

Kadaltilla

Adelaide Park Lands Authority

Review of draft Park Lands and Open Space Asset Management Plan

**Thursday, 18 April 2024
Board Meeting**

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Public

Purpose

This report presents the draft Park Lands and Open Space Asset Management Plan (AM Plan) to Kadaltilla / Adelaide Park Lands Authority (Kadaltilla) for review and advice to Council, in accordance with the requirements of the Kadaltilla Charter (the Charter). The Charter requires Kadaltilla to provide comments and advice on any management plan prepared by the City of Adelaide that relates to any part of the Adelaide Park Lands.

Recommendation

THAT THE KADALTILLA / ADELAIDE PARK LANDS AUTHORITY ADVISES COUNCIL:

That the Kadaltilla / Adelaide Park Lands Authority:

1. Receives the draft Park Lands and Open Space Asset Management Plan as contained in Attachments A and B to Item 6.2 on the Agenda for the meeting of Kadaltilla / Adelaide Park Lands Authority held on 18 April 2024 and provides the following advice
 - 1.1. _____
2. Notes the draft Park Lands and Open Space Asset Management Plan as contained in Attachments A and B to Item 6.2 on the Agenda for the meeting of Kadaltilla / Adelaide Park Lands Authority held on 18 April 2024 was endorsed by Council on 26 March 2024 for the purposes of public consultation.
3. Notes Asset Management Plans have been prepared for five other asset categories, which include Transport, Urban Elements, Buildings, Water Infrastructure and Public Lighting and Electrical Infrastructure. These Plans include information about the future maintenance and renewal requirements of our existing assets, which are located within City Streets as well as the Park Lands.
4. Notes any major renewal or new/upgrade projects within the Park Lands are developed consistently with the principles and objectives of the Adelaide Park Lands Management Strategy and are presented to Kadaltilla for feedback and advice through design development.

Implications

<p>Adelaide Park Lands Management Strategy 2015-2025</p>	<p>Adelaide Park Lands Management Strategy 2015-2025</p> <p>The purpose of the draft Park Lands and Open Space AM Plan is to outline Council's high-level asset management priorities for the operation, maintenance and renewal of our assets over the next 10 years. The plan defines the current state of our \$46.3 million Park Lands and Open Space 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.</p>
<p>2023-2028 Strategic Plan</p>	<p>Kadaltilla / Adelaide Park Lands Authority 2023-2028 Strategic Plan Strategic Plan Alignment – Management and Protection</p>
<p>Policy</p>	<p>Asset Management Policy Strategic Asset Management Plan Public Communication and Consultation Policy</p>
<p>Consultation</p>	<p>Kadaltilla is being consulted in line with the requirements of the Kadaltilla Charter. The charter requires the Authority to provide comments and advice to Council on any management plan prepared by the City of Adelaide that relates to any part of the Adelaide Park Lands.</p> <p>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, along with any advice from Kadaltilla will be presented to Council in conjunction with the finalised AM Plan in June 2024 for adoption.</p>
<p>Resource</p>	<p>Not as a result of this report.</p>
<p>Risk / Legal / Legislative</p>	<p>The review and update of AM 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>.</p>
<p>Opportunities</p>	<p>Not as a result of this report.</p>
<p>City of Adelaide Budget Allocation</p>	<p>Budgets will be set by Council through the Annual Business Plan and Budget process (noting Asset Renewal Funding Ratio (ARFR) targets of between 90-110%). Asset renewal is generally funded through operational revenue, which includes rates, commercial revenue and grant allocations.</p>
<p>Life of Project, Service, Initiative or (Expectancy of) Asset</p>	<p>Not as a result of this report.</p>
<p>Ongoing Costs (eg maintenance cost)</p>	<p>As documented within AM Plan (no change).</p>
<p>Other Funding Sources</p>	<p>External funding opportunities will continually be pursued to offset costs, bring forward works, or provide for additional enhancements.</p>

Discussion

Purpose

1. Under the Kadaltilla Charter [\[Link One\]](#), the Authority is responsible for providing comments and advice to Council on any management plan prepared by the City of Adelaide that relates to any part of the Adelaide Park Lands.
2. The purpose of this report is to present the draft Park Lands and Open Space AM Plan to Kadaltilla for its review and advice.
3. This advice will be incorporated into a report to Council prior to the adoption of the Park Lands and Open Space AM Plan.

