# Report Title Asset Management Plans Update

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| **Report** **Type** | Decision |
| **City Plan** **Theme** | CommunityEnvironment & HeritageLeadership |
| **Report****Author** | Assets Planner (City Assets) |
| **Report** **Summary** | This report provides Addendums to the 10 Year Capital Expenditure Tables in the existing Buildings, Parks and Gardens, Stormwater, Pump Stations, Roads and Footpaths Asset Management Plans, and seeks Council approval to undertake a period of Community Consultation on the Addendums.These Addendums provide information for the Long Term Financial Plan.The changes to the existing tables result from planning and condition inspection works on assets undertaken since the adoption of the current plans. |
| **Attachments** | **All Attachments Under Separate Cover**Attachment 1 - Addendum Asset Management Plan - Buildings Attachment 2 - Addendum Asset Management Plan - Parks and GardensAttachment 3 - Addendum Asset Management Plan \_ StormwaterAttachment 4 - Addendum Asset Management Plan – Pump StationsAttachment 5 - Addendum Asset Management Plan - RoadsAttachment 6 - Addendum Asset Management Plan \_ FootpathsAttachment 7 – Combined AMP Capital Expenditure |

## RECOMMENDATION

**Council resolves that:**

1. **The Director City Assets’ report titled *"Asset Management Plans Update”***

 **be received and noted.**

1. **The attached Addendums outlining the current 10-year Capital Financial Projections be incorporated into the Buildings, Parks and Gardens, Stormwater, Pump Stations, Roads and Footpaths Asset Management Plans for a period of Community Consultation.**
2. **A further report be brought back to Council on the feedback from the Community Consultation.**

**Background**

The adopted Asset Management Plans (AMP’s) represent a ‘point in time’ picture of infrastructure assets and the estimated expenditures required to renew, upgrade or replace them to deliver the services and programs that support the vision of the City Plan 2030.They are required to be adopted by Council within two years of a General Election of Council.

The AMP’s are based on the known condition and estimated remaining life of existing assets at that time. They are also informed by strategic plans that Council has endorsed to that point with project costs included into the forward expenditure planning over a 10-year timeframe.

Since adoption of the existing plans Administration has undertaken further condition assessments, data collection and strategic planning to provide more current and accurate forecast of future works.

Each year the Annual Business Plan and Budget becomes Year 1 of the 10-year forecast period, with a further 9 years of estimated expenditure provided to inform the Long Term Financial Plan. Each year a new Year 10 is included into the previous table.

This report provides the latest 10 Year Capital Expenditure tables via Addendums to the 10 Year Capital Expenditure Tables in the existing Buildings, Parks and Gardens, Stormwater, Pump Stations, Roads and Footpaths Asset Management Plans.

Because of these changes to the 10 Year Financial Estimates in the AMP’s and the addition of a 10th year it is proposed, if adopted by Council, that these Addendums be included in the AMPs and a period of Community Consultation be undertaken.

A further report will be brought back to Council with feedback on this consultation.

It is proposed that similar Addendums to the AMP’s be provided via a report to Council annually to inform the LTFP considerations.

**Report**

The following updates of changes to current AMP’s are provided by Asset Class.

**Asset Class Buildings**

At its meeting on 13 April 2021, Council resolved as follows:

*“1. The Director Corporate Services’ report titled "Inclusive Sports Facilities Assessment Project – Action Plans" be received and noted.*

*2. The Site Action Plans provided as Attachment 2 of this report be adopted for inclusion in the relevant Asset Management Plans.*

***3. The Asset Management Plan – Buildings and Asset Management Plan – Parks and Gardens are reviewed accordingly and tabled for adoption at the Council Meeting on 11 May 2021.***

*4. Klemzig Reserve be moved from the medium to the high priority category.”*

That report identified an additional $27.62 million of capital expenditure be incorporated in the Buildings Asset Management Plan (AMP).

The Klemzig Reserve project has been brought forward to the High Priority category with a 1 to 3 year timeline, being scheduled over the 2022/23 and 2023/24 financial years.

