

# Asset Management Plan – Park Lands and Open Space - Approval for Consultation

Tuesday, 19 March 2024

Infrastructure and Public Works Committee

**Program Contact:**

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**Approving Officer:**

Tom McCready, Director City Services

Strategic Alignment - Our Places  
Public

## EXECUTIVE SUMMARY

Asset Management is a key business function undertaken by Councils to ensure their infrastructure portfolio is managed responsibly and effectively. Under the *Local Government Act 1999 (SA)*, Councils are legislatively required to establish a suite of Strategic Management Plans, which guide future planning, asset management and financial sustainability. Included in this suite are six Asset Management Plans (AM Plans), which are currently in the process of being reviewed and updated. Each AM Plan will require Council adoption prior to 30 June 2024 to enable review by the Essential Services Commission of South Australia (ESCOSA).

The draft Park Lands and Open Space AM Plan has been informed by a community engagement process to understand current levels of community satisfaction and has been developed consistently with the Recommended Levels of Service report approved by Council in November 2023. The AM Plan has been prepared on the basis of documenting the asset management activities and funding requirements (operations, maintenance and renewal) recommended for inclusion into the Long-Term Financial Plan (LTFP) to achieve our asset performance targets (levels of service).

Our Park Lands and Open Space assets are comprised of green assets (trees, turf, biodiversity and landscaped areas) and infrastructure assets (irrigation systems, playgrounds, sportsfields, and water features). Green assets provide various benefits and contribute significantly to the aesthetic and environmental quality of our surroundings. They are not recognised as capital assets holding financial value from an accounting perspective and the management of green assets is primarily funded through operational and maintenance budgets. Infrastructure assets are classified as capital assets and the replacement of these assets is managed through capital renewal budgets. This approach allows us to effectively balance the preservation of our natural assets while maintaining and renewing our infrastructure.

The draft AM 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 ensures we continue to provide services in line with the community's expectations, appropriately manage risk and optimise whole-of-life costs. The forecast renewal costs are approximately \$2.85 million on average each year across the ten-year planning period. The current LTFP accommodates renewal funding of \$4.32 million on average each year (152% of the forecast costs). This means the funding requirement of the AMP is \$1.47 million on average each year, less than the current LTFP.

While this AM Plan does not identify forecast costs associated with new and upgrade projects, 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.

The purpose of this report is to seek Council endorsement to undertake community consultation for a six-week period, ahead of the future adoption of the Park Lands and Open Space AM Plan scheduled for June 2024. The consultation will include a YourSay engagement page in conjunction with a drop-in session proposed for the City and North Adelaide, with physical and electronic promotion through City of Adelaide (CoA) platforms (e.g. community centres, social media).

# RECOMMENDATION

The following recommendation will be presented to Council on 26 March 2024 for consideration.

THAT THE INFRASTRUCTURE AND PUBLIC WORKS COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the draft Park Lands and Open Space Asset Management Plan as per Attachments A and B to Item 7.5 on the Agenda for the meeting of the Infrastructure and Public Works Committee held on 19 March 2024.
  2. Endorses the draft Park Lands and Open Space Asset Management Plan as per Attachments A and B to Item 7.5 on the Agenda for the meeting of the Infrastructure and Public Works Committee held on 19 March 2024, for the purposes of public consultation.
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## IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<b>Strategic Alignment – Our Places</b>
Policy	Asset Management Policy Strategic Asset Management Plan Public Communication and Consultation Policy
Consultation	Consultation on the draft Park Lands and Open Space AM Plan will be open for a six-week period from Tuesday 2 April 2024 to Friday 10 May 2024. The results of the consultation feedback and analysis will be reported to Council in June 2024.
Resource	Consultation will be conducted using existing resources. There are no additional resources required 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	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 (e.g. maintenance cost)	As documented within AM 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

1. The purpose of this report is to present the draft Park Lands and Open Space AM Plan and seek Council endorsement to release the summary and comprehensive versions of the Plan (as presented in **Attachments A and B**) to community consultation for a six-week period, ahead of the future adoption of the Park Lands and Open Space AM Plan currently scheduled for June 2024.

