

Agenda

Audit and Risk
Committee

NOTICE OF MEETING

Notice is hereby given that a meeting of the
Audit and Risk Committee will be held in the

Kingston Room, Civic Centre
24 Jetty Road, Brighton

14 August 2024 at 6.00pm



Roberto Bria
Chief Executive Officer



1. Opening

The Presiding Member, Councillor Smedley will declare the meeting open at 6.00pm.

2. Kurna Acknowledgement

We acknowledge Kurna people as the traditional owners and custodians of this land.

We respect their spiritual relationship with country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to Kurna People today.

3. Apologies

3.1 Apologies received

3.2 Absent

4. Declaration Of Interest

If a Committee Member has an interest (within the terms of the Local Government Act 1999) in a matter before the Committee they are asked to disclose the interest to the Committee and provide full and accurate details of the relevant interest. Committee Members are reminded to declare their interest before each item.

5. Confirmation Of Minutes

That the minutes of the Audit and Risk Committee held on 12 June 2024 be taken as read and confirmed.

6. Action Items

7. Presentations

8. Reports By Officers

- 8.1 Standing Items (Report No: 233/24)
- 8.2 Internal Audit Program (Report No: 234/24)
- 8.3 Annual Risk Profile (Report No: 235/24)
- 8.4 Draft Asset Management Plans (Report No: 276/24)
- 8.5 Annual Review of Investment Performance (Report No: 236/24)
- 8.6 Municipal Insurance Renewal and Claims (Report No: 237/24)
- 8.7 Revaluation of Road and Kerbing Assets as at 1 July 2023 (Report No: 238/24)
- 8.8 Audit and Risk Committee Self-Review Assessment (Report No: 245/24)



9. Urgent Business – Subject to the Leave of the Meeting

10. Confidential Items

10.1 Loans Receivable (Report No: 243/24)

Pursuant to section 87(10) of the *Local Government Act 1999* the Report attached to this agenda and the accompanying documentation is delivered to the Audit and Risk Committee upon the basis that the Committee considers the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Audit and Risk Committee will receive, discuss or 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, or to confer a commercial advantage on a third party; and
 - ii. would, on balance, be contrary to the public interest.

10.2 Alwyndor Investment Portfolio – Annual Review of Investment Performance (Report No: 244/24)

Pursuant to section 87(10) of the *Local Government Act 1999* the Report attached to this agenda and the accompanying documentation is delivered to the Audit and Risk Committee upon the basis that the Committee considers the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Audit and Risk Committee will receive, discuss or 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, or to confer a commercial advantage on a third party; and
 - ii. would, on balance, be contrary to the public interest.

10.3 Internal Auditors Annual Reflection

Pursuant to section 87(10) of the *Local Government Act 1999* the Internal Auditors Annual Reflection accompanying this agenda is delivered to the Audit and Risk Committee upon the basis that the Committee considers this item in confidence under Part 3 of the Act, specifically on the basis that Audit and Risk Committee will receive, discuss or consider:



- b. Information the disclosure of which –
 - i. would reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - ii. would, on balance, be contrary to the public interest;

11. Date and time of next meeting

The next meeting of the Audit and Risk Committee will be held on Wednesday 16 October 2024 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

12. Closure



Roberto Bria
Chief Executive Officer

Audit and Risk Committee - Action Items
as at 8 August 2024

Meeting	Agenda Item	Action Required	Responsibility	Estimated Completion Date	Current Status
12 June 2024	8.2 Internal Audit Program: Procurement Audit Report	Review management response to item 2.2 <i>Efficiency and effectiveness of current procurement process</i> and report back to Committee.	GM Strategy & Corporate	16 October 2024	Work has commenced on evaluating options and will be returned to a future Audit and Risk Committee meeting.

Item No: 8.1

Subject: **STANDING ITEMS – AUGUST 2024**

Summary

The Audit and Risk Committee is provided with a report on standing items at each ordinary meeting.

Recommendation

That the Audit and Risk Committee advises Council it has received and considered a Standing Items Report addressing:

- **Monthly Financial Statements**
 - **External Audit**
 - **Public Interest Disclosures**
 - **Economy and Efficiency Audits**
 - **Council Recommendations**
 - **Audit and Risk committee meeting schedule**
-

Background

The Audit and Risk Committee has previously resolved that a report be included in the agenda of each meeting of the Committee addressing the following standing items:

- Monthly Financial Statements
- Audit – External
- Public Interest Disclosures
- Economy and Efficiency Audits

Also included in this Standing Items report is an item to formally advise the Committee of the outcomes of its recommendations and advice to Council.

Report

Monthly Financial Statements

Members of the Committee receive copies of the monthly financial reports as soon as practical after they are provided to Council. To date no financial reports have been prepared in 2024-25.

External Audit

Council's external auditor, Dean Newbery, conducted an interim audit of Council's 2023-24 Municipal operations in the week commencing 1 April 2024. An interim audit management letter has been prepared highlighting their findings.

Refer Attachment 1

To complete the 2023-24 audit, they will visit Alwyndor in August and Council's offices in September. An audit completion report will then be provided to the Audit and Risk Committee in October 2024.

Public Interest Disclosures

There have been no public interest disclosures made to Council since the previous standing items report on 12 June 2024.

Section 130A Economy and Efficiency Audits

Council has not initiated any review pursuant to section 130A of the *Local Government Act* since the previous Standing Items Report on 12 June 2024.

Council Recommendations

At its meeting on 25 June 2024 Council received the minutes and endorsed the recommendations of the meeting of the Audit and Risk Committee held 12 June 2024.

Audit and Risk Committee Meeting Schedule 2024

The Audit and Risk Committee's Terms of Reference require it to meet at least four times each year and at least once each quarter. These meetings are held to align with the two important financial programs in which the Audit and Risk Committee plays an important role:

- Development of the annual business plan and budget; and
- Completion of the annual financial statements, external audit and annual report.

In order to complete the above reporting requirements, the following ordinary meeting schedule is proposed for the remainder of 2024:

- Wednesday 16 October 2024

As the above reporting requirements have been addressed no further meetings at this time are proposed for the remainder of 2024.

Budget

Not applicable

Life Cycle Costs

Not applicable

Strategic Plan

Statutory compliance

Council Policy

Not applicable

Statutory Provisions

Local Government Act 1999, Sections 41 and 126
Public Interest Disclosure Act 2018

Written By: Manager Finance

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

30 July 2024

Cr John Smedley
Chair – Audit & Risk Committee
City of Holdfast Bay

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Dear Cr Smedley

RE: Interim Report – 2023/24 Financial Year External Audit

We have recently completed our Interim Audit component of the City of Holdfast Bay (Council) 2023/24 financial year (FY24) external audit.

We are pleased to provide members of the Audit & Risk Committee an update on the status of the FY24 External Audit and wish to advise our work to date has covered the following areas:

- Review of internal controls in line with the Local Government Better Practice Model to identify controls which can be relied upon for testing purposes.
- Performed Internal control walkthrough updates of key business operations relating to revenue, expenses and payroll were completed.
- Interim sample transaction testing of operating income (including rates, fees and charges income), grant revenue, operating expenditure and employee payroll was completed.
- Completed a Rates regeneration to confirm the accuracy of rate revenue recognised in the general ledger.
- Review of Council agenda and minute reports were completed to determine if there were any potential issues to be considered within the Audit Plan and whether there were any contingent matters to be considered.

