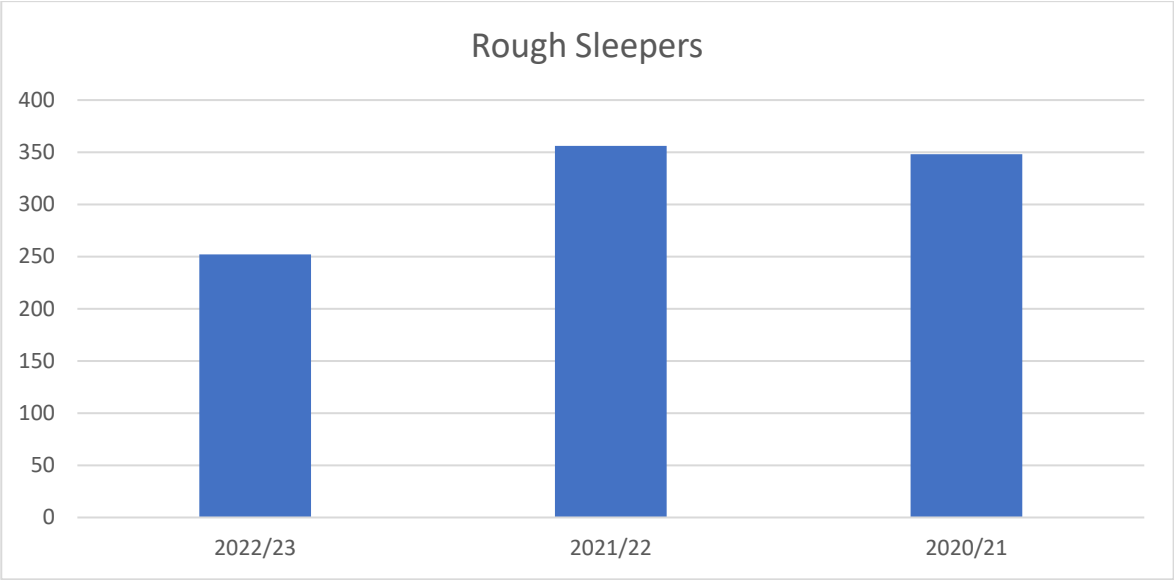
Council	Compliance Officers	Waste Officer	Animal Management Officer	Senior Community Safety Officer	Additional comments
City of West Torrens	7 FTE	1 FTE	1 FTE	1 FTE	Additional 9 officers and 4 admin staff
Norwood, Payneham & St Peters	2 FTE (Parking)			1 FTE	2 FTE vacancies
Charles Sturt	6 FTE			1 FTE	
Port Adelaide Enfield	10 FTE			1 FTE	
The City of Adelaide	3.6 FTE			1 FTE	

NOTE: the City of Adelaide resourcing does not include the Team Leader.

NOTE: Parking Information Officers are not included in CoA figures as they form part of another team in the organisation.

5.3 Community Safety in Homelessness

The Customer Service Officers will be notified of rough sleepers by members of the public, and this will be recorded in the Pathway system. Compared to the number of requests received, 9.34% is on rough sleepers. The following tables demonstrate the number of requests over the last three financial years:



When a Customer Service Officer receives a request of a rough sleeper, they will visit the site and report the location through online services to Street Connect. Street Connect is a service that provides an opportunity for those who are homeless in the Adelaide central business district, North Adelaide, and surrounding park lands to be connected with outreach workers from Street to Home and access the services they require.

In discussion with the team, there is a current Homeless, Social Housing, and Housing Affordability Policy 2022 - 2025. However, two new strategies are being developed to replace the current Policy:

- Homelessness Strategy – Everyone's Business
- Housing Strategy – Investing in our Housing Future

The draft Strategies were approved by Council for the purpose of community consultation due to conclude early 2024. The draft Homelessness Strategy reflects a human rights approach to housing and supports a 'housing first' approach to ending homelessness. The strategy outlines what the Council will do to prevent homelessness through a community development approach that focuses on prevention and early intervention by linking people to support services while improving social connections and increasing community capacity at a local level.

The purpose of the draft Housing Strategy is to outline the Council's plan for housing in the city to 2028, setting goals and targets to ensure Adelaide is a welcoming, safe, and vibrant community where housing costs do not burden people and have a choice in the type of housing, they live in.

The draft Homelessness Strategy outlines four goals:

- Housing – people have a place to call home.
- Closing the Gap – Aboriginal and Torres Strait Islander People have equitable outcomes.
- Safety and support – People are safe.
- Wellbeing and connection – People are well and living connected lives.

The City Planning and Heritage team has a Homelessness Coordinator to support CSOs, mainly when reporting a rough sleeper. The CSOs are the primary responders for concerns reported by members of the public. The coordinator role is largely responsible for the strategy and policy but works closely with the CSOs. The coordinator collates data via Pathway on behalf of the SA Housing Authority (SAHA). This position 1.0 FTE, however0.4 FTE is funded by SAHA to collect data for this agency. In addition, CoA contributes $208,000 per year to the Adelaide Zero Project. The Don Dunstan Foundation initiated this project and played a vital role in highlighting the issue of homelessness in our community. The foundation's work has helped embed significant innovation in the homelessness sector. This project captures this data to end rough sleeping homelessness in inner Adelaide, of which the CoA is a founding partner.

The housing and homelessness sector in Australia is complex. A coordinated effort by all levels of government and non-government sectors is needed to end homelessness:

- The Federal Government is responsible for providing funding and support for housing, including social housing and rental assistance.
- The State Government is responsible for social housing and homelessness services.
- Local Government has a role in local planning policy, development assessment, and community development. It also has a role in providing and managing the public realm and elements of social infrastructure to support communities.
- Non-profit agencies (including Community Housing Providers) and private industry play a role in delivering housing and support services. Community Housing Providers build and manage affordable rental properties.

As several agencies were working with homelessness, the State Government created an initiative called ''Toward Home Alliance'. This agency coordinates all the work that various agencies across the sector perform. The vision is to prevent, reduce, and end homelessness in South Australia. CoA plays a role in capturing data for the Adelaide Zero Project, creating policies, and community development.

6. FINDINGS

The number of findings identified during the audit is shown in the table below.

A complete list of the findings identified and agreed management actions can be found further in the Summary of Findings section of the report. Risk ratings are listed in Appendix 1.

Findings	Risk Rating
No finalised documented guideline for the prioritisation of requests	**High**
No documented processes in place for managing expiations	**High**
Finalise the Local Nuisance Exemption Assessment Process	**Moderate**
Inconsistent reporting channel for a work order request	**Moderate**
Staff email is used for waste work order request notifications	**Moderate**
Inconsistent reporting on actions when on-call	**Moderate**
Clarification of roles	**Moderate**

No review period was identified for SOPs	**Low**
Opportunity to streamline the questions and workflows in Pathway	**Improvement Opportunity**
Opportunity to improve monitoring of the Action Plan	**Improvement Opportunity**
Opportunity to streamline customer service requests	**Improvement Opportunity**
No categorisation for Dry Areas	**Improvement Opportunity**

7. CONSULTATION

The following CoA stakeholders were involved in meetings throughout this audit:

- Lisa Loveday, Manager City Safety
- Steph Paprzycki-Baker, Team Leader Community Safety
- John Hatzipavlos, Senior Community Safety Officer
- Lynn Ozbek, Community Safety Officer
- Karen Harvey, Team Leader Business Centre
- Michel Diratani, Team Leader Waste & Cleansing
- Scott Rodda, Manager City Maintenance
- Kristen Mackintosh, Lead Project Manager
- Merissa Decelis, Business Senior Partner
- Jo Menadue, Team Leader Social Planning & Reconciliation
- Colleen McDonnell, Manager City Planning & Heritage
- Jennifer West, Senior Safety Advisor
- Robert Donoghue, Enforcement Officer

8. SUMMARY OF FINDINGS

Ref #1 No finalised documented guideline for prioritisation of requests	Rating: High
Description of finding	**Agreed Actions**
Identification: CoA receives customer service requests through several avenues such as online, email, or phone calls to the Customer Centre. The request is recorded in Pathway, the Council's resource planning system for customer requests, and forwarded to the Community Safety Team. An email notification is then forwarded to the Community Safety inbox. The Senior Community Safety Officer monitors the inbox daily, throughout the day. When a request is received, the Officer will review it and allocate it to a Community Safety Officer (CSO) within the team in the Pathway system. The allocation will depend on the location of the request as each CSO is assigned to the CBD, North Adelaide, or Park Lands and oversees these areas. In assigning the request, the Senior Community Safety Officer will also prioritise the request: 1, 2, or 3. Level 1 is for immediate action, visit the location within 24 hours. Level 2 is a medium-risk priority for minor public safety hazards. Level 3 is for any requests that are not hazardous to the community. The Community Safety team has several guidelines and Standard Operating Procedures for their tasks. There are many valuable documents, including checklists, templates for correspondence, and guidance on addressing issues. However, in reviewing the documents, no mention is made of how or when a priority is allocated to a customer service request.	1. Develop a Community Safety Management Policy which includes priorities based on risk assessment to assist the Community Safety Team to prioritise and provide expected timeframes when dealing with community safety matters. 2. Update Pathway to reflect policy priorities and timeframes in Customer Requests. 3. Communicate Policy, priorities and timeframes to the Community Safety Team and the Customer Centre.

In further discussions with the Manager City Safety, a draft Community Safety Management Policy was created. The Policy outlines the objectives, principles, and approach to managing community safety matters in the CoA area. Furthermore, within the document is a detailed 'Order of Priority' when undertaking activities to address customer service requests based on a risk priority. The priorities range from 1 to 5 depending on legislative requirements and risk to public safety with priority 1 being the highest risk priority and priority 5 being the lowest risk priority. The Policy provides examples of activities/matters included within each priority however, it doesn't address the timeframe in which the matter must be dealt with. The risk of not having a finalised document on the prioritisation of requests leads to inexperienced CSOs who may monitor the Community Safety team inbox while the Senior Community Safety Officer is on leave, prioritising a request incorrectly. For instance, a dog attack may be allocated a level 3 priority instead of a level 1. **Recommendation:** 1. Include timeframes for each priority in the Community Safety Management Policy and ensure these timeframes are embedded within Pathway allocations. 2. Finalise the Policy to assist the Community Safety team, in prioritising requests based on a pre-determined assessment and communicate across the team.	
Position Responsible:	Associate Director, Regulatory Services
Target Date:	December 2024

Ref #2 No documented processes in place for the management of expiations	Rating: High
Description of finding	**Agreed Actions**
Identification: When a customer service request is received and actioned by a CSO, the CSO will investigate the request. Part of the investigation may include a site visit. During this site visit, the CSO may discuss the issue with the person to whom the complaint has been made (i.e. illegal dumping of rubbish, dog barking, etc). The individual will receive a warning notice, however, if the issue of concern is repeated then the CSO has the authority to expiate the individual. The request is emailed to the Enforcement Officer who will raise the relevant expiation. The Enforcement Officer will raise the expiation in the Pathway system and forward it to the relevant CSO who will notify the individual of the expiation raised. This process is followed as the CSO holds the relationship with the individual. The Enforcement Officer will monitor the expiation and if not paid by the due date, they will issue a reminder notice. If the individual still has not paid the expiation after receiving the reminder notice (this is generally several weeks after the reminder notice is sent), then the Enforcement Officer will send the expiation to the Fines Enforcement & Recovery Unit to enforce. All expiations must be paid, prosecuted, or enforced within six months and twenty-eight days of issuing the expiation as per the *Expiation of Offences Act 1996*. During discussions with the key stakeholders, it was identified that no procedure has been documented for the tasks of the Enforcement Officer in raising expiations, sending out reminder notices, or enforcing the expiation. The risk that the end-to-end process is not documented, is that critical steps in the process may be missed and Council is not adhering to legislative requirements.	Create four documented procedures regarding the end-to-end processes for Community Safety expiations. These will include: • Creating / raising and expiation, • Preparing and sending out a Reminder Notice, • Enforcing an expiation with the Fines Enforcement & Recovery Unit, • Withdrawing an expiation

Recommendation: Document end-to-end process for: • Raising an expiation • Sending out reminder notices • Enforcing the expiation • Waiving an expiation		
Position Responsible:	Manager, Customer & Marketing	
Target Date:	Completed	

Ref #3 Finalise the Local Nuisance Exemption Assessment Process	Rating: Moderate
Description of finding	**Agreed Actions**
Identification: In June 2023, CoA received a section 270, internal review of the Council's decision on an exemption from a construction company to pour concrete before 7 am. A building group applied for an exemption under section 19 of the *Local Nuisance and Litter Control Act 2016* to conduct early morning concrete pours from 5 am in North Adelaide. The Team Leader Community Safety assesses every application against the *Local Nuisance and Litter Control Act 2016*. During the internal review of section 270, it was noted that the Council sufficiently considered the interests of the residents and the impacts of the works on the residential area. In addition, the exemption contained several strict conditions, intended to address concerns and mitigate potential issues. However, during the course of this investigation, it was noted that a Standard Operating Procedure (SOP) was not in place to assist CSOs in their assessments. Proceeding with this discovery, a draft SOP has been developed but has not yet been reviewed or finalised by the Community Safety team. **Recommendation:** Finalise the standard operating procedure and communicate this to the Community Safety team.	1. Finalise Draft Standard Operating Guideline 2. Share with Community Safety Team for Feedback 3. Make amendments based on Feedback and upcoming amendments to the Local Nuisance and Litter Control Act 4. Finalise and Implement SOG
Position Responsible:	Associate Director, Regulatory Services
Target Date:	June 2024

Ref #4 Inconsistent reporting channel for a Work Order request	Rating: Moderate
Description of finding	**Agreed Actions**
Identification: When a customer service request is received and the CSO notes that maintenance work is required to repair the hazard, this is reported to the City Operations program. The requests are forwarded to the City Maintenance team within the City Operations program at the CoA depot. The requests are sent through various channels: • Allocation via the Pathway system against the customer service request • Phone calls or email requests to the Rapid Response team When a work order request is processed via Pathway, the request then automatically creates a work order in Assetic. Assetic is a cloud-based asset management system that is essential in the management of infrastructure for the Council. The system also manages the maintenance of CoA's assets, including reactive, proactive, and strategic assets. The work order is assigned to the relevant team member and is given a priority level in Assetic. In discussion with stakeholders, it was noted that no service level agreement (SLA) was in place when assigning a work order. The priority level is based on a risk assessment for each task by the staff member assigning the work order. The risk of not providing a priority level structure for staff to allocate work orders is that any work orders considered high or hazardous may be allocated as a low priority level. If the work order request is urgent and requires immediate attention, an email or phone call is sent to the Rapid Response team for action. The Rapid Response team will generally address the request within 4 hours. However, receiving an email or phone call may not be captured in the Assetic system as a work order. Therefore, there is	1. Develop an internal process to ensure all work order requests are sent through Pathway so they are captured, and a work order is raised. Communicate this process to all relevant teams that seek work order requests. 2. Create a guideline to assist staff in prioritising work orders and ensure SLA's are assigned to those priority levels.

potential for no historical record of requests being actioned in case staff need to refer to prior reports. However, after completing the task via phone, the Rapid Response team will lodge the request as a work order in Assetic. The risk of reporting after repairing the works is that the team may be busy and forget to lodge the request in the Assetic system. At other times, the Rapid Response team is already attending to a matter when an urgent request comes through. In these situations, the team stops what they are doing and attends to the urgent matter, this leads to inefficiency and disruption to a workday. Work orders need to be prioritised so they can be actioned appropriately. **Recommendation:** 1. A transparent, concise process needs to be developed and communicated to all staff who request work orders, that any request for City Maintenance needs to be done through Pathway, which flows into Assetic, and a work order is raised. 2. Document a guideline to assist staff in prioritising work orders and ensure SLAs are assigned to those priority levels in the Assetic system.	
Position Responsible:	Associate Director, City Operations
Target Date:	June 2024

Ref #5 Staff email is used for waste work order request notifications	Rating: Moderate
Description of finding	**Agreed Actions**
Identification: When the CSO receives a customer service request and notes that a work order is required to address illegal dumping, the request is processed through Pathway. The tasks are allocated to the Waste Services Officer, who will receive an email notification that a request has been allocated to them. If the Waste Services Officer is on leave, the Team Leader, Waste and Cleansing checks in Pathway to see if any requests for action are within their team. If there is a request, the Team Leader will reassign it to another team member for action. However, the email notification is forwarded to a staff email account. The risk of an individual staff email account being used is that the Waste Services Officer may be on leave and the request is not being actioned. There is a reliance on the Team Leader to open Pathway and check the customer service requests received regularly during this leave period. **Recommendation:** A generic waste email is set up and all Pathway requests are forwarded to this email. Ensure that multiple people within the team have access to this email.	We will investigate if a generic email address can be set up for CSOs to direct relevant requests to the cleansing team via Pathway so several staff can access those requests without relying on one person.

Position Responsible:	Associate Director, City Operations
Target Date:	March 2024

Ref #6 Inconsistent reporting on actions when on-call	Rating: Moderate
Description of finding	**Agreed Actions**
Identification: CSOs are on-call from 5 pm – 8 am on weekdays, and 24 hours over weekends. An On-Call Duties Procedure has been created to provide guidance and to ensure the safety, health, and security of CSOs when undertaking on-call and overtime duties. The procedure outlines the guidelines such as: • Communication • Rostering • Receiving an inquiry via Out of Hours Phone • Saturday morning overtime shift duties • Vehicle • Timesheets In addition, the procedure guides when to attend or not attend a customer service request when on-call to ensure the CSO's safety and well-being. For instance, when not to attend, there are guidelines as to whom the customer service request should be readdressed. At all times, when the CSO does attend to a customer service request, they will contact the Team Leader, Community Safety and there are always two CSOs present (which one may be the Team Leader). When receiving a customer service request when on-call a Community Safety After-hours call log is recorded. This call log is a spreadsheet held in Content Manager, CoA's record-keeping system. The call log is completed with the following details: • Day of the week • Date • Time • Who called • Reason for calling	1. Amend current spreadsheet and add additional column for additional notes. 2. Communicate amendments and changes with Community Safety Team 3. Update Standard Operating Guidelines to reflect amendments and changes

• Other information • Overtime (yes/no) • Complaint • Officer In the Officer section of the call log, details of the CSO that attended are recorded, and sometimes the Pathway reference number is allocated. The Pathway request will retain all actions when attending to the customer service request. In a review of the records, not all Pathway reference numbers are noted on the call log. In consultation with stakeholders, it was identified that not all customer service requests received when on-call are recorded in Pathway due to the matter being referred to another agency outside of Council, a business unit in Council, or the conversation was brief with the customer. For example, a call was received on 5 May 2023 from a customer who could not exit the Frome UPark. There is no Pathway reference attached to this call log, nor are there any actions noted on the call log. The risk of not recording all actions the CSO took for any requests received is that the Community Safety team does not hold a record of the outcome of every incident. As the matter may be referred to another agency or business unit, it is understandable not to record the request in Pathway as this can be time-consuming, however, a notation should be made on the Community Safety After-hours call log of all actions taken in case there is a requirement to refer back to that request. **Recommendation:** For any actions not required to be entered into Pathway, provide the relevant actions taken in the call log spreadsheet (i.e. add another column to the spreadsheet). This additional column can be used to note actions taken and Pathway reference numbers.	
Position Responsible:	Associate Director, Regulatory Services
Target Date:	June 2024

Ref #7 Clarification of roles	Rating: Moderate
Description of finding	**Agreed Actions**
Identification: The Homelessness Coordinator sits within the Park Lands, Policy & Sustainability program. The position is 1.0 FTE, however 0.4 FTE is funded by SA Housing Authority (SAHA) to be a key coordination and contact point tasked to monitor incidents of rough sleeping, provide timely referrals of rough sleepers to relevant agencies, complete quarterly reports for SAHA and to facilitate effective responses and relationships between Council, State Government and Federal Government agencies, social services and the broader community to ensure people experiencing homelessness receive support. The data on rough sleeping required for the quarterly reports for SAHA is reported in Pathway, CoA's enterprise resource planning system and this data is entered by the CSOs who are the primary responders. The CSO will respond to a request from the member of the public and report the information in Pathway as well as the online portal for Street Connect. This previously was performed by the Homelessness Coordinator, however it has since been streamlined. The Homelessness Coordinator will extract the data from pathway into an excel format, collate and and send it to SAHA. However, the Homelessness Coordinator's primary role is policy and strategy, and building relationships with external agencies. In discussion with key stakeholders, there has been a high turn-over in this position as employees have indicated a tension between the daily responsive nature of the position and the more strategic, policy components. Furthermore, it has been identified that only a small component is based on data collection and reporting but at times, this can be extremely time consuming for the coordinator. As the data is entered into Pathway by CSOs by other members in Council, should the reporting of this data sit within the Homelessness Coordinator position. Furthermore, it is confusing, who uses this data	1. Confirm with SAHA that the data collection is required and the information is relevant. 2. Investigate the opportunity to improve reporting capability in Pathway so a quarterly report can be extracted for SAHA. In consultation with the Community Safety team, identify the most appropriate team for this task to be allocated to. 3. Review and refine the role of the Senior Safety Advisor and inform all internal and external stakeholders. 4. Determine who is the best key contact for external agencies and inform the relevant bodies. 5. Identify all external committees that CoA sit on and confirm the most relevant position to be attending these meetings. Retain a record for future reference.

and for what outcome. Therefore further analysis of this data collection is required to determine if it is providing value. Furthermore, in discussion with the key stakeholders, the Senior Safety Advisor has built relationships with government agencies and the private sector. Over the years, this position has developed and changed, however they are still considered the 'go to' person for queries regarding public safety by internal and external stakeholders. It has been noted, due to the nature of the CoA staff member, they are very helpful and will respond to the queries, however at times, this is not part of their role to address. In addition, it was identify by external parties that CoA no longer has a key contact person to address and respond to enquiries. CoA hold many relationships with external agencies and play an important role in public safety to support the community. Through the discussions, it was identify that CoA are involved in multiple working groups or taskforces to address various public safety concerns, in particular homelessness. However, it was noted that various CoA staff members sit on these working groups but there is not clear distinction if the right staff member should be representing CoA or even the working groups that CoA have established with external agencies. **Recommendation:** 1. Investigate why data is being collected and for what outcome will it achieve. Determine if it is providing value to CoA or is it just a reporting tool for SA Housing Authority. 2. Review and refine the role of the Homelessness Coordinator and confirm whether the role should maintain the data collection reporting side or sit within another team, such as CSOs. In conjunction with the Regulatory Services program, determine where it is best placed to allocate this function.	

3. Review and refine the role of the Senior Safety Advisor and provide awareness to internal and external stakeholders, the key contact for these types of queries. 4. Identify and establish a key contact person for external agencies. 5. Identify the various meetings (working groups/taskforces) held with external agencies that CoA play a role in and determine who the best position in Council is suited to sit in those meetings. Ensure that all areas of concern within CoA are aware of these working relationships. .	
Position Responsible:	Associate Director, Park Lands, Policy & Sustainability
Target Date:	September 2024

Ref #8 No review period identified for SOPs	Rating: Low
Description of finding	**Agreed Actions**
Identification: Due to various customer service requests and by-laws that the Community Safety team follows, several Standard Operating Procedures (SOP) have been created to guide the CSOs when reviewing and receiving customer service requests. The SOPs are held within a sub-folder Community Safety Procedures (VS2021/4697) in Content Manager, the Council's official record management system. In reviewing the sub-folder, containing the SOPs, it was noted that there is additional documentation to assist the CSOs such as, but not limited to: • Checklists • Letter/notice templates • Flow charts • Interview questions • Guidelines These documents are valuable tools in assisting CSOs to perform their duties, however, it was also noted that within this sub-folder are documents that are no longer used, classified as 'To be deleted'. The sub-folder contains documents dating back to 2012. This can confuse when locating a current SOP or document, particularly for any new starters to the organisation. Furthermore, several documents are classified as 'Do Not Use – Under Review'. In addition, reviewing the SOPs, there is no document review period. The risk of not identifying a review period for procedures leads to the risk that outdated procedures are still in use and followed, mainly if legislation or by-laws are updated.	1. Undertake audit of VS2021/4697 2. Review all outstanding and "Under Review" Standard Operating Guidelines 3. Remove/Archive documents that are no longer required or relevant. 4. Update all current and "Under Review" Standard Operating Guidelines 5. Implement review period for each Standard Operating Guidelines

Recommendation: 1. Consider archiving old documents/guidelines/templates in another sub-folder within Content Manager, so only current documents are available in VS2021/4697. 2. Ensure all documents 'Under Review' are reviewed and finalised. 3. Implement a review period for each Standard Operating Procedure to keep the document current.	
Position Responsible:	Associate Director, Regulatory Services
Target Date:	December 2024

Ref #9 Opportunity to streamline the questions and workflows in Pathway	Rating: Improvement Opportunity
Description of finding	**Agreed Actions**
Identification: Customer service requests are received online, by email, or by phone call to the Customer Centre. The request is recorded in Pathway, the Council's resource planning system for customer requests, and forwarded to the Community Safety Team for action. The CSO will review the request, identify if any work is required, and report back to the customer. All records of actions taken including communications are recorded in Pathway. CSOs receive customer service requests for various reasons, including hard rubbish. When a member of the public reports a hard rubbish inquiry or a CoA staff member notes it, this is assigned to the relevant CSO to attend to and address the issue. The request is entered into Pathway and there are several steps that the CSO goes through before completing the investigation: • Checking for duplicates • First site visit • Second site visit • Cleansing The workflow takes the CSO through several questions/ workflows to ensure all aspects of hard rubbish dumping are followed. In discussion with the stakeholders, it was noted that the CSO goes through four different questions during receiving, investigating, and responding to the request. The answers are typed into Pathway, however, it was noted that some can be converted to a drop-down format instead of text. Furthermore, if the request is no longer a concern at any stage, then the CSO cannot close the Pathway request unless they go through all four stages of the request. During other stages, the questions or input	1. Follow up meeting with IM to review Pathway and how it can work more efficiently and effectively for Pathway Requests 2. Discuss with the Community Safety Team and develop how best to use Pathway's for Community Safety Requests 3. Implement amendments and changes to Pathway 4. Test Amendments and Changes 5. Continue to work with IM to refine Pathway when and where required

required is a duplicate of previous stages, that is similar questions are asked and the same photos are uploaded. In discussion with CSOs, this process can be time-consuming, duplication of steps and even some sections in the workflow do not provide any value, so there is the opportunity to streamline the process. A customer insight project is underway that may address some of the workflows and how customers interact with CoA. This can allow all Pathway requests and workflows to be reviewed and streamlined to assist CSOs in their daily tasks. **Recommendation:** With assistance from IM, review the workflows and questions in all Pathway requests, so the information entered in Pathway is not duplicated or irrelevant.	
Position Responsible:	Associate Director, Regulatory Services
Target Date:	December 2024

Ref #10 Opportunity to improve monitoring of Action Plan	Rating: Improvement Opportunity
Description of finding	**Agreed Actions**
Identification: CoA currently maintains a Safer City Policy 2019-2023 which is a framework for creating a safer city. This policy is executed through the Safer City Action Plan 2019-2023 (the Plan) and the City of Adelaide Strategic Plan 2016-2020. The Plan is expiring and a new one is being created, under an overarching Social Equity Framework rather than a stand-alone policy or plan. The framework is currently in the design phase and will have several different actions and strategies embedded. It will be developed in 2024 in consultation with key stakeholders. In discussion with the Social Planning & Reconciliation Team, the framework will respond to the actions and create a clear guideline on how to achieve these actions. The actions are monitored through a spreadsheet and updated once a year. The Senior Safety Advisor is the owner of this spreadsheet and once a year, will reach out to the action owners for an update. The action owners will provide an update which is inputted into the spreadsheet, however, if the action did not meet the required deadline, there is no explanation why the deadline is missed, only 'delayed' is written in the comments. This process is labour-intensive and is managed by a single person within a spreadsheet. This process does not incorporate automatic reminders to action owners on approaching or overdue actions within the Plan. It is solely reliant on one person requesting an update once a year. Once all updates are received, a report, whether an E-news or a Council report, is created and distributed to the Council Members. In discussion with the Strategy, Insights and Performance, a business brief has been submitted to implement a system that assist the team	Investigate the opportunity to use a system to assist with monitoring of actions that include reminder notifications to action owners.

to report on action items aligned to the Strategic Plan and corporate reporting requirements. However, this is not in the plan to expand to other action plans for individual programs. There is the risk of actions becoming overdue without accountability from responsible action owners, and actions are forgotten about as there is only one reminder a year from a CoA staff member. **Recommendation:** Consideration be given to introducing a more formalised process to monitor and update actions in a system that provides regular notifications that an action is assigned to the relevant action owner. The system, should be one that the Social Planning & Reconciliation Team have oversight of, and which can be used to monitor the progress of actions over the course of the year.	
Position Responsible:	Associate Director, Park Lands, Policy & Sustainability
Target Date:	June 2024

Ref #11 Opportunity to streamline customer service request	Rating: Improvement Opportunity
Description of finding	**Agreed Actions**
Identification: CoA receives customer service requests through several avenues such as online, email, or phone calls to the Customer Centre. The request is recorded in Pathway, the Council's resource planning system for customer requests, and forwarded to the Community Safety Team. An email notification is then forwarded to the Community Safety inbox for allocation to a CSO. In a review of the customer service requests received and in consultation with key stakeholders, on several occasions, the CSO will address the customer service request with a site visit and redirect the request to the relevant team to address the issue of concern. In situations like these, the request received via the Customer Centre is a general notification, such as a slightly raised paver, tree trimming required, or a checker plate drain protruding. When a maintenance request or work order is placed, the relevant team must perform their inspections before rectifying the issue. Therefore, as these requests are forwarded to the Community Safety team for review, inspections are duplicated, especially when it is a general inquiry. CSOs should attend a site visit if the customer requests feedback or a hazard requires attention. Suppose the customer service request is just a general inquiry stating a hazard, such as a raised paver, wet footpaths, planter boxes in wrong locations, or an insurance claim. These requests should go directly to the relevant area to address the concern or raise a work order.	1. Meeting with Community Safety Team to discuss all current Pathway Requests and current actions 2. Speak with other CoA teams and or departments that maybe impacted by any process changes and work with them to ensure this is the correct procedure 3. Create documents for the customer centre to direct inquiries

Recommendation: Work with the Customer Centre to identify types of inquiries that must be forwarded to the Community Safety team or directed to the most appropriate team within the organisation. This can be as simple as a cheat sheet to assist the Customer Service Representatives in directing the inquiry to the most appropriate area to improve customer service.	
Position Responsible:	Associate Director, Regulatory Services
Target Date:	December 2024

Ref #12 No categorisation for Dry Areas	Rating: Improvement Opportunity
Description of finding	**Agreed Actions**
Identification: The Adelaide Park Lands Dry Area 1 are in effect from 8.00pm to 11.00am the following day and Adelaide Park Lands Area 2 covering Blue Gum Park/Kurangga (Park 20) and Veale Park/Walya Yarta (Park 21) are in effect 24 hours a day, 7 days a week until 22 June 2025. To monitor the effectiveness of the Dry Areas and the wrap around services delivered by the State Government in support of the dry areas, administration has sought an Adelaide Park Lands Dry Area Regulation monitoring and evaluation process be established by the State Government as part of the approval through the Safety and Wellbeing Taskforce.. This includes a review of the data and outcomes relating to the continuation of the Dry Area to be conducted over the next 6 months. In order to perform this review, the Park Lands, Policy and Sustainability team will need to collate data on alcohol related matters in relation to the Adelaide Parklands Dry Areas. The collection of data is stored in Pathway, CoA's enterprise resource planning system enabling local governments to manage regulatory services as well as customer requests. Currently there is no information recorded in this system regarding dry areas The Park Lands, Policy and Sustainability team sought to collate this data for Council, however there was little to none information in relation to and Dry Areas.	1. Work with Customer Centre and IM to determine the required changes to Pathway. 2. Implement amendments and changes to Pathway.

Recommendation: Work with Information Management and Customer Centre to create a category within Pathway so when Customer Service Representatives and CSOs report on alcohol related and Adelaide Dry Area matters, they are able to identify Dry Areas in the reporting. This will assist with the Adelaide Park Lands Dry Area Regulation and providing alternative measures to support the community.	
Position Responsible:	Associate Director, Park Lands, Policy & Sustainability
Target Date:	June 2024

APPENDIX 1: RISK MATRIX OF INTERNAL AUDIT FINDINGS

The following framework for the internal audit ratings is consistent with the CoA Risk Management Operating Guidelines and the Risk Management International Standard ISO31000:2018. The descriptions have been tailored to illustrate risk to the business operations.

CoA Risk Matrix

CoA Risk Matrix		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD	Almost Certain	Moderate	High	Extreme	Extreme	Extreme
	Likely	Moderate	High	High	Extreme	Extreme
	Possible	Low	Moderate	High	High	Extreme
	Unlikely	Low	Low	Moderate	Moderate	High
	Rare	Low	Low	Low	Moderate	Moderate

8.3 Risk & Finding Descriptions

Rating	Definition	Action	Indicative Timeframe (variations to be agreed by SRIA)
Extreme	The finding represents a control weakness that could have or is having an extremely adverse impact on the business and the ability to meet objectives. • Extreme decline in quality and customer service leading to a decrease in the community's confidence in the Council • Extreme breakdown in process that leads to illegal activity • Breach of legislation or contractual non-compliance that will result in litigation, prosecution, and/or penalty	The finding was reported to the Director immediately and a response plan was developed with the appropriate Associate Director. Implementation updates and status reporting are managed through Promapp.	Actions are managed in Promapp with a timeframe of no more than 3 months for completion.
High	The finding represents a control weakness that could have or is having a high adverse impact on the business and the ability to meet objectives. • Major decline in quality and customer services leading to a decrease in the community's confidence in the Council • Serious breakdown in process that may lead to increased and unacceptable risk • Breach of legislation or contractual non-compliance that will result in litigation, prosecution, and/or penalty	The finding was reported to the appropriate Associate Director immediately and a response plan was developed with the appropriate Manager. Managed through Promapp.	Actions are managed in Promapp with a timeframe of no more than 6 months for completion.
Moderate	The finding represents a control weakness that could have or is having a medium adverse impact on the business and the ability to meet objectives. • Medium decline in quality and customer services leading to a decrease in the community's confidence in the Council • Medium operational breakdown in process that may lead to increased and unacceptable risk • Minor breach of legislation or contractual non-compliance that will not likely result in litigation, prosecution, and/or penalty	Findings are reported to the appropriate Manager through the Internal Audit Report and managed through Promapp.	Actions are managed in Promapp with a timeframe of no more than 9 months for completion.
Low	The finding represents a minor control weakness that could have or is having a low/ minimal but reportable adverse impact on the business and the ability to meet process objectives. • Minimal decline in quality and customer services • Minor breakdown in process that is not likely to affect risk • Minor breach of legislation or contractual non-compliance that will not likely result in litigation, prosecution, and/or penalty	Findings are reported to the appropriate Manager through the Internal Audit Report and managed through Promapp.	Actions are managed in Promapp with a timeframe of no more than 12 months for completion.

Mercer Review Internal Audit

Friday, 16 February 2024
Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:
Alana Martin, Manager Governance

Public

Approving Officer:
Anthony Spartalis, Acting Chief Operating Officer

EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focusing on the Council's Mercer review job evaluation review process was performed.

The internal audit identified one moderate risk-rated finding, with two process improvement opportunities.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively, and to advise how it can improve performance.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 5.6 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
2. Endorses the responses of the Administration to the Mercer Review Internal Audit Report as outlined in Attachment A to Item 5.6 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Internal audit is an essential component of a good governance framework. It enables the Council to ensure it performs its function legally, effectively, and efficiently.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively, and to advise how it can improve performance.
Opportunities	Internal audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services, and aligning Council processes to best practice standards.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The Mercer Review Internal Audit was performed by CoA's Risk and Audit Analyst, in accordance with the 2023-24 Internal Audit Plan. The report, along with management comments can be found in **Attachment A**.

Report

2. This audit aligns with CoA's Strategic Risk – Organisational Culture: Poor organisational culture.
3. Remuneration for employees employed under The Salaried Enterprise Agreement for Salaried Employees, and employees engaged on Common Law contracts is determined using the Mercer Job Evaluation review process ("Mercer review").
4. The objective of the Mercer Review audit considered the following four elements:
   - 4.1. Assessment panels
   - 4.2. Review of guidelines and objectives
   - 4.3. Approvals
   - 4.4. Annual assessments and timing of decision-making of evaluations
5. The findings of the internal audit are indexed into the following risk ratings:

Finding	Risk Rating
Not all correspondence is retained	Moderate
Opportunity to provide refresher Mercer training sessions	Improvement Opportunity
Opportunity to provide easily accessible information regarding Mercer Review processes	Improvement Opportunity

6. Management has considered the findings and provided actions and time frames to address these findings, these are detailed in **Attachment A**.

ATTACHMENTS

Attachment A – Mercer Review Internal Audit

- END OF REPORT -

INTERNAL AUDIT REPORT:

MERCER REVIEW

Prepared by: Annette Pianezzola, Risk & Audit Analyst

December 2023

CITY OF ADELAIDE

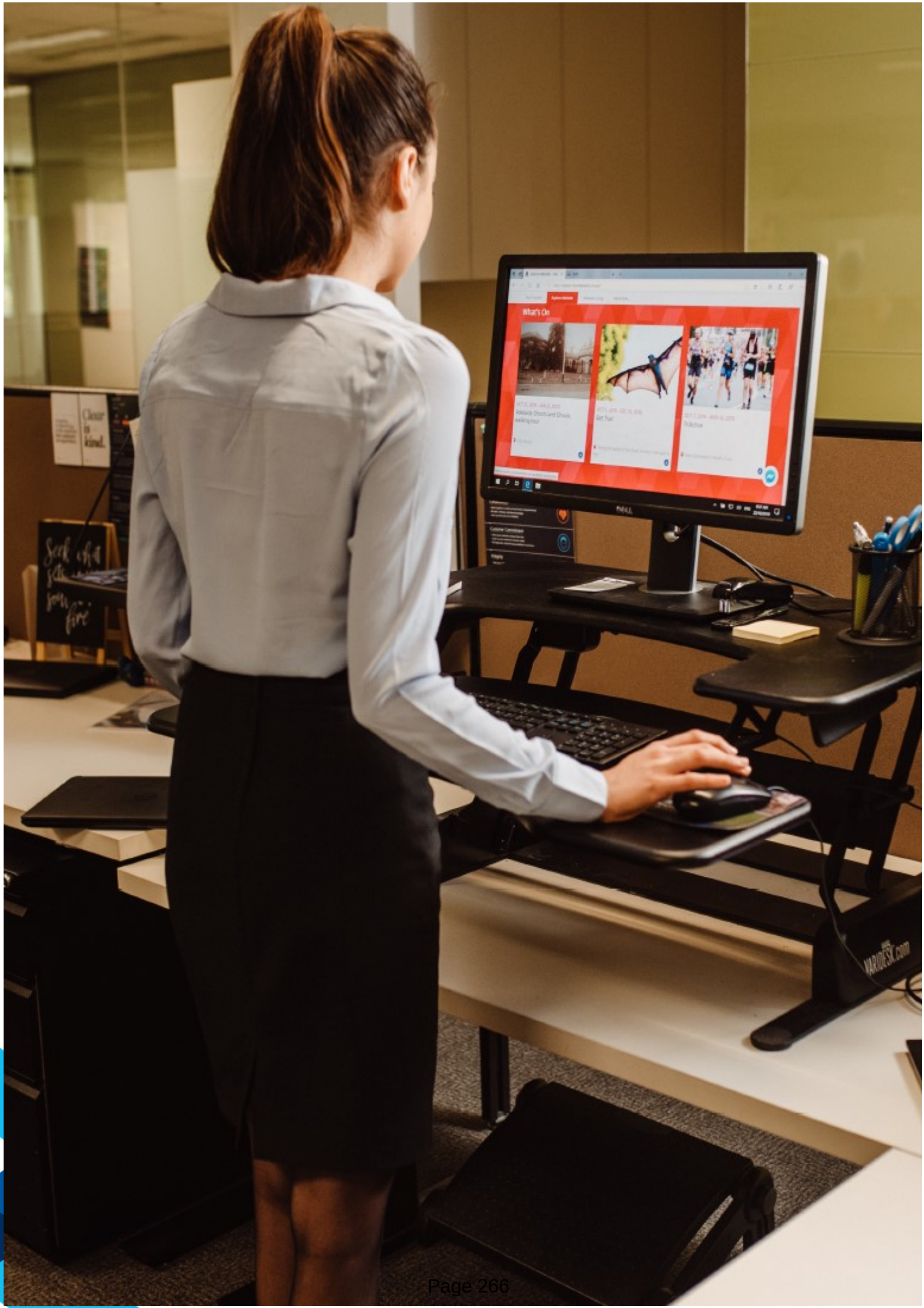

What's On

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Distribution			
For action:		For information and approval:	
Alana Martin	Manager, Governance	The City of Adelaide	Strategic Risk and Internal Audit Group
Louise Williams	Manager, People	The City of Adelaide	Audit and Risk Committee
		Michael Sedgman	Acting Chief Executive Officer

1. EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA), an internal audit focussing on the Council's Mercer Job Evalution review process and how they are processed was performed. The objective, scope, approach, and findings are outlined below.

2. OBJECTIVES

This internal audit project aimed to assess the Mercer Job Evaluation review process undertaken by CoA to provide confidence and assurance in the methodology used to evaluate and reclassify roles.

Remuneration for employees employed under The Salaried Enterprise Agreement for Salaried Employees, and employees engaged on Common Law contracts is determined using the Mercer Job Evaluation review process ('Mercer review'). This audit considered the following four elements:

- Assessment panels
- Review of guidelines and objectives
- Approvals
- Annual assessments and timing of decision-making of evaluations.

This review is included in the 2023-24 Internal Audit Plan to assure the CoA Executive Team, the Executive Strategic Risk and Internal Audit Group (SRIA), and the CoA Audit and Risk Committee (ARC).

3. SCOPE

This audit has assessed the overall Mercer review framework.

3.1 Scope Topics

The four main audit areas are:

- **Governance Framework** – are there relevant policies, procedures and guidelines about Mercer reviews? Is the process consistent?
- **Decision Making** – is the decision-making process documented, and are outcomes recorded? Is a peer review performed on the outcome?
- **Roles and Responsibilities** – are the people on the assessment panel trained? How do staff on the panel support the process? How are panel members selected?
- **Staff Awareness** – are staff aware of the outcome once the review is completed? If dissatisfied with the outcome, what avenues are provided to staff?

3.2 Timeframes

- The scope was developed and approved by SRIA on 19 October 2023. The audit began in November 2023.
- Consultation and meetings with relevant stakeholders occurred from November to December 2023 to gather and source information.
- Meetings with action owners and report finalisation occurred in December 2023.
- The report will be presented to SRIA in December 2023.
- The final report will be presented to the ARC in February 2024.

4. METHODOLOGY

The audit focused on the Mercer review framework and processes against the following guidelines and procedures:

- The Corporation of the City of Adelaide Salaried Enterprise Agreement 2023
- Internal Process – Mercer Classifications/Reclassifications

The engagement was performed using the following approach:

- CoA staff member Annette Pianezzola, Risk and Audit Analyst performed the audit.
- One-on-one discussions with relevant CoA programs:
    - People
    - City Operations
- Review relevant documentation associated with the Mercer review process.
- Review of roles and responsibilities, including panel assessments and training.
- Review of panel assessments and peer reviews.
- Review of the decision-making process and outcomes.
- Review the avenues available to staff in case of an outcome dispute.
- Identification of any performance improvement opportunities.

5. BACKGROUND

5.1 Mercer Methodology

The Mercer Job Evaluation methodology is in Appendix D of The Corporation of the City of Adelaide Salaried Enterprise Agreement 2023. The evaluation methodology is the basis on which the Corporation evaluates and classifies positions for Salaried Employees, and the basis on which remuneration is determined for employees employed on Common Law Contracts; typically Manager, Associate Director and Director level position. Detailed in the evaluation methodology, there are factors and sub-factors:

FACTORS	**Expertise Factor** The expertise factor measures the knowledge, experience and skills the incumbent must apply to achieve the position objectives. Interpersonal skills are also considered.	**Judgement Factor** The judgement factor evaluates the reasoning components of a position, focusing on the task definition and complexity, the constraints within which employees need to resolve problems and other thinking challenges of the position.	**Accountability Factor** This accountability factor evaluates the nature of the position of authority and involvement in managing the Corporation's resources. It includes the influence of the position's advice and accountability for results of a decision.
	⬇	⬇	⬇
SUB FACTORS	**Knowledge & Experience** This subfactor measures the education, training and work experience requirements of the position (rather than the individual's knowledge and experience)	**Reasoning**	**Impact**

		Reasoning focuses on the requirements in the position for analysis, interpretation, evaluation, reasoning and creativity. It emphasises the need for judgment to resolve alternate courses of action and consider the implications of a course of action.	This subfactor is measured in terms of resources for which the position is primarily held accountable or the impact made by the policy advice or service given. It may be measured in monetary terms or in a policy/advice significance scale.
	Breadth Breadth measures the diversity of functions performed by the position. It considers the breadth of knowledge requirements for the position and the impact of various environmental influences of the position.	**Job Environment** Identifies the clarity, objectives, guidelines and policies as well as the nature and variety of tasks, steps, processes, methods or activities in the work performed. It measures the degree to which a position holder must vary the work and develop new techniques.	**Independence & Influence** This subfactor focusses on the positions level of accountability and independence in the commitment of resources, provision of advice or delivery of services. The extent of accountability is considered in conjunction with the position impact measure chosen.
	Interpersonal Skills Measures the positions skill requirements in relating to or managing people through communication, influence, persuasion, counselling, motivation and negotiation.		**Involvement** The involvement subfactor is concerned with the nature of the position's accountability for the management of, or influence over Corporations resources.

A position may be reviewed for its classification when it is new, or there has been a change in the duties and accountabilities of an existing position. A change in a position may occur when there is:

- A change in focus or expectation by the Corporation.
- Allocation of new and additional functions and activities to the role.
- Major changes in legislation or restructuring that raise new activities for the role.
- Over time, an evolution of the position, and the tasks and activities clearly differ from the original position.

When evaluating the position, there is a focus on the work value, not the employee's performance. The work value of the position includes the knowledge, experience, skills, judgment and accountability required to perform the position's duties.

The position will be classified by an evaluation panel compromising two accredited panel members, one is generally outside of the People team, to ensure objectivity and transparency. The team leader where the position is located will work with the relevant People Services Business Partner and provide additional information or clarification to the panel as needed. It is noted that no team leader where the position sits is actively involved with the evaluation panel and undertaking the position assessment.

Each evaluation is peer-reviewed by another accredited panel member.

The Corporation performs mercer reviews for Salaried Employees; however, on occasion the People team will engage Mercer to complete the position evaluation of roles at an Associate Director level or above. Furthermore, the employee may request an independent review through Mercer if unsatisfied with the outcome.

5.2 Reclassification of an existing position

The following steps are taken to review the classification of an existing position:

- A request from the employee or responsible leader may initiate the reclassification. If the employee begins the request, the expectation is that this is done with the leader.
- The employee and leader will develop a new position description that clearly outlines the changes in the position's responsibilities.
- The leader will forward the old position description to the relevant People Services Business Partner with track changes made within 15 working days of receiving a request for a reclassification from the employee.
- The People Services Business Partner will form an evaluation panel by sending out a request to the panel group. Two-panel members will be selected from the responses received. This panel will determine the appropriate classification for the position.
- The People Services Business Partner will organise for the evaluation to be peer-reviewed.
- The People Services Business Partner will inform the leader of the evaluation determination.
- The relevant leader will meet with the employee to advise of the outcome of the classification review within 30 working days of the leader receiving the application.
- Once the leader has met with the employee, the People Services Business Partner will provide formal written confirmation to the employee regarding the determination.
- If the reclassification has been approved, this will become effective from the date the employee's leader received the application.
- If the reclassification was unsuccessful, a minimum of six months must lapse, and significant changes to the position must be demonstrated before a new application is submitted.

5.3 Right of appeal of a reclassification determination

- Where an employee disagrees with the reclassification determination, they may request a review by following the provisions of the Dispute Settlement Procedure in The Corporation of the City of Adelaide Salaried Enterprise Agreement 2023 at Clause 3.3.
- The Dispute Settlement Process in the Agreement outlines the process provided to employees to provide a means of settlement based on consultation, cooperation and discussion. It sets out the steps involved in undergoing a dispute to ensure all practices are applied during the resolution and are by equal opportunity and safe and consistent working practices.

5.4 Classification of a new or vacant position

All new or vacant positions (where there is significant change) should be evaluated and classified before the recruitment process begins. The following steps are taken for new or vacant positions:

- If a new position is created, the relevant leader will develop a position description using the position description templates created by People Services.
- If the position to be evaluated is vacant, the existing work must be reviewed and amended by the relevant leader.
- The leader will forward the old and new position descriptions to the relevant People Services Business Partner.
- The People Services Business Partner will form an evaluation panel to determine the appropriate position classification.
- The People Services Business Partner will arrange for a peer review of the position classification and inform the relevant leader of the evaluation determination.

5.5 Internal processes

An Internal Process – Mercer Classification / Reclassification document for People Services and panel members has been created. In conjunction with the Mercer Job Evaluation Methodology, this document is used by panel members when assessing position classifications. This ensures that all panel members follow a consistent approach when assessing a position classification, whether for a new or existing role. The internal process sets out the following:

- Training requirements.
- Turnaround times
- Accredited Mercer Evaluators
- Process – new job classification (new or vacant position with significant change)
- Process – reclassification
- Existing role – minor change to the position description
- Reclassifying or classifying – General Manager / Associate Directors roles

Before any assessment, where additional information or clarity is required, the relevant People Services Business Partner will discuss the position description provided with the relevant leader, and on occasion, the employee to ensure accuracy. This step in the process assists the panel members when evaluating the classification of a position.

Once the panel members have undertaken the Mercer review, the scores from the process are captured within a spreadsheet that calculates the correct classification or remuneration banding (formulas are embedded in this spreadsheet), and the range will identify the classification level at which the position is placed. The spreadsheet will identify if an error has occurred, for example, an incorrect rating has been used against a specific criterion.

In addition to the review process, a spreadsheet is used by the panel members when evaluating the position. The spreadsheet contains all relevant information required to ensure a consistent approach is followed and for history purposes to capture timeframes of previous classifications/reclassifications for relevant positions:

- Date
- Position title being assessed
- Program positions sits within
- Context (reason for assessment)
- Leader consultation (additional information obtained to assist with assessment)
- Position number

- Reports to (i.e. leader position)
- Leader's Mercer review details (this is a calculated formula)
- Reviewed date
- Panel member (two columns)
- Comments
- Panel line (the outcome of the assessment undertaken, appearing as a calculated formula)
- Panel review impact
- Panel recommendation
- Date sent for peer review

All role classification reviews are peer-reviewed to ensure transparency and accuracy of the determination. On the spreadsheet, there is a section for peer review details:

- Peer review date
- Peer reviewed (panel member)
- Peer review line (this is a calculated formula)
- Peer review impact
- Peer review recommended line (level)
- Saved in N drive by (peer review member)
- Mercer score added into Chris (if a change in level)
- Mercer Assessment, peer review and Position Description PDF'd and added in Chris (peer review member)
- Change in level

All the above information is captured in the spreadsheet to ensure a consistent approach is followed and for record-keeping. Once the classification has been finalised, this is recorded in Content Manager, Council's record management system and Chris 21, Council's payroll system, against the position.

5.6 Panel members

According to The Corporation of the City of Adelaide Salaried Enterprise Agreement 2023, positions will be classified by an evaluation panel compromising two accredited panel members including at least one from the People Services team and one Salaried employee to ensure objectivity and transparency. In discussions with stakeholders, in the past couple of years, accredited panel members were the People Services team and one Salaried employee. This is due to staff turnover, therefore on 6 October 2023, Manager People sent out an expression of interest to train additional Salaried employees outside of the People Services team. Five Salaried employees have been identified and currently progressing through the training requirements, which they have three months to complete.

6. FINDINGS

The number of findings identified during the audit is shown in the table below.

A complete list of the findings identified and agreed management actions can be found further in the Summary of Findings section of the report. Risk ratings are listed in Appendix 1.

Findings	Risk Rating
Not all correspondence is retained.	**Moderate**
Opportunity to provide refresher Mercer training sessions	**Improvement Opportunity**
Opportunity to provide easily accessible information regarding Mercer Review processes	**Improvement Opportunity**

7. CONSULTATION

The following CoA stakeholders were involved in meetings throughout this audit:

- Louise Willaims, Manager, People
- Bec Aitken, Team Leader People Services
- Kim Shearing, People Services Business Partner
- Lucy Mahon, People Services Business Partner
- Kiera Hanlon, People Services Business Partner
- Davin Jaehne, Talent Acquisition Advisor
- Michelle Everitt, People Services Support Coordinator
- Matt Jorgensen, Manager, City Presentation

8. SUMMARY OF FINDINGS

Ref #1 Not all correspondence is retained	Rating: Moderate
Description of finding	**Agreed Actions**
Identification: When the People Services team receives a reclassification, they will seek two accredited panel members from the panel group to evaluate the position classification. Email correspondence is sent out with the panel members accepting the tasks. This correspondence is retained in the N drive, including the evaluation determination and correspondence with the relevant leader and the employee until the position reclassification is finalised. If the reclassification is successful, the information is forwarded to Payroll to be updated in the Council's payroll system, CHRIS 21. Once the classification has been determined and finalised, the correspondence is filed securely in the Content Manager, Council record management system. However, it was noted that some correspondence is not retained, such as email correspondence and responses to seek panel members to be on the evaluation panel. The risk of not retaining all correspondence regarding the reclassification of an employee's position may be perceived that only selected panel members are chosen to review a particular position reclassification. Keeping all correspondence, including the responses from the panel members elected to be on the panel for a specific reclassification, will remove or help respond to any concerns about bias.	Communicate to trained assessors the importance of retaining all correspondence relating to Mercer assessment processes and incorporate them into internal People Services processes. Provide assessors with an indicative list of the types of correspondence which should be retained.

Recommendation: All council decisions, including email correspondence, are retained in the Content Manager.	
Position Responsible:	Manager People
Target Date:	March 2024

Ref #2 Opportunity to provide refresher Mercer training sessions	Rating: Improvement Opportunity
Description of finding	**Agreed Actions**
Identification: Mercer performs accreditation of Mercer training to panel members. The training is a 12-hour online session with multiple modules for the selected panel member to complete, plus a 3-hour face-to-face session. The training must be completed before commencing any evaluations. Once the training has been completed, the panel member will receive a certificate to confirm their accreditation. The certification provided by Mercer does not expire; therefore, you may have staff who underwent the training several years ago. In discussion with key stakeholders, it is noted that many current panel members have completed their training in the past couple of years. However, there is one panel member who was trained in 2016. While the process adopted by the corporation required two people to undertake an assessment, enabling ongoing peer learning, there is a missed opportunity to offer refresher training for those staff who believe this would be beneficial. **Recommendation:** Provide the opportunity for panel members to attend refresher training if available.	Establish a register of accredited assessors and record training dates. Make refresher training available after five years of the last accredited training occurring.
Position Responsible:	Manager, People
Target Date:	March 2024

Ref #3 Opportunity to provide easily accessible information regarding Mercer Reviews processes	Rating: Improvement Opportunity
Description of finding	**Agreed Actions**
Identification: The Mercer Job Evaluation methodology is in Appendix D of The Corporation of the City of Adelaide Salaried Enterprise Agreement 2023. The evaluation methodology is the basis on which the Corporation evaluates and classifies positions for Salaried Employees, and the basis on which remuneration is determined for employees employed on Common Law Contracts; typically Manager, Associate Director and Director level positions. The Agreement outlines the: • Job Evaluation Factors • Reclassification of an Existing Position • Right of Appeal of a Reclassification Determination • Classification of a New or Vacant Position As this information is available to all staff via the Agreement it is not easily identifiable for staff to locate and read. **Recommendation:** Provide a factsheet for Salaried and Common Law Employees to be placed on the People Oscar page outlining the process of a Mercer Review including the rights of appeal.	A fact sheet to be developed and available on the People Oscar site.

Position Responsible:	Manager, People
Target Date:	April 2024

APPENDIX 1: RISK MATRIX OF INTERNAL AUDIT FINDINGS

The following framework for the internal audit ratings is consistent with the CoA Risk Management Operating Guidelines and the Risk Management International Standard ISO31000:2018. The descriptions have been tailored to illustrate risk to the business operations.

CoA Risk Matrix

CoA Risk Matrix		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD	Almost Certain	Moderate	High	Extreme	Extreme	Extreme
	Likely	Moderate	High	High	Extreme	Extreme
	Possible	Low	Moderate	High	High	Extreme
	Unlikely	Low	Low	Moderate	Moderate	High
	Rare	Low	Low	Low	Moderate	Moderate

8.3 Risk & Finding Descriptions

Rating	Definition	Action	Indicative Timeframe (variations to be agreed by SRIA)
Extreme	The finding represents a control weakness that could adversely impact the business and the ability to meet objectives. • Extreme decline in quality and customer service leading to a decrease in the community's confidence in the Council • Extreme breakdown in process that leads to illegal activity • Breach of legislation or contractual non-compliance that will result in litigation, prosecution, and penalty	The finding was reported to the Director immediately, and a response plan was developed with the appropriate Associate Director. Implementation updates and status reporting are managed through Promapp.	Actions are managed in Promapp with a timeframe of at most three months for completion.
High	The finding represents a control weakness that could adversely impact the business and the ability to meet objectives. • Major decline in quality and customer services leading to a decrease in the community's confidence in the Council • Serious breakdown in process that may lead to increased and unacceptable risk • Breach of legislation or contractual non-compliance that will result in litigation, prosecution, and penalty	The finding was reported to the appropriate Associate Director immediately, and a response plan was developed with the right Manager and managed through Promapp.	Actions are managed in Promapp with a timeframe of at most six months for completion.
Moderate	The finding represents a control weakness that could negatively impact the business and the ability to meet objectives. • Medium decline in quality and customer services leading to a decrease in the community's confidence in the Council • Medium operational breakdown in process that may lead to increased and unacceptable risk • Minor breach of legislation or contractual non-compliance that will not likely result in litigation, prosecution, and penalty	Findings are reported to the appropriate Manager through the Internal Audit Report and managed through Promapp.	Actions are managed in Promapp with a timeframe of at most nine months for completion.
Low	The finding represents a minor control weakness that could have or is having a low/ minimal but reportable adverse impact on the business and the ability to meet process objectives. • Minimal decline in quality and customer services • Minor breakdown in process that is not likely to affect risk • Minor breach of legislation or contractual non-compliance that will not likely result in litigation, prosecution, and penalty	Findings are reported to the appropriate Manager through the Internal Audit Report and managed through Promapp.	Actions are managed in Promapp with a timeframe of at most 12 months for completion.

AEDA Review Implementation Plan Update

Friday, 16 February 2024
Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:
Anthony Spartalis, Acting Chief Operating Officer

Public

Approving Officer:
Michael Sedgman, Acting Chief Executive Officer

EXECUTIVE SUMMARY

This report details progress made to date in implementing the AEDA Review Recommendations.

At its meeting on 24 October 2023, Council endorsed the AEDA Review Implementation Plan which outlines how each recommendation from the Deloitte and KPMG reviews of the Adelaide Economic Development Agency (AEDA) will be addressed.

As part of this resolution Administration committed to providing implementation update reports to Council in March 2024 and July 2024.

This report outlines the progress made to mid-January 2024 in implementing the AEDA Review Recommendations.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes progress made to date on the AEDA Review Implementation Plan as outlined in Attachment A to Item 5.7 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation
Policy	Not as a result of this report
Consultation	Council and the AEDA Board discussed a range of matters on 30 January 2024 in a workshop focused on recommendations that were strategic in nature.
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Not as a result of this report
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. Council at its meeting on 22 August 2023, considered the findings of both AEDA reviews undertaken by KPMG and Deloitte and authorised the Chief Executive Officer to work with the AEDA Board and City of Adelaide administration to implement review recommendations.

2. The AEDA Review Implementation Plan (The Plan) provides a clear approach for each action, the officer responsible for delivery, and the action due date. The Plan was endorsed by Council at its 24 October 2023 meeting, conditional on there being another workshop between Council Members and AEDA to discuss the approach to several of the actions deemed to be strategic in nature. These specific actions would not be progressed until after this workshop (which was held on 30 January 2024).

AEDA Implementation Plan Update

3. **Attachment A** provides an update on the recommendations within the AEDA Review Implementation Plan. Key actions taken to date are summarised below.

4. An administrative workshop on 7 December 2023 between AEDA and Governance staff discussed recommendations from the reviews regarding governance and accountability. Discussion outcomes were:

    4.1. Assurance Model (Action 4d – implementing an ongoing assurance model for AEDA).

        4.1.1. Outcome: Corporate Governance will conduct a strategic risk management review in Q3 of this financial year. This review will include the development of an Assurance Model for all City of Adelaide subsidiaries.

    4.2. Risk and Mitigation Strategies (Action 4b – clearly defining and agreeing on the level of risk and mitigation strategies that AEDA needs to report to the Audit and Risk Committee).

        4.2.1. Outcome: AEDA's quarterly reporting was reviewed in consultation with Corporate Services. It now includes updates on financials, current risks and opportunities, and reporting against BP&B Key Performance Indicators. In Q3 of this financial year, Governance will also review the Corporate Strategic Risk Register, which includes Council's subsidiaries.

    4.3. CoA Governance / AEDA Operation Processes (Action 4a – Deloitte's review recommended greater oversight by the CoA Governance Unit at the initial stages of key operational processes.

        4.3.1. Outcome: Governance confirmed that AEDA is included in their assurance reviews, which involve testing controls through audits and policy reviews, however a compliance register (based on the AEDA Charter and Schedule 2 of the Local Government Act) will be developed by Governance to assist with providing greater oversight.

5. The workshop held on 30 January 2024 between Council Members and AEDA Board Members discussed strategic actions from the review: the AEDA Strategic Plan, the CoA Economic Development Strategy, AEDA governance and accountability, and AEDA/CoA roles and responsibilities (including Mainstreets, Precincts and Place Coordination functions), and specific strategic AEDA projects. The workshop provided constructive discussions which resulted in the following outcomes:

    5.1. Economic Development Strategy (Actions 1 – 1a)

        5.1.1. It was noted that the AEDA Board will be discussing the revised draft of the Economic Development Strategy (EDS) at its February meeting to provide input to the draft strategy which will then be presented to Council in March 2024 for approval to commence public consultation on the draft EDS.

    5.2. AEDA Strategic Plan (Actions 2 – 2d):

        5.2.1. The City of Adelaide 2024-2028 Strategic Plan, adopted by Council on 12 December 2023, and the impending EDS will be core to the development of AEDA's Strategic Plan.

        5.2.2. AEDA's Board, Advisory Committee and staff have workshopped economic priorities and opportunities for inclusion in the AEDA Strategic Plan, based on assessment of the economic environment.

        5.2.3. The AEDA Strategic Plan will be further progressed and finalised following Council's adoption of the EDS.

5.3. AEDA governance performance and accountability (including grants management, risk assurance) (Actions 4 – 4f):

5.3.1. It was confirmed AEDA is included in CoA assurance review processes, testing controls, audits and policy reviews including for grant funding, procurement, and risk assessments.

5.3.2. A draft funding policy has been developed and will be presented to the City Community Services and Culture Committee on 6 February 2024. This policy will provide a framework to ensure a consistent approach to the administration of funding across the organisation, including its subsidiaries. This policy will also provide greater clarity to Council Members around where funding sits within Council and its subsidiaries, and a consistent approach to the approval process of funding as per Council's Financial Delegations and Procurement Approvals.

5.3.3. The adequacy of AEDA's current reporting requirements was discussed and there was general support for the current approach. However, views were put that it would be enhanced by greater inclusion of economic development outcome measures, while noting the difficulties of doing this in general, and in particular for small scale projects.

5.4. Clarify AEDA-CoA roles and responsibilities (including Mainstreets, Precincts and Place Coordination functions) (Actions 5 – 5e):

5.4.1. The Council Members and AEDA Board Members that attended the workshop were supportive of an in-depth review to be led by the City of Adelaide on how Council and its subsidiaries supports placemaking within the City of Adelaide (including Mainstreets, Precincts, Associations etc.). Any reallocation of staff would be informed by the review's findings.

5.4.2. The review will also recommend whether a previous decision of Council regarding an annual Precinct Group funding increase should progress in its current form.

5.5. Information on specific projects and services including byADL, Wellfest Adelaide, Experience Adelaide Visitor Centre, and small business support (Actions 9 – 9d) was provided while noting that an additional report will be prepared for Council in February on the Experience Adelaide Visitor Centre.

6. Of the 36 actionable recommendations, 11 have now been completed and 4 are scheduled for completion by March 2024.

6.1. The 11 recommendations which have been completed are:

6.1.1. AEDA General Manager and/or Board Chair to be invited to present the quarterly progress report to the City Finance and Governance Committee (Action 3a)

6.1.2. Lord Mayor to share insights regarding AEDA Board discussions with Councillors and encourage attendance at Board meetings (Action 3b)

6.1.3. Ensure more targeted AEDA reporting to Council (relevant and aligned to economic activities and with sufficient evidence support) (Action 3c)

6.1.4. Ensure CoA Governance has greater oversight at initial stages of key AEDA operational processes (Action 4a)

6.1.5. Undertake an internal audit on AEDA's administration of grant allocation (Action 4e)

6.1.6. Provide a detailed breakdown of budget allocation that aligns actions to progress and accountability (Action 4f)

6.1.7. Articulate and document AEDA and CoA marketing units respective roles, responsibilities and collaboration principles (Action 5b)

6.1.8. Ensure CoA is acknowledged as the key funding body for large events and campaigns (Action 6b)

6.1.9. Conduct a review of the purpose and value of the AEDA Advisory Committee (Action 7e)

6.1.10. Identify obligations of ByADL contract and investigate options to continue or exit (Action 9b)

6.1.11. Reassess ambition and contractual obligations for Wellfest Program (Action 9c)

6.2. Further information on these recommendations can be found in the updated AEDA Review Implementation Plan (**Attachment A**).

