

Audit & Risk Committee Agenda & Reports

19 August 2024

Our Vision

*A City which values its heritage, cultural diversity,
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable
and socially cohesive, with a strong community spirit.*

City of Norwood Payneham & St Peters
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City of
Norwood
Payneham
& St Peters

14 August 2024

To all Members of the Audit & Risk Committee

Committee Members

- Mayor Robert Bria (Presiding Member)
- Cr Grant Piggott
- Cr Claire Clutterham
- Ms Stefanie Eldridge (Independent Member)
- Ms Sandra Di Blasio (Independent Member)

Staff

- Mario Barone (Chief Executive Officer)
- Lisa Mara (General Manager, Governance & Civic Affairs)
- Derek Langman (General Manager, Infrastructure & Major Projects)
- Jenny McFeat (Manager, Governance)

NOTICE OF MEETING

I wish to advise that pursuant to Sections 87 and 88 of the *Local Government Act 1999*, the next Ordinary Meeting of the Audit & Risk Committee, will be held in Meeting Room 3 (Upper Level), Norwood Town Hall, 175 The Parade, Norwood, on:

Monday 19 August 2024, commencing at 7.00pm

Please advise Lisa Mara on 8366 4549 or email lmara@npsp.sa.gov.au, if you are unable to attend this meeting or will be late.

A light meal will be available from 6.30pm.

Yours faithfully



Mario Barone
CHIEF EXECUTIVE OFFICER

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City of
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VENUE Meeting Room 3 (Upper Level), Norwood Town Hall

HOUR

PRESENT

Committee Members

Staff

APOLOGIES

ABSENT

TERMS OF REFERENCE:

The functions of the Audit & Risk Committee include:

- (a) reviewing Annual Financial Statements to ensure that the Statements present fairly the state of affairs of the Council; and*
- (b) proposing, and providing information relevant to, a review of the Council's strategic management plans or annual business plan; and*
- (c) monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by the Council's External Auditor; and*
- (d) proposing, and reviewing, the exercise of powers under Section 130A of the Local Government Act 1999; and*
- (e) liaising with the Council's External Auditor in accordance with any requirements prescribed by the regulations; and*
- (f) reviewing the adequacy of the accounting, internal controls, reporting and other financial management systems and practices of the Council on a regular basis; and*
- (g) providing oversight of planning and scoping of the Internal Audit work plan; and*
- (h) reviewing and commenting on reports provided by the person primarily responsible for the Internal Audit function at least on a quarterly basis; and*
- (i) reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and*
- (j) reviewing any report obtained by the Council pursuant to Section 48(1) of the Local Government Act 1999; and*
- (k) performing any other function determined by the Council or prescribed by the regulations.*

1. CONFIRMATION OF MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD ON 20 MAY 2024

2. PRESIDING MEMBER'S COMMUNICATION

3. QUESTIONS WITHOUT NOTICE

4. QUESTIONS WITH NOTICE

Nil

5. WRITTEN NOTICES OF MOTION

Nil

6. STAFF PRESENTATION

The General Manager, Infrastructure & Major Projects will be making a presentation to the Committee in relation to project risks associated with the Payneham Memorial Swimming Centre Redevelopment.

7. STAFF REPORTS

7.1 DRAFT ASSET MANAGEMENT PLANS

REPORT AUTHOR: Acting Manager, City Projects
GENERAL MANAGER: General Manager, Infrastructure & Major Projects
CONTACT NUMBER: 8366 4586
FILE REFERENCE: qA156423
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present the draft Asset Management Plans (the AMPs) to the Audit & Risk Committee for consideration.

BACKGROUND

Pursuant to Section 122 (4) of the *Local Government Act 1999*, the Council must undertake a comprehensive review of its Strategic Management Plans, which includes the Council's Asset Management Plans, within two (2) years after each Local Government General Election.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council's Strategic Management Plan, *CityPlan 2030*, provides the framework upon which the Council's Strategic Management Plans are developed. The Council's suite of Strategic Management Plans currently incorporates the *CityPlan 2030*, the Long-Term Financial Plan (LTFP), the Asset Management Plans, and the Annual Business Plan and Budget.

FINANCIAL AND BUDGET IMPLICATIONS

The AMPs allow for the long-term planning of the renewal and upgrade of the City's infrastructure and assets, which in turn provides for the integration of projects from across the respective asset classes. This approach leads to improved efficiency and more effective use of the Council's financial resources, which in turn results in better outcomes for the community.

To this end, reference should be made each year to the AMPs when preparing the Annual Business Plan and Annual Budget, to ensure that the Council's broad outcomes, both financial and operational, are continuing to be achieved.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

The AMPs set out how the Council intends to maintain, renew and upgrade its existing asset base. The AMPs identify the service standards that are to be set and maintained with respect to the roads, footpaths, stormwater drainage, open space and buildings. If assets are not maintained and renewed in line with the timing and standards set out within the respective AMPs, community well-being may be impacted upon through a reduction in service through the removal of assets (i.e., playgrounds, public facilities) from service or exposure to hazards resulting from inadequately maintained assets.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

The review of the Asset Management Plans has been undertaken to ensure that Council meets its legislative obligations, as set out in the *Local Government Act 1999*.

CONSULTATION

- **Elected Members**

An Information Session was held with Elected Members on 12 August 2024.

The Council will consider the draft AMPs at its meeting scheduled for 2 September 2024.

- **Community**

The Community will be provided with the opportunity to comment on the draft AMPs through the public consultation process which is scheduled to commence on 4 September 2024 until 2 October 2024.

- **Staff**

Chief Executive Officer
Chief Financial Officer
General Manager, Infrastructure & Major Projects
Finance Business Partner
Manager, City Projects

- **Other Agencies**

Nil

DISCUSSION

Asset management is the combination of management, financial, economic, engineering and other practices that are applied to the management and custodianship of physical assets with the objective of meeting the required level of service in the most cost-effective manner. Asset management planning ensures the delivery of services from an infrastructure perspective is provided in a financially sustainable manner.

The AMPs form part of the Council's suite of Strategic plans and set out the Council's approach to the management of Council owned assets over the lifecycle of each asset class, which includes acquisition, operational maintenance, renewal and disposal.

The Council has AMPs for each of the major asset classes;

- Civil Infrastructure
 - roads (surface, pavement, kerbing and footpaths);
 - traffic control devices;
 - off-road carparks; and
 - shared paths.
- Stormwater Management
 - culverts;
 - pipes; and
 - pits.
- Buildings
 - external structures;
 - internal structures; and
 - services, including mechanical and electrical.

- Recreation and Open Space
 - reserves and play equipment;
 - fences;
 - lighting; and
 - furniture (seats, benches, BBQs, bins and bus shelters).

The draft AMPs are contained in **Attachment A**.

Each draft AMP defines the services which the Council will provide, how the services will be provided and what funds are required to provide the services to the standards that are set out by Council.

The AMPs also assist the Council in predicting infrastructure renewal demand. The renewal demand is the cost of bringing an asset back to new at the optimum time in its lifecycle. The objectives of asset management are:

- ensuring a 'life cycle approach' to the management of assets;
- developing cost effective management strategies for the long term;
- providing a defined level of service and monitoring performance;
- understanding and meeting the demands of growth;
- managing risks; and
- ensuring the continuous improvement in asset management practices.

The AMPs are influenced by strategic documents, such as but not limited to, *CityPlan 2030*, the City-Wide Cycling Plan and the Open Space Strategy, as these associated documents are used to identify future infrastructure requirements, as well as condition of existing assets, which is collected periodically and used to plan for the renewal of existing assets.

In developing the asset management strategy for each class of asset, service standards have been based on:

- safety and compliance of infrastructure with Australian Standards and Codes for intended uses of each asset class;
- capacity of infrastructure and functionality of assets to meet usage requirements;
- monitoring of conditions to ensure serviceability maintained and timely maintenance or renewal undertaken; and
- capacity of infrastructure such as underground stormwater drainage network and overland flow paths to perform during target rainfall events.

In developing the AMPs, renewal works are aligned with new and upgrade projects where possible and practicable to ensure that there is efficient use of resources and where possible, assets are not being replaced earlier than required. In addition, projects involving more than one asset class are, where possible, integrated to provide improved efficiency and outcomes for the community.

Examples of projects where integration of multiple projects from differing asset classes have been undertaken include:

- Trinity Valley Stormwater Drainage Upgrade (flood mitigation and water quality improvements and re-use) and upgrading of the St Morris Bikeway (ongoing);
- Bicycle boulevard projects timed to coincide with civil asset renewal (William Street Bikeway, 2023-2024); and
- Dunstan Adventure Playground Upgrade and River Torren Linear Park Path Upgrade (in conjunction with Green Adelaide, 2023-2024).

The AMPs are referred to annually when developing the annual works program to determine the annual funding that is required for inclusion in the Annual Business Plan and Budget.

Financial Targets

The measure of the Council’s success in achieving its financial goal of being a *City which delivers on our Strategic Outcomes by managing our financial resources in a suitable and equitable manner* is measured against a series of targets and performance measures which reflect and achieve the objectives of financial sustainability.

A primary financial target adopted by the Council to measure performance of the AMPs against the LTFP and financial sustainability, is the Asset Renewal Funding Ratio.

Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio (ARFR) measures how well the Council is performing in respect to the funding of the renewal of its existing physical assets, such as roads, footpaths, kerbing, buildings, and playgrounds.

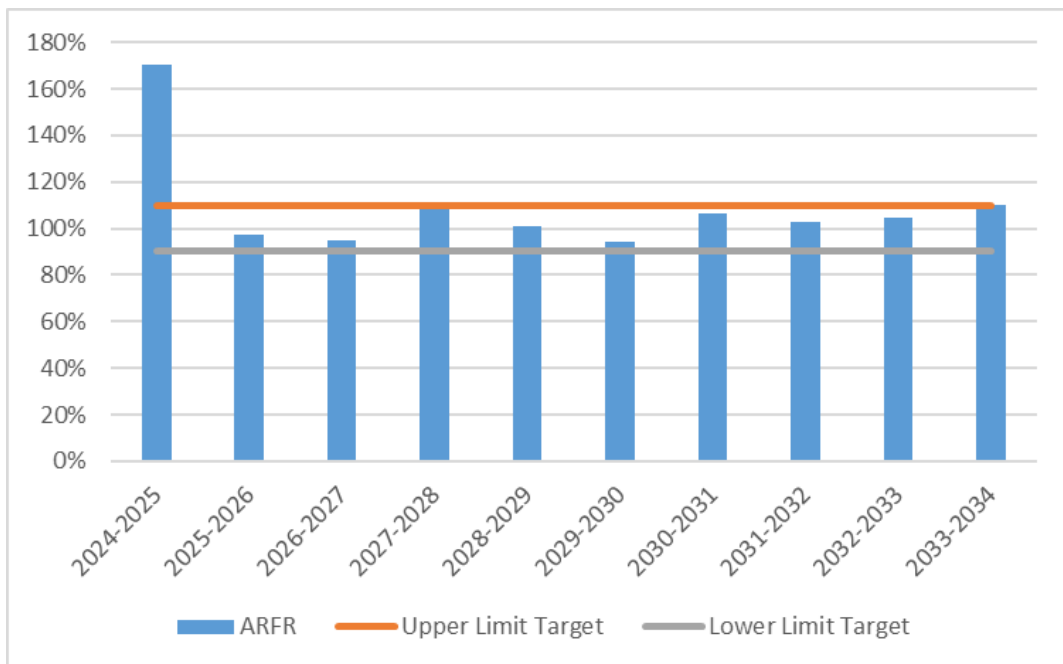
ARFR is calculated using the following formula:

$$ARFR = \frac{\text{Actual asset renewal expenditure (LTFP)}}{\text{Required asset renewal expenditure (AMP)}}$$

Ideally, assets should be renewed at the same rate the stock of assets is wearing out, resulting in a ratio of 1.0 or 100%.

The ARFR over the ten (10) year planning period is shown in **Figure 1** below.

FIGURE 1: ARFR OVER THE TEN (10) YEAR PLANNING PERIOD



2024-2025 ARFR

As outlined in Section 5.4 of the Stormwater Management AMP, the Trinity Valley Stormwater Drainage Upgrade Project initially entailed the renewal of existing assets within Trinity Valley, as well as minor upgrades of a number of sections of the stormwater drainage system. As the project progressed, it was deemed that major upgrade works were required to be undertaken to ensure that the objectives of the Project are met. Therefore, for the 2024-2025 financial year, which is when the project is scheduled to be completed, there is a notable difference between the AMP figure (approximately \$3.1 million) and the LTFP figure (approximately \$11.6 million) required to complete the project. This leads to a higher ARFR for the 2024-2025 financial year.

Overall ARFR

It is recognised that there may be some instances that require the Council to either accelerate or decelerate the renewal of its existing asset base, and hence, there are instances wherein the ARFR is above or below 100%. As such, the Council target is within the range of 90% to 110%.

It is important to note that the ARFR over the ten (10) year planning period is 108%, which meets Council's financial target for this Ratio.

OPTIONS

Not Applicable.

CONCLUSION

Given the existing services, asset renewal program and strategic projects which have been identified to be completed across the planning timeframe, the draft AMPs represent a solution to the management of the competing demands of services and facilities to the community. The draft AMPs seek to balance the funding needs of renewal infrastructure assets, with the timing of proposed upgrade or new infrastructure projects being linked to asset renewals, so that the existing levels of service can be maintained.

COMMENTS

Nil.

RECOMMENDATION

That the Audit & Risk Committee recommends to the Council that the draft Asset Management Plans (Attachment A) be endorsed for the purpose of conducting community consultation.

Attachment A

Draft Asset Management Plans





Norwood Oval Member Facility and Clubroom

Asset Management Plan

Buildings Infrastructure 2025–2034



City of
Norwood
Payneham
& St Peters

Document Control		2025-2034 ASSET MANAGEMENT PLAN BUILDING INFRASTRUCTURE			
Rev No	Date	Revision Details	Author	Reviewer	Approver
0	August 2024	Draft for Community Consultation	JC	DL	DL

Draft

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Draft

1.0 EXECUTIVE SUMMARY

1.1 Asset Management Plans

The City of Norwood Payneham & St Peters Asset Management Plans (the AMPs), provide a comprehensive overview of the City's assets, encompassing their replacement value, current condition, performance, service levels, objectives, and the Council's financial position in relation to these assets.

Its purpose is to ensure that the Council can effectively deliver services, maintain assets and achieve its strategic goals in a financially sustainable manner over the short, medium and long terms.

The AMPs outline the requirements for managing, inspecting and replacing assets, including projected annual expenditure over a ten (10) year period, while also detailing the Council's planned activities for its assets to achieve its strategic goals and deliver community services in the medium to long term.

The AMPs comprise of four documents, each of which have been developed to encompass the major classes of assets, including civil infrastructure, stormwater management, buildings, and recreation and open space.

Purpose of AMPs

The AMPs are crucial strategic documents for the Council to ensure the efficient management of its assets throughout the lifespan of these respective assets, which ultimately achieves the Council's strategic objectives, while maintaining compliance with legislation and delivering a high level of service to the community.

The purpose of the AMPs is to communicate the requirements for the sustainable delivery of services through the management of the assets, compliance with regulatory requirements and required funding to provide the appropriate levels of service over the long-term planning period.

Requirement under Local Government Act

Section 122 of *Local Government Act 1999*, requires the Council to develop and adopt an AMP, relating to the management and development of its infrastructure and major assets, for a period of at least ten (10) years.

This requirement to develop and adopt an AMP, ensures that the Council considers the management and development of its infrastructure and major assets at a strategic level and in line with its strategic management plan (i.e., *CityPlan 2030*). It also includes projections for asset renewal over the next ten (10) years, aligned with the Council's Long-term Financial Plan (LTFP).

1.2 Asset Description

The City's Building Infrastructure Network comprises of the following:

- municipal buildings;
- community facilities;
- recreation and leisure buildings and facilities;
- swimming centres; and
- public toilets.

The Building Infrastructure Network has a significant total renewal value estimated at \$162,360,300.

1.3 Levels of Service

The Council's present funding levels are sufficient to continue to provide existing services at current service levels.

The main service consequences of the Planned Budget expenditure are:

- assets are replaced accordingly with respect to condition and intended useful life; and

- assets complying with the relevant standards and guidelines.

1.4 Future Demand

The main demands for new services are created by:

- increased use of Building Infrastructure assets due to an increase in population; and
- increased demand for sustainability practices due to climate change.

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures, including:

- monitoring and auditing of asset condition and compliance; and
- understanding the expectations and needs of the community.

1.5 Life-Cycle Management Plan

1.5.1 What does it Cost?

The forecast life-cycle costs necessary to provide the services covered by this AMP includes operational maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a long-term financial planning period of ten (10) years. Therefore, a summary output from the AMP is the forecast of ten (10) year total outlays, which for the Building Infrastructure Network is estimated as \$101,564,665 or \$10,156,466 on average per year.

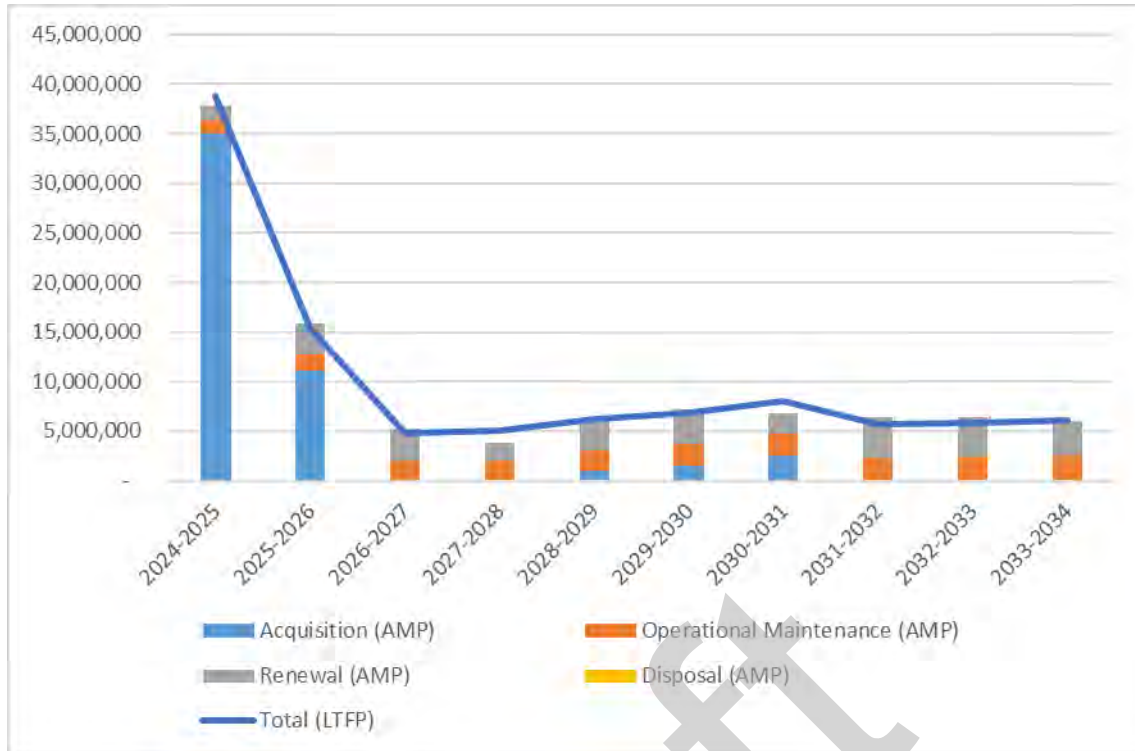
1.6 Financial Summary

1.6.1 What the Council will do

Estimated available funding for the ten (10) year period is \$102,759,372 (or \$10,275,937 on average per year) as set out in the LTFP. This is 101.18%% of the cost to sustain the current level of service at the lowest life-cycle cost.

The reality is that only what is funded in the LTFP can be provided. The informed decision-making depends on the AMP emphasising the consequences of Planned Budgets on the service levels which are provided and the associated risks.

The anticipated Planned Budget for the City's Buildings Infrastructure Network results in nil shortfall for the forecast life-cycle costs required to provide services in the AMP compared with the Planned Budget currently included in the LTFP. This is shown in Figure 1.6.1 below.

Figure 1.6.1: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS

The Council plans to undertake the following in respect to the existing Building Infrastructure Network:

- undertaking of major acquisition works within the ten (10) year planning period consisting of upgrade of the Payneham Memorial Swimming Centre and Norwood Library as set out in the Council's LTFP; and
- provision of operational maintenance and renewal works of existing and proposed new assets to meet current service levels.

1.6.2 What the Council cannot do

Works and services that cannot be provided under present funding levels are:

- undertaking of major acquisition works which are not set out in Council's LTFP; and
- provision of operational maintenance and renewal works above the current service levels.

1.6.3 Managing the Risks

If there is forecast work (operational maintenance, renewal, acquisition or disposal) that cannot be undertaken due to insufficient resources, then this will result in service consequences for users. These service consequences include:

- increased risk of asset failure due to deferred operational maintenance works;
- service provided by assets not to the standard of the users; and
- loss of Council's reputation.

The Council will endeavour to manage these risks within the available funding allocation by:

- finding efficiencies within the current operational maintenance program; and
- increasing proactive inspections and maintenance.

1.7 Asset Management Practices

The Council's systems to manage assets include:

- the Council's asset management system;
- the Council's financial system; and
- the Council's strategic and planning documents.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- formalise ongoing monitoring and reporting of improvement plan tasks and performance measures;
- assist the development of a Council wide Buildings and Facilities Strategy allowing alignment of its objectives with the Plan and LTFP;
- review and amend Business Unit structure to improve accountability for Building and Facility Management
- establish formal condition rating process of building infrastructure;
- further develop risk assessment and management planning;
- improve GIS data storage system integration with asset database;
- review resilience of critical infrastructure; and
- integrate building assets with asset management system.

Draft

2.0 INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through the management of assets, compliance with regulatory requirements and required funding to provide the appropriate levels of service over the long-term planning period.

This AMP is to be read in conjunction with the following key planning documents:

- *CityPlan 2030: Shaping Our Future;*
- Long-term Financial Plan;
- Annual Business Plan;
- Access & Inclusion Policy;
- Asset Management Policy; and
- City of Norwood Payneham & St Peters Community Survey Report.

The Council has a strong focus on asset management, with continuous improvements during the revision of the AMP. Integration of acquisition and renewal planning is undergoing continuous improvement to ensure the minimum required investment provides the greatest value outcomes.

Strategic Direction

The Council's strategic direction is guided by four outcomes or Pillars which contribute to the realisation of the Council's Vision and are based on the four Pillars of the Quadruple Bottom Line (QBL) framework. The four outcomes are Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability.



For our City, adding the fourth Pillar of culture to the traditional Triple Bottom Line (TBL) of environmental, social and economic sustainability highlights the importance of protecting and enhancing our City's unique character and sense of place.

The objectives set out in *CityPlan 2030: Shaping Our Future*, which outline the priorities for what needs to happen to achieve the four outcomes, reflect the community’s aspirations, the policy commitments of the Council and the likely trends and issues which our City will face over the course of *CityPlan 2030*.

CityPlan 2030 plays a pivotal role in guiding the City of Norwood Payneham & St Peters towards the community’s vision for the future. Achieving the strategies contained in *CityPlan 2030*, requires transparent and accountable governance structures and processes which are both flexible and responsive to the future opportunities and challenges that will present themselves.

It will also require a positive ‘can-do attitude’ and approach to ensure that we realise the future which we want for ourselves and the next generation, rather than just ‘letting things happen’.

Strategic Planning Framework

In working towards our vision, all of the programs, projects and services which the Council delivers are structured into four key outcome areas, referred to as the ‘Four Pillars’ of Community Well-being.



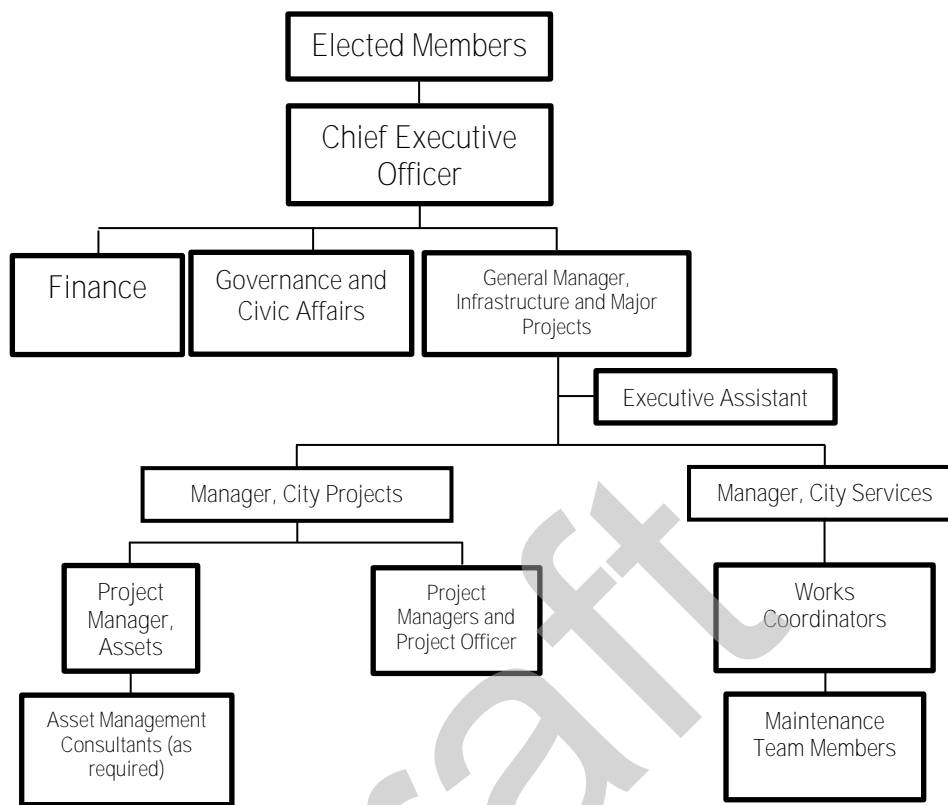
Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1 below.

Table 2.1: KEY STAKEHOLDERS IN THE PLAN

Key Stakeholder	Role in AMP
Elected Members	Represent needs of community and shareholders, allocate resources to meet planning objectives in providing services while managing risks and ensure services are sustainable.
Chief Executive Officer	Endorse the development of the AMP and provide resources (as funded by the Council) required to complete the task.
General Manager, Infrastructure and Major Projects Manager, City Projects	Set high level priorities for asset management development and support the implementation of actions resulting from this AMP.
Finance Governance and Civic Affairs	Development of supporting policies such as capitalisation and depreciation. Provision of GIS applications and support.
Asset Management Consultants	Preparation of asset sustainability and financial reports incorporating asset depreciation in compliance with current accounting standards. Host and consolidate asset register including updating valuations, capitalisation and disposals. Provide support for development of the AMP and the implementation of effective asset management principles. Independently endorse asset revaluation methodology.
Project Manager, Assets	Responsible for the overall development of the AMP. Coordinate input of other stakeholders into the AMP. Manage the periodic collection of asset condition data.
City Assets / City Projects	Assist the Project Manager, Assets in the development of the AMP.
City Services	Provide local knowledge level of detail of the assets. Describe the maintenance standards deployed and the ability to meet the technical and citizen levels of service.
External Parties	Local Residents; Local Businesses; Utilities; Developers; and Federal and State Governments.

The Council's organisational structure for service delivery of infrastructure assets is detailed in Figure 2.1 below.

Figure 2.1: ORGANISATIONAL STRUCTURE



2.2 Goals and Objectives of Asset Ownership

The Council's goal in respect to the management of infrastructure assets, is to meet the defined level of service (as amended from time to time) in the most cost-effective manner for present and future consumers. The key elements of asset management are:

- providing a defined level of service and monitoring performance;
- managing the impact of growth through demand management and infrastructure investment;
- taking a life-cycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service;
- identifying, assessing and appropriately controlling risks; and
- linking to the LTFP which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

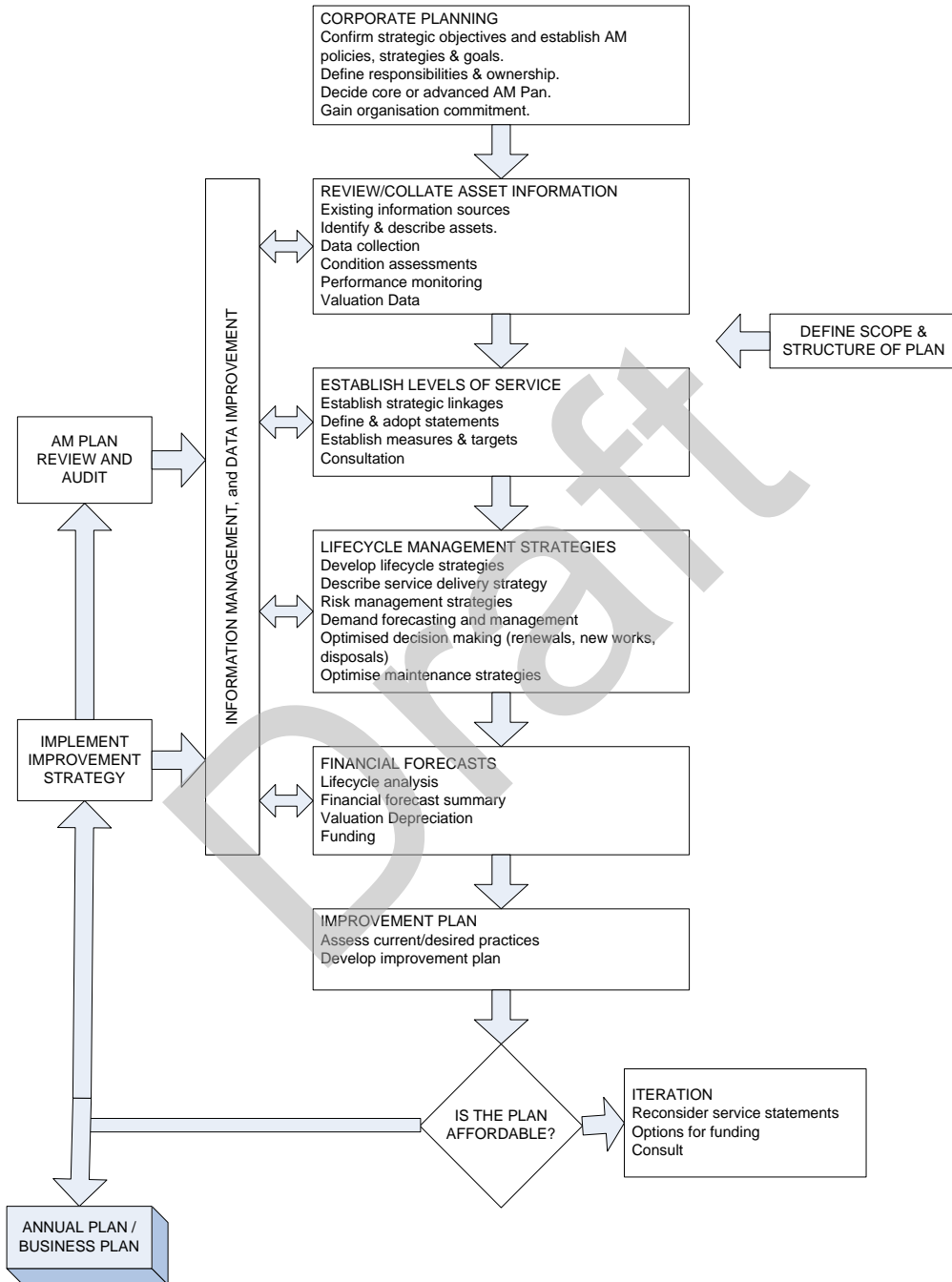
- **levels of service** – specifies the services and levels of service to be provided;
- **future demand** – how this will impact on future service delivery and how this is to be met;
- **life-cycle management** – how to manage its existing and future assets to provide defined levels of service;
- **financial summary** – what funds are required to provide the defined services;
- **asset management practices** – how the Council manages the provision of the services;
- **monitoring** – how the AMP will be monitored to ensure objectives are met; and
- **asset management improvement plan** – how the Council increases asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 ¹; and
- International Organisation for Standardisation (ISO) 55000².

A road map for preparing an AMP is shown in Figure 2.2 below.

Figure 2.2: ROAD MAP FOR PREPARING AN AMP



Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11

¹ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

² ISO 55000 Overview, principles and terminology

3.0 LEVELS OF SERVICE

3.1 Community Research and Expectations

The Council conducts Community Surveys at regular intervals to establish how the Council is performing in a number of key indicators. Community Surveys have been conducted in 2009, 2011, 2013, 2017, 2019 and 2021, with the most recent survey undertaken in 2023. The survey uses a 5-point scale to determine satisfaction, with 1 being very dissatisfied, and 5 being very satisfied. The last version of the AMP included data up to 2019. Table 3.1 below summarises the results from the Council's Resident Surveys.

Table 3.1: RESIDENT SATISFACTION SURVEY LEVELS

Performance Measure	Satisfaction Level						
	2023	2021	2019	2017	2013	2011	2009
Overall Infrastructure Satisfaction	3.8	3.9	3.8	3.8	4.0	4.0	3.6
The Presentation & Cleanliness of the Council Area	4.0	4.2	4.1	4.1	4.2	4.1	4.0
Swimming Pools	3.7	4.1	4.1	NA	NA	NA	NA
Library Services	4.4	4.4	4.5	NA	NA	NA	NA
Community Halls and Centres	4.0	4.1	3.9	NA	NA	NA	NA

3.2 Strategic and Corporate Goals

This AMP has been prepared in accordance with the Council's Vision, Mission, Goals and Objectives as set out in its Strategic Management Plan, *CityPlan 2030: Shaping our Future*.

The Council's Vision is:

'A City which values its heritage, cultural diversity, sense of place and natural environment.'

'A progressive City which is prosperous, sustainable and socially cohesive, with a strong community spirit.'

Council's strategic goals, and how these are addressed in this AMP, are summarised in Table 3.2 below.

Table 3.2: GOALS AND HOW THESE ARE ADDRESSED IN THIS AMP

Goal	Objective	How Goal and Objectives are Addressed in the AMP
Social Equity - A connected, accessible and pedestrian friendly community	Convenient and accessible services, information and facilities.	Development of service levels provided by the infrastructure and the balancing of this with the available funding and acceptable risk.
Environmental Sustainability – A leader in environmental sustainability	A people-friendly, integrated, sustainable and active transport and pedestrian network.	Building assets exist to support and provide services to the community. Planning the long-term management of these assets is essential to the sustainability of these services.
Environmental Sustainability – A leader in environmental sustainability	Mitigating and adapting to the impacts of a changing climate.	Planning of long-term sustainable infrastructure is important and to enable appropriate resources to be identified and provided.

3.3 Legislative Requirements

There are a number of legislative requirements relating to the management of assets. Legislative requirements that impact upon the delivery of the Building Infrastructure Network are set out in Table 3.3 below.

Table 3.3: LEGISLATIVE REQUIREMENTS

Legislation	Requirement
Aboriginal Heritage Act 1988	An Act to provide for the protection and preservation of the Aboriginal heritage, and for other purposes.
Australian Accounting Standards	Standards applied in preparing financial statements, relating to the valuation, revaluation and depreciation of transport assets.
Australian Standards	Council's infrastructure projects are undertaken in accordance with Australian Standards, or in the absence of, best practice techniques.
Building Code of Australia	Sets out minimum standards for construction of new assets. Also provides minimum standards for new properties.
Disability Discrimination Act 1992	Provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.
Environmental Protection Act 1993	Sets out requirements for any works to comply with, as well as water quality standards.
Local Government Act 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by infrastructure and asset management plans for sustainable service delivery.
Planning Development and Infrastructure Act 2016	An Act to provide for matters that are relevant to the use, development and management of land and buildings.
Retail and Commercial Leases Act 1995	An Act regulating the leasing of certain properties.

Retail and Commercial Leases Amendment Act 2019	
Work Health and Safety Act 2012	Provides minimum standards for health and safety of individuals performing works.

3.4 Citizen Values

Service levels are defined in three (3) ways: Citizen Values, Citizen Levels of Service and Technical Levels of Service.

Citizens Values indicate:

- what aspects of a service is important to the citizen;
- whether they see value in what is currently being provided; and
- the likely trend over time based on the current budget provision.

A summary of the satisfaction measure being used, the current feedback and the expected performance based on the current funding level is set out in Table 3.4 below.

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Table 3.4: CITIZEN VALUES

Citizen Values	Citizen Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
The Presentation & Cleanliness of the Council Area	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> this is the most important factor which impacts overall infrastructure satisfaction satisfaction has slightly decreased when compared to 2019 (i.e., when the AMP was last renewed) 	Likely to remain unchanged, as forecasted operational maintenance works are not likely to significantly change.
Swimming Centres	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> this is the eighth most important factor which impacts overall satisfaction with community services satisfaction has decreased when compared to 2019 	Likely to increase significantly once the Payneham Memorial Swimming Centre Project is complete
Library Services	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> this is the fourth most important factor which impacts overall satisfaction with community services satisfaction has slightly decreased when compared to 2019 	Likely to increase significantly once the Norwood Library Redevelopment upgrade works are complete
Community Halls and Centres	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> this is the third most important factor which impacts overall satisfaction with community services satisfaction has slightly increased when compared to 2019 	Potential to increase subject to development of strategy and strategic alignment of building asset renewal work with the strategy

3.5 Citizen Levels of Service

The Citizen Levels of Service are considered in terms of:

- **quality:** How good is the service? What is the condition or quality of the service?
- **function:** Is it suitable for its intended purpose? Is it the right service?
- **capacity:** Is the service over or under used? Does the Council need more or less of these assets?

A summary of the performance measure being used, the current performance and the expected performance based on the current funding level is set out in Table 3.5 below.

Confidence levels of current performance and expected trend are set out in Table 3.5 below and are categorised as follows:

- **high:** professional judgement supported by extensive data;
- **medium:** professional judgement supported by data sampling; or
- **low:** professional judgement with no data evidence.

Table 3.5: CITIZEN LEVELS OF SERVICE MEASURES

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Quality	Asset condition is 'fit for purpose'	Community Survey on The Presentation & Cleanliness of the Council Area	Community survey results indicate satisfaction has remained consistent with 2019 (i.e., when the AMP was last renewed)	No change, as expired assets are renewed as required
	Confidence levels		High	Medium
Function	Accessibility	Public areas of Council buildings to provide access to people with disabilities	High-usage and high-risk areas are being reviewed from accessibility perspective, and issues are being addressed accordingly	New assets installed as part of building assets will be required to meet DDA access requirements Several audits scheduled for 2024-2025 to identify issues and increase confidence levels for the accessibility
	Confidence levels		Medium	High
Capacity	Capacity of assets to meet demands	Community Survey Report	The usage of various Council services (swimming pools, library services, community halls & centres) is seen to have increased since 2019	Upcoming upgrades to Payneham Pool and Norwood Library will increase capacity of our facilities to meet demand in those specific areas
	Confidence levels		High	Medium

3.6 Technical Levels of Service

To deliver the Citizen Values and impact the achieved Citizen Levels of Service, operational or technical measures of performance are used. These technical measures relate to the activities and allocation of resources to best achieve the desired community outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **acquisition:** the activities to provide a higher level of service or a new service that did not exist previously (e.g. purchase of new building);
- **operational maintenance:** the regular activities to retain an asset as near as practicable to an appropriate service condition (e.g. crack repairs);

- **renewal:** the activities that return the service capability of an asset up to that which it had originally provided (e.g. replacement of air conditioning system); and
- **disposal:** the activities associated with the disposal of a decommissioned asset including sale, demolition or relocation (e.g. demolition of a building).

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.³

Table 3.6 below shows the activities expected to be provided under the current Planned Budget allocation and the forecast activity requirements being recommended in this AMP.

Table 3.6: TECHNICAL LEVELS OF SERVICE

Life-Cycle Activity	Purpose of Activity	Activity Measure	Current Performance (LTFP)	Recommended Performance (AMP)
Acquisition	Upgrade of the Council's swimming centres and libraries	Quantity	The Payneham Memorial Swimming Centre and Norwood Library are programmed to be upgraded	The Payneham Memorial Swimming Centre and Norwood Library are programmed to be upgraded
	Gifted infrastructure from developers	Incorporate into asset register upon ownership	Occurs on an ad hoc basis dependent on development	Occurs on an ad hoc basis dependent on development
		Budget	\$51,101,956 over ten (10) years	\$51,101,956 over ten (10) years
Operational Maintenance	Operational maintenance works (e.g. cleaning, crack repairs, inspections) conducted on building assets	Frequency	As required and based on previous years' budgets	As required and based on previous years' budgets
	Asset Condition Assessment	Frequency	Asset Condition Assessment undertaken once every five years	Asset Condition Assessment undertaken once every five years
		Budget	\$20,822,831 over ten (10) years	\$20,822,831 over ten (10) years
Renewal	Replacement of critical assets	Frequency	As budgeted within the LTFP. Development of a Buildings and Facilities Strategy will assist in the efficient scheduling of renewal to align with strategic priorities.	As required based on standard useful life and strategic organisational priorities
		Budget	\$30,834,585 over ten (10) years	\$29,639,878 over ten (10) years
Disposal	Disposal of assets no longer in use	As identified in the AMP	No assets identified as no longer in use	No assets identified as no longer in use
		Budget	\$0 over ten (10) years	\$0 over ten (10) years

³ IPWEA, 2015, IIMM, p 2|28.

It is important to regularly monitor the service levels provided by the Council as these will change. The current performance is influenced by work efficiencies and technology, and community priorities will change over time.

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4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include (but are not limited to) changes in population, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices and environmental awareness.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3 below. The table is not a comprehensive list, as a Buildings and Facilities Strategy is scheduled to be undertaken in 2024-2025 which will delve into demands across the coming decades within the City of Norwood Payneham & St Peters.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3 below. Further opportunities will be developed in future revisions of this AMP subject to the outcomes of a Buildings and Facilities Strategy being developed.

Table 4.3: DEMAND MANAGEMENT PLAN

Demand Driver	Current Position	Projection	Impact on Services	Demand Management Plan
Climate change	Refer Section 4.5			
Change in frequency of use	A significant number of residential properties within the Council area have a swimming pool	More land subdivisions will lead to smaller properties with no room for swimming pools	Increased use of swimming centres, increased rate of deterioration of building assets	Increase condition assessment and inspections of assets.
Change in user requirements	Some building facilities do not have DDA-compliant access	A significant push from the community to ensure access into facilities for the disabled	Some facilities will not be DDA compliant	Ensure that DDA-compliance is included in designs of building facility upgrades and renewals.

4.4 Asset Programs to Meet Demand

The new assets required to meet demand may be acquired, donated or constructed and these assets are discussed in Section 5.5.

Acquiring new assets will commit the Council to increased ongoing operational maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operational maintenance and renewal costs for inclusion in the LTFP (refer to Section 5).

4.5 Climate Change and Adaptation

The impacts of climate change can have a significant impact on the assets which the Council manages and the services which are provided. In the context of the asset management planning process, climate change can be considered as both a future demand and a risk.

How climate change will impact on assets can vary significantly depending on the location and the type of asset and services provided, as will the way in which the Council responds and manage these impacts.

As a minimum, the Council should consider both how to manage existing assets given the potential impacts of climate change and how to create resilience to climate change in any new works or acquisitions.

Opportunities which have been identified to date to manage the impacts of climate change on existing assets are shown in Table 4.5.1 below.

Table 4.5.1: MANAGING THE IMPACT OF CLIMATE CHANGE ON ASSETS

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Temperature	Higher maximum temperatures, lower minimum temperatures	Increased deterioration of externally-located assets	Increase monitoring of externally-located assets as required
Storm Events	Increase rainfall and wind intensity during rainfall events	Increased deterioration of externally-located assets	Increase monitoring of externally-located assets as required

The way in which the Council constructs new assets should recognise that there is opportunity to develop resilience to the impacts of climate change. Developing resilience has a number of benefits including but not limited to:

- assets will be able to withstand the impacts of climate change;
- services can be sustained; and
- assets that can endure the impacts of climate change may potentially lower the life-cycle cost and reduce their carbon footprint.

Table 4.5.2 below summarises some asset climate change resilience opportunities.

Table 4.5.2: DEVELOPING ASSET RESILIENCE TO CLIMATE CHANGE

New Asset Description	Climate Change Impact These Assets?	Develop Resilience in New Works
Externally-located building assets	Higher maximum temperatures, lower minimum temperatures	Investigate environmentally sustainable and environmentally resilient assets with lower carbon emission footprint, increase use of renewable materials where possible

These initiatives are currently being implemented within Council projects where possible. However, it is acknowledged that the impact of climate change on assets is a relatively new and complex issue, and further opportunities will be developed in future revisions of this AMP.

5.0 LIFE-CYCLE MANAGEMENT PLAN

The Life-Cycle Management Plan details how the Council plans to manage and operate the assets at the agreed levels of service (refer to Section 3) while managing life-cycle costs.

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this AMP are shown in Table 5.1.1 below.

Table 5.1.1: ASSETS COVERED BY THIS AMP

Asset Category	Replacement Value (\$)
Municipal Buildings	58,322,000
Community Buildings	24,161,000
Culture Facilities	14,983,300
Recreation & Leisure Buildings	64,894,000
TOTAL	162,360,300

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2 below.

Table 5.1.2: KNOWN SERVICE PERFORMANCE DEFICIENCIES

Location	Service Deficiency
Access into facilities	The standards and guidelines for access may have changed after the construction of the facilities and building assets
Painting	Painting of external and internal walls and ceilings not renewed when required leading to poor condition and performance

The above service deficiencies have been identified through the asset condition assessments and reviews undertaken in recent years. They are intended to be addressed through renewals and / or upgrade works. The identified service deficiencies are addressed systematically through the annual works programs and operational maintenance works wherever feasible.

5.1.3 Asset condition

The condition of assets is currently monitored by undertaking a condition assessment of the Civil Infrastructure assets once every five (5) years, the last being in the 2022-2023 financial year. Annual inspections of the worst-conditioned assets are completed to inform the following year's asset renewal program.

A formal condition rating has not been historically provided with Building Infrastructure condition assessments. The output has consisted of defects lists and associated maintenance requirements. The condition assessment rating system is to be formalised prior to the next condition data collection (scheduled for the 2027-2028 financial year).

It will be crucial to align building defects lists, condition data and strategic planning in the future, to enhance the general condition of assets and meet future demands proactively.

