



Park Lands and Open Space Asset Management Plan Summary



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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 assets class under our care and control.

City of Adelaide has six Asset Management Plans (AM Plans), which include Park Lands and Open Space, Transportation, Buildings, Water Infrastructure, Lighting & Electrical and Urban Elements.

The fundamental purpose of this Park Lands and Open Space 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 Park Lands and Open Space, to cater for the community's required levels of service both now and into the future.

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 to achieve our asset performance targets.



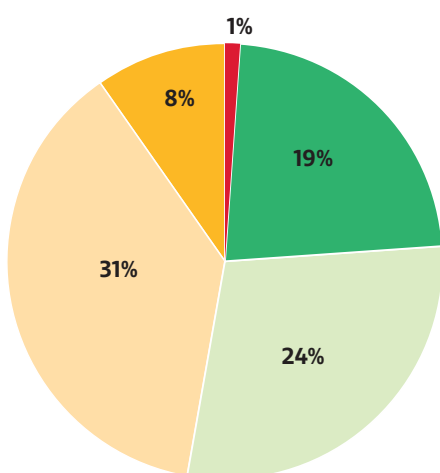
2 Our Park Lands and Open Space Assets

The City of Adelaide’s Park Lands and Open Space assets portfolio is valued at approximately \$46.3 million and provides essential services which enable the health and wellbeing of our community and enhance the utilisation and accessibility of our natural environment. Our Park Lands and Open Space assets are comprised of green assets (trees, turf, biodiversity and landscaped areas) and infrastructure assets (irrigation systems, playgrounds, sports fields, and water features).

Green assets provide various benefits and contribute significantly to the aesthetic and environmental quality of our surroundings, however they are not recognised as capital assets holding financial value from an accounting perspective (with irrigation being the exception). This results in the management of green assets being primarily funded through operational and maintenance budgets.

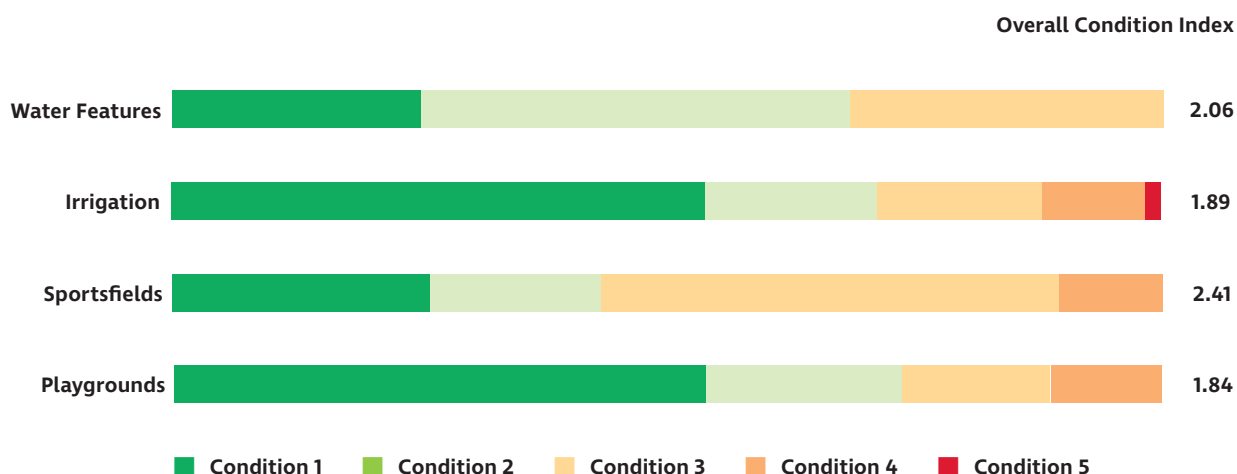
Infrastructure assets are classified as capital assets and the replacement of these assets is managed through capital renewal budgets.