Also, at its meeting on 9 March 2021, Council resolved as follows:

*“1. The Director Corporate Services report titled "Inclusive Sports Facilities Assessment Project" be received and noted.*

*2. The following capital projects and funding be included for consideration in the draft Annual Business Plan and Budget for 2021/22:*

 *Greenacres Reserve – New clubrooms (scope and design) with funding of up to $271,200.*

 *TK Shutter Reserve – Upgrade change rooms (scope and design) with funding of up to $162,700”*

These projects have been included in 2021/22 Annual Business Plan and Bubget and 10 Year Asset Management Plan (AMP) financial Projections.

Since the last endorsement of the existing AMP Buildings on 8 October 2019, further data collection on the condition of existing assets has taken place.

In addition, the following studies have been completed that enable evidence-based planning of future works:

* Inclusive Sports Facilities Assessment
* Public Toilet Plan
* Dilapidations Report on the Port Adelaide Enfield Civic Centre and Town Hall buildings.

A summary of the outcomes of these is described below.

Inclusive Sports Facilities Assessment Project

The Inclusive Sports Facilities Assessment Project aimed to assist Council to work towards ensuring that all community sports and recreation facilities are fit-for-purpose, with a focus on change-rooms and other essential infrastructure, in order to maximise community use.

The 13 April 2021 report endorsed by Council included proposed actions with indicative timelines and costings identified for each community sport facility based on the findings of the assessment and discussions with the relevant state sporting organisations relating to:

* buildings,
* key sporting infrastructure,
* sports lighting, and
* the carrying capacity of grounds.

Total Amount for Buildings AMP Inclusion = $ 27,620,000.

Public Toilet Plan

Also, at its meeting on 13 October 2020, Council resolved as follows:

“1. The Director City Assets’ report titled "Deferred Item - Draft Public Toilet Plan" be received and noted.

2. The Draft ‘Public Toilet Plan’ as provided in Attachment 1 of this report be endorsed, with the addition of Vickers Vimy Reserve under Section 4.1 (provision of standalone toilets).

**3 Council Administration will undertake an interim review of the Asset Management Plan – Buildings to incorporate the recommendations contained within the Public Toilets Plan, and provide to Council for consideration in due course.**

4. Public consultation be undertaken as part of the planning and design of public toilet projects in accordance with the Guidelines contained within the Public Toilet Plan. “

$3.785mof works is included in the 10 Year Financial Projections in the Buildings AMP.

Civic Centre and Town Hall

The buildings comprising the Port Adelaide Enfield Civic Centre and Town Hall complex are significant operational assets situated within the Port Adelaide State Heritage Area.

The Town Hall building was originally constructed in 1860, with a later extension in the 1990s. The Civic Centre comprises three buildings originally constructed in 1866, 1939 and 1940, and later refurbished in the 1990s.

A detailed condition assessment on these buildings had not yet been undertaken at the time the current Buildings AMP was adopted in 2019. During 2020 the Administration commissioned a dilapidations report and refurbishment concept cost estimate. The findings of the reports have been used to identify a thorough future building renewal plan for the Civic Centre and Town Hall that will ensure these buildings are maintained in good condition and meet functional and accessibility requirements.

Refurbishment works identified for the Civic Centre and Town Hall buildings include internal painting, fit out, and updated accessible wet areas for each building, and floor coverings for the Town Hall only. Internal refurbishment works have not been holistically undertaken since the buildings were refurbished in the 1990s.

Identified Civic Centre works re based on detailed assessment of electrical, hydraulic, fire, lift and structural services and a building compliance audit. Some of the key works identified during the next ten years include:

* Replacement of non-compliant electrical equipment
* Replacement of some sewer services at risk of failure
* Rectify deterioration of wall linings, cornices, plasterwork, and flooring
* Replacement of ‘Building A’ roof
* Rectify failing stormwater services to prevent water leaks
* Rectify various non-compliance with current accessibility compliance requirements.