We advise that no material errors and/or matters were identified during our interim attendance that require to be reported the Audit & Risk Committee.

All requested information to date has been supplied and further sample transaction testing and review of internal controls will be conducted during our Balance Date audit phase.

Summary

We would like to thank the Administration for their valued assistance provided during our recent attendance.

Should you have any further queries, please contact me on the details provided below.

Yours sincerely

DEAN NEWBERY

A handwritten signature in black ink, appearing to read 'Samantha', with a large loop at the start and several smaller loops and flourishes.

Samantha Creten

Director

E. samanthac@deannewbery.com.au

P. 8267 4777

C. Mayor

C. Chief Executive Officer

Item No: 8.2**Subject:** INTERNAL AUDIT PROGRAM

Summary

The risk-based audits scheduled for the Internal Audit Program 2023-24 have now been completed. The first two reports were presented to the Audit and Risk Committee at its meeting of 12 June 2024 and the final two reports are provided for members' information.

In addition, the 'Audit Recommendations Outstanding Actions Update' highlights those actions that are either completed, in progress or not yet implemented.

Recommendation

That the Audit and Risk Committee notes this report.

Background

Section 125 of the *Local Government Act 1999* requires Council to implement and maintain appropriate internal control policies and procedures. A risk-based Internal Audit Plan is produced annually to guide internal audit activities throughout the year.

The original Year 3 Internal Audit program 2024-25 featured audits of the Customer Experience Strategy and the Economic Strategy. However, as both strategies are currently being implemented, these audits will now be deferred until 2025-26.

In order to update the Year 3 Internal Audit program, the Senior Leadership Team reviewed the strategic risk register, alongside the current the internal control environment, making reference to recently identified and evolving business risks and opportunities.

As a result, the Year 3 Internal Audit Program features:

Volunteering Compliance	WHS aspects Volunteer Management – review/benchmark/produce road map <i>Risk SC03 - Staff, contractor or volunteer death or serious injury</i>
WHS Skytrust System	Skytrust system – process optimisation/benchmark/future workplan for rollout <i>Risk SC03 - Staff, contractor or volunteer death or serious injury</i>
Events Strategy	Events Strategy review with focus on political/reputational/financial aspects <i>Risk CB05 - Poor or inadequate Economic Development and Tourism Management</i>
Financial Controls	EOFY review of internal controls for CHB & Alwyndor <i>Risk SC05 – Poor or ineffective budget development and management</i>

A copy of the Year 1- 3 Internal Audit program is provided for members' reference.

Refer Attachment 1

The Year 2 audits have been completed following reference to our strategic and high-rated operational risks, along with business areas identified by senior management as benefitting from further support or post implementation reviews.

Report

Progress has now been completed on the 2023-24 Internal Audit Plan. The first two reports were presented to the Audit and Risk Committee at its meeting of 12 Kime 2024 and the final two reports are provided members' information.

Procurement	Report finalised – presented to A&RC 12/06/24
Strategic Planning Alignment	Report finalised – presented to A&RC 12/06/24
Fraud Detection - Alwyndor	Report finalised – refer Attachment 2
Carbon Neutral Plan	Report finalised – refer Attachment 3

Fraud Detection - Alwyndor Audit

The Fraud Detection audit aligned with the strategic risk - *poor or ineffective budget development and management*.

It was a specialist audit, undertaken by employing Mindscape Ensemble AI powered data analytics and enabling the:

- identification of expected business rules and 'red flag' exceptions
- application of statistical methods/machine learning to analyse transactions over
- 3 years
- provision of 100% review of the organisation's financial transactions
- detection of human errors, intentional activities, and unintentional misstatements.

Related policy documentation was reviewed and updated, with investigations into a variety of payment entries via sample testing. No material issues were identified.

The data system set up for this specialised audit will now be in place for further council reviews, and the success of this specialised review process has prompted a plan to undertake a similar exercise at Alwyndor during the coming year.

Refer Attachment 2

Carbon Neutral Plan Audit

The Carbon Neutral Plan was approved in March 2022 and detailed a range of initiatives aiming to eliminate, reduce and offset Council generated emissions by 2030.

The Plan included a range of initiatives across nine different categories. With six years remaining, the achievement of seven initiatives within two years demonstrates significant effort.

Key achievements include:

- finalising the Fleet Transition Plan
- on going use of 100% renewable energy
- tracking progress via an emissions inventory,
- progressing achievement of 100% sustainable public lighting
- initiation of electric vehicle charging station installation.

With the following to be implemented prior to 2030:

- reducing supply chain emissions
- reducing road and infrastructure emissions
- implementing an energy program for the community
- certification of all council events as carbon neutral.

The audit identifies key factors for the Plan's implementation including budget and investment provision, an emissions approach, a community energy program and ultimately a carbon neutral certification plan.

Refer Attachment 3

Audit Recommendations – Outstanding Actions Update

Each of the actions resulting from the Internal Audit program are monitored and managed via a master spreadsheet. This captures all related information and tracks the progress through three stages: not yet implemented; in progress and partially implemented; and completed.

In order to provide a clear update, the data from this master spreadsheet is attached in three versions, split to show:

- all actions that have been completed *Refer Attachment 4a*
- all actions that are in progress and partially implemented *Refer Attachment 4b*
- all actions that are not yet implemented *Refer Attachment 4c*

All actions are reviewed regularly, and revised due dates will be kept to a minimum going forward to ensure outcomes are achieved as efficiently and effectively as possible.

Budget

Appropriate budgets have been allocated for the 2023-24 and 2024-25 Internal Audit Programs respectively.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Risk Management Policy

Statutory Provisions

Local Government Act 1999

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

Attachment 1

Internal Audit Program Year 1: 2022 - 23

#	Year Ref:	Timing	Audit Topic	Audit Project Detail	Status	Audit Type			Risk Coverage	Project Sponsor
						Strategic Audit	Standard Audit	Financial Review		
1	Year 1	September/December	Floodwater/Stormwater	Coastal area/environmental impact/asset protection - Risk: Poor or ineffective management of the impacts of climate change	Strategic	✓			AD01	GM Assets & Delivery
2	Year 1	February/April	Complaints Handling	Link to Customer Experience Strategy once rolled out. - Risk: Poor or ineffective customer service delivery	Standard		✓		CB03	GM Community & Business
3	Year 1	May/June	Fraud Detection	Undertake fraud detection across CHB - Risk: Poor or ineffective budget development and management	Financial			✓	SC08	GM Strategy & Corporate
4	Year 1	June	Development Assessment	Post implementation review. - Risk: Poor or ineffective planning systems and processes	Standard		✓		SC02	GM Strategy & Corporate