7. Recommendations involving the development of a CoA Economic Development Strategy and AEDA Strategic Plan (Actions 1-1a to 2-2d) were originally due for completion in March and May 2024 respectively. Council at its 14 November 2023 meeting requested administration seek additional advice from industry experts to develop a revised draft of the Economic Development Strategy (EDS), and additional consultation meant completion was delayed. Consequently, the AEDA's Strategic Plan (strongly informed by the EDS) is also delayed. The City of Adelaide Chief Executive Officer in late 2023 granted an extension to June 2024 and August 2024 respectively for completion of these actions.
8. Actions related to additional or re-allocated staffing between CoA and AEDA (Actions 5c-d, and 8-8a) were also pushed back from February 2024 to April 2024, to ensure adequate time for the Council and Executive to consider any potential structural changes (including the review of CoA placemaking activity noted above).
9. Implementation of actions is monitored and managed via the City of Adelaide Promapp system, with the next update to the Council scheduled for July 2024.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – AEDA Review Implementation Plan Update

- END OF REPORT -

Action no.	Recommendation	Review	Rec. No.	Responsibility	Update	Expected completion date	Priority rating	Lead officer
1	**Economic Development Strategy / Policy**							
1	* Develop an overarching CoA Economic Development Strategy (which would underpin AEDA priorities, targets, measures and deliverables) * Develop City Economic Development policy	Deloitte KPMG	D5 K1	CoA	The last City of Adelaide economic policy/strategy was the Economically Prosperous City Strategy 2012-2016. The development of an Economic Development Strategy (EDS) was supported by recommendations through independent reviews by Deloitte and KPMG, and the 2024-2028 Strategic Plan adopted by Council on 12 December 2023 also includes an Indicator to 'Develop a City of Adelaide Economic Development Strategy by 2024 to drive growth' under the pillar Our Economy On 7 November 2023, a draft of the EDS was presented to the CPDBA Committee, which requested additional external input. On 14 December 2023, CoA hosted an Economic Development Strategy Roundtable and collaborative discussions from the session have informed drafting of the EDS. The AEDA Board will be discussing the revised draft of the EDS at its February meeting to provide input to the draft strategy which will then be presented to Council in March 2024 for approval to commence public consultation on the draft EDS.	June-24	Immediate	Director, City Shaping
a	Develop further CoA strategies to indirectly drive economic growth (eg. strategies for residential population growth, housing)	Deloitte	D6	CoA	In February 2023, Council requested a housing strategy to replace the Homelessness, Social Housing and Housing Affordability Policy 2022-2025 endorsed in May 2022 reflecting an increased Council role in the housing sector and its ambition to grow the city's population to 50,000 by 2036. In December 2023, Council endorsed the Strategic Plan 2024-2028 which includes an Outcome to 'Drive affordable, safe and quality housing outcomes that attract and retain residents in our city', and targets from the draft Housing Strategy. Public consultation on the draft Housing Strategy was open for 8 weeks from 23 November 2023 until 25 January 2024. On 6 February 2024, the consultation summary and Housing Strategy was presented to CCSC Committee. The City of Adelaide Housing Strategy is due to be presented to Council for endorsement on Tuesday 13 February 2024.	June-24	Immediate	Director, City Shaping
2	**AEDA Strategic Plan**							
2	Develop the AEDA Strategic Plan	KPMG	K2	AEDA	AEDA's Board, Advisory Committee and staff have workshopped economic priorities and opportunities for inclusion in the AEDA Strategic Plan, based on assessment of the economic environment. Further development of AEDA's Strategic Plan will occur once the Economic Development Strategy has been endorsed for public consultation by Council. An extension was granted by the CEO for this action.	August-24	High	Managing Director, AEDA
a	Better target strategic AEDA KPIs towards economic development outcomes	Deloitte	D15	AEDA	Indicators will flow from developing work on the EDS and incorporated within AEDA's Strategic Plan where relevant to do so. AEDA's Board, Advisory Committee and staff have workshopped economic priorities and opportunities for inclusion in the AEDA Strategic Plan, based on assessment of the economic environment. Further development of AEDA's Strategic Plan will occur once the Economic Development Strategy has been endorsed for public consultation by Council. An extension was granted by the CEO for this action.	August-24	High	Managing Director, AEDA
b	Develop the AEDA Long Term Financial Plan	KPMG	K3	AEDA	Discrete component of the AEDA Strategic Plan and developed in parallel. Development of AEDA's LTFP will occur once Council have endorsed the Economic Development Strategy as this will be key in developing AEDA's Strategic Plan. An extension was granted by the CEO for this action.	August-24	High	Managing Director, AEDA

c	* Diversify economic development activation activities (beyond current retail focus) * Investigate additional investment opportunities (for funding from other bodies and government to deliver more, and more diverse, economic growth services)	Deloitte KPMG	D8 K11	AEDA	Priorities and opportunities will come out of the development of the AEDA Strategic Plan and Long-Term Financial Plan. This action has had to be extended as it depends upon the development of the aforementioned documents. An extension was granted by the CEO for this action.	August-24	High	Managing Director, AEDA
d	Conduct a review of current AEDA resourcing and requirements	KPMG	K6	AEDA	AEDA's Strategic Plan will determine AEDA's priorities and therefore inform resourcing requirements. Additionally, the delivery of the City of Adelaide's 2024-2028 Strategic Plan and broader corporate resource needs may also impact this action as consideration is given to delivering the actions outlined in that document. An extension was granted by the CEO for this action.	August-24	High	Managing Director, AEDA
3	**AEDA - Council decision making and reporting**							
3	* Develop streamlined and structured approval between the Board and the CoA * Review and simplify Executive reporting structures between AEDA and the CoA	KPMG Deloitte	K17 D3	Both	An extension has been granted by the CEO for this action as it was scheduled for further discussion at the 30 January 2024 workshop. Discussion from the 30 January workshop acknowledged that a funding policy is scheduled to go before the Council in February 2024 which will provide greater clarity around approvals and funding delegations. A structural change within the City of Adelaide has occurred post AEDA Reviews with the AEDA General Manager now reporting into the Chief Operating Officer of Corporate Services. This ensures consistency amongst the subsidiaries of the City of Adelaide and provides greater clarity on direct reporting lines.	Feb-24 Completed	High	Chief Operating Officer Managing Director, AEDA Chief Operating Officer Managing Director, AEDA
a	AEDA Managing Director and/or Board Chair to be invited to present the quarterly progress report to the City Finance and Governance Committee	KPMG	K12	CoA	The AEDA Chair and Managing Director now have a standing invitation to present the quarterly progress report to the City Finance and Governance Committee This action is completed.	Completed	Immediate	Chief Executive Officer
b	Lord Mayor to share insights regarding AEDA Board discussions with Councillors and encourage attendance at Board meetings	KPMG	K13	CoA	A discussion was had with the Lord Mayor who expressed her preference for an e-news to go out post AEDA Board meeting highlighting key items. AEDA are responsible for writing and distributing the e-news. This action is completed.	Completed	Immediate	Lord Mayor
c	Ensure more targeted AEDA reporting to Council (relevant and aligned to economic activities and with sufficient evidence support)	Deloitte	D13	Both	AEDA reviewed the information provided in its quarterly reports to now include: • Reporting against its projected budget for that quarter • Any upcoming risks and opportunities. These risks could be project or operational based. • Item that has been delivered within that quarter and relevant results from those activities. In addition to this, the City of Adelaide is currently reviewing how the corporate quarterly reports are structured. Any changes relevant to AEDA for improvement of the quarterly reports will be adopted. The development of AEDA's Strategic Plan will also ensure more targeted reporting that is aligned to economic activities.	Completed	Medium	Chief Operating Officer Managing Director, AEDA
4	**AEDA Governance performance and accountability**							
4	Better employ operational AEDA KPIs, measured against appropriate baselines (including more rigorous project, financial and timeline variation reporting)	Deloitte	D16	Both	The AEDA Executive team is currently developing a project brief template that will be implemented agency-wide. This template aims to ensure consistency in the development and reporting of projects within AEDA.	May-24	Medium	Chief Operating Officer Managing Director, AEDA
a	Ensure CoA Governance has greater oversight at initial stages of key AEDA operational processes	Deloitte	D11	CoA	An internal workshop between AEDA staff and Corporate Governance staff occurred on 7 December 2023 and confirmed AEDA is included in CoA assurance review processes, testing controls, and audits and policy reviews. These encompass grant funding, procurement processes, and risk assessments for staged events, per the Deloitte recommendation.	Completed	Low	Chief Operating Officer

					Additionally, in Q3 2023/4 Corporate Governance will develop a compliance register for AEDA against the Charter and Schedule 2 of the Local Government Act. This will be an additional assurance mechanism, and also help clarify decision-making responsibilities between the AEDA Board and Council, as recommended in the KPMG review. This action has now been closed.			
b	Clearly define risk and mitigation strategies required by the Audit and Risk Committee	Deloitte	D14	CoA	The Deloitte review observed that AEDA reporting is focused on event outcomes and not necessarily on AEDA's strategic / operational /business risk profiles and mitigation strategies, or assurance and control processes. AEDA quarterly reporting was also reviewed with Corporate Services following similar feedback from the Audit and Risk Committee in early 2023. Since Q1 2023/24 AEDA Quarterly reports now provide: • AEDA's financials for that quarter - to demonstrate if the subsidiary is tracking against the projected budget presented to Council via the Annual Business Plan and Budget process. • Identifying current risks and opportunities • Reporting against AEDA's BP&B Key Performance Indicators. In addition to this, Governance is scheduled to review the Corporate Strategic Risk Register in Q3 2023/24, which incorporates Council's subsidiaries, with a biannual report to go before the Audit and Risk Committee.	May-24	Medium	Chief Operating Officer
c	Define risk-based requirements for justifying key grant, sponsorship and campaign financing decisions (systematising risk-assessment of funding decisions)	Deloitte	D2	Both	Deloitte recommended that CoA with AEDA should define requirements for how key financial decisions are to be justified (based on value /nature) and who is required to approve these decisions. For example, large grants / sponsorships to go through consistent business case and evaluation process. A similar finding was provided out of Council's internal audit process of all City of Adelaide (and subsidiary) grants/funding. Council's internal auditor, KPMG, recommended that the CoA consider streamlining approval processes for all CoA grant programs with consideration of the current Delegation of Authority. The finding also advised that there is an opportunity to streamline AEDA related grants to operate within the delegated authority of the AEDA Board where deemed appropriate. To enact these findings, a corporate wide funding policy is currently being developed to ensure consistency in the administration of funds across Council and its subsidiaries. This will also include clarity around delegated authority for funding decision i.e. does it require a Council decision or does it fall under Director or Associate Director delegation? AEDA are also currently developing a project brief template to ensure there is a consistent process for developing and reporting on campaigns and projects within the Agency.	May-24	Immediate	Managing Director, AEDAChief Operating Officer
d	Implement an ongoing assurance model for AEDA	Deloitte	D12	CoA	Corporate Governance will undertake a strategic risk management review in Q3 of this financial year. The development of an Assurance Model will form part of this review which will incorporate all City of Adelaide subsidiaries.	End of 2024	Low	Managing Director, AEDA Chief Operating Officer
e	Undertake an internal audit on AEDA's administration of grant allocation	Deloitte	D12a	Both	An audit of grant processes within Council, including AEDA, was undertaken by Council's internal auditor, KPMG, as part of Council's 2023-24 audit program. This action has now been completed.	Completed	Medium	Managing Director, AEDA Chief Operating Officer
f	Provide a detailed breakdown of budget allocation that aligns actions to progress and accountability.	KPMG	K15	AEDA	In early 2023, CoA quarterly reporting (including that of subsidiaries) was reviewed with Corporate Services, and a new quarterly reporting format has been endorsed by ARC and CFG. Since Q1 2023/24 AEDA Quarterly reports now provide: • AEDA's financials for that quarter - to demonstrate if the subsidiary is tracking against the projected budget presented to Council via the Annual Business Plan and Budget process.	Completed	High	Managing Director, AEDA

					• Identifying current risks and opportunities • Reporting against AEDA's BP&B Key Performance Indicators. This action has now been completed.			
5	**Clarify AEDA - CoA roles and responsibilities**							
a	Establish clear terms of reference for cross-over business units (eg. marketing, grant administration functions within CoA)	Deloitte	D9	Both	A terms of reference between the City of Adelaide Marketing and AEDA Marketing team has now been formalized and shared amongst the teams. Grant administration will be guided by the development of a grants policy that is currently being prepared by the City Culture Program for consideration by Council in February 2024. The need for the development of other cross over business unit's terms of references will be determined by any potential structural changes.	April -24	Low	Managing Director, AEDA Chief Operating Officer
b	Articulate and document AEDA and CoA marketing units respective roles, responsibilities and collaboration principles	Deloitte	D21	Both	A terms of reference between the City of Adelaide Marketing and AEDA Marketing team has now been formalized and shared amongst the teams.	Completed	High	Managing Director, AEDA Chief Operating Officer
c	Investigate the options and benefits of merging the City Experience team into the AEDA model	KPMG	K8	CoA	To be considered as part of an overall approach to ensure the structure of the City of Adelaide supports the directions and priorities sought by Council.	May-24	Medium	CEO/ COO/ MD AEDA
d	Explore moving Mainstreets, Precincts, and Place Co-ordinators to AEDA	KPMG	K9	CoA	An outcome from the 30 January 2024 workshop between Council Members and the AEDA Board was to undertake an in-depth review, led by the City of Adelaide, on how Council and its subsidiaries supports placemaking and activation within the City of Adelaide (including Mainstreets, Precincts, Associations etc.).	May-24	Medium	CEO/ COO/ MD AEDA
e	Review marketing and event management services panel contracts to meet both AEDA and CoA business needs	Deloitte	D17	CoA	AEDA Marketing is currently liaising with City of Adelaide Procurement, City of Adelaide Marketing and City of Adelaide Events team to understand if AEDA/CoA are effectively managing and leveraging service panel contracts in areas of interest across both the marketing and events teams.	Mar-24	Low	Managing Director, AEDA Chief Operating Officer
6	**AEDA branding**							
6	Develop a brand guideline, in collaboration with the CoA	KPMG	K18	Both	A draft of the Brand Architecture for the City of Adelaide suite of brands (e.g. CoA, ACMA, UPARK, AEDA etc) was presented to the City of Adelaide Executive team and the AEDA Board in late 2023. Constructive feedback was provided to the CoA Marketing team to consider. An extension has been granted for this action as both AEDA and City of Adelaide Marketing teams will require time to collaborate in developing an updated draft of the Brand Architecture which considers the implementation for all applications of the logo. The revised draft of the Brand Architecture is currently scheduled to be presented to the City of Adelaide Executive team and AEDA Board by March 2024 for feedback.	April-24	High	Managing Director, AEDA Chief Operating Officer
a	Maintain AEDA brand independence (to drive increased engagement and participation with external stakeholders)	Deloitte	D20	Both	This will be dependent upon the Brand Architecture which is currently being developed and scheduled to go before the City of Adelaide Executive team and AEDA Board by March 2024.	April-23	High	Managing Director, AEDA Chief Operating Officer
b	Ensure CoA is acknowledged as the key funding body for large events and campaigns	Deloitte	D7	AEDA	This is already included in funding agreements with festival and event organisers, and other sponsorship recipients. This action is completed.	Completed	Immediate	Managing Director, AEDA

7	**Improved AEDA stakeholder engagement**							
a	Review, expand, and strengthen alliances with key strategic partners	KPMG	K10	AEDA	Development of the AEDA Strategic Plan gives opportunity to articulate, systematise and formalise these relationships, and the Plan should reflect the AEDA approach to these relationships. However, the opportunity to strengthen alliances and partnership is ongoing and continues to happen. Allocation of existing resources can be employed to support strategic opportunities though a continued transparent merit-based allocation model and other non- financial partnership opportunities. An extension has been granted for this action due to the development of the AEDA Strategic Plan having to be delayed until the EDS has been finalised.	August-24	Medium	Managing Director, AEDA
b	Ensure more active, timely engagement with traders in developing AEDA's events and campaign program	Deloitte	D18	AEDA	Internal processes are being reviewed to ensure maximum lead time is provided to traders for AEDA Events and Campaigns. The draft project brief template (as detailed in under action 4 of this plan) is currently being reviewed to require staff to provide details for stakeholder engagement for any potential AEDA projects. AEDA engages with Rundle Mall stakeholders upto 3 times a month via stakeholder edm's which includes a monthly report on relevant metrics (i.e. foot traffic, new traders etc), upcoming campaigns and the results of previous campaigns and promotions. Targeted engagement with property owners and traders is occurring regularly for pertinent updates (i.e. specific campaigns, activations and events). A broad Rundle Mall Stakeholder engagement session will occur in quarter 4 of 2023/2024. A survey was circulated in late 2023 to AEDA Stakeholders, which included Rundle Mall Stakeholders, for input into AEDA's 2024/2025 Business Plan and Budget.	Mar-24	Low	Managing Director, AEDA
c	Increase stakeholder access to baseline demographic and economic metrics (to better support their investment and commercial decisions)	Deloitte	D19	AEDA	The Economic Dashboard was reviewed and updated in early 2023 to reflect relevant and recent economic data for city users and investors. Monthly reports on activity levels and the visitor economy are produced and distributed via the City Business and the City Tourism EDM's. Additional to this, the AEDA Business Summitt and three industry briefings were held in 2023 for city stakeholders. This recommendation will also be considered as part of recommendations 8 and 8a within the Implementation Plan in regards to resourcing.	May-24	Low	Managing Director, AEDA
d	Review AEDA's Mainstreet Precincts engagement model	Deloitte	D10	AEDA	The review, which was conducted as part of the Advisory Committee review, recommends Place Coordinators being located within AEDA. Should that recommendation be implemented, they will become the main Point of Contact for engaging with Mainstreets.	May-24	Medium	Managing Director, AEDA
e	Conduct a review of the purpose and value of the AEDA Advisory Committee	KPMG	K4	AEDA	A review of the Advisory Committee was undertaken in November 2023. A report was then presented at the 21 November 2023 Board meeting which proposed how the Committee could be better utilised going forward. The Board endorsed the report's recommendation. No changes are required to the Advisory Committee Terms of Reference. This action is now completed.	Completed	Medium	Managing Director, AEDA

8	**AEDA data insights**							
8	Review and enhance AEDA's capability to provide strategic economic insights for the city	Deloitte	D1	AEDA	The CoA Graduate Program has allocated 1 FTE position to support the AEDA Data and Insights team during 2024 and 2025. In addition to this, AEDA is working with the universities to provide students with work experience opportunities while also assisting AEDA with adhoc research projects. A business case has also been submitted via the City of Adelaide Business Plan and Budget process for 2024/2025 for a qualitative research assistant within AEDA. Any additional resourcing will be considered as part of an overall approach to ensure the structure of the City of Adelaide supports the directions and priorities sought by Council.	Mar-24	Low	Managing Director, AEDA
a	Expand the AEDA Data and Insights function from one staff member to a team	KPMG	K7	CoA	The CoA Graduate Program has allocated 1 FTE position to support the AEDA Data and Insights team during 2024 and 2025. In addition to this, AEDA is working with the universities to provide students with work experience opportunities while also assisting AEDA with adhoc research projects. A business case has also been submitted via the City of Adelaide Business Plan and Budget process for 2024/2025 for a qualitative research assistant within AEDA.	April-24	Low	Managing Director, AEDA Chief Operating Officer
9	**Review of specific AEDA programs**							
a	Review effectiveness of outsourced small business service functions to support new and emerging businesses, to inform future operating and contracting models	Deloitte	D4	AEDA	In July 2023, the AEDA Board agreed to target the 2023/24 Strategic Partnerships Program (SPP) funding towards projects that supported the growth of small businesses. Consideration was given to the State's Small Business Strategy when redesigning the SPP Guidelines to ensure it complimented, rather than duplicated, existing support programs. The revised guidelines for the program therefore prioritised activities that were more intensive and had a measurable impact. The application period for the program was open from 23 August to 18 September 2023 and the University of Adelaide/ThinkLab, MTPConnect and SouthStart were selected as the recipients of the funding. In addition to the SPP Program, regular communications are occurring with the Office for Small and Family Business to ensure that upcoming business support programs are communicated to businesses via AEDA Channels. This also provides the opportunity for AEDA to provide feedback on business needs and where additional support may be required. Communications are also continuing with Business SA, which includes referring small businesses to Business SA for assistance where relevant to do so.	Mar-24	Immediate	Managing Director, AEDA
b	Identify obligations of ByADL contract and investigate options to continue or exit	KPMG	K14	AEDA	The options to continue or handover the platform to the software partner were explored by Administration and the options were presented to the AEDA Board on 26 September 2023. The Board authorised the Managing Director to execute a revised agreement with Arcadier (the software partner) to enable transition of the byADL platform. A formal term sheet has now been signed by both parties. This action has now been closed.	Completed	Immediate	Managing Director, AEDA
c	Reassess ambition and contractual obligations for Wellfest Program	KPMG	K16	AEDA	At the 21 November 2023 AEDA Board meeting, the Board considered a report on Wellfest. The Board noted the origin of WellFest project as a response to concerns relating to Covid and reiterated the continuing importance of wellbeing to workplaces. However, the Board considered the environment that Wellfest was conceived in has changed and resolved to discontinue the event.	Completed	Immediate	Managing Director, AEDA

					An update on this project was provided to Council at the 30 January 2024 workshop. This action is now completed.			
d	Revisit the original plan and approach for the new Experience Adelaide Visitor Centre	KPMG	K5	Both	AEDA Administration have reassessed the original plan and approach. Updated feasibility studies have also been considered. The AEDA Board have endorsed the proposed amended model for the Experience Adelaide Visitor Centre and this was briefly discussed with Council at the 30 January 2024 workshop. A report is being prepared for the City Finance and Governance Committee to review in February 2024.	Mar-24	Immediate	Chief Executive Officer Managing Director, AEDA

Internal Audit Progress Report

Strategic Alignment – Our Corporation

Public

Friday, 16 February 2024
Audit and Risk Committee

Program Contact:
Alana Martin, Manager Governance

Approving Officer:
Michael Sedgman, Acting Chief Executive Officer

EXECUTIVE SUMMARY

This report provides an update on Council's Internal Audit Plan, outlining the findings and recommendations of internal audits completed, and the progress of any agreed actions. The Audit and Risk Committee last received an Internal Audit Progress Report at its meeting in November 2023.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is a mechanism that enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively and efficiently, and to advise how it can improve performance.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of Internal Audit Plan as outlined in Item 5.8 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
2. Notes the progress of the completion of Internal Audit Actions as outlined in Item 5.8 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its functions legally, effectively, and efficiently.
Policy	Not as a result of this report.
Consultation	Not as a result of this report.
Resource	Not as a result of this report.
Risk / Legal / Legislative	Not as a result of this report.
Opportunities	Internal audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services, and aligning Council processes to best practice standards.
23/24 Budget Allocation	$70,000
Proposed 24/25 Budget Allocation	Not as a result of this report.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report.
23/24 Budget Reconsideration (if applicable)	Not as a result of this report.
Ongoing Costs (eg maintenance cost)	Not as a result of this report.
Other Funding Sources	Not as a result of this report.

DISCUSSION

Background

1. The role of the Internal Audit is to provide independent assurance that the Council's risk management, governance and internal control processes are operating effectively.
2. The Audit and Risk Committee (the Committee) receive all Internal Audit reports. The Committee reviews and monitors Council's responsiveness to findings and recommendations of the Internal Auditor (currently KPMG), other external providers and in-house advice.

Internal Audit Plan Update

3. The Internal Audit Plan (the Plan) is a risk-based program developed with the Council's Executive and Strategic Risk and Internal Audit Group (SRIA). A status update on the 2023-2024 plan is provided at Link 1.
4. Since the Committee met in November 2023, three internal audit reviews have been completed by KPMG and in-house:
    - 4.1. Climate Change Action Plan
    - 4.2. Community Safety
    - 4.3. Mercer Review
5. The following internal audits have been scoped and are in progress:
    - 5.1. Emergency Management
    - 5.2. Data Protection and Privacy
    - 5.3. Post Audit Implementation
    - 5.4. Legislative Compliance
    - 5.5. Project Health Check
    - 5.6. Strategic Property Review

Internal Audit Actions

6. Recommendations arising from the Internal Audit and Strategic Reviews are reported to SRIA.
7. Recommendations and agreed actions, responsibilities and timeframes for implementation are recorded in Council's process mapping and management software, Process Manager.
8. The implementation status of recommendations is tracked and reported to the Committee.
9. All requests for extension of a due date require the approval of the Chief Executive Officer. This process ensures that there is appropriate accountability before an extension is granted. Since the last Audit and Risk Committee meeting on 10 November 2023, thirteen actions have been approved for an extension.
10. The action and rationale for an extension are detailed below:
    - 10.1. I00753 Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to develop an overarching CoA Economic Development Strategy which would underpin AEDA priorities, targets, measures, and deliverables. The development of the AEDA Strategic Plan has been placed on hold until Council endorses a draft version of this Strategy for public consultation. Council is expected to endorse the draft Economic Development Strategy for consultation in February 2024 with anticipated adoption in May 2024. The CEO approved the extension till 30 June 2024.
    - 10.2. I00754 Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to review and enhance AEDA's capability to provide economic strategic insights. The development of the AEDA Strategic Plan has been placed on hold until Council endorses a draft version of the CoA Economic Development Strategy for public consultation (endorsement expected in February 2024). The CEO approved the extension till 30 June 2024.
    - 10.3. I00755 Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to develop the Strategic Plan. The development of the AEDA Strategic Plan has been placed on hold until Council endorses a draft version of the CoA Economic Development Strategy for public consultation (endorsement expected in February 2024). The CEO approved the extension till 31 August 2024.

10.4. I00756 Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to develop better target strategic AEDA KPIs towards economic development outcomes. This action is linked to the development of an AEDA Strategic Plan, which has been placed on hold until Council endorses a draft version of the CoA Economic Development Strategy for public consultation (endorsement expected in February 2024). The CEO approved the extension till 31 August 2024.

10.5. I00757 Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to develop the AEDA Long Term Financial Plan. This action is linked to the development of an AEDA Strategic Plan, which has been placed on hold until Council endorses a draft version of the CoA Economic Development Strategy for public consultation (endorsement expected in February 2024). The CEO approved the extension till 31 August 2024.

10.6. I00758 Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to diversify economic development activation activities and investigate additional opportunities. This action is linked to the development of an AEDA Strategic Plan, which has been placed on hold until Council endorses a draft version of the CoA Economic Development Strategy for public consultation (endorsement expected in February 2024). The CEO approved the extension till 31 August 2024.

10.7. I00759 Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to conduct a review of current AEDA resourcing and requirements. This action is linked to the development of an AEDA Strategic Plan, which has been placed on hold until Council endorses a draft version of the CoA Economic Development Strategy for public consultation (endorsement expected in February 2024). The CEO approved the extension till 31 August 2024.

10.8. I00760 Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to develop streamlined and structured approval between the Board and the CoA and simplify reporting structures. Extension was required due to Council's request for an additional workshop with AEDA (held on 30 January 2024). The CEO approved the extension till 29 February 2024.

10.9. I00771 Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to establish clear terms of reference for cross-over business units. This has been delayed due to the postponement of broader City of Adelaide structural changes, caused by executive leadership change in December 2023. The CEO approved the extension till 30 April 2024.

10.10. I00776 - Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to develop a brand guideline, in collaboration with CoA. Extension was required to allow feedback from CoA executive and AEDA Board on the draft Brand Guidelines to be incorporated, and low time for the team to develop and present an updated draft of the guidelines. The CEO approved the extension till 30 April 2024

10.11. I00777 Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to maintain AEDA brand independence. Extension was required to allow feedback from CoA executive and AEDA Board on the draft Brand Guidelines to be incorporated and allow time for the team to develop and present an updated draft of the guidelines. The CEO approved the extension till 30 April 2024.

10.12. I00779 Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to review, expand and strengthen alliances with key strategic partners. This action is linked to the development of an AEDA Strategic Plan, which has been placed on hold until Council endorses a draft version of the CoA Economic Development Strategy for public consultation (endorsement expected in February 2024). The CEO approved the extension till 31 August 2024.

10.13. I00785 Review of the Adelaide Economic Development Agency (AEDA) – the agreed action is to expand the AEDA data and insight's function. This has been delayed due to the postponement of broader City of Adelaide structural changes, caused by executive leadership change in December 2023. The CEO approved the extension till 30 April 2024

11. Eighteen internal audit recommendations from previous Audits have been completed since November 2023. Ninety-six recommendations are in progress. The completed recommendations are:

11.1. PCI DSS Gap Assessment

11.1.1. I00664 – install and maintain a firewall configuration to protect cardholder data

11.2. Volunteer Management

11.2.1. I00676 – to provide further clarification and additional information in the Terms of Reference for Volunteer Committee Group

11.3. Review of Confidentiality Orders

11.3.1. I00716 – adopt a public transparency policy

11.4. Cab Charges, Ride Shares and Pool Cars

11.4.1. I00731 – inform all employees the terms and conditions of use of pool cars

11.4.2. I00734 – set up a corporate Uber account for each Portfolio/Program to be managed by executive assistants

11.5. Grant Management

11.5.1. I00750 – consider the opportunity to involve an Elected Member as part of the assessment panel

11.6. Review of Adelaide Economic Development Agency

11.6.1. I00761 – AEDA Managing Director and/or Board Chair to be invited to present the quarterly progress report to the City Finance and Governance Committee

11.6.2. I00762 – Lord Mayor to share insights regarding AEDA Board discussions with Councillors and encourage attendance at Board meetings

11.6.3. I00763 – ensure more targeted AEDA reporting to Council

11.6.4. I00765 – ensure CoA governance has greater oversight at initial stages of key AEDA operational processes

11.6.5. I00769 – undertake an internal audit on AEDA's administration of grant allocation

11.6.6. I00770 – provide a detailed breakdown of budget allocation that aligns actions to progress and accountability

11.6.7. I00772 – articulate and document AEDA and CoA marketing units respective roles, responsibilities and collaboration principles

11.6.8. I00778 – ensure CoA is acknowledged as the key funding body for large events and campaigns

11.6.9. I00783 – conduct a review of the purpose and value of the AEDA Advisory Committee

11.6.10. I00787 – identify obligations of ByADL contract and investigate options to continue or exit

11.6.11. I00788 – reassess ambition and contractual obligations for Wellfest Program

11.7. Community Safety

11.7.1. I00879 – create four documented procedures regarding the end-to-end processes for Community Safety expiations

12. A summary of the status is shown in the below table, with the complete document able to be accessed via Link 2. One additional action has become overdue since the previous update to the Audit and Risk Committee:

12.1. I00519 Park Lands Expenditure – agreed action is:

12.1.1. Review of time management processes to be undertaken to identify methods to improve accuracy in allocating time performing tasks

12.1.2. Community engagement methods should be considered to review current level of services performed in comparison to community needs

12.1.3. A review be undertaken as to the reporting associated with maintenance activities on assets and the recipients of this information

Community engagement has already been undertaken to understand the level of service and associated costs will be reported to Council through the Park Lands and Open Space Management Plan. The maintenance plan will follow, and maintenance program improvements will be progressively rolled out. Level of Service will be addressed through the appropriate Asset Management Plans which will be finalised by mid-2024.

Risk	Definition	Overdue	In Progress	Total
High	Issue represents a control weakness which could have or is having major adverse effect on the ability to achieve project objectives.	4	22	**26**
Moderate	Issue represents a control weakness which could have or is having a moderate effect on the ability to achieve process objectives.	3	36	**39**
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives.	3	22	**25**
N/A	Improvement Opportunity	0	16	**16**
	Total	10	96	**106**

DATA AND SUPPORTING INFORMATION

Link 1 – Internal Audit Plan 2023 – 2024 Status Update

Link 2 – Agreed Actions Progress Report

ATTACHMENTS

Nil

- END OF REPORT -

Audit and Risk Committee Meeting Dates

Friday, 16 February 2024
Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:
Alana Martin, Manager Governance

Public

Approving Officer:
Anthony Spartalis, Acting Chief Operating Officer

EXECUTIVE SUMMARY

This report seeks approval for the meeting schedule for the Audit and Risk Committee (Committee) for the coming year.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Approves the following meeting schedule for the Audit and Risk Committee to be held in the Colonel Light Room, Town Hall, Adelaide:
   - 1.1 Friday 12 April 2024 from 8.30am
   - 1.2 Friday 3 May 2024 from 8.30am
   - 1.3 Friday 14 June 2024 from 2.00pm
   - 1.4 Friday 27 September 2024 from 8.30am
   - 1.5 Friday 8 November 2024 from 9.30am
   - 1.6 Friday 14 February 2025 from 8.30am

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation
Policy	In accordance with the Audit and Risk committee Terms of Reference, the schedule of meetings is required to be determined by the Committee.
Consultation	Committee Members were consulted regarding the meeting dates being presented to the Committee.
Resource	Not Applicable
Risk / Legal / Legislative	Proposed meeting times are in accordance with legislative requirements.
Opportunities	Open, transparent, and informed decision making.
23/24 Budget Allocation	Not Applicable
Proposed 24/25 Budget Allocation	Not Applicable
Life of Project, Service, Initiative or (Expectancy of) Asset	Not Applicable
23/24 Budget Reconsideration (if applicable)	Not Applicable
Ongoing Costs (eg maintenance cost)	Not Applicable
Other Funding Sources	Not Applicable

DISCUSSION

1. The role of the Committee is to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters.
2. In accordance with the Committee's Terms of Reference (Link 1) adopted by Council on 12 September 2023, the Committee will meet at least 6 times a year on dates and times determined by the Committee.
3. The proposed dates presented in this report will meet this requirement.
4. The dates and times being proposed are listed below:
   - 4.1. Friday 12 April 2024 from 8.30am
   - 4.2. Friday 3 May 2024 from 8.30am
   - 4.3. Friday 14 June 2024 from 2.00pm
   - 4.4. Friday 27 September 2024 from 8.30am
   - 4.5. Friday 8 November 2024 from 9.30am
   - 4.6. Friday 14 February 2024 from 8.30am
5. Under the Committee's Terms of Reference: the Chief Executive Officer is authorised to vary the meeting schedule, including the commencement time, meeting place, date, or cancellation of a meeting (if there are no matters to consider) after liaising with the Presiding Member.
6. If required Special Meetings of the Committee can be called in accordance with the *Local Government (Procedures at Meetings) Regulations 2013.*

DATA AND SUPPORTING INFORMATION

Link 1 - Audit and Risk Terms of Reference,

ATTACHMENTS

Nil

- END OF REPORT -

Audit and Risk Committee Work Plan

Friday, 16 February 2024
Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:
Alana Martin, Manager Governance

Public

Approving Officer:
Anthony Spartalis, Acting Chief Operating Officer

EXECUTIVE SUMMARY

2024 meeting dates for the Audit and Risk Committee (ARC) were finalised in November 2023. Some projected work plan milestone dates no longer coincide with 2024 meeting dates. A revised ARC work plan is attached which better aligns the finalised ARC meeting schedule with key ARC work milestones.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Adopts the revised 2024 work plan (Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024) to guide Audit and Risk Committee activity during 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Not as a result of this report
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. At its meeting on 10 November 2023 the Audit and Risk Committee (ARC) adopted a 2024 work plan. Upon subsequently finalising 2024 meeting dates, the work plan needed to be revised to align work milestones with scheduled meetings, particularly as there are no ARC meetings in March, July, August, October or December 2024.
2. Unless a work plan milestone required amending to coincide with an ARC meeting during 2024, the revised work plan is unchanged and the same as that adopted on 10 November 2023.
3. Changes to the original work plan are:
    - 3.1. Review of Annual Business Plan (Q3) – moved from March to May meeting.
    - 3.2. Review of Annual Business Plan (Q4) – moved from July to September meeting.
    - 3.3. Review of Council's Draft Annual Report – moved from October to September meeting.
    - 3.4. Risk Management Operating Guidelines – moved from March to April meeting.
    - 3.5. Risk Management Systems – moved from September to November meeting.
    - 3.6. Review of Strategic Risk Register – moved from August to November meeting.
    - 3.7. Asset Management Plans – moved from May to June meeting
    - 3.8. Update on forward year Business Plan and Budget development – moved from April to May meeting.
    - 3.9. Risk Management Review – moved from May to June meeting.
    - 3.10. Risk Statement – moved from September to June meeting.
    - 3.11. Public Interest Disclosure requirement - moved from September meeting to June meeting.
    - 3.12. Complaint Framework - moved from September meeting to June meeting.
    - 3.13. Matters Arising from External Audit – moved from October to September meeting.
    - 3.14. Internal Controls - moved from October to September meeting.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – Revised 2024 ARC workplan

- END OF REPORT -

AUDIT & RISK COMMITTEE: 2024 WORK PLAN

Action	Link to Legislation, ToR	Deliverable	Frequency	Timing - schedule of reports to ARC												Responsible Reporting Officer
				1-Nov-23	Dec - Jan break	16-Feb-24	1-Mar-24	12-Apr-24	3-May-24	14-Jun-24	1-Jul-24	1-Aug-24	27-Sep-24	1-Oct-24	8-Nov-24	1-Dec-24	
A&RC Committee Performance	Terms of Reference (4.3, 4.4)	Annual Report from the Presiding Member	Annual														Manager, Governance
	Terms of Reference (4.5)	Audit & Risk Committee Self-Assessment Results	Annual														Manager, Governance
	Terms of Reference (8.2)	Meeting Schedule	Annual														Manager, Governance
	Terms of Reference (2.1)	Annual Work Plan	Annual														Manager, Governance
	Terms of Reference (4.5)	Review of the Terms of Reference	Annual														Manager, Governance
	-	Training and development plan	Annual														Manager, Governance
External Audit	Terms of Reference (3.3.2)	End of Financial Year Audit Approach & Reporting Timetable	Annual														Manager, Finance & Procurement
	Terms of Reference (3.3.4)	External Audit Interim Management Letter (delivered by external auditor before end June each year)	Annual														Manager, Finance & Procurement
	LG Act s.126(4)(a) Terms of Reference (3.1 & 3.3.5)	Audited Annual Financial Statements and report on Financial Results - CoA, APLA, ACMA and AEDA	Annual														Manager, Finance & Procurement
	LG Act s.126(4)(b) Terms of Reference (3.3.3)	Confidential Meeting with External Auditors	Annual														Manager, Finance & Procurement
	LG Act s.126(4)(b) Terms of Reference (3.3.4)	Matters arising from the External Audit	Annual														Manager, Finance & Procurement
	Terms of Reference (3.5 and 3.3.4)	Internal controls (considered as part of External Audit report)	Annual														Manager, Finance & Procurement
Financial Reporting	LG Act s.126(4)(ab, c) Terms of Reference (3.2)	Review of the Long Term Financial Plan	Annual - before and after consultation			Q2			Q3				Q4		Q1		Manager, Finance & Procurement
	LG Act s.126(4)(ab, c) Terms of Reference (3.2)	Review of Budget	Q3, Q1, Q2			Q2			Q3				Q4		Q1		Manager, Finance & Procurement
	Terms of Reference (3.2) Specifically requested by ARC	Quarterly Business Update **including subsidiary updates**	Quarterly	Q1		Q2			Q3				Q4		Q1		Manager, Finance & Procurement GMs of subsidiaries
	Terms of Reference (3.2) Specifically requested by ARC	Quarterly Long Term Financial Plan updates	Quarterly	Q1		Q2			Q3				Q4		Q1		Manager, Finance & Procurement
	LG Act s.126(4)(a)	CEO Sustainability Report	Annually														Manager, Finance & Procurement
	Terms of Reference (8.2)	Review Council's Draft Annual Report	Annual														Manager, Strategy Insights and Performance
	LG Act s.126(4)(ab, c) Terms of Reference (3.2)	Review of Annual Business Plan	Q3, Q4						Q3				Q4				Manager, Strategy Insights and Performance
	LG Act s.126(4)(ab, c) Terms of Reference (3.2.2)	Update on development of the forward year Business Plan & Budget	Annually														Manager, Finance & Procurement
Internal Audit	LG Act s.126(4)(b) Terms of Reference (3.4.3)	Confidential Meeting with Internal Auditors	Annually														Manager, Governance
	LG Act s.126(4)(c) Terms of Reference (3.4.2)	Internal Audit action plan update	All meetings														Manager, Governance
	LG Act s.126(4)(c) Terms of Reference (3.4.1)	Strategic Internal Audit Plan	Annually														Manager, Governance
	LG Act s.126(4)(c) Terms of Reference (3.5.2)	Review of Strategic Risk Register	Q1												Q1		Manager, Governance
Internal Control & Risk Management	LG Act s.126(4)(c) Terms of Reference (3.5.2)	Risk Management Systems (including Emergency Management - business continuity plan)	Q4												Q4		Manager, Governance
	LG Act s.126(4)(c) Terms of Reference (3.5.2)	Risk Management Operating Guidelines	As requested														Manager, Governance
	LG Act s.126(4)(c) Terms of Reference (3.5.2)	Risk Management Review	As requested														Manager, Governance
	LG Act s.126(4)(c) Terms of Reference (3.5.2)	Results of the LGRS Risk Management Evaluation *(Last report was presented February 2022)*	Biennially (due in 2024)														Manager, Governance Manager, People
	Terms of Reference (3.5.5)	Activity of Strategic Risk & Internal Audit Group (Quarterly)	Quarterly														Manager, Governance
Good public administration framework	Terms of Reference (3.5.1)	Risk Statement	Annually														Manager, Governance
		Public Interest Disclosure Requirement (once in a Council term) (this will Incorp LG Reform changes)	Q1														Manager, Governance
		Complaint Framework (once in a Council term) (this will incorp LG Reform changes)	Q1														Manager, Governance
Strategic Plans	LG Act s.126(4)(ab) Terms of Reference (2.1.2)	Strategic Plan (each Council term - 2023/24)	Annual														Manager, Strategy Insights and Performance
	LG Act s.126(4)(ab) Terms of Reference (3.2.1)	Asset Management Plans	Q4														Manager, Infrastructure
Other Business	Items arising from internal audit or request from ARC	Climate Risk Plan	As requested														Director, City Planning
	Items arising from internal audit or request from ARC	Cybersecurity Update	As requested														Manager, Information Management

Review of Asset Management Plans

Friday, 16 February 2024
Audit and Risk Committee

Strategic Alignment – Our Places

Program Contact:
Mark Goudge, Associate Director Infrastructure

Public

Approving Officer:
Tom McCready, Director City Services

EXECUTIVE SUMMARY

This report presents to the Audit and Risk Committee (ARC) the draft Urban Elements and draft Transportation Asset Management Plans (Plans) for review and advice to Council, in accordance with the legislative requirements under the *Local Government Act 1999 (SA)* as well as the requirements of the ARC Terms of Reference.

THAT THE AUDIT AND RISK COMMITTEE

1. Receives the draft Urban Elements Asset Management Plan as per Attachments A and B to Item 5.11 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024 and provides the following advice

   1.1. _____

2. Receives the draft Transportation Asset Management Plan as per Attachments C and D to Item 5.11 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024 and provides the following advice

   2.1. _____

3. Notes the draft Urban Elements Asset Management Plan and the draft Transportation Assessment Management Plan as per Attachments A, B, C and D to Item 5.11 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024 were endorsed by Council on 12 December 2023 for the purposes of public consultation.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Places - Manage assets to meet the needs of our community • Community assets are adaptable and responsibly maintained
Policy	Asset Management Policy Strategic Asset Management Plan Public Communication and Consultation Policy
Consultation	The Audit and Risk Committee (ARC) is being consulted in line with the requirement of the *Local Government Act 1999 (SA)* and ARC's Terms of Reference which allows ARC to review and provide advice prior to Council making a decision on the adoption of the asset management plans. Consultation on the draft Transportation Asset Management Plan and Urban Elements Asset Management Plan was open for a six-week period from Friday 15 December 2023 to Friday 26 January 2024. The results of the consultation feedback and analysis will be reported to Council in March 2024.
Resource	Not as a result of this report
Risk / Legal / Legislative	The review and update of Asset Management Plans, including levels of service, is required every four years or within two years of a general Council election pursuant to section 122 of the *Local Government Act 1999 (SA)*. There is a requirement under the *Local Government Act 1999 (SA)* and the ARC Terms of Reference to review and provide feedback on the Council's Asset Management Plans.
Opportunities	Not as a result of this report
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	2024/25 budgets will be set by Council through the Annual Business Plan and Budget Process (noting Asset Renewal Funding Ratio targets of between 90-110%). Asset renewal is generally funded through operational revenue, which includes rates, commercial revenue and grant allocations.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	As documented within Asset Management Plan (no change).
Other Funding Sources	External funding opportunities will continually be pursued to offset costs, bring forward works, or provide for additional enhancements.

DISCUSSION

Purpose

1. Under the *Local Government Act 1999 (SA)* and the Audit and Risk Committee's (ARC) Term of Reference [Link One], ARC has responsibilities to review and provide advice on Asset Management Plans,
2. The purpose of this report is to present the draft Urban Elements Asset Management and the draft Transportation Asset Management Plans to ARC for its review and advice.
3. This advice will be incorporated into a report to Council prior to the adoption of these plans.

Background

4. Under the *Local Government Act 1999 (SA),* Council is required to develop Plans for a period of at least 10 years, which includes information about the operation, maintenance, renewal, acquisition, expansion, upgrade and disposal for each infrastructure asset class under our care and control.
5. The draft Plans were first presented to the Special Infrastructure and Public Works Committee (IPWC) on 5 December 2023 [Link Two]. At that time the IPWC considered the draft Plans and recommended to Council that the Plans be endorsed for the purposes of public consultation.
6. At the Council meeting on 12 December 2023, Council resolved to undertake public consultation on the draft Urban Elements Asset Management and Draft Transportation Asset Management Plans [Link Three].
7. The City of Adelaide has six Asset Management Plans, which include Urban Elements, Park Lands & Open Space, Buildings, Water Infrastructure, Lighting & Electrical and Transportation.
8. The City of Adelaide's urban elements asset portfolio is valued at approximately $105.3 million and provides vital services which enable the health and wellbeing of our community and support access and use to key amenities within the City and Park Lands. These assets include Public Art and Monuments, Street and Park Lands Furniture (e.g., bike racks, seat, wayfinding signage) and Urban Structures (e.g. rotundas, retaining walls and bus shelters).
9. The Urban Elements Assessment Management Plan has been developed with alignment to the City of Adelaide Strategic Plan 2024-2028 (Strategic Plan).
10. Following Council's adoption of the Strategic Plan any Plans that require updates will be considered for adoption by Council after the conclusion of community consultation.
11. The Plans have been informed by a community engagement process to understand current levels of community satisfaction and have been developed consistent with the Recommended Levels of Service report approved by Council in August 2022.
12. Asset Management Plans are technical documents, which are prepared in accordance with industry standard templates developed by the Institute of Public Works and Engineering Australasia (IPWEA) to ensure alignment with best practice and ISO 55000.
13. Due to the length of the Plans, a concise standalone summary document has also been prepared for both Plans to improve community engagement and understanding.

Lifecycle Management Summary – draft Urban Elements Asset Management Plan

14. This Plan defines the current state of our $105.3 million asset portfolio, as well as the asset management activities and associated funding requirements recommended for inclusion into the Long Term Financial Plan (LTFP) to achieve our asset performance targets (levels of service).
15. This Plan's renewal strategy aims to minimise the number of assets that deteriorate into a poor condition and prohibit assets reaching a very poor condition. This strategy ensures we can continue to provide services in line with the community's expectations, appropriately manage risk and optimise whole-of-life costs. Renewal forecasts within the Plan are presented in 2024/25 dollars and have been derived utilising predictive deterioration modelling for street and park lands furniture and urban structure assets. Cyclic conservation and refurbishment interventions have been utilised for public art and monuments given their unique cultural and aesthetic value.
16. This Plan does not identify forecast costs associated with new and upgrade projects, however ongoing integrated planning will ensure asset renewals are aligned (where practical) with key new and upgrade projects required to deliver our Strategic Plan objectives, identified within the Resource Plan and Business Plan and Budget.

17. This Plan does not identify financial forecasts associated with asset disposal, however where recommended, significant assets will be identified for decommissioning and disposal through Council Reports, to then be considered within the LTFP and Business Plan and Budget.

18. Operational and Maintenance activities are generally evaluated and prioritised with respect to budget provisions within the LTFP and Business Plan and Budget. Critical maintenance requirements that cannot be accommodated within existing budgets are assessed through regular budget reviews to ensure resources are appropriately re-allocated. Following the completion of this Plan, we will be reviewing operations and maintenance standards for Urban Elements assets, with a view to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. The associated financial impacts will need to be further considered in future revisions of the Plan and LTFP.

19. All assets with renewal requirements forecast within the next five years (based on predictive modelling and renewal intervention levels) have been scheduled to align with Main Street project timings outlined within the 27 June 2023 Council Decision.

Financial Summary and Implications – draft Urban Elements Asset Management Plan

20. The development of the draft Plan has identified additional funding requirements, when compared against the adopted LTFP to enable the optimal renewal of our assets and continue providing current levels of service, which aim to provide services in line with community expectations, whilst optimising whole-of-life costs and appropriately managing asset risk.

21. The draft Plan forecasts renewal costs of approximately $4.88 million (un-escalated) on average each year across the ten-year planning period, which sets the base for measuring the Asset Renewal Funding Ratio (ARFR). That is, if $4.88 million is fully expended, this would reflect an ARFR of 100%.

22. Currently, the renewal funding allocation for Urban Elements within the LTFP is $4million (un-escalated) on average each year, which represents 82% of the funding required to deliver the recommended asset renewals outlined in the draft Plan. If the base was reset to $4.88 million an additional funding requirement of $0.88 million on average each year to achieve a 100% ARFR under the draft Plan.

23. Contributing factors for the gap between the forecast renewal costs and current budgets within the LTFP include:

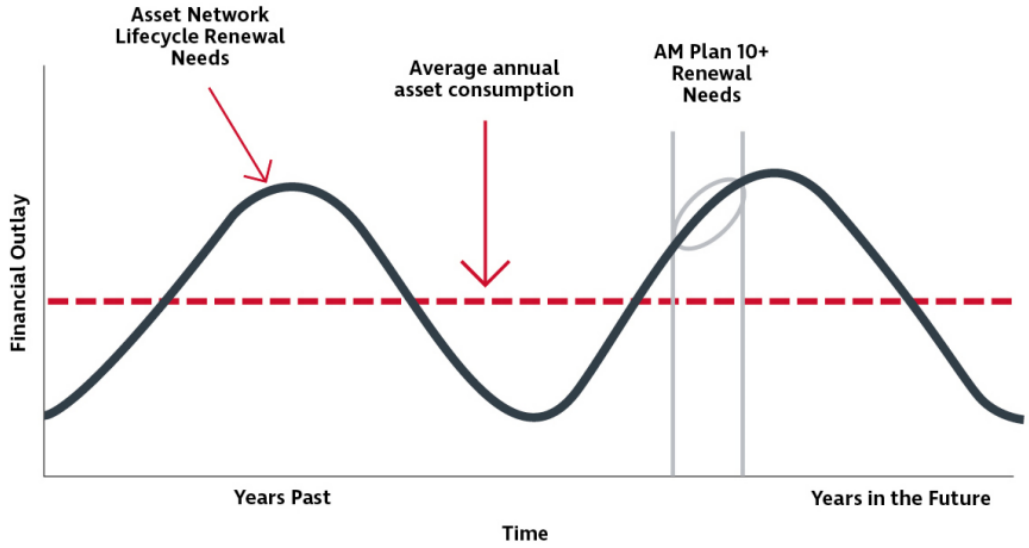
    23.1. Not achieving our ARFR targets over the past four financial years as a result of COVID-19 resourcing impacts and project delays associated with post-pandemic market saturation.

    23.2. Comprehensively updating our AM Plans (noting the last comprehensive update was undertaken in 2015, with a desktop update made to financial forecasts and LTFP in 2021).

    23.3. Utilising advanced predictive modelling within the draft AM Plan, that analyses asset condition information collected within the last four years, to better recognise the changing asset investment needs over time to maintain service levels.

    23.4. Ensuring we accurately recognise asset replacement costs, utilising current unit rates that take into consideration increasing costs associated with inflation and industry escalations. We have experienced significant increases in project unit rates, noting that the Local Government Association (LGA) have indicated that costs and materials have increased up to 25% post pandemic.

24. It is important to understand that infrastructure networks are comprised of assets with varying age profiles and different useful lives and replacement costs. This results in AM Plans often identifying the need to replace more assets in some periods when compared with others and means that it's very unlikely that asset renewal needs will be consistent over time. The figure below highlights a typical scenario of varying asset renewal expenditure requirements over the asset lifecycle.



25. The financial strategy associated with funding the Plan is proposed to be consistent with the 2023-24 to 2032-33 LTFP, ensuring we continue to deliver upon our current suite of services and asset maintenance requirements, where asset renewals are prioritised based on audit condition and risk.

26. Funding requirements will need to be considered in the development of the 2024/25 Business Plan and Budget. Council will also need to consider the financial levers available in order to ensure sufficient funding of both operational and renewal funding requirements.

Improvement Plan – draft Urban Elements Asset Management Plan

27. Through the development of this Plan, a number of improvement actions and next steps have been identified to promote continuous improvement and improved overall asset management maturity. These are identified in Section 9 of the Urban Elements Asset Management Plan Summary **(Attachment A).**

28. The Urban Elements Asset Management Plan (Comprehensive) can be found at **(Attachment B).**

Lifecycle Management Summary – draft Transportation Asset Management Plan

29. This Plan defines the current state of our $1.14 billion asset portfolio, as well as the asset management activities and associated funding requirements recommended for inclusion into the LTFP to achieve our asset performance targets (levels of service).

30. The Plan's renewal strategy aims to minimise the number of assets that deteriorate into a poor condition and prohibit assets reaching a very poor condition. This strategy ensures we can continue to provide services in line with the community's expectations, appropriately manage risk and optimise whole-of-life costs. Renewal forecasts within the Plan are presented in FY 24/25 dollars and have been derived utilising predictive deterioration modelling for road, kerb and water table and footpath assets, engineering recommendations for bridge assets and a network funding model for traffic signals.

31. This Plan does not identify forecast costs associated with new and upgrade projects, however ongoing integrated planning will ensure asset renewals are aligned (where practical) with key new and upgrade projects required to deliver our Strategic Plan objectives, identified within the Resource Plan and Business Plan and Budget.

32. The Plan does not identify financial forecasts associated with asset disposal, however where recommended, significant assets will be identified for decommissioning and disposal through Council Reports, to then be considered within the LTFP and Business Plan and Budget.

33. Operational and Maintenance activities are generally evaluated and prioritised with respect to budget provisions within the LTFP and Business Plan and Budget. Critical maintenance requirements that cannot be accommodated within existing budgets are assessed through regular budget reviews to ensure resources are appropriately re-allocated. Following the completion of this Plan, we will be reviewing operations and maintenance standards for transportation assets, with a view to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. The associated financial impacts will need to be further considered in future revisions of the Plan and LTFP.

34. Engineering inspections and preliminary project planning for Adelaide Bridge has identified the requirement to bring works forward and spread forecasts renewal costs (totalling $60 million) over two financial years (2027/28 and 2028/29). The Improvement Plan has explicitly referenced actions to refine the scope/costs/timing of works through the options analysis (currently underway) as well as investigate external funding opportunities.

35. All assets with renewal requirements forecast within the next five years (based on predictive modelling and renewal intervention levels) have been scheduled to align with Main Street project timings outlined within the 27 June 2023 Council Decision.

36. Upon completion of the Integrated Transport Strategy in 2024, the Plan will be reviewed with consideration of priority upgrade/new initiatives that are included within the Resource Plan, to ensure alignment with asset renewal programs. This action has formally been recognised within this Plan's Improvement Plan.

Financial Summary and Implications – draft Transportation Asset Management Plan

37. The development of the draft Plan has identified additional funding requirements, when compared against the adopted LTFP to enable the optimal renewal of our assets and continue providing current levels of service, which aim to provide services in line with community expectations, whilst optimising whole-of-life costs and appropriately managing asset risk.

38. The draft Plan forecasts renewal costs of approximately $33.62 million (unescalated) on average each year across the ten-year planning period, which sets the base for measuring the ARFR. That is, if $33.62 million is fully expended, this would reflect an ARFR of 100%.

39. Currently, the renewal funding allocation for Transportation Assets within the LTFP is $24.13 million (un-escalated) on average each year, which represents 72% of the funding required to deliver the recommended asset renewals outlined in the draft Plan. If the base was reset to $33.62 million an additional funding requirement of $9.49 million on average each year to achieve a 100% ARFR under the draft Plan.

40. It is important to recognise that the renewal/rehabilitation of Adelaide Bridge is a generational project. If the bridge did not fall due for renewal within the 10-year planning period of this Plan, the resultant renewal forecast would reduce to approximately $27.62 million (unescalated) on average each year across the ten-year planning period.

41. Contributing factors for the gap between the forecast renewal costs and current budgets within the LTFP include:

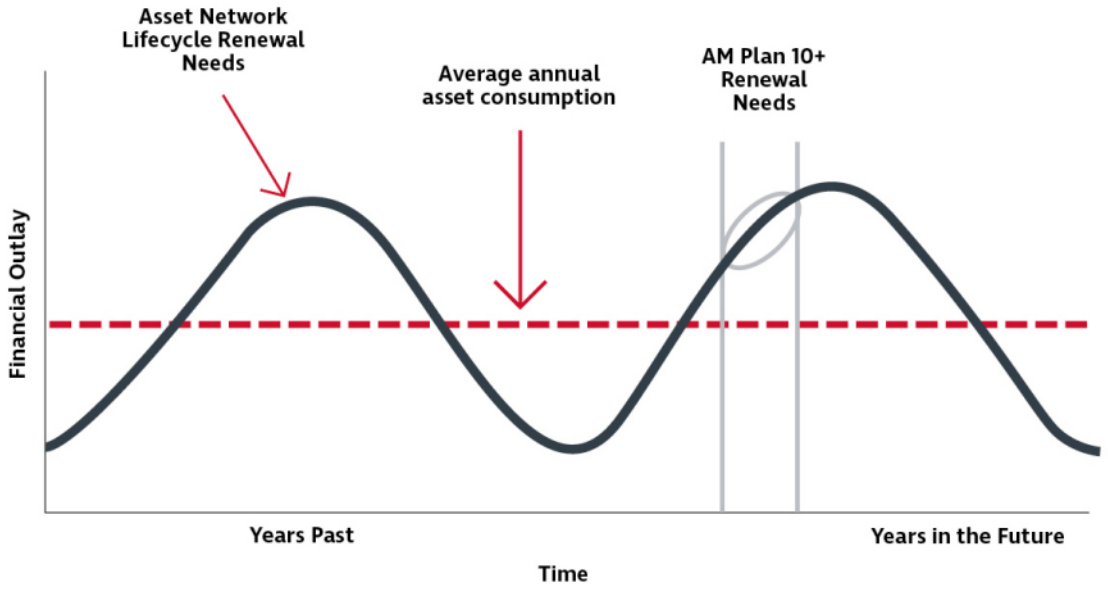
    41.1. Not achieving our ARFR targets over the past four financial years as a result of COVID-19 resourcing impacts and project delays associated with post-pandemic market saturation.

    41.2. Comprehensively updating our Plans (noting the last comprehensive update was undertaken in 2015, with a desktop update made to financial forecasts and LTFP in 2021).

    41.3. Utilising advanced predictive modelling, that analyses asset condition information collected within the last four years to better recognise the changing asset investment needs over time to maintain service levels.

    41.4. Ensuring we accurately recognise asset replacement costs, utilising current unit rates that take into consideration increasing costs associated with inflation and industry escalations. We have experienced significant increases in project unit rates, noting that the LGA have indicated that costs and materials have increased up to 25% post pandemic.

42. It is important to understand that infrastructure networks are comprised of assets with varying age profiles and different useful lives and replacement costs. This results in Plans often identifying the need to replace more assets in some periods when compared with others and means that it's very unlikely that asset renewal needs will be consistent over time. The figure below highlights a typical scenario of varying asset renewal expenditure requirements over the asset lifecycle.



43. The financial strategy associated with funding the Plan is proposed to be consistent with the 2023-24 to 2032-33 LTFP, ensuring we continue to deliver upon our current suite of services and asset maintenance requirements, where asset renewals are prioritised based on audit condition and risk.

44. Funding requirements will need to be considered in the development of the 2024/25 Business Plan and Budget. Council will need to consider financial levers available in order to ensure sufficient funding of both operational and renewal funding requirements.

Improvement Plan – draft Transportation Asset Management Plan

45. Through the development of this Plan, a number of improvement actions and next steps have been identified to promote continuous improvement and improved overall asset management maturity. These are identified in Section 9 of the Transportation Asset Management Plan Summary **(Attachment C).**

46. The Transportation Asset Management Plan (Comprehensive) can be found at **(Attachment D).**

Next Steps

47. Council is currently in the process of community engagement in relation to these draft Plans.

48. Following the six-week public consultation period, engagement feedback will be reviewed, along with any advice provided by the ARC and findings will be presented to Council in conjunction with the finalised Plans in March 2024 for adoption.

49. Following Council adoption of the Plans, the LTFP will be updated.

50. Adoption of renewal budgets will be considered by Council on an annual basis through the Business Plan and Budget Process.

DATA AND SUPPORTING INFORMATION

Link One- Terms of Reference Audit and Risk Committee

Link Two- Special Meeting Infrastructure and Public Works Committee 5 December 2023

Link Three- Council 12 December 2023

ATTACHMENTS

Attachment A – Urban Elements Asset Management Plan Summary

Attachment B - Urban Elements Asset Management Plan (Comprehensive)

Attachment C - Transportation Asset Management Plan Summary

Attachment D - Transportation Asset Management Plan (Comprehensive)

- END OF REPORT -



Urban Elements Draft Asset Management Plan

Summary



CITY OF ADELAIDE



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EXECUTIVE SUMMARY

1 The Purpose of the Plan

The City of Adelaide is responsible for an extensive and diverse asset portfolio valued at more than $2 billion, which represents a significant investment made over multiple generations. These assets play a vital role in providing essential services to our community and it is critical to ensure these assets continue to be effectively managed to enable ongoing service provision and benefits for both current and future generations.

Under South Australia's *Local Government Act 1999*, we are required to develop Asset Management Plans for a period of at least 10 years, which includes information about the operation, maintenance, renewal, acquisition, expansion, upgrade and disposal for each infrastructure asset class under our care and control. The City of Adelaide has six Asset Management Plans, which include Transportation, Park Lands & Open Space, Buildings, Water Infrastructure, Lighting & Electrical and Urban Elements.

The fundamental purpose of this Urban Elements Asset Management Plan is to outline the Council's high-level asset management priorities for the operation, maintenance and renewal of our assets over the next 10 years. Additionally, it aims to improve the long-term strategic management of our urban elements, to cater for the community's required levels of service both now and into the future.

The plan defines the current state of our $105.3 million urban elements portfolio, as well as the asset management activities and associated funding requirements recommended for inclusion into the Long-Term Financial Plan to achieve our asset performance target.

2 Our Urban Elements

The City of Adelaide's urban elements portfolio is valued at approximately $105.3 million and provides vital services which enable the health and wellbeing of our community and support access and use to key amenities within the City and Park Lands. These assets include Public Art and Monuments, Street and Park Lands Furniture (e.g. bike racks, seat, wayfinding signage) and Urban Structures (e.g. rotundas, retaining walls and bus shelters).

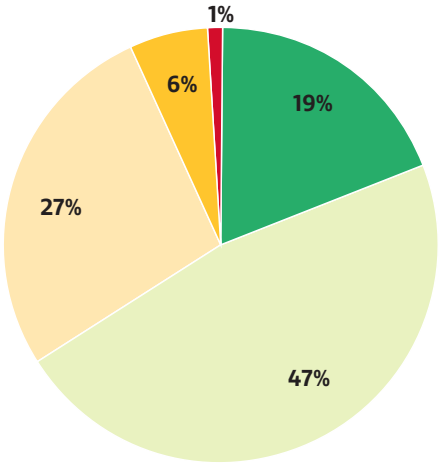


Street & Park Lands Furniture
Quantity – 10,752
Total Value – $31,637,348

Urban Structures
Quantity – 1,849
Total Value – $34,396,251

Public Art & Monuments
Quantity – 664
Total Value – $39,281,152

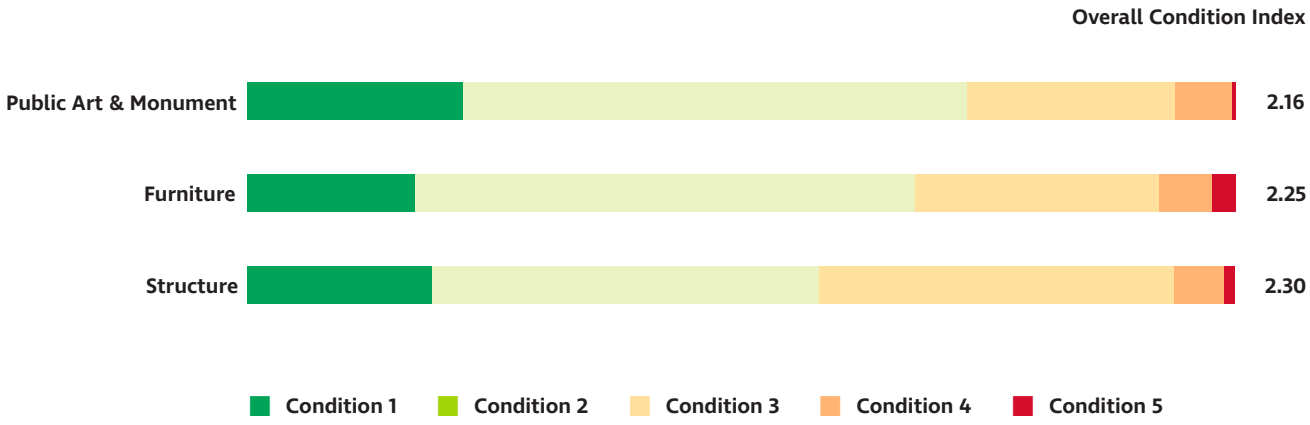
To monitor the performance of our urban elements, we undertake regular condition audits (typically every 4 years). Asset condition information is analysed with respect to technical intervention criteria to inform our maintenance and renewal programs. The current condition of our urban elements portfolio is rated in a good to fair condition, with an overall condition index rating of 2.2. 93% of assets are rated in a very good to fair condition and 7% of assets are rated in poor or very poor condition, which form the general basis of our future renewal program priorities.



Condition Grading	Description of Condition
1	**Very Good:** free of defects, only planned and/ or routine maintenance required
2	**Good:** minor defects, increasing maintenance required plus planned maintenance
3	**Fair:** defects requiring regular and/or significant maintenance to reinstate service
4	**Poor:** significant defects, higher order cost intervention likely
5	**Very Poor:** physically unsound and/or beyond rehabilitation, immediate action required

Typical examples of each condition state for our urban elements assets are shown in Appendix E.

Overall, the majority of each of the Urban Elements sub-classes are rated in a very good to fair condition with only a small proportion of assets rated in poor and very poor condition. This is considered a healthy condition distribution, however ongoing investment will be required to ensure levels of service are maintained.





3 Community Engagement & Customer Satisfaction

In November 2021, we undertook an engagement process with City residents and visitors to better understand and measure levels of customer satisfaction for the services provided by our urban elements. A summary of the responses is shown below.

Category	Average Score	Very Poor (<40%)	Poor (40-54%)	Average (55-69%)	Good (70-84%)	Excellent (>85%)
Park Lands Urban Elements	94%					●
City Streets Urban Elements	88%					●

The overall feedback confirmed appropriate levels of customer satisfaction for our Urban Elements.

A Recommended Levels of Service Report was presented to Council, with the recommendations approved in August 2022. This report noted the community consultation undertaken and the associated benchmarking of current user satisfaction. Additionally, Council also approved the development of the Urban Elements Asset Management Plan based on the planning principles and recommended management strategies presented within the report and its attachments.

4 Current and Future Demands

It is anticipated that City of Adelaide will be subject to considerable change over the next ten years. This will result in our urban elements being subject to new demands that have the potential to impact future service delivery and the requirements of our existing assets.

Key demand drivers and future challenges will include:

- City growth
- Changing demographic
- Tourism & event growth
- Climate change and carbon neutrality
- Emerging technology
- Legislation & regulation

Demand for new services will be managed through a combination of managing existing assets, upgrading existing assets, providing new assets and demand management. Demand management practices can include non-asset solutions, such as educating the community around alternative options, which facilitates service provision without the need to invest in new or upgraded infrastructure.

Demand management will include:

- Continuing to engage with our community through annual City User Profile surveys
- Delivering priority upgrade/new projects identified within the Strategic Plan and strategic documents
- Ensuring climate risk mitigation and adaptation is a key focus for strategic planning, asset management and project delivery
- Continuing to review and update design standards and technical specifications to ensure our assets transition towards having a lower carbon footprint with improved circular economy outcomes through increased usage of recycled materials
- Continuing to partner with industry, to monitor and evaluate new and emerging technologies, with trials of new materials, approaches, and methodologies to inform appropriate changes to standards and practices
- Continuing to monitor changes to legislation and ensure appropriate adaptation into asset management practices





5 Strategic Planning

Under the *Local Government Act (SA) 1999*, we are legislatively required to establish a suite of Strategic Management Plans, which guide Council's future planning, asset management and financial sustainability. An overview of these strategic management plans are shown below:

Strategic Plan *Community*	Long term with a four year delivery focus. *Planning for the vision and aspirations of the Adelaide Capital City.*
Long-Term Financial Plan *Financial*	Ten year Plan, revised annually to ensure a ten year view is maintained. Planning for the long-term financial sustainability of the City of Adelaide.
Asset Management Plans *Infrastructure*	Suite of ten year Plans. *Planning for the sustainable renewal and maintenance of Council assets.*
City Plan *Development / Built Form*	Ten year Spatial Plan. *Planning for the future land uses and built form of the Adelaide Capital City.*

Through the City of Adelaide Draft Strategic Plan 2024 – 2028, Council's vision is:

Our Adelaide. Bold. Aspirational. Innovative.

To ensure we can build on this vision for the future, our aspirations will guide our focus and delivery:

Our Community: Vibrant, connected and inclusive
Our Environment: Resilient, protected and sustainable
Our Economy: Growing, innovative and responsive
Our Places: Interesting, purposeful and safe
Our Corporation: High performing, customer-centric and bold

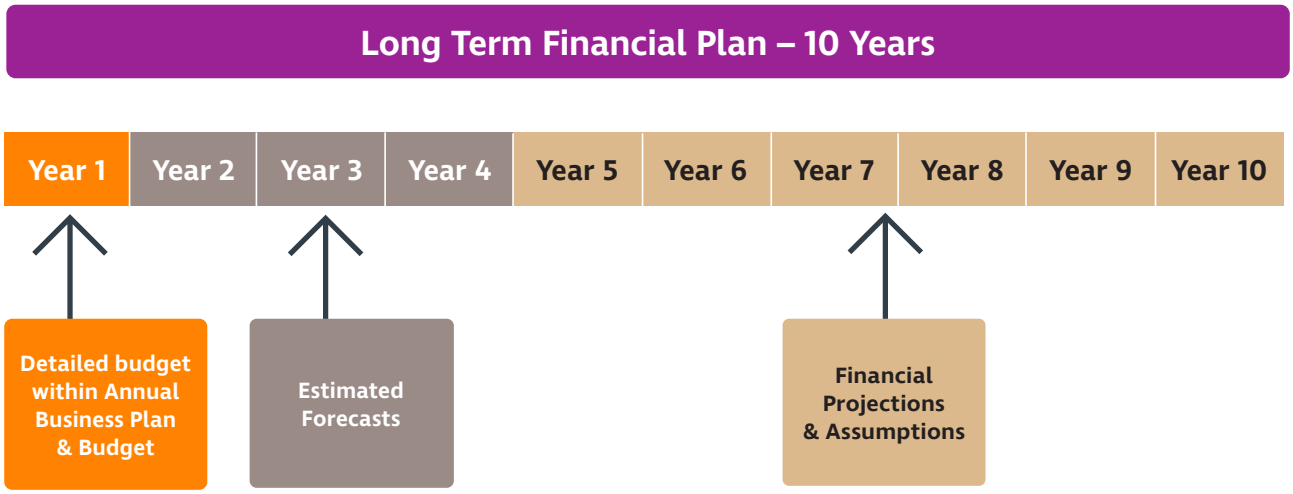
As Adelaide grows, we will need to consider economic vitality, social connectivity and wellbeing, distinctive precincts, environmental and financial sustainability, asset management and service delivery. To ensure we maintain our liveability and to support growth, these principles will underpin everything we do:

- Exceptional Amenity - Be bold and courageous in our pursuit of excellence for our city
- Quality Housing - Strive for liveability and affordability to attract and retain residents
- Community Connection - Strengthen connection, accessibility, diversity and inclusivity by putting people first
- Unique Experiences - Create interesting experiences for our residents, workers and visitors
- Climate Resilience - Embed climate resilience in all that we do
- Economic Growth - Encourage innovation, investment and development in current and emerging sectors
- Budget Repair - Provide quality services and ensure long-term financial sustainability

The Strategic Plan is supported by a suite of long and short-term strategies and action plans as well as a Resource Plan. The Resource Plan provides a four-year view of new and upgrade projects, resources, and budget requirements to deliver our Strategic Plan aspirations and objectives.

Integrated Delivery Planning ensures that prudent and efficient decisions are made, with line-of-sight between Council's Strategic Plan objectives and the major infrastructure projects we deliver. While this Asset Management Plan does not identify financial forecasts associated with new and upgrade projects, it does ensure required asset renewals are aligned (where practical) with key new and upgrade projects specified within the Resource Plan.

Each year our annual business plan and budget formalises funding allocations to continue providing services and progress new projects. It enables existing projects to move from one delivery stage to the next (e.g. progress concept design to detailed design and detailed design to construction) as well as consider emerging risks and opportunities that may result from Council decisions, community requests or other external factors.





6 Lifecycle Management

In order to effectively manage our assets, it is important to understand the relationship between all stages of the asset lifecycle. Effective asset management and sustainable financial planning requires a balance between the maintenance, renewal and disposal of existing assets and the delivery of new and upgraded assets.

Our goal is to provide assets that service the needs of the community, providing the agreed levels of service at the lowest lifecycle cost. To enable this, it is important to understand:

- How our assets are performing
- How our assets should be operated and maintained
- When our assets should be renewed
- When we should consider upgrading existing assets or constructing new assets
- How funding for new and upgraded assets is prioritised
- When we should consider disposing underperforming or underutilised assets



This Asset Management Plan's renewal strategy aims to minimise the number of assets that deteriorate into a poor condition and prohibit assets reaching a very poor condition. This strategy ensures we can continue to provide services in line with the community's expectations, appropriately manage risk and optimise whole-of-life costs. Renewal requirements have been identified through a combination of condition audits, engineering recommendations and predictive modelling.

Operational and Maintenance activities are generally evaluated and prioritised with respect to budget provisions within the Long-Term Financial Plan and Annual Business Plan and Budget. Following the completion of this Asset Management Plan, we will be reviewing operations and maintenance standards for transportation assets, with a view to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. The associated financial impacts will need to be further considered in future revisions of this Asset Management Plan and the Long-Term Financial Plan.

This Asset Management Plan does not identify financial forecasts associated with asset disposal, however where recommended, significant assets will be identified for decommissioning and disposal through Council Reports, to then be considered within the Long-Term Financial Plan and Business Plan and Budget.



7 Financial Summary

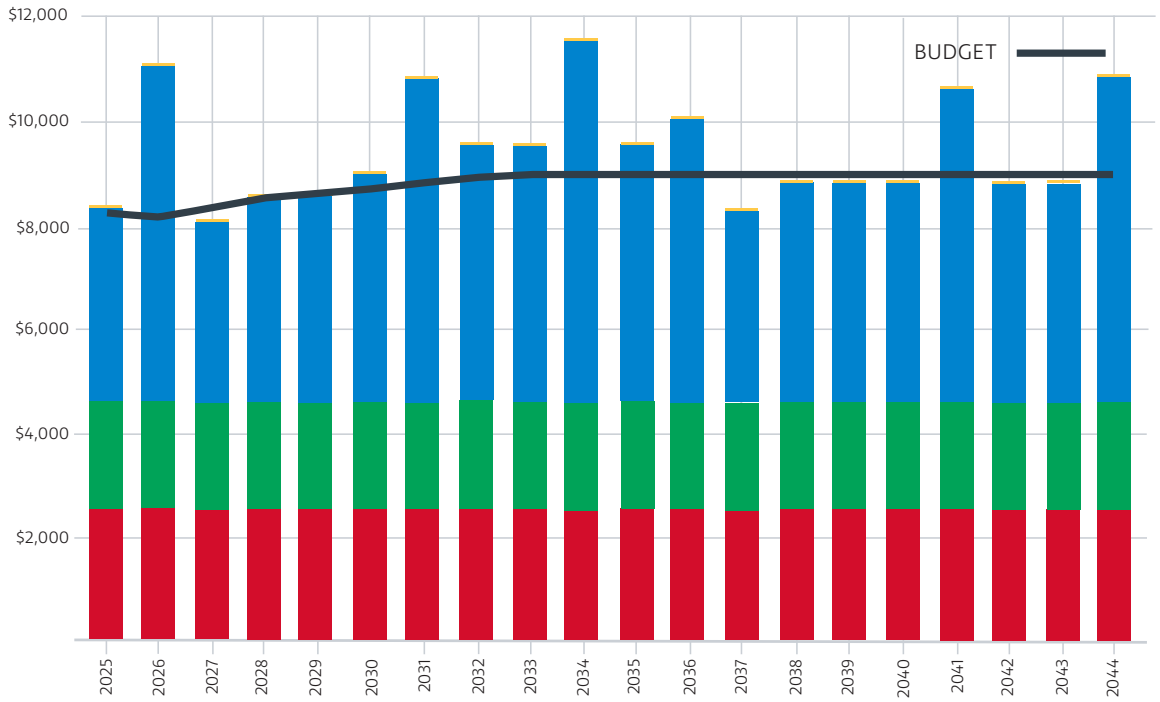
This Asset Management Plan defines the asset management activities and associated funding requirements recommended for inclusion into the Long-Term Financial Plan to achieve our asset performance targets. The lifecycle costs necessary to operate, maintain and renew our assets as outlined within this Asset Management Plan is approximately $9.49 million on average each year across the 10-year planning period. The associated 10-year annual average financial forecasts for renewal, maintenance and operation are presented below for each asset class.

Public Art & Monuments	Furniture	Structure	Total
$0.45 M Renewal Cost	**$2.85 M** Renewal Cost	**$1.58 M** Renewal Cost	**$4.88 M** Renewal Cost
$0.36 M Maintenance Cost	**$1.40 M** Maintenance Cost	**$0.32 M** Maintenance Cost	**$2.08 M** Maintenance Cost
$0.05 M Operation Cost	**$2.45 M** Operation Cost	**$0.02 M** Operation Cost	**$2.52 M** Operation Cost
$0.86 M Lifecycle Cost	**$6.70 M** Lifecycle Cost	**$1.92 M** Lifecycle Cost	**$9.49 M** Lifecycle Cost

Currently, the lifecycle budget allocation within the Long-Term Financial Plan is only $8.61 million on average each year. This leaves a funding shortfall of $0.88 million on average each year and means we currently only have 91% of the costs (Lifecycle Financial Ratio) to deliver the required activities to sustain current levels of service.

10-year Asset Renewal Funding Ratio
82%

10-year Lifecycle Financial Ratio
91%



LIFECYCLE SUMMARY
Annual Average first 10 years

Lifecycle Forecast	$9,493,661
Planned Budget	$8,608,408
Shortfall	-$885,253

MAINTENANCE
Annual Average first 10 years

Maintenance Forecast	$2,084,675
Planned Budget	$2,084,675

OPERATION
Annual Average first 10 years

Operation Forecast	$2,526,802
Planned Budget	$2,526,802

RENEWAL
Annual Average first 10 years

Renewal Forecast	$4,882,184
Planned Budget	$3,996,932



Noting that this Asset Management Plan has not forecast any additional operational and maintenance requirements, the identified lifecycle funding shortfall is associated with the revised asset renewal forecasting. Each urban elements asset class generally requires additional renewal funding across the 10-year planning period.

The Asset Renewal Funding Ratio indicates that over the next 10 years our current budgets within the Long-Term Financial Plan account for 82% of the forecast funding required for the optimal renewal of our urban elements. Contributing factors for the gap between the forecast renewal costs and current budgets within the Long-Term Financial Plan include:

- Not achieving our Asset Renewal Funding Ratio targets over the past 4 financial years as a result of covid-19 resourcing impacts and project delays associated with post-pandemic market saturation.
- Utilising advanced predictive modelling within this Asset Management Plan, that analyses asset condition information to better recognise the changing asset investment needs over time to maintain service levels.
- Ensuring we accurately recognise asset replacement costs, utilising current unit rates that take into consideration increasing costs associated with inflation and industry escalations (we have experienced significant increases in project unit rates, noting that the Local Government Association (LGA) have indicated that costs and materials have increased up to 25% post pandemic).

Only what is funded within the Long-Term Financial Plan and approved through the Annual Business Plan and Budget can be delivered. Should the Long-Term Financial Plan be unable to accommodate the revised asset renewal forecasts recommended within this Asset Management Plan, there will be associated service and risk impacts.

Continuing to leverage off external funding opportunities will allow us to maintain and enhance the quality of the service we provide, while reducing financial pressures through the efficiencies in an increased revenue. We will continue to work in partnership with both the State and Federal Governments to pursue these opportunities for both renewal and significant new and upgrade projects.

8 Potential Service and Risk Impacts

If the forecast activities outlined within this Asset Management Plan (operations, maintenance, renewal) are unable to be accommodated into the Long-Term Financial Plan, there will be potential service consequences for users. These service consequences include:

- Reduced levels of service for the urban elements portfolio (maintenance and renewal backlog)
- Reduced customer satisfaction levels associated with the management of our existing assets
- Intergenerational inequity (burdening future generations)

The associated risk consequences include:

- Increased safety risks associated with assets deteriorating beyond recommended intervention levels
- Increased reputational risks associated with services not aligning with community expectations
- Increased financial risks associated with additional maintenance requirements that cannot be accommodated within existing budgets
- Increased financial risks associated with higher renewal and/or rehabilitation treatments as asset renewals are not funded at the optimal point in time
- Increased economic risk associated with reduced business activity, events and tourism
- Intergenerational inequity (passing on costs and risk to future generations)

If the forecast activities outlined within this Asset Management Plan are unable to be accommodated into the Long-Term Financial Plan, we will endeavour to manage these risks within available funding by:

- Continuing to undertake regular asset condition and maintenance inspections
- Prioritising all asset renewal and maintenance activities with respect to available budget
- Revising our levels of service to establish an acceptable balance between cost, level of service and risk
- Developing a communication strategy to manage expectations and educate the community around affordable levels of service
- Continuing to seek out external funding opportunities
- Prioritisation of the delivery of key actions from the Improvement Plan



9 Monitoring and Improvement Program

The next steps resulting from this Asset Management Plan to improve asset management practices are:

	Improvement Plan Actions
1	Finalise a 4-year Resource Plan to identify key upgrade/new projects to deliver Council's Strategic Plan objectives. Once key projects are recognised within the Long Term Financial Plan, Asset Management Plans will be updated to ensure associated acquisition costs (upgrade/new) and ongoing operational and maintenance costs are appropriately recognised, in conjunction with any scheduling adjustments required for asset renewal programs.
2	Continue to work in partnership with both the State and Federal Governments to pursue external funding opportunities for both renewal and significant upgrade/new projects.
3	Review and update operations and maintenance standards, to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. Include changes into future revisions of this Asset Management Plan and Long Term Financial Plan.
4	Continue to undertake regular condition audits and revaluation for all our urban elements assets within the nominated 4-year cycles, including regular review of asset useful lives.
5	Continue to review our technical standards and their application across the City and Park Lands with respect to climate resilience, circular economy, recycled materials, durability and performance, whole-of-life cost, amenity, and heritage requirements.
6	Continue to monitor forecast climate change impacts to ensure we remain resilient through proactively implementing appropriate mitigation and adaptation controls.
7	Improve the capture of carbon emission data for technical standards and project procurement to support lower carbon decision making.
8	Review of corporate performance measure targets for customer satisfaction, to assist with performance gap analysis.
9	Review and standardise asset hierarchies for all asset classes within Streets and Park Lands.
10	Review customer service requests codes to better align with Level of Service reporting and operational and maintenance sub-activities.
11	Further develop processes to ensure asset data is updated following the completion of contracted maintenance work and emergency asset replacement resulting from vandalism or knockdowns.

CITY OF ADELAIDE



Urban Elements
Draft Asset Management Plan



CITY OF ADELAIDE



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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

The City of Adelaide is responsible for an extensive and diverse asset portfolio valued at more than $2 billion, which represents a significant investment made over multiple generations. These assets play a vital role in providing essential services to our community and it is critical to ensure these assets continue to be effectively managed to enable ongoing service provision and benefits for both current and future generations.

Under South Australia's *Local Government Act 1999*, we are required to develop Asset Management Plans for a period of at least 10 years, which includes information about the operation, maintenance, renewal, acquisition, expansion, upgrade and disposal for each infrastructure asset class under our care and control. The City of Adelaide has six Asset Management Plans, which include Transportation, Park Lands & Open Space, Buildings, Water Infrastructure, Lighting & Electrical and Urban Elements.

The fundamental purpose of this Urban Elements Asset Management Plan is to outline the Council's high-level asset management priorities for the operation, maintenance and renewal of our assets over the next 10 years. Additionally, it aims to improve the long-term strategic management of our urban elements, to cater for the community's required levels of service both now and into the future.

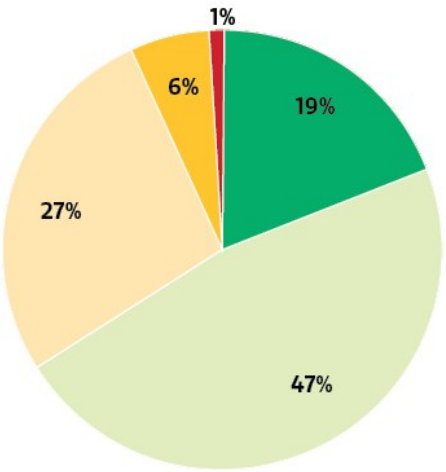
The plan defines the current state of our $105.3 million urban elements portfolio, as well as the asset management activities and associated funding requirements recommended for inclusion into the Long-Term Financial Plan to achieve our asset performance target.

1.2 Our Urban Elements

The City of Adelaide's urban elements portfolio is valued at approximately $105.3 million and provides vital services which enable the health and wellbeing of our community and support access and use to key amenities within the City and Park Lands. These assets include Public Art and Monuments, Street and Park Lands Furniture (e.g. bike racks, seat, wayfinding signage) and Urban Structures (e.g. rotundas, retaining walls and bus shelters).