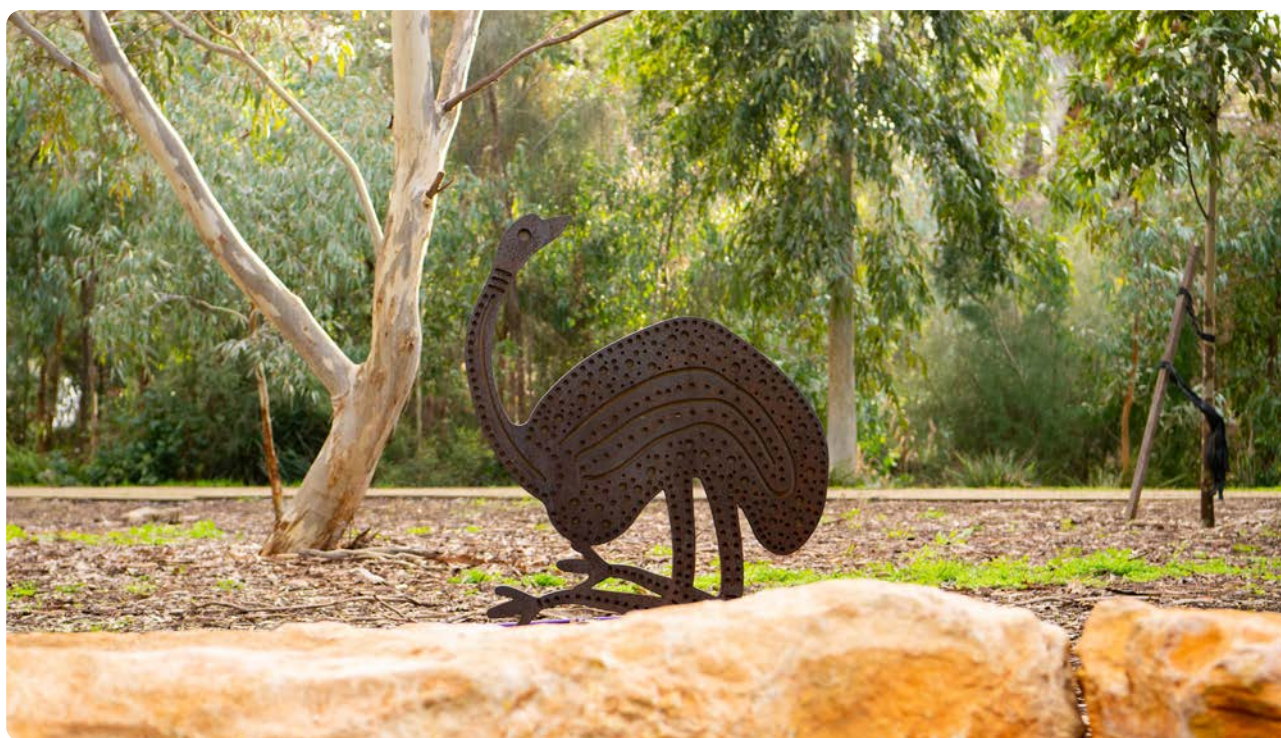
To monitor the performance of our Park Lands and Open Space assets, we undertake regular condition audits (typically every 4 years). Asset condition information is analysed with respect to technical intervention criteria to inform our maintenance and renewal programs. The current condition of our Park Lands and Open Space portfolio is rated in a good to fair condition, with an overall condition index rating of 2.1. 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 form the general basis of our 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

Overall, the majority of our Park Lands and Open Space Assets are rated in a very good to fair condition with only a small proportion of assets rated 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 Park Lands and Open Space 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%)
Playgrounds and Sportsfields	94%					●
Water Features	89%					●
Green Infrastructure	89%					●

The overall feedback confirmed appropriate levels of customer satisfaction for all Park Lands and Open Space assets.

A Recommended Levels of Service Report was presented to Council, with the recommendations approved in November 2023. This report noted the community consultation undertaken and the associated benchmarking of current user satisfaction. Additionally, Council also approved the development of the Park Lands and Open Space 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 Park Lands and Open Spaces 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 and event growth
- Climate change and carbon neutrality
- Emerging technology
- Legislation and regulation

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets, providing new assets to meet demand 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 Green City Plan
- Finalising the Adelaide Park Lands Strategic Water Resource Study
- Finalising the update of the Adelaide Park Lands Management Strategy
- 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 <i>Community</i>	Long term with a four year delivery focus. <i>Planning for the vision and aspirations of the Adelaide Capital City.</i>
Long-Term Financial Plan <i>Financial</i>	Ten year Plan, revised annually to ensure a ten year view is maintained. <i>Planning for the long-term financial sustainability of the City of Adelaide.</i>
Asset Management Plans <i>Infrastructure</i>	Suite of ten year Plans. <i>Planning for the sustainable renewal and maintenance of Council assets.</i>
City Plan <i>Development / Built Form</i>	Ten year Spatial Plan. <i>Planning for the future land uses and built form of the Adelaide Capital City.</i>

Through the City of Adelaide Strategic Plan 2024 – 2028, Council's vision is:

Our Adelaide. Bold. Aspirational. Innovative.

