

Council Meeting Agenda & Reports

18 January 2021

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
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
Norwood
Payneham
& St Peters

14 January 2021

To all Members of the Council

NOTICE OF MEETING

I wish to advise that pursuant to Sections 83 and 87 of the *Local Government Act 1999*, the next Ordinary Meeting of the Norwood Payneham & St Peters Council, will be held in the Council Chambers, Norwood Town Hall, 175 The Parade, Norwood, on:

Monday 18 January 2021, commencing at 7.00pm.

Please advise Tina Zullo on 8366 4545 or email tzullo@npsp.sa.gov.au, if you are unable to attend this meeting or will be late.

Yours faithfully



Mario Barone
CHIEF EXECUTIVE OFFICER

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
**Norwood
Payneham
& St Peters**

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VENUE Council Chambers, Norwood Town Hall

HOUR

PRESENT

Council Members

Staff

APOLOGIES

ABSENT

1. **KAURNA ACKNOWLEDGEMENT**

2. **OPENING PRAYER**

3. **CONFIRMATION OF THE MINUTES OF THE COUNCIL MEETING HELD ON 7 DECEMBER 2020**

4. **MAYOR'S COMMUNICATION**

5. **DELEGATES COMMUNICATION**

6. **QUESTIONS WITHOUT NOTICE**

7. **QUESTIONS WITH NOTICE**
Nil

8. **DEPUTATIONS**
Nil

9. **PETITIONS**
Nil

10. **WRITTEN NOTICES OF MOTION**
Nil

11. **STAFF REPORTS**

Section 1 – Strategy & Policy

Reports

[No Items listed under this Section]

Section 2 – Corporate & Finance
Reports

11.1 MONTHLY FINANCIAL REPORT – NOVEMBER 2020

REPORT AUTHOR: Financial Services Manager
GENERAL MANAGER: General Manager, Corporate Services
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA64633/A110359
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to provide the Council with information regarding its financial performance for the period ended November 2020.

BACKGROUND

Section 59 of the *Local Government Act 1999* (the Act), requires the Council to keep its resource allocation, expenditure and activities and the efficiency and effectiveness of its service delivery, under review. To assist the Council in complying with these legislative requirements and the principles of good corporate financial governance, the Council is provided with monthly financial reports detailing its financial performance compared to its Budget.

RELEVANT STRATEGIC DIRECTIONS AND POLICIES

Nil

FINANCIAL AND BUDGET IMPLICATIONS

Financial sustainability is as an ongoing high priority for the Council. Given the COVID-19 pandemic, the Council adopted a Budget which included measures to minimise the impact on ratepayers and support local business. As a result, the Council adopted a Budget which forecasts an Operating Deficit of \$798,455 for the 2020-2021 Financial Year. The First Budget update increased the Operating Deficit by \$225,755 to \$1,024,210 for the 2020-2021 Financial Year.

For the period ended November 2020, the Council's Operating Surplus is \$2,203,000 against a budgeted Operating Deficit of \$1,378,000, resulting in a favourable variance of \$824,000.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Not Applicable.

COVID-19 IMPLICATIONS

As Elected Members are aware, the development of the 2020-2021 Budget, was undertaken during an unprecedented time where the on-going health, social and economic impacts of the COVID-19 Pandemic were relatively unknown and the future impacts of the physical distancing measures introduced to address the health impacts remained uncertain and were changing rapidly.

For the period ended November 2020, the Council has spent \$160,000 on its response to the COVID-19 pandemic. This covers additional cleaning services across all Council facilities and purchases of materials to ensure that appropriate physical distance and other protection measures are in place to assure both staff and customers of Council Service.

Staff are continuing to monitor the financial impacts of the COVID-19 pandemic, and will incorporate any proposed budget adjustments in the Mid-Year Budget Review.

CONSULTATION

- **Elected Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Responsible Officers and General Managers.
- **Other Agencies**
Not Applicable.

DISCUSSION

For the period ended November 2020, the Council's Operating Surplus is \$2,203,000 against a budgeted Operating Deficit of \$1,378,000, resulting in a favourable variance of \$824,000.

Employee Expenses are \$248,000 favourable to budget with the primary drivers being:

- Depot staff vacancies are being filled on a temporary basis with the use of contractors to maintain staffing levels to ensure that services delivery are not reduced during the recruitment of permanent staff. The arrangements with the contractor employment agency are such that absences, (ie medical and personnel days), are not charged to the Council. This engagement arrangement has subsequently resulted in fewer worked hours compared to the in the Adopted Budget expectation. The reduced paid hours accounts for a favourable variance of \$76,000;
- There are some vacancies which are unfilled over the reporting period which were not being covered through the use of temporary staffing arrangements which has resulted in an \$86,000 favourable variance; and
- During the COVID-19 pandemic staff in roles which were directly impacted by the State and Federal Government imposed restrictions were redeployed into vacancies where the organisation would have had to otherwise engage contractors. This has resulted in a saving of \$10,000.

User Charges are \$247,500 favourable compared to the Budget. This is the result of allowances in the budget that were made for the COVID-19 Pandemic which accounted for the Swimming Centres (\$59,000) and the Norwood Concert Hall (\$44,700) being unable to be operational until 2021. Due to the relaxation of restrictions occurring early than anticipated, these facilities were re-established and opened earlier than anticipated which has also resulted in the additional income being offset by an increase in running costs.

In addition, as Elected Members may recall, both the State and Federal Governments extended support packages to the Child Care sector, which was unknown at the time of drafting the adopted budget. This additional support combined with the maintenance of strong level of enrolments. This has resulted in a favourable variance of \$39,000.

Finance costs are favourable to the Adopted Budget by \$70,000. The Budget made allowance for short term borrowings in the first half of the year, however, with careful cash flow management and stronger collection of quarterly rate payments then anticipated these borrowings were not drawdown.

Legal expenses are unfavourable to the budget by \$60,000. The primary driver behind the increased cost is related to advices with respect to the George Street Scramble Crossing. This matter will be reviewed as part of the Mid-Year Budget Review and a budget adjustment proposed.

The Monthly Financial report is contained in **Attachment A**.

OPTIONS

Nil

CONCLUSION

Nil

COMMENTS

Nil

RECOMMENDATION

That the November 2020 Monthly Financial Report be received and noted.

Attachments – Item 11.1

Attachment A

Monthly Financial Report November 2020

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au

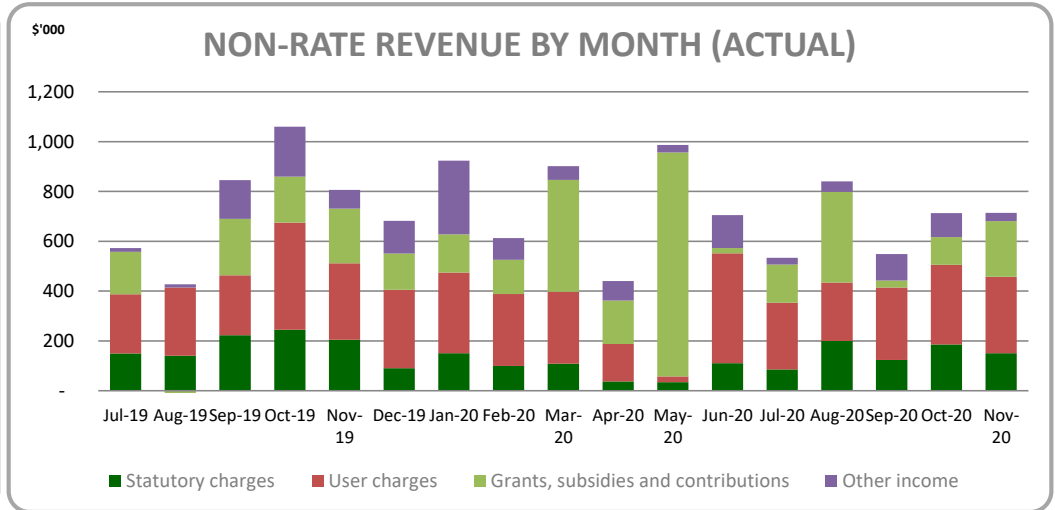
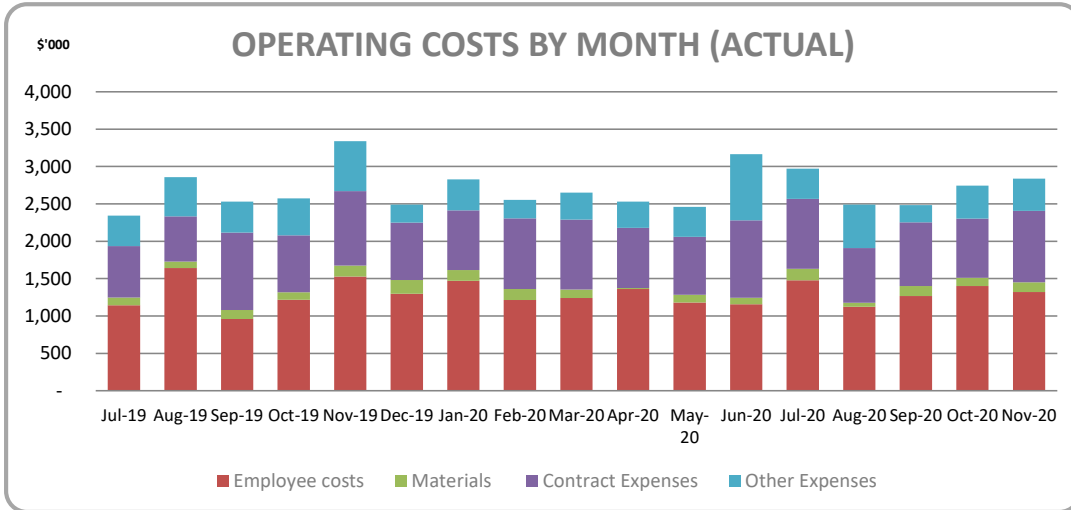


City of
**Norwood
Payneham
& St Peters**

CITY OF NORWOOD PAYNEHAM & ST PETERS

| Financial Performance for the period ended 30 November 2020 | | | | | |
|---|---|---------------|--------------------|------------|------------|
| LYTD Actual | | YTD Actual | YTD Adopted Budget | Var | Var % |
| \$'000 | | \$'000 | \$'000 | \$'000 | |
| | Revenue | | | | |
| 15,141 | Rates Revenue | 15,092 | 15,116 | (24) | (0%) |
| 964 | Statutory Charges | 745 | 739 | 5 | 1% |
| 1,514 | User Charges | 1,419 | 1,171 | 248 | 21% |
| 778 | Grants, Subsidies and Contributions | 880 | 887 | (6) | (1%) |
| 42 | Investment Income | 10 | 27 | (17) | (63%) |
| 245 | Other | 297 | 216 | 81 | 37% |
| 187 | Reimbursements | 76 | 34 | 42 | 121% |
| 18,871 | Total Revenue | 18,519 | 18,191 | 328 | 2% |
| | Expenses | | | | |
| 6,493 | Employee Expenses | 6,594 | 6,842 | 248 | 4% |
| 4,004 | Contracted Services | 4,126 | 4,176 | 51 | 1% |
| 228 | Energy | 234 | 246 | 12 | 5% |
| 296 | Insurance | 309 | 284 | (25) | (9%) |
| 85 | Legal expense | 140 | 79 | (60) | (76%) |
| 198 | Materials | 116 | 182 | 66 | 36% |
| 363 | Parts, Accessories and Consumables | 342 | 397 | 55 | 14% |
| 66 | Water | 30 | 44 | 14 | 31% |
| 2,181 | Sundry | 1,738 | 1,803 | 65 | 4% |
| 2,375 | Depreciation, Amortisation and Impairment | 2,434 | 2,434 | - | - |
| 232 | Finance Costs | 255 | 325 | 70 | 22% |
| 16,521 | Total Expenses | 16,316 | 16,812 | 496 | 3% |
| 2,350 | Operating Surplus/(Deficit) | 2,203 | 1,378 | 824 | 60% |

| Summary of Net Cost of Divisions for the period | | | | |
|--|-----------------|-----------------|-------------|------------|
| Division | YTD Actual | YTD Budget | Var | Var % |
| | \$'000 | \$'000 | \$'000 | |
| Chief Executive Office | (1,614) | (1,853) | 240 | 13% |
| Corporate Services | (4,752) | (4,723) | (29) | -1% |
| Governance and Community Affairs | (504) | (771) | 268 | 35% |
| Urban Planning and Environment | (888) | (949) | 61 | 6% |
| Urban Services | (5,132) | (5,441) | 309 | 6% |
| Operating Surplus/(Deficit) (before Rate Revenue) | (12,889) | (13,738) | 848 | 6% |
| Rate Revenue | 15,092 | 15,116 | (24) | 0% |
| Operating Surplus/(Deficit) | 2,203 | 1,378 | 824 | 60% |



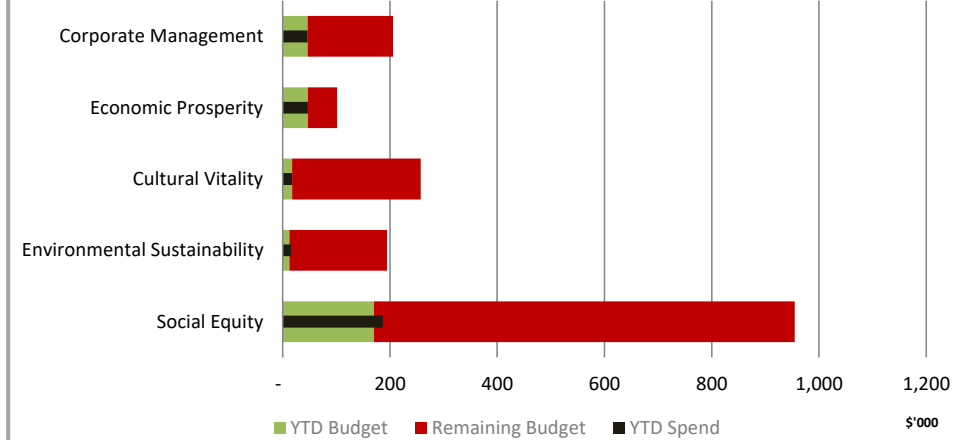
CITY OF NORWOOD PAYNEHAM & ST PETERS

Project Summary for period ended 30 November 2020

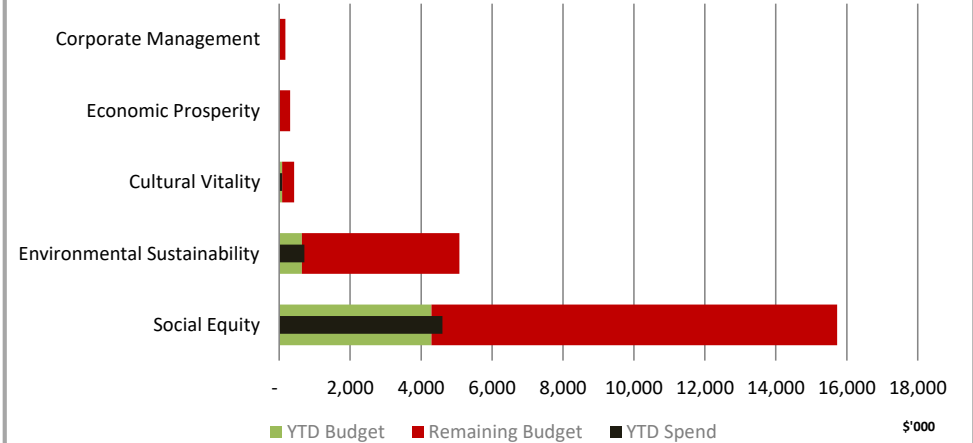
| | YTD Actual | YTD Budget | Remaining Annual Budget |
|---------------------------------------|----------------|----------------|-------------------------|
| | \$'000 | \$'000 | \$'000 |
| Operating Projects | | | |
| Income | | | |
| Social Equity | 161 | 161 | 362 |
| Environmental Sustainability | - | - | 0 |
| Cultural Vitality | - | 0 | 0 |
| Economic Prosperity | - | - | 0 |
| Corporate Management | - | - | 0 |
| Total Income | 161 | 161 | 363 |
| Expenses | | | |
| Social Equity | 187 | 170 | 785 |
| Environmental Sustainability | 16 | 13 | 182 |
| Cultural Vitality | 18 | 18 | 240 |
| Economic Prosperity | 47 | 47 | 54 |
| Corporate Management | 46 | 46 | 159 |
| Total Expenses | 313 | 294 | 1,420 |
| Net Cost of Operating Projects | (152) | (133) | (1,058) |
| Capital Projects | | | |
| Income | | | |
| Social Equity | 230 | 7 | 1,408 |
| Environmental Sustainability | 150 | 150 | 770 |
| Cultural Vitality | - | - | 0 |
| Economic Prosperity | - | - | 0 |
| Corporate Management | - | - | 0 |
| Total Income | 379 | 157 | 2,178 |
| Expenses | | | |
| Social Equity | 4,603 | 4,290 | 11,441 |
| Environmental Sustainability | 707 | 636 | 4,444 |
| Cultural Vitality | 87 | 87 | 335 |
| Economic Prosperity | 5 | 5 | 305 |
| Corporate Management | 14 | 14 | 159 |
| Total Expenses | 5,415 | 5,031 | 16,684 |
| Net Cost of Capital Projects | (5,036) | (4,874) | (14,506) |

Key areas to highlight:

SERVICE INITIATIVES (inc. Carry Forwards)



NEW ASSETS & RENEWALS (inc. Carry Forwards)

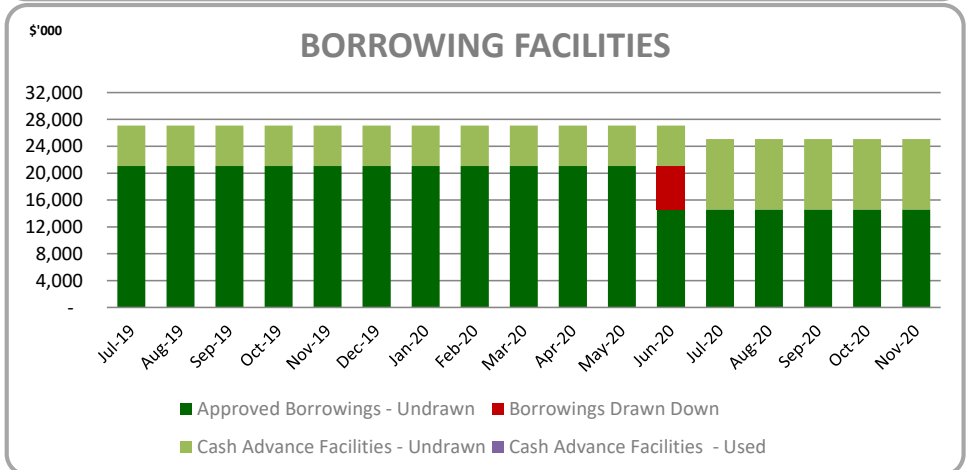
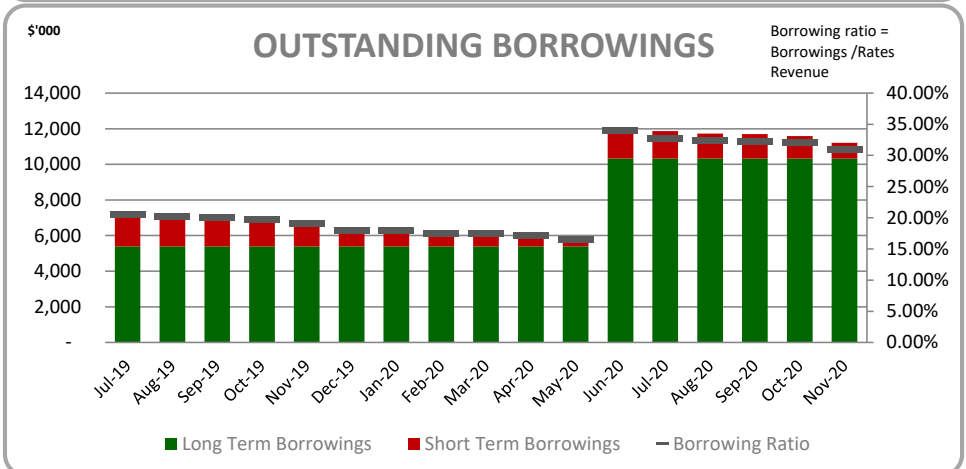
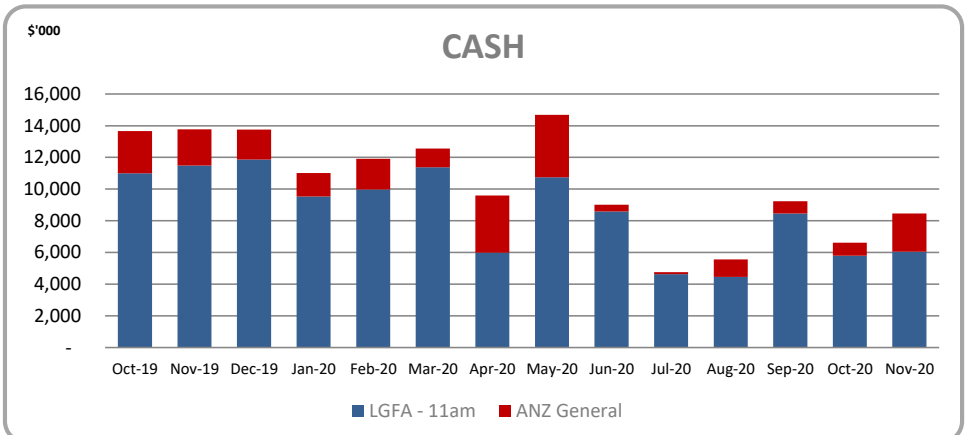


CITY OF NORWOOD PAYNEHAM & ST PETERS

Statement of Financial position as at 30 November 2020

| | Nov-20 | Oct-20 | Movement | June 2020 |
|---|----------------|----------------|----------------|----------------|
| | Actual | Actual | | |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | |
| Current Assets | | | | |
| Bank and Cash | 8,312 | 6,467 | 1,845 | 9,021 |
| Accounts receivables | 21,377 | 26,909 | (5,532) | 3,502 |
| Less : Provision for Bad Debts | (272) | (272) | (0) | (272) |
| Total Current Assets | 29,416 | 33,104 | (3,688) | 12,250 |
| Non-current Assets | | | | |
| Financial Assets | 45 | 45 | (0) | 45 |
| Investments in Joint Ventures | 2,931 | 2,931 | (0) | 2,890 |
| Infrastructure, Property, Plant and Equipment | 490,163 | 488,864 | 1,299 | 487,808 |
| Total Non-current Assets | 493,138 | 491,840 | 1,298 | 490,743 |
| Total Assets | 522,554 | 524,944 | (2,390) | 502,994 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Trade and Other Payables | 22,157 | 25,158 | (3,001) | 4,361 |
| Borrowings | (676) | (295) | (381) | (24) |
| Provisions | 1,889 | 1,863 | 26 | 1,713 |
| Total Current Liabilities | 23,369 | 26,726 | (3,357) | 6,050 |
| Non-current Liabilities | | | | |
| Borrowings | 11,888 | 11,888 | (0) | 11,888 |
| Provisions | 2,581 | 2,581 | (0) | 2,581 |
| Investments in Joint Ventures | 1,308 | 1,308 | (0) | 1,348 |
| Total Non-current Liabilities | 15,776 | 15,777 | (1) | 15,817 |
| Total Liabilities | 39,146 | 42,503 | (3,357) | 21,867 |
| NET ASSETS | 483,408 | 482,441 | 967 | 481,127 |
| EQUITY | | | | |
| Accumulated Surplus | 59,710 | 58,822 | 888 | 57,507 |
| Asset Revaluation Reserves | 423,620 | 423,620 | (0) | 423,620 |
| TOTAL EQUITY | 483,329 | 482,442 | 887 | 481,127 |

Key areas to highlight YTD :



11.2 2021-2022 ANNUAL BUSINESS PLAN AND BUDGET OBJECTIVES & PARAMETERS

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA67879/A104787
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to seek endorsement of the objectives and parameters which will apply in the development of the draft 2021-2022 Annual Business Plan and Annual Budget.

BACKGROUND

Legislative Requirements

Pursuant to Section 123 of the *Local Government Act 1999* (the Act), each financial year the Council is required to prepare an Annual Business Plan and Annual Budget. The Annual Business Plan and Annual Budget are to be adopted by the Council after 31 May for the ensuing financial year and except in a case involving extraordinary administrative difficulty, before 31 August for the financial year.

Pursuant to Section 123(2) of the Act and in Regulation 6 of the *Local Government (Financial Management) Regulations 2011* (the Regulations), each Annual Business Plan of a Council must—

- (a) include a summary of the Council's long term objectives (as set out in its strategic management plans); and
- (b) include an outline of—
 - (i) the Council's objectives for the financial year; and
 - (ii) the activities that the Council intends to undertake to achieve those objectives; and
 - (iii) the measures (financial and non-financial) that the Council intends to use to assess the performance of the Council against its objectives over the financial year; and
- (c) assess the financial requirements of the Council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue; and
- (d) set out the rates structure and policies for the financial year; and
- (e) assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the Council; and
- (f) take into account the Council's Long Term Financial Plan and relevant issues relating to the management and development of infrastructure and major assets by the Council; and
- (g) address or include any other matter prescribed by the Regulations.

Pursuant to Section 123 (3) of the Act, prior to the adoption of the Annual Business Plan, the Council must undertake public consultation for a minimum period of twenty-one (21) days. At the conclusion of the public consultation period, a public meeting is to be held where members of the community can ask questions and make submissions regarding the draft Annual Business Plan. During the public consultation period, the Council must make available copies of the draft Annual Business Plan at its Principle place of business.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council's Strategic Management Plan, *CityPlan 2030: Shaping Our Future*, the Long Term Financial Plan and Whole-of-Life Asset and Infrastructure Management Plans, provide the basis and framework upon which the Council's Annual Business Plan and Budget is based.

FINANCIAL AND BUDGET IMPLICATIONS

The Council's Long Term Financial Plan (LTFP), sets out the Councils' financial goal as, *"A City which delivers on our Strategic Outcomes by managing our financial resources in a sustainable and equitable manner"*, in short to be financially sustainable.

The Local Government Association of South Australia defines financial sustainability as:

- *"A Council's long term financial performance and position is sustainable where planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."*
- *The key elements to the definition are*
 - *ensuring the maintenance of a Council's high priority expenditure programs, both operating and capital;*
 - *ensuring a reasonable degree of stability and predictability in the overall rate burden; and,*
 - *promoting a fair sharing in the distribution of Council resources and the attendant taxation between current and future ratepayers.*

In simple terms, financial sustainability means positioning the Council so that it can continue to provide quality services, programs and facilities and maintain the Council's infrastructure to a defined service standard, with stable rate increases (removal of sudden increases) and ensuring inter-generational equity.

The Council will need to ensure that its Annual Business Plan and Budget, contains objectives and financial parameters which will deliver a responsible budget and meet the reasonable needs of the community on an equitable and "value for money" basis. For the 2021-2022 Financial year, the draft LTFP (which at the time of writing this report is on community consultation) projects an Operating Surplus of \$393,000, based on a Rate Revenue increase of 4.6%. The target Rate Revenue increase set in the draft LTFP is based on a:

- rate revenue indexation of 2.6% which is equivalent to the ten (10) year average of the Local Government Price Index (as a 30 June 2019);
- 0.5% revenue increase derived from new assessments; and
- factor (1.5%) for the financial impacts of new and upgraded infrastructure investment.

Since the development of the draft LTFP, the Local Government Price Index for the year ended 30 June 2020 has been published, with the ten (10) year average reducing to 2.35%. The ten (10) year average in growth from new assessments is 0.9%. Adopting the principle of rate revenue increases comprising of the elements set out above, the base rate revenue increase for the 2021-2022 financial year would be between 4.4% and 4.75%, depending on the extent of the financial impact of revenue growth from new development is passed on to existing ratepayers. As such, the target Operating Surplus for the 2021-2022 Budget, should be set between \$351,000 and \$470,000.

It should be noted that the target Operating Surplus includes Grant Income of \$362,000 which is expected to be received in the 2021-2022 Financial Year under the Roads-to-Recovery Program and is included in the Capital Projects budget to be spent on a Capital Road Project(s).

EXTERNAL ECONOMIC IMPLICATIONS

The Annual Business Plan and Budget will have an economic impact on property owners and suppliers of goods and services to the Council, the level of which will be dependent on the final decisions taken in respect to the level of income, and subsequently the Rate increase required to meet proposed expenditure.

SOCIAL ISSUES

Nil.

CULTURAL ISSUES

Nil.

ENVIRONMENTAL ISSUES

Nil.

RESOURCE ISSUES

Nil.

RISK MANAGEMENT

Financial Management and Annual Business Plan preparation processes are governed by the *Local Government Act 1999* and Regulation 6 of the *Local Government (Financial Management) Regulations 2011*. All budget documentation will need to be prepared in accordance with the relevant statutory requirements.

CONSULTATION

- **Elected Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not applicable.

DISCUSSION

2021-2022 Annual Business Plan

The Annual Business Plan is the Council's statement of the intended services, programs, facilities and objectives set by the Council for a given financial year. It is based upon the objectives and strategies set out in the Council's Strategic Plan *CityPlan 2030: Shaping Our Future*, the Long Term Financial Plan and the Whole-of-Life Infrastructure and Asset Management Plans.

The Council's Strategic Management Plan, *CityPlan 2030: Shaping Our Future*, sets out the Council's Outcomes in respect to Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability, together with objectives and strategies for each Outcome.

Pursuant to Section 123(2) (b) (i), the Annual Business Plan must contain a series of objectives for the financial year. To be effective the annual objectives should be in line with the outcomes contained in the *City Plan 2030: Shaping Our Future* and assist the Council in delivering on the financial outcomes set out in the LTFP.

The following objectives are proposed to be incorporated into the 2021-2022 Annual Business Plan.

Social Equity

A connected, accessible and pedestrian-friendly community

- Our services are relevant, citizen focussed and cost effective.
- Our infrastructure assets are maintained and renewed in line with Council's Whole of Life Infrastructure framework.
- Deliver programs and activities which result in an engaged and participating community.
- Engage disabled, aged, youth and varied cultures in the life of the City through a variety of events and programs.
- Rates are fair and equitable for our residents and ratepayers.

Cultural Vitality

A culturally rich and diverse City, with a strong identity, history and ‘sense of place’.

- Promote our cultural diversity through the use of public art and events that complement the City’s cultural heritage.
- Provide opportunities for the community to contribute to the social and creative life of the City through events, activities, arts and cultural initiatives

Economic Prosperity

A dynamic and thriving centre for business and services.

- Support the development of a prosperous local economy.

Environmental Sustainability

A leader in environmental sustainability.

- Ensure urban development undertaken enhances the environmental, social and cultural character of our City.
- Maximise the use of the City’s open space by providing a range of active and passive open space recreation opportunities.
- Promote recycling and environmental sustainable practices throughout the City.
- Consider innovative infrastructure solutions which minimise the impact on the environment.

Organisational Excellence

- Ensure best use of Council resources by innovative, efficient and effective service provision.
- Demonstrate Business Excellence Principles.

The assessment of new projects, services, programs and activities will be assessed against both the Annual Business Plan objectives and *City Plan 2030* Strategies.

The 2021-2022 Annual Budget

To ensure that the Council delivers its financial objectives, the draft 2021-2022 Annual Budget should be developed with reference to and within the framework of the LTFP, which, based on the components of the rate revenue increase set out in the Budget and Financial Implications above, sets out a target Operating Surplus between \$351,000 and \$470,000.

To ensure the Councils financial targets are achieved, the Annual Budget must be set with reference to similar key influences and assumptions. The influences and assumptions relating to external economic conditions and internal policy decisions are set out below.

Key Influences

- Maintenance and renewal program for existing infrastructure assets, including roads, footpaths, Council owned properties and open spaces are consistent with the Whole-of Life Infrastructure and Asset Management Plans.
- Commitment to major projects which span more than one (1) financial year.
- Initiatives and major projects which are undertaken need to contribute to the Vision, strategic direction and the wellbeing of our City as set out in the *CityPlan 2030: Shaping Our Future*.
- Previously recognised ongoing operational savings are to be maintained.
- To continue to implement the principles and practices of the Business Excellence Framework (i.e. Continuous Improvement).
- Prudent Financial Management to ensure ongoing financial sustainability.

Key Assumptions

The Annual Budget incorporates three (3) components of the Council Operations, these being:

- Recurrent Income and Expenditure (Recurrent Budget);
- Operating Projects (Operating Projects Budget); and
- Capital Projects (Capital Budget).

As in previous years, the preparation of the Annual Budget will be broken down into two (2) stages. The first stage will be the preparation on the Recurrent Budget, which incorporates the revenues and expenditure required to provide the “Business as Usual” services. The second stage will focus on the Capital and Operating Project budget.

Rate revenue increases

As in previous years, for the initial review of the draft Recurrent Budget, no increase in rate revenue will be taken into account in the analysis. Notwithstanding this, it should be noted that the draft Long Term Financial Plan has been based on a Rate Revenue increase on 4.57%, which is based on:

- rate revenue indexation of 2.6% which is equivalent to the ten (10) year average of the Local Government Price Index (as a 30 June 2019);
- 0.5% revenue increase derived from new assessments; and
- factor (1.5%) for the financial impacts of new and upgraded infrastructure investment.

Maintaining existing services at current service standards

The draft Recurrent Budget is proposed to be based on a “business as usual” assumption, which means that the Council will continue to provide the existing services, programs and facilities at the current service levels, unless otherwise determined by the Council. This is not to say that the existing services, programs and facilities will be continued to be delivered in the same way. The various budget lines will be adjusted based on the 2020-2021 Budget and actual year to date performance. The 2021-2022 Recurrent Budget will be adjusted for known changes (for example increases in Solid Waste Levy and future operating cost adjustments resulting from projects completed during the 2020-2021 Financial year, (i.e. the installation of solar panels at the Norwood Town Hall) in the underlying services and programs.

The “business as usual” assumption does not take into account any change in direction or service levels in response to community expectations, legislative requirements, changing economic conditions or any changes which the Council may wish to make. Such changes will be accounted for in the Council’s Operating & Capital Projects Budget.

Cost Escalation

Materials, Contracts and Other Expenses

Uncertainty exists in respect to the timing, distribution and efficacy of a vaccine in controlling the spread of the COVID-19 virus. As such, the on-going economic impacts of the pandemic are also uncertain. Given the late delivery of the 2020-2021 State Budget, the State Government’s 2020-2010 Mid-Year Budget Review, at the time of writing this report, is yet to be delivered. However, the Federal Government has released its Mid-year Economic and Fiscal Outlook which is forecasting a Consumer Price Index (CPI) of 1.5% through to the 2021-2022 June Quarter. The Adelaide CPI for the June 2020 quarter and September 2020 Quarter was 1.8% and 1% respectively. Therefore given that the extent of the relaxation of the gathering and physical restrictions, the use of a CPI indexation of 1.5% is considered an appropriate cost escalation factor for the 2021-2022 Recurrent Budget. An alternative measure for cost escalation is the Local Government Price Index (LGPI). As the nature of the price movement associated with goods and services consumed by Local Government is different to the goods and services consumed by the ‘average household’, the LGPI is a reliable and independent measure of the inflationary effect on price changes in the South Australian Local Government sector. The LGPI is similar in nature to the CPI, however it represents the movements of prices associated with the goods and services used by Local Government in South Australia (to deliver services to its community) as opposed to the goods and services consumed by the ‘average metropolitan household’. The LGPI considers both recurrent and capital expenditure. The recurrent component of the LGPI for South Australia to June 2020 is 1.7% and as at September 2020, 1.0%.

After considering both the LGPI and the expectation of the community that prices should only move by the CPI forecast, it is recommended that the **maximum** expenditure increase for 2021-2022 across the Materials, Contracts and Other Expenses component of the budget be set at 1.5% which has been determined with reference to the current movements in the Adelaide CPI and the LGPI Index for recurrent expenditure and the CPI forecast for June 2022.

It should be noted that in some circumstances, there will be cost increases in excess of the 1.5% target (i.e. waste levy and fuel charges) and in other circumstances, there will be no or minimal cost increases, therefore the expectation is that across the organisation, the Materials, Contracts and Other Expenses components of the budget will be limited to a maximum increase of 1.5%.

Wages and Salaries

Wages and Salaries and other associated employee on-costs will be indexed in line with the current Enterprise Agreements, which is set at 2.0% for the *Municipal Officers Enterprise Agreement* (indoor staff). *The Local Government Workers Enterprise Agreement* (outdoor staff), at the time of writing this report, is currently being negotiated, therefore for the purposes of developing the Wages and Salaries budget, it is proposed that the indexation factor be set at 2.0%.

Fees and Charges

Fees and Charges which are not set by legislation, are proposed to be increased by 1.75% or market levels as determined by the review of the Fees and Charges which will be considered at the Council meeting scheduled for 1 March 2021. The proposed increase is the weighted average of the recommended increase in Material & Contracts and the Wages and Salaries Indexation.

Capital Expenditure

Capital Expenditure relates to the purchasing, building, upgrading and renewing the Council's assets. Capital Expenditure is funded from depreciation, borrowings and grant funding (where available). For asset renewals the main funding source is depreciation. For new assets and upgrades, the main funding source is borrowings and grant funding. The 1raft Annual Budget will assume that the Council will borrow to fund new assets and the upgrading of existing assets, with renewed assets being funded via depreciation.

Assuming that the Reserve Bank of Australia maintain cash rates at the current level of 0.10%, the interest rates on new borrowings are forecast to be between 1.5% per annum and 2.5% per annum, depending on the term of the borrowings. The interest rate on investment income is forecast at 0.30% per annum.

New Operating and Capital Projects

New projects, both Operating and Capital, which are put forward for consideration, will be assessed based on the objectives contained in *CityPlan 2030: Shaping Our Future*, the Councils LTFP and the Infrastructure and Asset Management Plans and the annual objectives set out above.

All new Projects proposed are to be considered and approved within the constraints of the LTFP. New services and "one-off" operating projects are funded through Rate Revenue increases, grant funding or by expenditure savings. New Capital Projects will be funded via Grant Funding, borrowings or cash reserves.

For the 2021-2022 Financial Year, the draft LTFP proposes the following strategic Projects to be undertaken:

- Commencement of the Payneham Memorial Swimming Centre redevelopment;
- Burchell Reserve Redevelopment;
- Borthwick Park Second Creek Improvements;
- Norwood Concert Hall Concept Plan;
- Complete Streets;
- Kent Town Streetscape Upgrades; and
- Private Laneways Conversion.

In addition, the Council has made Grant funding applications for the following projects:

- St Peters Street Streetscape Upgrade;
- Dunstan Adventure Playground;
- River Torrens Linear Park Shared Path Upgrade Stage 2;
- Cruickshank Reserve Change-room Facilities; and
- The Parade Masterplan Stage 1.

Carry Forward Projects

Where Operating Projects are not completed within budgeted timeframes, future deficits can eventuate, as the Rate Revenue is raised in the year the project is initially approved. As part of the draft Budget, the cost to complete the Operating Projects from prior financial years will be carried forward to the 2021-2022 Financial year, however the estimate of carried forward projects will be excluded for rate modelling purposes. Estimates will be based on the 2020-2021 Third Quarter Budget Update, with the associated operational impacts being built into the determination of the 2021-2022 Operating Result.

The draft Recurrent Budget (prior to any increase in Rate Revenue being determined) will be presented to the Elected Members at a workshop which is scheduled for 17 March 2021, with the Operating and Capital Projects being presented to the Elected Members at a workshop which is scheduled for 31 March 2021. The draft Recurrent Budget and the Capital and Operating Projects are proposed to be considered by the Council at a Special Budget Meeting which is scheduled for 14 April 2021.

Budget Management Principles

As in previous years, the Council needs to exercise “budget discipline” if it is to achieve its financial outcomes that are set out in the Annual Business Plan and Budget. To date, the approach which has been taken by this Council once the Annual Business Plan and Budget has been adopted, includes:

- no new recurrent operating expenditure or projects approved without being matched by an increase in operating revenue (i.e. Grants/ Fee for Service) or a reduction in expenditure, elsewhere within the Council’s operations;
- expenditure over-runs are offset by deferral of discretionary spend or expenditure savings elsewhere within the Council’s operations;
- income shortfalls to be matched by operating expenditure savings; and
- no new capital expenditure that requires additional borrowings.

Budget Timetable

Pursuant to Section 123 of the Act and in Regulation 6 of the Regulations, the Council is required to adopt the Annual Business Plan and Annual Budget after 31 May for the ensuing financial year and, except in a case involving extraordinary administrative difficulty, before 31 August for the financial year.

As set out in Table 1 below, a proposed budget timetable has been developed to ensure that the Council is in a position to adopt the 2021-2022 Annual Business Plan and Annual Budget at the Council meeting to be held on 5 July 2021.

TABLE 1 – KEY BUDGET PROCESS ACTIVITIES 2021-2022

| Key Steps | Dates |
|---|---|
| Budget process, parameters and objectives adopted | Monday 18 January 2021 (Council Meeting) |
| Fees and charges adopted in principle by the Council | Monday 1 March 2021 (Council Meeting) |
| Budget Workshop with Elected Members | Wednesday 17 March 2021 |
| Budget Workshop with Elected Members | Wednesday 31 March 2021 |
| Budget Council Meeting <ul style="list-style-type: none"> • <i>Recurrent Budget considered</i> • <i>Operating and Capital Projects considered</i> | Wednesday 14 April 2021 (Special Meeting) |
| Draft Annual Business Plan, rating model and projects carried forward and Infrastructure Whole of Life endorsed | Monday 3 May 2021 (Council Meeting) |
| Draft Annual Business Plan available for viewing by the public | Wednesday 12 May 2021 |
| Meeting to receive Public submissions on the Annual Business Plan | Wednesday 2 June 2021 |
| Consideration of public submissions | Wednesday 16 June 2021 (Special Council Meeting) |
| Adoption of Annual Business Plan and Budget | Monday 5 July 2021 (Council Meeting) |

In respect to the community consultation on the Annual Business Plan, a Public Meeting is proposed to be held on Wednesday 2 June 2021 to allow members of the community to present their comments and feedback to the Council, on the content of the Annual Business Plan and Budget.

OPTIONS

The Council has the following options in respect to this issue:

1. adopt the Annual Business Plan objectives, Annual Budget parameters and assumptions as recommended; or
2. amend any or all of the recommended Annual Business Plan objectives, Annual Budget parameters and assumptions.

The Annual Business Plan objectives, Annual Budget parameters and assumptions set out in this report, are consistent with the Council's previous years approach to the development of the Annual Business Plan and Budget. In addition, the proposed approach and timetable presented will ensure that the Council meets its legislative requirements as set out in the *Local Government Act 1999* and Regulation 6 of the *Local Government (Financial Management) Regulations 2011* therefore Option 1 is recommended.

CONCLUSION

The development of the 2021-2022 Annual Business Plan and Budget should form the platform to position the Council to achieve future and ongoing Financial Sustainability. Financial Sustainability is not a number on the Income Statement, it is a strategy. Therefore, strategies need to be developed that integrate into the Councils planning and are supported by longer term planning, with any future decisions made being consistent with and supporting the strategy.

COMMENTS

If Elected Members have any questions or require clarification in relation to specific budget items, and/or any issues raised in this report, do not hesitate to contact the General Manager, Corporate Services, Sharon Perkins on 8366 4585 or email sperkins@npsp.sa.gov.au prior to the meeting.

RECOMMENDATION

1. That the Annual Business Plan objectives contained in Attachment A be adopted “in principle” for the purpose of preparing the draft 2021-2022 Annual Business Plan and Budget.
2. That the following budget parameters and assumptions be adopted in principle for the purpose of preparing the draft 2021-2022 Annual Business Plan and Budget:
 - the Recurrent Operating Budget be prepared on a “business as usual” basis;
 - the continuation of previously recognised ongoing operational savings;
 - maximum Material, Contracts and Other Expenses cost escalation be set at 1.5%;
 - wages and salaries increases be set in line with the Council’s Enterprise Bargaining Agreements;
 - maximum combined increase in overall budget be based on salary increase and 1.5% non-salary increase;
 - fees and charges not set by Legislation be increased by 1.75% at a minimum;
 - new Capital Projects to be considered and approved within the context of the Annual Business Plan objectives contained in Attachment A, *CityPlan 2030: Shaping Our Future*, I& and the LTFP;
 - new services and one off projects to be considered and approved within the context of the Annual Business Plan objectives contained in Attachment A, *CityPlan 2030: Shaping Our Future*, I& and the LTFP and be funded through Rate Revenue increases or by expenditure savings; and
 - new capital projects are funded via grant funding and or long term borrowings.

Attachments – Item 11.2

Attachment A

2021-2022 Annual Business Plan and Budget Objectives & Parameters

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
**Norwood
Payneham
& St Peters**

ANNUAL BUSINESS PLAN OBJECTIVES

Social Equity

A connected, accessible and pedestrian-friendly community

- Our services are relevant, citizen focussed and cost effective.
- Our infrastructure assets are maintained and renewed in line with Councils Whole of Life Infrastructure framework.
- Deliver programs and activities which result in an engaged and participating community.
- Engage disabled, aged, youth and varied cultures in the life of the City through a variety of events and programs.
- Rates are fair and equitable for our residents and ratepayers.

Cultural Vitality

A culturally rich and diverse City, with a strong identity, history and 'sense of place'.

- Promote our cultural diversity through the use of public art and events that complement the City's cultural heritage.
- Provide opportunities for the community to contribute to the social and creative life of the City through events, activities, arts and cultural initiatives

Economic Prosperity

A dynamic and thriving centre for business and services

- Support the development of a prosperous local economy.

Environmental Sustainability

A leader in environmental sustainability.

- Ensure urban development undertaken enhances the environmental, social and cultural character of our City.
- Maximise the use of the City's open space by providing a range of active and passive open space recreation opportunities.
- Promote recycling and environmental sustainable practices throughout the City.
- Consider innovative infrastructure solutions which minimise the impact on the environment.

Organisational Excellence

- Ensure best use of Council resources by innovative, efficient and effective service provision.
- Demonstrate Business Excellence Principles.

11.3 DRAFT ASSET MANAGEMENT PLANS AND DRAFT LONG TERM FINANCIAL PLAN

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA1825
ATTACHMENTS: A - E

PURPOSE OF REPORT

The purpose of this report is to present the draft Infrastructure and Asset Management Plans and the draft 2021-2031 Long Term Financial Plan to the Council for endorsement.

BACKGROUND

Pursuant to Section 122 (4) of the *Local Government Act 1999* (the Act), the Council must undertake a comprehensive review of its Strategic Management Plans (which incorporates the Infrastructure and Asset Management Plans and Long Term Financial Plan), within two (2) years after each Local Government General Election.

As Elected Members will recall the Councils Strategic Management Plan, *CityPlan 2030: Shaping the Future* has been reviewed and adopted by the Council at its meeting held on 7 December 2020.

Due to the COVID-19 pandemic, the Minister for Transport, Infrastructure and Local Government, issued a notice which provided Councils up to a three (3) month extension to the statutory deadline. Given the uncertainty created by the COVID-19 pandemic, the Council has elected to take advantage of the extension. Both the Infrastructure and Asset Management Plans (IAMP) and the Long Term Financial Plan (LTFP) must be adopted by the Council by February 2021.

Where a Council undertakes a review of its Strategic Management Plans, the Council must adopt a process or processes, to ensure that members of the public are given a reasonable opportunity to be involved in the development and review of its Strategic Management Plans. The Community was provided with the opportunity to provide comments on the Draft Asset Management Plans and Draft Long Term Financial Plans from 10 December 2020 through to 6 January 2021.

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 LTFP, the IAMP's and the Annual Business Plan and Budget.

FINANCIAL AND BUDGET IMPLICATIONS

The financial projections contained within the draft LTFP provide an indication of the Council's direction and financial capacity, rather than predicting the future financial performance and position of the Council. The LTFP should be viewed as a guide to future actions or opportunities which encourages the Council to consider the future impact of decisions which are made on the Council's long term financial sustainability.

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

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

EXTERNAL ECONOMIC IMPLICATIONS

The draft IAMP contains future estimates of the financial commitment required to renew and upgrade the Council's infrastructure and assets. These estimates together with the financial projections to deliver the Council's services and programs are set out in the draft LTFP. Based on the financial projections contained within the LTFP, there will be an economic impact on ratepayers and customers through increases in rates and user charges for user pays services.

SOCIAL ISSUES

The Infrastructure and Asset Management Plans set out how the Council intends to maintain, renew and upgrade its existing asset base. The IAMP's 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 IAMPs, the community well-being may be impacted through a reduction in service through the removal of assets (i.e. playgrounds, public facilities) from service or be exposed to hazards resulting from inadequately maintained assets.

The financial projections are based on the set of assumptions and it is possible that the projected rate revenue increase may have social implications for some ratepayers and recipients of user pays services.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Pursuant Section 122 (4) of the Act, the Council must undertake a comprehensive review of its Strategic Management Plans (which incorporates the Infrastructure and Asset Management Plans and Long Term Financial Plan), within two (2) years after each Local Government General Election.

Due to the COVID-19 pandemic, the Minister for Transport, Infrastructure and Local Government, issued a notice which provided Councils up to a three (3) month extension to the statutory deadline. Given the uncertainty created by the COVID-19 pandemic, the Council has elected to take advantage of the extension and as such the LTFP must be adopted by the Council by February 2021.

As previously mentioned, if assets are not maintained and renewed in line with the timing and standards set out within the respective IAMPs, the community's well-being may be impacted through a reduction in service through the removal of assets (i.e. playgrounds, public facilities) from service or be exposed to hazards resulting from inadequately maintained assets. To mitigate the potential hazards resulting from inadequately maintained assets, the timing of the capital projects set out in the draft LTFP, have been based on the Council's Infrastructure and Asset Management Plans (IAMP's).

The draft LTFP provides information on the financial projections of the Council based on the set of assumptions, which are set out in the draft LTFP contained in **Attachment E**. The intent of the draft LTFP is to provide an indication of the Council's direction and financial capacity, rather than predicting the future financial performance and position of the Council. However, to ensure that the Council delivers on the objectives set out in *CityPlan 2030*, the draft IAMP, the assumptions which underpin the financial projections set out in the draft LTFP will need to be regularly reviewed. At a minimum, to ensure that the broad asset management and financial outcomes of the Council are continuing to be achieved, reference should be made each year to the IAMP's and LTFP when preparing the Annual Business Plan and Annual Budget.

COVID-19 IMPLICATIONS

While South Australia, has to date, managed the health and economic impacts of the pandemic effectively, the future ongoing impacts of the pandemic are still unknown. Therefore in determining the basis of the assumptions which have been used in preparing the draft LTFP, reference has been made to the economic conditions over the past ten (10) years. Essentially, the assumption has been made that the Council will return to “normal” operations and services suspended during 2020-2021 due to the pandemic will be re-instated. In response to the COVID-19 pandemic, the Council endorsed a Financial Support Package, which included a number of initiatives to support the City as it enters the recovery phase of the pandemic. The financial support package included:

- a zero (0%) rate revenue increase, which for wider community resulted in a zero rate increase;
- a rate cap of 1% to eligible residential and commercial ratepayers’;
- waiving of The Parade Development Separate Rate for businesses within the Norwood Parade Business Precinct;
- three (3) month rent relief for commercial and community tenants of Council owned buildings (subject to demonstrating financial hardship resulting from the COVID-19 pandemic);
- waiving of permit fees for community sporting groups which utilise the Council’s sporting grounds;
- rebates of Outdoor Dining Permit fees from 1 July 2020 until 31 December 2020; and
- additional promotion and marketing of the Council’s business precincts.

The financial forecast included in the draft LTFP has assumed that the Financial Support Package will apply to the 2020-2021 financial year only.

The long term financial impact of the zero percent (0%) rate increase, over the life of the LTFP (ie 10 years) is a loss of rate revenue in the order of \$7.8 million.

CONSULTATION

- **Elected Members**

Information Sessions for Elected Members were held on 22 July 2020 and 13 October 2020.

Elected Members considered the draft LTFP at a Special Council Meeting held on 11 November 2020. Elected Members considered the draft IAMP’s and draft LTFP, prior to the release for consultation, at the Council Meeting held on 4 December 2020.

- **Community**

The Community was provided with the opportunity to comment on the draft IAMP and draft LTFP from 10 December 2020 through to 6 January 2021. The consultation was promoted via the following methods;

- Public Notices in the Advertiser and on the Council’s Website;
- an Article distributed via the Councils Electronic Direct Mail;
- posters displayed at the Council Buildings and display signs at strategic locations throughout the City;
- social media channels; and
- a News Item on the Council’s website at www.npsp.sa.gov.au.

In addition to being able to download the draft IAMP’s and draft LTFP from the Council’s website, the draft Plans were made available for viewing at the Reception Foyer of the Norwood Town Hall and at each of the Council’s Libraries.

The community had a number of options available to submit comments, namely:

- completing an on-line feedback form, which was available on the Council’s website;
- a printable version of the feedback form, which could have been downloaded from the website and emailed to the Council;
- completing a hard copy Feedback Form, which were made available at the Reception Foyer at the Norwood Town Hall and at each of the Council’s Customer Service Centres;
- write to the Council; or
- email: LTFPReview@npsp.sa.gov.au or townhall@npsp.sa.gov.au

At the conclusion of the consultation period, no submissions were received.

- **Staff**
 - Chief Executive Officer
 - General Manager, Corporate Services
 - General Manager, Urban Services
 - Financial Services Manager
 - Acting Manager, City Assets
 - Manager, Economic Development and Strategic Projects
 - Project Manager, Assets

- **Other Agencies**
Not Applicable

DISCUSSION

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

The Infrastructure and Asset Management Plans form part of the Council's suite of Strategic plans which sets out the Council's approach to the management of the council owned assets over its lifecycle, which includes construction, maintenance, operations, renewal and replacement or upgrade.

The draft IAMPs are influenced by strategic documents, such as the Councils Strategic Management Plan *CityPlan 2030*, the City-Wide Cycling Plan, the Playground Strategy, the Open Space Strategy and the Economic Development Strategy, to identify future infrastructure requirements.

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

- safety and compliance with Australian Standards and codes for intended uses;
- capacity of infrastructure and functionality of assets to meet usage requirements;
- asset condition, which is regularly monitored 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 draft IAMPs, renewal works are planned based on the condition data of existing assets, which is collected periodically and have been aligned with new and upgrade projects to ensure there is efficient use of resources and where possible, assets are not being replaced earlier than required. In addition, projects across asset classes, have where possible been integrated to provide improved efficiency and outcomes for the community.

The Long Term Financial Plan is based on the Councils Financial Goal of being “*a City which delivers on our Strategic Outcomes by managing our financial resources in a sustainable and equitable manner*” and the Financial Outcomes and financial targets have been established to support the Councils achievement of its Financial Goal.

The draft LTFP supports the Councils strategic planning process, with the draft LTFP outlining the Councils approach to delivering infrastructure, which is consistent with the Council's IAMPs and services which it provides to the community in a financially sustainable and affordable manner for the next ten (10) years.

The draft LTFP, based on a set of assumptions, provides financial projection for the continuing provision of Council's service, programs and activities for the next ten (10) years.

The draft LTFP, as contained in Attachment E, balances the funding needs of renewal and new infrastructure assets, with the timing of proposed upgrade or new infrastructure projects being linked to asset renewals to provide improved efficiency and outcomes for the community, existing services against rating expectations, reasonable fees, debt leverage and the use of accumulated funds held in reserve accounts.

Pursuant to Section 122 (6) of the Act, the Council must adopt a process or processes, to ensure that members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans, which includes the LTFP.

In this respect, a Public Notice was placed in the Advertiser and information was also placed on the Council's website and social media platforms, advising citizens that the draft IAMP's and draft LTFP is available for viewing and written submissions could be provided from 10 December 2020 until 6 January 2021. No submissions were received.

OPTIONS

The Council has the following options in respect to the endorsement of the draft IAMP's and the draft LTFP:

1. endorse the draft Infrastructure Asset Management contained in **Attachments A-D** and the draft Long Term Financial Plan contained in **Attachment E**;
2. amend the draft Infrastructure Asset Management contained in **Attachments A-D** and the draft Long Term Financial Plan contained in **Attachment E**;
3. not endorse the draft Infrastructure Asset Management contained in **Attachments A-D** and the draft Long Term Financial Plan contained in **Attachment E**.

As advised, the Council is required to adopt the draft IAMPs and the draft LTFP by February 2021 and given that no feedback or comments have been received during the consultation period, in order to meet this deadline Option 1 is recommended.

CONCLUSION

Given the existing services, programs and activities, infrastructure and asset renewal program and the strategic projects which have been identified to be completed across the planning timeframe, the draft IAMP's and the draft LTFP as contained in Attachments A-E, represents the asset management and financial strategies to meeting the competing demands of services and facilities to the community. There are numerous ways in which the Council can achieve its objectives. The draft LTFP seeks to balance the funding needs of renewal and new infrastructure assets, with the timing of proposed upgrade or new infrastructure projects being linked to asset renewals, so that the , existing services against rating expectations, reasonable fees, debt leverage and the use of accumulated funds held in reserve accounts.

Based on the asset management requirements set out in the draft IAMPs and the underlying assumptions set out in the draft LTFP, the financial projection set out in the draft LTFP indicates that the Council is in a position to deliver on its Strategic Outcomes set out in its suite of Strategic Management Plans.

COMMENTS

If Members have any questions or require clarification in relation to specific items, and/or any issues raised in this report, do not hesitate to contact the General Manager, Corporate Services, Sharon Perkins, prior to the meeting.

RECOMMENDATION

1. That the draft Infrastructure and Asset Management Plans contained in **Attachment A to Attachment D** be adopted.
2. That the draft Long Term Financial Plan contained in **Attachment E** be adopted.
3. That the Chief Executive Officer be authorised to make editorial changes to the draft Infrastructure and Asset Management Plans contained in **Attachment A to Attachment D** and draft Long Term Financial Plan contained in **Attachment E**, prior to them being published on the Council's website.

Attachments – Item 11.3

Attachment A

Draft Asset Management Plans and Draft Long Term Financial Plan

2020 Asset Management Plan - Civil Infrastructure

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
Norwood
Payneham
& St Peters



2020
Asset Management Plan
Civil Infrastructure



City of
Norwood
Payneham
& St Peters



| Document Control | | 2020 ASSET MANAGEMENT PLAN – CIVIL INFRASTRUCTURE | | | |
|------------------|---------------|---|--------|----------|----------|
| Rev No | Date | Revision Details | Author | Reviewer | Approver |
| 1 | December 2020 | Draft for Community Consultation | SD | PM | PP |
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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Asset Management Plan

Asset management planning is a comprehensive process ensuring the delivery of services from infrastructure is financially sustainable.

This Asset Management Plan (AMP) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The AMP defines the services to be provided, how the services are provided and what funds are required over the ten (10) year planning period. The AMP will link to a Long-Term Financial Plan (LTFP) which typically considers a ten (10) year planning period.

This AMP covers the City's Civil Infrastructure Network.

1.2 Asset Description

The City's Civil Infrastructure Network comprises:

- road pavement and surface (172km / 1,424,840m²);
- kerb and water table (352km);
- footpaths (334km / 572,762m²);
- roundabouts (59);
- traffic control devices (401);
- off road carparks (26); and
- Linear Park Shared Path (6.9km).

The Civil Infrastructure Network has a significant total renewal value estimated at \$261,989,658.

1.3 Levels of Service

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

The main service consequences of the Planned Budget are:

- assets will deteriorate over time and be renewed only at the end of life;
- maintenance of assets will be undertaken to ensure functionality is maintained and asset life maximised; and
- user expectations unlikely to be met in regards to maintained assets appearance.

1.4 Future Demand

The main demands for new services are created by:

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

These demands will be approached using a combination of managing existing assets, upgrading of 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;
- customer expectation surveys; and
- planning for demographic changes over time.

1.5 Life-Cycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AMP includes operation, 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 \$125,255,640 or \$12,525,564 on average per year.

1.6 Financial Summary

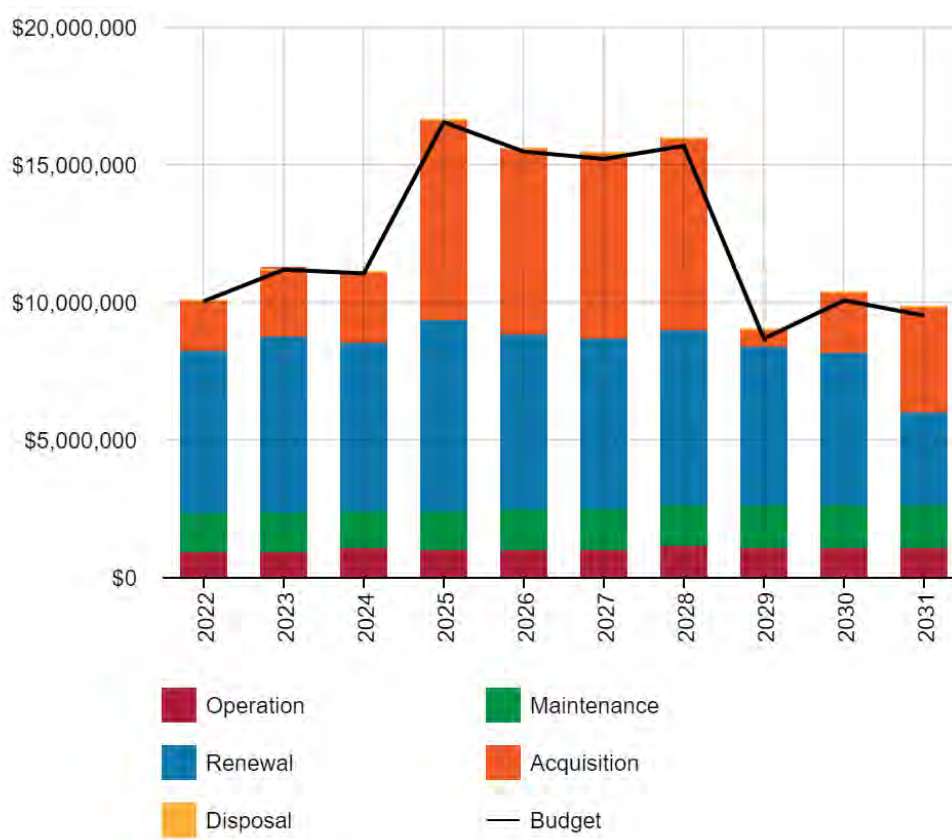
1.6.1 What we will do

Estimated available funding for the ten (10) year period is \$123,593,616 (or \$12,359,361 on average per year) as set out in the LTFP. This is 99% 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 Council’s 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 risks.

The anticipated Planned Budget for the Council’s Civil Infrastructure Network results in a shortfall of \$166,203 average per year of the forecast lifecycle 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 LIFECYCLE COSTS AND PLANNED BUDGETS



All figure values are shown in current (2020) dollars.

The Council plans to provide and maintain the Civil Infrastructure Network for the following:

- operation, maintenance, renewal and upgrade of roads, footpaths, kerb & water table, traffic control devices, car parks and the Linear Park Shared Path to meet service levels which are set by annual budgets; and
- major works within the ten (10) year planning period consist of various road reconstruction projects, Linear Park Shared Path upgrades and streetscape upgrade projects as set out in the Council's LTFP.

1.6.2 What we cannot do

The Council currently does not allocate sufficient budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- the increased operations and maintenance requirements to new and upgraded assets above the level provided for the existing service standard.

1.6.3 Managing the Risks

The Council's current budget levels are sufficient to continue to manage risks in the medium term.

The main risk consequences are:

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

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

- prioritisation of renewal works;
- increase condition inspections; and
- increased reactive maintenance.

1.7 Asset Management Practices

The Council's systems to manage assets include:

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

Assets requiring renewal/replacement are identified from either the Council's Asset Register or the Alternative Method. These methods are part of the Life-Cycle Model.

If Asset Register data is used to forecast the renewal costs, the acquisition year and the useful life are utilised.

Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems (such as Pavement Management Systems) and may be supplemented with, or based on, expert knowledge.

The Alternative Method was used to forecast the renewal life-cycle costs for this AMP.

1.8 Monitoring and Improvement Program

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

- renewing and upgrading expenditure prioritisation;
- reviewing risk assessment and management;
- reviewing resilience of critical infrastructure;
- reviewing adaptive technologies to prolong life of assets;
- reviewing specific customer and technical levels of service; and
- assessing adequacy of operations and maintenance budgets.

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 Torren Linear Park Strategic Integrated Asset Management Plan
- Private Laneways Policy and Procedure
- Asset Management Policy (2019)
- Community Surveys
- Resilient East - Regional Climate Change Adaptation Plan
- Resilient East - Climate Projections Report

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

The infrastructure assets covered by this AMP include roads, footpaths, kerb & water table, traffic control devices, car parks and the Linear Park Shared Path contained within the City. For a detailed summary of the assets covered in this AMP refer to Table 5.1.1 in Section 5.

The infrastructure assets included in this AMP have a total replacement value of \$261,989,658.

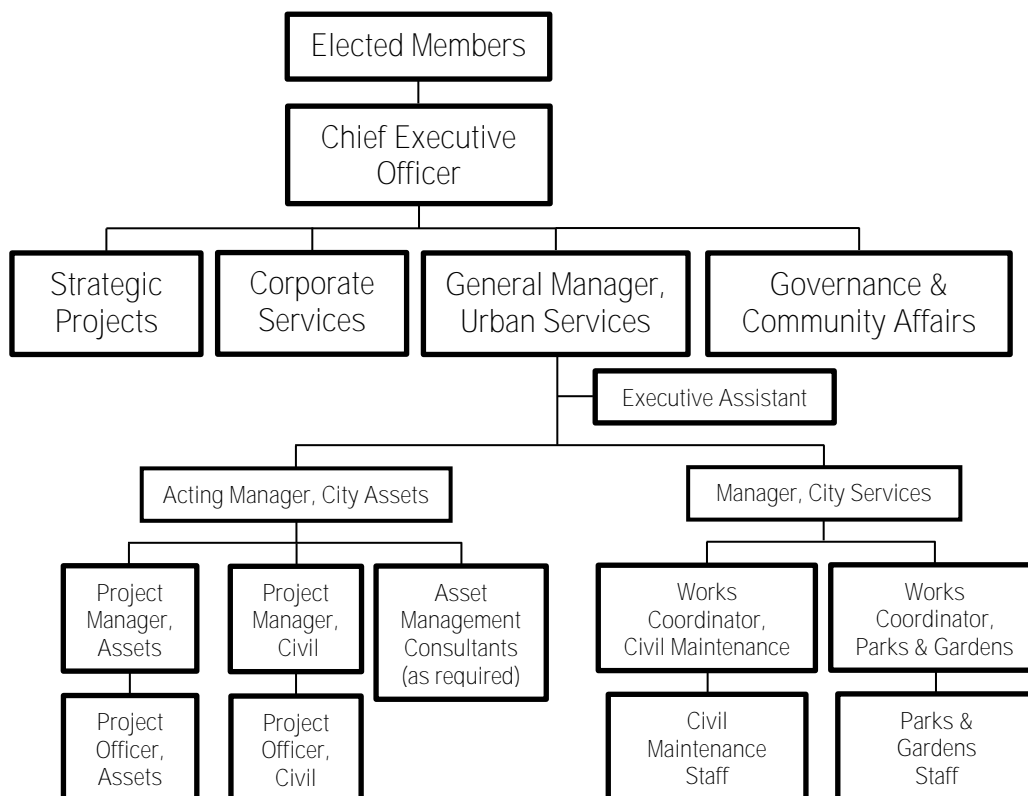
Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: KEY STAKEHOLDERS IN THE AMP

| Key Stakeholder | Role in AMP |
|---|--|
| Elected Members | Represent needs of community/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 required to complete the task. |
| General Manager, Urban Services and Acting Manager, City Assets | Set high level priorities for asset management development and support the implementation of actions resulting from this AMP. |
| Corporate Services | Development of supporting policies such as capitalisations 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, capitalisations 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 stakeholder into the AMP. Manage the periodic collection of asset condition data. |
| City Assets and Strategic Projects | Assist the Project Manager, Assets in the development of the AMP. |
| City Services | Provide local knowledge level of detail on the Civil Infrastructure Network. Describe the maintenance standards deployed and the ability to meet the technical and Citizen Levels of Service. |
| Governance & Community Affairs | Manage the acquisition of land for private laneways assets. |
| 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.

Figure 2.1: ORGANISATIONAL STRUCTURE



2.2 Goals and Objectives of Asset Ownership

The Council's goal in 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 infrastructure 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:

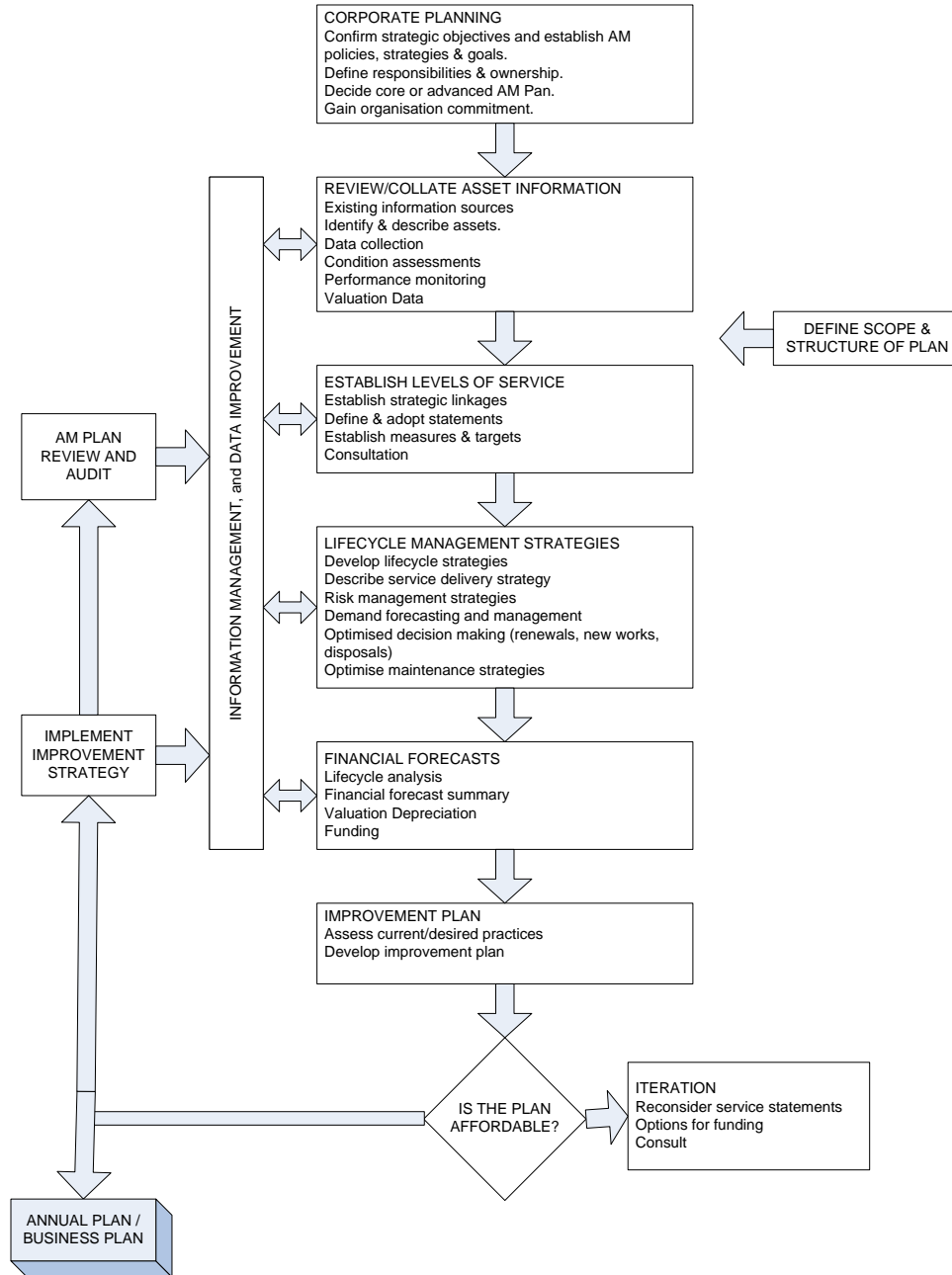
- **levels of service** – specifies the services and levels of service to be provided;
- **future demand** – how this will impact on future service delivery and how this is to be met;
- **life-cycle management** – how to manage its existing and future assets to provide defined levels of service;
- **financial 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.

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 and 2017, with the most recent survey undertaken in 2019. The survey uses a 5-point scale to determine satisfaction, with 1 being very dissatisfied, 5 being very satisfied and a 'don't know' response. The mean score is derived from the five-point satisfaction scale. Table 3.1 summarises the results from the Council's Community Surveys.

Table 3.1: COMMUNITY SATISFACTION SURVEY LEVELS

| Performance Measure | Satisfaction Level | | | | |
|--|--------------------|------|------|------|------|
| | 2019 | 2017 | 2013 | 2011 | 2009 |
| Overall Infrastructure Satisfaction | 3.8 | 3.8 | 4.0 | 4.0 | 3.6 |
| Providing and Maintaining Roads | 3.6 | 3.6 | 3.8 | 3.8 | 3.6 |
| The Provision and Maintenance of Cycling Pathways | 3.6 | 3.6 | 3.7 | 3.7 | 3.3 |
| Providing and Maintaining Footpaths | 3.2 | 3.2 | 3.4 | 3.3 | 3.1 |
| The Presentation and Cleanliness of the Council Area | 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 Vision, Mission, Goals And Objectives as set out in the Council's *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.'

Strategic goals have been set by the Council and how these are addressed in this AMP is summarised in Table 3.2.

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

| 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 the delivery of the Civil Infrastructure Network are set out in Table 3.3.

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 | All of the Council's infrastructure projects are undertaken in accordance with Australian Standards, or in the absence of, best practice techniques. |
| Building Code of Australia 2007 | Sets out minimum standards for construction of new assets. Also provides minimum standards for new properties. |
| Development Act 1993 | An Act to provide for planning and regulate development in the State; to regulate the use and management of land and buildings, and the design and construction of buildings; to make provision for the maintenance and conservation of land and buildings where appropriate; and for other purposes. |
| 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. |
| 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. |
| Road 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.

Table 3.4: CITIZEN VALUES

| Citizen Values | Citizen Satisfaction Measure | Current Feedback | Expected Trend Based on Planned Budget |
|---|-------------------------------|---|---|
| Cleanliness and amenability of streetscape | Community Survey & Complaints | Moderate number of complaints related to seasonal leaf drop | Targeted street sweeping and footpath blowing program implemented to current expenditure. Complaints expected to maintain current level due street tree leaf drop. |
| Roads surface in good condition and smooth to traverse | Community Survey & Complaints | Minimal number of complaints | Complaints expected to increase due to current age profile of road surface infrastructure in the short term and decline in the long term. |
| Footpaths provide access for all and free of hazards | Community Survey & Complaints | Moderate number of complaints due to point defects and trip hazards | Implementation of a proactive maintenance program continuing and continued reactive maintenance on request. Complaints are expected to decrease with the continuation of proactive maintenance program. |
| Concrete and asphalt footpaths to be replaced with block pavers | Community Survey & Complaints | Minimal number of complaints | Accelerated block paver renewal program to be implemented over the long term. Minor decline in complaints during implementation. |
| Street parking availability | Community Survey & Complaints | Moderate number of complaints around retail and high density accommodation precincts. | Complains are expected to increase due to continued higher density developments and no increase in street parking. |
| Bicycle infrastructure | Community Survey & Complaints | Minimal number of requests for increase cycling facilities. | Targeted streetscape program being implemented to deliver improved cycling and active transport routes. Requests to steadily decline in line with implementation. |
| Safety and pedestrian/cyclist conflicts on River Torren Linear Park | Community Survey & Complaints | Minimal number of complaints | Planned upgrades to the shared path to widen and realign where possible with the additional of lighting. Decrease in complaints following implementation. |

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.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available, condition %'s of Very Poor, Poor/Average/Good, Very Good) and provide a balance in comparison to the citizen perception that may be more subjective.

Confidence levels of current performance and expected trend are set out in Table 3.5 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 | Streets are well maintained | Community survey on the physical quality of the streets for driving, cycling and walking. | Refer to Table 3.1 for Customer Satisfaction Survey results | Improved performance is expected as a result of updated programmed maintenance processes and increased renewal expenditure. |
| | Confidence levels | | High | Medium |
| Function | Asset to meet service needs – ‘fit for purpose’ | Community survey on the physical quality of the streets for driving, cycling and walking. | Refer to Table 3.1 for Customer Satisfaction Survey results | Improved performance is expected as a result of implementation of strategic planning recommendations. |
| | Confidence levels | | High | Medium |
| Capacity | Capacity of assets to meet demands | Community survey on the physical quality of the streets for driving, cycling and walking. | Refer to Table 3.1 for Customer Satisfaction Survey results | Increased demands on capacity expected. |
| | 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 (e.g. upgraded pavement designed for bus loading) or a new service that did not exist previously (e.g. conversion of a private laneway to a public road);
- **operation:** the regular activities to provide services (e.g. street sweeping);

- **maintenance:** the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (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 road).

Service and Asset Managers plan, implement and control technical service levels to influence the service outcomes.³

Table 3.6 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

| Lifecycle Activity | Purpose of Activity | Activity Measure | Current Performance* | Recommended Performance ** |
|--------------------|---|--|---|--|
| Acquisition | Gifted infrastructure from developers | Incorporate into AMP upon assuming ownership | Occurs on an ad hoc basis dependent on development | Occurs on an ad hoc basis dependent on development |
| | Upgrade of The Parade streetscape | Budget allocation | Budgeted within the AMP and LTFP | As recommended by The Parade Masterplan |
| | Upgrade of streetscapes within Kent Town | Budget allocation | Budgeted within the AMP and LTFP | As recommended by the Kent Town Urban Design Framework and Public Realm Manual |
| | Upgrade of active transport corridor streetscapes | Budget allocation | Budgeted within the AMP and LTFP | As recommended by the City-Wide Cycling Plan |
| | Acquire ownership of private laneways | Budget allocation | Limited by the existing budget provisions | As recommended by the Private Laneways Policy and Procedure |
| | Upgrade of Linear Park Shared Path | Budget allocation | Budgeted within the AMP and LTFP | Upgrade of shared path and installation of lighting |
| | | | Budget | \$40,875,978 over ten (10) years |
| Operation | Street Sweeping | Frequency | Conduct street sweeping as per programs | Conduct street sweeping as per programs |
| | Asset inspections | Frequency | Yearly renewal planning inspections | Yearly renewal and maintenance planning inspections |
| | Asset Condition Assessment | Frequency | Asset Condition Assessment undertaken once every five years | Asset Condition Assessment undertaken once every four years |

³ IPWEA, 2015, IIMM, p 2|28.

| Lifecycle Activity | Purpose of Activity | Activity Measure | Current Performance* | Recommended Performance ** |
|--------------------|---|---|---|---|
| | | Budget | \$10,159,800 over ten (10) years | \$10,864,358 over ten (10) years |
| Maintenance | 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 customer requests. Footpath free of defects and hazards greater than 10mm | Programmed and reactive to customer requests. Footpath free of defects and hazards greater than 10mm |
| | Line Marking | Frequency | Refresh line marking to the City over a 3 year timeframe | Refresh line marking to the City over a 3 year timeframe |
| | Kerb and water table | 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 |
| | | Budget | \$13,823,470 over ten (10) years | \$14,780,943 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 |
| | Road surface | Rejuvenation treatment as per lifecycle model | Budget to increase the road surface life | Budget to increase the road surface life |
| | Granular pavement (road reconstruction) | Renewal as per lifecycle model | Current implementation budget smoothed over ten (10) year timeframe | Current implementation budget smoothed over ten (10) year timeframe |
| | Kerb and water table | 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 | Accelerated renewal program to replace asphalt and concrete with block paving | Accelerated renewal program to replace asphalt and concrete with block paving |
| | Roundabouts | Renewal as per lifecycle model | Budget sufficient on an as needs basis | Budget sufficient on an as needs basis |
| | Traffic control devices | Renewal as per lifecycle model | Budget sufficient on an as needs basis | Budget sufficient on an as needs basis |
| | Off road carparks | Renewal as per lifecycle model | Budget sufficient on an as needs basis | Budget sufficient on an as needs basis |
| | Linear Park Shared Path | Renewal as per lifecycle model | Renewal program and budget undertaken in conjunction with upgrade requirements | Renewal program and budget undertaken in conjunction with upgrade requirements |

| Lifecycle Activity | Purpose of Activity | Activity Measure | Current Performance* | Recommended Performance ** |
|--------------------|-------------------------------------|--------------------------|--|--|
| | | Budget | \$58,734,368 over ten (10) years | \$58,734,368 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 |

Note: *Current activities related to Planned Budget.

**Forecast required performance related to forecast lifecycle costs.

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 things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

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.

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. 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 |
|--------------------------------|---|--|---|--|
| Increased population | Renewal and maintenance programs designed for current utilisation | Increased utilisation of assets | Increased deterioration of assets | Increased maintenance and renewal requirements |
| Increased customer expectation | Upgrade of assets programed with renewal | Upgrade requirements identified through strategic planning | The rate of renewal and upgrade limited to available budget | Increased operations and maintenance |
| Increased active transport | Strategic corridors identified for upgrade | Increased demand for cycling and age friendly streetscapes | Higher standard of service to be provided | Implement recommendations of strategic plans |

4.4 Asset Programs to Meet Demand

The new assets required to meet demand may be acquired, donated or constructed and these are discussed in Section 5.4.

Acquiring new assets will commit the Council to ongoing operations, 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 operations, 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 those impacts.

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

Opportunities identified to date for management of climate change impacts on existing assets are shown in Table 4.5.1.

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 | Decreased lifespan of road surface treatments | Maintenance treatments and tree canopy shading |
| Storm intensity | Increase rainfall intensity during rainfall events | Decrease road pavement performance due to water ingress | Maintenance of road surface to prevent water ingress to pavement |
| Rainfall | Reduced annual rainfall | Damage to road assets due to tree roots searching for water | Management of water supply to street trees and landscaping through WSUD |

The way in which the Council constructs new assets should recognise that there is opportunity to build in resilience to the impacts of climate change. Building 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 summarises some asset climate change resilience opportunities.

Table 4.5.2: BUILDING ASSET RESILIENCE TO CLIMATE CHANGE

| New Asset Description | Climate Change Impact These Assets? | Build Resilience in New Works |
|-----------------------|--|--|
| Civil assets | Higher maximum temperatures | All materials to be reviewed to ensure performance is in line with requirements, with recycled products prioritised. Increase in tree canopy cover to provide cooling through shade. |
| Civil assets | Increase rainfall intensity during rainfall events | All materials to be reviewed to ensure performance is in line with requirements with recycled products prioritised. Upgrades to be sensitive to the ongoing requirement to limit impacts of storm events. |
| WSUD infrastructure | Reduced annual rainfall | Utilising rainfall for passive irrigation of street trees and landscaping through streetscape WSUD initiatives. |

The impact of climate change on assets is a new and complex issue and 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.

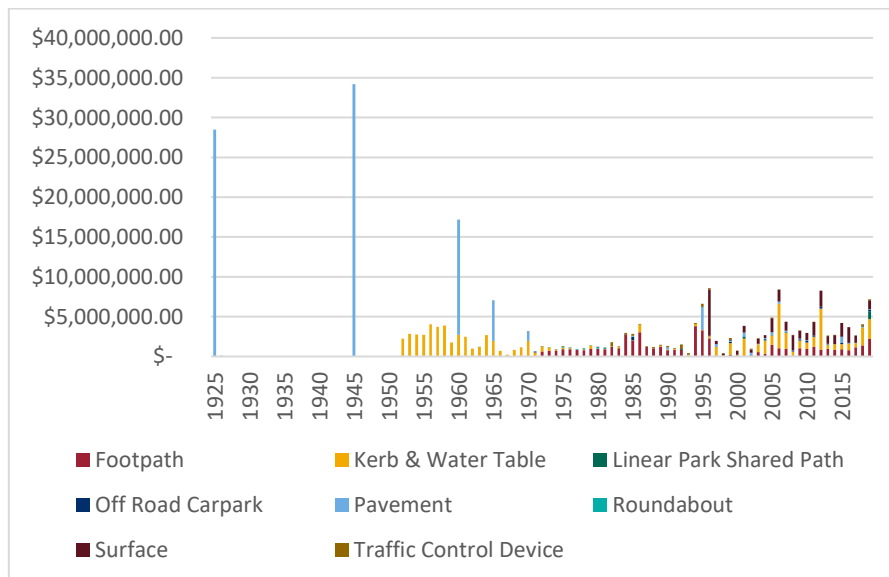
Civil Infrastructure assets includes all the road pavements and surface across the City.

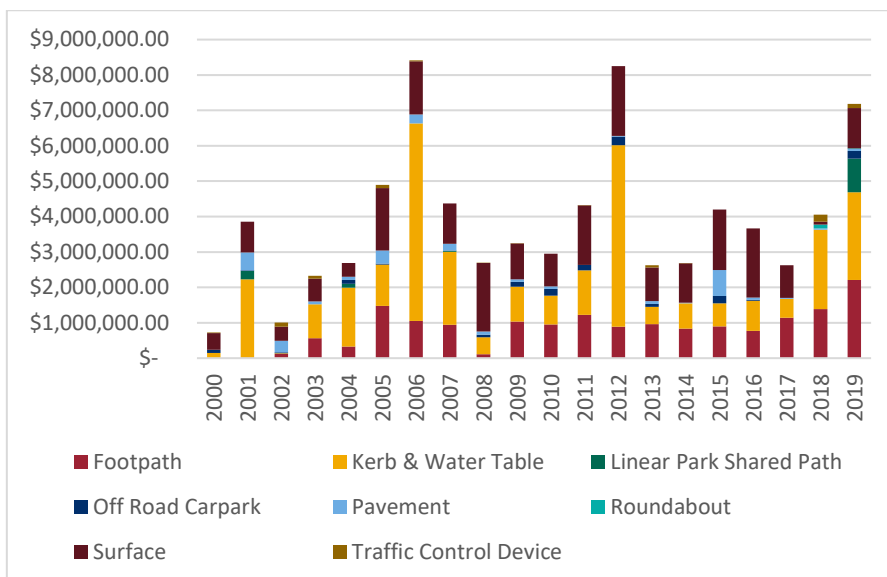
The age profile of the assets included in this AMP are shown in Figure 5.1.2.