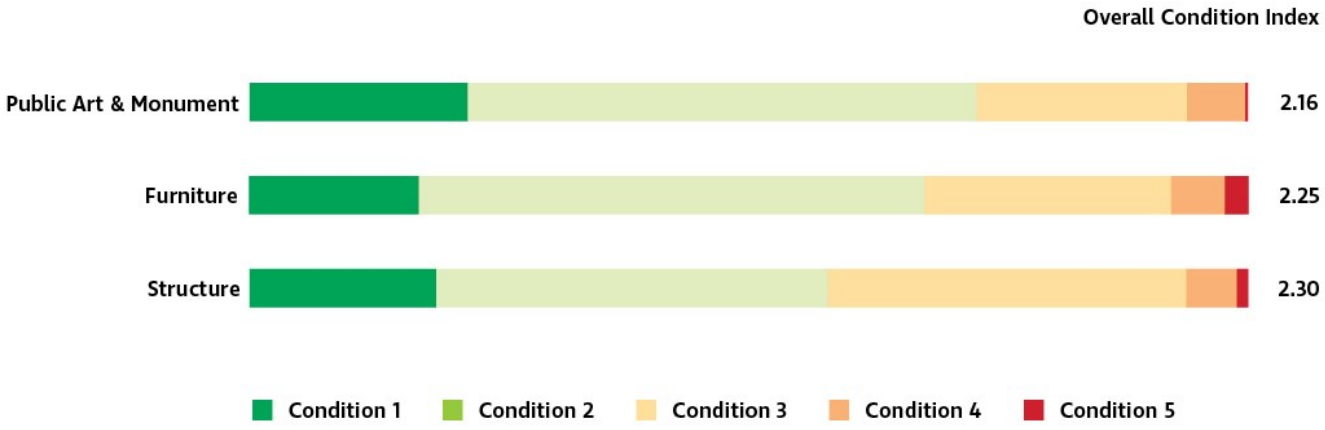
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Overall, the majority of each of the Urban Elements sub-classes are rated in a very good to fair condition with only a small proportion of assets rated in poor and very poor condition. This is considered a healthy condition distribution, however ongoing investment will be required to ensure levels of service are maintained.





1.33 Community Engagement & Customer Satisfaction

In November 2021, we undertook an engagement process with City residents and visitors to better understand and measure levels of customer satisfaction for the services provided by our urban elements. A summary of the responses is shown below.

Category	Average Score	Very Poor (<40%)	Poor (40-54%)	Average (55-69%)	Good (70-84%)	Excellent (>85%)
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1.4 Current and Future Demands

It is anticipated that City of Adelaide will be subject to considerable change over the next ten years. This will result in our urban elements being subject to new demands that have the potential to impact future service delivery and the requirements of our existing assets.

Key demand drivers and future challenges will include:

- City growth
- Changing demographic
- Tourism & event growth
- Climate change and carbon neutrality
- Emerging technology
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Demand for new services will be managed through a combination of managing existing assets, upgrading existing assets, providing new assets and demand management. Demand management practices can include non-asset solutions, such as educating the community around alternative options, which facilitates service provision without the need to invest in new or upgraded infrastructure.

Demand management will include:

- Continuing to engage with our community through annual City User Profile surveys
- Delivering priority upgrade/new projects identified within the Strategic Plan and strategic documents
- Ensuring climate risk mitigation and adaptation is a key focus for strategic planning, asset management and project delivery
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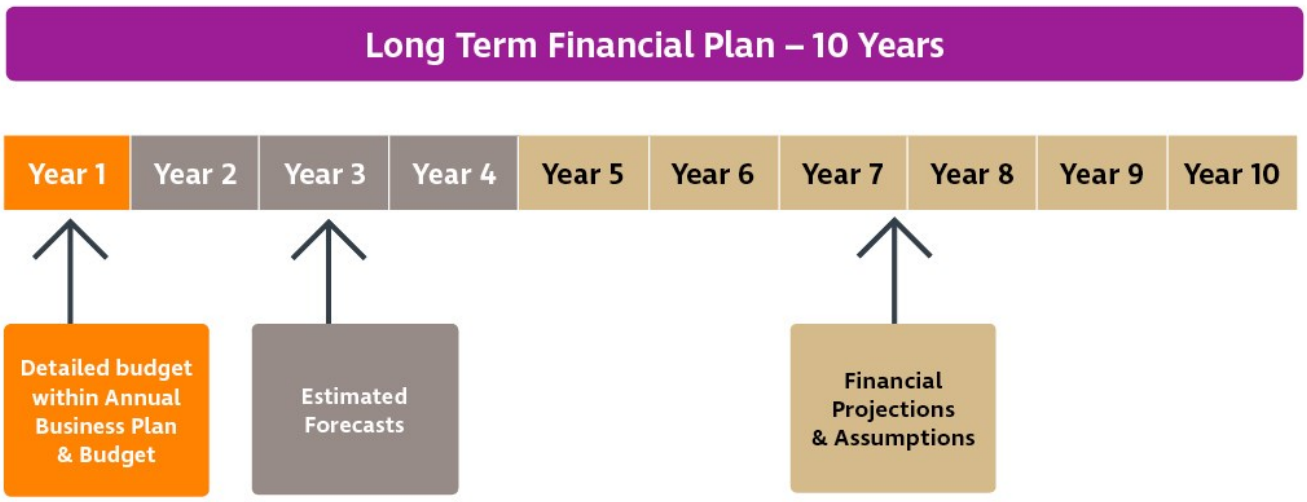
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1.6 Lifecycle Management

In order to effectively manage our assets, it is important to understand the relationship between all stages of the asset lifecycle. Effective asset management and sustainable financial planning requires a balance between the maintenance, renewal and disposal of existing assets and the delivery of new and upgraded assets.

Our goal is to provide assets that service the needs of the community, providing the agreed levels of service at the lowest lifecycle cost. To enable this, it is important to understand:

- How our assets are performing
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Operational and Maintenance activities are generally evaluated and prioritised with respect to budget provisions within the Long-Term Financial Plan and Annual Business Plan and Budget. Following the completion of this Asset Management Plan, we will be reviewing operations and maintenance standards for transportation assets, with a view to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. The associated financial impacts will need to be further considered in future revisions of this Asset Management Plan and the Long-Term Financial Plan.

This Asset Management Plan does not identify financial forecasts associated with asset disposal, however where recommended, significant assets will be identified for decommissioning and disposal through Council Reports, to then be considered within the Long-Term Financial Plan and Business Plan and Budget.



1.7 Financial Summary

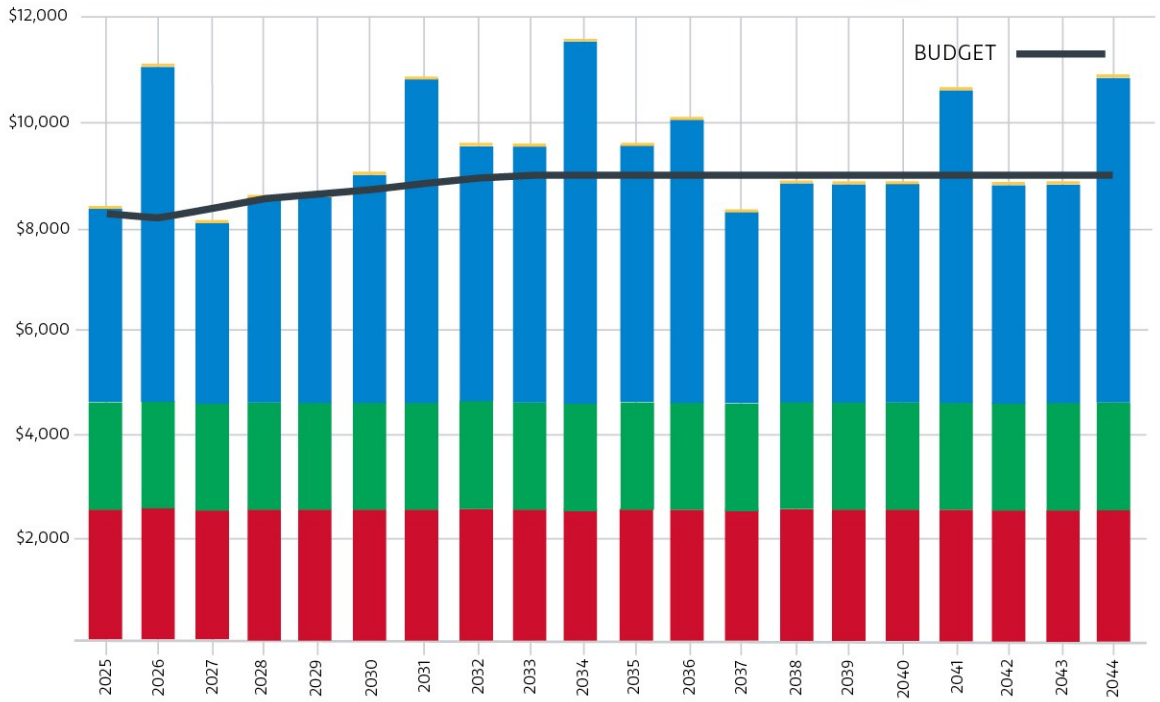
This Asset Management Plan defines the asset management activities and associated funding requirements recommended for inclusion into the Long-Term Financial Plan to achieve our asset performance targets. The lifecycle costs necessary to operate, maintain and renew our assets as outlined within this Asset Management Plan is approximately $9.49 million on average each year across the 10-year planning period. The associated 10-year annual average financial forecasts for renewal, maintenance and operation are presented below for each asset class.

Public Art & Monuments	Furniture	Structure	Total
$0.45 M Renewal Cost	**$2.85 M** Renewal Cost	**$1.58 M** Renewal Cost	**$4.88 M** Renewal Cost
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$0.05 M Operation Cost	**$2.45 M** Operation Cost	**$0.02 M** Operation Cost	**$2.52 M** Operation Cost
$0.86 M Lifecycle Cost	**$6.70 M** Lifecycle Cost	**$1.92 M** Lifecycle Cost	**$9.49 M** Lifecycle Cost

Currently, the lifecycle budget allocation within the Long-Term Financial Plan is only $8.61 million on average each year. This leaves a funding shortfall of $0.88 million on average each year and means we currently only have 91% of the costs (Lifecycle Financial Ratio) to deliver the required activities to sustain current levels of service.

10-year Asset Renewal Funding Ratio
82%

10-year Lifecycle Financial Ratio
91%



LIFECYCLE SUMMARY
Annual Average first 10 years

Lifecycle Forecast	$9,493,661
Planned Budget	$8,608,408
Shortfall	-$885,253

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Annual Average first 10 years

Maintenance Forecast	$2,084,675
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Annual Average first 10 years

Operation Forecast	$2,526,802
Planned Budget	$2,526,802

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Annual Average first 10 years

Renewal Forecast	$4,882,184
Planned Budget	$3,996,932



Noting that this Asset Management Plan has not forecast any additional operational and maintenance requirements, the identified lifecycle funding shortfall is associated with the revised asset renewal forecasting. Each urban elements asset class generally requires additional renewal funding across the 10-year planning period.

The Asset Renewal Funding Ratio indicates that over the next 10 years our current budgets within the Long-Term Financial Plan account for 82% of the forecast funding required for the optimal renewal of our urban elements. Contributing factors for the gap between the forecast renewal costs and current budgets within the Long-Term Financial Plan include:

- Not achieving our Asset Renewal Funding Ratio targets over the past 4 financial years as a result of covid-19 resourcing impacts and project delays associated with post-pandemic market saturation.
- Utilising advanced predictive modelling within this Asset Management Plan, that analyses asset condition information to better recognise the changing asset investment needs over time to maintain service levels.
- Ensuring we accurately recognise asset replacement costs, utilising current unit rates that take into consideration increasing costs associated with inflation and industry escalations (we have experienced significant increases in project unit rates, noting that the Local Government Association (LGA) have indicated that costs and materials have increased up to 25% post pandemic).

Only what is funded within the Long-Term Financial Plan and approved through the Annual Business Plan and Budget can be delivered. Should the Long-Term Financial Plan be unable to accommodate the revised asset renewal forecasts recommended within this Asset Management Plan, there will be associated service and risk impacts.

Continuing to leverage off external funding opportunities will allow us to maintain and enhance the quality of the service we provide, while reducing financial pressures through the efficiencies in an increased revenue. We will continue to work in partnership with both the State and Federal Governments to pursue these opportunities for both renewal and significant new and upgrade projects.

1.8 Potential Service and Risk Impacts

If the forecast activities outlined within this Asset Management Plan (operations, maintenance, renewal) are unable to be accommodated into the Long-Term Financial Plan, there will be potential service consequences for users. These service consequences include:

- Reduced levels of service for the urban elements portfolio (maintenance and renewal backlog)
- Reduced customer satisfaction levels associated with the management of our existing assets
- Intergenerational inequity (burdening future generations)

The associated risk consequences include:

- Increased safety risks associated with assets deteriorating beyond recommended intervention levels
- Increased reputational risks associated with services not aligning with community expectations
- Increased financial risks associated with additional maintenance requirements that cannot be accommodated within existing budgets
- Increased financial risks associated with higher renewal and/or rehabilitation treatments as asset renewals are not funded at the optimal point in time
- Increased economic risk associated with reduced business activity, events and tourism
- Intergenerational inequity (passing on costs and risk to future generations)

If the forecast activities outlined within this Asset Management Plan are unable to be accommodated into the Long-Term Financial Plan, we will endeavour to manage these risks within available funding by:

- Continuing to undertake regular asset condition and maintenance inspections
- Prioritising all asset renewal and maintenance activities with respect to available budget
- Revising our levels of service to establish an acceptable balance between cost, level of service and risk
- Developing a communication strategy to manage expectations and educate the community around affordable levels of service
- Continuing to seek out external funding opportunities
- Prioritisation of the delivery of key actions from the Improvement Plan



1.9 Monitoring and Improvement Program

The next steps resulting from this Asset Management Plan to improve asset management practices are:

	Improvement Plan Actions
1	Finalise a 4-year Resource Plan to identify key upgrade/new projects to deliver Council's Strategic Plan objectives. Once key projects are recognised within the Long Term Financial Plan, Asset Management Plans will be updated to ensure associated acquisition costs (upgrade/new) and ongoing operational and maintenance costs are appropriately recognised, in conjunction with any scheduling adjustments required for asset renewal programs.
2	Continue to work in partnership with both the State and Federal Governments to pursue external funding opportunities for both renewal and significant upgrade/new projects.
3	Review and update operations and maintenance standards, to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. Include changes into future revisions of this Asset Management Plan and Long Term Financial Plan.
4	Continue to undertake regular condition audits and revaluation for all our urban elements assets within the nominated 4-year cycles, including regular review of asset useful lives.
5	Continue to review our technical standards and their application across the City and Park Lands with respect to climate resilience, circular economy, recycled materials, durability and performance, whole-of-life cost, amenity, and heritage requirements.
6	Continue to monitor forecast climate change impacts to ensure we remain resilient through proactively implementing appropriate mitigation and adaptation controls.
7	Improve the capture of carbon emission data for technical standards and project procurement to support lower carbon decision making.
8	Review of corporate performance measure targets for customer satisfaction, to assist with performance gap analysis.
9	Review and standardise asset hierarchies for all asset classes within Streets and Park Lands.
10	Review customer service requests codes to better align with Level of Service reporting and operational and maintenance sub-activities.
11	Further develop processes to ensure asset data is updated following the completion of contracted maintenance work and emergency asset replacement resulting from vandalism or knockdowns.

2.0 Introduction

2.1 Background

First shaped by the Kaurna People of the Adelaide Plains, then by Colonel William Light, Adelaide is a dynamic, accessible and safe city, that offers an enviable quality of life. The physical layout of the city enhances the attributes that make Adelaide unique. From the Nationally Heritage Listed Park Lands that surround our city, to the compact layout that makes the city walkable and cyclable, to our unique neighbourhoods and precincts, all these factors place Adelaide on the path to being one of the most liveable cities in the world. Despite our small footprint, the City of Adelaide is home to over 26,000 residents, 12,000 businesses and accommodates over 300,000 visitors daily, contributing close to 18% of the State's economic value.

The City of Adelaide's Urban Elements Portfolio is valued at approximately $105.3 million and has been developed over time through major investment across multiple generations. The Urban Element Portfolio includes assets such as Public Art, monuments, wayfinding signage, bus stops, street furniture, bicycle racks, parking machines and sensors, and minor structures. These assets provide services which enable the health and wellbeing of our community and support access and use to key amenities within the City and Park Lands.

With projected City and metropolitan growth, a changing climate and advancements in technology, it is anticipated that higher demand will be placed on our existing assets and there will be increasing requirements for new and upgraded infrastructure.

With Council's strategic objectives to create a City that is welcoming, inclusive and accessible to all, it is critical to ensure that our urban elements continue to be appropriately managed, ensuring we provide appropriate services and benefits for both current and future generations.

This Urban Elements Asset Management Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period. The infrastructure assets covered by this Asset Management Plan, including their quantities and replacement costs are shown in Table 2.1 below.

Table 2.1: Infrastructure Assets covered by the Urban Elements Asset Management Plan

Asset Class	Asset Type	Quantity	Replacement Value
Public Art & Monuments	Public Art & Monuments	664	$39,281,152
Street and Park Lands Furniture	BBQ	49	$1,098,141
	Bike Rack	1420	$846,884
	Bin	1157	$3,168,900
	Bollard	1396	$3,345,673
	Custom Sign	63	$115,081
	Drinking Fountain	146	$857,895
	Parking Machine	292	$1,682,520
	Smart Parking Solution	2964	$3,242,187
	Picnic Table	142	$577,537
	Planter Box	703	$3,698,829
	Seat	1855	$11,835,415
	Wayfinding Signage	565	$1,168,287
Urban Structure	Boat Landing	11	$5,063,043
	Boat Ramp	1	$116,878
	Bus Shelter	134	$3,278,877
	Fence	908	$11,463,070
	Flagpole	71	$314,659
	Gate	356	$248,256
	Other Structure	120	$6,612,695
	Retaining Wall	248	$7,298,775
Total		**13,265**	**$105,314,754**

This Asset Management Plan is to be read in conjunction with the Asset Management Policy, Strategic Asset Management Plan and the following key planning documents:

- City of Adelaide Strategic Plan (2024-2028)
- Active City Strategy (2013-2023)
- Adelaide Park Lands Management Strategy (2014-2025)
- Carbon Neutral Strategy (2015-2025)
- Climate Change Risk Adaptation Action Plan (2021-2026)
- Community Land Management Plans
- Cultural Strategy (2017-2023)
- Disability Access and Inclusion Plan (2019-2022)
- Heritage Strategy and Action Plan (2021-2036)
- Park Land and Precinct Master Plans
- Public Art Action Plan (2019-2022)
- Public Health and Wellbeing Plan (2020-2025)
- Smart Move Transport and Movement Strategy (2012-2022)
- The 30-Year Plan for Greater Adelaide (2017) - State Government

As existing planning documents are updated and new planning documents are approved by Council, Asset Management Plans will be reviewed and updated as required.

Infrastructure projects will reference the Adelaide Design Manual for transformational projects supported by upgrade/new funding allocated with the Business Plan and Budget and Long Term Financial Plan.

2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers.

The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

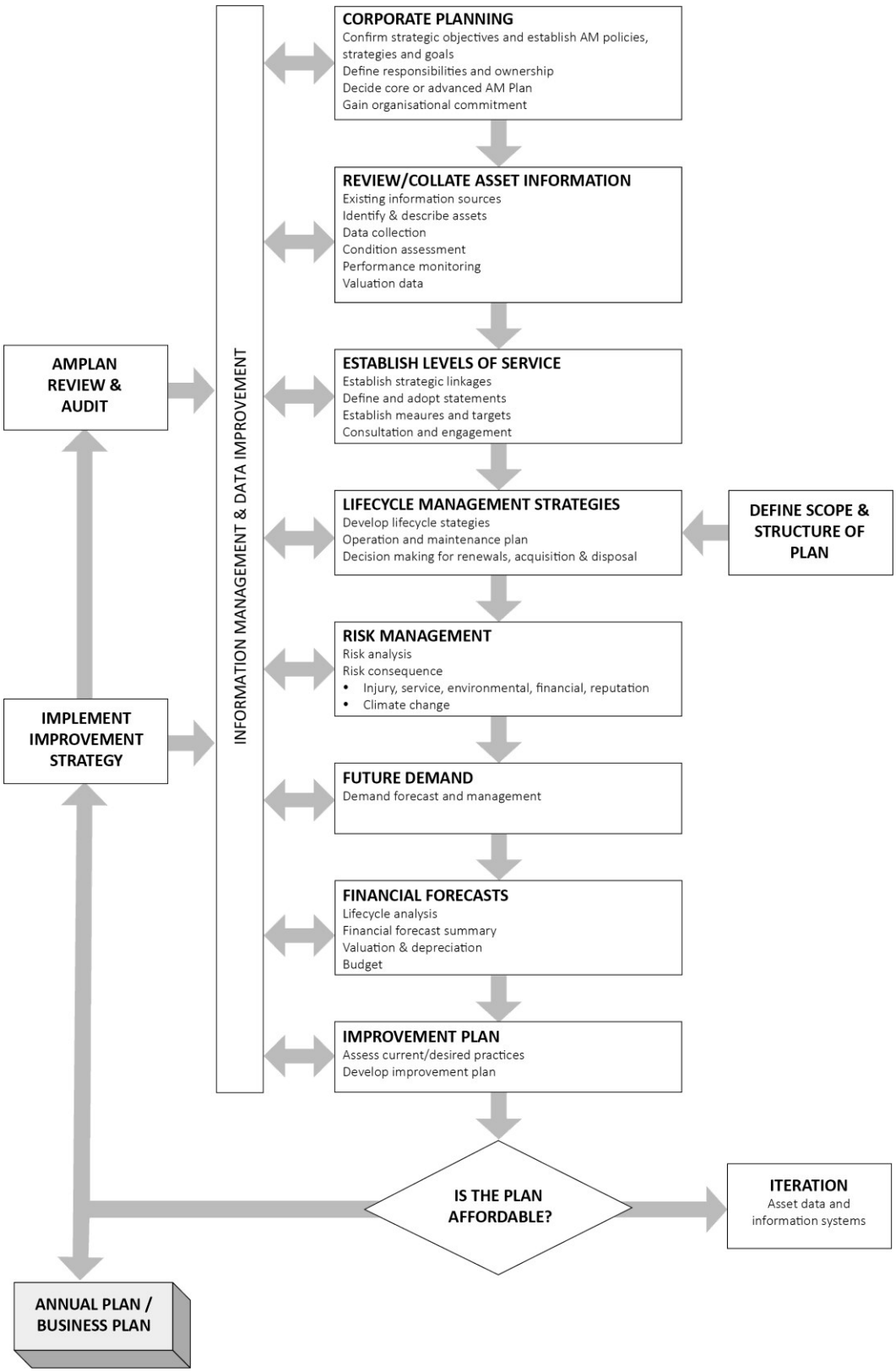
- International Infrastructure Management Manual 2015 [1]
- ISO 550002

[1] Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13
[2] ISO 55000 Overview, principles and terminology

A road map for preparing an Asset Management Plan is shown below:

Figure 2.2: Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



2.3 Key Stakeholders & Organisational Responsibilities

Key stakeholders in the preparation and implementation of this Asset Management Plan are shown in Table 2.3

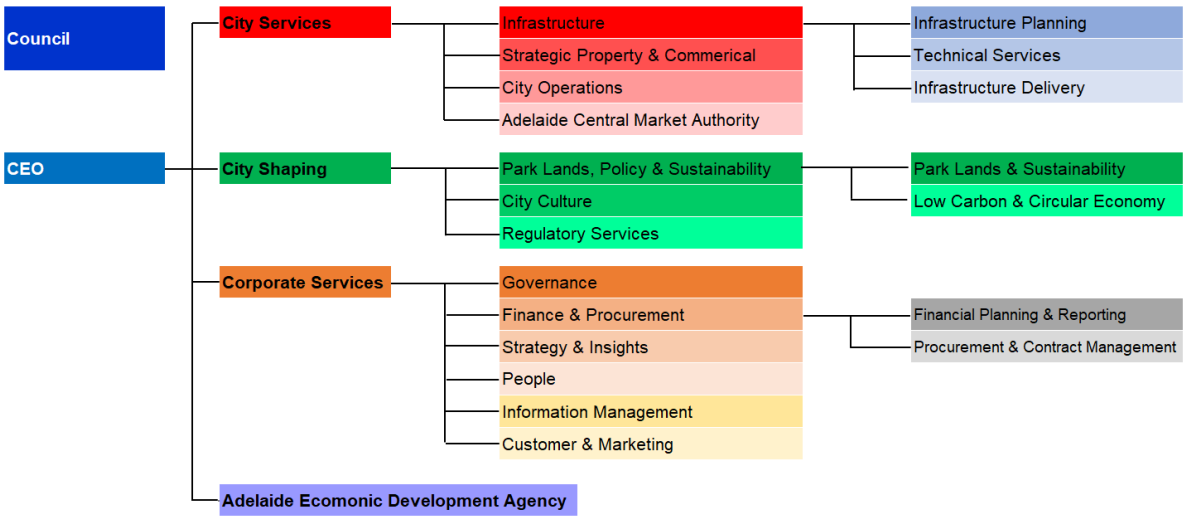
Table 2.3: Key Stakeholders in the Asset Management Plan

Key Stakeholder	Role in Asset Management Plan
Residents, Ratepayers & Businesses	Provide feedback on current and desired levels of service, which is considered in the development of Asset Management Plans.
Workers, Visitors, Tourists and Students	
Capital City Committee (CCC)	Intergovernmental body established under the City of Adelaide Act (1998) which initiates new projects to enhance and promote the development of the City of Adelaide as the capital city of the state.
Lord Mayor & Elected Members	Represent and advocate for the needs of the community and set high level direction through the development of asset management principles in the Strategic Plan. Approve the Asset Management Plan and Long-Term Financial Plan, to ensure the organisation maintains financial sustainability over the short, medium and long terms, with consideration of community needs/expectations and corporate risk management requirements.
Chief Executive Officer & Executive Leadership Team	Responsible for the allocation of resources and development of sound asset management practice across the organisation as well as ensuring that all asset management activities are consistent with the objectives of Council's Strategic Plan, the Business Plan and Budget process and the Long-Term Financial Plan. Responsible for ensuring the financial projections in the adopted Asset Management Plans are reflected in the Long-Term Financial Planning and include sustainable maintenance, operations, renewal, and upgrade costs of current and future assets.
Associate Director Infrastructure	Responsible for providing leadership and direction for Council's Asset Management Framework and Project Delivery.
Infrastructure Planning	Responsible for the lifecycle management of Council's Infrastructure Assets and the development of Asset Management Plans, ensuring alignment with the Strategic Management Framework and principles and objectives outlined in the Strategic Plan and other relevant corporate planning documents.
City Culture	Responsible for developing Public Art Action Plan, assessing and initiating new Public Art assets as well as providing technical advice for Public Art refurbishment and maintenance issues.
Park Lands & Sustainability	Responsible for developing the Adelaide Park Lands Management Strategy, Park Lands and Square Master Plans and initiating priority Park Lands & Open Space upgrade/new project initiatives. Responsible for facilitating the identification of climate change risks and potential impacts to infrastructure assets.

Key Stakeholder	Role in Asset Management Plan
Low Carbon & Circular Economy	Responsible for facilitating the identification of opportunities to improve environmental and circular economy outcomes within infrastructure standards and specifications.
Strategy & Insights	Responsible for the Strategic Management Framework, including the development of the Strategic Plan in consultation with the Executive Leadership Team, Elected Members and key strategic stakeholders.
Technical Services	Responsible for technical design documentation to facilitate construction of infrastructure projects, review and update infrastructure technical standards to ensure they are fit-for-purpose as well as the provision of general engineering and technical advice.
Infrastructure Delivery	Responsible for delivering Capital Works Projects identified in the Asset Management Plan and Annual Business Plan and Budget.
Financial Planning & Reporting	Responsible for the development and currency of the Asset Accounting Policy, Fixed Asset Guideline, as well as the preparation of asset sustainability and financial reports, which incorporate depreciation and asset revaluations in compliance with Australian accounting standards.
Procurement & Contract Management	Responsible for ensuring appropriate procedures are in place to enable efficient and effective procurement and contract management that demonstrates value for money and ensure public money is appropriately spent in accordance with the Local Government Act.
City Operations	Responsible for delivering day-to-day maintenance and operational activities, ensuring works are prioritised, planned and delivered consistently with operational and maintenance plans.
Regulatory Services	Responsible for issuing permits with conditions to enable external parties to undertake works on Council Infrastructure as well as enforcing rectification for works that are not compliant with CoA construction standards.
Department of Infrastructure and Transport (DIT)	Collaborative partner for major projects.
Service Authorities (e.g. SA Water, South Australian Power Networks)	Service authorities will continue to be consulted to coordinate any works planned by either Council or the service authority, so asset investment is not compromised.

Our organisational structure for service delivery associated with infrastructure assets is shown in Figure 2.3.

Figure 2.3: Organisational Structure



3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

In November 2021, the City of Adelaide undertook an engagement process with City residents and visitors to better understand and measure levels of customer satisfaction for users who utilise the services provided by our Urban Elements. The engagement was advertised on signage in City Streets as well as through the City of Adelaide's social media platforms.

The insights from the Survey are intended to be used to identify where current levels of service are not meeting the community's expectation. This will enable recommendations to be made to Council regarding future resourcing requirements for specific services.

The engagement process was primarily undertaken through questionnaire surveys (113 total respondents), where information was collected online using the YourSay platform (61 respondents), as well as through on street intercepts at various locations across the City (52 respondents). Additional information and feedback relating to CoA's infrastructure assets was also collected through the 2021 Resident Survey (318 comments) and engagement with the Disability Access and Inclusion Panel (44 comments).

The demographic distribution of respondents who provided feedback is presented across Figures 3.1.1 to 3.1.3. There were significantly more survey responses received from visitors compared to residents and a very even balance across genders.

Figure 3.1.1 - Respondent Distribution

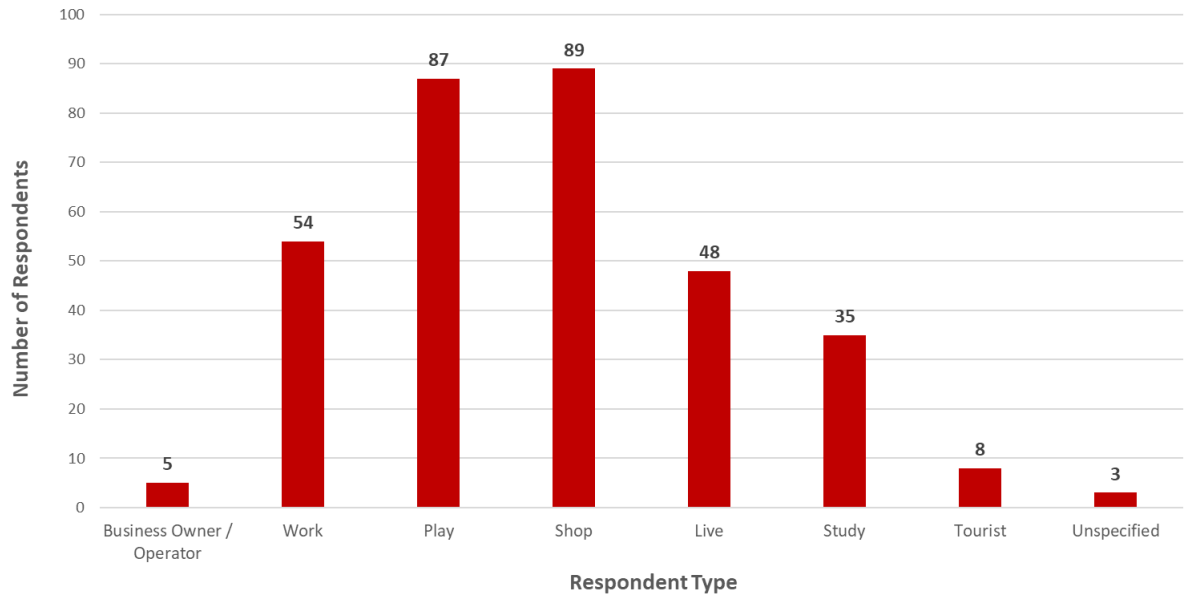


Figure 3.1.2 - Respondent Distribution (Residents v Visitors)

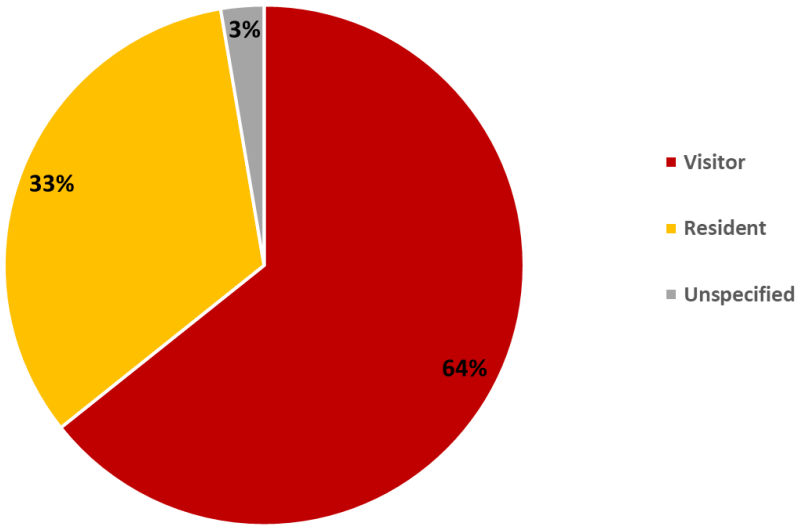
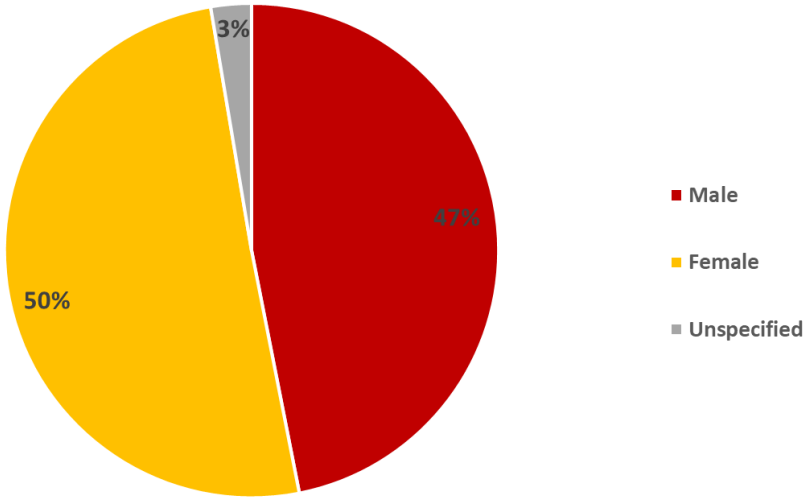


Figure 3.1.3 - Respondent Distribution (Gender)



To ensure that data was collected to enable a clear line of sight for decision making purposes, the questionnaire was structured to differentiate responses relating to City's streets Urban Elements and Park Lands Urban Elements.

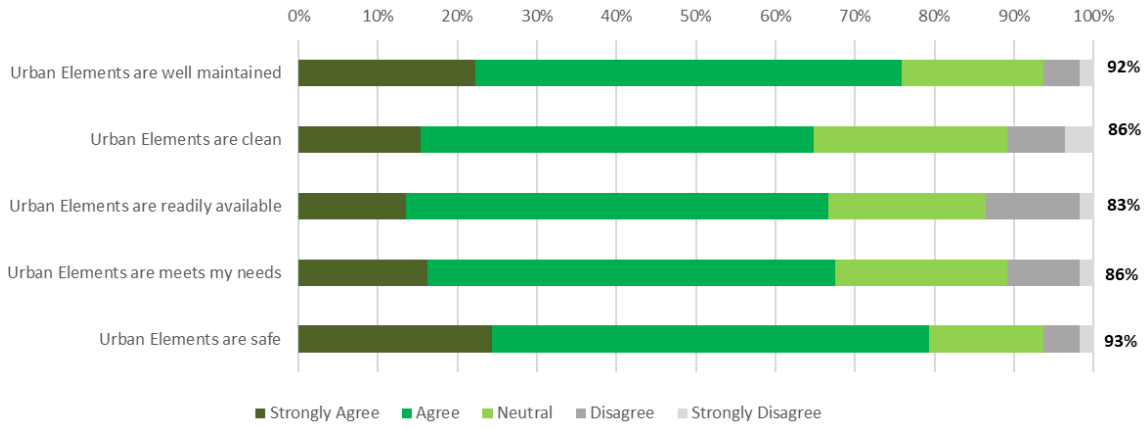
For each performance measure question, a customer satisfaction indicator was calculated which represents the percentage of respondents who were satisfied with the service (neutral responses were omitted from the calculation). These figures can then be compared against CoA's organisation scorecard target of 70% satisfaction to identify where our services are not being delivered in line with community expectations.

The results for City Streets and Park Lands Urban Elements assets are presented and discussed below.

City Streets

Majority of respondents were satisfied with the overall performance of our Urban Elements located on city streets. Each of the-performance measures had satisfaction indicators exceeding CoA's 70% target, as shown in Figure 3.1.4 below.

Figure 3.1.4 - City Streets Urban Elements



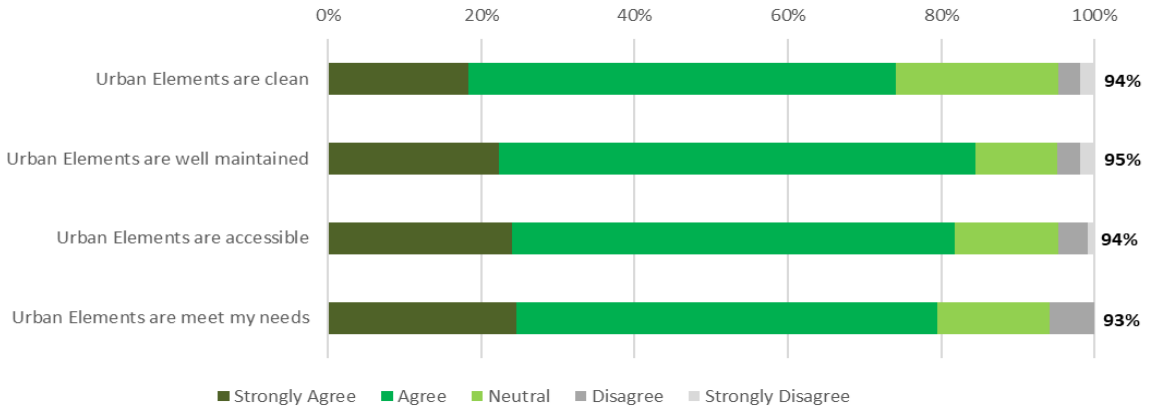
Where respondents stated that they were not satisfied, general themes of the written feedback received are as summarised below:

- Desire for additional seating with shade or shelter
- Desire for additional bins located on city streets, with increased frequency for emptying
- Desire to see more public art in the City
- Not enough drinking fountains located outside of the Park Lands and squares

Park Lands

Majority of respondents were satisfied with the overall performance of our Urban Elements located in the Park Lands. Each of the-performance measures had satisfaction indicators exceeding CoA's 70% target, as shown in Figure 3.1.5 below.

Figure 3.1.5 – Park Lands Urban Elements



Where respondents stated that they were not satisfied, general themes of the written feedback received are as summarised below:

- Desire for more seating and picnic tables in the Park Lands
- Desire for more shade and seating within Squares
- Desire for additional bins located in the Park Lands, with increased frequency for emptying

Summary

The individual satisfaction indicators calculated for City Streets and Park Lands have been grouped, averaged and presented in Table 3.1 below to provide a high-level summary of the community's feedback with respect to our urban elements assets.

Table 3.1: Consultation Summary Table

Category	Average Score	Very Poor (<40%)	Poor (40-54%)	Average (55-69%)	Good (70-85%)	Excellent (>85%)
Park Lands Urban Elements	94%					●
City Streets Urban Elements	88%					●

The overall feedback confirmed appropriate levels of customer satisfaction for all Urban Elements assets.

A Recommended Levels of Service Report was presented to Council, with the recommendations approved in August 2022. This report noted the community consultation undertaken and the associated benchmarking of current user satisfaction. Additionally, Council also approved the development of the Urban Elements Asset Management Plan based on the planning principles and recommended management strategies presented within the report and its attachments.

For the next revision of this Asset Management Plan, it is recommended that questions asked through community engagement align with the three key Urban Element groups (Public Art & Monument, Street and Park Lands Furniture and Urban Structures). This has been recognised as an action within the Improvement Plan (Chapter 8).

3.2 Strategic Planning

Under the Local Government Act (SA) 1999, we are legislatively required to establish a suite of Strategic Management Plans, which guide Council's future planning, asset management and financial sustainability. An overview of these strategic management plans are shown below in Table 3.2.1:

Table 3.2.1: Strategic Management Documents

Strategic Plan Community	Long term with a four year delivery focus. Planning for the vision and aspirations of the Adelaide Capital City.
Long-Term Financial Plan Financial	Ten year Plan, revised annually to ensure a ten year view is maintained. Planning for the long-term financial sustainability of the City of Adelaide.
Asset Management Plans Infrastructure	Suite of ten year Plans. Planning for the sustainable renewal and maintenance of Council assets.
City Plan Development / Built Form	Ten year Spatial Plan. Planning for the future land uses and built form of the Adelaide Capital City.

Through the City of Adelaide Draft Strategic Plan 2024-2028, Council's vision is:

Our Adelaide. Bold in our approach. Proud of who we are.

To ensure we can build on this vision for the future, our aspirations will guide our focus and delivery:

Our Community: **Vibrant, connected and inclusive**
Our Environment: **Resilient, protected and sustainable**
Our Economy: **Growing, innovative and responsive**
Our Places: **Interesting, purposeful and safe**

Our Corporation: **High performing, customer-centric and bold**

As Adelaide grows, we will need to consider economic vitality, social connectivity and wellbeing, distinctive precincts, environmental and financial sustainability, asset management and service delivery. To ensure we maintain our liveability and to support growth, these principles will underpin everything we do:

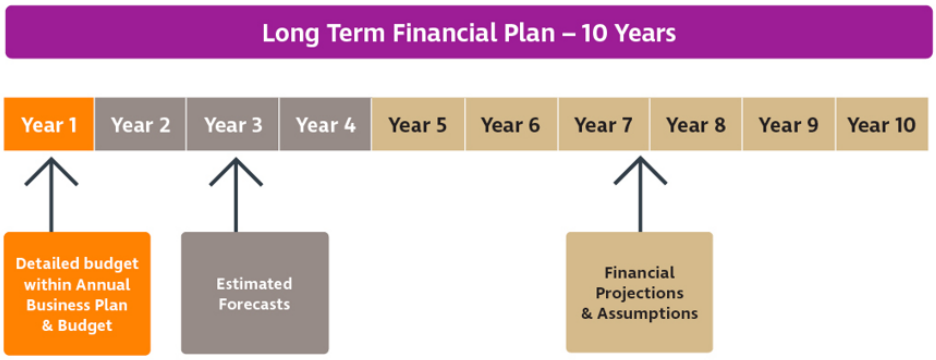
- Exceptional Amenity - Be bold and courageous in our pursuit of excellence for our city.
- Quality Housing - Strive for liveability and affordability to attract and retain residents.
- Community Connection - Strengthen connection, accessibility, diversity and inclusivity by putting people first.
- Unique Experiences - Create interesting experiences for our residents, workers and visitors.
- Climate Resilience - Embed climate resilience in all that we do.
- Economic Growth - Encourage innovation, investment and development in current and emerging sectors.
- Budget Repair - Provide quality services and ensure long-term financial sustainability

The Strategic Plan is supported by a suite of long and short-term strategies and action plans as well as a Resource Plan. The Resource Plan will provide a 4-year view of the projects, resources, and budgets required to deliver our Strategic Plan objectives. It informs the Long-Term Financial Plan (as shown in Figure 3.2.1) and acts as the key link between the Strategic Plan and Annual Business Plan & Budget, providing transparency between our vision and the key projects we deliver.

Integrated Delivery Planning ensures that prudent and efficient decisions are made, with line-of-sight between Council's Strategic Plan objectives and the major infrastructure projects we deliver. While this Asset Management Plan does not identify financial forecasts associated with new and upgrade projects, it does ensure required asset renewals are aligned (where practical) with key new and upgrade projects specified within the Resource Plan. Infrastructure projects will reference the Adelaide Design Manual for transformational projects supported by upgrade/new funding allocated with the Resource Plan and Long-Term Financial Plan.

Each year our annual business plan and budget formalises funding allocations to continue providing services and progress new projects. It enables existing projects to move from one delivery stage to the next (e.g. progress concept design to detailed design and detailed design to construction) as well as consider emerging risks and opportunities that may result from Council decisions, community requests or other external factors.

Figure 3.2.1: Long-Term Financial Plan



The relevant aspirations and objectives of the City of Adelaide Draft 2024-2028 Strategic Plan and how they are considered within this Asset Management Plan are summarised in Table 3.2.2

Table 3.2.2: Strategic aspirations, objectives and outcomes and how these are considered in this Plan

Aspirations	Objectives	Outcomes	Asset Management Alignment
Our Communities *Vibrant, connected and inclusive*	Support our communities thrive Create fun, lively and interesting experiences Celebrate and honour community and cultures	Drive housing outcomes that attract and retain residents in our city Foster connection, learning and wellbeing, making Adelaide an interesting and comfortable place to live and visit Be an inclusive and welcoming community	• Create welcoming civic infrastructure that enables City growth and fosters community connections through the adoption of universal and sustainable design principles • Create enabling infrastructure to support world class events, festivals and activation • Support the development of new cultural and civic infrastructure • Deliver key infrastructure projects and programs outlined within the Disability Access and Inclusion Plan • Deliver asset renewal and asset maintenance programs to ensure our assets are safe for people of all ages and abilities
Our Environment *Resilient, protected and sustainable*	Be climate conscious and resilient Prioritise sustainability in our decisions for the future Protect, enhance, and activate our Park Lands and open space	Lead as a Low Carbon Emissions City Be a sustainable climate resilient city and embed climate resilience in all that we do Be active in the promotion of the status, attributes and character of our green spaces and the Park Lands by protecting and strengthening their integrity and value	• Increase the use of recycled or sustainable materials • Implement sustainable, renewable and green systems, infrastructure, practices and materials in our projects and services • Adapt to climate change and enhancing our climate resilience through upgrading our existing assets and creating new assets • Ensure all asset investment (design, construct and maintenance) considers and embeds appropriate climate resilience measures • Enhance the environmental value, productivity, quality and biodiversity of the Park Lands, squares, open space and streetscapes • Protect and restore native habitat in our city • Increase in tree canopy cover and green spaces
Our Economy *Growing, innovative and responsive*	Continue to grow our economy in alignment with the Community Support existing businesses to be agile and responsive to change Create strong skilled workforces	Adelaide's unique experiences and opportunities attract visitors to our city Grow the economy to achieve a critical mass of jobs, investment and attract and retain businesses Create new Council driven development opportunities for our community via diverse commercial activities	• Deliver infrastructure upgrade projects to attract increased visitation into the City and promote business development and economic growth • Explore project partnership opportunities with State Government, developers and other third-parties
Our Places *Interesting, purposeful and safe*	Manage assets to meet the needs of our community Encourage bold, interesting and purposeful development Facilitate and activate our places in a safe and accessible way for our community	Our community assets are adaptable and responsibly maintained Encourage bold, interesting and purposeful development Responsibly deliver regulatory services and work with partners to create safe, inclusive and healthy places for our community	• Deliver asset renewal and asset maintenance programs to ensure our assets are safe for people of all ages and abilities • Ongoing review of asset management strategies and technical standards to optimise whole-of-life costs • Continue to undertake regular condition audits and revaluation for all our urban elements within the nominated 4-year cycles, including regular review of asset useful lives. • Deliver Main Street and precinct revitalisation upgrades • Deliver Park Land and Streetscape improvements to cater for emerging community needs • Preserve and promote heritage assets • Maintain and improve disability access and inclusion

3.3 Legislative Requirements

There are many legislative requirements relating to the management of infrastructure assets including Australian Legislation, State Legislation and State Regulations. Legislative requirements relevant to the Urban Elements Asset Management Plan are outlined in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
Aboriginal Heritage Act 1988	An Act to provide for the protection and preservation of the Aboriginal heritage
Adelaide Park Lands Act 2005	An Act and Framework that promotes the special status, attributes, and character of the Adelaide Park Lands; to provide for the protection of those Park Lands and their management as a world class asset to be preserved as an urban park for the benefit of present and future generations
Australian Accounting Standards	Standards that set out the financial reporting standards relating to the revaluation and depreciation of assets
Australian Standards	All of Council's infrastructure projects are undertaken in accordance with Australian Standards, or in the absence of, best practice techniques.
Australian Road Rules 1999	The Australian Road Rules have been made into regulations under the Road Traffic Act (South Australia) and came into operation throughout Australia on 1 December 1999
City of Adelaide Act 1998	An Act to establish mechanisms to enhance the role of the city of Adelaide as the capital city of South Australia; to make special provision in relation to the local governance of the city of Adelaide; and for other purposes
Civil Liability Act 1936	An Act to outline liability of road authorities under Section 42
Development Act 1993	An Act to provide for planning and regulate development in the state; to regulate the use of management of land and building; and for other purposes
Disability Discrimination Act 1992	An Act to provide protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people
Environmental Protection Act 1993	An Act to provide for the protection of the environment: to establish the Environmental Protection Authority and define functions and powers and for other purposes

Linear Parks Act 2006	An Act to provide the protection of the River Torrens Linear Park, as world-class assets to be preserved as public parks for the benefit of present and future generations
Local Government Act 1999	An Act to set out the role, purpose, responsibilities, and powers of local governments including the preparation of a Long Term Financial Plan supported by asset management plans for sustainable service delivery
State Records Act 1997	An Act to ensure Local Government's record and store all relevant information as set out by the State Government of South Australia
Work Health and Safety Act 2012	Provides minimum standards for health and safety of individuals performing works

3.4 Customer Levels of Service

Customer Levels of Service measure how the community receives a service and whether the organisation is providing community value. Levels of service are monitored and adjusted from the public consultation process, customer satisfaction surveys and customer service centre feedback.

The Customer Levels of Service are considered in terms of:

Quality How good is the service … what is the condition or quality of the service?

Function Is it suitable for its intended purpose …. Is it the right service?

Capacity Is the service over or under used … do we need more or less of these assets?

In Table 3.5, under each of the service measures types (Quality, Function, Capacity) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 3.4.1: Customer Level of Service Measures (Public Art & Monuments)

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Current Budget
Quality	Condition – Public Art & Monument are well maintained and in an appropriate condition	Customer service requests relating to reported hazards and maintenance of Public Art & Monument	2022 - 29 requests Past 4 years –32 average /year	Customer service requests are expected to increase as Public Art & Monument deteriorate
		Customer satisfaction survey results relating to art work and monument maintenance	City Streets - 92% (across all UE assets) Park Lands - 95% (across all UE assets)	Customer satisfaction ratings are expected to decrease as Public Art & Monument deteriorate
	Confidence levels		**High**	**Medium**
	Amenity - Public Arts and monuments are clean	Customer service requests relating to the cleanliness of Public Art & Monument	2022 – 7 requests * Past 4 years – 6 average/year * * Assume 1% of graffiti requests related to Public Art and monument assets	Customer service requests are expected to remain the same
		Customer satisfaction survey results relating to the cleanliness of Public Art & Monument	City Streets - 86% (across all UE assets) Park Lands – 94% (across all UE assets)	Customer satisfaction ratings are expected to stay the same
	Confidence levels		**Medium**	**Medium**
Function	Fit for Purpose - Public Art & Monument represent the intended purpose, easily understood and meets community needs	Customer satisfaction surveys results relating to Public Art & Monument meeting community needs	City Streets – 86% (across all UE assets) Park Lands – 93% (across all UE assets)	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**High**	**Medium**
Capacity	Capacity – There are an appropriate number of Public Arts and monuments to meet demand	Customer service requests relating to new Public Arts and monuments	Not currently measured	Subject to Council adoption of upgrade/new projects through Business Plan and Budget, noting the Council decision to ensure a minimum of 1.3% of the annual capital works budget is allocated to Public Art works (new, renewal, refurbishment)
		Ongoing investment in new public art in accordance with Public Art Action Plan	Delivery of adopted annual capital works program (minimum 1.3% of the Capital Works Program contribution to public art)	
	Confidence levels		**High**	**Medium**

Table 3.4.2: Customer Level of Service Measures (Street and Park Lands Furniture)

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Quality	Condition – Street and Park Lands furniture are free from hazards and in a condition appropriate for use	Customer service requests relating to reported hazards and maintenance requirements for Street and Park Lands furniture.	2022 - 2316 requests Parking machine faults – 2063 Other furniture - 253 Past 4 years – 2801 average /year Parking machine faults – 2635 Other furniture - 166	Customer service requests are expected to increase as furniture deteriorates
		Customer satisfaction survey results relating to Street and Park Land furniture maintenance	City Streets - 92% (across all UE assets) Park Lands - 95% (across all UE assets)	Customer satisfaction ratings are expected to decrease as furniture deteriorates
	Confidence Level		***High***	***Medium***
	Amenity - Street and Park Lands furniture are clean	Customer service requests relating to the cleanliness of Street and Park Lands furniture	2022 – 26 requests Past 4 years – 58 average /year	Customer service requests are expected to stay the same
		Customer satisfaction survey results relating to the cleanliness of Street and Park Lands furniture	City Streets - 86% (across all UE assets) Park Lands – 94% (across all UE assets)	Customer satisfaction ratings are expected to stay the same
	Confidence Level		***High***	***Medium***
Function	Fit for Purpose - Street and Park Lands furniture provides adequate facilities to meet community needs	Customer satisfaction surveys results relating to Street and Park Lands furniture meeting community needs	City Streets – 86% (across all UE assets) Park Lands – 93% (across all UE assets)	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence Level		***High***	***Medium***
Capacity	Capacity – There are an appropriate number of Street and Park Lands furniture to meet demand	Customer service requests relating to new Street and Park Lands furniture	2022 – 61 requests Past 4 years – 74 average /year	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence Level		***High***	***Medium***

Table 3.4.3: Customer Level of Service Measures (Urban Structure)

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Quality	Condition – Urban Structures are free from hazards and are in a condition appropriate for use	Customer service requests relating to reported hazards and maintenance requirements of urban structures	2022 – 20 requests Past 4 years – 20 average /year	Customer service requests are expected to increase as urban structures deteriorate
		Customer satisfaction survey results relating to urban structures maintenance	City Streets - 92% (across all UE assets) Park Lands - 95% (across all UE assets)	Customer satisfaction ratings are expected to decrease as urban structures deteriorate
	Confidence Level		***High***	***Medium***
	Amenity – Urban structures are clean and free of debris and rubbish	Customer service requests relating to the cleanliness of urban structures	2022 – 6 requests Past 4 years – 6 average /year	Customer service requests are expected to stay the same
		Customer satisfaction survey results relating to the cleanliness of urban structures	City Streets - 86% (across all UE assets) Park Lands – 94% (across all UE assets)	Customer satisfaction ratings are expected to stay the same
	Confidence Level		***High***	***Medium***
Function	Fit for Purpose – Urban structures provide adequate facilities to meet community needs	Customer satisfaction surveys results relating to urban structures meeting community needs	City Streets – 86% (across all UE assets) Park Lands – 93% (across all UE assets)	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence Level		***High***	***Medium***
Capacity	Capacity - Appropriate number of urban structures to meet demand	Customer service requests relating to new urban structures	2022 – 2 requests Past 4 years – 2 average /year	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence Level		***Medium***	***Medium***

3.5 Technical Levels of Service

To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a stormwater pipe with a larger size) or a new service that did not exist previously (e.g. a new library)
- **Operation** – the regular activities to provide services (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. road patching, unsealed road grading, building and structure repairs)
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. road resurfacing and pavement reconstruction, stormwater pipe replacement and building component replacement)
- **Disposal** – the activities to remove and/or dispose of an asset that may be considered as underperforming, underutilised or obsolete

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.[3]

Table 3.6 show the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this Asset Management Plan.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

[3] IPWEA, 2015, IIMM, p 2|28.

Table 3.5.1: Technical Levels of Service (Public Art & Monuments)

Lifecycle Category	Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance	Recommended Performance
Acquisition (upgrade/new)	Upgrade / New Projects	To create new Public Art & Monument to meet the needs of the community	Delivery of key upgrade/new projects, in line with the Council decision to ensure a minimum of 1.3% of the annual capital works budget is allocated to Public Art works (new, renewal, refurbishment)	Upgrade/new projects aligned to Strategic Plan objectives and the Public Art Action plan are initiated through the Business Plan and Budget process on an annual basis, where projects are evaluated and prioritised based on strategic alignment and financial capacity.	Upgrade/new projects aligned to Strategic Plan objectives are informed by City Plan, with financial requirements accommodated into the Long Term Financial Plan. Initiatives are confirmed to proceed annually through the Business Plan and budget process
			Budget	As adopted annually in BP&B	To be developed
Operation	Condition Audits	To collect asset condition data to inform capital renewal planning and asset revaluation	Condition audit frequency of all Public Art and monument assets	Every 4 years	Every 4 years
	Cleansing	To ensure art and monument assets are clean and free of graffiti	Cleansing frequency	Cleansing and graffiti removal works are delivered based on priority (location and severity) with consideration of available budget	To be reviewed with planned updates to operations and maintenance standards
			Budget	Condition Audits - $50,000 (every 4 years) Cleansing: $50,000	To be reviewed with planned updates to operations and maintenance standards
Maintenance	Maintenance Audits	To ensure defects are proactively identified and prioritised	Frequency of asset maintenance audits	Monuments and Public Art - Every 6 months Fountain Public Art – Daily	To be reviewed with planned updates to operations and maintenance standards
	Maintenance Activities	To ensure assets are maintained in an appropriate condition free of hazards	Completion of planned and reactive maintenance	Maintenance works are delivered based on priority (location and severity) with consideration of available budget	To be reviewed with planned updates to operations and maintenance standards
			Budget	Maintenance - $364,000	To be reviewed with planned updates to operations and maintenance standards
Renewal	Renewal Projects	To ensure assets are renewed, providing service in line with community expectations at lowest lifecycle costs	% of assets in condition 4 or 5	Condition 4 - 9% Condition 5 – 1%	Condition 4 – less than 5% Condition 5 – 0%
			Asset renewal funding ratio	90% (existing Asset Management Plan)	100%
			Budget	$376,000	$450,000 (10 Year Average)
Disposal	Disposal Projects	To ensure that assets that may be underperforming, underutilised or obsolete are removed from service	Disposal of assets	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget Process.	Assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget Process.
			Budget	As adopted annually in BP&B	As adopted annually in BP&B

Table 3.5.2: Technical Levels of Service (Street and Park Lands Furniture)

Lifecycle Category	Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance	Recommended Performance
Acquisition (upgrade/new)	Upgrade / New Projects	To provide new or upgraded street and park lands furniture to ensure assets are safe, fit for purpose and service the needs of the community	Delivery of key upgrade/new projects	Upgrade/new projects aligned to Strategic Plan objectives are initiated through the Business Plan and Budget process on an annual basis, where projects are evaluated and prioritised based on strategic alignment and financial capacity.	Upgrade/new projects aligned to Strategic Plan objectives are informed by City Plan, with financial requirements accommodated into the Long Term Financial Plan. Initiatives are confirmed to proceed annually through the Business Plan and budget process
			Budget	As adopted annually in BP&B	To be developed
Operation	Condition Audits	To collect asset condition data to inform capital renewal planning and asset revaluation	Condition audit frequency of all urban elements	Every 4 years	Every 4 years
			Budget	Condition Audits – $100	Condition Audits – $100k every 4 years
	Cleaning	To ensure furniture assets are clean and free of debris and graffiti	Cleaning Frequency	BBQ Cleaning – Daily Street Bin Emptying – Daily Park Bin Emptying - Weekly Other furniture assets -if graffiti presents cleaned in two days	To be reviewed with planned updates to operations and maintenance standards
			Budget	Furniture Cleansing: $532,753 Public Litter Bin Emptying: $1,920,477	To be reviewed with planned updates to operations and maintenance standards
Maintenance	Maintenance Audits	To ensure defects are proactively identified and prioritised	Frequency of asset maintenance audits	Parking Machine – Monthly BBQ – Quarterly Other Furniture Assets – Every 6 months	To be reviewed with planned updates to operations and maintenance standards
	Maintenance Activities	To ensure assets are maintained in an appropriate condition free of hazards	Completion of planned and reactive maintenance	Maintenance works are delivered based on priority (location and severity) with consideration of available budget	To be reviewed with planned updates to operations and maintenance standards
			Budget	Furniture Maintenance - $1,398,000	To be reviewed with planned updates to operations and maintenance standards
Renewal	Renewal Projects	To ensure assets are renewed, providing service in line with community expectations at lowest lifecycle costs	% of assets in condition 4 & 5	Condition 4 - 5% Condition 5 – 2 %	Condition 4 – less than 10% Condition 5 – 0%
			Asset renewal funding ratio	90% (existing Asset Management Plan)	100% (assuming budget is adopted)
			Budget	$1,750,000	$3,050,184 (10 Year Average)
Disposal	Disposals Projects	To ensure that assets that may be underperforming, underutilised or obsolete are removed from service.	Disposal of assets	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget
			Budget	As adopted annually in BP&B	As adopted annually in BP&B

Table 3.5.3: Technical Levels of Service (Urban Structure)

Lifecycle Category	Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance	Recommended Performance
Acquisition (upgrade/new)	Upgrade / New Projects	To provide new or upgraded urban structures to ensure assets are safe, fit for purpose and service the needs of the community	Delivery of key upgrade/new projects	Upgrade/new projects aligned to Strategic Plan objectives are initiated through the Business Plan and Budget process on an annual basis, where projects are evaluated and prioritised based on strategic alignment and financial capacity.	Upgrade/new projects aligned to Strategic Plan objectives are informed by City Plan, with financial requirements accommodated into the Long Term Financial Plan. Initiatives are confirmed to proceed annually through the Business Plan and budget process
			Budget	As adopted annually in BP&B	To be developed
Operation	Condition Audits	To collect asset condition data to inform capital renewal planning and asset revaluation	Condition audit frequency of all urban elements	Every 4 years	Every 4 years
			Budget	Condition Audits - $100,000	Condition Audits – $100k every 4 years
	Cleaning	To ensure structures are clean and free of debris and graffiti	Cleaning Frequency	If graffiti presents cleaned in two days	To be reviewed with planned updates to operations and maintenance standards
			Budget	Structure Cleansing: $25,000	To be reviewed with planned updates to operations and maintenance standards
Maintenance	Maintenance Audits	To ensure defects are proactively identified and prioritised	Frequency of asset maintenance audits	Inspected every 6 months	To be reviewed with planned updates to operations and maintenance standards
	Maintenance Activities	To ensure assets are maintained in an appropriate condition free of hazards	Completion of planned and reactive maintenance	Maintenance works are delivered based on priority (location and severity) with consideration of available budget	To be reviewed with planned updates to operations and maintenance standards
			Budget	Urban structures - $323,000	Determined on an annual basis
Renewal	Renewal Projects	To ensure assets are renewed, providing service in line with community expectations at lowest lifecycle costs	% of assets in condition 4 & 5	Condition 4 - 5% Condition 5 - 1%	Condition 4 – less than 5% Condition 5 – 0%
			Asset renewal funding ratio	90% (existing Asset Management Plan)	100% (assuming budget is adopted)
			Budget	$1,176,000	$1,780,000 (10 Year Average)
Disposal	Disposals Projects	To ensure that assets that may be underperforming, underutilised or obsolete are removed from service.	Disposal of assets	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget
			Budget	As adopted annually in BP&B	As adopted annually in BP&B

4.0 FUTURE DEMAND

4.1 Demand Drivers

The drivers affecting demand on assets include population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, and environmental impacts.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can also include non-asset solutions with a focus on providing the required service without the need for the organisation to invest in new or upgraded infrastructure. Management actions could include reducing the demand for the service or educating users around alternative options. It is important to ensure that these strategies consider the associated risks and consequences.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this Asset Management Plan.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
City Growth	2021 Statistics: Residents - 25,551 Businesses – 11,519 Daily Visitors – 321,500	2041 Forecast: Residents - 46,000 Anticipated ongoing business growth in line with residential city growth projections. Anticipated daily visitor growth in line with Metropolitan Adelaide growth	City growth will place higher demands on our urban elements, with increasing level of service expectations. This will likely result in the need to install additional assets to service community needs.	Delivery of prioritised upgrade/new projects identified in the Strategic Plan and key Corporate planning documents (referenced in Section 2.1) to enhance the urban elements portfolio and accommodate city growth through upgrading existing assets and creating new assets to align service provision with the evolving needs of the community. This Asset Management Plan will ensure asset renewals will consider and align where practical with these key upgrade/new initiatives.
Changing Demographic	2021 Statistics 0 to 11 Years 1,246 (5%) 12 to 17 Years 587 (2%) 18 to 34 Years 12,117 (51%) 35 to 49 Years 4,409 (19%) 50 to 59 Years 2,281 (10%) 60 to 69 Years 2,233 (10%) 70 Years & Above 2,633 (3%)	2041 Forecast 0 to 11 Years 2,633 (6%) 12 to 17 Years 1,501 (3%) 18 to 34 Years 21,771 (47%) 35 to 49 Years 8,933 (19%) 50 to 59 Years 4,272 (9%) 60 to 69 Years 3,274 (7%) 70 Years & Above 4,175 (9%)	Changing expectations from a culturally and demographically diverse customer base will result in our urban elements being subject to new demands. With a forecast aging population, there will be increasing demands for providing additional rest and refuge areas for the community (e.g. furniture and shading structure) to ensure the city is accommodating for people of all ages and abilities.	Ongoing engagement with city users through annual City User Profile surveys, and ensuring that Strategic Documents are updated on a cyclic basis to reflect changes with community expectations. Delivery of prioritised upgrade/new projects identified in the Strategic Plan and key Corporate planning documents (referenced in Section 2.1) to align service provision with the evolving needs of the community. This Asset Management Plan will ensure asset renewals will consider and align where practical with these key upgrade/new initiatives.
Tourism & Event Growth	A key objective in Council's 2023-24 Business Plan and Budget was to provide 'year round' events that attract people to visit the City. Investment in public infrastructure has also been identified as part of the South Australian Tourism Plan (2020) and the SA Visitor Economy Sector Plan 2030. In 2020 annual tourism expenditure in Adelaide was estimated to be approximately $3.9 billion	Cultural and event infrastructure will be an ongoing and increasing priority for both the City of Adelaide and South Australian State Government. It is projected that annual tourism expenditure will continue to grow and it is estimated to be $7.7 billion/year by 2030.	Increasing demands on our urban elements to facilitate tourism and event growth by supporting new cultural, civic and event infrastructure in the City and connecting city users to place through curated city experiences.	Delivery of prioritised upgrade/new projects identified in the Strategic Plan and key Corporate planning documents (referenced in Section 2.1) to support tourism and event growth. This Asset Management Plan will ensure asset renewals will be consider and align where practical with these key upgrade/new initiatives.

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Environmental Sustainability & Carbon Neutrality	Changes to the global climate (climate change) are clear. Documented increases in the average air and ocean temperature (by over 1 °C), widespread melting of snow and ice, and rising average sea level are just some examples. City of Adelaide's 2020-2024 Strategic Plan has an objective to become one of the world's first carbon neutral cities by 2025. Additionally, a Climate Action Plan (2022-2025) has been developed to ensure we continue to drive down our carbon footprint and mitigate climate impacts for our residents and visitors. Currently City of Adelaide include recycled materials in urban elements, where there is demonstrated environmental benefits that also consider cost and performance.	Inaction to climate change and climate risk will result in negative health impacts to our community and potentially impact to our businesses and economy. Reduced water availability and increasing heat will result in increased stress and resources required for maintaining and operating our assets. To effectively manage climate change and climate risk Council will need to continue to respond through substantial reductions in greenhouse gases (mitigation controls) and helping to prepare for and respond to the changing climate (adaptation controls).	There will be an increased demand to ensure we utilise more environmentally sustainable materials and construction technique for urban elements, with lower carbon footprint and improved circular economy outcomes. Additionally, there will also be increasing community demand for bike infrastructure, shelters, shading structures and drinking fountain assets.	Our Strategic Planning, Asset Management and Project Delivery (including design and procurement) will continue to focus on ensuring that climate risk mitigation and adaption is a key focus. Ongoing reviews and updates to our design standards and technical specifications to ensure our assets transition towards having a lower carbon footprint with improved circular economy outcomes, as well as ensure they are more resilient to withstand extreme weather events. Delivery of prioritised upgrade/new projects identified in the Strategic Plan and key corporate planning documents (referenced in Section 2.1), which support environmental sustainability and climate risk mitigation and adaptation. This Asset Management Plan will ensure asset renewals will consider and align where practical with these key upgrade/new initiatives.
Emerging Technology	Asset construction techniques and associated materials are currently undertaken in line with industry standards	Alternative construction techniques and materials with durability and sustainability benefits will continue to become more readily available and standardised.	Improvements in construction techniques and materials could result in improved comfort, asset durability, increased asset lifespans, reduced whole-of-life costs and improved environmental outcomes.	Continue to partner with industry, to monitor and evaluate new and emerging technologies, with trials of new materials, approaches and methodologies to inform appropriate changes to standards and practices.
	Asset management systems and condition audit methodologies are in line with industry standards and best practice	Asset management systems and technology will continue to evolve over time, particularly with respect to the collection of condition data and monitoring of asset deterioration over time.	Improved asset information and systems will enable improved decision making and efficiencies with respect to optimising whole-of-life-costs and managing asset risks.	
	On-street parking assets (i.e. parking machines and smart parking solutions) provides services through current technology platforms.	Intelligent parking systems will continually be developed and enhanced. It is anticipated there will be further opportunities to improve communications and connections between users and parking services.	Enhancements to intelligent parking systems will introduce efficiencies, resulting in new and enhanced services being provided through emerging technologies, potentially including non-asset solutions.	
Legislation & Regulation	Legislation exists which outlines requirements for how Council must manage infrastructure assets.	There is potential for future changes to legislation will influence how Council's infrastructure is managed	New legislation may impose or require changes to asset management planning principles and activities. They may include requirements that have a financial and/or service level impact that must be met.	Continue to monitor changes to legislation and ensure appropriate adaptation into asset management practices. Any material impacts would be considered as part of the Annual Business Plan and Budget process and included in the next revision of the Asset Management Plan.

4.4 Asset Programs to meet Demand

The new assets required to meet demand will be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit City of Adelaide to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs.

All upgrade/new projects responding to demand will involve developing business cases, cost estimates and facilitating decision making to integrate upgrade/new project initiatives with operational asset management planning and the Long-Term Financial Plan. This process will be facilitated with Council and the Community through the Annual Business Plan & Budget Process.

4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts. As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5.

Table 4.5 Managing the Impact of Climate Change on Urban Elements Assets and Services

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Increasing temperatures and more frequent, long-running and intense heatwaves	The number of days over 40°C to double by 2050 Average temperatures to increase across all seasons by between 1.5°C and 2°C by 2050	Increased heat and UV related damage to assets Reduced lifespan of urban elements assets Increased costs to provide the same level of service Premature obsolescence as functionality is not met	Strategic Planning, Asset Management and Project Delivery (including design and procurement) will continue to focus on ensuring that climate risk mitigation and adaption is a key focus. Mitigation and adaptation measures will include: • Ongoing reviews and updates to our design standards and technical specifications to ensure our assets transition towards having a lower carbon footprint with improved circular economy outcomes as well as ensure they are more resilient to withstand extreme heat events • Proactively reviewing our asset management strategies with respect to the impacts of climate change, to ensure we continue to provide the agreed level of service at the lowest lifecycle cost • Reducing the impacts of heat through increasing canopy cover and providing additional rest and refuge areas for the community
Less rain overall but more intense storms and flooding	Average annual rainfall to decrease by 7% by 2050 Intensity of heavy rainfall events to increase by at least 10% by 2050	Increased stormwater related damage to assets Reduced lifespan of urban elements assets Increased costs to provide the same level of service Premature obsolescence as functionality is not met	Strategic Planning, Asset Management and Project Delivery (including design and procurement) will continue to focus on ensuring that climate risk mitigation and adaption is a key focus. Mitigation and adaptation measures will consider: • Ongoing reviews and updates to our design standards and technical specifications to ensure our assets transition towards having a lower carbon footprint with improved circular economy outcomes as well as ensure they are more resilient to increased flood risk and inundation • Proactively reviewing our asset management strategies with respect to the impacts of climate change, to ensure we continue to provide the agreed level of service at the lowest lifecycle cost

The impact of climate change on assets is a new and complex discussion and further impacts and management strategies will considered and developed in future revisions of this Asset Management Plan. It is recommended to continue monitoring the impacts of climate conditions and associated cost implications as further investigation is undertaken and more data becomes available. This is included as a key action within this Asset Management Plans Improvement Plan.

5.0 LIFECYCLE MANAGEMENT PLAN

5.1 Lifecycle Management Overview

In order to effectively manage our assets, it is important to understand the relationship between all stages of the asset lifecycle. Effective asset management and financial sustainability requires a balance between the maintenance, renewal and disposal of existing assets and the delivery of new and upgraded assets.

Our goal is to provide assets that service the needs of the community, providing the agreed levels of service at the lowest lifecycle cost. To enable this, it is important to understand:

- How our assets are performing
- How our assets should be operated and maintained
- When our assets should be renewed
- When we should consider upgrading existing assets or constructing new assets
- How funding for new and upgraded assets is prioritised
- When we should consider disposing underperforming or underutilised assets

An overview of the asset lifecycle is shown in Figure 5.1 below:

Figure 5.1: Asset Lifecycle Overview



The lifecycle management plan details how CoA plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.2 Background Data

5.2.1 Physical parameters

The assets covered by this Asset Management Plan are shown in Table 5.2.1 and all figure values are shown in current day dollars.

Table 5.2.1: Assets covered by this Plan

Asset Class	Asset Type	Quantity	Replacement Value
Public Art & Monuments	Public Art & Monuments	664	$39,281,152
Street and Park Lands Furniture	BBQ	49	$1,098,141
	Bike Rack	1420	$846,884
	Bin	1157	$3,168,900
	Bollard	1396	$3,345,673
	Custom Sign	63	$115,081
	Drinking Fountain	146	$857,895
	Parking Machine	292	$1,682,520
	Smart Parking Solution	2964	$3,242,187
	Picnic Table	142	$577,537
	Planter Box	703	$3,698,829
	Seat	1855	$11,835,415
	Wayfinding Signage	565	$1,168,287
Urban Structure	Boat Landing	11	$5,063,043
	Boat Ramp	1	$116,878
	Bus Shelter	134	$3,278,877
	Fence	908	$11,463,070
	Flagpole	71	$314,659
	Gate	356	$248,256
	Other Structure	120	$6,612,695
	Retaining Wall	248	$7,298,775
Total		**13,265**	**$105,314,754**

5.2.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.2.2.

Table 5.2.2: Known Service Performance Deficiencies

Asset/Location	Service Deficiency
Bike Racks	Community engagement and ongoing customer service requests have identified demand for additional bike racks. The 2023/24 Business Plan and Budget includes a program to install additional bike racks and this program is recommended to continue into the future to re-align service provision with the evolving needs of the community.
Bus Shelter/Shelter/Drinking Fountain	Community engagement has identified demand for additional drinking fountains, shelters and shading structures within city streets and the Park Lands. This aligns with a key adaptation action outlined within our Climate Action Plan (2022-2025) to provide additional convenience and comfort in response to the increase effects of climate change.

5.2.3 Asset condition

Condition is measured using a 1 – 5 grading system[4] as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the Asset Management plan results are translated to a 1 – 5 grading scale for ease of communication.

Table 5.2.3: Condition Grading System

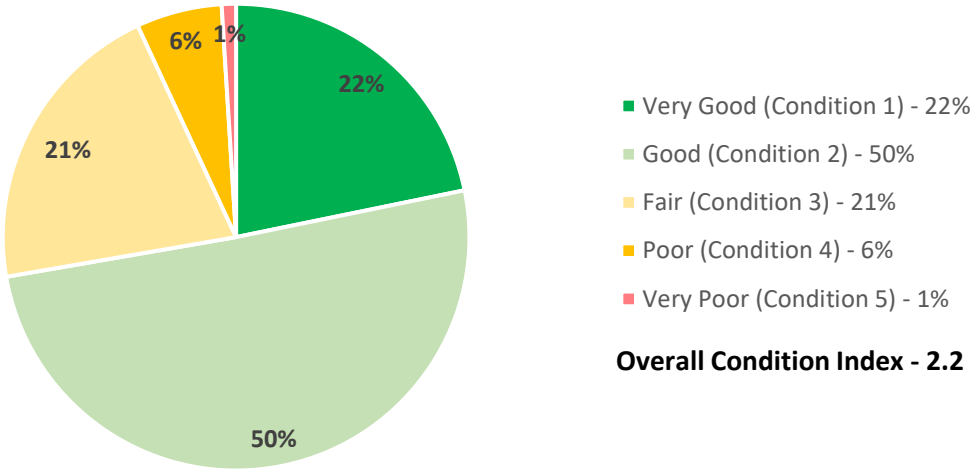
Condition Grading	Description of Condition
1	**Very Good**: free of defects, only planned and/or routine maintenance required
2	**Good**: minor defects, increasing maintenance required plus planned maintenance
3	**Fair**: defects requiring regular and/or significant maintenance to reinstate service
4	**Poor**: significant defects, higher order cost intervention likely
5	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required

[4] IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

Public Art & Monuments

Public Art & Monument are typically condition audited every 4 years, with the most recent audit undertaken in 2022. Figure 5.1.3 presents the predicted Public Art & Monument condition distribution as of September 2023. Overall, the majority of our Public Art & Monument are rated in a very good to fair condition (93%), with a small proportion of assets rated in poor (6%) and very poor condition (1%). Ongoing investment will be required to refurbish assets to ensure levels of service are maintained in conjunction with minimising whole-of-life costs (i.e. prevent increased maintenance and renewal costs from not renewing assets at the appropriate time).