Admin. Charge

Internal Audit Program Year 2: 2023 - 24

#	Year Ref:	Timing	Audit Topic	Audit Project Detail	Status	Audit Type			Risk Coverage	Project Sponsor
						Strategic Audit	Standard Audit	Financial Review		
1	Year 2	October/November	Procurement And Contracting	Review to include flow/processing of documentation, CoHB & Alwyndor - Risk: Poor or ineffective budget development and management	Strategic	✓			SC08	GM Strategy & Corporate
2	Year 2	August/September	Strategic Plan	Strategic Plan – assessment of strategic alignment - Risk: Lack of Strategic Alignment	Strategic	✓			SC05	GM Strategy & Corporate
3	Year 2	April/May	Fraud Detection	Undertake Fraud Detection across Alwyndor - Risk: Poor or ineffective budget development and management	Financial			✓	SC08	GM Alwyndor
4	Year 2	May/ June	Carbon Neutral Plan	Review of Carbon Neutral Plan - Risk: Poor or ineffective management of the impacts of climate and environmental change	Strategic		✓		AD01	GM Assets & Delivery

Internal Audit Program Year 3: 2024 - 25

#	Year Ref:	Timing	Audit Topic	Audit Project Detail	Status	Audit Type			Risk Coverage	Project Sponsor
						Strategic Audit	Standard Audit	Financial Review		
1	Year 3	August/September	Volunteer Management	Review/better practice/assessment & feedback - Risk: Poor or ineffective workforce planning, including recruitment and retention.	Strategic	✓			SC06	GM Community & Business
2	Year 3	October/November	WHS	Review/better practice/assessment & feedback' - Risk: Poor or ineffective workforce planning, including recruitment and retention.	Standard		✓		SC06	GM Strategy & Corporate
3	Year 3	January/ February	Events Strategy	Events Strategy review with focus on political, reputational and financial aspects - Risk: Poor or inadequate Economic Development and Tourism Management	Strategic	✓			CB03	GM Community & Business
4	Year 3	March / April	Financial Controls	EOFY review of internal controls for CHB & Alwyndor - Risk: Poor or ineffective budget development and management	Financial			✓	SC08	GM Strategy & Corporate

Attachment 2

Galpins

Accountants, Auditors & Business Consultants

Alwyndor Aged Care

Data Analytics Review: Fraud Detection

June 2024



Table of contents

- 1. Executive Summary 3
- 1.1 Background 3
- 1.2 Objectives 3
- 1.3 Methodology Overview 3
- 1.4 Executive Summary 4
- 2. Summary of transactional risk results 5
- 2.1 Transactions selected and results of detailed review 7
- 2.2 Details of reasons for high risk transaction risk scores: 10
- Appendix 1: Scope of the audit engagement 14
- Disclaimers 16

1. Executive Summary

1.1 Background

The approved Audit Program 2023-24 provided for an artificial intelligence (AI) data analytics-based audit to be undertaken around financial fraud detection across Alwyndor Aged Care (Alwyndor). The audit is not in response to any actual or suspected fraudulent activity – rather, it is being undertaken as a matter of good practice.

Fraud can be defined as any illegal act characterised by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Fraud is perpetrated by parties and organisations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.¹

AI powered data analysis is increasingly recognised as a key tool in identifying potential fraud risks, as it:

- is set up to understand the organisation’s risk areas, expected business rules and ‘red flags’
- applies statistical methods and machine learning to analyse transactions
- provides audit insights and more powerful audit review of 100% of the organisation’s financial transactions when compared to more traditional manual testing approaches
- detects human errors, intentional activities, and unintentional misstatements.

Internal Audit use a tool that applies a ‘risk score’ to transactions, enabling subsequent human review to be targeted. The increased scrutiny of financial transactions via AI powered data analytics may also act as a fraud deterrent. This is part of Council’s fraud and corruption prevention control framework.

1.2 Objectives

The objective of this audit was to conduct detailed artificial-intelligence driven data analytics of 100% of Alwyndor’s 2023 calendar year financial data, with the aim of identifying potential fraud activity.

Opportunities for improving the internal control framework were also within scope to be identified. The full audit scope is included at Appendix 1.

1.3 Methodology Overview

Galpins have performed AI-assisted data analytics to:

- analyse 100% of the transactions in the General Ledger over the period 1 January 2023–31 December 2023
- provide a summarised assessment of risk, and
- identify higher risk transactions for specific review (from within the 2023 calendar year).

¹ 2019, IIA Global, IIA Position Paper: *Fraud and Internal Audit: Assurance over fraud controls fundamental to success*

The team input data from 1 January 2021– 31 December 2022 to inform the AI tool’s trend analysis and machine learning tests. This facilitates a robust analysis of transactions for the period under review, as it enables comparison of recent behaviour with previous periods.

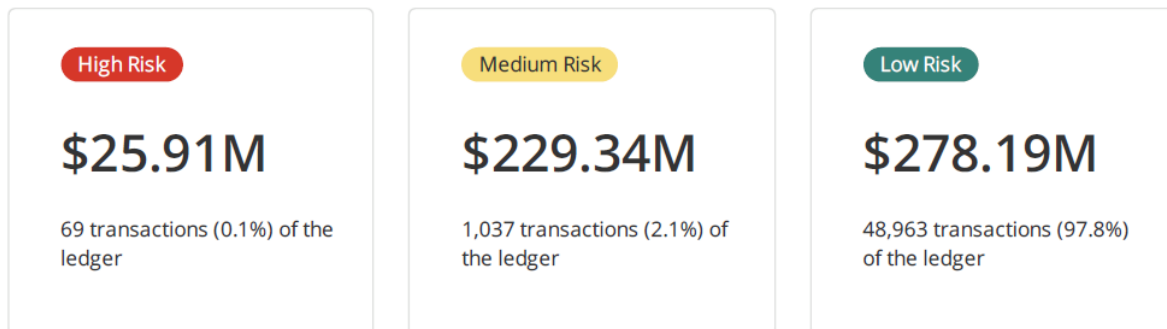
The analysis used business rules, statistical methods, and machine learning based tests to risk score each transaction and to provide more visibility into unusual trends or anomalies within the ledger detail. Each of these tests are referred to as ‘control points’. Examples of key control points used include:

1. Business rules:
 - a. Suspicious keywords, sequence gaps, duplicates, reversals, cash expenditures, unbalanced debits and credits, manual entry, expense flurry (i.e. unusually high volume of expense transactions at a point in time), weekend posting, material value.
2. Statistical methods:
 - a. high monetary value, Benford's Law, unusual amount, last 3 digits.
3. Machine learning:
 - a. Rare flow (inconsistent with expected accounting rules), outlier anomaly, flow analysis (i.e. unexpected workflows).

The results of our analysis are summarised below and from over page.

1.4 Executive Summary

This review found that Alwyndor’s overall risk profile is considered a typical result for a lower risk business. A very small percentage of the transactions were flagged as high risk, and the vast majority of transactions were considered low risk:



Analysis identified no unusual concentration of risk across the periods reviewed, and that the transaction risk over time remained relatively steady. Audit’s review of the 69 higher risk transactions (each transaction representing a journal comprising multiple line entries) as identified by the AI system identified no unusual findings, and no indication of fraud.