5.2 Operational Maintenance Plan

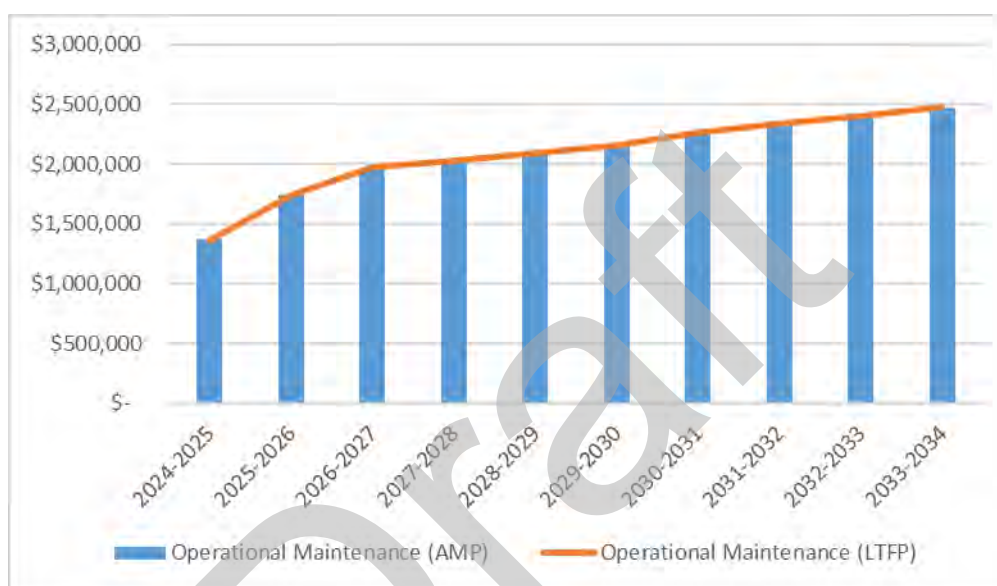
Operational maintenance works focus on the efficiency of assets to ensure the achievement of organisational objectives and the improvement of performance. They include all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating.

Examples of typical operational maintenance activities include asset inspections and patch repairs.

Summary of forecast operational maintenance costs

Forecast operational maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operational maintenance costs are forecast to increase. If assets are disposed, the forecast operational maintenance costs are expected to decrease. Figure 5.2 below shows the forecast operational maintenance costs relative to the proposed operational maintenance Planned Budget.

Figure 5.2: OPERATIONS AND MAINTENANCE SUMMARY



Additional operational maintenance costs due to the undertaking of acquisition projects have been allowed for. However, these additional costs will be required to be monitored to ensure that the same service levels are being provided following the acquisition of new assets.

5.3 Renewal Plan

Renewal involves major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operational maintenance costs.

The typical “useful lives” of assets used to develop projected asset renewal forecasts are shown in Table 5.3 below.

Table 5.3: USEFUL LIVES OF ASSETS

Asset Category	Useful life
Air Conditioning	15 to 30 years
Communications Systems	20 to 25 years
Doors	15 to 30 years

Electrical Infrastructure	15 to 30 years
Fire System	10 to 30 years
Floors	15 to 50 years
Kitchens	20 to 30 years
Lifts	25 to 30 years
Plumbing	15 to 40 years
Roof	30 to 40 years
Security Systems	25 years
Smoke Alarm Systems	25 years
Solar Systems	25 years
Stairs	50 years
Ventilation Systems	15 to 30 years
Walls	15 to 30 years
Windows	30 years

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate; or
- to ensure the infrastructure is of sufficient quality to meet the service requirements.⁴

It is possible to prioritise renewals by identifying assets or asset groups that:

- have a high consequence of failure;
- have high use and subsequent impact on users would be significant;
- have higher than expected operational maintenance costs, and
- have potential to reduce life-cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁵

5.4 Summary of Future Renewal Costs

The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4 below.

⁴ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

⁵ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

Figure 5.4: FORECAST RENEWAL COSTS

The Council intends to undertake a strategic review of all of the Council's building assets with the objective of developing a Building and Facilities Strategy. This document will drive the strategic direction of the Building Infrastructure renewals. Once the Strategy has been finalised, the findings will be reviewed from a renewals perspective. At that time, the AMP and LTFP will be reviewed and updated accordingly.

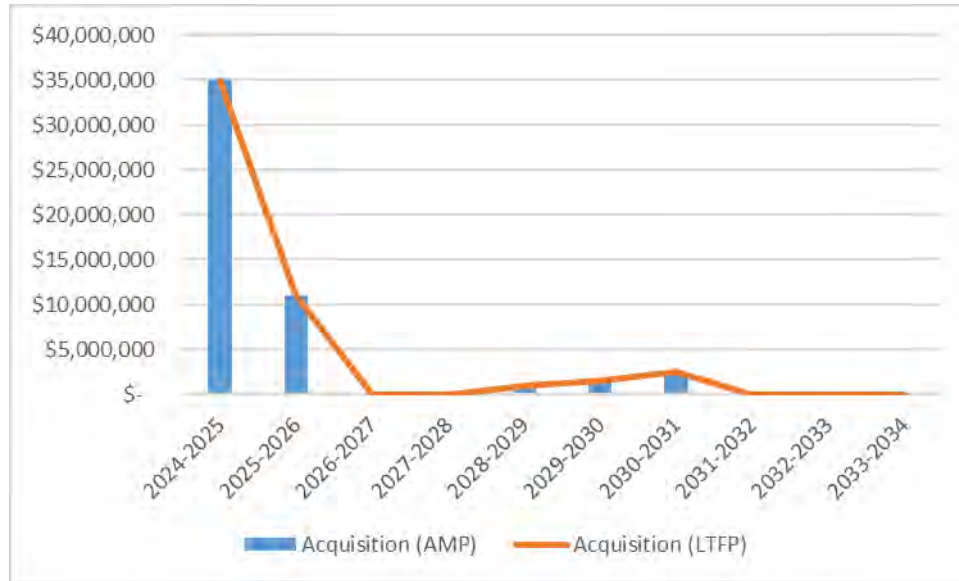
5.5 Acquisition Plan

Acquisition reflects new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Council.

The acquisition projects included in the AMP are projects identified within Council's strategies.

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.5 and shown relative to the proposed acquisition budget. The forecast acquisition projects are shown in Appendix A.

Figure 5.5: FORECAST ACQUISITION COSTS

Expenditure on new assets and services will be accommodated in the Council's LTFP, but only to the extent that there is available funding.

The proposed new and upgraded projects associated with the Building Infrastructure Network have been programmed to be constructed in conjunction with the renewal and acquisition requirements of other asset classes, such as road reseals or recreation and open space upgrades, wherever possible, to increase the efficiency of expenditure. Programming of new works and upgrades has been taken into account with the development of the LTFP to ensure that the Council has the financial capacity to afford the proposed new and upgraded assets.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation.

At this stage, there are no disposal costs forecasted in the next ten (10) years.

6.0 RISK MANAGEMENT PLANNING

The purpose of risk management associated with infrastructure assets is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’⁶.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery are summarised in Table 6.1 below.

Table 6.1: CRITICAL ASSETS

Critical Assets	Failure Mode	Impact
Essential building services (e.g. electrical, fire, mechanical, security)	Deterioration and fault within the system	Building deemed non-compliant
Council-operated buildings providing essential services	Deterioration (age, third-party damage)	Unable to provide essential services to the community

By identifying critical assets and failure modes, an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

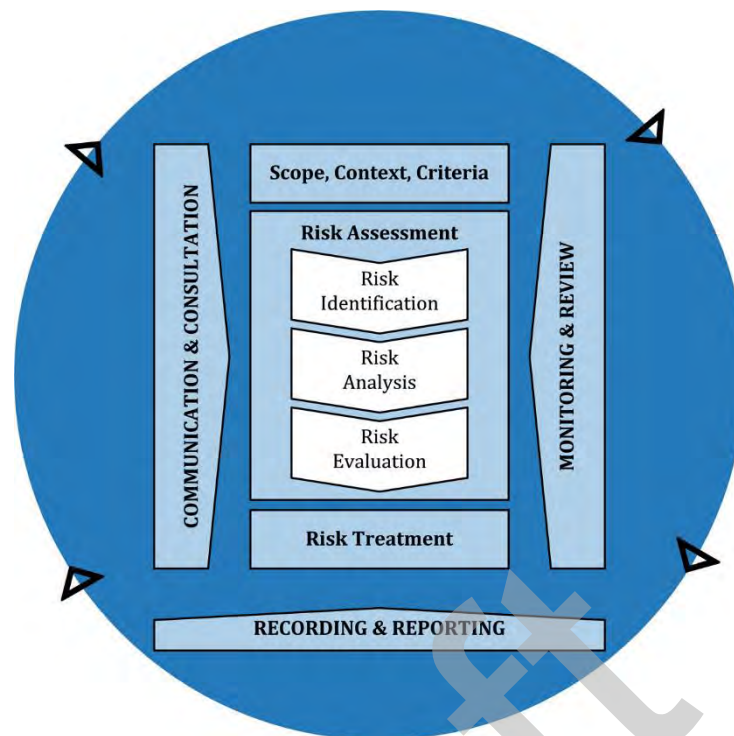
The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

⁶ ISO 31000:2009, p 2

Figure 6.2: RISK MANAGEMENT PROCESS – ABRIDGED



Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts or other consequences. This is outlined in Table 6.2 below.

Table 6.2: RISKS AND TREATMENT PLANS

Service or Asset at Risk	What Can Happen	Impact Category	Risk Rating	Risk Treatment Plan	Residual Risk
Community Facilities (e.g., St Peters Child Care Centre, Concert Hall, Norwood Swimming Centre)	In the absence of a Building and Facilities Strategy, the programming of renewal works are not optimal. Assets deteriorate faster than expected.	Service / Reputation	High (7)	Development of Buildings and Facilities Strategy to enable optimal long-term renewal and acquisition planning. In the meantime, improved liaison with facility managers and users to improve prioritisation and alignment of operations, maintenance and renewal works	Medium (17)
Access into buildings	Non-compliance with regards to DDA requirements	Service / Reputation	High (7)	Engage access consultants to review the most urgent issues (high-risk, high-usage). Program the recommended remediation works into the works program	Medium (17)

6.3 Infrastructure Resilience Approach

The resilience of the Council's critical infrastructure is vital to the ongoing provision of services to the community. To adapt to changing conditions, the Council needs to understand its capacity to 'withstand a given level of stress or demand' and to respond to possible disruptions to ensure continuity of service.

Resilience is built on aspects such as response and recovery planning, financial capacity, climate change and crisis leadership.

The Council does not currently measure our resilience in service delivery. This will be included in future iterations of the AMP.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AMP are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What the Council cannot do

Works and services that cannot be provided under present funding levels are:

- undertaking of major acquisition works which are not set out in Council's LTFP; and
- provision of operational maintenance and renewal works above the current service levels.

6.4.2 Service trade-off

If there is forecast work (operational maintenance, renewal, acquisition or disposal) that cannot be undertaken due to insufficient resources, then this will result in service consequences for users. These service consequences include:

- increased risk of asset failure due to deferred operational maintenance works;
- service provided by assets not to the standard expected by the users; and
- loss of Council's reputation.

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- unsafe condition of assets leading to user risk;
- service provided by assets not to the standard expected by the users; and
- loss of the Council's reputation.

The Council will endeavour to manage these risks within the available funding allocation by:

- finding efficiencies within the current operational maintenance program; and
- increasing proactive inspections and maintenance.

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7.0 FINANCIAL SUMMARY

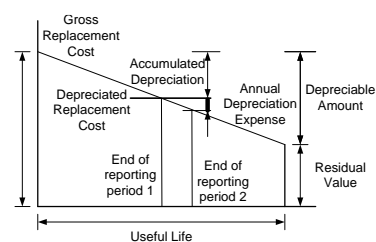
This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Statements and Projections

7.1.1 Asset valuations

The best available estimate of the value of assets included in this Plan are shown below. The assets are valued at cost to replace service capacity:

Current (Gross) Replacement Cost	\$162,360,300
Depreciable Amount	\$162,360,300
Depreciated Replacement Cost ⁷	\$66,685,474
Depreciation during the 2022-2023 Financial Year	\$2,233,881



7.1.2 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area, namely:

- asset renewal funding ratio (proposed LTFP renewal budget for the next ten (10) years / forecast AMP renewal costs for next ten (10) years); and
- medium term forecast costs / proposed budget (over ten (10) years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio⁸ 104.03%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next ten (10) years, the Council expects to have 100% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget is illustrated in Appendix C.

Medium term – ten (10) year financial planning period

This AMP identifies the forecast operational maintenance and renewal costs required to provide an agreed level of service to the community over a ten (10) year period. This provides input into ten (10) year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the ten (10) year period to identify any funding shortfall.

The forecast AMP operational maintenance and renewal costs over the ten (10) year planning period is \$5,046,271 on average per year.

The LTFP operational maintenance and renewal funding is \$5,165,742 on average per year, resulting in nil funding shortfall. This indicates that 100% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the ten (10) year life of the LTFP.

⁷ Also reported as Written Down Value, Carrying or Net Book Value.

⁸ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

7.1.3 Forecast Costs

A summary of the anticipated AMP forecast life-cycle costs compared with the LTFP planned budget are shown in Table 7.1.3 and Figure 7.1.3 below.

Table 7.1.3: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS

Year	Acquisition (AMP) (\$)	Operational Maintenance (AMP) (\$)	Renewal (AMP) (\$)	Disposal (AMP) (\$)	Total Budget (LTFP) (\$)
2024-2025	35,030,000	1,364,186	1,503,500	0	38,804,741
2025-2026	11,071,956	1,741,310	3,019,000	0	15,393,981
2026-2027	-	1,970,758	3,256,377	0	4,852,138
2027-2028	-	2,029,357	1,822,982	0	5,009,063
2028-2029	1,000,000	2,089,699	2,871,194	0	6,170,409
2029-2030	1,500,000	2,151,836	3,472,924	0	6,844,755
2030-2031	2,500,000	2,265,820	2,066,333	0	8,051,608
2031-2032	-	2,333,208	4,063,841	0	5,713,479
2032-2033	-	2,402,600	3,980,723	0	5,875,947
2033-2034	-	2,474,057	3,583,004	0	6,043,251

Figure 7.1.3: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS



7.2 Funding Strategy

The proposed funding for assets is outlined in the Council's Annual Budget and LTFP.

The Council's financial strategy outlines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to service.

Additional assets will generally add to the operational maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it has been necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- acquisition and renewal costs have been based on professional judgement; and
- forecasted operational maintenance costs are based on previous expenditure for the same service levels.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on an A to E level scale⁹ in accordance with Table 7.5.1 below.

Table 7.5.1: DATA CONFIDENCE GRADING SYSTEM

Confidence Grade	Description
A. Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 7.5.2 below.

⁹ IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

Table 7.5.2: DATA CONFIDENCE ASSESSMENT FOR DATA USED IN AMP

Data	Confidence Assessment	Comment
Demand drivers	C	Based on development application trends, <i>profile.id</i> data, climate change data, community surveys
Growth projections	C	Based on development application trends, <i>profile.id</i> data
Acquisition forecast	B	In line with strategic plans, policy and procedures
Operational maintenance forecast	B	In line with previous years
Renewal forecast - Asset values	B	As per approved methodology
- Asset useful lives	B	Current estimates from asset register
- Condition modelling	C	Methodology and data capture to be updated
Disposal forecast	E	No disposal forecast – may be subject to change through strategic planning

The estimated confidence level for and reliability of data used in this AMP is considered to be reliable.

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8.0 PLAN IMPROVEMENT AND MONITORING

8.1.1 Accounting and financial data sources

The Council uses Authority and Conquest as its financial management and accounting systems. These systems have the capability to report the full lifecycle of assets, providing full transparency from acquisition to disposal.

8.1.2 Asset management data sources

The Council uses Conquest as its asset management system, and Spectrum Spatial as its geographical information system. There are plans to improve integration between the GIS data with the asset management register to provide a live and amalgamated asset data system.

8.2 Improvement Plan

It is important that the Council recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2 below.

Table 8.2: IMPROVEMENT PLAN

Task No.	Task	Responsibility	Resources Required	Timeline
1	Formalise ongoing monitoring and reporting of improvement plan tasks and performance measures	Project Manager, Assets	Manager, City Projects	1 year
2	Review structure and resourcing to clarify accountabilities and responsibilities with regard to Buildings and Facilities	General Manager, Infrastructure and Major Projects	Project Manager, Assets and Manager, City Projects	1 year
3	Develop Buildings and Facilities Strategy, and align its objectives with the Plan and LTFP	Manager, Strategy	Project Manager, Assets and Manager, City Projects	2 years
4	Establish formal condition rating process of building infrastructure	Project Manager, Assets	Asset Consultants	2 years
5	Further develop risk assessment and management planning	Project Manager, Assets	Project Officer, Assets and Asset Consultants	2 years
6	Improve GIS data storage system integration with asset database	Project Manager, Assets	Information Services, Consultants	3 years
7	Review resilience of critical infrastructure	Project Manager, Assets	City Assets and Asset Consultants	4 years
8	Integrate building assets with asset management system	Project Manager, Assets	Asset Consultants, Finance	4 years

8.3 Monitoring and Review Procedures

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operational maintenance, renewals, acquisition and disposal costs and proposed budgets. These forecast costs and proposed budget are incorporated into the LTFP or will be incorporated into the LTFP once completed.

The AMP has a maximum life of four (4) years and is due for complete revision and updating within two (2) years of each Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- the degree to which the required forecast costs identified in this AMP are incorporated into the LTFP;
- the degree to which the short-term detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the AMP;
- the Asset Renewal Funding Ratio achieving the Organisational Target (this target is often 1.0).

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9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM;
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/namsplus;
- IPWEA, 2015, 2nd edn., 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMM;
- IPWEA, 2015, 3rd edn., 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM;
- IPWEA, 2012 LTFP Practice Note 6 PN Long-Term Financial Plan, Institute of Public Works Engineering Australasia, Sydney;
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines;
- *CityPlan 2030: Shaping Our Future*;
- Long-term Financial Plan;
- Annual Business Plan;
- Access & Inclusion Policy;
- Asset Management Policy; and
- City of Norwood Payneham & St Peters Community Survey Report.

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10.0 APPENDICES

Appendix A

Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

The new and upgrade projects contained within this AMP have been derived from the Council's strategies.

A.2 – Acquisition Project Summary

Table A2: ACQUISITION PROJECT SUMMARY

Year	Project	Cost (\$)
2024-2025	Payneham Memorial Swimming Centre Upgrade	35,000,000
2024-2025	Staff Bike Parking Webbe Street	30,000
2025-2026	Payneham Memorial Swimming Centre Upgrade	11,071,956
2028-2029	Norwood Library Redevelopment	1,000,000
2029-2030	Norwood Library Redevelopment	1,500,000
2030-2031	Norwood Library Redevelopment	2,500,000

A.3 – Acquisition Forecast Summary

Table A3: ACQUISITION FORECAST SUMMARY

Year	Acquisition (AMP) (\$)	Acquisition (LTFP) (\$)
2024-2025	35,030,000	35,030,000
2025-2026	11,071,956	11,071,956
2026-2027	-	-
2027-2028	-	-
2028-2029	1,000,000	1,000,000
2029-2030	1,500,000	1,500,000
2030-2031	2,500,000	2,500,000
2031-2032	-	-
2032-2033	-	-
2033-2034	-	-

Appendix B

Operation Forecast

Operational Maintenance Forecast

B.1 – Operational Maintenance Forecast Assumptions and Source

The operational maintenance forecast has been based on previous expenditure for the same service levels, with requirements of additional operational maintenance expenditure due to acquisition projects factored in.

B.2 – Operational Maintenance Forecast Summary

Table B2: OPERATIONAL MAINTENANCE FORECAST SUMMARY

Year	Operational Maintenance (AMP) (\$)	Operational Maintenance (LTFP) (\$)
2024-2025	1,364,186	1,364,186
2025-2026	1,741,310	1,741,310
2026-2027	1,970,758	1,970,758
2027-2028	2,029,357	2,029,357
2028-2029	2,089,699	2,089,699
2029-2030	2,151,836	2,151,836
2030-2031	2,265,820	2,265,820
2031-2032	2,333,208	2,333,208
2032-2033	2,402,600	2,402,600
2033-2034	2,474,057	2,474,057

Appendix C

Renewal Forecast Summary

C.1 – Renewal Forecast Assumptions and Source

The scheduling of identified renewal proposals is currently guided by the condition and age of assets, and by the Council's Buildings Assets Strategy once its update is finalised.

C.2 – Renewal Forecast Summary

Table C3: RENEWAL FORECAST SUMMARY

Year	Renewal (AMP) (\$)	Renewal (LTFP) (\$)
2024-2025	1,503,500	2,410,555
2025-2026	3,019,000	2,580,715
2026-2027	3,256,377	2,881,380
2027-2028	1,822,982	2,979,706
2028-2029	2,871,194	3,080,710
2029-2030	3,472,924	3,192,919
2030-2031	2,066,333	3,285,788
2031-2032	4,063,841	3,380,271
2032-2033	3,980,723	3,473,347
2033-2034	3,583,004	3,569,194

Appendix D

Disposal Summary

D.1 – Disposal Forecast Assumptions and Source

No disposals have been forecast over the AMP period.

D.2 – Disposal Forecast Summary

Table D2: DISPOSAL ACTIVITY SUMMARY

Year	Disposal (AMP) (\$)	Disposal (LTFP) (\$)
2024-2025	0	0
2025-2026	0	0
2026-2027	0	0
2027-2028	0	0
2028-2029	0	0
2029-2030	0	0
2030-2031	0	0
2031-2032	0	0
2032-2033	0	0
2033-2034	0	0

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Linear Park Shared Path Upgrade

Asset Management Plan

Civil Infrastructure 2025–2034



City of
Norwood
Payneham
& St Peters

Document Control		2025-2034 ASSET MANAGEMENT PLAN CIVIL INFRASTRUCTURE			
Rev No	Date	Revision Details	Author	Reviewer	Approver
0	August 2024	Draft for Community Consultation	JC	DL	DL

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1.0 EXECUTIVE SUMMARY

1.1 Asset Management Plans

The City of Norwood Payneham & St Peters Asset Management Plans (the AMPs), provide a comprehensive overview of the City's assets, encompassing their replacement value, current condition, performance, service levels, objectives, and the Council's financial position in relation to these assets.

Its purpose is to ensure that the Council can effectively deliver services, maintain assets and achieve its strategic goals in a financially sustainable manner over the short, medium and long terms.

The AMPs outline the requirements for managing, inspecting and replacing assets, including projected annual expenditure over a ten (10) year period, while also detailing the Council's planned activities for its assets to achieve its strategic goals and deliver community services in the medium to long term.

The AMPs comprise of four documents, each of which have been developed to encompass the major classes of assets, including civil infrastructure, stormwater management, buildings, and recreation and open space.

Purpose of AMPs

The AMPs are crucial strategic documents for the Council to ensure the efficient management of its assets throughout the lifespan of these respective assets, which ultimately achieves the Council's strategic objectives, while maintaining compliance with legislation and delivering a high level of service to the community.

The purpose of the AMPs is to communicate the requirements for the sustainable delivery of services through the management of the assets, compliance with regulatory requirements and required funding to provide the appropriate levels of service over the long-term planning period.

Requirement under Local Government Act

Section 122 of *Local Government Act 1999*, requires the Council to develop and adopt an AMP, relating to the management and development of its infrastructure and major assets, for a period of at least ten (10) years.

This requirement to develop and adopt an AMP, ensures that the Council considers the management and development of its infrastructure and major assets at a strategic level and in line with its strategic management plan (i.e., *CityPlan 2030*). It also includes projections for asset renewal over the next ten (10) years, aligned with the Council's Long-term Financial Plan (LTFP).

1.2 Asset Description

The City's Civil Infrastructure Network comprises of the following:

- road pavement and surface;
- kerbing;
- footpaths;
- traffic control devices;
- off-road carparks; and
- shared paths.

The Civil Infrastructure Network has a significant total renewal value estimated at \$313,047,727.

1.3 Levels of Service

The Council's present funding levels are sufficient to continue to provide existing services at current service levels.

The main service consequences of the Planned Budget expenditure are:

- assets will deteriorate over time and be renewed only at the end of life;

- operational maintenance of assets will be undertaken to ensure functionality is maintained and asset life maximised; and
- user expectations likely to be met in regards to maintained assets appearance.

1.4 Future Demand

The main demands for new services are created by:

- increased citizen expectations;
- increased rate of loadings on roads; and
- increased population density resultant from urban development.

Meeting these demands will be approached by using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures, including:

- monitoring the condition of assets;
- undertaking of citizen expectation surveys; and
- planning for demographic changes over time.

1.5 Life-Cycle Management Plan

1.5.1 What does it Cost?

The forecast life-cycle costs necessary to provide the services covered by this AMP includes operational maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a long-term financial planning period of ten (10) years. Therefore, a summary output from the AMP is the forecast of ten (10) year total outlays, which for the Civil Infrastructure Network is estimated as \$135,516,913 or \$13,551,691 on average per year.

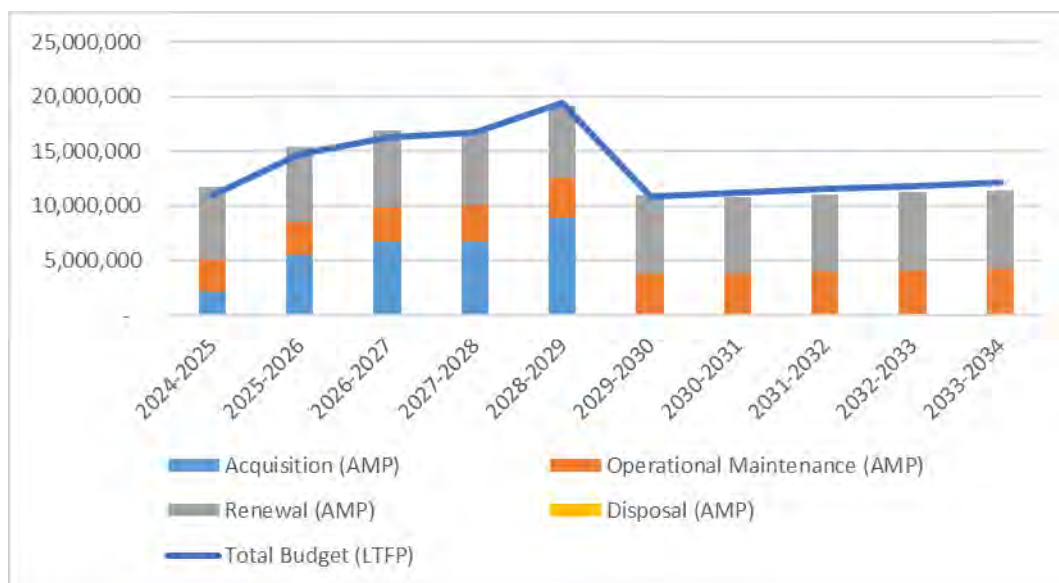
1.6 Financial Summary

1.6.1 What the Council will do

Estimated available funding for the ten (10) year period is \$135,773,771 (or \$13,577,377 on average per year) as set out in the LTFP. This is approximately 100% of the cost to sustain the current level of service at the lowest life-cycle cost.

The reality is that only what is funded in the LTFP can be provided. The informed decision-making depends on the AMP emphasising the consequences of Planned Budgets on the service levels which are provided and the associated risks.

The anticipated Planned Budget for the City's Civil Infrastructure Network results in nil shortfall per year for the forecast life-cycle costs required to provide services in the AMP compared with the Planned Budget currently included in the LTFP. This is shown in Figure 1.6.1 below.

Figure 1.6.1: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS

The Council plans to undertake the following in respect to the existing Civil Infrastructure Network:

- undertaking of major acquisition works within the ten (10) year planning period consisting of various road reconstruction projects, bikeway projects, and streetscape upgrade projects as set out in the Council's LTFP; and
- provision of operational maintenance and renewal works of existing and proposed new assets to meet current service levels.

1.6.2 What the Council cannot do

Works and services that cannot be provided under present funding levels are:

- undertaking of major acquisition works which are not set out in Council's LTFP; and
- provision of operational maintenance and renewal works above the current service levels.

1.6.3 Managing the Risks

If there is forecast work (operational maintenance, renewal, acquisition or disposal) that cannot be undertaken due to insufficient resources, then this will result in service consequences for users. These service consequences include:

- deterioration of asset condition quicker than planned;
- increase in hazards; and
- changes to asset performance requirements due to external factors.

The Council will endeavour to manage these risks within the available funding allocation by:

- finding efficiencies within the current operational maintenance program; and
- prioritisation of renewal works.

1.7 Asset Management Practices

The Council's systems to manage assets include:

- the Council's asset management system;
- the Council's financial system; and
- the Council's strategic and planning documents.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are to:

- formalise ongoing monitoring and reporting of improvement plan tasks and performance measures;
- review condition assessment data collected in 2023-2024;
- further develop risk assessment and management planning;
- improve GIS data storage system integration with asset database; and
- review resilience of critical infrastructure.

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2.0 INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through the management of assets, compliance with regulatory requirements and required funding to provide the appropriate levels of service over the long-term planning period.

This AMP is to be read in conjunction with the following key planning documents:

- *CityPlan 2030: Shaping Our Future;*
- Long-term Financial Plan;
- Annual Business Plan;
- City-Wide Cycling Plan;
- Kent Town Urban Design Framework and Public Realm Manual;
- River Torrens Linear Park Strategic Integrated Asset Management Plan;
- Private Laneways Policy and Procedure;
- Asset Management Policy; and
- City of Norwood Payneham & St Peters Community Survey Report.

The Council has a strong focus on asset management, with continuous improvements during the revision of the AMP. Integration of acquisition and renewal planning is undergoing continuous improvement to ensure the minimum required investment provides the greatest value outcomes.

Strategic Direction

The Council's strategic direction is guided by four outcomes or Pillars which contribute to the realisation of the Council's Vision and are based on the four Pillars of the Quadruple Bottom Line (QBL) framework. The four outcomes are Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability.



For our City, adding the fourth Pillar of culture to the traditional Triple Bottom Line (TBL) of environmental, social and economic sustainability highlights the importance of protecting and enhancing our City’s unique character and sense of place.

The objectives set out in *CityPlan 2030: Shaping Our Future*, which outline the priorities for what needs to happen to achieve the four outcomes, reflect the community’s aspirations, the policy commitments of the Council and the likely trends and issues which our City will face over the course of *CityPlan 2030*.

CityPlan 2030 plays a pivotal role in guiding the City of Norwood Payneham & St Peters towards the community’s vision for the future. Achieving the strategies contained in *CityPlan 2030*, requires transparent and accountable governance structures and processes which are both flexible and responsive to the future opportunities and challenges that will present themselves.

It will also require a positive ‘can-do attitude’ and approach to ensure that we realise the future which we want for ourselves and the next generation, rather than just ‘letting things happen’.

Strategic Planning Framework

In working towards our vision, all of the programs, projects and services which the Council delivers are structured into four key outcome areas, referred to as the ‘Four Pillars’ of Community Well-being.



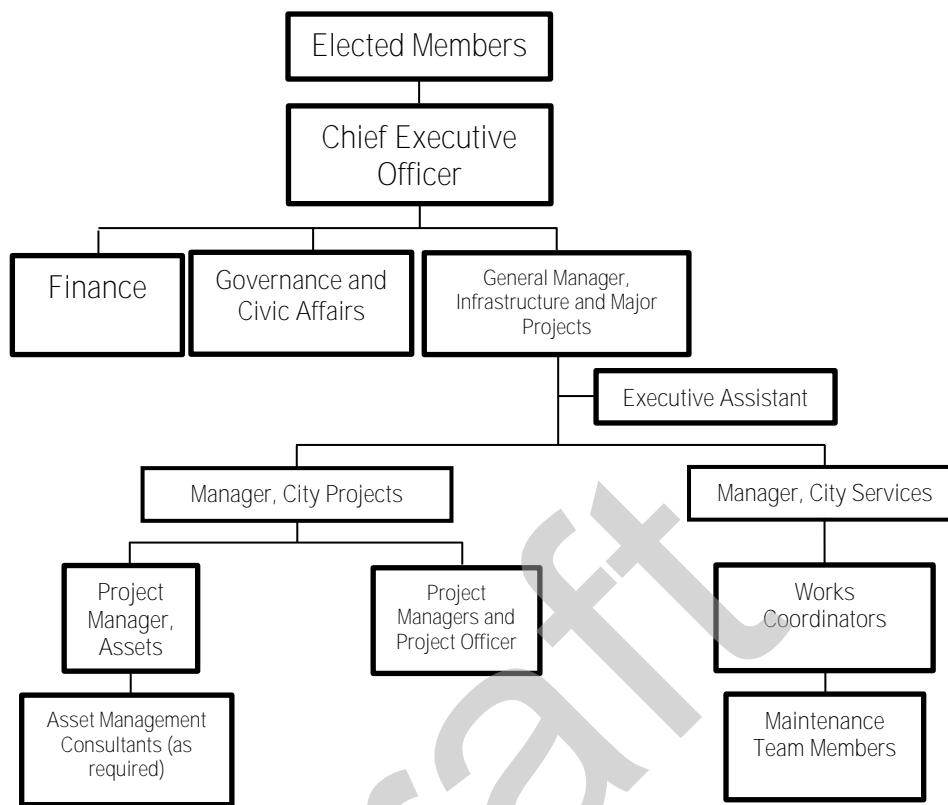
Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1 below.

Table 2.1: KEY STAKEHOLDERS IN THE AMP

Key Stakeholder	Role in AMP
Elected Members	Represent needs of community and shareholders, allocate resources to meet planning objectives in providing services while managing risks and ensure services are sustainable.
Chief Executive Officer	Endorse the development of the AMP and provide resources (as funded by the Council) required to complete the task.
General Manager, Infrastructure and Major Projects Manager, City Projects	Set high level priorities for asset management development and support the implementation of actions resulting from this AMP.
Finance Governance and Civic Affairs	Development of supporting policies such as capitalisation and depreciation. Provision of GIS applications and support.
Asset Management Consultants	Preparation of asset sustainability and financial reports incorporating asset depreciation in compliance with current accounting standards. Host and consolidate asset register including updating valuations, capitalisation and disposals. Provide support for development of the AMP and the implementation of effective asset management principles. Independently endorse asset revaluation methodology.
Project Manager, Assets	Responsible for the overall development of the AMP. Coordinate input of other stakeholders into the AMP. Manage the periodic collection of asset condition data.
City Assets / City Projects	Assist the Project Manager, Assets in the development of the AMP.
City Services	Provide local knowledge level of detail of the assets. Describe the maintenance standards deployed and the ability to meet the technical and citizen levels of service.
External Parties	Local Residents; Local Businesses; Utilities; Developers; and Federal and State Governments.

The Council's organisational structure for service delivery of infrastructure assets is detailed in Figure 2.1 below.

Figure 2.1: ORGANISATIONAL STRUCTURE



2.2 Goals and Objectives of Asset Ownership

The Council's goal in respect to the management of infrastructure assets, is to meet the defined level of service (as amended from time to time) in the most cost-effective manner for present and future consumers. The key elements of asset management are:

- providing a defined level of service and monitoring performance;
- managing the impact of growth through demand management and infrastructure investment;
- taking a life-cycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service;
- identifying, assessing and appropriately controlling risks; and
- linking to the LTFP which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

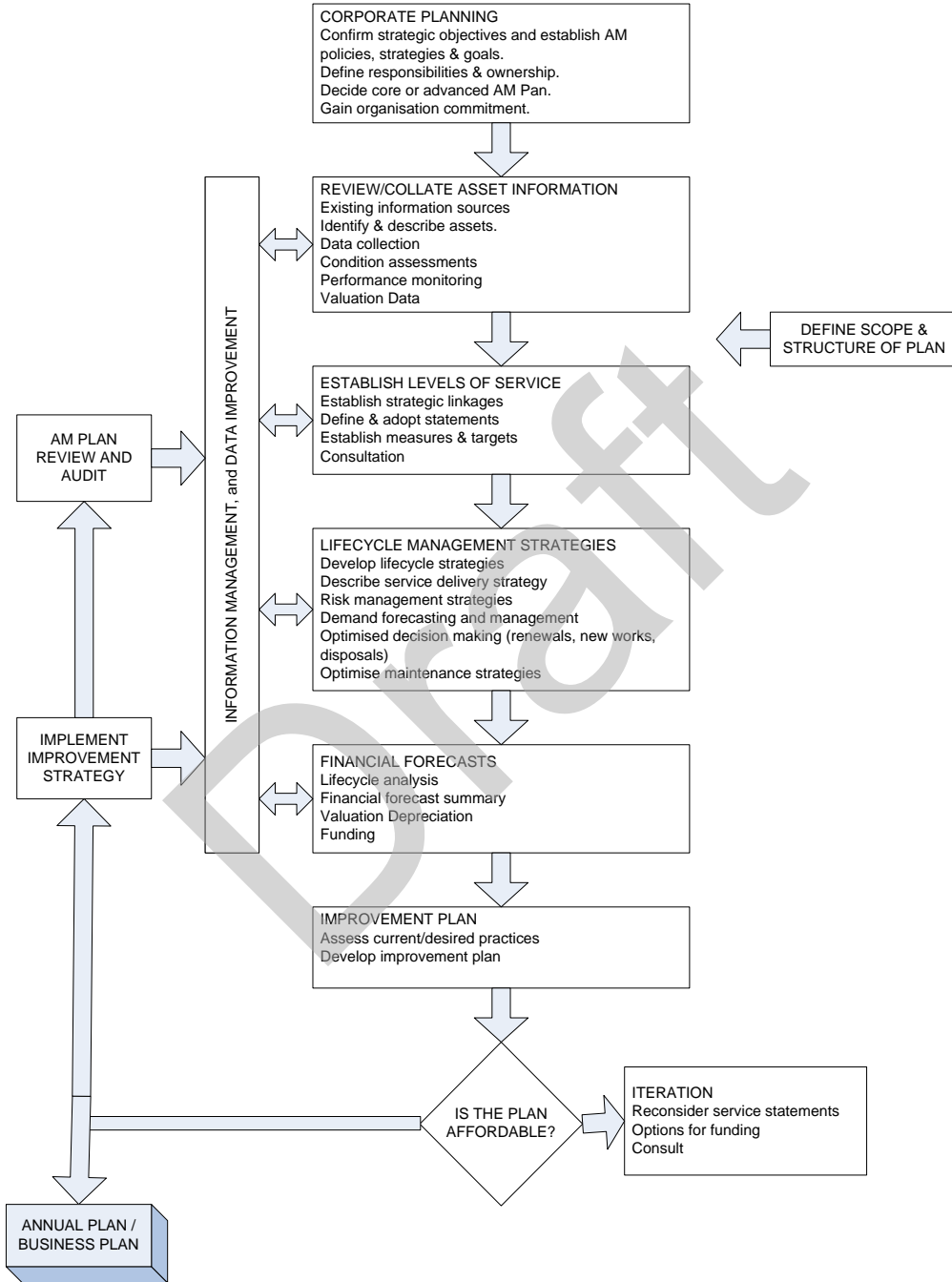
- **levels of service** – specifies the services and levels of service to be provided;
- **future demand** – how this will impact on future service delivery and how this is to be met;
- **life-cycle management** – how to manage its existing and future assets to provide defined levels of service;
- **financial summary** – what funds are required to provide the defined services;
- **asset management practices** – how the Council manages the provision of the services;
- **monitoring** – how the AMP will be monitored to ensure objectives are met; and
- **asset management improvement plan** – how the Council increases asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 ¹; and
- International Organisation for Standardisation (ISO) 55000².

A road map for preparing an AMP is shown in Figure 2.2 below.

Figure 2.2: ROAD MAP FOR PREPARING AN AMP



Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11

¹ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

² ISO 55000 Overview, principles and terminology

3.0 LEVELS OF SERVICE

3.1 Community Research and Expectations

The Council conducts Community Surveys at regular intervals to establish how the Council is performing in a number of key indicators. Community Surveys have been conducted in 2009, 2011, 2013, 2017, 2019 and 2021, with the most recent survey undertaken in 2023. The survey uses a 5-point scale to determine satisfaction, with 1 being very dissatisfied, and 5 being very satisfied. The last version of the AMP included data up to 2019. Table 3.1 below summarises the results from the Council's Resident Surveys.

Table 3.1: RESIDENT SATISFACTION SURVEY LEVELS

Performance Measure	Satisfaction Level						
	2023	2021	2019	2017	2013	2011	2009
Overall Infrastructure Satisfaction	3.8	3.9	3.8	3.8	4.0	4.0	3.6
Providing and Maintaining Roads	3.7	3.7	3.6	3.6	3.8	3.8	3.6
The Provision and Maintenance of Cycling Pathways	3.6	3.8	3.6	3.6	3.7	3.7	3.3
Providing and Maintaining Footpaths	3.1	3.4	3.2	3.2	3.4	3.3	3.1
The Presentation and Cleanliness of the Council Area	4.0	4.2	4.1	4.1	4.2	4.1	4.0

3.2 Strategic and Corporate Goals

This AMP has been prepared in accordance with the Council's Vision, Mission, Goals and Objectives as set out in its Strategic Management Plan, *CityPlan 2030: Shaping our Future*.

The Council's Vision is:

'A City which values its heritage, cultural diversity, sense of place and natural environment.

A progressive City which is prosperous, sustainable and socially cohesive, with a strong community spirit.'

Council's strategic goals, and how these are addressed in this AMP, are summarised in Table 3.2 below.

Table 3.2: GOALS AND HOW THESE ARE ADDRESSED IN THIS AMP

Goal	Objective	How Goal and Objectives are Addressed in the AMP
Social Equity - A connected, accessible and pedestrian friendly community	A people friendly, integrated and sustainable transport and pedestrian network.	Civil Infrastructure assets exist to support and provide services to the community. Planning the long-term management of these assets is essential to the sustainability of these services.
Environmental Sustainability – A leader in environmental sustainability	Sustainable and attractive streetscapes and open spaces	Development of service levels provided by the infrastructure and the balancing of this with the available funding and acceptable risk.
Environmental Sustainability – A leader in environmental sustainability	Mitigating and adapting to the impacts of climate change	Planning of long-term sustainable infrastructure is important and to enable appropriate resources to be identified and provided.

3.3 Legislative Requirements

There are a number of legislative requirements relating to the management of assets. Legislative requirements that impact upon the delivery of the Civil Infrastructure Network are set out in Table 3.3 below.

Table 3.3: LEGISLATIVE REQUIREMENTS

Legislation	Requirement
Aboriginal Heritage Act 1988	An Act to provide for the protection and preservation of the Aboriginal heritage, and for other purposes.
Australian Accounting Standards	Standards applied in preparing financial statements, relating to the valuation, revaluation and depreciation of transport assets.
Australian Standards	Council's infrastructure projects are undertaken in accordance with Australian Standards, or in the absence of, best practice techniques.
Building Code of Australia	Sets out minimum standards for construction of new assets. Also provides minimum standards for new properties.
Disability Discrimination Act 1992	Provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.
Environmental Protection Act 1993	Sets out requirements for any works to comply with, as well as water quality standards.
Local Government Act 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a LTFP supported by AMPs for sustainable service delivery.
Manual of Legal Responsibilities and Technical Requirements for Traffic Control Devices – Part 2 – Code of Technical Requirements	Defines legal requirements for the installation of traffic control devices.
Road Traffic Act 1961	Defines responsibilities pertaining to roadways and standards.

Roads (Opening & Closing Act) 1991	Allows for the formalisation of roadways status.
Work Health and Safety Act 2012	Provides minimum standards for health and safety of individuals performing works.

3.4 Citizen Values

Service levels are defined in three (3) ways: Citizen Values, Citizen Levels of Service and Technical Levels of Service.

Citizens Values indicate:

- what aspects of a service is important to the citizen;
- whether they see value in what is currently being provided; and
- the likely trend over time based on the current budget provision.

A summary of the satisfaction measure being used, the current feedback and the expected performance based on the current funding level is set out in Table 3.4 below.

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Table 3.4: CITIZEN VALUES

Citizen Values	Citizen Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Providing and Maintaining Roads	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> this is the second most important factor which impacts overall satisfaction with community services satisfaction has slightly increased when compared to 2019 (i.e., when the AMP was last renewed) 	Improved strategic alignment of works is expected to increase the efficiency of the renewal program.
The Provision and Maintenance of Cycling Pathways	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> this is the sixth most important factor which impacts overall satisfaction with community services satisfaction remains consistent when compared to 2019 	Both the importance factor and satisfaction are expected to increase in the coming years, as a result of a greater focus on cycling strategies and infrastructure by both the Council and citizens.
Providing and Maintaining Footpaths	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> this is the fourth most important factor which impacts overall satisfaction with community services satisfaction has slightly decreased when compared to 2019 	Increased expenditure in footpath renewal works is expected to result in a decrease hazards and therefore higher satisfaction.
The Presentation and Cleanliness of the Council Area	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> this is the most important factor which impacts overall satisfaction with community services satisfaction has slightly decreased when compared to 2019 	Targeted street sweeping and footpath blowing program implemented to current expenditure. Complaints expected to maintain current level due street tree leaf drop.

3.5 Citizen Levels of Service

The Citizen Levels of Service are considered in terms of:

- **quality:** How good is the service? What is the condition or quality of the service?
- **function:** Is it suitable for its intended purpose? Is it the right service?
- **capacity:** Is the service over or under used? Does the Council need more or less of these assets?

A summary of the performance measure being used, the current performance and the expected performance based on the current funding level is set out in Table 3.5 below.

Confidence levels of current performance and expected trend are set out in Table 3.5 below and are categorised as follows:

- **high:** professional judgement supported by extensive data;
- **medium:** professional judgement supported by data sampling; or
- **low:** professional judgement with no data evidence.

Table 3.5: CITIZEN LEVELS OF SERVICE MEASURES

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Quality	Asset condition is <i>'fit for purpose'</i>	Community Survey on Providing and Maintaining of Roads and Footpaths	Community survey results indicate satisfaction has remained consistent with 2019 (i.e., when the AMP was last updated)	Improved strategic alignment of works is expected to increase the efficiency of the renewal program
	Confidence levels		High	Medium
Function	Different assets (roads, footpaths, cycle paths) are linked in a functional and user-friendly manner	Community Survey on Provision and Maintenance of Cycling Pathways	Community survey results indicate satisfaction has remained consistent with 2019	Upgrade of Council's bikeways will continue, leading to improved service levels
	Confidence levels		High	Medium
Capacity	Capacity of assets to meet demands	Community Survey on Overall Infrastructure Satisfaction	Community survey results indicate satisfaction has remained consistent with 2019	Continued upgrade of infrastructure expected to balance out the forecasted increase in demand
	Confidence levels		High	Medium

3.6 Technical Levels of Service

To deliver the Citizen Values and impact the achieved Citizen Levels of Service, operational or technical measures of performance are used. These technical measures relate to the activities and allocation of resources to best achieve the desired community outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **acquisition:** the activities to provide a higher level of service or a new service that did not exist previously (e.g. conversion of a private laneway to a public road);
- **operational maintenance:** the regular activities to retain an asset as near as practicable to an appropriate service condition (e.g. pothole patching);
- **renewal:** the activities that return the service capability of an asset up to that which it had originally provided (e.g. road resurfacing); and
- **disposal:** the activities associated with the disposal of a decommissioned asset including sale, demolition or relocation (e.g. sale of a section of a road).