## Background

2. Under the *Local Government Act 1999 (SA)*, we are required to develop AM 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.
3. The City of Adelaide has six AM Plans, which include Transportation, Buildings, Park Lands and Open Space, Water Infrastructure, Lighting & Electrical and Urban Elements.
4. The City of Adelaide's Park Lands and Open Space assets portfolio is valued at approximately \$46.3 million and are comprised of green assets (trees, turf, biodiversity and landscaped areas) and infrastructure assets (irrigation systems, playgrounds, sportsfields, and water features).
5. Green assets provide various benefits and contribute significantly to the aesthetic and environmental quality of our surroundings. They are not recognised as capital assets holding financial value from an accounting perspective and the management of green assets is primarily funded through operational and maintenance budgets. Infrastructure assets are classified as capital assets and the replacement of these assets is managed through capital renewal budgets.
6. The Park Lands and Open Space AM Plan has been developed with alignment to the City of Adelaide Strategic Plan 2024-2028.
7. The Park Lands and Open Space AM Plan has been informed by a community engagement process to understand current levels of community satisfaction and has been developed consistently with the Recommended Levels of Service report approved by Council November 2023.
8. AM 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.
9. Due to the length of the Park Lands and Open Space AM Plan, a concise standalone summary document has also been prepared (Park Lands and Open Space Asset Management Plan Summary) to improve community engagement and understanding.

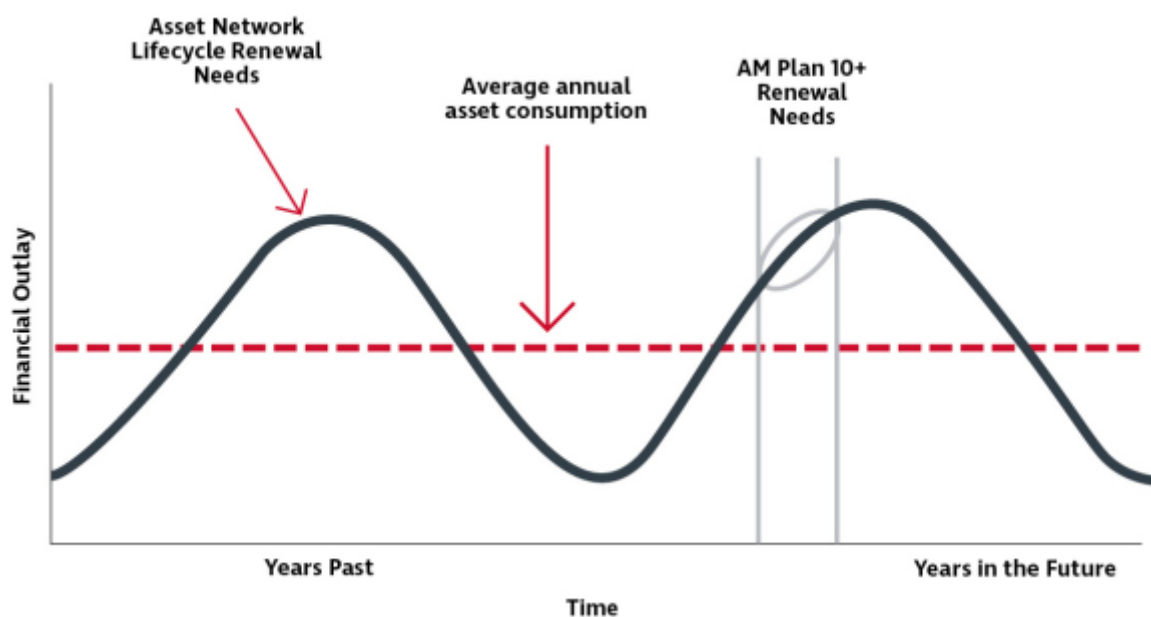
## Lifecycle Management Summary

10. The Park Lands and Open Space AM Plan defines the current state/condition of our \$46.3 million 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).
11. This AM 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.
12. Renewal forecasts within the Park Lands and Open Space AM Plan are presented in FY24/25 dollars and have been derived utilising predictive deterioration modelling for playground equipment & softfall, sportsfields, irrigation systems and water features. Playground areas are planned for full renewal at the expiration of a recommended 20-year design life to ensure playgrounds remain fit-for-purpose and meet with the evolving needs of the community.
13. This AM 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.
14. This AM 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.