Achieving our vision for the future will be guided by our long term aspirations:

- 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:

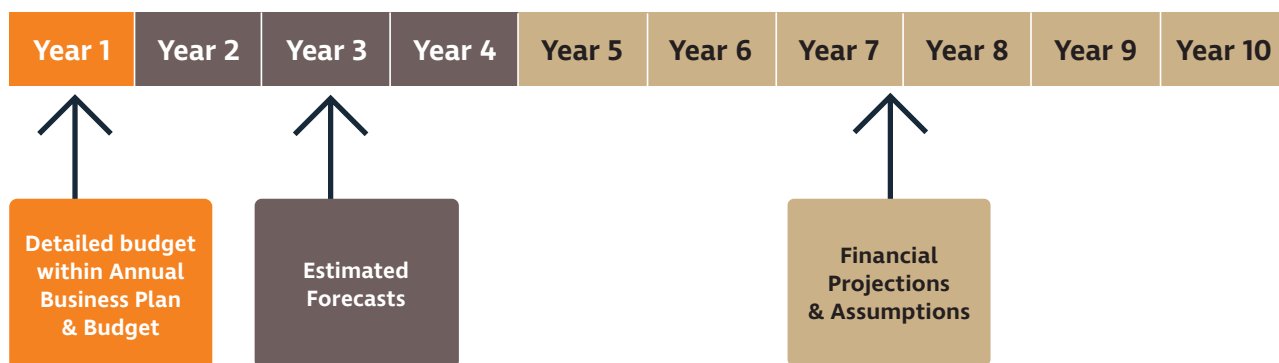
- Exceptional Amenity – Be bold and courageous in our pursuit of excellence for our city
- Quality Housing – Strive for liveability and affordability to attract and retain residents
- Community Connection – Strengthen connection, accessibility, diversity and inclusivity by putting people first
- Unique 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 (eg 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.

Long Term Financial Plan – 10 Years



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 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 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.