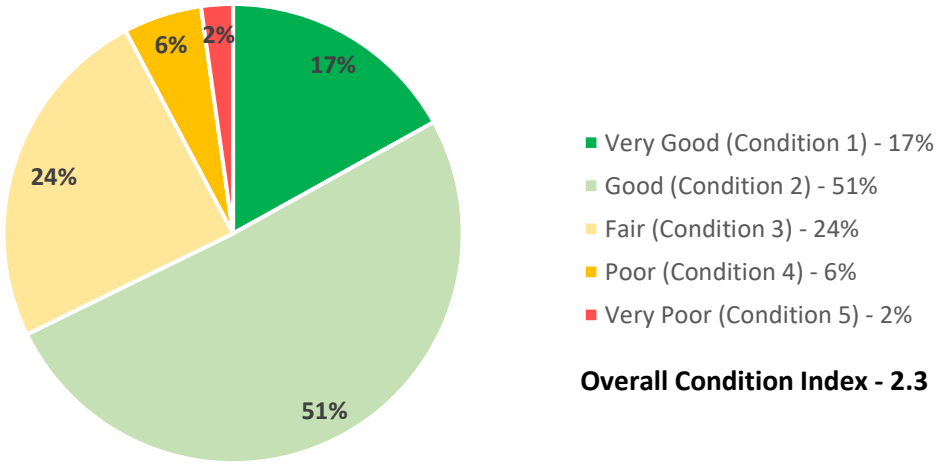
Figure 5.2.3.p: Asset Condition Profile (Public Art & Monuments)



Street and Park Lands Furniture

Street and Park Lands Furniture is typically condition audited every 4 years, with the most recent audit undertaken in 2020. Figure 5.1.3 presents the predicted furniture condition distribution as of September 2023. Overall, the majority of our furniture is in a very good to fair condition (92%), with a small proportion of assets rated in poor and very poor condition (8%). Ongoing investment will be required to renew and replace assets to ensure levels of service are maintained.

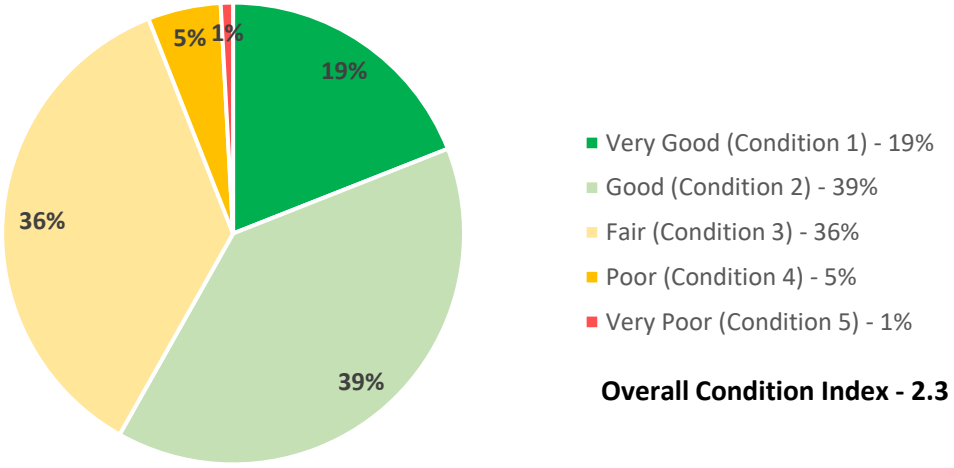
Figure 5.2.3.f: Asset Condition Profile (Street and Park Lands Furniture)



Urban Structure

Structures are typically condition audited every 4 years, with the most recent audit undertaken in 2020. Figure 5.1.3 presents the predicted structure condition distribution as of September 2023. Overall, the majority of our structures are rated in a very good to fair condition (94%), with a small proportion of assets rated in poor and very poor condition (6%). Ongoing investment will be required to renew and refurbish our structures to ensure levels of service are maintained in conjunction with minimising whole-of-life costs (i.e. prevent increased maintenance costs).

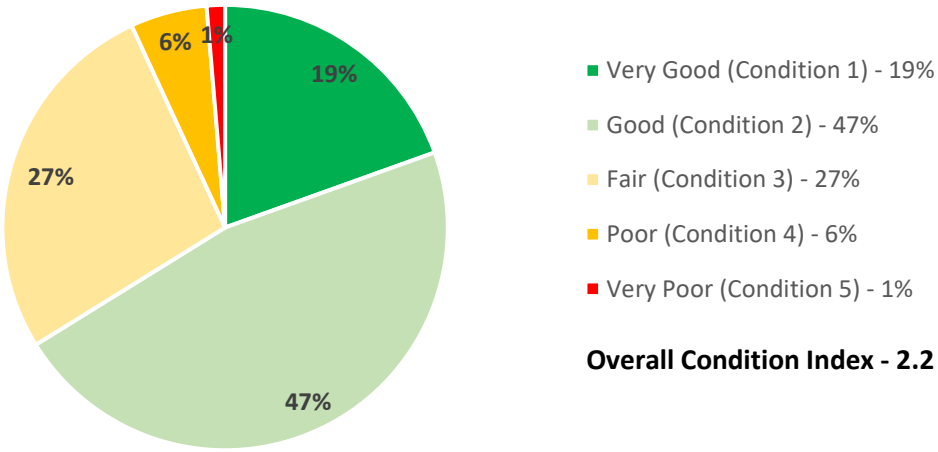
Figure 5.2.3.s: Asset Condition Profile (Urban Structure)



Summary

Overall, the current condition of our urban elements portfolio is rated in a good to fair condition, with a combined overall condition index rating of 2.2. 93% of assets are rated in a very good to fair condition and 6% of assets are rated in poor or very poor condition, which will form the general basis of our renewal program priorities.

Figure 5.2.3.all: Urban Elements Portfolio Condition Profile



5.3 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include furniture repairs, painting worn surfaces and securing loose nuts and bolts. Requirements are informed by both customer service requests and proactive maintenance inspections.

Currently, maintenance activities are generally evaluated and prioritised with respect to annual budgets. This process is undertaken by experienced staff, where risk-based assessment and resource allocation considers the severity of the defect as well as its location. Any critical maintenance requirements that cannot be accommodated within exiting budgets and assessed through regular budget reviews to ensure resources are appropriately re-allocated.

Following the completion of this Asset Management Plan, we will be reviewing operations and maintenance standards for Urban Elements Assets, with a view to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk and customer expectations. This activity has been recognised as an action within the Improvement Plan of this Asset Management Plan (Chapter 8), where the associated financial impacts will need to be further considered in future revisions of this Asset Management Plan and the Long-Term Financial Plan.

Updated standards will document both maintenance intervention levels and response times. Intervention levels will document the criteria for actioning maintenance defects and response times will set targets that we aim to work within to repair defects. Typically, both of these elements will vary depending on the severity of the defect as well as its position/location within the asset hierarchy.

Monitoring whether maintenance activities are being delivered in accordance with the specified intervention levels and response times, will enable us to understand whether resourcing levels are sufficient. Where resourcing levels are identified as insufficient, additional budget requirements can be considered through the business plan and budget process, or intervention levels and response times can be adjusted with respect to budget constraints.

5.3.1 Maintenance Budget Trends

The trend in maintenance budgets for all urban element assets over the past 4 years is shown in Table 5.3.1.

Table 5.3.1: Maintenance Budget Trends

Year	Public Art & Monument	Furniture	Structure
2020/21	$305,593	$1,241,779	$271,335
2021/22	$371,790	$1,411,316	$339,846
2022/23	$553,558	$1,754,328	$373,115
2023/24	$364,105	$1,397,666	$322,904

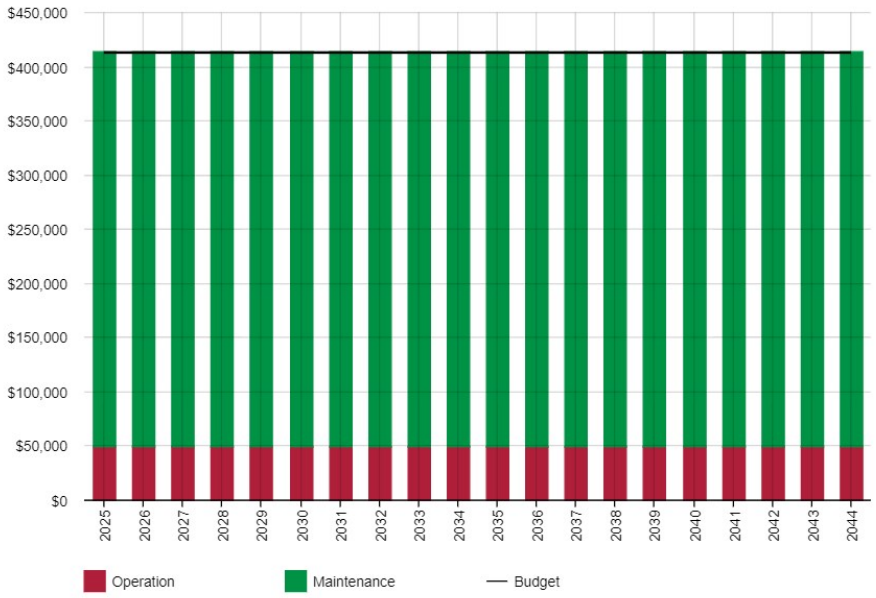
5.3.2 Summary of future operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease.

Public Art & Monuments

The forecast operations and maintenance costs for Public Art & Monument, relative to the proposed operations and maintenance budgets are shown in Figure 5.4. Future revisions of this Asset Management Plan will further review forecast requirements based on updated operations and maintenance standards. All values are shown in current day dollars.

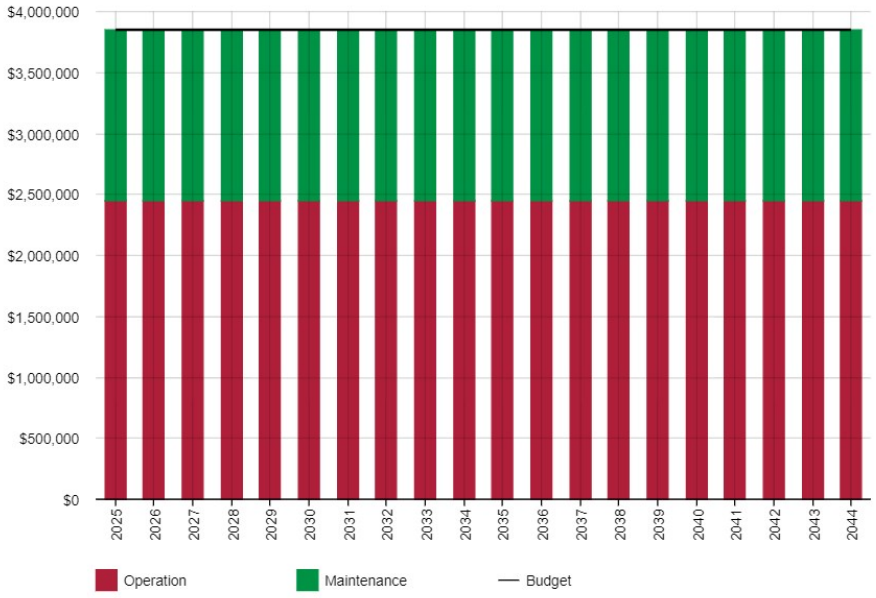
Figure 5.3.2.p.: Operations and Maintenance Summary (Public Art & Monument)



Street and Park Lands Furniture

The forecast operations and maintenance costs for Street and Park Lands Furniture, relative to the proposed operations and maintenance budgets are shown in Figure 5.4. Future revisions of this Asset Management Plan will further review forecast requirements based on updated operations and maintenance standards. All values are shown in current day dollars.

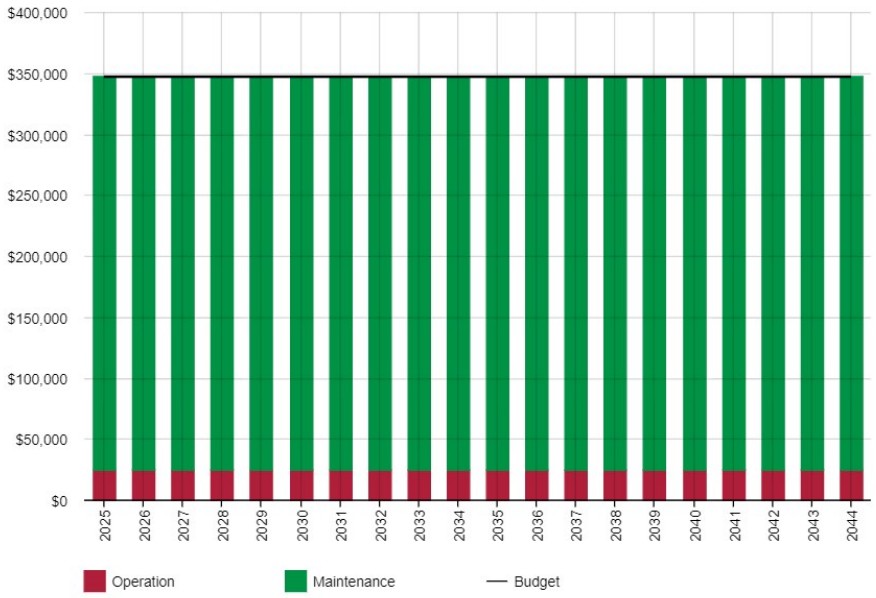
Figure 5.3.2.f: Operations and Maintenance Summary (Street and Park Lands Furniture)



Urban Structure

The forecast operations and maintenance costs for Structures, relative to the proposed operations and maintenance budgets are shown in Figure 5.4. Future revisions of this Asset Management Plan will further review forecast requirements based on updated operations and maintenance standards. All values are shown in current day dollars.

Figure 5.3.2.s.: Operations and Maintenance Summary (Urban Structure)



5.4 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition (new/upgrade) resulting in additional future operations and maintenance costs.

Asset renewal is typically undertaken to:

- Ensure ongoing reliability of existing infrastructure to deliver the service it was constructed to facilitate
- Ensure infrastructure is of sufficient quality to meet the service requirements
- Optimise whole-of-life costs, when maintenance activities are no longer economical

Within this Asset Management Plan, asset renewal requirements have been identified by utilising replacement costs and remaining useful life estimates that have been derived through a combination of condition audits, engineering recommendations and predictive modelling.

Predictive modelling provides a basis for evidence-based decision making, where the financial requirements for different level of service scenarios can be estimated across the short, medium and long-term. Additionally, it allows us to understand the relationship between cost, level of service and risk and can effectively demonstrate the consequences of not appropriately funding asset renewal. An overview of the predictive modelling utilised in this Asset Management Plan is shown in Figure 5.4.1 and is discussed further for each asset class in Section 5.4.1.

Figure 5.4.1: Predictive Modelling Overview



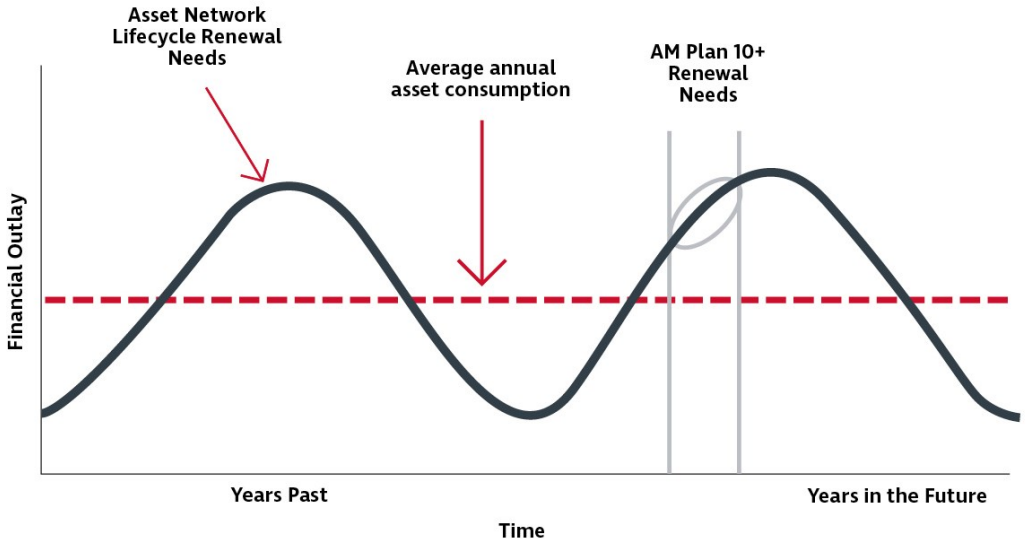
This Asset Management Plan's renewal strategy aims to minimise the number of assets that deteriorate into a poor condition and prohibit assets reaching a very poor condition. Assets can generally be cost effectively maintained and provide appropriate levels of service up to a fair condition, however assets in poor and very poor condition have higher risk profiles and maintenance treatments are generally not economical. This strategy ensures we can continue to provide services in line with the community's expectations, appropriately manage risk and optimise whole-of-life costs.

Asset renewal planning is undertaken with a holistic and integrated approach, to ensure consideration is given to asset functionality, adjacent assets and Council's higher-level strategic objectives (e.g. new and upgrade

requirements). This allows capital works programming to be optimised through the development of logical works packages, that provide value to the community and minimise disruption.

It is important to understand that infrastructure networks are comprised of assets with varying age profiles and different useful lives and replacement costs. This results in having to replace more assets in some periods when compared with others and means that it's very unlikely that asset renewal needs will be consistent over time. Figure 5.4.2 highlights a typical scenario of varying asset renewal expenditure requirements over the asset lifecycle.

Figure 5.4.2: Asset Network Lifecycle Renewal Needs



To account for fluctuations in asset lifecycle renewal needs and enable efficient resourcing planning, often there will be a need to smooth out expenditure requirements over multiple years through a combination of deferring renewal (where appropriate) and bringing scheduled works forward.

At times, this may result in a small number of assets exceeding prescribed renewal intervention criteria, requiring projects to be prioritised with respect to available budget. It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a higher consequence of failure
- Have higher usage and the subsequent impact on users would be more significant
- Have higher than expected operational and maintenance costs

Prioritisation criteria used to inform the renewal forecasts within this Asset Management Plan include:

- Compliance with current legislative requirements
- Asset condition
- Asset hierarchy and criticality
- Cost effectiveness of maintenance investment
- Alignment with Strategic Plan objectives and corporate strategies
- Financial capacity and sustainable financial management principles
- Council decisions
- Asset functionality deficiencies
- Community interest

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed in2023.

Table 5.4: Useful Lives of Assets

Asset Category	Asset (Sub)Category	Useful life *
Public Art and Monument	Public Art and Monument	5-10 year refurbishment cycles
Street and Park Lands Furniture	BBQ	10 years
	Bike Rack	15 years
	Bin	10 years
	Bollard	15 years
	Custom Sign	10 years
	Drinking Fountain	10 years
	Parking Machine	10 years
	Smart Parking Solution	5 years
	Picnic Table	20 years
	Planter Box	15 years
	Seat	20 years
	Wayfinding Signage	20 years
Urban Structure	Boat Landing	20-80 years
	Boat Ramp	80 years
	Bus Shelter	20 years
	Fence	15 years
	Flagpole	30 years
	Gate	15 years
	Other Structure	15-20 years
	Retaining Wall	60 years

* useful life will vary dependant on asset hierarchy/material/component

5.4.1 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

Public Art and Monuments

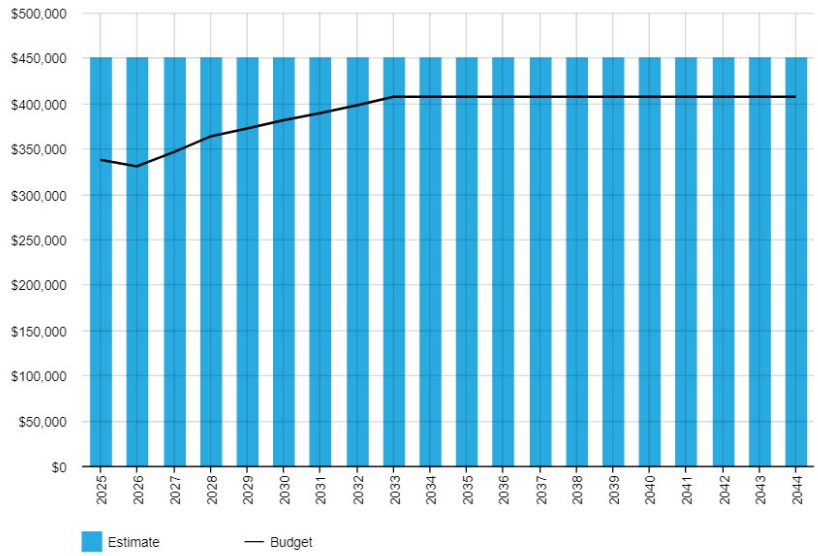
Due to the cultural and aesthetic value provided by Public Art and Monuments, assets are assessed and refurbished on a cyclic basis to maintain structural integrity and aesthetics. Full replacement of our Monuments is generally not feasible due to heritage conservation requirements and the fact that Public Art assets need to be managed in accordance with formal agreements with artists for the period nominated for presentation. Full replacement of assets will only be considered when it is not possible to appropriately maintain assets through cyclic refurbishment programs.

It is estimated that $450,000 will be required on an annual basis to ensure Public Art & Monument are assessed and refurbished in accordance with the recommended frequencies below:

- Large memorials, monuments and heritage assets – every 5 years
- Small memorials and other Public Art – every 10 years

The projected 20-year renewal forecast compared against the current Long Term Financial Plan budget allocation for Public Art and Monuments is shown in Figure 5.4.1 below (note: all figure values are shown in current day dollars). When comparing the forecast renewal costs against the existing budget allocation (black line), it is shown that there is a minor funding shortfall over the first 7 years and additional funding is required to maintain current levels of service.

Figure 5.4.1.p.: Forecast Renewal Costs (Public Art and Monuments)



Street and Park Lands Furniture

Predictive modelling identified that the existing budget allocations within the Long-Term Financial Plan were insufficient to maintain current service levels, resulting in the health of the furniture network steadily declining over time. Various renewal strategies were considered for the furniture network utilising predictive scenario modelling, which are presented and further discussed in Appendix F.

The recommended asset renewal strategy aims to reduce the number of assets that deteriorate into condition 4 (< 10%) and probit assets reaching condition 5 (target of 0%). Street and Park Lands Furniture are generally renewed individually when asset deteriorates to condition 4. As on-street parking assets (i.e. parking machines

and smart parking solutions) have a heavy reliance on operating platforms, to leverage advances in new and emerging technology, it is recommended that these assets are all replaced at the same time as a group at the expiration of their recommended useful life.

To enable this, our general Street and Park Lands and Furniture will require:

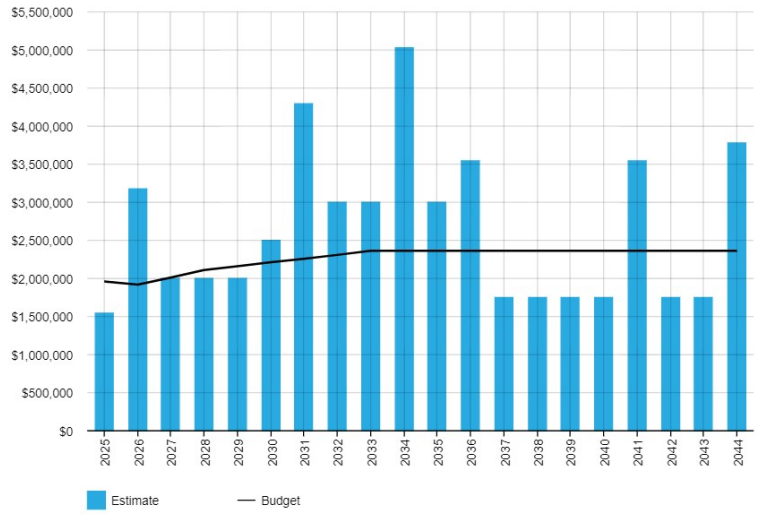
- $1.8 m / year - between years 1 and 5
- $2.8 m / year - between years 6 and 11
- $1.75 m / year - between years 12 and 20

On top of this there will be cyclic renewal requirements associated with our on-street parking assets, which include:

- $1.8m in years 2, 7, 12 and 17 (smart parking solution - 5 year useful life)
- $2.1m in years 10 and 20 (parking machines - 10 year useful life)

The projected 20-year renewal forecast compared against the current Long-Term Financial Plan budget allocation for Street and Park Lands Furniture is shown in Figure 5.4.1 below (note: all figure values are shown in current day dollars). When comparing the forecast renewal costs against the existing budget allocation (black line), it is evident that there is a funding shortfall in specific years and additional funding is required to maintain service levels. Not funding the shortfall will result in the health of the asset network slowly deteriorating over time and pose potential financial risks associated with lost revenue from on-street parking assets.

Figure 5.4.1.f.: Forecast Renewal Costs (Street and Park Lands Furniture)



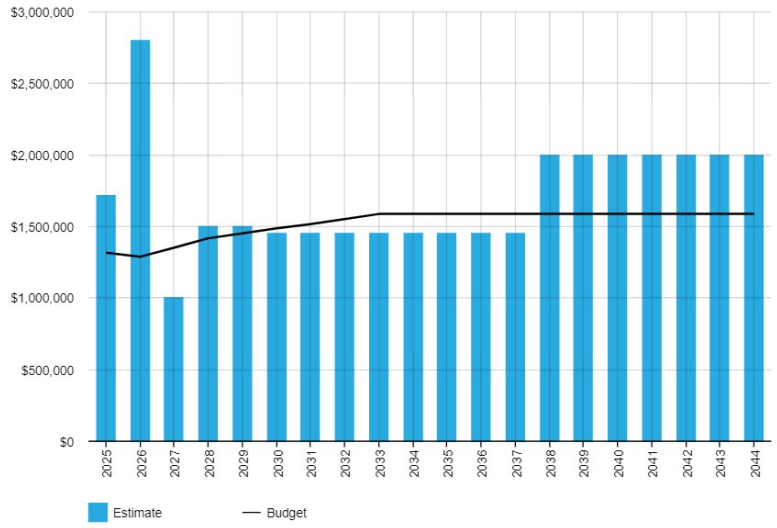
Urban Structures

Predictive modelling identified that the existing budget allocations within the Long-Term Financial Plan were insufficient to maintain current service levels, resulting in the health of our structures steadily declining over time. Various renewal strategies were considered for our structures utilising predictive scenario modelling, which are presented and further discussed in Appendix F.

The recommended asset renewal strategy aims to reduce the number of assets that deteriorate into condition 4 (target < 5%) and prohibit assets reaching condition 5 (target 0%). To enable this, increased renewal funding of $1.7m, $2.8m is required over the first two years, where the investment spike in year 2 is associated with the replacement of our Christmas Tree. From years 6 to year 13, renewal funding requirements reduce to $1.5m each year to maintain service levels. From years 14 to 20 investment requirements slighting increase further to $2m each year to address the forecast medium to long term renewal requirements.

The projected 20-year renewal forecast compared against the current Long-Term Financial Plan budget allocation for Structures is shown in Figure 5.4.1 below (note: all figure values are shown in current day dollars). When comparing the forecast renewal costs against the existing budget allocation (black line), it is evident that there is a funding shortfall and additional funding is required to maintain service levels. Not funding the shortfall will result in the health of the asset network slowly deteriorating over time resulting in risk of asset failure and service disruption that cannot be rectified through maintenance resources.

Figure 5.4.1.s.: Forecast Renewal Costs (Urban Structures)



5.5 Acquisition of Assets (New & Upgrade)

Acquisition reflects new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the City of Adelaide.

Opportunities for acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, initiatives identified within strategic plans and corporate strategies as well as partnerships with third parties (e.g. State Government and Developers).

Potential new and upgrade works should be reviewed to verify that they are essential to City of Adelaide's needs and include analysis to understand ongoing operations, maintenance and renewal requirements to ensure that the services are sustainable over the longer term.

While this Asset Management Plan does not identify financial forecasts associated with new and upgrade projects, it does ensure required renewal scheduling is aligned (where practical) with key new and upgrade initiatives linked to our Strategic Plan through Integrated Delivery Planning.

Prioritisation and scheduling of new and upgrade works is currently undertaken on an annual basis through the business plan and budget process, where key prioritisation criteria include:

- Alignment with Strategic Plan objectives and corporate strategies
- Financial capacity and sustainable financial management principles
- Council decisions
- Asset functionality deficiencies
- Asset condition
- Compliance with current legislative requirements
- Community interest

The Resource Plan will provide a 4-year view of new and upgrade projects, resources, and budgets required to deliver our Strategic Plan objectives. It will inform the Long-Term Financial Plan and act as the key link between the Strategic Plan and Annual Business Plan & Budget.

Transformational new and upgrade projects will reference the Adelaide Design Manual that have allocated funding within the Resource Plan and Long-Term Financial Plan.

5.6 Disposal of Assets

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Disposal can be considered when an asset has been identified as underperforming, underutilised, or obsolete and does not provide value to the community.

This Asset Management Plan does not identify financial forecasts associated with asset disposal, however where recommended, significant assets will be identified for decommissioning and disposal through Council Reports. To enable informed decision making, reports will include any anticipated impacts to service provision as well as financial impacts including disposal costs, revenue gained and estimated reductions in annual operations and maintenance expenditure that will be included into the Business Plan and Budget and Long-Term Financial Plan.

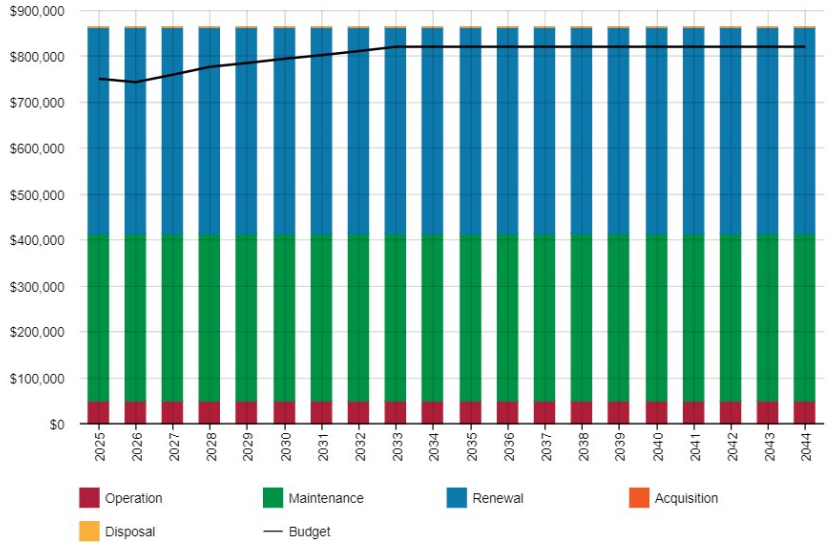
5.7 Summary of Asset Forecast Costs

The total financial projections from this Asset Management Plan are shown in Figure 5.7 below for each asset category. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is discussed in detail within sections 5.3 and 5.4.

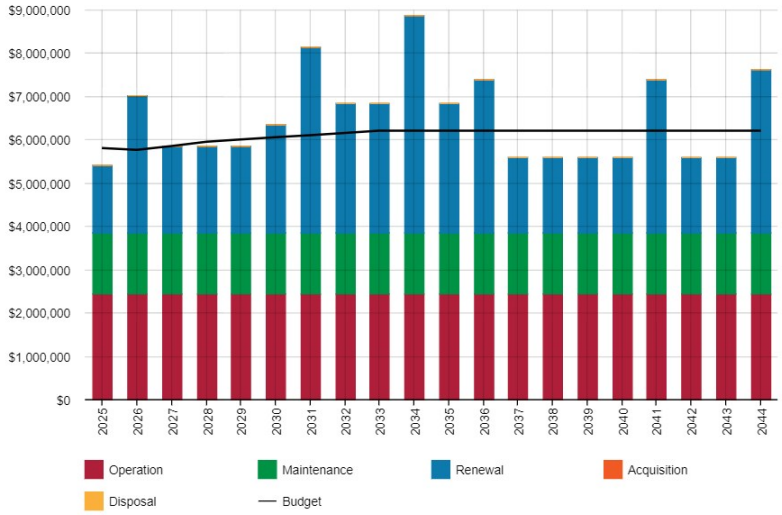
Public Art and Monument

Figure 5.7.1: Lifecycle Summary (Public Art and Monument)



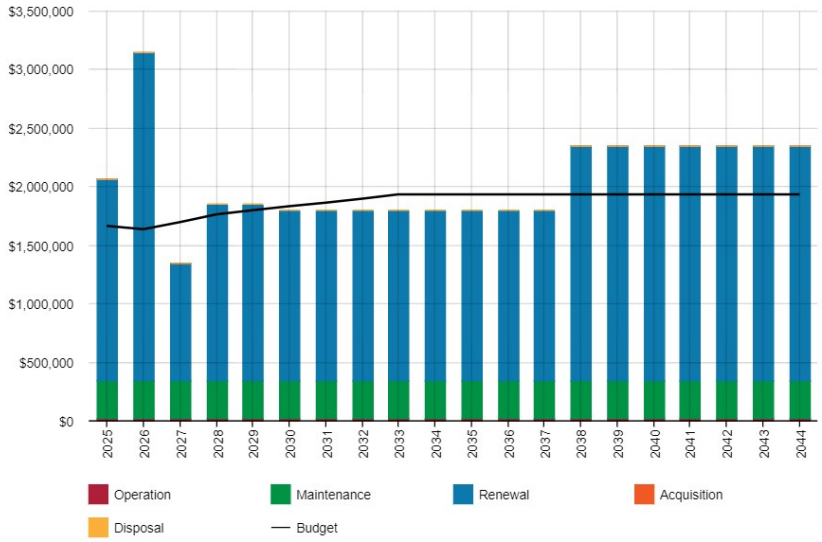
Street and Park Lands Furniture

Figure 5.7.2: Lifecycle Summary (Street and Park Lands Furniture)



Urban Structure

Figure 5.7.3: Lifecycle Summary (Urban Structure)



6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[5].

An assessment of risks[6] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1 Critical Assets

Asset Category	Critical Asset(s)	Failure Mode	Impact
Public Art & Monuments	Water features associated with Public Art & Monuments	Poor water quality and outbreaks of waterborne disease	Public safety Illness related to water quality
	Public Art & Monuments	Asset not managed in accordance with agreement with artist. Breach in moral rights laws	Legal and reputational damages
Urban Structures	Bus stops, rotundas and shelters	Structural deterioration resulting in structure restrictions or physical collapse.	Reduced accessibility, or injury/ fatality as a result of collapse
On-street Parking Assets	Parking machines and Smart Parking Solution	Technology failure or vandalism	Loss of revenue

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

[5] ISO 31000:2009, p 2

[6] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

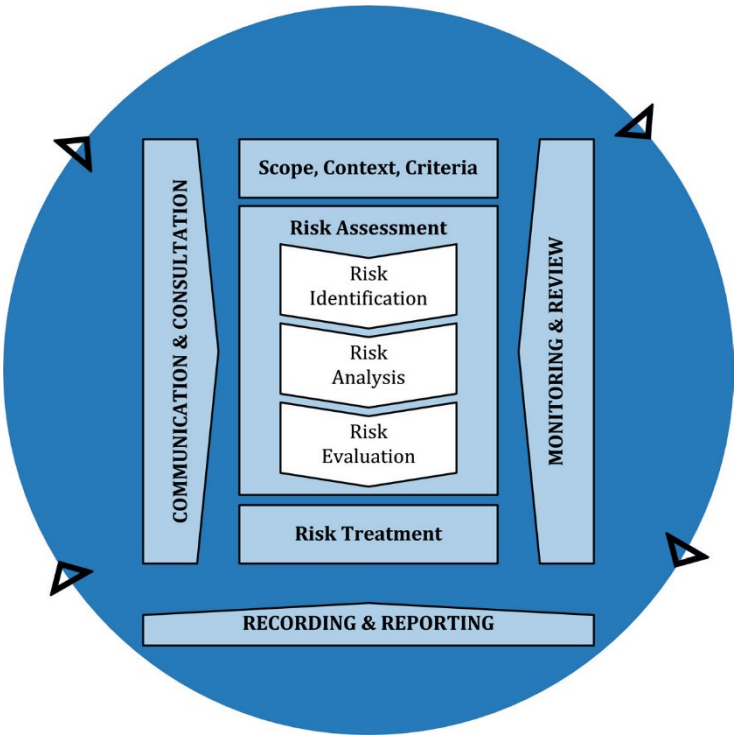


Fig 6.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks[7] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Strategic Risk and Internal Audit Group (SRIA).

[7] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

Table 6.2: Risks and Treatment Plans

Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk	Treatment Costs
All Urban Elements Assets	Renewal, maintenance and operational budgets are not adopted as recommended in Asset Management Plan, resulting in increased asset risk, reduced levels of service and increased whole of life costs	High	Reduce levels of service, to better align asset management activities with financial constraints. This will result in renewal and maintenance activities being prioritised, with respect to available budgets.	Medium	Within existing resources / budgets
Public Art & Monument Water Features	Public illness associated with outbreak of waterborne disease	High	Daily inspections of fountains and sanitation procedures are undertaken within SA Health guidelines	Low	Within existing resources / budgets
On-Street Parking Assets	Parking machines and smart parking solution become obsolete due to the asset not being compatible with enabling technology, resulting in asset not operating and loss of revenue	High	Enabling technology changes are monitored on an ongoing basis. Asset useful life and asset management planning considers anticipated changes in technology	Low	Within existing resources / budgets

6.3 Infrastructure Resilience Approach

The resilience of our infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

Ensuring we remain resilient to the impacts of projected future climate will require ongoing investigation, monitoring and adaption within future revisions of this Asset Management Plan. This has been recognised as a key action within the Improvement Plan (Chapter 8).

Table 6.3: Resilience Assessment

Threat / Hazard	Assessment Method	Current Resilience Approach
Increasing temperatures and more frequent, long-running and intense heatwaves	Data SA Climate Projections for South Australia Climate change modelling scenarios based on weather station data	Implementation key actions from the Climate Change Risk Adaptation Action Plan, which include: Continuing to work with industry to identify new/superior products (or new applications) for application in CoA Developing an Urban Greening Strategy to guide future investment for improved canopy cover and natural cooling

6.4 Service and Risk Trade-Offs

The decisions made in adopting this Asset Management Plan are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What we cannot do

Based on our current Long-Term Financial Plan budgets, there are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years.

Maintenance & Operations

Currently, maintenance activities are evaluated and prioritised with respect to available budgets. While make-safe treatments are always undertaken as soon practical (generally within 24 hours), we are currently unable to undertake all permanent repairs within the timeframes aligned with community expectations. Following the completion of this Asset Management Plan, we will be updating maintenance standards to formalise maintenance intervention levels and response times, with the objective of establishing an acceptable balance between cost, risk and customer expectations.

This activity has been recognised as an action within the Improvement Plan of this Asset Management Plan (Chapter 8), where the associated financial impacts will need to be further considered in future revisions of this Asset Management Plan and the Long-Term Financial Plan.

Renewal

There is an estimated $1.54m renewal funding shortfall on average per year over the next 10 years, to continue to provide services in line with community expectations and reduce whole-of-life costs. This is further summarised for each urban elements asset category in Table 6.4 below.

Table 6.4.1: Renewal funding shortfall

Asset Category	Forecast renewal costs over next 10 years (annual average)	Current budget allocation over next 10 years (annual average)	Renewal funding shortfall over next 10 years (annual average)
Public Art & Monuments	$450,000	$379,325	-$70,675
Street and Park Lands Furniture	$3,050,184	$2,197,971	-$852,213
Urban Structures	$1,780,000	$1,477,104	-$302,896
Total	$5,280,184	$4,054,400	-$1,225,784

Acquisition (New & Upgrade)

It will not be possible to deliver all new and upgrade initiatives identified within corporate strategies and action plans within the 10 year planning period. New and upgrade initiatives will be prioritised and assessed against key criteria (see section 5.5) and considered with respect to available budgets. This process will be undertaken in consultation with the community through the business plan and budget process and the development of the Resource Plan.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Reduced levels of service for the urban elements portfolio (maintenance and renewal backlog)
- Reduced customer satisfaction levels associated with the management of our existing assets
- Intergenerational inequity (burdening future generations)

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Increased public safety risks associated with assets deteriorating beyond recommended intervention levels
- Increased reputational risks associated with service provisions not aligning with community expectations
- Increased financial risks associated with surplus maintenance requirements that cannot be accommodated within existing budgets
- Increased financial risks associated with higher renewal and/or rehabilitation treatments as asset renewals are not funded at the optimal point in time
- Increased economic risk associated with reduced business activity, events and tourism
- Intergenerational inequity (burdening future generations)

7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the Asset Management Plan for this service area. The two indicators are the:

- Asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years)
- Medium term forecast costs/proposed budget (over 10 years of the planning period)

Asset Renewal Funding Ratio

The forecast renewal costs along with the proposed renewal budget, and the cumulative shortfall, is detailed in Appendix C and summarised in Table 7.1.1-1 with an overall Asset Renewal Funding Ratio of 82%.

Table 7.1.1-1: Asset Renewal Funding Ratio

Public Art and Monuments	Street and Park Lands Furniture	Urban Structures	Total
83%	76%	92%	82%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 82% of the funds required for the optimal renewal of assets.

Contributing factors for the gap between the forecast renewal costs and current budgets include:

- Not achieving our Asset Renewal Funding Ratio targets over the past 4 financial years as a result of covid-19 resourcing impacts and project delays associated with post-pandemic market saturation.
- Utilising advanced predictive modelling within this Asset Management Plan, that analyses asset condition information to better recognise the changing asset investment needs over time to maintain service levels.
- Ensuring we accurately recognise asset replacement costs, utilising current unit rates that take into consideration increasing costs associated with inflation and industry escalations (we have experienced significant increases in project unit rates, noting that the Local Government Association (LGA) have indicated that costs and materials have increased up to 25% post pandemic).

Medium term – 10 year financial planning period

This Asset Management Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner. This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs for the urban element assets over the 10 year planning period is $9,493,661 ($9.49 million) on average per year.

The current (budgeted) operations, maintenance and renewal funding is $8,608,408 ($8.61 million) on average per year giving a 10 year funding shortfall of $885,253 ($0.89 million) on average per year.

This indicates that 90.68% of the forecast costs needed to provide the services documented in this Asset Management Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

This information is presented in further detail for each asset class in Table 7.1.1-2 below.

Table 7.1.1-2: 10-Year Financial Indicator

Asset Class	Forecast operations, maintenance and renewal costs (10-year average)	Current operations, maintenance and renewal funding (10-year average)	Funding Shortfall/ Surplus (10-year average)	10 Year Financial Indicator
Public Art & Monuments	$863,152	$787,101	-$76,052	91.19%
Street and Park Lands Furniture	$6,706,081	$6,017,713	-$688,368	89.74%
Urban Structure	$1,924,427	$1,803,594	-$120,833	93.72%
Total	$9,493,661	$8,608,408	-$885,253	90.68%

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the Asset Management Plan and ideally over the 10 year life of the Long-Term Financial Plan.

7.1.2 Forecast Costs (outlays) for the Long-Term Financial Plan

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the Long-Term Financial Plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the Asset Management Plan or revising the Long-Term Financial Plan.

The forecast costs (outlays) required for consideration in the 10 year Long-Term Financial Plan are provided in Appendix F. These costs include renewal, maintenance and operations of our existing assets. For the next revision of this Asset Management Plan, it is recommended to include the acquisition costs (upgrade/new) that are specified within the Resource Plan and are accommodated within the Long-Term Financial Plan. This has been recognised as an action within the Improvement Plan (Chapter 8). Costs associated with asset disposal, will continue to be identified through Council Reports and accommodated within the annual Business Plan and Budget and Long-Term Financial Plan as required.

7.2 Funding Strategy

The proposed funding for assets is outlined in the City of Adelaide Annual Business Plan and Budget and Long-Term Financial Plan.

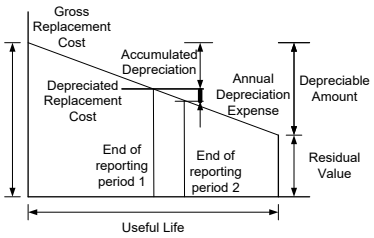
The financial strategy of the entity determines how funding will be provided, whereas the Asset Management Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this Asset Management Plan are shown below. The assets are valued at fair value cost to replace service capacity in accordance with Australian Account Standards.

Gross Replacement Cost	$105,314,751
Depreciable Amount	$66,776,600
Depreciated Replacement Cost[8]	$72,134,242
Depreciation	$4,027,758



A more comprehensive breakdown for each asset class is shown in Table 7.3.1.

Table 7.3.1: Asset Valuations

Financial Figure	Public Art and Monument	Street and Park Lands Furniture	Urban Structure	Total
Gross Replacement Cost	$39,281,152	$31,637,348	$34,396,251	$105,314,751
Depreciable Amount	$743,001	$31,637,348	$34,396,251	$66,776,600
Depreciated Replacement Cost[9]	$38,807,347	$16,032,650	$17,294,245	$72,134,242
Annual Depreciation	$69,341	$2,416,065	$1,542,351	$4,027,757

7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the network.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

Increases to in asset valuation are formally recognised through asset revaluations in conjunction with updates to Asset Management Plans, which are both typically undertaken every 4 years.

[8] Also reported as Written Down Value, Carrying or Net Book Value.
[9] Also reported as Written Down Value, Carrying or Net Book Value.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this Asset Management Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this Asset Management plan and provides readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- All current assets will remain within the organisation's ownership throughout the planning period
- Renewal forecasts associated with Adelaide Bridge assume the full replacement of the existing structure. The scope, costs and timing of the recommended capital works will be better understood following the completion of the Options Analysis (currently underway and scheduled for completion in 2024). Outcomes will be revised into this Asset Management Plan and Long Term Financial Plan in the future as soon as practical
- Renewal forecasts are based on costs associated with like for like or modern equivalent replacement and are based off current design standards and any legislated requirements. They do not account for additional costs to upgrade assets or install new ancillary assets
- Renewal forecast have been derived from treatment rates established from quantity surveyor estimates or contract rates, applied to asset dimensions recognised within the Asset Management System
- Renewal forecasts have been escalated into FY24/25 dollars (based on historic and forecast inflation)
- Renewal forecasts account for external design requirements, where costs are allocated within each FY of the Asset Management Plan as a "Design Program" where applicable (typically between 5-10% of annual construction costs, depending on asset class)
- Renewal forecasts consider asset condition, asset functionality and integrated planning principles
- Renewal forecasts have been aligned where appropriate with upgrade projects approved by Council and recognised in the Long-Term Financial Plan
- Renewal forecasts do not account for internal staff resourcing. These resources are to be allocated through a capital resource overhead and accommodated into the Long-Term Financial Plan separately
- Asset useful lives align with current levels of service and are based on the judgment and experience of internal staff
- Asset remaining useful life estimates are based off asset condition data and technical asset deterioration profiles which are based on the judgement and experience of internal staff
- Asset useful life and remaining useful life estimates assume existing maintenance resourcing levels are continued
- Acquisition (upgrade/new) costs are not recognised within this Asset Management Plan. These costs will be recognised in the Resource Plan and incorporated into Long-Term Financial Plan separately
- Operations and maintenance forecasts are prioritised and delivered with respect to existing budget (standards to be reviewed and associated cost impacts to be incorporated into a future revision of this Asset Management Plan)
- Operations and maintenance forecasts do not currently account for the future acquisition of new assets through upgrade/new projects or gifted assets (to be incorporated into a future revision of this Asset Management Plan)
- The Long-Term Financial Plan will appropriately escalate financial outlays communicated within this Asset Management Plan

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this Asset Management Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale[10] in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C. Medium	Data based on sound records, procedures, investigations and analysis which 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 and accuracy estimated ± 25%
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this Asset Management Plan is shown in Table 7.5.2. This Asset Management Plan's Improvement Plan (Chapter 8) outlines further steps recommended to be undertaken to continue to increase the maturity and confidence in asset management and financial forecasts.

Table 7.5.2: Data Confidence Assessment for Data used in Asset Management Plan

Public Art and Monument	Street and Park Lands Furniture	Urban Structure
Medium	Medium - High	Medium - High

Further information to support this assessment at a more granular level is provided in Appendix H.

[10] IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices[11]

8.1.1 Accounting and financial data sources

This Asset Management Plan utilises accounting and financial data. The source of the data is from the accounting module of CoA's Asset Management System (Assetic).

8.1.2 Asset management data sources

This Asset Management Plan also utilises asset management data. The source of the data is from CoA's Asset Management System (Assetic).

8.2 Improvement Plan

It is important that an entity recognise areas of their Asset Management Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this Asset Management Plan is shown in Table 8.2.

Table 8.2: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Finalise a 4-year Resource Plan to identify key upgrade/new projects to deliver Council's Strategic Plan objectives. Once key projects are recognised within the Long Term Financial Plan, Asset Management Plans will be updated to ensure associated acquisition costs (upgrade/new) and ongoing operational and maintenance costs are appropriately recognised, in conjunction with any scheduling adjustments required for asset renewal programs.	Strategy, Insights & Performance, with organisational support Infrastructure Planning	Within existing resource allocations	2024/25
2	Review and update operations and maintenance standards, to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. Include changes into future revisions of this Asset Management Plan and Long Term Financial Plan.	Infrastructure Planning, City Operations	Within existing resource allocations	2024-25 2025-26
3	Continue to undertake regular condition audits and revaluation for all of our Urban Elements within the nominated 4-year cycles, including regular review of asset useful lives.	Infrastructure Planning	Within existing resource allocations	Ongoing
4	Review and standardise asset hierarchies for all asset classes within Streets, Park Lands and Buildings Categories.	Infrastructure Planning, City Operations	Within existing resource allocations	2024/25
5	Review customer service requests codes to better align with Level of Service reporting and operational and maintenance sub-activities.	Infrastructure Planning, City Operations, Customer Centre	Within existing resource allocations	2024/25

[11] ISO 55000 Refers to this as the Asset Management System

6	Review community engagement survey questions to better align with specific asset categories and Level of Service measures	Infrastructure Planning	Within existing resource allocations	Ongoing
7	Continue to review our technical standards and their application across the City and Park Lands, with respect to climate resilience, performance, whole-of-life cost and amenity.	Infrastructure Planning, Technical Services	Within existing resource allocations	Ongoing
8	Continue to monitor forecast climate change impacts to ensure we remain resilient through proactively implementing appropriate mitigation and adaptation controls.	Sustainability, Infrastructure Planning	Within existing resource allocations	Ongoing
9	Improve the capture of carbon emission data for technical standards to support lower carbon decision making	Low Carbon & Circular Economy, Infrastructure Planning, Technical Services	Led by existing resources, with external support identified through the Business Plan and Budget	Ongoing
10	Improve the capture of carbon emission data for project procurement to support lower carbon decision making	Low Carbon & Circular Economy, Procurement, Infrastructure Delivery	Led by existing resources, with external support identified through the Business Plan and Budget	Ongoing
11	Review of corporate performance measure targets for customer satisfaction, to assist with performance gap analysis	Strategy, Insights & Performance, Infrastructure Planning	Within existing resource allocations	2024/25
12	Further develop processes to ensure asset data is updated following the completion of maintenance work and emergency asset replacement resulting from vandalism	Infrastructure Planning, City Operations,	Within existing resource allocations	2024/25
13	Continue to work in partnership with both the State and Federal Governments to pursue external funding opportunities for both renewal and significant upgrade/new projects	City Services Executive	Within existing resource allocations	2024-25 2025-26

8.3 Monitoring and Review Procedures

This Asset Management Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The Asset Management Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budgets will be incorporated into the Long-Term Financial Plan once completed.

The Asset Management Plan has a maximum life of 4 years and is due for complete revision and updating within two years of a general Council election, pursuant to section 122 of the Local Government Act 1999 (SA).

8.4 Performance Measures

The effectiveness of this Asset Management Plan can be measured in the following ways:

The degree to which the required forecast costs identified in this Asset Management Plan are incorporated into the Long-Term Financial Plan,

The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the Asset Management Plan,

The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,

The Asset Renewal Funding Ratio achieving the Organisational target (90-110%)

Achieving Technical Level of Service objectives

Reviewing changes to customer service request numbers and customer satisfactory surveys

Progressing with the implementation of Improvement Actions identified in Table 8.2

Reviewing and update of the Plan at minimum every four years

9.0 REFERENCES

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10.0 APPENDICES

Appendix A Operation Forecast

The forecast operational costs for the urban elements portfolio are shown below. Future revisions of this Asset Management Plan will further review forecast requirements based on updated operations and maintenance standards. All values are shown in current day dollars.

Table A1 - Operation Forecast Summary (Public Art & Monument)

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2025	$49,047	$0	$49,047
2026	$49,047	$0	$49,047
2027	$49,047	$0	$49,047
2028	$49,047	$0	$49,047
2029	$49,047	$0	$49,047
2030	$49,047	$0	$49,047
2031	$49,047	$0	$49,047
2032	$49,047	$0	$49,047
2033	$49,047	$0	$49,047
2034	$49,047	$0	$49,047

Table A2 - Operation Forecast Summary (Street and Park Lands Furniture)

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2025	$2,453,230	$0	$2,453,230
2026	$2,453,230	$0	$2,453,230
2027	$2,453,230	$0	$2,453,230
2028	$2,453,230	$0	$2,453,230
2029	$2,453,230	$0	$2,453,230
2030	$2,453,230	$0	$2,453,230
2031	$2,453,230	$0	$2,453,230
2032	$2,453,230	$0	$2,453,230
2033	$2,453,230	$0	$2,453,230
2034	$2,453,230	$0	$2,453,230

Table A3 - Operation Forecast Summary (Urban Structure)

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2025	$24,524	$0	$24,524
2026	$24,524	$0	$24,524
2027	$24,524	$0	$24,524
2028	$24,524	$0	$24,524
2029	$24,524	$0	$24,524
2030	$24,524	$0	$24,524
2031	$24,524	$0	$24,524
2032	$24,524	$0	$24,524
2033	$24,524	$0	$24,524
2034	$24,524	$0	$24,524

Appendix B Maintenance Forecast

The forecast maintenance costs for the urban elements portfolio are shown below. Future revisions of this Asset Management Plan will further review forecast requirements based on updated operations and maintenance standards. All values are shown in current day dollars.

Table B1 - Maintenance Forecast Summary (Public Art & Monument)

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2025	$364,105	$0	$364,105
2026	$364,105	$0	$364,105
2027	$364,105	$0	$364,105
2028	$364,105	$0	$364,105
2029	$364,105	$0	$364,105
2030	$364,105	$0	$364,105
2031	$364,105	$0	$364,105
2032	$364,105	$0	$364,105
2033	$364,105	$0	$364,105
2034	$364,105	$0	$364,105

Table B2 - Maintenance Forecast Summary (Street and Park Lands Furniture)

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2025	$1,397,666	$0	$1,397,666
2026	$1,397,666	$0	$1,397,666
2027	$1,397,666	$0	$1,397,666
2028	$1,397,666	$0	$1,397,666
2029	$1,397,666	$0	$1,397,666
2030	$1,397,666	$0	$1,397,666
2031	$1,397,666	$0	$1,397,666
2032	$1,397,666	$0	$1,397,666
2033	$1,397,666	$0	$1,397,666
2034	$1,397,666	$0	$1,397,666

Table B3 - Maintenance Forecast Summary (Urban Structure)

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2025	$322,904	$0	$322,904
2026	$322,904	$0	$322,904
2027	$322,904	$0	$322,904
2028	$322,904	$0	$322,904
2029	$322,904	$0	$322,904
2030	$322,904	$0	$322,904
2031	$322,904	$0	$322,904
2032	$322,904	$0	$322,904
2033	$322,904	$0	$322,904
2034	$322,904	$0	$322,904

Appendix C Renewal Forecast Summary

The forecast renewal costs for urban elements, relative to current renewal budgets are shown below, in conjunction with the annual renewal budget shortfall and the cumulative budget shortfall over the 10-year planning period. All Forecast costs are shown in 2024-25 dollar values.

Table C1 - Renewal Forecast Summary (Public Art & Monument)

Year	Renewal Forecast	Renewal Budget	Annual Budget Shortfall	Cumulative Budget Shortfall
2025	$450,000	$338,379	-$111,621	-$111,621
2026	$450,000	$331,186	-$118,814	-$230,435
2027	$450,000	$347,092	-$102,908	-$333,343
2028	$450,000	$364,179	-$85,821	-$419,164
2029	$450,000	$372,870	-$77,130	-$496,293
2030	$450,000	$381,951	-$68,049	-$564,342
2031	$450,000	$389,600	-$60,400	-$624,743
2032	$450,000	$398,452	-$51,548	-$676,290
2033	$450,000	$407,887	-$42,113	-$718,404
2034	$450,000	$407,887	-$42,113	-$760,517

The 10-year planning period, the forecast renewal costs are $4.50m, with a current budget allocation of $3.74m, resulting in a cumulative budget shortfall of $0.76m. This equates to an asset renewal funding ratio of 83%.

Table C2 - Renewal Forecast Summary (Street and Park Lands Furniture)

Year	Renewal Forecast	Renewal Budget	Annual Budget Shortfall	Cumulative Budget Shortfall
2025	$1,550,000	$1,960,712	$410,712	$410,712
2026	$3,180,000	$1,919,033	-$1,260,967	-$850,254
2027	$2,000,000	$2,011,198	$11,198	-$839,056
2028	$2,000,000	$2,110,211	$110,211	-$728,845
2029	$2,000,000	$2,160,570	$160,570	-$568,275
2030	$2,500,000	$2,213,189	-$286,811	-$855,087
2031	$4,294,800	$2,257,506	-$2,037,294	-$2,892,381
2032	$3,000,000	$2,308,804	-$691,196	-$3,583,577
2033	$3,000,000	$2,363,469	-$636,531	-$4,220,108
2034	$5,027,041	$2,363,469	-$2,663,572	-$6,883,680

The 10-year planning period, the forecast renewal costs are $28.55m, with a current budget allocation of $21.67m, resulting in a cumulative budget shortfall of $6.88m. This equates to an asset renewal funding ration of 76%.

Table C3 - Renewal Forecast Summary (Urban Structure)

Year	Renewal Forecast	Renewal Budget	Annual Budget Shortfall	Cumulative Budget Shortfall
2025	$1,720,000	$1,317,659	-$402,341	-$402,341
2026	$2,800,000	$1,289,650	-$1,510,350	-$1,912,692
2027	$1,000,000	$1,351,587	$351,587	-$1,561,105
2028	$1,500,000	$1,418,127	-$81,873	-$1,642,978
2029	$1,500,000	$1,451,970	-$48,030	-$1,691,008
2030	$1,450,000	$1,487,331	$37,331	-$1,653,677
2031	$1,450,000	$1,517,114	$67,114	-$1,586,564
2032	$1,450,000	$1,551,587	$101,587	-$1,484,977
2033	$1,450,000	$1,588,324	$138,324	-$1,346,653
2034	$1,450,000	$1,588,324	$138,324	-$1,208,329

The 10-year planning period, the forecast renewal costs are $15.77m, with a current budget allocation of $14.56m, resulting in a cumulative budget shortfall of $1.21m. This equates to an asset renewal funding ration of 92%.

Appendix D Budget Summary by Lifecycle Activity

The forecast costs (outlays) required for consideration in the 10 year Long-Term Financial Plan are provided in shown below. These costs include renewal, maintenance, and operations of our existing assets. For the next revision of this Asset Management Plan, it is recommended to include the acquisition costs (upgrade/new) that are specified within the Resource Plan and are accommodated within the Long-Term Financial Plan. This has been recognised as an action within the Improvement Plan (Chapter 8). Costs associated with asset disposal, will continue to be identified through Council Reports and accommodated within the annual Business Plan and Budget and Long-Term Financial Plan as required. All forecast renewal costs are shown in 2024/25 dollar values and operations/maintenance costs are shown in 2023/24 dollar values.

Table D2 – Budget Summary by Lifecycle Activity (Public Art & Monument)

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2024/25	$0	$49,047	$364,105	$338,379	$0
2025/26	$0	$49,047	$364,105	$331,186	$0
2026/27	$0	$49,047	$364,105	$347,092	$0
2027/28	$0	$49,047	$364,105	$364,179	$0
2028/29	$0	$49,047	$364,105	$372,870	$0
2029/30	$0	$49,047	$364,105	$381,951	$0
2030/31	$0	$49,047	$364,105	$389,600	$0
2031/32	$0	$49,047	$364,105	$398,452	$0
2032/33	$0	$49,047	$364,105	$407,887	$0
2033/34	$0	$49,047	$364,105	$407,887	$0

*Costs accounted for within the Resource Plan and incorporated into Long-Term Financial Plan separately (i.e. not through the Asset Management Plan)

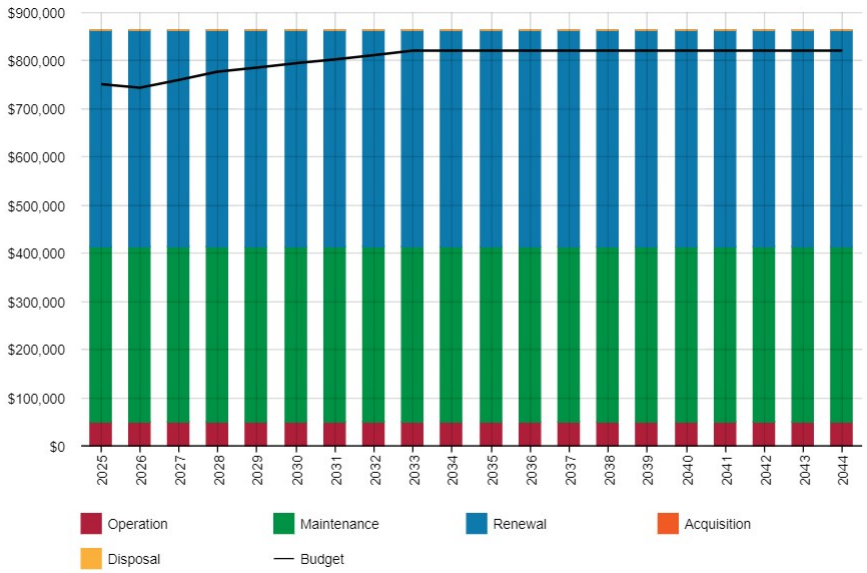


Table D3 – Budget Summary by Lifecycle Activity (Street and Park Lands Furniture)

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2024/25	$0	$2,453,230	$1,397,666	$1,960,712	$0
2025/26	$0	$2,453,230	$1,397,666	$1,919,033	$0
2026/27	$0	$2,453,230	$1,397,666	$2,011,198	$0
2027/28	$0	$2,453,230	$1,397,666	$2,110,211	$0
2028/29	$0	$2,453,230	$1,397,666	$2,160,570	$0
2029/30	$0	$2,453,230	$1,397,666	$2,213,189	$0
2030/31	$0	$2,453,230	$1,397,666	$2,257,506	$0
2031/32	$0	$2,453,230	$1,397,666	$2,308,804	$0
2032/33	$0	$2,453,230	$1,397,666	$2,363,469	$0
2033/34	$0	$2,453,230	$1,397,666	$2,363,469	$0

*Costs accounted for within the Resource Plan and incorporated into Long-Term Financial Plan separately (i.e. not through the Asset Management Plan)

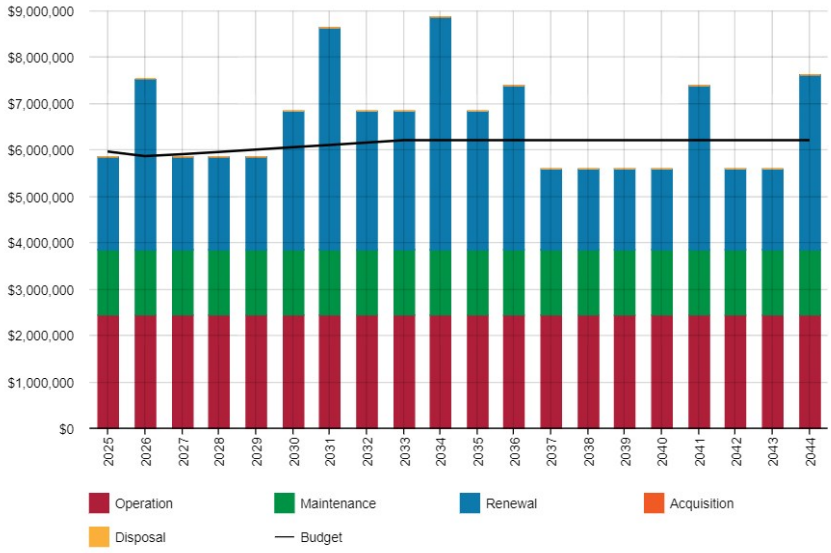
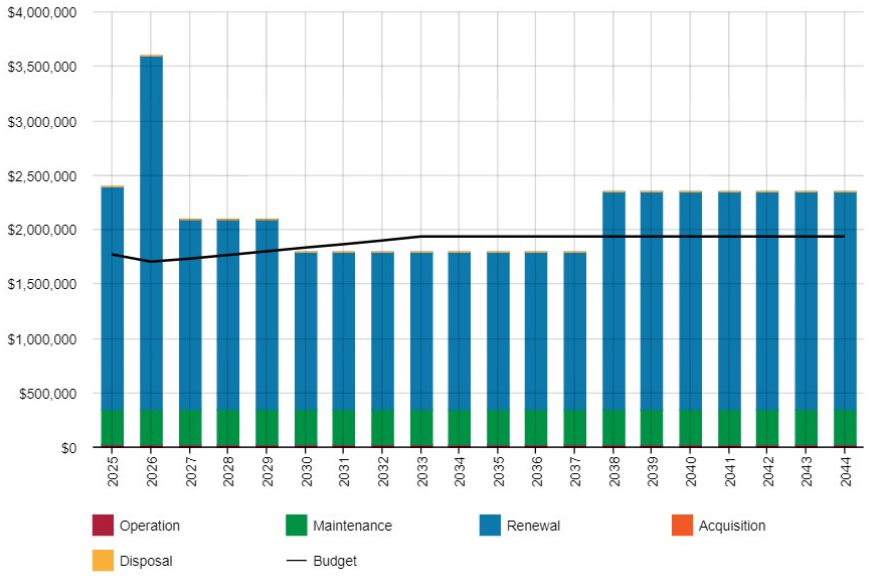


Table D4 – Budget Summary by Lifecycle Activity (Urban Structure)

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2024/25	$0	$24,524	$322,904	$1,317,659	$0
2025/26	$0	$24,524	$322,904	$1,289,650	$0
2026/27	$0	$24,524	$322,904	$1,351,587	$0
2027/28	$0	$24,524	$322,904	$1,418,127	$0
2028/29	$0	$24,524	$322,904	$1,451,970	$0
2029/30	$0	$24,524	$322,904	$1,487,331	$0
2030/31	$0	$24,524	$322,904	$1,517,114	$0
2031/32	$0	$24,524	$322,904	$1,551,587	$0
2032/33	$0	$24,524	$322,904	$1,588,324	$0
2033/34	$0	$24,524	$322,904	$1,588,324	$0

*Costs accounted for within the Resource Plan and incorporated into Long-Term Financial Plan separately (i.e. not through the Asset Management Plan)



Appendix E Asset Condition Images and Intervention Levels

Public Art & Monument

Public Art & Monument	Refurbishment Cycle
Large Memorial, Significant Public Art	5 years
Small Memorial, plaque, other Public Art	10 years

Before Refurbishment

Fair/Poor condition, showing wear and tear, some maintenance work required



After Refurbishment

Good condition, minor maintenance work required



Street and Park Lands Furniture

Treatment Name	Useful life *	Intervention Level
BBQ Renewal	10 years	Condition 4
Bike Rack Renewal	15 years	Condition 4
Bin Renewal	10 years	Condition 4
Bollard Renewal	15 years	Condition 4
Custom Sign Renewal	10 years	Condition 4
Drinking Fountain Renewal	10 years	Condition 4
Parking Machine Renewal	10 years	End of Useful Life
Smart Parking Solution	5 years	End of Useful Life
Picnic Table	20 years	Condition 4
Planter Box	15 years	Condition 4
Seat	20 years	Condition 4
Wayfinding Signage	20 years	Condition 4

Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Very Good: free of defects, only planned and/or routine maintenance required	**Good**: minor defects, increasing maintenance required plus planned maintenance	**Fair**: defects requiring regular and/or significant maintenance to reinstate service	**Poor**: significant defects, higher order cost intervention likely	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required











Urban Structure

Treatment Name	Useful life *	Intervention Level
Boat Landing	20-80 years	Condition 4
Boat Ramp	80 years	Condition 4
Bus Shelter	20 years	Condition 4
Fence	15 years	Condition 4
Flagpole	30 years	Condition 4
Gate	15 years	Condition 4
Other Structure	15-20 years	Condition 4
Retaining Wall	60 years	Condition 4

Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Very Good: free of defects, only planned and/or routine maintenance required	**Good**: minor defects, increasing maintenance required plus planned maintenance	**Fair**: defects requiring regular and/or significant maintenance to reinstate service	**Poor**: significant defects, higher order cost intervention likely	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required





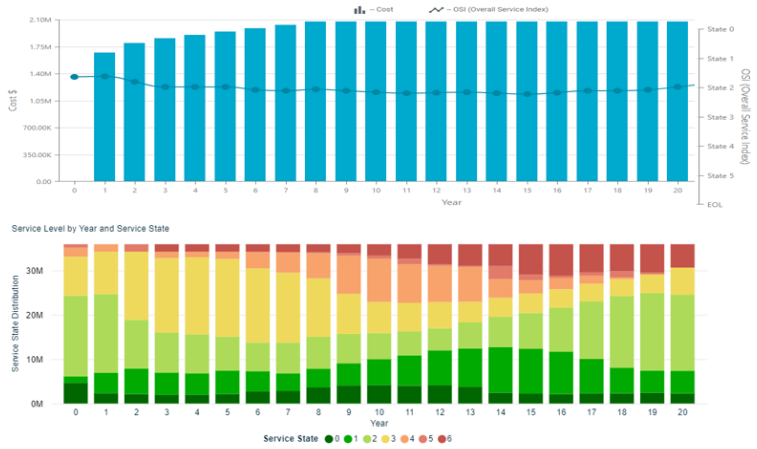


Appendix F Asset Renewal Scenario Modelling

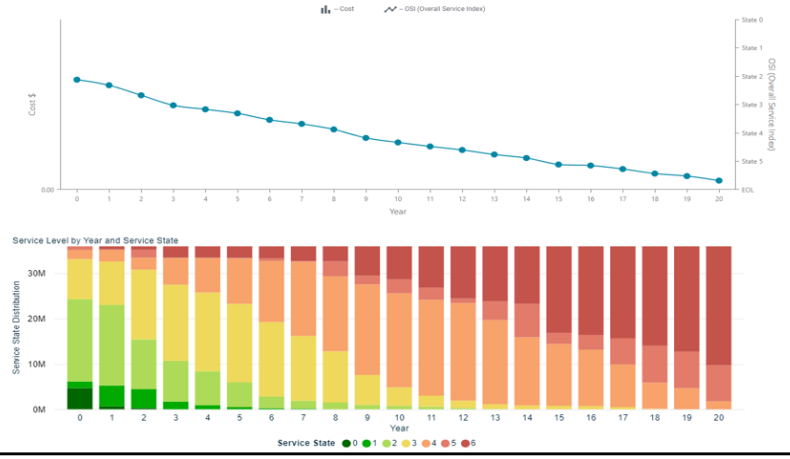
Street and Park Lands Furniture

Street and Park Lands Furniture – Predictive Scenario Modelling

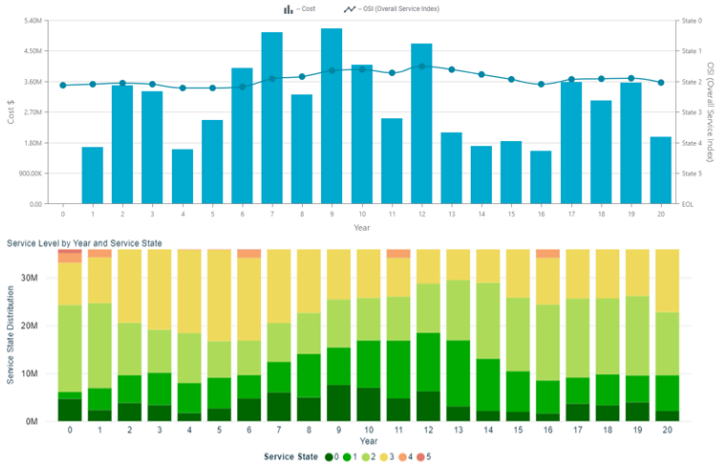
LTFP Budget



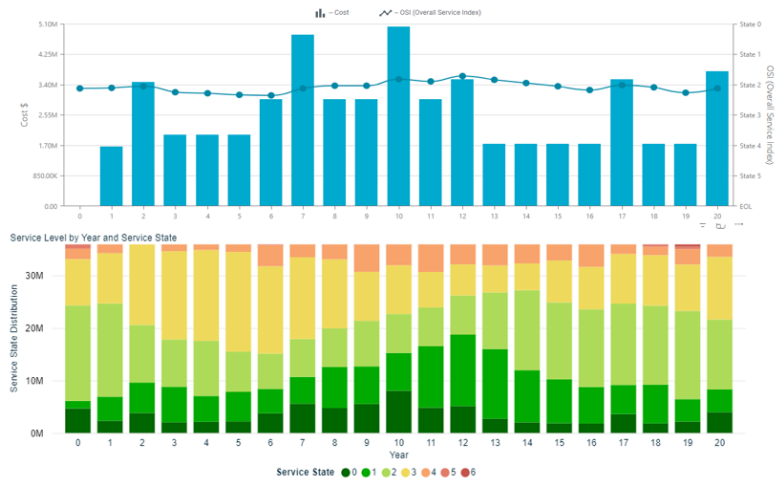
Zero Budget



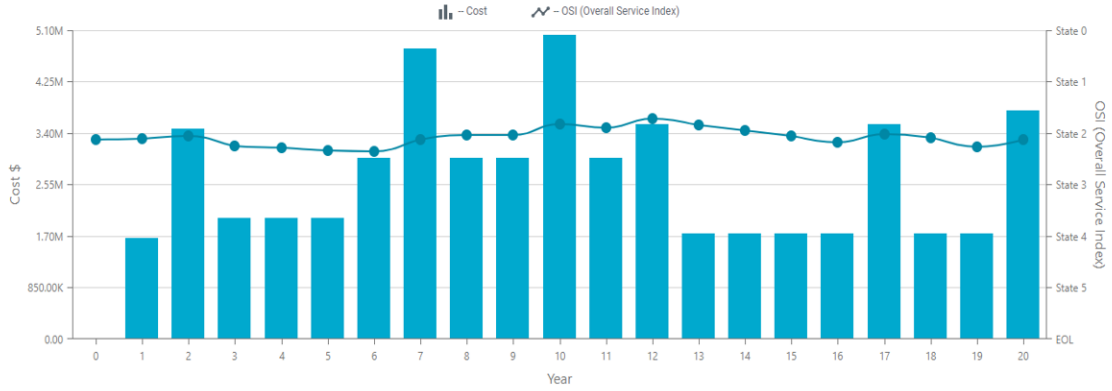
Unconstrained Budget

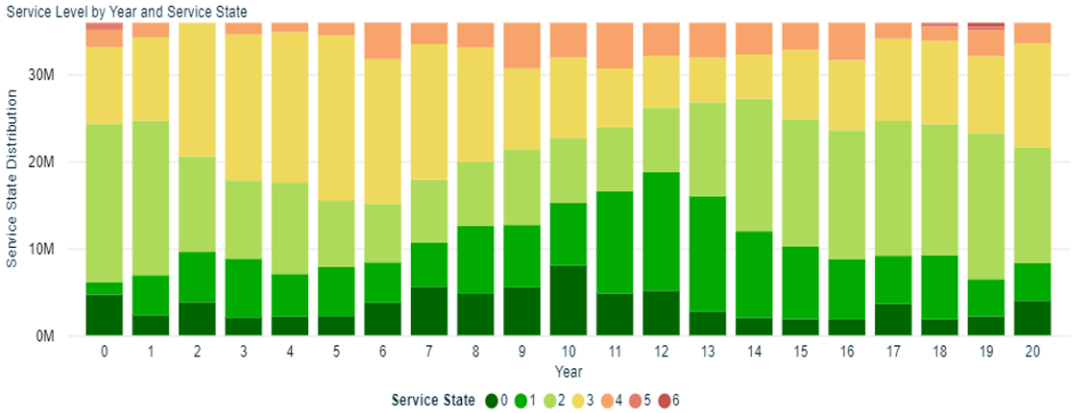


Recommended Strategy & Budget



Street and Park Lands Furniture - Recommended Strategy

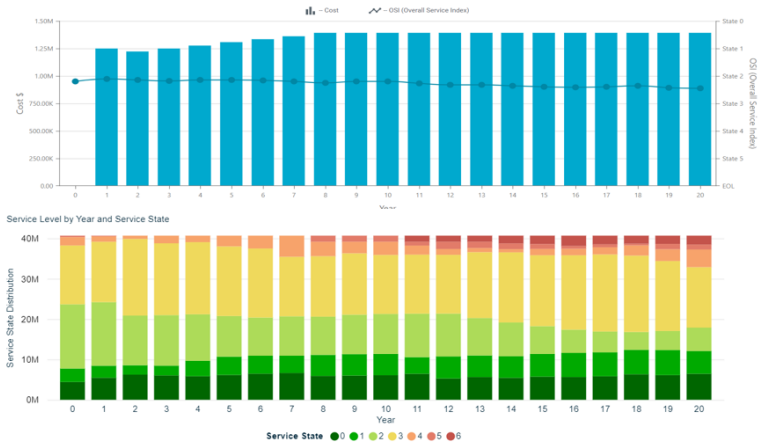




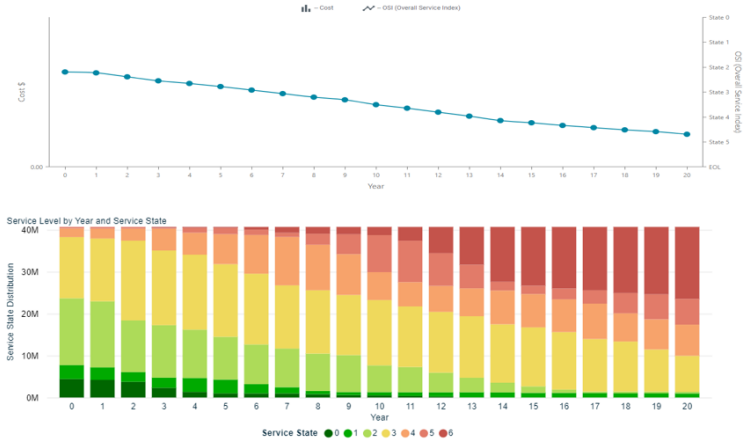
- The LTFP budget would see asset condition slowly deteriorate over the 20-year projection
- The recommended strategy is a more balanced approach than the unconstrained budget whilst addressing the shortfalls of the LTFP budget.
- The unconstrained budget outlines the required budget to prevent any assets falling into condition 4, which requires significant spikes of investment in specific years.
- Overall service state of the network is maintained around condition state 2.1 by the recommended strategy
- Small quantity of assets fall in condition 4 (<10%) and minimal assets fall into condition 5 (1%). The long-term projection is less than 10% of assets falling into condition 4.
- Considered acceptable from a risk management perspective noting that isolated service deficiencies can be managed through maintenance programs.
- Conclusion – recommended this strategy is adopted

Structure– Predictive Scenario Modelling

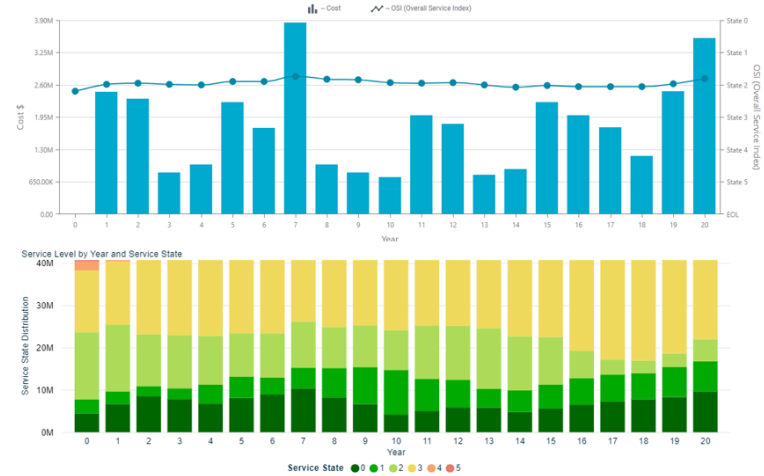
LTFP Budget



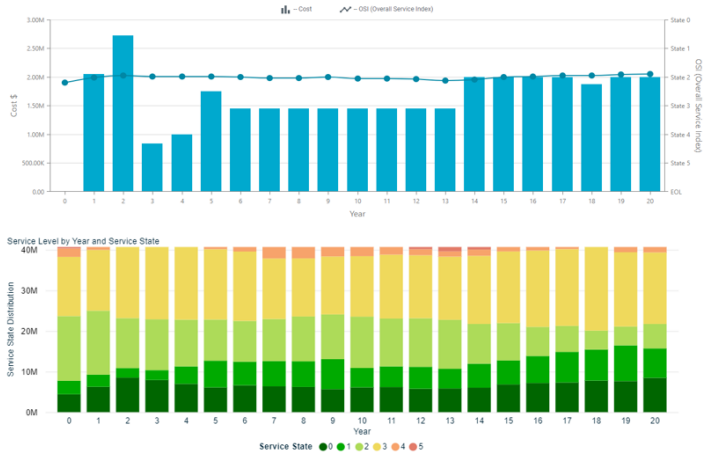
Zero Budget



Unconstrained Budget



Recommended Strategy & Budget



Structure– Recommended Strategy



- The LTFP budget would see asset condition slowly deteriorate over the 20-year projection
- The recommended strategy is a more balanced approach than the unconstrained budget whilst addressing the shortfalls of the LTFP budget.
- The unconstrained budget outlines the required budget to prevent any assets falling into condition 4, which requires significant spikes of investment in specific years.
- Overall service state of the network is maintained around condition state 1.9 by the recommended strategy
- Small quantity of assets fall in condition 4 (<7%) and minimal assets fall into condition 5 (<3%). The long-term projection is less than 5% of assets falling into condition 4.
- Considered acceptable from a risk management perspective noting that isolated service deficiencies can be managed through maintenance programs.
- Conclusion – recommended this strategy is adopted

Appendix G Data Confidence Assessment for Data Used in Asset Management Plan

The estimated confidence level for and reliability of data used in this Asset Management Plan is shown in the tables below.