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.³

Table 3.6 below shows the activities expected to be provided under the current Planned Budget allocation and the forecast activity requirements being recommended in this AMP.

Table 3.6: TECHNICAL LEVELS OF SERVICE

Life-Cycle Activity	Purpose of Activity	Activity Measure	Current Performance (LTFP)	Recommended Performance (AMP)	
Acquisition	Upgrade of The Parade streetscape	Budget allocation	Budgeted within the LTFP	As recommended by The Parade Masterplan	
	Upgrade of active transport corridor streetscapes	Budget allocation	Budgeted within the LTFP	As recommended by the City-Wide Cycling Plan	
	Gifted infrastructure from developers	Incorporate into asset register upon ownership	Occurs on an ad hoc basis dependent on development	Occurs on an ad hoc basis dependent on development	
		Budget	\$30,010,000 over ten (10) years	\$30,010,000 over ten (10) years	
Operational Maintenance	Asset Condition Assessment	Frequency	Asset Condition Assessment undertaken once every five years	Asset Condition Assessment undertaken once every five years	
	Road surface	Maintenance frequency	Reactive to limit of budget to repair surface defects which lead to hazards.	Reactive to limit of budget to repair surface defects which lead to hazards.	
	Footpaths	Maintenance frequency	Programmed and reactive to citizen requests. Footpath free of defects and hazards greater than 10mm	Programmed and reactive to citizen requests. Footpath free of defects and hazards greater than 10mm	
	Kerbing	Maintenance frequency	Reactive to limit of budget to repair defects which cause hazards by preventing free flow of stormwater	Reactive to limit of budget to repair defects which cause hazards by preventing free flow of stormwater	
	Traffic control devices	Maintenance frequency	Reactive to limit of budget to repair defects which cause sight line and collision hazards	Reactive to limit of budget to repair defects which cause sight line and collision hazards	
			Budget	\$36,436,562 over ten (10) years	\$36,436,562 over ten (10) years
Renewal	Road surface	Renewal as per lifecycle model	Current implementation budget smoothed over ten (10) year timeframe	Current implementation budget smoothed over ten (10) year timeframe	

³ IPWEA, 2015, IIMM, p 2|28.

Life-Cycle Activity	Purpose of Activity	Activity Measure	Current Performance (LTFP)	Recommended Performance (AMP)
	Kerbing	Renewal as per lifecycle model	Renewal program and budget to align with road surface program	Renewal program and budget to align with road surface program
	Traffic control devices	Renewal as per lifecycle model	Renewal program and budget to align with road surface program	Renewal program and budget to align with road surface program
	Footpaths	Renewal as per lifecycle model	Targeted renewal of high-risk and high-traffic areas	Accelerated renewal program to replace all asphalt and concrete with block paving
		Budget	\$69,070,350 over ten (10) years	\$69,327,209 over ten (10) years
Disposal	Disposal of assets no longer in use	As identified in the AMP	No assets identified as no longer in use	No assets identified as no longer in use
		Budget	\$0 over ten (10) years	\$0 over ten (10) years

It is important to regularly monitor the service levels provided by the Council as these will change. The current performance is influenced by work efficiencies and technology, and community priorities will change over time.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include (but are not limited to) changes in population, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices and environmental awareness.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3 below.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3 below. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: DEMAND MANAGEMENT PLAN

Demand Driver	Current Position	Projection	Impact on Services	Demand Management Plan
Climate change	Refer Section 4.5			
Change in frequency of use	Renewal and maintenance programs designed for current utilisation	Higher population and more land sub-divisions will lead to increase use of assets, particularly roads	Increased deterioration of assets	Increase condition assessment and inspections of assets.
Change in transport preference	Strategic corridors identified for upgrade	Increased demand for cycling and shared path infrastructure	More diverse and higher service level expected	Implement recommendations of strategic plans (such as City-Wide Cycling Plan)

4.4 Asset Programs to Meet Demand

The new assets required to meet demand may be acquired, donated or constructed and these assets are discussed in Section 5.5.

Acquiring new assets will commit the Council to increased ongoing operational maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operational maintenance and renewal costs for inclusion in the LTFP (refer to Section 5).

4.5 Climate Change and Adaptation

The impacts of climate change can have a significant impact on the assets which the Council manages and the services which are provided. In the context of the asset management planning process, climate change can be considered as both a future demand and a risk.

How climate change will impact on assets can vary significantly depending on the location and the type of asset and services provided, as will the way in which the Council responds and manage these impacts.

As a minimum, the Council should consider both how to manage existing assets given the potential impacts of climate change and how to create resilience to climate change in any new works or acquisitions.

Opportunities which have been identified to date to manage the impacts of climate change on existing assets are shown in Table 4.5.1 below.

Table 4.5.1: MANAGING THE IMPACT OF CLIMATE CHANGE ON ASSETS

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Temperature	Higher maximum temperatures, lower minimum temperatures	Increased rate of deterioration of assets	Increase monitoring and condition assessment of assets as required
Storm Events	Increase rainfall and wind intensity during rainfall events	Increased rate of deterioration of assets	Increase monitoring and condition assessment of assets as required

The way in which the Council constructs new assets should recognise that there is opportunity to develop resilience to the impacts of climate change. Developing resilience has a number of benefits including but not limited to:

- assets will be able to withstand the impacts of climate change;
- services can be sustained; and
- assets that can endure the impacts of climate change may potentially lower the life-cycle cost and reduce their carbon footprint.

Table 4.5.2 below summarises some asset climate change resilience opportunities.

Table 4.5.2: DEVELOPING ASSET RESILIENCE TO CLIMATE CHANGE

New Asset Description	Climate Change Impact These Assets?	Develop Resilience in New Works
Civil assets	Higher maximum temperatures	Align road and footpath renewals with tree planting program where possible. Increase in tree canopy cover to provide cooling through shade.
WSUD infrastructure	Reduced annual rainfall	Utilising rainfall for passive irrigation of street trees and landscaping through streetscape WSUD initiatives.

These initiatives are currently being implemented within Council projects where possible. However, it is acknowledged that the impact of climate change on assets is a relatively new and complex issue, and further opportunities will be developed in future revisions of this AMP.

5.0 LIFE-CYCLE MANAGEMENT PLAN

The Life-Cycle Management Plan details how the Council plans to manage and operate the assets at the agreed levels of service (refer to Section 3) while managing life-cycle costs.

5.1 Background Data

5.1.1 Physical parameters

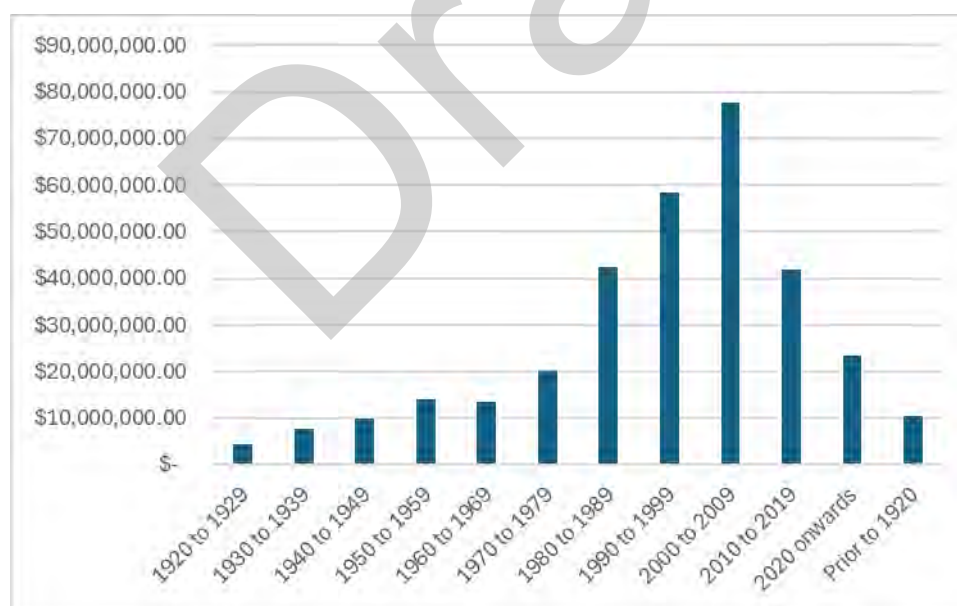
The assets covered by this AMP are shown in Table 5.1.1 below.

The age profile of the assets included in this AMP are shown in Figure 5.1.1 below.

Table 5.1.1: ASSETS COVERED BY THIS AMP

Asset Category	Replacement Value (\$)
Road	155,622,160
Kerbing	89,504,775
Footpath	55,263,733
Traffic control devices	7,855,672
Other Assets (Off-Road Carparks, Shared Pathways)	4,801,387
TOTAL	313,047,727

Figure 5.1.1: ASSET AGE PROFILE



The majority of assets acquired prior to the 1990s, are long-life assets such as road pavement and kerbing. The more recent assets are typically shorter life assets, such as road seals, that have been through one or more renewal cycles and require renewal more frequently.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2 below.

Table 5.1.2: KNOWN SERVICE PERFORMANCE DEFICIENCIES

Location	Service Deficiency
Footpath tripping hazards due to tree roots	Regardless of the footpath material and when the footpath segment was last renewed, tree roots will cause tripping hazards over time
Roads on bus routes	Pavement not designed for bus loading resulting in premature failure
Various pram ramp road crossings	Pram ramp crossing does not meet current design and DDA criteria
Significant leaf fall on roads and footpaths	Segments of footpaths and roads experience heavy leaf fall during autumn season, especially in heavily tree-lined suburbs such as Norwood and St Peters

The above service deficiencies were identified from the asset condition assessment completed in the 2023-2024 financial year, as well as via internally-conducted inspections. The identified service deficiencies are addressed systematically through the annual works programs and operational maintenance works wherever feasible.

5.1.3 Asset condition

The condition of assets is currently monitored by undertaking a condition assessment of the Civil Infrastructure assets once every five (5) years, the last being in the 2023-2024 financial year. Annual inspections of the worst-conditioned assets are completed to inform the following year's asset renewal program.

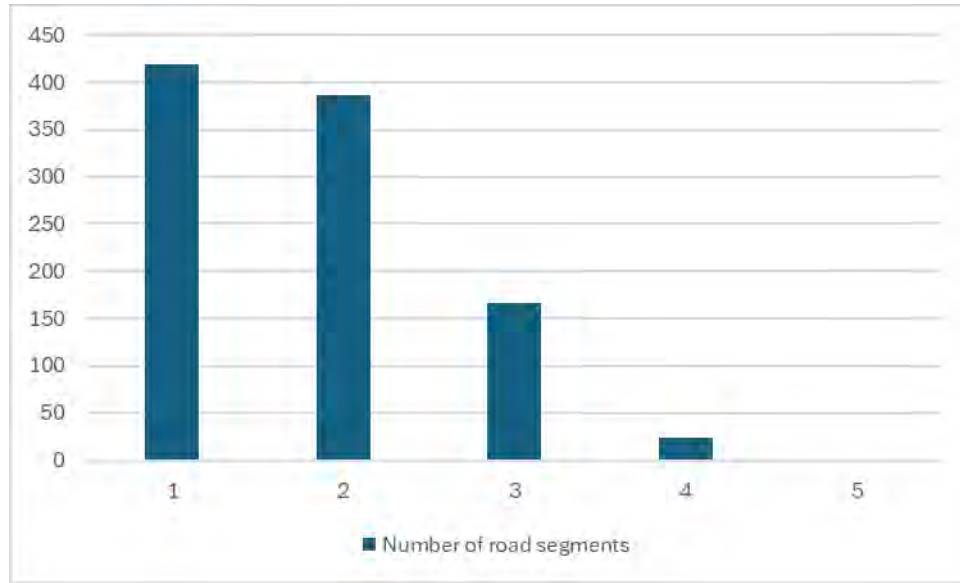
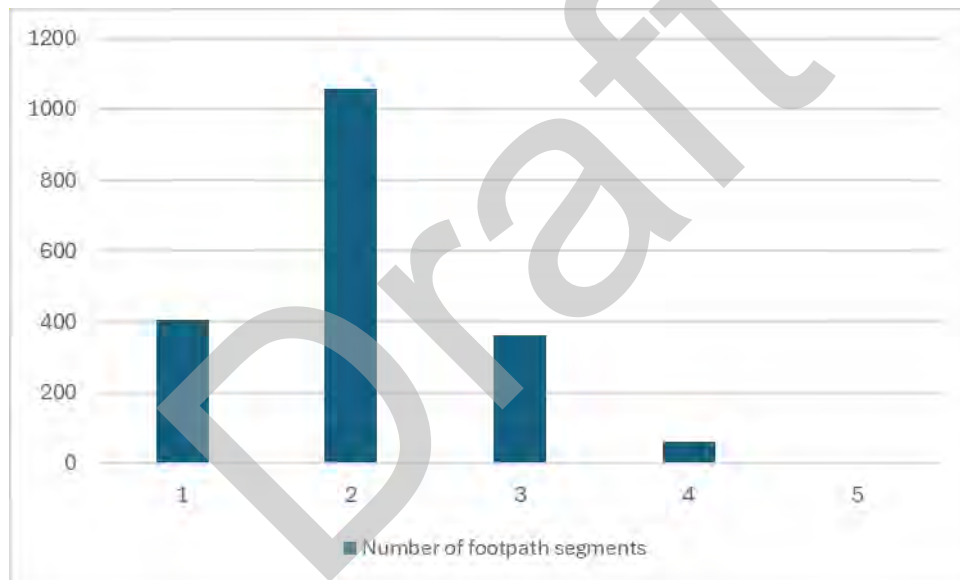
Condition is measured using a 1 to 5 grading system⁴ as detailed in Table 5.1.3 below. It is important that consistent condition grades be used in reporting various assets across an organisation. This supports effective communication. At the detailed level, assets may be measured utilising different condition scales, however, for reporting in the AMP they are all translated to the 1 to 5 grading scale.

Table 5.1.3: SIMPLE CONDITION GRADING MODEL

Condition Grading	Description of Condition
1	Very Good: only planned maintenance required
2	Good: minor maintenance required plus planned maintenance
3	Fair: significant maintenance required
4	Poor: significant renewal/rehabilitation required
5	Very Poor: physically unsound and/or beyond rehabilitation

The condition grading profiles for roads and footpaths are shown in Figure 5.1.3a and Figure 5.1.3b below.

⁴ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

Figure 5.1.3a: ASSET CONDITION PROFILE - ROADS**Figure 5.1.3b: ASSET CONDITION PROFILE - FOOTPATHS**

The condition rating profile of road assets (road seal, road pavement) are essential to monitor, as the renewal of these assets will drive the renewal of adjacent civil assets, namely kerbing, traffic control devices and off-road carparks. It can be seen that the majority of roads are rated as 3 or better. There are a number of renewal of lowly-rated roads which have been deferred to ensure optimal alignment with other projects. For example, the streets in Stepney and Maylands within the Trinity Valley, such as Clifton Street, were due for renewal several years ago. However, they have been scheduled to be renewed in conjunction with the Trinity Valley Stormwater Drainage Upgrade Project, which allows for work efficiencies and optimal budget expenditure.

The condition rating profile of footpath assets shows that a majority of footpaths are in “good” condition. From an asset management perspective, it is noted that the proposed accelerated conversion of concrete footpaths to brick-paved footpaths is not necessarily driven by the current condition of footpaths, but more so to increase consistency and efficiency with regards to ongoing operational maintenance works.

5.2 Operational Maintenance Plan

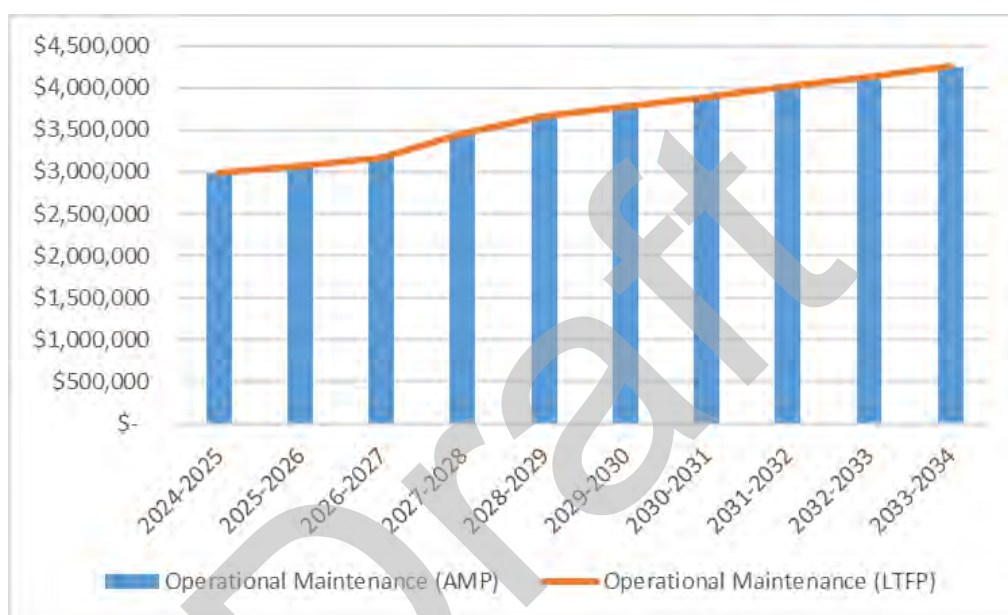
Operational maintenance works focus on the efficiency of assets to ensure the achievement of organisational objectives and the improvement of performance. They include all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating.

Examples of typical operational maintenance activities include asset inspections and patch repairs.

Summary of forecast operational maintenance costs

Forecast operational maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operational maintenance costs are forecast to increase. If assets are disposed, the forecast operational maintenance costs are expected to decrease. Figure 5.2 below shows the forecast operational maintenance costs relative to the proposed operational maintenance Planned Budget.

Figure 5.2: OPERATIONAL MAINTENANCE SUMMARY



Additional operational maintenance costs due to the undertaking of acquisition projects have been allowed for. However, these additional costs will be required to be monitored to ensure that the same service levels are being provided following the acquisition of new assets.

5.3 Renewal Plan

Renewal involves major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operational maintenance costs.

The typical “useful lives” of assets used to develop projected asset renewal forecasts are shown in Table 5.3 below.

Table 5.3: USEFUL LIVES OF ASSETS

Asset Category	Useful life
Road Pavement	80 to 300 years
Road Surface	15 to 40 years

Kerbing	40 to 70 years
Footpath	30 to 50 years
Linear Park Shared Path Pavement	60 years
Linear Park Shared Path Surface	30 years
Roundabouts	50 years
Traffic Control Devices	30 to 60 years

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate; or
- to ensure the infrastructure is of sufficient quality to meet the service requirements.⁵

It is possible to prioritise renewals by identifying assets or asset groups that:

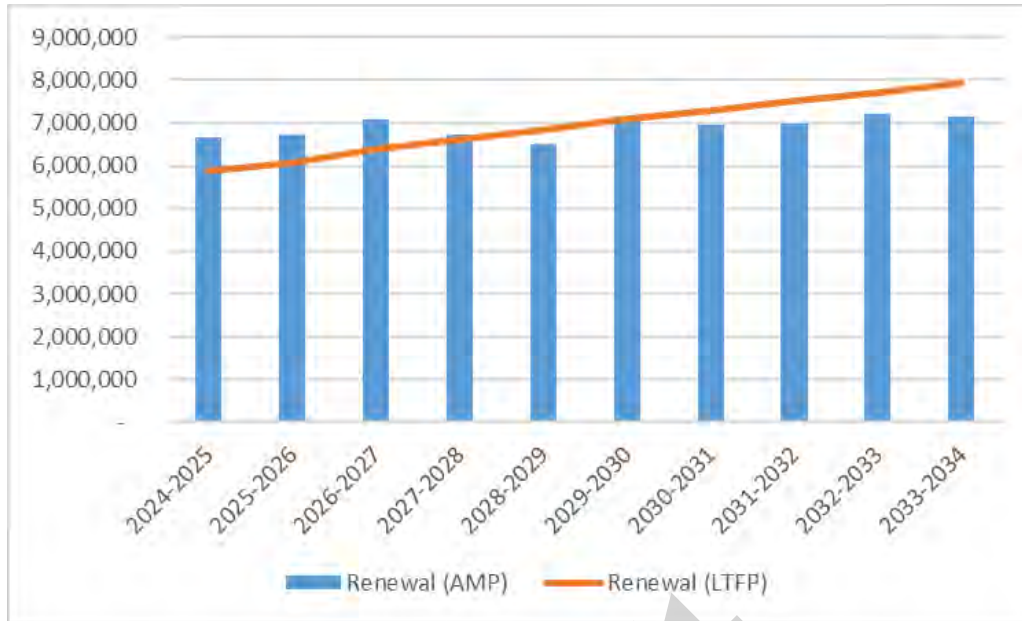
- have a high consequence of failure;
- have high use and subsequent impact on users would be significant;
- have higher than expected operational maintenance costs, and
- have potential to reduce life-cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁶

5.4 Summary of Future Renewal Costs

The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4 below.

⁵ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

⁶ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

Figure 5.4: FORECAST RENEWAL COSTS

It has been determined through asset management models that expenditure of approximately \$3.75 million per year on road seal asset renewals will ensure that current road asset condition profile shown in Section 5.1.3 is maintained and does not worsen over the ten (10) year timeframe. As per Section 5.1.3, the renewal of kerbing and traffic control devices will be strategically aligned where possible, such as via the “whole street” renewal approach or the City-Wide Cycling Plan.

Following the review and processing of the condition assessment data which was collected during 2023-2024, a works program will be formulated to gain a better understanding of the expenditure and timeframe required to complete the conversion of concrete and asphalt footpaths to brick-paved footpaths.

Should there be resourcing issues, prioritisation of these renewals will need to be determined, with high-risk assets to be renewed when required and lower-risk assets being deferred.

5.5 Acquisition Plan

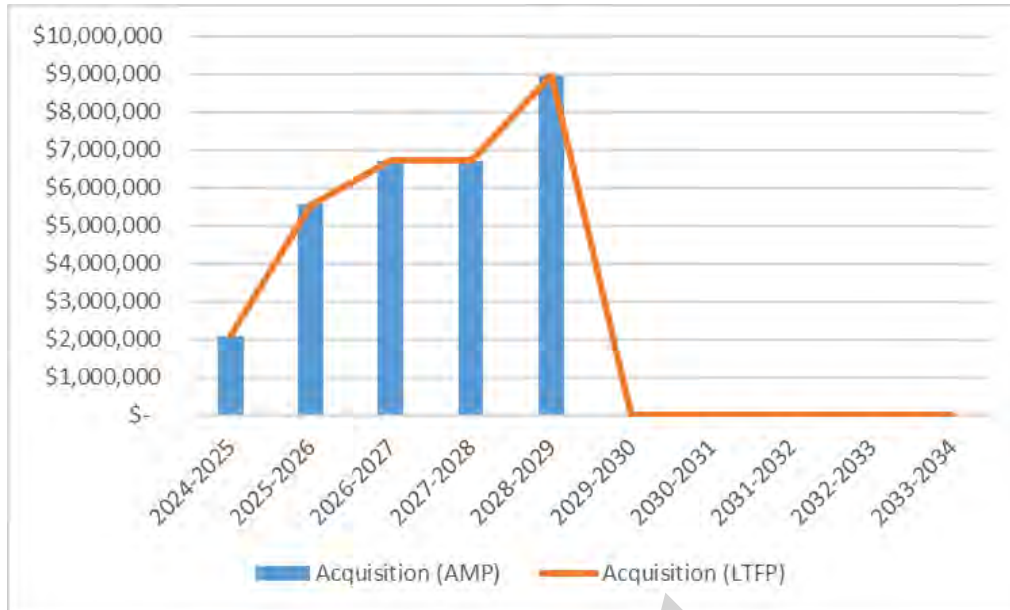
Acquisition reflects new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Council.

The acquisition projects included in the AMP are projects identified within Council’s strategies.

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.5 and shown relative to the proposed acquisition budget. The forecast acquisition projects are shown in Appendix A.

Figure 5.5: FORECAST ACQUISITION COSTS



The proposed new and upgraded Civil Infrastructure assets have been programmed to be constructed in conjunction with the requirement for renewal wherever feasible to ensure the full value of existing assets are utilised and that the renewal budget is fully available to assist with the construction of the upgraded asset.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation.

At this stage, there are no disposal costs forecasted in the next ten (10) years.

6.0 RISK MANAGEMENT PLANNING

The purpose of risk management associated with infrastructure assets is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’⁷.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery are summarised in Table 6.1 below.

Table 6.1: CRITICAL ASSETS

Critical Assets	Failure Mode	Impact
Traffic Control Device	Degradation, third party damage	Service interruption
Footpaths	Degradation, third party damage	Service interruption
Road seal	Degradation, third party damage resulting in permeability	Failure of underlying pavement

By identifying critical assets and failure modes, an organisation can ensure that investigative activities, condition inspection programs, operational maintenance, and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

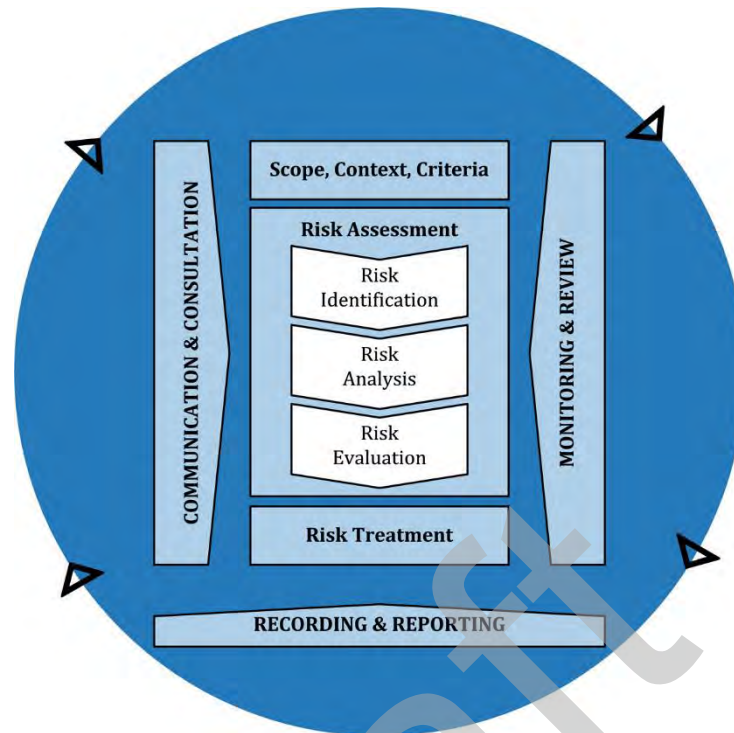
The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

⁷ ISO 31000:2009, p 2

Figure 6.2: RISK MANAGEMENT PROCESS – ABRIDGED



Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts or other consequences. This is outlined in Table 6.2 below.

Table 6.2: RISKS AND TREATMENT PLANS

Service or Asset at Risk	What Can Happen	Impact Category	Risk Rating	Risk Treatment Plan	Residual Risk
Footpaths	Tripping hazards	Service / Reputation	Substantial (13)	Accelerated conversion of concrete and asphalt footpaths to brick-paved footpaths leads to immediate decrease in hazards. Over the long-term, consistency in footpath material will lead to increased efficiencies with regards to operational maintenance works.	Medium (17)
Strategic alignment of asset renewal and upgrade projects	Missed opportunities for “whole street” projects. Inefficiencies in renewal program.	Reputation	Medium (17)	Establishment of effective GIS to enable optimal alignment of renewals, upgrades and strategies	Low (22)

6.3 Infrastructure Resilience Approach

The resilience of the Council’s critical infrastructure is vital to the ongoing provision of services to the community. To adapt to changing conditions, the Council needs to understand its capacity to ‘withstand a given level of stress or demand’ and to respond to possible disruptions to ensure continuity of service.

Resilience is built on aspects such as response and recovery planning, financial capacity, climate change and crisis leadership.

The Council does not currently measure our resilience in service delivery. This will be included in future iterations of the AMP.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AMP are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What the Council cannot do

Works and services that cannot be provided under present funding levels are:

- undertaking of major acquisition works which are not set out in Council’s LTFP; and
- provision of operational maintenance and renewal works above the current service levels.

6.4.2 Service trade-off

If there are forecast works (operational maintenance, renewal, acquisition or disposal) which cannot be undertaken due to insufficient resources, then this will result in service consequences for users. These service consequences include:

- decreased levels of service;
- potential asset failures; and
- limited acquisition of new assets.

6.4.3 Risk trade-off

The forecast works not being undertaken due to insufficient resources may sustain or create risk consequences. These risk consequences include:

- unsafe condition of assets leading to user risk;
- service provided by assets not to the standard of the users; and
- loss of the Council's reputation.

The Council will endeavour to manage these risks within the available funding allocation by:

- finding efficiencies within the current operational maintenance program; and
- prioritisation of renewal works.

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7.0 FINANCIAL SUMMARY

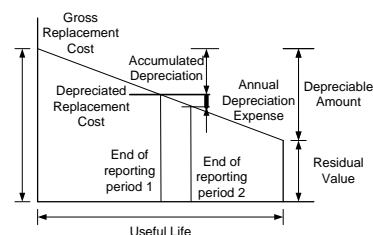
This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Statements and Projections

7.1.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at cost to replace service capacity:

Current (Gross) Replacement Cost	\$313,047,727
Depreciable Amount	\$313,047,727
Depreciated Replacement Cost ⁸	\$189,026,721
Depreciation during the 2022-2023 Financial Year	\$4,957,783



7.1.2 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area, namely:

- asset renewal funding ratio (proposed LTFP renewal budget for the next ten (10) years / forecast AMP renewal costs for next ten (10) years); and
- medium term forecast costs / proposed budget (over ten (10) years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio⁹ 100.37%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next ten (10) years, the Council expects to have approximately 100% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget is illustrated in Appendix C.

Medium term – ten (10) year financial planning period

This AMP identifies the forecast operational maintenance and renewal costs required to provide an agreed level of service to the community over a ten (10) year period. This provides input into ten (10) year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the ten (10) year period to identify any funding shortfall.

The forecast AMP operational maintenance and renewal costs over the ten (10) year planning period is \$10,550,691 on average per year.

The LTFP operational maintenance and renewal funding is \$10,576,377 on average per year, resulting in nil funding shortfall. This indicates that 100% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the ten (10) year life of the LTFP.

⁸ Also reported as Written Down Value, Carrying or Net Book Value.

⁹ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

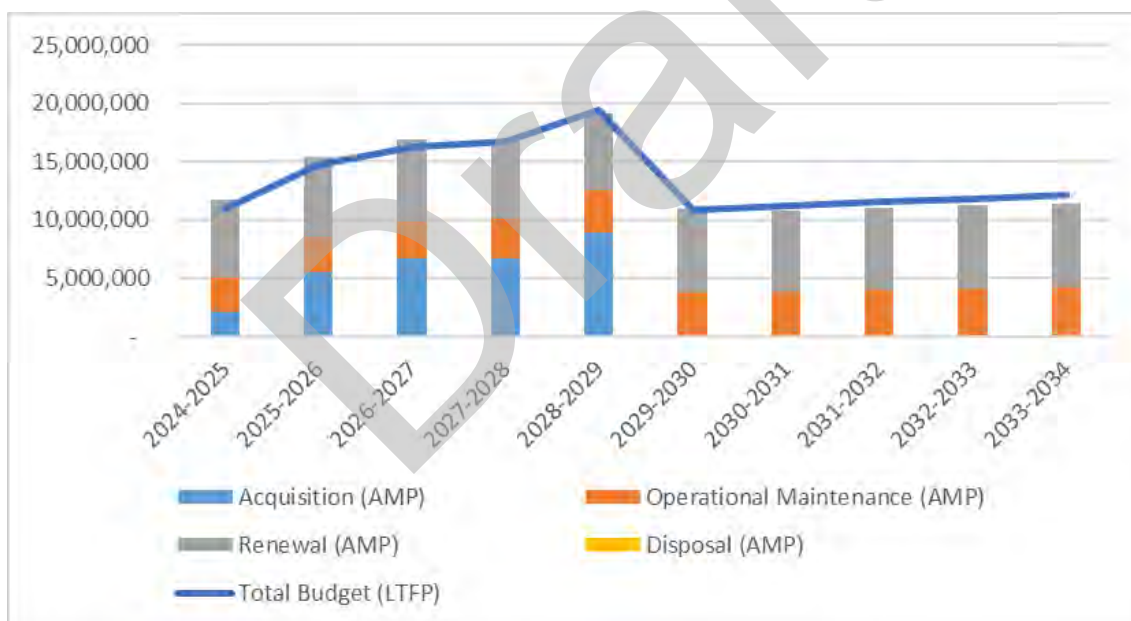
7.1.3 Forecast Costs

A summary of the anticipated AMP forecast life-cycle costs compared with the LTFP planned budget are shown in Table 7.1.3 and Figure 7.1.3 below.

Table 7.1.3: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS

Year	Acquisition (AMP) (\$)	Operational Maintenance (AMP) (\$)	Renewal (AMP) (\$)	Disposal (AMP) (\$)	Total Budget (LTFP) (\$)
2024-2025	2,110,000	2,987,455	6,674,028	0	10,986,439
2025-2026	5,550,000	3,077,079	6,715,623	0	14,709,709
2026-2027	6,700,000	3,169,391	7,092,695	0	16,264,208
2027-2028	6,700,000	3,454,473	6,720,930	0	16,767,510
2028-2029	8,950,000	3,671,407	6,490,875	0	19,458,608
2029-2030	0	3,781,549	7,107,595	0	10,867,783
2030-2031	0	3,894,996	6,943,776	0	11,187,340
2031-2032	0	4,011,845	6,993,250	0	11,513,880
2032-2033	0	4,132,201	7,198,067	0	11,840,806
2033-2034	0	4,256,167	7,133,512	0	12,177,489

Figure 7.1.3: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS



7.2 Funding Strategy

The proposed funding for assets is outlined in the Council's Annual Budget and LTFP.

The Council's financial strategy outlines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to service.

Additional assets will generally add to the operational maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it has been necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- acquisition and renewal costs have been based on professional judgement; and
- forecasted operational maintenance costs are based on previous expenditure for the same service levels.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on an A to E level scale¹⁰ in accordance with Table 7.5.1 below.

Table 7.5.1: DATA CONFIDENCE GRADING SYSTEM

Confidence Grade	Description
A. Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 7.5.2 below.

Table 7.5.2: DATA CONFIDENCE ASSESSMENT FOR DATA USED IN AMP

Data	Confidence Assessment	Comment
Demand drivers	C	Based on development application trends, <i>profile.id</i> data, climate change data, community surveys

¹⁰ IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

Growth projections	C	Based on development application trends, <i>profile.id</i> data
Acquisition forecast	B	In line with strategic plans, policy and procedures
Operational maintenance forecast	B	Based on previous years
Renewal forecast	B	As per approved methodology
- Asset values	B	As per approved methodology
- Asset useful lives	B	Current estimates from asset register
- Condition modelling	B	Methodology and data capture to be updated
Disposal forecast	E	No disposal forecast

The estimated confidence level for and reliability of data used in this AMP is considered to be reliable.

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8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

8.1.1 Accounting and financial data sources

The Council uses Authority and Conquest as its financial management and accounting systems. These systems have the capability to report the full lifecycle of assets, providing full transparency from acquisition to disposal.

8.1.2 Asset management data sources

The Council uses Conquest as its asset management system, and Spectrum Spatial as its geographical information system. There are plans to improve integration between the GIS data with the asset management register to provide a live and amalgamated asset data system.

8.2 Improvement Plan

It is important that the Council recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2 below.

Table 8.2: IMPROVEMENT PLAN

Task No.	Task	Responsibility	Resources Required	Timeline
1	Formalise ongoing monitoring and reporting of improvement plan tasks and performance measures	Project Manager, Assets	Manager, City Projects	1 year
2	Review condition assessment data collected in 2023-2024	Project Manager, Assets	Manager, City Projects	1 year
3	Further develop risk assessment and management planning	Project Manager, Assets	Project Officer, Assets and Asset Consultants	2 years
4	Improve GIS data storage system integration with asset database	Project Manager, Assets	Information Services, Consultants	3 years
5	Review resilience of critical infrastructure	Project Manager, Assets	City Assets and Asset Consultants	4 years

8.3 Monitoring and Review Procedures

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operational maintenance, renewals, acquisition and disposal costs and proposed budgets. These forecast costs and proposed budget are incorporated into the LTFP or will be incorporated into the LTFP once completed.

The AMP has a maximum life of four (4) years and is due for complete revision and updating within two (2) years of each Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- the degree to which the required forecast costs identified in this AMP are incorporated into the LTFP;
- the degree to which the short-term detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the AMP;
- the Asset Renewal Funding Ratio achieving the Organisational Target (this target is often 1.0).

9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM;
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/namsplus;
- IPWEA, 2015, 2nd edn., 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMM;
- IPWEA, 2015, 3rd edn., 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM;
- IPWEA, 2012 LTFP Practice Note 6 PN Long-Term Financial Plan, Institute of Public Works Engineering Australasia, Sydney;
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines;
- *CityPlan 2030: Shaping Our Future*;
- Long-term Financial Plan;
- Annual Business Plan;
- City-Wide Cycling Plan;
- Kent Town Urban Design Framework and Public Realm Manual;
- River Torrens Linear Park Strategic Integrated Asset Management Plan;
- Private Laneways Policy and Procedure;
- Asset Management Policy; and
- City of Norwood Payneham & St Peters Community Survey Report.

10.0 APPENDICES

Appendix A

Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

The acquisition projects contained within this AMP have been derived from the Council's strategies.

A.2 – Acquisition Project Summary

Table A2: ACQUISITION PROJECT SUMMARY

Year	Project	Cost (\$)
2024-2025	Traffic Management Marden & Royston Park - Detailed Design	30,000
2024-2025	Traffic Management Marden & Royston Park - Construction	250,000
2024-2025	Traffic Management in Payneham South, Firle and Trinity Gardens - Detailed Design	70,000
2024-2025	Richmond St, Hackney & Eighth Ave, St Peters - Detailed Design	50,000
2024-2025	Installation of Speed Cushions in Langman Grove	150,000
2024-2025	George Street Upgrade - Additional Funding	1,560,000
2025-2026	Implementation of The Parade Master Plan	5,250,000
2025-2026	Traffic Management in Payneham South, Firle and Trinity Gardens - Construction	300,000
2026-2027	Implementation of The Parade Master Plan	6,700,000
2027-2028	Implementation of The Parade Master Plan	6,700,000
2028-2029	Implementation of The Parade Master Plan	8,950,000

A.3 – Acquisition Forecast Summary

Table A3: ACQUISITION FORECAST SUMMARY

Year	Acquisition (AMP) (\$)	Acquisition (LTFP) (\$)
2024-2025	2,110,000	2,110,000
2025-2026	5,550,000	5,550,000
2026-2027	6,700,000	6,700,000
2027-2028	6,700,000	6,700,000
2028-2029	8,950,000	8,950,000
2029-2030	0	0
2030-2031	0	0
2031-2032	0	0
2032-2033	0	0
2033-2034	0	0

Appendix B

Operational Maintenance Forecast

B.1 – Operational Maintenance Forecast Assumptions and Source

The operational maintenance forecast has been based on previous expenditure for the same service levels, with requirements of additional operational maintenance expenditure due to acquisition projects factored in.

B.2 – Operational Maintenance Forecast Summary

Table B2: OPERATIONAL MAINTENANCE FORECAST SUMMARY

Year	Operational Maintenance (AMP) (\$)	Operational Maintenance (LTFP) (\$)
2024-2025	2,987,455	2,987,455
2025-2026	3,077,079	3,077,079
2026-2027	3,169,391	3,169,391
2027-2028	3,454,473	3,454,473
2028-2029	3,671,407	3,671,407
2029-2030	3,781,549	3,781,549
2030-2031	3,894,996	3,894,996
2031-2032	4,011,845	4,011,845
2032-2033	4,132,201	4,132,201
2033-2034	4,256,167	4,256,167

Appendix C

Renewal Forecast Summary

C.1 – Renewal Forecast Assumptions and Source

The asset renewal program was derived from asset condition audits and the Council's asset register. Additional factors were all considered for some asset classes as described below.

Road Pavements and Surfaces were modelled using Road Surface Manager to provide a program for optimal intervention times and extent of works required.

Kerbing was programmed in conjunction with the road resealing program. Works programmed with the road resealing program are not necessarily full reconstructions and can be limited to repair of sections that have incurred external damage.

Traffic Control Devices were programmed in conjunction with the road resealing program. Certain types of traffic control devices such as speed humps will require reconstruction with the reseal of the road and have been programmed accordingly.

Footpaths have been programmed from the asset register. An accelerated program to replace asphalt and concrete footpaths with block pavers will be implemented and will be based on observations from the findings of the asset condition assessment works.

C.2 – Renewal Forecast Summary

Table C2: RENEWAL FORECAST SUMMARY

Year	Renewal (AMP) (\$)	Renewal (LTFP) (\$)
2024-2025	6,674,028	5,888,984
2025-2026	6,715,623	6,082,630
2026-2027	7,092,695	6,394,817
2027-2028	6,720,930	6,613,037
2028-2029	6,490,875	6,837,201
2029-2030	7,107,595	7,086,234
2030-2031	6,943,776	7,292,344
2031-2032	6,993,250	7,502,035
2032-2033	7,198,067	7,708,605
2033-2034	7,133,512	7,921,322

Appendix D

Disposal Summary

D.1 – Disposal Forecast Assumptions and Source

No disposals have been forecast over the AMP period.

D.2 – Disposal Forecast Summary

Table D2: DISPOSAL ACTIVITY SUMMARY

Year	Disposal (AMP) (\$)	Disposal (LTFP) (\$)
2024-2025	0	0
2025-2026	0	0
2026-2027	0	0
2027-2028	0	0
2028-2029	0	0
2029-2030	0	0
2030-2031	0	0
2031-2032	0	0
2032-2033	0	0
2033-2034	0	0

Draft



Dunstan Adventure Playground

Asset Management Plan

Recreation and Open Space Infrastructure

2025–2034



City of
Norwood
Payneham
& St Peters

Document Control		2025-20234 ASSET MANAGEMENT PLAN RECREATION AND OPEN SPACE INFRASTRUCTURE			
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1.0 EXECUTIVE SUMMARY

1.1 Asset Management Plans

The City of Norwood Payneham & St Peters Asset Management Plans (the AMPs), provide a comprehensive overview of the City's assets, encompassing their replacement value, current condition, performance, service levels, objectives, and the Council's financial position in relation to these assets.

Its purpose is to ensure that the Council can effectively deliver services, maintain assets and achieve its strategic goals in a financially sustainable manner over the short, medium and long terms.

The AMPs outline the requirements for managing, inspecting and replacing assets, including projected annual expenditure over a ten (10) year period, while also detailing the Council's planned activities for its assets to achieve its strategic goals and deliver community services in the medium to long term.

The AMPs comprise of four documents, each of which have been developed to encompass the major classes of assets, including civil infrastructure, stormwater management, buildings, and recreation and open space.

Purpose of AMPs

The AMPs are crucial strategic documents for the Council to ensure the efficient management of its assets throughout the lifespan of these respective assets, which ultimately achieves the Council's strategic objectives, while maintaining compliance with legislation and delivering a high level of service to the community.

The purpose of the AMPs is to communicate the requirements for the sustainable delivery of services through the management of the assets, compliance with regulatory requirements and required funding to provide the appropriate levels of service over the long-term planning period.

Requirement under Local Government Act

Section 122 of *Local Government Act 1999*, requires the Council to develop and adopt an AMP, relating to the management and development of its infrastructure and major assets, for a period of at least ten (10) years.

This requirement to develop and adopt an AMP, ensures that the Council considers the management and development of its infrastructure and major assets at a strategic level and in line with its strategic management plan (i.e., *CityPlan 2030*). It also includes projections for asset renewal over the next ten (10) years, aligned with the Council's Long-term Financial Plan (LTFP).

1.2 Asset Description

The City's Recreation and Open Space Infrastructure Network comprises of the following:

- fencing (including open space fencing and barriers);
- furniture (including bus stop shelters, barbecues, benches, bike racks, litter bins, dog bag dispensers, drinking fountains, picnic table settings);
- irrigation systems;
- reserve lighting;
- paths (including path steps and paths hand rails);
- retaining walls (including stone and concrete retaining walls); and
- spots and playgrounds (including tennis facilities, basketball courts and shade sail structures).

The Recreation and Open Space Infrastructure Network has a significant total renewal value estimated at \$32,129,245.

1.3 Levels of Service

The Council's present funding levels are sufficient to continue to provide existing services at current service levels.

The main service consequences of the Planned Budget expenditure are:

- assets are replaced accordingly with respect to condition and intended useful life; and
- assets complying with the relevant standards and guidelines.

1.4 Future Demand

The main demands for new services are created by:

- increased use of Recreation and Open Space Infrastructure assets due to the increase in population and the decrease of outdoor recreation areas at home as a result of smaller residential blocks; and
- increasing temperature and reduced rainfall due to a changing climate.

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures, including:

- monitoring and auditing of asset condition and compliance; and
- understanding the expectations and needs of the community.

1.5 Life-Cycle Management Plan

1.5.1 What does it Cost?

The forecast life-cycle costs necessary to provide the services covered by this AMP includes operational maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a long-term financial planning period of ten (10) years. Therefore, a summary output from the AMP is the forecast of ten (10) year total outlays, which for the Recreation and Open Space Infrastructure Network is estimated as \$62,314,249 or \$6,231,425 on average per year.