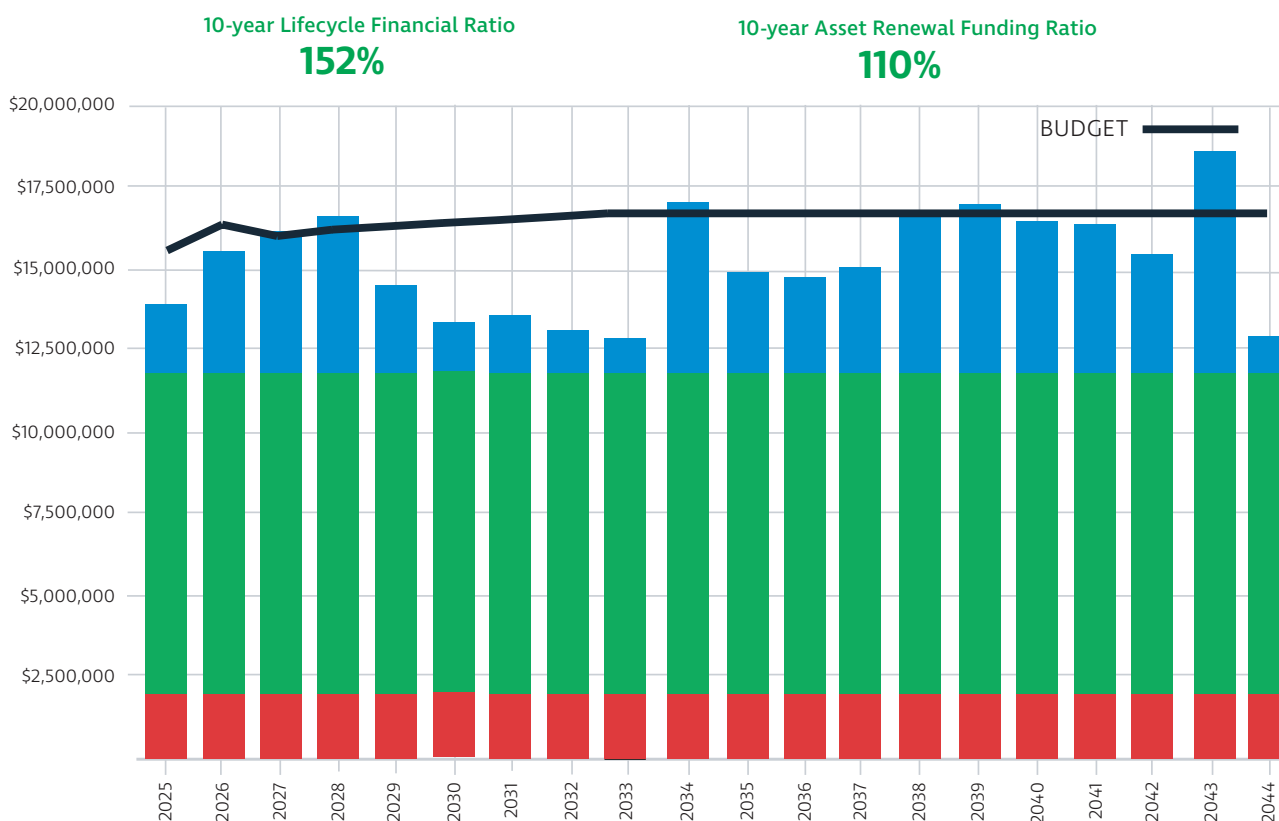


7 Financial Summary

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 \$14.69 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.

Playgrounds	Sports Fields	Green Infrastructure	Water Feature	Total
\$0.89 M Renewal Cost	\$0.87 M Renewal Cost	\$1.00 M Renewal Cost	\$0.09 M Renewal Cost	\$2.85 M Renewal Cost
\$0.34 M Maintenance Cost	\$0.04 M Maintenance Cost	\$9.20 M Maintenance Cost	\$0.25 M Maintenance Cost	\$9.83 M Maintenance Cost
\$0.10 M Operation Cost	\$0.007 M Renewal Cost	\$1.72 M Operation Cost	\$0.17 M Operation Cost	\$2.01 M Operation Cost
\$1.32 M Lifecycle Cost	\$0.91 M Lifecycle Cost	\$11.94 M Lifecycle Cost	\$0.51 M Lifecycle Cost	\$14.69 M Lifecycle Cost

Currently, the lifecycle budget allocation within the Long-Term Financial Plan is \$16.17 million on average each year. This results in an identified budget surplus of \$1.48 million on average each year and means we currently have 110% 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 \$14,693,445
 Planned Budget \$16,169,006
 Surplus \$1,475,561



MAINTENANCE

Annual Average first 10 years
 Maintenance Forecast \$9,834,167
 Planned Budget \$9,834,167



OPERATION

Annual Average first 10 years
 Operation Forecast \$2,011,428
 Planned Budget \$2,011,428



RENEWAL

Annual Average first 10 years
 Renewal Forecast \$4,323,412
 Planned Budget \$2,847,851

Noting that this Asset Management Plan has not forecast any additional operational and maintenance requirements, the identified lifecycle funding surplus is associated with the revised asset renewal forecasting. Park Lands and Open Space asset portfolio as a whole has sufficient 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 152% of the forecast funding required for the optimal renewal of our Park Lands and Open Space assets. This indicates a budget surplus that can be reallocated to other Council priorities.

Contributing factors that have impacted on forecast renewal costs include:

- Undertaking a comprehensive review of the current condition of our assets and re-forecasting asset renewal requirements within this Asset Management Plan.
- 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).

For this Asset Management Plan, while the material and project costs have increased, a renewal funding surplus has been identified. This is due to a comprehensive review of the asset lifecycle management approach in conjunction with utilising predictive modelling to better understand asset renewal investment needs to maintain service levels over the short, medium and long term.

