

Recommended Levels of Service – Water Infrastructure

Tuesday, 21 November 2023
Infrastructure and Public Works Committee

Strategic Alignment - Dynamic City Culture

Program Contact:

Mark Goudge, Associate Director Infrastructure

Public

Approving Officer:

Tom McCready, Director City Services

EXECUTIVE SUMMARY

The City of Adelaide (CoA) is the custodian of assets which provide the community with services that are essential to their quality of life. Asset Management is a key business function for all councils to manage their infrastructure portfolio responsibly and effectively. We coordinate infrastructure-related objectives through our Asset Management Plans, per legislation Section 122 of the *Local Government Act 1999 (SA)*.

Works are currently underway to improve asset information for our underground stormwater network, with a city-wide survey and condition audit currently progressing, due for completion in early 2024. Following completion of the survey, a Stormwater Management Plan will be developed, which will identify current levels of flood protection provided by our existing stormwater infrastructure and identify priority upgrade/new initiatives required to address any deficiencies. External funding opportunities will become available upon completion of a Stormwater Management Authority endorsed Stormwater Management Plan. Due to the maturity level of our current asset data, this Water Infrastructure Asset Management Plan will be considered an interim document, which will be updated following the completion of the spatial survey, condition audit and Stormwater Management Plan.

It is critical to note that asset renewal funding on its own limits the ability to increase the quality and capacity of our existing water infrastructure asset network. Upgrade funding is often required separately, or in conjunction with renewal funding, to ensure our assets provide adequate flood protection and services in line with community expectations and our strategic objectives. While our Asset Management Plans will not identify financial forecasts associated with upgrade/new projects, integrated planning will ensure required renewal scheduling is aligned (where feasible) with key upgrade/new initiatives associated with our Strategic Plan objectives, Council Decisions and the finalised Stormwater Management Plan. Such opportunities will be workshopped with Council on an annual basis through the Business Plan and Budget process.

This report presents the recommended asset management strategies and levels of service for the City of Adelaide's Water Infrastructure Asset portfolio and has been informed by a community consultation process. This will inform the development and updates to an interim Water Infrastructure Asset Management Plan and associated re-forecasting of the Long-Term Financial Plan (LTFFP).

RECOMMENDATION

The following recommendation will be presented to Council on 28 November 2023 for consideration

THAT THE INFRASTRUCTURE AND PUBLIC WORKS COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL

1. Notes the results of the community consultation undertaken in November 2021 to benchmark current user satisfaction for water infrastructure assets.
2. Approves the development of the interim Water Infrastructure Asset Management Plan based on the planning principles and recommended management strategies presented within, as set out in Item 7.1 on the Agenda for the meeting of the Infrastructure and Public Works Committee held on 21 November 2023.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Dynamic City Culture The approval of the planning principles and recommended asset management strategies presented within this report will inform the development and updates to the interim Water Infrastructure Asset Management Plan and re-forecast the LTFP. These Strategic Management plans support the delivery of our strategic objectives, ensuring we continue to create a beautiful, diverse city that celebrates its natural, cultural, and built heritage.
Policy	Asset Management Policy Strategic Asset Management Plan Public Communication and Consultation Policy
Consultation	In November 2021, an engagement process was undertaken with City residents, visitors and City of Adelaide staff to better understand and measure levels of satisfaction of users who utilise the services provided by our water infrastructure assets. The results are presented within this report and inform the recommended levels of services/asset management strategies.
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 <i>Local Government Act 1999 (SA)</i> .
Opportunities	The review of water infrastructure asset levels of service provides an opportunity to ensure water infrastructure assets are meeting the community's current and future requirements.
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	Currently under assessment, to understand the future lifecycle management strategies and funding required for our water infrastructure assets portfolio, including operation, maintenance and renewal of assets. The review and findings will be presented and discussed in detail within the Water Infrastructure Asset Management Plan.
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	To be determined. The review and findings will be presented and discussed in detailed within the Water Infrastructure Asset Management Plan.
Other Funding Sources	Once Asset Management Plans and the re-forecast Long Term Financial Plan are endorsed by Council, external funding opportunities will be explored to offset costs, bring forward works, or provide for additional enhancements.

DISCUSSION

1. The purpose of this report is to present the recommended asset management strategies and levels of service for the City of Adelaide's (CoA) water infrastructure portfolio, which has been informed by a community engagement process undertaken in November 2021.

Background

2. Our Water Infrastructure assets include the underground stormwater drainage network, stormwater management devices (e.g., detention, retention, and sedimentation basins), River Torrens and Park Lands watercourses (including weirs and earth retaining structures), water distribution systems (potable and non-potable) and sewer infrastructure.
3. The water infrastructure network is valued at approximately \$286.8 million and has been developed over time through investment across multiple generations. It is critical to ensure that our water infrastructure portfolio continues to be appropriately managed, ensuring we provide appropriate services and benefits for both current and future generations.
4. We are currently reviewing our Asset Management Plan for Water Infrastructure assets, which is legislated in the *Local Government Act 1999 (SA)*. A level of service review is one of the first steps in this process.
5. An overview into the concepts of 'Levels of Service' was presented to Council through a Business Plan and Budget Workshop on 24 January 2023, as well as to the Infrastructure and Public Works Committee on 18 July 2023.