Table 5.1.1: ASSETS COVERED BY THIS PLAN

| Asset Category | Dimension | Replacement Value |
|-------------------------|---------------------------------|----------------------|
| Road pavement | 172km / 1,424,840m ² | \$90,252,552 |
| Road surface | 172km / 1,424,840m ² | \$31,246,031 |
| Kerb and water table | 352km | \$79,791,076 |
| Footpaths | 334km / 572,762m ² | \$51,555,221 |
| Roundabouts | 59 | \$1,250,929 |
| Traffic control devices | 401 | \$4,303,462 |
| Off road carparks | 26 | \$2,645,762 |
| Linear Park Shared Path | 6.9km | \$944,625 |
| TOTAL | | \$261,989,658 |

Figure 5.1.1: ASSET AGE PROFILE





All figure values are shown in current (2020) dollars.

The majority of assets acquired prior to the mid-1990s are long-life assets such as road pavement, kerb & water table and footpaths. The more recent assets are typically shorter life assets that have been through one or more renewal cycles and require renewal more frequently. Figure 5.1.1 does show that asset renewal requirements are not consistent and the funding required from year to year can vary. The aim of the renewal expenditure of this AMP is to maintain a consistent expenditure to provide financial certainty to the LTFP during a period of large upgrade expenditure.

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.

Table 5.1.2: KNOWN SERVICE PERFORMANCE DEFICIENCIES

| Location | Service Deficiency |
|----------------------------------|--|
| Roads on bus routes | Pavement not designed for bus loading resulting in premature failure |
| Isolated road segments | Surface treatments deteriorating faster than anticipated |
| Isolated footpath segments | Footpaths and bus stop pads do not meet DDA criteria with respect to obstructions, cross fall and tactile indicators |
| Various pram ramp road crossings | Pram ramp crossing do not meet current design and DDA criteria |

The above service deficiencies were identified from the asset condition assessment completed in the 2018 – 2019 financial year.

5.1.3 Asset condition

The condition of assets is currently monitored by undertaking a complete condition assessment of the Civil Infrastructure assets once every five (5) years (the last being in the 2018 – 2019 financial year). The periodic condition assessments are to occur at a four (4) year interval following the last inspection to more closely monitor change in asset condition and to align with the preparation on AMPs. Yearly inspections of a portion of poorer conditioned assets is completed to inform the following year’s asset renewal program.

Condition is measured using a 1 – 5 grading system⁴ as detailed in Table 5.1.3. 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 – 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 Current Replacement Cost (CRC), i.e. the renewal cost, for each condition grading is shown in Figure 5.1.3.

Figure 5.1.3: ASSET CONDITION PROFILE



All figure values are shown in current (2020) dollars.

Overall, 92% of the Civil Infrastructure assets are in condition 3 (fair) or better. The percentage of assets in condition 3 (fair) or better and the average condition for individual asset class is detailed below:

- Road pavement – 91% & 2.1
- Road surface – 92% & 2.1
- Kerb and water table – 96% & 2.0

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

- Footpaths – 93% & 2.0
- Roundabouts – 89% & 2.3
- Traffic control devices – 90% & 2.1
- Off road carparks – 95% & 1.6
- Linear Park Shared Path – 96% & 1.6

The condition data was collected prior to the implementation of the planned footpath maintenance program. It is anticipated that the average condition of the footpaths will improve due to the maintenance program.

The asset class with the largest value of segments of condition 4 or greater is the road pavement. This indicates that there will be a period of increased road reconstruction occurring. This may be due to insufficient pavement strength on high load roads such as bus routes. Given the long life nature of road pavement, it also indicates that increased maintenance and/or renewal is required of the road surface to ensure that it remains impervious to water ingress.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection and utility costs.

Maintenance includes 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 maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: OPERATIONS AND MAINTENANCE BUDGET TRENDS

| Year | Operations and Maintenance Budget |
|-------------|-----------------------------------|
| 2019 – 2020 | \$2,583,327 |
| 2020 – 2021 | \$2,583,327 |
| 2021 – 2022 | \$2,383,327 |

Maintenance budget levels are considered to be adequate to meet projected service levels, which is equal to current service levels. The reduction in maintenance budget in the 2021 – 2022 financial year is due to the completion of an accelerated footpath maintenance program. It is anticipated that the residual footpath maintenance budget will be sufficient to continue the programmed maintenance as well as reactive maintenance.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

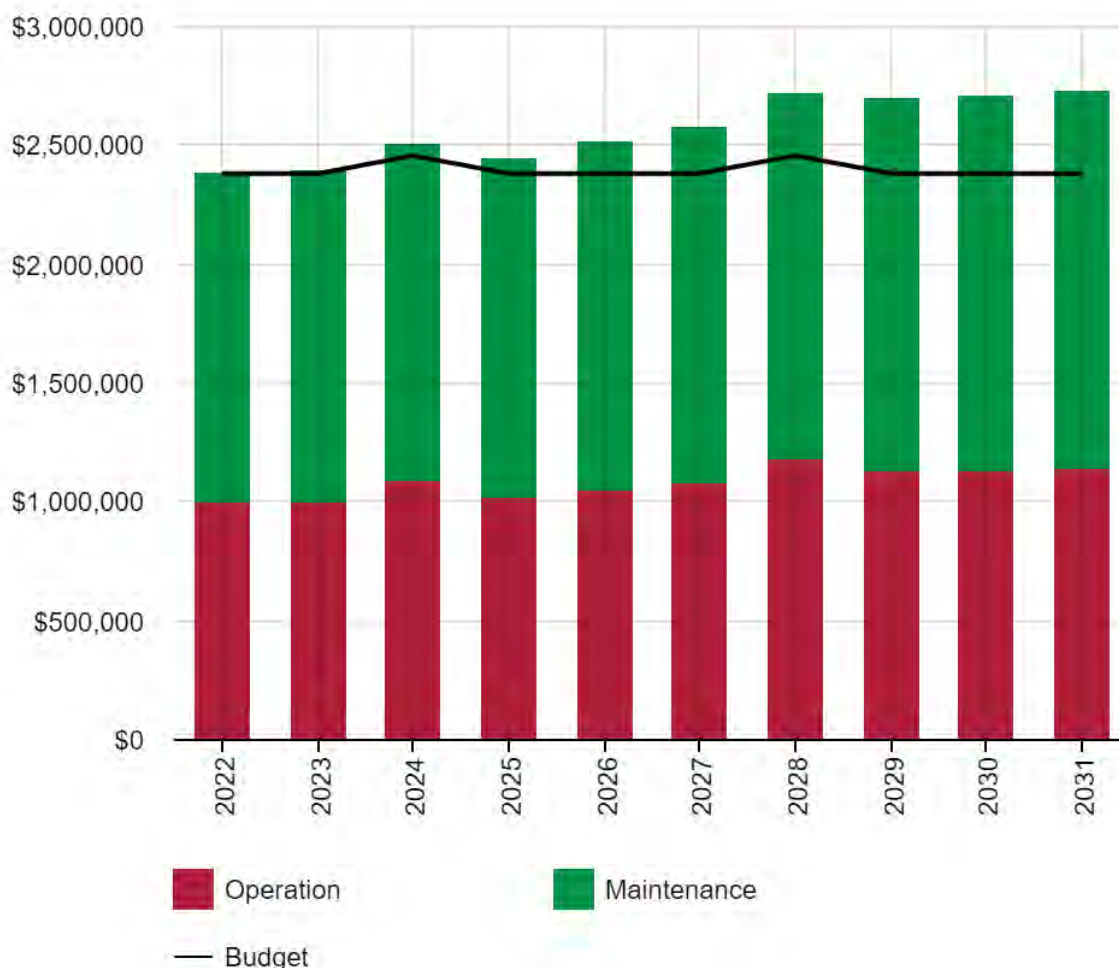
The service hierarchy is shown in Table 5.2.2.

Table 5.2.2: ASSET SERVICE HIERARCHY

| Service Hierarchy | Service Level Objective |
|---|--|
| Roads categorised by traffic volumes | High volume roads to be prioritised |
| Roads corridors categorised by active transport connections | Strategic active transport corridors to be prioritised |
| Footpaths categorised by usage | Footpaths connecting to public transport, open space, shopping precincts and age care facilities prioritised |

Summary of forecast operations and maintenance costs

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

Figure 5.2: OPERATIONS AND MAINTENANCE SUMMARY

All figure values are shown in current (2020) dollars.

The operations and maintenance budgets have been planned to remain steady over the planning period. The operations and maintenance forecast is projected to increase due to the addition of the converted private laneways and the upgrades to The Parade and other strategic streetscapes. At this stage it is not anticipated that forecast increases to the operations and maintenance budgets will be required to maintain the level of service to the new and upgraded 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 operations and maintenance costs.

Assets requiring renewal are identified from either of the following approaches in the Life-Cycle Model:

- the first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year); or
- the second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical “useful lives” of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed during the 2019 – 2020 financial year.

Table 5.3: USEFUL LIVES OF ASSETS

| Asset Category | Useful life |
|----------------------------------|----------------|
| Road Pavement | 80 – 300 years |
| Road Surface | 15 – 40 years |
| Kerb and Water Table | 40 – 70 years |
| Footpath | 30 – 50 years |
| Linear Park Shared Path Pavement | 60 years |
| Linear Park Shared Path Surface | 30 years |
| Roundabouts | 50 years |
| Traffic Control Devices | 30 – 60 years |

The estimates for renewals in this AMP have been based on the Alternative Method.

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;

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

- 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

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

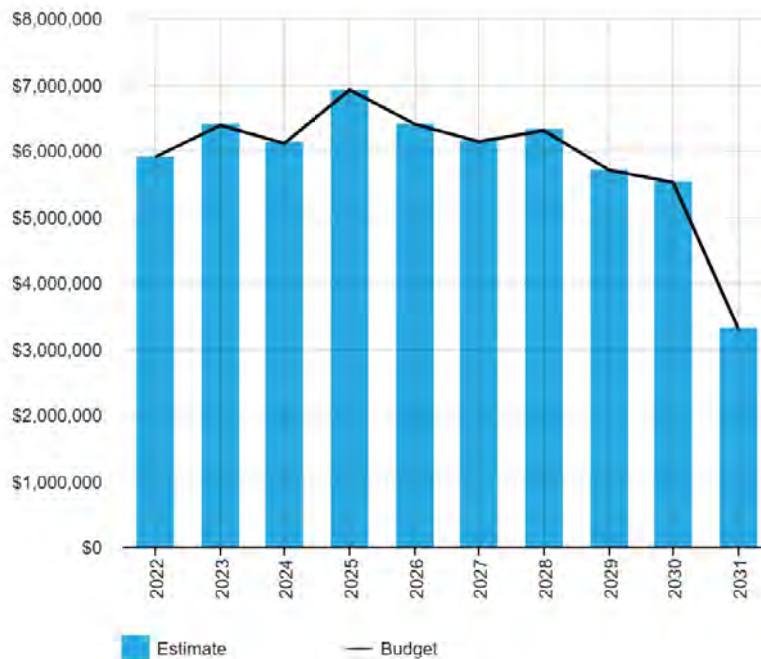
Table 5.3.1: RENEWAL PRIORITY RANKING CRITERIA

| Criteria | Weighting |
|---|-------------|
| Road surface failure resulting in pavement deterioration | 40% |
| Road hierarchy ranking (public transport corridor) | 30% |
| Road hierarchy ranking (traffic volume) | 15% |
| Change in road surface seal material to reduce life-cycle costs | 15% |
| TOTAL | 100% |

5.4 Summary of Future Renewal Costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4: FORECAST RENEWAL COSTS



All figure values are shown in current (2020) dollars.

The renewal cost over the ten (10) year planning period have been budgeted for and are reflected in the LTFP.

⁶ 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.

5.5.1 Selection criteria

Proposed upgrading of existing assets and constructing new assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Council’s needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

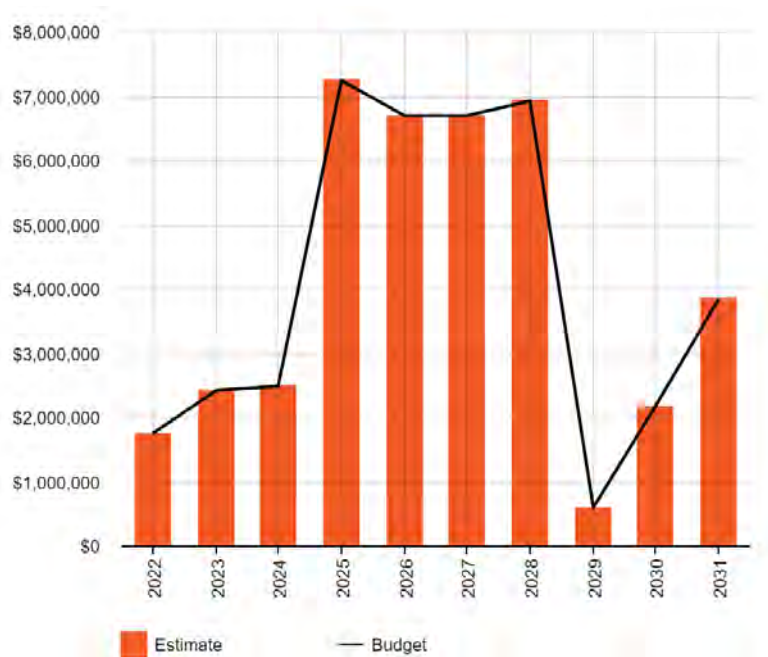
Table 5.5.1: ACQUIRED ASSETS PRIORITY RANKING CRITERIA

| Criteria | Weighting |
|---|-------------|
| Upgrade of The Parade streetscape | 40% |
| Upgrade of Kent Town streetscapes | 25% |
| Upgrade of active transport corridors | 25% |
| Acquisition and upgrade of private laneways | 10% |
| TOTAL | 100% |

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

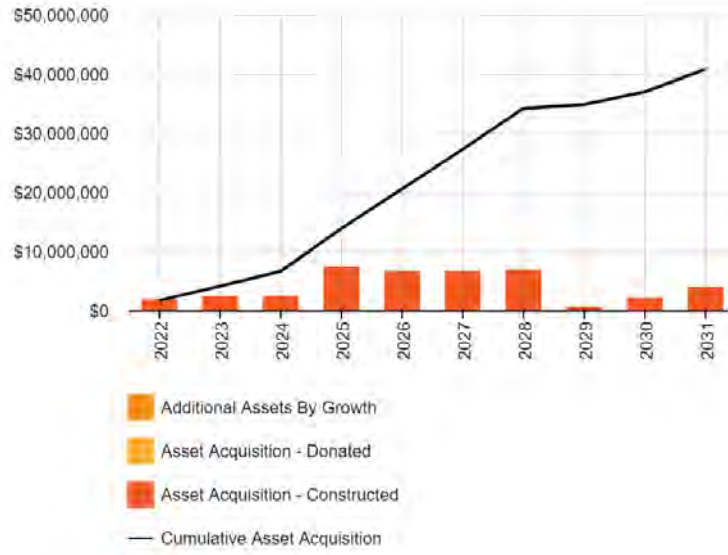
Figure 5.5.1: FORECAST ACQUISITION COSTS



All figure values are shown in current (2020) dollars.

When the Council commits to constructing new assets, the Council will be prepared to fund future operations, maintenance and renewal costs. The Council must also account for future depreciation when reviewing long-term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Council. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

Figure 5.5.2: ACQUISITION SUMMARY



All figure values are shown in current (2020) dollars.

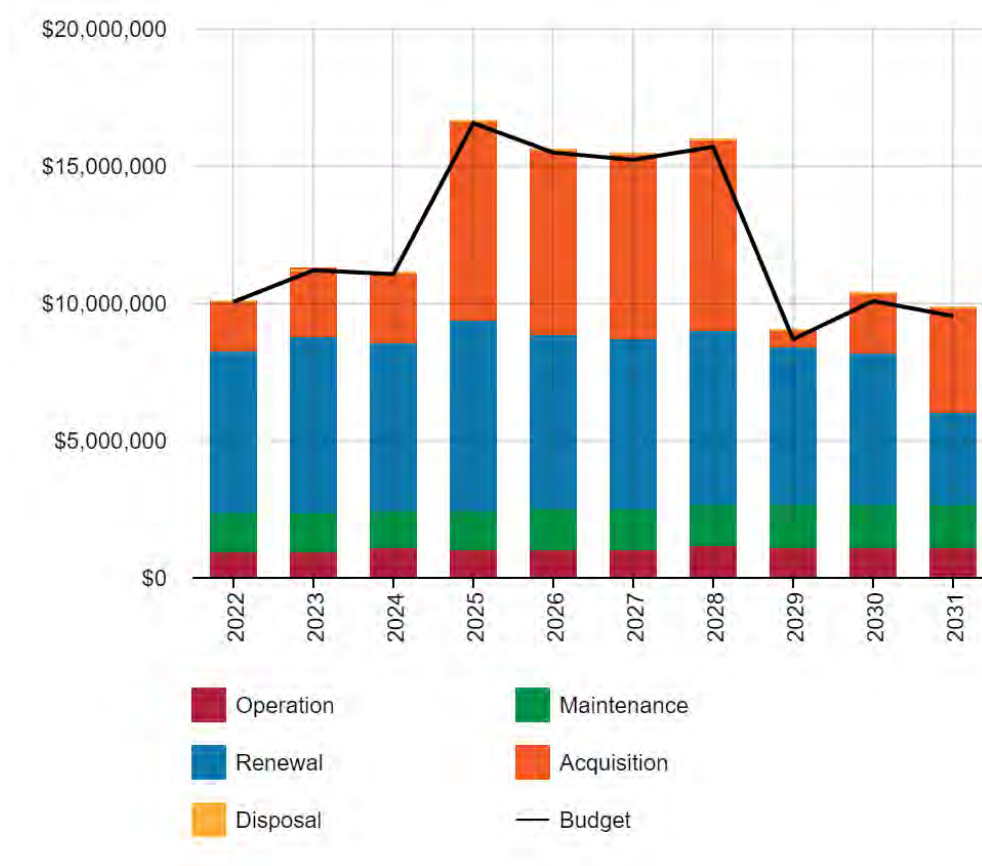
Expenditure on new assets and services in the Council’s Capital Works Program will be accommodated in the LTFP, but only to the extent that there is available funding.

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 asset is utilised and that the renewal budget is fully available to assist with the construction of the upgraded asset. Programming of new works and upgrades has been taken into account in the development of the LTFP to ensure that the Council has the financial capacity to afford the proposed new and upgraded assets.

Summary of asset forecast costs

The financial projections based upon this AMP are shown in Figure 5.5.3. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life-cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.5.3: SUMMARY OF LIFE-CYCLE COSTS

All figure values are shown in current (2020) dollars.

The life-cycle summary shown in Figure 5.5.3 has been constructed based on the life-cycle requirements of the City's Civil Infrastructure assets and incorporates new and upgrade projects in line with the Council's strategic directions. The expenditure requirements have been programmed and budgeted across the ten (10) year planning period in conjunction with the LTFP to ensure the AMP is feasible and affordable.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the LTFP.

Table 5.6: ASSETS IDENTIFIED FOR DISPOSAL

| Asset | Reason for Disposal | Timing | Disposal Costs | Operations & Maintenance Annual Savings |
|---|---------------------|--------|----------------|---|
| No disposals have been identified in the plan | Nil | Nil | \$0 | \$0 |

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. Failure modes may include physical failure, collapse or essential service interruption.

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 |
| Surface seal | Degradation, third party damage resulting in permeability | Failure of pavement |

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

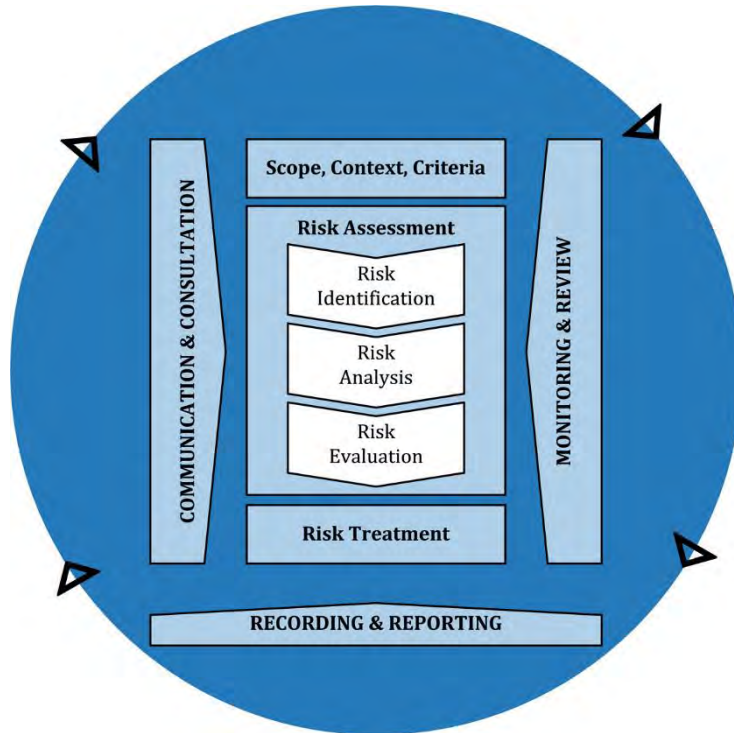
The risk management process used is shown in Figure 6.2.

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

Fig 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.

Critical risks are those assessed with ‘Very High’ (requiring immediate corrective action) and ‘High’ (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Council.

Table 6.2: RISKS AND TREATMENT PLANS

| Service or Asset at Risk | What Can Happen | Risk Rating (VH, H) | Risk Treatment Plan | Residual Risk * | Treatment Costs |
|---------------------------|--|---------------------|---|-----------------|--------------------------|
| Road surface and pavement | Deferred renewals | H | Implement recommendations of AMP | L | Ongoing in AMP lifecycle |
| Lack of information | Potential for uninformed decision making | H | Update condition data and review renewal program. | L | Ongoing in AMP lifecycle |

Note *The residual risk is the risk remaining after the selected risk treatment plan is implemented.

6.3 Infrastructure Resilience Approach

The resilience of the Council's critical infrastructure is vital to the ongoing provision of services to 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

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next ten (10) years. These include:

- acquire and upgrade all private laneways.

6.4.2 Service trade-off

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

- laneways are not upgraded to the Council's level of service and remain the responsibility of adjacent landowners.

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:

- loss of the City's reputation.

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

7.0 FINANCIAL SUMMARY

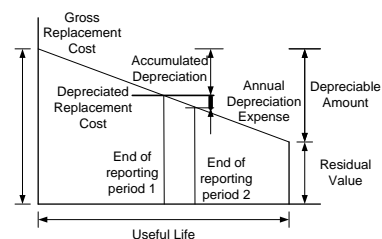
This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

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 | \$261,989,658 |
| Depreciable Amount | \$261,989,658 |
| Depreciated Replacement Cost ⁸ | \$160,715,689 |
| Depreciation during 2019 – 2020 Financial Year | \$4,223,581 |



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 renewal budget for the next ten (10) years / forecast 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%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next ten (10) years we expect 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 D.

Medium term – ten (10) year financial planning period

This AMP identifies the forecast operations, 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 operations, maintenance and renewal costs over the ten (10) year planning period is \$8,437,967 on average per year.

The proposed (budget) operations, maintenance and renewal funding is \$8,271,764 on average per year giving a ten (10) year funding shortfall or funding excess of \$166,203 per year. This indicates that 98% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget. This excludes acquired assets.

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.

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

Table 7.1.3 shows the forecast costs (outlays) for the ten (10) year LTFP.

Table 7.1.3: FORECAST COSTS (OUTLAYS) FOR THE LTFP

| Year | Forecast Acquisition | Forecast Operation | Forecast Maintenance | Forecast Renewal | Forecast Disposal |
|------|----------------------|--------------------|----------------------|------------------|-------------------|
| 2022 | \$1,757,842 | \$1,000,980 | \$1,382,347 | \$5,907,381 | \$0 |
| 2023 | \$2,427,671 | \$1,007,836 | \$1,391,664 | \$6,388,510 | \$0 |
| 2024 | \$2,491,302 | \$1,092,304 | \$1,404,530 | \$6,115,076 | \$0 |
| 2025 | \$7,250,000 | \$1,027,020 | \$1,417,734 | \$6,924,805 | \$0 |
| 2026 | \$6,700,000 | \$1,055,295 | \$1,456,159 | \$6,406,158 | \$0 |
| 2027 | \$6,700,000 | \$1,081,425 | \$1,491,669 | \$6,141,995 | \$0 |
| 2028 | \$6,931,931 | \$1,182,555 | \$1,527,179 | \$6,309,665 | \$0 |
| 2029 | \$603,262 | \$1,134,589 | \$1,563,918 | \$5,707,907 | \$0 |
| 2030 | \$2,171,868 | \$1,136,942 | \$1,567,116 | \$5,525,844 | \$0 |
| 2031 | \$3,842,102 | \$1,145,412 | \$1,578,627 | \$3,307,027 | \$0 |

All figure values are shown in current (2020) dollars.

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 operations and 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:

- all figure values are shown in current (2020) dollars;
- acquisition costs have been based on professional judgement; and
- current operations and maintenance budget have been used.

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 – E level scale¹⁰ in accordance with Table 7.5.1.

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.

Table 7.5.2: DATA CONFIDENCE ASSESSMENT FOR DATA USED IN AMP

| Data | Confidence Assessment | Comment |
|-----------------------|-----------------------|---|
| Demand drivers | C | Professional judgement |
| Growth projections | B | Limited ability for inner city asset growth |
| Acquisition forecast | C | In line with strategic plans, policy and procedures |
| Operation forecast | C | In line with previous years |
| Maintenance forecast | C | In line with previous years |
| Renewal forecast | B | As per approved methodology |
| - Asset values | B | Current estimates from asset register |
| - Asset useful lives | B | Current estimates from asset register |
| - Condition modelling | B | As per approved methodology |
| Disposal forecast | NA | NA |

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

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

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is the Council's accounting and financial system.

8.1.2 Asset management data sources

This AMP also utilises asset management data. The source of the data is the Conquest Asset Management system licenced to the Council.

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.

Table 8.2: IMPROVEMENT PLAN

| Task No. | Task | Responsibility | Resources Required | Timeline |
|----------|--|---|---|----------|
| 1 | Renewal and upgrade of prioritisation of expenditure | Project Manager, Assets | Project Officer, Assets and Finance Section | 6 months |
| 2 | Further develop risk assessment and management planning | Project Manager, Assets | Project Officer, Assets and Asset Consultants | 1 year |
| 3 | Review resilience of critical infrastructure | Project Manager, Assets | Project Officer, Assets and Asset Consultants | 1 year |
| 4 | Develop adaptive technologies to prolong life of assets | Project Manager, Assets | Project Officer, Assets and Asset Consultants | 1 year |
| 5 | Develop more specific service levels | Acting Manager, City Assets and Manager, City Services | City Assets Section | 1 year |
| 6 | Assess adequacy of operations and maintenance budget | Manager, City Services | City Assets Section | 3 years |
| 7 | Continue to develop long term models predicting services level and risks based on varying funding models | Manager, City Assets | City Assets Section and Asset Consultants | 4 years |
| 8 | Continue the development of integration between strategic plans, AMP and LTFP | Chief Executive Officer and General Manager, Urban Services | City Assets Section and Finance Section | 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 operations, maintenance, renewals, upgrade/new and asset 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 1-5 year detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the AMP;
- the degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Plan and associated plans; and
- the Asset Renewal Funding Ratio achieving the Organisational Target (this target is often 1.0).

9.0 REFERENCES

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- 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.
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- 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 Torren Linear Park Strategic Integrated Asset Management Plan
- Private Laneways Policy and Procedure
- Asset Management Policy (2019)
- Community Surveys
- Resilient East - Regional Climate Change Adaptation Plan
- Resilient East - Climate Projections Report

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 strategic documents, including the City-Wide Cycling Plan, the Kent Town Urban Design Framework and Public Realm Manual, the River Torren Linear Park Strategic Integrated Asset Management Plan and Private Laneways Policy and Procedure. All projects have been programmed to occur with the requirement to renew some or all asset classes within a street to ensure value for money is maximised for each project. Due to the substantial investment required for The Parade Streetscape upgrade, no other new or upgrade projects will be programmed during the implementation period.

A.2 – Acquisition Project Summary

The project titles included in the lifecycle forecast are included here.

Table A2: ACQUISITION PROJECT SUMMARY

| Year | Project | Cost |
|---------------------------|--|--------------|
| 2022 – 2024 & 2029 – 2031 | Private Laneways Conversion | \$1,500,000 |
| 2022 | River Torrens Linear Park Path - Battams Road to Lambert Road (Construction) | \$194,400 |
| 2028 | River Torrens Linear Park Path - Koolaman Street to Twelve Tree Reserve (Design) | \$220,000 |
| 2030 – 2031 | River Torrens Linear Park Path - Koolaman Street to Twelve Tree Reserve (Construction) | \$1,980,000 |
| 2023 – 2025 | St Peters Street Upgrade Stage (Construction) | \$3,000,000 |
| 2022 | The Parade Streetscape (Design) | \$800,000 |
| 2025 – 2028 | The Parade Streetscape (Construction) | \$27,100,000 |
| 2022 – 2024 | Complete Streets - Glynburn Road to Magill Road Stage (Construction) | \$1,134,000 |
| 2022 – 2031 | Complete Streets - Shipsters Road to Dequetteville Terrace (Design & Construction) | \$802,285 |
| 2023 – 2024 | Complete Streets - Stephen Terrace to St Peters Street (Design & Construction) | \$261,000 |
| 2029 – 2031 | Complete Streets - Linear Park to Kensington Road (Design & Construction) | \$982,800 |
| 2022 – 2023 | Kent Town Streetscape - Little Grenfell Street (Design & Construction) | \$149,146 |
| 2022 – 2023 | Kent Town Streetscape - Little Angas Street (Design & Construction) | \$125,283 |
| 2023 – 2024 | Kent Town Streetscape - Little Flinders Street (Design & Construction) | \$127,272 |
| 2028 – 2029 | Kent Town Streetscape - Little Capper Street (Design & Construction) | \$55,681 |
| 2028 – 2029 | Kent Town Streetscape - Benda Street (Design & Construction) | \$63,635 |
| 2029 – 2030 | Kent Town Streetscape - Little King William Street (Design & Construction) | \$314,204 |
| 2030 – 2031 | Kent Town Streetscape - Fullarton Road (Design & Construction) | \$566,272 |
| 2031 | Magill Road Streetscape Stage 1 | \$1,500,000 |

A.3 – Acquisition Forecast Summary

Table A3: ACQUISITION FORECAST SUMMARY

| Year | Constructed | Donated | Growth |
|------|-------------|---------|--------|
| 2022 | \$1,757,842 | \$0 | \$0 |
| 2023 | \$2,427,671 | \$0 | \$0 |
| 2024 | \$2,491,302 | \$0 | \$0 |
| 2025 | \$7,250,000 | \$0 | \$0 |
| 2026 | \$6,700,000 | \$0 | \$0 |
| 2027 | \$6,700,000 | \$0 | \$0 |
| 2028 | \$6,931,931 | \$0 | \$0 |
| 2029 | \$603,262 | \$0 | \$0 |
| 2030 | \$2,171,868 | \$0 | \$0 |
| 2031 | \$3,842,102 | \$0 | \$0 |

Appendix B

Operation Forecast

B.1 – Operation Forecast Assumptions and Source

The operational forecast has been based on previous expenditure for the same service levels with requirements of additional operational expenditure due to new and upgrade projects factored in the year following completion.

B.2 – Operation Forecast Summary

Table B2: OPERATION FORECAST SUMMARY

| Year | Operation Forecast | Additional Operation Forecast | Total Operation Forecast |
|------|--------------------|-------------------------------|--------------------------|
| 2022 | \$1,000,980 | \$6,856 | \$1,000,980 |
| 2023 | \$1,007,836 | \$9,468 | \$1,007,836 |
| 2024 | \$1,092,304 | \$9,716 | \$1,092,304 |
| 2025 | \$1,027,020 | \$28,275 | \$1,027,020 |
| 2026 | \$1,055,295 | \$26,130 | \$1,055,295 |
| 2027 | \$1,081,425 | \$26,130 | \$1,081,425 |
| 2028 | \$1,182,555 | \$27,035 | \$1,182,555 |
| 2029 | \$1,134,589 | \$2,353 | \$1,134,589 |
| 2030 | \$1,136,942 | \$8,470 | \$1,136,942 |
| 2031 | \$1,145,412 | \$8,470 | \$1,145,412 |

Appendix C

Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

The maintenance forecast has been based on previous expenditure for the same service levels with requirements of additional maintenance expenditure due to new and upgrade projects factored in the year following completion.

C.2 – Maintenance Forecast Summary

Table C2: MAINTENANCE FORECAST SUMMARY

| Year | Maintenance Forecast | Additional Maintenance Forecast | Total Maintenance Forecast |
|------|----------------------|---------------------------------|----------------------------|
| 2022 | \$1,382,347 | \$9,317 | \$1,382,347 |
| 2023 | \$1,391,664 | \$12,867 | \$1,391,664 |
| 2024 | \$1,404,530 | \$13,204 | \$1,404,530 |
| 2025 | \$1,417,734 | \$38,425 | \$1,417,734 |
| 2026 | \$1,456,159 | \$35,510 | \$1,456,159 |
| 2027 | \$1,491,669 | \$35,510 | \$1,491,669 |
| 2028 | \$1,527,179 | \$36,739 | \$1,527,179 |
| 2029 | \$1,563,918 | \$3,197 | \$1,563,918 |
| 2030 | \$1,567,116 | \$11,511 | \$1,567,116 |
| 2031 | \$1,578,627 | \$11,511 | \$1,578,627 |

Appendix D

Renewal Forecast Summary

D.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.

Kerb & Water Table were programmed for the asset register and 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 for the asset register and 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 has been implemented and is based on observations from the footpath planned maintenance program.

D.2 – Renewal Project Summary

The project titles included in the life-cycle forecast are included here.

Table D2: RENEWAL PROJECT SUMMARY

| Year | Road Pavement and Surface | Kerb & Water Table | Footpath | Traffic Control Devices | Off Road Carparks | Linear Park Shared path | Design |
|------|---------------------------|--------------------|-----------|-------------------------|-------------------|-------------------------|-----------|
| 2022 | \$3,404,845 | \$1,206,715 | \$920,000 | \$48,923 | \$37,269 | \$94,532 | \$195,097 |
| 2023 | \$3,391,391 | \$1,838,332 | \$870,000 | \$106,430 | \$0 | \$0 | \$132,357 |
| 2024 | \$3,416,729 | \$1,574,237 | \$870,000 | \$95,751 | \$0 | \$0 | \$158,360 |
| 2025 | \$3,782,560 | \$2,004,288 | \$870,000 | \$115,729 | \$0 | \$3,477 | \$148,750 |
| 2026 | \$3,937,301 | \$1,290,136 | \$870,000 | \$181,072 | \$3,296 | \$0 | \$124,353 |
| 2027 | \$3,832,911 | \$1,179,331 | \$870,000 | \$126,255 | \$0 | \$0 | \$133,498 |
| 2028 | \$3,797,564 | \$1,357,986 | \$870,000 | \$146,233 | \$0 | \$3,171 | \$134,711 |
| 2029 | \$3,798,611 | \$783,137 | \$870,000 | \$61,544 | \$0 | \$0 | \$194,615 |
| 2030 | \$3,548,890 | \$768,994 | \$870,000 | \$185,167 | \$5,000 | \$0 | \$147,793 |
| 2031 | \$1,644,879 | \$597,363 | \$870,000 | \$108,372 | \$0 | \$43,220 | \$43,193 |

D.3 – Renewal Forecast Summary

Table D3: RENEWAL FORECAST SUMMARY

| Year | Renewal Forecast | Renewal Budget |
|------|------------------|----------------|
| 2022 | \$5,907,381 | \$5,907,381 |
| 2023 | \$6,388,510 | \$6,388,510 |
| 2024 | \$6,115,076 | \$6,115,076 |
| 2025 | \$6,924,805 | \$6,924,805 |
| 2026 | \$6,406,158 | \$6,406,158 |
| 2027 | \$6,141,995 | \$6,141,995 |
| 2028 | \$6,309,665 | \$6,309,665 |
| 2029 | \$5,707,907 | \$5,707,907 |
| 2030 | \$5,525,844 | \$5,525,844 |
| 2031 | \$3,307,027 | \$3,307,027 |

Appendix E

Disposal Summary

E.1 – Disposal Forecast Assumptions and Source

No disposals have been forecast over the AMP period.

E.2 – Disposal Project Summary

No disposals have been forecast over the AMP period.

E.3 – Disposal Forecast Summary

Table E3: DISPOSAL ACTIVITY SUMMARY

| Year | Disposal Forecast | Disposal Budget |
|------|-------------------|-----------------|
| 2022 | \$0 | \$0 |
| 2023 | \$0 | \$0 |
| 2024 | \$0 | \$0 |
| 2025 | \$0 | \$0 |
| 2026 | \$0 | \$0 |
| 2027 | \$0 | \$0 |
| 2028 | \$0 | \$0 |
| 2029 | \$0 | \$0 |
| 2030 | \$0 | \$0 |
| 2031 | \$0 | \$0 |

Appendix F



Budget Summary by Life-Cycle Activity

The planned budget matches the forecast budget for acquisition and renewal, while the planned budget for operation and maintenance has not incorporated increases due to new and upgrade projects which have been allowed in the forecasts. It is not anticipated that the new and upgraded works will result in the increases forecast.

Table F1: BUDGET SUMMARY BY LIFE-CYCLE ACTIVITY

| Year | Acquisition | Operation | Maintenance | Renewal | Disposal | Total |
|------|-------------|-------------|-------------|-------------|----------|--------------|
| 2022 | \$1,757,842 | \$1,000,980 | \$1,382,347 | \$5,907,381 | \$0 | \$10,048,550 |
| 2023 | \$2,427,671 | \$1,000,980 | \$1,382,347 | \$6,388,510 | \$0 | \$11,199,508 |
| 2024 | \$2,491,302 | \$1,075,980 | \$1,382,347 | \$6,115,076 | \$0 | \$11,064,705 |
| 2025 | \$7,250,000 | \$1,000,980 | \$1,382,347 | \$6,924,805 | \$0 | \$16,558,132 |
| 2026 | \$6,700,000 | \$1,000,980 | \$1,382,347 | \$6,406,158 | \$0 | \$15,489,484 |
| 2027 | \$6,700,000 | \$1,000,980 | \$1,382,347 | \$6,141,995 | \$0 | \$15,225,322 |
| 2028 | \$6,931,931 | \$1,075,980 | \$1,382,347 | \$6,309,665 | \$0 | \$15,699,923 |
| 2029 | \$603,262 | \$1,000,980 | \$1,382,347 | \$5,707,907 | \$0 | \$8,694,496 |
| 2030 | \$2,171,868 | \$1,000,980 | \$1,382,347 | \$5,525,844 | \$0 | \$10,081,038 |
| 2031 | \$3,842,102 | \$1,000,980 | \$1,382,347 | \$3,307,027 | \$0 | \$9,532,456 |

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**City of
Norwood
Payneham
& St Peters**

Attachment B

Draft Asset Management Plans and Draft Long Term Financial Plan

2020 Asset Management Plan - Buildings Infrastructure

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
Norwood
Payneham
& St Peters



2020
Asset Management Plan
Buildings Infrastructure



City of
Norwood
Payneham
& St Peters



| Document Control | | 2020 ASSET MANAGEMENT PLAN – BUILDINGS INFRASTRUCTURE | | | |
|------------------|---------------|---|--------|----------|----------|
| Rev No | Date | Revision Details | Author | Reviewer | Approver |
| 1 | December 2020 | Draft for Community Consultation | JC | PM | PP |
| | | | | | |
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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Asset Management Plan

Asset management planning is a comprehensive process ensuring the delivery of services from infrastructure is financially sustainable.

This Asset Management Plan (AMP) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The AMP defines the services to be provided, how the services are provided and what funds are required over the ten (10) year planning period. The AMP will link to the Council's Long-Term Financial Plan (LTFP) which typically considers a ten (10) year planning period.

This AMP covers City's Buildings Infrastructure Network.

1.2 Asset Description

The City's Buildings Infrastructure Network comprises:

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

The Buildings Infrastructure Network has a significant total renewal value estimated at \$119,709,192.

1.3 Levels of Service

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

The main service consequences of the Planned Budget expenditure are:

- assets are replaced accordingly with respect to condition and intended useful life; and
- assets are compliant to 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, such as:

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

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 operation, 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 Buildings Infrastructure Network is estimated as \$37,739,247 or \$3,773,925 on average per year.

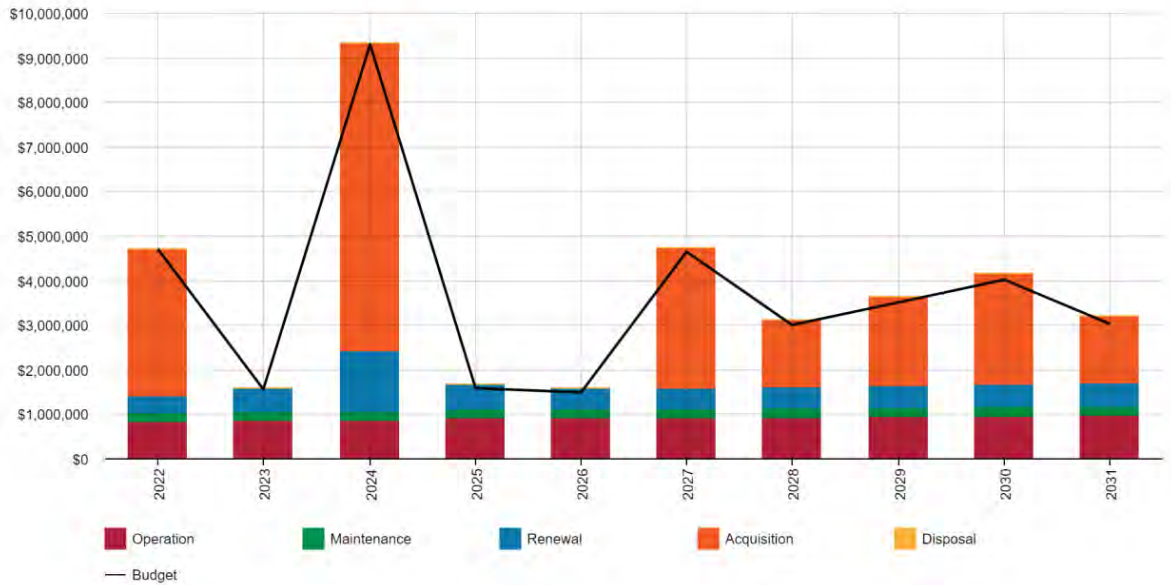
1.6 Financial Summary

1.6.1 What the Council will do

Estimated available funding for the ten (10) year period is \$36,866,281 (or \$3,686,628 on average per year) as per the Council’s LTFP. This is approximately 98% of the cost to sustain the current level of service at the lowest life-cycle cost.

The life-cycle summary shown in Figure 1.6.1 shows the minor shortfall in allocated funding across the planning period. The master-plan upgrade of various buildings and facilities will lead to a projected increase in operations and maintenance costs which have not been allowed for in the LTFP. The budget will need to be monitored and amended accordingly in future years to avoid deferred operation and maintenance works.

Figure 1.6.1: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS



All figure values are shown in current (2020) dollars.

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

- operation, maintenance, renewal and upgrade of existing Building Infrastructure Network assets to meet current service levels which are set by annual budgets; and
- upgrade of the Payneham Memorial Swimming Centre, Norwood Swimming Centre, Norwood Library and Norwood Concert Hall facilities within the ten (10) year planning period as set out in the Council’s LTFP.

1.6.2 What the Council cannot do

The Council currently allocates sufficient funding to sustain the Buildings Infrastructure Network at the proposed standard. Any operations and maintenance budget requirements derived from new or upgraded buildings infrastructure have not been allowed for, as the potential operations and maintenance which are required are unknown at this stage and will only be determined during the design of the renewal projects. As this information becomes available the AMP will be updated to reflect the changes.

1.6.3 Managing the Risks

The Council’s budget expenditure levels are sufficient to continue to manage risks in the medium term, however, the costs associated with increasing maintenance and operations due to assets which are planned to be acquired have not been allowed for in the LTFP.

The main risk consequences are:

- increased risk of asset failure due to deferred operation and maintenance works;

- service provided by assets are not to the standard of the users; and
- loss of the Council's reputation.

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

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

1.7 Asset Management Practices

The Council's systems associated with the management of assets include:

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

Assets requiring renewal/replacement are identified from either the Council's Asset Register or the Alternative Method. These methods are part of the Life-Cycle Model.

If Asset Register data is used to forecast the renewal costs, the acquisition year and the useful life are utilised.

Alternatively, an estimate of renewal life-cycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Alternative Method was used to forecast the renewal life-cycle costs for this AMP.

1.8 Monitoring and Improvement Program

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

- integrating building assets with asset management system;
- reviewing the Asset Register (including building categorisation) and asset renewal program data and subsequently implementing a proactive renewal plan;
- reviewing the needs and expectations of the users to assisting the development of the buildings strategy;
- developing risk assessment and management planning;
- reviewing resilience of critical infrastructure and condition data;
- assessing the adequacy of operations and maintenance budget; and
- continuing the development of integration between strategic plans, AMP and LTFP.

2.0 Introduction

2.1 Background

The Council's Buildings Infrastructure assets represent a major investment by the community over a long period of time and provides a wide range of essential services, such as facilitating civic, administrative and community-based functions and activities. These assets have been donated, acquired and constructed over several generations and must be appropriately maintained, enhanced and renewed, in order to continue to provide adequate services and benefits to the community for future generations.

This AMP communicates the requirements for the sustainable delivery of services through 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
- Public Buildings Policy (2008)
- Access & Inclusion Policy (2018)
- Asset Management Policy (2019)
- Community Surveys
- Resilient East - Regional Climate Change Adaptation Plan
- Resilient East - Climate Projections Report

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

The infrastructure assets covered by this AMP include municipal buildings, community buildings, recreation and leisure buildings swimming centres and public toilets. For a detailed summary of the assets covered in this AMP refer to Table 5.1.1 in Section 5.

The infrastructure assets included in this AMP have a total replacement value of \$119,709,192.

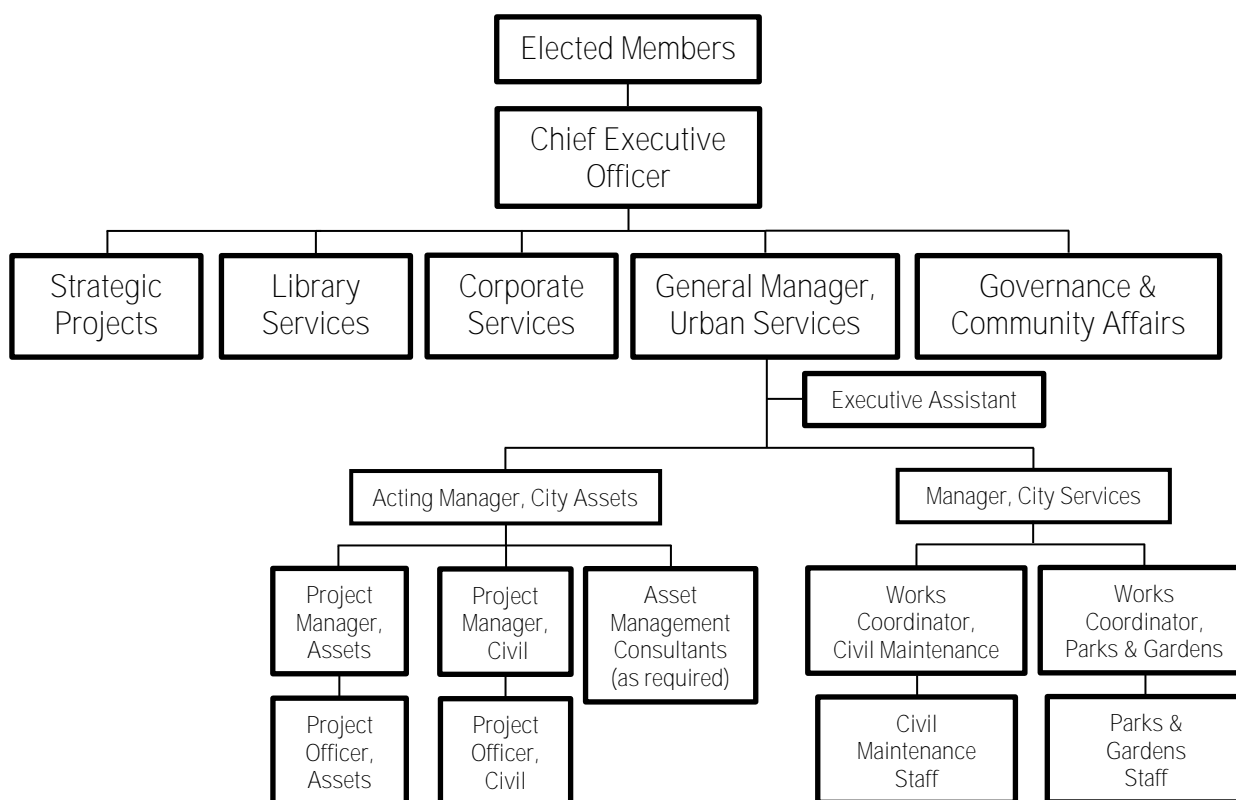
Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: KEY STAKEHOLDERS IN THE AMP

| Key Stakeholder | Role in AMP |
|---|--|
| Elected Members | Represent needs of community/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 required to complete the task. |
| General Manager, Urban Services and Acting Manager, City Assets | Set high level priorities for asset management development and support the implementation of actions resulting from this AMP. |
| Corporate Services | Develop supporting policies such as capitalisation and depreciation. Provide GIS applications and support. Provide local knowledge level of detail on the Buildings Infrastructure Network. Describe the maintenance standards deployed and the ability to meet the technical and customer levels of service. |
| Asset Management Consultants | Prepare asset sustainability and financial reports incorporating asset depreciation in compliance with the current accounting standards. Host and consolidate asset register including valuation, capitalisation and disposal. Provide support for the development of the AMPs and the implementation of effective asset management principles. Independently endorse asset revaluation methodology. |
| Project Manager, Assets Project Officer, 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. |
| Building Maintenance Officer | Assists with coordinating Council's resources to deliver capital works and maintenance programs |
| Governance & Community Affairs | Manage the leasing and licensing of Council property assets |
| City Assets and Strategic Projects | Assist the Project Manager, Assets and Project Officer, Assets in the development and implementation of the AMP. |
| City Services and Library Services | Provide local knowledge level of detail on the Buildings Infrastructure Network. Describe the maintenance standards deployed and the ability to meet the technical and customer 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.

Figure 2.1: ORGANISATIONAL STRUCTURE



2.2 Goals and Objectives of Asset Ownership

The Council's goal in 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 infrastructure 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:

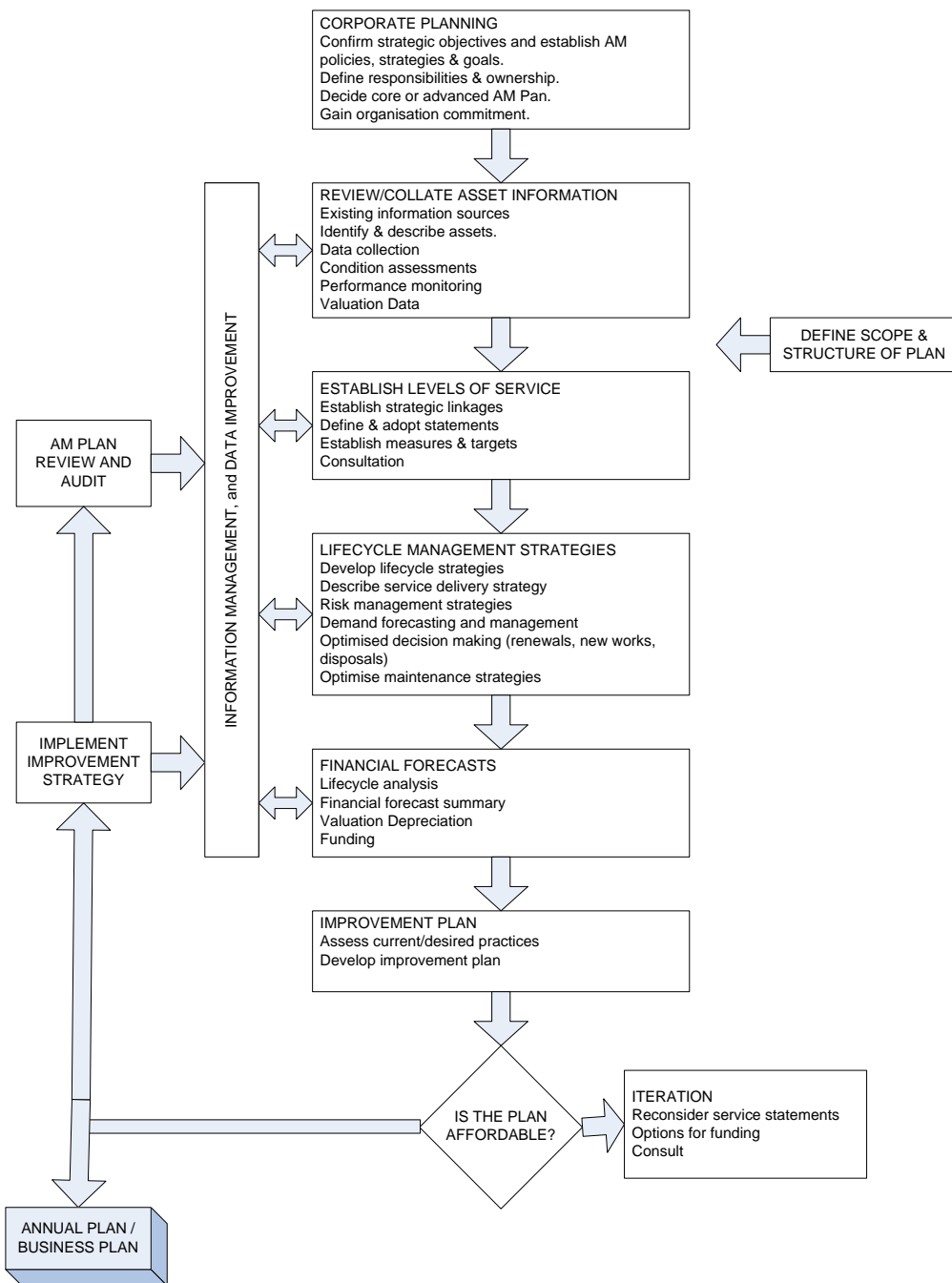
- **levels of service** – specifies the services and levels of service to be provided;
- **future demand** – how this will impact on future service delivery and how this is to be met;
- **life-cycle management** – how to manage its existing and future assets to provide defined levels of service;
- **financial 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.

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 and 2017, with the most recent survey undertaken in 2019. The survey uses a 5-point scale to determine satisfaction, with 1 being very dissatisfied, 5 being very satisfied and a 'don't know' response. The mean score is derived from the five-point satisfaction scale. Table 3.1 summarises the results from the Council's Community Surveys.

Table 3.1: CUSTOMER SATISFACTION SURVEY LEVELS

| Performance Measure | Satisfaction Level | | | | |
|--|--------------------|------|------|------|------|
| | 2019 | 2017 | 2013 | 2011 | 2009 |
| Overall Infrastructure Satisfaction | 3.8 | 3.8 | 4.0 | 4.0 | 3.6 |
| The Presentation & Cleanliness of the Council Area | 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 *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.'

Strategic goals have been set by the Council and how these are addressed in this AMP is summarised in Table 3.2.

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

| 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. |
| Social Equity - A connected, accessible and pedestrian friendly community | 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 the delivery of the Buildings Infrastructure Network are set out in Table 3.3.

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 | All of the Council's infrastructure projects are undertaken in accordance with Australian Standards, or in the absence of, best practice techniques. |
| Building Code of Australia 2007 | Sets out minimum standards for construction of new assets. Also provides minimum standards for new properties. |
| Development Act 1993 | An Act to provide for planning and regulate development in the State; to regulate the use and management of land and buildings, and the design and construction of buildings; to make provision for the maintenance and conservation of land and buildings where appropriate; and for other purposes. |
| 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 Retail and Commercial Leases Amendment Act 2019 | An Act regulating the leasing of certain properties. |
| 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.

Table 3.4: CITIZEN VALUES

| Citizen Values | Citizen Satisfaction Measure | Current Feedback | Expected Trend Based on Planned Budget |
|----------------|-------------------------------|------------------------------|--|
| Function | Community Survey & Complaints | Minimal number of complaints | Demand for long-term strategies expected to increase due to aging infrastructure |
| Quality | Community Survey & Complaints | Minimal number of complaints | Complaints maintaining current levels |

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.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available, condition %'s of Very Poor, Poor/Average/Good, Very Good) and provide a balance in comparison to the citizen perception that may be more subjective.

Confidence levels of current performance and expected trend are set out in Table 3.5 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 | Condition of building assets | Condition assessment by external auditor | Majority of assets are in good condition and fit-for-purpose | Building assets to be replaced as required to ensure compliant condition |
| | Confidence levels | | High | Medium |
| Function | Accessibility | Public areas of Council buildings to provide access to people with disabilities | Buildings review has been completed with DDA-compliance deficiencies identified and will be targeted as part of the Capital Works Program | New assets installed as part of building assets will highly consider DDA access requirements |
| | Confidence levels | | High | Medium |
| Capacity | Availability | Community Survey | The usage of various Council services is seen to have increased over the last ten (10) years but is not at capacity | Expected upward trend to continue, ample capacity to facilitate this projected increase in usage |
| | Confidence levels | | Medium | 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 (e.g. swimming centre upgrades) or a new service that did not exist previously (e.g. a new library);
- **operation:** the regular activities to provide services (e.g. cleaning, utilities, inspections);
- **maintenance:** the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. wall patch repairs);
- **renewal:** the activities that return the service capability of an asset up to that which it had originally provided (e.g. like-for-like replacement of security systems); 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 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* | Recommended Performance ** |
|---------------------|---|--|--|---|
| Acquisition | Upgrade of the Council's Swimming Centre facilities, Norwood Library and Norwood Concert Hall | Quantity | The Payneham Memorial Swimming Centre, Norwood Swimming Centre, Norwood Library and Norwood Concert Hall are programmed to be upgraded | The Payneham Memorial Swimming Centre, Norwood Swimming Centre, Norwood Library and Norwood Concert Hall to be upgraded |
| | | Budget | \$20,839,742 over ten (10) years | \$20,839,742 over ten (10) years |
| Operation | Operation works (e.g. cleaning, utilities, inspections) conducted on building assets | Frequency | As required and based on previous years' budgets | Increased level and frequency of operation works due to increased usage as a result of assets being new / upgraded |
| | | Budget | \$8,412,000 over ten (10) years | \$9,122,554 over ten (10) years |
| Maintenance | Maintenance works (e.g. repairs) conducted on building assets | Frequency | As required and based on previous years' budgets | Increased level and frequency of maintenance works due to increased usage as a result of assets being new / upgraded |
| | | Budget | \$1,881,500 over ten (10) years | \$2,043,912 over ten (10) years |
| Renewal | Replacement of critical assets | Frequency | As required based on standard useful life | As required based on standard useful life |
| | | Budget | \$ 5,733,038 over ten (10) years | \$ 5,733,038 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 |
| | Sale of assets to developer | Strategic benefit of sale demonstrable | Opportunities to be identified on an ad hoc basis | Opportunities to be identified on an ad hoc basis |
| | | Budget | \$0 over ten (10) years | \$0 over ten (10) years |

Note: *Current activities related to Planned Budget.

**Forecast required performance related to forecast life-cycle costs.

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 things such as population change, 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.

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. 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 |
|-----------------------------|--|---|---|---|
| Change in frequency of use | A number of the current residential properties within the Council have a swimming pool | More land sub-divisions 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 5.4.

Acquiring new assets will commit the Council to ongoing operations, 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 operations, 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.

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 build in resilience to the impacts of climate change. Building 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 summarises some asset climate change resilience opportunities.

Table 4.5.2: BUILDING ASSET RESILIENCE TO CLIMATE CHANGE

| New Asset Description | Climate Change Impact These Assets? | Build 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 |

The impact of climate change on assets is a new and complex issue and 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.

Table 5.1.1: ASSETS COVERED BY THIS AMP

| Asset Category | Replacement Value |
|--------------------------------|----------------------|
| Municipal Buildings | \$49,978,541 |
| Community Buildings | \$30,068,063 |
| Recreation & Leisure Buildings | \$33,921,237 |
| Swimming Centres | \$2,999,818 |
| Public Toilets | \$2,741,533 |
| TOTAL | \$119,709,192 |

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.

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 completed in the 2017 – 2018 financial year.

5.1.3 Asset condition

The condition of assets is currently monitored by undertaking a complete condition assessment of the building assets once every five (5) years. The last being in the 2017 – 2018 financial year. This will now be amended to once every four (4) years. Yearly 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 buildings condition assessments. The output has consisted of defects lists and associated maintenance requirements. It is planned to formalise a condition assessment rating system commencing with the next condition data collection.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, asset inspection and utility services.

Maintenance includes 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 maintenance activities include repairs to pipework, wall patching, and equipment repairs.

The trend in operation and maintenance budgets are shown in Table 5.2.

Table 5.2: OPERATION AND MAINTENANCE BUDGET TRENDS

| Year | Operation and Maintenance Budget |
|-------------|----------------------------------|
| 2019 – 2020 | \$1,029,350 |
| 2020 – 2021 | \$1,029,350 |
| 2021 – 2022 | \$1,029,350 |

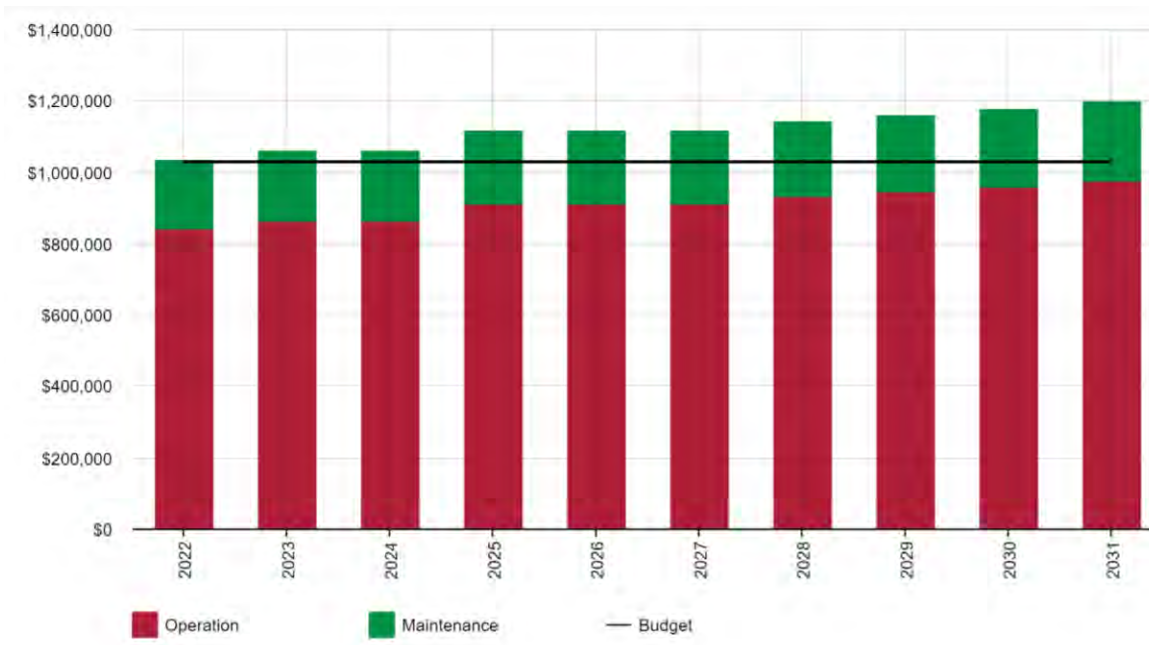
A combination of additional assets and increase usage of assets as a result of buildings upgrades will lead to a steady increase in maintenance and operation costs. Where budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AMP and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Summary of forecast operations and maintenance costs

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

Figure 5.2: OPERATIONS AND MAINTENANCE SUMMARY



All figure values are shown in current (2020) dollars.

Due to significant acquisition of assets and expected increase of popularity and usage through buildings upgrades, the forecast operations and maintenance expenditure is expected to rise. The budget will need to be monitored and amended accordingly in future years to avoid deferred operation and maintenance works.

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 operations and maintenance costs.

Towards the end of an asset's useful life, the asset is inspected more closely to determine whether renewal is required. On some occasions, expected life can be greater than its standard useful life mainly due to efficient and timely operational and maintenance works program. As a result, the condition of the asset, as well as the asset's useful life, is closely considered when formulating the annual Capital Works Program.

Assets requiring renewal are identified from either of the following approaches in the Life-Cycle Model:

- the first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year); or
- the second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical "useful lives" of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed during the 2019 – 2020 financial year.

Table 5.3: USEFUL LIVES OF ASSETS

| Asset Category | Useful life |
|---------------------------|---------------|
| Air Conditioning | 15 – 30 years |
| Communications Systems | 20 – 25 years |
| Doors | 15 – 30 years |
| Electrical Infrastructure | 15 – 30 years |
| Fire System | 10 – 30 years |
| Floors | 15 – 50 years |
| Kitchens | 20 – 30 years |
| Lifts | 25 – 30 years |
| Plumbing | 15 – 40 years |
| Roof | 30 – 40 years |
| Security Systems | 25 years |
| Smoke Alarm Systems | 25 years |
| Solar Systems | 25 years |
| Stairs | 50 years |
| Ventilation Systems | 15 – 30 years |
| Walls | 15 – 30 years |
| Windows | 30 years |

The estimates for renewals in this AMP have been based on the Alternative Method.

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 or maintenance costs; and
- have potential to reduce life-cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁵

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

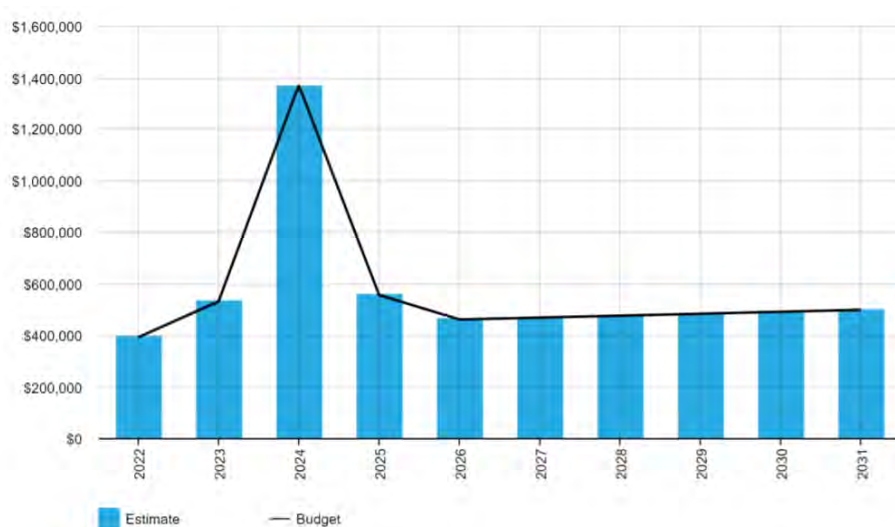
Table 5.3.1: RENEWAL PRIORITY RANKING CRITERIA

| Criteria | Weighting |
|--|-------------|
| Injury / death as a result of asset failure or non-compliance | 75% |
| Closure of building facilities due to condition deterioration leading to significant reputational risk | 15% |
| Ongoing operations and maintenance financial costs due to condition deterioration | 10% |
| TOTAL | 100% |

5.4 Summary of Future Renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4: FORECAST RENEWAL COSTS



All figure values are shown in current (2020) dollars.

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

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

There are various years where multiple high-value assets are due for renewal at approximately the same time. 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.

5.5.1 Selection criteria

Proposed upgrading of existing assets, and constructing new assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Council needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

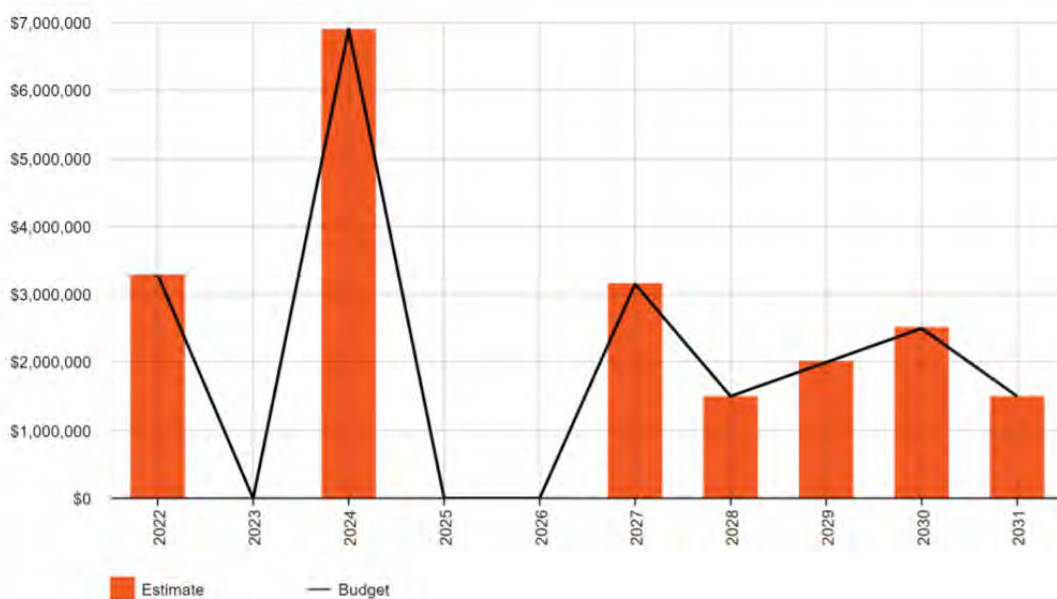
Table 5.5.1: ACQUIRED ASSETS PRIORITY RANKING CRITERIA

| Criteria | Weighting |
|--|-------------|
| Master plan upgrade of facilities | 75% |
| DDA-compliant building facilities and assets | 25% |
| TOTAL | 100% |

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

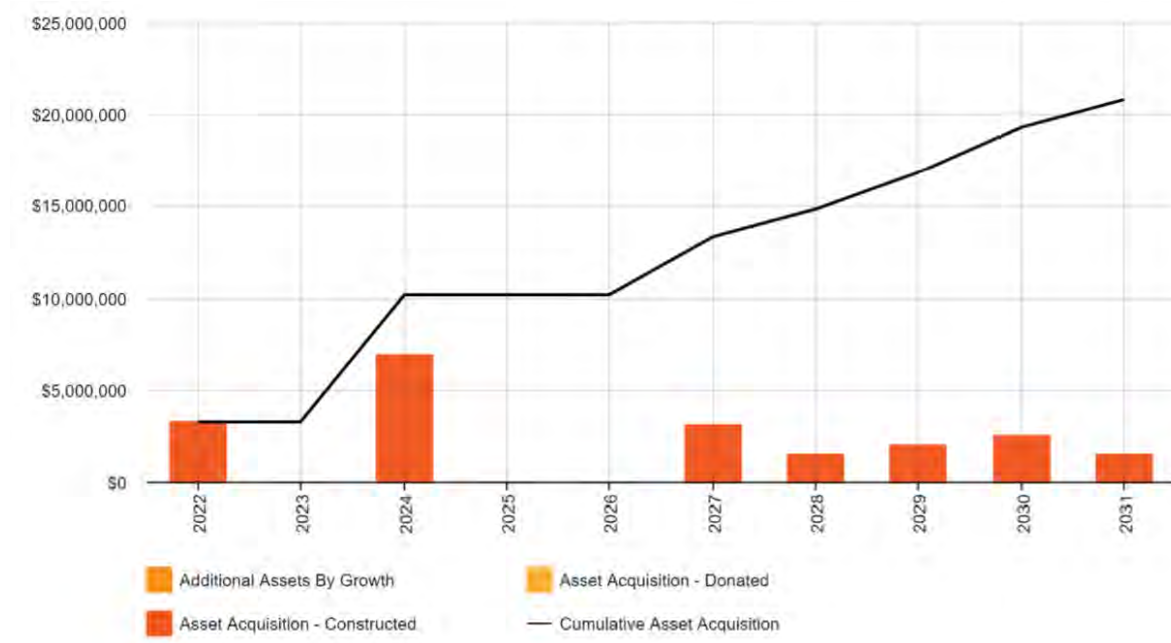
Figure 5.5.1: FORECAST ACQUISITION COSTS



All figure values are shown in current (2020) dollars.

When the Council commits to constructing new assets, the Council will be prepared to fund future operations, maintenance and renewal costs. The Council will account for future depreciation when reviewing long-term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Council. The cumulative value of all acquisition work, including assets that are constructed and contributed, are shown in Figure 5.5.2.

Figure 5.5.2: ACQUISITION SUMMARY



All figure values are shown in current (2020) dollars.

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

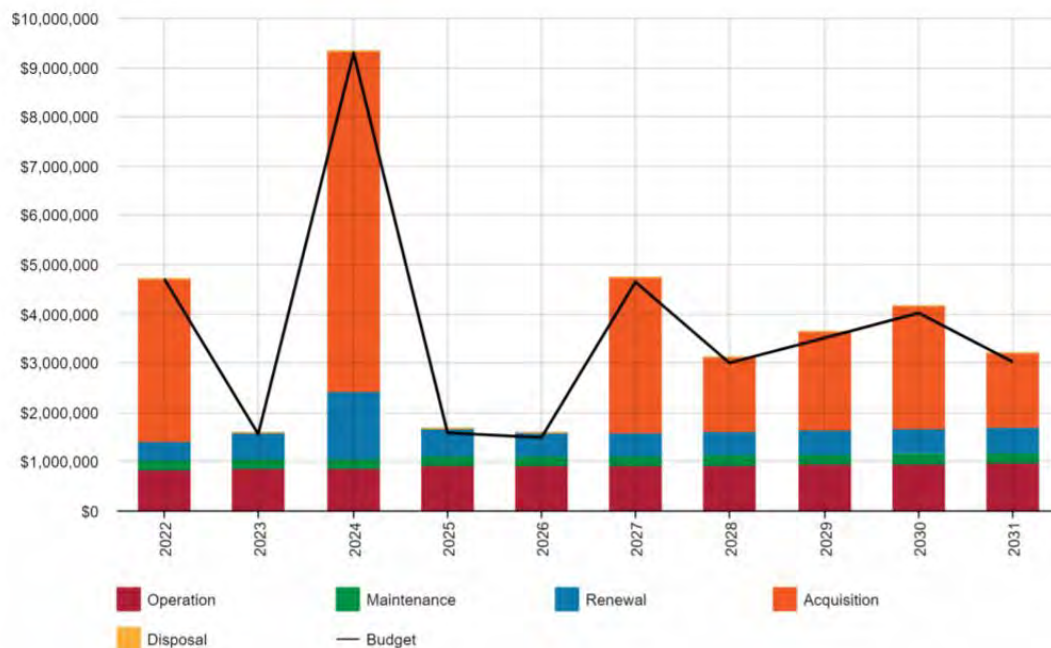
Acquisition of assets through master plan upgrades is in line with the Council’s plans and policies. These acquisitions will increase the Council’s asset base by adding new assets and will in the long term increase the operation, maintenance and renewal requirements of the buildings assets.

Summary of asset forecast costs

The financial projections based upon this AMP are shown in Figure 5.5.3. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life-cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.5.3: SUMMARY OF LIFE-CYCLE COSTS



All figure values are shown in current (2020) dollars.

The life-cycle summary shown in Figure 5.5.3 shows a minor shortfall in allocated funding across the ten (10 year planning period). Any operations and maintenance budget requirements derived from new infrastructure (namely as a result of master-plan upgrades) have not been allowed for, as the potential operations and maintenance works which are required are unknown at this stage and will only be determined during the design of the projects. The budget will need to be monitored and amended accordingly in future years to avoid deferred operation and maintenance works.

The main risk consequences are:

- increased risk of asset failure due to deferred operation and maintenance works;
- 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 available funding by:

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

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the LTFP.

Table 5.6: ASSETS IDENTIFIED FOR DISPOSAL

| Asset | Reason for Disposal | Timing | Disposal Costs | Operations & Maintenance Annual Savings |
|---|---------------------|--------|----------------|---|
| No disposals have been identified in the plan | Nil | Nil | \$0 | \$0 |

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. Failure modes may include physical failure, collapse or essential service interruption.

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

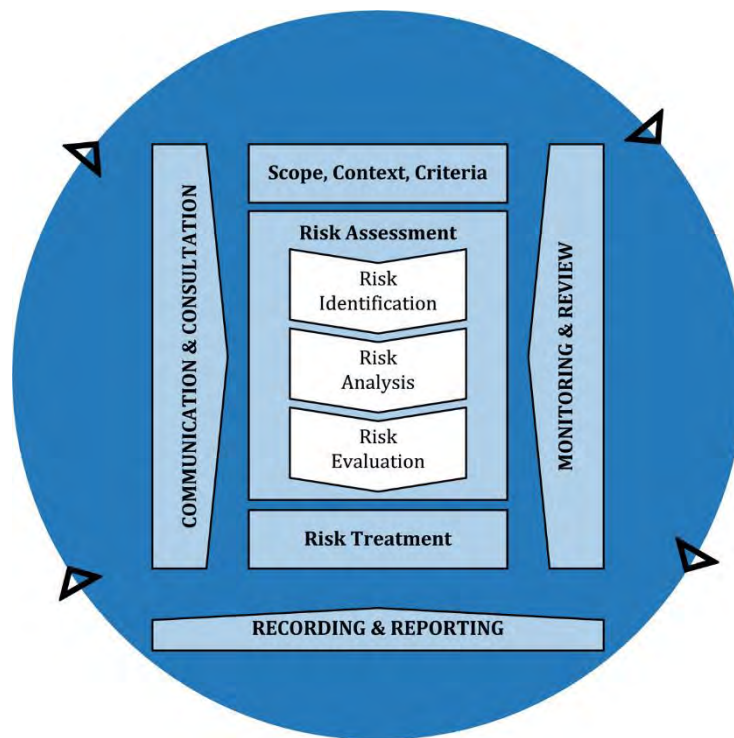
The risk management process used is shown in Figure 6.2.

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

Fig 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.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Council.

Table 6.2: RISKS AND TREATMENT PLANS

| Service or Asset at Risk | What Can Happen | Risk Rating (VH, H) | Risk Treatment Plan | Residual Risk * | Treatment Costs |
|--------------------------|---|---------------------|---|-----------------|--|
| Building Assets | Asset life is less than expected | H | Review and consolidate the asset register and asset renewal program data | L | \$20,000 (one-off) |
| Building Assets | Asset life is less than expected | H | Increase frequency of database condition assessment updates | L | \$50,000 every four years (instead of \$50,000 every five years) |
| Building Assets | Operation and maintenance is under-funded | H | Liaise with relevant project teams to understand and budget for future increase in maintenance requirements | L | Internal |

Note *The residual risk is the risk remaining after the selected risk treatment plan is implemented.

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

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next ten (10) years. These include:

- new and upgrade projects identified that are unaffordable with the AMP timeframe.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available 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 assets through building master-plan upgrades.

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 of the users; and
- loss of the Council's reputation.

These actions and expenditures are considered and included in the forecast costs and where developed, the Risk Management Plan.

7.0 FINANCIAL SUMMARY

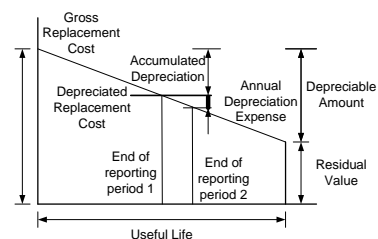
This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

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 existing service capacity:

| | |
|--|---------------|
| Current (Gross) Replacement Cost | \$119,709,192 |
| Depreciable Amount | \$119,709,192 |
| Depreciated Replacement Cost ⁷ | \$55,934,433 |
| Depreciation during 2019 – 2020 Financial Year | \$1,566,937 |



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 renewal budget for the next ten (10) years / forecast 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 100%

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 D.

Medium term – ten (10) year financial planning period

This AMP identifies the forecast operations, 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 operations, maintenance and renewal costs over the ten (10) year planning period is \$1,689,950 on average per year.

The proposed (budget) operations, maintenance and renewal funding is \$1,602,654 on average per year giving a ten (10) year funding shortfall of \$87,296 per year. This indicates that 95% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget. This excludes acquired assets.

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.

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

Table 7.1.3 shows the forecast costs (outlays) for the ten (10) year LTFP.

Table 7.1.3: FORECAST COSTS (OUTLAYS) FOR THE LTFP

| Year | Forecast Acquisition | Forecast Operation | Forecast Maintenance | Forecast Renewal | Forecast Disposal |
|------|----------------------|--------------------|----------------------|------------------|-------------------|
| 2022 | \$3,289,742 | \$841,200 | \$188,150 | \$392,796 | \$0 |
| 2023 | \$0 | \$864,228 | \$193,413 | \$531,577 | \$0 |
| 2024 | \$6,900,000 | \$864,228 | \$193,413 | \$1,369,529 | \$0 |
| 2025 | \$0 | \$912,528 | \$204,453 | \$556,645 | \$0 |
| 2026 | \$0 | \$912,528 | \$204,453 | \$462,013 | \$0 |
| 2027 | \$3,150,000 | \$912,528 | \$204,453 | \$469,222 | \$0 |
| 2028 | \$1,500,000 | \$934,578 | \$209,493 | \$476,543 | \$0 |
| 2029 | \$2,000,000 | \$945,078 | \$211,893 | \$483,979 | \$0 |
| 2030 | \$2,500,000 | \$959,078 | \$215,093 | \$491,531 | \$0 |
| 2031 | \$1,500,000 | \$976,578 | \$219,093 | \$499,201 | \$0 |

All figure values are shown in current (2020) dollars.

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 into the service.

Additional assets will generally add to the operations and 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:

- all figures are shown in current (2020) dollars;
- acquisition costs have been based on professional judgement and previous works; and
- current operation and maintenance budget have been used.

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 – E level scale⁹ in accordance with Table 7.5.1.

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.

Table 7.5.2: DATA CONFIDENCE ASSESSMENT FOR DATA USED IN AMP

| Data | Confidence Assessment | Comment |
|-----------------------|-----------------------|---|
| Demand drivers | B | Based on Community Surveys |
| Growth projections | B | Based on Community Surveys |
| Acquisition forecast | C | Based on previous projects |
| Operation forecast | C | In line with previous years |
| Maintenance forecast | C | In line with previous years |
| Renewal forecast | B | As per approved methodology |
| - Asset values | B | Current estimates from asset register |
| - Asset useful lives | B | Detailed data capture and condition audit survey undertaken once every five (5) years (to be changed to one every four (4) years) |
| - Condition modelling | B | |
| Disposal forecast | NA | NA |

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

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

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is the Council's accounting and financial system.

8.1.2 Asset management data sources

This AMP also utilises asset management data. The source of the data is the data obtained from the 2018 – 2019 condition assessment inspections.

8.2 Improvement Plan

It is important that the Council recognises 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.

Table 8.2: IMPROVEMENT PLAN

| Task | Task | Responsibility | Resources Required | Timeline |
|------|--|---|--|-------------------------|
| 1 | Integrate building assets with asset management system | City Assets Section | Asset Consultants | Ongoing staged approach |
| 2 | Review the asset register (including building categorisation) and asset renewal program data and subsequently implement a proactive renewal plan | City Assets Section | Asset Consultants | 1 year |
| 3 | Review the needs and expectations of the users to assist the development of the buildings strategy | Manager, Economic Development & Strategic Projects | Strategic Projects Section and City Assets Section | 1 year |
| 4 | Further develop risk assessment and management planning | Project Manager, Assets | Project Officer, Assets and Asset Consultants | 1 year |
| 5 | Review resilience of critical infrastructure and condition data | Project Manager, Assets | Project Officer, Assets and Asset Consultants | 2 years |
| 6 | Assess adequacy of operations and maintenance budget | Manager, City Assets | City Assets Section | 3 years |
| 7 | Continue the development of integration between strategic plans, AMP and LTFP | Chief Executive Officer and General Manager, Urban Services | City Assets Section and Finance Section | 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 operations, maintenance, renewals, upgrade/new and asset 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 1-5 year detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the AMP;
- the degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Plan and associated plans; and
- 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.
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- 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
- Public Buildings Policy (2008)
- Access & Inclusion Policy (2018)
- Asset Management Policy (2019)
- Community Surveys
- Resilient East - Regional Climate Change Adaptation Plan
- Resilient East - Climate Projections Report

10.0 APPENDICES

Appendix A

Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

The Council has policies and procedures in place that outlines the master plan upgrades of various buildings throughout the City. The master plan concept design, detailed design and construction stages are planned to be staged over multiple financial years.