Table H1: Data Confidence Assessment for Data used in Asset Management Plan (Public Art & Monument)

Data	Confidence Assessment	Comment
Demand drivers	High	Based off corporate planning documents and strategies
Growth projections	High	Based off State government projections and industry research and analysis
Acquisition forecast	Low	Not accommodated within this Asset Management Plan
Operation forecast	Medium	Based off known requirements and known costs for condition audits
Maintenance forecast	Low	Maintenance requirements are not forecasted, currently just aligned to existing budget allocations
Asset values	High	Asset valuations have been inflated for 24/25 period
Asset useful lives	High	In line with industry standards with regular review
Condition modelling & Treatment Cost	Medium	Public Art & Monument condition audit was undertaken in 2021. Due to the uniqueness of each pubic art & monument, the treatment cost is estimated based on recent refurbishment project cost. Total refurbishment requirement is calculated based on the estimated refurbishment cost and recommended refurbishment cycle.
Disposal forecast	Low	Not accommodated within this Asset Management Plan

Table H2: Data Confidence Assessment for Data used in Asset Management Plan (Furniture and Structure)

Data	Confidence Assessment	Comment
Demand drivers	High	Based off corporate planning documents and strategies
Growth projections	High	Based off State government projections and industry research and analysis
Acquisition forecast	Low	Not accommodated within this Asset Management Plan
Operation forecast	Medium	Based off known requirements and known costs for condition audits
Maintenance forecast	Low	Maintenance requirements are not forecasted, currently just aligned to existing budget allocations
Asset values	High	Asset valuations have been inflated for 24/25 period
Asset useful lives	High	In line with industry standards with regular review
Condition modelling	Medium	Furniture and Structure condition audit was undertaken in 2020 and has been validated by internal staff to be of reliable quality. Predictive modelling was undertaken with Brightly's Predictor software package to estimate remaining useful life of assets
Disposal forecast	Low	Not accommodated within this Asset Management Plan

CITY OF ADELAIDE



Transportation
Draft Asset Management Plan
Summary



CITY OF ADELAIDE



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2	OUR TRANSPORTATION ASSETS	4
3	COMMUNITY ENGAGEMENT AND CUSTOMER SATISFACTION	6
4	CURRENT AND FUTURE DEMAND	7
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7	FINANCIAL SUMMARY	12
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EXECUTIVE SUMMARY

1 The Purpose of the Plan

The City of Adelaide is responsible for an extensive and diverse asset portfolio valued at more than $2 billion, which represents a significant investment made over multiple generations. These assets play a vital role in providing essential services to our community and it is critical to ensure these assets continue to be effectively managed to enable ongoing service provision and benefits for both current and future generations.

Under South Australia's *Local Government Act 1999*, we are required to develop Asset Management Plans for a period of at least 10 years, which includes information about the operation, maintenance, renewal, acquisition, expansion, upgrade and disposal for each infrastructure asset class under our care and control. The City of Adelaide has six Asset Management Plans, which includes Transportation, Park Lands & Open Space, Buildings, Water Infrastructure, Lighting & Electrical and Urban Elements.

The fundamental purpose of this Transportation Asset Management Plan is to outline the Council's high-level asset management priorities for the operation, maintenance and renewal of our assets over the next 10 years. Additionally, it aims to improve the long-term strategic management of our transportation assets, to cater for the community's required levels of service both now and into the future.

The plan defines the current state of our $1.14 billion transportation asset portfolio, as well as the asset management activities and associated funding requirements recommended for inclusion into the Long-Term Financial Plan to achieve our asset performance targets.

2 Our Transportation Assets

The City of Adelaide's transport network is valued at approximately $1.14 billion and provides vital services that support pedestrians, cyclists, motorists, and public transport users to move into and around the City and Park Lands. These assets include roads, kerb and watertable, footpaths, bridges and traffic signals.

Roads
Quantity – 129 kilometres
Total Value – $296.5 million

Kerb and Watertable
Quantity – 292 kilometres
Total Value – $119.7 million

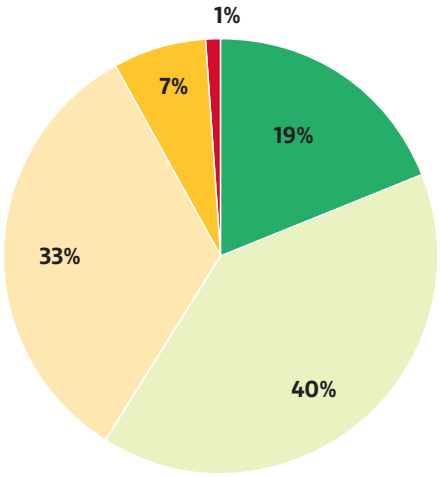


Traffic Signals
Quantity – 138 sites
Total Value – $59.4 million

Bridges
Quantity – 37 sites
Total Value – $178.4 million

Footpaths
Quantity – 292 kilometres
Total Value – $486.4 million

To monitor the performance of our transportation assets, we undertake regular condition audits (typically every 4 years). Asset condition information is analysed with respect to technical intervention criteria to inform our maintenance and renewal programs. The current condition of our transportation network is rated in a good to fair condition, with an overall condition index rating of 2.3. 92% of assets are rated in a very good to fair condition and 8% of assets are rated in poor or very poor condition, which form the general basis of our future renewal program priorities.



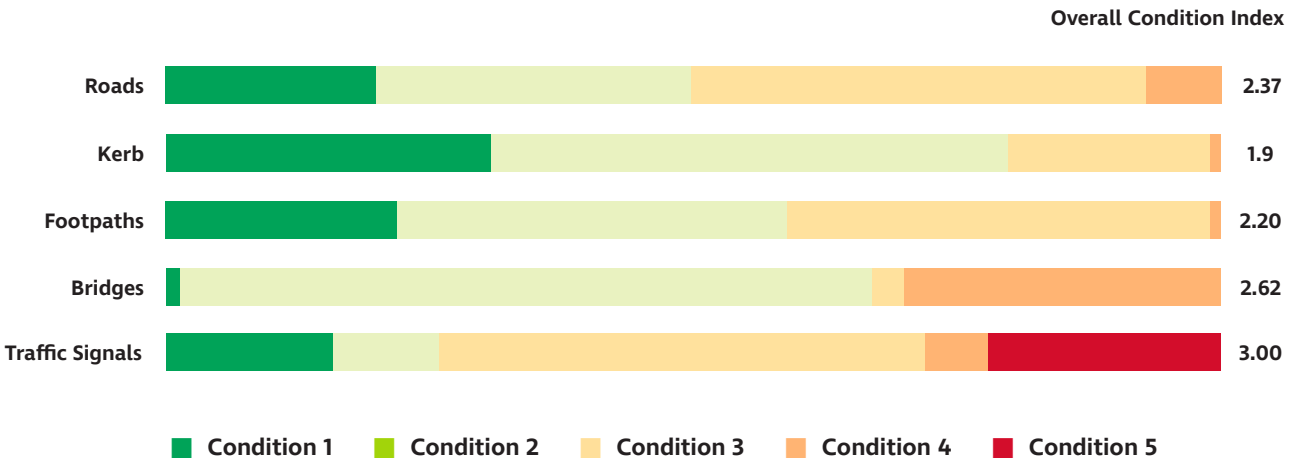
Condition Grading	Description of Condition
1	**Very Good:** free of defects, only planned and/ or routine maintenance required
2	**Good:** minor defects, increasing maintenance required plus planned maintenance
3	**Fair:** defects requiring regular and/or significant maintenance to reinstate service
4	**Poor:** significant defects, higher order cost intervention likely
5	**Very Poor:** physically unsound and/or beyond rehabilitation, immediate action required

Typical examples of each condition state for our transportation assets are shown in Appendix E.

Overall, the majority of our road, kerb and footpath assets are rated in a very good to fair condition with only a small proportion of assets rated in poor and very poor condition. This is considered a healthy condition distribution, however ongoing investment will be required to ensure levels of service are maintained.

Our bridges are generally rated in a good overall condition, with the exception of Adelaide Bridge, an aging asset constructed in 1931 that is approaching the end of it's useful life. Adelaide Bridge primarily accounts for the significant proportion of the bridge network currently rated in poor condition, with the bridge requiring significant rehabilitation or replacement within this Asset Management Plan's 10-year planning period.

Our traffic signal network has a significant number of assets rated in a poor to very poor condition. While this does not present any immediate operational risks due to effective proactive maintenance programs, accelerated renewal investment will be proposed within the first 5 years of this Asset Management Plan, with priorities informed by a comprehensive condition audit scheduled for 2024.





3 Community Engagement & Customer Satisfaction

In November 2021, we undertook an engagement process with City residents and visitors to better understand and measure levels of customer satisfaction for the services provided by our transportation assets. A summary of the responses is shown below.

Category	Average Score	Very Poor (<40%)	Poor (40-54%)	Average (55-69%)	Good (70-84%)	Excellent (>85%)
City Street Roads	87 %					●
City Street Footpaths	77 %				●	
City Street Cycle Lanes	52 %		●			
Park Lands Footpaths	88 %					●
Park Lands Cycle Paths	87 %					●

The overall feedback confirmed appropriate levels of customer satisfaction for all transportation assets, with the exception of City street cycle lanes. It is evident that there is a significant gap between current service provisions and the expectations of the community with respect to City street cycling facilities. The community's view was that on-road cycling infrastructure needs to be more accessible, easier to navigate and safer, in order to better meet their needs. It is anticipated that the completion of the Integrated Transport Strategy in 2024 and the subsequent initiation, funding and delivery of key upgrade/new cycling infrastructure projects will over time incrementally bridge the gap between customer expectations and service provisions.

A Recommended Levels of Service Report was presented to Council, with the recommendations approved in June 2022. This report noted the community consultation undertaken and the associated benchmarking of current user satisfaction. Additionally, Council also approved the development of the Transportation Asset Management Plan based on the planning principles and recommended management strategies presented within the report and its attachments.

4 Current and Future Demands

It is anticipated that the City of Adelaide will be subject to considerable change over the next ten years. This will result in our transportation assets being subject to new demands that have the potential to impact future service delivery and the requirements of our assets.

Key demand drivers and future challenges will include:

- City growth
- Changing demographic
- Tourism & event growth
- Climate change and carbon neutrality
- Emerging technology
- Legislation & regulation

Demand for new services will be managed through a combination of managing existing assets, upgrading existing assets, providing new assets and demand management. Demand management practices can include non-asset solutions, such as educating the community around alternative options, which facilitates service provision without the need to invest in new or upgraded infrastructure.

Demand management will include:

- Continuing to engage with our community through annual City User Profile surveys
- Finalising the Integrated Transport Strategy (2024)
- Delivering priority upgrade/new projects identified within the Strategic Plan and strategic documents
- Ensuring climate risk mitigation and adaptation is a key focus for strategic planning, asset management and project delivery
- Continuing to review and update design standards and technical specifications to ensure our assets transition towards having a lower carbon footprint with improved circular economy outcomes through increased usage of recycled materials
- Continuing to partner with industry, to monitor and evaluate new and emerging technologies, with trials of new materials, approaches, and methodologies to inform appropriate changes to standards and practices
- Continuing to monitor changes to legislation and ensure appropriate adaptation into asset management practices





5 Strategic Planning

Under the *Local Government Act (SA) 1999*, we are legislatively required to establish a suite of Strategic Management Plans, which guide Council's future planning, asset management and financial sustainability. An overview of these strategic management plans are shown below:

Strategic Plan *Community*	Long term with a four year delivery focus. *Planning for the vision and aspirations of the Adelaide Capital City.*
Long-Term Financial Plan *Financial*	Ten year Plan, revised annually to ensure a ten year view is maintained. Planning for the long-term financial sustainability of the City of Adelaide.
Asset Management Plans *Infrastructure*	Suite of ten year Plans. *Planning for the sustainable renewal and maintenance of Council assets.*
City Plan *Development / Built Form*	Ten year Spatial Plan. *Planning for the future land uses and built form of the Adelaide Capital City.*

Through the City of Adelaide Draft Strategic Plan 2024 – 2028, Council's vision is:

Our Adelaide. Bold. Aspirational. Innovative.

To ensure we can build on this vision for the future, our aspirations will guide our focus and delivery:

Our Community: Vibrant, connected and inclusive
Our Environment: Resilient, protected and sustainable
Our Economy: Growing, innovative and responsive
Our Places: Interesting, purposeful and safe
Our Corporation: High performing, customer-centric and bold

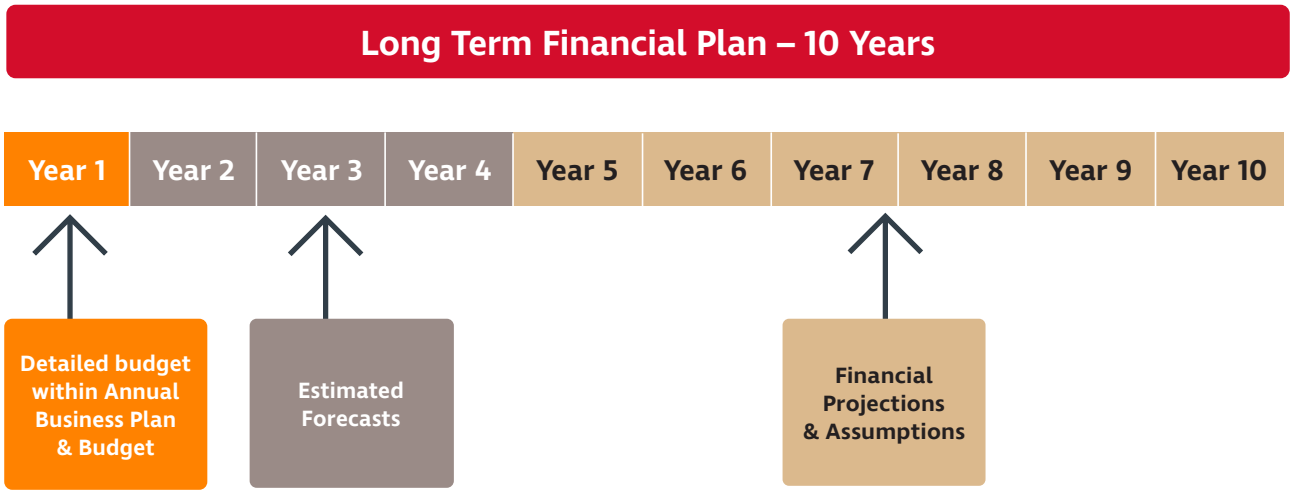
As Adelaide grows, we will need to consider economic vitality, social connectivity and wellbeing, distinctive precincts, environmental and financial sustainability, asset management and service delivery. To ensure we maintain our liveability and to support growth, these principles will underpin everything we do:

- Exceptional Amenity - Be bold and courageous in our pursuit of excellence for our city
- Quality Housing - Strive for liveability and affordability to attract and retain residents
- Community Connection - Strengthen connection, accessibility, diversity and inclusivity by putting people first
- Unique Experiences - Create interesting experiences for our residents, workers and visitors
- Climate Resilience - Embed climate resilience in all that we do
- Economic Growth - Encourage innovation, investment and development in current and emerging sectors
- Budget Repair - Provide quality services and ensure long-term financial sustainability

The Strategic Plan is supported by a suite of long and short-term strategies and action plans as well as a Resource Plan. The Resource Plan provides a four-year view of new and upgrade projects, resources, and budget requirements to deliver our Strategic Plan aspirations and objectives.

Integrated Delivery Planning ensures that prudent and efficient decisions are made, with line-of-sight between Council's Strategic Plan objectives and the major infrastructure projects we deliver. While this Asset Management Plan does not identify financial forecasts associated with new and upgrade projects, it does ensure required asset renewals are aligned (where practical) with key new and upgrade projects specified within the Resource Plan.

Each year our annual business plan and budget formalises funding allocations to continue providing services and progress new projects. It enables existing projects to move from one delivery stage to the next (e.g. progress concept design to detailed design and detailed design to construction) as well as consider emerging risks and opportunities that may result from Council decisions, community requests or other external factors.





6 Lifecycle Management

In order to effectively manage our assets, it is important to understand the relationship between all stages of the asset lifecycle. Effective asset management and sustainable financial planning requires a balance between the maintenance, renewal and disposal of existing assets and the delivery of new and upgraded assets.

Our goal is to provide assets that service the needs of the community, providing the agreed levels of service at the lowest lifecycle cost. To enable this, it is important to understand:

- How our assets are performing
- How our assets should be operated and maintained
- When our assets should be renewed
- When we should consider upgrading existing assets or constructing new assets
- How funding for new and upgraded assets is prioritised
- When we should consider disposing underperforming or underutilised assets



This Asset Management Plan's renewal strategy aims to minimise the number of assets that deteriorate into a poor condition and prohibit assets reaching a very poor condition. This strategy ensures we can continue to provide services in line with the community's expectations, appropriately manage risk and optimise whole-of-life costs. Renewal requirements have been identified through a combination of condition audits, engineering recommendations and predictive modelling.

Operational and Maintenance activities are generally evaluated and prioritised with respect to budget provisions within the Long-Term Financial Plan and Annual Business Plan and Budget. Following the completion of this Asset Management Plan, we will be reviewing operations and maintenance standards for transportation assets, with a view to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. The associated financial impacts will need to be further considered in future revisions of this Asset Management Plan and the Long-Term Financial Plan.

This Asset Management Plan does not identify financial forecasts associated with asset disposal, however where recommended, significant assets will be identified for decommissioning and disposal through Council Reports, to then be considered within the Long-Term Financial Plan and Business Plan and Budget.



7 Financial Summary

This Asset Management Plan defines the asset management activities and associated funding requirements recommended for inclusion into the Long-Term Financial Plan to achieve our asset performance targets. The lifecycle costs necessary to operate, maintain and renew our assets as outlined within this Asset Management Plan is approximately $41.23 million on average each year across the 10-year planning period. The associated 10-year annual average financial forecasts for renewal, maintenance and operation are presented below for each asset class.

Roads	Kerbs	Footpaths	Bridges	Traffic Signals	Total
$9.57 M Renewal Cost	$3.08 M Renewal Cost	$9.85 M Renewal Cost	$7.26 M Renewal Cost	$3.86 M Renewal Cost	$33.62 M Renewal Cost
$1.04 M Maintenance Cost	$0.47 M Maintenance Cost	$1.64 M Maintenance Cost	$0.23 M Maintenance Cost	$0.50 M Maintenance Cost	$3.87 M Maintenance Cost
$1.56 M Operation Cost	$0.03 M Operation Cost	$1.50 M Operation Cost	$0.06 M Operation Cost	$0.59 M Operation Cost	$3.73 M Operation Cost
$12.17 M Lifecycle Cost	$3.58 M Lifecycle Cost	$12.99 M Lifecycle Cost	$7.55 M Lifecycle Cost	$4.95 M Lifecycle Cost	$41.23 M Lifecycle Cost

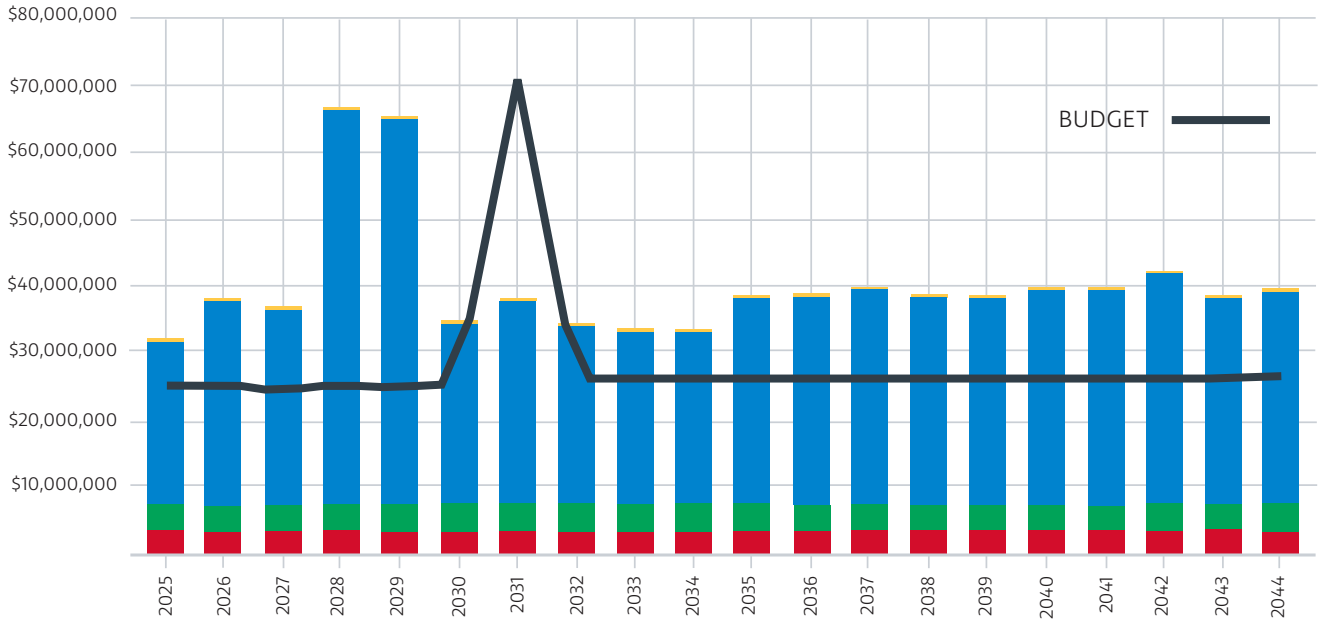
Currently, the lifecycle budget allocation within the Long-Term Financial Plan is only $31.74 million on average each year. This leaves a funding shortfall of $9.49 million on average each year and means we currently only have 77% of the costs (Lifecycle Financial Ratio) to deliver the required activities to sustain current levels of service.

10-year Lifecycle Financial Ratio

77%

10-year Asset Renewal Funding Ratio

72%



LIFECYCLE SUMMARY

Annual Average first 10 years

Lifecycle Forecast	$41,255,000
Planned Budget	$31,738,330
Shortfall	-$9,486,670

MAINTENANCE

Annual Average first 10 years

Maintenance Forecast	$3,871,000
Planned Budget	$3,871,000

OPERATION

Annual Average first 10 years

Operation Forecast	$3,733,500
Planned Budget	$3,733,500

RENEWAL

Annual Average first 10 years

Renewal Forecast	$33,620,500
Planned Budget	$24,133,830



Noting that this Asset Management Plan has not forecast any additional operational and maintenance requirements, the identified lifecycle funding shortfall is associated with the revised asset renewal forecasting. Each transportation asset class generally requires additional renewal funding across the 10-year planning period.

The Asset Renewal Funding Ratio indicates that over the next 10 years our current budgets within the Long-Term Financial Plan account for 72% of the forecast funding required for the optimal renewal of our transportation assets. Contributing factors for the gap between the forecast renewal costs and current budgets within the Long-Term Financial Plan include:

- Not achieving our Asset Renewal Funding Ratio targets over the past 4 financial years as a result of covid-19 resourcing impacts and project delays associated with post-pandemic market saturation.
- Utilising advanced predictive modelling within this Asset Management Plan, that analyses asset condition information to better recognise the changing asset investment needs over time to maintain service levels.
- Ensuring we accurately recognise asset replacement costs, utilising current unit rates that take into consideration increasing costs associated with inflation and industry escalations (we have experienced significant increases in project unit rates, noting that the Local Government Association (LGA) have indicated that costs and materials have increased up to 25% post pandemic).

Only what is funded within the Long-Term Financial Plan and approved through the Annual Business Plan and Budget can be delivered. Should the Long-Term Financial Plan be unable to accommodate the revised asset renewal forecasts recommended within this Asset Management Plan, there will be associated service and risk impacts.

Continuing to leverage off external funding opportunities will allow us to maintain and enhance the quality of the service we provide, while reducing financial pressures through the efficiencies in an increased revenue. We will continue to work in partnership with both the State and Federal Governments to pursue these opportunities for both renewal and significant new and upgrade projects.

8 Potential Service and Risk Impacts

If the forecast activities outlined within this Asset Management Plan (operations, maintenance, renewal) are unable to be accommodated into the Long-Term Financial Plan, there will be potential service consequences for users. These service consequences include:

- Reduced levels of service for the transportation network (maintenance and renewal backlog)
- Reduced customer satisfaction levels associated with the management of our existing assets
- Intergenerational inequity (burdening future generations)

The associated risk consequences include:

- Increased safety risks associated with assets deteriorating beyond recommended intervention levels
- Increased reputational risks associated with services not aligning with community expectations
- Increased financial risks associated with additional maintenance requirements that cannot be accommodated within existing budgets
- Increased financial risks associated with higher renewal and/or rehabilitation treatments as asset renewals are not funded at the optimal point in time
- Increased economic risk associated with reduced business activity, events and tourism
- Intergenerational inequity (passing on costs and risk to future generations)

If the forecast activities outlined within this Asset Management Plan are unable to be accommodated into the Long-Term Financial Plan, we will endeavour to manage these risks within available funding by:

- Continuing to undertake regular asset condition and maintenance inspections
- Prioritising all asset renewal and maintenance activities with respect to available budget
- Revising our levels of service to establish an acceptable balance between cost, level of service and risk
- Developing a communication strategy to manage expectations and educate the community around affordable levels of service
- Continuing to seek out external funding opportunities
- Prioritisation of the delivery of key actions from the Improvement Plan



9 Monitoring and Improvement Program

The next steps resulting from this Asset Management Plan to improve asset management practices are:

	Improvement Plan Actions
1	Finalise a 4-year Resource Plan to identify key upgrade/new projects to deliver Council's Strategic Plan objectives. Once key projects are recognised within the Long Term Financial Plan, Asset Management Plans will be updated to ensure associated acquisition costs (upgrade/new) and ongoing operational and maintenance costs are appropriately recognised, in conjunction with any scheduling adjustments required for asset renewal programs.
2	Finalise Integrated Transport Strategy in 2024 and identify key priority projects for inclusion within the Resource Plan. Asset Management Plans to be reviewed and updated where required, considering any impacts to planned asset renewal programs.
3	Revise asset renewal forecasts for Adelaide Bridge following the completion of Options Analysis (currently underway).
4	Continue to work in partnership with both the State and Federal Governments to pursue external funding opportunities for both renewal and significant upgrade/new transportation projects.
5	Review and update operations and maintenance standards, to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. Include changes into future revisions of this Asset Management Plan and Long Term Financial Plan.
6	Continue to undertake regular condition audits and revaluation for all our transportation assets within the nominated 4-year cycles, including regular review of asset useful lives.
7	Continue to review our technical standards and their application across the transportation network with respect to climate resilience, circular economy, recycled materials, durability and performance, whole-of-life cost, amenity, and heritage requirements.
8	Continue to monitor forecast climate change impacts to ensure we remain resilient through proactively implementing appropriate mitigation and adaptation controls.
9	Improve the capture of carbon emission data for technical standards and project procurement to support lower carbon decision making.
10	Review of corporate performance measure targets for customer satisfaction, to assist with performance gap analysis.
11	Review and standardise asset hierarchies for all asset classes within Streets and Park Lands.
12	Review customer service requests codes to better align with Level of Service reporting and operational and maintenance sub-activities.
13	Further develop processes to ensure asset data is updated following the completion of contracted maintenance work and emergency asset replacement resulting from vandalism or knockdowns.

CITY OF ADELAIDE



Transportation
Draft Asset Management Plan





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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

The City of Adelaide is responsible for an extensive and diverse asset portfolio valued at more than $2 billion, which represents a significant investment made over multiple generations. These assets play a vital role in providing essential services to our community and it is critical to ensure these assets continue to be effectively managed to enable ongoing service provision and benefits for both current and future generations.

Under South Australia's *Local Government Act 1999*, we are required to develop Asset Management Plans for a period of at least 10 years, which includes information about the operation, maintenance, renewal, acquisition, expansion, upgrade and disposal for each infrastructure asset class under our care and control. The City of Adelaide has six Asset Management Plans, which includes Transportation, Park Lands & Open Space, Buildings, Water Infrastructure, Lighting & Electrical and Urban Elements.

The fundamental purpose of this Transportation Asset Management Plan is to outline the Council's high-level asset management priorities for the operation, maintenance and renewal of our assets over the next 10 years. Additionally, it aims to improve the long-term strategic management of our transportation assets, to cater for the community's required levels of service both now and into the future.

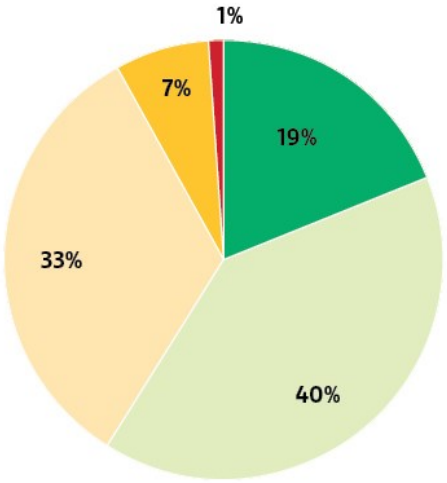
The plan defines the current state of our $1.14 billion transportation asset portfolio, as well as the asset management activities and associated funding requirements recommended for inclusion into the Long-Term Financial Plan to achieve our asset performance targets.

1.2 Our Transportation Assets

The City of Adelaide's transport network is valued at approximately $1.14 billion and provides vital services that support pedestrians, cyclists, motorists, and public transport users to move into and around the City and Park Lands. These assets include roads, kerb and watertable, footpaths, bridges and traffic signals.



To monitor the performance of our transportation assets, we undertake regular condition audits (typically every 4 years). Asset condition information is analysed with respect to technical intervention criteria to inform our maintenance and renewal programs. The current condition of our transportation network is rated in a good to fair condition, with an overall condition index rating of 2.3. 92% of assets are rated in a very good to fair condition and 8% of assets are rated in poor or very poor condition, which form the general basis of our future renewal program priorities.



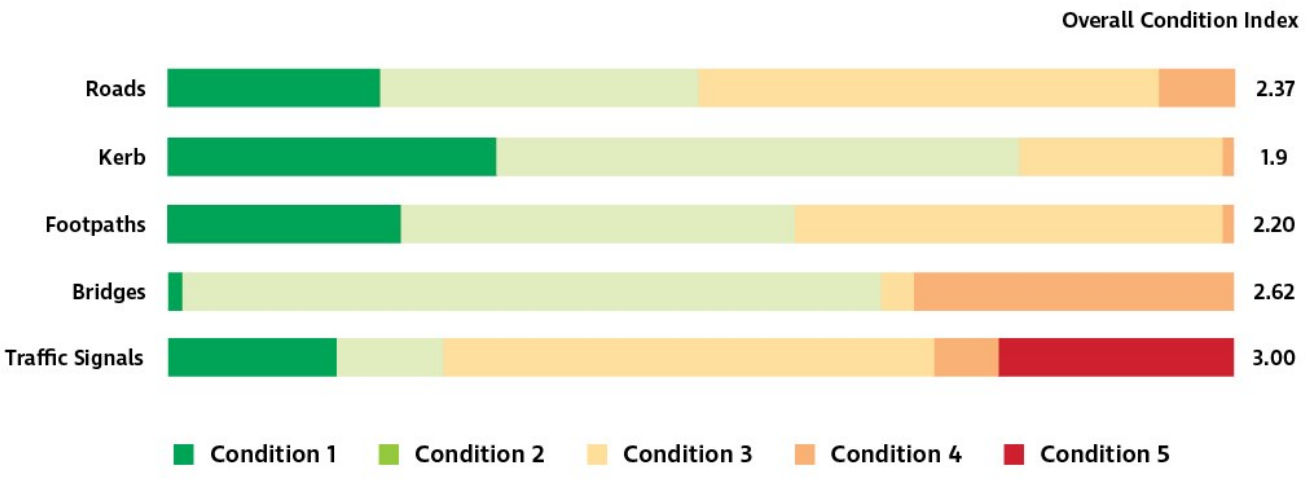
Condition Grading	Description of Condition
1	**Very Good:** free of defects, only planned and/ or routine maintenance required
2	**Good:** minor defects, increasing maintenance required plus planned maintenance
3	**Fair:** defects requiring regular and/or significant maintenance to reinstate service
4	**Poor:** significant defects, higher order cost intervention likely
5	**Very Poor:** physically unsound and/or beyond rehabilitation, immediate action required

Typical examples of each condition state for our transportation assets are shown in Appendix E.

Overall, the majority of our road, kerb and footpath assets are rated in a very good to fair condition with only a small proportion of assets rated in poor and very poor condition. This is considered a healthy condition distribution, however ongoing investment will be required to ensure levels of service are maintained.

Our bridges are generally rated in a good overall condition, with the exception of Adelaide Bridge, an aging asset constructed in 1931 that is approaching the end of it's useful life. Adelaide Bridge primarily accounts for the significant proportion of the bridge network currently rated in poor condition, with the bridge requiring significant rehabilitation or replacement within this Asset Management Plan's 10-year planning period.

Our traffic signal network has a significant number of assets rated in a poor to very poor condition. While this does not present any immediate operational risks due to effective proactive maintenance programs, accelerated renewal investment will be proposed within the first 5 years of this Asset Management Plan, with priorities informed by a comprehensive condition audit scheduled for 2024.





1.3 Community Engagement & Customer Satisfaction

In November 2021, we undertook an engagement process with City residents and visitors to better understand and measure levels of customer satisfaction for the services provided by our transportation assets. A summary of the responses is shown below.

Category	Average Score	Very Poor (<40%)	Poor (40-54%)	Average (55-69%)	Good (70-84%)	Excellent (>85%)
City Street Roads	87 %					●
City Street Footpaths	77 %				●	
City Street Cycle Lanes	52 %		●			
Park Lands Footpaths	88 %					●
Park Lands Cycle Paths	87 %					●

The overall feedback confirmed appropriate levels of customer satisfaction for all transportation assets, with the exception of City street cycle lanes. It is evident that there is a significant gap between current service provisions and the expectations of the community with respect to City street cycling facilities. The community's view was that on-road cycling infrastructure needs to be more accessible, easier to navigate and safer, in order to better meet their needs. It is anticipated that the completion of the Integrated Transport Strategy in 2024 and the subsequent initiation, funding and delivery of key upgrade/new cycling infrastructure projects will over time incrementally bridge the gap between customer expectations and service provisions.

A Recommended Levels of Service Report was presented to Council, with the recommendations approved in June 2022. This report noted the community consultation undertaken and the associated benchmarking of current user satisfaction. Additionally, Council also approved the development of the Transportation Asset Management Plan based on the planning principles and recommended management strategies presented within the report and its attachments.

1.4 Current and Future Demands

It is anticipated that the City of Adelaide will be subject to considerable change over the next ten years. This will result in our transportation assets being subject to new demands that have the potential to impact future service delivery and the requirements of our assets.

Key demand drivers and future challenges will include:

- City growth
- Changing demographic
- Tourism & event growth
- Climate change and carbon neutrality
- Emerging technology
- Legislation & regulation

Demand for new services will be managed through a combination of managing existing assets, upgrading existing assets, providing new assets and demand management. Demand management practices can include non-asset solutions, such as educating the community around alternative options, which facilitates service provision without the need to invest in new or upgraded infrastructure.

Demand management will include:

- Continuing to engage with our community through annual City User Profile surveys
- Finalising the Integrated Transport Strategy (2024)
- Delivering priority upgrade/new projects identified within the Strategic Plan and strategic documents
- Ensuring climate risk mitigation and adaptation is a key focus for strategic planning, asset management and project delivery
- Continuing to review and update design standards and technical specifications to ensure our assets transition towards having a lower carbon footprint with improved circular economy outcomes through increased usage of recycled materials
- Continuing to partner with industry, to monitor and evaluate new and emerging technologies, with trials of new materials, approaches, and methodologies to inform appropriate changes to standards and practices
- Continuing to monitor changes to legislation and ensure appropriate adaptation into asset management practices





1.5 Strategic Planning

Under the *Local Government Act (SA) 1999*, we are legislatively required to establish a suite of Strategic Management Plans, which guide Council's future planning, asset management and financial sustainability. An overview of these strategic management plans are shown below:

Strategic Plan ***Community***	Long term with a four year delivery focus. *Planning for the vision and aspirations of the Adelaide Capital City.*
Long-Term Financial Plan ***Financial***	Ten year Plan, revised annually to ensure a ten year view is maintained. Planning for the long-term financial sustainability of the City of Adelaide.
Asset Management Plans ***Infrastructure***	Suite of ten year Plans. *Planning for the sustainable renewal and maintenance of Council assets.*
City Plan ***Development / Built Form***	Ten year Spatial Plan. *Planning for the future land uses and built form of the Adelaide Capital City.*

Through the City of Adelaide Draft Strategic Plan 2024 – 2028, Council's vision is:

Our Adelaide. Bold. Aspirational. Innovative.

To ensure we can build on this vision for the future, our aspirations will guide our focus and delivery:

Our Community: Vibrant, connected and inclusive
Our Environment: Resilient, protected and sustainable
Our Economy: Growing, innovative and responsive
Our Places: Interesting, purposeful and safe
Our Corporation: High performing, customer-centric and bold

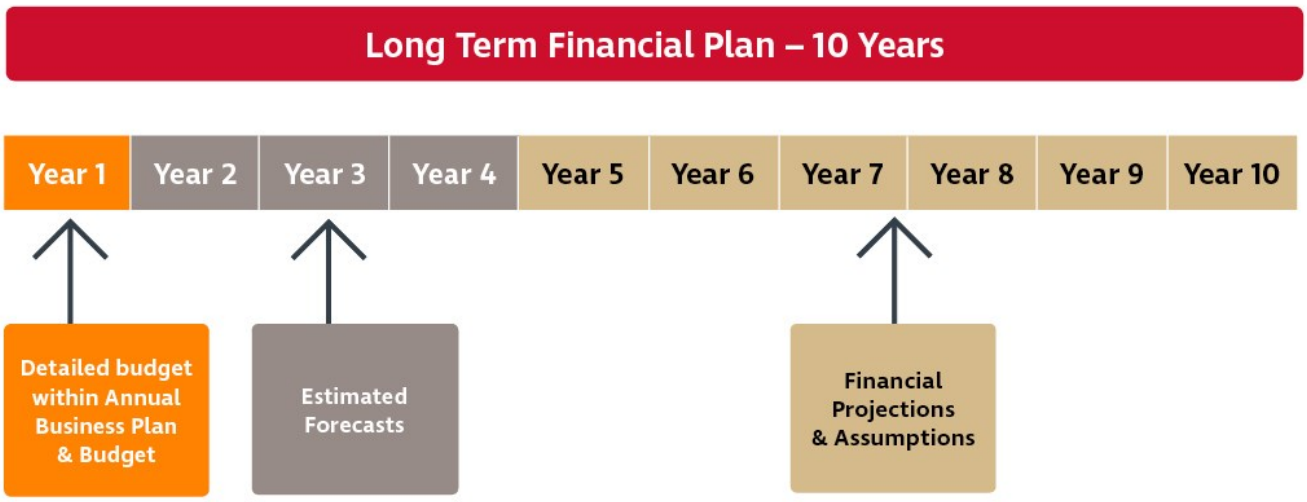
As Adelaide grows, we will need to consider economic vitality, social connectivity and wellbeing, distinctive precincts, environmental and financial sustainability, asset management and service delivery. To ensure we maintain our liveability and to support growth, these principles will underpin everything we do:

- Exceptional Amenity - Be bold and courageous in our pursuit of excellence for our city
- Quality Housing - Strive for liveability and affordability to attract and retain residents
- Community Connection - Strengthen connection, accessibility, diversity and inclusivity by putting people first
- Unique Experiences - Create interesting experiences for our residents, workers and visitors
- Climate Resilience - Embed climate resilience in all that we do
- Economic Growth - Encourage innovation, investment and development in current and emerging sectors
- Budget Repair - Provide quality services and ensure long-term financial sustainability

The Strategic Plan is supported by a suite of long and short-term strategies and action plans as well as a Resource Plan. The Resource Plan provides a four-year view of new and upgrade projects, resources, and budget requirements to deliver our Strategic Plan aspirations and objectives.

Integrated Delivery Planning ensures that prudent and efficient decisions are made, with line-of-sight between Council's Strategic Plan objectives and the major infrastructure projects we deliver. While this Asset Management Plan does not identify financial forecasts associated with new and upgrade projects, it does ensure required asset renewals are aligned (where practical) with key new and upgrade projects specified within the Resource Plan.

Each year our annual business plan and budget formalises funding allocations to continue providing services and progress new projects. It enables existing projects to move from one delivery stage to the next (e.g. progress concept design to detailed design and detailed design to construction) as well as consider emerging risks and opportunities that may result from Council decisions, community requests or other external factors.





1.6 Lifecycle Management

In order to effectively manage our assets, it is important to understand the relationship between all stages of the asset lifecycle. Effective asset management and sustainable financial planning requires a balance between the maintenance, renewal and disposal of existing assets and the delivery of new and upgraded assets.

Our goal is to provide assets that service the needs of the community, providing the agreed levels of service at the lowest lifecycle cost. To enable this, it is important to understand:

- How our assets are performing
- How our assets should be operated and maintained
- When our assets should be renewed
- When we should consider upgrading existing assets or constructing new assets
- How funding for new and upgraded assets is prioritised
- When we should consider disposing underperforming or underutilised assets



This Asset Management Plan's renewal strategy aims to minimise the number of assets that deteriorate into a poor condition and prohibit assets reaching a very poor condition. This strategy ensures we can continue to provide services in line with the community's expectations, appropriately manage risk and optimise whole-of-life costs. Renewal requirements have been identified through a combination of condition audits, engineering recommendations and predictive modelling.

Operational and Maintenance activities are generally evaluated and prioritised with respect to budget provisions within the Long-Term Financial Plan and Annual Business Plan and Budget. Following the completion of this Asset Management Plan, we will be reviewing operations and maintenance standards for transportation assets, with a view to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. The associated financial impacts will need to be further considered in future revisions of this Asset Management Plan and the Long-Term Financial Plan.

This Asset Management Plan does not identify financial forecasts associated with asset disposal, however where recommended, significant assets will be identified for decommissioning and disposal through Council Reports, to then be considered within the Long-Term Financial Plan and Business Plan and Budget.

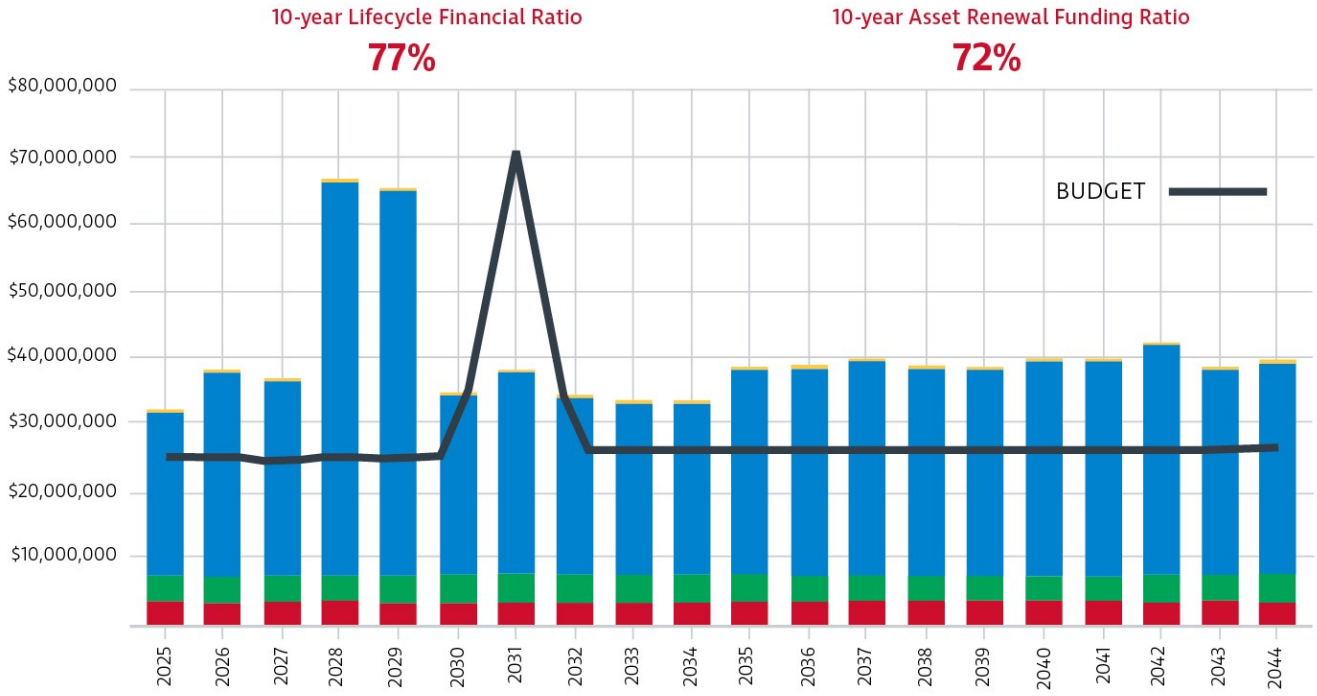


1.7 Financial Summary

This Asset Management Plan defines the asset management activities and associated funding requirements recommended for inclusion into the Long-Term Financial Plan to achieve our asset performance targets. The lifecycle costs necessary to operate, maintain and renew our assets as outlined within this Asset Management Plan is approximately $41.23 million on average each year across the 10-year planning period. The associated 10-year annual average financial forecasts for renewal, maintenance and operation are presented below for each asset class.

Roads	Kerbs	Footpaths	Bridges	Traffic Signals	Total
$9.57 M Renewal Cost	$3.08 M Renewal Cost	$9.85 M Renewal Cost	$7.26 M Renewal Cost	$3.86 M Renewal Cost	$33.62 M Renewal Cost
$1.04 M Maintenance Cost	$0.47 M Maintenance Cost	$1.64 M Maintenance Cost	$0.23 M Maintenance Cost	$0.50 M Maintenance Cost	$3.87 M Maintenance Cost
$1.56 M Operation Cost	$0.03 M Operation Cost	$1.50 M Operation Cost	$0.06 M Operation Cost	$0.59 M Operation Cost	$3.73 M Operation Cost
$12.17 M Lifecycle Cost	$3.58 M Lifecycle Cost	$12.99 M Lifecycle Cost	$7.55 M Lifecycle Cost	$4.95 M Lifecycle Cost	$41.23 M Lifecycle Cost

Currently, the lifecycle budget allocation within the Long-Term Financial Plan is only $31.74 million on average each year. This leaves a funding shortfall of $9.49 million on average each year and means we currently only have 77% of the costs (Lifecycle Financial Ratio) to deliver the required activities to sustain current levels of service.



LIFECYCLE SUMMARY
Annual Average first 10 years

Lifecycle Forecast	$41,255,000
Planned Budget	$31,738,330
Shortfall	-$9,486,670

MAINTENANCE
Annual Average first 10 years

Maintenance Forecast	$3,871,000
Planned Budget	$3,871,000

OPERATION
Annual Average first 10 years

Operation Forecast	$3,733,500
Planned Budget	$3,733,500

RENEWAL
Annual Average first 10 years

Renewal Forecast	$33,620,500
Planned Budget	$24,133,830



Noting that this Asset Management Plan has not forecast any additional operational and maintenance requirements, the identified lifecycle funding shortfall is associated with the revised asset renewal forecasting. Each transportation asset class generally requires additional renewal funding across the 10-year planning period.

The Asset Renewal Funding Ratio indicates that over the next 10 years our current budgets within the Long-Term Financial Plan account for 72% of the forecast funding required for the optimal renewal of our transportation assets. Contributing factors for the gap between the forecast renewal costs and current budgets within the Long-Term Financial Plan include:

- Not achieving our Asset Renewal Funding Ratio targets over the past 4 financial years as a result of covid-19 resourcing impacts and project delays associated with post-pandemic market saturation.
- Utilising advanced predictive modelling within this Asset Management Plan, that analyses asset condition information to better recognise the changing asset investment needs over time to maintain service levels.
- Ensuring we accurately recognise asset replacement costs, utilising current unit rates that take into consideration increasing costs associated with inflation and industry escalations (we have experienced significant increases in project unit rates, noting that the Local Government Association (LGA) have indicated that costs and materials have increased up to 25% post pandemic).

Only what is funded within the Long-Term Financial Plan and approved through the Annual Business Plan and Budget can be delivered. Should the Long-Term Financial Plan be unable to accommodate the revised asset renewal forecasts recommended within this Asset Management Plan, there will be associated service and risk impacts.

Continuing to leverage off external funding opportunities will allow us to maintain and enhance the quality of the service we provide, while reducing financial pressures through the efficiencies in an increased revenue. We will continue to work in partnership with both the State and Federal Governments to pursue these opportunities for both renewal and significant new and upgrade projects.

1.8 Potential Service and Risk Impacts

If the forecast activities outlined within this Asset Management Plan (operations, maintenance, renewal) are unable to be accommodated into the Long-Term Financial Plan, there will be potential service consequences for users. These service consequences include:

- Reduced levels of service for the transportation network (maintenance and renewal backlog)
- Reduced customer satisfaction levels associated with the management of our existing assets
- Intergenerational inequity (burdening future generations)

The associated risk consequences include:

- Increased safety risks associated with assets deteriorating beyond recommended intervention levels
- Increased reputational risks associated with services not aligning with community expectations
- Increased financial risks associated with additional maintenance requirements that cannot be accommodated within existing budgets
- Increased financial risks associated with higher renewal and/or rehabilitation treatments as asset renewals are not funded at the optimal point in time
- Increased economic risk associated with reduced business activity, events and tourism
- Intergenerational inequity (passing on costs and risk to future generations)

If the forecast activities outlined within this Asset Management Plan are unable to be accommodated into the Long-Term Financial Plan, we will endeavour to manage these risks within available funding by:

- Continuing to undertake regular asset condition and maintenance inspections
- Prioritising all asset renewal and maintenance activities with respect to available budget
- Revising our levels of service to establish an acceptable balance between cost, level of service and risk
- Developing a communication strategy to manage expectations and educate the community around affordable levels of service
- Continuing to seek out external funding opportunities
- Prioritisation of the delivery of key actions from the Improvement Plan



1.9 Monitoring and Improvement Program

The next steps resulting from this Asset Management Plan to improve asset management practices are:

	Improvement Plan Actions
1	Finalise a 4-year Resource Plan to identify key upgrade/new projects to deliver Council's Strategic Plan objectives. Once key projects are recognised within the Long Term Financial Plan, Asset Management Plans will be updated to ensure associated acquisition costs (upgrade/new) and ongoing operational and maintenance costs are appropriately recognised, in conjunction with any scheduling adjustments required for asset renewal programs.
2	Finalise Integrated Transport Strategy in 2024 and identify key priority projects for inclusion within the Resource Plan. Asset Management Plans to be reviewed and updated where required, considering any impacts to planned asset renewal programs.
3	Revise asset renewal forecasts for Adelaide Bridge following the completion of Options Analysis (currently underway).
4	Continue to work in partnership with both the State and Federal Governments to pursue external funding opportunities for both renewal and significant upgrade/new transportation projects.
5	Review and update operations and maintenance standards, to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. Include changes into future revisions of this Asset Management Plan and Long Term Financial Plan.
6	Continue to undertake regular condition audits and revaluation for all our transportation assets within the nominated 4-year cycles, including regular review of asset useful lives.
7	Continue to review our technical standards and their application across the transportation network with respect to climate resilience, circular economy, recycled materials, durability and performance, whole-of-life cost, amenity, and heritage requirements.
8	Continue to monitor forecast climate change impacts to ensure we remain resilient through proactively implementing appropriate mitigation and adaptation controls.
9	Improve the capture of carbon emission data for technical standards and project procurement to support lower carbon decision making.
10	Review of corporate performance measure targets for customer satisfaction, to assist with performance gap analysis.
11	Review and standardise asset hierarchies for all asset classes within Streets and Park Lands.
12	Review customer service requests codes to better align with Level of Service reporting and operational and maintenance sub-activities.
13	Further develop processes to ensure asset data is updated following the completion of contracted maintenance work and emergency asset replacement resulting from vandalism or knockdowns.

2.0 INTRODUCTION

2.1 Background

First shaped by the Kaurna People of the Adelaide Plains, then by Colonel William Light, Adelaide is a dynamic, accessible and safe city, that offers an enviable quality of life. The physical layout of the city enhances the attributes that make Adelaide unique. From the Nationally Heritage Listed Park Lands that surround our city, to the compact layout that makes the city walkable and cyclable, to our unique neighbourhoods and precincts, all these factors place Adelaide on the path to being one of the most liveable cities in the world. Despite our small footprint, the City of Adelaide is home to over 26,000 residents, 12,000 businesses and accommodates over 300,000 visitors daily, contributing close to 18% of the State's economic value.

The City of Adelaide's transport network is valued at approximately $1.14 billion and supports pedestrians, cyclists, motorists, and public transport users to move into and around the City and Park Lands. These transportation assets are vital to the health and wellbeing of the community and have been developed over time through major investment across multiple generations.

With projected City and metropolitan growth, a changing climate, and advancements in technology, it is anticipated that higher demand will be placed on our existing assets and there will be increasing requirements for new and upgraded infrastructure.

With Council's strategic objectives to create a City that is welcoming, inclusive, and accessible to all, it is critical to ensure that our transportation network continues to be appropriately managed, ensuring we provide appropriate services and benefits for both current and future generations.

This Transportation Asset Management Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period. The infrastructure assets covered by this Asset Management Plan, including their quantities and replacement costs are shown in Table 2.1 below.

Table 2.1: Infrastructure Assets covered by Transportation Asset Management Plan

Asset Class	Quantity/Dimension	Replacement Value
Roads	129 kilometres	$296.5 million
Kerb and Watertable	292 kilometres	$119.7 million
Bridges	37 sites	$178.6 million
Footpaths	292 kilometres	$486.4 million
Traffic Signals	138 sites	$59.4 million
Total		$1.14 billion

This Asset Management Plan is to be read in conjunction with the Asset Management Policy, Strategic Asset Management Plan and the following key Corporate planning documents:

- City of Adelaide Strategic Plan (2024-2028)
- Active City Strategy (2013-2023)
- Adelaide Park Lands Management Strategy (2014-2025)
- Carbon Neutral Strategy (2015-2025)
- Climate Change Risk Adaptation Action Plan (2021-2026)
- Community Land Management Plans
- Disability Access and Inclusion Plan (2019-2022)
- Heritage Strategy and Action Plan (2021-2036)
- Park Land and Precinct Master Plans

- Public Art Action Plan (2019-2022)
- Public Health and Wellbeing Plan (2020-2025)
- Smart Move Transport and Movement Strategy (2012-2022)
- The 30-Year Plan for Greater Adelaide (2017) - State Government
- Integrated Transport and Land Use Plan for Greater Adelaide - State Government
- South Australian Walking Strategy (2022-2032) – State Government
- South Australia's Road Safety Strategy (to 2031) – State Government

As existing planning documents are updated and new planning documents are approved by Council, Asset Management Plans will be reviewed and updated as required.

Infrastructure projects will reference the Adelaide Design Manual for transformational projects supported by upgrade/new funding allocated with the Business Plan and Budget and Long-Term Financial Plan.

2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers.

The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing, and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

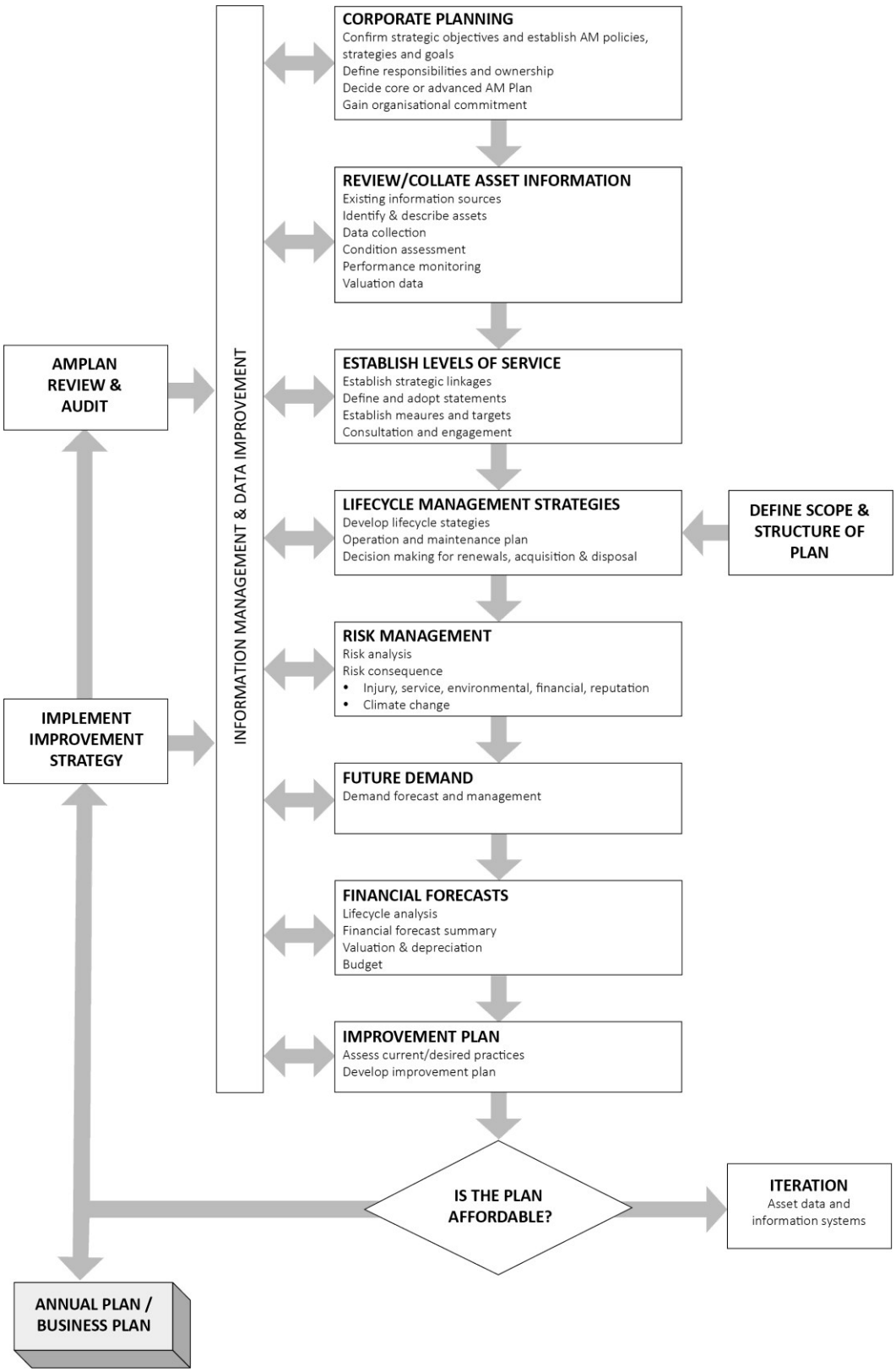
- International Infrastructure Management Manual 2015 [1]
- ISO 550002

[1] Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13
[2] ISO 55000 Overview, principles and terminology

A road map for preparing an Asset Management Plan is shown below:

Figure 2.2: Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



2.3 Key Stakeholders & Organisational Responsibilities

Key stakeholders in the preparation and implementation of this Asset Management Plan are shown in Table 2.3.

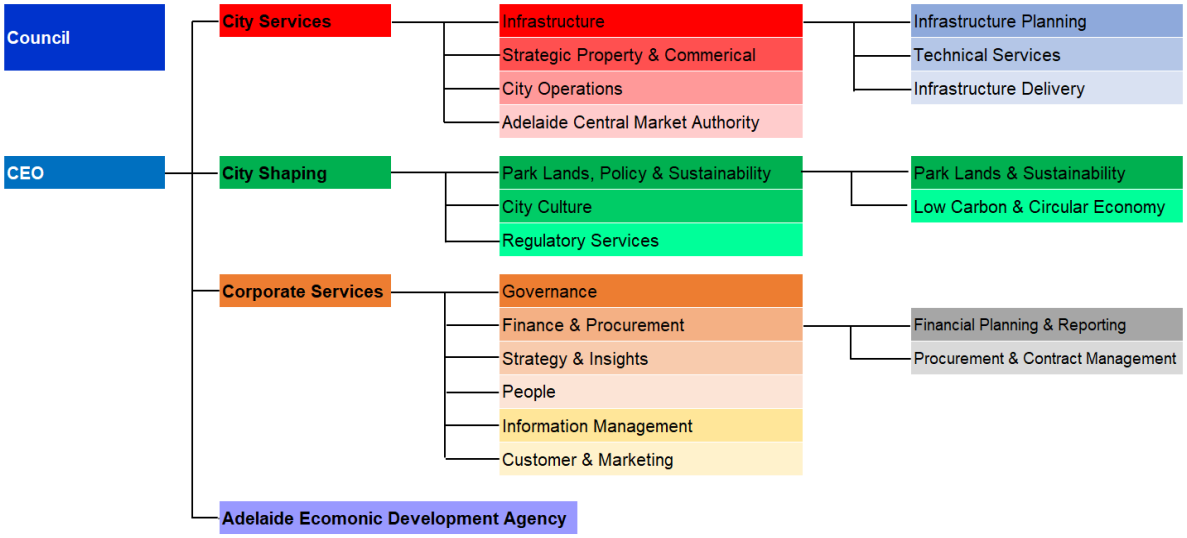
Table 2.3: Key Stakeholders in the Asset Management Plan

Key Stakeholder	Role in Asset Management Plan
Residents, Ratepayers & Businesses Workers, Visitors, Tourists and Students	Provide feedback on current and desired levels of service, which is considered in the development of Asset Management Plans.
Capital City Committee (CCC)	Intergovernmental body established under the City of Adelaide Act (1998) which initiates new projects to enhance and promote the development of the City of Adelaide as the capital city of the state.
Lord Mayor & Elected Members	Represent and advocate for the needs of the community and set high level direction through the development of asset management principles in the Strategic Plan. Approve the Asset Management Plan and Long-Term Financial Plan, to ensure the organisation maintains financial sustainability over the short, medium, and long terms, with consideration of community needs/expectations and corporate risk management requirements.
Chief Executive Officer & Executive Leadership Team	Responsible for the allocation of resources and development of sound asset management practice across the organisation as well as ensuring that all asset management activities are consistent with the objectives of Council's Strategic Plan, the Business Plan and Budget process and the Long-Term Financial Plan. Responsible for ensuring the financial projections in the adopted Asset Management Plans are reflected in the Long-Term Financial Planning and include sustainable maintenance, operations, renewal, and upgrade costs of current and future assets.
Associate Director Infrastructure	Responsible for providing leadership and direction for Council's Asset Management Framework and Project Delivery.
Infrastructure Planning	Responsible for the lifecycle management of Council's Infrastructure Assets and the development of Asset Management Plans, ensuring alignment with the Strategic Management Framework and principles and objectives outlined in the Strategic Plan and other relevant corporate planning documents.
Park Lands & Sustainability	Responsible for developing the Adelaide Park Lands Management Strategy, Park Lands and Square Master Plans and initiating priority Park Lands & Open Space upgrade/new project initiatives. Responsible for facilitating the identification of climate change risks and potential impacts to infrastructure assets.

Key Stakeholder	Role in Asset Management Plan
Low Carbon & Circular Economy	Responsible for facilitating the identification of opportunities to improve circular economy outcomes within infrastructure standards and specifications.
Traffic & Transport	Responsible for developing the Integrated Transport Strategy, Corridor Planning Studies and initiating priority Transportation upgrade/new project initiatives as well as providing technical traffic advice for capital works projects and operational issues.
Strategy & Insights	Responsible for the Strategic Management Framework, including the development of the Strategic Plan in consultation with the Executive Leadership Team, Elected Members, and key strategic stakeholders.
Technical Services	Responsible for technical design documentation to facilitate construction of infrastructure projects, review, and update infrastructure technical standards to ensure they are fit-for-purpose as well as the provision of general engineering and technical advice.
Infrastructure Delivery	Responsible for delivering Capital Works Projects identified in the Asset Management Plan and Annual Business Plan and Budget.
Financial Planning & Reporting	Responsible for the development and currency of the Asset Accounting Policy, Fixed Asset Guideline, as well as the preparation of asset sustainability and financial reports, which incorporate depreciation and asset revaluations in compliance with Australian accounting standards.
Procurement & Contract Management	Responsible for ensuring appropriate procedures are in place to enable efficient and effective procurement and contract management that demonstrates value for money and ensure public money is appropriately spent in accordance with the Local Government Act.
City Operations	Responsible for delivering day-to-day maintenance and operational activities, ensuring works are prioritised, planned and delivered consistently with operational and maintenance plans.
Regulatory Services	Responsible for issuing permits with conditions to enable external parties to undertake works on Council Infrastructure as well as enforcing rectification for works that are not compliant with CoA construction standards.
Department of Infrastructure and Transport (DIT)	Collaborative partner for major projects.
Service Authorities (e.g. SA Water, South Australian Power Networks)	Service authorities will continue to be consulted to coordinate any works planned by either Council or the service authority, so asset investment is not compromised.

Our organisational structure for service delivery associated with infrastructure assets is shown in Figure 2.3.

Figure 2.3: Organisational Structure



3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

In November 2021, the City of Adelaide undertook an engagement process with City residents and visitors to better understand and measure levels of customer satisfaction for users who utilise the services provided by our Transportation infrastructure. The engagement was advertised on signage in City Streets as well as through the City of Adelaide's social media platforms.

The insights from the Survey are intended to be used to identify where current levels of service are not meeting the community's expectation. This will enable recommendations to be made to Council regarding future resourcing requirements for specific services.

The engagement process was primarily undertaken through questionnaire surveys (113 total respondents), where information was collected online using the YourSay platform (61 respondents), as well as through on street intercepts at various locations across the City (52 respondents). Additional information and feedback relating to CoA's infrastructure assets was also collected through the 2021 Resident Survey (318 comments) and engagement with the Disability Access and Inclusion Panel (44 comments).

The demographic distribution of respondents who provided feedback is presented across Figures 3.1-1 to 3.1-3 There were significantly more survey responses received from City visitors compared to residents and an even balance across genders.

Figure 3.1-1: Respondent distribution

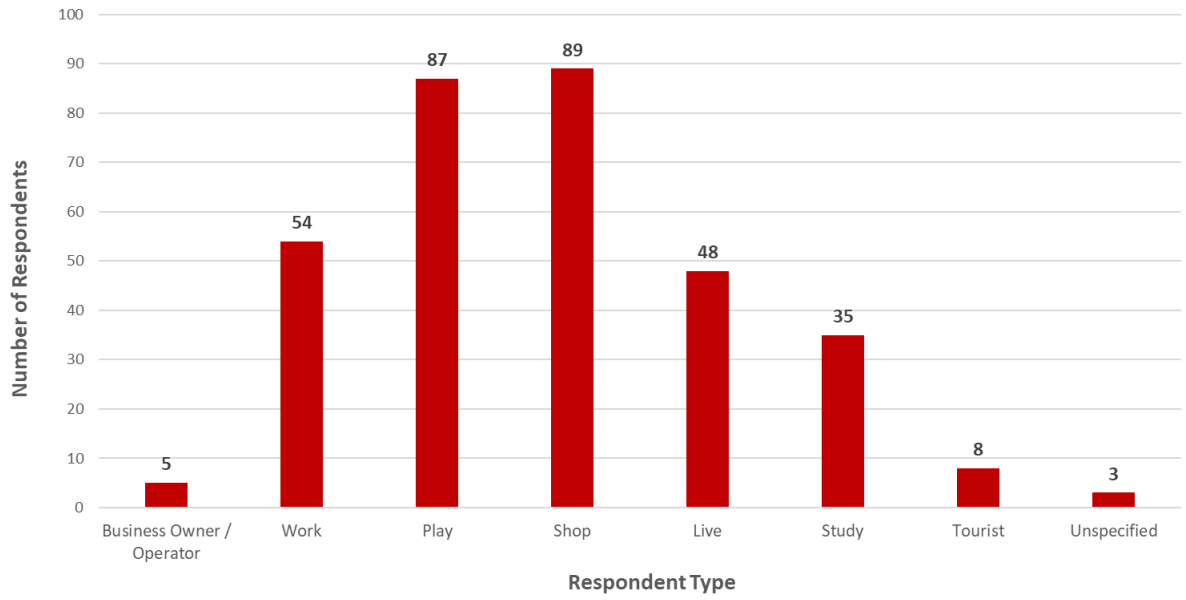


Figure 3.1-2: Respondent Distribution (Residents v Visitors)

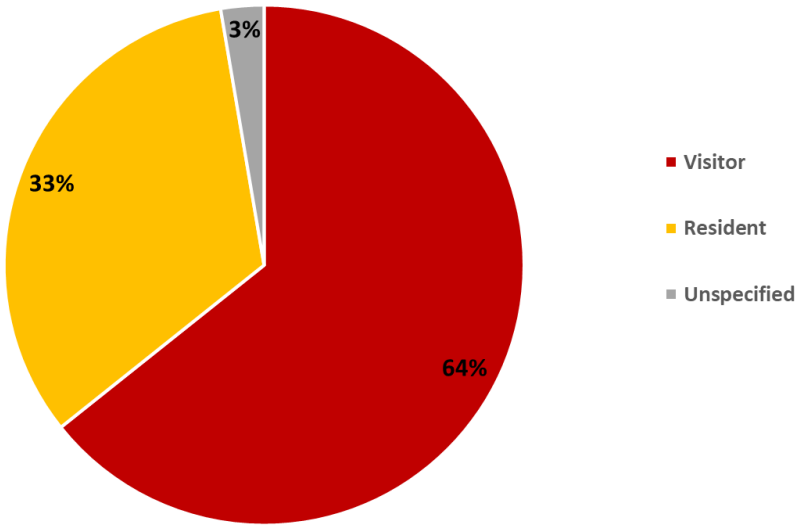
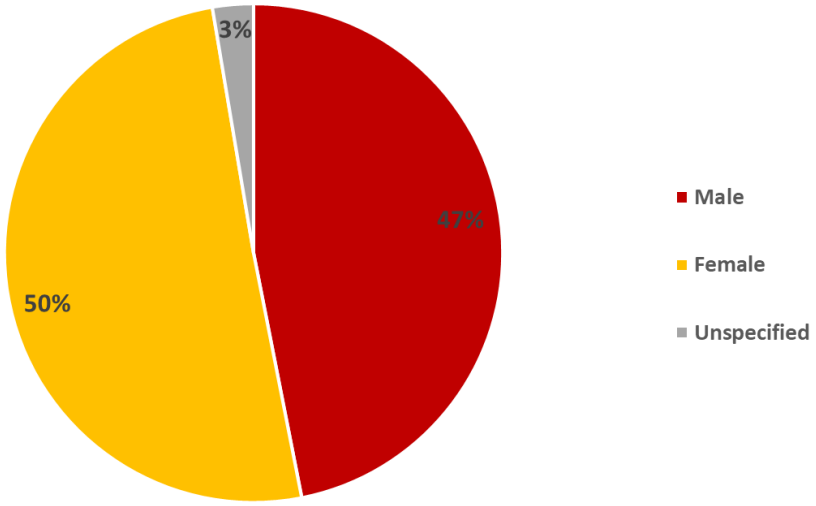


Figure 3.1-3: Respondent Distribution (Gender)



To ensure that data was collected to enable a clear line of sight for decision making purposes, the questionnaire was structured to differentiate responses received from the various user groups who utilise the transportation network (i.e. cyclists, pedestrians and motorists) as well as differentiate responses relating to the City's Streets and the Park Lands.