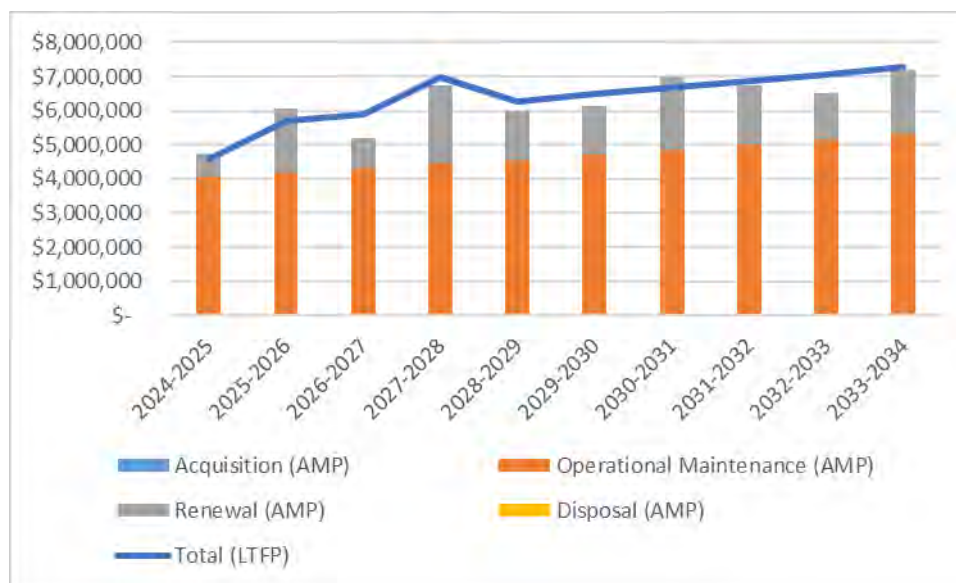
1.6 Financial Summary

1.6.1 What the Council will do

Estimated available funding for the ten (10) year period is \$63,787,100 (or \$6,378,710 on average per year) as set out in the LTFP. This is approximately 102.36% of the cost to sustain the current level of service at the lowest life-cycle cost.

The reality is that only what is funded in the LTFP can be provided. The informed decision-making depends on the AMP emphasising the consequences of Planned Budgets on the service levels which are provided and the associated risks.

The anticipated Planned Budget for the City's Recreation and Open Space Infrastructure Network results in nil shortfall for the forecast life-cycle costs required to provide services in the AMP compared with the Planned Budget currently included in the LTFP. This is shown in Figure 1.6.1 below.

Figure 1.6.1: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS

The Council plans to undertake the following in respect to the existing Recreation and Open Space Infrastructure Network:

- provision of operational maintenance and renewal works for existing assets to meet current service levels; and
- review the findings of the updated Open Space Strategy, and align its objectives with the AMP and LTFP.

1.6.2 What the Council cannot do

Works and services that cannot be provided under present funding levels are:

- undertaking of major acquisition works which are not set out in Council's LTFP; and
- provision of operational maintenance and renewal works above the current service levels.

1.6.3 Managing the Risks

If there is forecast work (operational maintenance, renewal, acquisition or disposal) that cannot be undertaken due to insufficient resources, then this will result in service consequences for users. These service consequences include:

- playground assets not compliant with relevant Standards and guidelines; and
- increased risk of asset failure due to deferred or under-funded operational maintenance works.

The Council will endeavour to manage these risks within the available funding allocation by:

- finding efficiencies within the current operational maintenance program; and
- increasing proactive inspections and maintenance.

1.7 Asset Management Practices

The Council's systems to manage assets include:

- the Council's asset management system;
- the Council's financial system; and
- the Council's strategic and planning documents.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- formalise ongoing monitoring and reporting of improvement plan tasks and performance measures;
- finalise update of Open Space Strategy, and align its objectives with the Plan and LTFP accordingly;
- further develop risk assessment and management planning;
- improve GIS data storage system integration with asset database; and
- review resilience of critical infrastructure.

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2.0 INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through the management of assets, compliance with regulatory requirements and required funding to provide the appropriate levels of service over the long-term planning period.

This AMP is to be read in conjunction with the following key planning documents:

- *CityPlan 2030: Shaping Our Future;*
- Long-term Financial Plan;
- Annual Business Plan;
- Open Space Strategy;
- Playgrounds Strategy;
- Tennis Facilities Policy;
- Asset Management Policy; and
- City of Norwood Payneham & St Peters Community Survey Report.

The Council has a strong focus on asset management, with continuous improvements during the revision of the AMP. Integration of acquisition and renewal planning is undergoing continuous improvement to ensure the minimum required investment provides the greatest value outcomes.

Strategic Direction

The Council's strategic direction is guided by four outcomes or Pillars which contribute to the realisation of the Council's Vision and are based on the four Pillars of the Quadruple Bottom Line (QBL) framework. The four outcomes are Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability.



For our City, adding the fourth Pillar of culture to the traditional Triple Bottom Line (TBL) of environmental, social and economic sustainability highlights the importance of protecting and enhancing our City’s unique character and sense of place.

The objectives set out in *CityPlan 2030: Shaping Our Future*, which outline the priorities for what needs to happen to achieve the four outcomes, reflect the community’s aspirations, the policy commitments of the Council and the likely trends and issues which our City will face over the course of *CityPlan 2030*.

CityPlan 2030 plays a pivotal role in guiding the City of Norwood Payneham & St Peters towards the community’s vision for the future. Achieving the strategies contained in *CityPlan 2030*, requires transparent and accountable governance structures and processes which are both flexible and responsive to the future opportunities and challenges that will present themselves.

It will also require a positive ‘can-do attitude’ and approach to ensure that we realise the future which we want for ourselves and the next generation, rather than just ‘letting things happen’.

Strategic Planning Framework

In working towards our vision, all of the programs, projects and services which the Council delivers are structured into four key outcome areas, referred to as the ‘Four Pillars’ of Community Well-being.



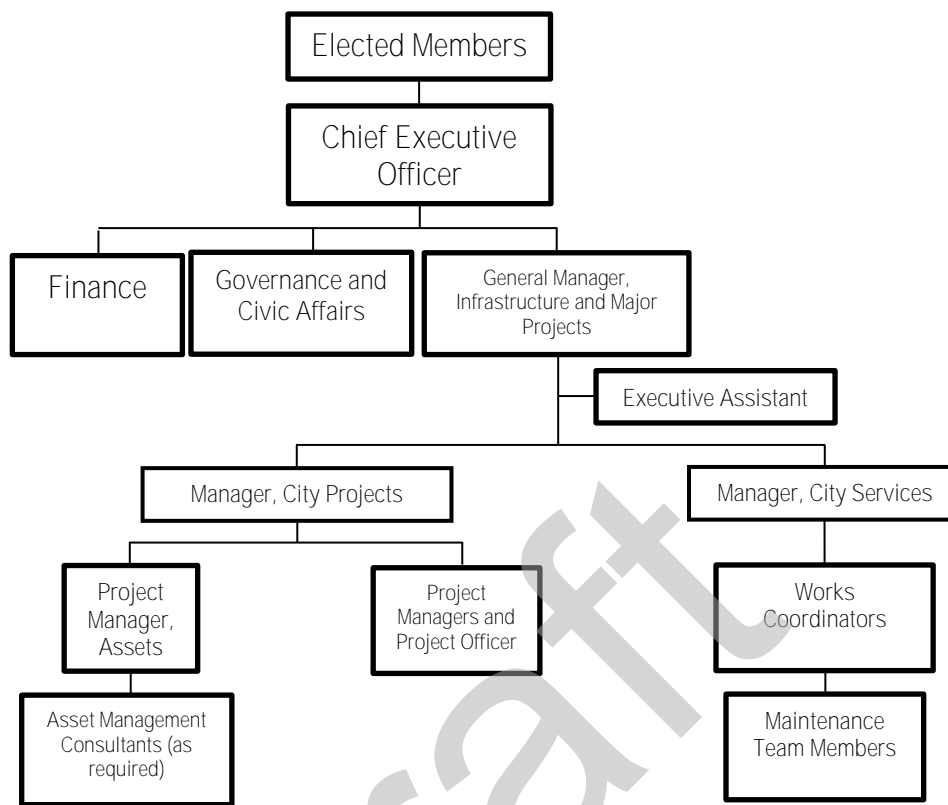
Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1 below.

Table 2.1: KEY STAKEHOLDERS IN THE AMP

Key Stakeholder	Role in AMP
Elected Members	Represent needs of community and shareholders, allocate resources to meet planning objectives in providing services while managing risks and ensure services are sustainable.
Chief Executive Officer	Endorse the development of the AMP and provide resources (as funded by the Council) required to complete the task.
General Manager, Infrastructure and Major Projects Manager, City Projects	Set high level priorities for asset management development and support the implementation of actions resulting from this AMP.
Finance Governance and Civic Affairs	Development of supporting policies such as capitalisation and depreciation. Provision of GIS applications and support.
Asset Management Consultants	Preparation of asset sustainability and financial reports incorporating asset depreciation in compliance with current accounting standards. Host and consolidate asset register including updating valuations, capitalisation and disposals. Provide support for development of the AMP and the implementation of effective asset management principles. Independently endorse asset revaluation methodology.
Project Manager, Assets	Responsible for the overall development of the AMP. Coordinate input of other stakeholders into the AMP. Manage the periodic collection of asset condition data.
City Assets / City Projects	Assist the Project Manager, Assets in the development of the AMP.
City Services	Provide local knowledge level of detail of the assets. Describe the maintenance standards deployed and the ability to meet the technical and citizen levels of service.
External Parties	Local Residents; Local Businesses; Utilities; Developers; and Federal and State Governments.

The Council's organisational structure for service delivery of infrastructure assets is detailed in Figure 2.1 below.

Figure 2.1: ORGANISATIONAL STRUCTURE



2.2 Goals and Objectives of Asset Ownership

The Council's goal in respect to the management of infrastructure assets, is to meet the defined level of service (as amended from time to time) in the most cost-effective manner for present and future consumers. The key elements of asset management are:

- providing a defined level of service and monitoring performance;
- managing the impact of growth through demand management and infrastructure investment;
- taking a life-cycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service;
- identifying, assessing and appropriately controlling risks; and
- linking to the LTFP which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

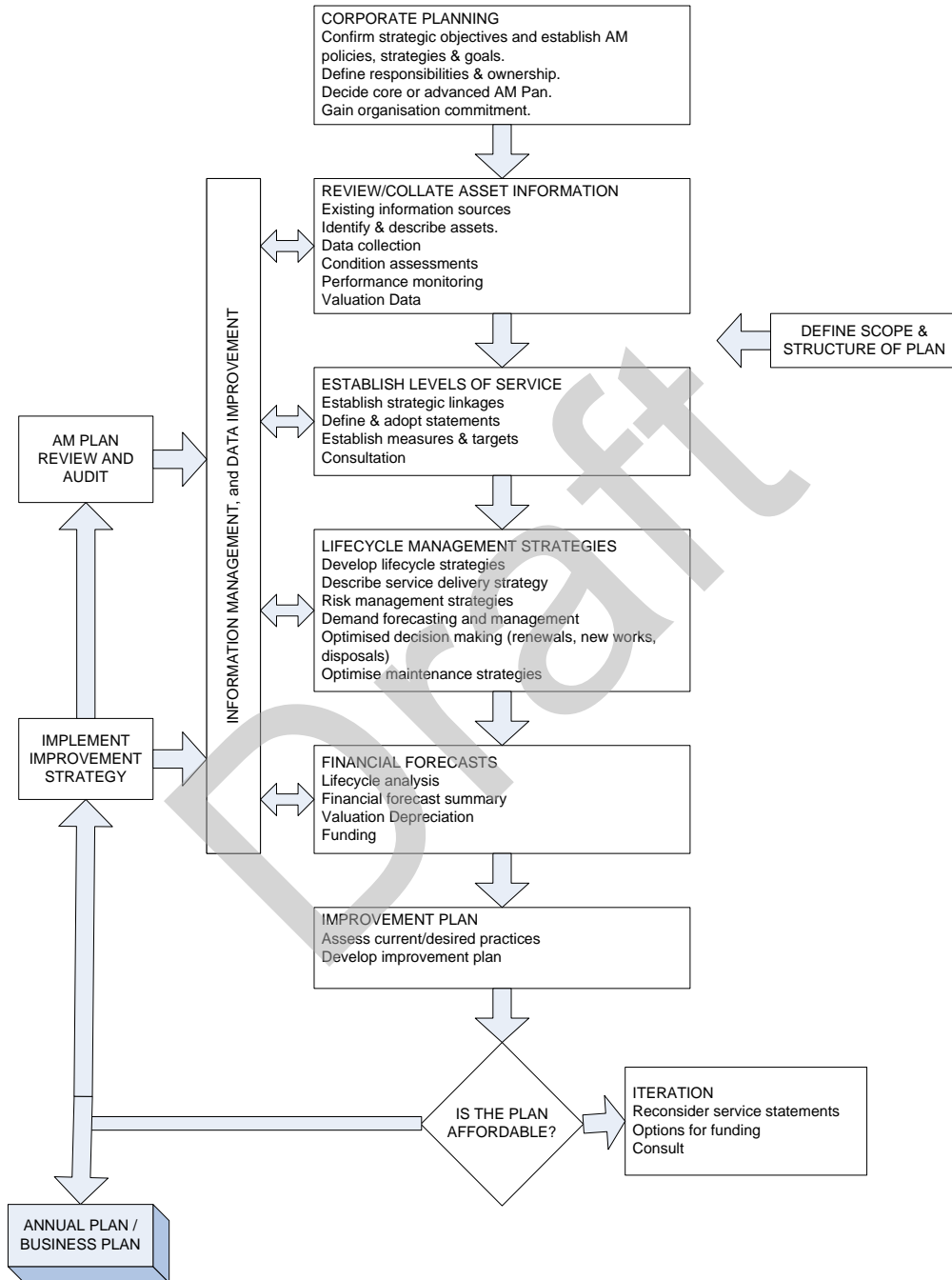
- **levels of service** – specifies the services and levels of service to be provided;
- **future demand** – how this will impact on future service delivery and how this is to be met;
- **life-cycle management** – how to manage its existing and future assets to provide defined levels of service;
- **financial summary** – what funds are required to provide the defined services;
- **asset management practices** – how the Council manages the provision of the services;
- **monitoring** – how the AMP will be monitored to ensure objectives are met; and
- **asset management improvement plan** – how the Council increases asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 ¹; and
- International Organisation for Standardisation (ISO) 55000².

A road map for preparing an AMP is shown in Figure 2.2 below.

Figure 2.2: ROAD MAP FOR PREPARING AN AMP



Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11

¹ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

² ISO 55000 Overview, principles and terminology

3.0 LEVELS OF SERVICE

3.1 Community Research and Expectations

The Council conducts Community Surveys at regular intervals to establish how the Council is performing in a number of key indicators. Community Surveys have been conducted in 2009, 2011, 2013, 2017, 2019 and 2021, with the most recent survey undertaken in 2023. The survey uses a 5-point scale to determine satisfaction, with 1 being very dissatisfied, and 5 being very satisfied. The last version of the AMP included data up to 2019. Table 3.1 below summarises the results from the Council's Resident Surveys.

Table 3.1: RESIDENT SATISFACTION SURVEY LEVELS

Performance Measure	Satisfaction Level						
	2023	2021	2019	2017	2013	2011	2009
Overall Infrastructure Satisfaction	3.8	3.9	3.8	3.8	4.0	4.0	3.6
Provision and Maintenance of Parks and Recreational Areas	4.2	4.2	4.2	4.1	4.2	4.3	3.9
Recreation & Sporting Facilities Satisfaction	4.0	4.2	4.1	NA	NA	NA	NA

3.2 Strategic and Corporate Goals

This AMP has been prepared in accordance with the Council's Vision, Mission, Goals and Objectives as set out in its Strategic Management Plan, *CityPlan 2030: Shaping our Future*.

The Council's Vision is:

'A City which values its heritage, cultural diversity, sense of place and natural environment.

A progressive City which is prosperous, sustainable and socially cohesive, with a strong community spirit.'

Council's strategic goals, and how these are addressed in this AMP, are summarised in Table 3.2 below.

Table 3.2: GOALS AND HOW THESE ARE ADDRESSED IN THIS AMP

Goal	Objective	How Goal and Objectives are Addressed in the AMP
Social Equity - A connected, accessible and pedestrian friendly community	A people-friendly, integrated, sustainable and active transport and pedestrian network.	The Recreation and Open Space Infrastructure Network exist to support and provide active and movement-based services to the community. Planning the long term management of these assets is essential to the sustainability of these services.
Environmental Sustainability – A leader in environmental sustainability	Sustainable and attractive streetscapes and open spaces	Development of service levels provided by the infrastructure and the balancing of this with the available funding and acceptable risk.
Environmental Sustainability – A leader in environmental sustainability	Mitigating and adapting to the impacts of a changing climate	Planning of long term sustainable infrastructure enables appropriate resources to be identified and provided.

3.3 Legislative Requirements

There are a number of legislative requirements relating to the management of assets. Legislative requirements that impact upon the delivery of the Recreation and Open Space Infrastructure Network are set out in Table 3.3 below.

Table 3.3: LEGISLATIVE REQUIREMENTS

Legislation	Requirement
Aboriginal Heritage Act 1988	An Act to provide for the protection and preservation of the Aboriginal heritage, and for other purposes.
Australian Accounting Standards	Standards applied in preparing financial statements, relating to the valuation, revaluation and depreciation of transport assets.
Australian Standards	Council's infrastructure projects are undertaken in accordance with Australian Standards, or in the absence of, best practice techniques.
Building Code of Australia	Sets out minimum standards for construction of new assets. Also provides minimum standards for new properties.
Disability Discrimination Act 1992	Provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.
Environmental Protection Act 1993	Provides the regulatory framework to protect South Australia's environment, including land, air and water.
Local Government Act 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by infrastructure and asset management plans for sustainable service delivery.
Manual of Legal Responsibilities and Technical Requirements for Traffic Control Devices – Part 2 – Code of Technical Requirements	Defines legal requirements for the installation of traffic control devices.

Work Health and Safety Act 2012

Provides minimum standards for health and safety of individuals performing works.

3.4 Citizen Values

Service levels are defined in three (3) ways: Citizen Values, Citizen Levels of Service and Technical Levels of Service.

Citizens Values indicate:

- what aspects of a service is important to the citizen;
- whether they see value in what is currently being provided; and
- the likely trend over time based on the current budget provision.

A summary of the satisfaction measure being used, the current feedback and the expected performance based on the current funding level is set out in Table 3.4 below.

Table 3.4: CITIZEN VALUES

Citizen Values	Citizen Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Provision and Maintenance of Parks and Recreational Areas	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> • this is the third most important factor which impacts overall satisfaction with infrastructure • satisfaction remains consistent when compared to 2019 (i.e., when the AMP was last renewed) 	<p>Likely to remain unchanged with limited opportunity to provide additional spaces with the urban environment.</p> <p>No major change to maintenance standards as funding will remain consistent</p>
Recreation & Sporting Facilities Satisfaction	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> • this is the sixth most important factor which impacts overall satisfaction with community services • satisfaction has decreased slightly when compared to 2019 	Projected improvement due to recent major upgrades (Dunstan Adventure Playground, Burchell Reserve)

3.5 Citizen Levels of Service

The Citizen Levels of Service are considered in terms of:

- **quality:** How good is the service? What is the condition or quality of the service?
- **function:** Is it suitable for its intended purpose? Is it the right service?
- **capacity:** Is the service over or under used? Does the Council need more or less of these assets?

A summary of the performance measure being used, the current performance and the expected performance based on the current funding level is set out in Table 3.5 below.

Confidence levels of current performance and expected trend are set out in Table 3.5 below and are categorised as follows:

- **high:** professional judgement supported by extensive data;

- **medium:** professional judgement supported by data sampling; or
- **low:** professional judgement with no data evidence.

Table 3.5: CITIZEN LEVELS OF SERVICE MEASURES

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Quality	Asset condition is 'fit for purpose'	Community Survey on Provision and Maintenance of Parks and Recreational Areas	Community survey results indicate satisfaction has remained consistent with 2019 (i.e., when the AMP was last renewed)	No change, as expired assets are renewed as required
	Confidence levels		High	Medium
Function	Compliance of playground equipment	Annual playground equipment audit	Risk mitigation works for non-compliances identified within the most recent audit undertaken in mid-2023 are ongoing	New playground equipment ensured to be compliant throughout design and construction stages
	Confidence levels		High	High
Capacity	Capacity of assets to meet demands	Community Survey Report	Usage levels of parks and playgrounds: 2023 – 90% 2021 – 81% 2019 – 88%	Expected upward trend in use of reserve and playgrounds likely due to increased housing density. Upgraded assets will serve to increase supply of high-quality assets for the community
	Confidence levels		High	High

3.6 Technical Levels of Service

To deliver the Citizen Values and impact the achieved Citizen Levels of Service, operational or technical measures of performance are used. These technical measures relate to the activities and allocation of resources to best achieve the desired community outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **acquisition:** the activities to provide a higher level of service or a new service that did not exist previously (e.g. creation of a new playground);
- **operational maintenance:** the regular activities to retain an asset as near as practicable to an appropriate service condition (e.g. reserve furniture repairs);
- **renewal:** the activities that return the service capability of an asset up to that which it had originally provided (e.g. replacement of aged playground equipment); and
- **disposal:** the activities associated with the disposal of a decommissioned asset including sale, demolition or relocation (e.g. sale of a park or reserve).

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.³

Table 3.6 below shows the activities expected to be provided under the current Planned Budget allocation and the forecast activity requirements being recommended in this AMP.

Table 3.6: TECHNICAL LEVELS OF SERVICE

Life-Cycle Activity	Purpose of Activity	Activity Measure	Current Performance (LTFP)	Recommended Performance (AMP)
Acquisition	Implement master plan upgrade of playgrounds and reserves	Quantity	There are no acquisition costs forecasted in the next ten (10) years.	As recommended by the Open Space Strategy (to be confirmed)
	Gifted infrastructure from developers	Incorporate into asset register upon ownership	Occurs on an ad hoc basis dependent on development	Occurs on an ad hoc basis dependent on development
		Budget	\$0 over ten (10) years	\$0 over ten (10) years
Operational Maintenance	Operational maintenance works (e.g., cleaning, repairs, inspections) undertaken within playgrounds and reserves	Frequency	Conduct on a programmed basis and on request	Conduct on a programmed basis and on request
	Comprehensive playground inspection by third-party consultant	Frequency	Annual inspection of all Council playgrounds	Annual inspection of all Council playgrounds
	Recreation and Open Space Assets Condition Assessment	Frequency	Asset Condition Assessment undertaken once every five (5) years	Asset Condition Assessment undertaken once every five (5) years
		Budget	\$46,574,795 over ten (10) years	\$46,574,795 over ten (10) years
Renewal	Renewal of existing assets	Renewal to requirements of asset register	As budgeted within the LTFP	As required based on standard useful life, and aligned with other projects whenever possible
		Budget	\$17,212,305 over ten (10) years	\$15,739,454 over ten (10) years
Disposal	Disposal of assets no longer in use	As identified in the AMP	No assets identified as no longer in use	No assets identified as no longer in use
		Budget	\$0 over ten (10) years	\$0 over ten (10) years

³ IPWEA, 2015, IIMM, p 2|28.

It is important to regularly monitor the service levels provided by the Council as these will change. The current performance is influenced by work efficiencies and technology, and community priorities will change over time.

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4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include (but are not limited to) changes in population, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices and environmental awareness.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3 below.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3 below. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: DEMAND MANAGEMENT PLAN

Demand Driver	Current Position	Projection	Impact on Services	Demand Management Plan
Climate change			Refer Section 4.5	
Infill development	Many of the current private properties within the Council have a backyard and / or outdoor play equipment area	More land sub-divisions will lead to smaller properties with little to no outdoor play area	Increased use of reserves and playgrounds, increased rate of deterioration of recreation and open space assets	Ensure sufficient schedule of condition assessment and inspections of assets, in particular playground equipment
Change in user requirements	Low number of inclusive play equipment to cater for users of all ability	A significant push from the community to have more inclusive play equipment	A majority of playgrounds will not have inclusive play equipment	Ensure that inclusive play equipment is highly considered when reserves and playgrounds are upgraded. Highlight to the general public the inclusive play equipment which are currently available for use.

4.4 Asset Programs to Meet Demand

The new assets required to meet demand may be acquired, donated or constructed and these assets are discussed in Section 5.5.

Acquiring new assets will commit the Council to increased ongoing operational maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operational maintenance and renewal costs for inclusion in the LTFP (refer to Section 5).

4.5 Climate Change and Adaptation

The impacts of climate change can have a significant impact on the assets which the Council manages and the services which are provided. In the context of the asset management planning process, climate change can be considered as both a future demand and a risk.

How climate change will impact on assets can vary significantly depending on the location and the type of asset and services provided, as will the way in which the Council responds and manage these impacts.

As a minimum, the Council should consider both how to manage existing assets given the potential impacts of climate change and how to create resilience to climate change in any new works or acquisitions.

Opportunities which have been identified to date to manage the impacts of climate change on existing assets are shown in Table 4.5.1 below.

Table 4.5.1: MANAGING THE IMPACT OF CLIMATE CHANGE ON ASSETS

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Storm intensity	Increased rainfall intensity during rainfall events	Increased likelihood of damage to grass and garden bed areas.	Ensure sufficient schedule of inspection of lawn and garden bed areas
Rainfall	More variation in rainfall intensity	Irrigation systems are over-watering or under-watering reserves.	Increase use of smart irrigation systems to optimise water use
Temperature	Higher maximum temperatures	Increased deterioration of recreation and open space assets, increased demand for structures providing shade.	Investigate increasing shade provided by tree canopy and new shade structures

The way in which the Council constructs new assets should recognise that there is opportunity to develop resilience to the impacts of climate change. Developing resilience has a number of benefits including but not limited to:

- assets will be able to withstand the impacts of climate change;
- services can be sustained; and
- assets that can endure the impacts of climate change may potentially lower the life-cycle cost and reduce their carbon footprint.

Table 4.5.2 below summarises some asset climate change resilience opportunities.

Table 4.5.2: DEVELOPING ASSET RESILIENCE TO CLIMATE CHANGE

New Asset Description	Climate Change Impact These Assets?	Develop Resilience in New Works
Playground equipment	Higher maximum temperatures	Investigate equipment which are manufactured from materials that are suitable for higher temperatures, increase use of renewable materials where possible
Irrigation Systems	Reduced annual rainfall	As mentioned above, investigate renewing aging irrigation systems with smart systems to optimise water usage

These initiatives are currently being implemented within Council projects where possible. However, it is acknowledged that the impact of climate change on assets is a new and complex issue, and further opportunities will be developed in future revisions of this AMP.

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5.0 LIFE-CYCLE MANAGEMENT PLAN

The Life-Cycle Management Plan details how the Council plans to manage and operate the assets at the agreed levels of service (refer to Section 3) while managing life-cycle costs.

5.1 Background Data

5.1.1 Physical parameters

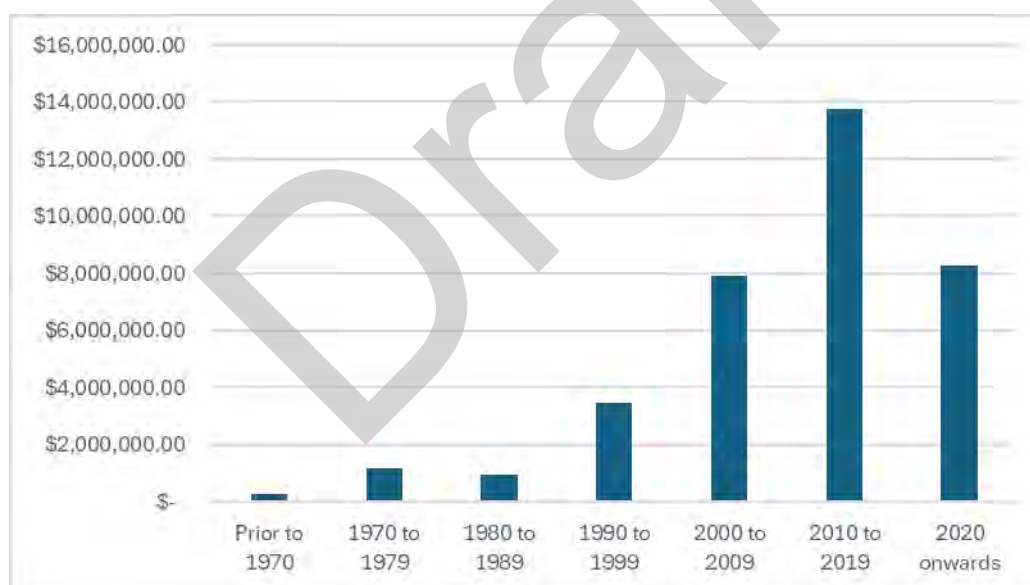
The assets covered by this AMP are shown in Table 5.1.1 below.

The age profile of the assets included in this AMP are shown in Figure 5.1.1 below.

Table 5.1.1: ASSETS COVERED BY THIS AMP

Asset Category	Replacement Value (\$)
Streetscaping	1,964,947
Drainage Reserves	2,112,366
Parks, Gardens & Recreational Reserves	23,662,138
Tennis Courts	4,389,794
TOTAL	32,129,245

Figure 5.1.1: ASSET AGE PROFILE



The majority of the Recreation and Open Space Infrastructure assets were built from 2010 onwards, due to the relatively short lifespan of this asset class. Low-value assets which remain from prior to 1970 are long-life assets such as monuments.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2 below.

Table 5.1.2: KNOWN SERVICE PERFORMANCE DEFICIENCIES

Location	Service Deficiency
Playground equipment compliance	The standards and guidelines for playground equipment may have changed after the installation of the equipment
Irrigation system condition	Insufficient levels of internal condition assessment in previous years resulting in systems not being renewed when required, leading to poor condition and performance

The above service deficiencies were identified from the undertaking internal and external condition assessments in recent years. The identified service deficiencies are addressed systematically through the annual works programs and operational maintenance works wherever feasible.

5.1.3 Asset condition

The condition of assets is currently monitored by undertaking a condition assessment of the Recreation and Open Space Infrastructure assets once every five (5) years, the last being in the 2021-2022 financial year. Annual inspections of the worst-conditioned assets are completed to inform the following year's asset renewal program.

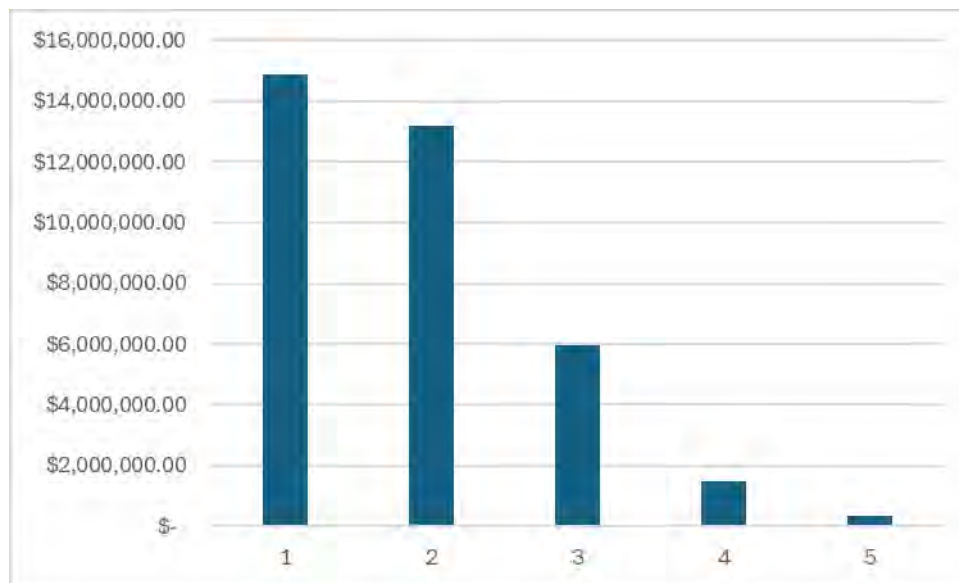
Condition is measured using a 1 to 5 grading system⁴ as detailed in Table 5.1.3 below. It is important that consistent condition grades be used in reporting various assets across an organisation. This supports effective communication. At the detailed level, assets may be measured utilising different condition scales, however, for reporting in the AMP they are all translated to the 1 to 5 grading scale.

Table 5.1.3: SIMPLE CONDITION GRADING MODEL

Condition Grading	Description of Condition
1	Very Good: only planned maintenance required
2	Good: minor maintenance required plus planned maintenance
3	Fair: significant maintenance required
4	Poor: significant renewal/rehabilitation required
5	Very Poor: physically unsound and/or beyond rehabilitation

The condition grading profile is shown in Figure 5.1.3 below.

⁴ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

Figure 5.1.3: ASSET CONDITION PROFILE

Over the last few financial years, there has been a significant number of reserve and playground upgrades, such as Felixstow Reserve, Drage Reserve, Syd Jones Reserve, Dunstan Adventure Playground and Burchell Reserve. Therefore, the majority of assets are in condition 2 (good) or better.

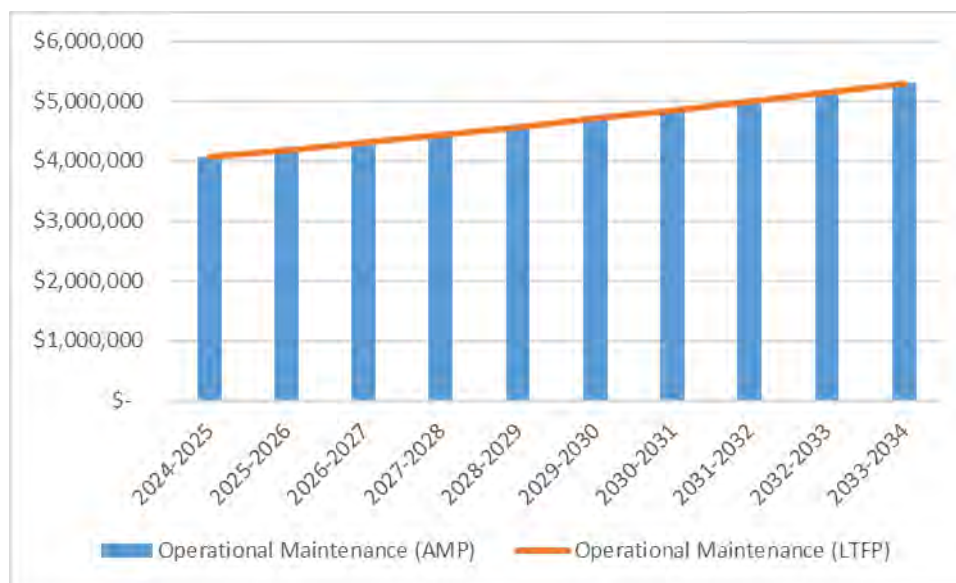
5.2 Operational Maintenance Plan

Operational maintenance works focus on the efficiency of assets to ensure the achievement of organisational objectives and the improvement of performance. They include all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating.

Examples of typical operational maintenance activities include asset inspections and patch repairs.

Summary of forecast operational maintenance costs

Forecast operational maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operational maintenance costs are forecast to increase. If assets are disposed, the forecast operational maintenance costs are expected to decrease. Figure 5.2 below shows the forecast operational maintenance costs relative to the proposed operational maintenance Planned Budget.

Figure 5.2: OPERATIONAL MAINTENANCE SUMMARY

Operational maintenance costs remain relatively consistent over the course of the AMP, as the cost for the Recreation and Open Space Infrastructure Network are stable due to the nature and location of the assets. However, an expected increase of popularity and usage of playgrounds due to recent upgrades may lead to an increase in operational maintenance costs, which will need to be monitored in the coming years.

5.3 Renewal Plan

Renewal involves major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operational maintenance costs.

The typical “useful lives” of assets used to develop projected asset renewal forecasts are shown in Table 5.3 below.

Table 5.3: USEFUL LIVES OF ASSETS

Asset Category	Useful Life
Artwork, Monuments and Plaques	100 years
BBQs	20 years
Benches and Seats	15 to 25 years
Bike Racks	20 years
Bollards	20 to 40 years
Bus Stop Shelters	20 years
Drinking Fountains	20 years
Fences	20 to 50 years
Irrigation Systems	20 years

Lighting	25 years
Litter Bins	20 years
Pathways	30 to 50 years
Picnic Tables	20 to 25 years
Playground Equipment and Structures	10 to 60 years
Retaining Walls	25 to 75 years
Sports Court Equipment and Structures	7 to 70 years

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate; or
- to ensure the infrastructure is of sufficient quality to meet the service requirements.⁵

It is possible to prioritise renewals by identifying assets or asset groups that:

- have a high consequence of failure;
- have high use and subsequent impact on users would be significant;
- have higher than expected operational or maintenance costs, and
- have potential to reduce life-cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁶

5.4 Summary of Future Renewal Costs

The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4 below.

⁵ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

⁶ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

Figure 5.4: FORECAST RENEWAL COSTS

It is noted that Council's Open Space Strategy is currently in the process of being updated. This document will drive the strategic direction of the Recreation & Open Space Infrastructure renewals. Once the update of the Strategy has been finalised, the findings will be renewed from a renewals perspective. At that time, the AMP and LTFP will be reviewed and updated accordingly.

Should there be resourcing issues, prioritisation of these renewals will need to be determined, with high-risk assets to be renewed when required and lower-risk assets being deferred.

5.5 Acquisition Plan

Acquisition reflects new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Council.

At this stage, there are no acquisition costs forecasted in the next ten (10) years.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation.

At this stage, there are no disposal costs forecasted in the next ten (10) years.

6.0 RISK MANAGEMENT PLANNING

The purpose of risk management associated with infrastructure assets is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’⁷.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery are summarised in Table 6.1 below.

Table 6.1: CRITICAL ASSETS

Critical Assets	Failure Mode	Impact
Playground equipment	Deterioration, non-compliance	Death / injury, closure and replacement of playground equipment
Irrigation system	Fault within the system	Manual watering in the interim, decreased quality of grass

By identifying critical assets and failure modes, an organisation can ensure that investigative activities, condition inspection programs, operational maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

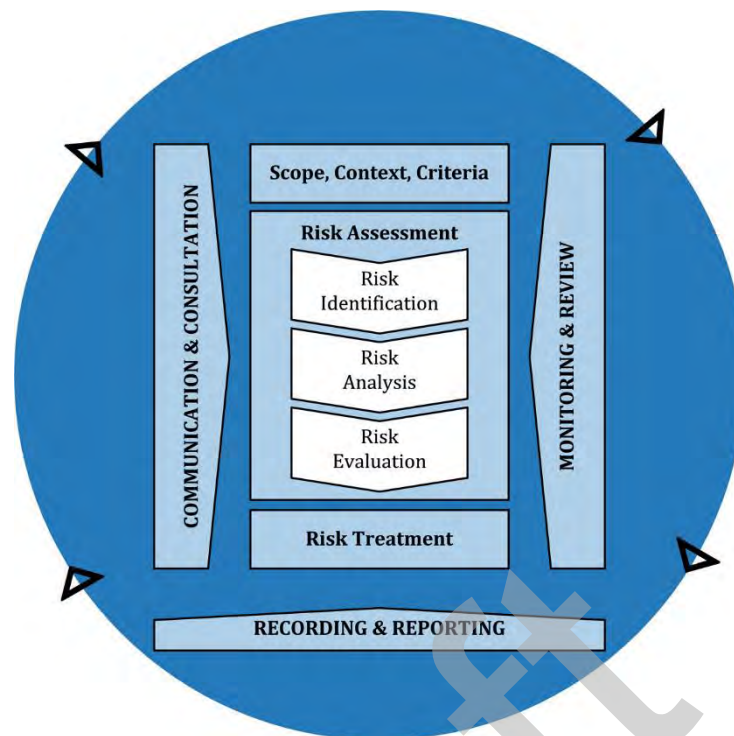
The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

⁷ ISO 31000:2009, p 2

Figure 6.2: RISK MANAGEMENT PROCESS – ABRIDGED



Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts or other consequences. This is outlined in Table 6.2 below.

Table 6.2: RISKS AND TREATMENT PLANS

Service or Asset at Risk	What Can Happen	Impact Category	Risk Rating	Risk Treatment Plan	Residual Risk
Playground equipment	Asset is not compliant with relevant Standards and guidelines	Service / Reputation	Substantial (12)	Engage a consultant to undertake the comprehensive annual playground inspection early in each financial year to enable either the undertaking of urgent remediation maintenance works as soon as possible, or the addition of less-urgent renewal works to the following year's capital works program	Medium (17)
Recreation and Open Space Assets	Operational maintenance are under-funded	Service / Reputation	Substantial (13)	Ensure that the Depot staff are involved with playground and reserve renewal upgrades from project inception to completion. This allows input from Depot staff to assist with minimising subsequent operational maintenance costs, and to increase understanding of upcoming handover of responsibilities.	Low (21)

6.3 Infrastructure Resilience Approach

The resilience of the Council's critical infrastructure is vital to the ongoing provision of services to the community. To adapt to changing conditions, the Council needs to understand its capacity to 'withstand a given level of stress or demand' and to respond to possible disruptions to ensure continuity of service.

Resilience is built on aspects such as response and recovery planning, financial capacity, climate change and crisis leadership.

The Council does not currently measure our resilience in service delivery. This will be included in future iterations of the AMP.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AMP are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What the Council cannot do

Works and services that cannot be provided under present funding levels are:

- undertaking of major acquisition works which are not set out in Council's LTFP; and
- provision of operational maintenance and renewal works above the current service levels.

6.4.2 Service trade-off

If there are forecast works (operational maintenance, renewal, acquisition or disposal) which cannot be undertaken due to insufficient resources, then this will result in service consequences for users. These service consequences include:

- playground assets not compliant with relevant Standards and guidelines; and
- increased risk of asset failure due to deferred or under-funded operational maintenance works.

6.4.3 Risk trade-off

The forecast works not being undertaken due to insufficient resources may sustain or create risk consequences. These risk consequences include:

- unsafe condition of assets leading to user risk;
- service provided by assets not to the standard of the users; and
- loss of the Council's reputation.

The Council will endeavour to manage these risks within the available funding allocation by:

- finding efficiencies within the current operational maintenance program; and
- increasing proactive inspections and maintenance.

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7.0 FINANCIAL SUMMARY

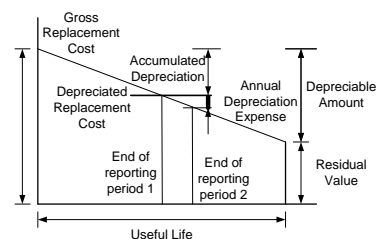
This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Statements and Projections

7.1.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at cost to replace service capacity:

Current (Gross) Replacement Cost	\$32,129,245
Depreciable Amount	\$32,129,245
Depreciated Replacement Cost ⁸	\$18,888,978
Depreciation during the 2022-2023 Financial Year	\$1,186,755



7.1.2 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area, namely:

- asset renewal funding ratio (proposed LTFP renewal budget for the next ten (10) years / forecast AMP renewal costs for next ten (10) years); and
- medium term forecast costs / proposed budget (over ten (10) years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio⁹ 109.36%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next ten (10) years, the Council expects to have 100% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget is illustrated in Appendix C.

Medium term – ten (10) year financial planning period

This AMP identifies the forecast operational maintenance and renewal costs required to provide an agreed level of service to the community over a ten (10) year period. This provides input into ten (10) year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the ten (10) year period to identify any funding shortfall.

The forecast AMP operational maintenance and renewal costs over the ten (10) year planning period is \$6,231,425 on average per year.

The LTFP operational maintenance and renewal funding is \$6,378,710 on average per year, resulting in nil funding shortfall. This indicates that 100% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the ten (10) year life of the LTFP.

⁸ Also reported as Written Down Value, Carrying or Net Book Value.

⁹ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

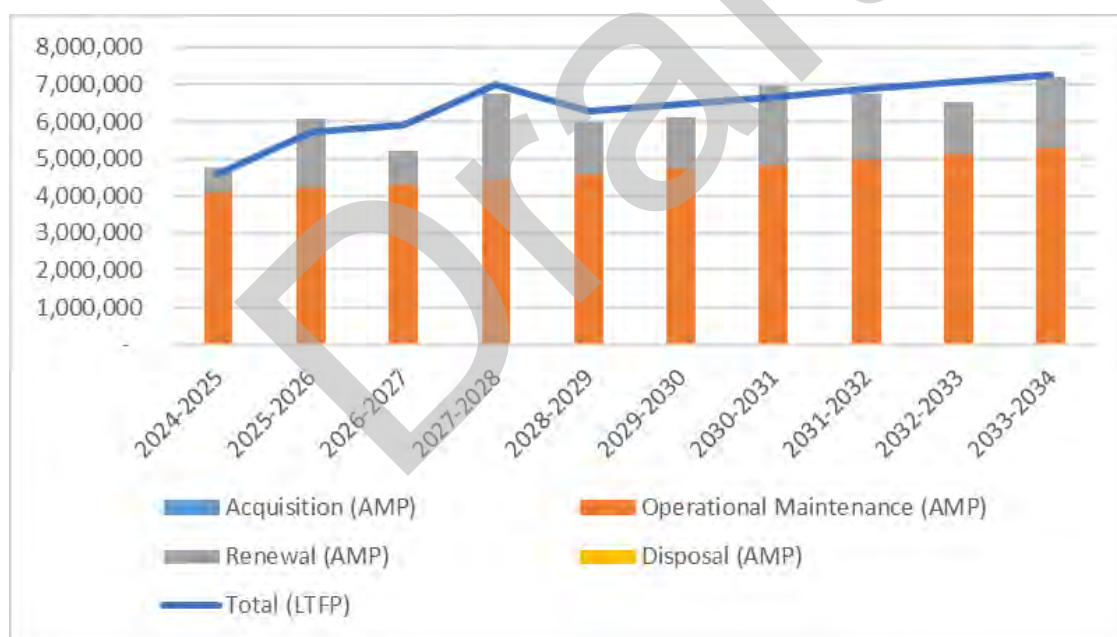
7.1.3 Forecast Costs (outlays) for the LTFP

A summary of the anticipated AMP forecast life-cycle costs compared with the LTFP planned budget are shown in Table 7.1.3 and Figure 7.1.3 below.

Table 7.1.3: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS

Year	Acquisition (AMP) (\$)	Operational Maintenance (AMP) (\$)	Renewal (AMP) (\$)	Disposal (AMP) (\$)	Total Budget (LTFP) (\$)
2024-2025	0	4,062,743	690,500	0	4,579,008
2025-2026	0	4,184,625	1,891,137	0	5,698,817
2026-2027	0	4,310,164	880,837	0	5,902,071
2027-2028	0	4,439,469	2,306,765	0	6,989,616
2028-2029	0	4,572,653	1,417,244	0	6,274,686
2029-2030	0	4,709,833	1,412,367	0	6,473,859
2030-2031	0	4,851,128	2,141,393	0	6,666,462
2031-2032	0	4,996,661	1,744,452	0	6,864,195
2032-2033	0	5,146,561	1,370,477	0	7,065,518
2033-2034	0	5,300,958	1,884,284	0	7,272,868

Figure 7.1.3: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS



7.2 Funding Strategy

The proposed funding for assets is outlined in the Council's Annual Budget and LTFP.

The Council's financial strategy outlines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to service.

Additional assets will generally add to the operational maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it has been necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- renewal costs have been based on professional judgement; and
- forecasted operational maintenance costs are based on previous expenditure for the same service levels.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on an A to E level scale¹⁰ in accordance with Table 7.5.1 below.