A.2 – Acquisition Project Summary

Table A2: ACQUISITION PROJECT SUMMARY

| Year | Project | Estimate |
|------|----------------------------------|-------------|
| 2022 | Payneham Swimming Centre Upgrade | \$3,189,742 |
| 2022 | Norwood Concert Hall Upgrade | \$100,000 |
| 2024 | Payneham Swimming Centre Upgrade | \$6,900,000 |
| 2027 | Norwood Swimming Centre Upgrade | \$3,150,000 |
| 2028 | Norwood Swimming Centre Upgrade | \$1,500,000 |
| 2029 | Norwood Library Redevelopment | \$1,000,000 |
| 2029 | Norwood Concert Hall Upgrade | \$1,000,000 |
| 2030 | Norwood Concert Hall Upgrade | \$1,000,000 |
| 2030 | Norwood Library Redevelopment | \$1,500,000 |
| 2031 | Norwood Library Redevelopment | \$1,500,000 |

A.3 – Acquisition Forecast Summary

Table A3: ACQUISITION FORECAST SUMMARY

| Year | Constructed | Donated | Growth |
|------|-------------|---------|--------|
| 2022 | \$3,289,742 | \$0 | \$0 |
| 2023 | \$0 | \$0 | \$0 |
| 2024 | \$6,900,000 | \$0 | \$0 |
| 2025 | \$0 | \$0 | \$0 |
| 2026 | \$0 | \$0 | \$0 |
| 2027 | \$3,150,000 | \$0 | \$0 |
| 2028 | \$1,500,000 | \$0 | \$0 |
| 2029 | \$2,000,000 | \$0 | \$0 |
| 2030 | \$2,500,000 | \$0 | \$0 |
| 2031 | \$1,500,000 | \$0 | \$0 |

Appendix B

Operation Forecast

B.1 – Operation Forecast Assumptions and Source

The Council has extensive operation expenditure, such as cleaning and utilities costs. Audits of the building assets are conducted by asset management consultants. The forecast includes acquisitions that will add to the asset base and result in additional operations cost.

B.2 – Operation Forecast Summary

Table B2: OPERATION FORECAST SUMMARY

| Year | Operation Forecast | Additional Operation Forecast | Total Operation Forecast |
|------|--------------------|-------------------------------|--------------------------|
| 2022 | \$841,200 | \$23,028 | \$841,200 |
| 2023 | \$841,200 | \$0 | \$864,228 |
| 2024 | \$841,200 | \$48,300 | \$864,228 |
| 2025 | \$841,200 | \$0 | \$912,528 |
| 2026 | \$841,200 | \$0 | \$912,528 |
| 2027 | \$841,200 | \$22,050 | \$912,528 |
| 2028 | \$841,200 | \$10,500 | \$934,578 |
| 2029 | \$841,200 | \$14,000 | \$945,078 |
| 2030 | \$841,200 | \$17,500 | \$959,078 |
| 2031 | \$841,200 | \$17,500 | \$976,578 |

Appendix C

Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

The Council undertakes maintenance activities such as equipment repair and patching. The forecast includes acquisitions that will add to the asset base and result in additional maintenance cost.

C.2 – Maintenance Forecast Summary

Table C2: MAINTENANCE FORECAST SUMMARY

| Year | Maintenance Forecast | Additional Maintenance Forecast | Total Maintenance Forecast |
|------|----------------------|---------------------------------|----------------------------|
| 2022 | \$188,150 | \$5,263 | \$188,150 |
| 2023 | \$188,150 | \$0 | \$193,413 |
| 2024 | \$188,150 | \$11,040 | \$193,413 |
| 2025 | \$188,150 | \$0 | \$204,453 |
| 2026 | \$188,150 | \$0 | \$204,453 |
| 2027 | \$188,150 | \$5,040 | \$204,453 |
| 2028 | \$188,150 | \$2,400 | \$209,493 |
| 2029 | \$188,150 | \$3,200 | \$211,893 |
| 2030 | \$188,150 | \$4,000 | \$215,093 |
| 2031 | \$188,150 | \$4,000 | \$219,093 |

Appendix D

Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Through building asset audits and asset renewal modelling, the Council has developed a forecast of required renewals for the forecast period.

D.2 – Renewal Forecast Summary

Table D2: Renewal Forecast Summary

| Year | Renewal Forecast | Renewal Budget |
|------|------------------|----------------|
| 2022 | \$392,796 | \$392,796 |
| 2023 | \$531,577 | \$531,577 |
| 2024 | \$1,369,529 | \$1,369,529 |
| 2025 | \$556,645 | \$556,645 |
| 2026 | \$462,013 | \$462,013 |
| 2027 | \$469,222 | \$469,222 |
| 2028 | \$476,543 | \$476,543 |
| 2029 | \$483,979 | \$483,979 |
| 2030 | \$491,531 | \$491,531 |
| 2031 | \$499,201 | \$499,201 |

Appendix E

Disposal Summary

E.1 – Disposal Forecast Assumptions and Source

No disposals have been forecast over the AMP period.

E.2 – Disposal Project Summary

No disposals have been forecast over the AMP period.

E.3 – Disposal Forecast Summary

Table E3: DISPOSAL ACTIVITY SUMMARY

| Year | Disposal Forecast | Disposal Budget |
|------|-------------------|-----------------|
| 2022 | \$0 | \$0 |
| 2023 | \$0 | \$0 |
| 2024 | \$0 | \$0 |
| 2025 | \$0 | \$0 |
| 2026 | \$0 | \$0 |
| 2027 | \$0 | \$0 |
| 2028 | \$0 | \$0 |
| 2029 | \$0 | \$0 |
| 2030 | \$0 | \$0 |
| 2031 | \$0 | \$0 |

Appendix F



Budget Summary by Life-Cycle Activity

The Planned Budget matches the forecast budget for acquisition and renewal, while the Planned Budget for operation and maintenance has not incorporated increases due to new and upgrade projects which have been allowed in the forecasts. Any additional operations and maintenance requirement from new and upgraded works will be factored into revisions of this AMP.

Table F1: BUDGET SUMMARY BY LIFE-CYCLE ACTIVITY

| Year | Acquisition | Operation | Maintenance | Renewal | Disposal | Total |
|------|-------------|-----------|-------------|-------------|----------|-------------|
| 2022 | \$3,289,742 | \$841,200 | \$188,150 | \$392,796 | \$0 | \$4,711,888 |
| 2023 | \$0 | \$841,200 | \$188,150 | \$531,577 | \$0 | \$1,560,927 |
| 2024 | \$6,900,000 | \$841,200 | \$188,150 | \$1,369,529 | \$0 | \$9,298,879 |
| 2025 | \$0 | \$841,200 | \$188,150 | \$556,645 | \$0 | \$1,585,995 |
| 2026 | \$0 | \$841,200 | \$188,150 | \$462,013 | \$0 | \$1,491,363 |
| 2027 | \$3,150,000 | \$841,200 | \$188,150 | \$469,222 | \$0 | \$4,648,572 |
| 2028 | \$1,500,000 | \$841,200 | \$188,150 | \$476,543 | \$0 | \$3,005,893 |
| 2029 | \$2,000,000 | \$841,200 | \$188,150 | \$483,979 | \$0 | \$3,513,329 |
| 2030 | \$2,500,000 | \$841,200 | \$188,150 | \$491,531 | \$0 | \$4,020,881 |
| 2031 | \$1,500,000 | \$841,200 | \$188,150 | \$499,201 | \$0 | \$3,028,551 |

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**City of
Norwood
Payneham
& St Peters**

Attachment C

Draft Asset Management Plans and Draft Long Term Financial Plan

2020 Asset Management Plan - Recreation and Open Space Infrastructure

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



2020

Asset Management Plan

Recreation and Open Space Infrastructure



City of
Norwood
Payneham
& St Peters

| Document Control | | 2020 ASSET MANAGEMENT PLAN – RECREATION AND OPEN SPACE INFRASTRUCTURE | | | |
|------------------|---------------|---|--------|----------|----------|
| Rev No | Date | Revision Details | Author | Reviewer | Approver |
| 1 | December 2020 | Draft for Community Consultation | JC | PM | PP |
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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Asset Management Plan

Asset management planning is a comprehensive process ensuring the delivery of services from infrastructure is financially sustainable.

This Asset Management Plan (AMP) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The AMP defines the services to be provided, how the services are provided and what funds are required over the ten (10) year planning period. The AMP will link to the Council's Long-Term Financial Plan (LTFP) which typically considers a ten (10) year planning period.

This AMP covers the City's Recreation and Open Space Infrastructure Network.

1.2 Asset Description

The City's Recreation and Open Space Infrastructure Network includes:

- 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, artwork, monuments and plaques);
- irrigation systems;
- lighting (including way-finding, directional and security lighting);
- paths (including path steps and paths hand rails);
- retaining walls (including stone and concrete retaining walls); and
- sports 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 \$24,989,342.

1.3 Levels of Service

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

The main service consequences of the Planned Budget expenditure are:

- assets are replaced accordingly with respect to condition and intended useful life; and
- assets are complying to 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 of 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 of 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 operation, 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 \$45,468,892 or \$4,546,889 on average per year.

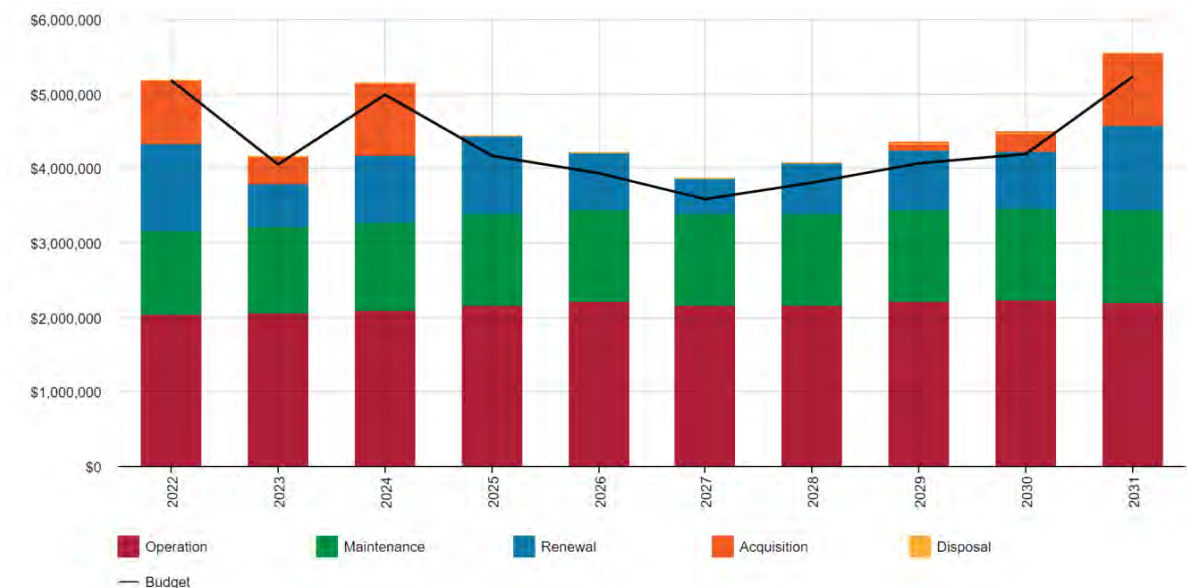
1.6 Financial Summary

1.6.1 What the Council will do

Estimated available funding for the ten (10) year period is \$43,244,106 (or \$4,324,411 on average per year) as set out in the LTFP. This is approximately 95% of the cost to sustain the current level of service at the lowest life-cycle cost.

The life-cycle summary shown in Figure 1.6.1 shows the minor shortfall in allocated funding across the planning period. The master-plan upgrade of various playgrounds will lead to a projected increase in operations and maintenance costs which have not been allowed for in the LTFP. The budget will need to be monitored and amended accordingly in future years to avoid deferred operation and maintenance works.

Figure 1.6.1: FORECAST LIFECYCLE COSTS AND PLANNED BUDGETS



All figure values are shown in current (2020) dollars.

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

- operation, maintenance, renewal and upgrade of Recreation and Open Space Infrastructure assets to meet current service levels set by annual budgets; and
- continue master plan upgrades of playgrounds over the ten (10) year planning period.

1.6.2 What the Council cannot do

The Council currently allocates sufficient funding to sustain the Recreation and Open Space Infrastructure Network at the proposed standard. Any operations and maintenance budget requirements derived from new infrastructure have not been allowed for, as the potential operations and maintenance works which are required are unknown at this stage and will only be determined during the design of the projects. As this information becomes available the AMP will be updated to reflect the changes.

1.6.3 Managing the Risks

Our present budget levels are sufficient to continue to manage risks in the medium term, however, the additional costs associated with increasing maintenance and operations due to assets which are planned to be acquired have not been allowed for in the LTFP.

The main risk consequences are:

- increased risk of asset failure due to deferred operation and maintenance works;
- 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 available funding by:

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

1.7 Asset Management Practices

The Council's systems to manage assets include:

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

Assets requiring renewal/replacement are identified from either the Asset Register Method or the Alternative Method. These methods are part of the Life-Cycle Model.

If Asset Register data is used to forecast the renewal costs, the acquisition year and the useful life are utilised.

Alternatively, an estimate of renewal life-cycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Alternative Method was used to forecast the renewal life-cycle costs for this AMP.

1.8 Monitoring and Improvement Program

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

- review data capture and condition assessment process;
- prioritise renewal of assets;
- review the needs and expectations of the users;
- further develop risk assessment and management planning;
- review resilience of critical infrastructure;
- assess adequacy of operations and maintenance budget; and
- continue the development of integration between strategic plans, AMP and LTFP.

2.0 Introduction

2.1 Background

The City's Recreation and Open Space Infrastructure Network has been a major investment by the community over a long period of time and provides a wide range of essential services, such as promoting healthy living and increasing the liveability of the City. These assets have been donated, acquired and constructed over several generations and must be appropriately maintained, enhanced and renewed to continue to provide adequate services and benefits to the community for future generations.

This AMP communicates the requirements for the sustainable delivery of services through 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 (2004)
- Playgrounds Strategy (2006)
- Tennis Facilities Policy (2019)
- Irrigation Policy (2019)
- Asset Management Policy (2019)
- Community Surveys
- Resilient East - Regional Climate Change Adaptation Plan
- Resilient East - Climate Projections Report

The Council has a strong focus on asset management, with continuous improvements during the revision of the AMP.

The infrastructure assets covered by this AMP include furniture, sports and playgrounds, irrigation systems and fencing. For a detailed summary of the assets covered in this AMP refer to Table 5.1.1 in Section 5.

These infrastructure assets have a total replacement value of \$24,989,342.

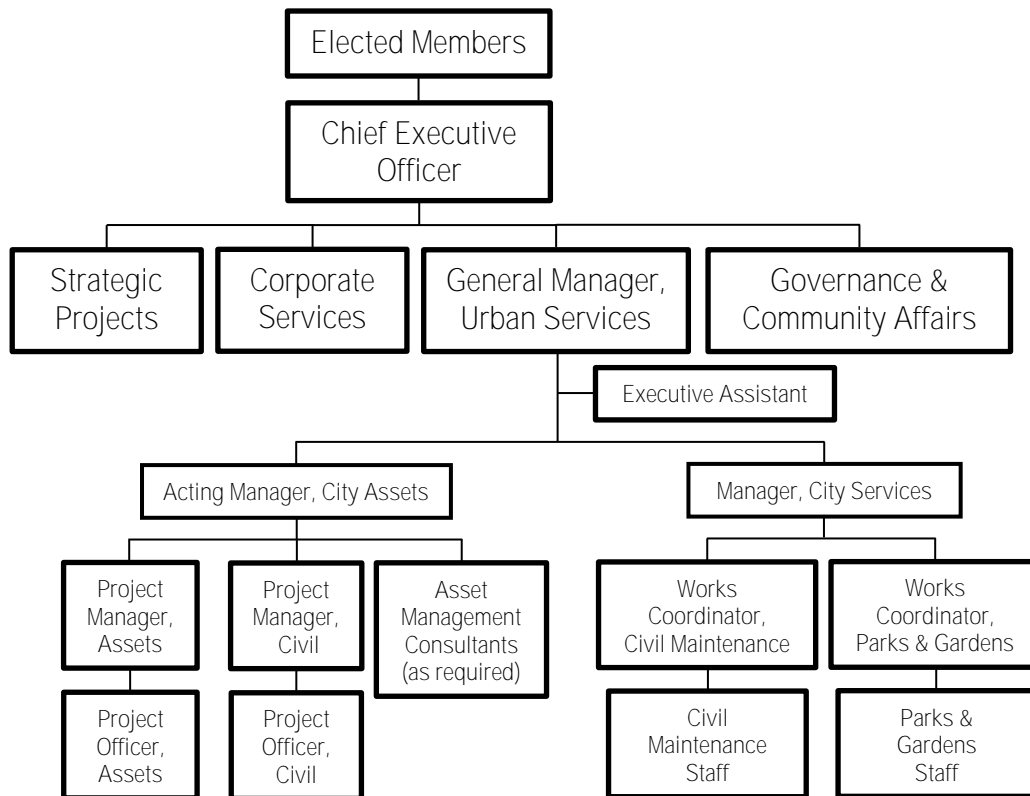
Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: KEY STAKEHOLDERS IN THE AMP

| Key Stakeholder | Role in AMP |
|---|--|
| Elected Members | Represent needs of community/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 required to complete the task. |
| General Manager, Urban Services and Acting Manager, City Assets | Set high level priorities for asset management development and support the implementation of actions resulting from this AMP. |
| Corporate Services | Development of supporting policies such as capitalisations 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, capitalisations 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 and Project Officer, 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 and Strategic Projects | Assist the Project Manager – Assets and Project Officer – Assets in the development of the AMP. |
| Governance & Community Affairs | Manage the leasing and licensing of Council property assets. |
| City Services | Provide local knowledge level of detail on the Recreation and Open Space Infrastructure Network. 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 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 infrastructure 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 provision of the services;
- **monitoring** – how the AMP will be monitored to ensure objectives are met; and

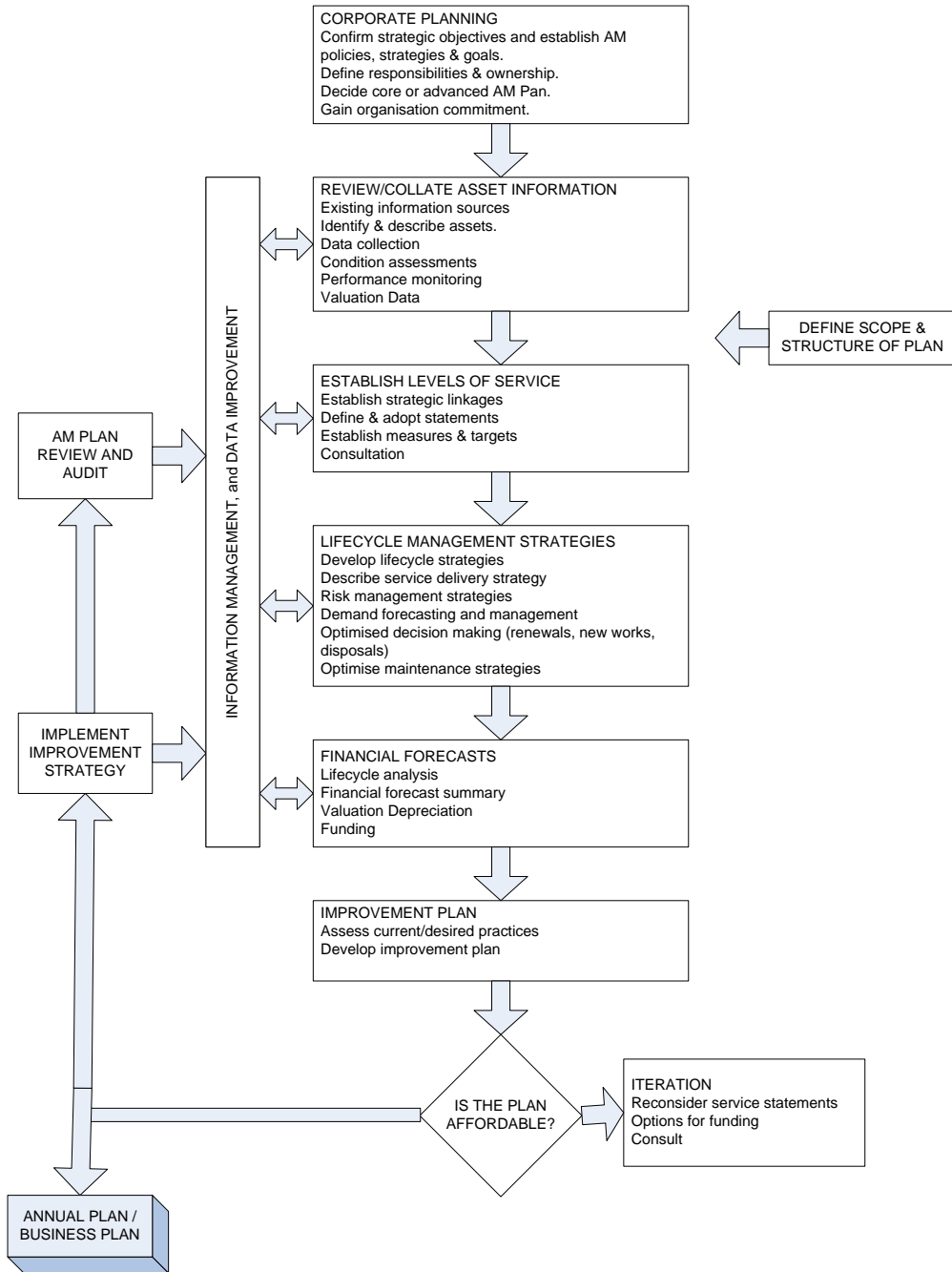
- **asset management improvement plan** – how the Council increases asset management maturity.

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.

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 and 2017, with the most recent survey undertaken in 2019. The survey uses a 5-point scale to determine satisfaction, with 1 being very dissatisfied, 5 being very satisfied and a 'don't know' response. The mean score is derived from the five-point satisfaction scale. Table 3.1 summarises the results from the Council's Community Surveys.

Table 3.1: COMMUNITY SATISFACTION SURVEY LEVELS

| Performance Measure | Satisfaction Level | | | | |
|---|--------------------|------|------|------|------|
| | 2019 | 2017 | 2013 | 2011 | 2009 |
| Overall Infrastructure Satisfaction | 3.8 | 3.8 | 4.0 | 4.0 | 3.6 |
| Provision and Maintenance of Parks and Recreational Areas | 4.2 | 4.1 | 4.2 | 4.3 | 3.9 |
| Recreation & Sporting Facilities Satisfaction | 4.1 | 4.1 | 4.0 | 4.0 | 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 *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.'

Strategic goals have been set by the Council and how these are addressed in this AMP is summarised in Table 3.2.

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 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 is important and to enable appropriate resources to be identified and provided. |

3.3 Legislative Requirements

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

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 | All of the Council's infrastructure projects are undertaken in accordance with Australian Standards, or in the absence of, best practice techniques. |
| Building Code of Australia 2007 | Sets out minimum standards for construction of new assets. Also provides minimum standards for new properties. |
| Development Act 1993 | An Act to provide for planning and regulate development in the State; to regulate the use and management of land and buildings, and the design and construction of buildings; to make provision for the maintenance and conservation of land and buildings where appropriate; and for other purposes. |
| 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. |
| 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.

Citizen 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.

Table 3.4: CITIZEN VALUES

| Citizen Values | Citizen Satisfaction Measure | Current Feedback | Expected Trend Based on Planned Budget |
|---|-------------------------------|------------------------------|--|
| Playground equipment is in adequate condition | Community Survey & Complaints | Minimal number of complaints | Complaints expected to slightly increase due to aging infrastructure. Playground equipment to be replaced as required to ensure compliant condition. |
| Availability of seating within reserves and playgrounds | Community Survey & Complaints | Minimal number of complaints | Complaints expected to slightly increase due to increase use of reserves and playgrounds. Additional seating to be installed as required. |
| Reserves are clean and tidy and grass is mowed | Community Survey & Complaints | Minimal number of complaints | Complaints expected to slightly increase due to increase use of reserves and playgrounds. Maintenance and operation levels to be monitored and adjusted as required. |

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.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available, condition %'s of Very Poor, Poor/Average/Good, Very Good) and provide a balance in comparison to the citizen perception that may be more subjective.

Confidence levels of current performance and expected trend are set out in Table 3.5 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 | Condition of recreation and open space assets | Condition assessment by external auditor every four years | Large majority of assets are in good condition and fit-for-purpose | Assets to be replaced as required to ensure compliant condition |
| | Confidence levels | | High | Medium |
| Function | Compliance of playground equipment | Annual playground equipment audit | Only minor-non-compliances were detected in the most recent audit undertaken early 2020 | Playground equipment installed as part of master plan upgrades ensured to be compliant throughout design and construction stages |
| | Confidence levels | | High | High |
| Capacity | Capacity of the reserves and playgrounds are sufficient | Community Survey | Usage levels of parks and playgrounds: 2019 – 88% 2017 – 75% 2015 – 80% | Expected upward trend in use of reserves and playgrounds will likely see current capacity placed under increased pressure |
| | Confidence levels | | Medium | 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 (e.g. replacement of existing playground equipment with inclusive playground equipment) or a new service that did not exist previously (e.g. an increased number of tennis courts);
- **operation:** the regular activities to provide services (e.g. cleaning, mowing grass, inspections);
- **maintenance:** the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. soft fall surface repairs);
- **renewal:** the activities that return the service capability of an asset up to that which it had originally provided (e.g. like-for-like replacement of playground equipment); and
- **disposal:** the activities associated with the disposal of a decommissioned asset including sale, demolition or relocation (e.g. closure and demolition of a playground).

Service and Asset Managers plan, implement and control technical service levels to influence the service outcomes.³

Table 3.6 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* | Recommended Performance ** |
|---------------------|--|--|---|--|
| Acquisition | Implement master plan upgrade of playgrounds and reserves | Quantity | Limited by the existing budget | As recommended by the Playground Strategy |
| | Implement inclusive playground equipment | Quantity | Occurs on an ad hoc basis | Targeted implementation within master plan upgrades |
| | | Budget | \$3,504,850 over ten (10) years | \$3,504,850 over ten (10) years |
| Operation | Operation works (eg cleaning, mowing, inspections) conducted within playgrounds and reserves | Frequency | As required and based on previous years' budgets | Increased level and frequency of operation works due to increased usage as a result of assets being new / upgraded |
| | | Budget | \$20,200,000 over ten (10) years | \$21,623,863 over ten (10) years |
| Maintenance | Maintenance works (eg repairs, softfall material patching) conducted within playgrounds and reserves | Frequency | As required and based on previous years' budgets | Increased level and frequency of maintenance works due to increased usage as a result of assets being new / upgraded |
| | | Budget | \$11,250,000 over ten (10) years | \$12,050,923 over ten (10) years |
| Renewal | Renewal of existing assets | Frequency of renewal | As required based on standard useful life | As required based on standard useful life |
| | | Budget | \$8,289,256 over ten (10) years | \$8,289,256 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 |
| | Sale of assets to developer | Strategic benefit of sale demonstrable | Opportunities to be identified on an ad hoc basis | Opportunities to be identified on an ad hoc basis |
| | | Budget | \$0 over ten (10) years | \$0 over ten (10) years |

Note: *Current activities related to Planned Budget.

**Forecast required performance related to forecast lifecycle costs.

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 things such as population change, 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.

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. 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 |
|-----------------------------|--|--|--|--|
| Change in frequency of use | Many of the current private properties within the Council have a backyard and / or outdoor play equipment area | More land subdivisions 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 | Increase 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 | Highlight to the general public the inclusive play equipment which are currently available for use. Ensure that inclusive equipment is included in designs of future playground upgrades. |
| Change in population | Renewal and maintenance programs designed for current utilisation | Increase in population | Increased use of reserves and playgrounds, increased rate of deterioration of recreation and open space assets | Investigate increasing the capacity of existing playgrounds Investigate creating new playgrounds in existing reserves which currently do not have playgrounds. |

4.4 Asset Programs to Meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4. Acquiring new assets will commit the Council to ongoing operations, 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 operations, 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.

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 | Increased deterioration of recreation and open space assets, increased demand for structures providing shade | Investigate increasing shade from tree canopy and new shade structures |
| Storm intensity | Increase rainfall intensity during rainfall events | Increased likelihood of damage to grass and garden bed areas | Increase inspection of lawn and garden bed areas |
| Rainfall | Reduced annual rainfall | More demand of watering through the irrigation systems | Increase monitoring of condition of grass and change watering levels as required, increase use of recycled water where possible |

The way in which the Council constructs new assets should recognise that there is opportunity to build in resilience to the impacts of climate change. Building resilience has a number of benefits including:

- 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 summarises some asset climate change resilience opportunities.

Table 4.5.2: BUILDING ASSET RESILIENCE TO CLIMATE CHANGE

| New Asset Description | Climate Change Impact These Assets? | Build 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 | Investigate renewing aging irrigation systems with smart systems to optimise water usage |

The impact of climate change on assets is a new and complex discussion 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.

This includes all the Recreation and Open Space Infrastructure assets across the City.

Table 5.1.1: ASSETS COVERED BY THIS AMP

| Asset Category | Replacement Value |
|------------------------|---------------------|
| Fencing | \$2,463,513 |
| Furniture | \$3,115,974 |
| Irrigation | \$3,262,077 |
| Lighting | \$1,435,298 |
| Paths | \$2,532,624 |
| Retaining Walls | \$4,140,936 |
| Sports and Playgrounds | \$8,038,921 |
| TOTAL | \$24,989,343 |

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.

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 |
| Reserve furniture condition | Insufficient levels of internal condition assessment in previous years resulting in furniture not being renewed when required leading to poor condition and performance |

The above service deficiencies were identified from asset condition assessments completed in the 2016 – 2017 financial year.

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 2016 – 2017 financial year. This will now be amended to once every four (4) years. Yearly inspections of the worst conditioned assets are completed to inform the following year's asset renewal program.

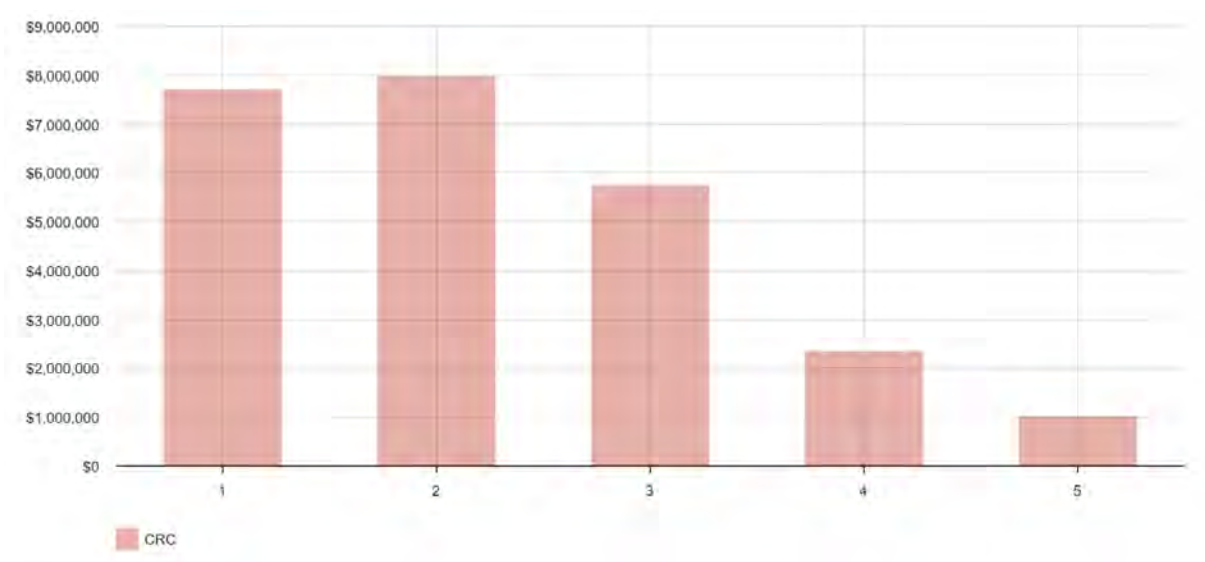
Condition is measured using a 1 – 5 grading system⁴ as detailed in Table 5.1.3. It is important that consistent condition grades be used in reporting various assets across an organisation. This supports effective communication. At the detailed level, assets may be measured utilising different condition scales, however, for reporting in the AMP they are all translated to the 1 – 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 Current Replacement Cost (CRC), i.e. the renewal cost, for each condition grading is shown in Figure 5.1.3.

Figure 5.1.3: ASSET CONDITION PROFILE



All figure values are shown in current (2020) dollars.

The majority of assets components are in condition 2 (good) or better. Prior to the upcoming data capture and condition audit survey, programmed to be conducted during the 2021 – 2022 financial year, the detailed data capture and condition audit survey will be reviewed to explore the possible improvements, such as the addition of ratings regarding function, capacity and criticality.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include asset inspections, utility services and mowing.

Maintenance includes 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 maintenance activities include equipment repairs and playground surface patching.

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

The trend in operation and maintenance budget are shown in Table 5.2.

Table 5.2: OPERATION AND MAINTENANCE BUDGET TRENDS

| Year | Operation and Maintenance Budget |
|-------------|----------------------------------|
| 2019 – 2020 | \$3,125,000 |
| 2020 – 2021 | \$3,125,000 |
| 2021 – 2022 | \$3,175,000 |

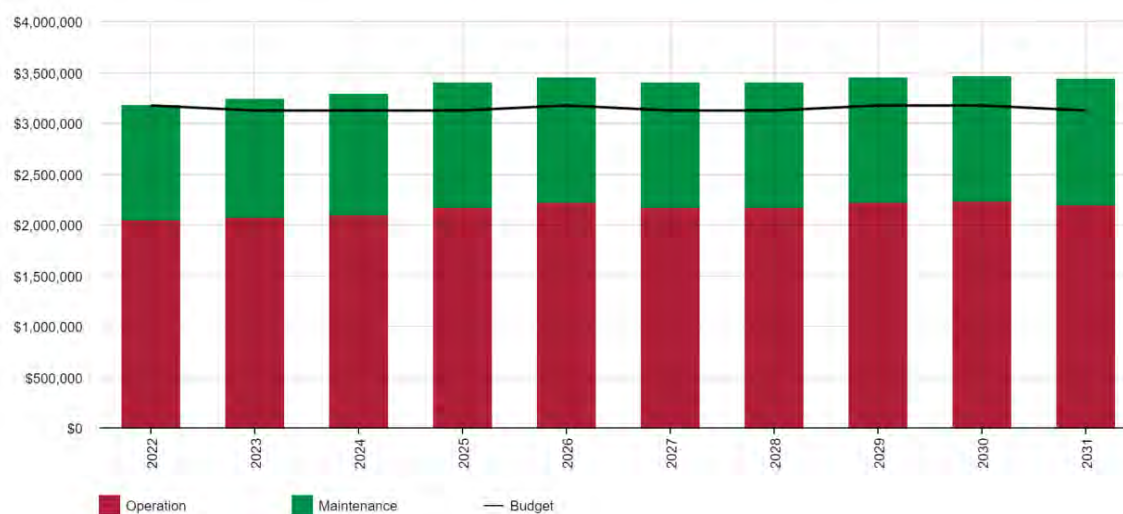
A combination of additional assets and increase usage of assets as a result of playground upgrades will lead to a projected increase in maintenance and operation costs. Where budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AMP and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Summary of forecast operations and maintenance costs

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

Figure 5.2: OPERATIONS AND MAINTENANCE SUMMARY



All figure values are shown in current (2020) dollars.

Due to significant acquisition of assets and expected increase of popularity and usage through playground upgrades, the forecast operations and maintenance expenditure is expected to rise. The budget will need to be monitored and amended accordingly in future years to avoid deferred operations and maintenance works.

5.3 Renewal Plan

Renewal is 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 operations and maintenance costs.

Towards the end of an asset's useful life, the asset is inspected more closely to determine whether renewal is required. On some occasions, expected life can be greater than its standard useful life mainly due to efficient and timely operational and maintenance works program. As a result, the condition of the asset, as well as the asset's useful life, is closely considered when formulating the annual capital works program.

Assets requiring renewal are identified from either of the following approaches in the Life-Cycle Model:

- the first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year); or
- the second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical "useful lives" of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed during the 2019 – 2020 financial year.

Table 5.3: USEFUL LIVES OF ASSETS

| Asset Category | Useful life |
|---------------------------------------|---------------|
| Artwork, Monuments and Plaques | 100 years |
| BBQs | 20 years |
| Benches and Seats | 15 – 25 years |
| Bike Racks | 20 years |
| Bollards | 20 – 40 years |
| Bus Stop Shelters | 20 years |
| Drinking Fountains | 20 years |
| Fences | 20 - 50 years |
| Irrigation Systems | 20 years |
| Lighting | 25 years |
| Litter Bins | 20 years |
| Pathways | 30 – 50 years |
| Picnic Tables | 20 – 25 years |
| Playground Equipment and Structures | 10 – 60 years |
| Retaining Walls | 25 – 75 years |
| Sports Court Equipment and Structures | 7 – 70 years |

The estimates for renewals in this AMP were based on the Alternative Method.

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

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

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

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

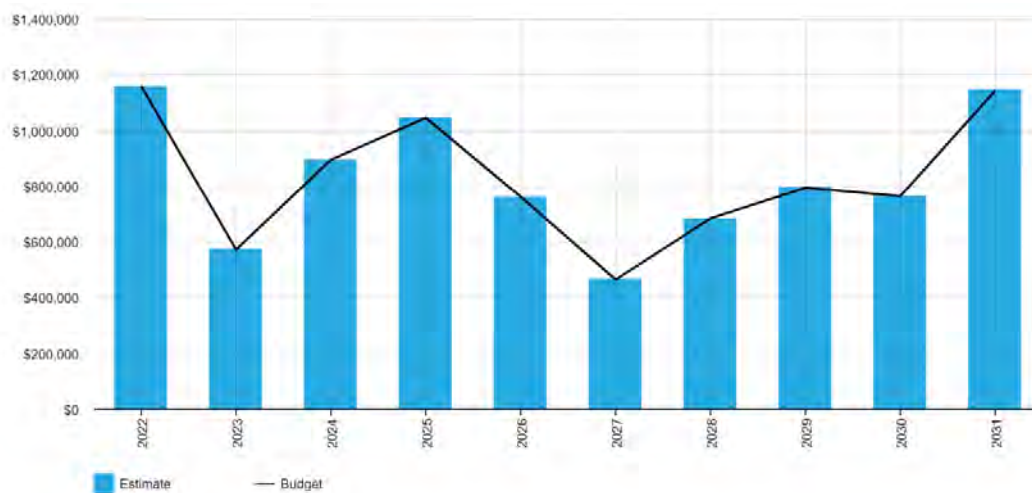
Table 5.3.1: RENEWAL PRIORITY RANKING CRITERIA

| Criteria | Weighting |
|---|-------------|
| Injury / death as a result of asset failure or non-compliance | 75% |
| Closure of reserve / playground due to condition deterioration leading to significant reputational risk | 15% |
| Ongoing operations and maintenance financial costs due to condition deterioration | 10% |
| TOTAL | 100% |

5.4 Summary of Future Renewal Costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4: FORECAST RENEWAL COSTS



All figure values are shown in current (2020) dollars.

There are various years where multiple high-value assets (namely irrigation systems, tennis courts and reserve retaining walls) are due for renewal at approximately the same time. 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.

⁶ 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.

5.5.1 Selection criteria

Proposed upgrading of existing assets and constructing new assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Council’s needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

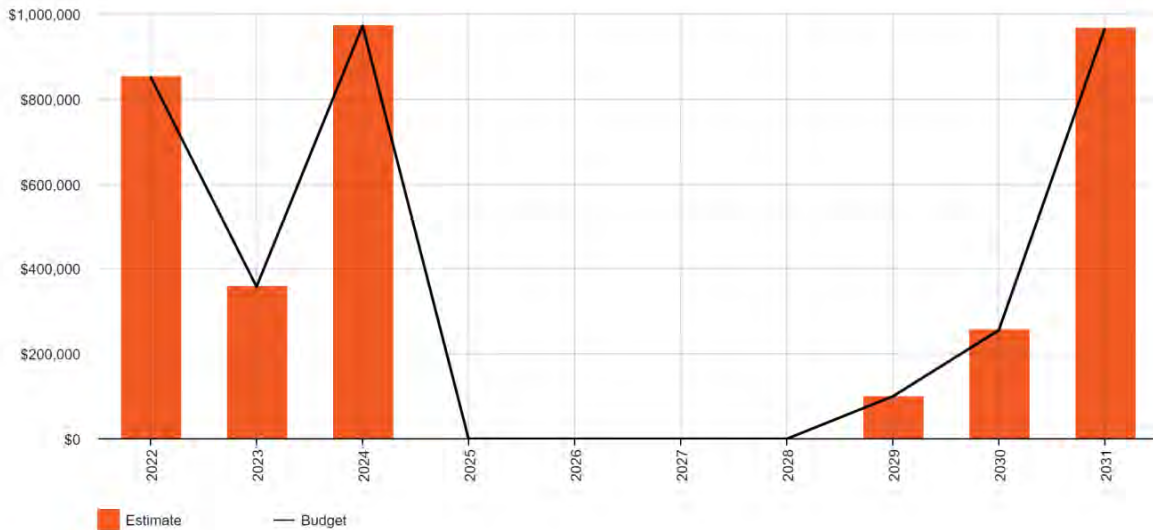
Table 5.5.1: ACQUIRED ASSETS PRIORITY RANKING CRITERIA

| Criteria | Weighting |
|------------------------------------|-------------|
| Master plan upgrade of playgrounds | 75% |
| Inclusive play equipment | 25% |
| TOTAL | 100% |

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

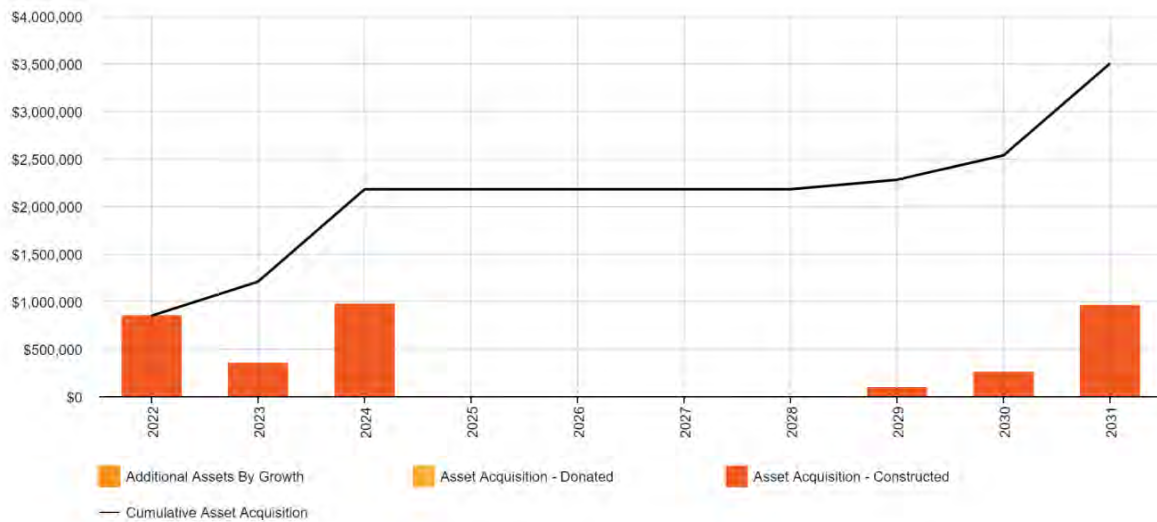
Figure 5.5.1: FORECAST ACQUISITION COSTS



All figure values are shown in current (2020) dollars.

When the Council commits to constructing new assets, the Council will be prepared to fund future operations, maintenance and renewal costs. The Council will account for future depreciation when reviewing long-term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Council. The cumulative value of all acquisition work, including assets that are constructed and contributed, are shown in Figure 5.5.2.

Figure 5.5.2: ACQUISITION SUMMARY



All figure values are shown in current (2020) dollars.

Expenditure on new assets and services in the Capital Works Program will be accommodated in the LTFP, but only to the extent that there is available funding.

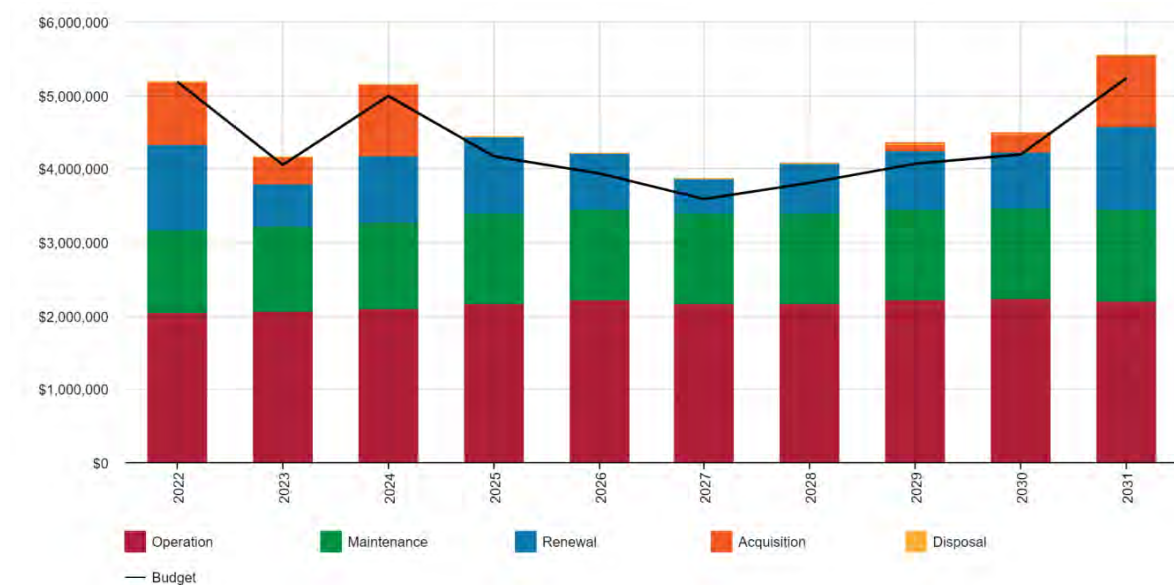
Acquisition of assets through master plan upgrades is in line with the Council’s plans and policies. These acquisitions will increase the Council’s asset base by adding new assets and will in the long term increase the operation, maintenance and renewal requirements of the Recreation and Open Space Infrastructure assets.

The absence of acquisition expenditure between the 2024 – 2025 and 2027 – 2028 financial years is due to the costs associated with the implementation of The Parade Masterplan.

Summary of asset forecast costs

The financial projections based upon this AMP are shown in Figure 5.5.3. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life-cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.5.3: LIFE-CYCLE SUMMARY

All figure values are shown in current (2020) dollars.

The life-cycle summary shown in Figure 5.5.3 shows a minor shortfall in allocated funding across the ten (10) year planning period. Any operations and maintenance budget requirements derived from new infrastructure (namely as a result of master-plan upgrades of playgrounds) have not been allowed for, as the potential operations and maintenance works which are required are unknown at this stage and will only be determined during the design of the projects. The budget will need to be monitored and amended accordingly in future years to avoid deferred operation and maintenance works.

The main risk consequences are:

- increased risk of asset failure due to deferred operation and maintenance works;
- 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 available funding by:

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

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the LTFP.

Table 5.6: ASSETS IDENTIFIED FOR DISPOSAL

| Asset | Reason for Disposal | Timing | Disposal Costs | Operations & Maintenance Annual Savings |
|-------------------------------------|---------------------|--------|----------------|---|
| No disposals identified in the plan | Nil | Nil | \$0 | \$0 |

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. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1: CRITICAL ASSETS

| Critical Assets | Failure Mode | Impact |
|----------------------|-------------------------|---|
| Playground equipment | Deterioration | 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, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

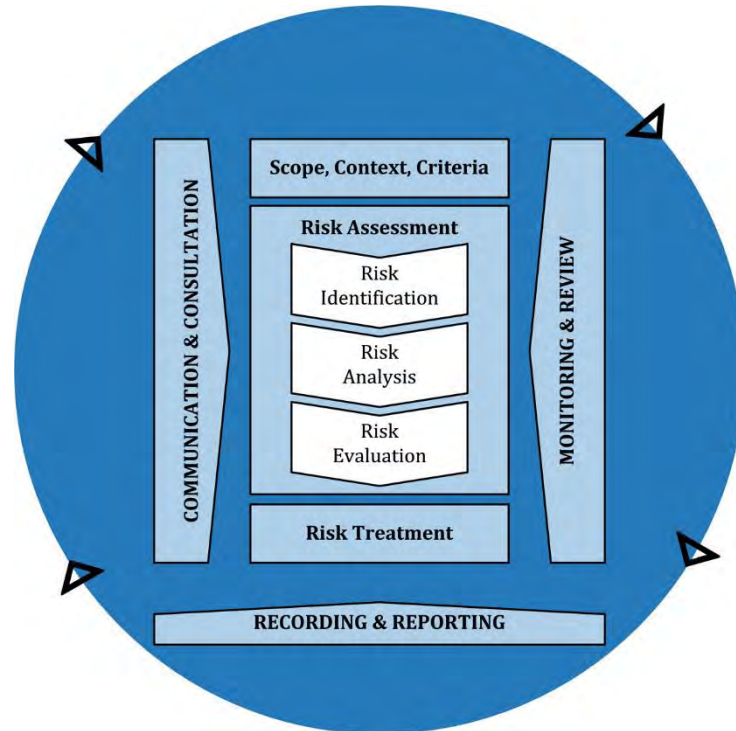
The risk management process used is shown in Figure 6.2.

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.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Council.

Table 6.2: RISKS AND TREATMENT PLANS

| Service or Asset at Risk | What Can Happen | Risk Rating (VH, H) | Risk Treatment Plan | Residual Risk * | Treatment Costs |
|----------------------------------|---|---------------------|---|-----------------|--|
| Recreation and Open Space Assets | Asset life is less than expected | H | Increase frequency of database condition assessment updates | L | \$50,000 every four years (instead of \$50,000 every five years) |
| Recreation and Open Space Assets | Operation and maintenance is under-funded | H | Liaise with relevant project teams to understand and budget for future increase in maintenance requirements | L | Internal |

Note *The residual risk is the risk remaining after the selected risk treatment plan is implemented.

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

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next ten (10) years, including the:

- new and upgrade projects identified that are unaffordable with the AMP timeframe.

6.4.2 Service trade-off

If there are forecast works (namely operations and maintenance) that cannot be undertaken due to available 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 assets through playground master plan upgrades.

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 of the users; and
- loss of the Council's reputation.

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

7.0 FINANCIAL SUMMARY

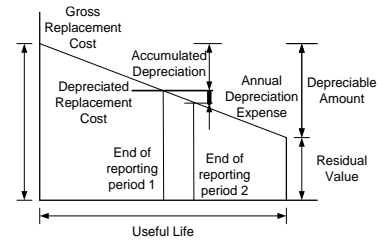
This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

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 existing service capacity:

| | |
|--|--------------|
| Current (Gross) Replacement Cost | \$24,989,342 |
| Depreciable Amount | \$24,989,342 |
| Depreciated Replacement Cost ⁸ | \$15,328,614 |
| Depreciation during 2019 – 2020 Financial Year | \$928,834 |



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 renewal budget for the next ten (10) years / forecast 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%

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 D.

Medium term – ten (10) year financial planning period

This AMP identifies the forecast operations, 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 operations, maintenance and renewal costs over the ten (10) year planning period is \$4,196,404 on average per year.

The proposed (budget) operations, maintenance and renewal funding is \$3,973,926 on average per year giving a ten (10) year funding shortfall of \$222,479 per year. This indicates that 95% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget. This excludes acquired assets.

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.

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

Table 7.1.3 shows the forecast costs (outlays) for the ten (10) year LTFP.

Table 7.1.3: FORECAST COSTS (OUTLAYS) FOR THE LTFP

| Year | Forecast Acquisition | Forecast Operation | Forecast Maintenance | Forecast Renewal | Forecast Disposal |
|------|----------------------|--------------------|----------------------|------------------|-------------------|
| 2022 | \$852,475 | \$2,050,000 | \$1,125,000 | \$1,159,464 | \$0 |
| 2023 | \$358,155 | \$2,068,198 | \$1,163,361 | \$572,624 | \$0 |
| 2024 | \$972,135 | \$2,096,850 | \$1,179,478 | \$895,608 | \$0 |
| 2025 | \$0 | \$2,174,621 | \$1,223,224 | \$1,046,019 | \$0 |
| 2026 | \$0 | \$2,224,621 | \$1,223,224 | \$762,333 | \$0 |
| 2027 | \$0 | \$2,174,621 | \$1,223,224 | \$465,448 | \$0 |
| 2028 | \$0 | \$2,174,621 | \$1,223,224 | \$684,578 | \$0 |
| 2029 | \$100,000 | \$2,224,621 | \$1,223,224 | \$794,935 | \$0 |
| 2030 | \$255,825 | \$2,232,621 | \$1,227,724 | \$764,925 | \$0 |
| 2031 | \$966,260 | \$2,203,087 | \$1,239,236 | \$1,143,322 | \$0 |

All figure values are shown in current (2020) dollars.

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 Asset Management Plan 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 into the service.

Additional assets will generally add to the operations and 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 was 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:

- all figure values shown in current (2020) dollars;
- acquisition costs have been based on professional judgement and previous works; and
- current operation and maintenance budget have been used.

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 - E level scale¹⁰ in accordance with Table 7.5.1.

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.

Table 7.5.2: DATA CONFIDENCE ASSESSMENT FOR DATA USED IN AMP

| Data | Confidence Assessment | Comment |
|------------------------------------|-----------------------|--|
| Demand drivers | B | Based on Community Surveys |
| Growth projections | B | Based on Community Surveys |
| Acquisition forecast | C | Based on previous projects |
| Operation forecast | C | In line with previous years |
| Maintenance forecast | C | 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 | Detailed data capture and condition audit survey undertaken once every five years (to be changed to one every four years) and a yearly condition assessment inspection of assets which are expired or nearing its expiration date as per the Council's asset management database |
| Disposal forecast | NA | NA |

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

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

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is the Council's accounting and financial system.

8.1.2 Asset management data sources

This AMP also utilises asset management data. The source of the data is the Conquest Asset Management system licenced to the Council.

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.

Table 8.2: IMPROVEMENT PLAN

| Task No. | Task | Responsibility | Resources Required | Timeline |
|----------|---|---|---|----------|
| 1 | Review data capture and condition assessment process | Project Officer, Assets | Project Manager, Assets and Acting Manager, City Assets | 1 year |
| 2 | Prioritise renewal of assets | Project Officer, Assets | Project Manager, Assets | 1 year |
| 3 | Review the needs and expectations of the users | Manager, Economic Development & Strategic Projects | Strategic Projects Section | 1 year |
| 4 | Further develop risk assessment and management planning | Project Manager, Assets | Project Officer, Assets and Asset Consultants | 1 year |
| 5 | Review resilience of critical infrastructure | Project Manager, Assets | Project Officer, Assets and Asset Consultants | 2 years |
| 6 | Assess adequacy of operations and maintenance budget | Manager, City Services | City Assets Section | 3 years |
| 7 | Continue the development of integration between strategic plans, AMP and LTFP | Chief Executive Officer and General Manager, Urban Services | City Assets Section and Finance Section | 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 operations, maintenance, renewals, upgrade/new and asset 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 long-term financial plan;
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the AMP;
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Plan and associated plans; and
- 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.
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- 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 (2004)
- Playgrounds Strategy (2006)
- Tennis Facilities Policy (2019)
- Irrigation Policy (2019)
- Asset Management Policy (2019)
- Community Surveys
- Resilient East - Regional Climate Change Adaptation Plan
- Resilient East - Climate Projections Report

10.0 APPENDICES

Appendix A

Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

The Council has policies and procedures in place that outlines the master plan upgrades of various playgrounds throughout the City. The master plan concept design, detailed design and construction stages are planned to be staged over multiple financial years.

A.2 – Acquisition Project Summary

Table A2: ACQUISITION PROJECT SUMMARY

| Year | Project | Cost |
|------|---|-----------|
| 2022 | Burchell Reserve (Construction) | \$767,475 |
| 2022 | Borthwick Park | \$85,000 |
| 2023 | Burchell Reserve (Construction) | \$255,825 |
| 2023 | Dunstan Adventure Playground (Design) | \$102,330 |
| 2024 | Dunstan Adventure Playground (Construction) | \$972,135 |
| 2029 | Patterson Reserve (Design) | \$100,000 |
| 2030 | Hannaford Reserve (Design) | \$255,825 |
| 2031 | Hannaford Reserve (Construction) | \$966,260 |

A.3 – Acquisition Forecast Summary

Table A3: ACQUISITION FORECAST SUMMARY

| Year | Constructed | Donated | Growth |
|------|-------------|---------|--------|
| 2022 | \$852,475 | \$0 | \$0 |
| 2023 | \$358,155 | \$0 | \$0 |
| 2024 | \$972,135 | \$0 | \$0 |
| 2025 | \$0 | \$0 | \$0 |
| 2026 | \$0 | \$0 | \$0 |
| 2027 | \$0 | \$0 | \$0 |
| 2028 | \$0 | \$0 | \$0 |
| 2029 | \$100,000 | \$0 | \$0 |
| 2030 | \$255,825 | \$0 | \$0 |
| 2031 | \$966,260 | \$0 | \$0 |

Appendix B

Operation Forecast

B.1 – Operation Forecast Assumptions and Source

The Council has extensive watering and mowing programs. Audits of the recreation and open space assets are conducted by asset management consultants. An annual playground audit as well as a quadrennial Recreation and Open Space Infrastructure assets audit are forecast to be conducted. The forecast includes acquisitions that will add to the asset base and result in additional operations cost.

B.2 – Operation Forecast Summary

Table B2: OPERATION FORECAST SUMMARY

| Year | Operation Forecast | Additional Operation Forecast | Total Operation Forecast |
|------|--------------------|-------------------------------|--------------------------|
| 2022 | \$2,050,000 | \$68,198 | \$2,050,000 |
| 2023 | \$2,000,000 | \$28,652 | \$2,068,198 |
| 2024 | \$2,000,000 | \$77,770 | \$2,096,850 |
| 2025 | \$2,000,000 | \$0 | \$2,174,621 |
| 2026 | \$2,050,000 | \$0 | \$2,224,621 |
| 2027 | \$2,000,000 | \$0 | \$2,174,621 |
| 2028 | \$2,000,000 | \$0 | \$2,174,621 |
| 2029 | \$2,050,000 | \$8,000 | \$2,224,621 |
| 2030 | \$2,050,000 | \$20,466 | \$2,232,621 |
| 2031 | \$2,000,000 | \$20,466 | \$2,203,087 |

Appendix C

Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

The Council undertakes maintenance activities such as equipment repair and playground surface maintenance. The forecast includes acquisitions that will add to the asset base and result in additional maintenance cost.

C.2 – Maintenance Forecast Summary

Table C2: MAINTENANCE FORECAST SUMMARY

| Year | Maintenance Forecast | Additional Maintenance Forecast | Total Maintenance Forecast |
|------|----------------------|---------------------------------|----------------------------|
| 2022 | \$1,125,000 | \$38,361 | \$1,125,000 |
| 2023 | \$1,125,000 | \$16,116 | \$1,163,361 |
| 2024 | \$1,125,000 | \$43,746 | \$1,179,478 |
| 2025 | \$1,125,000 | \$0 | \$1,223,224 |
| 2026 | \$1,125,000 | \$0 | \$1,223,224 |
| 2027 | \$1,125,000 | \$0 | \$1,223,224 |
| 2028 | \$1,125,000 | \$0 | \$1,223,224 |
| 2029 | \$1,125,000 | \$4,500 | \$1,223,224 |
| 2030 | \$1,125,000 | \$11,512 | \$1,227,724 |
| 2031 | \$1,125,000 | \$11,512 | \$1,239,236 |

Appendix D

Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Through Recreation and Open Space Infrastructure asset audits and asset renewal modelling, the Council has developed a forecast of required renewals for the forecast period.

D.2 – Renewal Forecast Summary

Table D3: RENEWAL FORECAST SUMMARY

| Year | Renewal Forecast | Renewal Budget |
|------|------------------|----------------|
| 2022 | \$1,159,464 | \$1,159,464 |
| 2023 | \$572,624 | \$572,624 |
| 2024 | \$895,608 | \$895,608 |
| 2025 | \$1,046,019 | \$1,046,019 |
| 2026 | \$762,333 | \$762,333 |
| 2027 | \$465,448 | \$465,448 |
| 2028 | \$684,578 | \$684,578 |
| 2029 | \$794,935 | \$794,935 |
| 2030 | \$764,925 | \$764,925 |
| 2031 | \$1,143,322 | \$1,143,322 |

Appendix E

Disposal Summary

E.1 – Disposal Forecast Assumptions and Source

No disposals have been forecast over the AMP period.

E.2 – Disposal Project Summary

No disposals have been forecast over the AMP period.

E.3 – Disposal Forecast Summary

Table E3: DISPOSAL ACTIVITY SUMMARY

| Year | Disposal Forecast | Disposal Budget |
|------|-------------------|-----------------|
| 2022 | \$0 | \$0 |
| 2023 | \$0 | \$0 |
| 2024 | \$0 | \$0 |
| 2025 | \$0 | \$0 |
| 2026 | \$0 | \$0 |
| 2027 | \$0 | \$0 |
| 2028 | \$0 | \$0 |
| 2029 | \$0 | \$0 |
| 2030 | \$0 | \$0 |
| 2031 | \$0 | \$0 |

Appendix F



Budget Summary by Life-Cycle Activity

The Planned Budget matches the forecast budget for acquisition and renewal, while the Planned Budget for operation and maintenance has not incorporated increases due to new and upgrade projects which have been allowed in the forecasts. Any additional operations and maintenance requirement from new and upgraded works will be factored into revisions of this AMP.

Table F1: BUDGET SUMMARY BY LIFE-CYCLE ACTIVITY

| Year | Acquisition | Operation | Maintenance | Renewal | Disposal | Total |
|------|-------------|-------------|-------------|-------------|----------|-------------|
| 2022 | \$852,475 | \$2,050,000 | \$1,125,000 | \$1,159,464 | \$0 | \$5,186,939 |
| 2023 | \$358,155 | \$2,000,000 | \$1,125,000 | \$572,624 | \$0 | \$4,055,779 |
| 2024 | \$972,135 | \$2,000,000 | \$1,125,000 | \$895,608 | \$0 | \$4,992,743 |
| 2025 | \$0 | \$2,000,000 | \$1,125,000 | \$1,046,019 | \$0 | \$4,171,019 |
| 2026 | \$0 | \$2,050,000 | \$1,125,000 | \$762,333 | \$0 | \$3,937,333 |
| 2027 | \$0 | \$2,000,000 | \$1,125,000 | \$465,448 | \$0 | \$3,590,448 |
| 2028 | \$0 | \$2,000,000 | \$1,125,000 | \$684,578 | \$0 | \$3,809,578 |
| 2029 | \$100,000 | \$2,050,000 | \$1,125,000 | \$794,935 | \$0 | \$4,069,935 |
| 2030 | \$255,825 | \$2,050,000 | \$1,125,000 | \$764,925 | \$0 | \$4,195,750 |
| 2031 | \$966,260 | \$2,000,000 | \$1,125,000 | \$1,143,322 | \$0 | \$5,234,582 |

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**City of
Norwood
Payneham
& St Peters**

Attachment D

Draft Asset Management Plans and Draft Long Term Financial Plan

2020 Asset Management Plan - Stormwater Drainage Infrastructure

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City of
**Norwood
Payneham
& St Peters**



2020

Asset Management Plan

Stormwater Management Infrastructure



City of
Norwood
Payneham
& St Peters

| Document Control | | 2020 ASSET MANAGEMENT PLAN – STORMWATER MANAGEMENT INFRASTRUCTURE | | | |
|------------------|---------------|---|--------|----------|----------|
| Rev No | Date | Revision Details | Author | Reviewer | Approver |
| 1 | December 2020 | Draft for Community Consultation | SD | PM | PP |
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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Asset Management Plan

Asset management planning is a comprehensive process ensuring the delivery of services from infrastructure is financially sustainable.

This Asset Management Plan (AMP) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The AMP defines the services to be provided, how the services are provided and what funds are required over the ten (10) year planning period. The AMP will link to the Council's Long-Term Financial Plan (LTFP) which typically considers a ten (10) year planning period.

This AMP covers the City's Stormwater Management Infrastructure Network.

1.2 Asset Description

The City's Stormwater Management Infrastructure Network comprises:

- stormwater drainage infrastructure (inclusive of pits, pipes, culverts, open channels, outlets and pumps);
- pedestrian and vehicular bridges; and
- Aquifer Recharge Storage (ASR) infrastructure (inclusive of bores, pits, pipes, pumps, control systems and bio-filtration beds).

The Stormwater Management Infrastructure Network has a significant total renewal value estimated at \$126,866,864.

1.3 Levels of Service

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

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 runoff from historic development within catchments;
- increased runoff from increased rainfall intensity as a result of a changing climate; 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 operation, 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 \$32,102,100 or \$3,210,210 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 \$32,102,100 (or \$3,210,210 on average per year) as set out in the LTFP. This is 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 a shortfall of \$0 average per year of 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.

Figure 1.6.1: FORECAST LIFE-CYCLE COSTS AND PLANNED BUDGETS



All figure values are shown in current (2020) dollars.

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

- operation, maintenance, renewal and upgrade of Stormwater Management Infrastructure assets to meet service levels set by in annual budgets; and
- major projects within the ten (10) year planning period which consists of upgrading 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

The Council currently allocates sufficient funding to sustain the Stormwater Management Infrastructure Network at the proposed standard. Any operations and maintenance budget requirements derived from new stormwater reuse or WSUD infrastructure have not been allowed for, as the potential new infrastructure and operations and maintenance which are required are unknown at this stage and will only be determined during the design of the renewal projects. As this information becomes available the AMP will be updated to reflect the changes.

1.6.3 Managing the Risks

The Council's current budget levels are sufficient to continue to manage risks in the medium term.

The main risk consequences are:

- 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;
- maintaining the frequency of footpath "blowing and street sweeping" to remove gross pollutants from catchments; and
- prioritising acquisition projects.

1.7 Asset Management Practices

The Council's systems to manage assets include:

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

Assets requiring renewal/replacement are identified from either the Asset Register Method or the Alternative Method. These methods are part of the Life-Cycle Model.

If Asset Register data is used to forecast the renewal costs, this is done using the acquisition year and the useful life.

Alternatively, an estimate of renewal life-cycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Asset Register Method was used to forecast the renewal life-cycle costs for this AMP.

1.8 Monitoring and Improvement Program

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

- prioritising acquisition expenditure;
- establishing a formal condition rating process and GIS data storage system;
- reviewing opportunities for stormwater reuse and WSUD;
- reviewing resilience of critical infrastructure; and
- reviewing adaptive technologies to prolong the life of assets.

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
- Flood Mapping and Management Strategy
- Asset Management Policy (2019)
- Community Surveys
- Resilient East - Regional Climate Change Adaptation Plan
- Resilient East - Climate Projections Report

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

The infrastructure assets covered by this AMP include stormwater drainage, re-use and water quality assets. For a detailed summary of the assets covered in this AMP refer to Table 5.1.1 in Section 5.

The infrastructure assets included in this AMP have a total replacement value of \$126,866,864.

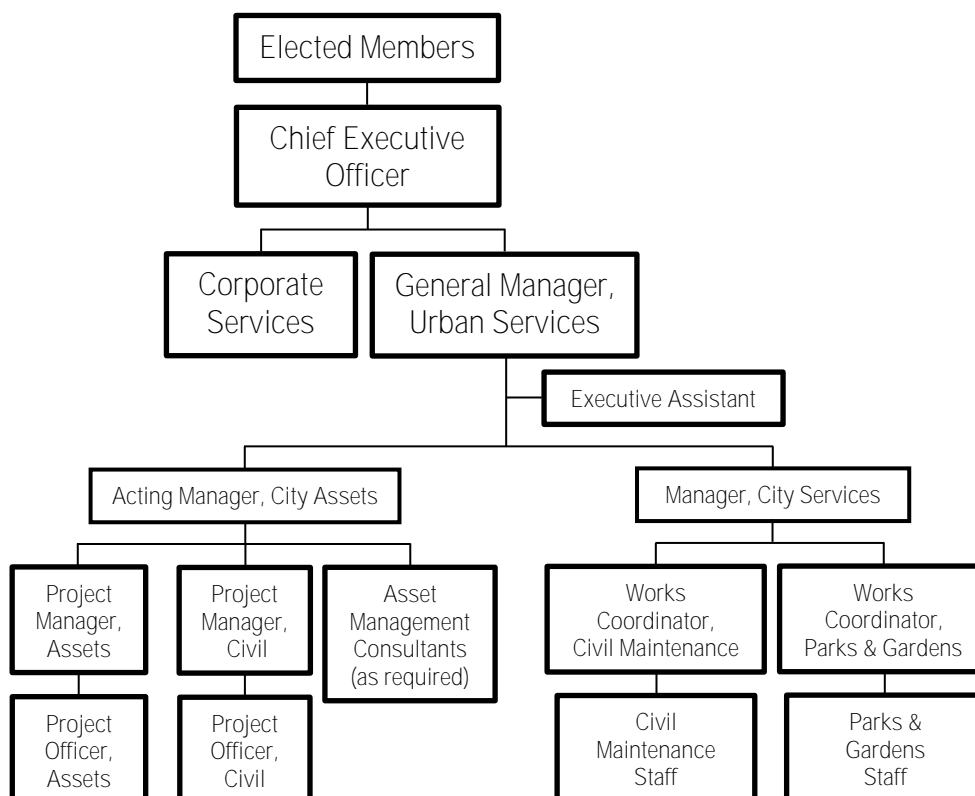
Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: KEY STAKEHOLDERS IN THE AMP

| Key Stakeholder | Role in AMP |
|---|--|
| Elected Members | Represent needs of community/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 required to complete the task. |
| General Manager, Urban Services and Acting Manager, City Assets | Set high level priorities for asset management development and support the implementation of actions resulting from this AMP. |
| Corporate Services | Development of supporting policies such as capitalisations 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, capitalisations 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 stakeholder into the AMP. Manage the periodic collection of asset condition data. |
| City Assets | Assist the Project Manager, Assets in the development of the AMP. |
| City Services | Provide local knowledge level of detail on the Stormwater Management Infrastructure Network. 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.

Figure 2.1: ORGANISATIONAL STRUCTURE



2.2 Goals and Objectives of Asset Ownership

The Council's goal in 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 infrastructure 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:

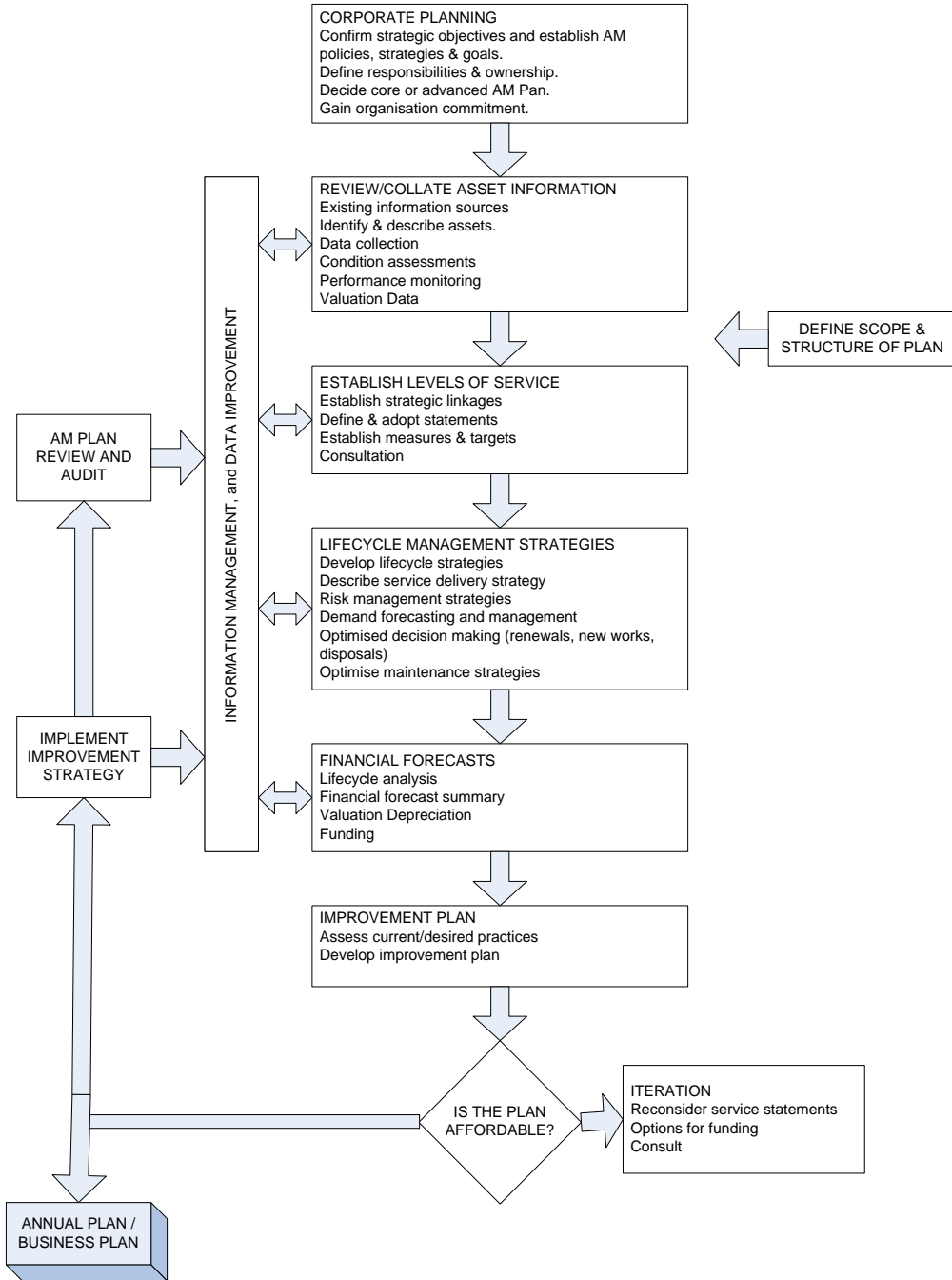
- **levels of service** – specifies the services and levels of service to be provided;
- **future demand** – how this will impact on future service delivery and how this is to be met;
- **life-cycle management** – how to manage its existing and future assets to provide defined levels of service;
- **financial 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.

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 and 2017, with the most recent survey undertaken in 2019. The survey uses a 5-point scale to determine satisfaction, with 1 being very dissatisfied, 5 being very satisfied and a 'don't know' response. The mean score is derived from the five-point satisfaction scale. Table 3.1 summarises the results from the Council's Community Surveys.

Table 3.1: COMMUNITY SATISFACTION SURVEY LEVELS

| Performance Measure | Satisfaction Level | | | | |
|---------------------------------------|--------------------|------|------|------|------|
| | 2019 | 2017 | 2013 | 2011 | 2009 |
| Overall Infrastructure Satisfaction | 3.8 | 3.8 | 4.0 | 4.0 | 3.6 |
| Overall Environmental Satisfaction | 3.4 | 3.7 | 3.9 | 4.0 | 3.7 |
| Enhancing the Natural Environment | 3.7 | 3.8 | 3.8 | 3.9 | 3.5 |
| Managing Watercourses | 3.4 | 3.6 | 3.6 | 3.6 | 3.2 |
| Water, Management & Use | 3.4 | 3.7 | 3.5 | 3.6 | 3.1 |
| Undertaking Environmental Initiatives | 3.4 | 3.5 | 3.2 | 3.2 | 3.0 |
| Responding to Climate Change | 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 *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.'

Strategic goals have been set by the Council and how these are addressed in this AMP is summarised in Table 3.2.

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 | 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. |
| | 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. |
| 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. | Planning for naturalisation of existing watercourses where feasible in conjunction with Recreation and Open Space projects. |
| | Improve the water quality in our City's watercourses. | Planning to develop WSUD initiatives as part of integrated stormwater management and streetscape projects. |
| | Encourage the capture and re-use of stormwater and reduce stormwater run-off. | 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 the delivery of the Stormwater Management Infrastructure Network are set out in Table 3.3.

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 | All of the Council's infrastructure projects are undertaken in accordance with Australian Standards, or in the absence of, best practice techniques. |
| Building Code of Australia 2007 | Sets out minimum standards for construction of new assets. Also provides minimum standards for new properties. |
| Development Act 1993 | An Act to provide for planning and regulate development in the State; to regulate the use and management of land and buildings, and the design and construction of buildings; to make provision for the maintenance and conservation of land and buildings where appropriate; and for other purposes. |

| | |
|---|---|
| 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. |
| 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. |
| Road 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.

Table 3.4: CITIZEN VALUES

| Citizen Values | Citizen Satisfaction Measure | Current Feedback | Expected Trend Based on Planned Budget |
|--|-------------------------------|--|---|
| Management of watercourses, including flooding | Community Survey & Complaints | Community survey results declined from previous survey. Moderate amount of feedback related to specific rainfall events. | Improved management of watercourses including reduced risk of flooding to private property. |
| Undertaking environmental initiatives, including water quality and reuse | Community Survey & Complaints | Community survey results declined from previous survey. | Improved with implementation of integrated stormwater management and streetscape projects. |
| Enhancing natural environment | Community Survey & Complaints | Community survey results declined from previous survey. | Likely to remain unchanged with limited opportunity within urban environment. |

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.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available, condition %'s of Very Poor, Poor/Average/Good, Very Good) and provide a balance in comparison to the citizen perception that may be more subjective.

Confidence levels of current performance and expected trend are set out in Table 3.5 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 managing watercourses | Refer to Table 3.1 for Customer Satisfaction Survey results | No change |
| | Confidence levels | | High | Medium |
| Function | Stormwater is managed in a sustainable way | Community survey on water, management & use | Refer to Table 3.1 for Customer Satisfaction Survey results | Improved performance is expected as a result of implementation of AMP |
| | Confidence levels | | High | Medium |
| Capacity | Capacity of assets to meet demands | Community survey on managing watercourses | Refer to Table 3.1 for Customer Satisfaction Survey results | Improved performance is expected as a result of implementation of AMP |
| | 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 (e.g. widening of a waterway) or a new service that did not exist previously (e.g. a new detention basin);
- **operation:** the regular activities to provide services (e.g. inspections and condition assessments);
- **maintenance:** the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. stormwater pit repairs);
- **renewal:** the activities that return the service capability of an asset up to that which it had originally provided (e.g. pipeline replacement); and
- **disposal:** the activities associated with the disposal of a decommissioned asset including sale, demolition or relocation (e.g. removal of a pipeline network).

Service and Asset Managers plan, implement and control technical service levels to influence the service outcomes.³

Table 3.6 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* | Recommended Performance ** |
|---------------------|---|--|---|---|
| Acquisition | Upgrade of drainage catchment performance | Upgrade to defined service levels | Current implementation budget smoothed over ten (10) year timeframe | Current implementation budget smoothed over ten (10) year timeframe |
| | 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 | \$29,665,000 over ten (10) years | \$29,665,000 over ten (10) years |
| Operation | 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 |
| | ASR Operation | Frequency | Conduct as per requirements | Conduct as per requirements |
| | Drainage Structures Condition Assessment | Frequency | Asset Condition Assessment undertaken once every five (5) years | Asset Condition Assessment undertaken once every four (4) years |
| | | Budget | \$1,935,080 over ten (10) years | \$2,022,963 over ten (10) years |
| Maintenance | Reactive Maintenance | Maintenance frequency | Reactive to limit of budget to repair defects | Reactive to limit of budget to repair defects |
| | ASR Maintenance | Maintenance frequency | Planned and reactive maintenance | Planned and reactive maintenance |
| | | Budget | \$502,020 over ten (10) years | \$560,607 over ten (10) years |
| Renewal | Renewal of asset | Renewal to requirements of asset register | Monitor condition and amend AMP as required | Monitor condition and amend AMP as required |
| | | Budget | \$0 over ten (10) years | \$0 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 |

Note: *Current activities related to Planned Budget.

**Forecast required performance related to forecast life-cycle costs.

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 things such as population change, 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.

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. 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 | Renewal program designed to mitigate impacts where possible | Increased stormwater runoff | Higher stormwater flow demand on services during thunderstorm events | Catchment renewal to consider an integrated stormwater management approach |
| Climate change | Renewal program designed to mitigate impacts where possible | Reduced overall rainfall | Reduced stormwater availability for WSUD and ASR infrastructure | Catchment renewal to consider an integrated stormwater management approach |
| Infill development | Minimise additional runoff to waterways through planning controls | Increased stormwater runoff | Higher stormwater flow demand on services during thunderstorm events | Maintain and enhance planning controls |
| Environmental management | Renewal program designed to enhance environmental outcome where possible | Increased water quality and reuse expectations | Increased requirement for WSUD infrastructure | Catchment renewal to consider an integrated stormwater management approach |

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 5.4.

Acquiring new assets will commit the Council to ongoing operations, 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 operations, 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.

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 | Catchment renewal to consider an integrated stormwater management approach including renewal materials |
| Rainfall | Reduced annual rainfall | Reduced availability for water reuse | Catchment renewal to consider an integrated stormwater management approach including renewal materials |
| Temperature | Higher maximum temperatures | Decreased lifespan of assets | Material selection and tree canopy shading |

The way in which the Council constructs new assets should recognise that there is opportunity to build in resilience to the impacts of climate change. Building 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 summarises some asset climate change resilience opportunities.

Table 4.5.2: BUILDING ASSET RESILIENCE TO CLIMATE CHANGE

| New Asset Description | Climate Change Impact These Assets? | Build 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 |

The impact of climate change on assets is a new and complex issue and 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.

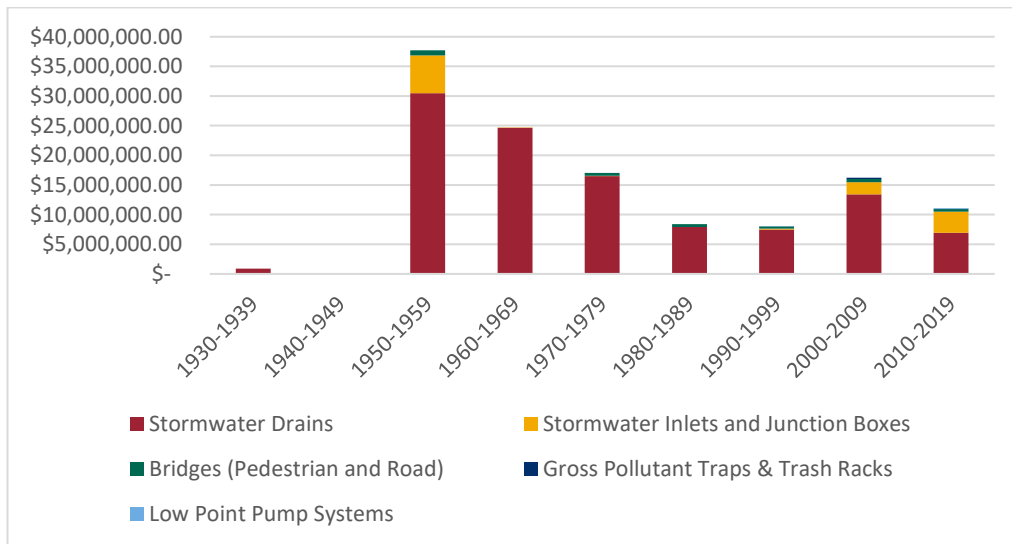
Stormwater Management Infrastructure assets includes all the stormwater drains, inlets, junction boxes, pedestrian and vehicular bridges, GPTs, trash racks, pump systems and ASR systems across the City.

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

Table 5.1.1: ASSETS COVERED BY THIS AMP

| Asset Category | Dimension | Replacement Value |
|--------------------------------------|---|----------------------|
| Stormwater Drains | 114km Pipe and Channel | \$109,473,927 |
| Stormwater Inlets and Junction Boxes | 2609 Units | \$12,291,201 |
| Bridges (Pedestrian and Road) | 18 Pedestrian & 37 Road | \$3,212,097 |
| Gross Pollutant Traps & Trash Racks | 6 Units 5 Installations | \$282,360 |
| Low Point Pump Systems | 2 Installations | \$107,611 |
| Aquifer Storage Recharge System | 1 installation (Linde Reserve, Stepney) | \$1,499,668 |
| TOTAL | | \$126,866,864 |

Figure 5.1.1: ASSET AGE PROFILE



All figure values are shown in current (2020) dollars.

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 and has remaining life. It is anticipated that renewal activities will be required to commence in the 2030s, just beyond planning period for this AMP.

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.

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 |
| Linde Reserve ASR | Injection capacity not achieved |

The above service deficiencies have been identified through the Flood Mapping and Management Strategy commissioned by the Council together with operational reports and historical data. The acquisition plan aims to improve the service identified deficiencies.

5.1.3 Asset condition

The condition of assets is currently monitored by undertaking a condition assessment of the Stormwater Management Infrastructure assets accessible from ground (e.g. bridge, pumps and ASR) once every five (5) years. The next condition assessment will be undertaken during the 2020-2021 financial year. The periodic condition assessments of accessible infrastructure will occur at a four (4) year interval following the current inspection to more closely monitor change in asset condition and to align with the preparation of the AMP. Yearly CCTV inspections of some inaccessible underground assets (e.g. pipes and culvert) is 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. It is planned to formalise a condition assessment rating system commencing with the next condition data collection.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection and utility costs.

Maintenance includes 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 maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in operation and maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: OPERATION AND MAINTENANCE BUDGET TRENDS

| Year | Operation and Maintenance Budget |
|-------------|----------------------------------|
| 2019 – 2020 | \$235,710 |
| 2020 – 2021 | \$235,710 |
| 2021 – 2022 | \$235,710 |

Operation and maintenance budget levels are considered to be adequate to meet projected service levels, which is equal to current service levels.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.2.