Figure 3.1-4 and 3.1-5, provides a high level overview of the survey respondents perception of how well City Streets and Park Lands are maintained. Respondents were predominatly satisfied with the overall performance in maintaining the City's Streets and Park Lands, with 74% responding as Good or Excellent for City Streets and 84% responding as Good or Excellent for the Park Lands.

Figure 3.1-4: Overall Performance in Maintaining the City's Streets

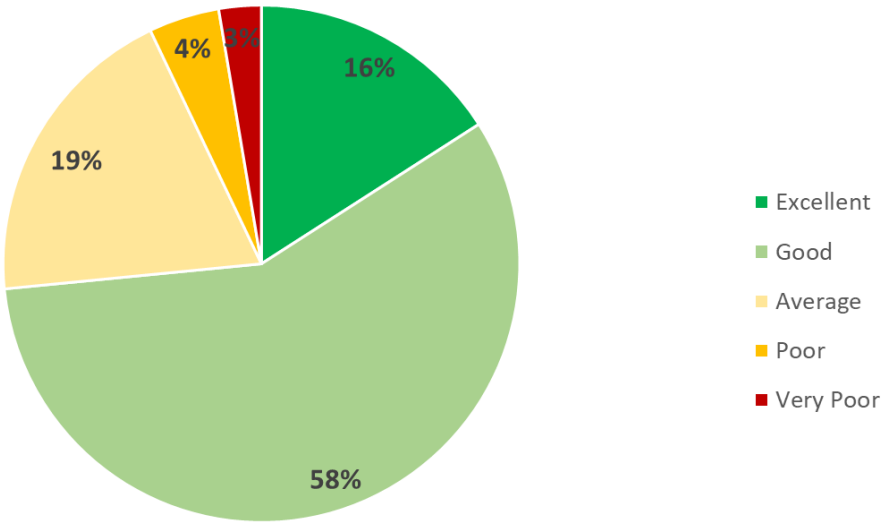
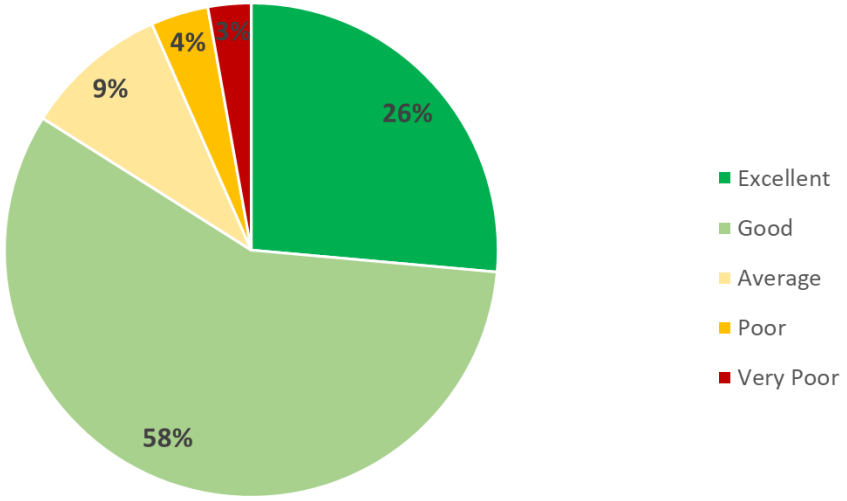


Figure 3.1-5: Overall Performance in Maintaining the Park Lands



More targeted questions were also asked with respect to the different user groups who utilise the transportation network (i.e. cyclists, pedestrians and motorists).

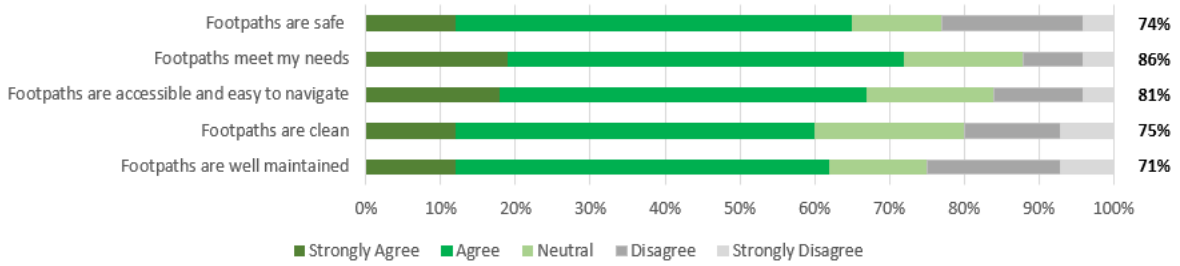
For each performance measure, a customer satisfaction indicator was calculated which represents the percentage of respondents who were satisfied with the service (neutral responses were omitted from the calculation). These figures can then be compared against CoA's organisation scorecard target of 70% satisfaction to identify where our services are not being delivered in line with community expectations.

The results for City Streets and Park Lands for pedestrian, cycling and motorist user groups are presented and discussed below.

City Streets – Pedestrian User Group

Generally, pedestrians were satisfied with the overall performance of the City's footpaths, where each of the-performance measures had satisfaction indicators exceeding CoA's 70% target, as shown in Figure 3.1-6 below.

Figure 3.1-6: City Streets - Pedestrian User Group Results



Where respondents stated they were not satisfied, general themes of the written feedback received included:

- More priority should be given to pedestrians at traffic lights to improve safety and reduce wait times
- Not all footpaths are accessible for those who have mobility aids
- More of the overall road reserve should be allocated to pedestrians (vehicle dominated)
- Some paved areas become slippery after significant rainfall events

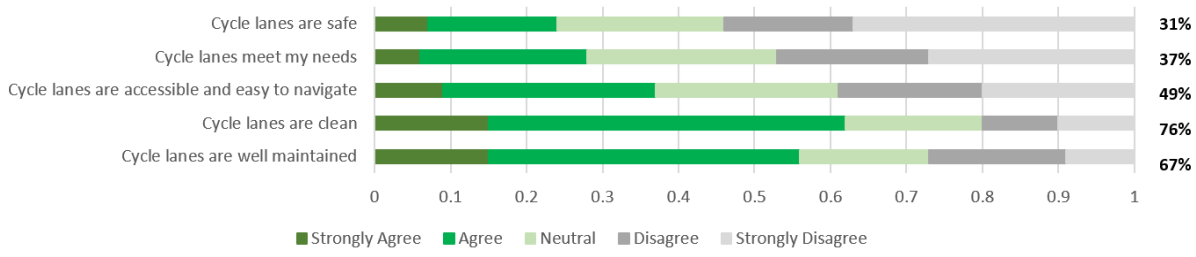
General themes in the feedback received from the Disability Access and Inclusion Panel included:

- A higher level of service is required for footpath maintenance and renewal programs to ensure footpaths are safe and accessible
- Undulating footpaths and steep crossfalls significantly limit accessibility
- Objects and clutter on footpaths significantly limit accessibility
- Footpath materials should consider surface temperature during hot weather for guide dogs
- Importance of pram ramp alignment and warning tactiles at intersections to ensure safe path of travel
- Some paved areas become slippery after significant rainfall events

City Streets – Cyclist User Group

Generally, cyclists were not satisfied with the performance/provision of cycling infrastructure in the City. Results identify that where cycling infrastructure exists, it is generally considered clean and well maintained. However, most satisfaction indicators were below CoA's 70% target, highlighting that the City's cycling infrastructure needs to be more accessible, easier to navigate, and safer to meet the needs of the community. The survey results are summarised in Figure 3.1-7 below.

Figure 3.1-7: City Streets - Cyclist User Group Results



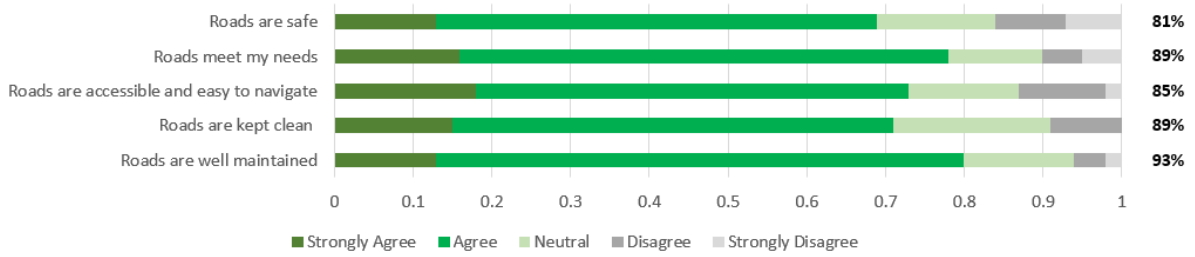
Where respondents stated they were not satisfied, general themes of the written feedback received included:

- There are currently not enough dedicated cycling lanes
- The cycling network is not well connected and often bike lanes end without warning
- Cycling lanes are often obstructed by trade and delivery vehicles
- Cycling lanes feel too close to parked cars
- There is a nervousness to cycle on roads due to the danger of cars
- Cyclists would feel safer riding in the City if there were more separated bike lanes

City Streets – Motorist User Group

Predominantly, motorists were satisfied with the overall performance of the City's roads, where each of the 5-performance measure had satisfaction indicators exceeding CoA's 70% target, as shown in Figure 3.1-8 below.

Figure 3.1-8: City Streets – Motorist User Group Results



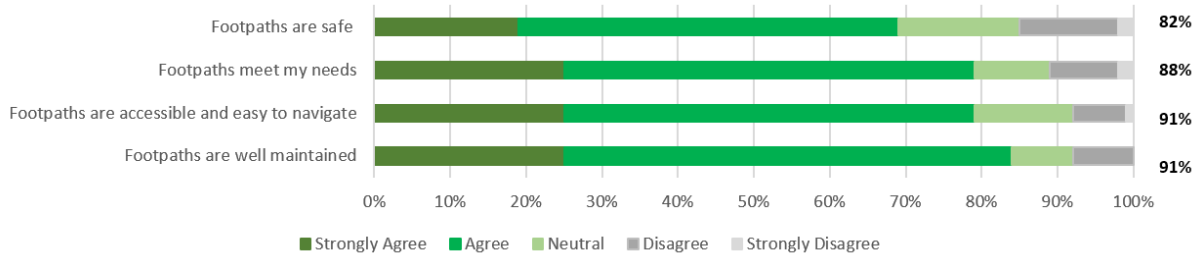
Where respondents stated they were not satisfied, general themes of the written feedback received included:

- Traffic congestion on specific main roads
- Difficultly in seeing linemarking when it rains
- Deterioration of bus lanes, particularly the Currie-Grenfell corridor (which has since been addressed through a capital works project in 2023)

Park Lands - Pedestrian User Group

Predominantly, pedestrians were satisfied with the overall performance of the Park Lands footpaths, where each of the performance measures had satisfaction indicators exceeding CoA's 70% target, as shown in Figure 3.1-9 below.

Figure 3.1-9: Park Lands - Pedestrian User Group



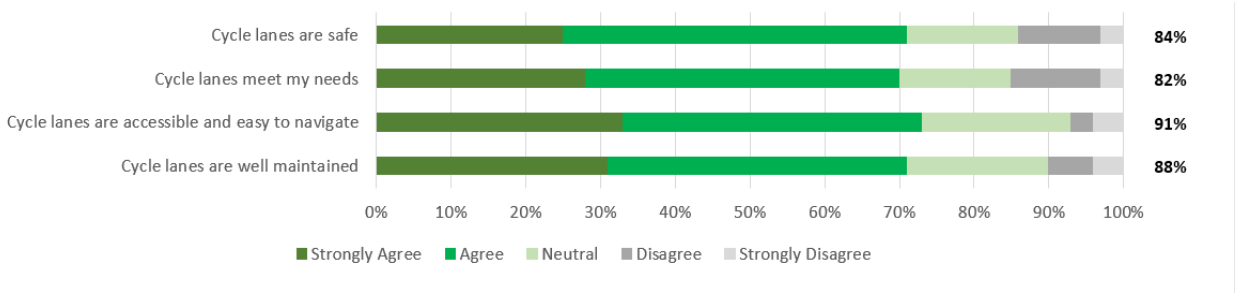
Where respondents stated they were not satisfied, general themes of the written feedback received included:

- Lighting is insufficient in certain locations leading to feeling unsafe at night
- Signage and wayfinding could be improved
- Wider shared use paths would facilitate a higher level of comfort

Park Lands - Cyclist User Group

Predominantly, cyclists were satisfied with the performance/provision of cycling infrastructure in the Park Lands, where each of the performance measures had satisfaction indicators exceeding CoA's 70% target, as shown in Figure 3.1-10 below.

Figure 3.1-10: Park Lands - Cyclist User Group



Where respondents stated they were not satisfied, general themes of the written feedback received were consistent with the pedestrian user group, which included:

- Lighting is insufficient in certain locations leading to feeling unsafe at night
- Signage and wayfinding could be improved
- Wider shared use paths would facilitate a higher level of comfort

Summary

The individual satisfaction indicators calculated for each user group have been grouped, averaged, and presented in Table 3.1 below to provide a high-level summary of the community's feedback with respect to our transportation assets. Feedback was not sought for bridge, traffic signal and kerb assets as experience has shown that the community typically generalise feedback against road, footpath and cycling infrastructure, and not against these ancillary assets. Additionally, traffic signals and bridges are managed through more technical intervention levels to ensure asset risk and service continuity are effectively managed.

Table 3.1: Consultation Summary Table

Category	Average Score	Very Poor (<40%)	Poor (40-54%)	Average (55-69%)	Good (70-85%)	Excellent (>85%)
City Street Roads	87 %					●
City Street Footpaths	77 %				●	
City Street Cycle Lanes	52 %		●			
Park Lands Footpaths	88 %					●
Park Lands Cycle Paths	87 %					●

The overall feedback confirmed appropriate levels of customer satisfaction for all transportation assets, with the exception of City Street Cycle Lanes. It is evident that there is a significant gap between current service provisions and the expectations of the community with respect to City Street cycling facilities. The community's view was that on-road cycling infrastructure needs to be more accessible, easier to navigate and safer, in order to better meet their needs.

It is anticipated that the completion of the Integrated Transport Strategy (currently under development in FY23/24) and the subsequent initiation, funding and delivery of key upgrade/new cycling infrastructure projects will over time incrementally bridge the gap between customer expectations and service provisions.

It is critical that the Transportation Asset Management Plan appropriately recognises the strategic direction set by the Integrated Transport Strategy, and a key action has been included within this Asset Management Plan's Improvement Plan (Section 8.2) to ensure it is reviewed and updated where required following Council adoption of the Integrated Transport Strategy.

A Recommended Levels of Service Report was presented to Council, with the recommendations approved in June 2022. This report noted the community consultation undertaken and the associated benchmarking of current user satisfaction. Additionally, Council also approved the development of the Transportation Asset Management Plan based on the planning principles and recommended management strategies presented within the report and its attachments.

3.2 Strategic Planning

Under the Local Government Act (SA) 1999, we are legislatively required to establish a suite of Strategic Management Plans, which guide Council's future planning, asset management and financial sustainability. An overview of these strategic management plans are shown below in Table 3.2-1:

Table 3.2-1: Strategic Management Documents

Strategic Plan Community	Long term with a four year delivery focus. Planning for the vision and aspirations of the Adelaide Capital City.
Long-Term Financial Plan Financial	Ten year Plan, revised annually to ensure a ten year view is maintained. Planning for the long-term financial sustainability of the City of Adelaide.
Asset Management Plans Infrastructure	Suite of ten year Plans. Planning for the sustainable renewal and maintenance of Council assets.
City Plan Development / Built Form	Ten year Spatial Plan. Planning for the future land uses and built form of the Adelaide Capital City.

Through the City of Adelaide Draft Strategic Plan 2024-2028, Council's vision is:

Our Adelaide. Bold. Aspirational. Innovative.

To ensure we can build on this vision for the future, our aspirations will guide our focus and delivery:

Our Community: Vibrant, connected and inclusive
Our Environment: Resilient, protected and sustainable
Our Economy: Growing, innovative and responsive
Our Places: Interesting, purposeful and safe
Our Corporation: High performing, customer-centric and bold

As Adelaide grows, we will need to consider economic vitality, social connectivity and wellbeing, distinctive precincts, environmental and financial sustainability, asset management and service delivery. To ensure we maintain our liveability and to support growth, these principles will underpin everything we do:

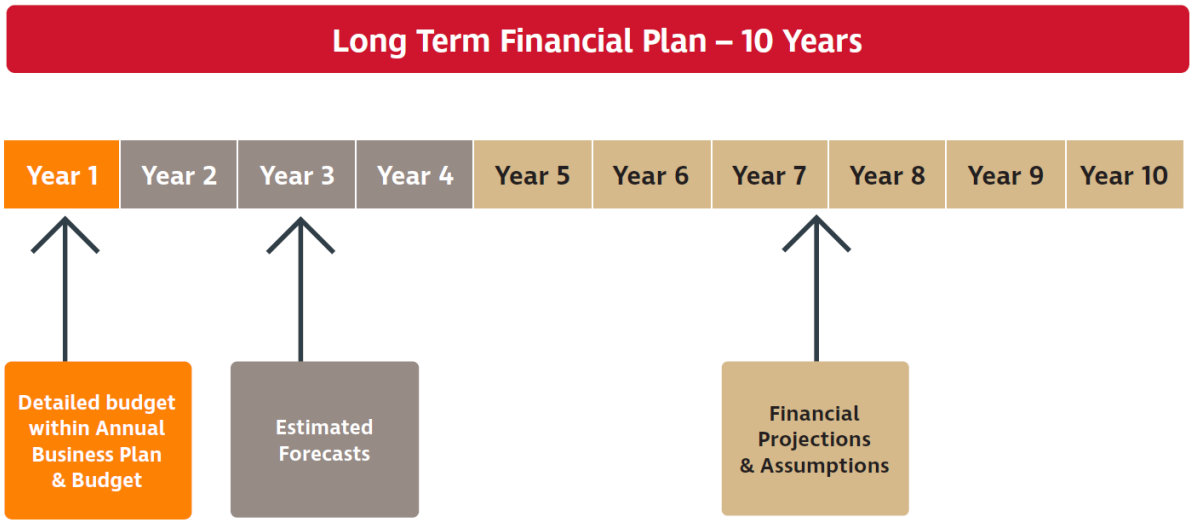
- Exceptional Amenity - Be bold and courageous in our pursuit of excellence for our city.
- Quality Housing - Strive for liveability and affordability to attract and retain residents.
- Community Connection - Strengthen connection, accessibility, diversity and inclusivity by putting people first.
- Unique Experiences - Create interesting experiences for our residents, workers and visitors.
- Climate Resilience - Embed climate resilience in all that we do.
- Economic Growth - Encourage innovation, investment and development in current and emerging sectors.
- Budget Repair - Provide quality services and ensure long-term financial sustainability

The Strategic Plan is supported by a suite of long and short-term strategies and action plans as well as a Resource Plan. The Resource Plan will provide a 4-year view of the projects, resources, and budgets required to deliver our Strategic Plan objectives. It informs the Long-Term Financial Plan (as shown in Figure 3.2) and acts as the key link between the Strategic Plan and Annual Business Plan & Budget, providing transparency between our vision and the key projects we deliver.

Integrated Delivery Planning ensures that prudent and efficient decisions are made, with line-of-sight between Council's Strategic Plan objectives and the major infrastructure projects we deliver. While this Asset Management Plan does not identify financial forecasts associated with new and upgrade projects, it does ensure required asset renewals are aligned (where practical) with key new and upgrade projects specified within the Resource Plan. Infrastructure projects will reference the Adelaide Design Manual for transformational projects supported by upgrade/new funding allocated with the Resource Plan and Long-Term Financial Plan.

Each year our annual business plan and budget formalises funding allocations to continue providing services and progress new projects. It enables existing projects to move from one delivery stage to the next (e.g. progress concept design to detailed design and detailed design to construction) as well as consider emerging risks and opportunities that may result from Council decisions, community requests or other external factors.

Figure 3.2: Long-Term Financial Plan



The relevant aspirations and objectives of the City of Adelaide Draft 2024-2028 Strategic Plan and how they are considered within this Asset Management Plan are summarised in Table 3.2-2.

Table 3.2-2: Strategic aspirations, objectives and outcomes and how these are considered in this Plan

Aspirations	Objectives	Outcomes	Asset Management Alignment
Our Communities *Vibrant, connected and inclusive*	Support our communities thrive Create fun, lively and interesting experiences Celebrate and honour community and cultures	Drive housing outcomes that attract and retain residents in our city Foster connection, learning and wellbeing, making Adelaide an interesting and comfortable place to live and visit Be an inclusive and welcoming community	• Create welcoming civic infrastructure that enables City growth and fosters community connections through the adoption of universal and sustainable design principles • Create enabling infrastructure to support world class events, festivals and activation • Support the development of new cultural and civic infrastructure • Deliver key infrastructure projects and programs outlined within the Disability Access and Inclusion Plan • Deliver asset renewal and asset maintenance programs to ensure our assets are safe for people of all ages and abilities
Our Environment *Resilient, protected and sustainable*	Be climate conscious and resilient Prioritise sustainability in our decisions for the future Protect, enhance, and activate our Park Lands and open space	Lead as a Low Carbon Emissions City Be a sustainable climate resilient city and embed climate resilience in all that we do Be active in the promotion of the status, attributes and character of our green spaces and the Park Lands by protecting and strengthening their integrity and value	• Increase the use of recycled or sustainable materials • Implement sustainable, renewable and green systems, infrastructure, practices and materials in our projects and services • Adapt to climate change and enhancing our climate resilience through upgrading our existing assets and creating new assets • Ensure all asset investment (design, construct and maintenance) considers and embeds appropriate climate resilience measures • Enhance the environmental value, productivity, quality and biodiversity of the Park Lands, squares, open space and streetscapes • Protect and restore native habitat in our city • Increase in tree canopy cover and green spaces
Our Economy *Growing, innovative and responsive*	Continue to grow our economy in alignment with the Community Support existing businesses to be agile and responsive to change Create strong skilled workforces	Adelaide's unique experiences and opportunities attract visitors to our city Grow the economy to achieve a critical mass of jobs, investment and attract and retain businesses Create new Council driven development opportunities for our community via diverse commercial activities	• Deliver infrastructure upgrade projects to attract increased visitation into the City and promote business development and economic growth • Explore project partnership opportunities with State Government, developers and other third-parties
Our Places *Interesting, purposeful and safe*	Manage assets to meet the needs of our community Encourage bold, interesting and purposeful development Facilitate and activate our places in a safe and accessible way for our community	Our community assets are adaptable and responsibly maintained Encourage bold, interesting and purposeful development Responsibly deliver regulatory services and work with partners to create safe, inclusive and healthy places for our community	• Deliver asset renewal and asset maintenance programs to ensure our assets are safe for people of all ages and abilities • Ongoing review of asset management strategies and technical standards to optimise whole-of-life costs • Continue to undertake regular condition audits and revaluation for all our transportation assets within the nominated 4-year cycles, including regular review of asset useful lives • Deliver Main Street and precinct revitalisation upgrades • Deliver Park Land and Streetscape improvements to cater for emerging community needs • Improve accessibility and connectivity for pedestrians, cyclists, and public transport users through delivering key projects from the integrated transport strategy (under development) • Preserve and promote heritage assets • Maintain and improve disability access and inclusion

3.3 Legislative Requirements

There are many legislative requirements relating to the management of infrastructure assets including Australian Legislation, State Legislation and State Regulations. Legislative requirements relevant to the Transportation Asset Management Plan are outlined in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
Aboriginal Heritage Act 1988	An Act to provide for the protection and preservation of the Aboriginal heritage
Adelaide Park Lands Act 2005	An Act and Framework that promotes the special status, attributes, and character of the Adelaide Park Lands; to provide for the protection of those Park Lands and their management as a world class asset to be preserved as an urban park for the benefit of present and future generations
Australian Accounting Standards	Standards that set out the financial reporting standards relating to the revaluation and depreciation of assets
Australian Standards	All of Council's infrastructure projects are undertaken in accordance with Australian Standards, or in the absence of, best practice guidelines
Australian Road Rules 1999	The Australian Road Rules have been made into regulations under the Road Traffic Act (South Australia) and came into operation throughout Australia on 1 December 1999
City of Adelaide Act 1998	An Act to establish mechanisms to enhance the role of the city of Adelaide as the capital city of South Australia; to make special provision in relation to the local governance of the city of Adelaide; and for other purposes
Civil Liability Act 1936	An Act to outline liability of road authorities under Section 42
Code of Technical Requirements (Part 2)	Outlines the design and construction parameters to which traffic management devices must comply.
Development Act 1993	An Act to provide for planning and regulate development in the state; to regulate the use of management of land and building; and for other purposes
Disability Discrimination Act 1992	An Act to provide protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people
Environmental Protection Act 1993	An Act to provide for the protection of the environment: to establish the Environmental Protection Authority and define functions and powers and for other purposes

Highways Act 1926	An Act to provide for the appointment of a Commissioner of Highways and to make further and better provisions for the construction and maintenance of roads and works and for other purposes
Linear Parks Act 2006	An Act to provide the protection of the River Torrens Linear Park, as world-class assets to be preserved as public parks for the benefit of present and future generations
Local Government Act 1999	An Act to set out the role, purpose, responsibilities, and powers of local governments including the preparation of a Long-Term Financial Plan supported by asset management plans for sustainable service delivery
Roads (Opening and Closing) Act 1991	An Act to provide for the opening and closing of roads and allows for formalisation of roadway status
Road Traffic Act 1961	An Act to prescribe the duties of road users; to provide for nationally consistent road rules; to provide for vehicle standards, mass, and loading requirements; to provide for the installation, use, and maintenance of traffic control devices; to provide for the closing of roads for traffic management and other purposes
State Records Act 1997	An Act to ensure Local Government's record and store all relevant information as set out by the State Government of South Australia
Work Health and Safety Act 2012	Provides minimum standards for health and safety of individuals performing works

3.4 Customer Levels of Service

Customer Levels of Service measure how the community receives a service and whether the organisation is providing community value. Levels of service are monitored and adjusted from the public consultation process, customer satisfaction surveys and customer service centre feedback.

The Customer Levels of Service are considered in terms of:

Quality How good is the service … what is the condition or quality of the service?

Function Is it suitable for its intended purpose …. Is it the right service?

Capacity Is the service over or under used … do we need more or less of these assets?

In Tables 3.4 under each of the service measures types (Quality, Function, Capacity) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 3.4.a-b: Customer Level of Service Measures (Roads, includes Kerb and Watertable)

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Current Budget
Quality	Condition - Roads are free from hazards and are in a condition appropriate for use	Customer service requests relating to reported road hazards	2022 - 105 requests Past 4 years – average 124/year	Customer service requests are expected to increase as the road network deteriorates
		Customer service requests relating to reported kerbing defects	2022 - 18 requests Past 4 years – average 14/year	Customer service requests are expected to increase as the kerb network deteriorates
		Customer satisfaction rating from survey results relating to road maintenance	Cyclists - 67% Motorists – 93%	Customer satisfaction ratings are expected to decrease as the road network deteriorates
	Confidence levels		**Medium**	**Medium**
	Amenity - Roads are clean and free of debris and rubbish	Customer service requests relating to reported road cleanliness issues	2022 - 165 requests Past 4 years – average 163/year	Customer service requests are expected to stay the same
		Customer satisfaction survey results relating to road cleanliness	Cyclists - 76% Motorists - 89%	Customer satisfaction ratings are expected to stay the same
	Confidence levels		**Medium**	**Medium**
Function	Accessibility - Road network is well connected and accessible allowing for efficient movements	Customer satisfaction surveys relating to road accessibility	Cyclists – 49% Motorists – 85%	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**Medium**	**Medium**
	Fit for Purpose - Road network provides adequate facilities to enable multi-modal transport options (buses, cyclists)	Customer service requests relating to unsatisfactory on-road cycling facilities	2022 - 27 requests Past 4 Years – average 23/year	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
		Customer satisfaction surveys relating to road infrastructure meeting user needs	Cyclists – 37% Motorists – 89%	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**Medium**	**Medium**
	Safety – Road network accommodates safe movements of vehicles and cyclists	Number of incidents reported in road crash data within City of Adelaide	2022 – 549 incidents Past 4 Years - average 607/year	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
		Customer satisfaction surveys relating to road safety	Cyclists – 31% Motorists –81%	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**Medium**	**Medium**
Capacity	Capacity – Roads network has adequate capacity to minimise traffic congestion and delays	Customer service requests relating to congestion and delays.	2022 - 151 requests Past 4 years – average 186/year	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**Medium**	**Medium**

Table 3.4.c: Customer Level of Service Measures (Footpaths)

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Current Budget
Quality	Condition – Footpaths are free from hazards and are in a condition appropriate for use	Customer service requests relating to reported footpath and cycle path hazards	2022 – 164 requests Past 4 years – average 181/year	Customer service requests are expected to increase as the footpath network deteriorates
		Customer satisfaction survey results relating to footpath and cycle path maintenance	Pedestrians – 81% * Cyclists – 88% ^	Customer satisfaction ratings are expected to decrease as the footpath network deteriorates
	Confidence levels		**Medium**	**Medium**
	Amenity - Footpaths are clean and free of debris and rubbish	Customer service requests relating to reported footpath cleanliness	2022 – 181 requests Past 4 years – average 265/year	Customer service requests are expected to stay the same
		Customer satisfaction survey results relating to footpath cleanliness	Pedestrians - 76%	Customer satisfaction ratings are expected to stay the same
	Confidence levels		**Medium**	**Medium**
Function	Accessibility - Footpath network is well connected and accessible to users allowing for efficient movements	Customer satisfaction surveys relating to footpath accessibility	Pedestrians - 86% * Cyclists – 91% ^	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**Medium**	**Medium**
	Fit for Purpose - Footpath network provides adequate facilities to enable multi-modal transport options (pedestrians, cyclists, public transport interchange)	Customer satisfaction surveys relating to footpath infrastructure meet user needs	Pedestrians – 87% * Cyclists – 82% ^	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**Medium**	**Medium**
	Safety – Footpath network accommodates safe movements of pedestrians and cyclists	Customer satisfaction surveys relating to footpath and cycle path safety	Pedestrians - 78% * Cyclists – 84% ^	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**Medium**	**Medium**
Capacity	Capacity – Footpath network has adequate capacity to minimise congestion and delays	Customer service requests relating to congestion	2022 – 12 requests Past 4 years average – 20 per year	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**Medium**	**Medium**

* Customer satisfaction index represents average scores from City Streets and Park Lands indices
^ Customer satisfaction index represents scores from Park Lands only

Table 3.4.d: Customer Level of Service Measures (Bridges)

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Current Budget
Quality	Condition - Bridges are free from hazards and are in a condition appropriate for use	Customer service requests relating to reported bridge hazards and maintenance	2022 - 3 requests Past 4 years – average 6/year	Customer service requests are expected to increase as the bridge network deteriorates
	Confidence levels		**Medium**	**Medium**
	Amenity - Bridges are clean and free of debris, rubbish, and graffiti	Customer service requests relating to reported bridge cleanliness issues, including graffiti	2022 - 34 requests Past 4 years – average 20/year	Customer service requests are expected to remain the same
	Confidence levels		**Medium**	**Medium**
Function	Accessibility - Bridge network enables access to provide for efficient movements	Customer service requests relating to bridge accessibility	2022 - 0 requests Past 4 years – average 3/year	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**Medium**	**Medium**
	Safety – Bridge network accommodates safe movements of vehicles and cyclists	Customer service requests relating to reported bridge safety incidents	2022 - 0 requests Past 4 years – average 1/year	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**Medium**	**Medium**
Capacity	Structural Capacity – Bridge assets have adequate load capacity to cater for demand	Customer service requests relating to incompatible loadings with signed load limits	2022 - 2 requests Past 4 years – average 2/year	Customer service requests are expected to remain the same
	Confidence levels		**Medium**	**Medium**

Table 3.4.e: Customer Level of Service Measures (Traffic Signals)

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Current Budget
Quality	Condition – Traffic Signals are operational and are in a condition appropriate for use	Customer service requests relating to traffic signal faults and maintenance issue	2022 – 55 requests Past 4 years average - 54/year	Customer service requests are expected to increase as the traffic signal network deteriorates
	Confidence levels		**Medium**	**Medium**
Function	Fit for Purpose – Signalised Intersections have the functionality to enable efficient movements for all modes of transport (e.g. pedestrians, cyclists, public transport, private vehicles)	Customer service requests relating to signal optimisation and timing/sequencings issues	2022 – 59 requests Past 4 years average - 21/year	Expected to gradually decrease over time as system optimisation improvements are implemented
		Percentage of signalised intersection connected to SCATS Network, to enable optimised sequencing based off demand	94%	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**High**	**High**
Capacity	Capacity – Appropriate number of signalised intersection/crossing sites to meet demand	Customer service requests relating to new signalised intersection and crossing locations	2022 – 8 requests Previous 4 years average – 2/year	Subject to Council adoption of upgrade/new projects through Business Plan and Budget
	Confidence levels		**Medium**	**Medium**

3.5 Technical Levels of Service

To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a stormwater pipe with a larger size) or a new service that did not exist previously (e.g. a new library)
- **Operation** – the regular activities to provide services (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. road patching, unsealed road grading, building and structure repairs)
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. road resurfacing and pavement reconstruction, stormwater pipe replacement and building component replacement)
- **Disposal** – the activities to remove and/or dispose of an asset that may be considered as underperforming, underutilised or obsolete

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.[3]

Table 3.5 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this Asset Management Plan.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

[3] IPWEA, 2015, IIMM, p 2|28.

Table 3.5.a-b: Technical Levels of Service (Roads, includes Kerb and Watertable)

Lifecycle Category	Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance	Recommended Performance
Acquisition (upgrade/new)	Upgrade / New Projects	To upgrade and further develop the road network to ensure it safe, fit-for-purpose and meets the needs of the community	Delivery of key upgrade/new projects	Upgrade/new projects aligned to Strategic Plan objectives are initiated through the Business Plan and Budget process on an annual basis, where projects are evaluated and prioritised based on strategic alignment and financial capacity.	Upgrade/new projects aligned to Strategic Plan objectives are informed by City Plan, with financial requirements accommodated into the Long-Term Financial Plan. Initiatives are confirmed to proceed annually through the Business Plan and budget process.
			Budget:	As adopted annually in BP&B	To be developed
Operation	Condition Audits	To collect asset condition data to inform capital renewal planning and revaluation	Frequency of full condition audit of road network	Every 4 years	Every 4 years
	Street Sweeping	To ensure roads are clean and free of debris	Street sweeping frequency	Category 1 – Swept Daily Category 2 – Swept Weekly Category 3 – As required based on inspection	To be reviewed with planned updates to operations and maintenance standards
	Line Marking Reapplication	To ensure road markings are visible and enable safe travel movements	Completion of line marking reapplication works	Line marking works are completed following performance-based inspections	To be reviewed with planned updates to operations and maintenance standards
			Budget	Condition Audits –$300,000 (every 4 years) Street Sweeping – $980,000 Line Marking – $530,000	To be reviewed with planned updates to operations and maintenance standards
Maintenance	Maintenance Audits	To ensure road defects are proactively identified and prioritised	Frequency of road network maintenance audits	Category 1 – 6 Monthly Category 2 – 12 Monthly Category 3 – 18 Monthly	To be reviewed with planned updates to operations and maintenance standards
	Maintenance Activities	To ensure roads are maintained in a serviceable condition free of hazards	Completion of planned and reactive maintenance	Maintenance works are delivered based on priority (location and severity) with consideration of available budget	To be reviewed with planned updates to operations and maintenance standards
			Budget	Road Maintenance - $1,040,000 Kerb Maintenance - $465,000	To be reviewed with planned updates to operations and maintenance standards
Renewal	Renewal Projects	To ensure assets are renewed, providing service in line with community expectations at lowest lifecycle costs	% road and kerb assets in condition 4 & 5	Condition 4 - 7% Condition 5 - 0%	Condition 4 – less than 5% Condition 5 – 0%
			Asset renewal funding ratio	90% (existing Asset Management Plan)	100% (assuming budget is adopted)
			Budget	Roads - $5,850,000 Kerb -$1,846,000	Roads - $9,500,000 (10 Year Average) Kerb - $3,078,500 (10 Year Average)
Disposal	Disposals Projects	To ensure that assets that may be underperforming, underutilised or obsolete are removed from service.	Disposal of assets	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget
			Budget	As adopted annually in BP&B	As adopted annually in BP&B

Table 3.5.c: Technical Levels of Service (Footpaths)

Lifecycle Category	Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance	Recommended Performance
Acquisition (upgrade/new)	Upgrade / New Projects	To upgrade and further develop the footpath and cycleway network to ensure it safe, fit-for-purpose and meets the needs of the community	Delivery of key upgrade/new projects	Upgrade/new projects aligned to Strategic Plan objectives are initiated through the Business Plan and Budget process on an annual basis, where projects are evaluated and prioritised based on strategic alignment and financial capacity.	Upgrade/new projects aligned to Strategic Plan objectives are informed by City Plan, with financial requirements accommodated into the Long-Term Financial Plan. Initiatives are confirmed to proceed annually through the Business Plan and budget process.
			Budget:	As adopted annually in BP&B	To be developed
Operation	Condition Audits	To collect asset condition data to inform capital renewal planning and revaluation	Condition audit frequency of entire footpath network	Every 4 years	Every 4 years
	Footpath Sweeping	To ensure footpaths are clean and free of debris	Footpath sweeping frequency	Category 1 – Swept Daily Category 2 - Swept Weekly Category 3 – Informed by daily inspections	To be reviewed with planned updates to operations and maintenance standards
	Footpath Scrubbing	To ensure footpaths are clean and free of debris	Footpath scrubbing frequency	Category 1 - Scrubbed daily Category 2 – Scrubbed twice a week Category 3 – Scrubbed once a week Category 4 – Scrubbed once a fortnight Category 5 – Informed by daily inspections	To be reviewed with planned updates to operations and maintenance standards
			Budget	Condition Audits – $150k (every 4 years) Footpath Scrubbing - $480,000 Footpath Sweeping - $980,000	To be reviewed with planned updates to operations and maintenance standards
Maintenance	Maintenance Audits	To ensure footpath defects and line marking requirements are proactively identified and prioritised.	Frequency of footpath network maintenance audits	Category 1 – 6 Monthly Category 2 – 12 Monthly Category 3 – 18 Monthly	To be reviewed with planned updates to operations and maintenance standards
	Maintenance Activities	To ensure footpaths are maintained in a serviceable condition free of hazards	Completion of planned and reactive maintenance	Maintenance works are delivered based on priority (location and severity) with consideration of available budget	To be reviewed with planned updates to operations and maintenance standards
			Budget	Footpath Maintenance - $1,640,000	To be reviewed with planned updates to operations and maintenance standards
Renewal	Renewal Projects	To ensure assets are renewed, providing service in line with community expectations at lowest lifecycle costs	% paths in condition 4 & 5	Condition 4 - 1 % Condition 5 - 0 %	Condition 4 – less than 5% Condition 5 - 0 %
			Asset renewal funding ratio	90% (existing Asset Management Plan)	100% (assuming budget is adopted)
			Budget	$5,174,000	$9,850,000 (10 Year Average)
Disposal	Disposals Projects	To ensure that assets that may be underperforming, underutilised or obsolete are removed from service.	Disposal of assets	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget
			Budget	As adopted annually in BP&B	As adopted annually in BP&B

Table 3.5.d: Technical Levels of Service (Bridges)

Lifecycle Category	Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance	Recommended Performance
Acquisition (upgrade/new)	Upgrade / New Projects	To upgrade and further develop the bridge network to ensure it safe, fit-for-purpose and meets the needs of the community	Delivery of key upgrade/new projects	Upgrade/new projects aligned to Strategic Plan objectives are initiated through the Business Plan and Budget process on an annual basis, where projects are evaluated and prioritised based on strategic alignment and financial capacity.	Upgrade/new projects aligned to Strategic Plan objectives are informed by City Plan, with financial requirements accommodated into the Long-Term Financial Plan. Initiatives are confirmed to proceed annually through the Business Plan and budget process.
			Budget:	As adopted annually in BP&B	To be developed
Operation	Condition Audits	To collect asset condition data to inform capital renewal planning and revaluation	Condition audit frequency of all bridges	Level 2 Inspection: - Every 4 years Level 1 Inspection – Every Year Increased frequency for assets approaching end of serviceable life	Level 2 Inspection: - Every 4 years Level 1 Inspection – Every Year Increased frequency for assets approaching end of serviceable life
			Budget	Condition Audits – $250,000 (every 4 years)	Condition Audits – $250,000 (every 4 years)
Maintenance	Maintenance Audits	To ensure bridge defects are proactively identified and prioritised	% of bridge network audited on an annual basis	100%	100%
	Maintenance Activities	To ensure bridges are maintained in a serviceable condition free of hazards	Completion of planned and reactive maintenance	Maintenance works are delivered based on recommendations from engineering inspections	Maintenance works are delivered based on recommendations from engineering inspections
			Budget	$230k	Determined on an annual basis
Renewal	Renewal Projects	To ensure assets are renewed, providing service in line with community expectations at lowest lifecycle costs	% of bridges in condition 4 & 5	Condition 4 - 30% Condition 5 - 0 %	Condition 4 – 0% Condition 5 – 0%
			Asset renewal funding ratio	90% (existing Asset Management Plan)	100% (assuming budget is adopted)
			Budget	$2,159,000	$7,262,000 (10 Year Average)
Disposal	Disposals Projects	To ensure that assets that may be underperforming, underutilised or obsolete are removed from service.	Disposal of assets	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget
			Budget	As adopted annually in BP&B	As adopted annually in BP&B

Table 3.5.e: Technical Levels of Service (Traffic Signals)

Lifecycle Category	Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance	Recommended Performance
Acquisition (upgrade/new)	Upgrade / New Projects	To upgrade and further develop the traffic signal network to ensure it safe, fit-for-purpose and meets the needs of the community	Delivery of key upgrade/new projects	Upgrade/new projects aligned to Strategic Plan objectives are initiated through the Business Plan and Budget process on an annual basis, where projects are evaluated and prioritised based on strategic alignment and financial capacity.	Upgrade/new projects aligned to Strategic Plan objectives are informed by City Plan, with financial requirements accommodated into the Long-Term Financial Plan. Initiatives are confirmed to proceed annually through the Business Plan and budget process.
			Budget:	As adopted annually in BP&B	To be developed
Operation	Condition Audits	To collect asset condition data to inform capital renewal planning and revaluation	Full condition audit of traffic signal network	Every 4 years	Every 4 years
	SCATS Management Service	Ongoing management service with DIT to manage traffic signals operations through SCATS	Managed service is provided by DIT in accordance with agreement.	Managed service is provided by DIT in accordance with agreement.	Managed service is provided by DIT in accordance with agreement.
	Power Supply	Utility costs associated with providing power to operate signalised intersections	Ongoing power supply to operate traffic signals	Ongoing power supply to operate traffic signals	Ongoing power supply to operate traffic signals
			Budget	Condition Audits: $250,000/4yrs SCATS Fee: $422,000/Year Power Supply : $104,000/Year	Condition Audits: $250,000/4yrs SCATS Fee: $422,000/Year Power Supply : $104,000/Year
Maintenance	Maintenance Audits	To ensure Traffic Signal Network defects are proactively identified prior to faults occurring.	Maintenance inspections of traffic signal network	Each site inspected every 6 months	To be reviewed with planned updates to operations and maintenance standards
	Maintenance Activities	To ensure traffic signals are maintained in a serviceable condition free of hazards to enable reliable and ongoing service provision	Planned and reactive maintenance works are complete within contracted KPI timeframes	Priority 1 – make safe within 1 hour Priority 2 – rectify within 1 working day Priority 3a – rectify within 5 working days Priority 3b – rectify within 10 working days	To be reviewed with planned updates to operations and maintenance standards
			Budget	$496,000	To be reviewed with planned updates to operations and maintenance standards
Renewal	Renewal Projects	To ensure assets are renewed, providing service in line with community expectations at lowest lifecycle costs	% of traffic signal network in condition 5	22%	Less than 5 %
			Asset renewal funding ratio	90% (existing Asset Management Plan)	100% (assuming budget is adopted)
			Budget	$2,255,000	*$3,860,00 (10 Year Average)*
Disposal	Disposals Projects	To ensure that assets that may be underperforming, underutilised or obsolete are removed from service.	Disposal of assets	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget	Major assets are recommended for disposal through Council decision, with financial requirements identified and incorporated through the Business Plan and Budget
			Budget	As adopted annually in BP&B	As adopted annually in BP&B

4.0 FUTURE DEMAND

4.1 Demand Drivers

The drivers affecting demand on assets include population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, and environmental impacts.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can also include non-asset solutions with a focus on providing the required service without the need for the organisation to invest in new or upgraded infrastructure. Management actions could include reducing the demand for the service or educating users around alternative options. It is important to ensure that these strategies consider the associated risks and consequences.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this Asset Management Plan.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
City Growth	2021 Statistics: Residents - 25,551 Businesses – 11,519 Daily Visitors – 321,500	2041 Forecast: 46,000 residents 2036 Target: 50,000 residents Anticipated ongoing business growth in line with residential city growth and South Australian State growth projections Anticipated daily visitor growth in line with South Australian State growth projections	City growth will place increasing demands on transportation infrastructure, with growing volumes of pedestrians, motorists, cyclists, and public transport users using the network to get into and around the City. This will result in increased level of service expectations as well as competing demands for the services provided by our transportation assets (e.g. off street parking, pedestrian, cycling and public transport infrastructure).	Delivery of prioritised upgrade/new projects identified in the Strategic Plan and key Corporate planning documents (referenced in Section 2.1) to enhance the transportation network and accommodate city growth through upgrading existing assets and creating new assets to align service provision with the evolving needs of the community. This Asset Management Plan will ensure asset renewals will consider and align where practical with these key upgrade/new initiatives.
Changing Demographic	2021 Statistics 0 to 11 Years 1,246 (5%) 12 to 17 Years 587 (2%) 18 to 34 Years 12,117 (51%) 35 to 49 Years 4,409 (19%) 50 to 59 Years 2,281 (10%) 60 to 69 Years 2,233 (10%) 70 Years & Above 2,633 (3%)	2041 Forecast 0 to 11 Years 2,633 (6%) 12 to 17 Years 1,501 (3%) 18 to 34 Years 21,771 (47%) 35 to 49 Years 8,933 (19%) 50 to 59 Years 4,272 (9%) 60 to 69 Years 3,274 (7%) 70 Years & Above 4,175 (9%)	Changing expectations from a culturally and demographically diverse customer base will result in our transportation network being subject to new demands. This will result in competing demands for the services provided by our transportation assets (e.g. parking, cycling, public transport) and with a forecast aging population, there will be increasing demands for higher levels of service to ensure transportation infrastructure is safe, accessible and well connected for people of all ages and abilities.	Ongoing engagement with city users through annual City User Profile surveys, and ensuring that Strategic Documents are updated on a cyclic basis to reflect changes with community expectations. Delivery of prioritised upgrade/new projects identified in the Strategic Plan and key Corporate planning documents (referenced in Section 2.1) to align service provision with the evolving needs of the community. This Asset Management Plan will ensure asset renewals will consider and align where practical with these key upgrade/new initiatives.
Tourism & Event Growth	A key objective in Council's 2023-24 Business Plan and Budget was to provide 'year round' events that attract people to visit the City. Investment in public infrastructure has also been identified as part of the South Australian Tourism Plan (2020) and the SA Visitor Economy Sector Plan 2030. In 2020 annual tourism expenditure in Adelaide was estimated to be approximately $3.9 billion	Cultural and event infrastructure will be an ongoing and increasing priority for both the City of Adelaide and South Australian State Government. It is projected that annual tourism expenditure will continue to grow and it is estimated to be $7.7 billion/year by 2030.	Increasing demands on transportation infrastructure to facilitate tourism and event growth by supporting new cultural, civic and event infrastructure in the City and connecting city users to place through curated city experiences.	Delivery of prioritised upgrade/new projects identified in the Strategic Plan and key Corporate planning documents (referenced in Section 2.1) to support tourism and event growth. This Asset Management Plan will ensure asset renewals will be consider and align where practical with these key upgrade/new initiatives.

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Environmental Sustainability & Carbon Neutrality	Changes to the global climate (climate change) are clear. There are documented increases in the average air and ocean temperature, widespread melting of snow and ice, and rising average sea levels. City of Adelaide's 2020-2024 Strategic Plan has an objective to become one of the world's first carbon neutral cities by 2025. Additionally, a Climate Action Plan (2022-2025) has been developed to ensure we continue to drive down our carbon footprint and mitigate climate impacts for our residents and visitors. Currently City of Adelaide include recycled materials in transportation projects, where there is demonstrated environmental benefits that also consider cost and performance.	Inaction to climate change and climate risk will result in negative health impacts to our community and potentially impact to our businesses and economy. Reduced water availability and increasing heat will result in increased stress and resources required for maintaining and operating our assets. To effectively manage climate change and climate risk Council will need to continue to respond through substantial reductions in greenhouse gases (mitigation controls) and helping to prepare for and respond to the changing climate (adaptation controls).	There will be an increased demand to ensure we utilise more environmentally sustainable materials and construction techniques for transportation projects, with lower carbon footprint and improved circular economy outcomes. Additionally, there will also be increasing community demand for improved public transport services and cycling infrastructure to support active modes of transport with reduced carbon emissions. The increasing uptake in electric vehicle usage for both public transport and private commuter vehicles, will place additional demand on the structural capacity of our pavements and bridges, due to increased vehicle loadings associated with more substantial battery mass.	Our Strategic Planning, Asset Management and Project Delivery (including design and procurement) will continue to focus on ensuring that climate risk mitigation and adaption is a key focus. Ongoing reviews and updates to our design standards and technical specifications to ensure our assets transition towards having a lower carbon footprint with improved circular economy outcomes, as well as ensure they are more resilient to withstand extreme weather events. Delivery of prioritised upgrade/new projects identified in the Strategic Plan and key corporate planning documents (referenced in Section 2.1), which support environmental sustainability and climate risk mitigation and adaptation. This Asset Management Plan will ensure asset renewals will consider and align where practical with these key upgrade/new initiatives.
Emerging Technology	Asset construction techniques and associated materials are currently undertaken in line with industry standards	Alternative construction techniques and materials with durability and sustainability benefits will continue to become more readily available and standardised.	Improvements in construction techniques and materials could result in improved asset durability, increased asset lifespans, reduced whole-of-life costs and improved environmental outcomes.	Continue to partner with industry, to monitor and evaluate new and emerging technologies, with trials of new materials, approaches, and methodologies to inform appropriate changes to standards and practices.
	Asset management systems and condition audit methodologies are in line with industry standards and best practice.	Asset management systems and technology will continue to evolve over time, particularly with respect to the collection of condition data and monitoring of asset deterioration over time.	Improved asset information and systems will enable improved decision making and efficiencies with respect to optimising whole-of-life-costs and managing asset risks.	
	Intelligent transport systems are currently used to control traffic signals and manage traffic flow to enhance the efficiency of our transportation network.	Intelligent transport systems are continually being developed and enhanced. It is anticipated they will provide further opportunities to optimise communications and connections between transportation and people through artificial intelligence, smart technologies, mobility solutions and driverless vehicles.	Enhancements to intelligent transport systems will introduce efficiencies into the transportation network, and potentially result in new and enhanced services being provided through emerging technologies.	
Legislation & Regulation	Legislation exists which outlines requirements for how Council's must manage infrastructure assets.	There is potential for future changes to legislation will influence how Council's infrastructure is managed.	New legislation may impose or require changes to asset management planning principles and activities. They may include requirements that have a financial and/or service level impact that must be met.	Continue to monitor changes to legislation and ensure appropriate adaptation into asset management practices. Any material impacts would be considered as part of the Annual Business Plan and Budget process and included in the next revision of the Asset Management Plan.

4.4 Asset Programs to meet Demand

The new assets required to meet demand will be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit City of Adelaide to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs.

All upgrade/new projects responding to demand will involve developing business cases, cost estimates and facilitating decision making to integrate upgrade/new project initiatives with operational asset management planning and the Long-Term Financial Plan. This process will be facilitated with Council and the Community through the Annual Business Plan & Budget Process.

4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts. As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5

Table 4.5 Managing the Impact of Climate Change on Transportation Assets and Services

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Increasing temperatures and more frequent, long-running and intense heatwaves	The number of days over 40°C to double by 2050 Average temperatures to increase across all seasons by between 1.5°C and 2°C by 2050	Increased heat related damage to assets including bitumen softening, accelerated asphalt oxidisation and concrete cracking. Reduced lifespan of transportation assets Increased costs to provide the same level of service Premature obsolescence as functionality is not met	Strategic Planning, Asset Management and Project Delivery (including design and procurement) will continue to focus on ensuring that climate risk mitigation and adaption is a key focus. Mitigation and adaptation measures will include: • Ongoing reviews and updates to our design standards and technical specifications to ensure our assets transition towards having a lower carbon footprint with improved circular economy outcomes as well as ensure they are more resilient to withstand extreme heat events • Proactively reviewing our asset management strategies with respect to the impacts of climate change, to ensure we continue to provide the agreed level of service at the lowest lifecycle cost • Reducing the impacts of heat through increasing canopy cover and providing additional rest and refuge areas for the community
Less rain overall but more intense storms and flooding	Average annual rainfall to decrease by 7% by 2050 Intensity of heavy rainfall events to increase by at least 10% by 2050	Increased stormwater related damage to assets including earth, rubble and concrete erosion resulting in a loss of structural integrity/strength Reduced lifespan of transportation assets Increased costs to provide the same level of service Premature obsolescence as functionality is not met (e.g. bridge inundated by open channel flows)	Strategic Planning, Asset Management and Project Delivery (including design and procurement) will continue to focus on ensuring that climate risk mitigation and adaption is a key focus. Mitigation and adaptation measures will consider: • Ongoing reviews and updates to our design standards and technical specifications to ensure our assets transition towards having a lower carbon footprint with improved circular economy outcomes as well as ensure they are more resilient to increased flood risk and inundation • Proactively reviewing our asset management strategies with respect to the impacts of climate change, to ensure we continue to provide the agreed level of service at the lowest lifecycle cost • Developing stormwater management plans to identify assets at risk and priority mitigation controls such as upgrading existing underground assets and creating new assets such as wetlands and detention basins to increase water storage capacity • Continue to explore new sustainable water supply opportunities to irrigate and maintain amenity for our streetscapes and Park Lands

The impact of climate change on assets is a new and complex discussion and further impacts and management strategies will considered and developed in future revisions of this Asset Management Plan. It is recommended to continue monitoring the impacts of climate conditions and associated cost implications as further investigation is undertaken and more data becomes available. This is included as a key action within this Asset Management Plans Improvement Plan.

5.0 LIFECYCLE MANAGEMENT PLAN

5.1 Lifecycle Management Overview

In order to effectively manage our assets, it is important to understand the relationship between all stages of the asset lifecycle. Effective asset management and sustainable financial planning requires a balance between the maintenance, renewal and disposal of existing assets and the delivery of new and upgraded assets.

Our goal is to provide assets that service the needs of the community, providing the agreed levels of service at the lowest lifecycle cost. To enable this, it is important to understand:

- How our assets are performing
- How our assets should be operated and maintained
- When our assets should be renewed
- When we should consider upgrading existing assets or constructing new assets
- How funding for new and upgraded assets is prioritised
- When we should consider disposing underperforming or underutilised assets

An overview of the asset lifecycle is shown in Figure 5.1 below:

Figure 5.1: Asset Lifecycle Overview



The lifecycle management plan details how CoA plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.2 Background Data

5.2.1 Physical parameters

The assets covered by this Asset Management Plan are shown in Table 5.2.1 and all figure values are shown in current day dollars.

Table 5.2.1: Assets Covered by this Plan

Asset Class	Quantity/Dimension	Replacement Value
Roads	129 kilometres	$296.5 million
Kerb and Watertable	292 kilometres	$119.7 million
Bridges	37 sites	$178.4 million
Footpaths	292 kilometres	$486.4 million
Traffic Signals	138 sites	$59.4 million
Total		$1.14 billion

5.2.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there are insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.2.2.

Table 5.2.2: Known Service Performance Deficiencies

Asset / Location	Service Deficiency
On-Road Cycling Network	User engagement and ongoing customer service requests have identified that the City's on-road cycling infrastructure needs to be more accessible, easier to navigate and safer to meet the needs of the community.
Residential Street Footpath Functionality	There are a number of small residential streets within the City of Adelaide where footpath widths prohibit inclusive and accessible access for people of all ages and abilities. A number of these streets were built over 50 years ago and often renewal programs alone cannot address functionality deficiencies and supporting upgrade funding may be required.
Access Ramp Compliance	There are a significant number of access ramps within the City of Adelaide that are not compliant with current Australian Standards and Disability Discrimination Act requirements. These are a result of historic constructions and changes to standards over time. These sites are incrementally being addressed through CoA's footpath renewal program, access ramp renewal program and streetscape upgrade projects. In specific circumstance, supporting upgrade funding may be required to upgrade and re-configure intersections to provide access ramps and crossing points in accordance with Australia Standards.

Traffic Signal Functionality	There are a number of traffic signal sites within the City of Adelaide where opportunities to enhance safety, efficiency and reliability have been identified. These sites are incrementally being improved through CoA's renewal program and the Federal Government's Blackspot Program.
Currie-Grenfell Corridor	The Currie-Grenfell corridor serves as the City's primary bus transit link and interchange. The existing road corridor is not considered to be fit-for-purpose, due to the lack of pedestrian and interchange facilities, and overall streetscape amenity.
Adelaide Bridge	Adelaide Bridge was originally constructed in 1931 and is approaching the end of its design life, with increasing and ongoing maintenance requirements. The bridge is planned for renewal/rehabilitation within this Asset Management Plan with the existing structure currently having a 26T load limit which restricts access to heavy vehicle traffic.

5.2.3 Asset condition

Condition is measured using a 1 - 5 grading system as detailed in Table 5.2.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the Asset Management plan results are translated to a 1 – 5 grading scale for ease of communication.

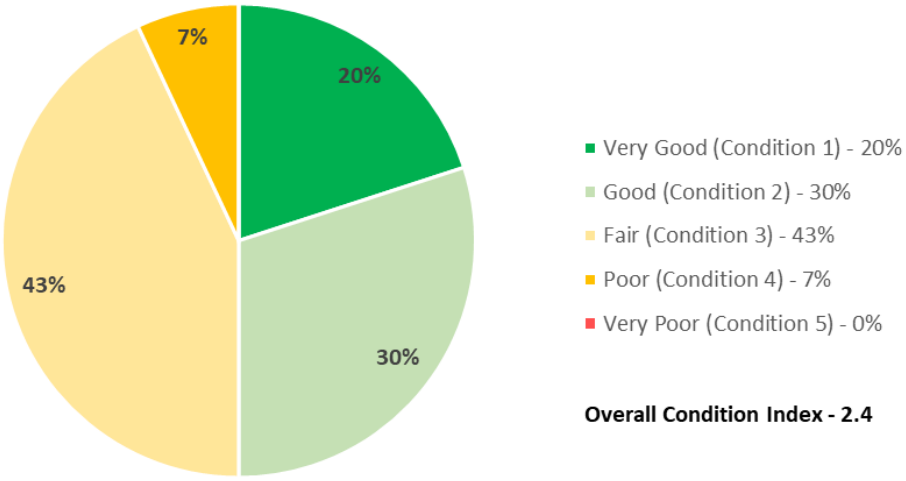
Table 5.2.3: Condition Grading System

Condition Grading	Description of Condition
1	**Very Good**: free of defects, only planned and/or routine maintenance required
2	**Good**: minor defects, increasing maintenance required plus planned maintenance
3	**Fair**: defects requiring regular and/or significant maintenance to reinstate service
4	**Poor**: significant defects, higher order cost intervention likely
5	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required

Roads

The road network is typically condition audited every 4 years, with the most recent audit undertaken in 2019. Figure 5.2.3.a presents the predicted road network condition distribution as of September 2023. Overall, the majority of the road network is in a very good to fair condition (93%), with a small proportion of assets rated in poor condition (7%). Ongoing investment will be required to resurface and rehabilitate road assets to ensure levels of service are maintained in conjunction with minimising whole-of-life costs (i.e. prevent increased maintenance and renewal costs from not renewing assets at the appropriate time).

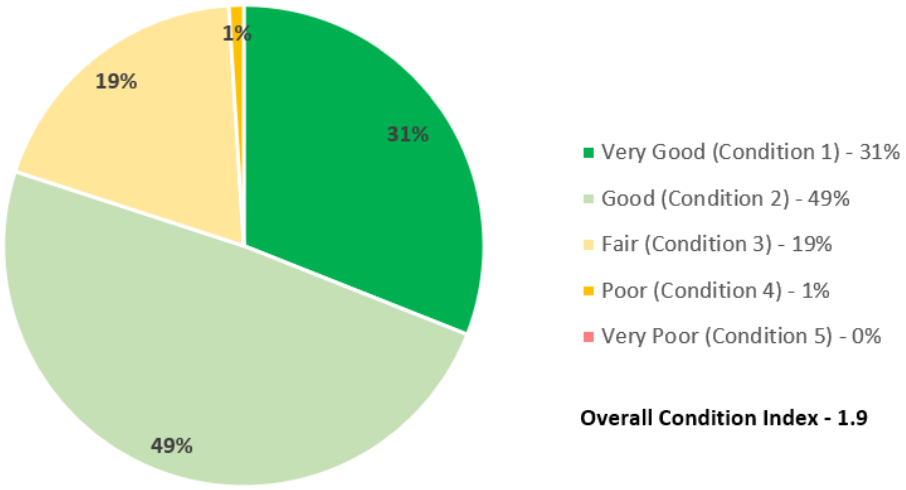
Figure 5.2.3.a: Condition Profile (Roads)



Kerb and Watertable

The kerb and watertable network is typically condition audited every 4 years, with the most recent audit undertaken in 2019. Figure 5.2.3.b presents the predicted kerb and watertable network condition distribution as of September 2023. Overall, the majority of the kerb and watertable network is rated in a very good to fair condition (99%) with only 1% of the network rated in poor condition. Ongoing renewal investment will be required to ensure sustainable management of the Kerb asset.

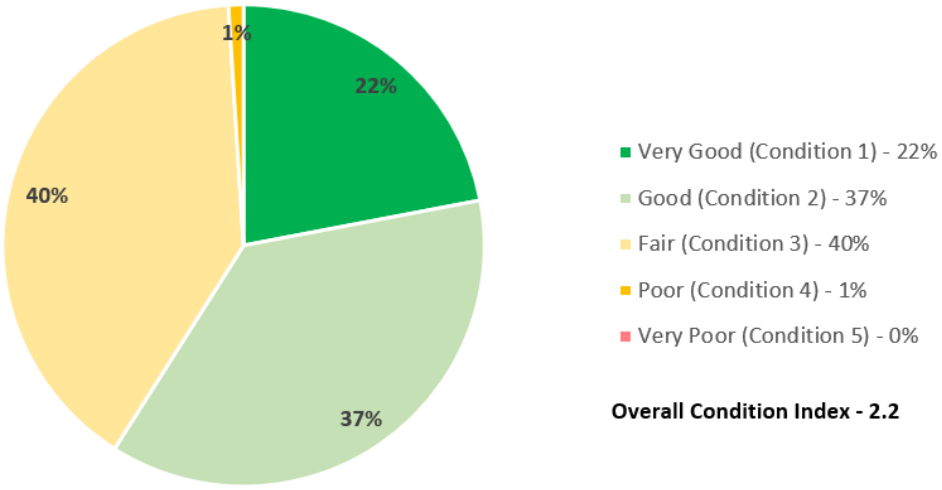
Figure 5.2.3.b: Condition Profile (Kerb and Watertable)



Footpaths

The footpath network is typically condition audited every 4 years, with the most recent audit undertaken in 2021. Figure 5.2.3.c presents the predicted footpath network condition distribution as of September 2023. Overall, the majority of the footpath network is rated in a very good to fair condition (99%) with a very small proportion of assets rated in poor and very poor condition (1%). It is important to note that a significant quantity of the footpath network is currently rated in a fair condition (40%), which will result in significant renewal requirements in the medium term. Ongoing investment will be required to renew and rehabilitate footpath assets to ensure levels of service are maintained in conjunction with minimising whole-of-life costs.

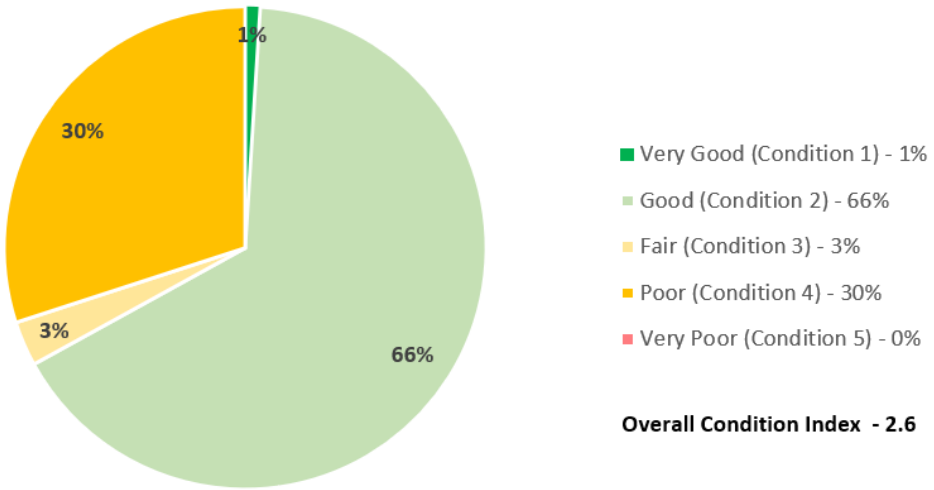
Figure 5.2.3.c: Condition Profile (Footpaths)



Bridges

The bridge network is typically condition audited every 4 years, with the most recent audit of the full bridge network undertaken in 2019. Several road bridges have been audited in 2023, including Adelaide Bridge which has more frequent audits undertaken due to the age of the asset. Figure 5.2.3.d presents the predicted bridge network condition distribution as of September 2023. Overall majority of the bridge network is in a very good to fair condition (70%), with Adelaide Bridge being the major contributor for 30% of the network being rated in poor condition. Renewal or rehabilitation of Adelaide Bridge will be a critical investment requirement within this Asset Management Plan, that will be further discussed in Chapter 5.

Figure 5.2.3.d: Condition Profile (Bridges)

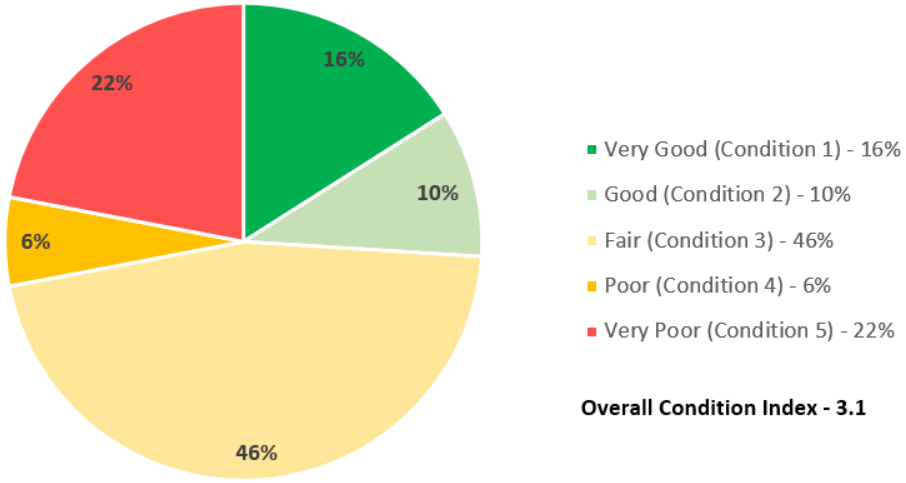


Traffic Signals

The traffic signal network is typically condition audited every 4 years, with the most recent audit undertaken in 2019. Figure 5.2.3.e presents the predicted traffic signal network condition distribution as of September 2023. Overall the majority of the traffic signal network is rated in very good to fair condition (72%). However, 28% of the traffic signal network is rated in a poor to very poor condition. Accelerated renewal investment will be required over the short term to address these deficiencies.

It is important to note that the previous condition audit methodology assigned a very poor condition score rating (condition 5) to older installation that are not compliant with current standards. However, these assets are considered safe and manageable within the short term through proactive maintenance inspections and works programming.

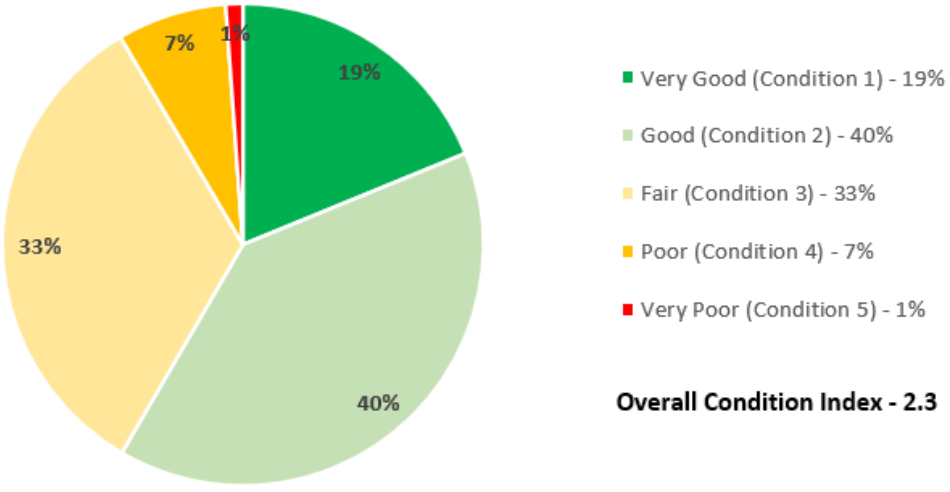
Figure 5.2.3.e: Network Condition Profile (Traffic Signals)



Summary

Overall, the current condition of our transportation network is rated in a good to fair condition, with a combined overall condition index rating of 2.3. 91% of assets are rated in a very good to fair condition and 9% of assets are rated in poor or very poor condition, which will form the general basis of our renewal program priorities.

Figure 5.2.3.f: Transportation Network Condition Profile



5.3 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, line marking re-application, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include footpath repairs, asphalt patching, and equipment repairs. Requirements are informed by both customer service requests and proactive maintenance inspections.

Currently, maintenance activities are generally evaluated and prioritised with respect to annual budgets. This process is undertaken by experienced staff, where risk-based assessment and resource allocation considers the severity of the defect as well as its location. Any critical maintenance requirements that cannot be accommodated within exiting budgets and assessed through regular budget reviews to ensure resources are appropriately re-allocated.

Following the completion of this Asset Management Plan, we will be reviewing operations and maintenance standards for Transportation Assets, with a view to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. This activity has been recognised as an action within the Improvement Plan of this Asset Management Plan (Chapter 8), where the associated financial impacts will need to be further considered in future revisions of this Asset Management Plan and the Long-Term Financial Plan.

Updated standards will document both maintenance intervention levels and response times. Intervention levels will document the criteria for actioning maintenance defects and response times will set targets that we aim to work within to repair defects. Typically, both of these elements will vary depending on the severity of the defect as well as its position/location within the asset hierarchy.

Monitoring whether maintenance activities are being delivered in accordance with the specified intervention levels and response times, will enable us to understand whether resourcing levels are sufficient. Where resourcing levels are identified as insufficient, additional budget requirements can be considered through the business plan and budget process, or intervention levels and response times can be adjusted with respect to budget constraints.

5.3.1 Maintenance Budget Trends

The trend in maintenance budgets for all transportation assets over the past 4 years is shown in Table 5.3.1.

Table 5.3.1: Maintenance Budget Trends

Year	Roads	Kerbing	Footpaths	Bridges	Traffic Signals
2020-21	$572,787	$77,714	$903,034	$27,788	$460,755
2021-22	$918,727	$287,114	$1,283,404	$29,216	$431,584
2022-23	$1,113,857	$382,269	$2,534,640	$28,341	$600,165
2023-24	$1,040,564	$461,628	$1,642,929	$228,619	$495,537

5.3.2 Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The hierarchy for each transportation asset class is shown is Table 5.3.2.

Table 5.3.2: Asset Service Hierarchy

Asset Class	Asset Hierarchy
Roads and Kerb and Watertable	Major Arterial Roads (e.g. West Terrace)
	Minor Arterial Roads (e.g. Port Road)
	Primary Collector (e.g. King William Street)
	Local Collector (e.g. Melbourne Street)
	Local Access and Car Parks (e.g. Archer Street)
Footpaths	City Streets (e.g. North Terrace)
	Residential Streets (e.g. Archer Street)
	Park Lands (e.g. Rymill Park Footpaths)
Bridges	Road Bridges (e.g. Adelaide Bridge)
	Major Footbridges (e.g. University Footbridge)
	Minor Footbridges (e.g. Parklands Bridges)
Traffic Signals	Signalised Intersections (e.g. King William Street / Pirie Street intersection)
	Pedestrian Actuated Crossings (e.g. Victoria Drive adjacent University)
	Koala Crossings (e.g. East Terrace adjacent Glover Playground)

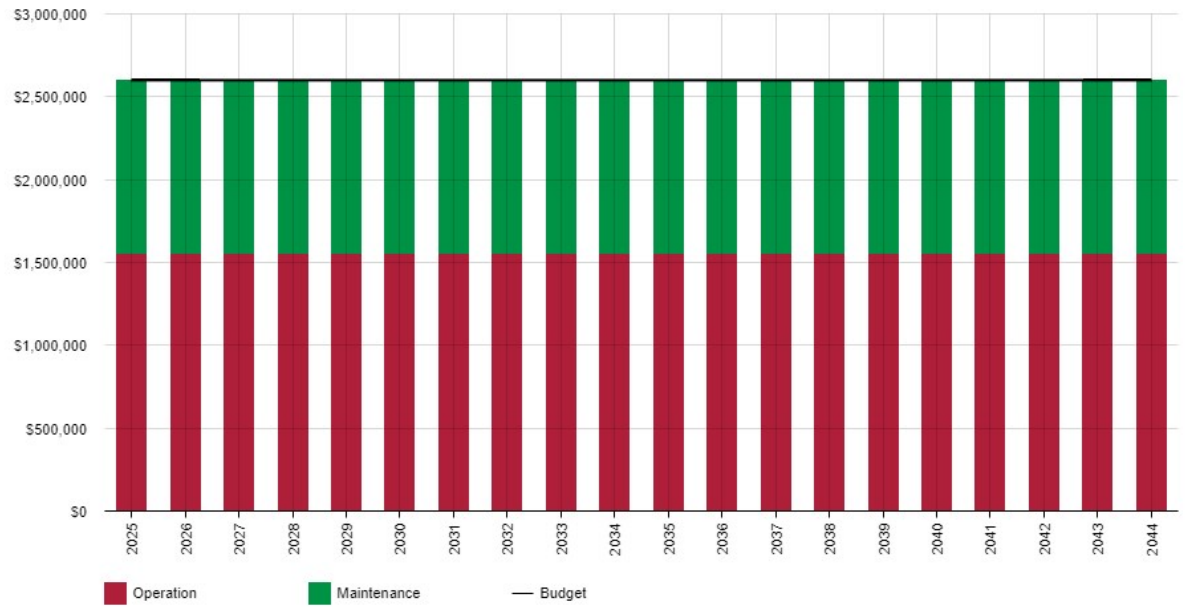
5.3.3 Summary of future operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease.

Roads

The forecast operations and maintenance costs for the road network, relative to the proposed operations and maintenance budgets are shown in Figure 5.3.3.a. Future revisions of this Asset Management Plan will further review forecast requirements based on updated operations and maintenance standards. All values are shown in current day dollars.