Table 7.5.1: DATA CONFIDENCE GRADING SYSTEM

Confidence Grade	Description
A. Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 7.5.2 below.

Table 7.5.2: DATA CONFIDENCE ASSESSMENT FOR DATA USED IN PLAN

Data	Confidence Assessment	Comment
Demand drivers	C	Based on development application trends, <i>profile.id</i> data, climate change data, community surveys

¹⁰ IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

Growth projections	C	Based on development application trends, <i>profile.id</i> data
Acquisition forecast	E	Acquisition to be determined following completion of Open Space Strategy.
Operational maintenance forecast	B	In line with previous years
Renewal forecast - Asset values	B	As per approved methodology
- Asset useful lives	B	Current estimates from asset register
- Condition modelling	B	Methodology and data capture to be updated
Disposal forecast	E	No disposal forecast – may be subject to change through strategic planning

The estimated confidence level for and reliability of data used in this AMP is considered to be reliable.

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8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

8.1.1 Accounting and financial data sources

The Council uses Authority and Conquest as its financial management and accounting systems. These systems have the capability to report the full lifecycle of assets, providing full transparency from acquisition to disposal.

8.1.2 Asset management data sources

The Council uses Conquest as its asset management system, and Spectrum Spatial as its geographical information system. There are plans to improve integration between the GIS data with the asset management register to provide a live and amalgamated asset data system.

8.2 Improvement Plan

It is important that the Council recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2 below.

Table 8.2: IMPROVEMENT PLAN

Task No.	Task	Responsibility	Resources Required	Timeline
1	Formalise ongoing monitoring and reporting of improvement plan tasks and performance measures	Project Manager, Assets	Manager, City Projects	1 year
2	Finalise update of Open Space Strategy, and align its objectives with the Plan and LTFP	Manager, Strategy	Project Manager, Assets and Manager, City Projects	2 years
3	Further develop risk assessment and management planning	Project Manager, Assets	Project Officer, Assets and Asset Consultants	2 years
4	Improve GIS data storage system integration with asset database	Project Manager, Assets	Information Services, Consultants	3 years
5	Review resilience of critical infrastructure	Project Manager, Assets	City Assets and Asset Consultants	4 years

8.3 Monitoring and Review Procedures

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operational maintenance, renewals, acquisition and disposal costs and proposed budgets. These forecast costs and proposed budget are incorporated into the LTFP or will be incorporated into the LTFP once completed.

The AMP has a maximum life of four (4) years and is due for complete revision and updating within two (2) years of each Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- the degree to which the required forecast costs identified in this AMP are incorporated into the LTFP;
- the degree to which the short-term detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the AMP;

- the Asset Renewal Funding Ratio achieving the Organisational Target (this target is often 1.0).

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9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM;
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/namsplus;
- IPWEA, 2015, 2nd edn., 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMM;
- IPWEA, 2015, 3rd edn., 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM;
- IPWEA, 2012 LTFP Practice Note 6 PN Long-Term Financial Plan, Institute of Public Works Engineering Australasia, Sydney;
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines;
- *CityPlan 2030: Shaping Our Future*;
- Long-term Financial Plan;
- Annual Business Plan;
- Open Space Strategy;
- Playgrounds Strategy;
- Tennis Facilities Policy;
- Asset Management Policy; and
- City of Norwood Payneham & St Peters Community Survey Report.

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10.0 APPENDICES

Appendix A

Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

The acquisition projects will derive from master plan upgrades, and gifted or transferred assets.

A.2 – Acquisition Forecast Summary

Table A2: ACQUISITION FORECAST SUMMARY

Year	Acquisition (AMP) (\$)	Acquisition (LTFP) (\$)
2024-2025	0	0
2025-2026	0	0
2026-2027	0	0
2027-2028	0	0
2028-2029	0	0
2029-2030	0	0
2030-2031	0	0
2031-2032	0	0
2032-2033	0	0
2033-2034	0	0

Appendix B

Operational Maintenance Forecast

B.1 – Operational Maintenance Forecast Assumptions and Source

The operational maintenance forecast has been based on previous expenditure for the same service levels.

B.2 – Operational Maintenance Forecast Summary

Table B2: OPERATIONAL MAINTENANCE FORECAST SUMMARY

Year	Operational Maintenance (AMP) (\$)	Operational Maintenance (LTFP) (\$)
2024-2025	4,062,743	4,062,743
2025-2026	4,184,625	4,184,625
2026-2027	4,310,164	4,310,164
2027-2028	4,439,469	4,439,469
2028-2029	4,572,653	4,572,653
2029-2030	4,709,833	4,709,833
2030-2031	4,851,128	4,851,128
2031-2032	4,996,661	4,996,661
2032-2033	5,146,561	5,146,561
2033-2034	5,300,958	5,300,958

Appendix C

Renewal Forecast Summary

C.1 – Renewal Forecast Assumptions and Source

The scheduling of identified renewal proposals is currently guided by the condition and age of assets, and by the Council's Open Space Strategy once its update is finalised.

C.2 – Renewal Forecast Summary

Table C2: RENEWAL FORECAST SUMMARY

Year	Renewal (AMP) (\$)	Renewal (LTFP) (\$)
2024-2025	690,500	516,265
2025-2026	1,891,137	1,514,192
2026-2027	880,837	1,591,907
2027-2028	2,306,765	2,550,147
2028-2029	1,417,244	1,702,033
2029-2030	1,412,367	1,764,026
2030-2031	2,141,393	1,815,334
2031-2032	1,744,452	1,867,534
2032-2033	1,370,477	1,918,957
2033-2034	1,884,284	1,971,910

Appendix D

Disposal Summary

D.1 – Disposal Forecast Assumptions and Source

No disposals have been forecast over the AMP period.

D.2 – Disposal Forecast Summary

Table D2: DISPOSAL ACTIVITY SUMMARY

Year	Disposal (AMP) (\$)	Disposal (LTFP) (\$)
2024-2025	0	0
2025-2026	0	0
2026-2027	0	0
2027-2028	0	0
2028-2029	0	0
2029-2030	0	0
2030-2031	0	0
2031-2032	0	0
2032-2033	0	0
2033-2034	0	0

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Trinity Valley Stormwater Drainage Upgrade

Asset Management Plan

Stormwater Management Infrastructure

2025–2034



City of
Norwood
Payneham
& St Peters

Document Control		2025-2034 ASSET MANAGEMENT PLAN STORMWATER MANAGEMENT INFRASTRUCTURE			
Rev No	Date	Revision Details	Author	Reviewer	Approver
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Draft

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1.0 EXECUTIVE SUMMARY

1.1 Asset Management Plans

The City of Norwood Payneham & St Peters Asset Management Plans (the AMPs), provide a comprehensive overview of the City's assets, encompassing their replacement value, current condition, performance, service levels, objectives, and the Council's financial position in relation to these assets.

Its purpose is to ensure that the Council can effectively deliver services, maintain assets and achieve its strategic goals in a financially sustainable manner over the short, medium and long terms.

The AMPs outline the requirements for managing, inspecting and replacing assets, including projected annual expenditure over a ten (10) year period, while also detailing the Council's planned activities for its assets to achieve its strategic goals and deliver community services in the medium to long term.

The AMPs comprise of four documents, each of which have been developed to encompass the major classes of assets, including civil infrastructure, stormwater management, buildings, and recreation and open space.

Purpose of AMPs

The AMPs are crucial strategic documents for the Council to ensure the efficient management of its assets throughout the lifespan of these respective assets, which ultimately achieves the Council's strategic objectives, while maintaining compliance with legislation and delivering a high level of service to the community.

The purpose of the AMPs is to communicate the requirements for the sustainable delivery of services through the management of the assets, compliance with regulatory requirements and required funding to provide the appropriate levels of service over the long-term planning period.

Requirement under Local Government Act

Section 122 of *Local Government Act 1999*, requires the Council to develop and adopt an AMP, relating to the management and development of its infrastructure and major assets, for a period of at least ten (10) years.

This requirement to develop and adopt an AMP, ensures that the Council considers the management and development of its infrastructure and major assets at a strategic level and in line with its strategic management plan (i.e., *CityPlan 2030*). It also includes projections for asset renewal over the next ten (10) years, aligned with the Council's Long-term Financial Plan (LTFP).

1.2 Asset Description

The City's Stormwater Management Infrastructure Network comprises of the following:

- stormwater drainage infrastructure (inclusive of pits, pipes, culverts and open channels);
- waterways under vehicular bridges; and
- footbridges.

The Stormwater Management Infrastructure Network has a significant total renewal value estimated at \$156,555,401.

1.3 Levels of Service

The Council's present funding levels are sufficient to continue to provide existing services at current service levels.

The main service consequences of the Planned Budget expenditure are:

- assets are replaced accordingly with respect to condition and intended useful life; and
- assets complying with the relevant standards and guidelines.

1.4 Future Demand

The main demands for new services are created by:

- climate change;
- increased runoff from historic development within catchments; and
- stormwater quality enhancements prior to discharging of stormwater.

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures, including:

- monitoring of asset condition;
- undertaking community expectation surveys; and
- monitoring the impacts of climate change and increased urban development.

1.5 Life-Cycle Management Plan

1.5.1 What does it Cost?

The forecast life-cycle costs necessary to provide the services covered by this AMP includes operational maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a long-term financial planning period of ten (10) years. Therefore, a summary output from the AMP is the forecast of ten (10) year total outlays, which for the Stormwater Management Infrastructure Network is estimated as \$36,054,708 or \$3,605,471 on average per year.

1.6 Financial Summary

1.6.1 What the Council will do

Estimated available funding for the ten (10) year period is \$36,055,936 (or \$3,605,594 on average per year) as set out in the LTFP. This is approximately 100% of the cost to sustain the current level of service at the lowest life-cycle cost.

The reality is that only what is funded in the LTFP can be provided. The informed decision-making depends on the AMP emphasising the consequences of Planned Budgets on the service levels which are provided and the associated risks.

The anticipated Planned Budget for the City's Stormwater Management Infrastructure Network results in nil shortfall for the forecast life-cycle costs required to provide services in the AMP compared with the Planned Budget currently included in the LTFP. This is shown in Figure 1.6.1 below.

Figure 1.6.1: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS

The Council plans to undertake the following in respect to the existing Stormwater Management Infrastructure Network:

- provision of operational maintenance and renewal works for existing assets to meet current service levels; and
- major renewal projects within the ten (10) year planning period which consists of improving the level of flood protection within catchments to provide the defined level of service through an integrated stormwater management approach. This includes opportunities for stormwater reuse and water sensitive urban design (WSUD) initiatives wherever possible within the project budget.

1.6.2 What the Council cannot do

Works and services that cannot be provided under present funding levels are:

- undertaking of major acquisition works which are not set out in Council's LTFP; and
- provision of operational maintenance and renewal works above the current service levels.

1.6.3 Managing the Risks

If there is forecast work (operational maintenance, renewal, acquisition or disposal) that cannot be undertaken due to insufficient resources, then this will result in service consequences for users. These service consequences include:

- frequency of flood events increasing due to increasing stormwater runoff;
- stormwater of poor quality entering the receiving waters and wider environment; and
- community expectations are not met.

The Council will endeavour to manage these risks within the available funding allocation by:

- reacting to potential flood events with temporary mitigation measures;
- finding efficiencies within the current operational maintenance program; and
- prioritisation of renewal projects.

1.7 Asset Management Practices

The Council's systems to manage assets include:

- the Council's asset management system;
- the Council's financial system; and
- the Council's strategic and planning documents.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are to:

- formalise ongoing monitoring and reporting of improvement plan tasks and performance measures;
- establish formal condition rating process of drainage infrastructure;
- further develop risk assessment and management planning;
- improve GIS data storage system integration with asset database; and
- review resilience of critical infrastructure.

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2.0 INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through the management of assets, compliance with regulatory requirements and required funding to provide the appropriate levels of service over the long-term planning period.

This AMP is to be read in conjunction with the following key planning documents:

- *CityPlan 2030: Shaping Our Future*;
- Long-term Financial Plan;
- Annual Business Plan;
- City Wide Floodplain Mapping and Long Term Drainage Program;
- Asset Management Policy; and
- City of Norwood Payneham & St Peters Community Survey Report.

The Council has a strong focus on asset management, with continuous improvements during the revision of the AMP. Integration of acquisition and renewal planning is undergoing continuous improvement to ensure the minimum required investment provides the greatest value outcomes.

Strategic Direction

The Council's strategic direction is guided by four outcomes or Pillars which contribute to the realisation of the Council's Vision and are based on the four Pillars of the Quadruple Bottom Line (QBL) framework. The four outcomes are Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability.



For our City, adding the fourth Pillar of culture to the traditional Triple Bottom Line (TBL) of environmental, social and economic sustainability highlights the importance of protecting and enhancing our City's unique character and sense of place.

The objectives set out in *CityPlan 2030: Shaping Our Future*, which outline the priorities for what needs to happen to achieve the four outcomes, reflect the community’s aspirations, the policy commitments of the Council and the likely trends and issues which our City will face over the course of *CityPlan 2030*.

CityPlan 2030 plays a pivotal role in guiding the City of Norwood Payneham & St Peters towards the community’s vision for the future. Achieving the strategies contained in *CityPlan 2030*, requires transparent and accountable governance structures and processes which are both flexible and responsive to the future opportunities and challenges that will present themselves.

It will also require a positive ‘can-do attitude’ and approach to ensure that we realise the future which we want for ourselves and the next generation, rather than just ‘letting things happen’.

Strategic Planning Framework

In working towards our vision, all of the programs, projects and services which the Council delivers are structured into four key outcome areas, referred to as the ‘Four Pillars’ of Community Well-being.



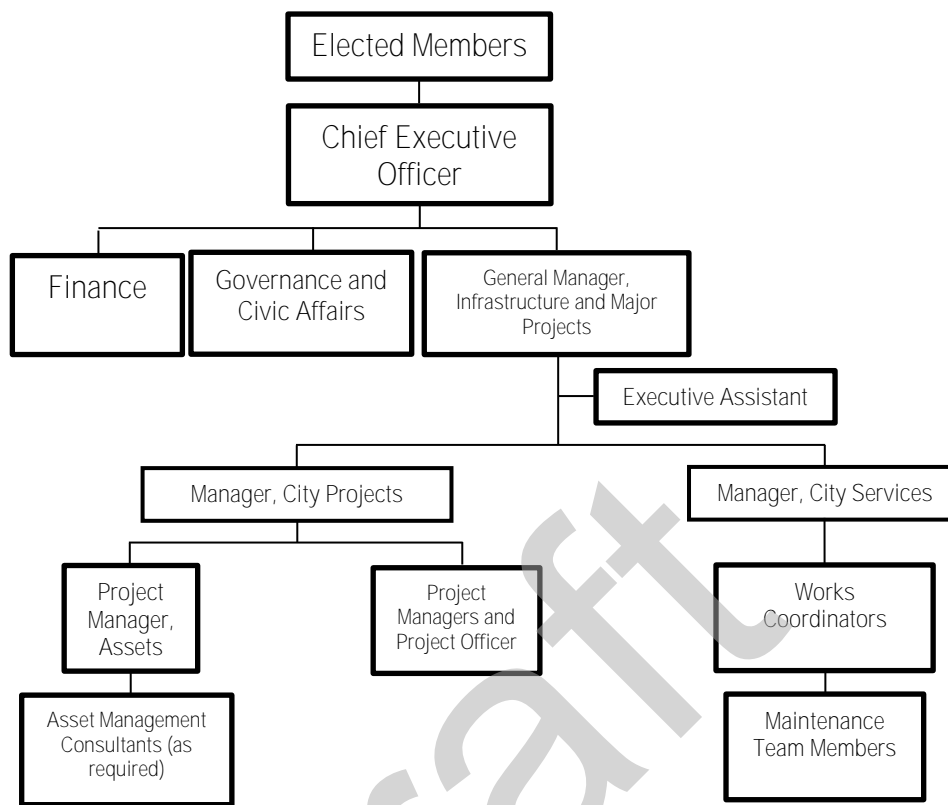
Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1 below.

Table 2.1: KEY STAKEHOLDERS IN THE AMP

Key Stakeholder	Role in AMP
Elected Members	Represent needs of community and shareholders, allocate resources to meet planning objectives in providing services while managing risks and ensure services are sustainable.
Chief Executive Officer	Endorse the development of the AMP and provide resources (as funded by the Council) required to complete the task.
General Manager, Infrastructure and Major Projects Manager, City Projects	Set high level priorities for asset management development and support the implementation of actions resulting from this AMP.
Finance Governance and Civic Affairs	Development of supporting policies such as capitalisation and depreciation. Provision of GIS applications and support.
Asset Management Consultants	Preparation of asset sustainability and financial reports incorporating asset depreciation in compliance with current accounting standards. Host and consolidate asset register including updating valuations, capitalisation and disposals. Provide support for development of the AMP and the implementation of effective asset management principles. Independently endorse asset revaluation methodology.
Project Manager, Assets	Responsible for the overall development of the AMP. Coordinate input of other stakeholders into the AMP. Manage the periodic collection of asset condition data.
City Assets / City Projects	Assist the Project Manager, Assets in the development of the AMP.
City Services	Provide local knowledge level of detail of the assets. Describe the maintenance standards deployed and the ability to meet the technical and citizen levels of service.
External Parties	Local Residents; Local Businesses; Utilities; Developers; and Federal and State Governments.

The Council's organisational structure for service delivery of infrastructure assets is detailed in Figure 2.1 below.

Figure 2.1: ORGANISATIONAL STRUCTURE



2.2 Goals and Objectives of Asset Ownership

The Council's goal in respect to the management of infrastructure assets, is to meet the defined level of service (as amended from time to time) in the most cost-effective manner for present and future consumers. The key elements of asset management are:

- providing a defined level of service and monitoring performance;
- managing the impact of growth through demand management and infrastructure investment;
- taking a life-cycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service;
- identifying, assessing and appropriately controlling risks; and
- linking to the LTFP which identifies required, affordable forecast costs and how it will be allocated.

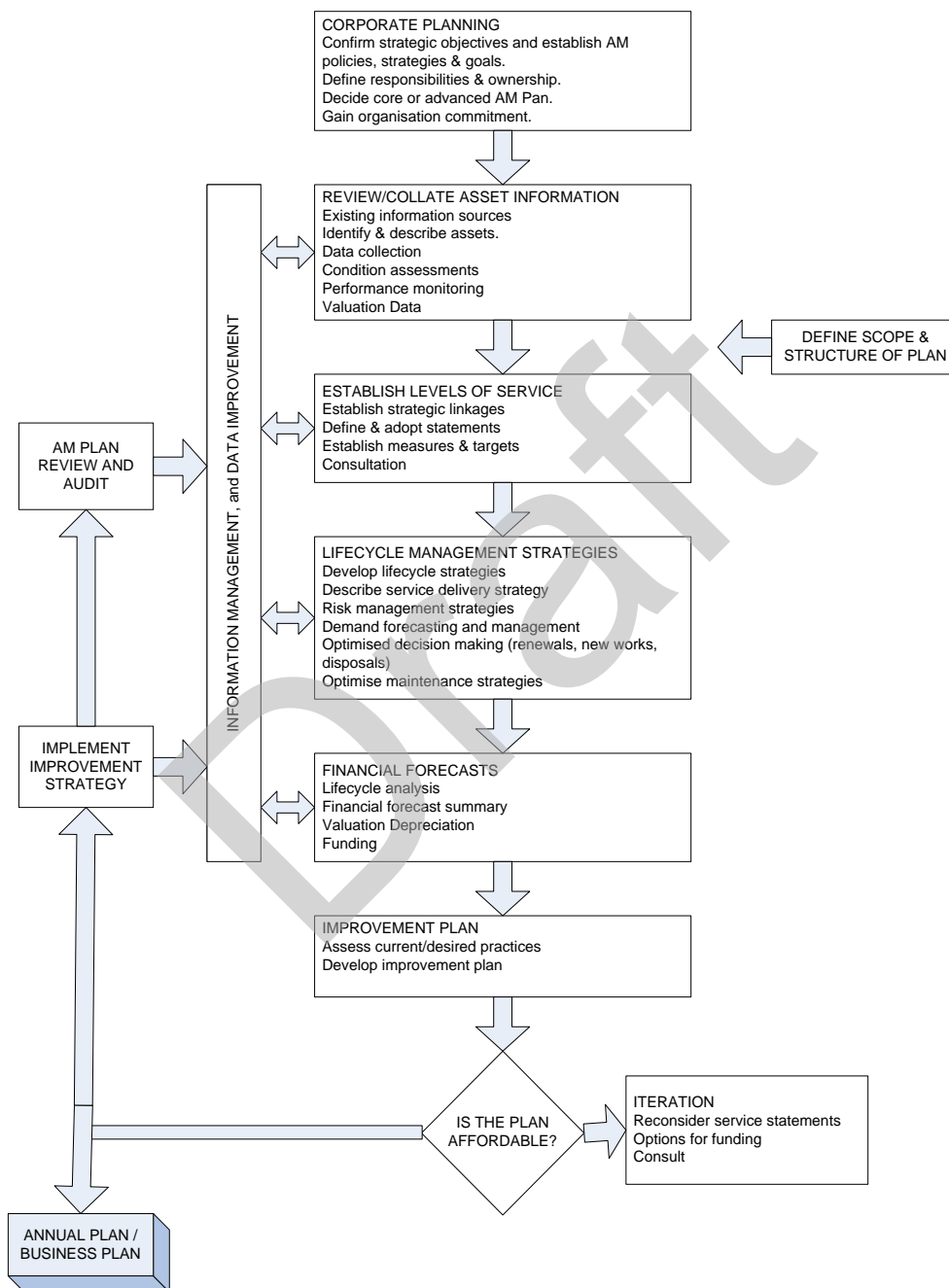
Key elements of the planning framework are:

- **levels of service** – specifies the services and levels of service to be provided;
- **future demand** – how this will impact on future service delivery and how this is to be met;
- **life-cycle management** – how to manage its existing and future assets to provide defined levels of service;
- **financial summary** – what funds are required to provide the defined services;
- **asset management practices** – how the Council manages the provision of the services;
- **monitoring** – how the AMP will be monitored to ensure objectives are met; and

- **asset management improvement plan** – how the Council increases asset management maturity.
- Other references to the benefits, fundamentals principles and objectives of asset management are:
- International Infrastructure Management Manual 2015 ¹; and
 - International Organisation for Standardisation (ISO) 55000².

A road map for preparing an AMP is shown in Figure 2.2 below.

Figure 2.2: ROAD MAP FOR PREPARING AN AMP



Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11

¹ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

² ISO 55000 Overview, principles and terminology

3.0 LEVELS OF SERVICE

3.1 Community Research and Expectations

The Council conducts Community Surveys at regular intervals to establish how the Council is performing in a number of key indicators. Community Surveys have been conducted in 2009, 2011, 2013, 2017, 2019 and 2021, with the most recent survey undertaken in 2023. The survey uses a 5-point scale to determine satisfaction, with 1 being very dissatisfied, and 5 being very satisfied. The last version of the AMP included data up to 2019. Table 3.1 below summarises the results from the Council's Resident Surveys.

Table 3.1: RESIDENT SATISFACTION SURVEY LEVELS

Performance Measure	Satisfaction Level						
	2023	2021	2019	2017	2013	2011	2009
Overall Infrastructure Satisfaction	3.8	3.9	3.8	3.8	4.0	4.0	3.6
Overall Environmental Management Satisfaction	3.5	3.8	3.4	3.7	3.9	4.0	3.7
Enhancing the Natural Environment	3.8	3.8	3.7	3.8	3.8	3.9	3.5
Managing Watercourses	3.8	3.7	3.4	3.6	3.6	3.6	3.2
Water, Management & Use	3.6	3.7	3.4	3.7	3.5	3.6	3.1
Undertaking Environmental Initiatives	3.4	3.7	3.4	3.5	3.2	3.2	3.0
Responding to Climate Change	3.1	3.3	3.0	N/A	N/A	N/A	N/A

3.2 Strategic and Corporate Goals

This AMP has been prepared in accordance with the Council's Vision, Mission, Goals and Objectives as set out in its Strategic Management Plan, *CityPlan 2030: Shaping our Future*.

The Council's Vision is:

'A City which values its heritage, cultural diversity, sense of place and natural environment.

A progressive City which is prosperous, sustainable and socially cohesive, with a strong community spirit.'

Council's strategic goals, and how these are addressed in this AMP, are summarised in Table 3.2 below.

Table 3.2: GOALS AND HOW THESE ARE ADDRESSED IN THIS AMP

Goal	Objective	How Goal and Objectives are Addressed in the AMP
Environmental Sustainability – A leader in environmental sustainability	Mitigating and adapting to the impacts of climate change	Development of service levels provided by the infrastructure and the balancing of this with the available funding and acceptable risk. Planning of long-term sustainable infrastructure is important and to enable appropriate resources to be identified and provided.
Environmental Sustainability - Sustainable and efficient management of water, waste, energy and other resources.	Implement mechanisms to make better use of water resources including the harvesting and re-use of stormwater.	Planning for water quality improvements upstream of existing stormwater harvesting infrastructure to increase the harvest potential. Planning to harvest stormwater for use in public toilet flushing where available and in conjunction with renewal of public toilet facilities.
Environmental Sustainability - Healthy and sustainable watercourses	Revegetate and restore natural watercourses. Improve the water quality in our City's watercourses. Encourage the capture and re-use of stormwater and reduce stormwater run-off.	Planning for naturalisation of existing watercourses where feasible in conjunction with Recreation and Open Space projects. Planning to develop WSUD initiatives as part of integrated stormwater management and streetscape projects. Planning to develop WSUD initiatives as part of integrated stormwater management and streetscape projects.

3.3 Legislative Requirements

There are a number of legislative requirements relating to the management of assets. Legislative requirements that impact upon the delivery of the Stormwater Management Infrastructure Network are set out in Table 3.3 below.

Table 3.3: LEGISLATIVE REQUIREMENTS

Legislation	Requirement
Aboriginal Heritage Act 1988	An Act to provide for the protection and preservation of the Aboriginal heritage, and for other purposes.
Australian Accounting Standards	Standards applied in preparing financial statements, relating to the valuation, revaluation and depreciation of transport assets.
Australian Standards	Council's infrastructure projects are undertaken in accordance with Australian Standards, or in the absence of, best practice techniques.
Building Code of Australia	Sets out minimum standards for construction of new assets. Also provides minimum standards for new properties.
Disability Discrimination Act 1992	Provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.

Environmental Protection Act 1993	Provides the regulatory framework to protect South Australia's environment, including land, air and water.
Highways Act 1926	An Act to provide for the appointment of a Commissioner of Highways, and to make further and better provision for the construction and maintenance of roads and works and for other purposes.
Local Government Act 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by infrastructure and asset management plans for sustainable service delivery.
Manual of Legal Responsibilities and Technical Requirements for Traffic Control Devices – Part 2 – Code of Technical Requirements	Defines legal requirements for the installation of traffic control devices.
Road Traffic Act 1961	Defines responsibilities pertaining to roadways and standards.
Roads (Opening & Closing Act) 1991	Allows for the formalisation of roadways status.
Work Health and Safety Act 2012	Provides minimum standards for health and safety of individuals performing works.

3.4 Citizen Values

Service levels are defined in three (3) ways: Citizen Values, Citizen Levels of Service and Technical Levels of Service.

Citizens Values indicate:

- what aspects of a service is important to the citizen;
- whether they see value in what is currently being provided; and
- the likely trend over time based on the current budget provision.

A summary of the satisfaction measure being used, the current feedback and the expected performance based on the current funding level is set out in Table 3.4 below.

Table 3.4: CITIZEN VALUES

Citizen Values	Citizen Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Enhancing natural environment	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> this is the second most important factor which impacts overall satisfaction with environment management satisfaction has remained consistent compared to 2019 (i.e., when the AMP was last renewed) 	Likely to remain unchanged with limited opportunity within urban environment.
Management of watercourses, including flooding	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> this is the fourth most important factor which impacts overall satisfaction with environment management satisfaction has improved compared to 2019 	Continued improvement of management of watercourses including reduced risk of flooding to private property.
Undertaking environmental initiatives, including water quality and reuse	Community Survey Report	Community survey results indicate: <ul style="list-style-type: none"> this is the sixth most important factor which impacts overall satisfaction with environment management satisfaction has remained consistent compared to 2019 	Continued improvement with implementation of integrated stormwater management and streetscape projects.

3.5 Citizen Levels of Service

The Citizen Levels of Service are considered in terms of:

- **quality:** How good is the service? What is the condition or quality of the service?
- **function:** Is it suitable for its intended purpose? Is it the right service?
- **capacity:** Is the service over or under used? Does the Council need more or less of these assets?

A summary of the performance measure being used, the current performance and the expected performance based on the current funding level is set out in Table 3.5 below.

Confidence levels of current performance and expected trend are set out in Table 3.5 below and are categorised as follows:

- **high:** professional judgement supported by extensive data;
- **medium:** professional judgement supported by data sampling; or
- **low:** professional judgement with no data evidence.

Table 3.5: CITIZEN LEVELS OF SERVICE MEASURES

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Quality	Asset condition is <i>'fit for purpose'</i>	Community survey on Managing Watercourses	Community survey results indicate satisfaction has improved compared to 2019 (i.e., when the AMP was last renewed)	No change, as expired assets are renewed as required
	Confidence levels		High	Medium
Function	Asset meets service needs	Community survey on Enhancing Natural Environment	Community survey results indicate satisfaction has remained consistent compared to 2019	Likely to remain unchanged with limited opportunity within urban environment
	Confidence levels		High	Medium
Capacity	Capacity of assets to meet demands	Community survey on Managing Watercourses	Community survey results indicate satisfaction has improved compared to 2019	Improved performance is expected as a result of further drainage upgrade works
	Confidence levels		High	Medium

3.6 Technical Levels of Service

To deliver the Citizen Values and impact the achieved Citizen Levels of Service, operational or technical measures of performance are used. These technical measures relate to the activities and allocation of resources to best achieve the desired community outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **acquisition:** the activities to provide a higher level of service or a new service that did not exist previously (e.g. construction of a new detention basin);
- **operational maintenance:** the regular activities to retain an asset as near as practicable to an appropriate service condition (e.g. inspections and condition assessments);
- **renewal:** the activities that return the service capability of an asset up to that which it had originally provided (e.g. straight replacement of pipeline); and
- **disposal:** the activities associated with the disposal of a decommissioned asset including sale, demolition or relocation (e.g. redundancy of pipeline network).

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.³

Table 3.6 below shows the activities expected to be provided under the current Planned Budget allocation and the forecast activity requirements being recommended in this AMP.

³ IPWEA, 2015, IIMM, p 2|28.

Table 3.6: TECHNICAL LEVELS OF SERVICE

Life-Cycle Activity	Purpose of Activity	Activity Measure	Current Performance (LTFP)	Recommended Performance (AMP)
Acquisition	Gifted or transferred infrastructure from developers / property owners	Incorporate into asset register upon ownership	Occurs on an ad hoc basis dependent on development	Occurs on an ad hoc basis dependent on development
	Trinity Valley Stormwater Drainage Upgrade	Budget allocation	As budgeted within the LTFP (this is discussed further in Sections 5.4 and 5.5)	As per Council's City Wide Floodplain Mapping and Long Term Drainage Program
		Budget	\$0 over ten (10) years	\$8,472,308 over ten (10) years
Operational Maintenance	Side entry pit and trash rack cleaning	Frequency	Conduct on a programmed basis and on request	Conduct on a programmed basis and on request
	CCTV inspection of underground assets	Frequency	Yearly inspection program of section of underground network	Yearly inspection program of section of underground network
	Drainage structures condition assessment	Frequency	Asset Condition Assessment undertaken once every five (5) years	Asset Condition Assessment undertaken once every five (5) years
		Budget	\$2,620,104 over ten (10) years	\$2,691,249 over ten (10) years
Renewal	Renewal of asset	Renewal to requirements of asset register	As budgeted within the LTFP	Prioritise and undertake projects as per Council's City Wide Floodplain Mapping and Long Term Drainage Program (2019)
		Budget	\$33,435,832 over ten (10) years	\$24,891,151 over ten (10) years
Disposal	Disposal of assets no longer in use	As identified in the AMP	No assets identified as no longer in use	No assets identified as no longer in use
		Budget	\$0 over ten (10) years	\$0 over ten (10) years

It is important to regularly monitor the service levels provided by the Council as these will change. The current performance is influenced by work efficiencies and technology, and community priorities will change over time.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include (but are not limited to) changes in population, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices and environmental awareness.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3 below.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3 below. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: DEMAND MANAGEMENT PLAN

Demand Driver	Current Position	Projection	Impact on Services	Demand Management Plan
Climate change			Refer Section 4.5	
Infill development	Minimise additional runoff to waterways through planning controls	Increased stormwater runoff	Higher stormwater flow capacity demand on services during heavy rainfall events	Maintain and enhance development planning controls
Environmental management	Renewal program designed to enhance environmental outcome where possible	Increased water quality and reuse expectations	Increased requirement for WSUD infrastructure	Asset renewal and upgrade designs to consider an integrated stormwater management approach Maintain and enhance development planning controls

4.4 Asset Programs to Meet Demand

The new assets required to meet demand may be acquired, donated or constructed and these assets are discussed in Section 5.5.

Acquiring new assets will commit the Council to increased ongoing operational maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operational maintenance and renewal costs for inclusion in the LTFP (refer to Section 5).

4.5 Climate Change and Adaptation

The impacts of climate change can have a significant impact on the assets which the Council manages and the services which are provided. In the context of the asset management planning process, climate change can be considered as both a future demand and a risk.

How climate change will impact on assets can vary significantly depending on the location and the type of asset and services provided, as will the way in which the Council responds and manage these impacts.

As a minimum, the Council should consider both how to manage existing assets given the potential impacts of climate change and how to create resilience to climate change in any new works or acquisitions.

Opportunities which have been identified to date to manage the impacts of climate change on existing assets are shown in Table 4.5.1 below.

Table 4.5.1: MANAGING THE IMPACT OF CLIMATE CHANGE ON ASSETS

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Storm intensity	Increased rainfall intensity during rainfall events	Increased demand to manage increased flows	Asset renewal and upgrade designs to consider flood modelling which accounts for climate change impacts
Rainfall	Reduced annual rainfall	Reduced availability for water reuse	Asset renewal and upgrade designs to optimise water re-use
Temperature	Higher maximum temperatures	Decreased lifespan of assets	While most assets are underground, the material used for exposed above-ground assets can be considered more closely with regards to this issue

The way in which the Council constructs new assets should recognise that there is opportunity to develop resilience to the impacts of climate change. Developing resilience has a number of benefits including but not limited to:

- assets will be able to withstand the impacts of climate change;
- services can be sustained; and
- assets that can endure the impacts of climate change may potentially lower the life-cycle cost and reduce their carbon footprint.

Table 4.5.2 below summarises some asset climate change resilience opportunities.

Table 4.5.2: DEVELOPING ASSET RESILIENCE TO CLIMATE CHANGE

New Asset Description	Climate Change Impact These Assets?	Develop Resilience in New Works
WSUD infrastructure	Reduced annual rainfall	Higher quality stormwater more likely to be captured by ASR and reused for irrigation
Stormwater detention assets	Increased rainfall intensity during rainfall events	Reduce requirement to increase the capacity of the existing pit and pipe network

These initiatives are currently being implemented within Council projects where possible. However, it is acknowledged that the impact of climate change on assets is a new and complex issue, and further opportunities will be developed in future revisions of this AMP.

5.0 LIFE-CYCLE MANAGEMENT PLAN

The Life-Cycle Management Plan details how the Council plans to manage and operate the assets at the agreed levels of service (refer to Section 3) while managing life-cycle costs.

5.1 Background Data

5.1.1 Physical parameters

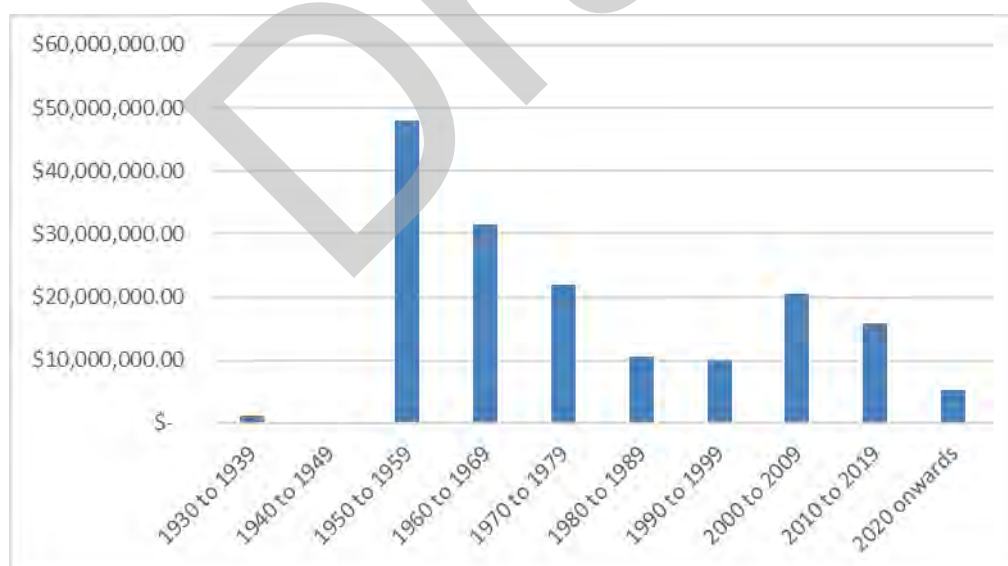
The assets covered by this AMP are shown in Table 5.1.1 below.

The age profile of the assets included in this AMP are shown in Figure 5.1.1 below.

Table 5.1.1: ASSETS COVERED BY THIS AMP

Asset Category	Replacement Value (\$)
Nodes (pits, outlets, chambers)	17,016,674
Pipes	88,510,260
Culverts	35,712,300
Channels	10,230,160
Waterways under vehicular bridges	2,525,953
Creek Protection	1,061,660
Footbridges	1,498,394
TOTAL	156,555,401

Figure 5.1.1: ASSET AGE PROFILE



Stormwater Management Infrastructure assets typically have a long life, often in excess of 80 to 100 years. The majority of the City's underground Stormwater Management Infrastructure was constructed between 1950 and 1970.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2 below.

Table 5.1.2: KNOWN SERVICE PERFORMANCE DEFICIENCIES

Location	Service Deficiency
Trinity Valley	Level of flood protection provided
Joslin Valley	Level of flood protection provided
First Creek	Level of flood protection provided

The above service deficiencies have been identified through the Council's City Wide Floodplain Mapping and Long Term Drainage Program, together with operational reports and historical data. The identified service deficiencies are addressed systematically through the annual works programs and operational maintenance works wherever feasible.

5.1.3 Asset condition

The condition of assets should be monitored by undertaking a condition assessment of the Stormwater Management Infrastructure assets accessible from ground (e.g. pits and open channels) once every five (5) years. Annual CCTV inspections of some inaccessible underground assets (e.g. pipes and culvert) should be completed to systematically monitor asset condition.

A formal condition rating has not been historically provided with Stormwater Management Infrastructure condition assessments. The output has consisted of defects lists and associated maintenance requirements. The condition assessment rating system is to be formalised prior to the next condition data collection (scheduled for the 2025-2026 financial year).

5.2 Operational Maintenance Plan

Operational maintenance works focus on the efficiency of assets to ensure the achievement of organisational objectives and the improvement of performance. They include all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating.

Examples of typical operational maintenance activities include asset inspections and patch repairs.

Summary of forecast operational maintenance costs

Forecast operational maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operational maintenance costs are forecast to increase. If assets are disposed, the forecast operational maintenance costs are expected to decrease. Figure 5.2 below shows the forecast operational maintenance costs relative to the proposed operational maintenance Planned Budget.

Figure 5.2: OPERATIONAL MAINTENANCE SUMMARY

Operational maintenance costs remain consistent over the course of the AMP as the cost for the Stormwater Management Infrastructure Network are relatively stable due to the nature and location of the assets.

Upon completion of the Trinity Valley Stormwater Drainage Upgrade Project, the resulting additional operational costs will need to be monitored and reflected onto the LTFP accordingly. However, this increase in operational maintenance costs is forecasted to be minor in respect to the total operational maintenance costs for the Stormwater Management Infrastructure Network.

5.3 Renewal Plan

Renewal involves major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operational maintenance costs.

The typical “useful lives” of assets used to develop projected asset renewal forecasts are shown in Table 5.3 below.

Table 5.3: USEFUL LIVES OF ASSETS

Asset Category	Useful Life
Stormwater pipes, culverts, inlets and junction boxes	80 to 100 years
Footbridges	100 years
Reno Mattress and Gabion Walls	70 years
Pumps and Control Systems	10 to 20 years

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate; or

- to ensure the infrastructure is of sufficient quality to meet the service requirements.⁴

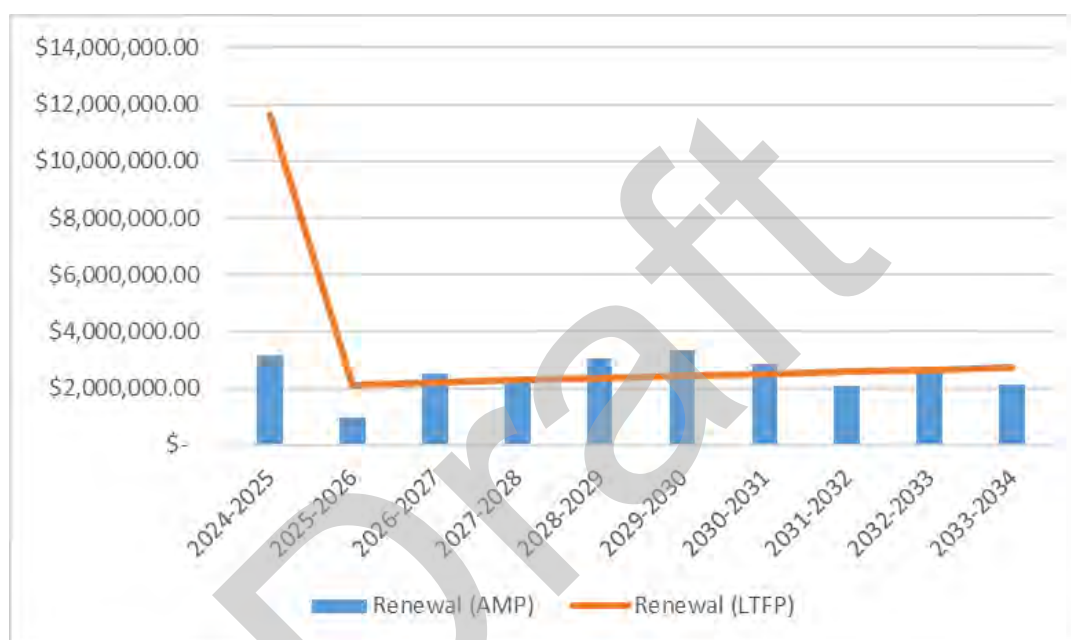
It is possible to prioritise renewals by identifying assets or asset groups that:

- have a high consequence of failure;
- have high use and subsequent impact on users would be significant;
- have higher than expected operational maintenance costs, and
- have potential to reduce life-cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁵

5.4 Summary of Future Renewal Costs

The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4 below.

Figure 5.4: FORECAST RENEWAL COSTS



The scheduling of identified renewal proposals is guided by Council’s City Wide Floodplain Mapping and Long Term Drainage Program (2019). One of the major projects identified in the program is the Trinity Valley Stormwater Drainage Upgrade Project. Initially, the Project entailed the renewal of existing assets within Trinity Valley, as well as minor upgrades of a number of sections of the stormwater drainage system. Therefore, the construction costs associated with this Project were identified as “Renewal”, and this is reflected in the LTFP.

As the Project progressed, it was deemed that major upgrade works are required to be undertaken to ensure that the Project objectives are met. To accurately capture the nature of the works, the “upgrade” component of the Project has been identified as “Acquisition” within the AMP. In isolation, Figure 5.4 above and Figure 5.5 in Section 5.5 illustrate a difference of totals between the AMP and LTFP numbers. However, when viewed holistically, the LTFP and AMP totals are approximately even, as illustrated in Figure 7.1.3 in Section 7.1.3.

Should there be resourcing issues, prioritisation of these renewals will need to be determined, with high-risk assets to be renewed when required and lower-risk assets being deferred.

⁴ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

⁵ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

5.5 Acquisition Plan

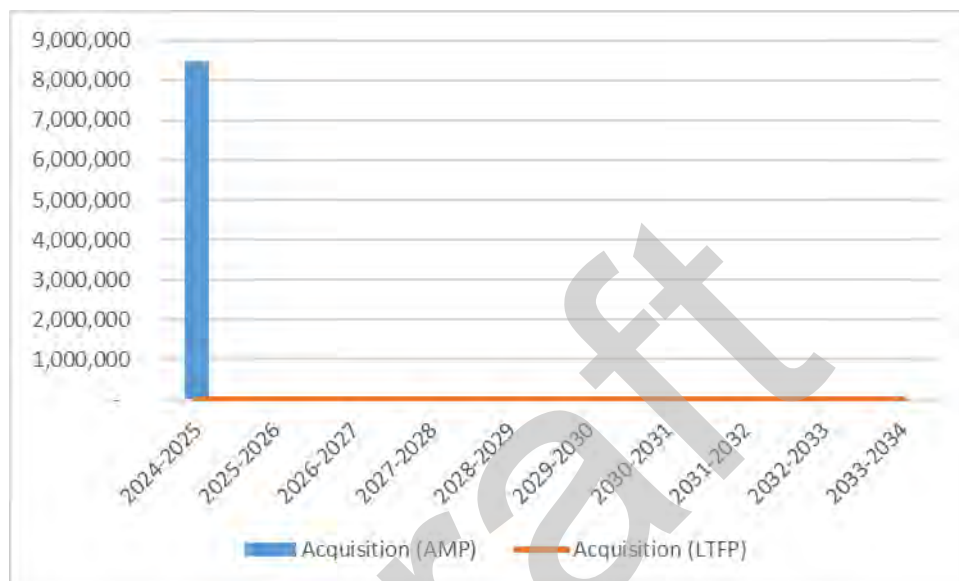
Acquisition reflects new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Council.

The acquisition projects included in the AMP are projects identified within Council's strategies.

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.5 below and shown relative to the proposed acquisition budget.

Figure 5.5: FORECAST ACQUISITION COSTS



The variance between the acquisition AMP and LTFP numbers illustrated in Figure 5.5 above is discussed in Section 5.4. It is important to note that, when viewed holistically, the LTFP and AMP totals are approximately even, as illustrated in Figure 7.1.3 in Section 7.1.3.

Within the Council area, there are major waterways which are partially located on privately-owned land without Council easements, hence the ownership and responsibility of maintenance is of the owner of the private property.

