

Asset Sustainability Ratios

ITEM 15.4 08/03/2022
Council

Council Member
Councillor Martin

Public

Contact Officer:
Amanda McIlroy, Chief
Operating Officer

QUESTION ON NOTICE

Councillor Martin will ask the following Question on Notice:

'Could the Administration advise the following:

1. The Asset Sustainability Ratio achieved by the City of Adelaide for each of the financial years 2018/19, 2019/20 and 2020/21? and
2. The estimated Asset Sustainability Ratio likely to be achieved for the current financial year?'

REPLY

1. The Asset Sustainability Ratio is calculated as the net asset renewals (capital expenditure incurred on the renewal or replacement of existing assets), as a percentage of the Infrastructure and Asset Management Plan required expenditure. The Ratio achieved for the previous 3 financial years is as follows:
 - 1.1. 2018-2019: 76%
 - 1.2. 2019-2020: 40%
 - 1.3. 2020-2021: 72%
2. The 2021-2022 ratio adopted through the Business Plan and Budget process was 60%.
3. The current estimated 2021-2022 ratio adopted by Council in Budget Review 2 on the 8th February 2022 is 77%, based on total capital expenditure on asset renewals of \$39.135m, including non-infrastructure assets such as Plant & Fleet.
4. The ratio increased by 17% as a result of the finalisation of the 2020-2021 Financial Statements with projects and infrastructure works continuing into 2021-2022, as well as additional projects that have secured external funding.
5. A revised Asset Sustainability Ratio will be presented to Council through Budget Review 3.

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 4.5 hours.
--------------------------------------------------	-------------------------------------------------------------------------------------------