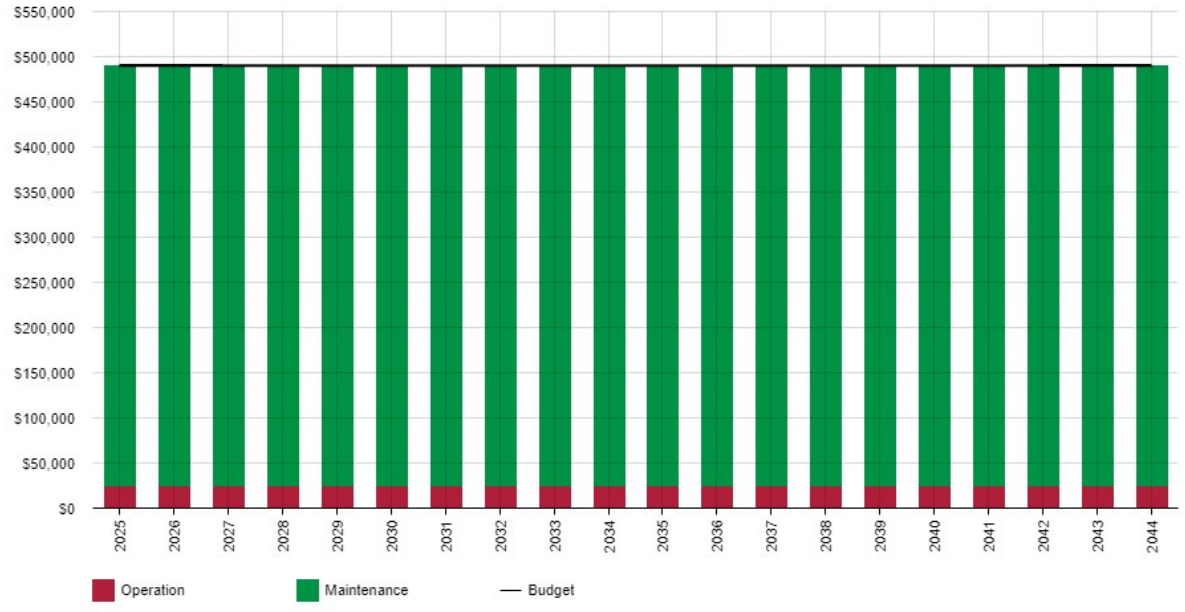
Figure 5.3.3.a: Operations and Maintenance Summary (Roads)



Kerb and Watertable

The forecast operations and maintenance costs for the kerb and watertable network, relative to the proposed operations and maintenance budgets are shown in Figure 5.3.3.b. Future revisions of this Asset Management Plan will further review forecast requirements based on updated operations and maintenance standards. All values are shown in current day dollars.

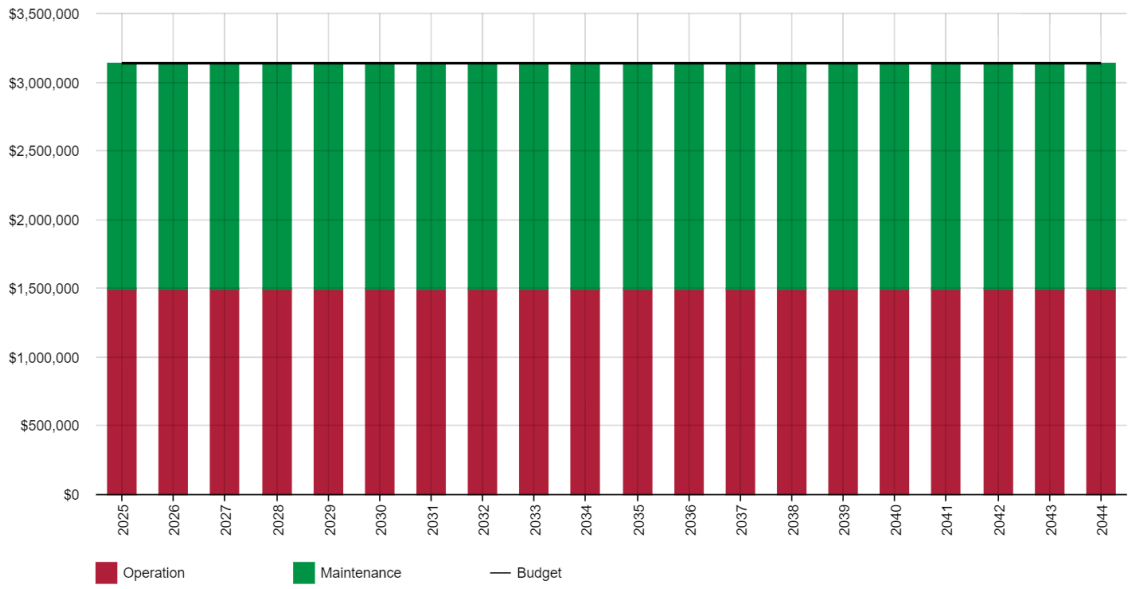
Figure 5.3.3.b: Operations and Maintenance Summary (Kerb and Watertable)



Footpaths

The forecast operations and maintenance costs for the footpath network, relative to the proposed operations and maintenance budgets are shown in Figure 5.3.3.c. Future revisions of this Asset Management Plan will further review forecast requirements based on updated operations and maintenance standards. All values are shown in current day dollars.

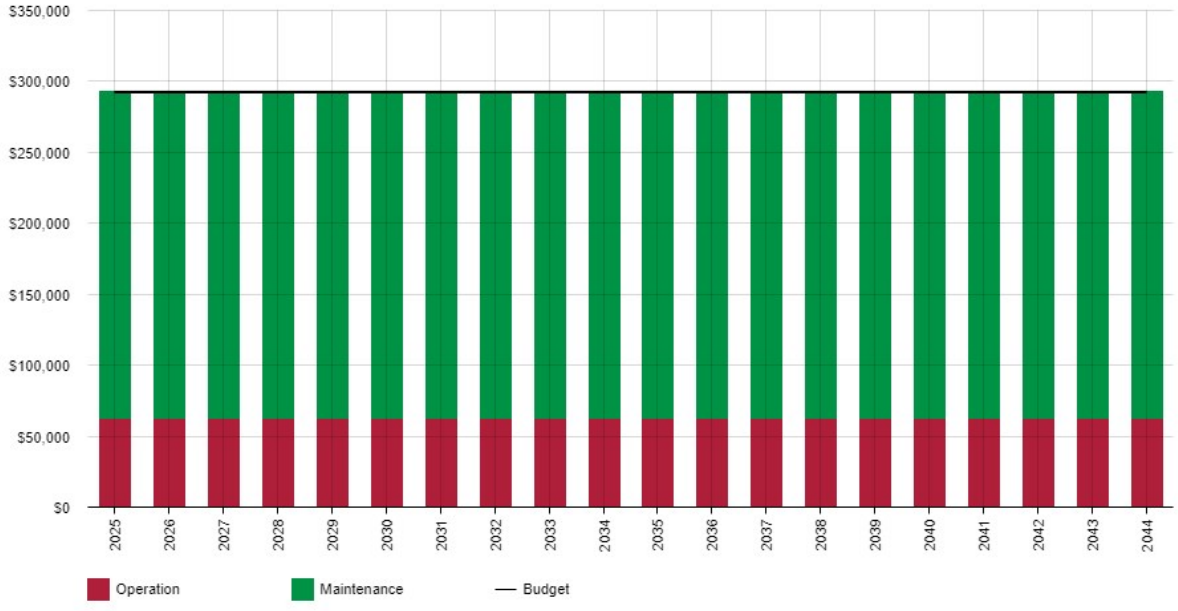
Figure 5.3.3.c: Operations and Maintenance Summary (Footpaths)



Bridges

The forecast operations and maintenance costs for the bridge network, relative to the proposed operations and maintenance budgets are shown in Figure 5.3.3.d. Future revisions of this Asset Management Plan will further review forecast requirements based on updated operations and maintenance standards. All values are shown in current day dollars.

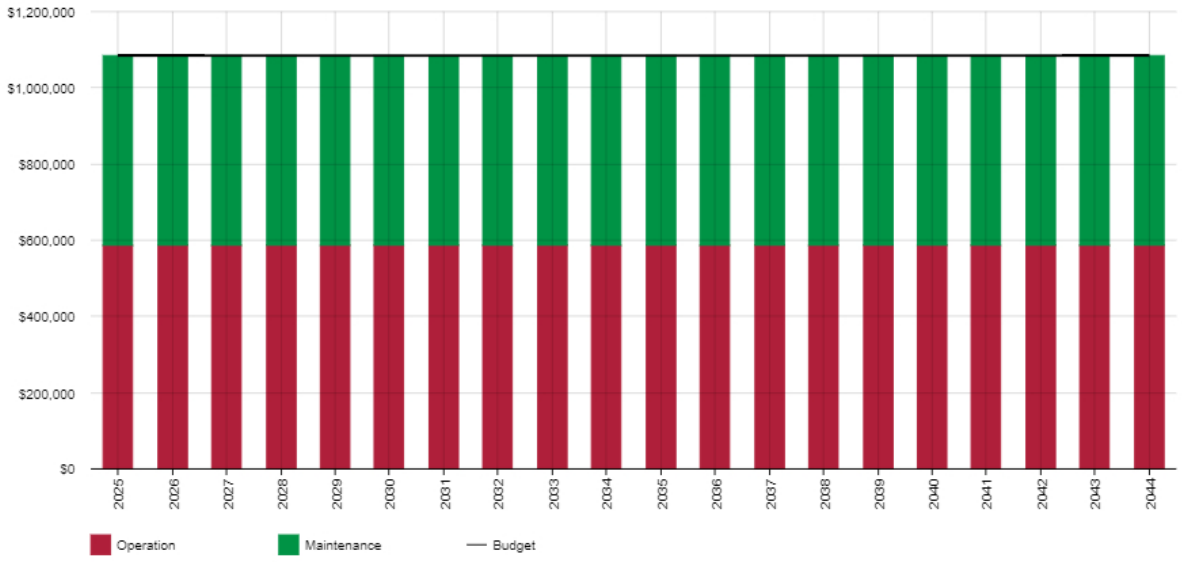
Figure 5.3.3.d:Operations and Maintenance Summary (Bridges)



Traffic Signals

The forecast operations and maintenance costs for the traffic signal network, relative to the proposed operations and maintenance budgets are shown in Figure 5.3.3.e. Future revisions of this Asset Management Plan will further review forecast requirements based on updated operations and maintenance standards. All values are shown in current day dollars.

Figure 5.3.3.e: Operations and Maintenance Summary (Traffic Signals)



5.4 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces, or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition (new/upgrade) resulting in additional future operations and maintenance costs.

Asset renewal is typically undertaken to:

- Ensure ongoing reliability of existing infrastructure to deliver the service it was constructed to facilitate
- Ensure infrastructure is of sufficient quality to meet the service requirements
- Optimise whole-of-life costs, when maintenance activities are no longer economical

Within this Asset Management Plan, asset renewal requirements have been identified by utilising replacement costs and remaining useful life estimates that have been derived through a combination of condition audits, engineering recommendations and predictive modelling.

Predictive modelling provides a basis for evidence-based decision making, where the financial requirements for different level of service scenarios can be estimated across the short, medium, and long-term. Additionally, it allows us to understand the relationship between cost, level of service and risk and can effectively demonstrate the consequences of not appropriately funding asset renewal. An overview of the predictive modelling utilised in this Asset Management Plan is shown in Figure 5.4-1 and is discussed further for each asset class in Section 5.4.1.

Figure 5.4-1: Predictive Modelling Overview

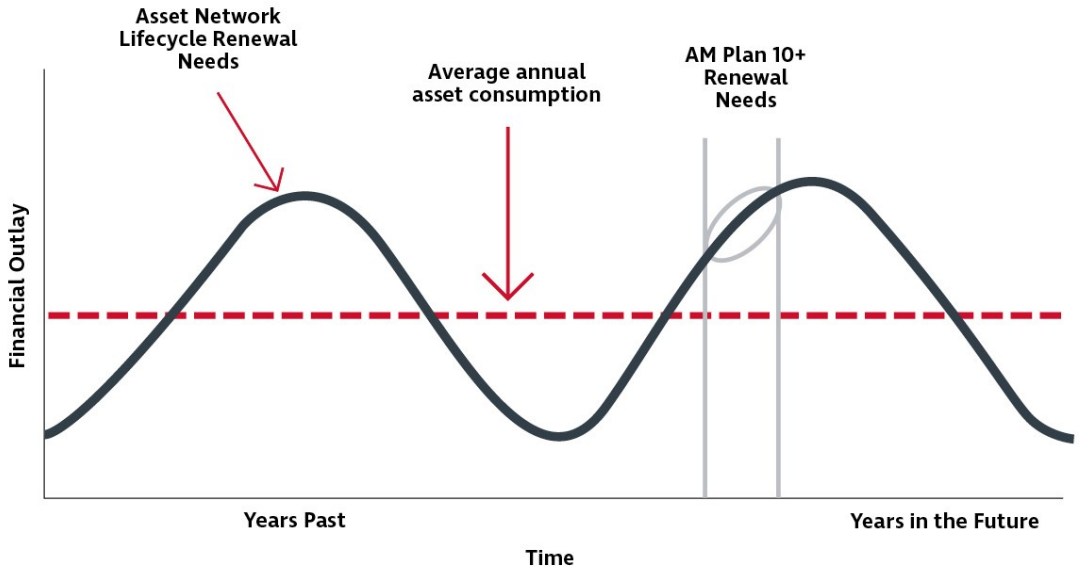


This Asset Management Plan's renewal strategy aims to minimise the number of assets that deteriorate into a poor condition and prohibit assets reaching a very poor condition. Assets can generally be cost effectively maintained and provide appropriate levels of service up to a fair condition, however assets in poor and very poor condition have higher risk profiles and maintenance treatments are generally not economical. This strategy ensures we can continue to provide services in line with the community's expectations, appropriately manage risk and optimise whole-of-life costs.

Asset renewal planning is undertaken with a holistic and integrated approach, to ensure consideration is given to asset functionality, adjacent assets and Council's higher-level strategic objectives (e.g. new and upgrade requirements). This allows capital works programming to be optimised through the development of logical works packages, that provide value to the community and minimise disruption.

It is important to understand that infrastructure networks are comprised of assets with varying age profiles and different useful lives and replacement costs. This results in having to replace more assets in some periods when compared with others and means that it's very unlikely that asset renewal needs will be consistent over time. Figure 5.4-2 highlights a typical scenario of varying asset renewal expenditure requirements over the asset lifecycle.

Figure 5.4-2: Asset Network Lifecycle Renewal Needs



To account for fluctuations in asset lifecycle renewal needs and enable efficient resourcing planning, often there will be a need to smooth out expenditure requirements over multiple years through a combination of deferring renewal (where appropriate) and bringing scheduled works forward.

At times, this may result in a small number of assets exceeding prescribed renewal intervention criteria, requiring projects to be prioritised with respect to available budget. It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a higher consequence of failure
- Have higher usage and the subsequent impact on users would be more significant
- Have higher than expected operational and maintenance costs

Prioritisation criteria used to inform the renewal forecasts within this Asset Management Plan include:

- Compliance with current legislative requirements
- Asset condition
- Asset hierarchy and criticality
- Cost effectiveness of maintenance investment
- Alignment with Strategic Plan objectives and corporate strategies
- Financial capacity and sustainable financial management principles
- Council decisions
- Asset functionality deficiencies
- Community interest

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.4. Asset useful lives were last reviewed in 2023.

Table 5.4: Useful Lives of Assets

Asset Class	Asset Sub Class	Useful life *
Roads	Road Surface	15-25 years
	Road Pavement	30-80 years
Kerb and Water table	Concrete	60-80 years
	Bluestone	120 years
	Granite	120 years
Footpath	Asphalt	30 years
	Concrete Flagstone	40-50 years
	Granite & Slate	40-50 years
	Interlocking Pavers	40-50 years
	Small Format Concrete Pavers	40-50 years
	In-Situ Concrete	40-50 years
	Rubble	10-20 years
Traffic Signals	Poles	25 years
	Lanterns	10 years
	Controllers	10 years
	UPS	10 years
	Target Board	15 years
	Push Button	10 years
	Audio Tactile	10 years
	Top Box	10 years
	Conduits	40 years
	Pits	40 years
	CCTV	5 years
Bridges	Road Bridges	20-100 years
	Major Footbridges	40-100 years
	Minor Footbridges	20-80 years

* useful life will vary dependant on asset hierarchy/material/component

5.4.1 Summary of Future Renewal Costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figures 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

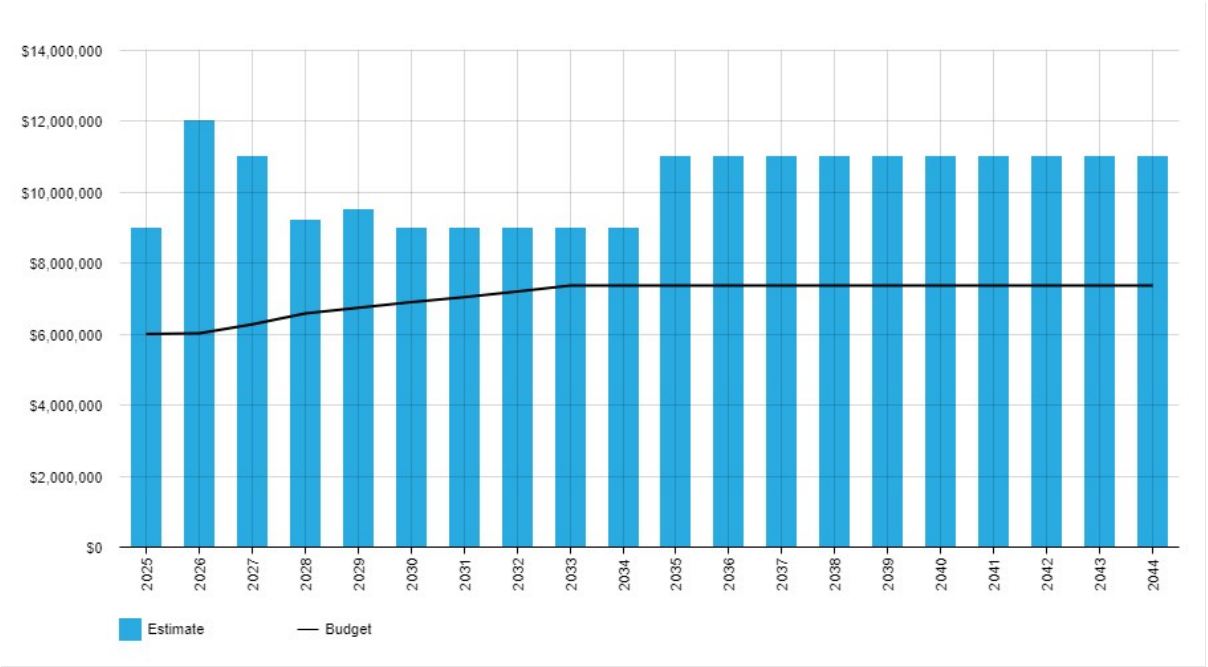
Roads

Predictive modelling identified that the existing budget allocations within the Long-Term Financial Plan were insufficient to maintain current service levels, resulting in the health of the road network steadily declining over time. Various renewal strategies were considered for the road network utilising predictive scenario modelling, which are presented and further discussed in Appendix F.

The recommended asset renewal strategy aims to reduce the number of assets that deteriorate into condition 4 (target less than 5%) and prohibit assets reaching condition 5 (target 0%). To enable this, increased renewal funding of $9m, $12m, $11m, $9.2m, and $9.5m is required over the first five years to address the initial renewal backlog, with investment requirements then reducing to $9m per year between years 6 and 10 to maintain service levels. From 2035 renewal funding is required to increase moderately to $11m per year to address the forecast medium to long term renewal requirements. Specific renewal intervention levels for different road hierarchies as well as typical images of each condition state are documented in Appendix E.

The projected 20-year renewal forecast compared against the current Long-Term Financial Plan budget allocation for the road network is shown in Figure 5.4.1.a below (note: all figure values are shown in current day dollars). When comparing the forecast renewal costs against the existing budget allocation (black line), it is evident that there is a funding shortfall and additional funding is required to address the renewal backlog and maintain current levels of service. Not funding the shortfall will result in the health of the road network to continue steadily decreasing over time, resulting in increased whole-of-life costs and risks of asset failure that cannot be rectified through maintenance resources.

Figure 5.4.1.a: Forecast Renewal Costs (Roads)



Kerb and Watertable

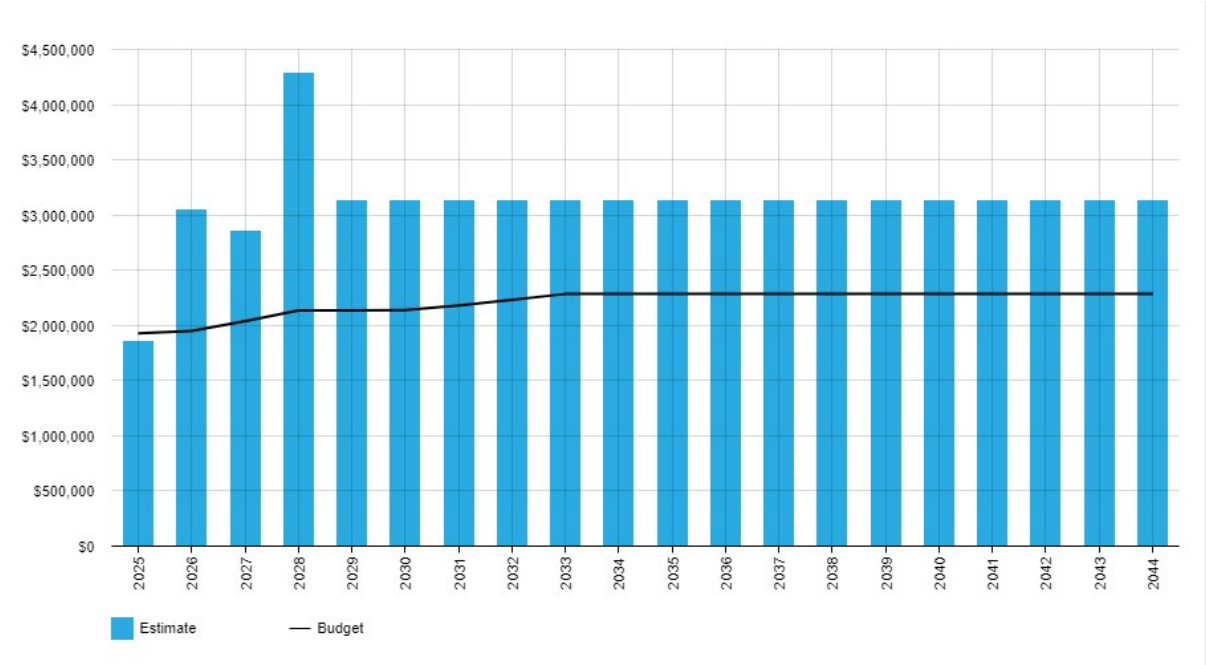
Predictive modelling identified that the existing budget allocations within the Long-Term Financial Plan were insufficient to maintain current service levels, resulting in the health of the kerb and watertable network steadily declining over time. Various renewal strategies were considered for the kerb and watertable network utilising predictive scenario modelling, which are presented and further discussed in Appendix F.

The recommended asset renewal strategy aims to reduce the number of assets that deteriorate into condition 4 (< 5%), probit assets reaching condition 5 (target of 0%) and ensure aging assets in a fair condition showing signs of deterioration are renewed concurrently with adjacent road and footpath renewal projects.

To enable this, increased renewal funding of $1.85m, $3.05m, $2.85m, and $4.29m is required over the first 4 years, with investment requirements then reducing to $3.125m each year to maintain service levels. Specific renewal intervention levels as well as typical images of each condition state are documented in Appendix E.

The projected 20-year renewal forecast compared against the current Long-Term Financial Plan budget allocation for the kerb and watertable network is shown in Figure 5.4.1.b below (note: all figure values are shown in current day dollars). When comparing the forecast renewal costs against the existing budget allocation (black line), it is evident that there is a funding shortfall and additional funding is required to address the renewal backlog and maintain current levels of service. Not funding the shortfall will result in the health of the kerb and watertable network to continue steadily decreasing over time, resulting in increased whole-of-life costs and risks of asset failure that cannot be rectified through maintenance resources.

Figure 5.4.1.b: Forecast Renewal Costs (Kerb and Watertable)



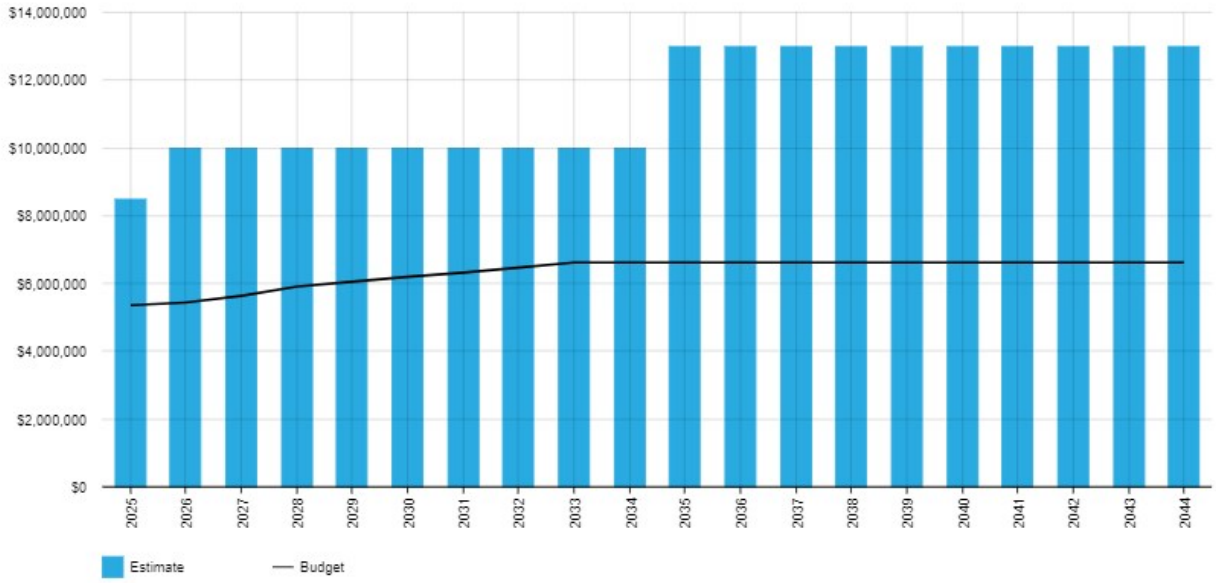
Footpaths

Predictive modelling identified that the existing budget allocations within the Long-Term Financial Plan were insufficient to maintain current service levels, resulting in the health of the footpath network steadily declining over time. Various renewal strategies were considered for the footpath network utilising predictive scenario modelling, which are presented and further discussed in Appendix F.

The recommended asset renewal strategy aims to reduce the number of assets that deteriorate into condition 4 (target < 5%) and prohibit assets reaching condition 5 (target 0%). To enable this, $10m is required each year for the first 10 years, with a further increase to funding up to $13m each year between years 11 and 20. This significant investment is required to address the substantial number of assets currently rated in a fair condition (40% of the network) that have forecast renewals across the 20-year planning period. Specific renewal intervention levels for different footpath hierarchies and material types, as well as typical images of each condition state are documented in Appendix E.

The projected 20-year renewal forecast compared against the current Long-Term Financial Plan budget allocation for Footpaths is shown in Figure 5.4.1.c below (note: all figure values are shown in current day dollars). When comparing the forecast renewal costs against the existing budget allocation (black line), it is evident that there is a funding shortfall and additional funding is required to address the backlog of asset renewals and maintain service levels. Not funding the shortfall will result in the health of the footpath network to continue steadily decreasing over time, resulting in significant risks of asset failure and service disruption that cannot be rectified through maintenance resources.

Figure 5.4.1.c: Forecast Renewal Costs (Footpaths)



Bridges

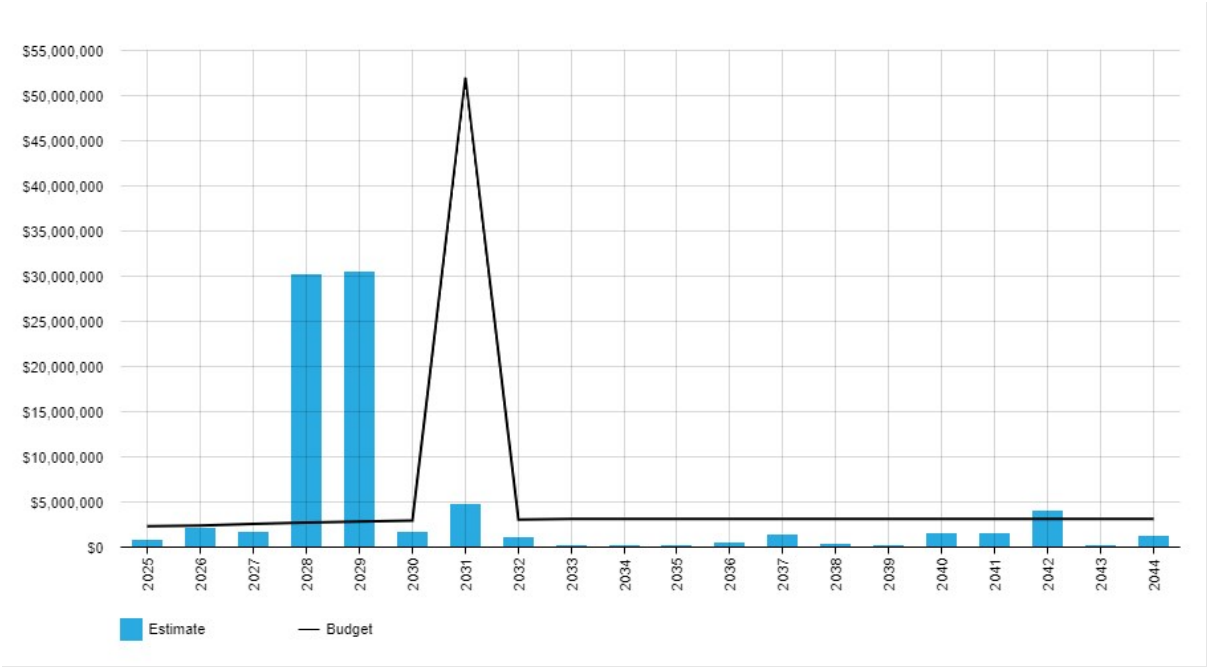
Renewal requirements for our bridge assets are informed by regular engineering inspections. Each inspection monitors any change in condition for individual bridge components and re-forecasts an associated remaining useful life estimate. The recommended asset renewal strategy for the bridge portfolio aims to reduce the number of assets that deteriorate beyond condition 3 and prohibit assets reaching condition 4 or 5 (target 0%). Due to the high value and long life of individual bridge components, forecast replacement and/or rehabilitation requirements vary substantially over the 20-year period, and can generally not be “smoothed” for budgeting purposes.

Adelaide Bridge (located on King William Road, crossing the Torrens) will be a key priority within this Asset Management Plan, as condition monitoring has identified the aging bridge (constructed in 1931) is approaching the end of its useful life. Within the next 5 years significant capital works will be required to either rehabilitate or replace the bridge, as it is becoming uneconomical to continue maintaining the bridge. Recent engineering inspections and preliminary project planning has recognised that the renewal/ rehabilitation of Adelaide Bridge requires scheduling and budgeting adjustments within the Asset Management Plan and Long Term Financial Plan, bringing works forward and spreading forecast costs over two financial years.

For preliminary planning purposes, renewal forecasts have assumed the full replacement of Adelaide Bridge, however an options analysis is currently being undertaken to inform recommendations to finalise the scope, cost and timing of capital works moving forward. The options analysis will consider capital costs, intended lifespan and durability, operational and maintenance costs, heritage retention and current and future loading requirements. Revision of asset renewal forecasts following the completion of the options analysis has been recognised as a key action within the Improvement Plan (Chapter 8).

The projected 20-year renewal forecast compared against the current Long-Term Financial Plan budget allocation for Bridges is shown in Figure 5.4.1.d below (note: all figure values are shown in current day dollars).

Figure 5.4.1.d: Forecast Renewal Costs (Bridges)

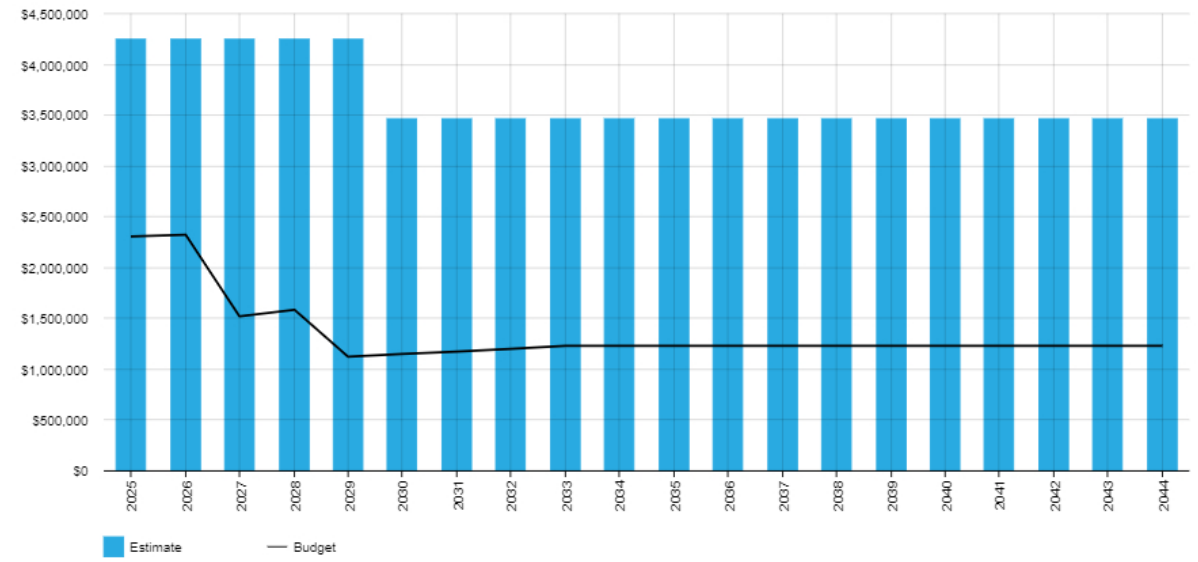


Traffic Signals

The projected 20-year renewal forecast compared against the current Long-Term Financial Plan budget allocation for Traffic Signals is shown in Figure 5.4.1.e below. The asset renewal strategy aims to reduce the number of assets that deteriorate into condition 4 and 5. To enable this, increased renewal funding of $4,25M is required over the first five years to address the current asset renewal backlog (assets in condition 4 and 5), however following this investment reduces to $3.47M per year, to maintain service levels.

When comparing the forecast renewal costs against the existing budget allocation (black line), it is evident that there is a funding shortfall and additional funding is required to address the backlog of asset renewals and maintain service levels. Not funding the shortfall will result in the health of the traffic signal network to continue steadily decreasing over time, resulting in significant risks of asset failure and service disruption that cannot be rectified through maintenance resources.

Figure 5.4.1.e: Forecast Renewal Costs (Traffic Signals)



5.5 Acquisition of Assets (New & Upgrade)

Acquisition reflects new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the City of Adelaide.

Opportunities for acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, initiatives identified within strategic plans and corporate strategies as well as partnerships with third parties (e.g. State Government and Developers).

Potential new and upgrade works should be reviewed to verify that they are essential to City of Adelaide's needs and include analysis to understand ongoing operations, maintenance and renewal requirements to ensure that the services are sustainable over the longer term.

While this Asset Management Plan does not identify financial forecasts associated with new and upgrade projects, it does ensure required renewal scheduling is aligned (where practical) with key new and upgrade initiatives linked to our Strategic Plan through Integrated Delivery Planning.

Prioritisation and scheduling of new and upgrade works is currently undertaken on an annual basis through the business plan and budget process, where key prioritisation criteria include:

- Alignment with Strategic Plan objectives and corporate strategies
- Financial capacity and sustainable financial management principles
- Council decisions
- Asset functionality deficiencies
- Asset condition
- Compliance with current legislative requirements
- Community interest

The Resource Plan will provide a 4-year view of new and upgrade projects, resources, and budgets required to deliver our Strategic Plan objectives. It will inform the Long-Term Financial Plan and act as the key link between the Strategic Plan and Annual Business Plan & Budget.

Transformational new and upgrade projects will reference the Adelaide Design Manual that have allocated funding within the Resource Plan and Long-Term Financial Plan.

5.6 Disposal of Assets

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Disposal can be considered when an asset has been identified as underperforming, underutilised, or obsolete and does not provide value to the community.

This Asset Management Plan does not identify financial forecasts associated with asset disposal, however where recommended, significant assets will be identified for decommissioning and disposal through Council Reports. To enable informed decision making, reports will include any anticipated impacts to service provision as well as financial impacts including disposal costs, revenue gained and estimated reductions in annual operations and maintenance expenditure that will be included into the Business Plan and Budget and Long-Term Financial Plan.

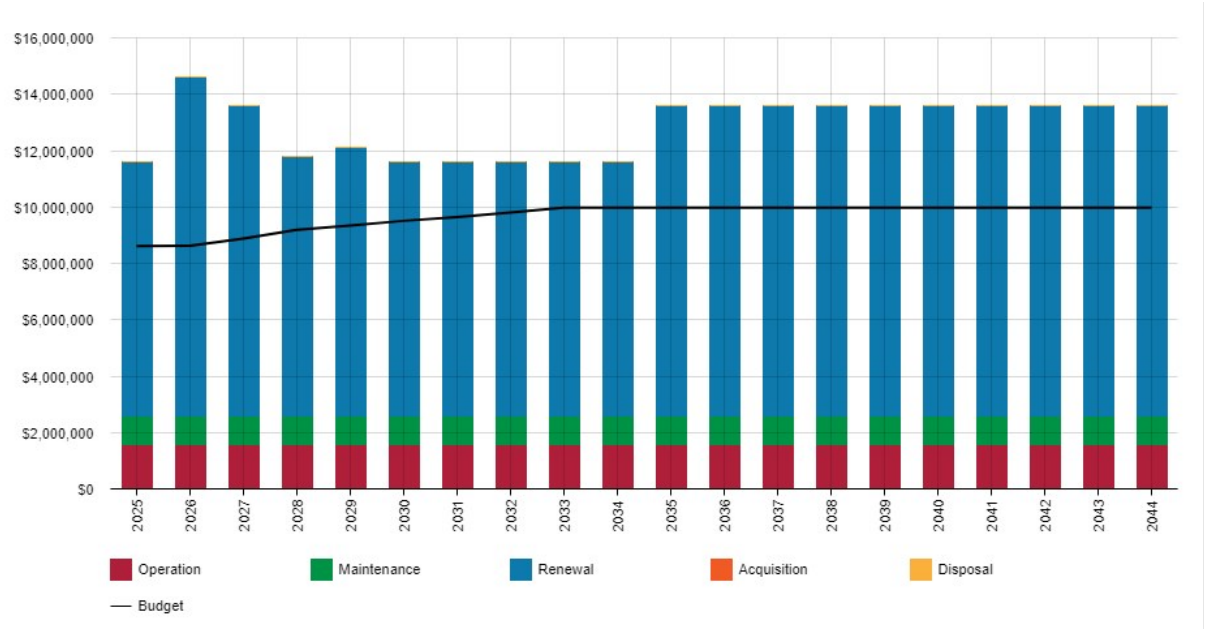
5.7 Summary of Asset Forecast Costs

The total financial projections from this Asset Management Plan are shown in Figures 5.7 below for each asset class. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is discussed in detail within sections 5.3 and 5.4.

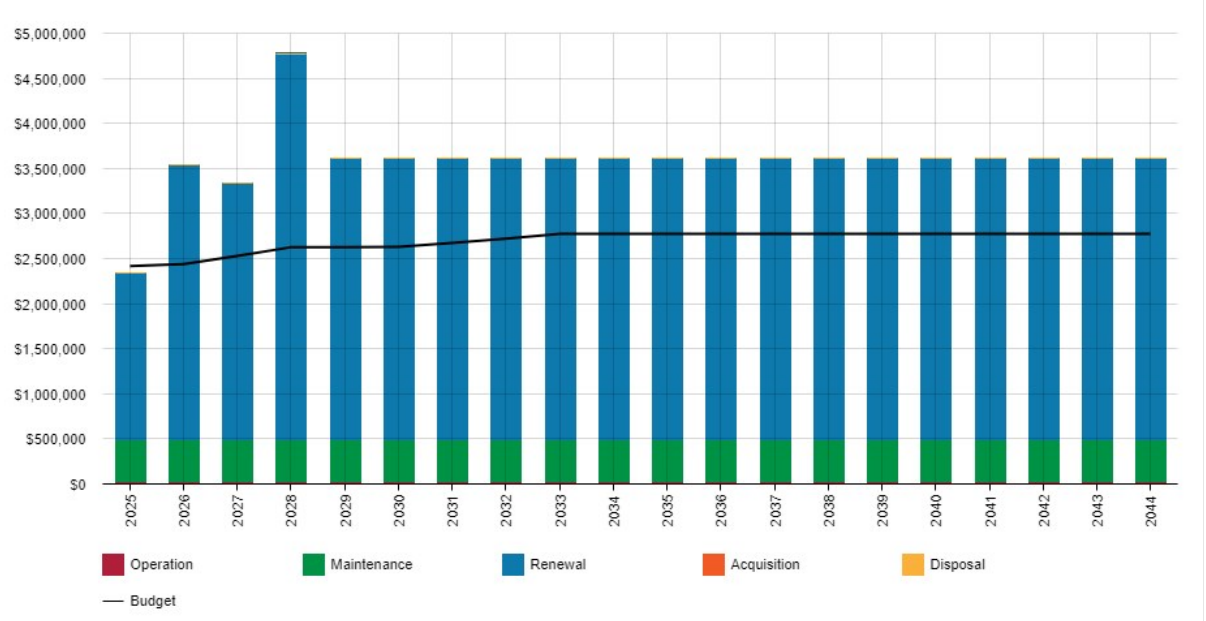
Roads

Figure 5.7.a: Lifecycle Summary (Roads)



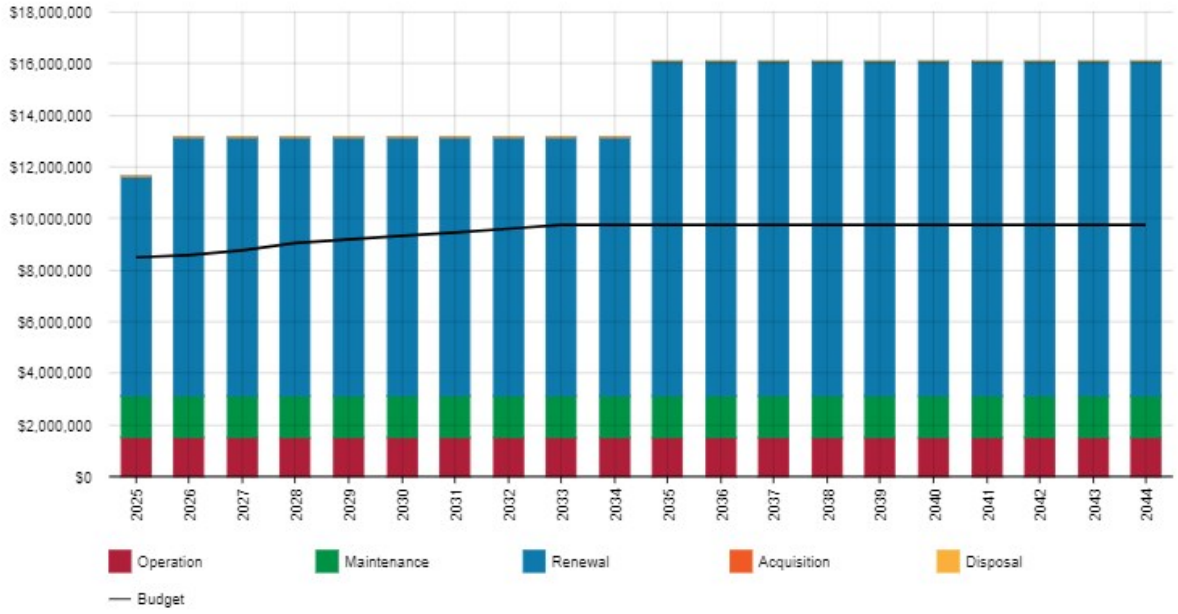
Kerb and Watertable

Figure 5.7.b: Lifecycle Summary (Kerb and Watertable)



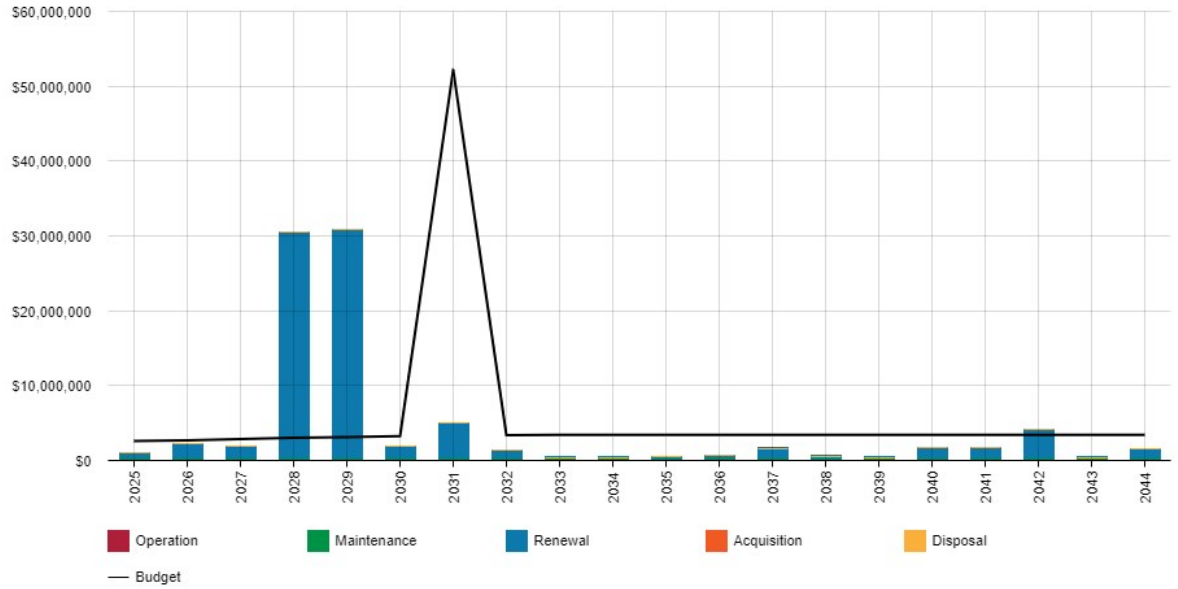
Footpaths

Figure 5.7.c: Lifecycle Summary (Footpaths)



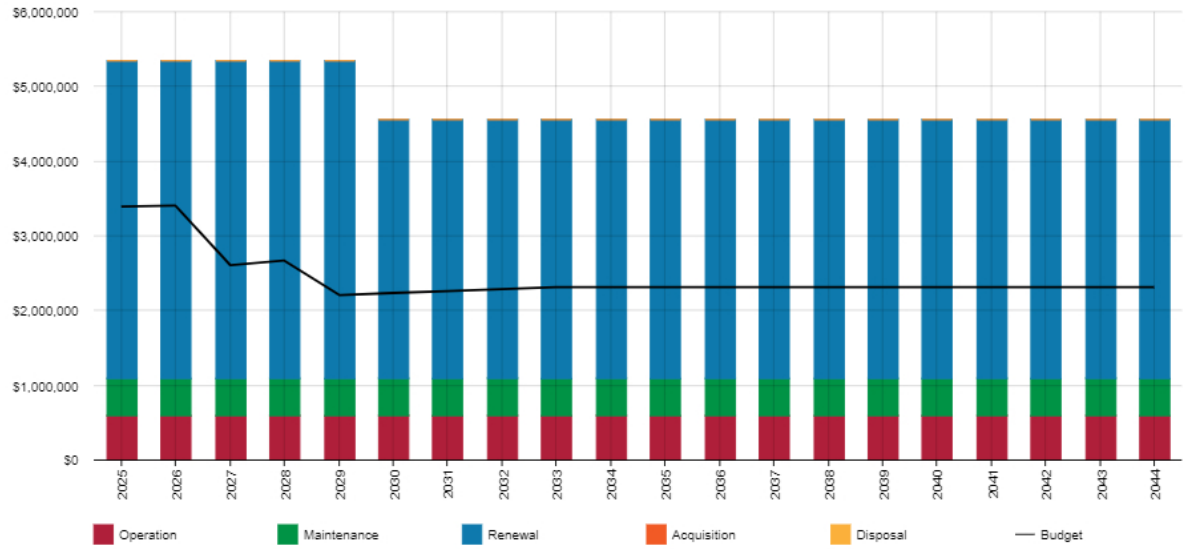
Bridges

Figure 5.7.d: Lifecycle Summary (Bridges)



Traffic Signals

Figure 5.7.e: Lifecycle Summary (Traffic Signals)



6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[4].

An assessment of risks[5] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1 Critical Assets

Asset Class	Critical Asset(s)	Failure Mode	Impact
Bridges	All Road Bridges	Structural deterioration resulting in bridge restrictions or physical collapse.	Reduced capacity and accessibility, resulting in significant disruption to the transportation network or fatality as a result of collapse
Roads	Arterial and Primary Collector Network	Structural deterioration of road pavement, resulting in cracking, deformation, and potholes. Road damage due to service authority incidents such as water main bursts.	Public safety risks association with dangerous road defects and disruption to the transportation network
Footpaths	City Street Footpaths (High Volume)	Structural and environmental deterioration of footpaths resulting in trip hazards, depressions, and loose pavers. Footpath damaged by service authorities and development.	Public safety risks associated with dangerous footpath defects and disruption to the transportation network
Traffic Signals	All Signalised Intersections	Electrical fault and/or equipment failure	Public safety risks associated with inoperative traffic control devices and disruption to the transportation network

[4] ISO 31000:2009, p 2

[5] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

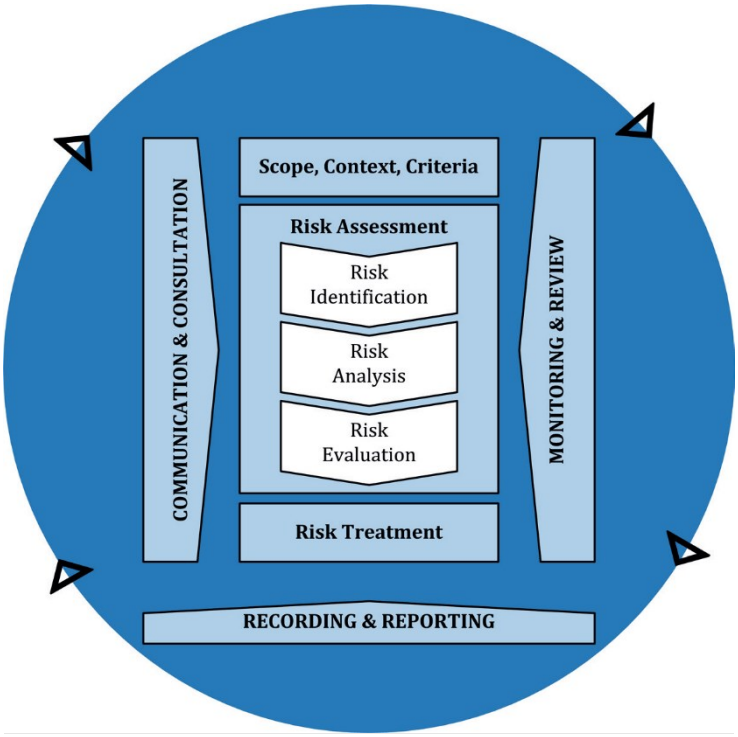
The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

Fig 6.2 Risk Management Process – Abridged

(Source: ISO 31000:2018, Figure 1, p9)



The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Extreme' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Strategic Risk and Internal Audit Group (SRIA).

Table 6.2: Risks and Treatment Plans

Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk	Treatment Cost
All Transportation Assets	Renewal, maintenance, and operational budgets are not adopted as recommended in Asset Management Plan, resulting in increased asset risk, reduced levels of service and increased whole of life costs	High	Reduce levels of service, to better align asset management activities with financial constraints. This will result in renewal and maintenance activities being prioritised, with respect to available budgets.	Medium	Within existing resources / budgets
	Increasing demands placed on the transportation network, with growing volumes of pedestrians, motorists, cyclists, and public transport users using the network to get into and around the City. This will result in increased level of service expectations as well as competing demands for the services provided by our transportation assets (e.g. off street parking, pedestrian, cycling and public transport infrastructure).	High	Engage with the community and develop an Integrated Transport Strategy to establish a long-term vision for the transportation network. Delivery of prioritised upgrade/new projects identified within the Transport Strategy to enhance the transportation network and accommodate city growth through upgrading existing assets and creating new assets to align service provision with the evolving needs of the community.	Medium	Within existing resources / budgets Upgrade/new projects are considered as part of the Annual Business Plan & Budget
	CoA do not have the financial capacity to undertake all recommended upgrades in conjunction with asset renewal projects to address functionality deficiencies and strategic objectives.	High	Upgrade opportunities associated with significant renewal projects are discussed with Council on an annual basis through the Business Plan and Budget Process. Prior to allocating resources to detailed design and construction activities, concept design options are developed with cost estimates and presented to CoA's Senior Leadership Team, to confirm project priority in conjunction with the recommended scope and timing of works.	Medium	Upgrade/new projects are considered as part of the Annual Business Plan & Budget
	Compromised decision making caused by insufficient asset information	High	Continue to regularly collect and update asset condition and financial information in our asset management system, to inform sound decision making. Undertake predictive scenario modelling to effectively communicate the relationship between cost, level of service and risk to inform asset management strategies.	Medium	Within existing resources / budgets
	Accelerated asset deterioration and technical obsolescence, resulting in assets requiring renewal earlier than scheduled within Asset Management Plan.	High	Undertake regular condition audits and routine maintenance inspections to understand asset deterioration trends. Review emerging renewal priorities on a regular basis and update the 4-year renewal plan through the business plan and budget process on an annual basis as required.	Medium	Within existing resources / budgets
	Increasing operational and maintenance requirements and costs	High	Undertake routine maintenance inspections and maintenance planning to proactively identify financial risks associated with maintenance requirements to provide the agreed level of service. Review and update maintenance standards, intervention levels and response times following adoption of Asset Management Plan. Utilise established processes through the annual business plan and budget to submit a business case to re-forecast additional operational and maintenance costs.	Medium	Within existing resources / budgets

Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk	Treatment Cost
All Transportation Assets	Third party works (e.g. utility trenching) are not constructed in accordance with CoA standards, resulting in potential hazards to public and/or premature asset failure and reduced useful life.	High	All third-party works require City Works Permits, to ensure works are delivered in accordance with City Works Guidelines and CoA standards. Defects and omission inspections are undertaken following the completion of works to ensure compliance with CoA standards. Where defects are identified the third-party is instructed to undertake required rectifications works.	Medium	Within existing resources / budgets
	Gifted assets associated with developments are not constructed in accordance with CoA standards, resulting in potential hazards to public and/or premature asset failure and reduced useful life.	High	All third-party works require City Works Permits, to ensure works are delivered in accordance with City Works Guidelines and CoA standards. Additionally, where appropriate, infrastructure agreements are established with developers to ensure proposed works are designed and constructed in accordance with CoA standards. Defects and omission inspections are undertaken following the completion of works to ensure compliance with CoA standards and/or infrastructure agreement. Where defects are identified the developer is instructed to undertake required rectifications works.	Medium	Within existing resources / budgets
Roads	Occurrence of significant road defects, such as potholes and deformations, resulting in hazards to road users.	High	Cyclic condition audits and routine maintenance inspections to monitor the condition of the road network. Delivery of planned and reactive maintenance programs with annual reviews of the capital works program to re-prioritise and incorporate emerging risks.	Medium	Within existing resources / budgets
Footpaths	Occurrence of significant footpath defects, such as vertical displacements/trip hazards or loose/missing pavers, resulting in hazards to cyclists and pedestrians.	High	Cyclic condition audits and routine maintenance inspections to monitor the condition of the footpath network. Delivery of planned and reactive maintenance programs with annual reviews of the capital works program to re-prioritise and incorporate emerging risks.	Medium	Within existing resources / budgets
Traffic Signals	Occurrence of significant traffic signal defects, causing electrical faults and/or equipment failure, resulting in major disruption to the transportation network.	High	Cyclic condition audits and routine maintenance inspections to monitor the condition of the traffic signal network. Delivery of planned and reactive maintenance programs with annual reviews of the capital works program to re-prioritise and incorporate emerging risks.	Medium	Within existing resources / budgets
Bridges	Structural failure of bridge assets as a result of lifecycle deterioration, resulting in catastrophic events, including death.	Very High	The condition of all bridge assets is monitored on a regular basis through Level 2 condition inspections which are undertaken every 2-4 years (based of asset age and risk profile) in conjunction with Level 1 maintenance inspections which are undertaken annually. Level 2 inspections are undertaken by structural engineering consultants in accordance with the Department of Infrastructure and Transports Road Structures Inspection Manual. Significant renewal and rehabilitation requirements identified are incorporated into renewal forecasting of asset management plans and essential maintenance requirements that are identified through inspections are considered through the Business Plan and Budget process annually.	Medium	Inspections are funded within existing resources / budgets Additional maintenance budget requirements are considered where required annually

6.3 Infrastructure Resilience Approach

The resilience of our infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

Ensuring we remain resilient to the impacts of projected future climate will require ongoing investigation, monitoring and adaption within future revisions of this Asset Management Plan. This has been recognised as a key action within the Improvement Plan (Chapter 8).

Table 6.3: Resilience Assessment

Threat / Hazard	Assessment Method	Current Resilience Approach
Increasing temperatures and more frequent, long-running and intense heatwaves	Data SA Climate Projections for South Australia Climate change modelling scenarios based on weather station data	Implementation key actions from the Climate Change Risk Adaptation Action Plan, which include: • Continuing to work with industry to identify new/superior products (or new applications) for application in CoA • Developing an Urban Greening Strategy to guide future investment for improved canopy cover and natural cooling
Less rain overall but more intense storms and flooding	Data SA Climate Projections for South Australia Climate change modelling scenarios based on weather station data	Implementation key actions from the Climate Change Risk Adaptation Action Plan, which include: • Undertaking a full underground audit of our stormwater network and developing a Stormwater Management Plan to understand current and future upgrade priorities to manage flood risk • Development of flexible spatial flood modelling layers in GIS

6.4 Service and Risk Trade-Offs

The decisions made in adopting this Asset Management Plan are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What we cannot do

Based on our current Long-Term Financial Plan budgets, there are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years.

Maintenance & Operations

Currently, maintenance activities are evaluated and prioritised with respect to available budgets. While make-safe treatments are always undertaken as soon practical (generally within 24 hours), we are currently unable to undertake all permanent repairs within the timeframes aligned with community expectations. Following the completion of this Asset Management Plan, we will be updating maintenance standards to formalise maintenance intervention levels and response times, with the objective of establishing an acceptable balance between cost, risk, and customer expectations.

This activity has been recognised as an action within the Improvement Plan of this Asset Management Plan (Chapter 8), where the associated financial impacts will need to be further considered in future revisions of this Asset Management Plan and the Long-Term Financial Plan.

Renewal

There is an estimated $9.49 million renewal funding shortfall on average per year over the next 10 years, to continue to provide services in line with community expectations and reduce whole-of-life costs. This is further summarised for each transportation asset class in Table 6.4.1 below.

Table 6.4.1: Renewal funding shortfall

Asset Class	Forecast renewal costs over next 10 years (annual average)	Current budget allocation over next 10 years (annual average)	Renewal funding shortfall over next 10 years (annual average)
Roads	$9,570,000	$6,756,660	-$2,813,340
Kerb and Watertable	$3,078,500	$2,621,077	-$947,423
Footpaths	$9,850,000	$6,061,640	-$3,788,360
Bridges	$7,262,000	$7,699,644	$437,644
Traffic Signals	$3,860,000	$1,484,810	-$2,375,190
Total	$33,620,500	$24,133,830	-$9,486,670

Acquisition (New & Upgrade)

It will not be possible to deliver all new and upgrade initiatives identified within corporate strategies and action plans within the 10-year planning period. New and upgrade initiatives will be prioritised and assessed against key criteria (see section 5.5) and considered with respect to available budgets. This process will be undertaken in consultation with the community through the business plan and budget process and the development of the Resource Plan.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Reduced levels of service for the transportation network (maintenance and renewal backlog)
- Reduced customer satisfaction levels associated with the management of our existing assets
- Intergenerational inequity (burdening future generations)

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Increased public safety risks associated with assets deteriorating beyond recommended intervention levels
- Increased reputational risks associated with service provisions not aligning with community expectations
- Increased financial risks associated with surplus maintenance requirements that cannot be accommodated within existing budgets
- Increased financial risks associated with higher renewal and/or rehabilitation treatments as asset renewals are not funded at the optimal point in time
- Increased economic risk associated with reduced business activity, events and tourism
- Intergenerational inequity (burdening future generations)

7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the Asset Management Plan for this service area. The two indicators are the:

- Asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years)
- Medium term forecast costs/proposed budget (over 10 years of the planning period)

Asset Renewal Funding Ratio

The forecast renewal costs along with the proposed renewal budget, and the cumulative shortfall, is detailed in Appendix C and summarised in Table 7.1.1-1 with an overall Asset Renewal Funding Ratio[6] of 72%.

Table 7.1.1-1: Asset Renewal Funding Ratio

Roads	Kerbing	Footpaths	Bridges	Traffic Signals	Total
71%	69%	62%	106%	38%	72%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 72% of the funds required for the optimal renewal of assets.

Contributing factors for the gap between the forecast renewal costs and current budgets include:

- Not achieving our Asset Renewal Funding Ratio targets over the past 4 financial years as a result of covid-19 resourcing impacts and project delays associated with post-pandemic market saturation.
- Utilising advanced predictive modelling within this Asset Management Plan, that analyses asset condition information to better recognise the changing asset investment needs over time to maintain service levels.
- Ensuring we accurately recognise asset replacement costs, utilising current unit rates that take into consideration increasing costs associated with inflation and industry escalations (We have experienced significant increases in project unit rates, noting that the Local Government Association (LGA) have indicated that costs and materials have increased up to 25% post pandemic).

Medium Term – 10 Year Financial Planning Period

This Asset Management Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner. This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs for the transportation network over the 10 year planning period is approximately $41.23 million on average per year.

[6] AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

The current (budgeted) operations, maintenance and renewal funding is approximately $31.74 million on average per year giving a 10 year funding shortfall of approximately $9.49 million on average per year.

This indicates that 77% of the forecast costs needed to provide the services documented in this Asset Management Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

This information is presented in further detail for each asset class in Table 7.1.1-2 below.

Table 7.1.1-2: 10-Year Financial Indicator

Asset Class	Forecast operations, maintenance, and renewal costs (10-year average)	Current operations, maintenance, and renewal funding (10-year average)	Funding Shortfall/ Surplus (10-year average)	10 Year Financial Indicator
Roads	$12,170,000	$9,356,660	-$2,813,340	77%
Kerb and Watertable	$3,568,500	$2,621,077	-$947,423	73%
Footpaths	$12,987,500	$9,199,140	-$3,788,360	71%
Bridges	$7,554,500	$7,992,144	$437,644	106%
Traffic Signals	$4,944,500	$2,569,310	-$2,375,190	52%
Total	$41,225,000	$31,738,330	-$9,486,670	77%

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the Asset Management Plan and ideally over the 10 year life of the Long-Term Financial Plan.

7.1.2 Forecast Costs (outlays) for the Long-Term Financial Plan

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the Long-Term Financial Plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the Asset Management Plan or revising the Long-Term Financial Plan.

The forecast costs (outlays) required for consideration in the 10 year Long-Term Financial Plan are provided in Appendix F. These costs include renewal, maintenance, and operations of our existing assets. For the next revision of this Asset Management Plan, it is recommended to include the acquisition costs (upgrade/new) that are specified within the Resource Plan and are accommodated within the Long-Term Financial Plan. This has been recognised as an action within the Improvement Plan (Chapter 8). Costs associated with asset disposal, will continue to be identified through Council Reports and accommodated within the annual Business Plan and Budget and Long-Term Financial Plan as required.

7.2 Funding Strategy

The proposed funding for assets is outlined in the City of Adelaide Annual Business Plan and Budget and Long-Term Financial Plan.

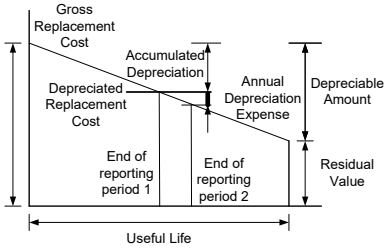
The financial strategy of the entity determines how funding will be provided, whereas the Asset Management Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset Valuations

The best available estimate of the value of assets included in this Asset Management Plan are shown below. The assets are valued at fair value cost to replace service capacity in accordance with Australian Accounting Standards.

Gross Replacement Cost	$1,141 million
Depreciable Amount	$991 million
Depreciated Replacement Cost[7]	$630 million
Depreciation	$21.6 million



A more comprehensive breakdown for each asset class is shown in Table 7.3.1.

Table 7.3.1: Asset Valuations

Financial Figure	Roads	Kerbs	Footpaths	Traffic Signals	Bridges
Gross Replacement Cost	$296,523,651	$119,743,095	$486,356,980	$59,352,017	$178,560,278
Depreciable Amount	$245,814,270	$119,743,095	$386,975,659	$59,352,017	$178,560,278
Depreciated Replacement Cost[8]	$201,261,941	$71,147,657	$280,119,321	$19,835,336	$57,534,949
Annual Depreciation	$7,196,174	$1,443,182	$7,782,769	$3,041,692	$2,088,132

7.3.2 Valuation Forecast

Asset values are forecast to increase as additional assets are added to the network.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

Increases to asset valuation are formally recognised through asset revaluations in conjunction with updates to Asset Management Plans, which are both typically undertaken every 4 years.

[7] Also reported as Written Down Value, Carrying or Net Book Value.
[8] Also reported as Written Down Value, Carrying or Net Book Value.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this Asset Management Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this Asset Management plan and provides readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- All current assets will remain within the organisation's ownership throughout the planning period
- Renewal forecasts associated with Adelaide Bridge assume the full replacement of the existing structure. The scope, costs and timing of the recommended capital works will be better understood following the completion of the Options Analysis (currently underway and scheduled for completion in 2024). Outcomes will be revised into this Asset Management Plan and Long Term Financial Plan in the future as soon as practical
- Renewal forecasts are based on costs associated with like for like or modern equivalent replacement and are based off current design standards and any legislated requirements. They do not account for additional costs to upgrade assets or install new ancillary assets
- Renewal forecast have been derived from treatment rates established from quantity surveyor estimates or contract rates, applied to asset dimensions recognised within the Asset Management System
- Renewal forecasts have been escalated into FY24/25 dollars (based on historic and forecast inflation)
- Renewal forecasts account for external design requirements, where costs are allocated within each FY of the Asset Management Plan as a "Design Program" where applicable (typically between 5-10% of annual construction costs, depending on asset class)
- Renewal forecasts consider asset condition, asset functionality and integrated planning principles
- Renewal forecasts have been aligned where appropriate with upgrade projects approved by Council and recognised in the Long-Term Financial Plan (e.g. Main Streets)
- Renewal forecasts do not account for internal staff resourcing. These resources are to be allocated through a capital resource overhead and accommodated into the Long-Term Financial Plan separately
- Asset useful lives align with current levels of service and are based on the judgment and experience of internal staff
- Asset remaining useful life estimates are based off asset condition data, renewal intervention levels aligned with current levels of service and technical asset deterioration profiles which are based on the judgement and experience of internal staff and available industry standards
- Asset useful life and remaining useful life estimates assume existing maintenance resourcing levels are continued
- Acquisition (upgrade/new) costs are not recognised within this Asset Management Plan. These costs will be recognised in the Resource Plan and incorporated into Long-Term Financial Plan separately
- Operations and maintenance forecasts are prioritised and delivered with respect to existing budget (standards to be reviewed and associated cost impacts to be incorporated into a future revision of this Asset Management Plan)
- Operations and maintenance forecasts do not currently account for the future acquisition of new assets through upgrade/new projects or gifted assets (to be considered through the annual business plan and budget and incorporated into future revisions of this Asset Management Plan)
- The Long-Term Financial Plan will appropriately escalate financial outlays communicated within this Asset Management Plan

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this Asset Management Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale[9] in accordance with Table 7.5-1.

Table 7.5-1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C. Medium	Data based on sound records, procedures, investigations and analysis which 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 and accuracy estimated ± 25%
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this Asset Management Plan is shown in Table 7.5-2. This Asset Management Plan's Improvement Plan (Chapter 8) outlines further steps recommended to be undertaken to continue to increase the maturity and confidence in asset management and financial forecasts.

Table 7.5-2: Data Confidence Assessment for Data used in Asset Management Plan

Roads	Kerbs	Footpaths	Bridges	Traffic Signals
Medium - High	Medium - High	Medium - High	Medium - High	Medium

Further information to support this assessment at a more granular level is provided in Appendix H.

[9] IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

8.1.1 Accounting and financial data sources

This Asset Management Plan utilises accounting and financial data. The source of the data is from the accounting module of CoA's Asset Management System (Assetic).

8.1.2 Asset management data sources

This Asset Management Plan also utilises asset management data. The source of the data is from CoA's Asset Management System (Assetic).

8.2 Improvement Plan

It is important that an entity recognise areas of their Asset Management Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this Asset Management Plan is shown in Table 8.2.

Table 8.2: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Finalise a 4-year Resource Plan to identify key upgrade/new projects to deliver Council's Strategic Plan objectives. Once key projects are recognised within the Long Term Financial Plan, Asset Management Plans will be updated to ensure associated acquisition costs (upgrade/new) and ongoing operational and maintenance costs are appropriately recognised, in conjunction with any scheduling adjustments required for asset renewal programs.	Strategy, Insights & Performance, with organisational support Infrastructure Planning	Within existing resource allocations	2024-25
2	Finalise Integrated Transport Strategy and identify key priority projects for inclusions within the Resource Plan. Review any key impacts to existing asset renewal programs.	Infrastructure Planning	Within existing resource allocations	2024-25
3	Revise asset renewal forecasts for Adelaide Bridge following the completion of Options Analysis (currently underway).	Infrastructure Planning	Within existing resource allocations	2024-25
4	Continue to work in partnership with both the State and Federal Governments to pursue external funding opportunities for both renewal and significant upgrade/new transportation projects.	City Services Executive	Within existing resource allocations	2024-25 2025-26
5	Review and update operations and maintenance standards, to develop more structured and proactive maintenance regimes which provide an acceptable balance between cost, risk, and customer expectations. Include changes into future revisions of this Asset Management Plan and Long-Term Financial Plan.	Infrastructure Planning, City Operations	Within existing resource allocations	2024-25 2025-26

6	Continue to undertake regular condition audits and revaluation for all our transportation assets within the nominated 4-year cycles, including regular review of asset useful lives.	Infrastructure Planning	Within existing resource allocations	Ongoing
7	Continue to review our technical standards and their application across the transportation network with respect to climate resilience, performance, whole-of-life cost, amenity, and heritage requirements.	Infrastructure Planning, Technical Services	Within existing resource allocations	Ongoing
8	Continue to monitor forecast climate change impacts to ensure we remain resilient through proactively implementing appropriate mitigation and adaptation controls.	Sustainability, Infrastructure Planning	Within existing resource allocations	Ongoing
9	Improve the capture of carbon emission data for technical standards to support lower carbon decision making	Low Carbon & Circular Economy, Infrastructure Planning, Technical Services	Led by existing resources, with external support identified through the Business Plan and Budget	Ongoing
10	Improve the capture of carbon emission data for project procurement to support lower carbon decision making	Low Carbon & Circular Economy, Procurement, Infrastructure Delivery	Led by existing resources, with external support identified through the Business Plan and Budget	Ongoing
11	Review of corporate performance measure targets for customer satisfaction, to assist with performance gap analysis	Strategy, Insights & Performance, Infrastructure Planning	Within existing resource allocations	2024-25
12	Review and standardise asset hierarchies for all asset classes within Streets, Park Lands and Buildings Categories.	Infrastructure Planning, City Operations	Within existing resource allocations	2024-25
13	Review customer service requests codes to better align with Level of Service reporting and operational and maintenance sub-activities.	Infrastructure Planning, City Operations, Customer Centre	Within existing resource allocations	2024-25
14	Further develop processes to ensure asset data is updated following the completion of contracted maintenance work and emergency asset replacement resulting from vandalism or knockdowns	Infrastructure Planning, City Operations,	Within existing resource allocations	2024-25

8.3 Monitoring and Review Procedures

This Asset Management Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The Asset Management Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budgets will be incorporated into the Long-Term Financial Plan once completed.

The Asset Management Plan has a maximum life of 4 years and is due for complete revision and updating within two years of a general Council election, pursuant to section 122 of the Local Government Act 1999 (SA).

8.4 Performance Measures

The effectiveness of this Asset Management Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this Asset Management Plan are incorporated into the Long-Term Financial Plan
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the Asset Management Plan
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans
- The Asset Renewal Funding Ratio achieving the Organisational target (90-110%)
- Achieving Technical Level of Service objectives
- Reviewing changes to customer service request numbers and customer satisfactory surveys
- Progressing with the implementation of Improvement Actions identified in Table 8.2
- Reviewing and update of the Plan at minimum every four years

9.0 REFERENCES

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- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- City of Adelaide 2020-2024 Strategic Plan, https://www.cityofadelaide.com.au/about-council/plans-reporting/strategic-planning/

10.0 APPENDICES

Appendix A Operation Forecast

The forecast operational costs for the transportation network are shown below. Future revisions of this Asset Management Plan will further review forecast requirements based on updated operations and maintenance standards. All values are shown in current day dollars.

Roads

Table A1 - Operation Forecast Summary (Roads)

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2024-25	$1,560,000	$0	$1,560,000
2025-26	$1,560,000	$0	$1,560,000
2026-27	$1,560,000	$0	$1,560,000
2027-28	$1,560,000	$0	$1,560,000
2028-29	$1,560,000	$0	$1,560,000
2029-30	$1,560,000	$0	$1,560,000
2030-31	$1,560,000	$0	$1,560,000
2031-32	$1,560,000	$0	$1,560,000
2032-33	$1,560,000	$0	$1,560,000
2033-34	$1,560,000	$0	$1,560,000

Kerb and Watertable

Table A2 - Operation Forecast Summary (Kerb and Watertable)

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2024-25	$25,000	$0	$25,000
2025-26	$25,000	$0	$25,000
2026-27	$25,000	$0	$25,000
2027-28	$25,000	$0	$25,000
2028-29	$25,000	$0	$25,000
2029-30	$25,000	$0	$25,000
2030-31	$25,000	$0	$25,000
2031-32	$25,000	$0	$25,000
2032-33	$25,000	$0	$25,000
2033-34	$25,000	$0	$25,000

Footpaths

Table A3 - Operation Forecast Summary (Footpaths)

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2024-25	$1,497,500	$0	$1,497,500
2025-26	$1,497,500	$0	$1,497,500
2026-27	$1,497,500	$0	$1,497,500
2027-28	$1,497,500	$0	$1,497,500
2028-29	$1,497,500	$0	$1,497,500
2029-30	$1,497,500	$0	$1,497,500
2030-31	$1,497,500	$0	$1,497,500
2031-32	$1,497,500	$0	$1,497,500
2032-33	$1,497,500	$0	$1,497,500
2033-34	$1,497,500	$0	$1,497,500

Bridges

Table A4 - Operation Forecast Summary (Bridges)

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2024-25	$62,500	$0	$62,500
2025-26	$62,500	$0	$62,500
2026-27	$62,500	$0	$62,500
2027-28	$62,500	$0	$62,500
2028-29	$62,500	$0	$62,500
2029-30	$62,500	$0	$62,500
2030-31	$62,500	$0	$62,500
2031-32	$62,500	$0	$62,500
2032-33	$62,500	$0	$62,500
2033-34	$62,500	$0	$62,500

Traffic Signals

Table A5 - Operation Forecast Summary (Traffic Signals)

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2024-25	$588,500	$0	$588,500
2025-26	$588,500	$0	$588,500
2026-27	$588,500	$0	$588,500
2027-28	$588,500	$0	$588,500
2028-29	$588,500	$0	$588,500
2029-30	$588,500	$0	$588,500
2030-31	$588,500	$0	$588,500
2031-32	$588,500	$0	$588,500
2032-33	$588,500	$0	$588,500
2033-34	$588,500	$0	$588,500

Appendix B Maintenance Forecast

The forecast maintenance costs for the transportation network are shown below. Future revisions of this Asset Management Plan will further review forecast requirements based on updated operations and maintenance standards. All values are shown in current day dollars.