Background

4. Under the *Local Government Act 1999 (SA)*, Council 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.
5. The draft Park Lands and Open Space AM Plan was first presented to the Infrastructure and Public Works Committee (IPWC) on 19 March 2024 [\[Link Two\]](#). 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 26 March 2024, Council resolved to undertake public consultation on the draft Park Lands and Open Space AM Plan [\[Link Three\]](#).
7. The City of Adelaide has six AM Plans, which include Transportation, Buildings, Park Lands and Open Space, Water Infrastructure, Lighting & Electrical and Urban Elements.
8. 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, sports fields, and water features).
9. 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.
10. The Park Lands and Open Space AM Plan has been developed with alignment to the City of Adelaide Strategic Plan 2024-2028.
11. 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.
12. 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.
13. Due to the length of the Park Lands and Open Space AM Plan, a concise standalone summary document has also been prepared to improve community engagement and understanding.
14. Asset Management Plans have also been prepared for five other asset categories, which include Transport, Urban Elements, Buildings, Water Infrastructure and Public Lighting and Electrical Infrastructure. These Plans include information about the future maintenance and renewal requirements of our existing assets, which are located within City Streets as well as the Park Lands.[\[Link Four\]](#)
15. Major renewal projects as well as all new/upgrade projects within the Park Lands are developed consistently with the principles and objectives of the Adelaide Park Lands Management Strategy and are presented to Kadaltilla for feedback and advice through design development.

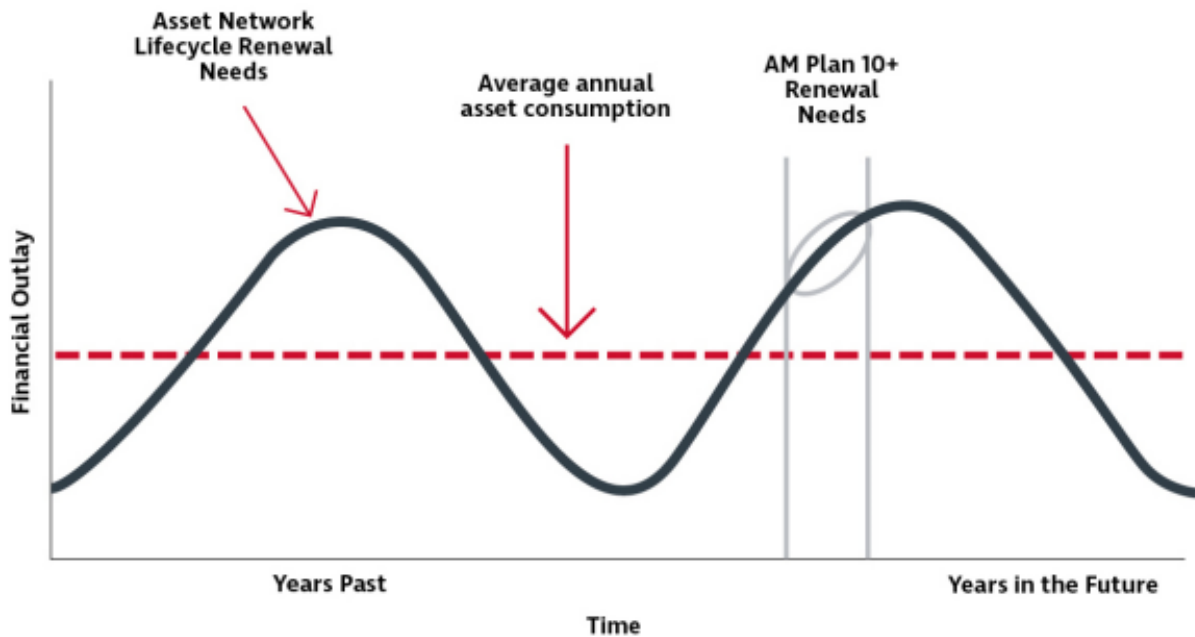
Lifecycle Management Summary

16. 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).
17. 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.
18. Renewal forecasts within the Park Lands and Open Space AM Plan are presented in 2024/25 dollars and have been derived utilising predictive deterioration modelling for playground equipment & Softfall, sports fields, 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.
19. 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.
20. 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.
21. 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.
22. 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

23. 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.
24. 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%.
25. 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 if the base was reset to \$2.85 million (a funding surplus of \$1.47 million on average each year to achieve a 100% ARFR under the draft AM Plan).
26. Contributing factors for the identified surplus, when comparing the forecast renewal costs and current budgets within the LTFP include:
 - 26.1 Undertaking a comprehensive review of the current condition and replacement cost of our assets and re-forecasting asset renewal requirements within this AM Plan.
 - 26.2 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.
 - 26.3 Re-aligning this AM 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 sports fields) being managed through capital budgets.

27. 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.



28. 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

29. 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 AM Plan Summary (**Attachment A**).

Next Steps

30. 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.
31. Following the six-week public consultation period, engagement feedback will be reviewed, along with any advice provided by Kadaltilla and findings will be presented to Council in conjunction with the finalised Park Lands and Open Space AM Plan in June 2024 for adoption.
32. Following Council adoption of the Park Lands and Open Space AM Plan, the LTFP will be updated.
33. 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– Kadaltilla Charter

Link Two – Infrastructure and Public Works Committee Meeting Agenda 19 March February 2024

Link Three - Council Meeting Agenda 26 March 2024

Link Four – Yoursay Engagement Page for All Six Asset Management Plans

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)

- END OF REPORT -