Potentially higher risk transactions were able to be substantiated, explained and/or had previously been identified and rectified by Alwyndor’s Finance team.

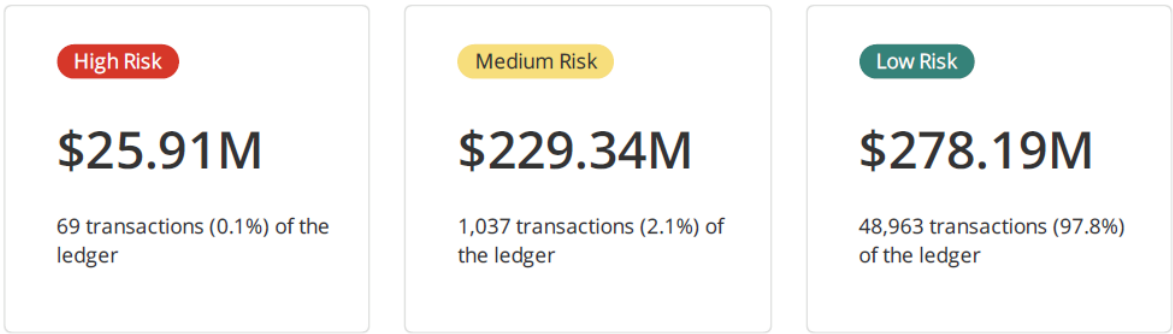
This result is positive and indicates a low risk environment for fraudulent financial transactions within Alwyndor Aged Care. There are no improvement recommendations made as a result of this review.

2. Summary of transactional risk results

Analysis period: Jan 1, 2023 - December 31, 2023

Overall transaction-level risk summary

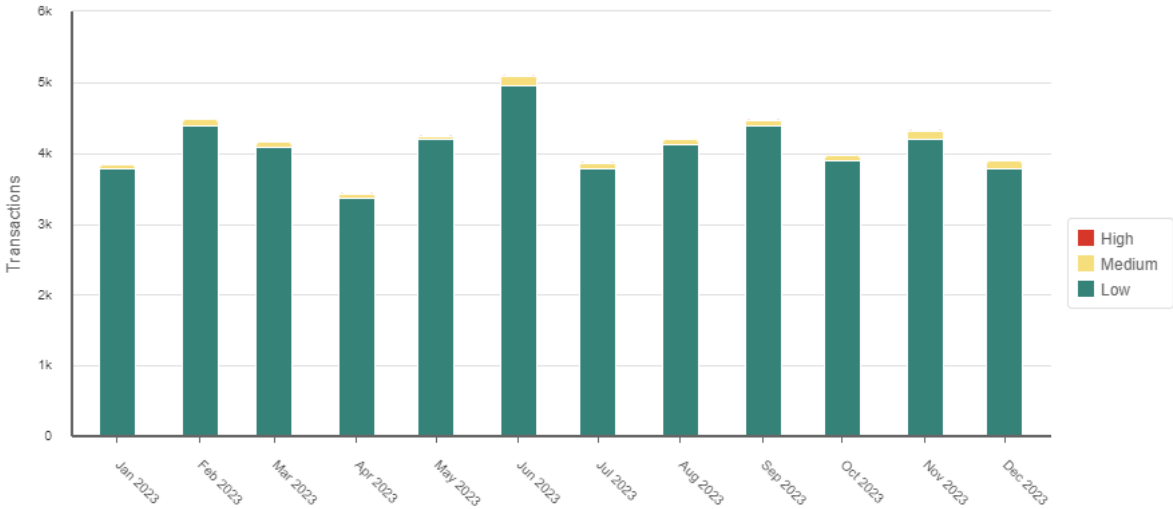
Risks are grouped into three categories: High, Medium and Low Risk



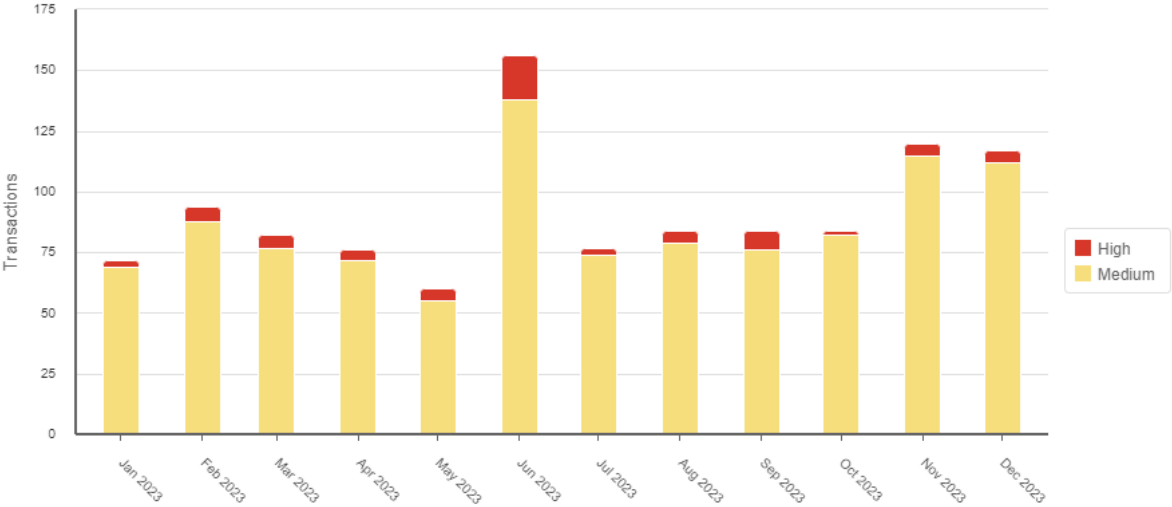
The above spread of transactions across risk categories is considered a typical result for a lower risk entity. A very small percentage of the transactions are flagged as high risk, and the vast majority of transactions are considered low risk.

The graphs below do not indicate any unusual concentration of risk across the most recent period reviewed.

Transaction risk over time (high/medium/low)



Transaction risk over time (high/medium only)



The higher number of medium and high risk transactions in June is considered normal and relates to year-end adjustments made. These typically involve manual journals, reversals and other adjustments that are different in nature to other time periods, and are therefore often considered higher risk for audit purposes.