$ 3.875m of works is included in the 10 Year Financial Projections in the Buildings AMP.

Further Building Asset Condition Assessment.

Condition data collection and planning in accordance with the Improvement Plans with the AMP’s to provide a more thorough and accurate schedule of renewal and replacement works has recently been undertaken on:

* several high-risk roofs approaching end of useful life
* all Council-owned air conditioning units and systems.

A more thorough proactive replacement program for these critical building components has been developed to ensure replacement prior to failure. This will help to minimise excess cost, service disruption, customer impacts and risk to Council over the life of the AMP.

$1.080m from condition assessments and $2.382mfrom the air-conditioning audit are included in the 10 Year Financial Projections in the Buildings AMP.

Refer to Attachment 1 - Addendum Asset Management Plan - Buildings for the revised 10 Year Capital schedule.

**Asset Class Parks and Gardens**

At its meeting on 13 April 2021, Council resolved as follows:

*“1. The Director Corporate Services’ report titled "Inclusive Sports Facilities Assessment Project – Action Plans" be received and noted.*

*2. The Site Action Plans provided as Attachment 2 of this report be adopted for inclusion in the relevant Asset Management Plans.*

***3. The Asset Management Plan – Buildings and Asset Management Plan – Parks and Gardens are reviewed accordingly and tabled for adoption at the Council Meeting on 11 May 2021.***

*4. Klemzig Reserve be moved from the medium to the high priority category”*

The report identified an additional $5.24 million of capital expenditure be incorporated into the Parks & Gardens AMP.

Refer to Attachment 2 Addendum Asset Management Plan - Parks and Gardens for the revised 10 Year Capital schedule.

**Asset Classes: Stormwater + Pump Stations**

At its meeting on 9 March 2021, Council resolved as follows:

1. “ The Director City Assets' report titled "Asset Management Plans - Stormwater and Pump Stations" be received and noted.
2. Council endorse the construction of the Jetty Road Pump Station with a budget of $14,232,000 to be constructed across years 2024/25 and 2025/26;
3. Council endorse the upgrade of the Wellington Street Pump Station with a budget of $10,920,000 to be constructed across years 2028/29 and 2029/30;

4. An amendment be made to the 10 Year Expenditure table identified in Section 7 of the Pump Station Asset Management Plan, to include the expenditure of the Jetty Road Pump Station and upgrade of the Wellington Street Pump Station;

5. An amendment be made to the 10 Year Expenditure table identified in Section 9 of the Stormwater Asset Management Plan, to include the expenditure upgrades to the existing stormwater network resulting from the approval of the Jetty Road Pump Station and upgrade of the Wellington Street Pump Station.”

These changes have now been incorporated into the forward Capital schedules. In addition, the following changes have been incorporated into the 10-year financial projections in the AMP - Stormwater:

Naval Reserve

As adopted by Council at its 9 February 2021 Meeting, the additional $1,500,000 expenditure on Birkenhead Naval Reserve has been included in 2021/2022. Including anticipated carry over from 2020/21 a budget of $3,700,000 is included in 2021/22 for this project in the Stormwater AMP Financial Table.

Dover Street

Following the 9 February 2021 report Council has been advised that Council was successful in receiving a $1,325,000 Grant Funding from the State Government Community Infrastructure Program. $5,310,300 has been included in 2021/22 for this project in the 10-year Financial tables in the Stormwater AMP.

New Haven Village

The estimate has been increased from $300,000 to $541,800 in 2021/22 based on initial estimates from the EOI process currently underway.

Refer to Attachment 3 Addendum Asset Management Plan - Stormwater and Asset Management Plan - Pump Stations for the revised 10 Year Capital tables.

(Note that these have been combined into one Table for both plans due to the overlap in projects associated particularly with pump stations.)

**Asset Class Roads**

The methodology of modelling the Road Capital Program has not changed. The only change to the existing 10 Year Financial Projection Tables included in the Road plans is:

* The inclusion of the $4,583,000 for the Prospect Road Upgrade Project in 2021/22.