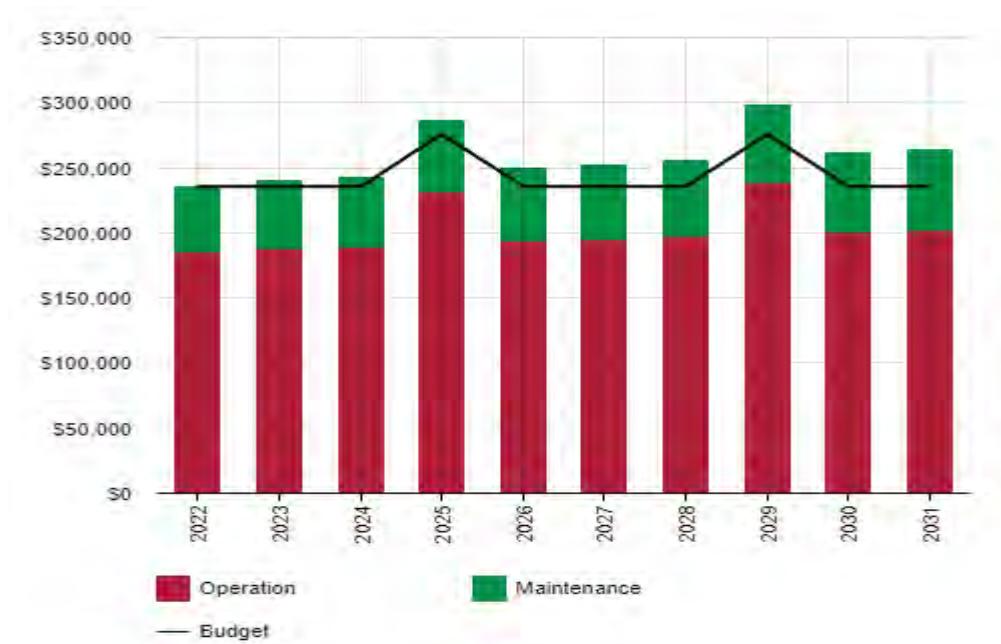
Table 5.2.2: ASSET SERVICE HIERARCHY

| Service Hierarchy | Service Level Objective |
|--|---|
| Pedestrian and road bridges | In good condition to provide safe movement over rivers and creeks |
| Pits and underground drainage infrastructure | In good condition and clear of debris |
| Stormwater reuse infrastructure | In good condition to capture and reuse stormwater |
| WSUD infrastructure | In good condition to treat stormwater surface flow |

Summary of forecast operations and maintenance costs

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

Figure 5.2: OPERATIONS AND MAINTENANCE SUMMARY



All figure values are shown in current (2020) dollars.

Operation and maintenance costs remain consistent over the course of the AMP as the cost for the Stormwater Management Infrastructure Network are stable due to the nature and location of the assets. Additional operation and maintenance costs have not been planned for due to specific requirements of each project being unknown at this point in time. The AMP will be updated accordingly as information becomes available.

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 operations and maintenance costs.

Assets requiring renewal are identified from either of the following approaches in the Life-Cycle Model:

- the first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year); or
- the second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical “useful lives” of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed during the 2019 – 2020 financial year.

Table 5.3: USEFUL LIVES OF ASSETS

| Asset Category | Useful Life |
|---|----------------|
| Stormwater pipes, culverts, inlets and junction boxes | 80 – 100 years |
| Bridges (pedestrian and vehicular) | 80 – 100 years |
| Reno Mattress and Gabion Walls | 70 years |
| Pumps and Control Systems | 10 – 20 years |
| ASR Bore | 50 years |

The estimates for renewals in this AMP were based on the Asset Register Method.

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 or maintenance costs, and
- have potential to reduce life-cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁵

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

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

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

Table 5.3.1: RENEWAL PRIORITY RANKING CRITERIA

| Criteria | Weighting |
|--|-------------|
| Pedestrian and road bridges | 50% |
| Pits and underground drainage infrastructure | 40% |
| Stormwater reuse infrastructure | 10% |
| TOTAL | 100% |

5.4 Summary of Future Renewal Costs

No renewal expenditure has been forecast in this AMP, as existing assets have remaining life. Proposed upgrades to the Stormwater Management Infrastructure Network are detailed in Section 5.5.

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.

5.5.1 Selection criteria

Proposed upgrading of existing assets and constructing new assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Council's needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

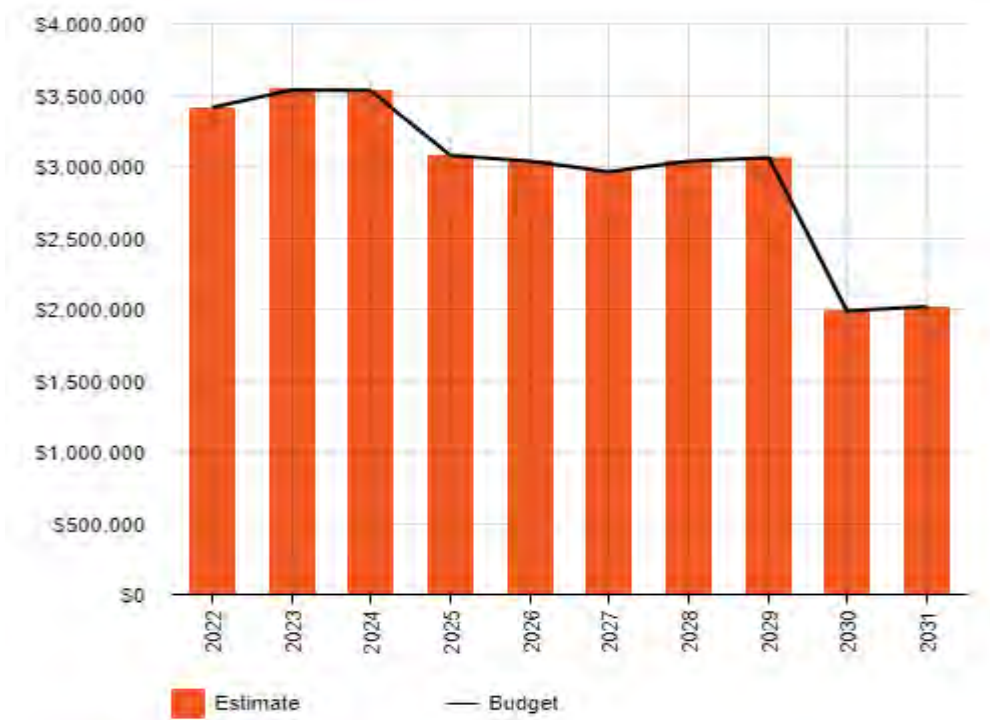
Table 5.5.1: ACQUIRED ASSETS PRIORITY RANKING CRITERIA

| Criteria | Weighting |
|---------------------------------|-------------|
| Flood hazard reduction | 70% |
| Stormwater reuse | 15% |
| Stormwater quality improvements | 15% |
| TOTAL | 100% |

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition Capital Works Program is shown in Appendix A.

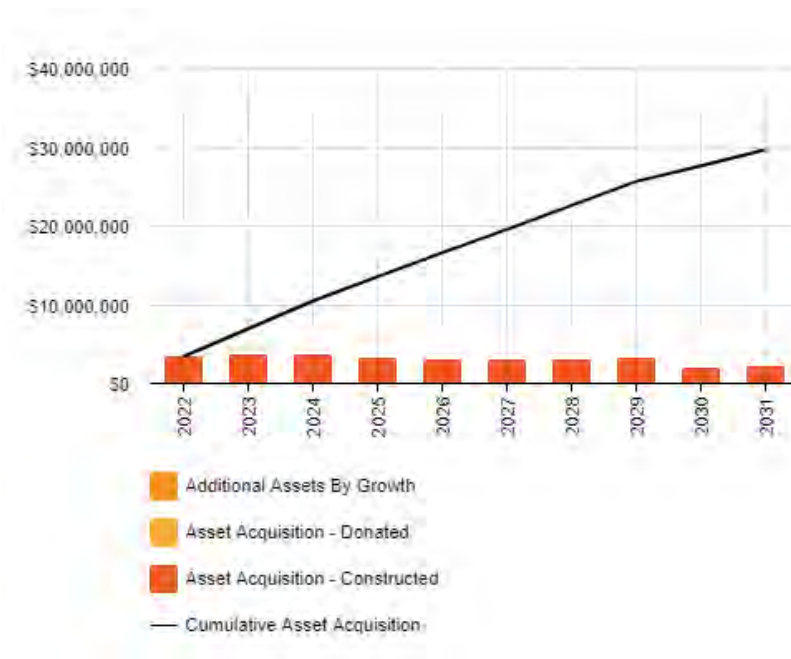
Figure 5.5.1: FORECAST ACQUISITION COSTS



All figure values are shown in current (2020) dollars.

When the Council commits to constructing new assets, the Council will be prepared to fund future operations, maintenance and renewal costs. The Council will account for future depreciation when reviewing long-term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Council. The cumulative value of all acquisition work, including assets that are constructed and contributed, are shown in Figure 5.5.2.

Figure 5.5.2: ACQUISITION SUMMARY



All figure values are shown in current (2020) dollars.

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

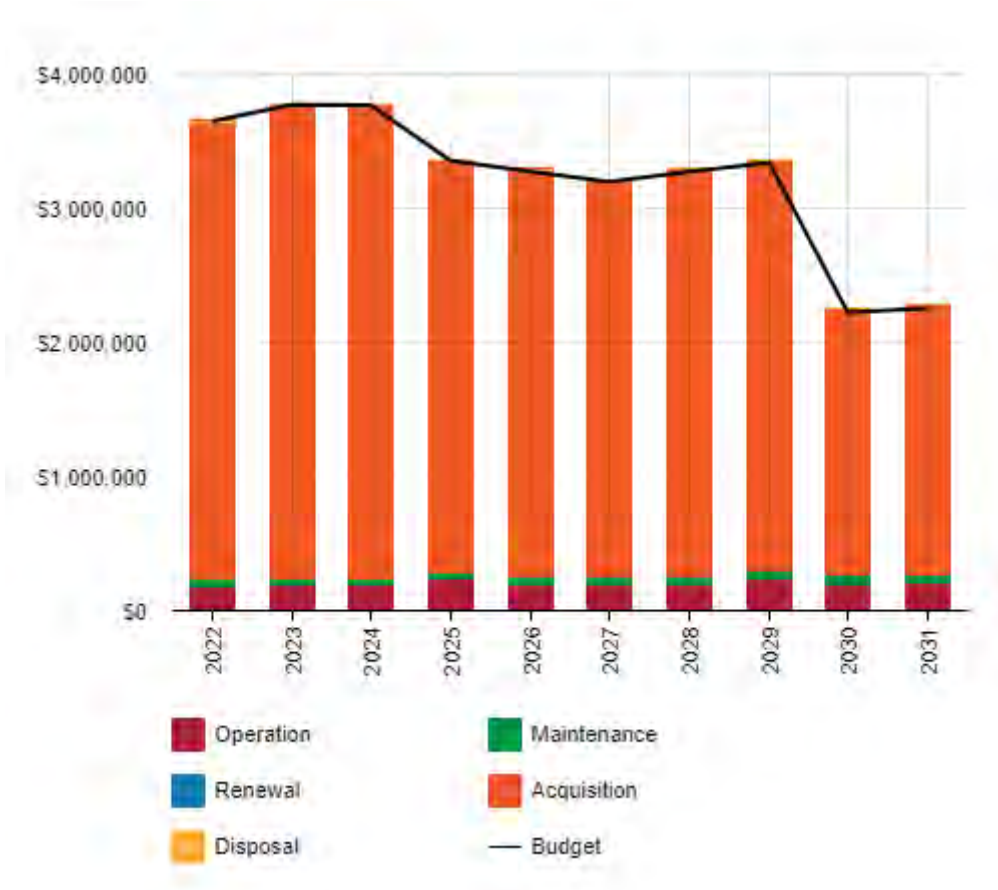
The proposed new and upgraded projects associated with the Stormwater Management Infrastructure Network have been programmed to be constructed in conjunction with the renewal and acquisition requirements of other asset classes, such as road reseals or recreation and open space upgrades, wherever possible, to increase the efficiency of expenditure. Programming of new works and upgrades has been undertaken 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.

Summary of asset forecast costs

The financial projections based upon this AMP are shown in Figure 5.5.3. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life-cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.5.3: SUMMARY OF LIFE-CYCLE COSTS



All figure values are shown in current (2020) dollars.

The life-cycle summary shown in Figure 5.5.3 has been constructed based on the life-cycle requirements of the Stormwater Management Infrastructure assets and incorporates new and upgrade projects in line with the Council's strategic directions. The expenditure requirements have been programmed and budgeted across the ten (10) year planning period in conjunction with the LTFP to ensure the AMP is feasible and affordable.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the LTFP.

Table 5.6: ASSETS IDENTIFIED FOR DISPOSAL

| Asset | Reason for Disposal | Timing | Disposal Costs | Operations & Maintenance Annual Savings |
|--|---------------------|--------|----------------|---|
| No disposals have been identified in the AMP | Nil | Nil | \$0 | \$0 |

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. Failure modes can include physical failure, collapse or essential service interruption.

Table 6.1: CRITICAL ASSETS

| Critical Assets | Failure Mode | Impact |
|-----------------|---------------------------------|----------------------|
| Bridges | Degradation, third party damage | Service interruption |
| Levee banks | Failure, removal | Increased flood risk |
| Pumps | Breakdown | Increased flood risk |

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

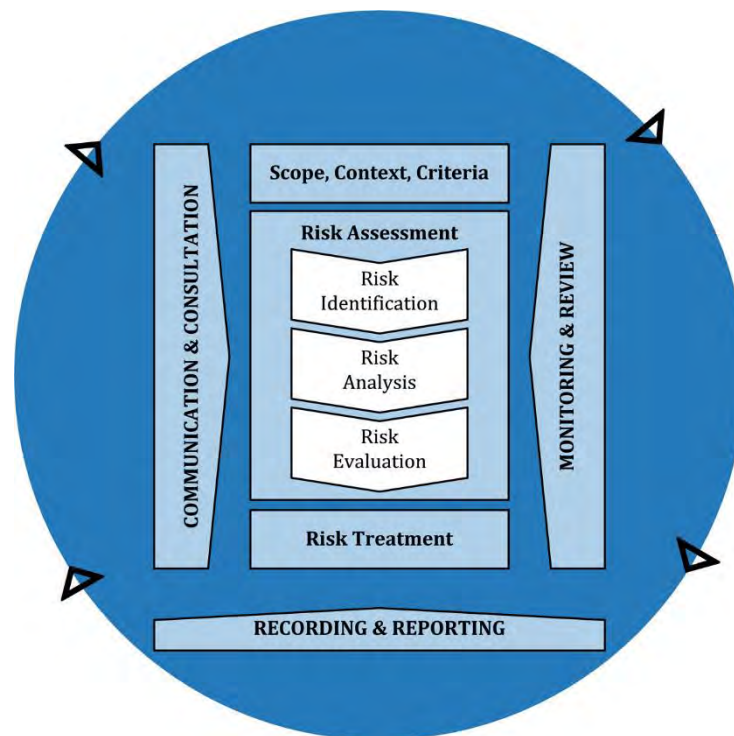
The risk management process used is shown in Figure 6.2.

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.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Council.

Table 6.2: RISKS AND TREATMENT PLANS

| Service or Asset at Risk | What Can Happen | Risk Rating (VH, H) | Risk Treatment Plan | Residual Risk * | Treatment Costs |
|----------------------------|--|---------------------|---|-----------------|---------------------------|
| Bridges | Bridge failure | H | Period inspection and maintenance | L | Ongoing in AMP life-cycle |
| Stormwater drainage assets | Potential for uninformed decision making | H | Update condition data and review renewal program. | L | Ongoing in AMP life-cycle |

Note *The residual risk is the risk remaining after the selected risk treatment plan is implemented.

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

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next ten (10) years. These include:

- new and upgrade projects identified that are unaffordable with the AMP timeframe.

6.4.2 Service trade-off

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

- flood risk and water quality improvements not entirely met.

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:

- loss of the Council's reputation.

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

7.0 FINANCIAL SUMMARY

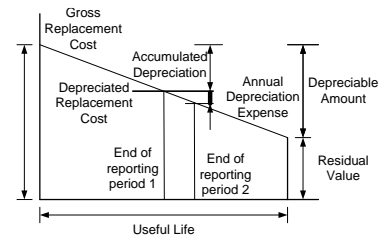
This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

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 | \$126,866,864 |
| Depreciable Amount | \$126,866,864 |
| Depreciated Replacement Cost ⁷ | \$61,894,513 |
| Depreciation during the 2019 – 2020 Financial Year | \$1,407,929 |



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 renewal budget for the next ten (10) years / forecast 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 100%

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 D.

Medium term – ten (10) year financial planning period

This AMP identifies the forecast operations, 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 operations, maintenance and renewal costs over the ten (10) year planning period is \$258,357 on average per year.

The proposed (budget) operations, maintenance and renewal funding is \$243,710 on average per year giving a ten (10) year funding shortfall of \$14,647 per year. This indicates that 94% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget. This excludes acquired assets.

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.

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

Table 7.1.3 shows the forecast costs (outlays) for the ten (10) year LTFP.

Table 7.1.3: FORECAST COSTS (OUTLAYS) FOR THE LTFP

| Year | Forecast Acquisition | Forecast Operation | Forecast Maintenance | Forecast Renewal | Forecast Disposal |
|------|----------------------|--------------------|----------------------|------------------|-------------------|
| 2022 | \$3,412,500 | \$185,508 | \$50,202 | \$0 | \$0 |
| 2023 | \$3,537,500 | \$187,556 | \$51,567 | \$0 | \$0 |
| 2024 | \$3,532,500 | \$189,678 | \$52,982 | \$0 | \$0 |
| 2025 | \$3,077,500 | \$231,798 | \$54,395 | \$0 | \$0 |
| 2026 | \$3,037,500 | \$193,644 | \$55,626 | \$0 | \$0 |
| 2027 | \$2,962,500 | \$195,467 | \$56,841 | \$0 | \$0 |
| 2028 | \$3,037,500 | \$197,244 | \$58,026 | \$0 | \$0 |
| 2029 | \$3,062,500 | \$239,067 | \$59,241 | \$0 | \$0 |
| 2030 | \$1,987,500 | \$200,904 | \$60,466 | \$0 | \$0 |
| 2031 | \$2,017,500 | \$202,097 | \$61,261 | \$0 | \$0 |

All figure values are shown in current (2020) dollars.

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 operations and 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:

- all figure values are shown in current (2020) dollars;
- acquisition costs have been based on professional judgement; and
- current operations and maintenance budget have been used.

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 - E level scale⁹ in accordance with Table 7.5.1.

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.

Table 7.5.2: DATA CONFIDENCE ASSESSMENT FOR DATA USED IN AMP

| Data | Confidence Assessment | Comment |
|-----------------------|-----------------------|---|
| Demand drivers | A | Based on Resilient East climate reports and Flood Mapping and Management Strategy |
| Growth projections | A | Based on Resilient East climate reports and Flood Mapping and Management Strategy |
| Acquisition forecast | C | In line with strategic plans, policy and procedures |
| Operation forecast | C | In line with previous years |
| Maintenance forecast | C | In line with previous years |
| Renewal forecast | B | As per approved methodology |
| - Asset values | B | Current estimates from asset register |
| - Asset useful lives | B | Current estimates from asset register |
| - Condition modelling | C | Methodology and data capture to be updated |
| Disposal forecast | NA | NA |

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

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

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is the Council's accounting and financial system.

8.1.2 Asset management data sources

This AMP also utilises asset management data. The source of the data is the Conquest Asset Management system licenced to the Council.

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.

Table 8.2: IMPROVEMENT PLAN

| Task No. | Task | Responsibility | Resources Required | Timeline |
|----------|--|---|---|----------|
| 1 | Prioritise acquisition expenditure | Project Manager, Assets | Project Officer, Assets and Finance Section | 3 months |
| 2 | Establish formal condition rating process and GIS data storage system | Project Manager, Assets | Project Officer, Assets and Asset Consultants | 6 months |
| 3 | Review opportunities for stormwater reuse and WSUD | Project Manager, Assets | Project Officer, Assets | 1 year |
| 4 | Further develop risk assessment and management planning | Project Manager, Assets | Project Officer, Assets and Asset Consultants | 1 year |
| 5 | Review resilience of critical infrastructure | Project Manager, Assets | Project Officer, Assets and Asset Consultants | 2 years |
| 6 | Review adaptive technologies to prolong life of assets | Project Manager, Assets | Project Officer, Assets and Asset Consultants | 2 years |
| 7 | Assess adequacy of operations and maintenance budget | Manager, City Services | City Assets Section | 3 years |
| 8 | Continue to develop long term models predicting services level and risks based on varying funding models | Acting Manager, City Assets | City Assets Section and Asset Consultants | 4 years |
| 9 | Continue the development of integration between strategic plans, AMP and LTFP | Chief Executive Officer and General Manager, Urban Services | City Assets Section and Finance Section | 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 operations, maintenance, renewals, upgrade/new and asset 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 1-5 year detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the AMP;
- the degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Plan and associated plans; and
- the Asset Renewal Funding Ratio achieving the Organisational Target (this target is often 1.0).

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- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- *CityPlan 2030: Shaping Our Future*
- Long Term Financial Plan
- Annual Business Plan
- Flood Mapping and Management Strategy
- Asset Management Policy (2019)
- Community Surveys
- Resilient East - Regional Climate Change Adaptation Plan
- Resilient East - Climate Projections Report

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 Flood Mapping and Management Strategy.

A.2 – Acquisition Project Summary

Table A2: ACQUISITION PROJECT SUMMARY

| Year | Project | Cost |
|-----------|------------------------------------|--------------|
| 2022-2028 | Trinity Valley (multiple projects) | \$15,200,000 |
| 2022-2031 | First Creek (multiple projects) | \$3,670,000 |
| 2022-2030 | Joslin Valley (multiple projects) | \$8,200,000 |
| 2024-2031 | Third Creek (multiple projects) | \$4,465,000 |

A.3 – Acquisition Forecast Summary

Table A3: ACQUISITION FORECAST SUMMARY

| Year | Constructed | Donated | Growth |
|------|-------------|---------|--------|
| 2022 | \$3,412,500 | \$0 | \$0 |
| 2023 | \$3,537,500 | \$0 | \$0 |
| 2024 | \$3,532,500 | \$0 | \$0 |
| 2025 | \$3,077,500 | \$0 | \$0 |
| 2026 | \$3,037,500 | \$0 | \$0 |
| 2027 | \$2,962,500 | \$0 | \$0 |
| 2028 | \$3,037,500 | \$0 | \$0 |
| 2029 | \$3,062,500 | \$0 | \$0 |
| 2030 | \$1,987,500 | \$0 | \$0 |
| 2031 | \$2,017,500 | \$0 | \$0 |

Appendix B

Operation Forecast

B.1 – Operation Forecast Assumptions and Source

The operational forecast has been based on previous expenditure for the same service levels with requirements of additional operational expenditure due to new and upgrade projects factored in the year following completion.

B.2 – Operation Forecast Summary

Table B2: OPERATION FORECAST SUMMARY

| Year | Operation Forecast | Additional Operation Forecast | Total Operation Forecast |
|------|--------------------|-------------------------------|--------------------------|
| 2022 | \$185,508 | \$2,048 | \$185,508 |
| 2023 | \$187,556 | \$2,123 | \$187,556 |
| 2024 | \$189,678 | \$2,120 | \$189,678 |
| 2025 | \$231,798 | \$1,847 | \$231,798 |
| 2026 | \$193,644 | \$1,823 | \$193,644 |
| 2027 | \$195,467 | \$1,778 | \$195,467 |
| 2028 | \$197,244 | \$1,823 | \$197,244 |
| 2029 | \$239,067 | \$1,838 | \$239,067 |
| 2030 | \$200,904 | \$1,193 | \$200,904 |
| 2031 | \$202,097 | \$1,193 | \$202,097 |

Appendix C

Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

The maintenance forecast has been based on previous expenditure for the same service levels with requirements of additional maintenance expenditure due to new and upgrade projects factored in the year following completion.

C.2 – Maintenance Forecast Summary

Table C2: MAINTENANCE FORECAST SUMMARY

| Year | Maintenance Forecast | Additional Maintenance Forecast | Total Maintenance Forecast |
|------|----------------------|---------------------------------|----------------------------|
| 2022 | \$50,202 | \$1,365 | \$50,202 |
| 2023 | \$51,567 | \$1,415 | \$51,567 |
| 2024 | \$52,982 | \$1,413 | \$52,982 |
| 2025 | \$54,395 | \$1,231 | \$54,395 |
| 2026 | \$55,626 | \$1,215 | \$55,626 |
| 2027 | \$56,841 | \$1,185 | \$56,841 |
| 2028 | \$58,026 | \$1,215 | \$58,026 |
| 2029 | \$59,241 | \$1,225 | \$59,241 |
| 2030 | \$60,466 | \$795 | \$60,466 |
| 2031 | \$61,261 | \$795 | \$61,261 |

Appendix D

Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

The renewal forecast was based on the asset register. No renewal projects have been identified from the Council's Asset Register for the period of this AMP.

D.2 – Renewal Project Summary

No renewals have been forecast over the AMP period.

D.3 – Renewal Forecast Summary

Table D3: RENEWAL FORECAST SUMMARY

| Year | Renewal Forecast | Renewal Budget |
|------|------------------|----------------|
| 2022 | \$0 | \$0 |
| 2023 | \$0 | \$0 |
| 2024 | \$0 | \$0 |
| 2025 | \$0 | \$0 |
| 2026 | \$0 | \$0 |
| 2027 | \$0 | \$0 |
| 2028 | \$0 | \$0 |
| 2029 | \$0 | \$0 |
| 2030 | \$0 | \$0 |
| 2031 | \$0 | \$0 |

Appendix E

Disposal Summary

E.1 – Disposal Forecast Assumptions and Source

No disposals have been forecast over the AMP period.

E.2 – Disposal Project Summary

No disposals have been forecast over the AMP period.

E.3 – Disposal Forecast Summary

Table E3: DISPOSAL ACTIVITY SUMMARY

| Year | Disposal Forecast | Disposal Budget |
|------|-------------------|-----------------|
| 2022 | \$0 | \$0 |
| 2023 | \$0 | \$0 |
| 2024 | \$0 | \$0 |
| 2025 | \$0 | \$0 |
| 2026 | \$0 | \$0 |
| 2027 | \$0 | \$0 |
| 2028 | \$0 | \$0 |
| 2029 | \$0 | \$0 |
| 2030 | \$0 | \$0 |
| 2031 | \$0 | \$0 |

Appendix F



Budget Summary by Life-Cycle Activity

The Planned Budget matches the forecast budget for acquisition and renewal, while the Planned Budget for operation and maintenance has not incorporated increases due to new and upgrade projects which have been allowed in the forecasts. Any additional operations and maintenance requirement from new and upgraded works will be factored into revisions of this plan.

Table F1: BUDGET SUMMARY BY LIFE-CYCLE ACTIVITY

| Year | Acquisition | Operation | Maintenance | Renewal | Disposal | Total |
|------|-------------|-----------|-------------|---------|----------|-------------|
| 2022 | \$3,412,500 | \$185,508 | \$50,202 | \$0 | \$0 | \$3,648,210 |
| 2023 | \$3,537,500 | \$185,508 | \$50,202 | \$0 | \$0 | \$3,773,210 |
| 2024 | \$3,532,500 | \$185,508 | \$50,202 | \$0 | \$0 | \$3,768,210 |
| 2025 | \$3,077,500 | \$225,508 | \$50,202 | \$0 | \$0 | \$3,353,210 |
| 2026 | \$3,037,500 | \$185,508 | \$50,202 | \$0 | \$0 | \$3,273,210 |
| 2027 | \$2,962,500 | \$185,508 | \$50,202 | \$0 | \$0 | \$3,198,210 |
| 2028 | \$3,037,500 | \$185,508 | \$50,202 | \$0 | \$0 | \$3,273,210 |
| 2029 | \$3,062,500 | \$225,508 | \$50,202 | \$0 | \$0 | \$3,338,210 |
| 2030 | \$1,987,500 | \$185,508 | \$50,202 | \$0 | \$0 | \$2,223,210 |
| 2031 | \$2,017,500 | \$185,508 | \$50,202 | \$0 | \$0 | \$2,253,210 |

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**City of
Norwood
Payneham
& St Peters**

Attachment E

Draft Asset Management Plans and Draft Long Term Financial Plan

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City of
**Norwood
Payneham
& St Peters**



2021–2031 Long-Term Financial Plan



City of
Norwood
Payneham
& St Peters

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2021–2031

Long-Term Financial Plan

The City of Norwood Payneham & St Peters 2021–2031 Long-Term Financial Plan is a key document in the Council's Strategic Planning Framework. Covering a period of at least 10 years, it provides an indication of the Council's direction and financial capacity.

The Long-Term Financial Plan ("the Plan") is designed to meet the legislative requirements under the *Local Government Act 1999*.



Introduction

The City of Norwood Payneham & St Peters is driven by the need to deliver to our ratepayers and residents enhanced and improved services by the most efficient and effective means possible. The ability to deliver on this and our strategic directions outlined in CityPlan 2030 is dependent on the Council having financial resources available.

The Local Government Act 1999, requires Councils to prepare a Long-Term Financial Plan (“the Plan”) covering a period of at least 10 years.

The Plan is a key document in the Council's Strategic Planning Framework. It is the primary financial management tool which links the Council's Strategic Plan, *CityPlan 2030*, 'Whole-of-Life' Asset Management Plans and the Annual Business Plan and Budget.

Adopted in 2008, *CityPlan 2030* is focused on the concept that as a community, we can shape, model and influence our future by the actions we take today. *CityPlan 2030* captures the community's vision and aspirations for our City over the next 20 years and establishes broad directions which will shape our City's future, with the overall aim of achieving Community Well-being.

The foundation of *CityPlan 2030* is based on four strategic outcome areas which the Council refers to as our 'Quadruple Bottom Line'. These are Social Equity, Cultural Vitality, Environmental Sustainability and Economic Prosperity.

In line with *CityPlan 2030*, the Long Term Financial Plan focuses on these four strategic outcomes.

The Long-Term Financial Plan is an important planning tool for the Council as it:

- reflects the future financial position based on delivering the service, activities, programs and initiatives undertaken by the Council; with the service levels defined in the Delivery Program;
- allows the costs of long term strategic decisions to be quantified and debated; and
- assesses the financial sustainability of service levels.

The City is challenged by growing community demands and expectations and recognises the importance of growth, prosperity, sustainability and lifestyle. It is committed to effective governance and providing infrastructure and services that satisfy all user groups.

The Plan has been prepared on the basis of a number of objectives and assumptions that are outlined in this document. Strategies, priorities, issues and risks are all dynamic influences in relation to any planning and as such, the Plan is reviewed and adjusted annually, following the adoption of the Annual Business Plan and Budget to reflect material changes.

The financial projections contained within the Plan are meant to provide an indication of the Council's direction and financial capacity rather than predicting the future financial performance and position of the Council. The Plan should be viewed as a guide to future actions or opportunities which encourages the Council to think about the future impact of decisions made today on the Council's long-term financial sustainability.



Diagram 1. Quadruple Bottom Line Framework For Community Well-being

Our Vision

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

A progressive City which is prosperous, with a strong community spirit.

37,056[#] residents

4,103 children (0-11) **16,828** adults (25-59)

5,552 young people (12-24) **8,879** older people (60+)

48% males **52%** females

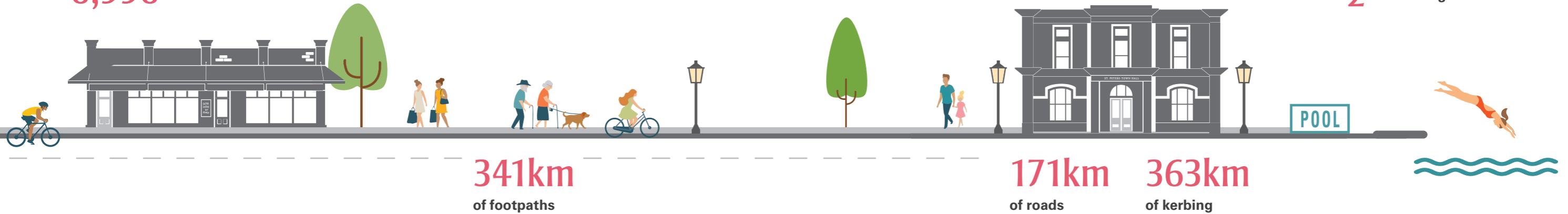
30.2% of the population born overseas

| Top 5 birthplaces in the City | 64.7% | 4.8% |
|-------------------------------|-------|----------------|
| Australia | | United Kingdom |
| 4.3% | 4.0% | 2.6% |
| Italy | China | India |

120 ethnicities

- 3** libraries
- 16** schools
- 2** swimming centres

6,996 local businesses



More than **23,000** street trees

29 playgrounds

72 parks and reserves

180 ha open space

City Snapshot

The City of Norwood Payneham & St Peters enjoys a reputation as one of Adelaide's most desirable places to live, work and visit.

*Information collected in 2016 by Profile ID (<https://profile.id.com.au/npsp/language>).
Source: Australian Bureau of Statistics 2019 Estimated Resident Population



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.



Chief Executive Officer's Statement on Financial Sustainability

This Plan not only provides the future financial projections, as shown on the following pages, it also demonstrates how the Council has performed against the financial outcomes it has developed to measure its financial sustainability.

As demonstrated by Our Performance, set out on page 13 through to page 17, the Council was in a strong financial position to respond to the financial and economic impacts of the COVID-19 pandemic. The Council responded with a \$1.159 million dollar financial support package in the 2020–2021 Budget, with the main element of that package being a zero (0%) rate revenue increase, which for the wider community resulted in a zero rate increase.

Other elements of the support package included:

- a rate cap of 1% to eligible residential and commercial ratepayers;
- waiving of The Parade Development Separate Rate for businesses within the Norwood Parade Business Precinct;
- three (3) month rent relief for commercial and community tenants of Council owned buildings (subject to demonstrating financial hardship resulting from the COVID-19 pandemic);
- waiving of permit fees for community sporting groups which utilise the Council's sporting grounds;
- rebates of Outdoor Dining Permit fees from 1 July 2020 until 31 December 2020; and
- additional promotion and marketing of the Council's business precincts.

The economic recovery from the pandemic, from both the State and Federal Governments and the Council perspective is paramount to the on-going sustainability.

The long term financial impact of the zero rate increase, over the life of the plan is \$7.8 million. Despite this, the future financial forecasts demonstrate that, given the strong financial position prior to the pandemic, the Council can plan to increase its annual Capital Works program to an average annual spend of \$20 million per annum, which is a combination of infrastructure renewal of its exiting asset base but also infrastructure upgrade spend, which will provide not only an increased service level to the community but will also provide on-going economic stimulus to the local economy.

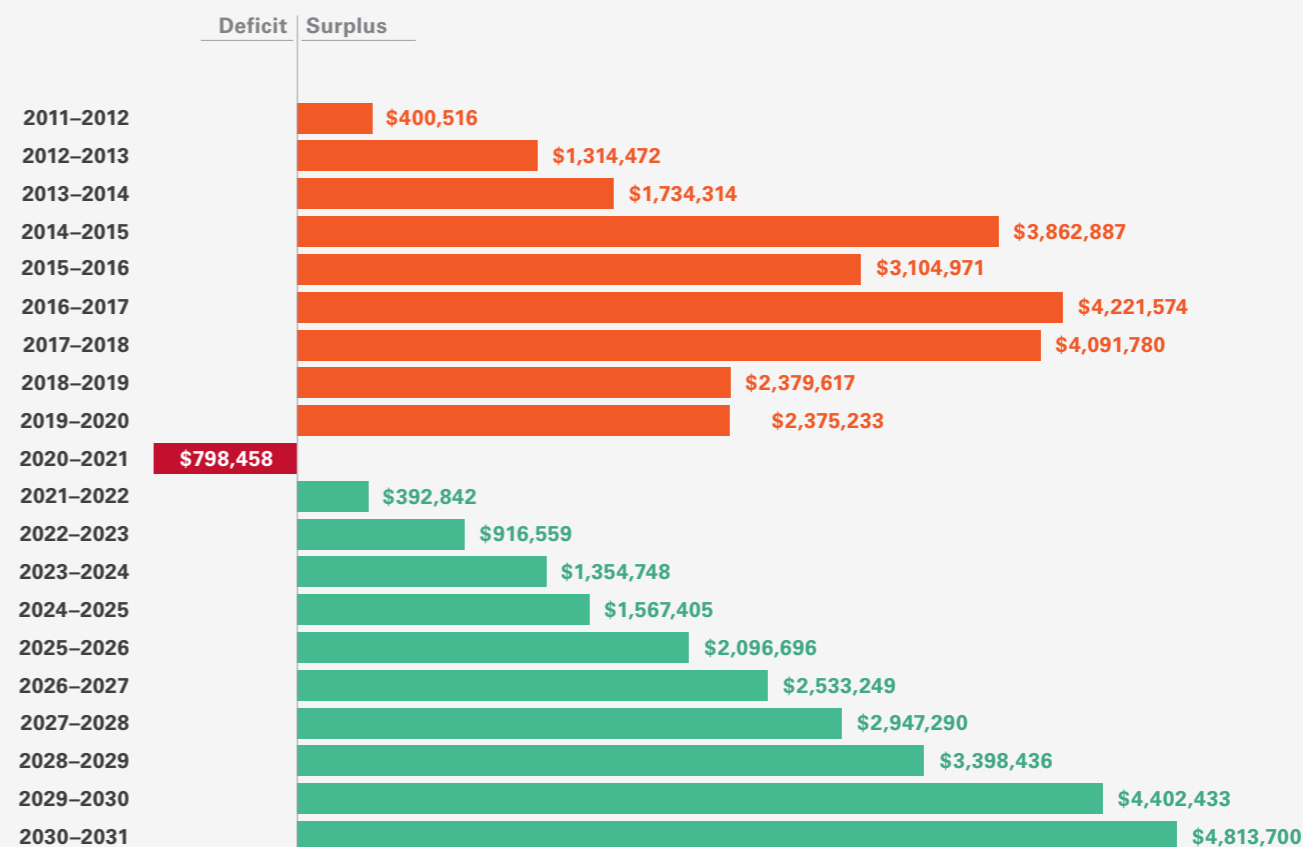
While this increased infrastructure upgrade investment will come at a cost through increased borrowings, the Council will still be in position to meet its financial obligations.

Key financial indicators used to assess the Council's long-term financial sustainability, as set out in the Plan, are in line with the Council's established benchmarks to ensure the sustainability of the Council's long-term financial performance and position.

The Long-Term Financial Plan, has been developed on the principle of financial sustainability, and sets out the Council's financial strategies and commitments over the long term. It explains how the organisation will meet its obligations now and in the future, taking into account our services, our workforce, our finances and our assets. The Plan is driven by the need to deliver enhanced and improved services to our citizens, by the most efficient and effective means possible.

Graph 1

Operating Surplus/Deficit 2021–2022 to 2030–2031



Continuously improving our Asset Management Plans to ensure we are appropriately maintaining our assets, using debt where appropriate and applying rate revenue increases reflective of the service levels provided to the community will ensure the Council has the financial capacity to meet the needs of our community in a financially sustainable way.

The Council's Operating Result, as shown in Graph 1, demonstrates how the Council has been able to achieve financial sustainability over the last six (6) years and how it will continue to maintain this into the future.

The Financial Goal and Outcomes the Council will use to measure the Council's Financial Sustainability are set out on the following pages.

Our Financial Goal

Financial sustainability means having a financial position capable of meeting long term service and infrastructure levels and standards, acceptable to the community, without substantial increases in rates or cuts to services.

The Council's long term sustainability is dependent upon ensuring that, on average over time, the operating expenses are less than the associated revenues.

Financial sustainability implies equity between generations, to ensure that today's ratepayers pay only for their share of the City's assets. Intergenerational equity is primarily achieved by funding the cost of renewing and replacing assets through revenue sources including rates. This means the cost of replacing assets which benefit existing ratepayers are being funded by those ratepayers.

To ensure that we deliver on our financial goal, the Council has committed to achieving the financial outcomes set out below.



Outcome 1: A Balanced Budget

Council services and programs, including depreciation of infrastructure and assets, are fully funded and the costs are shared equitably between current and future ratepayers.

The benchmark target is an Operating Ratio between 0% and 10%.

The Council will measure its performance in achieving this outcome through the Operating Ratio.

The Operating Ratio measures the Council's ability to cover its operational costs and have surplus revenue available for capital funding and other purposes.

A positive ratio indicates the percentage of total own source revenue (principally rates) is available to assist in funding proposed capital expenditure, to meet loan repayments or to reduce debt. A negative ratio indicates the percentage increase in total own source revenue that would have been required to achieve a break-even operating result.

The Council's objective is to have a Long-Term Financial Plan based on consistently achieving an Operating Surplus, having regard to asset management and service level needs.

Outcome 2: Rate Stability

Annual rate collections are fair and equitable for our residents and ratepayers with the aim to keep rate revenue increases stable over the medium term.

The benchmark target is rate revenue increases between 3% and 6%.

Rate revenue is a major component of the Council's revenue base. In determining future rate increases, the Council considers its strategic management plan, *CityPlan 2030*, the economic climate, the need to maintain and improve the Council's physical infrastructure and improve Community Well-being through its services, programs and facilities and an assessment of the community's capacity to pay rates.

The Council's objective is to have a Long-Term Financial Plan based on consistent rate revenue increases which meet the increased cost of the base level services and programs but also reflect new assessment growth and increased service levels.

Outcome 3: Infrastructure and Asset Management

Maintain Infrastructure and Assets in line with the Council's 'Whole-of-Life' Infrastructure framework to achieve the outcomes and objectives, as set out in CityPlan 2030.

The benchmark target is an Asset Sustainability Ratio between 90% and 110% on a three (3) year rolling average.

The Council will measure its performance in achieving this outcome through the Asset Sustainability Ratio.

The Asset Sustainability Ratio measures how well the Council is performing with respect to the renewal or replacement of existing physical assets, such as roads, footpaths, kerbing, buildings, Council plant etc. Ideally, physical assets should be renewed or replaced at the same rate the stock of assets is wearing out, however it is recognized that there may be some instances that require the Council to either accelerate or decelerate the renewal or replacement of its existing asset base. It is for this reason, the target ratio is calculated based on a three (3) year rolling basis. The ratio is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the planned spend outlined in the Council's Asset Management Plans.

Outcome 4: Debt Management

Prudent use of debt to invest in new long term assets to ensure intergenerational equity between current and future users.

The benchmark target is a Net Financial Liabilities ratio of less than 75% and a Debt Servicing Ratio of less than 15% of Rate Revenue.

Prudent debt management is the process of establishing and executing a strategy for managing a Council debt in order to raise the required amount of funding to achieve its capital investment objectives. It is important that the use of debt is balanced with other funding sources, such as grants and cash reserves, to ensure that the members of the community that receive the benefits from the investment, share the cost. In addition, the Council must ensure that it has the capacity to service its debt.

The Council will measure its performance in achieving this outcome through the Net Financial Liabilities Ratio and the Debt Servicing Ratio, with the Net Financial Liabilities measuring the extent of indebtedness of the Council as a percentage of operating revenue and the debt servicing ratio measuring the extent of rate revenue that is used to meet interest and principal loan repayments. If the ratio falls, over time, this indicates that the Council's capacity to meet its financial obligations from operating income is strengthening.

Our Performance



In 2010–2011, the Council undertook a major review of its Long-Term Financial Plan. At that time, becoming a financial sustainable Council was the key priority.

Subsequent reviews of the Long-Term Financial Plan has continued to be based on the central theme of financial sustainability so that the Council has the resources to undertake a number of strategic projects which enhance Community Well-being and also ensures that the Council can not only fund its continuing services, programs and activities but also meet its debt servicing requirements.

Our performance against the financial outcomes is the key indicator as to how successful the Council has been in achieving long term financial sustainability.

Outcome 1: A Balanced Budget

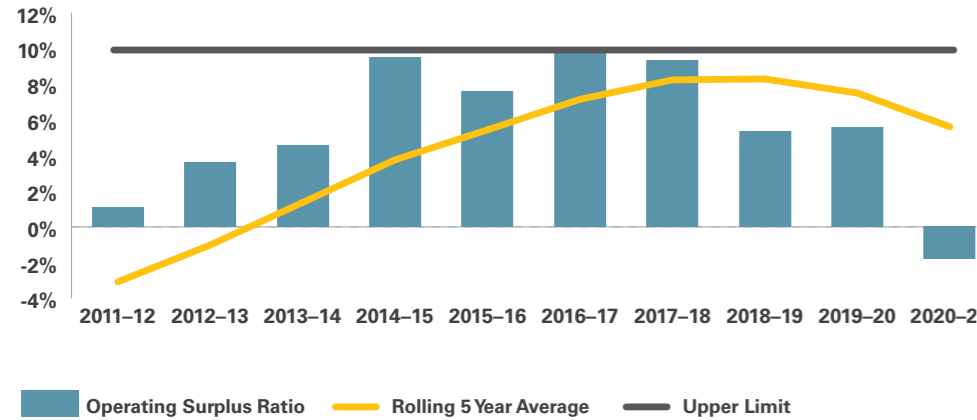
The Council’s services and programs, including depreciation of infrastructure and assets, are fully funded and the costs are shared equitably between current and future ratepayers.

In response to the known impacts of the COVID-19 pandemic, the Council adopted a financial support package, which included a number of measures to support the community. Measures included a zero rate increase and other initiatives to support the business sector. As a result of the financial measures implemented, the Council made a conscious decision to budget for an Operating Deficit in 2020–2021.

Despite the budgeted operating deficit in 2020–2021, the Council, on a rolling five (5) year average has maintained its operating surplus between the target bandwidth.

Target: Operating Ratio between 0% and 10%

Target Achieved 



Outcome 2: Rate Stability

Annual rate collections are fair and equitable for our residents and ratepayers with the aim to keep rate revenue increases stable over the medium term.

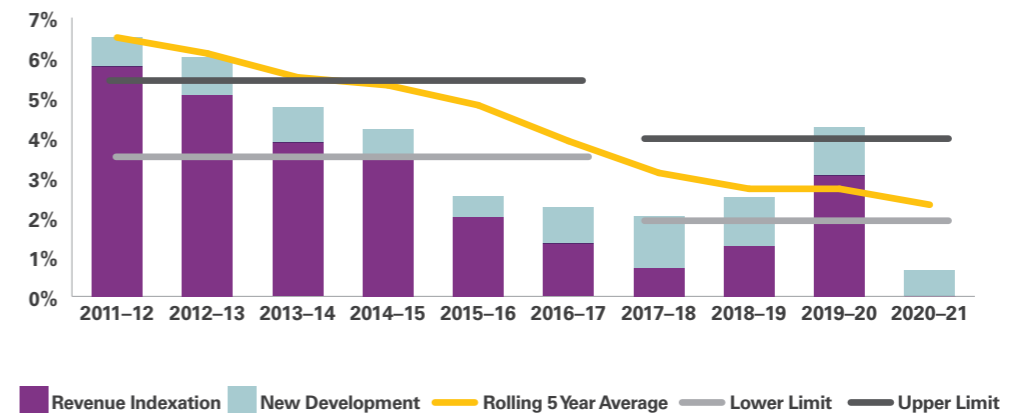
Rates are a form of property taxation and is the main source of income which the Council uses to fund the planned projects, services and programs. While rate revenue increases, and the associated Rate increase has been decreasing, the rate revenue increases adopted by the Council over the last ten (10) years have been outside the target range, as set out in the respective Long-Term Financial Plans, for seven out of the last ten years. In response to the COVID-19 pandemic, the Council adopted a 0% rate revenue increase, except where the rate increase resulted from new development, property improvements, change in land use or zoning, or a result of a property sale.

When setting rates each year, the Council takes into account its strategic management plan *CityPlan 2030*, the economic environment, legislative changes, the need to maintain and improve the Council’s infrastructure and enhance Community Well-being through services, programs and facilities. The key is to ensure the community does not experience “rate shock” from year to year.

The ten (10) year average increase in the average residential rate has been 2.91%, with the ten (10) year average rate increase for the commercial rate payer has been 2.66%.

Target: Rate Revenue Increases between 2.0% and 5.5%

Target Not Achieved 



* As part of the 2017–2018 review of the Long-Term Financial Plan, the Council lowered the target bandwidth for rate revenue increases.

Outcome 3: Infrastructure and Asset Management

Maintain Infrastructure and Assets in line with the Council's 'Whole-of-Life' Infrastructure framework to achieve the outcomes and objectives, as set out in *CityPlan 2030*.

The Council has developed a strategic approach to asset management and developed Asset Management Plans based on the total life cycle of assets. Asset management planning ensures delivery of services from infrastructure is provided in a financially sustainable manner.

The Asset Management Plans detail information about infrastructure assets including actions required to provide an agreed level of service in the most cost efficient manner. The Asset Management Plan's define the services to be provided, how the services are provided and what funds are required to provide the services.

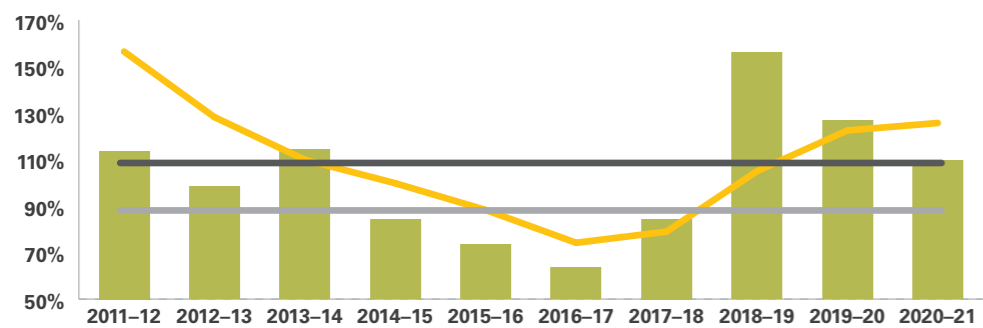
It is recognized that there may be some instances that require the Council to either accelerate or decelerate the renewal or replacement of its existing asset base.

It is for this reason, the target ratio is calculated based on a three (3) year rolling basis. The ratio is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the planned spend outlined in the Council's Asset Management Plans, with the target being Capital renewal spend being between 90% and 110% of the planned asset expenditure as outlined in the Asset and Infrastructure Management Plans.

During the term of the last Long-Term Financial Plan, a number of renewal projects were deferred to align with new and upgrade projects to ensure there is an efficient use of resources, minimize the impact on the community and where possible, assets are not being replaced earlier than required.

Target: Asset Sustainability Ratio between 90% and 110% on a rolling three year average

Target Not Achieved



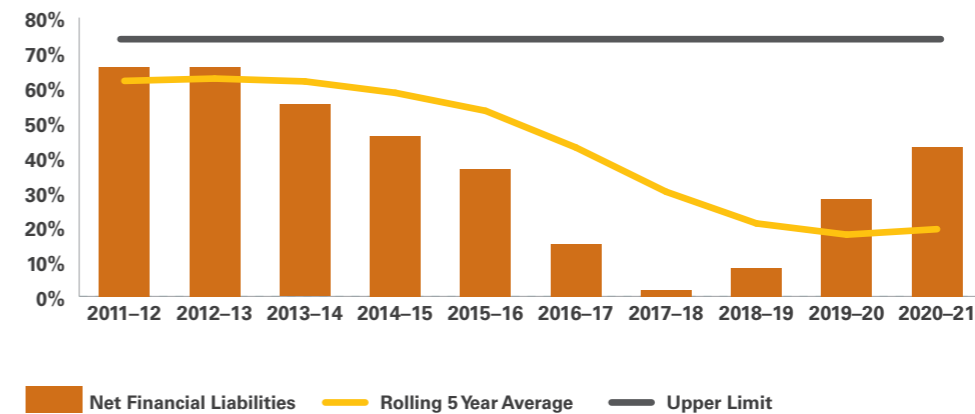
Asset Sustainability Ratio Rolling 3 Year Average Lower Limit Upper Limit

Outcome 4: Debt Management

Prudent use of debt to invest in new long term assets to ensure intergenerational equity between current and future users.

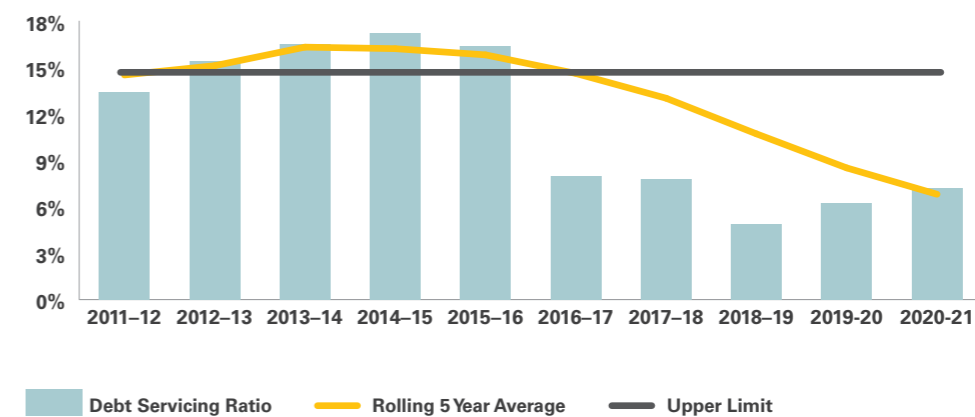
Where other funding sources, such as grant funding and cash reserves, are not available, the Council uses borrowings to fund the investment in new assets. In making investment decisions and associated borrowing decisions, consideration is given to the nature of the borrowings, the term in which the funds are borrowed and the capacity of the Council to meet the debt servicing commitments. Long term borrowings will

only be used to fund new or upgraded assets. The Council's use of debt will be measured by the Net Financial Liabilities Ratio, which measures the net amount owed by Council as a percentage of total operating revenue. The capacity to service its long term borrowings, is measured by the Debt Servicing ratio, which is the extent of Rate Revenue required to meet principal loan repayments and interest expense.



Target: Net Financial Liabilities Ratio less than or equal to 75% of Operating Revenue

Target Achieved



Target: Debt Servicing Ratio does not exceed 15% of Rate Revenue

Target Achieved



Our Achievements

Since the last review of the Long-Term Financial Plan, which was undertaken in 2017, the Council has delivered a number of strategic projects, programs and initiatives. The projects delivered have allowed the Council to continue to deliver on its vision of fostering a prosperous, vibrant and connected community.

The projects detailed below are considered the highlights since 2017–2018, in that the delivery of the project or initiative span across a number of the four key Outcome areas of *CityPlan 2030*, contributed to the delivery of the objectives of the Council’s Business Plan or a strategic project identified in the Long-Term Financial Plan and were successful in achieving multiple Objectives, making them significant achievements which have contributed to improving the well-being of our community.



Award-winning Felixstow Reserve Redevelopment



In 2015, the Council undertook a Masterplan for Felixstow Reserve which incorporated two stages for the redevelopment of the site.

The first stage of the project was the establishment of wetlands within the Felixstow Reserve, which was completed in late 2017. This project was undertaken as part of the Eastern Region Alliance (ERA) Waterproofing Eastern Adelaide Stormwater Harvesting and Re-Use Project.

The second stage, which was undertaken by the Council, involved the redevelopment of the remainder of the reserve. The Masterplan ideas were transformed into large open grassed areas, an active play space, nature play, walking trails, shared paths, increased tree planting and improved public facilities such as toilets, barbecues and picnic areas.

Stage two was completed in December 2018 and officially opened in February 2019.



Payneham Oval Clubrooms Upgrade



The upgrade to the Payneham Oval clubrooms formed Stage 2 of the redevelopment of the Payneham Oval Complex, with Stage 1 comprising of the new playground which was completed in August 2015.

The clubrooms upgrade included the installation of an access lift, upgrading toilets to make them accessible, new air conditioning, improved lighting and solar panels. Additional works included the installation of netting behind the southern goals, as well as landscaping.

The Payneham Oval Clubrooms Upgrade was completed in February 2019.



The Parade Masterplan



The Parade Masterplan, forms the long term strategic framework for the planning, redevelopment and activation of the Parade. More specifically the Masterplan focusses on protecting the identity and appeal of ‘The Parade’, and how this significant economic, social and cultural asset can contribute to the experience of those people who choose to live, work and play on The Parade. The Parade Masterplan establishes a holistic vision to direct the progressive enhancement of the streetscape to support local businesses, encourage new investment and maximise community enjoyment and appeal. Improvements which have been incorporated in the Masterplan focus on the prioritisation of pedestrian access and movement.

The implementation of The Parade Masterplan is one of the key projects to be undertaken over the first five years of this Long-Term Financial Plan.



New Members Clubroom and Women’s facilities at Norwood Oval



The Council partnered with the Norwood football club to redevelop the new Norwood Oval Clubrooms and Member’s facilities.

The redevelopment included a 180-seat Members Facility, new kitchen and Premier’s Bar, refurbished player’s change rooms, including new women’s facilities located under the Western Stand, accessible public toilets and a new merchandise outlet.

The new facilities were opened in September 2020.



Syd Jones Reserve Redevelopment



The redevelopment of the Syd Jones Reserve has resulted in a quality space for residents, visitors and families to enjoy. The upgrade included a central playground, replacement of the tennis courts with a new multi-purpose hard surface, new shelter and barbecue and public facilities, new pathways, seating and lighting throughout and additional landscaping.



Completed construction of the River Torrens Linear Park Shared Pathway project between Felixstow Reserve and Battams Road



The enhancement of the River Torrens Linear Park Shared Pathway included new lighting, line marking and a widened continuous pathway. The shared pathway is part of a popular commuter network, connecting Felixstow Reserve, Felixstow to Ninth Avenue and Battams Road, Marden, to allow cyclist and pedestrians to swap roads for nature.

The extension of the Shared Path enhancements from Battams Road to Hackney Road are included as a key project of this Long-Term Financial Plan.



Commenced a 15 year program to upgrade the City's stormwater drainage network



The City's stormwater drainage network is one of many infrastructure assets which is provided and maintained by the Council for the community.

The program will benefit the community by:

- addressing and reducing the impacts of flooding;
- helping to protect residents, their homes and property; and
- protecting the City's assets such as footpaths, kerbing and street trees.

Work commenced on the Third Creek drainage Upgrade Project, which forms part of a \$38.4 million program to upgrade the City's stormwater drainage network over the next 15 years. Stage One of the Third Creek Drainage Upgrade Project, has been completed which increased the capacity of Third Creek from Bridge Road to Payneham Road, Payneham.

Annual Eastside Business Awards



The Eastside Business Awards is an annual awards program for businesses located in the City of Norwood Payneham & St Peters. The awards are run by the Council in partnership with The Messenger to recognise and celebrate the achievements of businesses in the City of Norwood Payneham & St Peters.



Perpetual Sun



Perpetual Sun, unveiled in August 2018, is the City's third Quadrennial Major Public Artwork. Located on the corner of Nelson Street and Magill Road, Perpetual Sun is designed to engage, stimulate and challenge the audience, while promoting the City as a visually interesting and vibrant cultural Centre which values creativity.

The Council, as part of its Public Art Policy, undertakes a major Art installation during each Council Term.

Kent Town Urban Design Framework and Kent Town Public Realm Manual



The Kent Town Urban Design Framework and Kent Town Public Realm Manual was developed to inform future developments in the Kent Town Precinct which integrate into attractive, greener and safer public spaces. As part of the Kent Town Urban Design Framework, the Council Partnered with the State Government to deliver two Public Realm Enhancement Projects in Kent Town adjacent the East Park and La Verde apartments to demonstrate a new standard for the streetscape character and the quality which the Council and the community will expect of future Kent Town developments.



Drage Reserve, Felixstow Upgrade



Completed in 2019, Drage Reserve was designed and re-developed with children of all ages and abilities in mind. Accessible playground features include a rubber base, making it accessible and safe for all children and a wheelchair-friendly trampoline, and more accessible entry points to the playground area, seating, barbecue facilities and drinking fountain.



Concerts in the Park



Concerts in the Park Series is the Council's commitment to live music events for its residents and visitors. Concerts in the Park is a trio of open air, family friendly concerts, held annually from February through to April.



Held the first Raising The Bar Adelaide & the inaugural Raising The Bar Entrepreneurship events

In August 2018, the global award winning event series, Raising the Bar, was brought to Adelaide and exclusively hosted in a number of venues across the City. Raising the Bar aims to make education a part of popular culture by presenting expert-led talks in pubs and bars in cities across the world.

Raising the Bar Adelaide and Raising the Bar Entrepreneurship was also hosted in 2019 and 2020.

Implemented the Council’s unique Private Laneways Policy and Procedure

The Private Laneways Policy and Procedure provides a framework for the Council to assume ownership of and responsibility for selected Private Laneways within the City. The Council has finalized the conversion of Post Office Lane to a public road, with associated upgrade works completed in 2020.

The Council has committed over this Plan, to continue the identification and conversion of private laneways to public roads, subject to the defined criteria.



Beulah Road Bicycle Boulevard

As part of the Council's City Wide Cycling Plan, the Beulah Road Bicycle Boulevard involved the introduction of road and verge treatments, aimed to support safety, accessibility and appeal of cycle and pedestrian routes across the City. The Bicycle Boulevard covers 1.6km of Beulah Road from Portrush road to Fullarton Road, Norwood.

Implemented the LED Street Lighting Conversion Project which resulted in a 65% reduction in CO2 emissions

In 2018–2019, the Council transitioned its residential (pedestrian category) street lighting to Light Emitting Diode (LED) technologies.

Launched the Eastside Wine & Ale Trail

The Eastside Wine & Ale Trail provides the opportunity to experience some of South Australia’s finest wine and to taste some of Adelaide’s best boutique beer, without leaving the City. The Council supports the Eastside Wine & Ale Trail, through the preparation of promotional material and feature advertising in premier and high end publications.

Key Influences & Assumptions

The City of Norwood Payneham & St Peters provides a variety of services, programs and activities. The provision of these services, programs and activities are in response to the responsibilities of Councils under the *Local Government Act 1999* and other relevant legislation plus community interest and expectations.

A number of significant factors have influenced the preparation of the Plan:

- Maintenance and renewal program for existing infrastructure assets, including roads, footpaths, Council properties and open spaces.
- Upgrade and new infrastructure projects informed by the Infrastructure and Asset Management Plans and Corporate Strategies which identify future infrastructure requirements.
- Commitment to major projects which span more than one (1) year.
- Initiatives and major projects undertaken need to contribute to our vision, strategic direction and the wellbeing of our City.
- Prudent Financial Management to ensure financial sustainability.

The financial projections contained within the Plan are meant to provide an indication of the Council’s direction and financial capacity rather than predicting the future financial performance and position of the Council.

Long term financial planning is an iterative process and the assumptions applied are reviewed annually using updated information. This ensures the Council continually reviews its financial performance and remains firmly focused on maintaining long term financial sustainability.

The assumptions used in the preparation of the Plan can significantly influence the outcome. Some information regarding the major financial assumptions has been included to provide context around how the Plan has been developed.

While the Plan uses specific assumptions to calculate future year’s estimated operating income and expenditure, it will not remove the need for the Council to continue to achieve operational efficiencies.

The Plan has been prepared on the assumption that annually, new rateable properties will account for 0.5% increase to the overall capital value of properties within City. Any increase in the community size, will require an increase in expenditure to ensure service levels are maintained across the Council.

The key assumptions underlying the Plan are as follows:

Maintaining existing services at current service standards

The Plan is based on a “business as usual” assumption, which means that the Council will continue to provide the existing services at the current service levels.

The “business as usual” assumption does not take into account any change in direction or service level in response to community expectations, legislative requirements or changing economic conditions.

It is recognised that the adoption of a “business as usual” assumption is somewhat unrealistic for a planning timeframe of ten (10) years, given changes in the economic climate and community expectations and needs which may result in investment in new assets and service initiatives. While these new initiatives are unknown, for the purpose of developing the forward projections the Plan assumes new initiative expenditure of \$850,000 (indexed) per annum split 90%:10% between capital and operating expenditure respectively.

Rate Revenue Increases

The Plan assumes an average Rate Revenue indexation of 2.6% which is equivalent to the 10 year average of the Local Government Price Index (LGPI) to fund normal operations. Rate Revenue growth resulting from new assessments is assumed to be 0.5%. The Plan includes an additional 1.5% rate revenue increase to assist with the funding of an increase in the Capital Works program with respect to the Council’s Stormwater Drainage Program, Road Reconstructions and re-seal program and major infrastructure upgrades. The additional Stormwater Drainage works proposed in the Asset Management Plan, upgrade and expand the Council’s existing Stormwater Network to address surface flooding along the Council’s creek catchments, in particular the Trinity Valley. Road reconstructions are required due to pavement failures and increasing vehicle use.

Major infrastructure upgrades included within the Plan but not limited to, are Streetscape Upgrades along The Parade and St Peters Street, the redevelopment of the Council’s two (2) Swimming Centres and the redevelopment of the Norwood Library and Norwood Concert Hall.

Cost Escalation

The Reserve Bank of Australia has an inflationary target of between 2% and 3% per annum. Based on the 10 year average, CPI increases have been set at 2.0% for the life of the Plan.

Increases in employment expenses have three (3) main elements. These are:

- increases contained in the Enterprise Agreements;
- increases and movements of levels within the current workforce and;
- additional positions that are required to meet the strategic direction of the Council and the growth of the community.

The financial projections have assumed that wages and salary costs will increase by 2.0% per annum. All Council non- contract staff are parties to Enterprise Agreements which cover periods of up to three (3) years. It should be noted however as these Agreements will be renegotiated twice during the planning timeframe of the Plan, the potential for unforeseen variations in the financial projections exist.

Asset Renewal and Replacement

The Council has in place ‘Whole-of-Life’ Asset Management Plans for each major class of assets. The financial projections included in the Plan are based on the asset renewal and replacement programs outlined in the ‘Whole-of-Life’ Asset Management Plans. The financial projections set out in this Plan reflect the proposed timing of asset renewals and upgrades as set out in the Council’s suite of Infrastructure and Asset Management Plans and other relevant Corporate Strategies.

Due to the unique nature of Council’s asset base, the input costs to renew and replace the existing asset base can be subject to cost escalations greater than CPI. The financial projections have assumed that construction costs will increase by 2.3%.

Funding

The Plan assumes that the Council will borrow to fund new and upgraded assets. Loan repayments are calculated on loan schedules that are currently in existence and the estimation of any future loan borrowings.

Interest rates on new borrowings are forecast between 2.4% pa and 2.75% pa. Interest rate on investment income is forecast at 1.0% pa.

Cash and cash equivalents projections, when possible, are based on an ideal closing cash balance equivalent to one month’s working capital requirements.

Grants and Subsidies

The Council receives Grants and Subsidies from both the State and Federal Governments to fund Council services and programs. It is assumed existing Operating Grants will continue to be provided in the future and have been indexed by 2% pa.

The Council will endeavor to seek Capital Grant income to assist in funding specific new capital projects. However, as this revenue is dependent on the pool of Government funding available, it is difficult to predict how successful the Council will be in securing funds in the future. Therefore no Capital Grant Funding, other than funding already secured, has been included within the Plan. The Council may defer the timing of some projects set out in the Plan, with the view of the asset construction only going forward subject to grant funding being secured.

Other Fees and Charges

Revenue generated from Fees and Charges are separated between Statutory Charges, set by Legislation, and User Charges. As part of the South Australian Government Budget Fees and Charges for specific Acts are levied, which apply to Council services.

For User Charges, the Council applies a principle of user pays and where possible, recovers the full cost of operating or providing a service or good. Where it can be demonstrated that it is unfeasible to recover the full cost, concessions may apply.

Statutory and User Charges represent 10% to 15% of the Council’s Total Revenue and have been indexed by 2.0% pa.

Depreciation

Depreciation is an allowance that represents the consumption of an assets service potential, or put simply its wear and tear. Depreciation is based on the written down replacement value of an asset. The Council undertakes an independent valuation of its major asset classes every five (5) years. In the interim years, a review and update of the replacement cost is undertaken based on the annual average movement in value of like assets verified by the Council’s valuer.

The escalation rates to reflect asset revaluations applied in the financial projections is between 1% and 3% across the life of the Plan, dependent upon the asset class.

COVID-19

As a result of the financial and economic impacts of the COVID-19 pandemic, the Council responded with a \$1.159 million financial support package in the 2020–2021 Budget, with the main element of that package being a zero (0%) rate revenue increase, which for the wider community resulted in a zero rate increase.

The long term financial impact of the zero rate increase, over the life of the plan is a loss of rate revenue in the order of \$7.8 million.

The Plan assumes that from 2021-2020, the Council has implemented changes to its operations and that the provision of existing services, programs and activities have resumed.

Strategic Projects 2021–2031

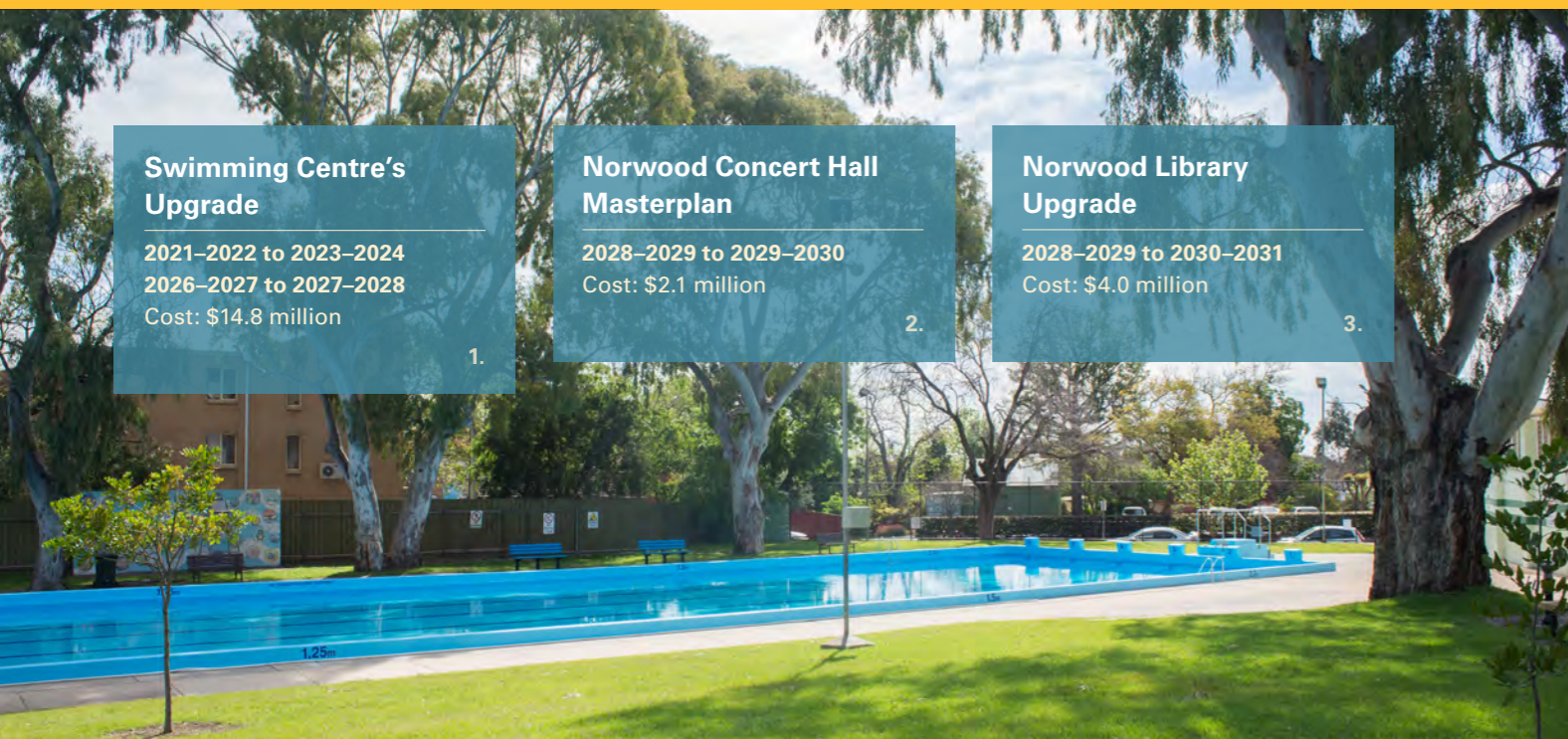
The Long-Term Financial Plan has been developed to ensure that the Council has the financial resources to deliver on its strategic objectives outlined in *CityPlan 2030*.

CityPlan 2030 captures the community's vision and aspirations for our City over the next 20 years and establishes broad directions which will shape our City's future, with the overall aim of achieving Community Well-being.

The Plan includes a number of major projects and initiatives which are planned to be undertaken over the life of the Plan which will contribute to the achievement of *CityPlan 2030*.

While included, the Plan does not assume that all strategic projects will automatically be funded. The commitment of funds to specific projects is made through the Annual Business Plan and Budget process. Projects are only included in the Plan when the Council has provided

“in-principle” commitment to the project through the adoption of a Corporate Strategy, Policy or Council resolution. The inclusion of strategic projects within the Plan establishes a picture of what the Council can afford and deliver with reasonable certainty over the forecast period. The proposed timing of the Strategic projects set out in the Plan, have been prioritised with reference to the renewal requirements set out in the Council's Infrastructure and Asset Management Plans to ensure resource efficiency and maximisation of asset utilisation.



Swimming Centre's Upgrade

2021–2022 to 2023–2024
2026–2027 to 2027–2028
Cost: \$14.8 million

1.

Norwood Concert Hall Masterplan

2028–2029 to 2029–2030
Cost: \$2.1 million

2.

Norwood Library Upgrade

2028–2029 to 2030–2031
Cost: \$4.0 million

3.

Patterson Reserve

2028–2029
Cost: \$100,000

4.

Reserve Upgrade to District Standards

2021–2022 2029–2030
Cost: \$2.3 million

6.

Innovative Playground Redevelopment

2022–2023 to 2023–2024
Cost: \$1.1 million

7.

Quadrennial Art Installation

2022–2023 2026–2027
Cost: \$250,000 per installation

5.

1. Swimming Centre's Upgrade



As part of the Long Term Strategy, the Council resolved to retain the two (2) Centre model. Both the Norwood Swimming Centre and the Payneham Memorial Swimming Centre will be redeveloped, in line with the Swimming Centre's Strategy.

2. Norwood Concert Hall Masterplan



Refurbishment of the Norwood Concert Hall, with the elements of the refurbishment being dependent on the Council's decision on the location of the Norwood Library.

3. Norwood Library Upgrade



Redevelopment of the Norwood Library in its present location or relocation from the Institute Building to the Norwood Townhall Complex. The concept plan, including the final location, to be developed as part of the 2020–2021 Annual Business Plan.

4. Patterson Reserve



Development of a Masterplan, which builds on the initial concepts identified as part of the Payneham Memorial Swimming Centre Masterplan.

5. Quadrennial Art Installation



The Council, as part of its Public Art Policy, undertakes a major Art installation during each Council Term. Over the life of this Plan, the Council will complete two (2) Art Installations.

6. Reserve Upgrade to District Standards



Upgrade a number of reserves throughout the City from Neighbourhood Standard to District Standard. Reserves identified to be upgraded during the life of this Plan are Burchell Reserve (2021–2022) and Hannaford Reserve (2029–2030).

7. Innovative Playground Redevelopment



The Council identified three (3) Playgrounds to be redeveloped as Innovative Playgrounds. The playgrounds identified include Payneham Oval (completed in 2015), Adey Reserve and Dunstan Adventure Playground. The Plan includes funding for the redevelopment of Dunstan Adventure playground.



St Peters Street Streetscape Upgrade
 2022–2023 to 2023–2024
 Cost: \$3 million
 8.

Kent Town Design Framework
 Across multiple years
 Cost: \$1.4 million
 9.

The Parade Streetscape Upgrade
 2024–2025 to 2027–2028
 Cost: \$30 million
 10.

Complete Streets
 Across multiple years
 Cost: \$5.6 million
 11.

Private Laneways Conversions
 Across multiple years
 Cost: \$1.9 million
 12.

Magill Road Streetscape Upgrade
 2030-2031 to 2032-2033
 Cost: \$5 million
 13.

8. St Peters Street Streetscape Upgrade
 ● ● ● ● ●
 Implementation of the St Peters Street Concept Plan from Second Lane to Linear Park to reinforce St Peters Street as a strategic route and provide greater identification, activation and connection to the River Torrens Linear Park, through the streetscape design, creating a well-defined “sense of place”.

9. Kent Town Design Framework
 ● ● ● ● ●
 Streetscape upgrades, which reflect the Kent Town Design Framework, to be undertaken in-line with the infrastructure renewals set out in the Civil Infrastructure Asset Management Plan.

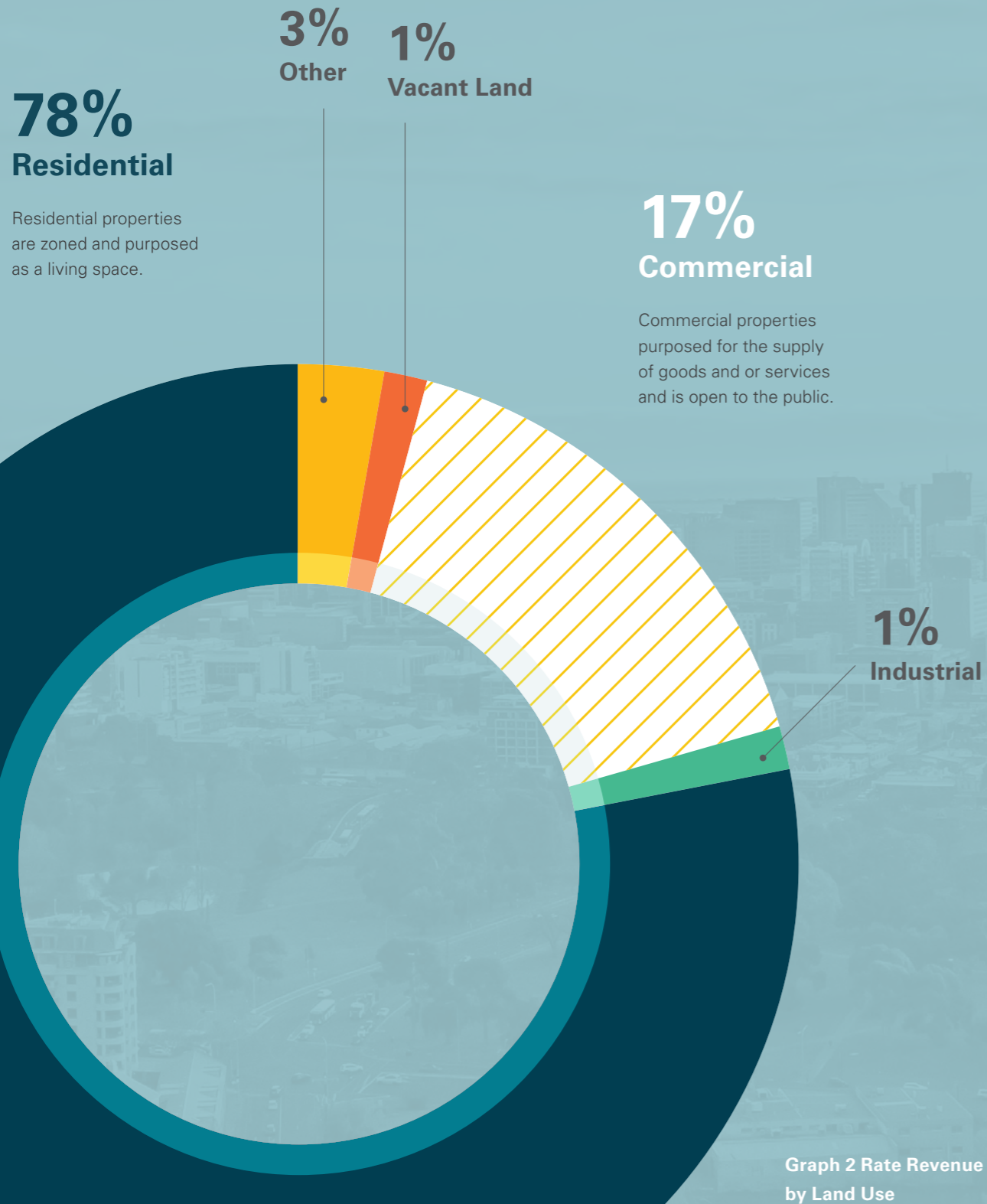
10. The Parade Streetscape Upgrade
 ● ● ● ● ●
 The Parade Masterplan focuses on the prioritisation of pedestrian access and movement. To be staged over four (4) years, the implementation of The Parade Masterplan will create safer street crossing conditions for all users through a new Scramble Crossing at The Parade and George Street intersection, wider footpaths along the full length of The Parade and continuous footpaths along the intersections of The Parade and side streets. Additional street trees, landscaping and new street furniture will be progressively installed along The Parade to create a more pleasant environment for the community to enjoy.

11. Complete Streets
 ● ● ● ● ●
 The Complete Streets builds on the concepts developed as part of the Ninth Street Upgrade and takes into account all elements such as the road surface, kerbs, footpath, water sensitive urban design and landscaping. Based on the City-Wide Cycling Plan, over the term of the Long-Term Financial Plan, identified streets will be upgraded to support safety, accessibility and appeal of cycle and pedestrian routes. The timing of works are linked with the infrastructure renewals set out in the Civil Infrastructure Asset Management Plan.

12. Private Laneways Conversions
 ● ● ●
 Private Laneways Policy and Procedure provides a framework for the Council to assume ownership of and responsibility for selected Private Laneways within the City. The Council has committed to continue the identification and conversion of private laneways to public roads, subject to the defined criteria.

13. Magill Road Streetscape Upgrade
 ● ● ● ● ●
 Upgrade the Magill Road Street scape, in line with the Magill Road Street scape Masterplan, which is aimed at strengthening the branding of Magill Road as a destination shopping precinct for antiques, homewares and eclectic gifts.

Rates



Council rates are a form of property taxation and are the main source of income which the Council uses to fund the planned projects, programs and services detailed in this Plan, on behalf of the City.

The Council uses Capital Value as the basis for valuing land within the City of Norwood Payneham & St Peters. It is considered that this method of valuing land provides the fairest method of distributing the rates to be collected across all ratepayers. The Capital Value of properties within the City has increased by an average of 3.51% per annum over the last ten (10) years, with development growth being 0.9% per annum for the same period. Residential properties have increased in value on average by 3.63% per annum and commercial properties 3.17% per annum over the previous ten years.

The Long-Term Financial Plan assumes that the Capital Value across the City will increase at similar rates experienced over the last ten (10) years.

The City of Norwood Payneham & St Peters applies differential rates on the basis of land use whereby non-residential properties have an increased rate-in-the-dollar of an additional 20% of the rate-in-the-dollar which is applied to residential properties.

Based on Capital values, the payment of rates will be distributed across the difference categories as detailed in Graph 2.

Long-Term Financial Plan

Overview

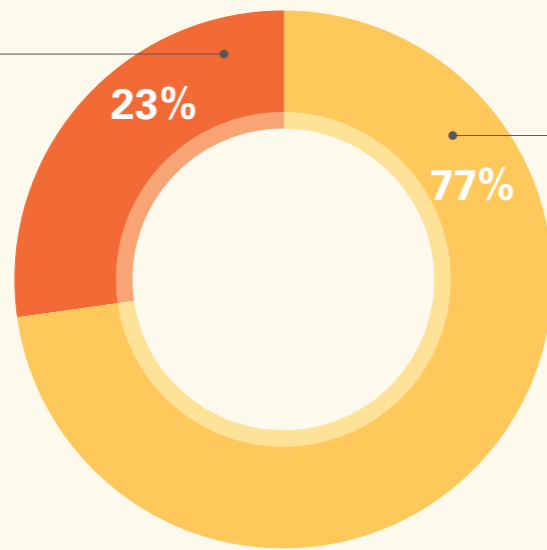
The services, programs and investment in infrastructure provided by the Council are funded by the Government, through grants, the Community through user pay services and rates and financial institutions via the provision of financing facilities.