2.1 Transactions selected and results of detailed review

Galpins reviewed the following 69 transactions identified as being higher risk in the data analysis. No reportable issues were identified. Results are summarised below:





Table 1 - Groups of similar transactions (54/69 transactions)

Number of Transactions	Trans. IDs	Total Value	Results	Comments (nature of journal / details of any issues identified)
2	13143.6, 13445.1	11,819.84	✓	Reallocation of wages between cost centres.
18	13444.5, 13450.1, 13756.6, 13842.3 13843.5, 14199.2, 14206.4, 14461.12 14843.9, 15893.1, 16071.4, 16073.4 16085.5, 16102.5, 16463.6, 16836.5 16853.1, 16860.1	3,528,932.72	✓	Income accrual journals and reversals.
8	13761.1, 15233.1, 15233.2, 15233.3 15233.4, 15233.6, 15251.1, 15251.2	1,057,755.45	✓	Depreciation journals posted and reversed. Asset Register module driven, no manual journals.
2	13718.1, 14161.1	310.00	✓	Credit entries to expense account for refunds related to homecare budget. Refunds direct to cash, not via trade creditors.
4	14210.1, 14211.3, 15111.9, 17142.11	1,749,267.16	✓	Cash journals and/or realised loss/gain on sale - reconciliation of investment accounts (staff reconcile against Ord Minnett Investment statements).
8	13756.5, 14454.2, 14461.6, 14843.4 15106.3, 15469.5, 16440.2, 16835.2	95,570.94	✓	Manual prepayment adjustments - IT provider invoices monthly, but in wrong period, so journal required to reflect in the correct period.
4	14848.2, 14849.3, 15097.1, 15259.1	18,822,304.87	✓	'Alayacare' income accruals. Community side of business processes billing via a different software system (Alayacare - CRM/billing system), not integrated with accounting software therefore manual journals required. Each month, journal in YTD amount and reverse previous YTD.
6	15435.313, 15437.28, 15763.328 15763.384, 15763.394, 16541.17	1,507.46	✓	Payment entries which include a CR to consumables expense, as the consumables supplier charges a 'Pick Up & Restocking Fee' for returned orders.
2	15230.9, 16082.2	20,783.00	✓	Asset Clearing account manual adjustments - all asset related purchases get coded to the clearing account, then coded to assets. Fixed asset module clears against the clearing account. Manually expense if an item is identified as not being capital in nature.

Table 2 – individual transactions (15/69 transactions)

Trans. ID	Effective Date	Total Value	Results	Comments (nature of journal / details of any issues identified)
14764.17	1/05/2023	127,270.00	✓	Trade creditors, cleared against asset clearing account.
15232.3	30/06/2023	66,340.00	✓	Residential TCP funding Accrual for rate increase - SA Health (10 beds) provided a letter to back-date funding increase retrospectively.
15232.4	30/06/2023	38,423.84	✓	Credit against expenses / clearing account for accrued income. Solo waste removal - Alwyndor pay full amount, then invoice council for their share under an agreement with council. This journal was for full year - now do once a month (improved process).
15255.1	30/06/2023	17,822.70	✓	30 June bad debt write offs - same natural account across multiple cost centres.
15257.1	1/07/2023	9,991.07	✓	1 July reversal of bad debt EOY adjustment.
15276.6	30/06/2023	68,233.93	✓	Reversal of incorrect journal for Nurses grant on-paid to staff through payroll system.
15312.1	30/06/2023	20,000.00	✓	Reversal of accrual for a reduction in brokered income for Home Care Packages (HCP) upon go-live of new HCP CRM system (Alayacare).
15418.4	30/06/2023	16,263.01	✓	Correction - expenses incorrectly capitalised.
15424.6	31/08/2023	8,492.00	✓	End of month debtor accrual.
15744.8	31/08/2023	73,350.00	✓	Residential TCP funding accrual.
15794.1	1/09/2023	100.00	✓	Credit to an expense account, journal against cash. Bounce-back on supplier payment.
16633.1	27/11/2023	23,219.46	✓	Invoice included a small credit, journaled as a credit to cash at bank (net value correct).
16839.7	1/12/2023	241.70	✓	Credit to expense - reversal of fee (cash journal).
17022.4	31/12/2023	138,570.00	✓	Backpay funding - Invoicing to SALHN.
17133.6	31/12/2023	10,634.81	✓	Adjustments, including Credits to expense accounts. Minor tidy up of account classifications.

KEY

	A significant error or inappropriate transaction has been detected.
	A minor - moderate error has been detected, which has not been previously detected and corrected in a timely manner.
	<ul style="list-style-type: none">• The transaction is appropriate, but an opportunity for an improved alternative workflow has been identified, or• an error has been detected in the transaction, but the error has already been identified and corrected in a timely manner.
	The transaction has been confirmed as appropriate.

2.2 Details of reasons for high risk transaction risk scores:

The following table summarises the control points which resulted in the above transactions being flagged as higher risk. A higher risk transaction is defined as having a risk score of 50% or higher. The risk scores for the 69 transactions identified range from 50% to 59%, indicating that all transactions are at the lower end of the high risk category.

Transaction ID	Risk Score	2 Digit Benford	Complex Structure	Expense Flurry	Expert Rules	Flow Analysis	Outlier Anomaly	Rare Flow	Unusual Amount	Analysis Period Adjustment	Cash Expenditure	Cash to Bad Debt Conversion	Duplicate	End of Analysis Period	End of Reporting Period	High Monetary Value	Last 3 Digits	Manual Entry	Reporting Period Adjustment	Reversal	Reversed	Sequence Gap	Start of Analysis Period	Start of Reporting Period	Unbalanced Debits and Credits	Zero Entry
13143.6	51%	16%	60%	100%	100%	82%	50%	95%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	
13444.5	51%	0%	0%	100%	100%	76%	32%	85%	0%	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	
13445.1	51%	32%	60%	69%	100%	82%	50%	95%	0%	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	
13450.1	53%	0%	0%	100%	100%	75%	31%	85%	0%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	
13718.1	50%	0%	0%	100%	100%	80%	46%	86%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
13756.5	52%	39%	0%	100%	100%	77%	39%	85%	0%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	
13756.6	50%	0%	0%	100%	100%	75%	38%	80%	0%	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	
13761.1	51%	30%	30%	100%	100%	84%	67%	86%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
13842.3	54%	0%	0%	100%	100%	77%	37%	85%	0%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	
13843.5	56%	51%	19%	0%	100%	83%	42%	94%	5%	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	
14161.1	51%	32%	7%	100%	100%	79%	45%	86%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
14199.2	55%	41%	19%	0%	100%	83%	42%	94%	3%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	
14206.4	54%	41%	19%	0%	100%	81%	36%	94%	3%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	
14210.1	59%	39%	41%	100%	100%	79%	37%	93%	7%	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
14211.3	57%	32%	7%	100%	100%	82%	44%	93%	1%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	
14454.2	53%	22%	0%	100%	100%	79%	38%	89%	0%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	
14461.12	52%	0%	0%	100%	100%	79%	44%	85%	0%	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	
14461.6	52%	39%	0%	100%	100%	77%	37%	85%	0%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	
14764.17	51%	39%	7%	0%	100%	68%	79%	53%	1%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	
14843.4	52%	39%	0%	100%	100%	76%	34%	85%	0%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	
14843.9	52%	0%	0%	100%	100%	73%	31%	80%	0%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	
14848.2	54%	32%	40%	100%	100%	79%	62%	84%	0%	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	
14849.3	55%	74%	40%	100%	100%	79%	62%	84%	0%	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	