It is a matter which requires further consideration, as a failure of a privately-owned section of a major waterway will significantly impact the stormwater drainage system. While the Council can assist with remediation of these failure issues within private land, the absence of easements adds a layer of complexity.

The Council should remain alert of opportunities to secure ownership of the land or easement over these sections of major waterways (e.g., as part of major development works).

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation.

At this stage, there are no disposal costs forecasted in the next ten (10) years.

6.0 RISK MANAGEMENT PLANNING

The purpose of risk management associated with infrastructure assets is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’⁶.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery are summarised in Table 6.1 below.

Table 6.1: CRITICAL ASSETS

Critical Assets	Failure Mode	Impact
Footbridges	Degradation Third party damage	Service interruption
Outlets	Embankment collapse	Increased flood risk
Major culverts	Blockage	Increased flood risk

By identifying critical assets and failure modes, an organisation can ensure that investigative activities, condition inspection programs, operational maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

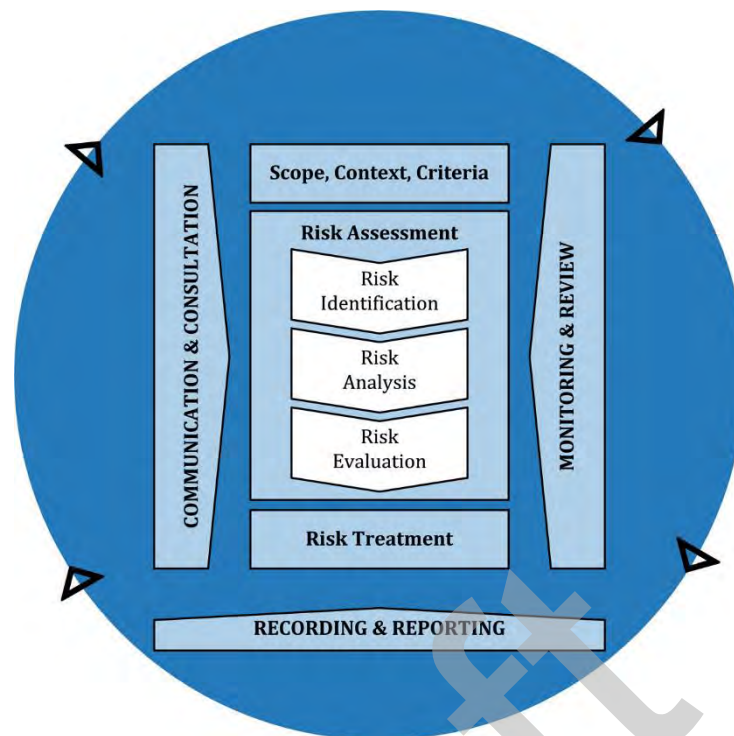
The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

⁶ ISO 31000:2009, p 2

Figure 6.2: RISK MANAGEMENT PROCESS – ABRIDGED



Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts or other consequences. This is outlined in Table 6.2 below.

Table 6.2: RISKS AND TREATMENT PLANS

Service or Asset at Risk	Risk Event	Impact Category	Risk Rating	Risk Treatment Plan	Residual Rating
Underground stormwater drainage assets	Potential for uninformed decision making, as a majority of assets are not visible	Service	Substantial (13)	Update condition data through CCTV works and review renewal program	Medium (17)
Side entry pits	Blockage due to debris and vegetation	Reputation	Substantial (13)	Monitor suitability of maintenance schedule and adjust accordingly (e.g., increase maintenance and inspections during high leaf fall periods)	Low (21)
Footbridges	Footbridge failure	Service / Reputation	Substantial (12)	Undertake periodic inspection and maintenance works	Medium (16)

6.3 Infrastructure Resilience Approach

The resilience of the Council's critical infrastructure is vital to the ongoing provision of services to the community. To adapt to changing conditions, the Council needs to understand its capacity to 'withstand a given level of stress or demand' and to respond to possible disruptions to ensure continuity of service.

Resilience is built on aspects such as response and recovery planning, financial capacity, climate change and crisis leadership.

The Council does not currently measure our resilience in service delivery. This will be included in future iterations of the AMP.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AMP are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What the Council cannot do

Works and services that cannot be provided under present funding levels are:

- undertaking of major acquisition works which are not set out in Council's LTFP; and
- provision of operational maintenance and renewal works above the current service levels.

6.4.2 Service trade-off

If there is forecast work (operational maintenance, renewal, acquisition or disposal) that cannot be undertaken due to insufficient resources, then this will result in service consequences for users. These service consequences include:

- frequency of flood events increasing due to increasing stormwater runoff;

- stormwater of poor quality entering the receiving waters and wider environment; and
- community expectations are not met.

6.4.3 Risk trade-off

The forecast works not being undertaken due to insufficient resources may sustain or create risk consequences. These risk consequences include:

- loss of service; and
- loss of the Council's reputation.

The Council will endeavour to manage these risks within the available funding allocation by:

- reacting to potential flood events with temporary mitigation measures;
- finding efficiencies within the current operational maintenance program; and
- prioritisation of renewal projects.

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7.0 FINANCIAL SUMMARY

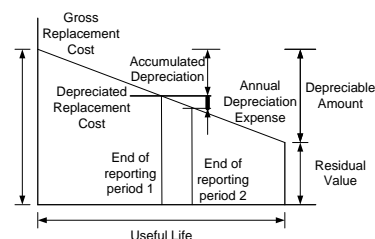
This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Statements and Projections

7.1.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at cost to replace service capacity:

Current (Gross) Replacement Cost	\$156,555,401
Depreciable Amount	\$156,555,401
Depreciated Replacement Cost ⁷	\$74,593,523
Depreciation during the 2022-2023 Financial Year	\$1,705,839



7.1.2 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area, namely:

- asset renewal funding ratio (proposed LTFP renewal budget for the next ten (10) years / forecast AMP renewal costs for next ten (10) years); and
- medium term forecast costs / proposed budget (over ten (10) years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio⁸ 134.33%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next ten (10) years, the Council expects to have 100% of the funds required for the optimal renewal of assets.

The variance between the acquisition AMP and LTFP numbers is discussed in Section 5.4. It is important to note that, when viewed holistically, the LTFP and AMP totals are approximately even, as illustrated in Figure 7.1.3 in Section 7.1.3.

Additionally, between 2025-2026 and 2033-2034, the total AMP renewal figure is approximately \$21.76 million and the LTFP renewal figure is approximately \$21.83 million. This results in an Asset Renewal Funding Ratio of 100.33% for those nine (9) years, which is within the target range of 90% to 110%.

The forecast renewal work along with the proposed renewal budget is illustrated in Appendix C.

Medium term – ten (10) year financial planning period

This AMP identifies the forecast operational maintenance and renewal costs required to provide an agreed level of service to the community over a ten (10) year period. This provides input into ten (10) year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the ten (10) year period to identify any funding shortfall.

The forecast AMP operational maintenance and renewal costs over the ten (10) year planning period is \$2,758,240 on average per year.

⁷ Also reported as Written Down Value, Carrying or Net Book Value.

⁸ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

The LTFP operational maintenance and renewal funding is \$3,605,594 on average per year, resulting in nil funding shortfall. This indicates that 100% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget.

Similar to the above, the variance between the AMP and LTFP numbers is discussed in Section 5.4. Additionally, the ratio is approximately 1.0 (100.01%) for the remaining nine years of the AMP timeframe.

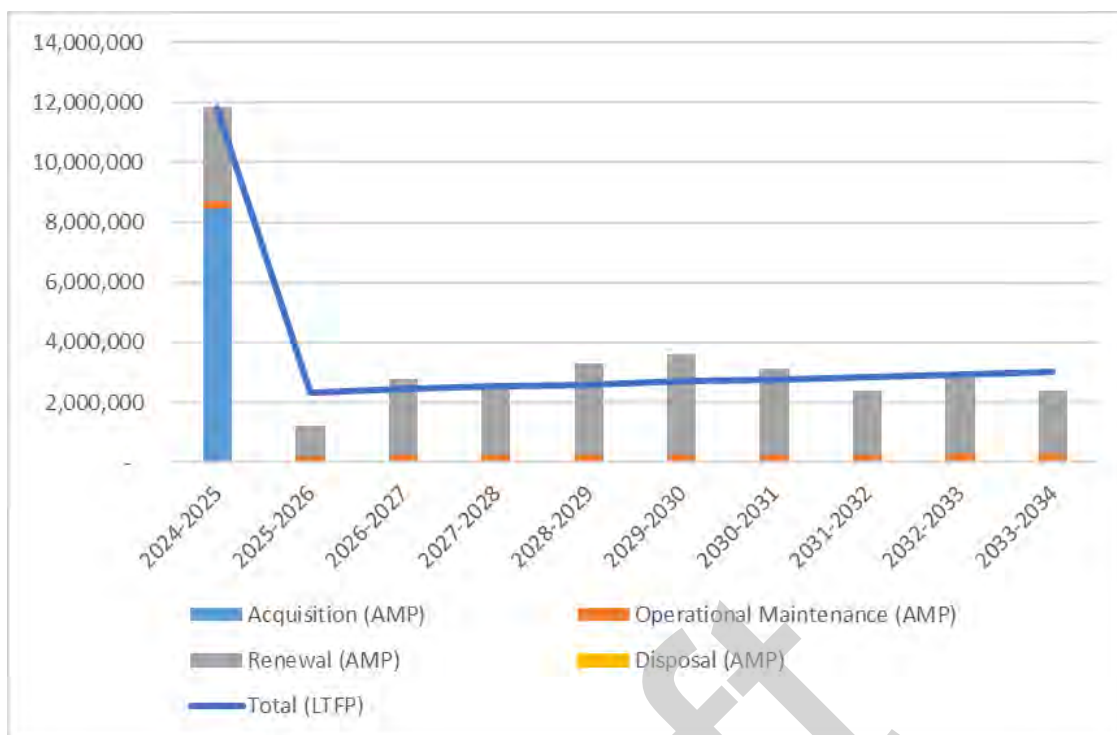
Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the ten (10) year life of the LTFP.

7.1.3 Forecast Costs (outlays) for the LTFP

A summary of the anticipated AMP forecast life-cycle costs compared with the LTFP planned budget are shown in Table 7.1.3 and Figure 7.1.3 below.

Table 7.1.3: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS

Year	Acquisition (AMP) (\$)	Operational Maintenance (AMP) (\$)	Renewal (AMP) (\$)	Disposal (AMP) (\$)	Total Budget (LTFP) (\$)
2024-2025	8,472,308	228,553	3,136,151	0	11,837,012
2025-2026	0	243,315	987,500	0	2,328,278
2026-2027	0	250,377	2,537,500	0	2,442,755
2027-2028	0	257,651	2,287,500	0	2,525,113
2028-2029	0	265,143	3,037,500	0	2,609,733
2029-2030	0	272,861	3,327,500	0	2,703,137
2030-2031	0	280,809	2,832,500	0	2,782,002
2031-2032	0	288,996	2,087,500	0	2,862,338
2032-2033	0	297,429	2,552,500	0	2,941,846
2033-2034	0	306,115	2,105,000	0	3,023,722

Figure 7.1.3: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS

7.2 Funding Strategy

The proposed funding for assets is outlined in the Council's Annual Budget and LTFP.

The Council's financial strategy outlines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to service.

Additional assets will generally add to the operational maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it has been necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- renewal costs have been based on professional judgement; and
- forecasted operational maintenance costs are based on previous expenditure for the same service levels.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on an A to E level scale⁹ in accordance with Table 7.5.1 below.

⁹ IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

Table 7.5.1: DATA CONFIDENCE GRADING SYSTEM

Confidence Grade	Description
A. Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 7.5.2 below.

Table 7.5.2: DATA CONFIDENCE ASSESSMENT FOR DATA USED IN AMP

Data	Confidence Assessment	Comment
Demand drivers	C	Based on development application trends, climate change data
Growth projections	C	Based on development application trends
Acquisition forecast	E	Future iterations of the AMP may incorporate opportunities to achieve acquisition through grant funding to enhance service level provision
Operational maintenance forecast	B	In line with previous years
Renewal forecast - Asset values	B	As per approved methodology
- Asset useful lives	B	Current estimates from asset register
- Condition modelling	C	Methodology and data capture to be updated
Disposal forecast	E	No disposal of assets anticipated

The estimated confidence level for and reliability of data used in this AMP is considered to be reliable.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

8.1.1 Accounting and financial data sources

The Council uses Authority and Conquest as its financial management and accounting systems. These systems have the capability to report the full lifecycle of assets, providing full transparency from acquisition to disposal.

8.1.2 Asset management data sources

The Council uses Conquest as its asset management system, and Spectrum Spatial as its geographical information system. There are plans to improve integration between the GIS data with the asset management register to provide a live and amalgamated asset data system.

8.2 Improvement Plan

It is important that the Council recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2 below.

Table 8.2: IMPROVEMENT PLAN

Task No.	Task	Responsibility	Resources Required	Timeline
1	Formalise ongoing monitoring and reporting of improvement plan tasks and performance measures	Project Manager, Assets	Manager, City Projects	1 year
2	Establish formal condition rating process of drainage infrastructure	Project Manager, Assets	Asset Consultants	1 year
3	Further develop risk assessment and management planning	Project Manager, Assets	Project Officer, Assets and Asset Consultants	2 years
4	Improve GIS data storage system integration with asset database	Project Manager, Assets	Information Services, Consultants	3 years
5	Review resilience of critical infrastructure	Project Manager, Assets	City Assets and Asset Consultants	4 years

8.3 Monitoring and Review Procedures

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operational maintenance, renewals, acquisition and disposal costs and proposed budgets. These forecast costs and proposed budget are incorporated into the LTFP or will be incorporated into the LTFP once completed.

The AMP has a maximum life of four (4) years and is due for complete revision and updating within two (2) years of each Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- the degree to which the required forecast costs identified in this AMP are incorporated into the LTFP;
- the degree to which the short-term detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the AMP;
- the Asset Renewal Funding Ratio achieving the Organisational Target (this target is often 1.0).

9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM;
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/namsplus;
- IPWEA, 2015, 2nd edn., 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMM;
- IPWEA, 2015, 3rd edn., 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM;
- IPWEA, 2012 LTFP Practice Note 6 PN Long-Term Financial Plan, Institute of Public Works Engineering Australasia, Sydney;
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines;
- *CityPlan 2030: Shaping Our Future*;
- Long Term Financial Plan;
- Annual Business Plan;
- City Wide Floodplain Mapping and Long Term Drainage Program;
- Asset Management Policy; and
- City of Norwood Payneham & St Peters Community Survey Report.

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10.0 APPENDICES

Appendix A

Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

The scheduling of identified acquisition projects is guided by Council’s City Wide Floodplain Mapping and Long Term Drainage Program.

A.2 – Acquisition Forecast Summary

Table A2: ACQUISITION FORECAST SUMMARY

Year	Acquisition (AMP) (\$)	Acquisition (LTFP) (\$)
2024-2025	8,472,308	0
2025-2026	0	0
2026-2027	0	0
2027-2028	0	0
2028-2029	0	0
2029-2030	0	0
2030-2031	0	0
2031-2032	0	0
2032-2033	0	0
2033-2034	0	0

Appendix B

Operational Maintenance Forecast

B.1 – Operational Maintenance Forecast Assumptions and Source

The operational maintenance forecast has been based on previous expenditure for the same service levels.

B.2 – Operational Maintenance Forecast Summary

Table B2: OPERATIONAL MAINTENANCE FORECAST SUMMARY

Year	Operational Maintenance (AMP) (\$)	Operational Maintenance (LTFP) (\$)
2024-2025	228,553	228,553
2025-2026	243,315	235,410
2026-2027	250,377	242,472
2027-2028	257,651	249,746
2028-2029	265,143	257,238
2029-2030	272,861	264,956
2030-2031	280,809	272,904
2031-2032	288,996	281,091
2032-2033	297,429	289,524
2033-2034	306,115	298,210

Appendix C

Renewal Forecast Summary

C.1 – Renewal Forecast Assumptions and Source

The scheduling of identified renewal proposals is guided by Council's City Wide Floodplain Mapping and Long Term Drainage Program.

C.2 – Renewal Forecast Summary

Table C2: RENEWAL FORECAST SUMMARY

Year	Renewal (AMP) (\$)	Renewal (LTFP) (\$)
2024-2025	3,136,151	11,608,459
2025-2026	987,500	2,092,868
2026-2027	2,537,500	2,200,283
2027-2028	2,287,500	2,275,367
2028-2029	3,037,500	2,352,495
2029-2030	3,327,500	2,438,181
2030-2031	2,832,500	2,509,098
2031-2032	2,087,500	2,581,247
2032-2033	2,552,500	2,652,322
2033-2034	2,105,000	2,725,512

Appendix D

Disposal Summary

D.1 – Disposal Forecast Assumptions and Source

No disposals have been forecast over the AMP period.

D.2 – Disposal Forecast Summary

Table D2: DISPOSAL ACTIVITY SUMMARY

Year	Disposal (AMP) (\$)	Disposal (LTFP) (\$)
2024-2025	0	0
2025-2026	0	0
2026-2027	0	0
2027-2028	0	0
2028-2029	0	0
2029-2030	0	0
2030-2031	0	0
2031-2032	0	0
2032-2033	0	0
2033-2034	0	0

Draft

7.2 PAYNEHAM MEMORIAL SWIMMING CENTRE REDEVELOPMENT PROJECT RISKS

REPORT AUTHOR: Manager, City Projects
GENERAL MANAGER: General Manager, Infrastructure & Major Projects
CONTACT NUMBER: 8366 4523
FILE REFERENCE: qA75100
ATTACHMENTS: A

PURPOSE OF REPORT

To report on the status of the risks associated with the Payneham Memorial Swimming Centre (PMSC) Redevelopment Project.

BACKGROUND

At the Special Meeting of Council held on 11 December 2023, the Council received and considered the Minutes of the Special Meeting of the Audit & Risk Committee held on 6 December 2023 and resolved to adopt the following resolutions of the Committee as decisions of the Council.

That the Audit & Risk Committee recommends to the Council that:

- *the Chief Executive Officer receive monthly reports regarding the Payneham Memorial Swimming Centre Project Risks that have a residual rating of high and extreme;*
- *a report be presented on a quarterly basis to the Council's Audit & Risk Committee whilst those risks remain at high and extreme; and*
- *the Council continually diligently manages the Projects set out in the Long-Term Financial Plan and strategies to ensure that the Council's key financial indicators return to the following target levels:*
 - *Operating Surplus Ratio within 3 years, and*
 - *Net Financial Liabilities Ratio within 10 years or earlier is possible.*

This report therefore provides information to the Committee regarding the status of the risks that have a residual rating of high and/or extreme.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Project risks are being managed in accordance with the Council's *Risk Management Policy & Procedure* and the Project Risk Register for this Project.

CONSULTATION

Not applicable.

DISCUSSION

Table 1 below includes the risks contained in the Prudential Management Report for the *Payneham Memorial Swimming Centre Redevelopment Project May 2023 – Updated December 2023*, that have a residual risk level of High or Extreme.

TABLE 1

Risk #	Risk Description	Residual Risk Level (Dec 2023)	Current Risk Level (July 2024)	Comments
1	Tendered prices are in excess of the Council's existing budget	High	No longer applicable	The risk eventuated and the Council made the decision to increase the Project budget.
2	Design cannot achieve an acceptable Project outcome within the Council's existing budget	High	No longer applicable	The risk eventuated and the Council made the decision to increase the Project budget.
22	Negative sentiment in the community regarding the expenditure of funds and value for money and potential increase in project budget for the new swimming centre	Extreme	Substantial	The risk has been downgraded as the risk has largely eventuated and dealt with through ABP process. There is no longer an 'extreme risk' for the project to manage.
23	Increased community frustration at closure of pool pre-construction and during construction delivery due to both the PMSC and North Adelaide Aquatic Centre being closed at the same time.	High	Substantial	The Council has been providing information on the Project and promoting the use of the Norwood Swimming Centre during the closure of the PMSC. The North Adelaide Aquatic Centre is now under construction. The current controls are effective and the risk has been downgraded to substantial.
24	Redevelopment of the PMSC may highlight the Norwood Swimming Centre being outdated resulting in pressure from the community to upgrade.	High	No longer applicable	The Council is currently undertaking a building compliance, access and safety audit of the Norwood Swimming Centre and has allocated funds from the Renewal Budget in the 2024-2025 Budget to remedy some of the urgent issues. This risk has been deleted from the Project Risk Register (July 2024)
25	Cost for new PMSC impacts Council's long term financial position resulting in unacceptable constraints on services / capital works delivery.	Extreme	Substantial	The Council's Long Term Financial Plan includes the full cost of the PMSC Project. Council staff are managing the Project costs within the budget and working with the contractor to identify savings where possible.

The current Project Risk Register dated 16 July 2024, is contained in **Attachment A**. The Project risks that have eventuated and/or are no longer applicable, have been highlighted in 'grey' and marked as 'closed'. For the remaining risks that have not been identified, the proposed controls have reduced the residual risk level within tolerable limits except for Risk #14.

As the Project Risk Register is regularly reviewed, some adjustments have been made to risk controls, risk impact and risk likelihood, which in turn impacts on residual risk ratings. The only change from the Project Risk Register that is contained in the *Prudential Management Report – Dec 2023* that requires reporting, is Risk #14 relating to inadequate car parking for users following completion of the Project. The 'likelihood' category has been adjusted to 'likely' from 'possible', resulting in a residual risk of 'high' which requires reporting to the Council's Audit & Risk Committee.

Risk #14 exists as the construction of a multideck carpark identified in the Patterson Reserve Masterplan is 'out of scope' for this Project. Carparking is expected to be an issue through peak usage periods as the carparking requirement could exceed the current carparking provision, resulting in reputational risk for Council.

To mitigate the impact, Council staff have identified an opportunity to negotiate with the adjoining property owner to determine if an arrangement can be entered into to use their under-utilised carpark.

An additional opportunity is being developed to provide a new connection from the pool facility to the carpark which will, if constructed, assist in mitigating the impact of carparking demand.

OPTIONS

This report is provided for information purposes only and as such, there are no options for the Committee to consider.

CONCLUSION

Several Project risks are now 'closed' because the contract has been awarded and the progress of the Project to date. As delivery the Project continues, the risks related to contract, contractor issues and contamination, are expected to reduce.

There remain some risks relating to the sustainable operations, asset management and maintenance associated with the PMSC, which will continue to be monitored and managed on an ongoing basis.

COMMENTS

The risks identified in this risk register are separate entirely to the Project delivery risk register which is maintained by the head contractor and reviewed by Council Staff.

RECOMMENDATION

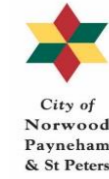
That the report be received and noted.

Attachment A

Payneham Memorial Swimming Centre Redevelopment Project Risks



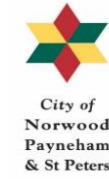
Project Risk Register



Department:	Infrastructure & Major Projects	Project Name:	Payneham Memorial Swimming Centre	Date Created:	28-Nov-22
Section / Unit:	City Projects	Project Description:	Demolition of existing Swimming Centre and construction of new building, indoor 25 metre and learner's pools, an outdoor 50 metre pool, water play area and waterslides	Date Revised :	16-Jul-24
Location:	OG Road, Felixstow			Revised by	J Barnes, M Moshos
Project Manager:	Manager, City Projects			Budget:	\$60 Million

Risk #	What, When & Why	INHERENT CONTROLS & RISKS					ADDITIONAL CONTROLS NEEDED		RESIDUAL RISK			Risk Owner(s) (Who is Responsible)	Status	Comments		
		Risk Consequence (Simple description - i.e. what the outcome will be?)	Existing Likelihood Controls	Existing Impact Controls	Likelihood (See definitions)	Impact Level (See Impact Definitions)	Inherent Risk Level (Link to Risk Matrix)	Additional Likelihood Controls	Additional Impact Controls	Revised Likelihood (see definitions)	Revised Impact Level (See Impact Definitions)				Residual Risk Level (Link to Risk Matrix)	
1	Tendered prices are in excess of the Council's existing budget	People			Almost Certain	People		<ul style="list-style-type: none"> Ensure clear and comprehensive reporting to Council with options to increase budget (e.g. additional borrowings, rate increase) for the LTFP 	<ul style="list-style-type: none"> Increase budget Reduce or adjust scope 	Almost Certain	People		CEO	Closed	Additional budget approved	
		Financial	additional funding required	<ul style="list-style-type: none"> Prepare Prudential Management Report Procurement process, risk assessment identifying contingency needs Prepare detailed cost estimates 		Catastrophic	Extreme 1				Financial	Minor				High 10
		Services	project aborted or delayed			Major	Extreme 4				Services	Minor				High 10
		Reputation	local / state media coverage			Major	Extreme 4				Reputation	Moderate				High 8
		Environment		<ul style="list-style-type: none"> Adjust the timing of tender in consultation with builders to maximise competition Work with tenderers to identify cost savings Cost consultant to review tender prices 			Environment									
		Regulatory					Regulatory									
2	Design cannot achieve an acceptable Project outcome within the Council's existing budget	People			Almost Certain	People		<ul style="list-style-type: none"> Ensure clear and comprehensive reporting to Council with options to increase budget (e.g. additional borrowings, rate increase) for the LTFP 	<ul style="list-style-type: none"> Increase budget Adjust scope 	Almost Certain	People		CEO	Closed	Additional budget approved	
		Financial		<ul style="list-style-type: none"> Prepare Prudential Management Report Procurement process, risk assessment identifying contingency needs Prepare detailed cost estimates 		Major	Extreme 4				Financial	Minor				High 10
		Services	project aborted or delayed / scope reductions			Major	Extreme 4				Services	Minor				High 10
		Reputation	local / state media coverage			Major	Extreme 4				Reputation	Minor				High 10
		Environment		<ul style="list-style-type: none"> Work with tenderers to identify cost savings 			Environment									
		Regulatory					Regulatory									
3	Conditions of state government grant funding not being met	People			Unlikely	People		<ul style="list-style-type: none"> Maintain regular communications with State Government during works, including approval of project communications 		Very Unlikely	People		Manager, City Projects	Open	Controls in place. Contract awarded that includes required elements for state gov funding	
		Financial	Council loses grant	<ul style="list-style-type: none"> Liaising with State Government re: program and providing regular updates Utilise contractor's program to update realistic milestones Ensure funding deed requirements are included in the contract Amend Grant with Minister's approval (required prior to contract execution) 		Major	Substantial 12				Financial	Major				Medium 16
		Services	Project cannot proceed			Major	Substantial 12				Services	Major				Medium 16
		Reputation	local / state media coverage			Moderate	Medium 17				Reputation	Moderate				Medium 18
		Environment					Environment									
		Regulatory					Regulatory									
4	Escalating costs / inflation in tender prices	People			Likely	People		<ul style="list-style-type: none"> Work with tenderers to identify escalation risks and controls Execute a Fixed Lump Sum Price contract that isn't subject to rise and fall Ensure early procurement of goods and materials by contractor 		Possible	People		Manager, City Projects	Closed	Contract Awarded	
		Financial	variations	<ul style="list-style-type: none"> Adjust the timing of tender in consultation with builders to maximise competition Lump sum tender procurement method 		Minor	Substantial 14				Financial	Minor				Medium 19
		Services					Services									
		Reputation					Reputation									
		Environment					Environment									
		Regulatory					Regulatory									
5	Non-compliance with Aquatic facility safety standards and operational requirements	People			Unlikely	People		<ul style="list-style-type: none"> builder to get RLSSA check on D&C elements (e.g. slide) Ensure testing and commissioning, training and handover is undertaken in accordance with the contract 		Very Unlikely	People		Manager, City Projects	Open		
		Financial	variations, increased operational costs	<ul style="list-style-type: none"> Design to AS Independent Audit of design by RLSSA obtain building certification engage suitable superintendent 		Minor	Low 21				Financial	Minor				Low 22
		Services	limitations on use			Major	Substantial 12				Services	Major				Medium 16
		Reputation	local / state media coverage			Moderate	Medium 17				Reputation	Moderate				Medium 18
		Environment					Environment									
		Regulatory					Regulatory									
		People				People					People					
		Financial		<ul style="list-style-type: none"> Provide all required info to consultant preparing the 			Financial									

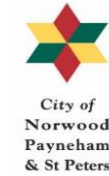
Project Risk Register



Department:	Infrastructure & Major Projects	Project Name:	Payneham Memorial Swimming Centre	Date Created:	28-Nov-22
Section / Unit:	City Projects	Project Description:	Demolition of existing Swimming Centre and construction of new building, indoor 25 metre and learner's pools, an outdoor 50 metre pool, water play area and waterslides	Date Revised :	16-Jul-24
Location:	OG Road, Felixstow			Revised by	J Barnes, M Moshos
Project Manager:	Manager, City Projects			Budget:	\$60 Million

Risk #	What, When & Why	INHERENT CONTROLS & RISKS					ADDITIONAL CONTROLS NEEDED		RESIDUAL RISK			Risk Owner(s) (Who is Responsible)	Status	Comments		
		Risk Consequence (Simple description - i.e. what the outcome will be?)		Existing Likelihood Controls	Existing Impact Controls	Likelihood (See definitions)	Impact Level (See Impact Definitions)	Inherent Risk Level (Link to Risk Matrix)	Additional Likelihood Controls	Additional Impact Controls	Revised Likelihood (see definitions)				Revised Impact Level (See Impact Definitions)	Residual Risk Level (Link to Risk Matrix)
6	Prudential report recommends not to proceed with the project or spend additional unbudgeted funds	Services	project doesn't proceed	Prudential Issues Report • Prudential report to be presented to audit committee and Council • Prudential report to be revised following tender	Possible	Services	Major	• Council to review LTFP and delivery of future projects		Unlikely	Services	Major	Substantial 12	GM, Governance & Civic Affairs	Closed	Prudential report provided to R&A Committee and Council
		Reputation	local / state media coverage			Reputation	Moderate				Substantial 13					
		Environment				Environment										
		Regulatory				Regulatory										
7	Failure to determine appropriate operational model and establish / implement for pool opening	People	unavailable / inadequate resources	• Investigate outsourcing operating model as an option	Likely	People	Moderate	• Include adequate time for testing and commissioning prior to opening - Engage consultant to assist with modelling preferred operating model	• Council endorsement of operational model • Successful approach to market	Unlikely	People	Moderate	Medium 17	GM, Community Development	Open	Consultant engaged to review and update operating model and advise regarding market conditions
		Financial	insufficient budget / high operating costs			Financial										
		Services	limitations on facility use			Services	Major				Extreme 5					
		Reputation	local / state media coverage			Reputation	Major				Extreme 5					
		Environment				Environment										
		Regulatory				Regulatory										
8	Inadequate / Improper Asset Maintenance and Renewal	People		• documentation review by asset managers and PMSC Manager • Confirm warranty items and periods for contract award	Possible	People		• Maintenance and Operations Manuals to be provided by Contractor • Assets to be registered and included in Council's annual maintenance program • Ensure warranties provided at PC match the contract requirements		Unlikely	People			Manager, City Projects	Open	Risk owner will likely shift. Minor restructure proposed in GM I&MP to improve accountability re. facilities.
		Financial	Increased operational / unplanned maintenance costs			Financial	Minor				Medium 19					
		Services	limitations on facility use			Services	Major				High 7					
		Reputation	local / state media coverage			Reputation	Moderate				Substantial 13					
		Environment				Environment										
		Regulatory				Regulatory										
9	Latent conditions and existing services not identified	People		• Detailed survey undertaken • Undertake soil testing and services investigations during design • Consultation with services authorities • Undertake additional geotech and contamination testing to provide a better base level of knowledge of the site • Provide all reports to tenderers for information • Provide clear contract definitions and controls regarding latent conditions	Unlikely	People				Unlikely	People			Manager, City Projects	Open	
		Financial	variations increasing costs			Financial	Minor				Low 21					
		Services				Services										
		Reputation				Reputation										
		Environment				Environment										
		Regulatory				Regulatory										

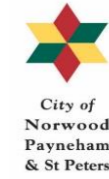
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Risk #	What, When & Why	INHERENT CONTROLS & RISKS					ADDITIONAL CONTROLS NEEDED		RESIDUAL RISK			Risk Owner(s) (Who is Responsible)	Status	Comments			
		Risk Consequence (Simple description - i.e. what the outcome will be?)		Existing Likelihood Controls	Existing Impact Controls	Likelihood (See definitions)	Impact Level (See Impact Definitions)	Inherent Risk Level (Link to Risk Matrix)	Additional Likelihood Controls	Additional Impact Controls	Revised Likelihood (see definitions)				Revised Impact Level (See Impact Definitions)	Residual Risk Level (Link to Risk Matrix)	
10	Asbestos or contaminated materials found on site	People	human exposure	<ul style="list-style-type: none"> Identify asbestos from building register Undertake contamination testing Develop Construction Environmental Management Plan Undertake additional site investigations for asbestos pipes 	Likely	People	Minor	clear conditions in contract for dealing with additional material	<ul style="list-style-type: none"> Implementation of Construction Environmental Management Plan required by the contract 	Likely	People	Insignificant	Medium 20	Manager, City Projects	Open	Very close to project being 'out of the ground'	
		Financial	variations increasing costs			Financial	Minor				Financial	Insignificant					Medium 20
		Services				Services					Services						
		Reputation	local / state media coverage			Reputation	Moderate				High 9	Insignificant					Medium 20
		Environment				Environment					Environment						
		Regulatory				Regulatory					Regulatory						
11	Damage to a regulated tree	People		<ul style="list-style-type: none"> Obtain development approval Prepare tree protection plan 	Possible	People		Enforce requirements in contract docs to: <ul style="list-style-type: none"> Safeguard regulated tree to avoid damage caused by construction. Utilise arborist to supervise works near regulated trees 	Possible	People		Low 23	Manager, City Projects	Open			
		Financial	fine to Council or Contractor			Financial	Insignificant			Low 23							
		Services				Services				Services							
		Reputation	local community interest			Reputation	Moderate			Substantial 13	Insignificant					Low 23	
		Environment	Loss of habitat / canopy or death of tree			Environment	Moderate			Substantial 13	Insignificant					Low 23	
		Regulatory				Regulatory				Regulatory							
12	Adverse environmental impacts on Patterson Reserve Precinct	People		<ul style="list-style-type: none"> Contractual requirements Assess environmental accreditation of contractors 	Possible	People		<ul style="list-style-type: none"> Superintendent to ensure dust, sediment, noise and other nuisances are kept within EPA guidelines during construction per contract requirements 	Possible	People		Low 23	Manager, City Projects	open			
		Financial	variations			Financial	Minor			Medium 19							
		Services	Staff resources to control remediation			Services	Insignificant			Low 23							
		Reputation	local community interest			Reputation	Moderate			Substantial 13	Minor					Medium 19	
		Environment	dust, sediment, noise affecting residents and businesses			Environment	Minor			Medium 19	Insignificant					Low 23	
		Regulatory				Regulatory				Regulatory							
13	Incorrect / unrealistic public expectations	People		<ul style="list-style-type: none"> add project information to website install project information signage provide project information in Look East and other Council publications 	Likely	People		<ul style="list-style-type: none"> continue to update website and provide information in Council publications Develop and implement a comprehensive project communications plan 	Possible	People		Substantial 13	Manager, City Projects	Open			
		Financial				Financial				Financial							
		Services				Services				Services							
		Reputation	local community interest			Reputation	Moderate			High 9	Moderate					Substantial 13	
		Environment				Environment				Environment							
		Regulatory				Regulatory				Regulatory							
14	Inadequate car parking for users following redevelopment	People		<ul style="list-style-type: none"> include additional car parking near Library in project scope discuss future car park use with adjacent landowner 	Likely	People		<ul style="list-style-type: none"> negotiate with adjoining owner to gain access to adjacent unused carpark for interim 	Likely	People		Substantial 14	GM, Community Development	Open	As Patterson Reserve masterplan car park is 'out of scope' Opportunity to connect Library carparks o the Pool facility being explored.		
		Financial	loss of revenue due to limited use of facility			Financial	Moderate			High 9	Minor					Substantial 14	
		Services				Services				Services							
		Reputation	widespread community interest			Reputation	Major			Extreme 5	Moderate					High 9	
		Environment				Environment				Environment							
		Regulatory				Regulatory				Regulatory							
15	Changes in scope of project are not reconsidered against planning consent which delays the granting of Development Approval	People		<ul style="list-style-type: none"> Private Certifier review of Planning Approved Plans vs Building Approved Plans should identify changes requiring approval Ensure amended planning application is lodged 	Very Unlikely	People		<ul style="list-style-type: none"> Obtain Development Approval 	Very Unlikely	People		Low 25	Manager, City Projects	Closed	Approvals granted		
		Financial				Financial				Financial							
		Services				Services				Services							
		Reputation	delays causing widespread community interest			Reputation	Minor			Low 22	Insignificant					Low 25	
		Environment				Environment				Environment							
		Regulatory				Regulatory				Regulatory							

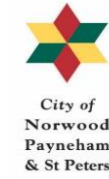
Project Risk Register



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		Risk Consequence (Simple description - i.e. what the outcome will be?)	Existing Likelihood Controls	Existing Impact Controls	Likelihood (See definitions)	Impact Level (See Impact Definitions)	Inherent Risk Level (Link to Risk Matrix)	Additional Likelihood Controls	Additional Impact Controls	Revised Likelihood (see definitions)	Revised Impact Level (See Impact Definitions)				Residual Risk Level (Link to Risk Matrix)	
16	Conditions of Planning Consent (relating to approved plans, stormwater management and detention, tree protection use of driveways/carparks, landscaping plan) not adhered to	People	non compliance causing widespread community interest	Architect to be provided copy of conditions of Planning Consent with instructions to ensure sub consultants review and report back • Ensure amended planning application is lodged to deal with inconsistencies in conditions • Provide DA to tenderers • Superintendent to administer the contract	Unlikely	People	Minor	Low 21	Builder to obtain DA for D&C elements and to follow the conditions of the DA as part of the contract	Very Unlikely	People	Minor	Low 22	Manager, City Projects	Open	
		Financial				Regulatory					Regulatory					
		Services				Regulatory					Regulatory					
		Reputation				Regulatory					Regulatory					
		Environment				Regulatory					Regulatory					
		Regulatory				Regulatory					Regulatory					
17	Contractual Issues with Head Contractor	People	Delays, EOTs, claims for unsubstantiated variations, difficult working relationship	Engage experienced contract law solicitors and project management consultants to prepare the contract and tender documents • Tender/Contract documents to include all relevant reports/information (i.e. prelim site report, asbestos report, subsequent testing results, CEMP, RMP etc) • Undertake due diligence (financial and performance) investigations on the contractors prior to appointment • Undertake robust tender assessment • Engage experienced superintendent who can act independently as per the contract when required • Implement Contract Management Plan (CMP) • Establish project reference group	Possible	People	Moderate	Substantial 13	Appropriate management meetings implemented across all levels of project. Develop project metrics PMP in place Appropriate resourcing of project management and superintendency	Unlikely	People	Moderate	Medium 17	Manager, City Projects	Open	
		Financial				Regulatory					Regulatory					
		Services				Regulatory					Regulatory					
		Reputation				Regulatory					Regulatory					
		Environment				Regulatory					Regulatory					
		Regulatory				Regulatory					Regulatory					
18	Contractor causes damage to surrounding properties - mainly Council owned i.e. Library building/carpark/trees, pool carpark and trees, footpaths, street trees/signage, stormwater infrastructure etc	People	cost of remediation/taking action/cost recovery	require contractor to undertake a dilapidation inspection and prepare a report to ensure the starting condition is identified	Possible	People	Minor	Medium 19	regular on site inspections of surrounding council property to note any damages and raise ASAP with contractor	Unlikely	People	Minor	Low 21	Manager, City Projects	Open	
		Financial				Regulatory					Regulatory					
		Services				Regulatory					Regulatory					
		Reputation				Regulatory					Regulatory					
		Environment				Regulatory					Regulatory					
		Regulatory				Regulatory					Regulatory					
19	Complaints (and possibly legal action) from tenderers or other interested parties about the tender process and selection process leading to legal action and possible delays to the project	People	costs of legal advice, legal action, possible costs/damages of losing the matter	SA Tenders used for tendering • Architect to keep track of and manage all RFIs • Tender conditions to be clear as to whether and when non-conforming tenders can be considered • Engage an experienced probity consultant to oversee the probity issues associated with the tender and tender selection process	Unlikely	People	Minor	Low 21		Unlikely	People	Insignificant	Low 24	Manager, City Projects	Open	Unlikely to eventuate
		Financial				Regulatory					Regulatory					
		Services				Regulatory					Regulatory					
		Reputation				Regulatory					Regulatory					
		Environment				Regulatory					Regulatory					
		Regulatory				Regulatory					Regulatory					
		People		contract to stipulate standard working hours from 7am to 5pm		People			Ensure Contractor provides notices to surrounding properties and organises trucks to be parked in areas		People					
		Financial				Regulatory					Regulatory					

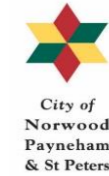
Project Risk Register



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Project Manager:	Manager, City Projects			Budget:	\$60 Million

Risk #	What, When & Why	INHERENT CONTROLS & RISKS					ADDITIONAL CONTROLS NEEDED		RESIDUAL RISK			Risk Owner(s) <small>(Who is Responsible)</small>	Status	Comments			
		Risk Consequence <small>(Simple description - i.e. what the outcome will be?)</small>	Existing Likelihood Controls	Existing Impact Controls	Likelihood <small>(See definitions)</small>	Impact Level <small>(See Impact Definitions)</small>	Inherent Risk Level <small>(Link to Risk Matrix)</small>	Additional Likelihood Controls	Additional Impact Controls	Revised Likelihood <small>(see definitions)</small>	Revised Impact Level <small>(See Impact Definitions)</small>				Residual Risk Level <small>(Link to Risk Matrix)</small>		
20	Complaints about noise and truck traffic, etc (e.g. early morning concrete pours)	Services Reputation Environment Regulatory	on weekdays, and Saturdays • Superintendent to administer contract • Contractor to implement controls outlines in project CNVMP		Possible	Services Reputation Environment Regulatory	Minor	Medium 19	where residents are less likely to be disturbed • Council to include such details in the Communications Plan and post timely information on all available and relevant media		Unlikely	Services Reputation Environment Regulatory	Minor	Low 21	Manager, City Projects	Open	no complaints so far

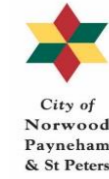
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21	Activities on site affecting adjacent property tenant (DXC) who provides essential IT services for key/important State and Fed Government entities	People	<ul style="list-style-type: none"> Contractor required to adhere to EPA standards in relation to noise, dust and other environmental matters Undertake noise and vibration investigations to inform Council and DXC of the possible impacts. Engage with DXC to determine level of disturbance that may be created by site activities and then adjust work practices to suit. Ensure the contract and specifications is clear on what is required of the contractor in regards to this matter. Liaise with DXC to undertake further vibration testing by contractor prior to Superintendent approving work method 		Unlikely	People	Minor	Low 21	Unlikely	People	Minor	Low 21	Manager, City Projects	Open	
		Financial				Financial				Financial					
		Services				Services				Services					
		Reputation				Reputation				Reputation					
		Environment				Environment				Environment					
		Regulatory				Regulatory				Regulatory					
22	Negative sentiment in the community regarding the expenditure of funds and value for money and potential increase in project budget for the new swimming centre	People	<ul style="list-style-type: none"> Redevelopment announced via media release and information provided on the website. Development of strategic communications strategy to guide activities to occur at major milestones (including budget changes) Providing further information on the evolution of the project i.e., what happened after initial consultation on a possible refurbishment and Council's decision making process Promotion of new design and linkage to community feedback and market intelligence. 		Possible	People	Moderate	Substantial 13	Possible	People	Moderate	Substantial 13	CEO	Open	
		Financial				Financial				Financial					
		Services				Services				Services					
		Reputation				Reputation				Reputation					
		Environment				Environment				Environment					
		Regulatory				Regulatory				Regulatory					
23	Increased community frustration at closure of pool pre-construction and during construction delivery due to both the PMSC and North Adelaide Aquatic Centre being closed at the same time.	People	<ul style="list-style-type: none"> Provide information on new redevelopment and promotion of the Norwood Swimming Centre. Keeping the community informed on progress of redevelopment via a range of channels and potentially undertaking site tours at later stages Work with other community facility pools to promote other available sites. Keep informed regarding North Adelaide progress to assist in managing communications. 		Possible	People	Moderate	Substantial 13	Possible	People	Moderate	Substantial 13	GM Infrastructure & Major Projects	Open	
		Financial				Financial				Financial					
		Services				Services				Services					
		Reputation				Reputation				Reputation					
		Environment				Environment				Environment					
		Regulatory				Regulatory				Regulatory					

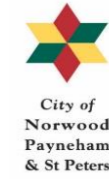
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25	Cost for new PMSC impacts Council's long term financial position resulting in unacceptable constraints on services / capital works delivery.	People			Unlikely	People			Unlikely	People			CFO	Open	
		Financial	Impact to long term financial position.	• Council review of the Long Term Financial Plan. • Review of the Prudential Report to align with tender price		Financial	Major	Substantial 12		Financial	Major	Substantial 12			
		Services		• Involvement of financial advisors and CFO to manage budget allocations.		Services				Services					
		Reputation	Council are criticised for expenditure and impact to other activities.	• Establishment of cost controls during delivery of project and monitoring of expenditure in line with approved budget.		Reputation	Major	Substantial 12		Reputation	Major	Substantial 12			
		Environment		• Scope management that requires delegated authority sign-off on scope growth. • Establishment of a commercial agreement that minimises Council's exposure to additional costs during Contract delivery.		Environment				Environment					
26	Internal communications between project delivery and operations manager does not support efficient planning and preparation for 'go live' (operations phase).	People	Operations team lack timely information to plan for a seamless transition into		Possible	People	Moderate	Substantial 13	Unlikely	People	Moderate	Medium 17	Manager, City Projects	Open	
		Financial	The new PMSC is delayed in opening, resulting in reduced subsidy revenue.			Financial	Moderate	Substantial 13		Financial	Minor	Low 21			
		Services	Quality of service offering to the community is impacted negatively.			Services	Moderate	Substantial 13		Services	Moderate	Medium 17			
		Reputation	Community expectations on service levels and preparedness to operate the new facility			Reputation	Major	High 7		Reputation	Moderate	Medium 17			
		Environment		Staff briefings and ongoing subject matter meetings.		Environment				Environment					
27	Build time for new PMSC exceeds expected program (from re-set baseline at Contract Award).	People			Possible	People			Possible	People			Manager, City Projects	Open	It is likely that PC will move based on a number of factors. The opening will always be some time after PC date, which will likely be in Winter. This will be at a time of lower demand
		Financial		• Specialist assessment of Tenderer programs to ensure confidence in build time and adequate contingency (with Contractor's program to inform future communications re timing).		Financial				Financial					
		Services		• Program risk and contingency are considered and incorporated into the program		Services				Services					
		Reputation	Community frustration and reduced confidence in Council to deliver major projects.			Reputation	Moderate	Substantial 13		Reputation	Moderate	Substantial 13			
		Environment				Environment				Environment					
28	Reduced community confidence in Council's delivery capability	People			Unlikely	People			Unlikely	People			Manager, City Projects	Open	
		Financial		Existing communications regarding pool project progress.		Financial				Financial					
		Services		• Re-engaging with consultation respondents and provision of project update.		Services				Services					
		Reputation	Reduced community trust in Council and damaged credibility.	• Further information on the evolution of the project. • Promotion of Contract Award - job is about to be delivered.		Reputation	Moderate	Medium 17		Reputation	Moderate	Medium 17			
		Environment				Environment				Environment					

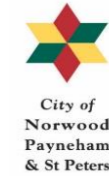
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	Community	Regulatory					Regulatory					Regulatory			

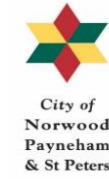
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29	Communications during tender period impacted by scope uncertainty / pending updated budget approval.	People	Existing communications regarding pool project progress.	Almost Certain	People	Moderate	High 8	Escalated for discussion with Steering Group to gain direction on strategic communications • Progressive release of further detailed information (i.e., renders of updated design)	Possible	People	Moderate	Substantial 13	CEO	Closed	
		Financial			Financial					Financial					
		Services			Services					Services					
		Reputation			Reputation					Reputation					
		Environment			Environment					Environment					
		Regulatory			Regulatory					Regulatory					
30	Elected Members are not provided with project information that supports timely and effective decision making.	People	• Steering Group created for procurement phase that report to Councillors. • Provision of key information to Councillors during procurement phase. • Communications with Councillors is aligned with milestones during procurement and delivery • Requests for information that may result in changes to scope are carefully assessed and reported by project team. • Prepare comprehensive tender evaluation report for Council decision making	Unlikely	People	Major	Substantial 12	Provide regular reporting to Elected Members during construction	Unlikely	People	Major	Substantial 12	GM, Infrastructure & Major Projects	Open	
		Financial			Financial					Financial					
		Services			Services					Services					
		Reputation			Reputation					Reputation					
		Environment			Environment					Environment					
		Regulatory			Regulatory					Regulatory					
31	Information or project messaging to community is inconsistent.	People	Web page information available including updated timeline.	Possible	People	Moderate	Substantial 13	Develop community and stakeholder engagement strategy including approved key messages • Approval checkpoints to be identified for comms materials	Unlikely	People	Moderate	Medium 17	Manager, Communications & Stakeholder Engagement	Open	
		Financial			Financial					Financial					
		Services			Services					Services					
		Reputation			Reputation					Reputation					
		Environment			Environment					Environment					
		Regulatory			Regulatory					Regulatory					
32	Stakeholder management during delivery is not actively managed	People	Consultation and ongoing communications with the Swimming Clubs	Possible	People	Minor	Medium 19	Develop community and stakeholder engagement strategy with assigned responsibilities (i.e., engagement for construction vs engagement with stakeholders to be involved in operational phase). • Build on initial stakeholder analysis to develop targeted approaches for engagement and provision of information. • Develop engagement program of activities based on strategy objectives.	Unlikely	People	Minor	Low 21	Manager, Communications & Stakeholder Engagement	Open	
		Financial			Financial					Financial					
		Services			Services					Services					
		Reputation			Reputation					Reputation					
		Environment			Environment					Environment					
		Regulatory			Regulatory					Regulatory					

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33	Engagement and provision of information to library users is limited and does not provide early information on expected impacts to planned activities within the library.	Services	• Engagement planning undertaken that acknowledges Contractor's program and impactful construction activities at the northern portion of the site.		Possible	Services		• Regular meetings established with Library manager to share upcoming works details to support communications planning for library users.		Unlikely	Services			Manager, City Projects	Open						
		Reputation				Negative impact to Council's reputation in valuing library users.					Reputation						Moderate	Substantial 13	Reputation	Moderate	Medium 17
		Environment									Environment								Environment		
		Regulatory									Regulatory								Regulatory		

7.3 REVIEW OF FINANCE POLICIES

REPORT AUTHOR: General Manager, Governance & Civic Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: qA61370
ATTACHMENTS: A - D

PURPOSE OF REPORT

The purpose of the report is to present four (4) policies which have now been reviewed to the Audit & Risk Committee, for endorsement.