Income & Funding

Expenditure and Investment

Government and Financing

- 5%** Operating Grants
- 3%** Statutory Charges
- 6%** Other Income
- 0.5%** Capital Grants & Contributions
- 14%** Borrowings & Interest



Community and Ratepayers

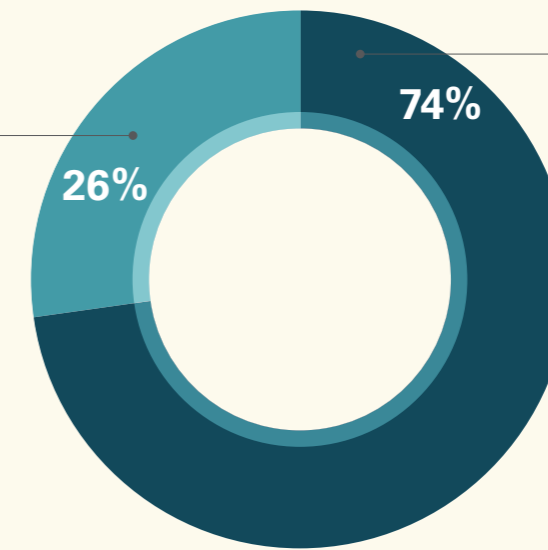
- 67%** General Rates
- 0.4%** Separate Rate
- 8%** State Government Charges (Regional Landscape Levy)
- 22%** User Fees & Charges

Materials, Services & Investment

- 31.5%** Materials & Services
- 2%** Service Initiatives
- 31%** Asset Investment
- 2%** State Government Charges (Regional Landscape Levy)
- 8%** Repayments & Interest

Employee Expenses

- 146** Full Time Equivalents
- 100** Full time
- 50** Part time
- 50** Casual



Income and Funding

| | 2021–22 | 2022–23 | 2023–24 | 2024–25 | 2025–26 | 2026–27 | 2027–28 | 2028–29 | 2029–30 | 2030–31 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Government & Financing | 15,849 | 11,909 | 20,005 | 18,454 | 17,087 | 20,474 | 18,306 | 12,648 | 14,919 | 17,410 |
| Statutory Charges & Other Income | 2,448 | 2,498 | 2,549 | 2,602 | 2,656 | 2,712 | 2,769 | 2,827 | 2,886 | 2,946 |
| Operating Grants | 2,770 | 2,832 | 2,896 | 2,961 | 3,027 | 3,096 | 3,166 | 3,238 | 3,312 | 3,388 |
| Borrowings & Interest | 8,835 | 6,451 | 14,386 | 12,723 | 11,268 | 14,528 | 12,230 | 6,439 | 8,574 | 10,296 |
| Capital Grants & Contributions | 1,795 | 128 | 174 | 168 | 136 | 139 | 141 | 144 | 147 | 150 |
| Community & Ratepayers | 41,914 | 43,719 | 45,604 | 47,584 | 49,652 | 51,812 | 54,069 | 56,179 | 58,373 | 60,388 |
| Rates | 36,494 | 38,160 | 39,903 | 41,726 | 43,633 | 45,627 | 47,712 | 49,655 | 51,677 | 53,524 |
| State Government Charges | 1,421 | 1,478 | 1,539 | 1,601 | 1,666 | 1,734 | 1,805 | 1,869 | 1,936 | 1,995 |
| User Fees & Charges | 4,000 | 4,080 | 4,163 | 4,257 | 4,353 | 4,452 | 4,552 | 4,655 | 4,761 | 4,868 |
| Total Income & Funding | 57,763 | 55,628 | 65,609 | 66,038 | 66,740 | 72,287 | 72,375 | 68,827 | 73,292 | 77,798 |

Expenditure and Investment

| | 2021–22 | 2022–23 | 2023–24 | 2024–25 | 2025–26 | 2026–27 | 2027–28 | 2028–29 | 2029–30 | 2030–31 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Employee Expenses | 15,961 | 16,345 | 16,738 | 17,140 | 17,637 | 18,149 | 18,675 | 19,138 | 19,613 | 20,099 |
| Materials & Services | 16,843 | 17,319 | 17,810 | 18,315 | 18,837 | 19,374 | 19,876 | 20,390 | 20,919 | 21,462 |
| Service Initiatives | 1,257 | 1,203 | 1,323 | 1,428 | 1,244 | 1,252 | 1,359 | 1,450 | 1,253 | 1,352 |
| State Government Charges | 1,393 | 1,421 | 1,450 | 1,480 | 1,510 | 1,540 | 1,572 | 1,604 | 1,636 | 1,670 |
| Asset Investment | 19,446 | 17,818 | 26,452 | 23,111 | 21,877 | 25,102 | 24,205 | 18,412 | 19,294 | 19,206 |
| Repayment & Interest | 2,478 | 3,162 | 3,976 | 4,885 | 5,694 | 6,740 | 7,114 | 7,907 | 8,828 | 9,604 |
| Total Expenditure & Investment | 57,378 | 57,267 | 67,749 | 66,309 | 66,798 | 72,158 | 72,800 | 68,969 | 71,544 | 73,213 |

Services

Under the *Local Government Act 1999* and other relevant legislation, all Councils have basic responsibilities which they are required to discharge. To discharge these responsibilities and to meet the needs of its community, the Council provides a range of services, programs and infrastructure.

| |  Infrastructure Management |  Waste & Recycling Services |  Trees, Parks, Sport & Recreation |  Economic Development, Regulatory Services, Environment & Planning |  Community, Health Aged & Youth Services |  Libraries & Community Facilities |  Community Events, Arts & Heritage |  Governance, Communication & Administration |
|------------------|--|---|--|---|--|--|--|---|
| | <p>This area provides strategic asset management services regarding the maintenance, construction, renewal and disposal of Council's facilities and assets, including the preparation of the Capital Works Program. This area of the Council administers external infrastructure grants such as the Roads to Recovery Program and project Specific Grants.</p> | <p>This area oversees external contracts responsible for kerbside garbage collection, illegally dumped rubbish, hard and green waste collection, street and parks bin collection.</p> | <p>The Council has more than 180 hectares of reserves, parks gardens and approximately 23,000 street trees are located adjacent to roadways with several thousand more trees located on reserves.</p> <p>In addition, the Council provides a number of recreational and sporting facilities which includes two swimming centres, tennis courts and sporting fields which are available for either casual hire or seasonal hire or leased to home sporting clubs within the City.</p> | <p>This areas is predominately overseas the administration of services required to be delivered by the Council under the Local Government Act and other Legislation. Such services include the development of policy and planning across the City, animal management and parking management.</p> <p>In addition, this area leads the delivery of projects aimed at achieving a sustainable environment for the City and the organisation and supports the economic growth of retail and Commercial precincts within the City.</p> | <p>This area provides strategic advice and planning with regard to Disability, Access and Inclusion across the City. Community Support & Development also provides operational and administrative support to the various Community Care, Youth Services and volunteer programs provided by the Council.</p> <p>The Council provides a community based child care centre and preschool. The Centre is licensed to provide child care and preschool services for 105 children between the ages of six weeks and five years of age.</p> | <p>The Council operates three Libraries, located at Norwood, St Peters and Felixstow.</p> <p>In addition the Council has a number of buildings and facilities available for casual hire or long-term lease, including the Norwood Concert Hall caters for events of all sizes, including Adelaide Festival productions, international acts, product launches, school concerts, cabaret acts, grand balls and weddings.</p> | <p>This area coordinates and delivers a number of events held by the Council which cater to the wide demographic of our community.</p> <p>In addition, as a culturally rich and socially diverse community, the City has a long tradition of valuing its cultural heritage, creativity and artistic expression. This area supports the Council's Cultural Heritage Program and its Public and Community Arts Programs.</p> | <p>Governance supports the Council's decision-making processes, compliance with legislation and minimisation of risk to enable the Council to meet community needs and legislative requirements transparently.</p> <p>This area provides administrative support and assistance to the Mayor and Elected Members, handles enquiries and complaints from the public and provides a number of administrative support services to ensure the efficient and effective operations of the Council.</p> |
| 2021–2022 | \$4,725,629 | \$4,458,619 | \$4,409,268 | \$3,833,261 | \$4,725,832 | \$2,858,816 | \$920,147 | \$6,825,473 |
| 2022–2023 | \$4,843,335 | \$4,634,828 | \$4,514,194 | \$3,924,399 | \$4,840,554 | \$2,927,360 | \$942,178 | \$6,940,248 |
| 2023–2024 | \$4,963,940 | \$4,818,052 | \$4,621,617 | \$4,017,683 | \$4,958,042 | \$2,997,555 | \$964,739 | \$7,084,226 |
| 2024–2025 | \$5,087,496 | \$5,008,572 | \$4,731,583 | \$4,113,146 | \$5,078,345 | \$3,069,429 | \$987,840 | \$7,245,000 |
| 2025–2026 | \$5,225,842 | \$5,206,724 | \$4,858,020 | \$4,225,846 | \$5,216,596 | \$3,152,543 | \$1,013,468 | \$7,428,257 |
| 2026–2027 | \$5,367,940 | \$5,412,770 | \$4,987,857 | \$4,341,622 | \$5,358,599 | \$3,237,920 | \$1,039,767 | \$7,629,507 |
| 2027–2028 | \$5,513,891 | \$5,574,524 | \$5,121,187 | \$4,460,558 | \$5,504,456 | \$3,325,619 | \$1,066,708 | \$7,836,411 |
| 2028–2029 | \$5,650,196 | \$5,741,125 | \$5,245,961 | \$4,569,736 | \$5,640,871 | \$3,408,022 | \$1,092,695 | \$8,032,831 |
| 2029–2030 | \$5,789,886 | \$5,912,718 | \$5,373,811 | \$4,681,598 | \$5,780,681 | \$3,492,494 | \$1,119,321 | \$8,234,425 |
| 2030–2031 | \$5,933,045 | \$6,089,452 | \$5,504,816 | \$4,796,211 | \$5,923,971 | \$3,579,086 | \$1,146,602 | \$8,441,336 |

Financial Targets & Measures



The measure of the Council's success is driven by the achievement of the objectives outlined in *CityPlan 2030*. A series of performance indicators have been developed to monitor our progress against these objectives and are reported on in our Annual Report.

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 sustainable and equitable manner, is measured against a series of targets and performance measures which reflect the financial outcomes of financial sustainability.

Financial targets adopted by the Council to measure performance against the Plan and financial sustainability are detailed in the Graphs on the following pages.

Outcome 1: A Balanced Budget

The Council’s services and programs, including depreciation of infrastructure and assets, are fully funded and the costs are shared equitably between current and future ratepayers.

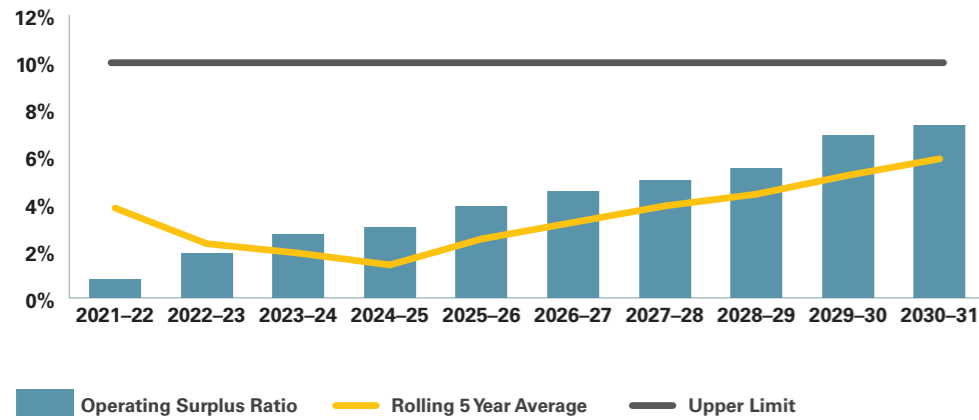
As detailed within the Plan, the Council's main source of income is generated from the levying of Rates and user charges and fees applied to services and programs provided either in response to community desires and expectations or resulting from the provision of services required by legislation. The income collected is used to fund the cost of providing services, with surplus revenue being available for capital funding and the repayment of debt.

The Council’s long term sustainability is dependent upon ensuring that, on average over time, the operating expenses are less than the associated revenues, with the measure being the Operating Surplus ratio, which measures operating surplus/ (deficit) as a percentage of operating revenue. Ideally, at a minimum, the operating surplus should be at a minimum equal to the annual principal loan repayments.

Operating Surplus Ratio

Target between 0% and 10%

Target Achieved



Outcome 2: Rate Stability

Annual rate collections are fair and equitable for our residents and ratepayers with the aim to keep rate revenue increases stable over the medium term.

In determining future rate increases, the Council considers its strategic management plan, *CityPlan 2030*, the economic climate, the need to maintain and improve the Council’s physical infrastructure and improve Community Well-being through its services, programs and facilities. The 2020–2021 Rating Strategy forms the basis for the future impact of rate revenue increases on sectors of the community where we collect rates.

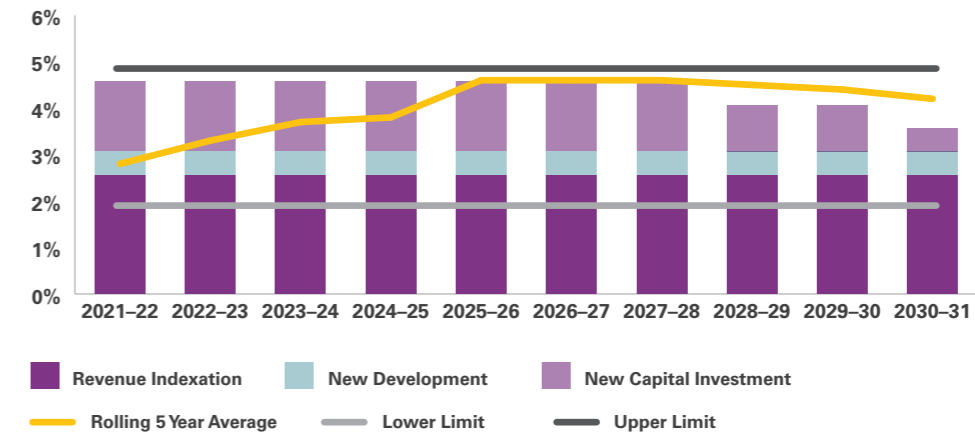
The Plan assumes an average Rate Revenue increase of 2.6% which is equivalent to the ten (10) year average of the Local Government Price Index. Other elements of the proposed rate revenue increase includes growth in new assessments and a factor for the future financial impacts of new and upgraded infrastructure investment set out in the Plan.

In determining future rate increases, the key is to ensure the community does not experience “rate shock” from year to year, as such the target range for rate revenue increase is between 3% and 6%.

Rate Revenue Increase

Target between 3% and 6%

Target Achieved



Outcome 3: Infrastructure and Asset Management

Maintain Infrastructure and Assets in line with the Council’s ‘Whole-of-Life’ Infrastructure framework to achieve the outcomes and objectives, as set out in *CityPlan 2030*.

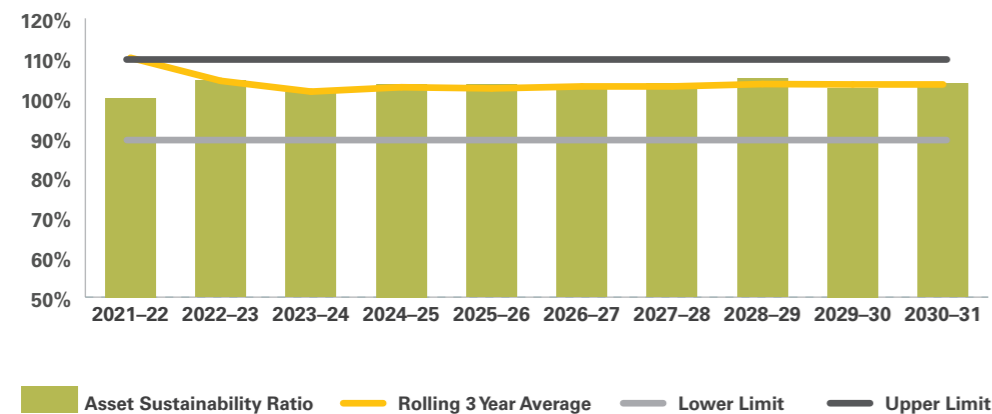
Infrastructure and asset management is the combination of management, financial, economic, engineering, and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner. As part of the Council’s planning framework, the Council has developed asset management plans for each of our major asset classes, including, but not limited to, roads, buildings, stormwater drainage and open space and recreation infrastructure.

The Infrastructure and Asset Management Plan details information about infrastructure assets including actions required to provide an agreed level of service in the most cost efficient manner. The Plan defines the service level to be provided and what funds are required to provide the set service level.

The Asset Sustainability Ratio measures how well the Council is performing with respect to the renewal or replacement of existing physical assets, such as roads, footpaths, kerbing, buildings, council plant etc. Ideally, physical assets should be renewed or replaced at the same rate the stock of assets is wearing out, however it is recognized that there may be some instances that require the Council to either accelerate or decelerate the renewal or replacement of its existing asset base. It is for this reason, the target ratio is calculated based on a three (3) year rolling basis. The ratio is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the planned spend outlined in the Council’s Asset Management Plans, with the target being an Asset Sustainability Ratio between 90%-110% on a rolling 3 year period

Operating Surplus Ratio

Target Achieved



Target Not Achieved

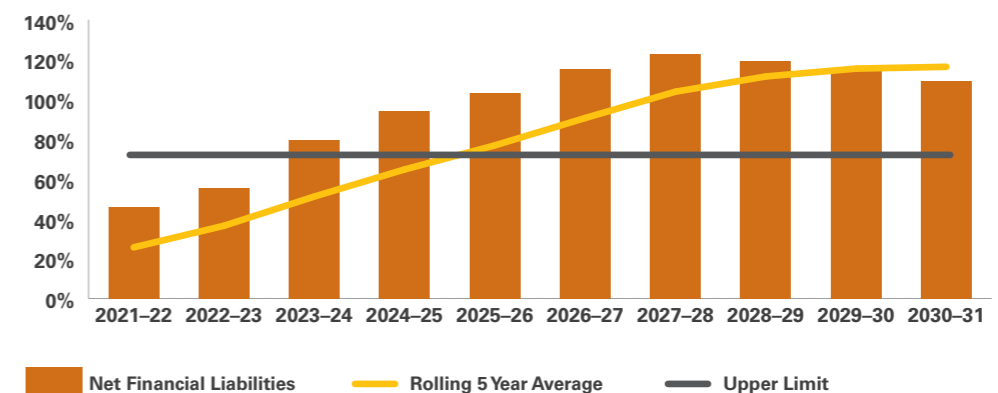
Outcome 4: Debt Management

Prudent use of debt to invest in new long term assets to ensure intergenerational equity between current and future users.

A Council’s indebtedness must be managed to ensure its liabilities and associated costs are met without impinging on the financial sustainability of the Council. Net Financial Liabilities ratio measures the extent of what is owed by the Council less any liquid assets (i.e. cash or receivables), are met by its operating revenue. Net financial liabilities is a broader and more appropriate measure of indebtedness than the level of borrowings, because it includes items such as employee leave entitlements and other amounts payable in future as well as taking account of a Council’s cash holdings and invested monies.

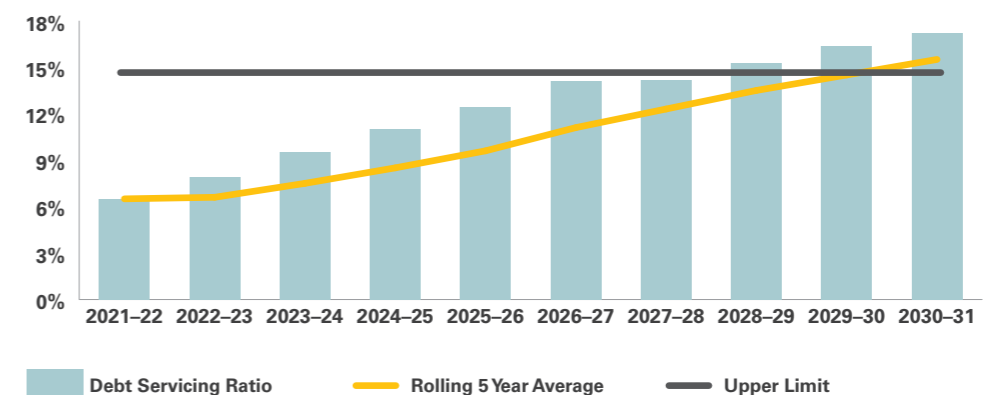
While it is ideal that the Net Financial Liabilities ratio, doesn’t exceed 100% of operating income, subject to the Council’s ability to service its financial obligations, the indebtedness can exceed 100% in order to provide additional services to its community through acquisition of additional assets without detracting from its financial sustainability.

The Plan proposes that the Council undertake a number of asset upgrade projects to the value of \$66 million. Due to the nature of these projects and in line with the Council’s Treasury Management Policy, these projects will be funded through long term borrowings.



Net Financial Liabilities

Target Not Achieved



Debt Servicing Ratio

Target Achieved



Summary

Based on the underlying assumptions contained within the Plan, the financial projections indicate that the Council is in a position to deliver on its financial goal of being a City which delivers on our Strategic Outcomes by managing our financial resources in a sustainable and equitable manner.

The Council's Operating Surplus ratio, over the period is forecast to grow from 0.8% in 2021–2022 to 7.2% by 2030–2031 with the annual Operating Surplus for the life of the Plan ranging from \$400,000 to \$4.9 million. The Council plans to invest in the order of \$12.8 million each year to deliver renewal programs outlined in the Councils Infrastructure and Asset Management plans plus a further \$2 million per annum on other assets not covered by the Infrastructure and Asset Management plans. The renewal programs will be complemented with \$66 million planned to be spent on major asset upgrades and enhancements.

Rate revenue increases, while at the higher end of the target range, reflect the extent of investment the Council plans to undertake to increase the service level, to provide an improved level of Community Wellbeing to its community.

The financial projections contained within the Plan are meant to provide an indication of the Council's direction and financial capacity rather than predicting the future

financial performance and position of the Council. This Plan should be viewed as a guide to future actions or opportunities which encourages Council to think about the future impact of decisions made today on the Council's long-term financial sustainability. To this end, reference is made each year to the Plan when preparing the Annual Budget to ensure that the broad financial outcomes of the Council are continuing to be met.

As with all Plan's there is sometimes a change circumstance over the life of the Plan, therefore, the underlying assumptions are regularly reviewed by Council to ensure the City's strategic directions and objectives can continue to be delivered on in the future.

In line with the *Local Government Act, 1999* and the *Local Government (Financial Management) Regulations 2011*, the projected Financial Statements, in the prescribed form are contained in the following pages.

Financial Projections

The financial projections in this Long Term Financial Plan have been developed in a format that conforms to the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. This format allows projections to feed into the statutory format of the Annual Budget and key performance measures in the Plan to be compared with Annual Budgets and Annual Financial Reports.

The Statutory schedules include:

- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Uniform Presentation of Finances.

The Statement of Comprehensive Income shows what is expected to happen during the year in terms of revenue, expenses and other adjustments from all activities. Small surpluses are expected in the initial years due to the expectation that services will return to pre-COVID-19 level, however given the zero rate increase provided in 2020–2021, in response to the COVID-19 pandemic, revenue growth will have a lag period. While operating surpluses are being forecast, the surplus is insufficient to meet the Council's loan repayments, therefore cash reserves and short term financing will be required to meet loan repayments.

The Statement of Financial Position is a snap-shot of the expected financial position of the Council at the end of the financial year. It reports what is expected to be owned (assets) and what is expected to be owed (liabilities). The bottom line "Net Assets" represents the net worth of the Council.

The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due in the next 12 months. Non-current refers to assets and liabilities that are recoverable or which fall due over a longer period than 12 months. The net assets of the Council are forecast to grow at rate between 1.5% per annum and 2.4% per annum, primarily due to the Capital program, however, to fund the new asset investment, the long term borrowings are forecast to grow to \$76 million by the end of the ten (10) year period.

The Statement of Cash Flows shows what is expected to happen during the year in terms of cash. The net cash provided by operating activities shows how much cash is expected to remain after paying for the services provided to the community. Ideally funds from operating activities should be sufficient to fund asset and infrastructure renewal works and the annual repayment of loan borrowings. The information in this statement assists in the assessment of the ability to generate cash flows and meet financial commitments as they fall due, including debt repayments. For the first half of the plan, cash provided by operating activities are insufficient to meet asset renewals and debt repayments, the shortfall is met through the utilisation of cash reserves and short term borrowings.

Statement of Comprehensive Income

| 2020–2021 Budget \$'000 | | 2021–2022 Plan \$'000 | 2022–2023 Plan \$'000 | 2023–2024 Plan \$'000 | 2024–2025 Plan \$'000 | 2025–2026 Plan \$'000 | 2026–2027 Plan \$'000 | 2027–2028 Plan \$'000 | 2028–2029 Plan \$'000 | 2029–2030 Plan \$'000 | 2030–2031 Plan \$'000 |
|-----------------------------------|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Income | | | | | | | | | | | |
| 36,278 | Rates | 37,914 | 39,639 | 41,442 | 43,327 | 45,299 | 47,361 | 49,516 | 51,524 | 53,613 | 55,520 |
| 1,509 | Statutory charges | 1,846 | 1,883 | 1,922 | 1,961 | 2,001 | 2,041 | 2,083 | 2,125 | 2,169 | 2,213 |
| 3,324 | User charges | 4,000 | 4,080 | 4,163 | 4,257 | 4,353 | 4,452 | 4,552 | 4,655 | 4,761 | 4,868 |
| 2,348 | Grants, subsidies and contributions | 2,408 | 2,470 | 2,533 | 2,598 | 2,665 | 2,734 | 2,804 | 2,876 | 2,950 | 3,026 |
| 65 | Investment Income | 113 | 156 | 151 | 145 | 140 | 134 | 128 | 122 | 115 | 109 |
| 574 | Other Revenues | 602 | 614 | 627 | 641 | 656 | 670 | 686 | 701 | 717 | 733 |
| 363 | Operating Projects | 362 | 362 | 362 | 362 | 362 | 362 | 362 | 362 | 362 | 362 |
| 44,460 | Total Revenues | 47,244 | 49,205 | 51,199 | 53,292 | 55,476 | 57,754 | 60,131 | 62,365 | 64,686 | 66,831 |
| Expenses | | | | | | | | | | | |
| 15,714 | Employee Costs | 15,961 | 16,345 | 16,738 | 17,140 | 17,637 | 18,149 | 18,675 | 19,138 | 19,613 | 20,099 |
| 17,505 | Materials, contracts & other expenses | 18,236 | 18,740 | 19,260 | 19,795 | 20,346 | 20,915 | 21,447 | 21,994 | 22,556 | 23,132 |
| 800 | Finance Costs | 773 | 900 | 1,080 | 1,321 | 1,522 | 1,743 | 1,964 | 2,081 | 2,129 | 2,216 |
| 9,734 | Depreciation, Amortisation & Impairment | 10,525 | 11,051 | 11,418 | 12,027 | 12,629 | 13,162 | 13,739 | 14,303 | 14,733 | 15,218 |
| 1,313 | Operating Project Expenditure | 1,257 | 1,203 | 1,323 | 1,428 | 1,244 | 1,252 | 1,359 | 1,450 | 1,253 | 1,352 |
| 192 | Joint Venture Losses | 100 | 50 | 25 | 13 | - | - | - | - | - | - |
| 45,258 | Total Expenses | 46,852 | 48,289 | 49,845 | 51,725 | 53,379 | 55,221 | 57,184 | 58,967 | 60,284 | 62,017 |
| (798) | Operating Surplus (Deficit) | 393 | 917 | 1,355 | 1,567 | 2,097 | 2,533 | 2,947 | 3,398 | 4,402 | 4,814 |
| 27 | Net gain/(loss) on disposal or revaluation of assets | 27 | 34 | 35 | 36 | 36 | 35 | 35 | 35 | 35 | 35 |
| 1,845 | Amounts received specifically for new or upgraded assets | 1,795 | 128 | 174 | 168 | 136 | 139 | 141 | 144 | 147 | 150 |
| | Physical resources received Free of charge | 4,000 | - | - | - | - | - | - | - | - | - |
| 1,074 | Net Surplus (Deficit) | 6,215 | 1,078 | 1,564 | 1,771 | 2,268 | 2,707 | 3,124 | 3,578 | 4,585 | 4,999 |
| Other Comprehensive Income | | | | | | | | | | | |
| 2,000 | Changes in revaluation surplus - infrastructure, property, plant & equipment | 7,574 | 7,832 | 8,063 | 8,421 | 8,775 | 9,096 | 9,456 | 9,804 | 10,146 | 9,969 |
| 2,000 | Total Other Comprehensive Income | 7,574 | 7,832 | 8,063 | 8,421 | 8,775 | 9,096 | 9,456 | 9,804 | 10,146 | 9,969 |
| 3,074 | Total Comprehensive Income | 13,789 | 8,911 | 9,627 | 10,192 | 11,044 | 11,803 | 12,580 | 13,382 | 14,731 | 14,968 |

Statement of Financial Position

| 2020–2021 Budget \$'000 | | 2021–2022 Plan \$'000 | 2022–2023 Plan \$'000 | 2023–2024 Plan \$'000 | 2024–2025 Plan \$'000 | 2025–2026 Plan \$'000 | 2026–2027 Plan \$'000 | 2027–2028 Plan \$'000 | 2028–2029 Plan \$'000 | 2029–2030 Plan \$'000 | 2030–2031 Plan \$'000 |
|--------------------------------|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Assets | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | |
| 5,069 | Cash & cash equivalents | 4,265 | 2,980 | 1,326 | 958 | 1,168 | 1,493 | 1,227 | 1,303 | 3,251 | 8,041 |
| 2,654 | Trade & other receivables | 2,842 | 2,798 | 2,743 | 2,796 | 2,767 | 2,789 | 2,779 | 2,775 | 2,781 | 2,778 |
| 7,723 | Total Current Assets | 7,107 | 5,778 | 4,069 | 3,755 | 3,935 | 4,282 | 4,006 | 4,078 | 6,032 | 10,819 |
| Non-current Assets | | | | | | | | | | | |
| 8 | Financial Assets | 4,008 | 3,774 | 3,535 | 3,295 | 3,051 | 2,801 | 2,545 | 2,283 | 2,015 | 1,740 |
| 2,772 | Equity accounted investments in Council businesses | 2,772 | 2,822 | 2,897 | 2,985 | 3,085 | 3,185 | 3,285 | 3,385 | 3,485 | 3,585 |
| 504,790 | Infrastructure, Property, Plant & Equipment | 546,679 | 560,315 | 582,307 | 600,977 | 618,057 | 638,061 | 656,947 | 669,831 | 683,488 | 696,753 |
| 507,570 | Total Non-current Assets | 553,459 | 566,911 | 588,739 | 607,257 | 624,193 | 644,046 | 662,777 | 675,498 | 688,987 | 702,077 |
| 515,292 | Total Assets | 560,567 | 572,688 | 592,807 | 611,011 | 628,128 | 648,328 | 666,783 | 679,576 | 695,019 | 712,896 |
| Liabilities | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | |
| 5,416 | Trade & Other Payables | 4,420 | 4,526 | 4,788 | 4,578 | 4,631 | 4,665 | 4,625 | 4,640 | 4,643 | 4,636 |
| 1,547 | Borrowings | 1,705 | 2,262 | 2,896 | 3,513 | 4,172 | 4,997 | 5,151 | 5,894 | 6,699 | 7,388 |
| 2,757 | Short-term Provisions | 2,705 | 2,744 | 2,735 | 2,728 | 2,736 | 2,733 | 2,732 | 2,734 | 2,733 | 2,733 |
| 9,721 | Total Current Liabilities | 8,830 | 9,532 | 10,419 | 10,819 | 11,538 | 12,395 | 12,508 | 13,268 | 14,075 | 14,757 |
| Non-current Liabilities | | | | | | | | | | | |
| 14,385 | Long-term Borrowings | 21,245 | 24,721 | 35,425 | 43,873 | 50,171 | 58,743 | 65,540 | 65,220 | 66,175 | 68,916 |
| 1,167 | Long-term Provisions | 1,164 | 1,160 | 1,164 | 1,163 | 1,162 | 1,163 | 1,162 | 1,162 | 1,163 | 1,163 |
| 1,541 | Other Non-current Liabilities | 1,641 | 1,691 | 1,716 | 1,728 | 1,728 | 1,728 | 1,728 | 1,728 | 1,728 | 1,728 |
| 17,093 | Total Non-current Liabilities | 24,050 | 27,571 | 38,305 | 46,764 | 53,061 | 61,633 | 68,431 | 68,111 | 69,066 | 71,807 |
| 26,813 | Total Liabilities | 32,880 | 37,103 | 48,724 | 57,583 | 64,599 | 74,029 | 80,938 | 81,378 | 83,141 | 86,563 |
| 488,479 | Net Assets | 527,687 | 535,585 | 544,084 | 553,429 | 563,529 | 574,299 | 585,844 | 598,198 | 611,878 | 626,333 |
| Equity | | | | | | | | | | | |
| 59,461 | Accumulated Surplus | 65,676 | 66,754 | 68,318 | 70,089 | 72,357 | 75,064 | 78,188 | 81,766 | 86,350 | 91,349 |
| 429,018 | Asset Revaluation Reserve | 462,011 | 468,831 | 475,766 | 483,340 | 491,172 | 499,235 | 507,656 | 516,432 | 525,528 | 534,984 |
| 488,479 | Total Equity | 527,687 | 535,585 | 544,084 | 553,428 | 563,529 | 574,299 | 585,844 | 598,197 | 611,878 | 626,333 |

Statement of Cash Flows

| 2020–2021 Budget \$'000 | | 2021–2022 Plan \$'000 | 2022–2023 Plan \$'000 | 2023–2024 Plan \$'000 | 2024–2025 Plan \$'000 | 2025–2026 Plan \$'000 | 2026–2027 Plan \$'000 | 2027–2028 Plan \$'000 | 2028–2029 Plan \$'000 | 2029–2030 Plan \$'000 | 2030–2031 Plan \$'000 |
|---|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Cash Flow from Operating Activities | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| 36,688 | Rates - general & other | 37,914 | 39,639 | 41,442 | 43,327 | 45,299 | 47,361 | 49,516 | 51,524 | 53,613 | 55,520 |
| 4,833 | Fees & User charges | 5,657 | 6,008 | 6,140 | 6,164 | 6,384 | 6,471 | 6,646 | 6,785 | 6,923 | 7,084 |
| 65 | Investment receipts | 113 | 156 | 151 | 145 | 140 | 134 | 128 | 122 | 115 | 109 |
| 2,348 | Grants utilised for operating purposes | 2,408 | 2,470 | 2,533 | 2,598 | 2,665 | 2,734 | 2,804 | 2,876 | 2,950 | 3,026 |
| 937 | Reimbursements & Other Income | 965 | 977 | 989 | 1,003 | 1,018 | 1,033 | 1,048 | 1,063 | 1,079 | 1,095 |
| Payments | | | | | | | | | | | |
| (15,885) | Employee Costs | (16,017) | (16,310) | (16,743) | (17,149) | (17,630) | (18,151) | (18,676) | (19,137) | (19,613) | (20,099) |
| (20,905) | Contractual services & materials | (20,488) | (19,836) | (20,322) | (21,433) | (21,538) | (22,132) | (22,847) | (23,429) | (23,806) | (24,491) |
| (800) | Finance payments | (773) | (900) | (1,080) | (1,321) | (1,522) | (1,743) | (1,964) | (2,081) | (2,129) | (2,216) |
| 7,280 | Net Cash provided by (or used in) Operating Activities | 9,778 | 12,203 | 13,110 | 13,335 | 14,816 | 15,706 | 16,656 | 17,723 | 19,132 | 20,027 |
| Cash Flows from Investing Activities | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| 1,845 | Amounts specifically for new or upgraded assets | 1,795 | 128 | 174 | 168 | 136 | 139 | 141 | 144 | 147 | 150 |
| 27 | Sale of replaced assets | 34 | 35 | 36 | 36 | 35 | 35 | 35 | 35 | 35 | 35 |
| - | Repayments of loans by community groups | 118 | 234 | 239 | 240 | 244 | 250 | 256 | 262 | 268 | 275 |
| Payments | | | | | | | | | | | |
| (11,626) | Expenditure on renewal/replacement of assets | (10,723) | (11,523) | (12,716) | (12,533) | (11,748) | (11,208) | (12,102) | (12,095) | (10,836) | (8,209) |
| (5,599) | Expenditure on new/upgraded assets | (8,723) | (6,295) | (13,735) | (10,578) | (10,128) | (13,894) | (12,102) | (6,317) | (8,458) | (10,817) |
| (100) | Capital contributed to joint ventures | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (100) |
| (19,095) | Net Cash provided by (or used in) Investing Activities | (17,599) | (17,521) | (26,103) | (22,768) | (21,562) | (24,778) | (23,872) | (18,070) | (18,944) | (18,666) |
| Cash Flows from Financing Activities | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| 5,871 | Proceeds from Borrowings - Capital/Projects | 8,723 | 6,295 | 13,735 | 10,578 | 10,128 | 13,894 | 12,102 | 6,317 | 8,458 | 10,817 |
| | Proceeds from Borrowings – Cash Deficits | - | - | 500 | 2,000 | 1,000 | 500 | - | - | - | - |
| Payments | | | | | | | | | | | |
| (1,806) | Repayments of Borrowings | (1,705) | (2,262) | (2,896) | (3,513) | (4,172) | (4,997) | (5,151) | (5,894) | (6,699) | (7,388) |
| 4,064 | Net Cash provided by (or used in) financing Activities | 7,018 | 4,033 | 11,339 | 9,065 | 6,956 | 9,397 | 6,951 | 423 | 1,760 | 3,430 |
| (4,108) | Net Increase (Decrease) in cash held | (803) | (1,285) | (1,654) | (368) | 210 | 324 | (265) | 76 | 1,948 | 4,791 |
| 9,177 | Cash & cash equivalents at beginning of period | 5,069 | 4,265 | 2,980 | 1,326 | 958 | 1,168 | 1,493 | 1,227 | 1,303 | 3,251 |
| 5,069 | Cash & cash equivalents at end of period | 4,265 | 2,980 | 1,326 | 958 | 1,168 | 1,493 | 1,227 | 1,303 | 3,251 | 8,041 |

Statement of Changes in Equity

| 2020–2021 Budget \$'000 | | 2021–2022 Plan \$'000 | 2022–2023 Plan \$'000 | 2023–2024 Plan \$'000 | 2024–2025 Plan \$'000 | 2025–2026 Plan \$'000 | 2026–2027 Plan \$'000 | 2027–2028 Plan \$'000 | 2028–2029 Plan \$'000 | 2029–2030 Plan \$'000 | 2030–2031 Plan \$'000 |
|----------------------------------|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Accumulated Surplus | | | | | | | | | | | |
| 58,387 | Balance at end of previous reporting period | 59,461 | 65,676 | 66,754 | 68,318 | 70,089 | 72,357 | 75,064 | 78,188 | 81,766 | 86,350 |
| 1,074 | Net Surplus/(Deficit) for Year | 6,215 | 1,078 | 1,564 | 1,771 | 2,268 | 2,707 | 3,124 | 3,578 | 4,585 | 4,999 |
| 59,461 | Balance at end of period | 65,676 | 66,754 | 68,318 | 70,089 | 72,357 | 75,064 | 78,188 | 81,766 | 86,350 | 91,349 |
| Asset Revaluation Reserve | | | | | | | | | | | |
| 427,018 | Balance at end of previous reporting period | 429,018 | 462,011 | 468,831 | 475,766 | 483,340 | 491,172 | 499,235 | 507,656 | 516,432 | 525,528 |
| 2,000 | Gain on revaluation of infrastructure, property, plant & equipment | 32,993 | 6,820 | 6,935 | 7,574 | 7,832 | 8,063 | 8,421 | 8,775 | 9,096 | 9,456 |
| 429,018 | Balance at end of period | 462,011 | 468,831 | 475,766 | 483,340 | 491,172 | 499,235 | 507,656 | 516,432 | 525,528 | 534,984 |
| 488,479 | Total Equity at the end of the Reporting Period | 527,687 | 535,585 | 544,084 | 553,428 | 563,529 | 574,299 | 585,844 | 598,197 | 611,878 | 626,333 |

Uniform Presentation of Finances

| 2020–2021 Budget \$'000 | | 2021–2022 Plan \$'000 | 2022–2023 Plan \$'000 | 2023–2024 Plan \$'000 | 2024–2025 Plan \$'000 | 2025–2026 Plan \$'000 | 2026–2027 Plan \$'000 | 2027–2028 Plan \$'000 | 2028–2029 Plan \$'000 | 2029–2030 Plan \$'000 | 2030–2031 Plan \$'000 |
|---|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 44,460 | Operating Revenues | 47,244 | 49,205 | 51,199 | 53,292 | 55,476 | 57,754 | 60,131 | 62,365 | 64,686 | 66,831 |
| (45,258) | less Operating Expenses | (46,852) | (48,289) | (49,845) | (51,725) | (53,379) | (55,221) | (57,184) | (58,967) | (60,284) | (62,017) |
| (798) | Operating Surplus (Deficit) | 393 | 917 | 1,355 | 1,567 | 2,097 | 2,533 | 2,947 | 3,398 | 4,402 | 4,814 |
| Less: Net Outlays on Existing Assets | | | | | | | | | | | |
| (11,626) | Capital Expenditure on Renewal/Replacement of Existing Assets | (10,723) | (11,523) | (12,716) | (12,533) | (11,748) | (11,208) | (12,102) | (12,095) | (10,836) | (8,209) |
| 27 | less Proceeds from Sale of Replaced Assets | 34 | 35 | 36 | 36 | 35 | 35 | 35 | 35 | 35 | 35 |
| 9,734 | less Depreciation, Amortisation & Impairment | 10,525 | 11,051 | 11,418 | 12,027 | 12,629 | 13,162 | 13,739 | 14,303 | 14,733 | 15,218 |
| (1,864) | | (165) | (437) | (1,262) | (470) | 916 | 1,989 | 1,672 | 2,244 | 3,932 | 7,044 |
| Less: Net Outlays on New and Upgraded Assets | | | | | | | | | | | |
| (5,599) | Capital Expenditure on New/Upgraded Assets | (8,723) | (6,295) | (13,735) | (10,578) | (10,128) | (13,894) | (12,102) | (6,317) | (8,458) | (10,817) |
| - | less Assets received Free of charge | 4,000 | - | - | - | - | - | - | - | - | - |
| 1,105 | less Amounts received specifically for new or upgraded assets | 1,845 | 128 | 174 | 168 | 136 | 139 | 141 | 144 | 147 | 150 |
| (4,494) | | (2,878) | (6,167) | (13,561) | (10,410) | (9,992) | (13,755) | (11,961) | (6,173) | (8,311) | (10,667) |
| (7,157) | Net Lending (Borrowing) for Financial Year | (2,649) | (5,687) | (13,468) | (9,313) | (6,980) | (9,233) | (7,341) | (531) | 23 | 1,190 |

Key Performance Indicators

| 2020–2021 Budget Budget | | 2021–2022 Plan | 2022–2023 Plan | 2023–2024 Plan | 2024–2025 Plan | 2025–2026 Plan | 2026–2027 Plan | 2027–2028 Plan | 2028–2029 Plan | 2029–2030 Plan | 2030–2031 Plan |
|---|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Outcome 1: A Balanced Budget | | | | | | | | | | | |
| (798) | Operating Surplus / (Deficit) - \$'000 | 393 | 917 | 1,355 | 1,567 | 2,097 | 2,533 | 2,947 | 3,398 | 4,402 | 4,818 |
| (1.8%) | Operating Surplus Ratio - % | 0.8% | 1.9% | 2.7% | 3.0% | 3.8% | 4.4% | 4.9% | 5.5% | 6.8% | 7.2% |
| Outcome 2: Rate Stability | | | | | | | | | | | |
| 0.65% | Rate Revenue Increase - % | 4.51% | 4.55% | 4.55% | 4.55% | 4.55% | 4.55% | 4.55% | 4.05% | 4.05% | 3.56% |
| Outcome 3: Infrastructure and Asset Management | | | | | | | | | | | |
| 125.7% | Asset Sustainability Ratio - % (Rolling three year average) | 110.1% | 104.3% | 101.6% | 102.7% | 102.4% | 102.9% | 102.9% | 103.5% | 103.4% | 103.4% |
| 110% | Asset Sustainability Ratio - % (Annual) | 100% | 104% | 101% | 104% | 103% | 103% | 104% | 105% | 103% | 104% |
| Outcome 4: Debt Management | | | | | | | | | | | |
| 19,083 | Net Financial Liabilities - \$'000 | 21,764 | 27,552 | 41,120 | 50,533 | 57,612 | 66,946 | 74,387 | 75,018 | 75,094 | 74,004 |
| 42.9% | Net Financial Liabilities Ratio - % | 46.0% | 56.0% | 80.3% | 94.0% | 103.9% | 115.9% | 123.7% | 120.3% | 116.1% | 110.7% |
| 7.2% | Debt Servicing Ratio - % | 6.5% | 8.0% | 9.5% | 11.0% | 12.6% | 14.2% | 14.4% | 15.5% | 16.5% | 17.3% |

Council Facilities

The Council's Principal Office is located at:

Norwood Town Hall
175 The Parade, Norwood

Additional sites of operation include:

Glynde Depot
30 Davis Street, Glynde

Norwood Library
110 The Parade, Norwood

St Peters Library
101 Payneham Road, St Peters

Payneham Library & Community
Facilities Complex (Tirkandi)
2 Turner Street, Felixstow

Payneham Community Centre
374 Payneham Road, Payneham

Cultural Heritage Centre
101 Payneham Road, St Peters

Norwood Swimming Centre
Phillips Street, Kensington

Payneham Memorial Swimming Centre
OG Road, Felixstow

The Council also owns and operates:

St Peters Child Care Centre and Preschool
42-44 Henry Street, Stepney

Norwood Concert Hall
175 The Parade, Norwood

Additional Copies



The 2021–2031 Long-Term Financial Plan can be viewed online at www.nrsp.sa.gov.au

Further information

For more information on the Council's 2021–2031 Long-Term Financial Plan, please visit www.nrsp.sa.gov.au or phone 8366 4555.

The Council's website at www.nrsp.sa.gov.au provides further details about the Council's activities, policies and plans for the future.

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
**Norwood
Payneham
& St Peters**

11.4 ERA WATER LONG TERM FINANCIAL PLAN & 2020-2021 FIRST BUDGET REVIEW

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA65694/A108086
ATTACHMENTS: A - B

PURPOSE OF REPORT

The purpose of this report is to present to the Council the ERA Water Long Term Financial Plan (the Plan) and 2020-2021 First Budget Review for endorsement.

BACKGROUND

ERA Water is a Regional Subsidiary established pursuant to Section 43 of the *Local Government Act 1999*, for the primary purpose of implementing and managing the Waterproofing Eastern Adelaide Project (the Scheme), which involves the establishment of wetland bio-filters, aquifer recharge and recovery, pipeline installations and water storage facilities. ERA Water manages the Scheme and provides recycled stormwater to the Constituent Councils (and other customers) for the irrigation of parks and reserves. The City of Norwood Payneham & St Peters, together with the City of Burnside and the Town of Walkerville make up the Constituent Councils of ERA Water.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Pursuant to Clause 5.5.1 of the Charter, ERA Water must prepare and submit a Long Term Financial Plan, covering a period of at least three (3) years, to the Constituent Councils for approval.

Pursuant to Clause 5.1.6 of the Charter, ERA Water must reconsider its annual Budget in accordance with the Act at least (3) times at intervals of not less than three (3) months between 30 September and 31 May (inclusive) in the relevant Financial Year and may with the unanimous approval of the Constituent Councils amend its annual Budget for a Financial Year at any time before the year ends.

FINANCIAL AND BUDGET IMPLICATIONS

Long Term Financial Plan

There are no immediate financial impacts on the Council resulting from the adoption of the ERA Water Long Term Financial Plan.

As a Constituent Council of ERA Water, the Council is required to account for its share of ERA Water in the Council's Financial Statements. The Council has a one-third (equal share holding with the other Constituent Councils) ownership share of ERA Water.

Based on the assumptions set out in the Long Term Financial Plan, a copy of which is contained in **Attachment A**, it is forecast that ERA Water will breach its debt limit of \$15.3 million in either late 2021-2022 or the 2022-2023 financial year.

While the Plan outlines potential mitigation strategies to manage this situation, the strategies if implemented are likely only to defer the situation rather than prevent the existing debt cap from being exceeded. Therefore the Constituent Councils may be required to make a capital contribution to assist in funding the operations or approve an increase in the existing debt limit to \$16.2 million.

2020-2021 First Budget Review

As part of the 2020-2021 Annual Budget, the Council forecast a loss from the operations of ERA Water of \$196,000. As a result of the first Budget Review, ERA Water is now forecasting an operating loss of \$948,000. The Councils share of the loss is \$361,000, an increase of \$120,300, which will be reflected in the Council's Budget forecasts as part of its Mid-Year Budget Review.

A copy of the ERA Water First Budget Update is contained in **Attachment B**.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

ERA Water was established to deliver the Waterproofing Eastern Adelaide Project which involved the establishment of wetlands, aquifer recharge and recovery facilities, pipeline installations and water storage facilities. The intention of the Project is to allow for the capture, treatment, storage and delivery of stormwater for irrigation purposes to reduce the reliance on mains water for irrigation in the greater Adelaide region.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

As with any forward estimates, the financial forecasts are based on a set of assumption, which are made with reference to the information available at a point in time.

In preparing the Plan, ERA Water has taken into account a number of external and internal influences and risk which have the potential in limiting ERA Water's ability in achieving the financial outcomes set out in the Plan.

The risks and influences considered are set out in the Plan contained in **Attachment A**.

COVID-19 IMPLICATIONS

Not Applicable.

CONSULTATION

- **Elected Members**
Cr John Minney is a member of the ERA Water Board and currently the Acting Chairperson of the Board.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

Long Term Financial Plan

The 2020-2029 ERA Water Long Term Financial Plan was predicated on ERA Water being in a position to harvest and deliver water to both its Constituent Councils and third party customers, at a rate lower than the SA Water price by the 2021-2022 Financial Year and while the all planned reserves within Burnside, Norwood Payneham & St Peters and Walkerville plus the first external customer have been connected to the ERA Water network, a number of the key assumptions adopted in developing the financial forecasts have weakened in the 2021-2030 ERA Water Long Term Financial Plan.

The key impact on long term forecast has been the reduction in the SA Water price by 18.5% to \$2.78 per kL. It should be noted that ERA Water is not in a position to produce water at the price below the SA Water price over the life of the Plan.

As per previous Plans, water sales will be made to the Constituent Council based on the “take or pay” volume of 205 ML. However, it should be noted that the sale price, based on full operating cost recovery, is 2.0% higher than the SA Water Price. For this Council, the take or pay volume is set at 77 ML, which is based on the volumes that were provided to ERA Water, therefore the Council will incur additional water charges of \$4,900 per annum on average over the 10 year period for water purchased from ERA Water.

Third party sales have been estimated based on the predicted availability of water being available for sale. To date, ERA Water has secured water sales of 45 ML per annum.

A copy of the 2021-2030 Long Term Financial Plan is contained in **Attachment A**.

2020-2021 First Budget Review

Due to the combined impact of the reduction of the SA Water price to \$2.78 per kL and reduced volume of water sales, due to uncertainty in the reliability of water supply and delays in external parties committing to contracts, ERA Water is forecasting sales revenue of \$686,500, a reduction of \$275,000.

Operating Expenditure is forecast to increase to \$1.634 million, an increase of \$85,000. The increase predominately due to the appointment of a Principal Operator, who will undertake the operations and maintenance activities previously undertaken by external contractors. However, it is anticipated that the reduced reliance on external contractors will reduce the operations and maintenance costs by \$250,000 per annum.

The net impact of the proposed budget adjustments is an increase in the forecast Operating loss to \$948,000 and increase of \$361,000 on the Adopted Budget. This Councils share of the increased loss is \$120,300.

A copy of the 2020-2021 First Budget Review is contained in **Attachment B**.

OPTIONS

The Council can choose not to endorse the ERA Water Long Term Financial Plan or the 2020-2021 First Budget Review, however, there are no specific issues or activities which present a financial or risk management issue for this Council which warrant the Council taking this course of action.

CONCLUSION

As with any financial projections, the Long Term Financial Plan and the First Budget Review has been developed based on a number of assumptions, which have been determined with reference to available information and knowledge at the time of preparing the Plan or undertaking the review. Those assumptions have been reviewed and on the premise that those assumption hold true, the financial projections provide a fair and reasonable prediction of the future financial performance and capacity of ERA Water.

COMMENTS

Nil.

RECOMMENDATION

1. That ERA Water be advised that pursuant to Clause 5.5 of the Charter, the Council has considered and approves the 2021 - 2030 Long Term Financial Plan.
2. That ERA Water be advised that pursuant to Clause 5.1 of the Charter, the Council has considered and approves the 2020-2021 First Budget Review.

Attachments – Item 11.4

Attachment A

ERA Water Long Term Financial Plan & 2020-2021 First Budget Review

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
**Norwood
Payneham
& St Peters**

ERA WATER

DRAFT

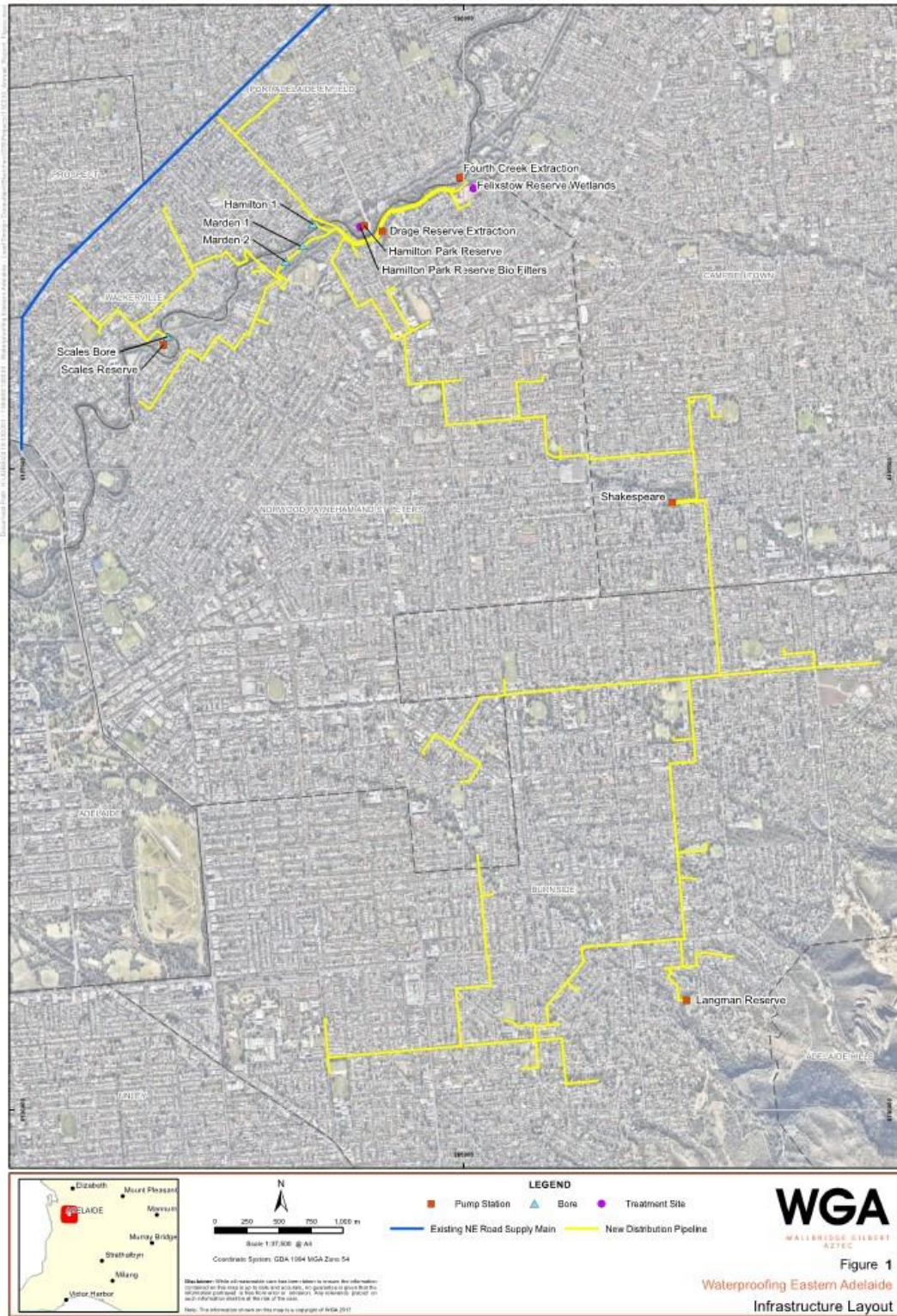
Long Term Financial Plan 2021 – 2030



Felixstow Reserve Treatment Facility



ERA Water Pipe Network:



Produced by: BRM Advisory
Date Produced: 6 November 2020
Date Endorsed:

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EXECUTIVE SUMMARY

The ERA Water Scheme (Scheme) was commissioned in December 2018, since that time optimisation of the Scheme has occurred and water is now being supplied to Constituent Council reserves.

As of November 2020, all planned Constituent Council reserves and the first external customer reserves have been connected to the ERA Water network.

Since 2018, the Scheme has been hampered by dry climatic conditions, operating and capital cost overruns and lower than expected water injection and sales. The combination of these factors has meant that the financial performance of ERA Water since commissioning has been significantly below original expectations.

In addition to the above, on 30 June 2020, SA Water announced a 18.5% reduction in its commercial water price. As ERA Water sought to sell water at or below the SA Water price this price reduction has had a catastrophic impact on the financial viability of ERA Water and has resulted in the significant value loss for the Constituent Councils.

As we continue to learn more about performance of the ERA Water network and aquifer the reliability of the information and assumptions that support ERA Water's financial forecasts improves. We now have a more realistic and reliable forecast model which is based on what we consider reasonable assumptions as opposed to design or best-case outcomes.

Unfortunately, the recent performance of the Scheme has been poor and it is now highly unlikely that ERA Water will be able to trade within its existing debt cap nor be in a position to meet its financial objective of providing Constituent Councils with water below the SA Water Price over the LTFP period.

Despite these significant issues, ERA Water has made progress in recent months to restructure operations and improve financial and operational performance.

The major initiative undertaken is to transfer most operations and maintenance work to an internal resource who has recently been employed to replace the external contractor model which was financially unsustainable. ERA Water expects that this new structure will result in a reduction in long term annual operations and maintenance costs to a level below \$250,000 per annum as well as having internal access to skills to cost-effectively optimise the system as injection and extraction processes continue to be refined.

Steps are also being taken to increase the long-term reliability of supply through additional extraction licenses, although the financial impact of this has not been included in this LTFP.

The financial projections contained within the Plan are designed to provide an indication of the direction and financial capacity of ERA Water rather than predicting the future financial performance and position of the Subsidiary. As with all plans, it is likely that circumstances will change, risks will come to fruition and results will vary over the life of the Plan, therefore, the underlying assumptions are regularly reviewed by the Board to ensure the Subsidiary can deliver on its objectives in the future.

In line with the Local Government Act, 1999 and the Local Government (Financial Management) Regulations 2011, the projected Financial Statements, in the prescribed form are contained in Section 7.

1. INTRODUCTION

ERA Water was formed as a subsidiary under section 43 of the Local Government Act (1999) by the City of Burnside, the City of Norwood Payneham and St Peters and the Corporation of the Town of Walkerville on 21 July 2015.

ERA Water came into existence as a result of the Waterproofing Eastern Adelaide project which was supported through funding from the Australian Government's National Urban Water and Desalination Plan, and the Adelaide and Mount Lofty Ranges Natural Resources Management Board, which assisted the current Constituent Councils as well as the Campbelltown City Council and the City of Tea Tree Gully in the initial stages of the project.

The Waterproofing Eastern Adelaide project involved the establishment of wetlands, aquifer recharge and recovery, pipeline installations and water storage facilities. The primary purpose of ERA Water is for Aquifer Storage and Recovery (ASR) - a system of harvesting, cleaning and injecting cleaned water into aquifers for irrigation. The infrastructure was designed to allow the system to capture, treat, store and deliver stormwater for irrigation purposes at a lower cost than purchasing water from SA Water.

The scheme comprises two treatment sites (which are designed to harvest 600 ML of stormwater per annum and yielding for use 540 ML of water per annum) as well as 46km of distribution pipe network across the three Constituent Council areas. The distribution network is designed to deliver recycled water to Constituent Council reserves as well as to other potential customers in these areas and beyond.

In forming the Subsidiary, the Constituent Councils recognised the need to deliver for their ratepayers and residents enhanced and improved services by the most efficient and effective means possible. Thus, in addition to the intended financial benefit of reducing operational spending on local reserve irrigation for the Constituent Councils, ERA Water will assist to green suburbs, particularly during times of drought, and enhance the quality of water discharged into the Spencer Gulf. It will also reduce the demand placed on the Murray River by using recycled water for greening and irrigation.

The Local Government Act 1999 requires Councils and Subsidiaries to prepare a Long Term Financial Plan (LTFP) covering a period of at least 10 years. The Plan is a key document in the Strategic Planning Framework. It is the primary financial management tool which links the Strategic Plan, Asset Management Plans and the Annual Business Plan and Budget.

The financial projections contained within the LTFP are meant to provide an indication of the direction and financial capacity rather than predicting the future financial performance and position of the Subsidiary. The LTFP should be viewed as a guide to future actions or opportunities which encourages ERA Water to think about the future impact of decisions made today on long-term financial sustainability.

2. STRATEGIC PLANNING FRAMEWORK

The LTFP is integral to the suite of Strategic Management Plans providing the critical link between the:

- Strategic Plan;
- Asset Management Plans and;
- Annual Business Plan and Budget.

| Plan | Status |
|---------------------------------|--|
| Strategic Plan | ERA Water does not have a documented Strategic Plan. The Board of ERA Water is awaiting the outcome of current strategic initiatives before committing to a formal plan. |
| Long Term Financial Plan | Updated based on most recent and reliable performance information of the Scheme. |
| Asset Management Plan | As the scheme has recently been built, there are no material assets due for renewal over the next ten years. As assets age, ERA Water will need to develop Asset Management Plans to drive future asset renewal decisions. |
| Annual Business Plan and Budget | Financial statements and strategies over a one year horizon. |

3. STRATEGIC FOCUS

Despite not having an endorsed Strategic Plan, ERA Water is currently progressing three key strategic initiatives.

1. Reduce operating costs

Steps have been taken to reduce operations and maintenance costs by implementing an in-house resourcing model from December 2020 onwards. Other controllable costs are constantly being reviewed to identify further savings. There are unavoidable governance and operational costs associated with operating a Regional Subsidiary that must be factored into the cost base of ERA Water.

2. Increase the reliability of supply of water

The level of reliance on rainfall and the Third and Fourth Creek catchments makes ERA Water's water supply highly susceptible to drought conditions. In drier than average years, or if key Scheme infrastructure is offline for a period of time, the impact on the financial performance of the Scheme can be significant.

ERA Water is currently in discussions with the relevant State Government departments about seeking additional extraction licenses relating to other water sources to improve the reliability of supply.

3. Potential divestment

The ERA Water Board has resolved to undertake investigations around the potential value that could be realised by Constituent Councils if ERA Water was to be sold. These discussions are ongoing.

4. GOVERNANCE

As a Subsidiary, ERA Water is governed by a Board of Management under a Charter in accordance with the Local Government Act (1999). The Board has responsibility for the administration of the affairs of the Subsidiary and ensuring that the Subsidiary acts in accordance with the Charter and all relevant legislation, including the Local Government Act (1999).

The Board consists of four members, made up of a representative from each of the three constituent Councils plus an Independent Chairperson. The current Board members are:

| | |
|---------------------------------------|-------------------------------|
| Independent Chairperson: | Position currently vacant. |
| City of Burnside: | Cr Sarah Hughes |
| Town of Walkerville: | Kiki Cristol, CEO |
| City of Norwood, Payneham & St Peters | Cr John Minney (Acting Chair) |

ERA Water also employs staff, a part-time (3 days per week) General Manager and a full time Principal Operator (to commence in December 2020).

5. REGULATION AND COMPETITION

ERA Water is a small-scale water utility which has financed, designed, constructed, and will operate and manage, assets and infrastructure to deliver recycled water to customers, including the Constituent Councils, under commercial agreements with these customers.

As a water utility, ERA Water's activities are subject to external regulation and licencing by State Government agencies, including the Essential Services Commission of SA (ESCOSA), who is the economic / water pricing regulator, and the Department for Environment & Water (DEWNR) and Environment Protection Authority (EPA), who are the environmental regulators.

ERA Water's only current competitor for supply of water to its intended customer base is the South Australian Water Corporation (SA Water).

6. FINANCIAL OBJECTIVES

The ERA Water Board is committed to prudent Financial Management to support long term financial sustainability.

For ERA Water, financial sustainability means having a financial position capable of delivering, on average over time a water price that is lower than that charged by SA Water. ERA Water's financial objectives are as follows.

Objective 1: Reduce debt

ERA Water has existing borrowings of approximately \$14 million. This debt has been used to fund construction of the Scheme and recent operational losses. Given the long-term life of the assets of ERA Water, the prudent use of debt helps to provide intergenerational equity between current and future users.

Reducing this debt exposure over the life of the Scheme is a core financial objective of ERA Water.

Objective 2: Lower Water Prices

Delivering water at a price below SA Water requires the cost of operations, financing, risk and depreciation of infrastructure and assets, to be fully funded by the sale of water to third parties and to the Constituent Councils.

ERA Water is forecast to be unable to produce water at a price below SA Water during the LTFP period.

Objective 3: Infrastructure and Asset Management

Maintain Infrastructure and Assets in line with the best practice asset management principles.

Objective 4: Debt Management

Prudent use of debt to invest in long term assets to ensure intergenerational equity between current and future users.

Objective 5: Equitable Distribution of Financial Surplus

Any surplus generated by the Subsidiary will be distributed in accordance with the contribution made by each Constituent Council to generating that surplus.¹

¹ Although each of the Constituent Councils has a one third interest in ERA Water, the current Pricing Policy states that any surplus generated by ERA Water is to be used to lower the cost of water to each of the Constituent Councils. Thus, those Councils who committed to taking larger volumes of water could receive a proportionately higher benefit than those who use lower volumes of water

7. KEY ASSUMPTIONS AND RISKS

7.1 Key influences and risks

This LTFP generates information which is used to guide decisions about ERA Water operations into the future. However, as with any long-term plan, the accuracy of this LTFP is subject to many inherent influences. These variables and risks can be divided into three main groups:

7.1.1 External Influences – items outside of ERA Water’s control:

Unforeseen economic changes or circumstances such as:

- Interest rates fluctuations;
- Consumer Price Index;
- SA Water’s future pricing strategy; and
- Competition from other providers.

Unforeseen political changes or circumstances such as:

- Changes to licence conditions and charges;
- A change in the level of and cost of legislative compliance; and
- A change in the level of support and commitment from the Constituent Councils.

Variable Climatic Conditions such as:

- Storm or Force Majeure Events;
- Flooding; and
- Drought.

7.1.2 Internal Influences – items that ERA Water can control:

- Agreed service levels;
- Asset Management;
- Water Pricing Policy;
- Generating efficiencies in service delivery and administrative support; and
- Salaries and wages.

7.1.3 Key Business Drivers:

- Reliability of supply of water;

- Identification and contracting of external customers;
- Cost of operations and maintenance;
- Identification of additional sources of revenue (i.e. grants); and
- Levels of Constituent Council support.

7.2 Key Financial Assumptions

General:

7.2.1 Cost Escalation

The Consumer Price Index (CPI) measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of expenditure by the CPI population group (i.e. metropolitan households). The Reserve Bank of Australia has an inflationary target of between 2% and 3% per annum.

Inflation increases have been set at 2.2% for the life of the LTFP.

Revenue:

7.2.2 Water Pricing

The current SA Water price is \$2.78 k/l (down from \$3.41 in FY2020). Based on potential average annual water sales of around 400ML, the reduction in SA Water price will have a \$0.25 million impact on ERA Water per annum in perpetuity.

The LTFP models this price to increase by CPI over the plan period.

All external customers are assumed to pay 85% of the SA Water price. Some may pay a higher charge to recover all or part of the cost of their connection to the Scheme. The LTFP does not include additional revenue that may be generated from recovering connection costs.

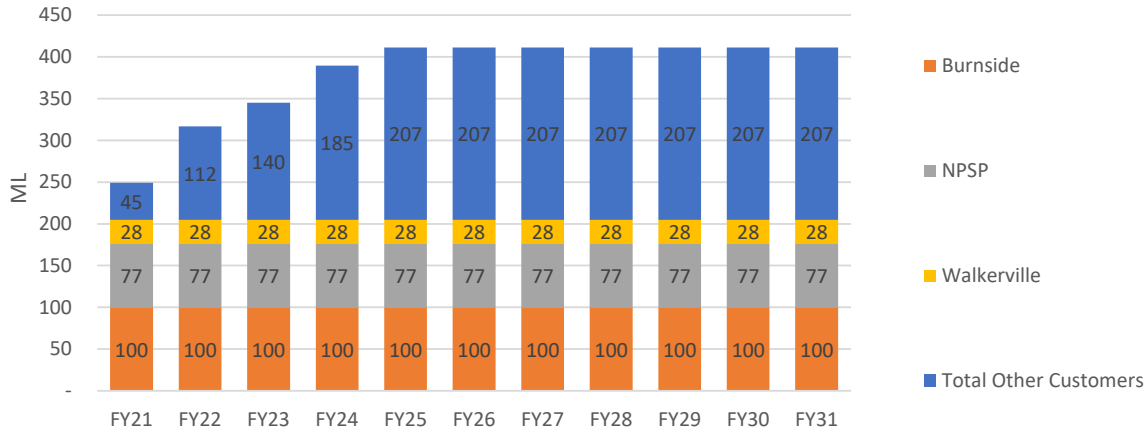
7.2.3 Water Volumes

The Constituent Councils are forecast to 'take or pay' for the following volumes of water.

| Council | Volume (ML) |
|---------------------|--------------------|
| Burnside | 100.00 |
| NPSP | 76.67 |
| Walkerville | 28.00 |
| ERA Councils | 204.67 |

Forecast external customer demand is shown in the following chart. As at November 2020, ERA Water has secured approximately 45ML of sales to external customers.

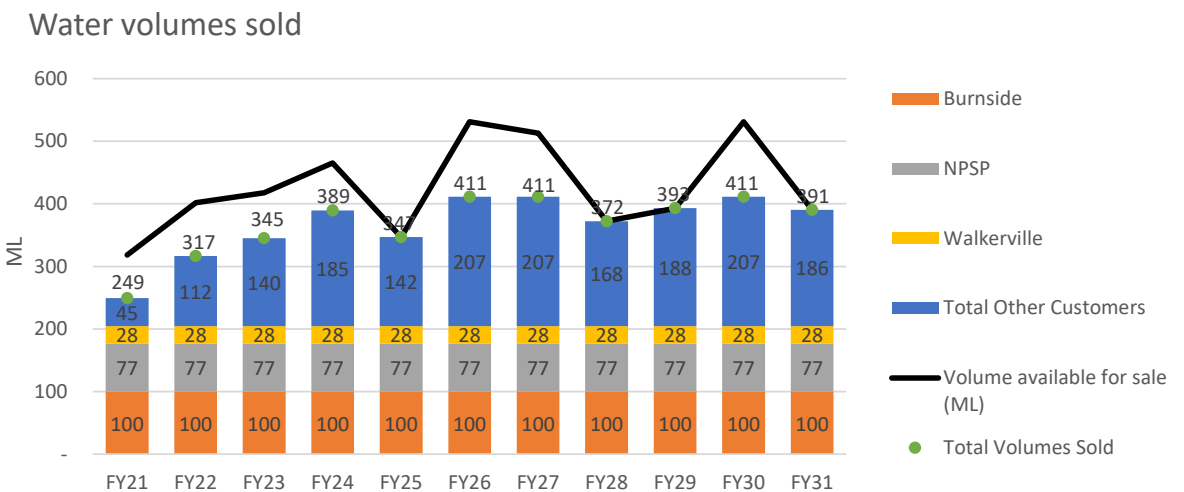
Water Demand



Water sales will also be constrained by the availability of supply. Supply is driven by factors including:

- Timing and amount of water sold;
- Climatic conditions (i.e. the amount of rainfall and the number of rainfall days);
- Performance of the aquifer (i.e. recovery efficiency which is currently assumed at 70%);
- Performance of the Scheme equipment (i.e. performance of the UV unit, bio filters and pumps); and
- Injection capacity (i.e. performance of the bores and whether or not a Scales 2 bore is connected).

Sales is a function of both demand and supply; when water is not available, it cannot be sold. The chart below shows the volumes of water forecast to be sold in the LTFP. The green dots represent sales volumes and the black line represents forecast water availability.



While the Scheme has the potential to supply up to 454 ML per annum, the maximum assumed supply volume in any given year is 411 ML, which reflects the inherent level of risk relating to both water supply and demand. In addition, we have also modelled a level of unpredictability in climatic conditions and have assumed that each third year of the LTFP is a 'dry year'. This reduces the amount of water available for supply and hence sales volumes in the year following a 'dry year'.

This iteration of the LTFP represents a more realistic assessment of future sales volumes and provides for a level of uncertainty reflective of the significant operational risks in relation to the Scheme.

Expenses:

7.2.4 Employee Costs

Employee costs include provisions for the following.

- Executive Officer
- Principal Operator
- Customer & Admin Support

Employee Costs have been increased by CPI over the life of the LTFP.

7.2.5 Materials, Contracts and Other Expenses

Materials, Contracts and Other Expenses include provisions for administrative and operational expenditures on the following costs.

- Audit & Accounting
- Governance
- Bank charges
- Electricity
- Information technology
- Insurances
- Licencing and Testing
- Maintenance and operations
- Office Expenses
- Premises
- Professional Services
- Staff Amenities & Development

- Telecommunications and SCADA
- General expenses

Materials, contracts and other expenditure have been escalated at 2.3% over the life of the Plan, other than Operations and Maintenance expenditure which is forecast to reduce following the full year impact of the operations restructure.

Operations and maintenance costs are forecast to be \$250k in FY2022, \$235k in FY2023 and then inflated by CPI for each year after that.

Electricity costs are forecast to increase to \$125k per annum in FY2022 (from \$100k in FY2021) as a result of larger volumes of water being pumped around the Scheme and then inflated by CPI for each year after that.

7.2.6 Finance

Based on the principle of intergenerational equity, the LTFP assumes that ERA Water will continue to be funded through a Cash Advance Debenture (CAD) Loan sourced from the LGFA.

A current ten year fixed interest rate facility with the LGFA has an interest rate of 2.0%.

ERA Water currently has \$5 million of debt fixed at an interest rate of 2.9% expiring in FY2024 with the remaining debt assumed to be CAD with an assumed interest rate over the ten year plan of 2.45% (which is a conservative estimate when compared with the current CAD rate and ten year borrowing rate).

7.2.7 Capital Expenditure

ERA Water has a recurring \$50k general provision for new capital expenditure in each year of the LTFP.

\$400k is included in FY2023 to connect the Scales 2 bore which will increase injection capacity up to 80 l/s which is what the original scheme designs were based on. This capital will only be expended at the time if there is a financial business case to do so.

There are provisions of \$150k in FY2022 and \$100k in FY2023 to cover some of the cost of external customer connections to the Scheme. ERA Water has a policy position that it will seek to recover the cost of external connections from customers by reducing the standard discount on water pricing until the cost of the connection is recovered over time. If this can be achieved, the capital expenditure provision in the LTFP may be overstated.

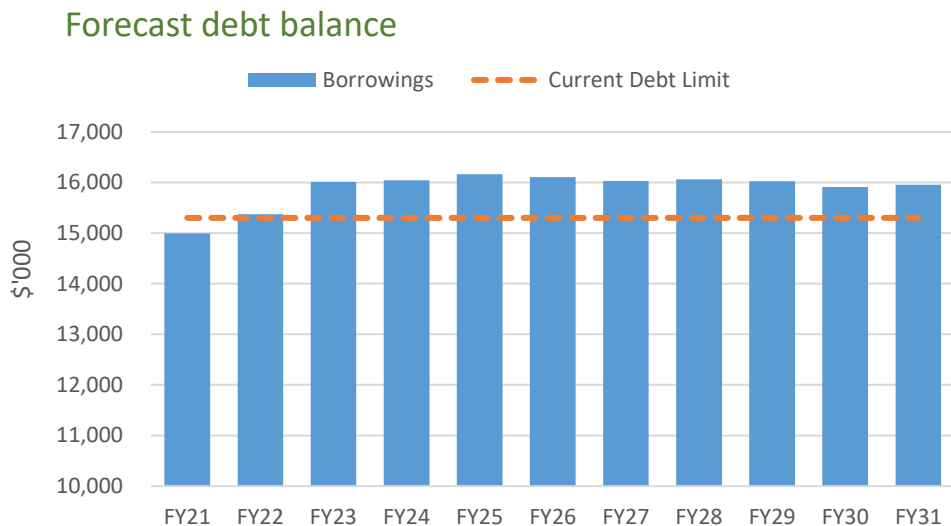
The financial projections included in the Plan are based on asset renewal and replacement in line with the estimated useful life of each asset class as shown in the Table below.

| Depreciation | LIFE (YRS) |
|-----------------------------------|------------|
| Pipes/Conduits/Cables/ Earthworks | 70 |
| Pump/fitting | 20 |
| Bores | 70 |
| Mechanical Components | 20 |
| Sunk costs | 70 |
| Stormwater Structures | 50 |
| Network Connections | 70 |

No assets require renewal or replacement over the life of the Plan.

7.2.8 Debt Levels

Given the expected levels of operating performance, ERA Water does not expect to be in a position to materially decrease its debt balance over the LTFP period. The chart below shows the forecast level of borrowings over the LTFP:



The current debt limit of \$15.3 million is forecast to be breached either in late FY2022 or in FY2023.

There are limited mitigation strategies that ERA Water can undertake to prevent this forecast breach. Some potential mitigation strategies are to:

- sell additional water to external customers faster than predicted in the LTFP;
- further reduce the cost base;
- Defer the Scales 2 bore connection, however but this could result in less injection and less revenue;

These mitigation strategies are unlikely to be successful in preventing a breach of the existing debt cap over the LTFP period.

7.2.9 Depreciation

Depreciation is an allowance that represents the consumption of an asset's service potential, or put simply its wear and tear. Depreciation is based on the written down replacement value of an asset.

Under accounting standards, ERA Water will be required to undertake an independent valuation of its major asset classes every five years. For modelling purposes, the escalation rates to reflect asset revaluations which are applied in the financial projections is consistent with CPI across the life of the Plan.

Depreciation is calculated on a straight-line basis.

8. FINANCIAL STATEMENTS

Statement of Comprehensive Income

| \$ | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Fcst | Fcst | Fcst | Fcst | Fcst | Fcst | Fcst | Fcst | Fcst | Fcst | Fcst |
| Income | | | | | | | | | | | |
| User Charges | | | | | | | | | | | |
| Water Sales ERA Councils | 581,529 | 594,336 | 607,426 | 620,803 | 634,476 | 648,449 | 662,730 | 677,326 | 692,243 | 707,488 | 723,070 |
| Water Sales Other Customers | 105,023 | 269,950 | 346,060 | 465,046 | 365,996 | 543,544 | 555,502 | 460,183 | 528,839 | 592,978 | 544,887 |
| Grants, Subsidies and Contributions | - | - | - | - | - | - | - | - | - | - | - |
| Investment Income | - | - | - | - | - | - | - | - | - | - | - |
| Total Income | 686,553 | 864,286 | 953,486 | 1,085,849 | 1,000,472 | 1,191,993 | 1,218,232 | 1,137,509 | 1,221,082 | 1,300,466 | 1,267,957 |
| Expenses | | | | | | | | | | | |
| Employee Costs | 189,500 | 253,680 | 256,064 | 268,854 | 275,037 | 281,363 | 287,835 | 294,455 | 301,227 | 308,155 | 315,243 |
| Materials, Contracts & Other Expenses | 594,461 | 391,698 | 383,282 | 391,970 | 400,855 | 409,941 | 419,233 | 428,736 | 438,455 | 448,394 | 458,558 |
| Depreciation & Amortisation | 461,830 | 468,081 | 473,438 | 477,724 | 524,759 | 525,474 | 526,188 | 526,902 | 527,617 | 579,651 | 580,365 |
| Finance Costs | 388,407 | 389,843 | 399,153 | 404,689 | 393,068 | 396,008 | 394,538 | 393,900 | 393,558 | 392,578 | 477,408 |
| Total Expenses | 1,634,198 | 1,503,302 | 1,511,938 | 1,543,237 | 1,593,720 | 1,612,786 | 1,627,794 | 1,643,993 | 1,660,857 | 1,728,778 | 1,831,574 |
| Operating Surplus / (Deficit) | (947,646) | (639,016) | (558,452) | (457,388) | (593,248) | (420,793) | (409,562) | (506,484) | (439,775) | (428,312) | (563,617) |
| Amounts Received Specifically for New or Upgraded Assets | - | - | - | - | - | - | - | - | - | - | - |
| Net Surplus / (Deficit) | (947,646) | (639,016) | (558,452) | (457,388) | (593,248) | (420,793) | (409,562) | (506,484) | (439,775) | (428,312) | (563,617) |
| Other Comprehensive Income | | | | | | | | | | | |
| Amounts which will not be reclassified to operating result | - | - | - | - | - | - | - | - | - | - | - |
| Impairment expense | - | - | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income | (947,646) | (639,016) | (558,452) | (457,388) | (593,248) | (420,793) | (409,562) | (506,484) | (439,775) | (428,312) | (563,617) |

Balance Sheet

| \$ | FY21 Fcst | FY22 Fcst | FY23 Fcst | FY24 Fcst | FY25 Fcst | FY26 Fcst | FY27 Fcst | FY28 Fcst | FY29 Fcst | FY30 Fcst |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Assets | | | | | | | | | | |
| Current Assets | | | | | | | | | | |
| Cash & cash equivalents | 198,353 | 207,419 | 212,405 | 212,741 | 214,253 | 208,934 | 205,560 | 205,978 | 203,820 | 195,158 |
| Trade & Other Receivables | - | - | - | - | - | - | - | - | - | - |
| Total Current Assets | 198,353 | 207,419 | 212,405 | 212,741 | 214,253 | 208,934 | 205,560 | 205,978 | 203,820 | 195,158 |
| Non-current Assets | | | | | | | | | | |
| Financial assets | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, property, plant & equipment | 20,622,821 | 20,354,739 | 20,431,301 | 22,412,269 | 21,937,509 | 21,462,036 | 20,985,848 | 20,508,945 | 22,443,363 | 21,913,712 |
| Total Non-current Assets | 20,622,821 | 20,354,739 | 20,431,301 | 22,412,269 | 21,937,509 | 21,462,036 | 20,985,848 | 20,508,945 | 22,443,363 | 21,913,712 |
| Total Assets | 20,821,174 | 20,562,158 | 20,643,706 | 22,625,010 | 22,151,762 | 21,670,969 | 21,191,407 | 20,714,923 | 22,647,182 | 22,108,870 |
| Liabilities | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | |
| Trade & Other Payables | 240,479 | 240,479 | 240,479 | 240,479 | 240,479 | 240,479 | 240,479 | 240,479 | 240,479 | 240,479 |
| Provisions | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 |
| Borrowings | - | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 241,234 | 241,234 | 241,234 | 241,234 | 241,234 | 241,234 | 241,234 | 241,234 | 241,234 | 241,234 |
| Non-current Liabilities | | | | | | | | | | |
| Trade & Other Payables | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 14,993,603 | 15,373,603 | 16,013,603 | 16,043,603 | 16,163,603 | 16,103,603 | 16,033,603 | 16,063,603 | 16,023,603 | 15,913,603 |
| Total Non-current Liabilities | 14,993,603 | 15,373,603 | 16,013,603 | 16,043,603 | 16,163,603 | 16,103,603 | 16,033,603 | 16,063,603 | 16,023,603 | 15,913,603 |
| Total Liabilities | 15,234,837 | 15,614,837 | 16,254,837 | 16,284,837 | 16,404,837 | 16,344,837 | 16,274,837 | 16,304,837 | 16,264,837 | 16,154,837 |
| NET ASSETS | 5,586,337 | 4,947,321 | 4,388,869 | 6,340,173 | 5,746,925 | 5,326,132 | 4,916,570 | 4,410,086 | 6,382,345 | 5,954,033 |
| Equity | | | | | | | | | | |
| Accumulated Surplus | 6,533,983 | 5,586,337 | 4,947,321 | 4,388,869 | 3,931,481 | 3,338,233 | 2,917,440 | 2,507,878 | 2,001,394 | 1,561,619 |
| Net Surplus (Deficit) | (947,646) | (639,016) | (558,452) | (457,388) | (593,248) | (420,793) | (409,562) | (506,484) | (439,775) | (428,312) |
| Asset Revaluation Reserves | - | - | - | 2,408,692 | 2,408,692 | 2,408,692 | 2,408,692 | 2,408,692 | 4,820,726 | 4,820,726 |
| TOTAL EQUITY | 5,586,337 | 4,947,321 | 4,388,869 | 6,340,173 | 5,746,925 | 5,326,132 | 4,916,570 | 4,410,086 | 6,382,345 | 5,954,033 |

Statement of Cash Flows

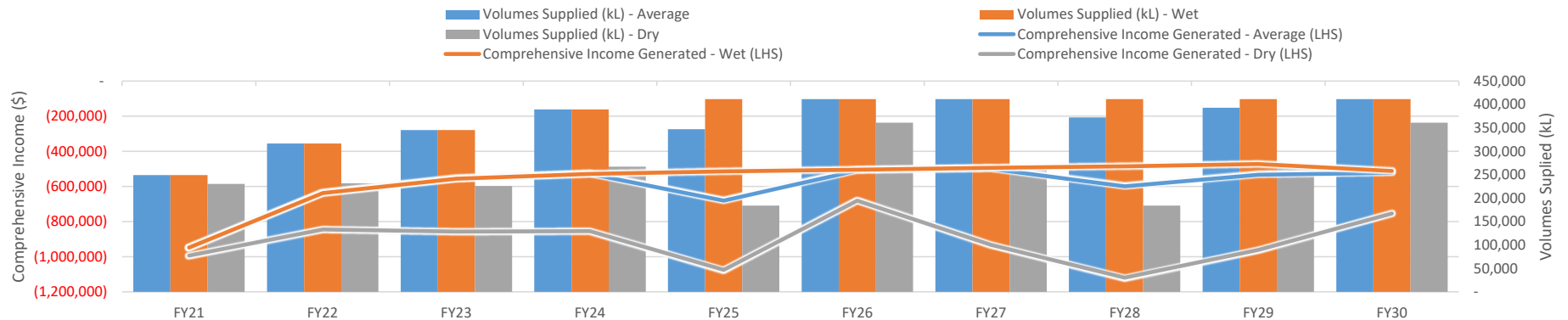
| \$ | FY21 Fcst | FY22 Fcst | FY23 Fcst | FY24 Fcst | FY25 Fcst | FY26 Fcst | FY27 Fcst | FY28 Fcst | FY29 Fcst | FY30 Fcst | FY31 Fcst |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cash Flows from Operating Activities | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Water Sales ERA Councils | 581,529 | 594,336 | 607,426 | 620,803 | 634,476 | 648,449 | 662,730 | 677,326 | 692,243 | 707,488 | 723,070 |
| Water Sales Other Customers | 105,023 | 269,950 | 346,060 | 465,046 | 365,996 | 543,544 | 555,502 | 460,183 | 528,839 | 592,978 | 544,887 |
| Other receipts | 47,301 | - | - | - | - | - | - | - | - | - | - |
| Investment Income | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Employee costs | (189,500) | (253,680) | (256,064) | (268,854) | (275,037) | (281,363) | (287,835) | (294,455) | (301,227) | (308,155) | (315,243) |
| Materials, contracts & other expenses | | | | | | | | | | | |
| Fixed Operating Costs | (137,000) | (131,862) | (134,895) | (137,997) | (141,171) | (144,418) | (147,740) | (151,138) | (154,614) | (158,170) | (161,808) |
| Operational Costs | (457,461) | (259,836) | (248,387) | (253,973) | (259,683) | (265,523) | (271,493) | (277,598) | (283,841) | (290,223) | (296,750) |
| Finance Payments | (388,407) | (389,843) | (399,153) | (404,689) | (393,068) | (396,008) | (394,538) | (393,900) | (393,558) | (392,578) | (477,408) |
| Net cash provided by (or used in) Operating Activities | (438,515) | (170,935) | (85,014) | 20,336 | (68,488) | 104,681 | 116,626 | 20,418 | 87,842 | 151,339 | 16,748 |
| Cash Flows from Investing Activities | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Amounts Received Specifically for New Assets | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Expenditure on new/upgraded Assets | (440,000) | (200,000) | (550,000) | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) |
| Net cash provided by (or used in) Investing Activities | (440,000) | (200,000) | (550,000) | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) |
| Cash Flows from Financing Activities | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds from Borrowings | 930,000 | 380,000 | 640,000 | 30,000 | 120,000 | - | - | 30,000 | - | - | 40,000 |
| Payments | | | | | | | | | | | |
| Repayment of borrowings | - | - | - | - | - | (60,000) | (70,000) | - | (40,000) | (110,000) | - |
| Net cash provided by (or used in) Financing Activities | 930,000 | 380,000 | 640,000 | 30,000 | 120,000 | (60,000) | (70,000) | 30,000 | (40,000) | (110,000) | 40,000 |
| Net Increase (Decrease) in cash held | 51,485 | 9,065 | 4,986 | 336 | 1,512 | (5,319) | (3,374) | 418 | (2,158) | (8,661) | 6,748 |
| Cash and cash equivalents at beginning of period | 146,868 | 198,353 | 207,419 | 212,405 | 212,741 | 214,253 | 208,934 | 205,560 | 205,978 | 203,820 | 195,158 |
| Cash and cash equivalents at end of period | 198,353 | 207,419 | 212,405 | 212,741 | 214,253 | 208,934 | 205,560 | 205,978 | 203,820 | 195,158 | 201,906 |
| Cash Movement before movement in borrowings (rounded) | (880,000) | (380,000) | (640,000) | (30,000) | (120,000) | 60,000 | 70,000 | (30,000) | 40,000 | 110,000 | (40,000) |
| <i>Borrowings</i> | <i>14,993,603</i> | <i>15,373,603</i> | <i>16,013,603</i> | <i>16,043,603</i> | <i>16,163,603</i> | <i>16,103,603</i> | <i>16,033,603</i> | <i>16,063,603</i> | <i>16,023,603</i> | <i>15,913,603</i> | <i>15,953,603</i> |

9. SCENARIO ANALYSIS

We have also provided some analysis which shows the impact of a series of ‘dry’ or ‘wet’ rainfall years on annual water volume supplied and profitability (Comprehensive Income Generated). Dry years being defined as water capture being down 32% on average and wet years defined as 20% greater water captured.

| Scenario Analysis | | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 |
|--|---|-----------|-----------|-----------|-----------|-------------|-----------|-----------|-------------|-----------|-----------|
| Design Scenario | | | | | | | | | | | |
| Volumes Supplied (kL) - Average | 1 | 249,195 | 316,653 | 345,135 | 389,368 | 346,900 | 411,350 | 411,350 | 372,200 | 393,050 | 411,350 |
| Closing Inventory (kL) - Average | 1 | 69,105 | 84,953 | 72,318 | 76,000 | - | 119,600 | 101,300 | - | - | 119,600 |
| Comprehensive Income Generated - Average (LHS) | 1 | (947,646) | (638,184) | (556,738) | (529,024) | (680,417) | (509,559) | (499,837) | (599,174) | (533,761) | (523,360) |
| Upper Limit Scenario | | | | | | | | | | | |
| Volumes Supplied (kL) - Wet | 2 | 249,195 | 316,653 | 345,135 | 389,368 | 411,350 | 411,350 | 411,350 | 411,350 | 411,350 | 411,350 |
| Closing Inventory (kL) - Wet | 2 | 120,765 | 203,113 | 256,978 | 339,270 | 253,000 | 478,790 | 539,100 | 452,830 | 513,140 | 738,930 |
| Comprehensive Income Generated - Wet (LHS) | 2 | (947,646) | (638,184) | (556,738) | (529,024) | (513,919) | (504,459) | (494,437) | (485,180) | (472,684) | (511,960) |
| Lower Limit Scenario | | | | | | | | | | | |
| Volumes Supplied (kL) - Dry | 3 | 230,178 | 231,566 | 226,100 | 267,274 | 184,212 | 361,046 | 267,274 | 184,212 | 267,274 | 361,046 |
| Closing Inventory (kL) - Dry | 3 | 5,466 | - | - | - | - | - | - | - | - | - |
| Comprehensive Income Generated - Dry (LHS) | 3 | (992,868) | (844,724) | (856,701) | (853,889) | (1,073,947) | (680,301) | (932,255) | (1,118,472) | (961,026) | (753,262) |

Water Volume Scenarios - Comprehensive Income Generated



If a series of ‘dry years’ occur, based on current assumptions, Comprehensive Income could fall to a number in the order of (\$1,000,000) in a given year.