15. Operational and Maintenance activities are generally evaluated and prioritised with respect to budget provisions within the LTFP and Business Plan and Budget, where 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 AM Plan, we will be reviewing operations and maintenance standards for Park Lands and Open Space 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 Park Lands and Open Space AM Plan and LTFP.

**Financial Summary and Implications**

16. The development of the draft Park Lands and Open Space AM Plan has identified an asset renewal funding surplus for continuing to provide current levels of service.
17. The draft Park Lands and Open Space AM Plan forecasts renewal costs of approximately \$2.85 million (un-escalated) on average each year across the ten-year planning period, which sets the base for measuring the ARFR. That is, if \$2.85 million is fully expended, this would reflect an Asset Renewal Funding Ratio (ARFR) of 100%.
18. Currently, the renewal funding allocation for Park Lands and Open Space Assets within the LTFP is \$4.32 million (un-escalated) on average each year, which represents 152% of the funding required to deliver the recommended asset renewals outlined in the draft AM Plan.
19. Contributing factors for the identified surplus, when comparing the forecast renewal costs and current budgets within the LTFP include:
  - 19.1. Undertaking a comprehensive review of the current condition and replacement cost of our assets and re-forecasting asset renewal requirements within this Asset Management Plan
  - 19.2. Undertaking a comprehensive review of the asset lifecycle management in conjunction with utilising predictive modelling to better understand asset renewal investment needs to maintain services levels over short, medium and long term.
  - 19.3. Re-aligning this Asset Management Plan with City of Adelaide's Fixed Asset Guideline and advice from an external auditor. This involves the replacement of green assets (e.g. trees, turf and garden beds) being managed through operating budgets and the replacement of infrastructure assets (e.g. playgrounds, irrigation and sportsfields) being managed through capital budgets.
20. 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 is 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.



21. The financial strategy associated with funding the AM Plans 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.

## **Improvement Plan**

22. Through the development of this AM 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 Park Lands and Open Space Asset Management Plan Summary (**Attachment A**).

## **Community Consultation**

23. In accordance with *section 122(6) of the Local Government Act 1999 (SA)*, Council will follow the relevant steps in our public consultation policy to facilitate community feedback on the draft Park Lands and Open Space AM Plan.
24. The consultation process will seek feedback from the community including our residents, ratepayers, businesses, and other key stakeholders.
25. Consultation will open on Tuesday 2 April 2024 and close on Friday 10 May 2024 (6-week duration in line with our Public Consultation Policy, noting the minimum legislative requirement is 21 days).
26. Notification of public consultation will be provided through the following avenues:
  - 26.1. A Public Notice in the Government Gazette and an advertisement in The Advertiser.
  - 26.2. Information published on the City of Adelaide website.
  - 26.3. Promotional advertisements on all Customer Service points including the Digital screens that Council operates, our Libraries and Community Centres.
  - 26.4. Social Media campaign via City of Adelaide social media channels.
27. 'Your Say Adelaide' - the community will be encouraged to engage and make written submissions on the draft Park Lands and Open Space AM Plan through City of Adelaide's website, linking to detailed information on the 'Your Say Adelaide' platform.
28. Two drop-in sessions will also be scheduled at community centre locations in the City and North Adelaide.
29. Submissions and feedback will also be able to be sent in writing or through e-mail.
30. Hard copy submission forms will be available inside Consultation Packs from the City of Adelaide's Customer Service Centre, libraries and community centres.
31. The community will have the opportunity to have their questions answered by City of Adelaide project staff over the phone or by booking an appointment to chat to staff in person.

## **Next Steps**

32. Subject to Council endorsement, the draft Park Lands and Open Space AM Plan will be released for public consultation, with community engagement scheduled to occur from on Tuesday 2 April 2024 and close on Friday 10 May 2024.
  33. Following the six-week public consultation period, engagement feedback will be reviewed and findings will be presented to Council in conjunction with the finalised Park Lands and Open Space AM Plan in May 2024 for adoption.
  34. Following Council adoption of the Park Lands and Open Space AM Plan, the LTFP will be updated.
  35. Adoption of renewal budgets will be considered by Council on an annual basis through the Business Plan and Budget process.
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# ATTACHMENTS

**Attachment A** – Draft Park Lands and Open Space Asset Management Plan Summary

**Attachment B** – Draft Park Lands and Open Space Asset Management Plan (Comprehensive)

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