BACKGROUND

Policies, Codes of Practice and Codes of Conduct are important components of a Council's governance framework. Policies set directions, guide decision making and inform the community about how the Council will normally respond and act to various issues.

When a decision is made in accordance with a Council Policy or Code, both the decision-maker and the community can be assured that the decision reflects the Council's overall aims and principles of action.

Accordingly, policies and codes can be used in many contexts to:

- reflect the key issues and responsibilities facing a Council;
- provide a policy context and framework for developing more detailed objectives and management systems;
- guide staff and ensure consistency in delegated and day-to-day decision-making; and
- clearly inform the community of a Council's response to various issues.

It is therefore important that policies remain up to date and consistent with any position adopted by the Council.

A review of all Finance related policies has commenced to ensure that all policies are relevant, contemporary and legislatively compliant and these will be presented to the Audit & Risk Committee for endorsement as each policy is reviewed.

The following Policies are now scheduled to be reviewed:

1. Asset Capitalisation and Depreciation (**Attachment A**);
2. Disposal of Land and Assets (**Attachment B**);
3. Receivables and Debt Recovery (**Attachment C**); and
4. Procurement (**Attachment D**).

Where required, the Policies have been amended to ensure that the Policies meet current standards and reflect the Council's position on the respective matters.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

DISCUSSION

Asset Capitalisation and Depreciation Policy and Asset Capitalisation and Depreciation Guidelines

The *Asset Capitalisation and Depreciation Policy* is an existing policy and the *Asset Capitalisation and Depreciation Guideline* is an existing Guideline.

The objective of the *Asset Capitalisation and Depreciation Policy*, is to provide guidance to staff in the management of the Council's financial records and accounts associated with the Council's infrastructure, property, plant and equipment.

From a more practical approach and to avoid "doubling up" between the documents, the Policy and Guidelines have been combined and are now presented as one (1) document.

Notwithstanding this, only minor amendments and formatting changes are recommended to the draft Policy.

A copy of the draft *Asset Capitalisation and Depreciation Policy* is contained within **Attachment A**.

Disposal of Land and Assets Policy

The *Disposal of Land and Assets Policy* is an existing Policy.

The objective of this Policy is to:

- define the methods by which Land and Assets are disposed of;
- demonstrate the Council's accountability and responsibilities to ratepayers;
- be fair and equitable to all parties involved;
- enable all processes to be monitored and recorded; and
- ensure that the best possible outcome is achieved for the Council and the community.

With the exception of a change to the title of the staff member responsible for the Policy, no changes are recommended to the Policy.

A copy of the draft *Disposal of Land and Assets Policy* is contained within **Attachment B**.

Receivables and Debt Recovery Policy

The *Receivables and Debt Recovery Policy* has been prepared to update and replace the *Credit Policy*.

The *Receivables and Debt Recovery Policy* has been prepared to ensure the effective management of the organisation's receivables, to minimize credit risk, and to ensure the timely recovery of outstanding debts.

A copy of the draft *Receivables and Debt Recovery Policy* is contained within **Attachment C**.

Procurement Policy

The *Procurement Policy* is an existing Policy.

Section 49 of the Local Government Act 1999 (the Act), requires Councils to prepare and adopt policies in respect to contracts and tenders which include the following:

- the contracting out of services;
- competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and
- the use of local goods and services.

In addition, Section 49 (a1) of the Act, requires Councils to develop and maintain policies, practices and procedures which are directed towards:

- obtaining value in the expenditure of public money;
- providing for ethical and fair treatment of participants; and
- ensuring probity, accountability and transparency in all operations.

The Policy therefore provides a framework for procurement activities which are undertaken by the Council staff and applies to all employees of the Council involved in the procurement of any goods and services during the course of performing their duties.

The Procurement Policy has been reviewed and update and all operational components have been removed from the draft Policy. These operational components have been included as part of the Procurement Guidelines which sets out the procedures which must be followed to ensure compliance with the Policy.

A copy of the draft *Procurement Policy* is contained within **Attachment D**.

OPTIONS

The Committee can determine not to endorse the draft Policies, however as the draft Policies are required and have been prepared to meet legislative requirements, and manage particular finance matters, it is recommended that the Committee endorses the draft Policies as presented.

CONCLUSION

A comprehensive financial policy framework is essential for public accountability, transparency and consistency in Council decision making.

Policies should be supported by a comprehensive set of documented procedures detailing the specific staff responsibilities and processes to be followed to give effect to the policies and ensure that sound financial management practices are in place. Without such documented financial policies and procedures, the Council could be subject to criticism, (rightly or wrongly), that their financial management framework lacks transparency, legislative compliance or does not reflect contemporary standards.

The requirement on the Council's Auditors to provide an opinion on the adequacy of the Council's internal financial controls further emphasises the need for an explicit, clearly documented, framework of policies and procedures.

COMMENTS

To ensure compliance with Section 125 of the *Local Government Act 1999*, the Council must have in place, appropriate policies, practices and procedures, which assist the Council to carry out its activities in an efficient and orderly manner. To achieve this objective, it is important to ensure that the policies adopted by the Council are regularly reviewed to ensure that they reflect the current operating environment and continue to meet the Council's overall objectives.

There is no legislative requirement to consult in respect to these policies.

RECOMMENDATION

That the Audit & Risk Committee recommends to the Council that the following be adopted:

1. Asset Capitalisation and Depreciation (**Attachment A**);
2. Disposal of Land and Assets (**Attachment B**);
3. Receivables and Debt Recovery (**Attachment C**); and
4. Procurement Policy (**Attachment D**).

Attachment A

Review of Finance Policies





City of
Norwood
Payneham
& St Peters

NAME OF POLICY: Assets Capitalisation and Depreciation Policy

POLICY MANUAL: Finance

This Policy is to be read and applied in conjunction with the Assets Capitalisation and Depreciation Guideline.

BACKGROUND

The *Local Government (Financial Management) Regulations 2011* (the Regulations) Part 3 Section 11 (1,) requires a Council to “ensure that all accounting records, accounts and financial statements are prepared and maintained in accordance with all relevant Australian Accounting Standards”.

In addition, Part 4 Section 13 of the Regulations requires that the Financial Statements of a Council “must be in accordance with the requirements set out in the Model Financial Statements” and under Part 1 Section 4 b (4) of the Regulations the approval of the Minister is required for any alteration to the Model Financial Statements.

This Policy has been prepared to provide guidance to staff in the management of the Council's financial records and accounts associated with the Council's infrastructure, property, plant & equipment.

Separate Asset Accounting Policies have been prepared for:

- Asset Revaluation; and
- Asset Impairment.

KEY PRINCIPLES

This Policy refers to the *Local Government (Financial Management) Regulations 2011* and *Accounting Standards AASB 116 Property, Plant and Equipment* (AASB 116) and *AASB 1051 Land under Roads* (AASB 1051).

POLICY

1. Land under Roads

[AASB 1051 \(Australian Accounting Standards Board 1051\) deals with "Land Under Roads."](#)

[According to Based on this standard, land under roads, which includes land under roadways and road reserves, including land under footpaths, nature strips, and median strips, acquired before 1 July 2008, may not be recognised as an asset in Financial Statements. This option acknowledges the historical difficulty in measuring and recognising such land accurately. The Council has determined not to recognise Land under Road that is acquired before 1 July 2008 as an asset, due to the practical challenges associated with valuing and recording such land accurately. The Council is of the opinion that this approach ensures that Financial Statements remain reliable and relevant, without being unduly burdensome.](#)

In accordance with AASB 1051, Land under Roads acquired on or after 1 July 2008, must generally be recognised as an asset if it meets the recognition criteria set out in AASB 116 (Property, Plant and Equipment) or AASB 140 (Investment Property), or it does not have specific circumstances or policy choices.

The Council has determined not to recognise Land under Roads acquired on or after 1 July 2008 as an asset as it is not able to meet the required recognition criteria.

The criteria which is not able to be met includes:

lack of Reliable Measurement of the cost or fair value of the land as well as value of the land under roads is considered immaterial to the financial statements.

~~The Council has determined not to recognise Land under Roads acquired prior to 1 July 2008, as an asset in accordance with AASB 1051. Land under Roads acquired subsequent to 30 June 2008, have not been recognised in the Council's financial records, as the Council is of the opinion that it is not possible to reliably attribute a fair value and further, that such value if determined would be immaterial.~~

DRAFT

2. Other Infrastructure, Property, Plant and Equipment

In accordance with Accounting Standard AASB 116, the Council will;

- a) capitalise material expenditure which creates a physical asset that provides future benefits of more than twelve (12) months; and,

In accordance with Australian Accounting Standard AASB 116, the cost of an item of property, plant and equipment, will be recognised as an asset in the Council's financial records if, and only if:

- it is probable that future economic benefits embodied in the asset will eventuate. The probability of the future economic benefit eventuating must be greater than 50%; and
- the asset possesses a cost or other value that can be measured reliably.

For all other expenditure, where the above mentioned criteria are not met, the expenditure must be recognised as an expense in the period within which the expenditure is incurred.

- b) recognise as a maintenance expense in the period within which the expenditure is incurred, any expenditure that is incurred to ensure that the physical asset will continue to operate at normal capacity until the end of its life; and
- c) depreciate the cost of the asset over the useful life of the asset, subject to the inclusion of a residual value where applicable, to reflect the consumption of the economic benefits embodied in the physical asset.

3. Works in Progress

Capital works still in progress at balance date, will be recognised as other Non-Current Assets on the Statement of Financial Position and will be recognised as Infrastructure, Property or Plant & Equipment, when the physical asset is ready for use.

4. Capitalisation Threshold

Capital expenditure which meets the recognition of the criteria set out in Accounting Standard AASB116, will be recorded as an asset in the financial records of the Council only if the following expenditure thresholds set out in Table 1 below are met:

Table TABLE 1

ASSET CATEGORY	CAPITALISATION THRESHOLD
Land	With the exception of Land under Roads and Easements, all land will be capitalised and recorded as an asset of the Council
Building & Other Structures	\$3,000
Plant & Equipment	\$1,000
Furniture & Fittings	\$1,000
Civil Infrastructure	\$3,000
Library Resources	\$1,000
Open Space Assets	\$1,000

5. Depreciation of Assets

The Council will apply **straight line depreciation** for all assets on the basis that the economic benefits provided by the assets are consumed in a consistent manner throughout the useful life of the asset.

Annual Depreciation Charge will be calculated as follows:

(Cost of Asset minus Residual Value) divided by the Useful Life of the particular asset.

6. Useful Life

To calculate the annual depreciation of physical non-current assets, the useful lives set out in Table 2 will be applied. The useful lives are based on the Council's current Asset Management Policies, historical evidence and data and professional judgement.

Table 2

ASSET CATEGORY	USEFUL LIFE
Building & Other Structures	10 -100 Years
Plant & Equipment	3 - 20 Years
Furniture & Fittings	10 - 20 Years
Civil Infrastructure	
• Road Seal	10 - 40 Years
• Road Base	80 - 150 Years
• Road Sub-Base	80 - 300 Years
• Off Road Carpark	100 Years
• Linear Park	30 - 60 Years
• Traffic Control	30 - 60 Years
• Footpath	15 - 50 Years
• Kerbing	40 - 70 Years
• Stormwater	80 - 100 Years
Library Purchase	2 - 8 Years
Open Space Assets	10 - 100 Years

7. Commencement of Depreciation Charge

All assets will be capitalised at 30 June of the year in which the asset is ready for use and the depreciation expenditure will commence from 1 July of that year.

REVIEW PROCESS

The Council will review this Policy within ~~two (2) years~~ 36 months of the adoption date of the Policy or in event of any significant change in legislation or Accounting Standards.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is [the Council's Chief Financial Officer](#), telephone 8366 454844.

ADOPTION OF THE POLICY

This Policy was endorsed by the Audit Committee on 27 July 2015.

This Policy was adopted by the Council on 3 August 2015.

This Policy was endorsed by the Audit Committee on 24 October 2016.

This Policy was adopted by the Council on 7 November 2016.

This Policy was endorsed by the Audit Committee on 14 August 2019.

This Policy was adopted by the Council on 2 September 2019.

This Policy was endorsed by the Audit Committee on 25 July 2022.

This Policy was adopted by the Council on 1 August 2022.

[This Policy was endorsed by the Audit & Risk Committee on _____ 2024.](#)

[This Policy was adopted by the Council on _____.](#)

TO BE REVIEWED

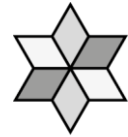
July 2026

DRAFT

Attachment B

Review of Finance Policies





City of
Norwood
Payneham
& St Peters

NAME OF POLICY: Disposal of Land and Assets

POLICY MANUAL: Governance

BACKGROUND

Pursuant to Section 49 (a1) of the *Local Government Act 1999* (the Act), the Council must develop and maintain policies, practices and procedures directed towards:

- obtaining value in the expenditure of public money; and
- providing for ethical and fair treatment of participants; and
- ensuring probity, accountability and transparency in all disposal processes.

In addition, pursuant to Section 49 (1) (d) of the Act, the Council must adopt a policy regarding the disposing of its Land and Assets.

In accordance with these requirements, this Policy seeks to:

- define the methods by which Land and Assets are disposed of;
- demonstrate the Council's accountability and responsibility to ratepayers;
- will be fair and equitable to all parties involved;
- enables all processes to be monitored and recorded; and
- ensures that the best possible outcome is achieved for the Council.

This Policy does not cover:

- property which is sold by the Council for the non-payment of rates; or
- disposal of goods which are not owned by the Council, such as abandoned vehicles.

DEFINITIONS

In this Policy, unless the contrary intention appears, these words have the following meanings:

- **Asset** means any physical item that the Council owns and that has at any time, been treated pursuant to the Australian Accounting Standards as an 'asset', and includes Major Plant and Equipment and Minor Plant and Equipment. It does not include financial investments or finance related activities, trees or land.
- **Land** includes Community Land, vacant land, operational land, road reserves, any legal interest in land, and any other land-related assets, including all buildings (community and operational) on land.

- **Major Plant and Equipment** includes all major machinery and equipment owned by the Council. It includes all trucks, graders, other operating machinery and major plant items. It does not include Minor Plant and Equipment.
- **Minor Plant and Equipment** includes all minor plant and equipment which is owned by the Council. It includes all loose tools, store items, furniture, second hand items removed from Major Plant and Equipment (such as air conditioners, bricks and pavers) and surplus bulk items (such as sand and gravel).

KEY PRINCIPLES

The Council must have regard to the following principles when disposing of any Land and Assets which it proposes to undertake:

- *Encouragement of open and effective competition.*
- *Obtaining Value for Money.*

Value for Money is not restricted to price alone. An assessment of value for money must include consideration of (where applicable):

- the contribution which the disposal of the Land or Assets has to the Council's Long-term Financial Plan and Strategic Management Plans;
 - any relevant direct and indirect benefits to the Council, both tangible and intangible;
 - efficiency and effectiveness;
 - the costs of various disposal methods;
 - internal administration costs;
 - risk exposure; and
 - the value of any associated environmental benefits.
- *Ethical Behaviour and Fair Dealing.*
The Council will act with impartiality, fairness, independence, openness and integrity in all discussions and negotiations.
 - *Probity, Accountability, Transparency and Reporting.*
 - *Ensuring compliance with all relevant legislation, including but not limited to, the following:*
 - *Community Titles Act 1996*
 - *Crown Land Management Act 2009*
 - *Land Acquisition Act 1969*
 - *Land and Business (Sale and Conveyancing) Act 1994*
 - *Local Government Act 1999*
 - *Real Property Act 1886*
 - *Residential Tenancies Act 1995*
 - *Retail and Commercial Leases Act 1995*
 - *Roads (Opening and Closing) Act 1991*
 - *Strata Titles Act 1988*

POLICY

Considerations prior to the disposal of Land and Assets

Any decision to dispose of Land and Assets will be made following consideration (where applicable), of the following:

- the usefulness of the Land or Asset;
- the current market value of the Land or Asset;
- the annual cost of maintenance of the Land or Asset;
- any alternative future use of the Land or Asset;
- any duplication of the Land or Asset or the service provided by the Land or Asset;
- any impact which the disposal of the Land or Asset may have on the community;

- any cultural or historical significance of the Land or Asset;
- the positive and negative impacts which the disposal of the Land or Asset may have on the operations of the Council;
- the Council's long-term plans and strategic directions set by the Council;
- the remaining useful life, particularly of an Asset;
- a benefit and risk analysis of the proposed disposal;
- the results of any community consultation process;
- any restrictions on the proposed disposal;
- the content of any Community Land Management Plan; and
- any other relevant policies of the Council.

Disposal of Land

- Council Land may only be disposed of by resolution of the Council.
- Where the Land forms or formed a road or part of a road, the Council must ensure that the Land is closed under the *Roads Opening and Closing Act 1991 (SA)*, prior to its disposal.
- Where Land is classified as Community Land, the Council must:
 - undertake public consultation in accordance with the Act and the Council's Public Consultation Policy; and
 - ensure that the process for the revocation of the classification of Land as Community Land has been concluded prior to its disposal; and
 - comply with all other requirements under the Act in respect of the disposal of Community Land.
- Where the Council proposes to dispose of Land through the grant of a leasehold interest, the Council must comply with its obligations under the Act, including its Public Consultation obligations set out Section 202 of the Act.
- The Council will, where appropriate, dispose of Land through one of the following methods:
 - Open Market Sale - advertisement for disposal of the Land through the local paper and where appropriate, a paper circulating in the State, or by procuring the services of a licensed real estate agent and/or auctioneer (following compliance with the Council's Procurement Policy);
 - Expressions of Interest - seeking expressions of interest for the Land;
 - Select Tender - seeking tenders from a selected group of persons or companies;
 - Open Tender - openly seeking bids through tenders, including public auction;
 - By Negotiation – with owners of land adjoining the Land or others with a pre-existing interest in the Land, or where the Land is to be used by a purchaser whose purpose for the Land is consistent with the Council's strategic objectives for the Land.
- Selection of a suitable disposal method will include consideration of (where appropriate) the following:
 - the number of known potential purchasers of the Land;
 - the original intention for the use of the Land;
 - the current and possible preferred future use of the Land;
 - the opportunity to promote local economic growth and development;
 - delegation limits, taking into consideration accountability, responsibility, operation efficiency and urgency of the disposal;
 - the total estimated value of the disposal; and
 - compliance with statutory and other obligations.
- The Council will not dispose of Land to any Elected Member or employee of the Council or contractor engaged by the Council, who has been involved in any process related to a decision to dispose of the Land and/or the establishment of a reserve price.

- If Land is to be auctioned or placed on the open market or disposed of by an expression of interest process, then (unless the Council resolves otherwise) one (1) independent valuation must be obtained for the purpose of establishing the reserve price for the Land. The independent valuation must be obtained no more than six (6) months prior to the proposed disposal of the Land.
- If Land is to be disposed of via a select tender or direct sale, then (unless the Council resolves otherwise), a minimum of two (2) independent valuations must be obtained to ensure that an appropriate market value is obtained. The independent valuation must be made no more than 6 months prior to the proposed disposal.
- The Council will seek to dispose of Land at or above current market valuation by whichever method is likely to provide the Council with a maximum return, unless there are reasons for the Council to accept a lesser return which is consistent with the Council's overall strategic direction. These reasons must be documented in writing.
- If the disposal of the land is not to be on the open market, the disposal should be at or above the current market valuation (with due regard to all associated costs to achieve the transaction or such other amount as the Council resolves).

Disposal of Assets

- The sale of Assets (both Major Plant and Equipment and Minor Plant and Equipment), will be the responsibility of the Chief Executive Officer (or delegate).
- The Council will, where appropriate, dispose of Assets through one of the following methods:
 - Trade-in – trading in equipment to suppliers;
 - Expressions of Interest – seeking expressions of interest from buyers;
 - Select Tender – seeking tenders from a selected group of persons or companies;
 - Open Tender – openly seeking bids through tenders; or
 - Public Auction – advertisement for auction through the local paper and, where appropriate, a paper circulating in the State, or procuring the services of an auctioneer (following compliance with the Council's Procurement Policy).
- Selection of a suitable method will include consideration of (where appropriate) the following:
 - the public demand and interest in the Asset;
 - the method most likely to return the highest revenue;
 - the value of the Asset and whether it is Major Plant and Equipment or Minor Plant and Equipment;
 - the costs of the disposal method compared to the expected returns; and
 - compliance with statutory and other obligations.
- Elected Members and employees of the Council will not be permitted to purchase Assets unless the purchase is via an open tender process or a public auction and the tender submitted or bid made is the highest.
- Purchasers of Assets must be required to agree in writing that prior to purchasing any Asset, no warranty is given by the Council in respect of the suitability and condition of the Asset for the purchaser and that the Council will not be responsible for the Asset in any respect following the sale.

Exemptions to this Policy

This Policy contains general guidelines which are required to be followed by the Council in its disposal activities. There may be emergencies, or disposals in which a tender process will not necessarily deliver the best outcome for the Council and where other market approaches may be more appropriate. In certain circumstances, the Council may waive the application of this Policy and pursue a method which will bring the best outcome for the Council. The reasons for waiving application of this Policy must be in writing.

REVIEW PROCESS

This Policy will be reviewed within 2 years from the date on which the Policy was adopted.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is the Council's Chief Financial Officer on telephone 8366 4548.

ADOPTION OF THE POLICY

This Policy was endorsed by the Audit Committee on 25 May 2015.

This Policy was adopted by the Council on 1 June 2015.

This Policy was endorsed by the Audit Committee on 24 July 2017.

This Policy was adopted by the Council on 7 August 2017.

This Policy was endorsed by the Audit Committee on 14 August 2019.

This Policy was adopted by the Council on 2 September 2019.

This Policy was endorsed by the Audit Committee on 10 August 2021.

This Policy was adopted by the Council on 6 September 2021.

This Policy was endorsed by the Audit & Risk Committee on 2024.

This Policy was adopted by the Council on .

TO BE REVIEWED

July 2026

Attachment C

Review of Finance Policies



Attachment D

Review of Finance Policies





City of
Norwood
Payneham
& St Peters

NAME OF POLICY: Procurement Policy

POLICY MANUAL: Finance

BACKGROUND

The purpose of this Policy is to establish a framework of principles relating to the procurement activities undertaken by the City of Norwood Payneham & St Peters (the Council) pursuant to the requirements of Section 49 of the Local Government Act, 1999 ("Act"), ~~specifically:~~

Section 49 of the Act, requires the Council to prepare and adopt policies in respect to contracts and tenders ~~incorporating~~ for:

- the contracting out of services;
- competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and
- the use of local goods and services.

Section 49 (a1) of the Act, requires the Council to develop and maintain policies, practices and procedures which are directed towards:

- obtaining value in the expenditure of public money;
- providing for ethical and fair treatment of participants; and
- ensuring probity, accountability and transparency in all operations.

As well as meeting the ~~above legislative~~ requirements ~~set out above,~~ this Policy ~~therefore also~~ seeks to:

- define the principles ~~by which the Council will acquire~~ goods and services ~~will be acquired by the Council;~~
- demonstrate ~~the Council's~~ accountability and responsibility ~~of the Council~~ to its community;
- be fair and equitable to all parties involved ~~in the procurement process;~~
- enable all processes to be monitored and recorded; and
- ensure that the best possible outcome is achieved for the Council and ~~in turn~~ the community.

~~Applicable Legislation: This Policy should not be considered as the only document that may relate to procurement; other tiers of government, agencies or organisations may have legislation that also apply.~~

- ~~Competition and Consumer Act (Cth) 2010~~
- ~~Competition Policy Reform (SA) Act 1996~~
- ~~Criminal Law Consolidation Act 1935~~
- ~~Disability Inclusion Act 2018~~
- ~~Environment Protection Act 1993~~
- ~~Freedom of Information Act 1991~~
- ~~Independent Commission Against Corruption Act 2012~~
- ~~Industry Advocate Act 2017~~
- ~~Local Government (Elections) Act 1999 – Caretaker Provision~~
- ~~Local Government Act 1999 (SA)~~

- ~~Local Government (Financial Management) Regulations 2011~~
- ~~Modern Slavery Act (Cth) 2018~~
- ~~Ombudsman Act, 1972~~
- ~~State Records Act 1997~~
- ~~Trades Practices Act (Cth) 1974~~
- ~~Work Health and Safety Act (SA) 2012 and Regulations 2012~~

SCOPE

This ~~policy~~ Policy covers all expenditure-related ~~p~~Prourement activities ~~for the provision of~~ associated with the purchase of goods, works and services ~~to by~~ the Council. This ~~policy~~ Policy applies to anyone who undertakes or is involved in ~~p~~Prourement activities on behalf of the Council. Compliance with this ~~P~~Policy is mandatory unless expressly indicated otherwise ~~or exempted~~.

OUT-OF-SCOPE ~~This Policy does not apply to the following:~~

- ~~a~~ non-procurement expenditure such as sponsorships, grants, funding arrangements, donations and employment contracts between Council and an employee; or
- ~~the~~ disposal of land and other assets ~~that are~~ owned by the Council; or
- the purchase of property by the Council; or
- ~~leasing of~~ premises by Council owned facilities.

Please refer to the Disposal of Land & Assets Policy and associated Guidelines for more information on asset disposals, ~~real estate~~ property acquisition and disposals.

KEY PRINCIPLES

The following key principles underpin all procurement activities which are undertaken by the Council:

- **Value for Money** is about achieving the best outcome at the most appropriate price. This includes taking into account fit-for-purpose, whole-of-life cost, timeliness, flexibility to adapt to the needs of the project/supply, quality of product, sustainability, intangible costs/benefits, service, support and warranty.
- **Open and Fair Competition** is ~~ensured-achieved~~ by providing equitable and appropriate access to the Council's procurement activities. The Council recognises the commercial and economic benefits of open and effective competition ~~and as such, t~~—The Council will encourage healthy competition in the markets from which it purchases.
- **Ethical Behaviour and Fair Treatment** is necessary to ensure an appropriate purchase using public money. ~~The~~ Council ~~employees-staff~~ have a responsibility to act honestly and impartially and behave ~~with fairness in a fair~~, independent~~ee~~, and open ~~manner and with ness~~, integrity and professionalism to ensure probity ~~in-when undertaking a~~ procurement ~~processactivity~~. ~~The~~ Council ~~employees-staff~~ will observe the Council's *Behavioural Standard Policy* at all times during the ~~conduct of~~ procurement processes.
- **Professional Integrity and Probity** ensures that the highest ethical and professional standards are observed in the Council's business dealings. The Council aims to achieve integrity in its procurement activities, through accountable and transparent processes ~~and~~—~~The Council~~ respects the rights of contractors and suppliers, including the right to confidentiality and the expectation to be treated fairly and without bias at all stages of the procurement process.
- **Social, Economic and Environmental Sustainability** – The objective for all of the Council's activities is to achieve Community ~~W~~well-being. The Council is committed to maximising the positive impact of its activities to benefit the local community, ~~vulnerable people, disadvantage groups~~, its economy, and the environment. Where all other considerations are equal, the Council may give preference to a local supplier to ensure local employment opportunities, environmental outcomes, economic stability and/or growth.

- In addition to the above, in order to minimise the Council's impact on the environment, the Council will, where all other factors are equal, when purchasing aime to achieve the following outcomes:
 - conservation of natural resources;
 - purchase of environmentally friendly or recycled products;
 - Where possible purchase products with recycled content, with weightings assigned to Circular Procurement in performance assessments of products that can include recycled content;
 - integrate principles of waste minimisation and energy-carbon reduction;
 - Advocate for the development of products and services which have a low environmental impact; and
 - provide leadership to local business and the community in promoting the use of environmentally sensitive goods and services.
- **Financial Responsibility** ensures that the Council's employees staff procure goods or services where there is an approved and allocated budget for that purchase and where the Council employee staff with the appropriately delegated financial authority approves the purchase.

Methods of Procurement

The determination of the method of procurement₁ will be typically documented by the preparation of a Purchasing Plan, detailing the most appropriate method for the purchase and the staff who will be involved in the purchasing process~~delegated officers involved~~.

The appropriate method of procurement will be determined by reference to a number of factors, including the value of the purchase, risks associated with the purchase and aspects relating to the availability of supply and other market conditions.

Persons-Staff with financial delegated authority to procure-purchase will be responsible for ensuring appropriate procurement practices and procedures including the identification of risk are observed.

Purchases undertaken by the Council can be made using the following procurement methods:

- **Direct Sourcing** - is a procurement process undertaken by directly approaching and negotiating with one supplier without testing the market. This method should only be used for the purchases of good and services that are -of low value and; low risk goods and services and -under \$10,000 (excluding GST). Consideration must always be given to ensure Value for Money is achieved.
- **Competitive Sourcing** - is a process which will-involves testing the market and re-evaluating the purchasing activity to gain value. It differs from Deirect Sourcing because it places emphasis on the entire life cycle of a good or service, not just its initial purchase price. This requires a more stringent planning approach and a better understanding of the competitive marketplace. In undertaking Ceompetitive Sourcing:
 - tThe Council will seek to obtain at least three (3) quotes for all procurements where the estimated gross value exceeds \$10,000(excluding GST).
 - fFor purchases where the estimated gross value of expenditure over the life of the initial contract period or purchase price of the goods and services exceeds \$250,000 (excluding GST), the Council's general practice will be to utilise an open tender process unless:
 - when undertaking a secondary procurement based on an existing agreement (for example when buying off a panel contract)
 - Where-where the Council accesses a Strategic Alliance (such as a Local or State Government Ppanel or Cecontract) established in accordance with transparent competitive sourcing processes, it is deemed that these are contracts resulting from a tender process.
- Council-In approaching the market the Council utilises a number of procurement tools including: Request for Quotes, Request for Expressions of Interest, Request for Proposal and Request for Tenders or Strategic Alliances.

- **Strategic Alliances** - If the Council enters into a strategic alliances procurement process under this ~~policy~~ Policy (Strategic Alliances) then there will be no requirement for the Council to approach the wider market or enter into a separate Request For Tender/Request For Quote as an open tender process has already been undertaken. The Council can meet its procurement obligations and requirements through contractual arrangements established and administered by other organisations that demonstrate adherence to the intent and requirements of this policy. The use by the Council of Strategic Alliances means that the methods of procurement set out in this ~~p~~Policy will be undertaken pursuant to and in accordance with the arrangements set out under the Strategic Alliances. These include, but is not limited to:
 - Local Government Association Procurement.
 - A purchasing group of which the Council is a member.
 - Some State South Australian Government contracts, ~~and~~ and
 - Ad-hoc alliances created with other ~~Local Government~~ Local Government entities.

Procurement Thresholds

- The value of the purchase (Contracts or Purchase Orders) will be calculated as follows:
 - Single one-off purchase – the total amount, or estimated amount, of the purchase (excluding GST);
 - Multiple purchases – the gross value, or the estimated gross value, of the purchases (excluding GST); or
 - Ongoing purchases over a period of time – the annual gross value, or the estimated annual gross value, of the purchases (excluding GST);
 - Splitting of amounts to bring expenditure within lower limits is **not permitted**.
 - The estimated gross value (excluding GST) of the contract. (Yearly ~~spend~~ expenditure multiplied by the initial contract term)
 - Cumulative Expenditure is identified as the estimated value of the total proposed purchase(s), including any agreement options, but excluding extensions and renewals, and potential cumulative value of the goods or services supplied over a period of time ie twelve (12) months against a supplier and contractor.
 - Cumulative Expenditure shall be monitored annually by Council to determine whether the appropriate procurement process has been undertaken and/or an alternative procurement method is required to be undertaken to comply with this policy.
- Approval of Invoices for payment is set out in the Council's ~~as per the~~ Financial Delegations Policy and is not calculated by the value of the Purchase.
- Council in approaching the market utilises a number of procurement tools including: Request for Quotes, Request for Expressions of Interest, Request for Proposal and Request for Tenders or Strategic Purchasing Cooperatives.

Exemptions from the Policy

~~All Exemptions~~ from the processes and requirements of this Policy for specific projects may ~~will~~ must be approved by the Chief Executive Officer (or delegate).

All requests for exemption from this Policy must be made in writing and must outline the reasons for ~~the~~ requesting the exemption and any risks which may be involved in not complying with this Policy.

Requests for exemptions which are approved, must be recorded in the Council's record management system.

Where an external Funding Agreement specifies that the Council must follow a prescribed tendering or selection process which differs from that outlined in this Policy, the prescribed process shall be followed only to the extent of the of the requirements stated in the agreement.

Standing Exemptions from the Policy

In order to balance financial controls with operational effectiveness, ~~t~~The Council ~~shall~~will maintain a list of standing ~~exemptions~~exceptions from the Policy. These exemptions will be endorsed by the Chief Executive Officer (or delegate).

Emergency Procurement in Emergency Situations

The provisions of this Policy can be suspended in emergency situations to ensure that purchases can be made in the most-timely manner to alleviate an emergency situation. The provisions for Emergency Procurement must not be used as an excuse for not complying with the Policy requirements of the Policy.

For the purpose of this section, ~~e~~Emergency situations are restricted to:

Community

- genuine concerns for public health and safety;
- avoiding major expenses; or
- activation of the Emergency Response Plan.

Council Assets

- ensuring that ~~residents~~citizens, occupants, or hirers/users of the Council-owned buildings and facilities, are not subject to undue discomfort or hardship due to breakdown of building facilities or equipment;
- security of the Council's assets;
- activation of the Council's Business Continuity Plan or Emergency Management Plan; or
- determination of whether these situations apply will be at the discretion of the relevant Manager on a case by case basis.

Where a purchase is made under the Emergency Procurement provisions, the following will apply:

- expenditure must be limited to that required to alleviate the emergency situation only; ~~and~~
- the ~~employee~~staff member must ensure that appropriate methods of purchase are resumed as soon as practicable; ~~and~~
- the ~~staff member~~employee must inform their General Manager and/or immediate Manager who must inform the relevant General Manager in writing of the ,with details of the Emergency Situation and the actions undertaken to alleviate the situation, as soon as possible after the emergency situation.

Outsourcing

Any proposal to purchase by outsourcing of any service or function currently performed predominantly 'in house' by Council staff, must in any circumstance and all times, be approved by the Chief Executive Officer (or delegate).

Public Consultation

Where a purchase requires community consultation, the consultation process must be conducted in accordance with the Council's *Community Consultation Policy*.

Work Health and Safety

The City of Norwood Payneham & St Peters will only engage Contractors and Suppliers who are able to maintain the required level of Work Health ~~&and~~ Safety standards which ~~is~~are acceptable to the Council for the contract which they are engaged to undertake. As a minimum, this will include ~~be~~ compliance with all applicable legislation, regulations, project requirements, standards and ~~the~~ Council policies, and as specified in terms and conditions of contractual arrangements.

Delegations

The Chief Executive Officer has ~~the delegated authority to~~ enter into contracts and approve expenditure for works, goods or services, within ~~the Councils~~ approved budget, to the value of \$1,000,000.

The Chief Executive Officer may sub-delegate the authority to the ~~Council Officers~~ Staff to enter into contracts and approve expenditure as per the *Financial Delegations Policy*.

Relevant Legislation

This Policy should not be considered as the only document that may relate to procurement; other levels of Government, agencies or organisations may have legislation that also apply.

- [Competition and Consumer Act \(Cth\) 2010](#)
- [Competition Policy Reform \(SA\) Act 1996](#)
- [Criminal Law Consolidation Act 1935](#)
- [Disability Inclusion Act 2018](#)
- [Environment Protection Act 1993](#)
- [Freedom of Information Act 1991](#)
- [Independent Commission Against Corruption Act 2012](#)
- [Industry Advocate Act 2017](#)
- [Local Government \(Elections\) Act 1999 – Caretaker Provision](#)
- [Local Government Act 1999 \(SA\)](#)
- [Local Government \(Financial Management\) Regulations 2011](#)
- [Modern Slavery Act \(Cth\) 2018](#)
- [Ombudsman Act, 1972](#)
- [State Records Act 1997](#)
- [Trades Practices Act \(Cth\) 1974](#)
- [Work Health and Safety Act \(SA\) 2012 and Regulations 2012](#)

REVIEW PROCESS

The Council will review this Policy within 36 months of the adoption date of the Policy.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's Procurement Specialist, Finance [Unit](#), telephone 8366 4555.

ADOPTION OF THE POLICY

[This Policy was originally adopted by the Council on 1 June 2015 and has been reviewed on a regular basis \(annually/biannually\), since that time.](#)

This Policy was endorsed by the Audit & Risk Committee on
This Policy was adopted by the Council on

TO BE REVIEWED

[August 2027](#) ~~July 2027~~

7.4 ST PETERS CHILD CARE CENTRE - REVIEW OF POLICIES

REPORT AUTHOR: General Manager, Governance & Civic Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: qA62895
ATTACHMENTS: A - D

PURPOSE OF REPORT

The purpose of the report is to present a number of policies that are required for the St Peters Child Care Centre & Preschool, which have been reviewed, to the Audit & Risk Committee for endorsement.

BACKGROUND

As the Committee is aware, a number of changes to the operations of the St Peters Child Care Centre & Preschool (the Centre), are being progressed. These changes include a review of the Centre's policies to ensure that the policies are contemporary and are legislatively compliant.

The National Quality Framework (NQF) provides a national approach to regulation, assessment and quality improvement for early childhood education and care and outside school hours care services across Australia.

The NQF introduced a new quality standard in 2012 to improve education and care across long day care, family day care, preschool/kindergarten, and outside school hours care services.

The NQF includes:

- National Law and National Regulations;
- National Quality Standard;
- assessment and quality rating process; and
- national learning frameworks.

The National law sets a national standard for children's education and care across Australia.

The major benefits for parents and children include:

- improved educator to child ratios, ensuring children have greater individual care and attention for children
- educators with increased skills and qualifications
- better support for children's learning and development through approved learning frameworks
- consistent, transparent information on educators, providers and services in the national registers.

The National Quality Standard (NQS) sets a high national benchmark for early childhood education and care and outside school hours care services in Australia. The NQS includes seven (7) Quality Areas that are important outcomes for children. Services are assessed and rated by their regulatory authority against the NQS, and given a rating for each of the seven (7) Quality Areas and an overall rating based on these results.

The seven (7) Quality Areas (QA) are:

- QA1 Educational Program and Practice;
- QA2 Children's Health and Safety;
- QA3 Physical Environment;
- QA4 Staffing Arrangements;
- QA5 Relationships with Children;
- QA6 Collaborative Partnerships with Families and Communities; and
- QA7 Governance and Leadership.

QA 7 Governance and Leadership sets out the various policies and procedures which each service type must have in place to support the operation of a quality service.

A full list of the policies and procedures as required by QA7 is contained within **Attachment A**.

A review of all the St Peters Child Care Centre & Preschool Policies is being progressed to ensure that all of the policies are relevant and comply with the requirements of the NQF. All mandatory policies will be presented to the Audit & Risk Committee for endorsement as each policy is reviewed.

The following Policies are now scheduled to be reviewed:

5. Nutrition, Food, Beverage & Dietary Requirements (**Attachment B**); and
6. Sun Protection (**Attachment C**).

Where required, the Policies have been amended to ensure that the Policies meet current standards and reflect the Council's position on the respective matters.

7. Providing a Child Safe Environment Policy (**Attachment D**).

In addition to the policies set out above, the *Providing a Child Safe Environment Policy*, whilst not due to be reviewed until September 2025, has been amended to remove some operational requirements that are not achievable in terms of the practical application of the requirements as set out in the Policy.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

DISCUSSION

Nutrition, Food, Beverage & Dietary Requirements Policy

The *Nutrition, Food, Beverage & Dietary Requirements Policy* replaces the former *Nutrition and Food Safety Policy*.

Pursuant to provisions of the *Education and Care Services National Regulations 2011* (the Regulations), an approved Childcare provider must ensure that policies and procedures are in place for nutrition, food and beverages and dietary requirements (Regulation 168).

The purpose of the *Nutrition, Food, Beverage & Dietary Requirements Policy* is to ensure the health, safety and wellbeing of children attending the Centre and that appropriate procedures are in place to meet each child's dietary requirements.

A copy of the draft *Nutrition, Food, Beverage & Dietary Requirements Policy* is contained within **Attachment B**.

Sun Protection Policy

The *Sun Protection Policy* is an existing Policy.

The [*Education and Care Services National Regulations 2011*](#) (the Regulations), require approved Childcare providers to ensure that policies and procedures are in place in relation to sun protection (Regulation 168).

The Policy has been reviewed and updated in accordance with the Regulations and the Council's current practices in respect to sun protection at the Centre.

A copy of the draft *Sun Protection Policy* is contained within **Attachment C**.

Providing a Child Safe Environment

The *Providing a Child Safe Environment Policy* is an existing Policy.

Pursuant to the provisions of the *Education and Care Services National Regulations 2011*, an approved provider must ensure that policies and procedures are in place for the purpose of providing a child safe environment (Regulation 168) and take reasonable steps to ensure those policies and procedures are followed.

The *Providing a Child Safe Environment Policy* was endorsed by the Committee at its meeting held on 18 September 2023 and subsequently adopted by the Council at its meeting held in October 2023.

However, the implementation of the Policy in respect to the following requirement has proved to be problematic:

For the purpose of this Policy, when being considered in ratio numbers, Temporary Labour Hire staff must always be 'paired with' a staff member employed as an Educator by the Council and groups of children must never be supervised only by Temporary Labour Hire staff.

From a practical operational perspective, if a child requires a nappy change or needs to be taken to the toilet, Temporary Labour Hire staff may be required to supervise a group of children for a short period of time to accommodate these types of situations. This presents operational difficulties.

On this basis, the Policy has been amended to allow for these situations by stipulating that Temporary Hire Labour staff may supervise groups of children for up to ten (10) minutes.

A copy of the draft *Providing a Child Safe Environment Policy* is contained within **Attachment D**.

OPTIONS

As the draft Policies contained within Attachments B, C and D are required by legislation without a requirement for consultation, it is recommended that the Committee endorses the draft Policies.

CONCLUSION

The adoption of the draft Policies as set out within this report ensures the Council complies with the legislative framework in place for the operation and management of the St Peters Child Care Centre & Preschool.

COMMENTS

There is no legislative requirement to consult in respect to the attached policies.

RECOMMENDATION

1. That the Audit & Risk Committee recommends to the Council that the following policies for the St Peters Child Care Centre & Preschool be adopted:
 - 1.1 Nutrition, Food, Beverage & Dietary Requirements Policy (**Attachment B**); and
 - 1.2 Sun Protection Policy (**Attachment C**).
2. That the Audit & Risk Committee recommends to the Council that the amendments to the Providing a Child Safe Environment Policy (**Attachment D**) be adopted.