Attachment B

ERA Water Long Term Financial Plan & 2020-2021 First Budget Review

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**

Date of Report:

5 November 2020

Recommendation:

The Board approves Budget Review 1 for distribution to the Constituent Councils subject to the following suggested amendments:

-
-

Report:

ERA Water adopted the FY2021 budget in March 2020.

Since adoption of the budget some significant events have taken place, most notably:

- SA Water announced a 20% reduction in their commercial water price;
- The injection bore that was assumed to be ready for part of the 2020 injection season was deferred;
- Dry rainfall conditions in July and August limited injection and the expected volume of water which was predicted to be available for the FY2021 distribution season; and
- ERA Water has undertaken a significant restructure of its operations and maintenance tasks by bringing this service inhouse from 23 November 2020.

Each budget review amendment is discussed in more detail below.

Revenue – net impact \$275k reduction

The SA Water price decrease has impacted the level of revenue that ERA Water is forecast to generate in FY2021 from both Constituent Councils and other customers.

The original budget assumed an SA water price of \$3.35 k/l (which was approximately a 2% decrease from the FY2020 water price). The actual SA water price announced in June 2020 was \$2.78. Based on assumed sales volumes, the price decrease has had a \$169k impact on the revised budget.

The remaining revenue shortfall is based on an expected decrease in sales volumes to external customers. The original budget assumed 91.5ML of sales to external customers. BR1 reduces this expected sales level to 44.5ML which represents the current external sales commitments in place.

The reduction is due to both delays in potential customers progressing with decisions to connect to the ERA Water scheme and also a lack of certainty in relation to the reliability of supply of water, preventing aggressive sales efforts.

Expenses - net impact \$85k increase

Scheme Maintenance Costs

In Q1 FY2020, ERA Water scoped and executed a significant restructure of operations culminating with a contract to employ an internal Principal Operator. Under the restructure, the long term expected operations and maintenance costs are expected to be less than \$250k per annum. The Principal Operator will commence on 23 November 2020.

Under the current external contractor model, annual maintenance costs have been escalating substantially to a point where this model was no longer sustainable nor providing value for money.

Q1FY2021 external operations and maintenance costs were \$161k against a budget of \$75k for the period, being a quarter of the \$300k annual budget amount which was allocated on an even monthly basis across the year. While this is a significant variance it should be noted that more work occurs during the injection rather than the distribution season, hence an even monthly budget allocation is likely to be an inaccurate budget assumption.

This budget variance is also partly due to a failure to control costs and activity as these maintenance contracts approach end of life and due to unexpected additional commissioning and optimisation activity including:

- Iron contamination of the UV unit including diagnosis and testing, dismantling and cleaning for GO and professional time for WGA;
- Extra pump servicing arising from the bypass for the last pond leak; and
- WGA time for the Marart report, and new customer connections and tendering.

The restructure, and the resulting additional control and specialist resourcing that will be available to ERA Water, has been implemented to address this current failure to control external contractor costs.

Governance costs

There will be a modest \$6k saving because of delays in the appointment of a new Chair of ERA Water (now assumed not to occur until 1 January 2020).

Professional Services

Additional professional services costs have been incurred and are expected to be incurred in relation to two projects:

- The appointment of the Principal Operator utilised an external recruitment firm (CTC Consulting) and independent interview panel members (WGA and BRM Advisory);
- Divestment considerations will include additional financial analysis and modelling to assess the merits of any future offers. This work is outside the scope of current retainer arrangements.

Some of these costs will be incorporated into the existing professional services budget however an additional \$10k provision is expected to be required to fund BAU as well as these additional projects.

Depreciation and Interest

Minor changes to depreciation and interest costs have been proposed to take into account changes in assumptions in relation to revenue generation and capital expenditure.

Capital – net impact \$180k reduction

Delays in securing external sales have resulted in a capital saving on connections in relation to external reserves.

There is also expected to be a \$75k saving on the amount previously provisioned for the connection of the Hamilton 2 bore based on tender prices received.

Attachments:

1. Detailed Budget Review 1 P&L with commentary
2. Current monthly budgeted financial statements

| BR1 ERA Water Regional Subsidiary October 2020 | | | | ERA WATER |
|--|--|-------------------------------|---|---|
| | Endorsed Budget (released April 2020) | Recommended BR1 Adjustment | Proposed Revised Full Year FY2020 Budget | Comments |
| Income | | | | |
| Revenue - ERA Councils | \$701,392 | (\$119,863) | \$581,529 | The adopted budget was based on a forecast SA Water price of \$3.35 (assumed a 3% reduction from FY2019. The actual SA Water price announced on 30 June 2020 was \$2.78. This adjustment reflects the adjustment required to take into account the change in water price. |
| Revenue - other customers | \$260,668 | (\$155,645) | \$105,023 | Budget adjustment takes into account the decrease in water price as well as a decrease in the assumed amount of sales to 3rd parties from 91.5ML to 44.5ML. |
| Other Revenue | \$0 | \$0 | \$0 | |
| Total Income | \$962,060 | (\$275,508) | \$686,552 | |
| Operating Costs | | | | |
| Scheme Costs | | | | |
| Maintenance | \$300,000 | \$21,961 | \$321,961 | Maintenance and operations costs significantly ahead of budget for Q1 as we approach the end of the contract. |
| Electricity | \$100,000 | \$0 | \$100,000 | |
| Licencing & Testing | \$15,000 | \$0 | \$15,000 | |
| Telecommunications & Scada | \$20,500 | \$0 | \$20,500 | |
| Interest Expense | \$408,606 | (\$20,199) | \$388,407 | Reflects reduced cash rate and reduced capital expenditure relative to budget assumptions. |
| Depreciation and Amortisation | \$469,833 | (\$8,003) | \$461,830 | Reflects reduced capital expenditure. |
| Fixed Operating Costs | | | | |
| Staff costs | \$102,000 | \$87,500 | \$189,500 | Principal Operator commencing on 23 November. |
| Audit & Accounting | \$18,000 | \$0 | \$18,000 | |
| Governance | \$16,000 | (\$6,000) | \$10,000 | Absence of chairperson, assumed for first six months of FY2021. |
| Bank charges | \$500 | \$0 | \$500 | |
| ICT | \$2,500 | \$0 | \$2,500 | |
| Insurances | \$40,000 | \$0 | \$40,000 | |
| Office Expenses | \$1,000 | \$0 | \$1,000 | |
| Premises | \$0 | \$0 | \$0 | |
| Professional Services | \$50,000 | \$10,000 | \$60,000 | Additional provision for professional services fees in relation to operations restructure (recruitment) and due diligence process being undertaken. |
| Staff Amenities & Development | \$2,500 | \$0 | \$2,500 | |
| Contingency | \$2,500 | \$0 | \$2,500 | |
| Total Operating Costs | \$1,548,939 | \$85,259 | \$1,634,198 | |
| Budgeted Profit / (loss) | (\$586,879) | (\$360,767) | (\$947,646) | |
| Capital additions | | | | |
| New reserve connections (external customers) | (\$150,000) | \$110,000 | (\$40,000) | External connections have been deferred for 12 months to match timing of sales to external customers. |
| Replacement Bore* | (\$400,000) | \$75,000 | (\$325,000) | |
| SCADA upgrade | (\$25,000) | \$0 | (\$25,000) | |
| General capex | (\$50,000) | \$0 | (\$50,000) | An additional general capital provision is proposed to account for minor projects as they arise. |
| Budgeted capex | (\$625,000) | \$185,000 | (\$440,000) | |

*Replacement bore was originally approved to be spent in FY2020 however expenditure has been carried forward to FY2021.

Balance Sheet - First 12 Months

ERA Water LTFP | Alert in Borrowings

[Error and Alert Checks](#)

| \$ | Jul-20 Fcst Mnth 1 | Aug-20 Fcst Mnth 2 | Sep-20 Fcst Mnth 3 | Oct-20 Fcst Mnth 4 | Nov-20 Fcst Mnth 5 | Dec-20 Fcst Mnth 6 | Jan-21 Fcst Mnth 7 | Feb-21 Fcst Mnth 8 | Mar-21 Fcst Mnth 9 | Apr-21 Fcst Mnth 10 | May-21 Fcst Mnth 11 | Jun-21 Fcst Mnth 12 |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|---------------------------|---------------------------|
| Assets | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | |
| Cash & cash equivalents | 153,814 | 147,658 | 154,055 | 159,976 | 168,964 | 176,943 | 180,445 | 181,947 | 187,043 | 190,690 | 196,481 | 198,353 |
| Trade & Other Receivables | 1,131 | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Assets | 154,945 | 147,658 | 154,055 | 159,976 | 168,964 | 176,943 | 180,445 | 181,947 | 187,043 | 190,690 | 196,481 | 198,353 |
| Non-current Assets | | | | | | | | | | | | |
| Financial assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, property, pla | 20,610,560 | 20,576,465 | 20,542,364 | 20,508,259 | 20,514,125 | 20,479,962 | 20,545,734 | 20,611,382 | 20,701,892 | 20,692,253 | 20,657,539 | 20,622,821 |
| Total Non-current Assets | 20,610,560 | 20,576,465 | 20,542,364 | 20,508,259 | 20,514,125 | 20,479,962 | 20,545,734 | 20,611,382 | 20,701,892 | 20,692,253 | 20,657,539 | 20,622,821 |
| Total Assets | 20,765,505 | 20,724,122 | 20,696,419 | 20,668,235 | 20,683,089 | 20,656,905 | 20,726,179 | 20,793,330 | 20,888,935 | 20,882,942 | 20,854,021 | 20,821,174 |
| Liabilities | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Trade & Other Payables | 240,479 | 819,747 | 818,616 | 789,087 | 731,160 | 616,438 | 501,715 | 386,992 | 300,667 | 242,741 | 241,610 | 240,479 |
| Provisions | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 |
| Borrowings | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 241,234 | 820,502 | 819,371 | 789,842 | 731,915 | 617,193 | 502,470 | 387,747 | 301,422 | 243,496 | 242,365 | 241,234 |
| Non-current Liabilities | | | | | | | | | | | | |
| Trade & Other Payables | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 14,113,603 | 13,613,603 | 13,803,603 | 13,883,603 | 14,003,603 | 14,163,603 | 14,293,603 | 14,423,603 | 14,693,603 | 14,763,603 | 14,823,603 | 14,993,603 |
| Total Non-current Liabilities | 14,113,603 | 13,613,603 | 13,803,603 | 13,883,603 | 14,003,603 | 14,163,603 | 14,293,603 | 14,423,603 | 14,693,603 | 14,763,603 | 14,823,603 | 14,993,603 |
| Total Liabilities | 14,354,837 | 14,434,105 | 14,622,974 | 14,673,445 | 14,735,518 | 14,780,796 | 14,796,073 | 14,811,350 | 14,995,025 | 15,007,099 | 15,065,968 | 15,234,837 |
| NET ASSETS | 6,410,668 | 6,290,018 | 6,073,445 | 5,994,790 | 5,947,570 | 5,876,109 | 5,930,107 | 5,981,980 | 5,893,909 | 5,875,844 | 5,788,053 | 5,586,337 |
| Equity | | | | | | | | | | | | |
| Accumulated Surplus | 6,533,983 | 6,410,668 | 6,290,018 | 6,073,445 | 5,994,790 | 5,947,570 | 5,876,109 | 5,930,107 | 5,981,980 | 5,893,909 | 5,875,844 | 5,788,053 |
| Net Surplus (Deficit) | (123,315) | (120,650) | (216,572) | (78,655) | (47,220) | (71,461) | 53,997 | 51,873 | (88,070) | (18,066) | (87,791) | (201,716) |
| Asset Revaluation Reserves | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL EQUITY | 6,410,668 | 6,290,018 | 6,073,445 | 5,994,790 | 5,947,570 | 5,876,109 | 5,930,107 | 5,981,980 | 5,893,909 | 5,875,844 | 5,788,053 | 5,586,337 |

Statement of Cash Flows - First 12 Months

ERA Water LTFP | Alert in Borrowings

| \$ | Jul-20 Fcst Mnth 1 | Aug-20 Fcst Mnth 2 | Sep-20 Fcst Mnth 3 | Oct-20 Fcst Mnth 4 | Nov-20 Fcst Mnth 5 | Dec-20 Fcst Mnth 6 | Jan-21 Fcst Mnth 7 | Feb-21 Fcst Mnth 8 | Mar-21 Fcst Mnth 9 | Apr-21 Fcst Mnth 10 | May-21 Fcst Mnth 11 | Jun-21 Fcst Mnth 12 | FY2021 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|---------------------------|---------------------------|------------------|
| Cash Flows from Operating Activities | | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | | |
| Water Sales ERA Councils | - | 581,529 | - | - | - | - | - | - | - | - | - | - | 581,529 |
| Water Sales Other Customers | - | - | - | 3,066 | 6,133 | 12,266 | 25,710 | 25,710 | 19,283 | 12,855 | - | - | 105,023 |
| Other receipts | 47,301 | - | - | - | - | - | - | - | - | - | - | - | 47,301 |
| Investment Income | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | | | |
| Employee costs | (8,500) | (8,500) | (8,500) | (8,500) | (8,500) | (21,000) | (21,000) | (21,000) | (21,000) | (21,000) | (21,000) | (21,000) | (189,500) |
| Materials, contracts & other expenses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fixed Operating Costs | (7,250) | (7,250) | (18,440) | (8,187) | (8,187) | (18,187) | (8,250) | (8,250) | (18,250) | (8,250) | (8,250) | (18,250) | (137,000) |
| Operational Costs | (70,439) | (67,769) | (57,629) | (56,292) | (56,292) | (26,292) | (18,792) | (20,792) | (20,792) | (20,792) | (20,792) | (20,792) | (457,461) |
| Finance Payments | - | - | (94,867) | - | - | (94,641) | - | - | (94,979) | - | - | (103,919) | (388,407) |
| Net cash provided by (or used in) Operating Activities | (38,888) | 498,011 | (179,436) | (69,912) | (66,846) | (147,854) | (22,331) | (24,331) | (135,738) | (37,186) | (50,042) | (163,961) | (438,515) |
| Cash Flows from Investing Activities | | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | | |
| Amounts Received Specifically for New Assets | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | | | |
| Expenditure on new/upgraded Assets | (4,167) | (4,167) | (4,167) | (4,167) | (44,167) | (4,167) | (104,167) | (104,167) | (129,167) | (29,167) | (4,167) | (4,167) | (440,000) |
| Net cash provided by (or used in) Investing Activities | (4,167) | (4,167) | (4,167) | (4,167) | (44,167) | (4,167) | (104,167) | (104,167) | (129,167) | (29,167) | (4,167) | (4,167) | (440,000) |
| Cash Flows from Financing Activities | | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | | |
| Proceeds from Borrowings | 50,000 | - | 190,000 | 80,000 | 120,000 | 160,000 | 130,000 | 130,000 | 270,000 | 70,000 | 60,000 | 170,000 | 930,000 |
| Payments | | | | | | | | | | | | | |
| Repayment of borrowings | - | (500,000) | - | - | - | - | - | - | - | - | - | - | - |
| Net cash provided by (or used in) Financing Activities | 50,000 | (500,000) | 190,000 | 80,000 | 120,000 | 160,000 | 130,000 | 130,000 | 270,000 | 70,000 | 60,000 | 170,000 | 930,000 |
| Net Increase (Decrease) in cash held | 6,946 | (6,156) | 6,397 | 5,921 | 8,988 | 7,979 | 3,502 | 1,502 | 5,095 | 3,647 | 5,792 | 1,872 | 51,485 |
| Cash and cash equivalents at beginning of period | 146,868 | 153,814 | 147,658 | 154,055 | 159,976 | 168,964 | 176,943 | 180,445 | 181,947 | 187,043 | 190,690 | 196,481 | 146,868 |
| Cash and cash equivalents at end of period | 153,814 | 147,658 | 154,055 | 159,976 | 168,964 | 176,943 | 180,445 | 181,947 | 187,043 | 190,690 | 196,481 | 198,353 | 198,353 |
| Cash Movement before movement in borrowings (rounded) | (50,000) | 500,000 | (190,000) | (80,000) | (120,000) | (160,000) | (130,000) | (130,000) | (270,000) | (70,000) | (60,000) | (170,000) | (930,000) |
| Borrowings | 14,113,603 | 13,613,603 | 13,803,603 | 13,883,603 | 14,003,603 | 14,163,603 | 14,293,603 | 14,423,603 | 14,693,603 | 14,763,603 | 14,823,603 | 14,993,603 | |

**Section 3 – Governance & General
Reports**

11.5 BUSINESS READINESS FOR THE PLANNING, DEVELOPMENT AND INFRASTRUCTURE ACT 2016

REPORT AUTHOR: Manager, Development Assessment
GENERAL MANAGER: General Manager, Urban Planning & Environment
CONTACT NUMBER: 8366 4567
FILE REFERENCE: S/00421
ATTACHMENTS: A - F

PURPOSE OF REPORT

The purpose of the report is to present to the Council for its consideration, a range of matters which require resolution prior to the introduction of the *Planning, Development and Infrastructure Act 2016*, including delegations, establishment of a new Building Fire Safety Committee, a policy relevant to Accredited Professionals and revoking of the Council's *Building Inspection Policy*.

BACKGROUND

As Elected Members are aware, the State Government has been implementing the new planning and development system across the state under the *Planning, Development and Infrastructure Act 2016* (PDI Act). The program has been staged with elements of the system being progressively 'turned on' since 2016. The final stage of the program, referred to as Phase 3, will be the introduction of the new *Planning and Design Code* with the associated development assessment pathways to metropolitan Adelaide. This phase has been delayed from the original implementation date of July 2020, to a date to be announced in 2021. It is understood that the designated ('go live') date for metropolitan Adelaide may be in the first quarter of 2021.

There are a number of decisions that the Council needs to make as Phase 3 is implemented. In addition, internal processes and procedures need to be changed and/or developed to facilitate a smooth transition. This report seeks the Council's consideration and determination on each of the following matters:

- Delegations under the *Planning, Development and Infrastructure Act 2016*;
- Policy of Notification – Accredited Professionals;
- Establishment of a new Building Fire Safety Committee
- Revoking of the Building Inspection Policy

RELEVANT POLICIES & STRATEGIC DIRECTIONS

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

The adoption of an appropriate framework of delegations allows for decision making at appropriate levels within the organisation.

CONSULTATION

- **Elected Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Consultation has taken place with relevant staff in relation to the formulation of the delegations under the *Planning, Development and Infrastructure Act 2016*.
- **Other Agencies**
Not Applicable.

DISCUSSION

Delegations

The Council has the ability to delegate many of its decision-making powers, functions and duties under the *Local Government Act 1999* and a number of other Acts. The primary purpose of delegating powers and functions, is to facilitate an efficient and effective organisation by allowing decisions to be made by the staff who carry out the day-to-day operations and to ensure that decisions are made at the appropriate level.

The Council has delegations in place under the following Acts (and associated Regulations):

- Community Titles Act 1996;
- Development Act 1993;
- Dog & Cat Management Act 1995;
- Expiation of Offences Act 1996;
- Fences Act 1975;
- Fire & Emergency Services Act 2005;
- Freedom of Information Act 1991;
- Housing Improvement Act 1940;
- Land & Business (Sale and Conveyancing) Act 1994;
- Liquor Licensing Act 1997;
- Local Government Act 1999;
- Local Nuisance and Litter Control Act 2016;
- Natural Resources Management Act 2004;
- Private Parking Act 1986;
- Real Property Act 1886;
- Roads (Opening & Closing) Act 1991;
- Road Traffic Act 1961 (SA; and
- Unclaimed Goods Act 1987.

The Council has also made delegations to the Eastern Health Authority under the following Acts (and associated Regulations):

- Environment Protection Act 1993;
- Expiation of Offences Act 1996;
- Housing Improvement Act 1940;
- Safe Drinking Water Act 2012;
- South Australian Public Health Act 2011; and
- Supported Residential Facilities Act 1992.

Delegations are the way in which Council enables other positions/bodies (usually Council Officers) to undertake duties or exercise powers on its behalf. Delegations enhance decision-making processes and allow nominated matters to be resolved efficiently and effectively without the need for elevated decision making. However, in order to do this, the Council must take formal steps to delegate to relevant positions and bodies the authority to make decisions, or undertake activities on its behalf. It is usual for the Council to make delegations to the Chief Executive Officer who is then empowered to make sub-delegations to the appropriate Council Officers.

The Council is assigned specific roles in the *PDI Act* and as a consequence must provide delegations via two separate instruments.

1. *Council as a Council, Designated Authority and Designated Entity*
Instrument of Delegation A – (contained in **Attachment A**)
2. *Council as a Relevant Authority (Final Approval & Building Rules)*
Instrument of Delegation B – (contained in **Attachment B**).

The Local Government Association of South Australia has prepared model delegations for Councils to use. Some of the delegations are made under the *Local Government Act 1999* and others are made under the *Planning, Development and Infrastructure Act 2016*.

Any Development Applications which have been lodged under the *Development Act 1993*, prior to the 'go live' date for the *PDI Act*, will continue to be assessed under that legislation (ie. the *Development Act 1993*). It is therefore necessary to continue the current delegations under that Act, for at least the next twelve (12) months, until all assessment processes for current Development Applications have been completed. A review of any outstanding Development Applications will be undertaken at the end of this period and the need or otherwise to continue these delegations will need to be determined at that time.

The delegations presented in this report will come into effect from the designated date, which will be when the Council's Development Plan is revoked by the Minister by notice in the Gazette pursuant to Clause 9(7) of Schedule 8 of the *PDI Act*. This will be the 'go live' date for development assessment under the *PDI Act* to commence in the City of Norwood Payneham & St Peters.

In order to ensure that Council Officers have the necessary powers to continue their day to day activities, the resolution is worded so that the new delegations under the *PDI Act* come into force from the actual date that the Council's Development Plan is revoked by the Minister by notice in the Gazette, pursuant to Clause 9(7) of Schedule 8 of the *PDI Act*.

Even though the Council may delegate its powers, functions and duties, this does not prevent the Council from acting in the same matters, where provided for under the *PDI Act*, at any time should the need arise.

The powers and functions for Council under the *PDI Act* differ to those under the *Development Act 1993*. The Council is assigned specific roles as either a:

- Designated Authority;
- Designated Entity;
- Council; or
- Relevant Authority.

The Council is identified as a **Designated Authority** for the purposes of establishing a Council Assessment Panel for its area, entering into a Land Management Agreements and undertaking enforcement action or applying to court for an Order in relation to development that is not completed in accordance with an approval.

The Council is identified as a **Designated Entity** for the purposes of amending a designated instrument (*Planning and Design Code*), undertaking infrastructure works, entering land or acquiring land, establishing an Off-set Scheme (car parking contribution) and seeking civil penalties from a party.

The *PDI Act* prescribes a **Council** a range of functions and roles, including:

- On the formation of instruments, including providing comments to the Minister on the establishment on Planning Regions and Sub-Regions.
- On prescribed land division matters, including consenting to the vesting of land, including open space, with Council and issuing a land division certificate to the Commission.
- On prescribed building matters, including undertaking inspections as prescribed by the Commission's Building & Swimming Pool Inspection Practice Directions, assigning building classifications and issuing certificates of occupancy; making an Emergency Order.
- On infrastructure matters, including providing comments to the Minister and making the financial contribution to an infrastructure scheme.

The Instrument of Delegation A, provides the delegated authority for Council as a Designated Authority, Designated Entity and a Council, under the *PDI Act*.

The PDI Act explicitly identifies relevant authorities in respect to planning assessment, which include the Minister for Planning, the State Planning Commission, Assessment Panels, Assessment Managers and Accredited Professionals.

The Council is not a **Relevant Authority** for the purpose of development assessment, except for the following instances:

- the administrative process of ensuring all relevant consents has been obtained and subsequently issuing final development approval; and
- undertaking the Building Rules assessment, where the Council Assessment Panel has referred the Building Rules assessment to Council. The Council Assessment Panel will consider a report on this matter at its meeting to be held on 10 February 2021. Given that the Council Assessment Panel has no expertise in Building Rules assessment, it is expected that it will refer such assessments to the Council.

The Instrument of Delegation B provides the delegated authority for these functions, and are intended to, as close as practicable, continue the current practices under the *Development Act 1993*.

Building Fire Safety Committee

The Building Fire Safety Committee (BFSC) is charged with the responsibility for all matters arising under Section 157 (17) of the *Planning Development and Infrastructure Act 2016* including associated regulations which are of a building fire safety nature.

The current membership of the Council's BFSC (established under the *Development Act 1993*), which is due to expire on 7 September 2023, includes:

- Mr Troy Olds as Presiding member of the Committee and a person with expertise in fire safety;
- Mr Demetrius Poupoulas as a member of the Committee;
- A primary person nominated by the Chief Officer (CO) of the SAMFS;
- An alternate person (proxy) nominated by the Chief Officer (CO) of SAMFS; and
- Mr Mario Hlavati as a person with qualifications in Building Surveying.

The PDI Act does not contain any specific transitional provisions that would result in an existing BFSC established under the *Development Act* (Old Committee) being taken to be a committee under the *PDI Act* (New Committee). Therefore, councils have been advised to formally re-establish a new Building Fire Safety Committee under Section 157(17) of the PDI Act.

The terms of the new Committee under the PDI Act are very similar, although not identical, to the terms under the *Development Act 1993*. The differences relate to appointment of members to a new Committee is no longer for a maximum three (3) year term. A fixed three (3) year term is however still recommended.

A new Committee may be established at any time and may be established in anticipation of the 'go live' date. The old Committee will cease to exist on repeal of *Development Act 1993* provisions.

The Terms of Reference of a new Committee may be the same as the old Committee. It is recommended that the new Committee's Terms of Reference state that the new Committee will not meet until after the 'go live' date.

The Council reviewed membership of the Building Fire Safety Committee at its meeting held on 7 September 2020 and as such, appointing the same members to the new Committee is recommended. This will also minimise confusion and practical difficulty with the transition process.

A copy of the proposed Building Fire Safety Committee Terms of Reference is contained in **Attachment C**.

Policy of Notification – Accredited Professionals

The Local Government Association of South Australia has created a model policy that applies to all employees and independent members of the Council Assessment Panel, who are required to hold accreditation for their roles. The Act requires that the Council must appoint and take the advice of accredited professionals under the Act and this policy helps to ensure that these accredited professional maintain their accreditation.

The policy sets out the responsibilities and obligations for these staff on maintaining their accreditation. The Policy has explicit requirements to notify Council of any changes to their accreditation. A copy of the policy is contained in **Attachment D**.

The policy is intended to commence on the day that the Code commences in operation for each Council (being the time accreditation will be required to make decisions under the *PDI Act*).

Revoking of the Council's Building Inspection Policy

Pursuant to Section 71A (1) of the *Development Act 1993*, each Council must prepare and adopt a building inspection policy which specifies a level or levels of audit inspections to be carried out by the council on an annual basis with respect to building work within its area involving classes of buildings prescribed by the regulations. The City of Norwood Payneham & St Peters *Building Inspection Policy* was last reviewed and adopted on 21 January 2019.

Under the PDI Act, instead of each Council having its own policy on the level of building inspections to be undertaken, it is a requirement that all Council's undertake building inspections in accordance with relevant Practice Directions. In this respect, the State Planning Commission has released *Practice Direction 9 - for Council Inspections 2020*, which sets minimum mandatory requirements for all councils for the inspection of buildings. In addition, *Practice Direction 8 - Swimming Pool Inspection Policy 2019*, has also been released, which sets minimum mandatory requirements for all councils for the inspection of swimming pools. Both Practice Directions will replace Council's Building Inspection Policy when they become operational.

Copies of Practice Directions 8 and 9 are contained in **Attachments E** and **Attachment F** respectively.

Key differences between the current inspection regime and the new inspection regime are:

- the new regime includes a requirement that 100% of all commercial and public buildings are inspected at least once, whereas there is no specific requirement for those buildings to be inspected under the current regime;
- the new regime removes any requirement for an inspection of minor domestic structures;
- the new regime provides for additional inspections to be prescribed by the relevant authority, including an independent building certifier, as part of building approval. This additional inspection may relate to a specific stage of the construction.
- a new requirement has been introduced for a Certificate of Occupancy to be issued for all new dwellings, prior to the occupation of the building. The Certificate of Occupancy can be issued by either a council or a building certifier and can only be issued if the building is suitable for occupancy, thus increasing the level of inspections at occupancy stage.

To facilitate the transition to the new inspection regime, it is appropriate that the Council revokes the current *Building Inspection Policy* on and from the day on which the Council's Development Plan is revoked by the Minister by notice in the Gazette pursuant to Clause 9(7) of Schedule 8 of the *Planning, Development and Infrastructure Act 2016*.

OPTIONS

In order to comply with the provisions of the *Planning, Development and Infrastructure Act 2016*, and to ensure that the requirements of the Act are dealt with on a day-to-day basis, it is recommended to the Council that the Council delegates certain powers to the Chief Executive Officer, in accordance with the Act.

CONCLUSION

Council endorsement of new delegations is sought under the *Planning, Development and Infrastructure Act 2016*, that will come into operation from the designated date ('go live') for metropolitan Adelaide, which is expected to be in the first quarter of 2021.

COMMENTS

As is currently the case with delegations which have been under the *Development Act 1993*, once the Council provides the Chief Executive Officer with delegations under the *PDI Act*, the Chief Executive Officer will in turn, provide sub-delegations to relevant planning staff. However, a key difference to note in the application of the *PDI Act* is that the Council will no longer be the relevant planning authority for determining which Development Applications are to be assessed by the Council's Assessment Panel and Council's Planning staff. The Act will prescribe which matters are to be determined by the Council's Assessment Manager, who will in turn confer sub-delegations to the Council's Development Assessment staff. Similarly, the Act will prescribe which matters are to be determined by the Council Assessment Panel, which can then delegate the assessment of certain Development Applications to the Assessment Manager.

In a practical sense, the main difference with how the current Development Assessment delegations operate is that only Development Applications which are subject to public notification will be determined by the Council Assessment Panel. Therefore, Development Applications for new dwellings affected by a Historic Overlay (the equivalent to dwellings within Historic (Conservation) Zones, as well as Land Divisions, will need to be determined by the Council's Assessment Manager, and not the Panel.

Whilst the default position is that the Panel is responsible for determining all Development Applications which are subject to public notification, it has the ability to delegate to the Assessment Manager. The Panel is meeting on 10 February 2021, to consider such delegations and may, for example, determine to delegate Development Applications which are subject to public notification but no representations have been received from persons opposed to the application.

RECOMMENDATION

1. In exercise of the power contained in Section 44 of the Local Government Act 1999 the powers and functions under the Planning, Development and Infrastructure Act 2016 and statutory instruments made thereunder contained in the proposed Instrument of Delegation (annexed to the Report considered by the Council at its meeting held on 18 January 2021 and entitled *Instrument of Delegation Under the Planning, Development and Infrastructure Act 2016, Regulations, Planning & Design Code and Practice Directions of Powers of a Council as a Council, a Designated Authority and a Designated Entity*) are hereby delegated this 18th of January 2021 to the person occupying or acting in the office of Chief Executive Officer of the Council, subject to the conditions and/or limitations, if any, specified herein or in the Schedule of Conditions in the proposed Instrument of Delegation.
2. Such powers and functions may be further delegated by the Chief Executive Officer in accordance with Sections 44 and 101 of the *Local Government Act 1999* as the Chief Executive Officer sees fit, unless otherwise indicated herein or in the Schedule of Conditions contained in the proposed Instrument of Delegation.

3. In exercise of the power contained in Section 100 of the Planning, Development and Infrastructure Act 2016 the powers and functions under the Planning, Development and Infrastructure Act 2016 and statutory instruments made thereunder contained in the proposed Instrument of Delegation (annexed to the Report considered by the Council at its meeting held on 18 January 2021 and entitled *Instrument of Delegation Under the Planning, Development and Infrastructure Act 2016, Regulations, Planning & Design Code and Practice Directions of Powers of a Council as a Relevant Authority*) are hereby delegated this 18th of January 2021 to the person occupying or acting in the office of Chief Executive Officer of the Council subject to the conditions and/or limitations, if any, specified herein or in the Schedule of Conditions in the proposed Instrument of Delegation.
4. Such powers and functions may be further delegated by the Chief Executive Officer in accordance with Section 100(2)(c) of the *Planning, Development and Infrastructure Act 2016* as the Chief Executive Officer sees fit, unless otherwise indicated herein or in the Schedule of Conditions contained in the proposed Instrument of Delegation.
5. That Council adopts the Accredited Professionals Notification Policy (annexed to the Report considered by the Council at its meeting held on 18 January 2021 and entitled *Policy of Notification – Accredited Professionals*) effective from the day on which the Council's Development Plan is revoked by the Minister by notice in the Gazette pursuant to Clause 9(7) of Schedule 8 of the *Planning, Development and Infrastructure Act 2016*.
6. That the City of Norwood Payneham & St Peters Building Fire Safety Committee be established pursuant to Section 157(17) of the *Planning, Development and Infrastructure Act 2016* effective from the day on which the Council's Development Plan is revoked by the Minister by notice in the Gazette pursuant to Clause 9(7) of Schedule 8 of the *Planning, Development and Infrastructure Act 2016*.
7. That the City of Norwood Payneham & St Peters Building Fire Safety Committee Terms of Reference as contained in Attachment C, be adopted.
8. That the following persons be appointed to the City of Norwood Payneham & St Peters Building Fire Safety Committee for a period of three (3) years, from the day on which the Council's Development Plan is revoked by the Minister by notice in the Gazette pursuant to Clause 9(7) of Schedule 8 of the Planning, Development and Infrastructure Act 2016:
 - Mr Troy Olds as a Presiding member of the Committee and a person with expertise in fire safety;
 - Mr Demetrius Poupoulas as a member of the Committee;
 - A primary person nominated by the Chief Officer (CO) of the SAMFS;
 - An alternate person (proxy) nominated by the Chief Officer (CO) of SAMFS; and
 - Mr Mario Hlavati as a person with qualifications in Building Surveying.
9. The Council notes that the *Building Inspection Policy* has been superseded by the State Planning Commission's *Practice Direction 8 - Council Swimming Pool Inspections 2019, and Practice Direction 9 - Council Inspections 2020* and that the *Building Inspection Policy* will be revoked on and from the day on which the Council's Development Plan is revoked by the Minister by notice in the Gazette pursuant to Clause 9(7) of Schedule 8 of the *Planning, Development and Infrastructure Act 2016*.

Attachments – Item 11.5

Attachment A

Business Readiness for the Planning, Development and Infrastructure Act 2016

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**

INSTRUMENT A

INSTRUMENT OF DELEGATION UNDER THE PLANNING, DEVELOPMENT AND INFRASTRUCTURE ACT 2016, REGULATIONS, PLANNING & DESIGN CODE AND PRACTICE DIRECTIONS OF POWERS OF A COUNCIL AS:

- A COUNCIL;
- A DESIGNATED AUTHORITY;
- A DESIGNATED ENTITY

NOTES

1. Conditions or Limitations: conditions or limitations may apply to the delegations contained in this Instrument. Refer to the Schedule of Conditions at the back of this document.
2. Refer to the relevant Council resolution(s) to identify when these delegations were made, reviewed and or amended.
3. The powers and functions delegated in this Instrument may be further delegated by the Chief Executive Officer in accordance with Sections 44 and 101 of the Local Government Act 1999 as the Chief Executive Officer sees fit, unless otherwise indicated herein or in the Schedule of Conditions contained in the proposed Instrument of Delegation.

POWERS AND FUNCTIONS DELEGATED IN THIS INSTRUMENT

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| 1. | Environment and Food Production Areas – Greater Adelaide |
| 1.1 | The power pursuant to Section 7(5)(b) of the Planning, Development and Infrastructure Act 2016 (the PDI Act), in relation to a proposed development in an environment and food production area that involves a division of land that would create 1 or more additional allotments to concur in the granting of the development authorisation to the development. |
| 2. | Functions |
| 2.1 | The power pursuant to Section 22(4)(a)(i) of the PDI Act to, if an inquiry is conducted by the Commission under Section 22(1)(e) of the PDI Act make submissions or representations. |
| 3. | Planning Agreements |
| 3.1 | The power pursuant to Section 35(1)(a) of the PDI Act and subject to Section 35 of the PDI Act to enter into an agreement (a planning agreement) with the Minister relating to a specified area of the State subject to Section 35 of the PDI Act. |

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| 3.2 | The power pursuant to Section 35(3) of the PDI Act to, in a planning agreement, include provisions that outline the purposes of the agreement and the outcomes that the agreement is intended to achieve and to provide for: |
| 3.2.1 | the setting of objectives, priorities and targets for the area covered by the agreement; and |
| 3.2.2 | the constitution of a joint planning board including, in relation to such a board: |
| 3.2.2.1 | the membership of the board, being between 3 and 7 members (inclusive); and |
| 3.2.2.2 | subject to Section 35(4) of the PDI Act, the criteria for membership; and |
| 3.2.2.3 | the procedures to be followed with respect to the appointment of members; and |
| 3.2.2.4 | the terms of office of members; and |
| 3.2.2.5 | conditions of appointment of members, or the method by which those conditions will be determined, and the grounds on which, and the procedures by which, a member may be removed from office; and |
| 3.2.2.6 | the appointment of deputy members; and |
| 3.2.2.7 | the procedures of the board; and |
| 3.2.3 | the delegation of functions and powers to the joint planning board (including, if appropriate, functions or powers under another Act); and |
| 3.2.4 | the staffing and other support issues associated with the operations of the joint planning board; and |
| 3.2.5 | financial and resource issues associated with the operations of the joint planning board, including: |
| 3.2.5.1 | the formulation and implementation of budgets; and |
| 3.2.5.2 | the proportions in which the parties to the agreement will be responsible for costs and other liabilities associated with the activities of the board; and |

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| 3.2.6 | such other matters as the delegate thinks fit. |
| 3.3 | The power pursuant to Section 35(5)(a) of the PDI Act, at the expiry of a planning agreement, to replace it with a new agreement (in the same or different terms). |
| 3.4 | The power pursuant to Section 35(5)(b) of the PDI Act, to vary or terminate a planning agreement by agreement between the parties to the agreement. |
| 4. | Community Engagement Charter |
| 4.1 | The power pursuant to Section 44(6)(a) of the PDI Act, to make submissions in relation to any proposal to prepare or amend a designated instrument under Part 5 Division 2 Subdivision 5 of the PDI Act that is relevant to the Council (unless the proposal has been initiated by the Council). |
| 4.2 | The power pursuant to Section 44(9)(b) of the PDI Act to the extent that Section 44(9)(a) of the PDI Act does not apply, have regard to, and seek to achieve, any principles or performance outcomes that apply in a relevant case. |
| 4.3 | The power pursuant to Section 44(10) of the PDI Act to: |
| 4.3.1 | seek the approval of the Commission to adopt an alternative way to achieving compliance with a requirement of the charter; and |
| 4.3.2 | with the approval of the Commission, adopt an alternative way to achieving compliance with a requirement of the charter. |
| 5. | Preparation and Amendment of Charter |
| 5.1 | The power pursuant to Section 45(2)(c) of the PDI Act to make representations (including in writing or via the SA planning portal) on a proposal to prepare or amend the charter. |
| 6. | Preparation and Amendment |
| 6.1 | The power pursuant to Section 73(6) of the PDI Act where the Council is authorised or approved under Section 73 of the PDI Act, after all of the requirements of Section 73 of the PDI Act have been satisfied: |
| 6.1.1 | to prepare a draft of the relevant proposal; and |
| 6.1.2 | to comply with the Community Engagement Charter for the purposes of consultation in relation to the proposal; and |

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| 6.1.3 | to the extent that paragraph (b) of Section 73(6) of the PDI Act does not apply, in the case of a proposed amendment to a regional plan that has been prepared by a joint planning board where the amendment is not being proposed by the joint planning board – consult with the joint planning board; and |
| 6.1.4 | to the extent that paragraph (b) of Section 73(6) of the PDI Act does not apply, in the case of a proposed amendment to the Planning and Design Code that will have a specific impact on 1 or more particular pieces of land in a particular zone or subzone (rather than more generally) – to take reasonable steps to give: |
| 6.1.4.1 | an owner or occupier of the land; and |
| 6.1.4.2 | an owner or occupier of each piece of adjacent land, |
| | a notice in accordance with the regulations; and |
| 6.1.5 | to consult with any person or body specified by the Commission and any other person or body as the delegate thinks fit; and |
| 6.1.6 | to carry out such investigations and obtain such information specified by the Commission; and |
| 6.1.7 | to comply with any requirement prescribed by the regulations. |
| 6.2 | The power pursuant to Section 73(8) of the PDI Act, after the Council has furnished a report to the Minister under Section 73(7) of the PDI Act, to ensure that a copy of the report is published on the SA planning portal in accordance with a practice direction that applies for the purposes of Section 73 of the PDI Act. |
| 6.3 | The power pursuant to Section 73(9) of the PDI Act to enter into an agreement with a person for the recovery of costs incurred by the Council in relation to an amendment of the Planning and Design Code or a design standard under Section 73 of the PDI Act (subject to the requirement to charge costs under Section 73(4)(b) of the PDI Act (if relevant)). |
| 7. | Parliamentary Scrutiny |
| 7.1 | The power pursuant to Section 74(8)(c) of the PDI Act if the ERD Committee is proposing to suggest an amendment under Section 74(4) of the PDI Act and the amendment is specifically relevant to the Council, to provide a comment and response within the period of 2 weeks. |

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| 8. | Complying Changes – Planning and Design Code |
| 8.1 | The power pursuant to Section 75(3) of the PDI Act to effect an amendment under Section 75 of the PDI Act by an instrument deposited on the SA Planning database (in accordance with requirements established by the Chief Executive). |
| 9. | Entities Constituting Relevant Authorities |
| 9.1 | The power pursuant to Section 82(d) of the PDI Act, subject to the PDI Act, to appoint an assessment panel. |
| 10. | Panels Established by Joint Planning Boards or Councils |
| 10.1 | The power pursuant to Section 83(1) of the PDI Act in relation to an assessment panel appointed by the Council under Division 1 of Part 6 of the PDI Act, to: |
| 10.1.1 | appoint more than 1 assessment panel and if the delegate does so, to clearly specify which class of development each assessment panel is to assess; |
| 10.1.2 | determine: |
| 10.1.2.1 | the membership of the assessment panel, being no more than 5 members, only 1 of which may be a member of a Council, and, if the delegate thinks fit, on the basis that the assessment panel will be constituted by a different number of members depending on the particular class of development that is being assessed by the assessment panel; and |
| 10.1.2.2 | the procedures to be followed with respect to the appointment of members; and |
| 10.1.2.3 | the terms of office of members; and |
| 10.1.2.4 | conditions of appointment of members, or the method by which those conditions will be determined, (including as to their remuneration) and the grounds on which, and the procedures by which, a member may be removed from office; and |
| 10.1.2.5 | the appointment of deputy members; and |
| 10.1.2.6 | who will act as the presiding member of the panel and the |

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| | process for appointing an acting presiding member. |
| 10.2 | The power pursuant to Section 83(1)(h) of the PDI Act to arrange the staffing and support required for the purposes of the operations of the panel. |
| 10.3 | The power pursuant to Section 83(1)(i) of the PDI Act to substitute the existing members of the panel with new members if directed to do so by the Minister acting on recommendation of the Commission under Section 86 of the PDI Act. |
| 10.4 | The power pursuant to Section 83(2) of the PDI Act to form the opinion and be satisfied that a person to be appointed as a member of an assessment panel who is a member, or former member, of a Council is appropriately qualified to act as a member of the assessment panel on account of the person's experience in local government. |
| 11. | Substitution of Local Panels |
| 11.1 | The power pursuant to Section 86(2)(a) of the PDI Act to make submissions to the Commission in relation to an inquiry. |
| 12. | Notification of Acting |
| 12.1 | The power pursuant to Section 89(b) of the PDI Act to require an accredited professional to provide such information or documentation as the delegate may require. |
| 13. | Matters Against which Development Must be Assessed |
| 13.1 | The power pursuant to Section 102(1)(c)(iv) of the PDI Act in relation to a proposed division of land (otherwise than under the Community Titles Act 1996 or the Strata Titles Act 1988) where land is to be vested in the Council, to consent to the vesting. |
| 13.2 | The power pursuant to Section 102(1)(d)(iv) of the PDI Act in relation to a proposed division of land under the Community Titles Act 1996 or the Strata Titles Act 1988 where land is to be vested in the Council, to consent to the vesting. |
| 13.3 | The power pursuant to Section 102(1)(b) of the PDI Act to impose a reasonable charge on account of an encroachment over land under the care, control and management of the Council when the relevant development is undertaken. |
| 14. | Restricted Development |

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| 14.1 | The power pursuant to Section 110(2)(b) of the PDI Act to, in accordance with the regulations and within a period prescribed by the regulations, make representations to the Commission in relation to the granting or refusal of planning consent. |
| 14.2 | The power pursuant to Section 110(c)(ii) of the PDI Act to appear personally or by representative before the Commission to be heard in support of the Council's representation. |
| 14.3 | The power pursuant to Section 110(7) of the PDI Act to appeal against a decision on a development classified as restricted development. |
| 15. | Level of Detail |
| 15.1 | The power pursuant to Section 112(b) of the PDI Act to express views in relation to the level of detail required in relation to an EIS. |
| 16. | Essential Infrastructure – Alternative Assessment Process |
| 16.1 | The power pursuant to Section 130(6) of the PDI Act to report to the Commission on any matters contained in a notice under Section 130(5) of the PDI Act. |
| 16.2 | The power pursuant to Section 130(14) of the PDI Act to, if the Council has, in relation to any matters referred to the Council under Section 130(5) of the PDI Act, expressed opposition to the proposed development in its report under Section 130(6) of the PDI Act, withdraw the Council's opposition. |
| 17. | Development Assessment – Crown Development |
| 17.1 | The power pursuant to Section 131(7) of the PDI Act to report to the Commission on any matters contained in a notice under Section 131(6) of the PDI Act. |
| 17.2 | The power pursuant to Section 131(15) of the PDI Act to, if the Council has, in relation to any matters referred to the Council under Section 131(6) of the PDI Act expressed opposition to the proposed development in its report under Section 131(7) of the PDI Act, withdraw the Council's opposition. |
| 18. | Land Division Certificate |
| 18.1 | The power pursuant to Section 138(1) of the PDI Act to enter into a binding agreement supported by adequate security and if the regulations so require in a form prescribed by the regulations. |
| 18.2 | The power pursuant to Section 138(2) of the PDI Act to furnish the |

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| Commission with appropriate information as to compliance with a particular condition and to comply with any requirement prescribed by the regulations. | |
| 19. Action if Development Not Completed | |
| 19.1 | The power pursuant to Section 141(1) of the PDI Act, if: |
| 19.1.1 | an approval is granted under the PDI Act; but |
| 19.1.2 | - |
| 19.1.2.1 | the development to which the approval relates has been commenced but not substantially completed within the period prescribed by the regulations for the lapse of the approval; or |
| 19.1.2.2 | in the case of a development that is envisaged to be undertaken in stages - the development is not undertaken or substantially completed in the manner or within the period contemplated by the approval, |
| to apply to the Court for an order under Section 141 of the PDI Act. | |
| 19.1.3 | The power pursuant to Section 141(5) of the PDI Act, if the Court makes an order under Section 141(3)(a), (b) or (d) of the PDI Act and a person fails to comply with the order within the period specified by the Court, to cause any work contemplated by the order to be carried out, and to recover the costs of that work, as a debt from the person. |
| 19.1.4 | The power pursuant to Section 141(6) of the PDI Act, if an amount is recoverable from a person by the Council under Section 141(5) of the PDI Act: |
| 19.1.4.1 | to, by notice in writing to the person, fix a period, being not less than 28 days from the date of the notice, within which the amount must be paid by the person. |
| 20. Completion of Work | |
| 20.1 | The power pursuant to Section 142(1) of the PDI Act, if: |
| 20.1.1 | an approval is granted under the PDI Act; but |

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| 20.1.2 | the development to which the approval relates has been substantially but not fully completed within the period prescribed by the regulations for the lapse of the approval, |
| | to, by notice in writing, require the owner of the relevant land to complete the development within a period specified in the notice. |
| 20.2 | The power pursuant to Section 142(2) of the PDI Act, if an owner fails to carry out work as required by a notice under Section 142(1) of the PDI Act, to cause the necessary work to be carried out. |
| 20.3 | The power pursuant to Section 142(3) of the PDI Act to recover as a debt due from the owner, the reasonable costs and expenses incurred by the Council (or any person acting on behalf of the Council) under Section 142 of the PDI Act. |
| 20.4 | The power pursuant to Section 142(4) of the PDI Act, if an amount is recoverable from a person by the Council under Section 142 of the PDI Act: |
| 20.4.1 | to, by notice in writing to the person, fix a period, being not less than 28 days from the date of the notice, within which the amount must be paid by the person. |
| 21. Notification During Building | |
| 21.1 | The power pursuant to Section 146(3) of the PDI Act to, subject to Section 146(4) of the PDI Act, direct a person who is carrying out building work to stop building work when a mandatory notification stage has been reached pending an inspection by an authorised officer who holds prescribed qualifications. |
| 22. Classification of Buildings | |
| 22.1 | The power pursuant to Section 151(2) of the PDI Act to assign to a building erected in the Council's area a classification that conforms with the regulations. |
| 22.2 | The power pursuant to Section 151(3) of the PDI Act, if the Council assigns a classification under Section 151 of the PDI Act, to give notice in writing to the owner of the building to which the classification has been assigned, of the classification assigned to the building. |
| 23. Certificates of Occupancy | |
| 23.1 | The power pursuant to Section 152(2) of the PDI Act to issue a certificate of |

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| | occupancy. |
| 23.2 | The power pursuant to Section 152(3)(a) of the PDI Act to require an application for a certificate of occupancy to include any information required by the delegate. |
| 23.3 | The power pursuant to Section 152(3)(c) of the PDI Act to determine the appropriate fee. |
| 23.4 | The power pursuant to Section 152(5) of the PDI Act to consider any report supplied under Section 152(4) of the PDI Act before deciding the application. |
| 23.5 | The power pursuant to Section 152(6) of the PDI Act to issue the certificate if the delegate is satisfied (in accordance with procedures set out in the regulations and on the basis of information provided or obtained under Section 152 of the PDI Act) that the relevant building is suitable for occupation and complies with such requirements as may be prescribed by the regulations for the purposes of Section 152(6) of the PDI Act. |
| 23.6 | The power pursuant to Section 152(10) of the PDI Act, if the Council refuses an application to notify the applicant in writing of: |
| 23.6.1 | the refusal; and |
| 23.6.2 | the reasons for the refusal; and |
| 23.6.3 | the applicant's right of appeal under the PDI Act. |
| 23.7 | The power pursuant to Section 152(12) of the PDI Act to issue a certificate of occupancy that applies to the whole or part of a building. |
| 23.8 | The power pursuant to Section 152(13) of the PDI Act to, in accordance with the regulations, revoke a certificate of occupancy in prescribed circumstances. |
| 24. | Temporary Occupation |
| 24.1 | The power pursuant to Section 153(1) of the PDI Act to grant an approval to a person to occupy a building on a temporary basis without a certificate of occupancy. |
| 24.2 | The power pursuant to Section 153(2) of the PDI Act to grant an approval under Section 153(1) of the PDI Act on such conditions (if any) as the delegate thinks fit to impose. |
| 24.3 | The power pursuant to Section 153(3) of the PDI Act if the Council refuses an |

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| | application to notify the applicant in writing of: |
| 24.3.1 | the refusal; and |
| 24.3.2 | the reasons for the refusal; and |
| 24.3.3 | the applicant's right of appeal under the PDI Act. |
| 25. | Emergency Orders |
| 25.1 | The power pursuant to Section 155(5) of the PDI Act, if an owner fails to carry out work as required by an emergency order, to cause the necessary work to be carried out. |
| 25.2 | The power pursuant to Section 155(6) of the PDI Act to recover as a debt due from the owner the reasonable costs and expenses incurred by the Council (or any person acting on behalf of the Council) under Section 155 of the PDI Act. |
| 25.3 | The power pursuant to Section 155(7) of the PDI Act, if an amount is recoverable from a person by the Council under Section 155 of the PDI Act to, by notice in writing to the person, fix a period, being not less than 28 days from the date of the notice, within which the amount must be paid by the person. |
| 26. | Fire Safety |
| 26.1 | The power pursuant to Section 157(16) of the PDI Act to establish a body and designate it as an appropriate authority under Section 157 of the PDI Act. |
| 26.2 | The power pursuant to Section 157(17) of the PDI Act to: |
| 26.2.1 | appoint to the appropriate authority: |
| 26.2.1.1 | a person who holds prescribed qualifications in building surveying; and |
| 26.2.1.2 | an authorised officer under Part 3 Division 5 or Section 86 of the Fire and Emergency Services Act 2005 who has been approved by the Chief Officer of the relevant fire authority to participate as a member of the appropriate authority; and |
| 26.2.1.3 | a person with expertise in the area of fire safety; and |
| 26.2.1.4 | if so determined by the delegate, a person selected by the |

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| | delegate; |
| 26.2.2 | specify a term of office of a member of the appropriate authority (other than a member under Section 157(17)(a)(ii) of the PDI Act; |
| 26.2.3 | remove a member of the appropriate authority from office for any reasonable cause; |
| 26.2.4 | appoint deputy members; |
| 26.2.5 | determine the appropriate authority's procedures (including as to quorum). |
| 27. | Consideration of Proposed Scheme |
| 27.1 | The power pursuant to Section 166(1)(c) of the PDI Act to consult with a scheme coordinator in relation to a scheme in accordance with the Community Engagement Charter. |
| 28. | Funding Arrangements |
| 28.1 | The power pursuant to Section 169(2)(b) of the PDI Act in relation to a scheme that provides for the collection of contributions under Subdivision 8 of the PDI Act to apply for any matter to be considered or determined by ESCOSA or some other prescribed person or body as part of a periodic review of the levels and amounts of those contributions. |
| 28.2 | The power pursuant to Section 169(9) of the PDI Act to make submissions to the Commission in relation to a funding arrangement that is specifically relevant to the Council. |
| 29. | Imposition of Charge by Councils |
| 29.1 | The power pursuant to Section 180(7) of the PDI Act, if the Council incurs costs in recovering a charge as a debt, to claim the reimbursement of those costs (insofar as they are reasonable) from the relevant fund established under subdivision 9, Division 1, Part 13 of the PDI Act. |
| 30. | Authorised Works |
| 30.1 | The power pursuant to Section 187(1) of the PDI Act, subject to Section 187(3) of the PDI Act, to carry out any infrastructure works if the Council is authorised to so do by or under the PDI Act or any other Act. |
| 30.2 | The power pursuant to Section 187(5) of the PDI Act, subject to Section 187(6) of the PDI Act, to in relation to a proposal that involves disturbing the |

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| | surface of a road, or that otherwise relates to a road to: |
| 30.2.1 | inform the relevant road maintenance authority of the proposal at least 28 days before the proposed commencement of any work; and |
| 30.2.2 | give the relevant road maintenance authority a reasonable opportunity to consult with the Council in relation to the matter; and |
| 30.2.3 | ensure that proper consideration is given to the views of the road maintenance authority. |
| 30.3 | The power pursuant to Section 187(5)(b) of the PDI Act to make submissions to the designated entity in relation to the matter. |
| 30.4 | The power pursuant to Section 187(6) of the PDI Act, in a case of emergency, to only comply with Section 187(5) of the PDI Act to such extent as is practicable in the circumstances. |
| 31. | Entry onto Land |
| 31.1 | The power pursuant to Section 188(1) of the PDI Act to authorise a person for the purpose of undertaking any work or activity in connection with the exercise of a power under Division 2 of Part 13 of the PDI Act to: |
| 31.1.1 | enter and pass over any land; and |
| 31.1.2 | bring onto any land any vehicles, plant or equipment; and |
| 31.1.3 | temporarily occupy land; and |
| 31.1.4 | do anything else reasonably required in connection with the exercise of the power. |
| 31.2 | The power pursuant to Section 188(4) of the PDI Act to pay reasonable compensation on account of any loss or damage caused by the exercise of a power under Section 188(1) of the PDI Act. |
| 32. | Land Management Agreements |
| 32.1 | The power pursuant to Section 192(1) of the PDI Act to enter into an agreement relating to the development, management, preservation or conservation of land with the owner of the land or a designated entity. |
| 32.2 | The power pursuant to Section 192(2) of the PDI Act to enter into an agreement relating to the management, preservation or conservation of the |

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| | land with a greenway authority. |
| 32.3 | The power pursuant to Section 192(4) of the PDI Act in considering whether to enter into an agreement under Section 192 of the PDI Act which relates to the development of land and, if such an agreement is to be entered into, in considering the terms of the agreement, to have regard to: |
| 32.3.1 | the provisions of the Planning and Design Code and to any relevant development authorisation under the PDI Act; and |
| 32.3.2 | the principle that the entering into of an agreement under Section 192 of the PDI Act by the Council should not be used as a substitute to proceeding with an amendment to the Planning and Design Code under the PDI Act. |
| 32.4 | The power pursuant to Section 192(5) of the PDI Act to register agreements entered into under Section 192 of the PDI Act in accordance with the regulations. |
| 32.5 | The power pursuant to Section 192(8) of the PDI Act to carry out on private land any work for which provision is made by agreement under Section 192 of the PDI Act. |
| 32.6 | The power pursuant to Section 192(9) of the PDI Act to include in an agreement under Section 192 of the PDI Act an indemnity from a specified form of liability or right of action, a waiver or exclusion of a specified form of liability or right of action, an acknowledgment of liability, or a disclaimer, on the part of a party to the agreement. |
| 32.7 | The power pursuant to Section 192(10) of the PDI Act to express a provision under Section 192(9) of the PDI Act as extending to, or being for the benefit of, a person or body who or which is not a party to the agreement. |
| 32.8 | The power pursuant to Section 192(11) of the PDI Act to consent to the owner of land entering into an agreement under Section 192 of the PDI Act where the Council has a legal interest in the land. |
| 32.9 | The power pursuant to Section 192(12) of the PDI Act to apply to the Registrar-General, to note the agreement against the relevant instrument of title or, in the case of land not under the provisions of the Real Property Act 1886, against the land. |
| 32.10 | The power pursuant to Section 192(15) of the PDI Act to apply to the Registrar-General in relation to an agreement to which a note has been made under Section 192 of the PDI Act that has been rescinded or amended, to enter a note of the rescission or amendment against the instrument of title, or |

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| | against the land. |
| 32.11 | The power pursuant to Section 192(16) of the PDI Act to provide in an agreement under Section 192 of the PDI Act for remission of rates or taxes on the land. |
| 32.12 | The power pursuant to Section 192(17) of the PDI Act to consent to an agreement entered into by the Minister under Section 192 of the PDI Act, providing for the remission of rates or taxes payable to the Council. |
| 32.13 | The power pursuant to Section 192(18) of the PDI Act to take into account the existence of an agreement under Section 192 of the PDI Act when assessing an application for a development authorisation under the PDI Act. |
| 33. | Land Management Agreements – Development Applications |
| 33.1 | The power pursuant to Section 193(1) of the PDI Act to, subject to Section 193 of the PDI Act, enter into an agreement under Section 193 of the PDI Act with a person who is applying for a development authorisation under the PDI Act that will, in the event that the relevant development is approved, bind: |
| 33.1.1 | the person; and |
| 33.1.2 | any other person who has the benefit of the development authorisation; and |
| 33.1.3 | the owner of the relevant land (if he or she is not within the ambit of Sections 193(a) or (b) of the PDI Act and if the other requirements of Section 193 of the PDI Act are satisfied). |
| 33.2 | The power pursuant to Section 193(2) of the PDI Act to enter into an agreement under Section 193 of the PDI Act in relation to any matter that the delegate agrees is relevant to the proposed development (including a matter that is not necessarily relevant to the assessment of the development under the PDI Act). |
| 33.3 | The power pursuant to Section 193(3) of the PDI Act to have regard to: |
| 33.3.1 | the provisions of the Planning and Design Code; and |
| 33.3.2 | the principle that the entering into of an agreement under Section 193 of the PDI Act by the Council should not be used as a substitute to proceeding with an amendment to the Planning and Design Code under the PDI Act. |
| 33.4 | The power pursuant to Section 193(5) of the PDI Act to register agreements |

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| | entered into under Section 193 of the PDI Act in accordance with the regulations. |
| 33.5 | The power pursuant to Section 193(10) of the PDI Act to consent to an application to note the agreement against the relevant instrument of title or the land. |
| 33.6 | The power pursuant to Section 193(11) of the PDI Act to consent to an owner of land entering into an agreement or giving a consent under Section 192(10) of the PDI Act where the Council has a legal interest in the land. |
| 33.7 | The power pursuant to Section 193(13) of the PDI Act to apply to the Registrar-General to note the agreement against the relevant instrument of title or, in the case of land not under the provisions of the Real Property Act 1886, against the land. |
| 33.8 | The power pursuant to Section 193(15) of the PDI Act to apply to the Registrar-General in relation to an agreement under Section 193 that has been rescinded or amended, to enter a note of the rescission or amendment against the instrument of title, or against the land. |
| 33.9 | The power pursuant to Section 193(16) of the PDI Act, if an agreement under Section 193 of the PDI Act does not have effect under Section 193 of the PDI Act within the period prescribed by the regulations, to by notice given in accordance with the regulations, lapse the relevant development approval. |
| 34. | Off-setting Contributions |
| 34.1 | The power pursuant to Section 197(2) of the PDI Act to establish a scheme under Section 197 of the PDI Act that is designed to support or facilitate: |
| 34.1.1 | development that may be in the public interest or otherwise considered by the delegate as being appropriate in particular circumstances (including by the provision of facilities at a different site); or |
| 34.1.2 | planning or development initiatives that will further the objects of the PDI Act or support the principles that relate to the planning system established by the PDI Act; or |
| 34.1.3 | any other initiative or policy: |
| 34.1.3.1 | designated by the Planning and Design Code for the purposes of Section 197(2)(c)(i) of the PDI Act; |
| 34.1.3.2 | prescribed by the regulations for the purposes of Section |

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| 197(2)(c)(ii) of the PDI Act. | |
| 34.2 | The power pursuant to Section 197(3) of the PDI Act to include in a scheme established under Section 197 of the PDI Act: |
| 34.2.1 | an ability or requirement for a person who is proposing to undertake development (or who has the benefit of an approval under the PDI Act): |
| 34.2.1.1 | to make a contribution to a fund established as part of the scheme; or |
| 34.2.1.2 | to undertake work or to achieve some other goal or outcome (on an 'in kind' basis); or |
| 34.2.1.3 | to proceed under a combination of Sections 197(3)(a)(i) and (ii) of the PDI Act, |
| | in order to provide for or address a particular matter identified by the scheme; and |
| 34.2.2 | an ability for a provision of the Planning and Design Code to apply with a specified variation under the terms of the scheme; and |
| 34.2.3 | an ability for any relevant authority to act under or in connection with Sections 197(3)(a) or (b) of the PDI Act. |
| 34.3 | The power pursuant to Section 197(4)(b) of the PDI Act to apply the fund towards the purposes of the scheme in accordance with any directions or approvals of the Treasurer made or given after consultation with the Minister. |
| 34.4 | The power pursuant to Section 197(4)(c) of the PDI Act to invest money that is not immediately required for the purposes of the fund in accordance with provisions included in the scheme. |
| 35. | Open Space Contribution Scheme |
| 35.1 | The power pursuant to Section 198(1) of the PDI Act, where an application for a development authorisation provides for the division of land in the Council's area into more than 20 allotments, and 1 or more allotments is less than 1 hectare in area to require: |
| 35.1.1 | that up to 12.5% in area of the relevant area be vested in the Council to be held as open space; or |
| 35.1.2 | that the applicant make the contribution prescribed by the regulations |

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| | in accordance with the requirements of Section 198 of the PDI Act; or |
| 35.1.3 | that land be vested in the Council under Section 198(1)(c) of the PDI Act and that the applicant make a contribution determined in accordance with Section 198(8) of the PDI Act, |
| | according to the determination and specification of the delegate, and to have regard to any relevant provision of the Planning and Design Code that designates land as open space and to seek the concurrence of the Commission to taking any action that is at variance with the Planning and Design Code. |
| 35.2 | The power pursuant to Section 198(3) of the PDI Act to enter into an agreement referred to in Section 198(2)(d) of the PDI Act. |
| 35.3 | The power pursuant to Section 198(4)(a) of the PDI Act to concur with an area being vested in the Council. |
| 35.4 | The power pursuant to Section 198(11) of the PDI Act in relation to money received under Section 198 of the PDI Act to immediately pay it into a fund established for the purposes of Section 198 of the PDI Act and apply it for the purpose of acquiring or developing land as open space. |
| 35.5 | The power pursuant to Section 198(12) of the PDI Act to form the opinion that the division of land is being undertaken in stages. |
| 36. | Urban Trees Fund |
| 36.1 | The power pursuant to Section 200(2) of the PDI Act to effect the establishing of the fund by notice published in the Gazette. |
| 36.2 | The power pursuant to Section 200(3) of the PDI Act to define a designated area by reference to an area established by the Planning and Design Code. |
| 36.3 | The power pursuant to Section 200(5) of the PDI Act to invest any money in an urban trees fund that is not immediately required for the purpose of the fund and to pay any resultant income into the fund. |
| 36.4 | The power pursuant to Section 200(6) of the PDI Act to apply money standing to the credit of an urban trees fund: |
| 36.4.1 | to maintain or plant trees in the designated area which are or will (when fully grown) constitute significant trees under the PDI Act; or |
| 36.4.2 | to purchase land within the designated area in order to maintain or |

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| | plant trees which are or will (when fully grown) constitute significant trees under the PDI Act. |
| 36.5 | The power pursuant to Section 200(7) of the PDI Act if, the Council subsequently sells land purchased under Section 200(6)(b) of the PDI Act, to pay the proceeds of sale into an urban trees fund maintained by the Council under Section 200 of the PDI Act, subject to the qualifications in Sections 200(7)(a) and (b). |
| 37. | Appointment of Authorised Officers |
| 37.1 | The power pursuant to Section 210(1) of the PDI Act to: |
| 37.1.1 | appoint a person to be an authorised officer for the purposes of the PDI Act; and |
| 37.1.2 | appoint a person who holds the qualifications prescribed by the regulations to be an authorised officer for the purposes of the PDI Act if the Council is required to do so by the regulations. |
| 37.2 | The power pursuant to Section 210(2) of the PDI Act to make an appointment of an authorised officer subject to conditions. |
| 37.3 | The power pursuant to Section 210(3) of the PDI Act to issue each authorised officer an identity card: |
| 37.3.1 | containing a photograph of the authorised officer; and |
| 37.3.2 | stating any conditions of appointment limiting the authorised officer's appointment. |
| 37.4 | The power pursuant to Section 210(5) of the PDI Act to, at any time, revoke an appointment which the Council has made, or vary or revoke a condition of such an appointment or impose a further such condition. |
| 38. | Enforcement Notices |
| 38.1 | The power pursuant to Section 213(1) of the PDI Act, if the delegate has reason to believe on reasonable grounds that a person has breached the PDI Act or the repealed Act, to do such of the following as the delegate considers necessary or appropriate in the circumstances: |
| 38.1.1 | direct a person to refrain, either for a specified period or until further notice, from the PDI Act, or course of action, that constitutes the breach; |

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| 38.1.2 | direct a person to make good any breach in a manner, and within a period, specified by the delegate; |
| 38.1.3 | take such urgent action as is required because of any situation resulting from the breach. |
| 38.2 | The power pursuant to Section 213(2) of the PDI Act to give a direction under Section 213(1) of the PDI Act by notice in writing unless the delegate considers that the direction is urgently required. |
| 38.3 | The power pursuant to Section 213(5) of the PDI Act, if a person fails to comply with a direction under Section 213(1)(b) of the PDI Act within the time specified in the notice, to cause the necessary action to be taken. |
| 38.4 | The power pursuant to Section 213(6) of the PDI Act to recover the reasonable costs and expenses incurred by the Council (or any person acting on behalf of the Council) under Section 213 of the PDI Act, as a debt due from the person whose failure gave rise to the PDI Action |
| 38.5 | The power pursuant to Section 213(7) of the PDI Act, if an amount is recoverable from a person by the Council under Section 213 of the PDI Act to, by notice in writing to the person, fix a period, being not less than 28 days from the date of the notice, within which the amount must be paid by the person. |
| 39. | Applications to Court |
| 39.1 | The power pursuant to Section 214(1) of the PDI Act to apply to the Court for an order to remedy or restrain a breach of the PDI Act or the repealed Act. |
| 39.2 | The power pursuant to Section 214(2) of the PDI Act to consent to proceedings under Section 214 of the PDI Act being brought in a representative capacity on behalf of the Council. |
| 39.3 | The power pursuant to Section 214(4) of the PDI Act to make an application without notice to any person and to make an application to the Court to serve a summons requiring the respondent to appear before the Court to show cause why an order should not be made under Section 214 of the PDI Act. |
| 39.4 | The power pursuant to Section 214(6) of the PDI Act to make submissions to the Court on the subject matter of the proceedings. |
| 39.5 | The power pursuant to Section 214(9) of the PDI Act to appear before a final order is made and be heard in proceedings based on the application. |
| 39.6 | The power pursuant to Section 214(10) of the PDI Act to make an application |

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| | to the Court to make an interim order under Section 214 of the PDI Act. |
| 39.7 | The power pursuant to Section 214(11) of the PDI Act to make an application for an interim order without notice to any person. |
| 39.8 | The power pursuant to Section 214(12) of the PDI Act, if the Court makes an order under Section 214(6)(d) of the PDI Act and the respondent fails to comply with the order within the period specified by the Court, to cause any work contemplated by the order to be carried out, and recover the costs of that work, as a debt, from the respondent |
| 39.9 | The power pursuant to Section 214(13) of the PDI Act, if an amount is recoverable from a person by the Council under Section 214(12) of the PDI Act to, by notice in writing to the person, fix a period, being not less than 28 days from the date of the notice, within which the amount must be paid by the person. |
| 39.10 | The power pursuant to Section 214(17) of the PDI Act to apply to the Court to vary or revoke an order previously made under Section 214 of the PDI Act. |
| 40. | Proceedings for Offences |
| 40.1 | The power pursuant to Section 219(1) of the PDI Act to commence proceedings for an offence against the PDI Act. |
| 41. | Adverse Publicity Orders |
| 41.1 | The power pursuant to Section 223(2) of the PDI Act to make an application to the Court for an adverse publicity order. |
| 41.2 | The power pursuant to Section 223(4) of the PDI Act, if the offender fails to give evidence to the Council in accordance with Section 224(1)(b) of the PDI Act to: |
| 41.2.1 | take the PDI Action or actions specified in the order; and |
| 41.2.2 | authorise a person in writing to take the PDI Action or actions specified in the order. |
| 41.3 | The power pursuant to Section 223(5) of the PDI Act, if: |
| 41.3.1 | the offender gives evidence to the Council in accordance with Section 223(1)(b) of the PDI Act; and |
| 41.3.2 | despite the evidence, the delegate is not satisfied that the offender has taken the PDI Action or actions specified in the order in |

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| | accordance with the order, |
| | to apply to the court for an order authorising the Council, or a person authorised in writing by the Council, to take the PDI Action or actions and to authorise a person in writing to take the PDI Action or actions. |
| 41.4 | The power pursuant to Section 223(6) of the PDI Act, if the Council, or a person authorised in writing by the Council, takes an action or actions in accordance with Section 223(4) of the PDI Act or an order under Section 223(5) of the PDI Act, to recover from the offender an amount in relation to the reasonable expenses of taking the PDI Action or actions, as a debt, due to the Council. |
| 42. Civil Penalties | |
| 42.1 | The power pursuant to Section 225(1) of the PDI Act, subject to Section 225 of the PDI Act, if the delegate is satisfied that a person has committed an offence by contravening a provision of the PDI Act, to, as an alternative to criminal proceedings, recover, by negotiation or by application to the Court, an amount as a civil penalty in respect of the contravention. |
| 42.2 | The power pursuant to Section 225(2) of the PDI Act, in respect of a contravention where the relevant offence does not require proof of intention or some other state of mind, to determine whether to initiate proceedings for an offence or take action under Section 225 of the PDI Act, having regard to the seriousness of the contravention, the previous record of the offender and any other relevant factors. |
| 42.3 | The power pursuant to Section 225(3) of the PDI Act to serve on the person a notice in the prescribed form advising the person that the person may, by written notice to the Council, elect to be prosecuted for the contravention. |
| 42.4 | The power pursuant to Section 225(13) of the PDI Act to seek the authorisation of the Attorney-General to the commencement of proceedings for an order under Section 225 of the PDI Act. |
| 42.5 | The power pursuant to Section 225(17) of the PDI Act to seek an authorisation from the Commission for the Council to act under Section 225 of the PDI Act. |
| 43. Make Good Order | |
| 43.1 | The power pursuant to Section 228(7) of the PDI Act to apply to the Court to vary or revoke an order under Section 228 of the PDI Act. |

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| 44. Recovery of Economic Benefit |
| 44.1 The power pursuant to Section 229(5) of the PDI Act to apply an amount paid to the Council in accordance with an order under Section 229(1) of the PDI Act for the purpose of acquiring or developing land as open space and to hold it in a fund established for the purposes of Section 198 of the PDI Act. |
| 45. Enforceable Voluntary Undertakings |
| 45.1 The power pursuant to Section 230(1) of the PDI Act to accept (by written notice) a written undertaking given by a person in connection with a matter relating to a contravention or alleged contravention by the person of the PDI Act. |
| 45.2 The power pursuant to Section 230(4) of the PDI Act if the delegate considers that a person has contravened an undertaking accepted by the Council, to apply to the Court for enforcement of the undertaking. |
| 45.3 The power pursuant to Section 230(7) of the PDI Act to agree in writing with a person who has made an undertaking to: |
| 45.3.1 vary the undertaking; or |
| 45.3.2 withdraw the undertaking. |
| 45.4 The power pursuant to Section 230(11) of the PDI Act to accept an undertaking in respect of a contravention or alleged contravention before proceedings in respect of that contravention have been finalised. |
| 45.5 The power pursuant to Section 230(12) of the PDI Act if the delegate accepts an undertaking before the proceedings are finalised, to take all reasonable steps to have the proceedings discontinued as soon as possible. |
| 45.6 The power pursuant to Section 230(14) of the PDI Act to seek an authorisation from the Commission for the Council to act under Section 230 of the PDI Act. |
| 46. Advertisements |
| 46.1 The power pursuant to Section 231(1) of the PDI Act, if, in the opinion of the delegate, an advertisement or advertising hoarding: |
| 46.1.1 disfigures the natural beauty of a locality or otherwise detracts from the amenity of a locality; or |
| 46.1.2 is contrary to the character desired for a locality under the Planning |

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| and Design Code, | |
| | to, by notice served in accordance with the regulations on the advertiser or the owner or occupier of the land on which the advertisement or advertising hoarding is situated, whether or not a development authorisation has been granted in respect of the advertisement or advertising hoarding, order that person to remove or obliterate the advertisement or to remove the advertising hoarding (or both) within a period specified in the notice (of at least 28 days from the date of service of the notice). |
| 46.2 | The power pursuant to Section 231(3) of the PDI Act if a person on whom a notice is served under Section 231(1) of the PDI Act fails to comply with a notice within the time allowed in the notice to enter on the land and take the necessary steps for carrying out the requirements of the notice and to recover the costs of so doing, as a debt, from the person on whom the notice was served. |
| 47. Professional Advice to be Obtained in Relation to Certain Matters | |
| 47.1 | The power pursuant to Section 235(1) of the PDI Act, to, in the exercise of a prescribed function, rely on a certificate of a person with prescribed qualifications. |
| 47.2 | The power pursuant to Section 235(2) of the PDI Act to seek and consider the advice of a person with prescribed qualifications, or a person approved by the Minister for that purpose, in relation to a matter arising under the PDI Act that is declared by regulation to be a matter on which such advice should be sought. |
| 48. Charges on Land | |
| 48.1 | The power pursuant to Section 239(1) of the PDI Act if a charge on land is created under a provision of the PDI Act in favour of the Council, to deliver to the Registrar-General a notice in a form determined by the Registrar-General, setting out the amount of the charge and the land over which the charge is claimed. |
| 48.2 | The power pursuant to Section 239(6) of the PDI Act if a charge in the Council's favour exists and the amount to which the charge relates is paid, to by notice to the appropriate authority in a form determined by the Registrar-General, apply for the discharge of the charge. |
| 49. Registering Authorities to Note Transfer | |
| 49.1 | The power pursuant to Section 240(1) of the PDI Act to apply to the Registrar-General or another authority required or authorised under a law of |

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| | the State to register or record transactions affecting assets, rights or liabilities, or documents relating to such transactions, to register or record in an appropriate manner the transfer to the Council of an asset, right or liability by regulation, proclamation or notice under the PDI Act. |
| 50. Reporting | |
| 50.1 | The power pursuant to Clause 13(3)(b) of Schedule 2 of the PDI Act to require a report under Clause 13(2) of Schedule 2 of the PDI Act to contain any other information or report required by the delegate. |
| 51. Review of Performance | |
| 51.1 | The power pursuant to Clause 3(16) of Schedule 4 of the PDI Act to comply with a direction under Clauses 3(13) or (15) of Schedule 4 of the PDI Act. |

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| 52. Mutual Liability Scheme – Rights of Indemnity | |
| 52.1 | The power pursuant to Regulation 11B(1) of the Planning, Development and Infrastructure (General) Regulations 2019 (the General Regulations) to: |
| 52.1.1 | in being responsible under Section 83(1)(h)(ii) of the PDI Act for the costs and other liabilities associated with the activities of an assessment panel appointed by the Council; and |
| 52.1.2 | in being responsible for the costs associated with the activities of a regional assessment panel in accordance with a scheme set out in a notice under Section 84(1)(a) and (i) of the PDI Act, |
| | have arrangements in place to indemnify the members of any such panel in respect of a claim against a member of the panel arising out of the performance, exercise or discharge (or purported performance, exercise or discharge) in good faith of their functions, powers or duties under the PDI Act in their role as a member of the panel. |
| 52.2 | The power pursuant to Regulation 11B(5) of the General Regulations to: |
| 52.2.1 | in being responsible under Section 87(f) of the PDI Act for the costs and other liabilities associated with the activities of an assessment manager for an assessment panel appointed by the Council; and |

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| 52.2.2 | in being responsible for the costs associated with the activities of a regional assessment panel in accordance with a scheme set out in a notice under Section 87(1)(a) and (i) of the PDI Act, |
| | have arrangements in place to indemnify an assessment manager for any such panel in respect of a claim against the assessment manager arising out of the performance, exercise or discharge (or purported performance, exercise or discharge) in good faith of their functions, powers or duties under the PDI Act in their role as an assessment manager. |
| 53. Performance Assessed Development and Restricted Development | |
| 53.1 | The power pursuant to Regulation 47(4)(d) of the General Regulations to determine the fee payable by the applicant as being appropriate to cover the reasonable costs of placing the notice on the land. |
| 54. Underground Main Areas | |
| 54.1 | The power pursuant to Regulation 78(1) of the General Regulations if the delegate considers an area should be declared an underground mains area to seek a report from the relevant electricity authority in relation to the matter. |
| 54.2 | The power pursuant to Regulation 78(2) of the General Regulations after having received and considered a report from the electricity authority to declare the area to be an underground mains area. |
| 55. Width of Roads and Thoroughfares | |
| 55.1 | The power pursuant to Regulation 81(4) of the General Regulations to dispense with a width prescribed by Regulations 81(1) or (3) of the General Regulations (and specify a different width) if the delegate is of the opinion that the width so prescribed is not necessary for the safe and convenient movement of vehicles or pedestrians, or for underground services. |
| 55.2 | The power pursuant to Regulation 81(5) of the General Regulations to subject to Regulation 81(6) of the General Regulations specify the width of the road at the head of every cul-de-sac in such dimensions as may be acceptable to the delegate. |
| 55.3 | The power pursuant to Regulation 81(6) of the General Regulations to dispense with a requirement under Regulation 81(5) of the General Regulations if it appears to the delegate that the cul-de-sac is likely to become a through road. |
| 56. Road Widening | |

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| 56.1 | The power pursuant to Regulation 82(1) of the PDI Act, subject to Regulation 82(2) of the General Regulations, if an existing road abuts land which is proposed to be divided, to form the view that the road should be widened in order to provide a road of adequate width having regard to existing and future requirements of the area. |
| 57. Requirement as to Forming of Roads | |
| 57.1 | The power pursuant to Regulation 83(1) of the General Regulations, subject to Regulation 83(2) of the General Regulations, to specify the width and manner of the formation of the roadway of every proposed road on a plan of division. |
| 57.2 | The power pursuant to Regulation 83(2) of the General Regulations to form the opinion that it is necessary to specify a width for a roadway to be formed under Regulation 83(1) in excess of 7.4m, in view of the volume or type of traffic that is likely to traverse that road. |
| 57.3 | The power pursuant to Regulation 83(4) of the General Regulations, to dispense with the requirements under Regulation 83(3) of the General Regulations, if the delegate is of the opinion that the cul-de-sac is likely to become a through road. |
| 57.4 | The power pursuant to Regulation 83(5) of the General Regulations, subject to Regulation 83(6) of the General Regulations to require every footpath, water-table, kerbing, culvert and drain of every proposed road to be formed in a manner satisfactory to the delegate. |
| 57.5 | The power pursuant to Regulation 83(6) of the General Regulations, to dispense with a requirement under Regulation 83(5) of the General Regulations. |
| 58. Construction of Roads, Bridges, Drains and Services | |
| 58.1 | The power pursuant to Regulation 84(1) of the General Regulations to require the roadway of every proposed road within the relevant division to be constructed and paved and sealed with bitumen, tar or asphalt or other material approved by the delegate. |
| 59. Supplementary Provisions | |
| 59.1 | The power pursuant to Regulation 85(1) of the General Regulations to approve the road location and grading plan for the manner of forming any proposed road, footpath, water-table, kerbing, culvert or drain required under Division 6 of the General Regulations. |