Transaction ID	RiskScore	2 Digit Benford	Complex Structure	Expense Flurry	Expert Rules	Flow Analysis	Outlier Anomaly	Rare Flow	Unusual Amount	Analysis Period Adjustment	Cash Expenditure	Cash to Bad Debt Conversion	Duplicate	End of Analysis Period	End of Reporting Period	High Monetary Value	Last 3 Digits	Manual Entry	Reporting Period Adjustment	Reversal	Reversed	Sequence Gap	Start of Analysis Period	Start of Reporting Period	Unbalanced Debits and Credits	Zero Entry
15097.1	51%	74%	80%	100%	10%	57%	82%	87%	54%	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15106.3	52%	39%	0%	100%	100%	77%	37%	85%	0%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15111.9	56%	24%	7%	100%	100%	81%	38%	93%	1%	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15230.9	51%	74%	12%	100%	100%	77%	19%	95%	0%	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15232.3	51%	21%	0%	100%	100%	76%	44%	80%	0%	✓	✓	✓	✓	✓	X	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓
15232.4	53%	0%	7%	100%	100%	86%	67%	89%	0%	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓
15233.1	54%	39%	0%	100%	100%	76%	19%	93%	0%	✓	✓	X	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15233.2	52%	39%	0%	100%	100%	76%	37%	83%	0%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15233.3	54%	39%	0%	100%	100%	76%	19%	93%	0%	✓	✓	X	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15233.4	54%	37%	30%	100%	100%	80%	27%	96%	3%	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15233.6	57%	18%	30%	100%	100%	76%	38%	86%	2%	✓	✓	✓	✓	X	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15251.1	58%	18%	30%	100%	100%	80%	27%	96%	3%	✓	✓	✓	✓	X	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15251.2	52%	18%	30%	100%	100%	76%	39%	86%	2%	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15255.1	52%	4%	39%	100%	100%	78%	44%	84%	0%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15257.1	52%	48%	19%	100%	100%	81%	56%	84%	0%	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓
15259.1	53%	74%	80%	100%	10%	59%	89%	92%	100%	✓	✓	✓	✓	X	X	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15276.6	56%	24%	7%	100%	100%	84%	48%	99%	0%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15312.1	50%	16%	0%	100%	100%	79%	39%	89%	0%	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15418.4	52%	0%	9%	100%	100%	84%	48%	93%	0%	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15424.6	51%	4%	7%	100%	100%	82%	64%	82%	0%	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15435.313	57%	0%	44%	100%	100%	82%	74%	87%	0%	✓	✓	X	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15437.28	57%	0%	44%	100%	100%	82%	74%	87%	0%	✓	✓	X	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15469.5	52%	39%	0%	100%	100%	76%	34%	85%	0%	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15744.8	51%	0%	0%	100%	100%	72%	27%	80%	0%	✓	✓	✓	✓	X	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓
15763.328	52%	32%	44%	100%	100%	86%	75%	87%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15763.384	52%	24%	44%	100%	100%	86%	75%	87%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15763.394	52%	37%	44%	100%	100%	86%	75%	87%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Transaction ID	RiskScore	2 Digit Benford	Complex Structure	Expense Flurry	Expert Rules	Flow Analysis	Outlier Anomaly	Rare Flow	Unusual Amount	Analysis Period Adjustment	Cash Expenditure	Cash to Bad Debt Conversion	Duplicate	End of Analysis Period	End of Reporting Period	High Monetary Value	Last 3 Digits	Manual Entry	Reporting Period Adjustment	Reversal	Reversed	Sequence Gap	Start of Analysis Period	Start of Reporting Period	Unbalanced Debits and Credits	Zero Entry
15794.1	52%	74%	0%	100%	100%	79%	36%	90%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15893.1	52%	21%	0%	100%	100%	72%	28%	80%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16071.4	51%	0%	0%	100%	100%	76%	32%	85%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16073.4	52%	0%	0%	100%	100%	79%	57%	80%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16082.2	51%	74%	18%	100%	100%	77%	17%	95%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16085.5	52%	29%	0%	100%	100%	77%	49%	80%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16102.5	52%	11%	0%	100%	100%	79%	44%	85%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16440.2	50%	0%	0%	100%	100%	75%	29%	85%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16463.6	51%	0%	0%	100%	100%	76%	33%	85%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16541.17	52%	24%	44%	100%	100%	86%	75%	87%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16633.1	56%	0%	24%	68%	100%	89%	77%	90%	0%	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16835.2	51%	0%	0%	100%	100%	76%	36%	85%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16836.5	54%	11%	0%	100%	100%	76%	45%	80%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16839.7	53%	21%	7%	100%	100%	80%	41%	90%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16853.1	54%	11%	0%	100%	100%	78%	50%	80%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16860.1	52%	0%	0%	100%	100%	78%	52%	80%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
17022.4	51%	18%	0%	100%	100%	68%	29%	71%	1%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
17133.6	52%	23%	30%	100%	100%	86%	65%	89%	0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
17142.11	58%	22%	7%	100%	100%	82%	41%	93%	2%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

There were no additional findings identified as part of this review.



Appendices



Appendix 1: Scope of the audit engagement



Internal Audit Scope Alwyndor Data Analytics Review: Fraud Detection

<p>Background</p>	<p>The City of Holdfast Bay's (Council) 2023-24 Audit Program provided for an audit to be undertaken around fraud detection within Alwyndor.</p> <p><i>Fraud can be defined as any illegal act characterised by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Fraud is perpetrated by parties and organisations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.¹</i></p> <p>Artificial intelligence (AI) powered data analysis is increasingly recognised as a key tool in identifying potential fraud risks, as it:</p> <ul style="list-style-type: none"> ▪ is set up to understand the organisation's risk areas, expected business rules and 'red flags' ▪ applies statistical methods and machine learning to analyse transactions ▪ provides audit insights and more powerful audit review of 100% of the organisation's financial transactions ▪ detects human errors, intentional activities, and unintentional misstatements. <p>The tool applies a 'risk score' to transactions, enabling targeted subsequent review. The increased scrutiny of financial transactions via AI powered data analytics may also act as a fraud deterrent. It can be included as part of Council's fraud and corruption prevention control framework.</p>
<p>Audit Objective</p>	<p>The objective of this audit is to conduct detailed artificial-intelligence driven data analytics of 100% of Alwyndor's financial data (3 year period), with the aim of identifying potential fraud activity. Opportunities for improving the internal control framework will also be identified.</p>
<p>Scope</p>	<p>In particular the audit will:</p> <ul style="list-style-type: none"> ▪ set up the AI product to understand CHB's risk areas, expected business rules and 'red flags' ▪ utilise the AI product to review all general ledger data from the last three financial years, including year to date (this will apply statistical methods and machine learning to analyse transactions) ▪ review risk-based scoring of transactions, as generated by the system, and conduct sample testing to ensure these transactions are appropriate, and ▪ identify potential areas for strengthening internal controls.