Refer to Attachment 4 Addendum Asset Management Plan – Roads.

**Asset Class Footpaths**

The methodology of modelling the Footpath Capital Program has not changed. The only change to the existing 10 Year Financial Projection Tables is:

* The inclusion of the $4,583,000 Prospect Road Upgrade Project in 2021/22.
* The inclusion of a 1.50% CPI increase for Year 2 (2022/23) and subsequent 1.75% CPI increase over remaining 8-year projections for LTFP modelling. This inclusion of CPI has been incorporated in all AMPs.

Refer to Attachment 5 Addendum Asset Management Plan – Footpaths.

**City Plan Relationship**

Council prepares comprehensive AMP’s to ensure that it can continue to maintain, upgrade, renew and construct the public infrastructure required to deliver the services and programs that support the vision of the City Plan 2030. Through demonstrating Leadership, these plans ensure our assets and infrastructure are planned for and managed sustainably across the council area.

The following strategic plans also inform the 10 Year Capital Works programs included in the Asset Management Plans:

* Sports Development Plan 2017-2022
* Open Space Strategy 2021-2026
* Active Recreation Facilities Plan
* Asset Management Plan – Buildings
* Asset Management Plan – Parks and Gardens.

**Legislative Context and Related Policies**

Council’s Asset Management Plans have been developed in compliance with Section 122 of the Local Government Act 1999. They are key strategic management plans that inform Council’s Long Term Financial Plan.

This addendum to the existing Building and the Parks and Gardens AMPs enables Council to incorporate the outcomes of subsequent work and analysis into the 10 year financial planning period to ensure that sporting assets are fit-for purpose, encourage participation, meet the needs of the community and address the standards required by various sporting codes.

If adopted the projected expenditure will inform the Long Term Financial Plan.

**Stakeholder Engagement**

If adopted by Council these Addendums will be incorporated into the AMP’s for a period of Community Consultation.

A further report will be brought back to Council on the outcome of that consultation.

**Risk Management**

The AMP’s are key strategic management plans that guide Council’s long term financial performance. Each plan identifies risks associated with each infrastructure type, and the process of mitigating any unacceptable risks through planned maintenance or capital investment.

The proposed increase in expenditure over the 10 year forecast period will assist in reducing risk to Council regarding the quality of its sporting facilities by enabling evidence-based planning for the provision of fit-for-purpose assets which meet the current and future needs of the community.

**Financial Management**

AMP’s include funding projections on assets over a 10-year forecast period to deliver desired services at an agreed level. They enable Council to effectively manage its assets through prioritisation and planned implementation of asset upgrades, replacement and new works. These inform the Long Term Financial Plan.

Attachment 6 shows the combined Total of the 10 Year Financial Projections within all AMP’s.

A new Year 10 (2030/31) has been included in the Attached Addendums to this report.

A 1.50% CPI increase for Year 2 (2022/23) and subsequent 1.75% CPI increase over remaining 8-year projections consistent with the current LTFP modelling has now been incorporated in all AMPs Addendum Summary tables.

Previous increases in operational costs have been addressed in the Inclusive Sports Facilities Assessment Project – Action Plans report adopted at the 13 April 2021 Council meeting, and the Asset Management Plans - Stormwater and Pump Stations Report adopted at the 9 March 2021 meeting.

The overall 10 year totals between the current AMP’s and these Addendums is $370,858m vs $456,062m: an increase of $85.204m.

The estimated Total Capital Expenditure between  the same Financial Years span 2021/22 to 2029/30 is  $326,232m  vs $419,447m : an increase of $ 93.215m over a similar time span (consisting of a $17.99m increase in 21/22, then an average of $9.40m increase in each of the following 8 years).

The financial impact including funding options will be discussed at a future workshop on the Long Term Financial Plan.

**Environmental and Social Impacts**

A key focus of Council’s Asset Management Strategy is realising the ‘public good’ (which includes the social and environmental value) that is delivered via our assets and the services they support.