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| 59.2 | The power pursuant to Regulation 85(2) of the General Regulations, subject to Regulation 85(4) of the General Regulations, to require all work referred to in Regulations 83 and 84 of the General Regulations to be carried out in a manner satisfactory to the delegate and in conformity with detailed construction plans and specifications signed by a professional engineer or, at the discretion of the delegate, a licensed surveyor, and approved by the delegate before the commencement of the work. |
| 59.3 | The power pursuant to Regulation 85(4) of the General Regulations to form the opinion that all connections for water supply and sewerage services to any allotment delineated on the plan which, in the opinion of the Chief Executive of the South Australian Water Corporation are necessary and need to be laid under the surface of the proposed road, have been made. |
| 60. General Provisions | |
| 60.1 | The power pursuant to Regulation 89(1) of the General Regulations to form the opinion that another form of arrangement is satisfactory for the purposes of Section 138(1) of the PDI Act. |
| 60.2 | The power pursuant to Regulation 89(3) of the General Regulations to provide a certificate which: |
| 60.2.1 | evidences the consent of the Council to an encroachment by a building over other land; and |
| 60.2.2 | sets out: |
| 60.2.2.1 | the date on which any relevant building was erected (if known); and |
| 60.2.2.2 | the postal address of the site. |
| 60.3 | The power pursuant to Regulation 89(6)(b) of the General Regulations to request a written copy of the certificate and plan (or certificates and plans) referred to in Regulation 89(3) of the General Regulations. |
| 61. Notifications During Building Work | |
| 61.1 | The power pursuant to Regulation 93(1)(b) of the General Regulations to specify by notice to the building owner and to the licensed building work contractor responsible for carrying out the relevant building work (if any), when development approval is granted in respect of the work, any stage of the building work to which the periods and stages prescribed for the purposes of Section 146(1) of the PDI Act relate. |

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| 61.2 | The power pursuant to Regulation 93(1)(c) of the General Regulations to specify by notice in writing to the building owner on the granting of development approval in respect of the work any stage of the building work to which the periods and stages prescribed for the purposes of Section 146(1) of the PDI Act relate. |
| 62. Essential Safety Provisions | |
| 62.1 | The power pursuant to Regulation 94(13) of the General Regulations to require compliance with Regulation 94(10) of the General Regulations if: |
| 62.1.1 | the essential safety provisions were installed |
| 62.1.1.1 | under a condition attached to a consent or approval that is expressed to apply by virtue of a variance with the performance requirements of the Building Code; or |
| 62.1.1.2 | as part of a performance solution under the Building Code; or |
| 62.1.2 | the building has been the subject of a notice under Section 157 of the PDI Act. |
| 63. Classification of Buildings | |
| 63.1 | The power pursuant to Regulation 102(3) of the General Regulations to require an application under Regulation 102(1) or (2) of the General Regulations to be accompanied by: |
| 63.1.1 | such details, particulars, plans, drawings, specifications, certificates and other documents as the delegate may reasonably require to determine the building's classification. |
| 63.2 | The power pursuant to Regulation 102(4) of the General Regulations, to subject to Regulation 102(5) of the General Regulations, assign the appropriate classification under the Building Code to a building if the delegate is satisfied, on the basis of the owner's application, and accompanying documentation, that the building, in respect of the classification applied for, possesses the attributes appropriate to its present or intended use. |
| 63.3 | The power pursuant to Regulation 102(5) of the General Regulations, if an application under Regulation 102 of the General Regulations is made in respect of an existing Class 2 to Class 9 building, to require the applicant to satisfy the delegate that the provisions of any relevant Ministerial building standard relating to upgrading health and safety in existing buildings has been complied with (to the extent reasonably applicable to the building and its |

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| | present or intended use). |
| 63.4 | The power pursuant to Regulation 102(6) of the General Regulations, on assigning a classification to a building (or part of a building) to, if relevant, determine and specify in the notice to the owner under Section 151(3) of the PDI Act: |
| 63.4.1 | the maximum number of persons who may occupy the building (or part of the building); and |
| 63.4.2 | if the building has more than 1 classification—the part or parts of the building to which each classification relates and the classifications currently assigned to the other parts of the building. |
| 64. | Certificates of Occupancy |
| 64.1 | The power pursuant to Regulation 103(2) of the General Regulations to, require the following documentation: |
| 64.1.1 | if the development has been approved subject to conditions, such evidence as the delegate may reasonably require to show that the conditions have been satisfied; |
| 64.1.2 | if the application relates to the construction or alteration of part of a building and further building work is envisaged in respect of the remainder of the building, such evidence as the delegate may reasonably require to show: |
| 64.1.2.1 | in the case of a building more than 1 storey - that the requirements of any relevant Ministerial building standard have been complied with; or |
| 64.1.2.2 | in any other case - that the building is suitable for occupation. |
| 64.2 | The power pursuant to Regulation 103(3) of the General Regulations, to, other than in relation to a designated building on which building work involving the use of a designated building product is carried out after 12 March 2018, dispense with the requirement to provide a Statement of Compliance under Regulation 103(2)(a) of the General Regulations if: |
| 64.2.1 | the delegate is satisfied that a person required to complete 1 or both parts of the statement has refused or failed to complete that part and that the person seeking the issuing of the certificate of occupancy has taken reasonable steps to obtain the relevant certification or |

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| | certifications; and |
| 64.2.2 | it appears to the delegate, after undertaking an inspection, that the relevant building is suitable for occupation. |
| 64.3 | The power pursuant to Regulation 103(4) of the General Regulations if: |
| 64.3.1 | a building is: |
| 64.3.1.1 | to be equipped with a booster assembly for use by a fire authority; or |
| 64.3.1.2 | to have installed a fire alarm that transmits a signal to a fire station or to a monitoring service approved by the relevant authority; and |
| 64.3.2 | facilities for fire detection, fire fighting or the control of smoke must be installed in the building pursuant to an approval under the PDI Act, |
| | to not grant a certificate of occupancy unless or until the delegate has sought a report from the fire authority as to whether those facilities have been installed and operate satisfactorily and to seek such a report from the fire authority. |
| 64.4 | The power pursuant to Regulation 103(5) of the General Regulations if a report is not received from the fire authority within 15 business days, to presume that the fire authority does not desire to make a report. |
| 64.5 | The power pursuant to Regulation 103(6) of the General Regulations to have regard to any report received from a fire authority under Regulation 103(4) of the General Regulations before the delegate issues a certificate of occupancy. |
| 64.6 | The power pursuant to Regulation 103(6a) of the General Regulations, on receipt of a notification of intended completion of building work under Regulation 93(1)(f) of the General Regulations, to determine that building work will be inspected by an authorised officer. |
| 64.7 | The power pursuant to Regulation 103(9) of the General Regulations to revoke a certificate of occupancy: |
| 64.7.1 | if: |
| 64.7.1.1 | there is a change in the use of the building; or |

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| 64.7.1.2 | the classification of the building changes; or |
| 64.7.1.3 | building work involving an alteration or extension to the building that will increase the floor area of the building by more than 300m ² is about to commence, or is being or has been carried out; or |
| 64.7.1.4 | the building is about to undergo, or is undergoing or has undergone, major refurbishment, |
| | and the delegate considers that in the circumstances the certificate should be revoked and a new certificate sought; or |
| 64.7.2 | if the delegate considers that the building is no longer suitable for occupation because of building work undertaken, or being undertaken, on the building, or because of some other circumstance; or |
| 64.7.3 | if a schedule of essential safety provisions has been issued in relation to the building and the owner of the building has failed to comply with the requirements of Regulation 94(10) of the General Regulations; or |
| 64.7.4 | if the delegate considers: |
| 64.7.4.1 | that a condition attached to a relevant development authorisation has not been met, or has been contravened, and that, in the circumstances, the certificate should be revoked; or |
| 64.7.4.2 | that a condition attached to the certificate of occupancy has not been met, or has been contravened, or is no longer appropriate. |
| 65. | Mining Production Tenements |
| 65.1 | The power pursuant to Regulation 109(1)(b) of the General Regulations to make submissions to the appropriate Authority and object to the granting of the tenement. |
| 66. | Register of Land Management Agreements (Section 193) |
| 66.1 | The power pursuant to Regulation 111(2) of the General Regulations to establish a register of agreements entered into by the Council under Section 193 of the PDI Act. |

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| 66.2 | The power pursuant to Regulation 111(3) of the General Regulations to include in a register, or provide access to a copy of each agreement entered into by the Council under Section 193 of the PDI Act and such other information the delegate considers appropriate. |
| 67. Authorised Officers and Inspections | |
| 67.1 | The power pursuant to Regulation 112(1) of the General Regulations to appoint at least 1 authorised officer under Section 210(1)(b) of the PDI Act: |
| 67.1.1 | who is an accredited professional who is: |
| 67.1.1.1 | an Accredited professional - building level 1; or |
| 67.1.1.2 | an Accredited professional - building level 2; or |
| 67.1.1.3 | an Accredited professional - building level 3; or |
| 67.1.1.4 | an Accredited professional - building level 4; or |
| 67.1.2 | who holds a current accreditation recognised by the Chief Executive for the purposes of this Regulation; or |
| 67.1.3 | who holds an approval from the Chief Executive. |

PLANNING, DEVELOPMENT AND INFRASTRUCTURE (FEES, CHARGES AND CONTRIBUTIONS) REGULATIONS 2019

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| 68. Calculation of Assessment of Fees | |
| 68.1 | The power pursuant to Regulation 5(1) of the Planning, Development and Infrastructure (Fees, Charges and Contributions) Regulations 2019 (the Fees Regulations) in relation to an application which is duly lodged under a related set of regulations (including via the SA planning portal): |
| 68.1.1 | to require the applicant to provide such information as the delegate may reasonably require to calculate any fee payable under the Fees Regulations or a related set of regulations; and |
| 68.1.2 | to make any other determination for the purposes of the Fees Regulations or a related set of regulations (even if the Council is not a relevant authority). |
| 68.2 | The power pursuant to Regulation 5(2) of the Fees Regulations, if the |

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| | delegate acting under Regulation 5(1) of the Fees Regulations, believes that any information provided by an applicant is incomplete or inaccurate, to calculate any fee on the basis of estimates made by the delegate. |
| 68.3 | The power pursuant to Regulation 5(3) of the Fees Regulations to at any time, and despite an earlier calculation or acceptance of an amount in respect of the fee, reassess a fee payable under the Fees Regulations or a related set of Regulations. |
| 69. Waiver or Refund of Fee | |
| 69.1 | The power pursuant to Regulation 7 of the Fees Regulations to, as the delegate considers appropriate to do so: |
| 69.1.1 | waive the payment of the fee, or the payment of part of the fee; or |
| 69.1.2 | refund the whole or a part of the fee. |

**STATE PLANNING COMMISSION PRACTICE DIRECTION – 2 PREPARATION AND
AMENDMENT OF DESIGNATED INSTRUMENTS**

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| 70. Requirements in Relation to Preparing an Engagement Plan | |
| 70.1 | The power pursuant to clause 5(1) of the State Planning Commission Practice Direction – 2 Preparation and Amendment of Designated Instruments (PD2), to prepare a community engagement plan that: |
| 70.1.1 | meets the principles and performance outcomes of the Charter; |
| 70.1.2 | describes the persons or bodies to be consulted; |
| 70.1.3 | outlines any relevant previous engagement undertaken to inform the proposal; |
| 70.1.4 | describes the evaluation framework for the engagement. |
| 70.2 | The power pursuant to clause 5(2) of PD2 to submit the community engagement plan to the Commission for approval with the exception of an amendment to the Code and a Design Standard. |

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| 71. Requirements in Relation to Preparing an Engagement Report Following Consultation |
| 71.1 The power pursuant to clause 6(2) of PD2 to set out in the report: |
| 71.1.1 details of the engagement undertaken and how that engagement met the agreed community engagement plan, and reasons for variations, if any to that plan; |
| 71.1.2 the outcome of the engagement including a summary of the feedback made; |
| 71.1.3 the response to the details of, and reasons for, changes to the proposal to prepare or amend a designated instrument when compared to the proposal that was engaged on, and to specifically indicate: |
| 71.1.3.1 where changes are proposed to the designated instrument based on the engagement; and |
| 71.1.3.2 any other changes proposed based on additional investigations or information not available when the proposal was released for engagement. |
| 71.2 The power pursuant to clause 6(3) of PD2 to, in the engagement report also include an evaluation of the effectiveness of the engagement that considers whether: |
| 71.2.1 the principles of the Charter have been achieved; and |
| 71.2.2 all mandatory requirements identified in the Charter have been met where the consultation category is applicable. |
| 72. Requirements in Relation to Initiating a Code Amendment Pursuant to Section 73 of the Act |
| 72.1 The power pursuant to clause 7(1) of PD 2 to provide a proposal to the Commission to initiate a code amendment that sets out: |
| 72.1.1 Scope - an explanation of the reasons for the preparation of the amendment and a description of the changes in circumstance leading the need for the amendment and the range of issues to be addressed in the amendment; |
| 72.1.2 Code Modules - an outline of any overlay, general policy, zone or subzones being considered for amendment and/or the intended |

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| | spatial application of an overlay, general policy, zone or subzone over an identified area, or draft instructions for the proposed amendments; |
| 72.1.3 | Area Affected - A map or description of the area affected by the proposed amendment; |
| 72.1.4 | State Planning Policies - an identification of the relevant key state planning policies and a statement of assessment of the amendment's consistency with those policies; |
| 72.1.5 | Regional Plans - An indication of how the matters or issues proposed to be addressed by the amendment will relate to the relevant regional plan and any relevant infrastructure planning; |
| 72.1.6 | Infrastructure Provision - |
| 72.1.6.1 | an explanation of any infrastructure provision that is required and how the infrastructure provision will be provided; and |
| 72.1.6.2 | an indication whether it is likely that an infrastructure agreement or agreements will need to be entered into in connection with the code amendment process, identifying the tools that will be used for this process; |
| 72.1.7 | Joint Planning Board Comments - that the Council has discussed the proposal with the relevant Regional Planning Board; |
| 72.1.8 | Consultation – information regarding any other consultation that has occurred; |
| 72.1.9 | in relation to designating a place as a place of local heritage value or a heritage area - a heritage review prepared by a heritage architect or historian or similar occupation in accordance with the Commission's guidelines prepared under Section 67(2)(c) of the PDI Act; |
| 72.1.10 | in relation to designating a tree a significant tree - an assessment of the tree against the criteria under Section 68(1)(a) of the PDI Act; |
| 72.1.11 | in relation to designating a stand of trees to be significant trees – an assessment of the trees against the criteria under Section 68(1)(b) of the PDI Act. |

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| 72.2 | The power pursuant to clause 7(2) of PD2 to, in addition, provide: |
| 72.2.1 | Timetable - an outline of the proposed timetable for each step of the process (ensuring that the process is completed within reasonable time limits), and a commitment on the part of the Council that it will take steps to update this timetable if it appears at any stage that the Council will require an extension; |
| 72.2.2 | Investigations - an outline of the investigations and justifications that will be undertaken (and those that may have already been undertaken) and the form that those investigations will take in order to address the strategic and social, economic and environmental issues of the proposed amendment, or an explanation and summary of the investigations undertaken and how these support the amendment. |
| 73. | Requirements in Relation to Preparation of the Draft Proposal Prior to Consultation and Decision |
| 73.1 | The power pursuant to clause 8(1) of PD 2 to, prior to consultation, provide to the Department: |
| 73.1.1 | instructions that set out the intent of the proposed policy amendment for the purposes of the Department writing the draft Code Policy for the Council; |
| 73.1.2 | any maps in an industry standard GIS format to enable the production version of mapping to be prepared and returned to the Council; |
| 73.1.3 | in relation to heritage lists a local heritage data sheet and a significant trees data sheet. |
| 73.2 | The power pursuant to clause 8(2) of PD2, if amendments are proposed to the consultation versions, to provide to the Department: |
| 73.2.1 | instruction to write the amendments to the Code Policy; |
| 73.2.2 | amendments to the maps in an industry standard GIS format to enable the production version of mapping to be prepared and returned to the Council. |
| 74. | Requirements in Relation to Preparation of the Draft Proposal for Consultation |
| 74.1 | The power pursuant to clause 9(1) of PD2 to, for engagement purposes, |

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| support a code amendment by the following information: | |
| 74.1.1 | an explanation about why and how the Code is proposed to be amended; |
| 74.1.2 | an assessment of the amendment against the relevant provisions of State Planning Policies and the relevant regional plan; |
| 74.1.3 | if any amendment is not fully consistent with the State Planning Policies or the region plan, to so specifically identify that and include an explanation setting out the reason or reasons for the inconsistency; |
| 74.1.4 | an explanation and summary of the investigations undertaken and how these support the amendment; |
| 74.1.5 | an explanation of any infrastructure provision that is required and how the infrastructure will be provided. |
| 75. Requirements in Relation to Complying Changes Under Section 75 | |
| 75.1 | The power pursuant to clause 11(1) of PD2, in relation to a proposal to agree to a complying change, to provide the following information to the department: |
| 75.1.1 | a reference to the documentation and recommendation in relation to the proposed amendment in the relevant regional plan; |
| 75.1.2 | a summary of the consultation in accordance with the Charter that has occurred in relation to the proposal including reference to the Engagement Report prepared for the regional plan and any additional consultation that has occurred; |
| 75.1.3 | instructions that set out the intent of the proposed policy amendment for the purposes of the department writing the draft Code Policy for the Council; |
| 75.1.4 | any maps in an industry standard GIS format to enable the production version of mapping to be prepared and returned to the Council. |
| 76. Requirements in Relation to Early Commencement Under Section 78 | |
| 76.1 | The power pursuant to clause 12(1) of PD2, in relation to a request for a code amendment to come into operation without delay, to provide to the department: |

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| 76.1.1 | an explanation about how early commencement is required to counter applications for undesirable development (development that would detract from, negate the object of the amendment) during consultation and consideration of the code amendment; |
| 76.1.2 | instructions that set out the intent of the proposed policy amendment for the purposes of the Department writing the draft Code Policy for the Council; |
| 76.1.3 | any maps in an industry standard GIS format to enable the production version of mapping to be prepared and returned to the Council. |

STATE PLANNING COMMISSION PRACTICE DIRECTION – 3 (NOTIFICATION OF PERFORMANCE ASSESSED DEVELOPMENT APPLICATIONS) 2019

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| 77. Responsibility to Undertake Notification | |
| 77.1 | The power pursuant to clause 6(3)(b) of the State Planning Commission Practice Direction – 3 (Notification of Performance Assessed Development Applications) 2019 (PD3) to determine the relevant fee as being appropriate to cover the relevant authority's reasonable costs in giving public notice of the application under Section 107(3)(a)(i) of the PDI Act. |

**STATE PLANNING COMMISSION PRACTICE DIRECTION
(COUNCIL INSPECTIONS) 2020**

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| 78. Mandatory Inspections | |
| 78.1 | The power pursuant to clause 2(2) of Part 2 of the State Planning Commission Practice Direction (Council Inspections) 2020 (PD9) to, in carrying out an inspection under PD9, take all reasonable steps to ensure each inspection includes an inspection and assessment of the following elements (elements), as may be present at the time of inspection: |
| 78.1.1 | primary structural elements; |
| 78.1.2 | structural framing and roof trusses; |
| 78.1.3 | wet areas and waterproofing; |
| 78.1.4 | barriers to prevent falls; |

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| 78.1.5 | cladding; |
| 78.1.6 | egress provisions; |
| 78.1.7 | bushfire protection systems; |
| 78.1.8 | passive and active fire safety elements; |
| 78.1.9 | private bushfire shelters; and |
| 78.1.10 | performance solutions. |
| 79. Additional Inspections | |
| 79.1 | The power pursuant to clause 3(2) of Part 2 of PD9 to consider carrying out an inspection in addition to any specified in clause 2 of Part 2 of PD9 (additional inspections) if the delegate has information to indicate that the circumstances warrant it, having regard to the objects of PD9. |
| 80. Inspections Generally | |
| 80.1 | The power pursuant to clause 4(3) of Part 2 of PD9, in relation to building work listed in Schedule 7 of the General Regulations to consider if an additional inspection may be appropriate. |
| 81. General Requirements | |
| 81.1 | The power pursuant to clause 1(2) of Part 3 of PD9 to ensure that an inspection under PD9 and subsequent assessment of each of the applicable elements in clause 2(2) of Part 2 of PD9 is carried out by a person who has the appropriate qualifications, skills, knowledge and experience to carry out an inspection assigned to that officer under PD9. |

**STATE PLANNING COMMISSION PRACTICE DIRECTION 10 (STAGED
OCCUPATION OF MULTI-STOREY BUILDINGS) 2020**

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| 82. Conditions that Must be Met for the Staged Occupation of a Partially Completed Building | |
| 82.1 | The power pursuant to clause 5(2) of the State Planning Commission Practice Direction 10 (Staged Occupation of Multi-Storey Buildings 2020 (PD10)) to, agree to partial occupancy of a partially completed multistorey building. |

SCHEDULE OF CONDITIONS

**CONDITIONS OR LIMITATIONS
APPLICABLE TO DELEGATIONS
CONTAINED IN THIS INSTRUMENT**

| Paragraph(s) in instrument to which conditions/limitations apply | Conditions / Limitations |
|--|--------------------------|
| Nil | Nil |
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Attachment B

Business Readiness for the Planning, Development and Infrastructure Act 2016

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
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City of
**Norwood
Payneham
& St Peters**

INSTRUMENT B

**INSTRUMENT OF DELEGATION UNDER THE
PLANNING, DEVELOPMENT AND INFRASTRUCTURE ACT 2016, REGULATIONS,
PLANNING AND DESIGN CODE AND PRACTICE DIRECTIONS
OF POWERS OF A COUNCIL AS A RELEVANT AUTHORITY**

NOTES

1. Conditions or Limitations: conditions or limitations may apply to the delegations contained in this Instrument. Refer to the Schedule of Conditions at the back of this document.
2. Refer to the relevant Council resolution(s) to identify when these delegations were made, reviewed and or amended.
3. The powers and functions delegated in this Instrument may be further delegated by the Chief Executive Officer in accordance with Sections 44 and 101 of the Local Government Act 1999 as the Chief Executive Officer sees fit, unless otherwise indicated herein or in the Schedule of Conditions contained in the proposed Instrument of Delegation.

POWERS AND FUNCTIONS DELEGATED IN THIS INSTRUMENT

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| 1. | Environment and Food Production Areas – Greater Adelaide |
| 1.1 | The power pursuant to Section 7(5)(a) of the Planning, Development and Infrastructure Act 2016 (the PDI Act), in relation to a proposed development in an environment and food production area that involves a division of land that would create 1 or more additional allotments to seek the concurrence of the Commission in the granting of the development authorisation to the development. |
| 1.2 | The power pursuant to Section 7(5)(d) of the PDI Act in relation to a proposed development in an environment and food production area that involves a division of land that would create one or more additional allotments, to, if the proposed development will create additional allotments to be used for residential development, refuse to grant development authorisation in relation to the proposed development. |
| 2. | Related Provisions |
| 2.1 | The power pursuant to Section 99(2)(b)(ii) of the PDI Act to, if appropriate, grant development approval in the case of Section 99(1)(d) of the PDI Act. |
| 2.2 | The power pursuant to Section 99(3) of the PDI Act where a proposed development is to be undertaken within the area of the Council, to, subject to the regulations, if appropriate, grant the final development approval after all |

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| elements of the development have been approved by one or more relevant authorities under Section 99 of the PDI Act. | |
| 3. | Matters Against Which Development Must be Assessed |
| 3.1 | The power pursuant to Section 102(1) of the PDI Act to assess a development against and grant or refuse a consent in respect of the relevant provisions of the Building Rules (building consent). |
| 3.2 | The power pursuant to Section 102(8) of the PDI Act, when all relevant consents have been granted in relation to a development, to in accordance with the PDI Act, indicate that the development is approved. |
| 4. | Building Consent |
| 4.1 | The power pursuant to Section 118(1) of the PDI Act, if the Regulations provide that a form of building work complies with the Building Rules, to grant any such building work a building consent (subject to such conditions or exceptions as may be prescribed by the regulations). |
| 4.2 | The power pursuant to Section 118(2)(a) of the PDI Act to seek the concurrence of the Commission to grant a building consent in respect of a development that is at variance with the performance requirements of the Building Code or a Ministerial building standard. |
| 4.3 | The power pursuant to Section 118(2) of the PDI Act, subject to Section 118(6) of the PDI Act, to grant a building consent to a development that is at variance with the Building Rules if: |
| 4.3.1 | the variance is with a part of the Building Rules other than the Building Code or a Ministerial building standard and the delegate determines that it is appropriate to grant the consent despite the variance on the basis that the delegate is satisfied: |
| 4.3.1.1 | that: |
| | (a) the provisions of the Building Rules are inappropriate to the particular building or building work, or the proposed building work fails to conform with the Building Rules only in minor respects; and |
| | (b) the variance is justifiable having regard to the objects of the Planning and Design Code or the performance requirements of the Building Code or a Ministerial building standard (as the case may be) and would achieve the objects of this Act as |

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| | effectively, or more effectively, than if the variance were not to be allowed; or |
| 4.3.1.2 | in a case where the consent is being sought after the development has occurred - that the variance is justifiable in the circumstances of the particular case. |
| 4.4 | The power pursuant to Section 118(4) of the PDI Act, to at the request or with the agreement of the applicant, refer proposed building work to the Commission for an opinion on whether or not it complies with the performance requirements of the Building Code or a Ministerial building standard. |
| 4.5 | The power pursuant to Section 118(6) of the PDI Act if an inconsistency exists between the Building Rules and the Planning Rules in relation to a State heritage place or a local heritage place, to, in determining an application for building consent, ensure, so far as is reasonably practicable, that standards of building soundness, occupant safety and amenity are achieved in respect of the development that are as good as can reasonably be achieved in the circumstances. |
| 4.6 | The power pursuant to Section 118(7) of the PDI Act to seek and consider the advice of the Commission before imposing or agreeing to a requirement under Section 18(6) of the PDI Act that would be at variance with the performance requirements of the Building Code or a Ministerial building standard. |
| 4.7 | The power pursuant to Section 118(8) of the PDI Act, to, subject to the PDI Act, accept that proposed building work complies with the Building Rules to the extent that: |
| 4.7.1 | such compliance is certified by the provision of technical details, particulars, plans, drawings or specifications prepared and certified in accordance with the regulations; or |
| 4.7.2 | such compliance is certified by a building certifier. |
| 4.8 | The power pursuant to Section 118(10) of the PDI Act to refuse to grant a consent in relation to any development if, as a result of that development, the type or standard of construction of a building of a particular classification would cease to conform with the requirements of the Building Rules for a building of that classification |
| 4.9 | The power pursuant to Section 118(11) of the PDI Act, if a relevant authority decides to grant building consent in relation to a development that is at variance with the Building Rules, to, subject to the regulations, in giving notice |

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| | of the relevant authority's decision on the application for that consent, specify (in the notice or in an accompanying document): |
| 4.9.1 | the variance; and |
| 4.9.2 | the grounds on which the decision is being made. |
| 5. | Application and Provision of Information |
| 5.1 | The power pursuant to Section 119(1)(b) of the PDI Act to require an application to the relevant authority for the purposes of Part 7 of the PDI Act, to include any information as the delegate may reasonably require. |
| 5.2 | The power pursuant to Section 119(3) of the PDI Act to request an applicant: |
| 5.2.1 | to provide such additional documents, assessments or information (including calculations and technical details) as the delegate may reasonably require to assess the application; |
| 5.2.2 | to remedy any defect or deficiency in any application or accompanying document or information required by or under the PDI Act; |
| 5.2.3 | to consult with an authority or body prescribed by the regulations; |
| 5.2.4 | to comply with any other requirement prescribed by the regulations. |
| 5.3 | The power pursuant to Section 119(7) of the PDI Act to, in dealing with an application that relates to a regulated tree, consider that special circumstances apply. |
| 5.4 | The power pursuant to Section 119(9) of the PDI Act to: |
| 5.4.1 | permit an applicant: |
| 5.4.1.1 | to vary an application; |
| 5.4.1.2 | to vary any plans, drawings, specifications or other documents that accompanied an application, |
| | (provided that the essential nature of the proposed development is not changed); |
| 5.4.2 | permit an applicant to lodge an application without the provision of any information or document required by the regulations; |

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| 5.4.3 | to the extent that the fee is payable to the relevant authority waive payment of whole or part of the application fee, or refund an application fee (in whole or in part); |
| 5.4.4 | if there is an inconsistency between any documents lodged with the relevant authority for the purposes of Part 7 of the PDI Act (whether by an applicant or any other person), or between any such document and a development authorisation that has already been given that is relevant in the circumstances, return or forward any document to the applicant or to any other person and determine not to finalise the matter until any specified matter is resolved, rectified or addressed. |
| 5.5 | The power pursuant to Section 119(10) of the PDI Act to grant a permission under Section 119(9) of the PDI Act unconditionally or subject to such conditions as the delegate thinks fit. |
| 5.6 | The power pursuant to Section 119(12) of the PDI Act to, in a consent, provide for, or envisage, the undertaking of development in stages, with separate consents or approvals for the various stages. |
| 5.7 | The power pursuant to Section 119(14) of the PDI Act to if an applicant withdraws an application to determine to refund the application fee. |
| 6. | Outline Consent |
| 6.1 | The power pursuant to Section 120(1) of the PDI Act and subject to Section 120 of the PDI Act, to on application, grant a consent in the nature of an outline consent. |
| 6.2 | The power pursuant to Section 120(3) of the PDI Act if an outline consent is granted and a subsequent application is made with respect to the same development (subject to any variations allowed by a practice direction) to: |
| 6.2.1 | grant any consent contemplated by the outline consent; and |
| 6.2.2 | not impose a requirement that is inconsistent with the outline consent. |
| 7. | Referrals to Other Authorities or Agencies |
| 7.1 | The power pursuant to Section 122(1) of the PDI Act, where an application for consent to, or approval of, a proposed development of a prescribed class is to be assessed by a relevant authority, to: |
| 7.1.1 | refer the application, together with a copy of any relevant information provided by the applicant, to a body prescribed by the regulations |

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| | (including, if so prescribed, the Commission); and |
| 7.1.2 | not make a decision until the relevant authority has received a response from that prescribed body in relation to the matter or matters for which the referral was made |
| | where the regulations so provide, subject to Section 122 of the PDI Act. |
| 7.2 | The power pursuant to Section 122(5)(b) of the PDI Act, acting by direction of a prescribed body: |
| 7.2.1 | to refuse the application; or |
| 7.2.2 | consent to or approve the development and impose such conditions as the prescribed body thinks fit, (subject to any specific limitation under another Act as to the conditions that may be imposed by the prescribed body) |
| | where the regulations so provide. |
| 7.3 | The power pursuant to Section 122(7) of the PDI Act, if the relevant authority is directed by a prescribed body to refuse an application and the refusal is the subject of an appeal under the PDI Act, to apply for the relevant authority to be joined as a party to the proceedings. |
| 7.4 | The power pursuant to Section 122(10) of the PDI Act to, if requested by an applicant, defer a referral under Section 122 of the PDI Act to a particular stage in the process of assessment. |
| 8. | Proposed Development Involving Creation of Fortifications |
| 8.1 | The power pursuant to Section 124(1) of the PDI Act, if the delegate has reason to believe that a proposed development may involve the creation of fortifications, to refer the application for consent to, or approval of, the proposed development to the Commissioner of Police (the Commissioner). |
| 8.2 | The power pursuant to Section 124(5) of the PDI Act, if the Commissioner determines that the proposed development involves the creation of fortification, to: |
| 8.2.1 | if the proposed development consists only of the creation of fortifications – refuse the application; |
| 8.2.2 | in any other case – impose conditions in respect of any consent to or approval of the proposed development prohibiting the creation of the |

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| | fortification. |
| 8.3 | The power pursuant to Section 124(6) of the PDI Act, if the relevant authority acting on the basis of a determination of the Commissioner under Section 124(2) of the PDI Act refuses an application or imposes conditions in respect of a development authorisation, to notify the applicant that the application was refused, or the conditions imposed, on the basis of a determination of the Commissioner under Section 124 of the PDI Act. |
| 8.4 | The power pursuant to Section 124(7) of the PDI Act, if a refusal or condition referred to in Section 124(5) of the PDI Act is the subject of an appeal under the PDI Act, to apply to the Court to be joined as a party to the appeal. |
| 9. | Determination of Application |
| 9.1 | The power pursuant to Section 126(1) of the PDI Act to, on making a decision on an application under Part 7 of the PDI Act, give notice of the decision in accordance with the regulations (and, in the case of a refusal, to include in the notice the reasons for the refusal and any appeal rights that exist under the PDI Act). |
| 9.2 | The power pursuant to Section 126(3) of the PDI Act to, on the delegate's own initiative or on the application of a person who has the benefit of any relevant development authorisation, extend a period prescribed under Section 126(2) of the PDI Act. |
| 10. | Conditions |
| 10.1 | The power pursuant to Section 127(1) of the PDI Act to make a decision subject to such conditions (if any) as the delegate thinks fit to impose in relation to the development. |
| 10.2 | The power pursuant to Section 127(2)(c) of the PDI Act to vary or revoke a condition in accordance with an application under Part 7 of the PDI Act. |
| 11. | Variation of Authorisation |
| 11.1 | The power pursuant to Section 128(2)(d) of the PDI Act to approve an application for a variation to a development authorisation previously given under the PDI Act, which seeks to extend the period for which the relevant authorisation remains operative. |
| 12. | Saving Provisions |
| 12.1 | The power pursuant to Section 133(3) of the PDI Act to, in order to avoid or reduce hardship, extend the limitation period referred to in Section 133(2) of |

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| | the PDI Act. |
| 13. | Requirement to Up-grade |
| 13.1 | The power pursuant to Section 134(1) of the PDI Act to form the opinion that the building is unsafe, structurally unsound or in an unhealthy condition. |
| 13.2 | The power pursuant to Section 134(1) of the PDI Act, if: |
| 13.2.1 | an application for a building consent relates to: |
| 13.2.1.1 | building work in the nature of an alteration to a building constructed before the date prescribed by regulation for the purposes of Section 134(1) of the PDI Act; or |
| 13.2.1.2 | a change of classification of a building; and |
| 13.2.2 | the building is, in the opinion of the delegate, unsafe, structurally unsound or in an unhealthy condition, |
| | to require that building work that conforms with the requirements of the Building Rules be carried out to the extent reasonably necessary to ensure that the building is safe and conforms to proper structural and health standards. |
| 13.3 | The power pursuant to Section 134(2) of the PDI Act, when imposing a requirement under Section 134(1) of the PDI Act, to specify (in reasonable detail) the matters under Section 134(1)(b) of the PDI Act that must, in the opinion of the delegate, be addressed. |
| 13.4 | The power pursuant to Section 134(3) of the PDI Act to impose a requirement under Section 134(1) of the PDI Act: |
| 13.4.1 | subject to Section 134(3)(b) of the PDI Act - on the basis that the relevant matters must be addressed as part of the application before the relevant authority will grant building consent; and |
| 13.4.2 | in cases prescribed by the regulations - as a condition of the building consent that must be complied with within a prescribed period after the building work to which the application for consent relates is completed |
| 13.5 | The power pursuant to Section 134(4) of the PDI Act if: |
| 13.5.1 | an application is made for building consent for building work in the |

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| | nature of an alteration of a class prescribed by the regulations; and |
| 13.5.2 | the delegate is of the opinion that the affected part of the building does not comply with the performance requirements of the Building Code or a Ministerial building standard in relation to access to buildings, and facilities and services within buildings, for people with disabilities, |
| | to require that building work or other measures be carried out to the extent necessary to ensure that the affected part of the building will comply with those performance requirements of the Building Code or the Ministerial building standard (as the case may be). |
| 13.6 | The power pursuant to Section 134(5) of the PDI Act to impose a requirement under Section 134(4) of the PDI Act: |
| 13.6.1 | subject to Section 134(5)(b) of the PDI Act - on the basis that the building work or other measures to achieve compliance with the relevant performance requirements must be addressed before the relevant authority will grant building consent; and |
| 13.6.2 | in cases prescribed by the regulations - as a condition of the building consent that must be complied with within a prescribed period after the building work to which the application for consent relates is completed. |
| 14. | Urgent Building Work |
| 14.1 | The power pursuant to Section 135(2)(d) of the PDI Act to issue any direction. |
| 15. | Cancellation of Development Authorisation |
| 15.1 | The power pursuant to Section 143(1) of the PDI Act to, on the application of a person who has the benefit of the authorisation, cancel a development authorisation previously given by the relevant authority. |
| 15.2 | The power pursuant to Section 143(2) of the PDI Act to make a cancellation under Section 143(1) of the PDI Act subject to such conditions (if any) as the delegate thinks fit to impose. |

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| 16. Professional Advice to be Obtained in Relation to Certain Matters |
| 16.1 The power pursuant to Section 235(1) of the PDI Act, to, in the exercise of a prescribed function, rely on a certificate of a person with prescribed qualifications. |
| 16.2 The power pursuant to Section 235(2) of the PDI Act to seek and consider the advice of a person with prescribed qualifications, or a person approved by the Minister for that purpose, in relation to a matter arising under the PDI Act that is declared by regulation to be a matter on which such advice should be sought. |
| 17. Continuation of Processes |
| 17.1 The power pursuant to Clause 18(2) of Schedule 8 of the PDI Act, to: |
| 17.1.1 adopt any findings or determinations of a relevant authority under the repealed Act that may be relevant to an application to which Clause 18(1) of Schedule 8 of the PDI Act applies; and |
| 17.1.2 adopt or make any decision (including a decision in the nature of a determination), direction or order in relation to an application to which Clause 18(1) of Schedule 8 of the PDI Act applies; and |
| 17.1.3 deal with any matter that is subject to a reserved decision under the repealed Act before the designated day; and |
| 17.1.4 deal with any requirement or grant any variation imposed or proposed in connection with an application to which Clause 18(1) of Schedule 8 of the PDI Act applies; and |
| 17.1.5 take any other step or make any other determination authorised by the regulations, or that is reasonably necessary to promote or ensure a smooth transition on account of the transfer of functions, powers or duties under Clause 18 of Schedule 8 of the PDI Act. |

**PLANNING, DEVELOPMENT AND INFRASTRUCTURE (GENERAL)
REGULATIONS 2017**

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| 18. Accredited Professionals |
| 18.1 The power pursuant to Regulation 25(7)(c) of the Planning, Development and Infrastructure (General) Regulations 2017 (the General Regulations) to form |

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| | the opinion and be satisfied, on the basis of advice received from the accreditation authority under the Planning, Development and Infrastructure (Accredited Professionals) Regulations 2019, a relevant professional association, or other relevant registration or accreditation authority, that a person has engineering or other qualifications that qualify the person to act as a technical expert under Regulation 25 of the General Regulations. |
| 19. Verification of Application | |
| 19.1 | The power pursuant to Regulation 31(1) of the General Regulations, on the receipt of an application under Section 119 of the PDI Act, and in addition to any other requirement under the General Regulations, to, in order to ensure that an application has been correctly lodged and can be assessed in accordance with the PDI Act: |
| 19.1.1 | determine the nature of the development; and |
| 19.1.2 | if the application is for planning consent - determine: |
| 19.1.2.1 | whether the development involves 2 or more elements and, if so, identify each of those elements for the purposes of assessment against the provisions of the Planning and Design Code; and |
| 19.1.2.2 | the category or categories of development that apply for the purposes of development assessment; and |
| 19.1.3 | determine whether the relevant authority is the correct entity to assess the application under the PDI Act; and |
| 19.1.4 | if the relevant authority is the correct entity to assess the application (or any part of the application): |
| 19.1.4.1 | check that the appropriate documents and information have been lodged with the application; and |
| 19.1.4.2 | confirm the fees required to be paid at that point under the <i>Planning, Development and Infrastructure (Fees, Charges and Contributions) Regulations 2019</i> ; and |
| 19.1.4.3 | provide an appropriate notice via the SA planning portal; and |
| 19.1.5 | if the relevant authority is not the correct entity to assess the application (or any part of the application): |

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| 19.1.5.1 | provide the application (or any relevant part of the application), and any relevant plans, drawings, specifications and other documents and information in its possession, to the entity that the delegate considers to be the correct relevant authority in accordance with any practice direction; and |
| 19.1.5.2 | provide an appropriate notice via the SA planning portal. |
| 20. Amended Applications | |
| 20.1 | The power pursuant to Regulation 35(3) of the General Regulations if an application is varied following referral under Division 2 or giving of notice under Division 3, to, if the variations are not substantial, consider the application without the need to repeat an action otherwise required under Division 2 or Division 3. |
| 20.2 | The power pursuant to Regulation 35(4) of the General Regulations if a variation would change the essential nature of a proposed development (as referred to in Section 119(9)(a) of the PDI Act), to agree with the applicant to proceed with the variation on the basis that the application (as so varied) will be treated as a new application under the General Regulations. |
| 21. Withdrawing/Lapsing Applications | |
| 21.1 | The power pursuant to Regulation 38(1) of the General Regulations if an application is withdrawn by the applicant under Section 119(14) of the PDI Act, to notify: |
| 21.1.1 | any agency to which the application has been referred under Division 2 of the General Regulations; and |
| 21.1.2 | any person who has made a representation in relation to the application under Division 3 of the General Regulations, |
| | of the withdrawal. |
| 21.2 | The power pursuant to Regulation 38(3) of the General Regulations before taking action to lapse an application under Regulation 38(2) of the General Regulations to: |
| 21.2.1 | take reasonable steps to notify the applicant of the action under consideration; and |
| 21.2.2 | allow the applicant a reasonable opportunity to make submissions to the delegate (in a manner and form determined by the delegate) |

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| about the proposed course of action. | |
| 22. Court Proceedings | |
| 22.1 | The power pursuant to Regulation 40 of the General Regulations to, subject to Section 214(14) of the PDI Act, by notice in writing to the applicant, decline to deal with the application until any proceedings under the PDI Act have been concluded. |
| 23. Additional Information or Amended Plans | |
| 23.1 | The power pursuant to Regulation 42(1) of the General Regulations if the relevant authority has referred an application to a prescribed body under Division 1 of the General Regulations and the relevant authority subsequently receives additional information, or an amended plan, drawing or specification, which is materially relevant to the referral, or to any report obtained as part of the referral process, to repeat the referral process. |
| 24. Building Matters | |
| 24.1 | The power pursuant to Regulation 45(1) of the General Regulations to, if, in assessing an application for building consent, the delegate considers that: |
| 24.1.1 | a proposed performance solution within the meaning of the Building Code requires assessment against a performance requirement of the Building Code which provides for the intervention of a fire authority; or |
| 24.1.2 | the proposed development is at variance with a performance requirement of the Building Code which provides for the intervention of a fire authority; or |
| 24.1.3 | special problems for fire fighting could arise due to hazardous conditions of a kind described in Section E of the Building Code, |
| | refer the application to the relevant fire authority for comment and report unless the fire authority indicates to the relevant authority that a referral is not required. |
| 24.2 | The power pursuant to Regulation 45(2) of the General Regulations, if a report is not received from the fire authority on a referral under Regulation 45(1) of the General Regulations within 20 business days, to presume that the fire authority does not desire to make a report. |
| 24.3 | The power pursuant to Regulation 45(3) of the General Regulations to have regard to any report received from a fire authority under Regulation 45 of the |

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| General Regulations. | |
| 24.4 | The power pursuant to Regulation 45(4) of the General Regulations, if, in respect of an application referred to a fire authority under Regulation 45 of the General Regulations, the fire authority: |
| 24.4.1 | recommends against the granting of building consent; or |
| 24.4.2 | concurs in the granting of consent on conditions specified in its report, |
| but the delegate: | |
| 24.4.3 | proposes to grant building consent despite a recommendation referred to in Regulation 45(4)(a) of the General Regulations; or |
| 24.4.4 | does not propose to impose the conditions referred to in Regulation 45(b) of the General Regulations, or proposes to impose the conditions in varied form, on the grant of consent, |
| to: | |
| 24.4.5 | refer the application to the Commission; and |
| 24.4.6 | not grant consent unless the Commission concurs in the granting of the consent. |
| 24.5 | The power pursuant to Regulation 45(5) of the General Regulations to provide to the Commission a copy of any report received from a fire authority under Regulation 45(1) of the General Regulations that relates to an application that is referred to the Commission under the PDI Act. |
| 25. | Notice of Decision (Section 126(1)) |
| 25.1 | The power pursuant to Regulation 57(4)(a) of the General Regulations to endorse a set of any approved plans and other relevant documentation with an appropriate form of authentication. |
| 26. | Consideration of Other Development Authorisations |
| 26.1 | The power pursuant to Regulation 60 of the General Regulations, to, in deciding whether to grant a development authorisation, take into account any prior development authorisation that relates to the same proposed development under the PDI Act, and any conditions that apply in relation to that prior development authorisation. |

**INSTRUMENT B
INSTRUMENT OF DELEGATION UNDER
THE PLANNING, DEVELOPMENT AND INFRASTRUCTURE ACT 2016, REGULATIONS, PLANNING
AND DESIGN CODE AND PRACTICE DIRECTIONS
OF POWERS OF A COUNCIL AS A RELEVANT AUTHORITY**

| |
|---|
| 27. Certificate of Independent Technical Expert in Certain Cases |
| 27.1 The power pursuant to Regulation 61(4)(c) of the General Regulations to form the opinion and be satisfied on the basis of advice received from the accreditation authority under the Planning, Development and Infrastructure (Accredited Professionals) Regulations 2019, a relevant professional association, or another relevant registration or accreditation authority, that a person has engineering or other qualifications, qualify the person to act as a technical expert under this regulation. |
| 28. Urgent Work |
| 28.1 The power pursuant to Regulation 63(1) of the General Regulations to, |
| 28.1.1 determine a telephone number determined for the purposes of Regulation 63(1)(a) of the General Regulations; and |
| 28.1.2 determine the email address for the purposes of Regulation 63(1)(b) of the General Regulations. |
| 28.2 The power pursuant to Regulation 63(2) of the General Regulations to, for the purposes of Section 135(2)(c) of the PDI Act, allow a longer period. |
| 28.3 The power pursuant to Regulation 63(3) of the General Regulations to, for the purposes of Section 135(2)(c) of the PDI Act, allow a longer period. |
| 29. Variation of Authorisation (Section 128) |
| 29.1 The power pursuant to Regulation 65(1) of the General Regulations to, for the purposes of Section 128(2)(b) of the PDI Act, if a person requests the variation of a development authorisation previously given under the Act (including by seeking the variation of a condition imposed with respect to the development authorisation) to form the opinion and be satisfied that the variation is minor in nature, and approve the variation. |
| 30. Plans for Building Work |
| 30.1 The power pursuant to Clause 4(3) of Schedule 8 of the General Regulations, in relation to an application for building consent for development consisting of or involving an alteration to a building, if: |
| 30.1.1 the applicant is applying for a change in the classification of the building to a classification other than Class 10 under the Building Code; or |
| 30.1.2 the building was erected before 1 January 1974 and the applicant is |

**INSTRUMENT B
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| |
|--|
| applying for a classification other than Class 10 under the Building Code to be assigned to the building, |
| to require the application to be accompanied by such details, particulars, plans, drawings, specifications and other documents (in addition to the other documents required to accompany the application) as the delegate reasonably requires to show that the entire building will, on completion of the building work, comply with the requirements of the PDI Act and the General Regulations for a building of the classification applied for or with so many of those requirements as will ensure that the building is safe and conforms to a proper structural standard. |

PLANNING, DEVELOPMENT AND INFRASTRUCTURE (FEES, CHARGES AND CONTRIBUTIONS) REGULATIONS 2019

| |
|---|
| 31. Calculation or Assessment of Fees |
| 31.1 The power pursuant to Regulation 5(1) of the PDI (Fees, Charges and Contributions) Regulations 2019 (the Fees Regulations) in relation to an application which is duly lodged with the Council under a related set of regulations (including via the SA planning portal): |
| 31.1.1 to require the applicant to provide such information as the delegate may reasonably require to calculate any fee payable under the Fees Regulations or a related set of regulations; and |
| 31.1.2 to make any other determination for the purposes of the Fees Regulations or a related set of regulations (even if the Council is not a relevant authority). |
| 31.2 The power pursuant to Regulation 5(2) of the Fees Regulations, if the delegate is acting under Regulation 5(1) of the Fees Regulations, or as the delegate of a relevant authority, believes that any information provided by an applicant is incomplete or inaccurate, to calculate any fee on the basis of estimates made by the delegate. |
| 31.3 The power pursuant to Regulation 5(3) of the Fees Regulations to, at any time, and despite an earlier calculation or acceptance of an amount in respect of the fee, reassess a fee payable under the Fees Regulations or a related set of regulations. |
| 32. Waiver or Refund of Fee |
| 32.1 The power pursuant to Regulation 7 of the Fees Regulations to, as the |

INSTRUMENT B

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| delegate considers appropriate to do so: |
| 32.1.1 waive the payment of the fee, or the payment of part of the fee; or |
| 32.1.2 refund the whole or a part of the fee. |

INSTRUMENT B
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SCHEDULE OF CONDITIONS

CONDITIONS OR LIMITATIONS
APPLICABLE TO DELEGATIONS
CONTAINED IN THIS INSTRUMENT

| Paragraph(s) in instrument to which conditions/limitations apply | Conditions / Limitations |
|--|--------------------------|
| Nil | Nil |
| | |
| | |
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| | |
| | |
| | |
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| | |

Attachment C

Business Readiness for the Planning, Development and Infrastructure Act 2016

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

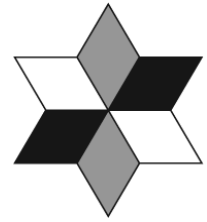
Telephone 8366 4555
Facsimile 8332 6338
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Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**

CITY OF NORWOOD PAYNEHAM & ST PETERS BUILDING FIRE SAFETY COMMITTEE

TERMS OF REFERENCE



City of
**Norwood
Payneham
& St Peters**

1. ESTABLISHMENT OF THE CITY OF NORWOOD PAYNEHAM & ST PETERS BUILDING FIRE SAFETY COMMITTEE

Pursuant to Section 157(17) of the *Planning, Development and Infrastructure 2016*, the Council establishes a body to be known as the City of Norwood Payneham & St Peters Building Fire Safety Committee (“Building Fire Safety Committee”) for the purpose of acting as the “appropriate authority” (as the term is defined in the *Planning, Development and Infrastructure 2016*) in respect of all fire safety matters.

2. MEMBERSHIP

- 2.1 Membership of the Building Fire Safety Committee shall consist of –
- (i) Mr Troy Olds, being a person appointed by the Council as a person with expertise in the area of fire safety.
 - (ii) Mr Demetrius Poupoulas, being a person appointed by the Council as a Committee member;
 - (iii) a primary person nominated by the Chief Officer of the South Australian Metropolitan Fire Service;
 - (iv) a person nominated by the Chief Officer of South Australian Metropolitan Fire Service to act as a proxy to the primary person; and
 - (v) Mr Mario Hlavati being a person appointed by the Council and who holds prescribed qualifications in building surveying.
- 2.2 The Council has appointed Mr Troy Olds as the Presiding Member of the Building Fire Safety Committee for a term expiring 7 September 2023.
- 2.3 All members of the Building Fire Safety Committee are appointed for a term expiring 7 September 2023 or until Terms of Reference are varied under the PDI Act 2016 and endorsed by the Council.

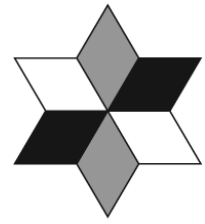
- 2.4 The office of a member of the Building Fire Safety Committee will become vacant if the Member –
- (i) dies; or
 - (ii) completes a term of office and is not reappointed; or
 - (iii) resigns by written notice addressed to the Council; or
 - (iv) is removed from office by the Council for any reasonable cause.
- 2.5 The Building Fire Safety Committee as established pursuant to the *Planning, Development and Infrastructure Act 2016*, shall not meet until after the day on which the Council's Development Plan is revoked by the Minister by notice in the Gazette pursuant to Clause 9(7) of Schedule 8 of the *Planning, Development and Infrastructure Act 2016*

3. TERMS OF REFERENCE

The Terms of Reference for the Building Fire Safety Committee are as follows:

- 3.1 the Building Fire Safety Committee is charged with the responsibility for all matters arising under Section 157 of the *Planning, Development & Infrastructure Act 2016*, which are of a building fire safety nature;
- 3.2 a quorum for a meeting of the Building Fire Safety Committee shall be three (3) and one of those members shall be the person nominated by the Chief Officer of the South Australian Metropolitan Fire Service;
- 3.3 all decisions made by the Building Fire Safety Committee shall be made on the basis of a majority decision of the members present. In an event of a tied vote, the Presiding Member is entitled to and shall exercise a second (and casting) vote to determine the matter;
- 3.4 the Building Fire Safety Committee shall meet at the Council's offices at 175 The Parade, Norwood, or at such other places as determined by the Building Fire Safety Committee from time to time;
- 3.5 the Building Fire Safety Committee shall meet quarterly or alternatively may hold a special meeting at any other time, on a day and at a time nominated by the Presiding Member;
- 3.6 a member of the Building Fire Safety Committee who has a personal interest or a direct or indirect pecuniary interest in any matter before the Building Fire Safety Committee (other than an indirect interest which exists in common with a substantial class of persons) must not take part in any deliberations or decisions of the Building Fire Safety Committee in relation to that matter;
- 3.7 the following provisions apply to the call of meetings:
 - a) in the case of an ordinary meeting of the Building Fire Safety Committee, the Chief Executive Officer must give each member of the Building Fire Safety Committee notice of a meeting at least three (3) clear days before the date of the meeting;
 - b) in the case of a special meeting on the Building Fire Safety Committee, the Chief Executive Officer must give each member of the Building Fire Safety Committee notice of a meeting at least twelve (12) hours before the commencement of the meeting; and
 - c) notice may be given to a member of the Building Fire Safety Committee by one of the following ways:

- personally;
 - by posting it in an envelope addressed to the person at their usual or last known place of residence or business;
 - by facsimile transmission to a facsimile number known to be used by the person; and
 - by email transmission to an email address known to be used by the person.
- 3.8 each member of the Building Fire Safety Committee present at a meeting must, subject to that person having an interest in the matter, vote on a question arising from a decision at that meeting;
- 3.9 the Chief Executive Officer of the Council in respect to the Building Fire Safety Committee must keep, or arrange to be kept, minutes of every meeting of the Building Fire Safety Committee. The minutes of the proceedings and meetings of the Building Fire Safety Committee must include:
- a) the names of the members present;
 - b) in relation to each member present, if the member was not present for the entire meeting, the time at which the person entered or left the meeting;
 - c) its motion or amendments, and the names of the mover and seconder;
 - d) whether a motion or amendment is carried or lost; and
 - e) any disclosure of interest made by a member; and
 - f) all matters considered by the Committee, including agendas and minutes will be recorded and stored electronically in the Council's Records Management System.
- 3.10 The Building Fire Safety Committee shall provide a report to the Council on an annual basis (by 31 September) outlining the Committee's activities, including the types of notices which have been issued, the outcomes of the respective notices, the number of inspections which have been undertaken and any outstanding matters that the Committee is currently pursuing.
- 3.11 The procedure to be observed at a meeting of the Building Fire Safety Committee insofar as the procedure is not prescribed by these Terms of Reference may be determined by the Committee.
- 3.12 The Committee shall follow a Risk Assessment Process (as contained in Appendix A), to assist in the selection and prioritisation of buildings which are to be inspected.
- 3.13 The Committee shall undertake an annual audit of buildings in accordance with the Audit Methodology specified in the Risk Assessment Process (contained in Appendix A) and include buildings identified in the audit within its inspection program.

APPENDIX A

City of
**Norwood
Payneham
& St Peters**

RISK ASSESSMENT PROCESS**CITY OF NORWOOD PAYNEHAM & ST PETERS****BUILDING FIRE SAFETY COMMITTEE****August 2020****PREFACE**

The City of Norwood Payneham & St Peters Building Fire Safety Committee operates under the powers delegated by the Council to the Committee pursuant to Section 157 of the *Planning, Development & Infrastructure Act 2016*. Section 157 of the Act outlines the Council's powers to investigate whether building owners are maintaining adequate fire safety provisions in their buildings for the protection of all occupants.

The Council has delegated their responsibility under Section 157 of the Act to the City of Norwood Payneham & St Peters Building Fire Safety Committee.

The purpose of this document is to establish criteria to determine which types of buildings require an inspection in order to ensure that they maintain an adequate level of fire safety provisions to protect occupants and to also set out a framework to assist the Committee to prioritize the requirement for building fire safety investigations within the council, based on a risk assessment.

To undertake its duties as a Committee established under the *Planning, Development & Infrastructure Act 2016*, the Committee must:

- a) consider any building fire safety matters which are brought to its attention;
- b) inspect any building that the Committee has reason to believe may not contain adequate building fire safety provisions;
- c) consider the appropriateness of any submitted fire safety completion timeframes and agree to the timeframes when, in its opinion, adequate fire safety is proposed to be achieved in a timely manner;
- d) initiate and undertake enforcement or other action to ensure a building owner complies with any notices issued under Section 157 of the Act; and
- e) keep appropriate Committee records including minutes and agendas of Committee meetings.

Note: *An adequate level of fire safety does not necessarily mean total compliance with the current Building Code of Australia or associated Australian Standards.*

The Building Fire Safety Committee has adopted a risk based inspection regime that sets out the basis for undertaking inspections. Inspections may be carried out as a result of the following:

- a) upon request of the South Australian Metropolitan Fire Service (SAMFS);
- b) on an audit basis pursuant to the Committee's risk assessment;
- c) if a complaint is received; or
- d) if advice is received from an authorised officer of the City of Norwood Payneham & St Peters that a fire safety of a building is or may be deficient.

In determining its inspection and investigation priorities, the Building Fire Safety Committee will have regard to the types of buildings and/or occupancies within its area of jurisdiction to identify those that may constitute a high fire safety risk and need to be systematically inspected. For instance, aged care, health care and accommodation buildings, that provide overnight accommodation for unrelated persons, or buildings where large crowds congregate during operating hours, such as shops or assembly buildings may be identified as a high risk priority.

The risk of fire in any building needs to be considered in the context of the Committee's Terms of Reference in that the objective of the committee is not to make the buildings safe from fire but to ensure adequate protection of all the occupants is provided when a fire occurs. This goal is typically achieved by a combination of ensuring that the following items being correctly maintained, or if required - upgraded, replaced or installed. The most commonly occurring essential safety provisions are listed below;

- fire resistance of building materials, to ensure that the building resists the spread of fire, both externally and internally to ensure that a complete evacuation of the building can safely be carried out;
- alarm systems, sprinkler systems to ensure that occupants receive adequate warning to evacuate the building;
- egress requirements, to ensure that occupants have an unobstructed and clear exit from the building;
- exit and emergency lighting, to provide clear directions to exit the building safely; and
- fire hydrants, hose reels extinguishers, to allow the occupants if appropriate and the fire service to fight fires.

The occupants of the buildings are the people deemed to be at risk. Their resilience to risk also contributes to the level of risk to which they are exposed. Elderly, infirmed and the young are the least resilient to risk, followed by people either disorientated by sleep, alcohol or drugs. Therefore, buildings containing these vulnerable groups of people will be given the highest priority by the Committee.

In addition, the maintenance of the essential safety provisions as determined by Regulation 76 of the *Development Regulations 2008*, helps to provide a guidance on building sizes and classifications. In relation to Class 2 buildings of more than 3 storeys and a floor area greater than 200 square meters and Class 3, 4, 5, 6, 7, 8 & 9a, 9b, 9c buildings with more than 2 storeys and a floor area greater than 500 square meters, generally, the owner is required to provide a return of a completed Form 3 of Essential Safety Provisions certifying that the maintenance and testing has been carried out each calendar year. On occasions, it may be the tenant which is required to provide the return.

ARRANGEMENT FOR RISK ASSESSMENT

In order to develop a risk based inspection regime for the Building Fire Safety Committee, the following elements need to be considered against the potential risk - the size of the building, the age of the building, the use of the building, the ability of the occupants to exit the building in the event of a fire and the maintenance of the building.

If a building is for residential use or has a residential usage component, the risk increases as the time to evacuate a building is significantly increased for people which may be asleep at time of fire. This time frame and associated risk is significantly further increased if the occupants are frail or infirm and may need assistance to evacuate the building. Another factor that influences the ability of people to evacuate a building is if their mental and physical condition is affected by drugs or alcohol.

RISK MANAGEMENT PROCESS ADOPTED BY THE BFSC

Risk management is a systematic method of identifying and evaluating the risks associated with any activity or function to minimise or avoid losses.

Councils have a responsibility for protecting the ongoing safety of building occupiers and users through the provisions of the *Planning, Development & Infrastructure Act 2016*. Section 157 of the Act establishes the powers of Councils to investigate whether a building owner is maintaining proper levels of fire safety in buildings for the protection of all occupiers, whether they be residents, workers or visitors.

The risk management process set out below has been developed in line with the Council's Strategic Plan, *City Plan 2030: Shaping Our Future* to foster a strong, health and resilient community and to ensure that public buildings are safe. In developing these guidelines, AS/NZS ISO 31000:2009 (Risk Management Standard) has been closely followed.

RISK IDENTIFICATION

The risks associated with building fire safety have been based on potential risks that come under the control of the Building Fire Safety Committee, based on the experience of its members. A review of risk priorities will be continually monitored as more statistical data is recorded in the future.

TABLE 1 below sets out some examples of the risks and impacts that these may have.

TABLE 1: – RISK SOURCES

| RISK SOURCE | IMPACTS | POSSIBLE CAUSES |
|---------------------------------------|---|---|
| Accommodation buildings | personal injury and property damage | inadequate fire safety provisions lack of maintenance of fire safety equipment |
| Changes in use of buildings | longer evacuation times higher fire hazard | changes in ambience of building occupants changes in nature of stored material |
| Changes in number of occupants | Longer evacuation times | Insufficient exits |
| Non-maintenance ESP's | Fire safety equipment not operational | Lack of regular maintenance |
| Civil liability claims | Personal injury or property damage | Incorrect advice Lack of resources to inspect Inadequate prioritisation Failure to follow up on referral |

RISK ANALYSIS

Each issue that is brought to the attention of the Building Fire Safety Committee will be analysed to determine its urgency and assign a priority as reflected in the enclosed Building Fire Problem Flowchart based on risk analysis. Building fire safety matters which are initiated based on the risk audit process will be dealt with in the same process outlined in the Building Fire Problem Flowchart.

AUDIT METHODOLOGY

Implementing a proactive approach, the Building Fire Safety Committee with the assistance and advice of qualified Council staff, will undertake an annual audit of buildings and prioritise buildings of concern based on their use, classification and general fire safety in accordance with Council's risk analysis and identification. An audit will consist of a desktop or an

inspection based audit of buildings in each suburb of the City of Norwood Payneham & St Peters.

One (1) suburb will be systematically audited per annum, generally in January each year. All buildings of concern which are identified as warranting investigation due to potential fire safety deficiencies will be listed and investigated by the Committee following the audit. The investigations will be prioritised in accordance with risk analysis and identification as determined during the audit.

INSPECTION POLICY

The Building Fire Safety Committee has developed a risk based approach (as opposed to the random inspection approach) to Building Fire Safety Inspections. Such an approach is complementary to one of the main aims of the *Local Government Act 1999*, which is to provide an overarching framework that, amongst other matters, establishes a structure for accountability, transparency and autonomy in decision making. Additionally, a risk based approach is considered more appropriate than a random approach as it identifies the level of risk to life, safety and property in that order of importance.

The following Risk Matrix has been developed by the Committee to identify the types of buildings that require inspections in order of priority. The Matrix priority has been determined having regard to industry best practice, the Building Code of Australia (B.C.A.) and the experience of the Committee members in dealing with building fire safety issues.

TABLE 2 below identifies the priority ranking of inspections that will be undertaken by the Committee:

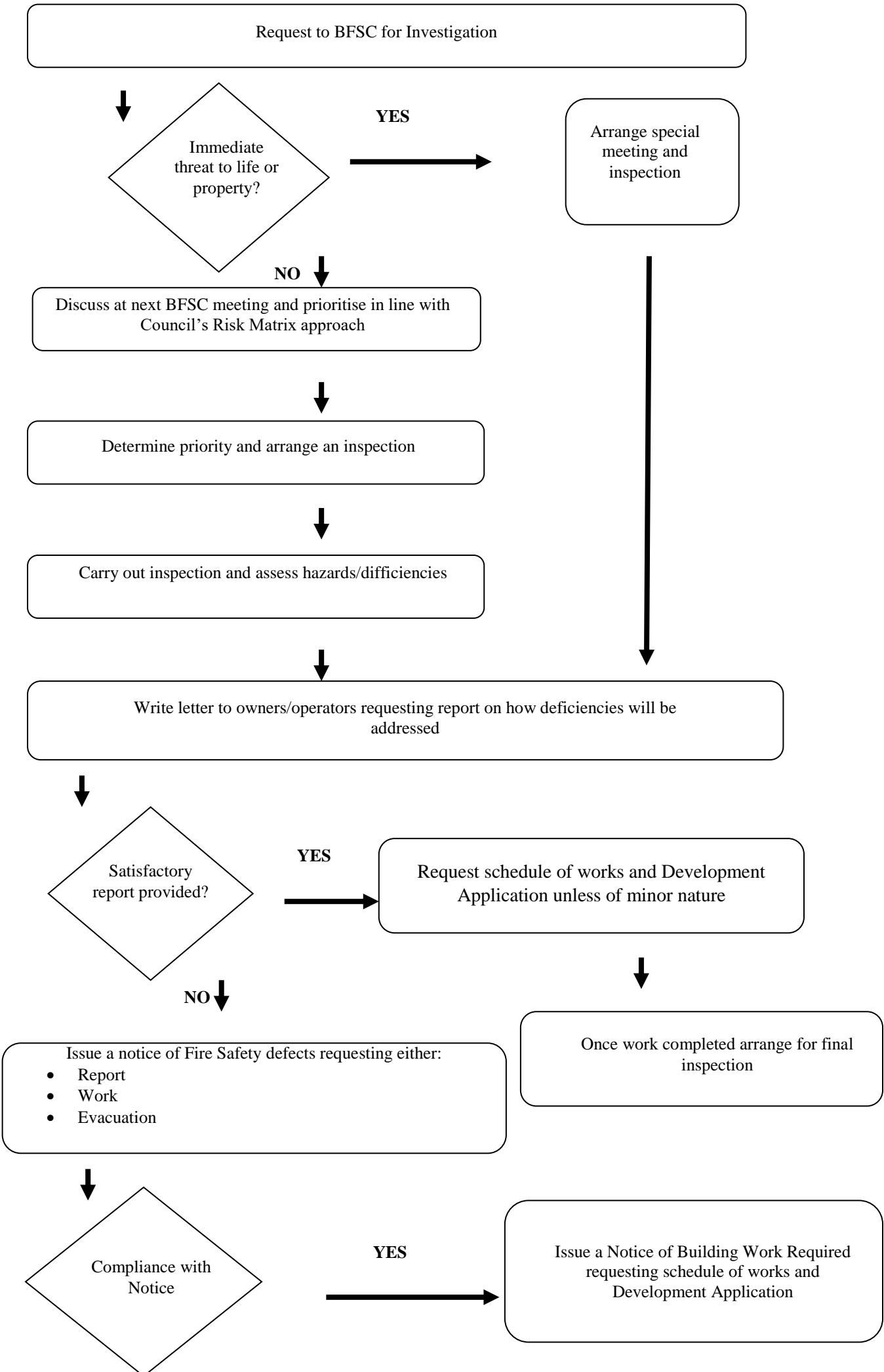
TABLE 2: PRIORITY RANKING BASED ON BUILDING USE AND CLASSIFICATION

| Building Types (Class'n in accord with BCA) | B.C.A. Classification | Priority Ranking for Inspections (Risk to life and property) |
|--|------------------------------|---|
| Accommodation Buildings | Class 1b, 2 & 3 | 3 |
| Caretakers Flat (In association with Class 5–9) | Class 4 | 5 |
| Office Buildings | Class 5 | 9 |
| Shop Buildings (re Note 1) | Class 6 | 8 |
| Storage Type Buildings | Class 7a & 7b | 6 |
| Production (Workshop) Buildings | Class 8 | 7 |
| Health Care Buildings | Class 9a | 1 |
| Assembly Buildings | Class 9b | 4 |
| Aged Care Buildings | Class 9c | 2 |

- Notes:
1. Where shops are part of a large Shopping Centre Complex, a much higher priority will be given as determined by the Committee, similar to Assembly Buildings.
 2. Class 1a buildings (Domestic Dwellings) are generally not inspected as they are not accessible to the public and hence have a lower risk to life and property than other classes of buildings.
 3. The priority ranking system is based on a score of "1" representing the highest risk to life and property, and a score of "9" represents the lowest risk to life and property.

The Committee reserves the right to change the order of inspection priority on a case by case basis, but recognises that it will perform its duty on the basis of the risk based approach to its inspection regime.

BUILDING FIRE SAFETY PROBLEM FLOWCHART



Attachment D

Business Readiness for the Planning, Development and Infrastructure Act 2016

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**



NAME OF POLICY: Policy of Notification – Accredited Professionals

POLICY MANUAL: Governance

BACKGROUND

The Accredited Professionals Scheme is a key component of the planning system created under the *Planning, Development and Infrastructure Act 2016*. Under the scheme, planning and building professionals who are the relevant authorities in assessing development applications within South Australia are required to maintain minimum standards of professional practice and produce evidence that they are sufficiently qualified to make key decisions at certain levels.

Upon accreditation, planning and building professionals are registered in a central database managed by the Department of Planning, Transport and Infrastructure.

In addition, all Accredited Professionals will be required to hold all necessary insurance, comply with an Accredited Professionals Code of Conduct, participate in annual compliance checks and undertake specified units of Continuing Professional Development.

DISCUSSION

The *Planning, Development and Infrastructure Act 2016* requires that Council must appoint and take the advice of accredited professionals under the Act and this policy helps to ensure that these accredited professional maintain their accreditation.

The policy sets out the responsibilities and obligations for these accredited professionals on maintaining their accreditation. The Policy has explicit requirements to notify Council of any changes to their accreditation.

KEY PRINCIPLES

That Accredited Professionals are responsible for maintaining their accreditation whilst providing services to the Council which require them to be accredited.

That Accredited Professionals are obligated to provide evidence to the Council of accreditation and notify the Council of notifiable events as set out in the Policy.

POLICY

1. Application of policy

1.1 This policy applies to all:

- 1.1.1 employees of the Council;
- 1.1.2 contractors and/or agents of the Council during the course of their engagement; and
- 1.1.3 members of Council's Assessment Panel,

who are or become accredited as accredited professionals pursuant to the scheme established under Section 88 of the *Planning, Development and Infrastructure Act 2016 (Act)* and *Planning, Development and Infrastructure (Accredited Professionals) Regulations 2019 (Regulations)*.

- 1.2 For the purposes of this policy, the persons identified in Clause 0 are known as “Accredited Professionals”.
 - 1.3 Clauses 2 and 3 of this Policy apply only to Accredited Professionals who require accreditation in order to carry out the functions and/or duties associated with their employment with, or engagement or appointment by, the Council.
- 2. Responsibilities of accredited professionals**
- 2.1 All Accredited Professionals must take all steps necessary to gain and maintain accreditation under the Act and Regulations at the class required under the Act and Regulations for the role or function they have been employed, engaged or appointed to perform (**Accreditation**).
 - 2.2 Without limiting Clause 2.1, all Accredited Professionals must:
 - 2.2.1 take all steps necessary to maintain their Accreditation by applying for the continuation of their Accreditation annually as required under the Act and Regulations;
 - 2.2.2 ensure they fulfil all requirements of continuing professional development under the Regulations; and
 - 2.2.3 act in accordance with the Accredited Professionals Scheme Code of Conduct adopted by the Minister under Schedule 3 of the Act (**Code of Conduct**) when carrying out their functions and duties as an accredited professional.
- 3. Obligations of accredited persons**
- 3.1 An Accredited Professional must, within 3 business days of the occurrence of any of the following events:
 - 3.1.1 the commencement of this Policy;
 - 3.1.2 becoming registered as an Accredited Professional by the accreditation authority;
 - 3.1.3 commencing employment with the Council;
 - 3.1.4 being engaged by the Council to act as, or provide advice to the Council in the person’s capacity as, an Accredited Professional; or
 - 3.1.5 accepting an appointment to the Council Assessment Panel,

provide a copy of his or her Accreditation to the CEO of the Council, including any conditions or limitations imposed on the Accreditation by the accreditation authority, unless the Accreditation has already been provided to the Council (for example, during the recruitment process).
 - 3.2 An Accredited Professional must, within 3 business days of receiving confirmation of the renewal of his or her accreditation, provide a copy of the renewal to the CEO of the Council.
 - 3.3 An Accredited Professional must, within 3 business days of the occurrence of a Notifiable Event (as defined in Clause 3.4), provide to the CEO of the Council written notification of the Notifiable Event and a copy of any correspondence or other documentation (including electronic) received from the accreditation authority in relation to the Notifiable Event.
 - 3.4 Notifiable Event means:
 - 3.4.1 a change to the class of an Accredited Professional’s Accreditation;

- 3.4.2 the addition, substitution or deletion of a condition or limitation on an Accredited Professional's Accreditation pursuant to Regulation 17(5) of the Regulations;
 - 3.4.3 the surrender by an Accredited Professional of his or her Accreditation pursuant to Regulation 20 of the Regulations;
 - 3.4.4 the cancellation or suspension of an Accredited Professional's Accreditation pursuant to Regulation 21(1) of the Regulations or Regulation 93A of the *Development Regulations 2008*;
 - 3.4.5 the provision of notice to an Accredited Professional by the accreditation authority of a proposal to suspend or cancel the Accredited Professional's Accreditation pursuant to Regulation 22(1) of the Regulations;
 - 3.4.6 any action taken by the accreditation authority (including giving directions to an Accredited Professional) pursuant to Regulation 27(14), (15) or (16) of the Regulations;
 - 3.4.7 the provision of notice to an Accredited Professional of a decision by the accreditation authority to investigate a complaint made against the Accredited Professional under Regulation 28 of the Regulations which relates to an act or omission of the Accredited Professional in the course of their employment with, or engagement or appointment by, the Council;
 - 3.4.8 the provision of a final report of an investigator to the accreditation authority pursuant to Regulation 28(11)(b) of the Regulations, or the outcome of any process that the accreditation authority has adopted to investigate a complaint made against an Accredited Professional pursuant to Regulation 28 of the Regulations;
 - 3.4.9 any action taken by the accreditation authority against an Accredited Professional pursuant to Regulation 28(13) of the Regulations following the investigation of a complaint;
 - 3.4.10 any decision made by the South Australian Civil and Administrative Tribunal (SACAT) or any South Australian Court in relation to an Accredited Professional's Accreditation;
 - 3.4.11 a finding of guilt for an offence against the Act or the *Development Act 1993 (Repealed Act)*; and
 - 3.4.12 a finding of guilt for an offence against any regulations under the Act or the Repealed Act, including the Regulations.
- 3.5 The CEO may take such action as is reasonable and appropriate in relation to:
- 3.5.1 the failure of an Accredited Professional to comply with Clauses 3.1 to 3.3 of this policy; or
 - 3.5.2 written notification from an Accredited Professional of a Notifiable Event.

REVIEW PROCESS

The Council will review this Policy within 5 years 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 Manager, Development Assessment, telephone 8366 4567.

ADOPTION OF THE POLICY

This Policy was adopted by Council on 18 January 2021

TO BE REVIEWED

18 January 2026

Attachment E

Business Readiness for the Planning, Development and Infrastructure Act 2016

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
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City of
**Norwood
Payneham
& St Peters**

PRACTICE DIRECTION 8

Council Swimming Pool Inspections 2019



STATE
PLANNING
COMMISSION

This practice direction is issued by the State Planning Commission (the Commission) under section 42 of the *Planning, Development and Infrastructure Act 2016* (Act) for the purposes of section 156(5) of the Act to ensure that swimming pools and designated safety features for swimming pools (swimming pool safety features) are inspected.

Introduction

Section 156(5) of the Act allows the Commission to issue a practice direction that requires councils to carry out inspections of swimming pools to ascertain compliance with that section of the Act.

This policy applies to all areas of the State within a council area and the requirements set out within this practice direction apply uniformly across all such areas.

A council must comply with the requirements of this practice direction as it relates to the council.

Practice direction

Part 1 – Preliminary

1 – Citation

This practice direction may be cited as the State Planning Commission Practice Direction (Council Swimming Pool Inspections) 2019.

2 – Commencement of operation

This practice direction will come into operation on the day on which it is published on the SA planning portal.

3 – Object of practice direction

The object of this practice direction is to ensure that swimming pool safety features are installed, replaced or upgraded in accordance with prescribed requirements, to ensure the safe operation and use of swimming pools, particularly for young children.

4 – Interpretation

In this practice direction, unless the contrary intention appears –

Act means the *Planning, Development and Infrastructure Act 2016*.

council has the same meaning as within section 3(1) of the Act;

swimming pool has the same meaning as under section 3(1) of the Act.

swimming pool safety features has the same meaning as under section 3(1) of the Act.

Note: The terms above have been included merely for ease of reference. Section 14 of the Acts Interpretation Act 1915 provides that an expression used in an instrument made under an Act has, unless the contrary intention appears, the same meaning as in the Act under which the instrument was made.

Part 2 – Inspections

1 – Application

- (1) Upon commencement this practice direction applies to all councils.

2 – Mandatory inspections

- (1) Councils must comply with the following minimum requirements relating to the inspection of swimming pools (including all swimming pool safety features), within the area of the council:
 - a. councils must inspect 100% of swimming pools and swimming pool safety features constructed over the course of the relevant reporting year within 2 weeks of the council being notified of the completion of—
 - (i) in the case of a swimming pool, the construction of which required the construction of swimming pool safety features—the construction of those safety features; or
 - (ii) in any other case—the construction of the swimming pool and swimming pool safety features.

Part 3 – Other matters

1 – Record keeping

- (1) Councils must keep records of inspections carried out in accordance with this practice direction, and keep those records in a register that is available for inspection by the Commission upon 5 business days' notice.
- (2) Records of inspections should include, without limitation, the following details: date and time of an inspection, type of inspection, who undertook the inspection, elements inspected, breaches, issues, or faults found, rectification required, requirements for re-inspections (including timing) and enforcement action, as is appropriate in the circumstances.
- (3) This clause does not derogate from any authorisation to dispose of records under the *State Records Act 1997*.

2 – Review

- (1) This policy will be reviewed after two years of operation or at an earlier time if appropriate.

Varied by the State Planning Commission on 17 December 2020

Versions

- Version 3 24 December 2020
 Version 2 12 March 2020
 Version 1 5 September 2019

Attachment F

Business Readiness for the Planning, Development and Infrastructure Act 2016

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This practice direction is issued by the State Planning Commission (the Commission) under section 42 of the *Planning, Development and Infrastructure Act 2016* for the purposes of section 144 of the Act to require certain councils to carry out inspections of certain developments in their respective areas.

Introduction

Section 144 of the Act requires the Commission to issue a practice direction that requires councils to carry out inspections of development in their respective areas.

Section 156 of the Act provides that the Commission may also issue a practice direction that requires councils to carry out inspections of swimming pools and buildings to ascertain compliance with that section relating to designated safety features. A separate practice direction has been issued in respect of swimming pool safety features.

In issuing this direction, the Commission has taken into account the matters set out in section 144(3) of the Act. These are:

- (a) the financial and other resources of councils;
- (b) the impact that a failure to inspect a certain number of developments over a period of time may have on local communities;
- (c) the various sizes of the areas of councils and differences in population;
- (d) the amount of development undertaken in the various areas of the State;
- (e) the type of development that predominates in the various areas of the State;
- (f) in relation to building work, building conditions in the various areas of the State; and
- (g) the public interest in ensuring that development is undertaken in accordance with the requirements of this Act.

While the Act envisages that the Commission may require councils to carry out inspections relating to 'development', as that term is defined in the Act, more broadly, this practice direction is limited to mandating inspections directed towards securing the objects stated in clause 3 of Part 1 of this practice direction.

The public interest in protecting public safety and in maintaining confidence and integrity in the development control system within the State has been balanced against other matters outlined in s 144(3).

The Commission has sought to identify the risks posed by certain building types. This practice direction reflects the Commission's view that the risks associated with certain buildings, particularly in relation to safety, including, for example fire protection and other safety features, should be treated equally irrespective of where they are constructed in the State and that this approach reflects community expectations.

Associated with the above, while this practice direction mandates certain inspections, councils should continue to appropriately address broader compliance issues, whether these are detected during an inspection that is required under this practice direction or otherwise.

This may include inspections related to planning or building rules consent matters, which councils may choose to carry out through a separate council policy or on an as-needs basis.

Practice direction

Part 1 – Preliminary

1 – Citation

This practice direction may be cited as the *State Planning Commission Practice Direction (Council Inspections) 2020*.

2 – Commencement of operation

This practice direction will commence operation in each council area on the day on which, pursuant to Schedule 8, clause 9(7) of the Act, the Minister for Planning, by notice in the Gazette, revokes the Development Plan created under the *Development Act 1993* as it is relevant to the particular council area.

3 – Objects of practice direction

- (1) The objects of this practice direction are to, in relation to areas within a council, require councils to carry out inspections so as to:
 - (a) provide for occupant and public safety; and
 - (b) maintain confidence and integrity in the development control system.
- (2) Councils must have regard to the objects in sub-clause 3(1) of Part 1 in making determinations under this practice direction.
- (3) Without limiting sub-clause 3(2) of Part 1, councils must have regard to the objects when determining:
 - (a) the timing of inspections;
 - (b) the elements and buildings to be inspected; and
 - (c) whether to carry out additional inspections.

4 – Interpretation

- (1) In this practice direction, unless the contrary intention appears –

Act means the *Planning, Development and Infrastructure Act 2016*;

Accredited Professionals Regulations means the Planning, Development and Infrastructure (Accredited Professionals) Regulations 2019;

authorised officer has the same meaning as within section 3(1) of the Act;

Building Code has the same meaning as within section 3(1) of the Act;

Building Rules has the same meaning as within section 3(1) of the Act;

building work has the same meaning as within section 3(1) of the Act;

Note: 'building work' includes any work or activity that results in a change to the classification of a building under regulation 3E of the Regulations.

business day has the same meaning as within section 3(1) of the Act;

Chief Executive has the same meaning as within section 3(1) of the Act;

construct has the same meaning as within section 3(1) of the Act, and **construction** has a corresponding meaning;

council has the same meaning as within section 3(1) of the Act;

designated building product has the same meaning as within regulation 3(1) of the Regulations;

farm buildings and farm sheds have the same meaning as within the Building Rules;

fire authority has the same meaning as within section 3(1) of the Act;

floor area has the same meaning as within the Building Rules;

Metropolitan Adelaide means Metropolitan Adelaide as defined by a plan deposited in the General Registry Office by the Minister for the purposes of this definition and identified by the Minister by notice in the Gazette;

performance solution means a performance solution under the Building Code;

private bushfire shelter has the same meaning as within regulation 3(1) of the Regulations; and

Regulations means the Planning, Development and Infrastructure (General) Regulations 2017.

Note: The terms above have been included merely for ease of reference. Section 14 of the Acts Interpretation Act 1915 provides that an expression used in an instrument made under an Act has, unless the contrary intention appears, the same meaning as in the Act under which the instrument was made.

Part 2 – Inspections

1 – Application

- (1) Upon commencement this practice direction applies to the councils.
- (2) This practice direction does not apply to development not within a council area.

Note: Practice Direction 8 - Councils Swimming Pool Inspections has been issued detailing inspection requirements for swimming pools and designated features for swimming pools.

2 – Mandatory inspections

- (1) A council must comply with the requirements set out at **Appendix 1** relating to:
 - (a) the kinds of development which require inspection;
 - (b) the proportion of developments which require inspection in each council area;
 - (c) the timing of any inspection required in relation to each building; and
 - (d) the number of inspections required in relation to each building,
(mandatory inspection requirements).
- (2) A council must take all reasonable steps to ensure that each inspection carried out under this practice direction includes an inspection and assessment of the following elements (**elements**), as may be present at the time of inspection:
 - (a) primary structural elements;
 - (b) structural framing and roof trusses;
 - (c) wet areas and waterproofing;
 - (d) barriers to prevent falls;
 - (e) cladding;
 - (f) egress provisions;
 - (g) bushfire protection systems;
 - (h) passive and active fire safety elements;
 - (i) private bushfire shelters; and
 - (j) performance solutions.
- (3) In this clause, 'passive and active fire safety elements' includes, but is not limited to, the following elements, as may be applicable in the circumstances:
 - (a) fire rated construction;
 - (b) fire safety elements, including, but not limited to, smoke alarms; and
 - (c) fire protection systems, including, but not limited to, bushfire protection systems.