¹ 2019, IIA Global, IIA Position Paper: *Fraud and Internal Audit: Assurance over fraud controls fundamental to success*

Methodology	<p>In conducting the engagement, the team will:</p> <ul style="list-style-type: none"> ▪ obtain extracts of Alwyndor's current and previous three fiscal years' worth of financial information, specifically including general ledger transactions ▪ utilise MindBridge Ensemble AI to analyse 100% of Alwyndor's financial data ▪ conduct interviews with key stakeholders and team members ▪ review key documentation and relevant policies and procedures ▪ review identified transactions that meet 'red flag' criteria for appropriateness ▪ identify potential opportunities for improvement ▪ draft a short report summarising findings and recommendations ▪ allow management responses to be considered as part of the draft report and the subsequent review process, and ▪ provide a final report for presentation to the Audit Committee.
Relevant Risks	<p>This audit aligns with CHB's strategic risks:</p> <ul style="list-style-type: none"> ▪ <i>Risk 16 – Poor or ineffective budget development and management.</i>
General Administration	<p>Galpins will conduct the audit and will maintain regular progress communication with stakeholders. The audit will be conducted from May 2024.</p>
Key Stakeholders	<p>The key contacts for this internal audit will be:</p> <ul style="list-style-type: none"> ▪ Beth Davidson-Park (General Manager) ▪ Rafa Mirzaev (Chief Financial Officer) ▪ Karen Peake (CHB Risk and Improvement Officer)
Audit Team	<ul style="list-style-type: none"> ▪ Janna Burnham (Partner) ▪ Tim Muhlhausler (Partner) ▪ Danika Brown (Analyst)

Disclaimers

Inherent limitations

This report has been prepared for the information and internal use of the City of Holdfast Bay and Alwyndor in accordance with the scope and objectives outlined in Appendix 1 of this report. The services provided in connection with this engagement comprise an advisory engagement which is not subject to the Australian Auditing Standards or the Australian Standards on Review and Assurance Engagements. Consequently, no express opinions or conclusions have been drawn or intended to convey assurance. Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected.

Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures or misstatements in financial transactions (whether due to fraud or error), as they are not performed continuously throughout the period and the tests performed were on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the City of Holdfast Bay and/or Alwyndor's management and personnel. We have not sought to independently verify those sources. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the City of Holdfast Bay and/or Alwyndor. The internal audit findings expressed in this report have been formed on the above basis.

Third party reliance

This report is solely for the purpose set out in the Executive Summary of this report and for the City of Holdfast Bay and Alwyndor's information, and is not to be used for any other purpose or distributed to any other party without Galpins' prior written consent. This internal audit report has been prepared at the request of the City of Holdfast Bay or its delegate in connection with our engagement to perform internal audit services. Other than our responsibility to City of Holdfast Bay and Alwyndor, neither Galpins nor any member or employee of Galpins undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to the City of Holdfast Bay and/or Alwyndor's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

Attachment 3

Carbon Neutral Plan Review Report

July 2024



Prepared For



Galpins

Table of contents

1.	Executive Summary.....	2
1.1	Background	2
1.2	Objectives.....	2
1.3	Relevant Strategic Risks	2
1.4	Summary of Findings and Recommendations	2
2.	Detailed Findings and Recommendations	6
2.1	Summary of progress / tracking progress.....	6
2.2	Outstanding initiatives	8
Appendix 1.	Scope of the audit engagement.....	17
Appendix 2.	Overall Control Environment Conclusion Rating Definitions.....	18
Appendix 3.	CHB Risk Framework	19
Appendix 4.	Documents reviewed	23
Appendix 5.	Staff members interviewed	24
Appendix 6.	Carbon Neutral Plan – Completed Initiatives.....	25
Appendix 7.	CNP and Resilient South Climate Action Plan (RSCAP) – Overlapping Actions	27
	Disclaimers	29

Document Control

Date	Revision Number	Revision Details	Author	Reviewer
15.07.24	1.0	Final Report	Danika Brown	Janna Burnham

1. Executive Summary

1.1 Background

The 2024-25 Internal Audit Plan provides for a review of the City of Holdfast Bay’s (CHB’s) Carbon Neutral Plan (CNP). This is not a reflection of perceived shortfalls, but rather due to the importance of the Plan. This audit has been brought forward to 2023-24 to replace an audit that has been postponed.

The CNP was finalised in March 2022 and aims to eliminate, reduce and offset emissions generated by Council by the year 2030.

The CNP includes 20 initiatives across nine different categories. The initiatives are plotted against planned timelines for achievement.

Review of the status of the CNP can provide valuable insight into progress in planning for and implementing items and may identify opportunities to influence the successful achievement of the CNP.

1.2 Objectives

The objective of this audit was to assess the status of the implementation of all initiatives outlined in the CNP, and to provide more detailed insight around progress towards achieving these.

The audit did not assess the status of initiatives that are scheduled to be achieved in several years’ time (items 1.4, 8.3, 8.4 and 9.1), where action has not yet commenced.

The audit assessed Council’s progress only and did not review activities conducted by Alwyndor.

For the full audit scope, see **Appendix 1**.

1.3 Relevant Strategic Risks

This audit aligns with Council’s strategic risk:

- *poor or ineffective management of the impacts of climate change.*

1.4 Summary of Findings and Recommendations

This audit identified strong progress in implementing initiatives identified in the CNP, with a summary outlined below.

Status	Initiatives ¹	% completion
Actioned	6	37.5%
In progress – on track	0	0%
In progress – delayed	6	37.5%
Not started	4	25%

Considering the CNP is intended to run to 2029/30, the achievement of 7 initiatives within two years demonstrates significant effort.

¹ Four initiatives not yet due to commence/not assessed.

Key achievements have included:

- finalisation of the Fleet Transition Plan
- use of 100% renewable energy
- tracking carbon emissions and updating the emissions inventory – this is a significant item and has involved a new officer conducting the work
- progress towards achieving 100% sustainable public lighting

Key initiatives not yet commenced are around:

- reducing scope 3 emissions via reduction of supply chain and road and infrastructure emissions
- implementation of a community energy program, and
- certification of all council events as carbon neutral.

These three areas with non-commenced initiatives are significant undertakings where there is a need for detailed scoping/planning and also potential budget.

Internal Audit identified that there is currently not a formal monitoring/reporting approach in place to track action against the CNP and recommend that this governance mechanism be introduced. The seven recommendations made within this report are summarised over page.

We would like to thank the staff involved in this audit process.

Finding	Recommendation	Audit Risk Rating	CHB Risk Rating	Expected Completion Date
2.1 Summary of progress	Recommendation 1: To assist in strengthening transparency around the progress made against the initiatives within the Carbon Neutral Plan, integrate Carbon Neutral Plan initiative progress reporting to the agenda of a relevant committee/team.	Low ²		20 June 2024
2.2 Outstanding initiatives	Recommendation 2: To ensure budget is available to action the approved transition to EV vehicles, include anticipated costs of EV charging stations in future iterations of the LTFP and align the timing of these costs with the Transport Asset Management Plan.	Low		
	Recommendation 3: Amend the target for implementation of EV charging stations to more accurately reflect the need associated with the gradual transition to EVs as per the Fleet Transition Plan. Report and agree on this target with relevant governance/oversight committee.	Low		
	Recommendation 4: Continue work to achieve a clear approach to how CHB will report on Council's emissions. Ensure this reporting is included in relevant future Council reports.	Low		
	Recommendation 5: Work to develop a clearer approach to how CHB will: <ul style="list-style-type: none"> reduce supply chain emissions, and reduce road and infrastructure emissions. Ensure that progress is included in regular reporting against the CNP, as identified in Recommendation 1. <i>Note - CHB may benefit from the initiatives/actions of the Resilient South Group's projects/plans, and/or be able to utilise the information/guidance provided by Resilient South regarding reducing supply both chain emissions and asset-related emissions, once available.</i>	Low		
	Recommendation 6: Work to implement a community energy program.	Low		

² This rating is based on a descriptor of 'reputation', impact of 'minor' and a likelihood of 'possible'. Non-achievement of these initiatives do not easily fit under the 'environment' consequence descriptions. Internal Audit consider, however, that the descriptions in place are appropriate.