Context

6. We are currently in the process of transforming the maturity of our Water Infrastructure asset management data (Flood Resilience Project). The condition audit and spatial data capture work is scheduled for completion in early 2024. This updated asset data will provide a more granular understanding of the condition of our existing assets and enable better medium to long term asset management decision making.
7. Following completion of the condition audit, a Stormwater Management Plan will be developed (Flood Resilience Project), which will identify current levels of flood protection provided by our existing stormwater infrastructure and identify priority upgrade/new initiatives required to address any deficiencies. External funding opportunities will become available upon completion of a Stormwater Management Authority endorsed Stormwater Management Plan.
8. Due to the maturity level of our current asset data, an interim Water Infrastructure Asset Management Plan will be developed and will be updated following the completion of the condition audit and Stormwater Management Plan. A fit-for purpose 10-year renewal forecast will be developed, with a detailed 4-year renewal plan, utilising existing asset data captured within our Asset Management System, validated through investigations, in conjunction with workshops with key operational staff to identify and discuss known performance deficiencies and risks.
9. The primary objective of asset renewal is to intervene at the optimal time to minimise whole of life asset costs (increased capital costs, growing maintenance costs) and asset risk, to ensure services continue to be provided in line with our community's expectations.
10. Asset renewal funding on its own limits the ability to improve the overall performance and amenity of our water infrastructure network. Upgrade funding will be required to create new assets and upgrade existing assets to ensure services are provided in line with growing community expectations (e.g., increasing the size of a stormwater pipe to mitigate flood risk, installing new assets to improve stormwater quality discharged into Karrawirra Parri/River Torrens).
11. While the Asset Management Plan will not identify financial forecasts associated with upgrade/new projects, it will ensure required renewal scheduling is aligned (where applicable) with key upgrade/new initiatives associated with our Strategic Plan objectives, Council Decisions and the Stormwater Management Plan through integrated planning. Such opportunities will be workshopped with Council on an annual basis through the Business Plan and Budget process.
12. This report discusses the recommended levels of service for our existing assets. The adopted levels of service will be used to guide the asset renewal planning within the Water Infrastructure Asset Management Plan and inform required updates for the LTFP.

Community Engagement

13. A community engagement process was undertaken in November 2021 with City residents and visitors as well as internal staff to better understand and measure levels of customer satisfaction from those who utilise the services provided by our water infrastructure assets.
14. The insights from the survey are intended to be used to identify where current levels of service are not meeting the community's expectations. This will enable recommendations to be made to Council regarding future resourcing requirements for specific services and activities.
15. The engagement process was primarily undertaken through questionnaire surveys, where information was collected online using the 'YourSay' platform, as well as through on street intercepts at various locations across the city.
16. The overall feedback confirmed appropriate levels of customer satisfaction for our Water Infrastructure.
17. A comprehensive summary of the community engagement is presented in Link 1 view [here](#).

Renewal Intervention Levels

18. Renewal intervention levels have been established considering feedback from community engagement, risk management principles, engineering assessments and the objective of minimising whole of life costs.
19. Water Infrastructure Assets can generally be cost effectively maintained and provide appropriate levels of service up to a fair condition.
20. Condition based renewal intervention levels aim to ensure that water infrastructure components are generally replaced or rehabilitated prior to deteriorating into a poor or very poor condition.
21. A summary of the condition-based renewal intervention criteria is presented in Link 2 view [here](#).

Summary & Next Steps

22. The recommended levels of service allow for the continued provision of safe and well-maintained water infrastructure, providing services in line with community expectations and ensuring we manage our assets in a financially sustainable manner over the short, medium and long term.
23. The Stormwater Management Plan is anticipated to be complete in 2025 and will inform priority new and upgrade projects required to address identified flood protection deficiencies.
24. Ongoing operations and maintenance requirements of our assets will continue to be reviewed on a year-by-year basis and incorporated into future revisions of the Asset Management Plan.
25. Pending Council endorsement of the recommendations within this report, the next steps will involve integrating the planning principles and recommended management strategies into the Water Infrastructure Asset Management Plan.
26. A draft interim Water Infrastructure Asset Management Plan will be submitted to Council in March 2024, seeking approval to progress into the final stage of community consultation (6-week period, scheduled from April 2024).
27. This will be followed by a final report to Council in June 2024 for consideration and adoption of the interim Water Infrastructure Asset Management Plan.
28. A comprehensive update will be made to the Water Infrastructure Asset Management Plan, following the completion of the Flood Resilience Project, which will provide missing data relating to asset condition and inventory (note this is an identified action from Asset Maintenance Internal Audit undertaken in March 2023, Link 3 view [here](#)).

DATA AND SUPPORTING INFORMATION

Link 1 – Community Engagement Summary

Link 2 – Renewal Intervention Levels

Link 3 – Internal Audit March 2023.

ATTACHMENTS

Nil