Roads

Table B1 - Maintenance Forecast Summary (Roads)

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2024-25	$1,040,000	$0	$1,040,000
2025-26	$1,040,000	$0	$1,040,000
2026-27	$1,040,000	$0	$1,040,000
2027-28	$1,040,000	$0	$1,040,000
2028-29	$1,040,000	$0	$1,040,000
2029-30	$1,040,000	$0	$1,040,000
2030-31	$1,040,000	$0	$1,040,000
2031-32	$1,040,000	$0	$1,040,000
2032-33	$1,040,000	$0	$1,040,000
2033-34	$1,040,000	$0	$1,040,000

Kerb and Watertable

Table B2 - Maintenance Forecast Summary (Kerb and Watertable)

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2024-25	$465,000	$0	$465,000
2025-26	$465,000	$0	$465,000
2026-27	$465,000	$0	$465,000
2027-28	$465,000	$0	$465,000
2028-29	$465,000	$0	$465,000
2029-30	$465,000	$0	$465,000
2030-31	$465,000	$0	$465,000
2031-32	$465,000	$0	$465,000
2032-33	$465,000	$0	$465,000
2033-34	$465,000	$0	$465,000

Footpaths

Table B3 - Maintenance Forecast Summary (Footpaths)

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2024-25	$1,640,000	$0	$1,640,000
2025-26	$1,640,000	$0	$1,640,000
2026-27	$1,640,000	$0	$1,640,000
2027-28	$1,640,000	$0	$1,640,000
2028-29	$1,640,000	$0	$1,640,000
2029-30	$1,640,000	$0	$1,640,000
2030-31	$1,640,000	$0	$1,640,000
2031-32	$1,640,000	$0	$1,640,000
2032-33	$1,640,000	$0	$1,640,000
2033-34	$1,640,000	$0	$1,640,000

Bridges

Table B4 - Maintenance Forecast Summary (Bridges)

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2024-25	$230,000	$0	$230,000
2025-26	$230,000	$0	$230,000
2026-27	$230,000	$0	$230,000
2027-28	$230,000	$0	$230,000
2028-29	$230,000	$0	$230,000
2029-30	$230,000	$0	$230,000
2030-31	$230,000	$0	$230,000
2031-32	$230,000	$0	$230,000
2032-33	$230,000	$0	$230,000
2033-34	$230,000	$0	$230,000

Traffic Signals

Table B5 - Maintenance Forecast Summary (Traffic Signals)

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2024-25	$496,000	$0	$496,000
2025-26	$496,000	$0	$496,000
2026-27	$496,000	$0	$496,000
2027-28	$496,000	$0	$496,000
2028-29	$496,000	$0	$496,000
2029-30	$496,000	$0	$496,000
2030-31	$496,000	$0	$496,000
2031-32	$496,000	$0	$496,000
2032-33	$496,000	$0	$496,000
2033-34	$496,000	$0	$496,000

Appendix C Renewal Forecast Summary

The forecast renewal costs for the transportation network, relative to current renewal budgets are shown below, in conjunction with the annual renewal budget shortfall and the cumulative budget shortfall over the 10-year planning period. All Forecast costs are shown in 2024-25 dollar values.

Roads

Table C1 - Renewal Forecast Summary (Roads)

Year	Renewal Forecast	Renewal Budget	Annual Budget Shortfall	Cumulative Budget Shortfall
2024-25	$9,000,000	$6,012,500	-$2,987,500	-$2,987,500
2025-26	$12,000,000	$6,024,915	-$5,975,085	-$8,962,585
2026-27	$11,000,000	$6,278,253	-$4,721,747	-$13,684,332
2027-28	$9,200,000	$6,587,336	-$2,612,664	-$16,296,996
2028-29	$9,500,000	$6,744,541	-$2,755,459	-$19,052,456
2029-30	$9,000,000	$6,908,797	-$2,091,203	-$21,143,658
2030-31	$9,000,000	$7,047,140	-$1,952,860	-$23,096,518
2031-32	$9,000,000	$7,207,274	-$1,792,726	-$24,889,244
2032-33	$9,000,000	$7,377,920	-$1,622,080	-$26,511,324
2033-34	$9,000,000	$7,377,920	-$1,622,080	-$28,133,404

Across the 10-year planning period, the forecast renewal costs are $9.06m, with a current budget allocation of $67.6 m, resulting in a cumulative budget shortfall of -$28.1 m. This equates to an asset renewal funding ratio of 71%.

Kerb and Watertable

Table C2 - Renewal Forecast Summary (Kerb and Watertable)

Year	Renewal Forecast	Renewal Budget	Annual Budget Shortfall	Cumulative Budget Shortfall
2024-25	$1,850,000	$1,927,263	$77,263	$77,263
2025-26	$3,050,000	$1,949,323	-$1,100,677	-$1,023,414
2026-27	$2,850,000	$2,040,522	-$809,478	-$1,832,892
2027-28	$4,285,000	$2,134,700	-$2,150,300	-$3,983,192
2028-29	$3,125,000	$2,136,504	-$988,496	-$4,971,688
2029-30	$3,125,000	$2,139,332	-$985,668	-$5,957,356
2030-31	$3,125,000	$2,182,170	-$942,830	-$6,900,186
2031-32	$3,125,000	$2,231,756	-$893,244	-$7,793,430
2032-33	$3,125,000	$2,284,598	-$840,402	-$8,633,832
2033-34	$3,125,000	$2,284,598	-$840,402	-$9,474,234

Across the 10-year planning period, the forecast renewal costs are $30.8 m, with a current budget allocation of $21.3 m, resulting in a cumulative budget shortfall of -$9.5 m. This equates to an asset renewal funding ratio of 69%.

Footpaths

Table C3 - Renewal Forecast Summary (Footpaths)

Year	Renewal Forecast	Renewal Budget	Annual Budget Shortfall	Cumulative Budget Shortfall
2024-25	$8,500,000	$5,358,068	-$3,141,932	-$3,141,932
2025-26	$10,000,000	$5,438,504	-$4,561,496	-$7,703,428
2026-27	$10,000,000	$5,632,741	-$4,367,259	-$12,070,687
2027-28	$10,000,000	$5,910,045	-$4,089,955	-$16,160,642
2028-29	$10,000,000	$6,051,086	-$3,948,914	-$20,109,556
2029-30	$10,000,000	$6,198,454	-$3,801,546	-$23,911,102
2030-31	$10,000,000	$6,322,573	-$3,677,427	-$27,588,528
2031-32	$10,000,000	$6,466,242	-$3,533,758	-$31,122,288
2032-33	$10,000,000	$6,619,343	-$3,380,657	-$34,502,944
2033-34	$10,000,000	$6,619,343	-$3,380,657	-$37,883,600

Across the 10-year planning period, the forecast renewal costs are $98.5 m, with a current budget allocation of $60.6 m, resulting in a cumulative budget shortfall of -$37.8 m. This equates to an asset renewal funding ratio of 62%.

Bridges

Table C4 - Renewal Forecast Summary (Bridges)

Year	Renewal Forecast	Renewal Budget	Annual Budget Shortfall	Cumulative Budget Shortfall
2024-25	$750,000	$2,304,447	$1,554,447	$1,554,447
2025-26	$1,995,000	$2,398,110	$403,110	$1,957,557
2026-27	$1,600,000	$2,555,835	$955,835	$2,913,392
2027-28	$30,150,000	$2,722,292	-$27,427,708	-$24,514,316
2028-29	$30,500,000	$2,829,490	-$27,670,510	-$52,184,824
2029-30	$1,550,000	$2,942,315	$1,392,315	-$50,792,512
2030-31	$4,750,000	$51,890,316	$47,140,316	-$3,652,195
2031-32	$1,100,000	$3,069,429	$1,969,429	-$1,682,766
2032-33	$100,000	$3,142,104	$3,042,104	$1,359,338
2033-34	$125,000	$3,142,104	$3,017,104	$4,376,442

Across the 10-year planning period, the forecast renewal costs are $72.6 m, with a current budget allocation of $77.0 m, resulting in a cumulative budget surplus of $4.4 m. This equates to an asset renewal funding ration of 106%.

Traffic Signals

Table C5 - Renewal Forecast Summary (Traffic Signals)

Year	Renewal Forecast	Renewal Budget	Annual Budget Shortfall	Cumulative Budget Shortfall
2024-25	$4,250,000	$2,306,950	-$1,943,050	-$1,943,050
2025-26	$4,250,000	$2,322,837	-$1,927,163	-$3,870,213
2026-27	$4,250,000	$1,522,001	-$2,727,999	-$6,598,212
2027-28	$4,250,000	$1,585,710	-$2,664,290	-$9,262,502
2028-29	$4,250,000	$1,124,090	-$3,125,910	-$12,388,412
2029-30	$3,470,000	$1,151,466	-$2,318,534	-$14,706,946
2030-31	$3,470,000	$1,174,523	-$2,295,477	-$17,002,423
2031-32	$3,470,000	$1,201,212	-$2,268,788	-$19,271,211
2032-33	$3,470,000	$1,229,653	-$2,240,347	-$21,511,558
2033-34	$3,470,000	$1,229,653	-$2,240,347	-$23,751,905

Across the 10-year planning period, the forecast renewal costs are $38.6m, with a current budget allocation of $14.85m, resulting in a cumulative budget shortfall of -$23.7m. This equates to an asset renewal funding ratio of 38%.

Appendix D Budget Summary by Lifecycle Activity

The forecast costs (outlays) required for consideration in the 10 year Long-Term Financial Plan are provided in shown below. These costs include renewal, maintenance, and operations of our existing assets. For the next revision of this Asset Management Plan, it is recommended to include the acquisition costs (upgrade/new) that are specified within the Resource Plan and are accommodated within the Long-Term Financial Plan. This has been recognised as an action within the Improvement Plan (Chapter 8). Costs associated with asset disposal, will continue to be identified through Council Reports and accommodated within the annual Business Plan and Budget and Long-Term Financial Plan as required. All forecast renewal costs are shown in 2024/25 dollar values and operations/maintenance costs are shown in 2023/24 dollar values.

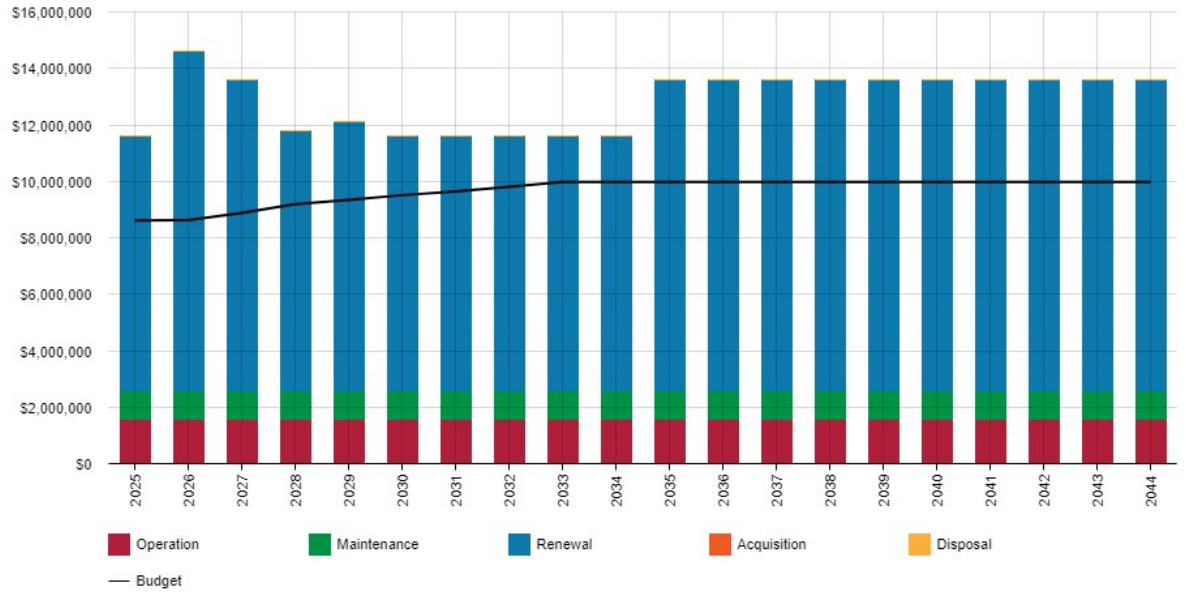
Roads

Table D1 – Budget Summary by Lifecycle Activity (Roads)

Year	Acquisition *	Operation	Maintenance	Renewal	Disposal
2024-25	$0	$1,560,0000	$1,040,0000	$9,000,000	$0
2025-26	$0	$1,560,0000	$1,040,0000	$12,000,000	$0
2026-27	$0	$1,560,0000	$1,040,0000	$11,000,000	$0
2027-28	$0	$1,560,0000	$1,040,0000	$9,200,000	$0
2028-29	$0	$1,560,0000	$1,040,0000	$9,500,000	$0
2029-30	$0	$1,560,0000	$1,040,0000	$9,000,000	$0
2030-31	$0	$1,560,0000	$1,040,0000	$9,000,000	$0
2031-32	$0	$1,560,0000	$1,040,0000	$9,000,000	$0
2032-33	$0	$1,560,0000	$1,040,0000	$9,000,000	$0
2033-34	$0	$1,560,0000	$1,040,0000	$9,000,000	$0

*Costs accounted for within the Resource Plan and incorporated into Long-Term Financial Plan separately (i.e. not through the Asset Management Plan)

Figure D1: Budget Summary by Lifecycle Activity (Roads)



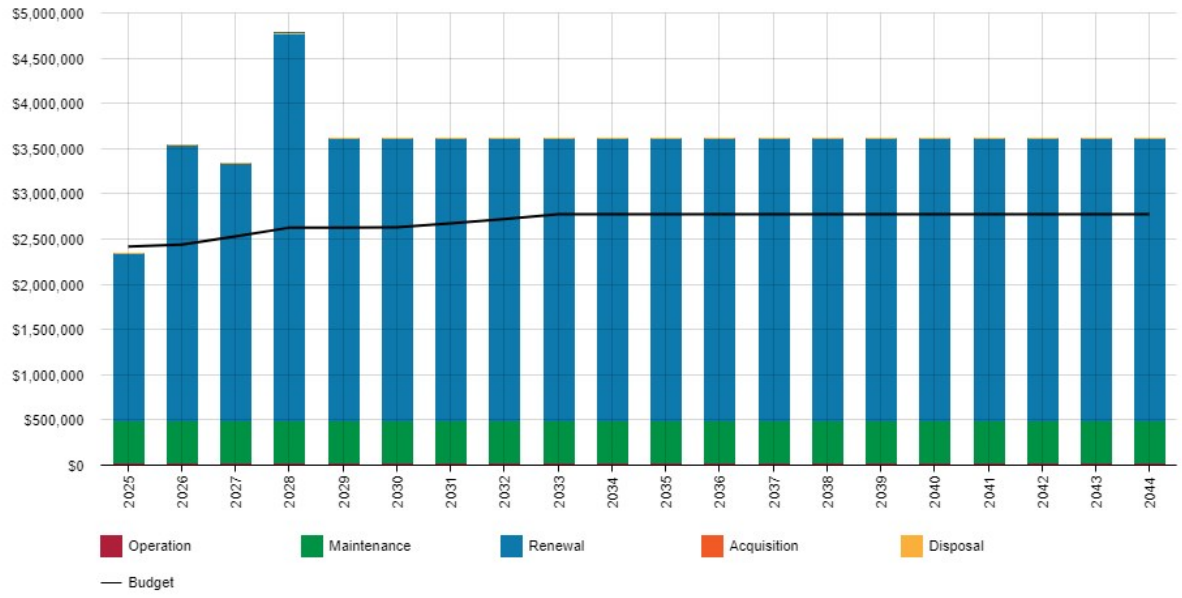
Kerb and Watertable

Table D2 – Budget Summary by Lifecycle Activity (Kerb and Watertable)

Year	Acquisition*	Operation	Maintenance	Renewal	Disposal
2024-25	$0	$25,000	$465,000	$1,850,000	$0
2025-26	$0	$25,000	$465,000	$3,050,000	$0
2026-27	$0	$25,000	$465,000	$2,850,000	$0
2027-28	$0	$25,000	$465,000	$4,285,000	$0
2028-29	$0	$25,000	$465,000	$3,125,000	$0
2029-30	$0	$25,000	$465,000	$3,125,000	$0
2030-31	$0	$25,000	$465,000	$3,125,000	$0
2031-32	$0	$25,000	$465,000	$3,125,000	$0
2032-33	$0	$25,000	$465,000	$3,125,000	$0
2033-34	$0	$25,000	$465,000	$3,125,000	$0

*Costs accounted for within the Resource Plan and incorporated into Long-Term Financial Plan separately (i.e. not through the Asset Management Plan)

Figure D2 – Budget Summary by Lifecycle Activity (Kerb and Watertable)



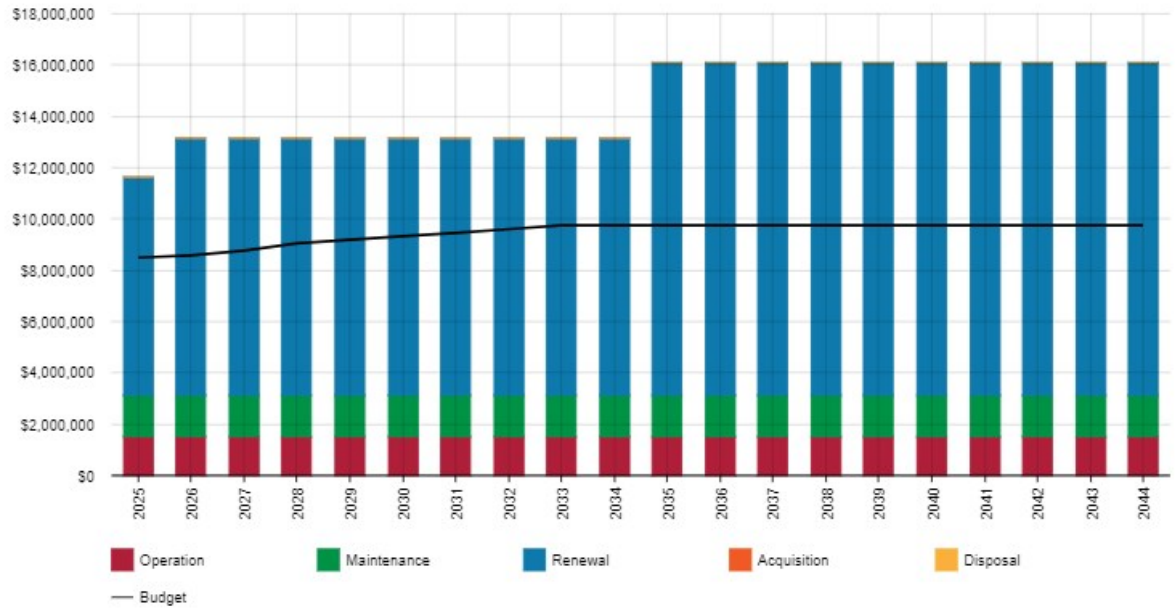
Footpaths

Table D3 – Budget Summary by Lifecycle Activity (Footpaths)

Year	Acquisition*	Operation	Maintenance	Renewal	Disposal
2024-25	$0	$1,497,000	$1,640,000	$8,500,000	$0
2025-26	$0	$1,497,000	$1,640,000	$10,000,000	$0
2026-27	$0	$1,497,000	$1,640,000	$10,000,000	$0
2027-28	$0	$1,497,000	$1,640,000	$10,000,000	$0
2028-29	$0	$1,497,000	$1,640,000	$10,000,000	$0
2029-30	$0	$1,497,000	$1,640,000	$10,000,000	$0
2030-31	$0	$1,497,000	$1,640,000	$10,000,000	$0
2031-32	$0	$1,497,000	$1,640,000	$10,000,000	$0
2032-33	$0	$1,497,000	$1,640,000	$10,000,000	$0
2033-34	$0	$1,497,000	$1,640,000	$10,000,000	$0

*Costs accounted for within the Resource Plan and incorporated into Long-Term Financial Plan separately (i.e. not through the Asset Management Plan)

Figure D3 – Budget Summary by Lifecycle Activity (Footpaths)



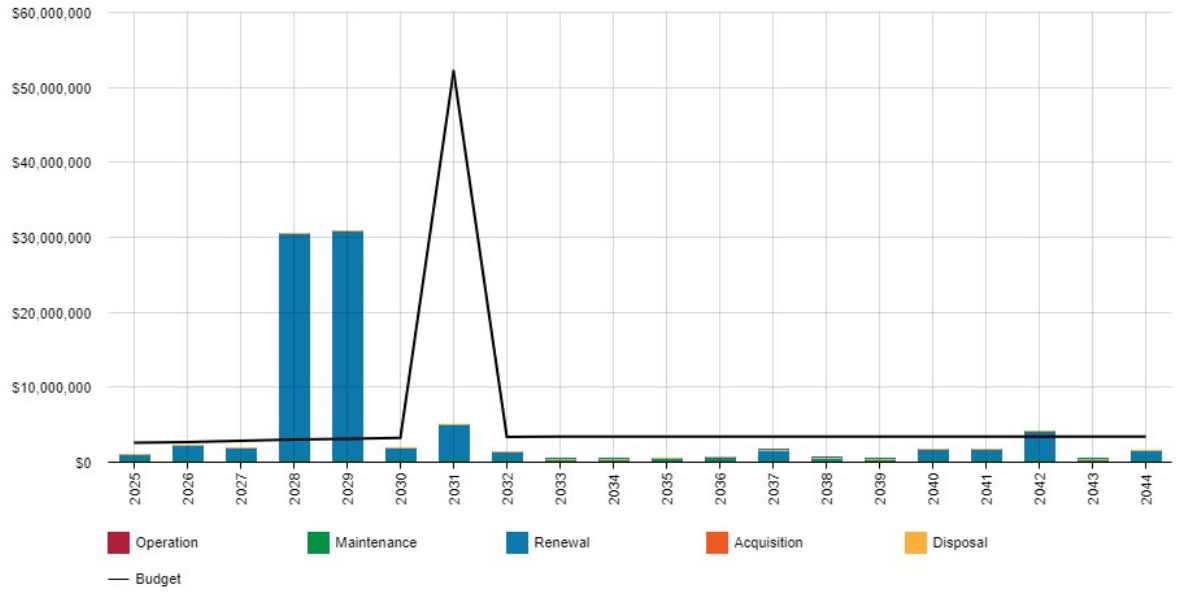
Bridges

Table D4 – Budget Summary by Lifecycle Activity (Bridges)

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2024-25	$0	$62,500	$230,000	$750,000	$0
2025-26	$0	$62,500	$230,000	$1,995,000	$0
2026-27	$0	$62,500	$230,000	$1,600,000	$0
2027-28	$0	$62,500	$230,000	$30,150,000	$0
2028-29	$0	$62,500	$230,000	$30,500,000	$0
2029-30	$0	$62,500	$230,000	$1,550,000	$0
2030-31	$0	$62,500	$230,000	$4,750,000	$0
2031-32	$0	$62,500	$230,000	$1,100,000	$0
2032-33	$0	$62,500	$230,000	$100,000	$0
2033-34	$0	$62,500	$230,000	$125,000	$0

*Costs accounted for within the Resource Plan and incorporated into Long-Term Financial Plan separately (i.e. not through the Asset Management Plan)

Figure D4 – Budget Summary by Lifecycle Activity (Bridges)



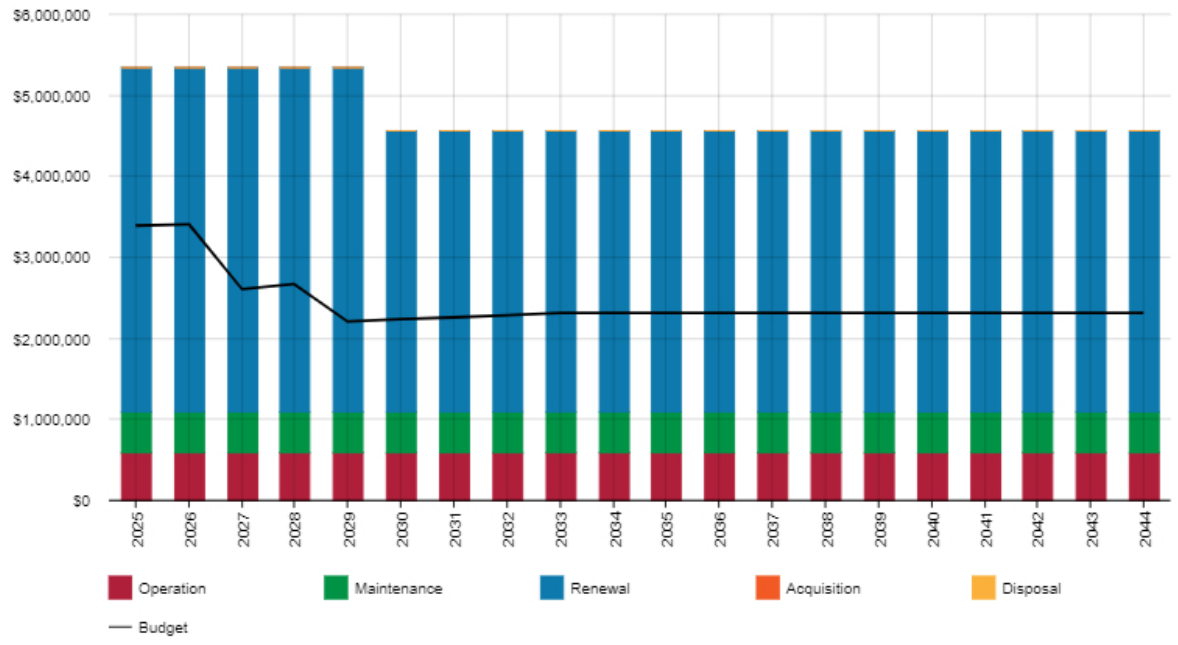
Traffic Signals

Table D5 – Budget Summary by Lifecycle Activity (Traffic Signals)

Year	Acquisition *	Operation	Maintenance	Renewal	Disposal
2024-25	$0	$588,500	$496,0000	$4,250,000	$0
2025-26	$0	$588,500	$496,0000	$4,250,000	$0
2026-27	$0	$588,500	$496,0000	$4,250,000	$0
2027-28	$0	$588,500	$496,0000	$4,250,000	$0
2028-29	$0	$588,500	$496,0000	$4,250,000	$0
2029-30	$0	$588,500	$496,0000	$3,470,000	$0
2030-31	$0	$588,500	$496,0000	$3,470,000	$0
2031-32	$0	$588,500	$496,0000	$3,470,000	$0
2032-33	$0	$588,500	$496,0000	$3,470,000	$0
2033-34	$0	$588,500	$496,0000	$3,470,000	$0

*Costs accounted for within the Resource Plan and incorporated into Long-Term Financial Plan separately (i.e. not through the Asset Management Plan)

Figure D5 – Budget Summary by Lifecycle Activity (Traffic Signals)



Appendix E Asset Condition State Overview & Renewal Intervention Levels

Roads

Table E1.1: Renewal Condition Intervention Levels (Roads)

	Road Surface		Road Pavement	
Hierarchy	**Intervention Level**	**Useful Life**	**Intervention Level**	**Useful Life***
Major Arterial Roads	4	15 years	4	40-80 years
Minor Arterial Roads	4	15 years	4	40-80 years
Primary Collector	4	15 years	4	30-80 years
Local Collector	4.5	20 years	4	50-80 years
Local Access and Car Parks	4.5	25 years	4.5	50-80 years

*Useful Life will be dependent on specific rehabilitation treatment selected following pavement investigation and options analysis.

Table E1.2: Asset Condition Examples (Roads)

Condition	Example
Condition 1 Very Good: Free of defects, only planned and/or routine maintenance required	
Condition 2 Good: Minor defects, increasing maintenance required plus planned maintenance	

Condition 3 Fair: Defects requiring regular and/or significant maintenance to reinstate service	
Condition 4 Poor: Significant defects, higher order cost intervention likely	
Condition 5 Very Poor: Physically unsound and/or beyond rehabilitation, immediate action required	

Table E1.3: Capital Intervention Matrix (Road – Major Arterial, Minor Arterial, and Primary Collector)

PCI	SCI				
	1	2	3	4	5
1	-	-	-	50mm P&R + LP	50mm P&R + LP
2	-	-	-	50mm P&R + LP	50mm P&R + LP
3	-	-	-	50mm P&R + HP	50mm P&R + HP
4	Rehabilitation	Rehabilitation	Rehabilitation	Rehabilitation	Rehabilitation
5	Reconstruction	Reconstruction	Reconstruction	Reconstruction	Reconstruction

Table E1.4: Capital Intervention Matrix (Road – Local Collector)

PCI	SCI				
	1	2	3	4	4.5-5
1	-	-	-	-	40mm P&R + LP
2	-	-	-	-	40mm P&R + LP
3	-	-	-	-	40mm P&R + HP
4	Rehabilitation	Rehabilitation	Rehabilitation	Rehabilitation	Rehabilitation
4.5-5	Reconstruction	Reconstruction	Reconstruction	Reconstruction	Reconstruction

Table E1.5: Capital Intervention Matrix (Road – Local Access and Car Parks)

PCI	SCI				
	1	2	3	4	4.5-5
1	-	-	-	-	40mm P&R + LP
2	-	-	-	-	40mm P&R + LP
3	-	-	-	-	40mm P&R + HP
4	-	-	-	-	40mm P&R + HP
4.5-5	Reconstruction	Reconstruction	Reconstruction	Reconstruction	Reconstruction

PCI= Pavement Condition Index

SCI = Surface Condition Index

50mm P&R + LP refers to Planing and Reinstating (P&R) the top 50mm of asphalt with Light Patching (LP)

40mm P&R + HP refers to Planing and Reinstating (P&R) the top 40mm of asphalt with Heavy Patching (HP)

Kerb and Watertable

Table E2.1: Renewal Condition Intervention Levels (Kerb and Watertable)

Hierarchy	Concrete		Bluestone		Granite	
	Intervention Level	Useful Life (Years)	Intervention Level	Useful Life (Years)	Intervention Level	Useful Life (Years)
Major Arterial Roads	4	60-80	4	120	4	120
Minor Arterial Roads	4	60-80	4	120	4	120
Primary Collector	4	60-80	4	120	4	120
Local Collector	4	60-80	4	120	4	120
Local Access and Car Parks	4	60-80	4	120	4	120

Table E2.2: Asset Condition Examples (Kerb and Watertable)

Condition	Example
Condition 1 Very Good: Free of defects, only planned and/or routine maintenance required	
Condition 2 Good: Minor defects, increasing maintenance required plus planned maintenance	

Condition 3 Fair: Defects requiring regular and/or significant maintenance to reinstate service	
Condition 4 Poor: Significant defects, higher order cost intervention likely	
Condition 5 Very Poor: Physically unsound and/or beyond rehabilitation, immediate action required	

Table E3.1: Renewal Condition Intervention Levels (Footpaths)

Surface Type	Hierarchy 1 Intervention Level	Hierarchy 2 Intervention Level	Hierarchy 3 Intervention Level	Hierarchy 4 Intervention Level	Parklands Intervention Level
Asphalt	4	4	4	4	4.25
Concrete Flagstone	4	4	4	4	4
Granite	4	4	4	4	4
In-situ Concrete	4	4	4	4	4
Interlocking Pavers	4	4	4	4	4
Polished Concrete	4	4	4	4	4
Rubble	4	4	4	4	4.25
Slate	4	4	4	4	4

Table E1.2: Asset Condition Examples (Footpaths)

Condition	Example
Condition 1 Very Good: Free of defects, only planned and/or routine maintenance required	
Condition 2 Good: Minor defects, increasing maintenance required plus planned maintenance	

Condition 3 Fair: Defects requiring regular and/or significant maintenance to reinstate service	
Condition 4 Poor: Significant defects, higher order cost intervention likely	
Condition 5 Very Poor: Physically unsound and/or beyond rehabilitation, immediate action required	

Bridges

Table E4.1: Renewal Condition Intervention Levels (Bridges)

Bridge Component	Intervention Level	Useful Life (Years)
Abutment	4	50-80
Apron	4	50
Apron Protection	4	50
Arch	4	80
Batter Protection	4	20-50
Culvert	4	80
Deck - Slab	4	20-80
Deck - Wearing Surface	4	20-80
Handrails	4	30-75
Headwall	4	80
Kerb	4	30
Outlet Protection	4	80
Piers	4	50
Primary Beams or Trusses	4	30-80
Secondary Beams or Joists	4	30-75
Solid Weir Substructure and Footings	4	50
Wingwall	4	50-80

Traffic Signals

Table E5.1: Renewal Condition Intervention Levels (Traffic Signals)

Traffic Signals Component	Intervention Level	Useful Life (Years)
Audio Tactile Renewal	4	10
Detector Loop Renewal	4	10
Lantern Renewal	4	10
Target Board Renewal	4	15
Pit Renewal	4	40
Pole Renewal	4	25
Push Button Renewal	4	10
Controller Renewal	4	10
Top Box Renewal	4	10
UPS Renewal	4	10
Conduit Renewal	4	40
CCTV Renewal	4	5

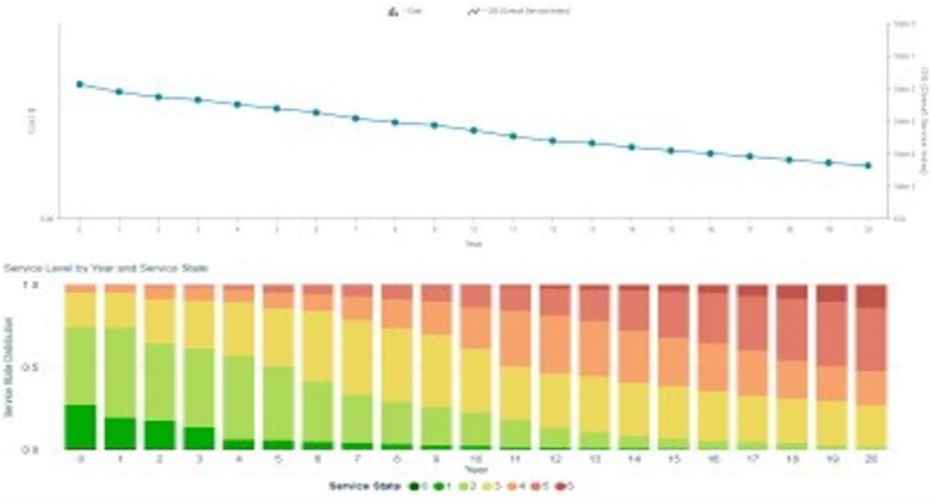
Appendix F Asset Renewal Scenario Modelling

Road Network – Predictive Scenario Modelling

LTFP Budget



Zero Budget



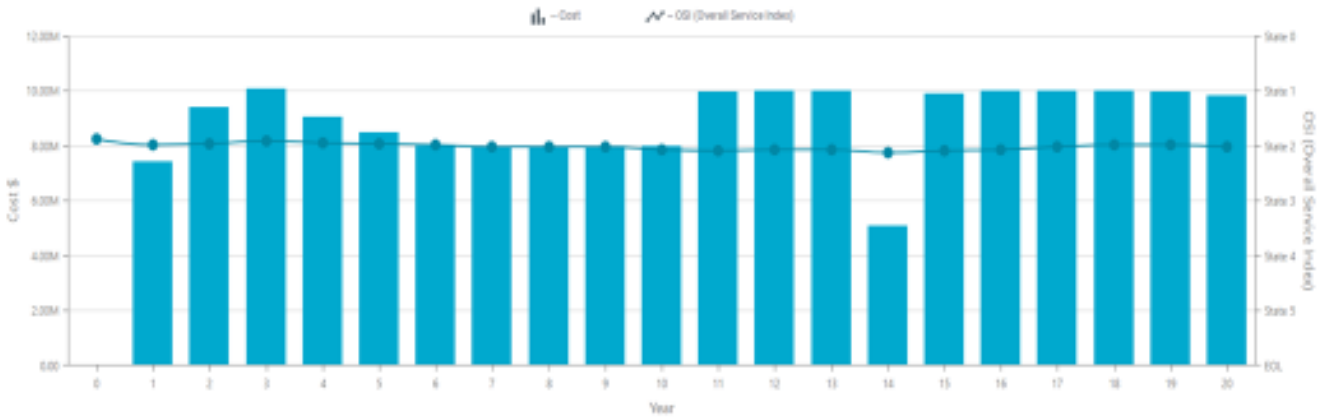
Unconstrained Budget

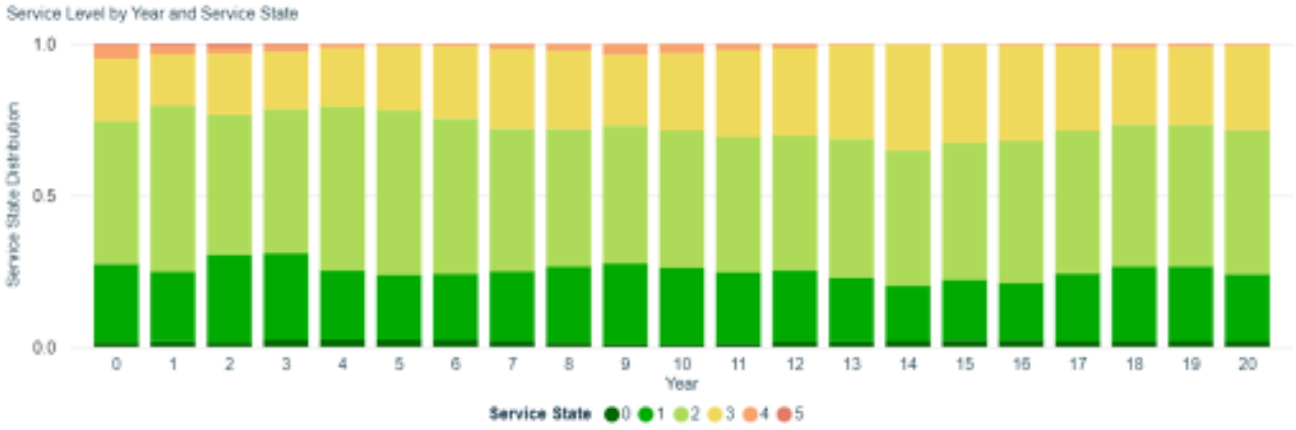


Recommended Strategy & Budget



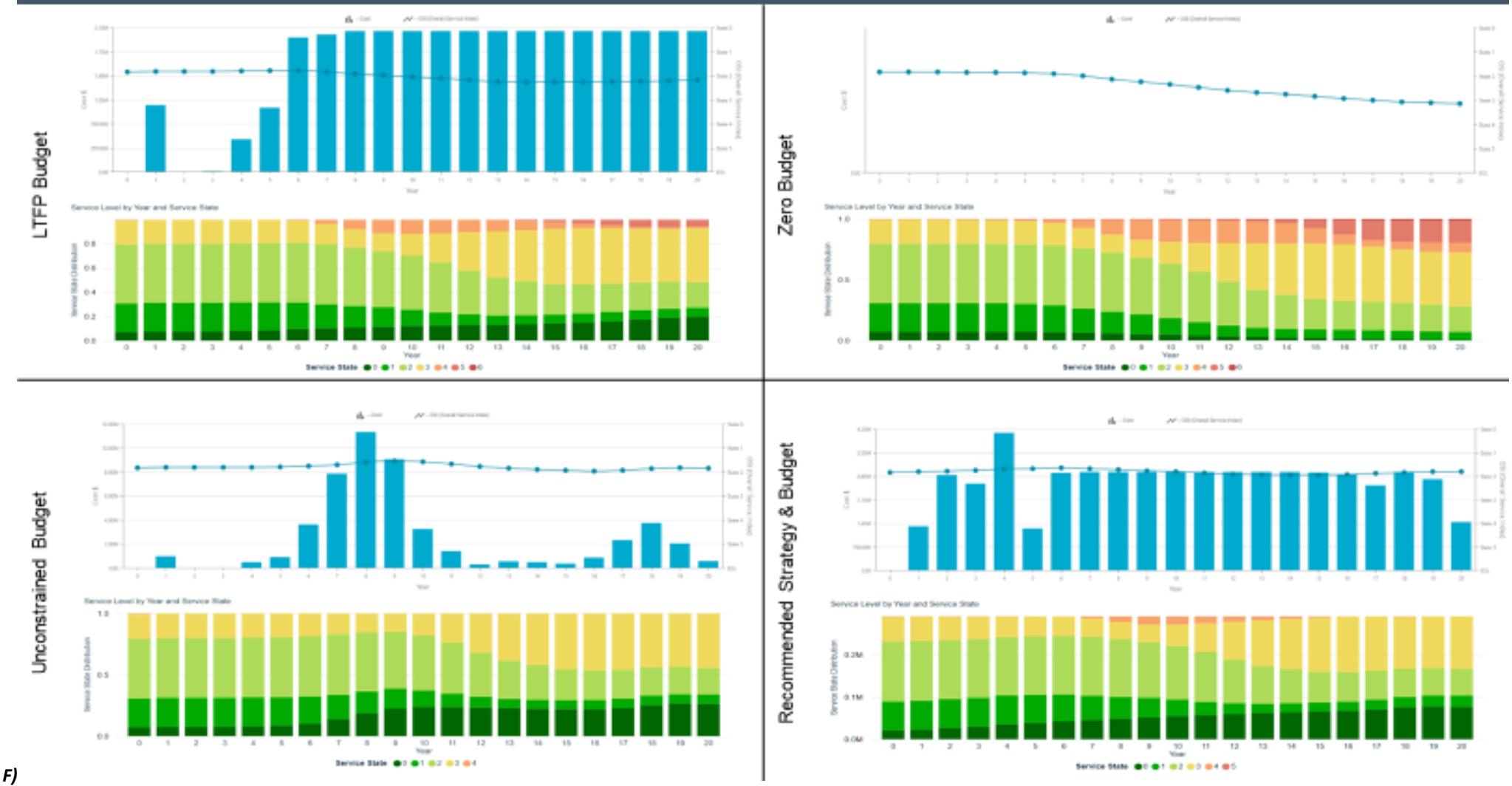
Road Network – Recommended Strategy





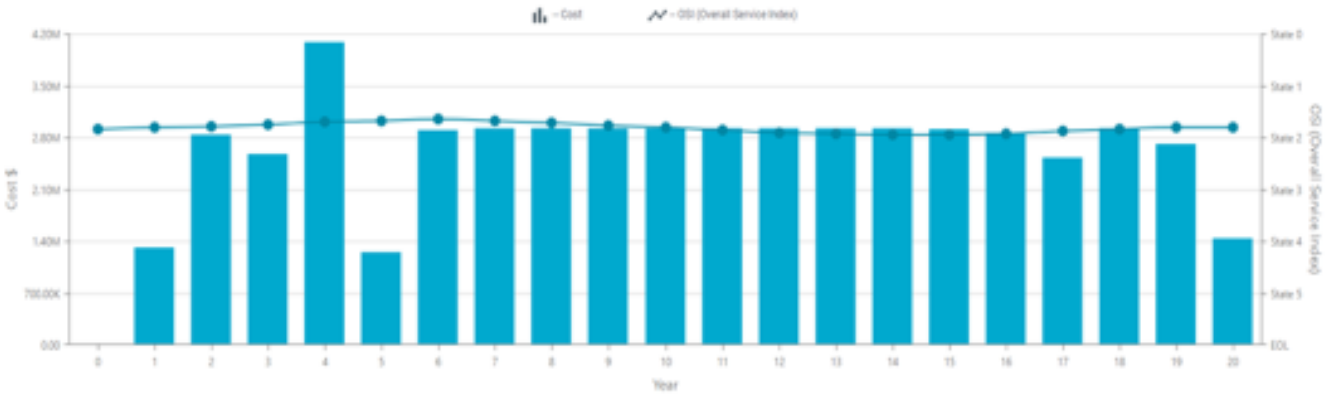
- The LTFP budget is insufficient to maintain service levels and would result in the road network slowly deteriorating over time.
- The unconstrained model projects the financial requirements to renew assets in accordance with specified renewal intervention criteria (Appendix E),which results in significant spikes of investment in specific years.
- The recommended strategy takes a more balanced approach, finding an acceptable equilibrium between budget requirements and service state outcomes, to smoothen out the unconstrained model.
- The overall service index of the network is maintained around condition state 2. Small quantities of assets fall into condition state 4 (<5%) and no assets fall into condition state 5 (with exceptions in years 2 and 3, as the initial renewal backlog is managed)
- This is considered acceptable from a risk management perspective noting that isolated service deficiencies can be managed through maintenance programs.
- Note: annual design programs ($600k) and a heavy patching program ($400k) have been included in addition to these figures for inclusion into the AM Plan.

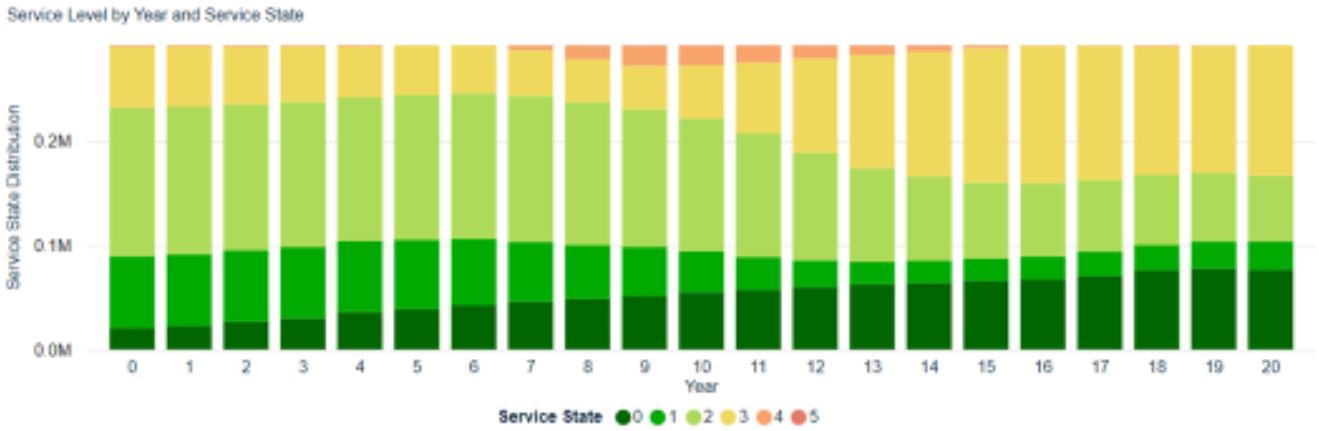
Kerb and Watertable Network – Predictive Scenario Modelling



F)

Kerb and Watertable Network – Recommended Strategy

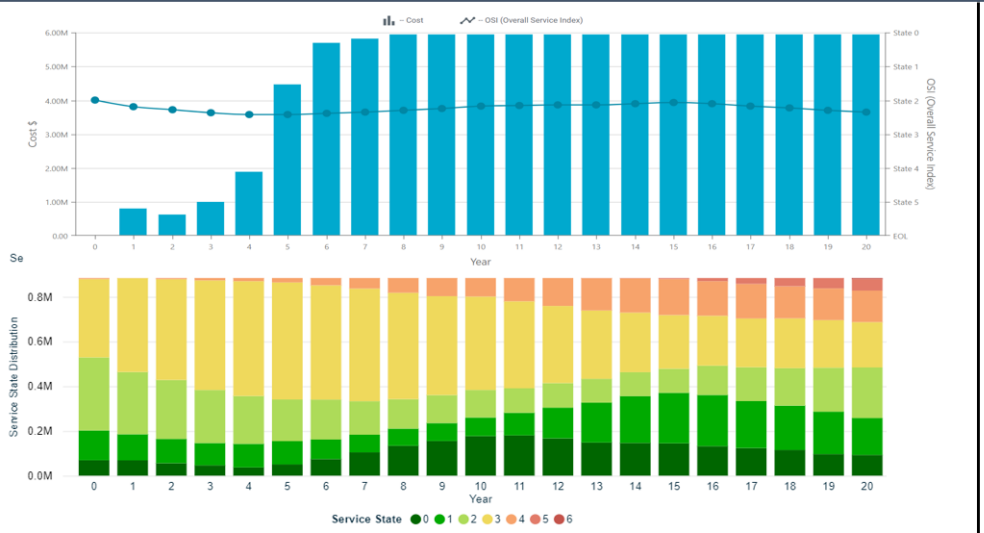




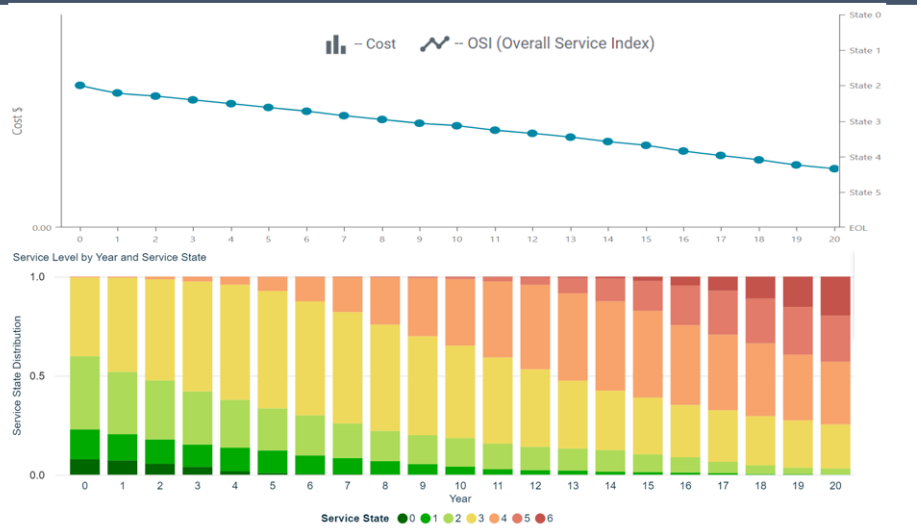
- The LTFP budget is insufficient to maintain service levels and would result in the road network slowly deteriorating over time.
- The unconstrained model projects the financial requirements to renew assets in accordance with specified renewal intervention criteria (Appendix E),which results in significant spikes of investment in specific years.
- The recommended strategy takes a more balanced approach, finding an acceptable equilibrium between budget requirements and service state outcomes, to smoothen out the unconstrained model.
- The overall service index of the network is maintained around condition state 2. Small quantities of assets fall into condition state 4 (<5%) and no assets fall into condition state 5 (with exceptions in years 9, 10, and 11, as the significant spike seen in the unconstrained model is managed)
- This is considered acceptable from a risk management perspective noting that isolated service deficiencies can be managed through maintenance programs.
- Note: annual design programs ($200k) have been included in addition to these figures for inclusion into the AM Plan.

Footpath Network – Predictive Scenario Modelling

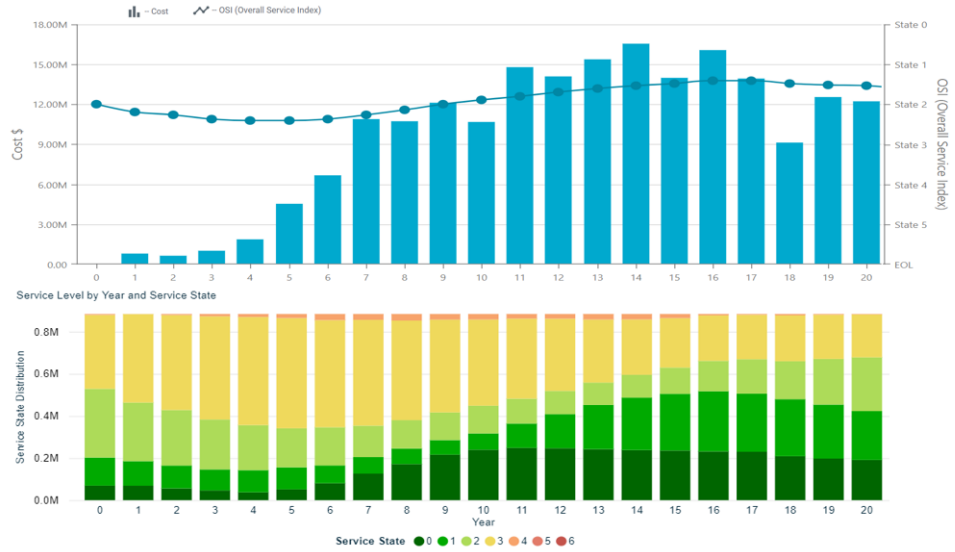
LTFP Budget



Zero Budget



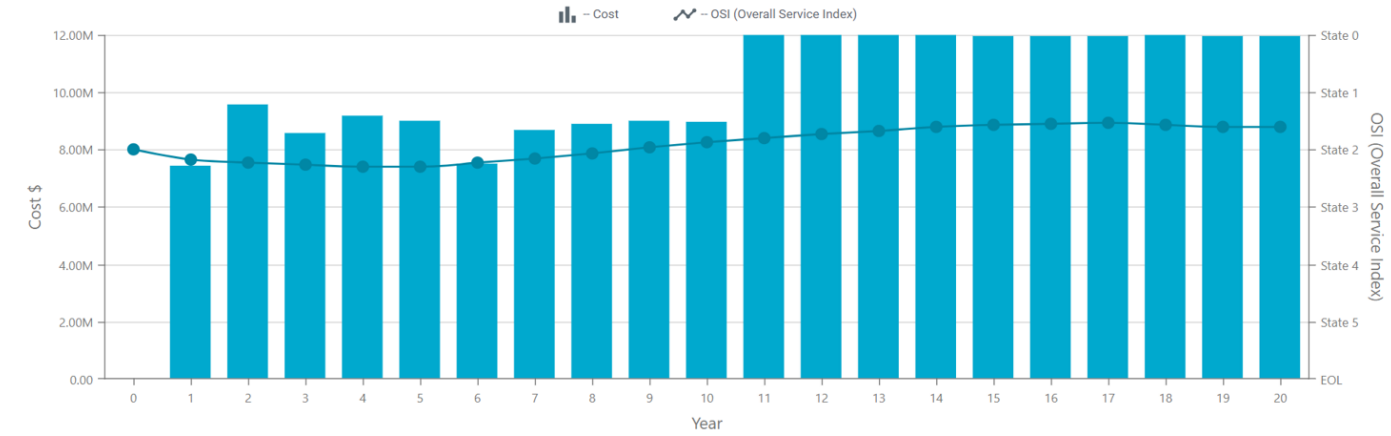
Unconstrained Budget

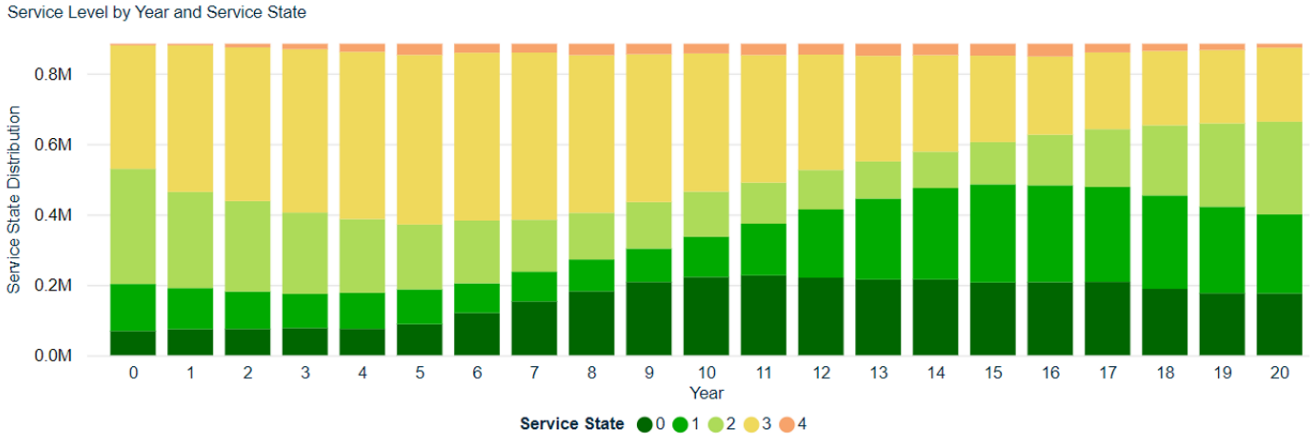


Recommended Strategy & Budget



Footpath Network – Recommended Strategy





- The LTFP budget is insufficient to maintain service levels and would result in the footpath network slowly deteriorating over time.
- The unconstrained model projects the financial requirements to renew assets in accordance with specified renewal intervention criteria (Appendix E),which results in significant spikes of investment in specific years.
- The recommended strategy takes a more balanced approach, finding an acceptable equilibrium between budget requirements and service state outcomes, to smoothen out the unconstrained model.
- The overall service index of the network is maintained around condition state 2. Small quantities of assets fall into condition state 4 (<5%) and no assets fall into condition state 5
- Note: annual design programs ($450k) , footpath refurbishment program ($450k) and access ramp renewal program ($100k) have been included in addition to these figures for inclusion into the AM Plan.

Appendix G Data Confidence Assessment for Data Used in Asset Management Plan

The estimated confidence level for and reliability of data used in this Asset Management Plan is shown in the tables below.

Roads

Table G1: Data Confidence Assessment for Data used in Asset Management Plan (Roads)

Data	Confidence Assessment	Comment
Demand drivers	High	Based off corporate planning documents and strategies
Growth projections	High	Based off State government projections and industry research and analysis
Acquisition forecast	Low	Not accommodated within this Asset Management Plan
Operation forecast	Medium	Based off known requirements and known costs for condition audits
Maintenance forecast	Low	Maintenance requirements are not forecasted, currently just aligned to existing budget allocations
Asset values	High	Asset valuations have been inflated for 2024/25 period
Asset useful lives	High	In line with industry standards with regular review
Condition modelling	High	Road condition audit was undertaken in 2019 and has been validated by internal staff to be of reliable quality. Predictive modelling was undertaken with Brightly's Predictor software package to estimate remaining useful life of assets
Disposal forecast	Low	Not accommodated within this Asset Management Plan

Kerb and Watertable

Table G2: Data Confidence Assessment for Data used in Asset Management Plan (Kerb and Watertable)

Data	Confidence Assessment	Comment
Demand drivers	High	Based off corporate planning documents and strategies
Growth projections	High	Based off State government projections and industry research and analysis
Acquisition forecast	Low	Not accommodated within this Asset Management Plan
Operation forecast	Medium	Based off known requirements and known costs for condition audits
Maintenance forecast	Low	Maintenance requirements are not forecasted, currently just aligned to existing budget allocations
Asset values	High	Asset valuations have been inflated for 2024/25 period
Asset useful lives	High	In line with industry standards with regular review
Condition modelling	Medium	Kerb condition audit was undertaken in 2019 and has been validated by internal staff to be of reliable quality. Predictive modelling was undertaken with Brightly's Predictor software package to estimate remaining useful life of assets
Disposal forecast	Low	Not accommodated within this Asset Management Plan

Footpaths

Table G3: Data Confidence Assessment for Data used in Asset Management Plan (Footpaths)

Data	Confidence Assessment	Comment
Demand drivers	High	Based off corporate planning documents and strategies
Growth projections	High	Based off State government projections and industry research and analysis
Acquisition forecast	Low	Not accommodated within this Asset Management Plan
Operation forecast	Medium	Based off known requirements and known costs for condition audits
Maintenance forecast	Low	Maintenance requirements are not forecasted, currently just aligned to existing budget allocations
Asset values	High	Asset valuations have been inflated for 2024/25 period
Asset useful lives	High	In line with industry standards with regular review
Condition modelling	Medium	Footpath condition audit was undertaken in 2021 and has been validated by internal staff to be of reliable quality. Predictive modelling was undertaken with Brightly's Predictor software package to estimate remaining useful life of assets
Disposal forecast	Low	Not accommodated within this Asset Management Plan

Bridges

Table G4: Data Confidence Assessment for Data used in Asset Management Plan (Bridges)

Data	Confidence Assessment	Comment
Demand drivers	High	Based off corporate planning documents and strategies
Growth projections	High	Based off State government projections and industry research and analysis
Acquisition forecast	Low	Not accommodated within this Asset Management Plan
Operation forecast	Medium	Based off known requirements and known costs for condition audits
Maintenance forecast	Low	Maintenance requirements are not forecasted, currently just aligned to existing budget allocations, with additional budget bids put forward annually as required
Asset values	High	Asset valuations have been inflated for 2024/25 period
Asset useful lives	High	In line with industry standards with regular review
Condition modelling	Medium	Condition audit of bridge network was undertaken in 2019, with several road bridges having more recent audits in 2023. Remaining life estimates are made based from engineering inspections and recommendations.
Disposal forecast	Low	Not accommodated within this Asset Management Plan

Traffic Signals

Table G5: Data Confidence Assessment for Data used in Asset Management Plan (Traffic Signals)

Data	Confidence Assessment	Comment
Demand drivers	High	Based off corporate planning documents and strategies
Growth projections	High	Based off State government projections and industry research and analysis
Acquisition forecast	Low	Not accommodated within this Asset Management Plan
Operation forecast	High	Based off ongoing costs for the provision of a SCATS fee, power supply charges and condition audits.
Maintenance forecast	Medium	Maintenance requirements are based off contracted standards for inspections; planned/reactive maintenance works, with associated KPI's
Asset values	High	Asset valuations have been inflated for 2024/25 period
Asset useful lives	High	In line with industry standards with regular review
Condition modelling	Low	Condition audit of traffic signal network was undertaken in 2019, however audit methodology has deficiencies for underground assets to inform remaining useful life estimates
Disposal forecast	Low	Not accommodated within this Asset Management Plan

CITY OF ADELAIDE

What Underpins the Build of the 2024/25 BP&B

Friday, 16 February 2024
Audit and Risk Committee

Strategic Alignment - Our Corporation

Presenter: Acting Chief Operating Officer, Anthony Spartalis

Public

PURPOSE OF WORKSHOP

The purpose of the Business Plan and Budget is to demonstrate responsible management of public funds to support community outcomes, represent Council commitment to the community through annual priorities and proposed deliverables for the year, alignment to our services, strategies and action plans, and articulates the challenges and opportunities of the current environment.

The workshop will outline:

- The updated roadmap for the 2024/25 Business Plan and Budget presented to Council on 6 February 2024
- Long Term Financial Plan principles and assumptions
- Consolidated base budget
- Revenue opportunities for rates, fees and charges
- Provision of Council Member ideas

- END OF REPORT -

City of Adelaide

2024/25 Business **Plan and Budget**

What underpins the 2024/25 BP&B - Parameters, Assumptions and Principles

CITY OF ADELAIDE

16 February 2024 – Audit and Risk Committee
Acting Chief Operating Officer

Updated 2024/25 BP&B Timeline

Date	Forum	Role	Theme	Topic
5 December	CFG (Workshop)	Noting	Introduction	Introduction and foundation to building a BP&B (Roadmap) ☑
12 December	Special CEO Briefing	Noting	Rates	Rate Review Discussion ☑
6 February	Special CEO Briefing	Noting	Budget	What underpins the build of the 2024/25 BP&B (Parameters, Assumptions and Principles) ☑
13 February	Special CEO Briefing	Noting	Plan and Budget	Financial Sustainability and Priorities – Strategic Plan, LTFP, AMPs (including presentation from Adam Wilson – CEO of ESCOSA) ☑
16 February	Audit and Risk Committee	Noting	Budget	What underpins the build of the 2024/25 BP&B (Parameters, Assumptions and Principles)
20 February	CFG (Workshop)	Discuss	Plan and Budget	Financial Levers
7 March	Special CFG (Workshop)	Discuss	Plan and Budget	Operating Budget: Strategic Projects, Service Changes, Priorities and Budget Levers
19 March	CFG (Workshop)	Discuss	Plan and Budget	Capital Budget: Capital Projects, Priorities and Budget Levers
9 April	Council	Endorse	Key Projects	Final list of Strategic and Capital projects
12 April	Audit and Risk Committee	Endorse	Draft	Draft 2024/25 BP&B for community consultation purposes
16 April 23 April	CFG Council	Endorse	Draft	Draft 2024/25 BP&B for community consultation purposes
26 April – 19 May	-	Participate	Consultation	Community Consultation (including presentation of Draft 2024/25 BP&B to Subsidiary boards)
21 May	Special Council	Participate	Consultation	Special hearing for public consultation
11 June	Council	Receive	Draft	Receipt of submissions
18 June 25 June	CFG Council	Adopt	Final	Final 2024/25 BP&B

LTFP Principles and Assumptions

LTFP Principles
Adopted by Council

As part of the adopted Long Term Financial Plan, Council adopted the following principles:

- Our approach to rates, fees and charges is fair and equitable
- Transparency in decision making
- Continue to deliver a minimum of the current suite of services and asset maintenance, indexed in line with Consumer Price Index (CPI)
- Fees and charges reflect cost of services provided
- Maintain the current rating system
- Maintain an operating surplus
- Capitalise on external funding, fast-tracking projects that attract such funding, recognising the potential need for increased borrowings in order to respond to external funding opportunities
- Consider new and different revenue streams and the approach to commercial businesses to reduce reliance on existing revenue sources
- Adjust rate revenue after consideration of all other budget components and use growth in rate revenue to partly fund servicing new rateable properties and to service new borrowings
- Capital renewal expenditure will be based on asset management plans
- New or enhanced services, assets or maintenance requiring an increase in operating costs are to be funded from the adjustment of priorities, rate revenue or other revenue increases and/or through savings
- Consider the disposal, purchase and /or repurposing of property assets to unlock the potential and future prosperity of the City, without incurring a financial loss

These Principles will guide the development of the 2024/25 Business Plan and Budget

LTFP Principles and Assumptions

Key Assumptions
Underpinning the LTFP

- Continue Budget Repair
- Rates Revenue in line with forecast inflation (excludes growth from new developments)
- Fees and charges in line with forecast inflation
- Salaries and wages forecasts based on enterprise agreements; once expired, Wage Price Index (WPI) for SA applied
- Other revenue and expenditure growth, in general, in line with forecast inflation
- Interest rates relative to market expectations
- Capital renewal expenditure in line with Infrastructure and Asset Management Plans (IAMPs)
- Capital enhancements (new and upgrade) in line with Council Decision to fund Central Market Arcade Redevelopment, Mainstreets ($15m per year) and then $15m over assumed continuation.

LTFP Principles and Assumptions

LTFP Assumptions for 2024/25
Operating Budget

- Inflation Forecasts (CPI)
  2.9% (Deloitte Access Economics Dec 2023), Adopted LTFP based on 2.4%
- Revenue increases linked to CPI (Rates and Fees and Charges)
- Rates growth of 1% (from new properties)
- Interest Rates for new borrowings currently forecast at 4.9% (Deloitte Access Economics Dec 2023), Adopted LTFP based on 4.5%
- Depreciation impacts from Valuations performed in 2022/23 year and Capital Program
- Incorporate cost pressures in Materials and Consumables (utilities etc) that have increased in 2023/24 at a greater percentage than budget assumptions
- Removal of Aquatic Centre following negotiations with State Government
- Strategic Project allocation of $5.671m

$'000s	2023-24	2024-25
	Budget	LTFP
Income		
Rates Revenues	135,281	139,809
Fees and Charges	84,598	79,916
Grants, Subsidies and Contributions	8,562	4,547
Other Income	953	977
Total Income	229,394	225,249
Expenses		
Employee Costs	82,435	83,050
Materials, Contracts & Other Expenses	88,132	80,569
Depreciation, Amortisation & Impairment	56,040	56,835
Finance Costs	835	2,525
Total Expenses	227,442	222,980
Operating Surplus / (Deficit)	**1,952**	**2,268**

Base Budget

Consolidated Base Budget
Income and Expenditure

- The 2024/25 base budget has been built based on the assumptions of the Long Term Financial Plan
- Incorporate cost pressures in Materials and Consumables (utilities etc) that have increased in 2023/24 at a greater percentage than budget assumptions
- Council's 2020-2024 Strategic Plan and Infrastructure and Asset Management Plans, including planned investment in new projects and infrastructure
- Strategic Project allocation of $6.000m
- **Does not include any Service Change requests** - These will be considered at a workshop proposed for Thursday 7 March.
- Target Surplus of $2.268m

$'000s	2023-24	2024-25		
	Budget	LTFP	Base	Variance
Income				
Rates Revenues	135,281	139,809	140,555	746
Fees and Charges	84,598	79,916	82,330	2,414
Grants, Subsidies and Contributions	8,562	4,547	4,335	(212)
Other Income	953	977	1,176	199
Total Income	229,394	225,249	228,396	3,147
Expenses				
Employee Costs	82,435	83,050	87,326	(4,276)
Materials, Contracts & Other Expenses	88,132	80,569	81,604	(1,035)
Depreciation, Amortisation & Impairment	56,040	56,835	56,438	397
Finance Costs	835	2,525	786	1,739
Total Expenses	227,442	222,980	226,154	(3,174)
Operating Surplus / (Deficit)	**1,952**	**2,268**	**2,242**	**(27)**

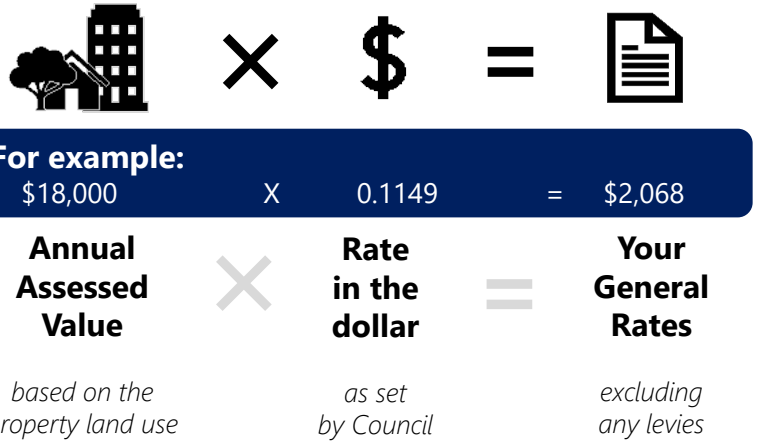
Revenue

Rating Principles and Assumptions – built into the LTFP

- Maintain current rating system and structure
- Maintain an operating surplus – requires a certain level of revenue
- Services and asset maintenance, indexed in line with Consumer Price Index (Deloitte Access Economics Forecast) – funded by operating revenue
- Consider new and different revenue streams to reduce reliance on existing revenue sources
- Adjust rate revenue after consideration of all other budget components and use growth in rate revenue to partly fund servicing new rateable properties and to service new borrowings
- Rate income increases in line with endorsed revenue forecasts and growth from new developments in accordance with LTFP

Existing Rating Structure

- Property Valuation x Rate in Dollar (RID) = individual rates payable
- Valuations based on AAV (annual assessed value, based on potential rent)
- Differential rates – residential, non-residential, vacant land
- Separate rate – Rundle Mall Levy only



Revenue

Opportunities

Rating short stay accommodation

- Currently approx. 600 within Council boundary
    - Commercial rate = no consultation; Differential rate = consultation as per Act
    - Considered approach in the context of Housing Policy
    - 5 options identified 4 Council, 1 State (rate as commercial, separate rate, rate by zone, by-law, state regulation)
    - Separate rate + zone not viable because of broader rate payer implications
    - 2 step approach – short term rate as commercial then longer-term work with State to regulate for all councils (as per WA/NSW)
    - As a fall back, by-law (also requires parliamentary endorsement)
- Comm = +22.5% ∴ 600 x average rates x 22.5% = ↑ revenue ($1,865 x 0.225 x 600 = $252k)

Minimum rate

- s158 (1)(a) fix a minimum amount payable - everyone as a minimum contributes no less than the minimum amount set
- s158 (2)(d) may not apply if affects > 35 per cent of total number of properties in the area
- Small assessments caught up – eg individual car parks with a range of properties under $500

Revenue

Fees and Charges

Opportunities for fees and charges revenue increase

- The principles and assumptions of the LTFP states that Fees and charges in line with forecast inflation (assumption) and that there is a consideration of new and different revenue streams and the approach to commercial businesses to reduce reliance on existing revenue sources (principle).
- Benchmarking has been undertaken with other Councils, both local and interstate, on fees and charges
- The following fees and charges were identified as opportunities for consideration as part of the 2024/25 BP&B:

Activity Category	Description	Potential Additional Annual Revenue
E-Scooters (if continued)	Change fee model to potentially reduce e-Scooter clutter and increase revenue	$80k
City Works Daily Cap	Raise daily fee cap introduced in 2021	$156k
Food Inspections	Reinstate charging fees for first inspections	$75k
Local Nuisance Exemptions	Introduce new fee for exemption applications due to their complexity, resource impacts, and as a deterrent	$8k
City Works Minimum Fee	Introduce new fee to cover resource costs	$3k
		$322k per annum

Council Member's Ideas

Opportunity for Council Member Ideas

For Consideration in the 2024/25 BP&B

- At the City Finance and Governance workshop on 5 December 2023, Council Members expressed an interest in providing ideas to be considered as part of the 2024/25 BP&B process.
- To support the delivery of the new Strategic Plan, a form has been created to provide Council Members the ability to submit ideas for projects or services changes
- The form is in line with the aspirations and outcomes of the new Strategic Plan.
- Process for consideration as part of 2024/25 BP&B:
  - The form will be available after tonight's presentation, and members will have until 20 February to submit ideas for consideration.
  - Ideas will be provided to the corresponding Associate Director to include as part of considerations for planning and prioritisation.
  - Strategic Projects and Service Changes are proposed to be discussed on **Thursday 7 March 2024.**
  - Capital Projects are to be discussed on **Tuesday 19 March 2024.**

Next Steps

Developing the 2024/25 BP&B
Council Timelines

The 2024/25 BP&B timeline seek to manage the process in an efficient and transparent manner.

Since initial BP&B session in December 2023, some changes are proposed and are outlined in the timeline on the right. This includes:

- A presentation from Adam Wilson, CEO of ESCOSA, regarding financial sustainability (occurred on 13 February 2023)
- Inclusion of a Special City Finance and Governance Committee Workshop on **Thursday 7 March 2024** for a workshop on Operating Budgets and Strategic Projects

Date	Topic
20 Feb – CFG	Workshop – Financial Levers
7 Mar – Special CFG	Workshop – Operating Budget: Strategic Projects, Service Changes, Priorities and Budget Levers
19 Mar – CFG	Workshop – Capital Budget: Capital Projects, Priorities and Budget Levers
9 Apr – Council	Report – Final list of Strategic and Capital projects
12 Apr - ARC	Report - Draft 2024/25 BP&B for community consultation purposes
16 Apr - CFG 23 Apr – Council	Report – Draft 2024/25 BP&B for community consultation purposes
26 Apr – 19 May	Community Consultation (including presentation of Draft 2024/25 BP&B to Subsidiary boards)
21 May – Special Council	Report – Special hearing for public consultation
11 Jun – Council	Report – Receipt of submissions
18 Jun – CFG 25 Jun – Council	Report – Final 2024/25 BP&B

Exclusion of the Public

Friday, 16 February 2024
Audit and Risk Committee

Program Contact:
Alana Martin, Manager Governance

Public

Approving Officer:
Michael Sedgman, Acting Chief Executive Officer

EXECUTIVE SUMMARY

Section 90(2) of the *Local Government Act 1999 (SA)* (the Act), states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.

It is the recommendation of the Chief Executive Officer that the public be excluded from this Audit and Risk Committee meeting for the consideration of information and matters contained in the Agenda.

11.1 Strategic Risk and Internal Audit Update [section 90(3) (i) of the Act]

The Order to Exclude for Item 11.1

1. Identifies the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
2. Identifies the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
3. In addition, identifies for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.

ORDER TO EXCLUDE FOR ITEM 11.1

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (i) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 16 February 2024 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 11.1 [Strategic Risk and Internal Audit Update] listed on the Agenda.

   Grounds and Basis

   This Item is confidential in nature because the report includes information on Council litigation.

   The disclosure of information in this report could reasonably be expected to prejudice the outcome of Council's actual litigation.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 16 February 2024 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 11.1 [Strategic Risk and Internal Audit Update] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (i) of the Act.

DISCUSSION

1. Section 90(1) of the *Local Government Act 1999 (SA)* (the Act), directs that a meeting of a Council Committee must be conducted in a place open to the public.

2. Section 90(2) of the Act, states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.

3. Section 90(3) of the Act prescribes the information and matters that a Council may order that the public be excluded from.

4. Section 90(4) of the Act, advises that in considering whether an order should be made to exclude the public under section 90(2) of the Act, it is irrelevant that discussion of a matter in public may -

   '(a) cause embarrassment to the council or council committee concerned, or to members or employees of the council; or

   (b) cause a loss of confidence in the council or council committee; or

   (c) involve discussion of a matter that is controversial within the council area; or

   (d) make the council susceptible to adverse criticism.'

5. Section 90(7) of the Act requires that an order to exclude the public:

   5.1 Identify the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.

   5.2 Identify the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.

   5.3 In addition identify for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.

6. Section 87(10) of the Act has been utilised to identify in the Agenda and on the Report for the meeting, that the following matters are submitted seeking consideration in confidence.

   6.1. Information contained in Item 10.2 – Strategic Risk and Internal Audit Update

      6.1.1 Is not subject to an Existing Confidentiality Order

      6.1.2 The grounds utilised to request consideration in confidence is section 90(3) (i) of the Act

      Information relating to the actual litigation, or litigation that the council or council committee believes on reasonable ground will take place, involving the council or an employee of the council.

ATTACHMENTS

Nil

- END OF REPORT -

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