Attachment A

St Peters Child Care Centre Review of Policies



QUALITY AREA 7

GOVERNANCE AND LEADERSHIP

7.1 POLICIES AND PROCEDURES



National Regulations

Regulation 168

The approved provider must ensure the service has policies and procedures in place in relation to the following.

Required policies and procedures for all service types

Health and safety, including:

- sleep and rest (Regulation 168(2)(a))
- nutrition, food and beverages, dietary requirements (Standard 2.1)
- sun protection (Standard 2.2)
- water safety (Standard 2.2)
- administration of first aid (Standard 2.1)

Incident, injury, trauma and illness procedures (Regulations 85, 168(2)(b), Standard 2.1)

Dealing with infectious diseases (Regulations 88, 168(2)(c), Standard 2.1)

Dealing with medical conditions (Regulations 90, 168(2)(d), Standard 2.1)

Emergency and evacuation (Regulations 97, 168(2)(e), Standard 2.2)

*Delivery to and collection of children from the education and care service (Regulation 99 and 168(2)(f)). Approved providers in WA must ensure the service has a policy about the delivery and collection of children that is consistent with the procedures for ensuring children's safety set out at section 165A of the National Law (WA).

Excursions (Regulations 100–102, 168(2)(g))

Transportation (Regulations 102B–102F, 168(2)(ga))

Providing a child safe environment (Regulation 168(2)(h), Standards 2.2, 7.1)

Staffing, including (Regulation 168(2)(i)):

- professional standards / code of conduct for staff members (Standard 4.2)
- determining the responsible person
- participation of volunteers and students

Interactions with children (Regulations 155–156, 168(2)(j), Standards 5.1, 5.2)

Enrolment and orientation (Regulation 168(2)(k), Standard 6.1)

Governance and management of the service, including confidentiality of records (Regulation 168(2)(l), Standard 7.1)

Acceptance and refusal of authorisations (Regulation 168(2)(m))

Payment of fees and provision of a statement of fees (Regulation 168(2)(n), Standard 7.1)

Dealing with complaints (Regulation 168(2)(o), Standard 7.1).

*Approved providers may restrict who can be nominated to collect a child, for example by a person under the age of 16 years. This should be documented in the policy about collection of children. Authorised officers may talk to approved providers about whether they have taken into consideration that some parents may be less than 18 years of age.

Attachment B

St Peters Child Care Centre Review of Policies





NAME OF POLICY: **Nutrition, Food, Beverage & Dietary Requirements**

POLICY MANUAL: **St Peters Child Care Centre & Preschool**

BACKGROUND

Pursuant to the provisions of the *Education and Care Services National Regulations 2011* (the Regulations), an approved Child Care provider must ensure that policies and procedures are in place for nutrition, food and beverages, and dietary requirements (Regulation 168).

The Education and Care Services National Regulations require approved providers to ensure that:

- adequate health and hygiene practices, as well as the implementation of safe practices for handling, preparing and storing food (Regulation 77);
- children have access to safe drinking water at all times and are offered food and beverages appropriate to each child's needs on a regular basis throughout the day (Regulation 78);
- the food or beverages provided are nutritious and adequate in quantity, and chosen based on each child's dietary requirements (accounting for their growth and development needs, as well as any specific cultural, religious or health requirements) (Regulation 79); and
- a weekly menu is displayed and accessible to family members which accurately describes the food and beverages to be provided by the service each day (Regulation 80).

Child enrolment records must also include any special considerations for a child, such as cultural or religious dietary restrictions, as well as any health-related dietary restrictions (Regulations 160 and 162).

OBJECTIVE

The St Peters Child Care Centre & Preschool (the Centre), aims to promote healthy lifestyles, good nutrition and the wellbeing of all children, educators and families at the Centre. The Centre also aims to support and provide for children with food allergies, dietary requirements and restrictions and specific cultural and religious practices. This dietary information will also be provided to families so they can plan healthy home meals for their child.

KEY PRINCIPLES

The health, safety and wellbeing of children at the Centre is our priority. This includes ensuring the Centre maintains safe practices for handling, preparing and storing food, as well as providing food and beverages that are nutritious and adequate in quantity, and based on each child's dietary and medical requirements.

The St Peters Child Care Centre & Preschool:

- promotes a healthy lifestyle, including healthy eating and physical activity;
- supports children and families' understanding about the importance of nutrition and food choices;
- values our families and their cultures, customs and religious traditions; and
- works with families to ensure that the food and beverages we provide to their children reflect their preferences.

POLICY

The provision of a healthy, nutritious and varied menu for babies and children, in a positive and safe eating environment is essential. A good nutritional program can influence growth, activity, intellectual and emotional development.

To ensure that individual nutrition, food, beverage and dietary requirements of children are met, consultation with families is essential. Consideration must be given to allergy requirements, special dietary and food preferences for all children.

The overall nutrition of children ultimately remains a parental responsibility, however by teaching children to eat wisely and moderately we are supporting them to invest in their future health.

The Centre will provide a positive, safe, supportive and social eating environment where positive food habits and the transmission of family and multicultural values will be recognised and encouraged.

PROCEDURE

Nutrition

- nutrition information is included in the *Parent Handbook* and discussed with Parents and/or Carers at the time of enrolment;
- the Centre menu will include a wide variety of nutritious foods from the five (5) food groups every day (ie vegetables, including different types and colours, fruits, legumes/beans, grains (cereal) - mostly wholegrain and/or high cereal fibre varieties, such as breads, seeds, cereals, rice, pasta, noodles, polenta, couscous, oats, quinoa and barley, lean meats, poultry, fish, tofu, milk, yoghurt, cheese and/or their alternatives - mostly full fat as reduced fat milk is not suitable for children under the age of two (2) years);
- the Centre Cook will develop the weekly menu utilising resources, information and suggestions from *Get up & Grow: Healthy Eating & Physical activity for early childhood*, *Dietary guidelines for Children & Adolescence in Australia*, Parents, educators and children;
- information on nutrition will be displayed in the foyer as part of the Parent library;
- the menu will reflect a variety of foods recommended for young children and a variety of culturally diverse foods;
- Parents and/or Carers will be consulted regarding individual food preferences, nutritional needs and special diets;
- the menu will consist of four rotating weeks which will be reviewed every quarter to ensure that a variety of foods are being introduced to babies and children; and
- meals and snacks that are provided will be consistent with the Australian Dietary Guidelines and will provide at least 50% of the children's daily nutrition requirements.

Food Safety

- food will be prepared and served in accordance with the Centre's Food Safety Program, as required by the Department of Health to ensure that food is delivered, stored, prepared and served in a safe and hygienic manner; and
- all Educators are required to undertake *Foodsafe Food Handling* training within one (1) month of commencement of employment at the Centre.

Provision of Food

- food will not be used as a bribe or form of behaviour management and all children will have the opportunity to try all food offered;
- food will not be used as a treat or reward or for comfort;
- children will be supervised whilst eating at all times;
- food provided will take into account the size, age and activity level of each child;
- educators will create an atmosphere that is calm and enjoyable which encourages positive eating habits;

- Educators will provide positive encouragement and role modelling by sitting with children and sharing the meal and providing an opportunity for discussion about the meal in a positive manner, encouraging children to try all foods that are offered and praise children for the tasting of the new foods, not for the amount eaten;
- for children who refuse the food offered by the Centre, Educators will calmly remove the food and offer a healthy alternative once other children have finished;
- opportunities for discussion about nutrition, healthy eating, food safety, growth and development, including the opportunity to participate in food preparation will be included in planned and spontaneous programs;
- mealtimes will provide Educators and children with the opportunity for encouraging social and language skills;
- children's individual self-help and independence skills will be encouraged by assisting Educators to set the tables, serve food, feed themselves and assist to clear away the dishes;
- the weekly menu will be displayed in the Dining Room and the entrance to the Centre for Educators and Parents, detailing which food and drinks will be provided daily including snacks;
- Parents and/or Carers will be provided with information at the end of each day on what food was eaten and how much was eaten, verbally and via the Centre App – *Xplor Playground*;
- Parents and/or carers will be supported with the introduction of "solids", including information from recognised authorities and resources on loan in the Parent library;
- the recipe of the month is displayed in the dining room with copies available to Parents in the kitchen;
- Parents and/or Carers are encouraged to seek out the Cook, Primary Carer, Team Leader or Director to discuss their child's dietary needs;
- the Centre encourages and support breast feeding;
- water will be freely available during the day and at the end of meals to rinse the mouth of food.
- specific food preferences will be noted as instructed by the Parent and/or Carer;
- the food provided will be presented in a way that is interesting using different colours and textures of foods;
- a late afternoon snack will be available for children who remain at the Centre after 5.00pm; and
- children are encouraged and provided with additional serves of food in the event that they are hungry.

Other Dietary Considerations

The special dietary needs of children who have food allergies/intolerances and other special dietary needs, will be catered for in consultation with families and appropriate medical professionals.

- upon enrolment, families will be informed about the Centre's nutrition policy which includes information regarding children who require special diets for medical reasons (professionally diagnosed food allergy or intolerances);
- **any child with an allergy will need to have an allergy/anaphylactic plan completed by a general practitioner or allergist that will be displayed and followed if a reaction were to occur.**

The plans are kept in the child's room Medical Folder and the room Medical Bag with the medication. A photo of the child with their name and the allergy is written on an *Allergy Chart* displayed in each room. A copy of each allergy plan is provided to the kitchen staff and placed in a folder in the kitchen. A *Kitchen Allergy Chart* is also displayed in the kitchen.

These forms are required to be updated every 12 months or the child may need to stay home until a safe action plan is reinstated;

- the Centre Director will discuss with the family how the Centre will cater for the child's dietary requirements and food that the family may be required to supply;
- a **Special Diet Form** must be completed for Parents who suspect intolerance to food types, with detail around which food is in question and what they suspect is happening as a result of the food. Specific information regarding the foods that cannot be eaten, and specific signs, symptoms and procedures to take in the event of a reaction;
- all **Special Diet Forms will be reviewed within 12 months** and will be followed up firstly, by the room Team Leader and then followed up by the Centre Director;

- all Educators will be made aware of children who have a food allergy/intolerance. This will be documented and displayed in the kitchen and in the child's room;
- special diets for cultural, religious and other reasons will be discussed and negotiated with the family upon enrolment and a **Special Diet Form** will be completed;
- the health and safety of the child is foremost and any concerns regarding the child's dietary intake will be discussed with Parents and/or Carers;
- food allergies/intolerances should be confirmed by a specialist (e.g. Paediatrician or Immunologist) or a General Practitioner or Dietician;
- the Specialist should provide detailed information about the allergy or sensitivity and details of any emergency procedure required on an allergy or anaphylactic plan;
- a Dietitian's input is strongly recommended where there is food intolerance or suspected food intolerance. A Dietitian can provide information about the foods that may be eaten and foods to avoid for the period of time that the special diet is required;
- staff from the Centre will discuss with Parents and/or Carers what food they are prepared to provide for their child while the child is on the special diet, and what the Centre will provide and the timeframes associated with the special diet;
- staff from the Centre will regularly consult with Parents and/or Carers to determine the ongoing needs of a special diet;
- dietary restrictions for children with diagnosed food allergies must be taken seriously as ingestion of allergenic foods can be life threatening;
- children aged between 1 – 2 years will be offered a wide variety of foods from the Centre menu, (noting that some changes in texture or flavour may be required); and
- Parents and/or Carers may seek dietary advice regarding the timing of the introduction of cow's milk/ dairy products, fish and soy products if there is a strong family history of allergy.

In the event that further information and support is required on how to manage a food allergy or food sensitivity the following external agencies can be contacted:

- Nutrition Department (Children, Youth and Women's Health Service) 8161 7233;
- Community Dietitian/Nutritionist;
- Local Doctor;
- Allergy Specialist e.g. Immunologist or a Paediatrician; or
- Private Dietitian.

Special Occasions and Birthdays

In respect to Special Occasions and Birthdays:

- the Centre encourages healthy food for special occasions such as Birthdays, Christmas and Easter and other Cultural events (e.g. fresh fruit, sandwiches, fruit muffins); and
- it is the Centre's preference that the Parent and/or Carer provides a cake mix so that the Educators can make the cake with the children during the day.

Safe Handling of Breastmilk

Babies should only drink breastmilk that has come from their own mother. Therefore, it is important that a mother's breastmilk is not given to another child. The Centre can assist Parents with information regarding breastfeeding and storage of breastmilk.

Cleaning Bottles for Babies

Bottles **must** be sterilised, sanitised or disinfected to ensure that they do not carry any infections. This can be undertaken by boiling, using an electric sterilising unit, through chemical sterilisation or with a microwave steriliser.

Instructions relevant to the chosen method for the sterilisation of bottles will be adhered to by all Centre staff.

Labelling and Storage of Bottles

In respect to Labelling and Storage of Bottles:

- breastmilk is required to be provided to the Centre in sterilised plastic bottles, and in an insulated container labelled with the name of the child, and the date to be used;
- bottles will be placed in a non-spill tray on the lowest shelf of the refrigerator to ensure that if knocked or spilled, breastmilk does not drip onto other food; and
- breastmilk that has been supplied by the Parent and is not used on the day will be returned to the mother or discarded at the end of the day.

Heating Breastmilk

Babies can drink breastmilk straight from the refrigerator, however if a baby prefers warm milk:

- the milk will be heated by standing the bottle in warm water;
- the temperature of the milk will be tested prior to giving it to a baby;
- milk is not to be warmed in the microwave, as often this does not heat the milk evenly and can cause burns. In addition, microwaving breastmilk may destroy some of its natural benefits; and
- any leftover breastmilk will be discarded as it cannot be saved for later or rewarmed.

Protocols for Breastmilk

When it is time to give a baby breastmilk from the fridge:

- if more than one (1) baby is receiving breastmilk at the same time, **two (2)** staff members are required to check that the name on the bottle is that of the baby about to be fed;
- the baby's feeding record is to be signed by the responsible staff member;
- breastmilk will be offered in the sterilised plastic bottle or cup provided by the Parent. Some families will choose to feed their babies with bottles, while others may choose to have the expressed breastmilk offered in a cup. Babies are usually ready to drink from a cup at around seven (7) or eight (8) months of age; and
- if a baby is given the milk of another mother, or if you *think* this might have happened, the Centre Director must be **notified immediately**.

Formula

Formula that is not made up correctly can cause babies to become dehydrated, constipated or even undernourished.

Parents and/or Carers are required to provide sterilised bottles and teats, as well as pre-measured powdered formula, each day. These should all be clearly labelled with the date, the baby's name and the amount of water to be mixed with the formula. Parents and/or Carers can also provide bottles already filled with the correct amount of pre-boiled and cooled water, so that Centre staff do not have to boil and cool water prior to feeding babies.

Parents and/or Carers can also leave a tin of formula in their child's room for Centre Educators to prepare during the day.

Water that is used for the preparation of infant formula should be prepared by bringing a fresh kettle or jug of water to the boil and allowing it to boil for 30 seconds (or, for an automatic electric kettle, until the cut-off point). Water should then be cooled before use.

Infant formula should always be prepared as close as possible to the time it is needed. It is safest to prepare feeds individually, and not in bulk.

Water from any water boiling units within the Centre is not to be used, as it is unsuitable for young children.

No additional foods or flavourings will be added to formula as this may interfere with a baby's feeding. When handling infant formula Centre staff will ensure that:

- infant formula is prepared as close as possible to the time that it is required;
- if formula does need to be stored after it has been made up, it is to be stored in the refrigerator until use, and discarded after 24 hours;
- it is not safe for Parents to bring already prepared infant formula for their child. This is to avoid the small risk of harmful bacteria growing in the pre-prepared formula;
- the formula is heated evenly and to reduce the risk of burning the baby, warm the bottles in a water bath for no longer than 10 minutes, and not in the microwave;
- babies are to be supervised while they are feeding. Babies are not to be left unattended with a bottle.
- bottles are not to be "propped" for a baby. Propping a bottle up puts babies at risk of choking or developing an ear infection; and
- bottles and teats are to be rinsed in cold water following each use and sent home to be washed and sterilised.

Fluids allowed for Babies and 1-5 year olds at the Centre

In respect to Fluids allowed for Babies and 1-5 year olds at the Centre:

- plain tap water will be available at all times to children in the Centre; and
- *Cow's milk* is not recommended for babies less than 12 months old because it is a poor source of iron and predisposes infants to iron deficiency. It also has high levels of protein, sodium, potassium, phosphorous and calcium causing a high renal solute load and a strain on young kidneys.

Fluids allowed for babies (birth to 12 months)

In respect to Fluids allowed for babies (birth to 12 months):

- breast milk and infant formula;
- plain tap water (boiled and cooled until at least 6 months) - if tap water is not available, spring or bottled water can be used but it must be boiled and cooled for babies under 12 months old, and rain water must be boiled and cooled for all babies and children until 5 years old; and
- Soy formula can be provided under medical advice.

Suitable fluids for 1 year olds

In respect to Suitable Fluids for 1 year olds:

- Breast milk;
- Cow's milk (full cream);
- plain tap water; and
- soy beverage, calcium fortified (full fat).

Suitable fluids for 2-5 year olds

In respect to Suitable Fluids for 2-5 year olds:

- reduced fat milk (1.0-2.5% fat);
- soy beverage, calcium fortified (full fat or reduced fat); and
- plain tap water.

Unsuitable fluids for Child Care (all ages)

In respect to Unsuitable Fluids for Child Care (all ages):

- carbonated drinks e.g. soft drinks (including soda water), sports, energy, and flavoured waters that are artificially sweetened;
- cordials;
- sweet syrups e.g. Ribena;
- vegetable juices;
- tea, coffee, herbal teas;
- full strength juice (limit to 125ml per day, 50:50 dilution with water);
- flavoured or condensed milk;
- alcohol; and
- vegan beverages (e.g. rice milk, oat milk) unless under medical advice.

Precautions to Prevent Choking

To make eating safe for young children, the following will apply:

- food that can break into hard pieces will not to be given to young children;
- the Centre will avoid raw carrot, celery sticks and apple pieces and will provide foods that are slow cooked, mashed, par boiled and cut into small pieces for children under 2 years;
- sausages, frankfurts and other meats will be cut into small pieces. Tough skins on frankfurts and other sausages will be removed;
- Educators will remain with young children and supervise them while they are eating; and
- Educators will ensure that all children sit quietly while eating and children will never be forced to eat.

Foods with a high risk of choking such as whole nuts, seeds, raw carrot, celery sticks and chunks of apple, should be avoided for all children under the age of three (3) years as their size and/or consistency increases the risk of inhalation and choking.

Babies are not to be given pieces of hard, raw fruits and vegetables, nuts, popcorn or other hard, small, round and/or sticky solid foods.

REVIEW PROCESS

This Policy and Procedure will be reviewed every two (2) years, or as required, to ensure practices are consistent with the Australian Children's Education & Care Quality Authority Guidelines.

Family and Educator feedback will be considered in the review process.

SOURCES

Australian Children's Education and Care Authority (Standard 2.2)
Children's Services (Child Care Centre) Regulations 1998
Dietary Guidelines for Children and Adolescents - NHMRC
Drinks for children – Children, Youth and Women's Health Service
Get up & Grow – Department of Health and Ageing
Guidelines for fluids allowed for babies and 1-5 year olds – www.health.sa.gov.au/pehs/ser-award
Guidelines for Procedures on Infant Feeding - Information from SA child care nutrition partnership QIAS
Information from the SA Child Care Nutrition Partnership – www.wch.sa.gov.au/childcarenutrition
Prevent choking on food – Women's and Children Hospital 1998
Recommended procedures for storing, thawing and warming of breast milk. - www.health.sa.gov.au/pehs/ser-award
Recommended schedule for introducing solids to infants – www.health.sa.gov.au/pehs/ser-award
SA Centre for Health {promotion – www.chdf.org.au

ADOPTION OF THE POLICY

This Policy was adopted November 2006.

This Policy was endorsed by the Audit & Risk Committee on 2024.

This Policy was adopted by the Council on 2024.

TO BE REVIEWED

July 2026.

Attachment C

St Peters Child Care Centre Review of Policies





NAME OF POLICY: Sun Safe

POLICY MANUAL: St Peters Child Care Centre & Preschool

BACKGROUND

[The Education and Care Services National Regulations 2011 \(the Regulations\)](#), require an approved provider to ensure that policies and procedures are in place in relation to sun protection (Regulation 168) and take reasonable steps to ensure those policies and procedures are followed.

[In addition, an approved provider of a centre-based service must ensure that outdoor spaces at the centre include adequate shaded areas to protect children from overexposure to ultraviolet \(UV\) radiation from the sun \(Regulation 114\).](#)

[This policy has been prepared in accordance with the requirements of the Education and Care Services National Regulations 2011.](#)

OBJECTIVE

[The Centre recognises the value of outdoor play and learning in a sun safe way and is committed to ensuring all children, staff and Volunteers are protected from ultraviolet \(UV\) radiation for all outdoor activities.](#)

[This includes:](#)

- [providing shade in the outdoor environment;](#)
- [ensuring all sun protection measures are promoted and utilised;](#)
- [encouraging and supporting children to develop independent sun protection skills; and](#)
- [providing learning opportunities for children, staff and families.](#)

KEY TERMS

[Australian Children's Education and Care Quality Authority \(ACECQA\) – The independent national authority that works with all regulatory authorities to administer the National Quality Framework, including the provision of guidance, resources and services to support the sector to improve outcomes for children.](#)

[Sun Protection - a combination of strategies \(clothing, hats, sunscreen, sunglasses and shade\) to protect from UV.](#)

[Sun Protection Factor \(SPF\) - the Australian Standard for sunscreen, the SPF indicates the level of protection provided against UVR.](#)

[Sun Protection Times - sun protection measures are recommended when the UVI is 3 and above.](#)

Ultraviolet (UV) Radiation (UVR) - is a type of energy produced by the sun and some artificial sources, such as solariums and tanning beds. UV cannot be seen or felt. The sun's UV can reach a human directly and also indirectly (reflected off different surfaces and scattered by particles in the air). At least 95% of skin cancers are caused by UV exposure.

Ultraviolet Index (UVI) - a measure of the level of UVR. The higher the UVI, the greater the potential for damage to the skin and eyes, and the less time it takes for harm to occur. Sun protection measures are recommended when the UVI is 3 and above.

POLICY

Australia has one of the highest incidences of skin cancer in the world, with two out of three Australians being diagnosed with some form of skin cancer before aged 70.

The Cancer Council Australia advises that exposure to ultraviolet (UV) radiation in childhood is a major risk factor for developing skin cancer later in life. By implementing best practice sun protection practices, we can help to protect children, staff and Volunteers from UV radiation and teach children good sun protection habits from an early age. The Centre endeavours to protect children, visitors, parents and educators from the harmful rays of the sun.

The Centre will provide a sun safe environment for all children enrolled at the Centre by ensuring that:

- Educators and staff understand the potential risks of ultraviolet (UV) radiation exposure for children and adults and that they promote and model the appropriate sun safe behaviours to children, families, and their colleagues;
- Educators support children to develop positive lifelong attitudes towards skin protection, and lifestyle practices which can reduce sun damage and the potential incidence of skin cancer;
- a combination of sun protection measures will be used whenever the UV radiation levels reach 3 and above;
- children and adults have some safe sun exposure for the necessary absorption of vitamin D, when the UV radiation levels are below 3, and sun protection is not required;
- Educators should involve children whenever possible to support their understanding of when and why sun protection is needed;
- when designing and developing children's outdoor spaces, adequate shade, using a combination of natural and manufactured shade will be considered and included where possible; and
- sun safe practices will be included in the curriculum and systems in place to ensure children can be outdoors.

PROCEDURE

In [accordance with the](#) Department for Education and Cancer Council SA guidelines, and [the Centre's](#) ~~our~~ SunSmart status, sun protection measures are in place from 1 August to 30 April [each year](#), and when the [Ultraviolet Index](#) is 3 and above at [all](#) other times.

~~Staff are encouraged to access the daily sun protection times to assist with implementing this policy.~~

Outdoor Play – August to April

During outdoor play:

- sun protection is required at all times.
- additional sun protection is required between 11.00am and 3.00pm and during this period outdoor activities should be minimised. Minimising outdoor activities includes reducing both the number of times (frequency) and the length of time (duration) children are outside and ensuring children play out of direct sunlight.
- outdoor activities will be scheduled outside of peak UVR times and/or where possible, in the shade.

Outdoor Play – May to July

During outdoor play:

- from May to July outdoor activity can take place at any time. However, from 10.00am – 2.00pm sun protection is recommended.

Sun Protection

- Hats

Sun safe hats (ie ~~Children are required to wear a~~ broad brim/bucket/legionnaire's hat) are required to be worn at all times from 1 August to 30 April, when outdoors.

Sun safe hats are required to be worn at all times from 1 May to 31 July, when the UVI is 3 or above.

Baseball caps are not considered to be sun safe as these do not provide sufficient sun protection and therefore, will not be permitted to be used as a sun safe hat for use when outdoors.

- Clothing

When outdoors, sun safe clothing that covers as much of the skin as possible must be worn at all times. ~~Children are required to have clothes that cover as much skin as possible.~~

~~Clothing made from cool, closely woven fabric is recommended. T~~sun safe clothing includes tops with collars and elbow length sleeves, and longer style shorts, dresses and skirts are best.

Tank tops, midriff, crop and singlet tops -and spaghetti string strapsleeves are will not be able to be worn when outdoors~~outside~~. ~~Clothing made from cool, closely woven fabric is recommended. Tops with collars and elbow length sleeves, and longer style shorts, dresses and skirts are best.~~

Staff will ensure that cChildren who do not have appropriate hats or clothing will ~~are asked to~~ play in an area protected from the sun or return indoors.

- Sunscreen

Permission is sought at the time of enrolment, from the Pparent and/or Carerguardian, for staff to apply sunscreen to children.

The Centre will maintain a supply of broad spectrum, water resistant SPF ~~30-50~~ sunscreen in all rooms to ensure that ~~both~~ children, Educators and Volunteers are adequately protected.

Educators will apply SPF ~~30-50~~ broad spectrum, water resistant sunscreen to children 20 minutes before any outdoor activity is scheduled to commence, and then re-apply 2 hourly if remaining outdoors.

Sunscreen will be reapplied immediately after sweating, water-based activities, towel drying or being washed off.

Educators will consult with Parents and/or Carers to ensure that sunscreen is only applied in accordance with the consent provided on the enrolment form.

Educators will ensure that particular care is given to infants. Babies under 12 months will not be exposed to direct sun when the UV radiation levels are 3 and above, and are protected by clothing, hats and shade. Sunscreen is to be applied to small areas of exposed skin, not protected by clothing or hats on infants six months and older.

Parents and/or Carers of children who have sensitive skin or skin allergies are encouraged to supply their own sunscreen for Educators to apply.

The Centre encourages Parents and/or Carers to apply sunscreen to their child before arrival at the Centre.

Staff

~~A~~For work health and safety, all Centre staff are required to wear sun protective hats all year round when outdoors and when side the UVI is 3 or above.

~~when the UV is 3 and above, and role model sun safe procedures as stated above.~~

All Centre staff are required to wear a three-quarter $\frac{3}{4}$ length sleeve shirts when outside all year round.

~~Families and other visitors will be encouraged to implement the Centre's sun protection behaviours and practices when engaged in Centre experiences and excursions. For example, parents must wear a sun protective hat when volunteering on excursions.~~

~~Educators will ensure that particular care will be given to infants. Babies under 12 months will not be exposed to direct sun when the UV radiation levels are 3 and above, and are protected by clothing, hats and shade. Sunscreen is applied to small areas of exposed skin, not protected by clothing or hats on infants six months and older.~~

Educators will incorporate sun smart awareness education through regular programmed activities. For example games and songs etc that promote sun smart awareness.

Educators and families will be provided with up to date information and resources provided by the Cancer Council SA.

~~Educators will consult with parents to ensure that sunscreen is only applied in accordance with the consent on the enrolment form.~~

Visitors to the Centre

Families and other visitors to the Centre will be required to implement the Centre's sun protection behaviours and practices when engaged in Centre experiences and excursions. For example, Parents and/or Carers must wear a sun protective hat when volunteering on excursions.

HOT WEATHER

When temperatures exceed thirty two (32) degrees celsius, outdoor play will be limited to between fifteen and twenty (15-20) minutes with indoor/outdoor play additionally being an option for children.

Water will be on offer at all times provided to children at all times throughout the day, regardless of indoor or outdoor play settings.

Children are encouraged to bring water bottles from home and are able to access water throughout the day.

On days when the weather is above twenty five (25) degrees Celsius all any rubber play equipment surfaces will be checked to ensure that they are not too hot for children to play on.

REVIEW PROCESS

This Policy and Procedure will be reviewed every two (2) years, or as required, to ensure practices are consistent with the Australian Childrens Education & Care Quality Authority Guidelines and relevant information and resources from the Cancer Council SA.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is the Council's Director, St Peters Child Care & Preschool Centre, telephone 8362 1843 or via email: aparsons@npsp.sa.gov.au

RESOURCES

[Australian Childrens Education & Care Quality Authority Sun Protection Guidelines National Quality Framework \(Standard 2.3\)](#)
[National Early Childhood Resource Poster & Booklet of Experiences – Be Sun Smart, Play Sun Smart: Cancer Council SA \[www.cancersa.org.au\]\(http://www.cancersa.org.au\)](#)
[Cancer Council SA – SunSmart Early Childhood Policy Guidelines 2021](#)

ADOPTION OF THE POLICY

This Policy was adopted in 2004.

This Policy has been reviewed annually since 2004.

This Policy was endorsed by the Audit & Risk Committee on _____ 2024.

This Policy was adopted by the Council on _____ 2024.

TO BE REVIEWED

May 2026 Annually

Attachment D

St Peters Child Care Centre Review of Policies



The Director of the St Peters Child Care Centre & Preschool, is responsible for:

- ensuring sufficient numbers of Educators are employed to ensure appropriate levels of supervision of children at all times;
- discussing the requirements of this Policy, the required ratios, the Centres' Supervision Plans and the expectations of Educators, in respect to proper supervision, during staff inductions, training and staff meetings;
- communicating any changes to this Policy, required ratios, the Centre's Supervision Plans and expectations of Educators in respect to proper supervision to each Educator and ensure that each Educator understands the requirements and any changes that have occurred;
- ensuring a *Supervision Plan* is displayed in each room. Educators must comply with the Centres' *Supervision Plan* at all times.

Educators are required to:

- ensure that no child is left alone (or is out of sight) whilst at the Centre (including outdoor areas);
- ensure the relevant checklists are dated and signed each day and kept in the folders located in the Director's office at the end of each fortnight for filing. This includes the Outside Safety Checklists, the Indoor Safety Checklists, the Sleep Records and Food Temperature Checklists;
- monitor the Sleeping Areas in accordance with the Council's requirements;
- ensure that each child is released from the Centre at the end of the day to an authorised and known parent, guardian or care giver and details of which are recorded via sign in/sign out on the Centre's 'Kid Kiosk'.

The accurate and current details of the authorised and known Parent and/or Carer, including the name, relationship to the child, contact address, contact number and evidence that the person is authorised to collect the child, will be documented in the Centre's records. The relevant record will be made readily available to any Educator responsible for a child, upon request, so that if required, the Educator can check that a child is being released from the Centre, to the correct authorised and known parent, guardian or care giver.

Excursions

In respect to excursions that are being arranged and which are being undertaken outside of the Centre, the relevant requirements set out in this Policy must be adhered to at all times during any activity or excursion which is undertaken.

In addition, the following requirements must also be observed:

- as part of planning any excursion, Educators must discuss matters relating to proper supervision, undertake a *Risk Assessment* using the *Council's Risk Framework* and implement the required mitigating strategies and document a suitable *Supervision Plan*, prior to undertaking the excursion;
- written consent for each child from the authorised and known parent, guardian or care giver, must be obtained, documented and filed prior to the child being allowed to participate in any excursion;
- in accordance with the requirements set out in the *National Quality Framework*, for each child, the relevant authorised and known parent, guardian or care giver, must be emailed the Risk Plan and the Excursion Plan including the form or travel and the destination;
- the Director of the St Peters Child Care Centre & Preschool will ensure that as part of obtaining written consent for a child to attend an excursion, for each child, the authorised and known parent, guardian or care giver, will be advised in writing of the number of Educators who will be accompanying the children on the excursion; and
- the Director of the St Peters Child Care Centre & Preschool will ensure that an evaluation of the supervision practices that are undertaken on each excursion are evaluated for effectiveness and to be used to plan any other excursions.

7.5 DRAFT ANNUAL REPORT OF THE AUDIT & RISK COMMITTEE

REPORT AUTHOR: Manager, Governance
GENERAL MANAGER: General Manager, Governance & Civic Affairs
CONTACT NUMBER: 8366 4593
FILE REFERENCE:
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present the draft *Audit & Risk Committee Annual Report* to the Committee for endorsement.

BACKGROUND

Section 126(8)(b) of the *Local Government Act 1999* (the Act), requires a Council's Audit & Risk Committee to provide an Annual Report to the Council on the work of the Committee during the preceding financial year. In accordance with Section 126(9) of the Act, the Council must ensure that the Annual Report of the Committee is included in the Council's Annual Report.

In accordance with the Act, a draft Annual Report of the Audit & Risk Committee has been prepared on the basis of the work that has been undertaken during 2023-2024.

A copy of the draft Annual Report is contained within Attachment A.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable

DISCUSSION

The *Audit & Risk Committee Annual Report* (the Annual Report) highlights that the Committee has performed its functions in accordance with the legislated requirements and its Terms of Reference. The Annual Report includes information regarding the following:

- Membership
- Meetings and Attendance
- Activities

OPTIONS

Not Applicable.

The requirement for the Audit & Risk Committee to provide an Annual Report to the Council is a mandatory requirement of Section 126(8)(b) of the Act. To ensure that the Committee Annual Report is included in the Council's Annual Report in accordance with Section 126(9) of the Act, the Committee must approve its Annual Report at this meeting.

CONCLUSION

The draft *Audit & Risk Committee Annual Report* as contained in **Attachment A** provides a summary of the work of the Council's Audit & Risk Committee for the 2023-2024 Financial Year and meets the Committee's legislative obligation to report to the Council annually in accordance with Section 128(8)9b) of the Act.

RECOMMENDATION

1. That the *2023-2024 Audit & Risk Committee Annual Report* (as contained in Attachment A), be approved.
2. The Audit & Risk Committee notes that the *2023-2024 Audit & Risk Committee Annual Report* will be included in the Council's 2023-2024 Annual Report.

Attachment A

Draft Annual Report of the Audit & Risk Committee





ANNUAL REPORT OF THE AUDIT & RISK COMMITTEE

The Audit & Risk Committee operates as a Committee of the Council and has been established pursuant to Section 41 of the *Local Government Act 1999* (the Act), in accordance with the requirements of Section 126 of the Act.

The purpose of the Committee is to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters. Section 126(4) prescribes the functions of the Audit & Risk Committee and these are captured in the Committee's Terms of Reference.

This Annual Report provides a summary of the work undertaken by the Committee during the 2023-2024 year and demonstrates how the Audit & Risk Committee has effectively fulfilled its legislative functions.

1. Committee Membership

The current Audit & Risk Committee Members were appointed by the Council on 22 March 2023. The Members are:

- Mayor Robert Bria
- Cr Claire Clutterham
- Cr Grant Piggot
- Sandra Di Blasio (Independent Member)
- Stefanie Eldridge (Independent Member)

Following legislative reforms to the Act and Regulations arising from the passage of the *Statutes Amendment (Local Government Review) Act 2021* (the Review Act), various financial and governance accountability changes came into effect from November 2023.

These changes had a number of consequent implications for the Council's Audit & Risk Committee, including the membership which is required to comprise of a majority of Independent Members. Notwithstanding this, Regulation 14(a) of the *Local Government (Transitional Provisions) Regulations 2021* (the Transitional Regulations), provides that a Member of a Council Audit & Risk Committee holding office immediately before the commencement of the changes to Section 126(2) of the Act can continue to hold office for the remainder of their term of appointment to the Committee.

While the current membership of the Audit & Risk Committee does not have a majority of Independent Members, the Council has determined that the new membership requirements will be considered at the conclusion of the term of the Independent Members (ie. March 2025). This is in accordance with and satisfies the Transitional Regulations.

2. Meetings and Attendance

The Audit & Risk Committee met on a quarterly basis fulfilling the requirement of Section 126(5) of the Act. In addition, Special Meetings were convened as needed in accordance with Section 87 of the Act.

Table 1 provides a summary of Meeting dates and attendance for the 2023-2024 Financial Year:

TABLE 1: SUMMARY OF MEETING DATES AND ATTENDANCE FOR THE 2023-2024 FINANCIAL YEAR

Meeting	Mayor Robert Bria	Cr Claire Clutterham	Cr Grant Piggott	Sandra Di Blasio	Stefanie Eldridge
18 September 2023	✓	✓	✓	✓	✓
1 November 2023	✓	✓	✓	✓	X
20 November 2023 (Special)	✓	✓	✓	✓	✓
6 December 2023 (Special)	✓	✓	✓	✓	✓
7 March 2024	✓	X	✓	✓	X
22 April 2024	✓	✓	✓	✓	✓
20 May 2024	✓	✓	✓	✓	✓

Key: Present: ✓ Apology: X

3. Activities

The following information provides a summary of the work that has been undertaken by the Audit & Risk Committee during the 2023-2024 financial year, to fulfill the Committee's purpose and function. The legislative functions of the Audit & Risk Committee have been listed in italics with the summary of the activity underneath.

3.1. Reviewing Annual Financial Statements

Legislative function (Section 126(4)(a) of the Act): *Reviewing Annual Financial Statements to ensure that the Statements present fairly the state of affairs of the Council.*

At its Meeting on 1 November 2023, the Audit & Risk Committee reviewed the Council's Annual Financial Statements for the year ended 30 June 2023 and recommended to the Council that the Audited Financial Statements be adopted including the asset revaluations.

A report on the Annual Financial Statements for the year ended 30 June 2023 for each of the Regional Subsidiaries, of which the Council is a Member, was also received and noted at the Audit & Risk Committee meeting held on 1 November 2023. The report provided to the Committee, included highlights from the 2022-2023 Financial Year for the Eastern Health Authority, Eastern Waste Management Authority, ERA Water and the Highbury Landfill Authority.

The Audit & Risk Committee received and noted the Council's Financial Summary Report for 2022-2023, which provided the Actual results compared to the Adopted Budget. That report was prepared in accordance with Regulation 10 of the *Local Government (Financial Management) Regulations 2011*.

3.2. Reviewing Strategic Management Plans or Annual Business Plan

Legislative function (Section 126(4)(b) of the Act): *Proposing and providing information relevant to, a review of the Council's Strategic Management Plans or Annual Business Plan.*

The Audit & Risk Committee received and noted the Council's draft Long Term Financial Plan at its meeting on 6 December 2023. The Committee recommended to the Council that the Key Financial Indicators should be revised annually by the Committee, with recommendations being made to the Council in respect to any revised targets for the Council's consideration.

The updated Key Performance Indicators were subsequently received and noted by the Audit & Risk Committee at its meeting held on 7 March 2024 and no additional recommendations were provided to the Council.

At its meeting held on 22 April 2024, the Audit & Risk Committee considered the Council's draft 2024-2025 Budget which was based on the Council's draft 2024-2025 Annual Business Plan and recommended that the Council should seek to achieve the following:

- a Rate Revenue increase of no more than 8.0% as part of the Draft 2024-2025 Budget; and
- an Operating Surplus of at least \$171,000, by re-considering the funding of all Operating Projects, with a particular focus on those projects that will incur recurrent funding.

3.3. Responsiveness to recommendations for improvement

Legislative function (Section 126(4)(c) of the Act): *Monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by the Council's External Auditor.*

The Audit & Risk Committee received the External Auditor's report regarding implementation of Internal Control recommendations at its meeting on 1 November 2023.

A report on the St Peters Child Care Centre & Pre-School, which included recommended actions from a financial and risk management perspective, was received by the Audit & Risk Committee on 20 May 2024. The implementation of these recommendations continue to be monitored by the Committee through reporting as required.

It is envisaged that a quarterly reporting framework will be implemented with the Audit & Risk Committee in the 2024-2025 Financial Year. This will assist the Committee to monitor the Council's responsiveness to previous Internal and External Audits, as well as risk assessments, on an ongoing basis.

3.4. Section 130A Examination reviews

Legislative function (Section 126(4)(d) of the Act): *Proposing, and reviewing, the exercise of powers under Section 130A of the Local Government Act 1999.*

Section 130A of the Act provides that the Council may request an examination and report on any matter relating to financial management, or the efficiency and economy with which the Council manages or uses its resources to achieve its objectives, that would not otherwise be addressed as part of the External Audit.

The Council has not requested such an examination.

A Section 130A examination is akin to Service Reviews which is currently being undertaken by the Chief Executive Officer, in exercising the Chief Executive Officer's ongoing responsibilities for the day-to-day operations and affairs of the Council.

The current Terms of Reference for the Audit & Risk Committee provide that the Committee will review and provide advice on Service Reviews. At its meeting on 1 November 2023, the Committee received and noted a confidential report on Service Reviews. Progress of actions arising from Service Reviews will be incorporated into the quarterly reporting framework for the Audit & Risk Committee.

3.5. Liaising with Council's External Auditor

Legislative function (Section 126(4)(e) of the Act): *Liaising with the Council's External Auditor in accordance with any requirements prescribed by the regulations.*

The Council's External Auditor, Galpins attended the following meetings of the Committee:

- 18 September 2023;and
- 1 November 2023.

With the commencement of changes to the *Local Government (Financial Management) Regulations 2011* on 30 November 2023, Regulation 17B prescribes that in liaising with the Council's External Auditor, there must be at least one (1) confidential meeting with the Auditor where the majority of Committee Members are present and no Elected Members or Employees of the Council are present (other than Elected Members who are Members of the Committee). This requirement commenced after the meetings were held with the Auditor for the 2023-2024 Financial Year. A confidential meeting with External Auditors will be scheduled during the 2024-2025 financial year.

3.6. Reviewing adequacy of internal controls and financial matters

Legislative function (Section 126(4)(f) of the Act): *Reviewing the adequacy of the accounting, internal controls, reporting and other financial management systems and practices of the Council on a regular basis.*

At its meeting held on 18 September 2023, the Audit & Risk Committee received and noted a report from Mr Tim Mulhausler of Galpins, which provided the results of a comprehensive review of the Council's Internal Control procedures and processes. The majority of Internal Controls were found to be working effectively and recommendations were provided in respect to those that required improvement. The Committee noted the implementation of the recommendations contained in the report.

An update on the progress of implementing the recommendations from the Auditor in relation to Internal Controls was subsequently considered by the Audit & Risk Committee at its meeting held on 1 November 2023 and reports will continue to be provided on a quarterly basis.

The Committee was also provided the opportunity to review the Council's Financial Delegations Policy and requested a report annually regarding the reimbursement of the Chief Executive Officer's reimbursements. The Committee recommended to the Council that the Financial Delegations Policy be adopted and that the Expenditure Policy be revoked.

Some of the additional policies referred to below in point 3.8 also form part of the Council's Internal Controls.

3.7. Oversight and review of Internal Audit

Legislative function (Section 126(4)(g)(i)(A) of the Act): *Providing oversight of planning and scoping of the Internal Audit work plan.*

The Committee received the Strategic Internal Audit Plan 2023-2025 prepared by Bentleys SA Pty Ltd as the Council's Internal Auditor at its meeting on 1 November 2023.

Legislative function (section 126(4)(g)(i)(B) of the Act): *Reviewing and commenting on reports provided by the person primarily responsible for the Internal Audit function at least on a quarterly basis.*

The Human Resources Internal Audit Report was considered in confidence by the Audit & Risk Committee at its meeting on 1 November 2023.

3.8. Reviewing and evaluating risk management policies, systems and procedures

Legislative function (Section 126(4)(h) of the Act): *Reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.*

The Audit & Risk Committee received a report on significant corporate risks at its meeting held on 18 September 2023.

The Committee also reviewed a number of policies which assist with the monitoring, management and review of strategic, financial and operation risks, as well as Internal Controls. Following its review of the Policies, the Audit & Risk Committee recommended to the Council that the following policies be adopted:

- Bad Debt Write-Off Policy
- Credit Cards Policy
- Bank Accounts Policy
- Budget Policy
- Treasury Management Policy
- Asset Impairment Policy
- Asset Revaluation Policy
- Budget Review Policy

As previously mentioned, the Audit & Risk Committee received a report on the St Peters Child Care Centre & Pre-school which included recommendations from a financial and risk management perspective. In addition, the following policies specific to the operation of the St Peters Child Care Centre & Pre-School were reviewed and recommended for the Council's adoption:

- Providing A Child Safe Environment Policy
- Sleep and Rest for Children Policy & Delegation

Following discussions regarding the re-development of the Payneham Memorial Swimming Centre held on 6 December 2023, the Audit & Risk Committee requested that a quarterly report on the project risks be provided. Some of the risks were discussed as part of discussions at the Audit & Risk Committee meeting held on 7 March 2024 when the Audit & Risk Committee considered the Council's Long Term Financial Plan Key Performance Indicators. The project risks will be incorporated into the ongoing quarterly reporting framework to be implemented during the 2024-2025 year.

3.9. Prudential Report reviews

Legislative function (section 126(4)(h) of the Act): *Reviewing any report obtained by the Council pursuant to Section 48(1) of the Local Government Act 1999.*

The Audit & Risk Committee considered Prudential Reports in relation to the re-development of the Payneham Memorial Swimming Centre at its meetings held on 20 November 2023 and 6 December 2023. Following consideration of the Reports, recommendations were made to the Council which have subsequently been factored into the Council's Long Term Financial Plan.

4. Conclusion

Supported by Council staff, the Council's Audit & Risk Committee has worked diligently over the 2023-2024 financial year to provide independent assurance and advice to the Council on matters within the scope of its functions.

Activities of the Audit & Risk Committee continue to evolve as a result of additional and expanded legislative responsibilities associated with the November 2023 commencement of accountability and governance provisions of the Review Act. Processes to support these legislative responsibilities will continue to be embedded during the 2024-2025 financial year.

The review and oversight of accounting, financial management, internal controls, risk management and governance matters provided by the Audit & Risk Committee, continues to support the Council to responsibly achieve its objectives and manage its financial affairs.

Through the work undertaken in the 2023-2024 financial year, this Annual Report summarises how the Audit & Risk has effectively fulfilled its legislative functions.

Draft

8. **CONFIDENTIAL REPORTS**
Nil

9. **OTHER BUSINESS**
(Of an urgent nature only)

10. **NEXT MEETING**
Monday 28 October 2024

11. **CLOSURE**