Continuing to leverage off external funding opportunities will allow us to maintain and enhance the quality of the services we provide. We will continue to work in partnership with both 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:

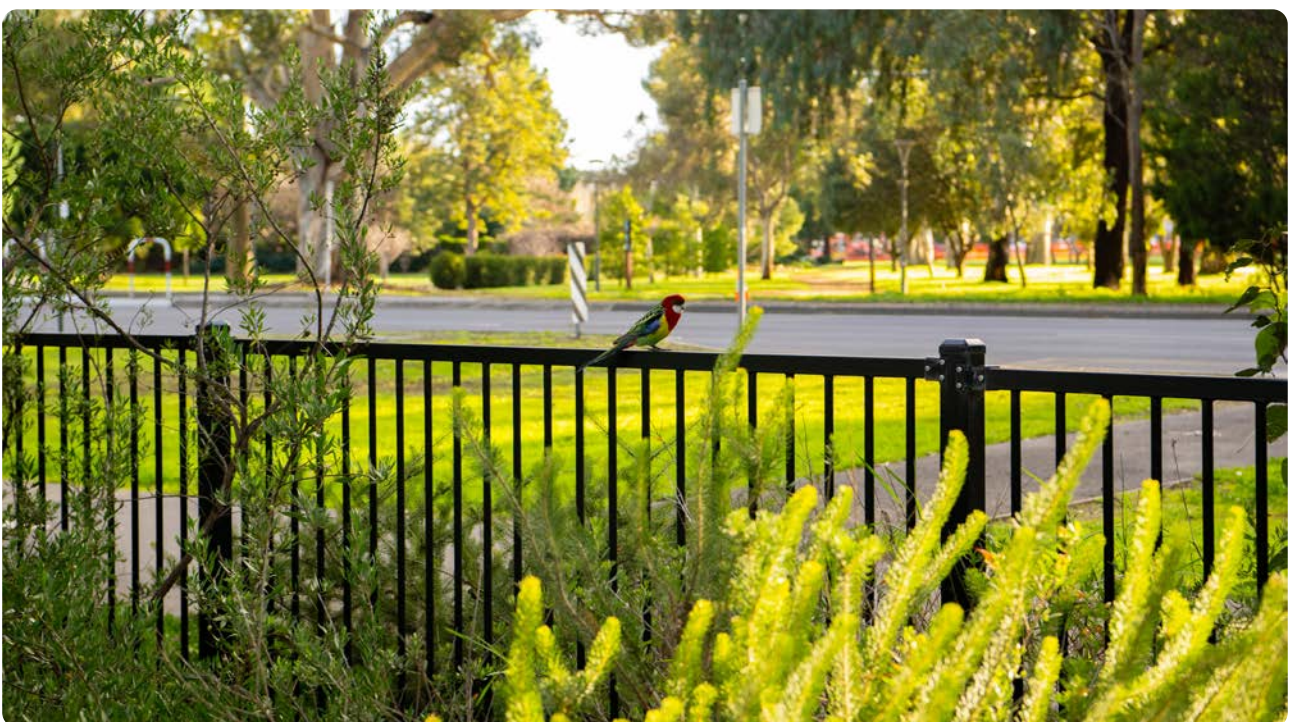
- Reduced levels of service for the Park Lands and Open Space portfolio
- Reduced customer satisfaction levels associated with the management of our existing assets
- Intergenerational inequity (burdening future generations)

These 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 LTFP, 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	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 LTFP.
3	Continue to work in partnership with State Government to pursue external funding opportunities and partnerships for Park Lands and Open Space upgrades.
4	Continue to undertake regular condition audits and revaluation for all of our Park Lands and Open Space asset portfolio within the nominated 4-year cycles, including regular review of asset useful lives.
5	Review and standardise asset hierarchies for all asset classes within Streets, Park Lands and Buildings Categories.
6	Review customer service requests codes to better align with Level of Service reporting and operational and maintenance sub-activities.
7	Review community engagement survey questions to better align with specific asset categories and Level of Service measures.
8	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.
9	Continue to monitor forecast climate change impacts to ensure we remain resilient through proactively implementing appropriate mitigation and adaptation controls.
10	Improve the capture of carbon emission data for technical standards and project procurement to support lower carbon decision making.
11	Review of corporate performance measure targets for customer satisfaction, to assist with performance gap analysis.
12	Further develop processes to ensure asset data is updated following the completion of maintenance work and emergency asset replacement resulting from vandalism.
13	In response to advice received from Kadaltilla, consider opportunities for progressing economic/ environmental and social value assessment in future the Adelaide Park Lands Management Plans and other relevant strategies and plans (including this AM Plan).