3 – Additional inspections

- (1) Clause 2 of Part 2 is not an exhaustive statement as to when a council should carry out an inspection.
- (2) A council should consider carrying out an inspection in addition to any specified in clause 2 of Part 2 (**additional inspection**) if it has information to indicate that the circumstances warrant it, having regard to the objects of this practice direction.
- (3) Circumstances that may warrant an additional inspection, having regard to the objects of this practice direction, include building work in relation to, but not limited to:
 - (a) a building intended for use or occupation by large numbers of people, particularly simultaneously;
 - (b) a building intended for use or occupation by vulnerable persons or persons with a disability;
 - (c) a building in respect of which the council has been made aware of a complaint or regulatory issue, whether directly or indirectly, relating to the building or any person involved in the building work;
 - (d) a building with energy efficiency requirements;
 - (e) a building constructed by a person who is not a licensed building work contractor under the *Building Work Contractors Act 1995*;
 - (f) a building subject to local environmental conditions in respect of which additional measures are required to protect the environment, the building and its occupants or users; or
 - (g) a building incorporating construction properties or products, including but not limited to fire-rated construction, fire safety elements or designated building products.

4 – Inspections generally

- (1) The proportion of developments in each council area to be inspected in accordance with the mandatory inspection requirements above and the tables at **Appendix 1** are to be calculated each year commencing 1 July and ending 30 June of the following year (**relevant reporting year**).
- (2) Where a council elects to carry out an inspection in accordance with the mandatory inspection requirements on completion of construction the inspection must be carried out:
 - (a) within 2 business days of receipt of the completed Statement of Compliance in respect of development within Metropolitan Adelaide; and
 - (b) within 3 business days of receipt of the completed Statement of Compliance for development outside Metropolitan Adelaide.
- (3) Building work listed in Schedule 7 of the Regulations is not subject to the mandatory inspection requirements, however, councils should consider if an additional inspection may be appropriate.

Part 3 – Authorised officers

1 – General requirements

- (1) Only authorised officers appointed by a council may carry out inspections for the purpose of this practice direction.
- (2) A council must ensure that an inspection under this practice direction and subsequent assessment of each of the applicable elements in sub-clause 2(2) of Part 2 is carried out by a person who has the appropriate qualifications, skills, knowledge and experience to carry out an inspection assigned to that officer under this practice direction.
- (3) A person with the qualifications prescribed by r 112(1) of the Regulations may carry out an inspection under this practice direction. However, an assessment of the adequacy of applicable elements may require a person to hold particular knowledge, skills and qualifications and should be taken into account when applying this practice direction.

Part 4 – Other matters

1 – Record keeping

- (1) Councils must keep records of inspections carried out in accordance with this practice direction, and keep those records in a register that is available for inspection by the Commission upon 5 business days' notice.
- (2) Records of inspections should include, without limitation, the following details: date and time of an inspection, type of inspection, who undertook the inspection, elements inspected, breaches, issues, or faults found, rectification required, requirements for re-inspections (including timing) and enforcement action, as is appropriate in the circumstances.
- (3) This clause does not derogate from any authorisation to dispose of records under the *State Records Act 1997*.

2 – Counting inspections

- (1) The first inspection of a building under the mandatory inspection requirements is to be counted as one inspection.
- (2) Where a building is inspected at a particular stage, and any issue is detected requiring further inspection, any further inspection related to the particular issue is to be counted as part of the prior inspection related to that issue.
- (3) Except as provided by sub-clause 2(2) of Part 4 an inspection of a building at a later stage is to be counted as a separate inspection, even if the building was inspected at an earlier stage.

3 –Review

- (1) This policy will be reviewed after two years of operation or at an earlier time if appropriate.

Issued by the State Planning Commission on 12 March 2020

Appendix 1 – Mandatory Inspection Requirements

Table 1. Class 1 buildings

The inspection requirements in Table 1 apply to building work in relation to a class 1 building under the Building Rules.

| Timing of inspection | Minimum number of inspections for each development | Proportion of developments in council area to be inspected |
|--|---|---|
| <p>During construction or on completion</p> <p>An inspection may be carried out at any time during construction or on completion.</p> | <p>At least one inspection of each development.</p> | <p>Minimum 66% of building work commenced in the relevant reporting year.</p> |

Table 2. Farm buildings and farm sheds

The inspection requirements in Table 2 apply to building work in relation to a farm building or a farm shed with a floor area of 500m² or greater, under the Building Rules.

| Timing of inspection | Minimum number of inspections for each development | Proportion of developments in council area to be inspected |
|--|---|---|
| <p>During construction or on completion</p> <p>An inspection may be carried out at any time during construction or on completion.</p> | <p>At least one inspection of each development.</p> | <p>Minimum 50% of building work commenced in the relevant reporting year.</p> |

Table 3. Class 2-9 buildings

The inspection requirements in Table 3 apply to building work in relation to a class 2 to 9 buildings inclusive (other than a farm building or a farm shed) under the Building Rules.

| Timing of inspections | Minimum number of inspections for each development | Proportion of developments in council area to be inspected |
|--|---|---|
| <p>During construction or on completion</p> <p>An inspection may be carried out at any time during construction or on completion.</p> | <p>At least one inspection of development.</p> | <p>Minimum 90% of building work commenced in the relevant reporting year.</p> |

11.6 PROPOSED DECLARATION OF SEPARATE RATE – CHARLOTTE LANE, NORWOOD

REPORT AUTHOR: Manager, Governance, Legal & Property
GENERAL MANAGER: General Manager, Governance & Community Affairs
CONTACT NUMBER: 8366 4507
FILE REFERENCE: qA65688 qA2007
ATTACHMENTS: A - C

PURPOSE OF REPORT

The purpose of this report is to present to the Council for its consideration, the proposed declaration of a Separate Rate to recover the costs of converting Charlotte Lane, Norwood to Public Road in accordance with the Council's *Private Laneways Policy & Procedure*.

BACKGROUND

The Council's *Private Laneways Policy & Procedure* provides that the Council will consider at least two (2) Private Laneways for conversion to Public Road each year.

In 2019, Council staff commenced the Public Road conversion process under Section 210 of the *Local Government Act 1999* (the Act) with respect to the Private Laneway known as 'Charlotte Lane', Norwood. Following completion of the required legal research and three (3)-month statutory notice period, written agreement to the proposed Public Road conversion was obtained from sixty-nine per cent (69%) of adjoining owners to the Laneway.

On the basis that written agreement from only two (2) additional owners would have been required to reach the seventy-five per cent (75%) agreement threshold set out in the Council's Policy, at its meeting held on 3 August 2020 the Council considered the proposed conversion of Charlotte Lane to Public Road and resolved the following:

1. *That pursuant to Section 210(1) of the Local Government Act 1999, the Council declares the Private Road comprised in Certificate of Title Volume 5993 Folio 210 and comprising allotment 22 in Deposited Plan 1208, and which is a Private Road commonly known as 'Charlotte Lane' in the area of Norwood, to be Public Road.*
2. *That the Chief Executive Officer be authorised to give public notice of this declaration in the Government Gazette pursuant to Section 210(5) of the Act.*

Charlotte Lane was vested in the Council as Public Road by public notice published in the Gazette on 6 August 2020.

The Council is now in a position to proceed with the proposed declaration of a Separate Rate over the 32 properties adjoining Charlotte Lane to recover the legal, advertising and administration costs of converting Charlotte Lane to Public Road, in accordance with the Council's *Private Laneways Policy & Procedure* and Section 154 of the Act.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Outcome 1: Social Equity

Objectives

2. A people-friendly, integrated, sustainable and active transport and pedestrian network.

2.2 Provide safe and accessible movement for people of all abilities.

3. An engaged and participating community.

3.3 Provide opportunities for community input in decision-making and program development.

FINANCIAL AND BUDGET IMPLICATIONS

If the Council proceeds with the proposed declaration of a Separate Rate with respect to Charlotte Lane, Norwood, it is proposed that the declaration of the Separate Rate would occur as part of the Council's 2021-2022 Budget process. The Separate Rate for Charlotte Lane would then be payable by the adjacent property owners in four (4) equal instalments over a period of one (1) year, from 1 July 2021 to 30 June 2022.

With respect to the Public Road conversion of Charlotte Lane, the legal, advertising and administrative costs incurred by the Council amounted to **\$3,758.61 (including GST)**. Shared equally between the 38 properties adjoining Charlotte Lane, this equates to \$98.91 per property. During the three (3)-month statutory notice period, it was determined to remove the six (6) properties located at 50 Beulah Road which adjoin Charlotte Lane but with frontage to Beulah Road (Units 1-6 / 50 Beulah Road) from the Public Road conversion process on the basis that they do not directly share a boundary with or have vehicle access from Charlotte Lane (unlike Units 7-14 / 50 Beulah Road at the rear of the property). As such, this reduced the total number of properties adjoining Charlotte Lane to 32 properties.

In order to ensure that the remaining 32 properties were not required to contribute additional costs as a result of this adjustment, it was determined that the total costs payable as a Separate Rate by each adjoining property would remain at **\$98.91 (including GST)**.

With respect to the process of declaring a Separate Rate under Section 154 of the Act, the Separate Rate must be declared over each 'rateable' property. As such, it is noted that two (2) of the adjoining properties to Charlotte Lane each comprise two (2) 'rateable' properties (i.e. there are two (2) separate tenancies or businesses within the one landholding which each receive a separate rates notice from the Council). The Separate Rate will therefore be applied to each of these 'rateable' properties, with the effect that the two (2) property owners will each be required to make two (2) payments of \$98.91.

Although the Council has already incurred the legal, administrative and advertising costs for the conversion of Charlotte Lane to Public Road, it is permissible for the Council to recover these retrospective costs by declaring a Separate Rate under the Act. The Separate Rate revenue must be used expressly for the benefit of the area from which it is raised – namely, for the purpose of converting Charlotte Lane to Public Road, for the benefit of the adjacent property owners – and cannot be used for other purposes.

As provided for in the Council's *Private Laneways Policy & Procedure*, the costs of undertaking the capital works required to upgrade Charlotte Lane to public road standard will be met by the Council.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Although the upgrade of a Private Laneway to Public Road benefits the community at large by improving the public road network, the Council's Policy requires that the legal, advertising and administrative costs of conversion are met by the adjacent owners of the Laneway, as the persons that will most directly benefit from the upgrade through improved access to their properties (and who have, in many cases, requested the conversion in the first instance).

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Declaration and collection of the Separate Rate with respect to the properties adjoining Charlotte Lane will be conducted as part of the Council's annual Budget and rates declaration process.

RISK MANAGEMENT

Declaration of a Separate Rate provides a more robust cost recovery mechanism for the Council than entering into ad-hoc repayment agreements with individual property owners to recover the Public Road conversion costs. A Separate Rate attaches to each individual property as a charge on the land (rather than simply being a contractual arrangement with the individual property owner), and as such, remains with the land even if the property is sold. In addition, the Council has additional enforcement options available to recover owed rates under the Act.

COVID-19 IMPLICATIONS

If the Council proceeds with the proposed declaration of a Separate Rate to recover the costs of the Public Road conversion of Charlotte Lane, the Rate will not be declared until July 2021 as part of the Council's 2021-2022 Budget process. The Separate Rate would then be payable in four (4) equal instalments of \$24.73 over a period of one (1) year from 1 July 2021 to 30 June 2022 and would first appear on the August 2021 Rates notice.

If property owners are suffering financial hardship as a result of COVID-19 at that time, they can contact the Council to discuss repayment or deferral options.

CONSULTATION

- **Elected Members**

The Council considered the proposed conversion of Charlotte Lane, Norwood to Public Road at its meeting held on 3 August 2020.

- **Community**

If the Council proceeds with the proposed declaration of a Separate Rate for Charlotte Lane, community consultation will be undertaken with respect to the proposed Separate Rate for a period of twenty-one (21) days, as required by Section 151(5) of the Act and the Council's *Community Consultation Policy*.

Section 151(7)(a) of the Act ordinarily requires the publication of a notice in a newspaper circulating within the area of the Council in relation to the proposed Separate Rate and invitations are extended to interested persons to attend a public meeting or make written submissions in relation to the proposed Separate Rate.

However, due to the outbreak of the COVID-19 Pandemic, the Minister's *Public Health Emergency: Public Access and Public Consultation (No 2)* notice (gazetted on 8 April 2020) temporarily suspended the operation of Section 151(7)(a)(i) of the Act in relation to the requirement to hold a public meeting and instead only requires consideration by the Council of any written submissions made in relation to a proposed Separate Rate.

The Minister's notice remains in place until 28 days after the cessation of all relevant declarations relating to the public health emergency to which the notice relates.

Council Staff will continue to monitor the situation and consider whether to hold a public meeting prior to commencing consultation on the proposed Separate Rate, dependent upon any State Government directions and requirements in place in relation to the COVID-19 Pandemic at the relevant time (including as amended from time-to-time).

- **Staff**

General Manager, Governance & Community Affairs
General Manager, Corporate Services
Financial Services Manager

- **Other Agencies**

Not Applicable.

DISCUSSION

The Council can declare a Separate Rate under Section 154 of the Act to recover the Council's legal, administrative and advertising costs in undertaking the conversion of Private Laneways to Public Road under the Council's *Private Laneways Policy & Procedure*.

The Council's Policy relevantly provides the following, with respect to the recovery of costs for conversion of a Private Laneway to Public Road:

- *the costs to convert the Private Laneway to a Public Road (including, but not limited to legal, advertising, and administration costs) will be met in entirety by all Adjoining Owners, and the costs will be shared equally between them or otherwise as agreed to by the Council;*
- *the Council will declare a Separate Rate over the relevant part of the Council area amounting to a rates liability against each Adjoining Allotment (which may be payable by instalments, and otherwise on the terms and conditions set by the Council), in order to recover the costs of converting the Private Laneway to a Public Road; ...*

A copy of the Council's *Private Laneways Policy & Procedure* is contained within **Attachment A**.

With respect to the requirements under the Act for the declaration of a Separate Rate, Section 154 provides that:

- a Separate Rate may only apply to a part of the Council's area (as opposed to the whole Council area);
- the Separate Rate must be for the purposes of planning, carrying out, making available, supporting, maintaining or improving an activity; and
- the activity for which the Separate Rate may be imposed must be of 'particular benefit' to the land or occupiers of the land that is subject to the Separate Rate, or to visitors to that part of the Council area to which the Separate Rate applies.

Area

The area to which the Separate Rate will apply must be clearly defined so that it is clear which part of the Council's area will be affected by the Separate Rate. In this case, the relevant 'area' will be the rateable land directly adjacent to the Private Laneway to be converted to Public Road.

With respect to Charlotte Lane, Norwood, a plan showing the relevant area for the purposes of declaring the Separate Rate is contained within **Attachment B**.

Activity

The 'activity' which the Separate Rate will relate to is the undertaking of the administrative, legal and advertising processes (including, e.g., Lands Titles Office registry and probate searches and publication of statutory notices) in order to undertake the conversion of the Private Laneway to Public Road under Section 210 of the Act.

As provided for in Section 154(4) of the Act, the Council may declare a Separate Rate in respect of the activity even though some aspects of the activity are not to be directly undertaken by the Council (for instance, research undertaken by the Council's lawyers).

Benefit

The carrying out of the above activity (i.e. the conversion of Charlotte Lane to Public Road) is of particular benefit to the land subject to the Separate Rate, occupiers of that land and visitors to that part of the Council's area (being the area adjacent to Charlotte Lane, Norwood, as shown on the plan contained within **Attachment B**), because:

- vehicle and pedestrian access to the adjacent properties of Charlotte Lane will be improved (both in terms of improving the trafficable surface of the Laneway by upgrading it to Public Road standard, and in providing the opportunity for vehicle and pedestrian access points from the adjoining properties to the newly declared Public Road);
- the activity will improve the accessibility of the public road network in that area (where previously each Laneway may not have been easily accessible for certain types of vehicles or uses, or where it may not have provided a clear linkage to the adjacent public road network); and
- the adjacent property owners and occupiers will have the benefit of the Council's ongoing management and maintenance of the Public Road (whereas, at present, responsibility for maintenance of Charlotte Lane is unclear due to the Laneway having no known owner or a deceased owner, which can lead to the deterioration of the condition of the Laneway and affect accessibility and amenity).

Calculation of Rate – Fixed Charge

Pursuant to Section 154(2) of the Act, a Separate Rate may be based on the value of the land subject to the rate, a proportional measure related to the relevant land or area (or the estimated benefit to the occupiers of the land in the area), or a fixed charge.

A fixed charge is proposed in this case, which is to be determined by dividing the legal, advertising and administration costs incurred by the Council in undertaking the conversion of Charlotte Lane to Public Road by the number of adjacent properties, with the costs to be shared equally between them. This cost sharing arrangement is provided for in the Council's *Private Laneways Policy*.

As stated previously, this cost was calculated at **\$98.91 (including GST)** per property.

Duration and Recovery

Section 154(5) of the Act provides that a Separate Rate may be declared for a specified period or for a period exceeding one (1) year. It is proposed to declare the Separate Rate in relation to Charlotte Lane, Norwood for a period of one (1) year, with the Separate Rate to fall due and payable in four (4) equal instalments over the course of the year at the same time as when the Council's general rates fall due.

The Separate Rate will be declared on 1 July 2021 as part of the Council's 2021-2022 Budget process and details of the Separate Rate will be included on the Council's ordinary rates notices, issued on a quarterly basis.

This approach is consistent with Section 181(1) of the Act, which provides that rates (including Separate Rates) declared and payable in respect of a particular financial year will fall due in four (4) equal or approximately equal instalments during September, December, March and June for the financial year for which the rates are declared.

The Council has some flexibility under Section 181(13) of the Act to impose alternative payment requirements (including, e.g., for instalments to fall due at different times or to vary the quantum of the repayment required at each instalment). This may be useful to minimise or spread the impact of payment over a longer period of time if required for a particular property owner. However, given the relatively low quantum of the Separate Rate proposed for the properties adjoining Charlotte Lane, quarterly payment over a period of one (1) year should be suitable in most circumstances. Additionally, a property owner may pay any rates instalment in advance.

Community Consultation

Section 151(5)(c)-(e) of the Act provides that before the Council changes the imposition of rates on land by declaring a Separate Rate, the Council must prepare a report on the proposed change and must follow the steps set out in its public consultation policy.

The report must contain the information set out in Section 151(6) of the Act, namely:

- the reason for the proposed change to the rates structure;
- the relationship of the proposed change to the Council's overall rates structure;
- the likely impact of the proposed change on ratepayers (i.e. on the adjacent property owners of Charlotte Lane, who will be required to pay the Separate Rate);
- issues concerning equity within the community; and
- any other issues considered relevant by the Council.

A copy of the report with respect to the proposed declaration of a Separate Rate for Charlotte Lane, which has been prepared in the form of a 'Fact Sheet', is contained within **Attachment C**.

It is proposed that the required consultation will comprise of an advertisement in The Advertiser newspaper and on the Council's website, which will provide information regarding the proposed Separate Rate, inform the public of the Separate Rate 'Fact Sheet', and invite interested persons to attend a public meeting or make written submissions in relation to the matter.

The same information will be provided directly to the adjacent property owners of Charlotte Lane. These property owners have already been informed of the Council's intention to declare a Separate Rate through correspondence regarding the Public Road conversion process.

Although it is proposed to declare the Separate Rate for Charlotte Lane as part of the Council's 2021-2022 Budget process, it is recommended that consultation on the proposed Separate Rate be undertaken before this time, rather than as part of the Council's consultation on the Draft Annual Business Plan in 2021. This is to ensure that the matter is still front of mind for the adjacent property owners of Charlotte Lane, who have just gone through the Public Road conversion process, and to ensure clarity for the community regarding the proposed declaration of the Separate Rate as opposed to the declaration of the Council's ordinary rates.

Declaration

Following consultation on the proposed declaration of the Separate Rate with respect to Charlotte Lane, Norwood, a report will be presented to the Council for its consideration. Any submissions which are lodged as part of the consultation process must be considered by the Council in determining whether to declare the Separate Rate.

If the Council determines that it will proceed to declare the Separate Rate, the ordinary rates declaration process must be followed after declaration. Namely, notice of the declaration must be published in the SA Government Gazette within 21 days.

OPTIONS

Option One

The Council can determine not to proceed with the proposed declaration of a Separate Rate with respect to Charlotte Lane, Norwood.

However, the Council would then need to consider alternative mechanisms to recover the costs of converting Charlotte Lane to Public Road – including, for instance, by entering into individual repayment arrangements with each property owner. As discussed earlier in this report, this presents difficulty with cost recovery if that property owner sells the property or refuses to enter into a repayment arrangement with the Council. In the case of Charlotte Lane, this would also be impractical due to the large number of adjoining property owners (32 in total).

Option Two

The Council can determine to proceed with the proposed declaration of a Separate Rate with respect to Charlotte Lane, Norwood in order to recover the legal, advertising and administrative costs of converting Charlotte Lane to Public Road in accordance with the Council's *Private Laneways Policy & Procedure* and Section 154 of the Act.

For the reasons set out in this report, Option Two is recommended.

CONCLUSION

The Council's *Private Laneways Policy & Procedure* provides that the Council can declare a Separate Rate under Section 154 of the *Local Government Act 1999* to recover the Council's legal, administrative and advertising costs of converting of a Private Laneway to Public Road from the adjoining owners of the Laneway. Following the conversion of Charlotte Lane, Norwood, to Public Road in August 2020, the Council is now in a position to proceed with the proposed declaration of a Separate Rate over the 32 adjoining properties of Charlotte Lane to recover these costs. It is proposed that the Separate Rate will comprise a fixed charge to be declared as part of the Council's 2021-2022 Budget process.

COMMENTS

Nil.

RECOMMENDATION

1. That the Council gives notice of its proposal to declare a Separate Rate pursuant to Section 154 of the *Local Government Act 1999* for the land adjacent to Charlotte Lane, Norwood and marked as 'Separate Rate Area' on the Map contained in **Attachment B**, and comprising the following properties:
 - Unit 1-2, 44 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 6114 Folio 763;
 - Unit 7, 50 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 5971 Folio 784;
 - Unit 8, 50 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 5818 Folio 136;
 - Unit 9, 50 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 5818 Folio 135;
 - Unit 10, 50 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 5818 Folio 134;
 - Unit 11, 50 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 5818 Folio 133;
 - Unit 12, 50 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 5818 Folio 132;
 - Unit 13, 50 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 5818 Folio 131;
 - Unit 14, 50 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 5818 Folio 130;
 - 51A Sydenham Road, Norwood SA 5067, comprised within Certificate of Title Volume 5089 Folio 504;
 - 43C Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 6100 Folio 112;
 - 43B Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 6100 Folio 111;
 - 43A Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 6100 Folio 110;
 - 4 Charlotte Place, Norwood SA 5067, comprised within Certificate of Title Volume 5090 Folio 93;
 - 2 Charlotte Place, Norwood SA 5067, comprised within Certificate of Title Volume 5111 Folio 782;
 - 36 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 5111 Folio 780;
 - 40-42 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 5089 Folio 995;
 - 56 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 5936 Folio 390;

- 49 Sydenham Road, Norwood SA 5067, comprised within Certificate of Title Volume 5926 Folio 879;
- 51 Sydenham Road, Norwood SA 5067, comprised within Certificate of Title Volume 5993 Folio 209;
- 49 Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 5440 Folio 271;
- 41 Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 5502 Folio 538;
- 39 Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 5090 Folio 799;
- 37 Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 5890 Folio 2;
- Unit 1, 46 Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 6114 Folio 760;
- Unit 2, 46A Beulah Road, Norwood SA 5067, comprised within Certificate of Title Volume 6114 Folio 761;
- Unit 3, 47 Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 5939 Folio 108;
- Unit 2, 47 Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 5939 Folio 107;
- Unit 1, 47 Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 5939 Folio 106;
- Unit 3, 45 Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 6198 Folio 722;
- Unit 2, 45 Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 6198 Folio 721; and
- Unit 1, 45 Fisher Street, Norwood SA 5067, comprised within Certificate of Title Volume 6198 Folio 720,

for the purpose of carrying out the activity of undertaking the conversion of Charlotte Lane to Public Road under Section 210 of the *Local Government Act 1999*.

2. That the Separate Rate is proposed to be a fixed charge of \$98.91 per rateable property, calculated by dividing the cost of carrying out the activity equally between the rateable properties listed in point 1 and is proposed to be declared for a period of one (1) year commencing 5 July 2021.
3. That consultation be undertaken on the proposed declaration of the Separate Rate with respect to Charlotte Lane, Norwood in accordance with the Council's *Community Consultation Policy* and Sections 151(5)(e) and 151(7) of the *Local Government Act 1999*.
4. That the Council approves the document contained in **Attachment C**, prepared pursuant to Section 151(5)(d) of the *Local Government Act 1999*, for the purposes of public consultation and authorises the Chief Executive Officer to make any required minor amendments to the document prior to consultation.

Attachments – Item 11.6

Attachment A

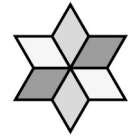
Proposed Declaration of Separate Rate Charlotte Lane, Norwood

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**



NAME OF POLICY: Private Laneways Policy and Procedure

POLICY MANUAL: Governance

BACKGROUND

Within the City of Norwood Payneham & St Peters ('the City'), there are a number of Private Laneways which provide pedestrian and vehicular access to residential properties and businesses, and access routes to adjoining roads and destinations.

The majority of these Private Laneways have no known owner, or remain in the ownership of an individual who is now deceased. This often results from historical land divisions and subsequent reconfiguration of allotments that result in "forgotten" parcels of land. Over time, the only part of the original title that remains is the Private Laneway. This land often remains in the name of the original owner, with the heirs or successors in title not coming forward to take possession of the land. Today, the land comprising Private Laneways in the City often have no assessment number and therefore, are not subject to Council rates, and they may not have a current Certificate of Title.

Some of these Private Laneways have deteriorated over time and require maintenance, and in some cases, upgrading, to ensure that they remain accessible. As the Laneways are privately-owned, the Council has no obligation to repair or upgrade them.

Nevertheless, the Council receives a substantial number of enquiries from residents who utilise these Private Laneways regarding their ownership and requesting maintenance and upkeep to be undertaken.

This Policy provides a framework for the Council to progressively assume ownership of and responsibility for Private Laneways within the City through their conversion to Public Road.

This Policy does not apply to Rights of Way, except in circumstances where a Right of Way adjoins a Private Laneway, in which case a boundary realignment and acquisition of the Right of Way may be proposed in connection with the proposed conversion of the Private Laneway to Public Road.

DISCUSSION

The Council recognises the difficulties that face residents and businesses that rely upon Private Laneways for access to their properties, and acknowledges that the Council is often the only authority which has the capacity to provide a solution.

As such, the Council has determined to progressively assume responsibility for selected Private Laneways within the City through implementing the statutory process set out in Section 210 of the *Local Government Act 1999* (the Act), to convert the Private Laneway to a Public Road, whereby its ownership vests in the Council.

KEY PRINCIPLES

This Policy is based on the following key principles:

- The Council will seek to provide a safe environment and trafficable surface for residents to access their properties.

- A well-connected and accessible Private Laneways network serves a functional purpose, contributes to local amenity and is of benefit to the whole community.
- The Council is committed to establishing transparency and accountability in its processes and procedures, to facilitate equitable consideration and outcomes for resident enquiries.

DEFINITIONS

Act - the *Local Government Act 1999* (SA).

Adjoining Allotment - a rateable property directly adjoining a Private Laneway.

Adjoining Owner - the owner of an Adjoining Allotment.

Public Road - Roads which are owned or vested in the name of the Council (and otherwise in accordance with the definition set out in the Act), and the Council is responsible for the care, control, management and upkeep of the Road.

Private Laneway - a Road which is privately owned (ie not owned by the Council), with the private owner of the Road being responsible for its upkeep.

Road - a public or private street, road or thoroughfare to which public access is available on a continuous or substantially continuous basis to vehicles or pedestrians or both and includes a bridge, viaduct or subway, or an alley, laneway or walkway.

Rights of Way - are easements which function as a Road – ie they provide one party with the legal right to pass over a specific route on property owned by another party.

POLICY

The Council may, where the Council considers it necessary or appropriate to do so, assume ownership of a Private Laneway.

This will be undertaken in accordance with the process set out in Section 210 of the Act to convert the Private Laneway to a Public Road, and in accordance with the requirements set out in this Policy and Procedure.

The conversion of a Private Laneway to a Public Road by the Council is subject to the following conditions:

- the Council must be unable to identify and find the owner of the Private Laneway (including the heirs or successors of such an owner) after making reasonable enquiries (as the Council considers appropriate);
- the Council will seek to obtain written agreement from a minimum of two thirds (2/3^{rds}) of the Adjoining Owners to the Council's proposal to declare the Private Laneway a Public Road*;
- the costs to convert the Private Laneway to a Public Road (including, but not limited to legal, advertising, and administration costs) will be met in entirety by all Adjoining Owners, and the costs will be shared equally between them or otherwise as agreed to by the Council;
- the Council will declare a Separate Rate over the relevant part of the Council area amounting to a rates liability against each Adjoining Allotment (which may be payable by instalments, and otherwise on the terms and conditions set by the Council), in order to recover the costs of converting the Private Laneway to a Public Road;
- upon the Private Laneway becoming a Public Road, the Council will be responsible for all costs associated with undertaking the required capital upgrade works to the Private Laneway in order to bring it up to Public Road standard (subject to the Council approving this funding in its annual Budget consideration and adoption process).

- At the discretion of the Council, capital upgrade works will not be undertaken by the Council in respect of a Private Laneway until:
 - all of the necessary legislative requirements and administrative arrangements are finalised to ensure that the Private Laneway has been declared as a Public Road and its ownership has been transferred to the Council; and
 - the Separate Rate has been declared over the Adjoining Allotments.
- Upon completion of the capital upgrade works, the Private Laneway (which is now a Public Road) will be incorporated into the Council's Whole-of-Life Model and will be maintained in accordance with the Model.
- The Council will assign a name to the newly created Public Road in accordance with the Council's *Naming of Roads and Public Places Policy*.

It is the Council's objective to select up to two (2) Private Laneways for conversion to Public Road each year, and subsequently, to include the upgrade of up to two (2) Private Laneways within the Council's Annual Capital Works Program in the following financial year.

The selection of a Private Laneway for conversion to Public Road will be undertaken in accordance with the Council's Private Laneways Procedure.

****Note:*** *Section 210 of the Act does not prescribe a minimum level of agreement with respect to the proposed conversion of a Private Laneway to Public Road. Pursuant to the Act, and having followed the required process set out in Section 210 of the Act, the Council can determine to convert a Private Laneway to Public Road at its discretion, without any written agreement from Adjoining Owners, or with a level of agreement that is less than the 2/3rds threshold stated in this Policy.*

PRIVATE LANEWAYS PROCEDURE

The Council's Private Lanes Register contains a list of all Private Lanes identified in the City.

A Private Lanes Priority List has also been developed which ranks all Lanes on the Register in order of priority for conversion to Public Road under this Policy. The Priority List is based upon:

- firstly, a condition assessment of all Lanes (with those Lanes in poor condition having greater priority);
- secondly, a compliance assessment in relation to traffic management, stormwater and planning requirements; and
- thirdly, consideration of the selection criteria set out below.

Despite the creation of the Priority List, a Private Lane may be considered for conversion to Public Road in a given year at the Council's discretion, taking into consideration the selection criteria below.

Selection Criteria

In selecting a Private Lane for conversion to a Public Road, any one or more of the following criteria may be taken into consideration:

- **Public infrastructure** – the extent to which public infrastructure (owned by the Council or other public authorities) is already installed in / over / under the Private Lane. For instance, drainage, kerbing, footpaths, street lighting, water / sewer / electricity services.
- **Condition** – the condition of the Private Lane and any public infrastructure present (including, for example, the condition of the surface / kerbing / footpath, drainage capacity, lighting, vegetation growth, rubbish etc).
- **Usage** – the extent of use by adjacent residential and/or commercial properties, including where the Private Lane provides sole or primary vehicle access to the property from the Public Road network, the extent of use by other road users or pedestrians, and the type of use (including, eg vehicular, pedestrian, service vehicle access, parking).
- **Size and locality** – the total length/width/area of the Lane, the number of Adjacent Allotments, the extent to which the Private Lane is connected to the Public Road network, and the characteristics of the location of the Private Lane (for example, particular environmental factors).
- **Ownership and tenure** – whether the Private Lane is held in private ownership by a single person / entity or multiple persons / entities, including if portions of the Lane are held in separate private or public ownership (for instance, portions of the Lane may comprise part of the title for Adjacent Allotments, or may comprise part of the common property of a strata or community corporation), or if portions of the Lane are subject to other property rights (including, eg, easements, rights of way, land management agreements).
- **Public vs private demand** – the extent to which the Private Lane is reasonably required for public access, balanced with the interest of adjacent property owners in retaining private access. This may include present or anticipated demand for access (including as a result of future anticipated development), as well as (without limitation) amenity, safety, environmental, heritage and cultural considerations.
- **Strategic purpose** – the extent to which the Private Lane has a future strategic purpose for the Council, or presents an opportunity to be activated for public use (including, for example, to provide access to an adjacent Council-owned reserve or facility, or to improve pedestrian connectivity throughout the City).
- **Planning considerations** – any relevant planning or development considerations as identified by the Council;

- **Cost** – the anticipated operating and capital costs (both initial and ongoing) for the Council regarding maintenance and upgrade works, if the Private Laneway was converted to a Public Road and maintained at Public Road standard.
- **Risk to Public Safety** – any risk (whether actual or anticipated) to public safety presented by the condition or usage (or otherwise) of the Private Laneway (including, for example, use by persons engaged in anti-social behaviour, fire risk from vegetation growth, flooding risk etc).
- **Encroachment / Obstruction** – the presence of any encroachment or obstruction over the Private Laneway which prevents access by adjacent landowners or the general public and/or decreases amenity (including, for example, fencing, gates, equipment, vehicles, rubbish and other unauthorised dumping etc).
- **Maintenance requests** – the frequency and / or number of requests received by the Council with respect to access/maintenance/upgrade, etc of the Private Laneway.

The Council's Urban Planning & Environment Department will be consulted prior to selecting a Private Laneway for conversion to Public Road.

Process

It is anticipated that the Public Road conversion process ('Stage 1') will be undertaken over a period of approximately one (1) year in relation to the two (2) Private Laneways selected for conversion to Public Road that year.

The design and construction of the newly created Public Road ('Stage 2') will be undertaken in the following financial year.

| Step | Action | Responsibility | Timeframe (approximate) |
|--|--|--|---|
| STAGE 1 – PUBLIC ROAD CONVERSION (Year One) | | | |
| 1 | Undertake research to determine: <ul style="list-style-type: none"> • the current status and ownership of the Private Laneway; and • any person(s) with a registered legal interest over the Private Laneway. | Council's Lawyers Lands Titles Office of SA | Six (6) months <i>July - December</i> |
| 2a | Write to Adjoining Owners and (where relevant) registered interest-holders of the Private Laneway to give notice of the Council's proposed Public Road declaration. <i>(Note – written agreement is required from at least 75% of Adjoining Owners for the Public Road conversion to proceed under the Council's Private Laneways Policy)</i> | Governance & Community Affairs Department | Allow three (3) months for responses <i>February-April</i> |
| 2b | Publication of the Council's proposed Public Road declaration: <ul style="list-style-type: none"> • in the SA Government Gazette; • on the Council's website; and in a local newspaper. | G&CA Department | Simultaneously with Step 2a |
| 3 | Prepare funding submission for next financial year's Budget in relation to: | Urban Services Department G&A Department | <i>February-March</i> |

| Step | Action | Responsibility | Timeframe (approximate) |
|------|--|-----------------|--|
| | <ul style="list-style-type: none"> • Stage 2 – Design and Construction for current two (2) Private Laneways; and • Stage 1 – Public Road Conversion – for next two (2) Private Laneways. | | |
| 4 | <p>Council meeting to consider the proposed Public Road conversion, and any submissions received from registered interest-holders:</p> <ul style="list-style-type: none"> • if 2/3^{rds} of Adjoining Owners agree to the Public Road conversion, the Public Road conversion process can proceed and the Council can declare the Private Laneway as a Public Road; <p><i>(Note – a Council resolution is required to declare the Private Laneway as a Public Road pursuant to Section 208 of the Act, and a name must be assigned to the new Public Road)</i></p> <ul style="list-style-type: none"> • if 2/3^{rds} agreement is not reached, the Public Road conversion process cannot proceed, in accordance with the Council's Private Laneways Policy. | G&CA Department | June-July |
| 5 | <ul style="list-style-type: none"> • Publication of the Council's resolution in the SA Government Gazette. <p><i>(Note – the resolution declaring the Private Laneway to be a Public Road will not take effect until publication in the Gazette pursuant to Section 208(5) of the Act)</i></p> <ul style="list-style-type: none"> • Give notice of the Council's Public Road declaration to the Registrar-General. Registrar-General to issue new Certificates of Title for the Public Roads to the Council. • Advise Urban Services to include the Public Road in the Council's Public Road and Asset Registers. | G&CA Department | The next available Gazette date June-July |
| 6 | Write to Adjoining Owners of the Private Laneway advising whether 2/3 ^{rds} agreement to Public Road conversion was obtained and whether the Public Road Conversion process will proceed. | G&CA Department | June-July |

| Step | Action | Responsibility | Timeframe (approximate) |
|---|---|--|-------------------------------------|
| STAGE 2 – DESIGN & CONSTRUCTION (Year Two) | | | |
| 1 | Annual Budget consideration and adoption by the Council. <i>(Note – if funding is successfully allocated, the capital upgrade works will be included in the Council's Capital Works Annual Program for this financial year)</i> | Council | July |
| 2 | Prepare preliminary design for capital upgrade works to Public Road. | Urban Services Department | July-September |
| 3 | If Public Road Conversion is proceeding, prepare a report to the Council regarding the proposed declaration of a Separate Rate under Section 154 of the Act over the Adjoining Allotments of the Public Road to recover the costs of Conversion. | G&CA Department Corporate Services Department | August-September |
| 4 | Undertake community consultation (including publication of required notices and holding of public meeting), as required by Section 151(5)(e) of the Act regarding the proposed declaration of a Separate Rate. | G&CA Department | Three (3) weeks August-September |
| 5 | Prepare a report to the Council regarding community consultation for the proposed Separate Rate. Council to resolve to declare the Separate Rate as part of the next financial year's Budget process (or resolve not to proceed with the proposed declaration). | G&CA Department Corporate Services Department | September-October |
| 6 | Review and finalise design for capital upgrade works to Public Road. | Urban Services Department | October-November |
| 7 | Procurement of contractor to undertake capital upgrade works to Public Road. | Urban Services Department | December-January |
| 8 | Undertake the capital works to upgrade the new Public Road to Public Road standard. | Urban Services Department | February-June |
| 9 | Upon completion of the capital works, incorporate the Public Road into the Council's Asset Management database. | Urban Services Department | July |
| 10 | Declaration of Separate Rate over Adjoining Allotments of the Public Road as part of the Annual Budget process. | Corporate Services Department | July |

REVIEW PROCESS

This Policy and Procedure will be reviewed every three (3) years.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's Manager, Governance, Legal & Property, telephone 8366 4507.

ADOPTION OF THE POLICY

This Policy was adopted by the Council on 6 June 2016.

This Policy and Procedure was reviewed and adopted by the Council on 4 March 2019.

This Policy and Procedure was reviewed and adopted by the Council on 7 September 2020.

TO BE REVIEWED

2023

Attachment B

Proposed Declaration of Separate Rate Charlotte Lane, Norwood

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**

CHARLOTTE LANE, NORWOOD



Charlotte Lane



Separate Rate Area

Attachment C

Proposed Declaration of Separate Rate Charlotte Lane, Norwood

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
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Payneham
& St Peters**

Fact Sheet:

Proposed Introduction of Separate Rate – Charlotte Lane, Norwood

Local Government Act 1999, Section 151(5)(d)

Overview

The City of Norwood Payneham & St Peters is undertaking consultation on the proposed introduction of a Separate Rate for the properties immediately adjacent to Charlotte Lane, Norwood.

The Separate Rate is for the purpose of recovering the costs of converting Charlotte Lane from a Private Laneway to a Public Road, in accordance with the Council's *Private Laneways Policy & Procedure* and Section 210 of the *Local Government Act 1999* (the Act).

The Separate Rate is proposed to be a fixed charge, to be determined by sharing the costs of converting Charlotte Lane to Public Road equally between the adjacent properties. The Council proposes to declare the Separate Rate on 1 July 2021 for a period of one (1) year, with the Separate Rate to be payable in four (4) equal instalments across the year.

This Fact Sheet provides information about how the Separate Rate will operate, to assist interested persons who wish to make comment on the proposal.

What is a Separate Rate?

Councils in South Australia may declare a Separate Rate on a particular and specifically defined part of the Council area. Revenue raised from a Separate Rate must be used expressly for the benefit of the area from which it is raised and for the benefit of the property owners who pay the Separate Rate.

Under Section 154 of the Act, "a council may declare a separate rate on rateable land within a part of the area of the council for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit to the land, or the occupiers of the land, within that part of the area, or to visitors to that part of the area".

A Separate Rate is in addition to the General Council Rate which is applied to each property.

Why is a Separate Rate being introduced?

The Council's *Private Laneways Policy & Procedure* provides that the Council will select at least two (2) Private Laneways for conversion to Public Road each year. By following the process set out in Section 210 of the Act to convert a Private Laneway to Public Road, the Council can assume ownership of and responsibility for the Private Laneway.

A copy of the Council's *Private Laneways Policy & Procedure* is attached to this Fact Sheet.

There are many Private Laneways throughout the City, which often have no known owner or a deceased owner. As there is no "owner", these laneways are not maintained and many have deteriorated in condition over time. Although the Council has no legal obligation to maintain or upgrade these Laneways, it is recognised that the Council is often the only authority which has the capacity to provide a solution for adjacent residents and businesses.

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City of
Norwood
Payneham
& St Peters

In this respect, converting a Private Laneway to Public Road, provides a benefit for adjacent properties and visitors, including:

- improving vehicle and pedestrian access for the adjacent properties;
- improving accessibility of the public road network in the area; and
- **the adjacent property owners and occupiers will have the benefit of the Council's ongoing management and maintenance of the Public Road (at the Council's cost).**

In accordance with the Council's *Private Laneways Policy*, the costs of converting a Private Laneway to Public Road (including the legal, advertising and administration costs) are to be met by the adjoining owners of the Laneway and shared equally between them. In order to recover these costs, the Council may declare a Separate Rate under Section 154 of the Act, which will amount to a rates liability against each adjoining property to the Laneway.

The Council will meet the costs of undertaking the capital works required to upgrade Charlotte Lane to Public Road standard (including, e.g., re-sealing the road surface, kerbing, line-marking, drainage infrastructure and lighting), and the ongoing maintenance costs.

Where will the Separate Rate apply?

Only those properties which are immediately adjacent to Charlotte Lane, Norwood will be affected by the proposed Separate Rate. These properties are listed in **Attachment A** to this Fact Sheet and are shown within the 'Separate Rate Area' on the attached Map.

How is the Separate Rate calculated?

The Separate Rate will be a fixed charge that has been determined by sharing the costs of converting the Private Laneway to Public Road equally between the adjacent properties. On this basis, the Separate Rate to be applied to each adjacent property of Charlotte Lane will be:

- **\$98.91 (including GST)** per rateable property

Where a property comprises more than one (1) rateable property (e.g. there are two (2) separate tenancies within the one property), the Separate Rate will be applied to each rateable property.

For how long will the Separate Rate be applied?

The Separate Rate is a one-off fixed charge that is proposed to be declared for a period of one (1) year commencing on 1 July 2021 and ending on 30 June 2022. The Separate Rate will be payable in four (4) equal instalments across the one (1)-year period. Payments will fall due in September, December, March and June, at the same time as the General Council Rate for each property.

How you can have your say

Comments on the proposed Separate Rate can be provided in writing to the Council:

- by post: PO Box 204, Kent Town SA 5071
- or via email: townhall@npsp.sa.gov.au

by no later than **5.00pm, Friday 12 February 2021.**

A public meeting will also be held in relation to the proposed Separate Rate on **Wednesday 17 February 2021** at **6.00-6.30pm** in the Don Pyatt Hall, Norwood Town Hall, 175 The Parade, Norwood (entrance off George Street).

What happens next?

Following conclusion of the consultation period and the public meeting, all feedback will be compiled and reported to the Council for its consideration at the next scheduled Council meeting.

For further information, please contact the Council's Manager, Governance, Legal & Property on 8366 4507 or via email: jdunning@npsp.sa.gov.au

Attachment A

Properties adjoining Charlotte Lane and subject to Separate Rate:

- Unit 1-2, 44 Beulah Road, Norwood SA 5067
- Unit 7, 50 Beulah Road, Norwood SA 5067
- Unit 8, 50 Beulah Road, Norwood SA 5067
- Unit 9, 50 Beulah Road, Norwood SA 5067
- Unit 10, 50 Beulah Road, Norwood SA 5067
- Unit 11, 50 Beulah Road, Norwood SA 5067
- Unit 12, 50 Beulah Road, Norwood SA 5067
- Unit 13, 50 Beulah Road, Norwood SA 5067
- Unit 14, 50 Beulah Road, Norwood SA 5067
- 51A Sydenham Road, Norwood SA 5067
- 43C Fisher Street, Norwood SA 5067
- 43B Fisher Street, Norwood SA 5067
- 43A Fisher Street, Norwood SA 5067
- 4 Charlotte Place, Norwood SA 5067
- 2 Charlotte Place, Norwood SA 5067
- 36 Beulah Road, Norwood SA 5067
- 40-42 Beulah Road, Norwood SA 5067
- 56 Beulah Road, Norwood SA 5067
- 49 Sydenham Road, Norwood SA 5067
- 51 Sydenham Road, Norwood SA 5067
- 49 Fisher Street, Norwood SA 5067
- 41 Fisher Street, Norwood SA 5067
- 39 Fisher Street, Norwood SA 5067
- 37 Fisher Street, Norwood SA 5067
- Unit 1, 46 Beulah Road, Norwood SA 5067
- Unit 2, 46A Beulah Road, Norwood SA 5067
- Unit 3, 47 Fisher Street, Norwood SA 5067
- Unit 2, 47 Fisher Street, Norwood SA 5067
- Unit 1, 47 Fisher Street, Norwood SA 5067
- Unit 3, 45 Fisher Street, Norwood SA 5067
- Unit 2, 45 Fisher Street, Norwood SA 5067
- Unit 1, 45 Fisher Street, Norwood SA 5067

12. ADOPTION OF COMMITTEE MINUTES

REPORT AUTHOR: General Manager, Governance & Community Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: Not Applicable
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of the report is to present to the Council the Minutes of the following Committee Meetings for the Council's consideration and adoption of the recommendations contained within the Minutes:

- Chief Executive Officer's Performance Review Committee – (14 December 2020)
(A copy of the Minutes of the Chief Executive Officer's Performance Review Committee meeting have been provided to all Elected Members under separate cover)
- Regional Capital Projects Committee – (16 December 2020)
(A copy of the Minutes of the Regional Capital Projects Committee meeting is contained within **Attachment A**)

ADOPTION OF COMMITTEE MINUTES

- **Chief Executive Officer's Performance Review Committee**

That the minutes of the meeting of the Chief Executive Officer's Performance Review Committee held on 14 December 2020, be received and that the resolutions set out therein as recommendations to the Council are adopted as decisions of the Council.

- **Regional Capital Projects Committee**

That the minutes of the meeting of the Regional Capital Projects Committee held on 16 December 2020, be received and that the resolutions set out therein as recommendations to the Council are adopted as decisions of the Council.

Attachment A

Adoption of Committee Minutes

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**

Regional Capital Projects Committee Minutes

16 December 2020

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

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 - 3.1 PAYNEHAM MEMORIAL SWIMMING CENTRE & PATTERSON RESERVE MASTERPLAN 2
 - 3.2 NORWOOD LIBRARY & NORWOOD CONCERT HALL 13
- 4. OTHER BUSINESS 18
- 5. CLOSURE..... 18

VENUE Mayors Parlour, Norwood Town Hall

HOUR 6.03pm

PRESENT

Committee Members Cr John Minney (Presiding Member)
Mayor Robert Bria
Cr Carlo Dottore
Cr Christel Mex
Cr Fay Patterson

Staff Mario Barone (Chief Executive Officer)
Sharon Perkins (General Manager, Corporate Services)
Keke Michalos (Manager, Economic Development & Strategic Projects)
Jake Boerema (Manager, Swimming Centres)

APOLOGIES Nil

ABSENT Nil

TERMS OF REFERENCE:

The Regional Capital Projects Committee is established to fulfil the following functions:

- 2.1 *To assist the Council in the development of Regional Capital Projects which are referred to the Committee by the Council.*
- 2.2 *The Committee is charged with making recommendations to the Council regarding actions, including the conduct of studies associated with the development of masterplans and concepts as required, in order to develop masterplans, concepts and reports in respect to Regional Capital Projects which are referred to the Committee by the Council.*

1. CONFIRMATION OF MINUTES OF THE REGIONAL CAPITAL PROJECTS COMMITTEE MEETING HELD ON 27 OCTOBER 2020

Mayor Bria moved that the minutes of the Regional Capital Projects Committee meeting held on 27 October 2020 be taken as read and confirmed. Seconded by Cr Dottore and carried.

2. PRESIDING MEMBER'S COMMUNICATION
Nil

3. STAFF REPORTS

3.1 PAYNEHAM MEMORIAL SWIMMING CENTRE & PATTERSON RESERVE MASTERPLAN

REPORT AUTHOR: Manager, Economic Development & Strategic Projects
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 83664509
FILE REFERENCE: qA1548
ATTACHMENTS: A - D

PURPOSE OF REPORT

The purpose of this report is to present the final draft concepts for the Payneham Memorial Swimming Centre and the *Patterson Reserve Community & Recreational Precinct* to the Committee for its consideration.

BACKGROUND

At its meeting held on 27 October 2020, the Committee considered a report on the *Patterson Reserve Community & Recreational Precinct*, which includes the Payneham Memorial Swimming Centre. For the purposes of this Project, the *Patterson Reserve Community & Recreational Precinct* comprises of the Payneham Memorial Swimming Centre, Patterson Reserve, which is home to the East Torrens Baseball Club and the East Torrens Payneham Lacrosse Club, the Payneham Youth Centre, the East Torrens Payneham Sports Clubrooms, the Payneham Library and the Payneham Library Playground and Third Creek.

Following consideration of the report the Committee resolved the following:

1. *That the report be received and noted.*
2. *That the Regional Capital Projects Committee recommends to the Council that it reaffirm its support for the Council's decision to refurbish the main pool in accordance with the Swimming Centres' Long Term Strategy.*
3. *That a report be resubmitted to the Council at a later date regarding the Tender for the Stage 2 Refurbishment of the main pool which was deferred by the Council at the August 2020 meeting.*
4. *That TCL (Consultants) be instructed to review Options A, B1 and C1 and develop any other options that are required to complete the Masterplan.*
5. *That TCL (Consultants) consult with the existing stakeholders regarding the draft concepts before finalising the draft concepts for the Committee's consideration.*

Subsequently, at its meeting held on 2 November 2020, the Council considered and adopted the Minutes of the Committee Meeting, and in doing so, endorsed the Committee's recommendation to retain the main pool in its current location.

On the basis of the Committee's recommendation and the Council's endorsement to retain the main pool in its existing location, the Council's Consultant TCL, was instructed to finalise the draft concepts around the existing location of the main pool.

In accordance with Part 4 of the Committee's resolution, TCL has progressed the development of draft concepts A, B1 and C1 and has also revised draft Concept B2. The draft concepts are contained in **Attachment A**.

At the time of writing this report, consultation with the existing stakeholders had not been completed. A verbal update regarding the responses of the various stakeholders will be provided to the Committee at its meeting.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

A range of Council documents are relevant to this Project. These documents are briefly summarised below:

4.1 *CityPlan 2030: Shaping Our Future*

The Outcomes, Objectives and Strategies of the Council's *CityPlan2030: Shaping Our Future – Update 2017* that are relevant to this Project are provided below:

Outcome 1: Social Equity – A connected, accessible and pedestrian-friendly community.

- **Objective 1: Convenient and accessible services, information and facilities**
Strategy 1.3: Design and provide safe, high quality facilities and spaces for people of all backgrounds, ages and abilities.
- **Objective 4: A strong, healthy, resilient and inclusive community.**
Strategy 4.1: Encourage physical activity and support mental health to achieve healthier lifestyles and well-being.

4.2 *Open Space Strategy*

The objective of the *Open Space Strategy* is to provide the Council with information to enable it to pro-actively plan for open space and to ensure that there is equity in respect to access to useful open space and recreational facilities throughout the City. It also ensures that the Council's open space assets maximise the benefits in respect to environmental management, public health and wellbeing, tourism and community capacity building.

The Council's *Open Space Strategy* designates both the Payneham Memorial Swimming Centre and the Norwood Swimming Centre as Regional Level Facilities mainly due to their function as formal sporting facilities and appeal to a wide cross section of the community. This designation makes both of the Swimming Centres some of the most significant pieces of community and recreational open space facilities within the City of Norwood Payneham & St Peters.

The *Open Space Strategy* also recognises Patterson Reserve as a Regional Level Facility because of its size and wide range of facilities that it offers.

4.3 *Swimming Centres Long Term Strategy*

The *Swimming Centre Long Term Strategy*, which was adopted by the Council in December 2017, sets the future direction for both the Norwood Swimming Centre and the Payneham Memorial Swimming Centre.

The *Swimming Centre Long Term Strategy*, was developed following extensive consultation and engagement with the community to identify the future direction for both swimming facilities.

The objective behind the development of the Strategy was to:

- identify whether or not there was still a demand and/or need to retain both Swimming Centres; and
- to establish the framework upon which to base the future direction of both Centres, to ensure that both Swimming Centres are managed, maintained and developed in an effective manner to ensure that they remain contemporary and are able to meet the changing needs of the community in the future.

The *Swimming Centre Long Term Strategy* recognises the unique character of both of the Council's Swimming Centres, the community which they serve and builds on the strengths of each facility. The Strategy also acknowledges the history and "sense of place" associated with both swimming centres, in particular recognising the cultural heritage of the Norwood Swimming Centre and the dynamic, vibrant public space opportunities at the Payneham Memorial Swimming Centre, Patterson Reserve and the other community and recreational uses within the Precinct.

The key components contained in the Strategy which have been endorsed by the Council are set out below:

1. Retention of the two (2) outdoor pool facilities and focus on providing a diverse range of aquatic recreational opportunities with an emphasis on:
 - lap swimming;
 - swim coaching/squads;
 - learn to swim lessons (private, group and school);
 - recreational aquatic play;
 - aquatic fitness; and
 - community and family gatherings.
2. Development of a marketing and promotions plan that provides the community and visitors access to current information on the Council's aquatic recreation opportunities to ensure the longevity and success of the swimming facilities; and
3. Effectively developing and managing the two (2) Swimming Centres with a strong focus on on-going sustainability, customer experience and public safety.

A copy of the *Swimming Centres Long Term Strategy* is contained in **Attachment B**.

4.4 Playground Strategy

The Council's *Playgrounds Strategy* provides the long term strategic direction for the provision and management of playgrounds within the City. More specifically, the *Playgrounds Strategy* identifies the key issues associated with each of the playgrounds throughout the City and outlines an integrated and strategic framework for the enhancement of these important community assets.

The *Playgrounds Strategy* establishes a hierarchy of playgrounds, which aims to achieve different levels of provision and the best use of resources. The hierarchy ranges from Regional and District level playgrounds, which cater to users from a wide geographic area and generally provide innovative, unique or higher standard play equipment and spaces, through to Neighbourhood and Local play opportunities, which generally cater for the surrounding local area and a smaller number of users. A playground's designated level in the hierarchy will ultimately determine the level of development and the quality of the playground.

The Payneham Library Playground is designated as a Level 3 Neighbourhood Playground, making it one (1) of nine (9) Neighbourhood Level playgrounds within the City. Designation as a Neighbourhood Level Playground assumes that the playground will cater for the local neighbourhood and will generally include standard rather than unique play equipment. However, its designation is more a reflection of its current elements rather than its location and role.

In respect to Payneham Library Playground, the *Playgrounds Strategy* identifies the lack of disability access, fencing too close to the play equipment and lack of connection with the Swimming Centre and Patterson Reserve as some of the key issues with the playground and its location. It recommends:

- increasing amount of seating; and
- considering whether a playground is better linked to Patterson Reserve and other sport and recreation facilities (eg Patterson Reserve or the Payneham Memorial Swimming Centre).

Given the playground's association with the regional level facilities and its proximity to other playgrounds, consideration should be given to whether it should be retained, relocated and/or potentially incorporated within the Payneham Memorial Swimming Centre as an additional feature.

4.5 Public Health Plan

The *Public Health Plan* for the Eastern Region sets out the strategic directions to work towards delivering better living and better health. The Masterplan which will be developed and its eventual implementation should assist in achieving the directions of the *Public Health Plan*, particularly those under the theme of '*Environments for better health*', by creating attractive, more useable and stimulating reserves and recreational facilities. The Masterplan should ensure that it maximises the opportunities for active and passive recreation and encourages greater physical activity, social interaction and social cohesion.

4.6 Eastern Region Climate Change Adaptation Plan

The *Eastern Region Climate Change Adaptation Plan* establishes a number of priorities for action, including increasing the areas of open space in key locations and increasing plantings in urban areas to create a greener, cooler space. The Masterplan should include provisions to assist in reducing and mitigating the impacts of climate change.

FINANCIAL AND BUDGET IMPLICATIONS

The Council has allocated a total budget of \$70,000 for the development of the two (2) Masterplans (ie one (1) for the Norwood Swimming Centre and one (1) for the Payneham Memorial Swimming Centre).

In addition, as part of its 2018-2019 Annual Budget, the Council allocated \$1.6 million to undertake the refurbishment of the main pool at the Payneham Memorial Swimming Centre. However, since this budget allocation was made, the scope of the work in respect to the upgrade of the main pool has been expanded to include components that were not previously envisaged when the scope of the project was originally established (ie new plant room and a new filtration system). At this stage, whilst an estimate has been included in the Council's *Long Tern Financial Plan*, funding has not been allocated for the construction of the new 25 metre Learner's Pool and the proposed water play elements.

It is important to note that at its meeting held on 7 December 2020, the Council resolved to submit a grant funding application under the *Local Government Infrastructure Partnership Program* for the Payneham Memorial Swimming Centre. The intent is to submit the Council's preferred draft concept in support of the funding application. Specific details and cost estimates of the elements to be included in this grant submission will need to be finalised over the next few weeks.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Both the Payneham Memorial Swimming Centre and Patterson Reserve are regional level swimming and recreation facilities and are very well utilised assets within the City. Upgrading the main pool and the swimming centre generally, will ensure the longevity of these assets.

Patterson Reserve, in its own right, is also recognised as a regional level facility. The integration of these two (2) facilities (ie Patterson Reserve and Payneham Memorial Swimming Centre) together with the Payneham Library will reinforce the importance of swimming and recreational play in community life and the strategic role of the Patterson Reserve Community & Recreational Precinct in providing these facilities at a regional level.

CULTURAL ISSUES

The Payneham Memorial Swimming Centre has been a key feature in the cultural and historic fabric of this City for over fifty (50) years.

ENVIRONMENTAL ISSUES

The proposed improvements to the Patterson Reserve Community & Recreational Precinct will deliver environment improvements by reducing water loss and water usage. It is estimated that the proposed refurbishment work at the Swimming Centre will reduce the operational costs by approximately \$40,000 per year.

The potential consolidation of buildings will also assist in reducing the footprint of the buildings and increase the amount of open space, which will ultimately reduce the carbon footprint from this Precinct.

RESOURCE ISSUES

Council staff have and will continue to manage TCL (the Consultants) throughout the life of the Project. Council staff will also manage and oversee the contract works throughout the project program, which will require a significant resource requirement.

RISK MANAGEMENT

There is no significant risk with the development of the Masterplan however there is a significant risk if the final decision about whether to refurbish or reconstruct the main pool is protracted. The Committee's recommendation and subsequently the Council's decision to retain the main pool in its current location has enabled the location of all of the other assets and facilities to be determined.

Due to the age and condition of the current filtration system there is a risk that if the Council delays making a decision on the refurbishment, there is a risk that in the event of a major breakdown or failure in the filtration system and/or plant, it may not be easily repaired, resulting in a significant impact on the business continuity of the Payneham Memorial Swimming Centre. The advice received from Crackerjack, (Engineering Consultants), is that a major infrastructure failure would most likely not be repairable and cause significant impact on users with little or no notice. The intent of the proposed refurbishment is to futureproof the facility for the next 25-30 years.

COVID-19 IMPLICATIONS

At this stage, unless further restrictions are imposed by the State and Federal Governments, there are no known COVID-19 implications that would restrict the Masterplan from progressing, or for the proposed work to the main pool to be undertaken

CONSULTATION

- **Elected Members**

The Council adopted the *Swimming Centres Long Term Strategy* on 4 December 2017. The Council considered a Confidential Report on the Stage 1 Refurbishment at its meeting held on 29 May 2018. In March 2020, Elected Members attended an Information Session regarding the preparation of Masterplans for the Norwood Swimming Centre and the Payneham Memorial Swimming Centre. On 3 August 2020, the Council considered a Confidential Tender Selection Report on the Payneham Memorial Swimming Centre Main Pool – Stage 2 Refurbishment Project.

A report outlining five (5) draft concepts was considered by the Council's *Regional Capital Projects Committee* on 27 October 2020. The Committee's recommendations regarding the main pool at the Payneham Memorial Swimming Centre were considered and adopted by the Council at its meeting held on 9 November 2020.

- **Community**

It is proposed that once the draft Masterplan is developed community consultation will be undertaken.

- **Staff**

General Manager, Corporate Services
Manager, Swimming Centres
Project Manager
Project Manager, Urban Design & Special Projects

- **Other Agencies**

Not applicable.

DISCUSSION

As outlined in the report which was considered by the Committee at its meeting held on 27 October 2020, preparation of a Masterplan for the Payneham Memorial Swimming Centre and *Patterson Reserve Community & Recreational Precinct* is proposed to be delivered in three (3) stages.

- **Stage 1** of the Project encompasses the background analysis, preliminary investigations and the development of high level concepts for the Payneham Memorial Swimming Centre and the *Patterson Reserve Community & Recreational Precinct*, based on the key directions outlined in the Council's *Swimming Centres Long Term Strategy*.

The intent of the draft Concept Plans is to provide options for different layouts and/or elements on which the Council can make informed decisions on what will be included in the detailed Masterplan.

TCL has now developed four (4) draft concepts. The final draft Masterplan will be based on the preferred concept endorsed by the Committee and the Council.

A copy of the draft Concepts are contained in **Attachment A** and the *Background Analysis and Preliminary Investigations Report* prepared by TCL is contained in **Attachment C**.

- **Stage 2** of the Project involves the preparation of the draft Masterplan for the Payneham Memorial Swimming Centre and the *Patterson Reserve Community & Recreational Precinct* based on the preferred Concept developed as part of Stage 1.

In addition, this stage of the Project will be used to determine the feasibility and best design outcomes to maximise the return on investment. In identifying the optimal locations for the various components, the Consultant Team will ensure that all best practice options are considered and all standards are considered and applied.

Community consultation and stakeholder engagement will be undertaken as part of this stage.

- **Stage 3** involves the finalisation of the Masterplan taking into account all of the comments received during the community consultation and engagement stage.

Swimming Centres Long Term Strategy

In developing the various concepts, TCL has incorporated the recommendations associated with the Payneham Memorial Swimming Centre as set out in the *Swimming Centres Long Term Strategy* (a copy of which is contained in **Attachment B**).

- Main Pool
Retain and refurbish the 50 metre outdoor swimming pool to meet the needs of the lap swimmers, swimming squads, school carnivals and the general recreational swimmers.
- Teaching/Learners` Pool
Replace the Teaching/Learners` Pool with a larger pool, which includes a ramp to enable disabled access, to accommodate the demand in the swimming lessons and water safety programs, such as Vac Swim and the Swim and Survive Program.
- Toddler's Pool
Remove and Replace the toddler's pool with a splash pad or zero water playground to meet the needs of younger families.
- Water Play Park and Inflatable Obstacle Course
The inclusion of an interactive Water Park and inflatable obstacle course to complement the traditional programs and services offered at the facility, in order to elevate the Payneham Memorial Swimming Centre from just a swimming pool to a destination.

- Shade
Incorporate both fixed shade structures and informal shade opportunities (eg trees, umbrellas) into the Masterplan. Consideration also be given to the possibility of placing a shade structure over the main pool to extend the pool season.
- Upgrade of facilities
Upgrade of the facilities, including but not limited to barbeque and picnic facilities and the refurbishment, addition or replacement of the amenities building. The amenities building will need to include family/disabled change rooms and a separate school change area.

Third Creek Naturalisation

In response to some of the questions raised by Committee Members, Dryside Engineering has been engaged to undertake high level investigations into the possibility of naturalising Third Creek between Payneham Road and Turner Street. The objective of this investigation was to assess the hydraulics of Third Creek between Payneham Road and Turner Street, and to develop a concept design for the naturalisation of the creek to determine the impact on the Payneham Memorial Swimming Centre and Patterson Reserve, if the concrete channel is removed. The investigation has shown that naturalisation of this section of Third Creek is possible and the amount of land required to achieve the outcome is not excessive. Notwithstanding this, the possible encroachment into Patterson Reserve and the possible impacts that it may have on the baseball and lacrosse playing fields will be discussed with the Clubs.

The Consultants have estimated that the cost to undertake these works is in the order of \$700,000 (first order estimate). From an engineering perspective there is not a lot of cut or disposal required. This cost estimate does not take into consideration any special design elements or treatments (eg decks, bridges boardwalks, lighting etc), which are the landscape design components that have the potential to escalate the cost. It also does not take into consideration other associated costs that may arise as a result of the naturalisation work (eg removal of contaminated soil).

Even if the cost of naturalising Third Creek is double the current cost estimate, this work can be contemplated within the scope of the total project – subject of course to meeting the requirements of the sporting clubs.

A copy of the *Third Creek Naturalisation Hydraulic Investigation Report* is contained in **Attachment D**.

The indicative area required to accommodate the naturalisation has been overlaid on all four (4) of the draft concepts to provide the Committee with a better understanding of the extent of land required to achieve this positive environmental outcome. Should the Committee resolve to formally incorporate the naturalisation of the creek, this will be incorporated into the final concept design and subsequently the draft Masterplan.

In considering the benefits of naturalising the creek the Committee should also note that there are also increased maintenance costs associated with the naturalisation of the creek.

Draft Concepts

Contained within **Attachment A** are the four (4) draft concepts for the *Patterson Reserve Community & Recreational Precinct* and more specifically the Payneham Memorial Swimming Centre.

All four (4) concepts, namely Option A, Option B1, Option B2 and Option C, have been tailored around the current location of the 50 metre main pool with the level of strategic thinking and the scale of intervention based on the degree of change and a budget alignment, (ie minor intervention, medium intervention and greater intervention).

It should be noted that none of the options preclude the Council from reconstructing the main pool and potentially extending the width and/or length of the pool. The options do however preclude the pool from being relocated.

As part of the brief, TCL has also been asked to identify any opportunities to integrate facilities as well as incorporate additional uses into the Precinct. The degree to which this is applied increases as the level of intervention increases.

The key factors that need to be considered when reviewing the draft concepts are:

- there are elements contained in all of the options that could be combined in different ways;
- the 50 metre main pool can be refurbished or reconstructed however based on the Council's resolution is required to be retained in its existing location. All other elements in the draft Concepts are indicative and can be moved;
- all options have made provision for a roof cover over the 50 metre main pool;
- all options incorporate a cover over the new 25 metre Learner's Pool, which will assist in extending the swimming season;
- all options show the area required to widen and naturalise third creek; and
- when entering a swimming facility the preference is to enter from the shallow end – although preferred, it is not critical. Option C is the only option that does not achieve this outcome.

Concept Option A

Option A has been designed to be the most cost effective option in that it maximises the use of the existing facilities and minimises the amount of intervention and investment required. This option proposes that the existing buildings will be re-used and potentially upgraded. Put simply this option delivers all elements recommended in the *Swimming Centres Long Term Strategy* with minimal change to the Precinct and minimal cost to the Council.

Whilst this Option assumes that the existing pool is retained in its current location and refurbished. It does not preclude a new main pool from being constructed in the existing footprint. In this respect, at the last meeting, some Committee Members expressed some concern regarding the size of the main pool and its depth.

One of the advantages of this option is the increase in carparking spaces to assist in addressing the parking demands which will understandably increase, with an additional level proposed for the carpark along the OG Road frontage and new off-street parking off Turner Street.

One of the obvious disadvantages of this option is that it does not build connections between the Swimming Centre and Patterson Reserve, resulting in a lost opportunity.

Concept Options B1 and B2

Options B1 and B2 have been designed as mid-range options, in that they propose the upgrade of facilities, while at the same time taking a more strategic approach to the Precinct as a whole. The relocation of the Patterson Reserve Clubrooms to a more central location amalgamates the Precinct and builds a relationship between the Swimming Centre and the uses within Patterson Reserve.

The key difference between Option B1 and Option B2 is the playground along Turner Street, with Option B1 retaining the existing Payneham Library Playground and Option B2 removing the playground and replacing it with additional carparking. The other key difference between the two (2) options is the orientation of the new two (2) storey sports centre and the location of the new 25 metre Learner's Pool and the water play area.

Both options also propose the relocation of the Memorial Garden to give it greater presence and by doing so create a space for a three (3) storey carpark to accommodate the increasing demand of the precinct.

One of the key advantages of these options is the significant increase in carparking spaces that is created and the improved pedestrian access between the two (2) facilities.

Disadvantages of these options include:

- the location of the toddler splash pad near to the adventure water play which may be a safety issue; and
- the distance between the main pool and the learn to swim pool, which will require two (2) lifeguards at all times when the pools are in use (recognising that this is an operational matter that can easily be resolved),

Concept Option C

Option C has the greatest degree of intervention and will require the greatest amount of investment from the Council. With the exception of retaining the existing main pool in its current location, it proposes significant streetscape change along Turner Street with the proposed location of all of the civic and community buildings, including carparking relocated to Turner Street.

As with the other options, Option C is based on the assumption that the existing 50 metre main pool will be refurbished. However, a new swimming pool can be constructed within the existing footprint. Under this scenario, there is significant benefit to be gained from reconstructing the main pool, as the current orientation of the pool would require patrons to enter the facility at the deep end, which is not the preferred scenario.

Advantages of this Concept are:

- orientation of the Learners Pool is better in this option and easier supervision and access into the pool for lifeguards;
- consolidating the buildings on Turner St, creates an active frontage for community and civic activity and creates a better relationship between the Swimming Centre and the Library; and
- improved pedestrian connections between Patterson Reserve and the Payneham Memorial Swimming Centre and Memorial Park with the introduction of the bridge structure over the culvert.
- pool layout and relationship to swim centre buildings is good and makes good use of space; and
- water play is separated from the traditional pools, which makes it easier to manage.

Disadvantages of this Concept Option are:

- retention of the existing 50 metre pool in its current location results in patrons entering the facility at the deep end. Whilst this is not ideal it can work provided that various measures are implemented to ensure safety;
- this option will require a minimum of two (2) lifeguards at all times (this is an operational matter that can easily be resolved);
- this is the most expensive option of the four (4), however it will deliver the greatest amount of change to the precinct. Whilst this option is the most expensive option, it does have merits because it brings all of the community facilities (buildings) together in one location along Turner Street;
- locating all of the buildings along Turner Street will increase the volume of traffic along Turner Street;
- skate bowl and sports courts are good but may not be supported (in demand) by local community;
- playground adjacent Memorial Garden is not easily accessible to local residents (either drive to OG car park or walk to it from Turner St car parks). However it does add value to the users of Patterson Reserve; and
- no obvious advantages in the layout of this Concept to any of the other Concept Options.

Payneham Bowling Club

As the Committee is aware, the Payneham Bowling Club, currently located at 402 Payneham Road, Glynde has contacted the Council to discuss opportunities to relocate its facility to Patterson Reserve, where they have indicated they would invest the proceeds from the sale of the existing facility into building a new facility.

In 2011, the Payneham Bowling Club made the decision to install three (3) synthetic bowling greens. These greens have a life expectancy of approximately twelve (12) years. The installation of these bowling greens has seen the Club become a seven (7) day per week business, catering for a wide range of users including regular bowlers, recreational bowlers, social bowlers and special needs groups. As a result of the synthetic greens, the Club also offers both day and night playing times and is open twelve (12) months of the year.

At this stage the Payneham Bowling Club has not been incorporated into any of the four (4) draft concepts. The only real option for the Payneham Bowling Club is in Option C where it would need to be located along Turner Street replacing the skate bowl and sports courts. Should the Committee and the Council consider that there is merit in having the Bowling Club relocated into the *Patterson Reserve Community & Recreation Precinct*, the ability to accommodate the needs of the Payneham Bowling Club would need to be investigated further.

OPTIONS

As set out in this report, there are a number of options available, noting that the current resolution of the Council requires the Masterplan to be completed and endorsed before the Council makes a decision to undertake refurbishment of the pool or build a new pool in the current location.

As such, for the purposes of finalisation of the Masterplan, it is recommended that the Committee review the draft concepts and determine which option/s best align with the *Swimming Centres Long Term Strategy* as endorsed by the Council, noting that the resolution of the Committee and the Council is to retain the main pool in its current location.

In reviewing the four (4) concepts, the Committee should consider which of the four (4) concepts should be recommended to the Council as the preferred concept.

In considering the draft concepts, the Committee can recommend that all four (4) concepts are presented to the Council without any changes, alternatively the Committee can suggest changes to some or all four (4) of the concepts before they are presented to the Council for its consideration. Alternatively and equally as viable, the Committee can resolve to recommend only one (1) concept.

Taking the recommendations of the *Swimming Centres Long Term Strategy* into consideration and applying a high level strategic overlay to the planning and operations of the Payneham Memorial Swimming Centre and Patterson Reserve Precinct, rather than looking at them as individual assets, the two (2) draft concepts recommended are Concept A and Concept B2 (Concept A from a budget perspective and Concept B2 from a strategic perspective), with Concept B2 being the recommended Concept.

CONCLUSION

Once completed the Masterplan will include a comprehensive and innovative design framework for the future redevelopment of the *Patterson Reserve Community and Recreational Precinct* and more specifically set a clear direction for the development of the proposed aquatic facility at the Payneham Memorial Swimming Centre. From a strategic perspective, it is recognised that a detailed Masterplan for the Payneham Memorial Swimming Centre cannot be developed in isolation without taking into consideration its broader context, and the Swimming Centre's significant role within the *Patterson Reserve Community & Recreational Precinct*.

More specifically, the Masterplan should provide the Council with the confidence to prioritise investment and plan for a long term commitment to this significant Precinct.

Once the final Masterplan is endorsed by the Council preliminary cost estimates will be prepared for the Council's consideration. An endorsed Masterplan will also provide the opportunity to meet with State and Federal Government representatives to discuss the possible funding opportunities.

COMMENTS

Both Patterson Reserve and the Payneham Memorial Swimming Centre are significant Council assets that have served the community well for over fifty (50) years.

As the facilities at the Payneham Memorial Swimming Centre have effectively reached the end of their useful life cycle, there is an opportunity to build new facilities which will ensure that the facility remains contemporary and can 'compete' successfully with other aquatic facilities in the eastern region.

If the Council wishes to pursue the establishment of a regional level facility and promoting it as such, it will need to ensure that all elements (including car parking) support its classification. The current situation has resulted in large operational costs, all of which are a direct result of the age of the infrastructure. Whilst investment is required to reduce both operational costs and provide a contemporary facility, the need to invest in a facility that delivers longevity is critical.

The need to upgrade the facility and the decision to expand its offering has presented the Council with a great opportunity to plan strategically for the future of this Precinct.

RECOMMENDATION

That Concept B2 be recommended to the Council for adoption for the purposes of progressing to the development of a draft Masterplan.

Cr Dottore moved:

That Concept B2 be recommended to the Council for adoption for the purposes of progressing to the development of a draft Masterplan.

Seconded by Mayor Bria and carried unanimously.

3.2 NORWOOD LIBRARY & NORWOOD CONCERT HALL

REPORT AUTHOR: Chief Executive Officer
GENERAL MANAGER: Not Applicable
CONTACT NUMBER: 83664539
FILE REFERENCE: qA1375 qA62374
ATTACHMENTS: Nil

PURPOSE OF REPORT

The purpose of this report is to provide the Committee with information of issues associated with the review of the Norwood Library facility and the Norwood town Hall.

BACKGROUND

Norwood Library

As Committee Members will recall, at its meeting held on 3 April 2018 the Council resolved the following:

1. *That the Norwood Library be included in the Long-Term Financial Plan (LTFP) for the period 2018-2019 to 2027-2028 as a strategic project beginning 2024-2026 with an initial budget of \$3.5m.*
2. *That during the 2018-2022 Council term, the Council commences investigations regarding the potential options for the Norwood Library which includes, but is not limited to, its location, design and function as a multi-purpose facility (e.g. information services, entrepreneurial hub, etc.)*

In accordance with part 2 of this decision, the Council allocated \$100,000 in the 2020-2021 Budget, to undertake the investigations and develop options.

A Project Brief to appoint a specialist consultant to undertake this Project is currently being prepared and will be issued in early 2021.

The current schedule provides for a first order cost estimate to be provided to the Council as part of the draft 2021-2022 Budget.

An allocation of \$4.0 million has been made in the draft 2020-2031 Long Term Financial Plan with Stage 1 scheduled to occur in 2028-2029.

Norwood Concert Hall

As Committee Members will recall, at its meeting held on 5 August 2019, the Council resolved the following:

That consideration be given to allocating funding in the Council's Long Term Financial Plan for the Norwood Concert Hall, to ensure that the facility is maintained and developed in such a way that will maximise its utilisation, as part of the next scheduled review of the Long Term Financial Plan.

In accordance with this decision, an allocation of \$2.1 million has been made in the draft 2021-2031 Long Term Financial Plan which was endorsed for release on public consultation at the Council meeting held on 7 December 2020.

As set out in the draft 2021-2031 Long Term Financial Plan, the Norwood Concert Hall Project is scheduled to be undertaken in 2028-2029.

Notwithstanding this, whilst an allocation of funding has been made in the draft 2021-2031 Long Term Financial Plan, the scope of what is proposed in respect to the Norwood Concert Hall remains unclear as the Council nor the Committee has not discussed or determined its vision.

To date, neither the Council nor the Committee has discussed its aspirations for the Norwood Concert Hall.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The current Budget and long term financial allocations are set out in the Background section of this report.

Currently, no funds have been allocated for the engagement of specialist consultants to assist in the preparation of concepts for the Norwood Concert Hall. Allocation of such funds will need to be approved by the Council.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

The management of the processes associated with the preparation of options for both the Norwood Library and the Norwood Concert Hall, will be undertaken by Council staff and consultants will be used as required.

RISK MANAGEMENT

Currently, there are no specific risks associated with these projects. However, the Committee should be aware that there are certain financial, governance and prudential processes which need to be managed to ensure that the Council's long term financial sustainability is not compromised and legislative compliance is met.

COVID-19 IMPLICATIONS

There are currently no COVID-19 issues which would impede the delivery of these Projects.

CONSULTATION

- **Elected Members**

Elected Members have considered the Norwood Library issues on a number of occasions and in particular, at its meeting held on 3 April 2018 and when it last considered the draft 2021-2031 Long Term Financial Plan, at its meeting held on 7 December 2020.

In respect to the Norwood Concert Hall, the matter was considered by the Council at its meeting held on 5 August 2019 and the required actions, as resolved by the Council, have been implemented.

- **Community**

Not Applicable.

- **Staff**

Not Applicable.

- **Other Agencies**
Not Applicable.

DISCUSSION

Norwood Library

In summary, the scope of this Project involves an assessment of retaining the Norwood Library in its current location in the Norwood Institute building (and undertaking the required refurbishment works to upgrade the facilities) or re-locating the Library to the Norwood Town Hall Complex and how this can be undertaken.

In respect to the option of re-locating the Norwood Library to the Norwood Town Hall Complex, the area which has been identified for this, is the area currently occupied by the Don Pyatt Hall and the former Norwood Citizens Club (recently occupied by Brick+Mortar). In re-locating the Norwood Library to this area, modifications to the George Street Foyer would be required as well as re-location of the fire escape and rear access to the Norwood Concert Hall change rooms and back stage area.

In addition, to increase the footprint and visibility of a new Library, the floor area of that section of the Norwood Town Hall Complex, could be increased by extending the footprint of the building at first floor level, over the existing footpath area. The possibility of doing this is of course dependent on cost, usability/functionality and obtaining the relevant approvals as the Norwood Town Hall Complex is a State Heritage listed building.

As part of this assessment, the type and functionality of a new Library will also be undertaken. In this respect, the traditional Library, whilst still popular, may not be suitable for this location and to this end, the type of Libraries which are currently being built are more IT focussed, have co-working spaces and essentially are community hubs similar to the recent development of *Payinthe* on Prospect Road by the City of Prospect.

As part of the assessment process, the appointed consultant will hold Information Briefings and Workshops with the Council, as well as community engagement and consultation in arriving at a preferred option and type of facilities to be provided with a new Library.

Norwood Concert Hall

As Committee Members are aware, the Norwood Town Hall Complex, including the Norwood Concert Hall, are State Heritage listed.

Whilst refurbishment and renovation are possible to be undertaken within the scope of this State Heritage listing, wholesale changes are somewhat limited.

To this end, the current allocation of \$2.1 million in the draft 2021-2031 Long Term Financial Plan, is based on refurbishment of the Norwood Concert Hall which could include, but are not limited to:

- improvements to the George Street entrance and foyer;
- new goods/services lift;
- improved and contemporary lighting to the foyer and Concert Hall;
- refurbishment (and possible re-design) of toilets;
- new floor in the Concert Hall;
- painting
- new floor coverings throughout the facilities;
- sound system;
- improvements to change rooms and back stage area; and
- refurbishment of kitchen and bar.

The refurbishment and actual usage (ie. *maximising utilisation* as contained in the resolution made by the Council at its meeting held on 5 August 2019), of the Norwood Concert Hall whilst integrated, are in fact two different issues.

Whilst the Council has made an allocation in the draft 2021-2031 Long Term Financial Plan, it has not determined what its vision is for the Norwood Concert Hall.

Currently, the facility is ostensibly a venue for hire. There are a number of regular users and the type of users vary from end-of-year school concerts, dance competitions, Adelaide Festival of Arts events, concerts, performances, etc.

A number of Councils have similar facilities and in some cases operate their facilities in a similar way to the current operations of the Norwood Concert Hall. Others take a more pro-active role in the management and sourcing of acts, concerts, performances, etc.

A good example is the Woodville Town Hall which has been recently renovated and in doing so, the Council has taken a more "hands-on" role in attracting artists and promotion in addition to marketing the venue for weddings, performances and other similar activities.

As advised at the last meeting, the Committee needs to determine what it is seeking to achieve in respect to the Norwood Concert Hall. This information will then be used to engage specialist consultant(s) to provide advice to the Committee on the options which are available. Whilst the use of the venue may impact on the renovation of the Norwood Concert Hall, from a practical perspective aside from refurbishment of the facility in order to bring it up to contemporary standards, the ability to totally re-model the facility is somewhat limited.

Based on the information obtained at this meeting, staff will engage specialist consultant(s) to assist the Committee in determining a preferred position and subsequent recommendation to the Council.

OPTIONS

Not Applicable.

CONCLUSION

Nil

COMMENTS

In order to progress consideration of the scope of what the Committee wishes to see happen with the Norwood Concert Hall, the re-location of the Norwood Library or its retention in its current location, also needs to be determined.

The work associated with the Norwood Library can proceed independently of any consideration of what is to occur with the Norwood Concert Hall. However, this is dependent on what the Committee envisages should occur with the Norwood Concert Hall.

As such, to progress this discussion, based upon the outcome of this meeting of the Committee, a Workshop and presentation from a suitably qualified consultant will be held early in the New Year.

At the same time, work will commence in respect to the preparation of "as constructed" plans of the Norwood Concert Hall to assist the Committee in the Workshops.

RECOMMENDATION

1. The Committee recommends that an allocation of \$75,000 be made to engage a suitable consultant(s) to assist in the preparation of options for the Norwood Concert Hall, including its future use and possible refurbishment options.
 2. That the Committee notes that an Information Briefing and Workshop will be held early in the New Year.
-

Cr Mex moved:

1. *The Committee recommends that an allocation of \$75,000 be made to engage a suitable consultant(s) to assist in the preparation of options for the Norwood Concert Hall, including its future use and possible refurbishment options.*
2. *That the Committee notes that an Information Briefing and Workshop for the Council be held early in the New Year.*
3. *That a tour of relevant council-owned community hubs and community civic centres, which incorporates public libraries, be organised for Committee Members, Elected Members and relevant staff.*

Seconded by Mayor Bria and carried unanimously.

4. OTHER BUSINESS
Nil

5. CLOSURE

There being no further business the Presiding Member declared the meeting closed at 8.04pm.

Cr John Minney
PRESIDING MEMBER

Minutes Confirmed on _____
(date)

13. OTHER BUSINESS
(Of an urgent nature only)

14. CONFIDENTIAL REPORTS

14.1 LANGMAN GROVE ROAD RECONSTRUCTION PROJECT

RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the Local Government Act 1999 the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information; and
 - (ii) would, on balance, be contrary to the public interest;

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

RECOMMENDATION 2

Under Section 91(7) and (9) of the Local Government Act 1999, the Council orders that the report and discussion be kept confidential for a period not exceeding five (5) years and that this order be reviewed every twelve (12 months).

Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the minutes be kept confidential until the contract has been entered into by all parties to the contract.

14.2 49 GEORGE STREET, NORWOOD – EXPRESSION OF INTEREST & DRAFT LEASE

RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999* the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information; and
 - (ii) would, on balance, be contrary to the public interest;

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999*, the Council orders that the report and discussion be kept confidential for a period not exceeding five (5) years and that this order be reviewed every twelve (12 months).

Under Section 91(7) and (9) of the *Local Government Act 1999* the Council orders that the minutes be kept confidential until the contract has been entered into by all parties to the contract.

14.3 STAFF RELATED MATTER

RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999* the Council orders that the public, with the exception of the General Manager, Governance & Community Affairs, be excluded from the meeting on the basis that the Council will receive, discuss and consider

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999* the Council orders that the report and discussion be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.

14.4 COUNCIL RELATED MATTER

RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999* the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (a) information, the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead);

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999* the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding five (5) years, after which time the order will be reviewed.

15. CLOSURE