Finding	Recommendation	Audit Risk Rating	CHB Risk Rating	Expected Completion Date
	<p><i>Note – resourcing will likely be required to assist in planning/achieving this initiative, and may need to be budgeted. Internal Audit understand that there is opportunity to leverage learnings from other councils.</i> Error! Reference source not found.</p> <p>Recommendation 7: Review the feasibility of the implementation of initiative 7.1 around certifying CHB events as carbon neutral. Steps may include:</p> <ul style="list-style-type: none"> ▪ research/information gathering and benchmarking progress of other councils/event managers and assessment of required resources, and/or ▪ engaging a consultant to advise on the forward approach, including key steps and likely ongoing budget implications. <p>After this work, clarify Council’s appetite for proceeding with this initiative and develop a clearer understanding of how/when this initiative will be pursued.</p> <p><i>Note – work to achieve this action may be reasonably linked with efforts around event sustainability – with an aim to reduce duplication of effort.</i></p>	Low		

2. Detailed Findings and Recommendations

2.1 Summary of progress / tracking progress		Descriptor	Impact	Likelihood	Risk Rating
	Audit CHB	Reputation	Minor	Possible	<i>Low</i> [xxx]

Key Findings

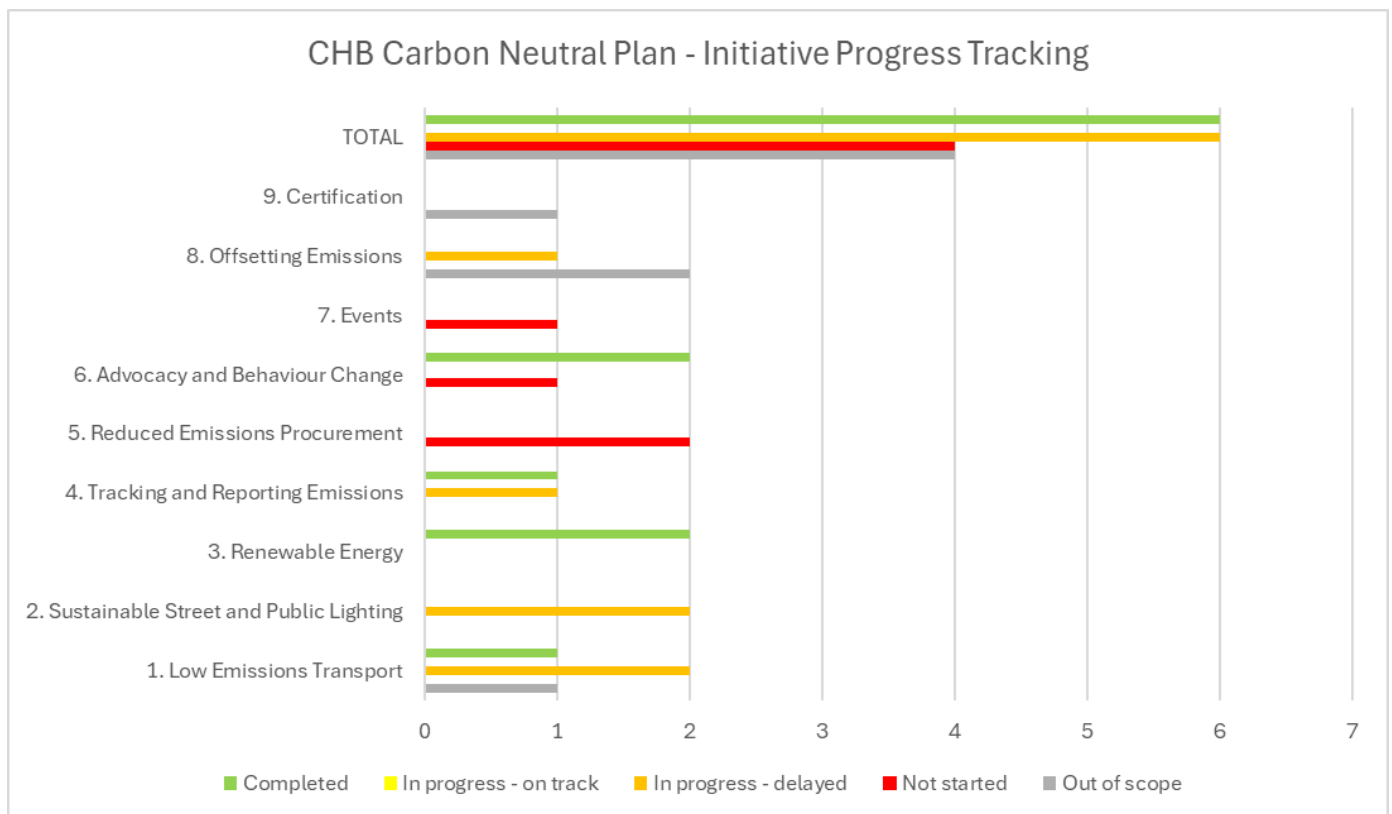
- Six of 16 (37.5%) initiatives (in scope) have been completed.
- Six of 16 (37.5%) initiatives are in progress but delayed with the target timeframe in the CNP.
- Work on four of 16 (25%) initiatives is yet to commence.

Discussion

The scope of this audit called for an assessment of the implementation status of all initiatives outlined in the CNP and to provide detailed insight around the progress towards achieving these.

Overall, 16 out of 20 initiatives were within the scope of this audit.³ Of these, Audit found six of 16 have been completed. For a summary of completed initiatives, see **Appendix 6**.

The remaining ten initiatives were found to be ‘in progress’ or ‘not started’. These outstanding CNP initiatives are further discussed in **Section 2.2**. A summary of status is outlined in the table below.



³ Four of the initiatives in the CNP were out of scope as target time frames are not due for another 2-5 years, and the changes that can take place within that time.

Monitoring progress of the CNP

Better practice calls for periodic reporting of status against key strategies and initiatives such as the CNP. As part of the review process, Internal Audit aimed to review any status updates/ formal reporting around the progress of the initiatives in CNP. Audit understand that, although informal discussions take place at fortnightly team catch-ups, the CNP is not a regular standing item for discussion at meetings. Regular reporting may assist in strengthening transparency around the progress made against the initiatives with the CNP. See **Recommendation 1**.

Recommendation 1	To assist in strengthening transparency around the progress made against the initiatives within the Carbon Neutral Plan, integrate Carbon Neutral Plan initiative progress reporting to the agenda of a relevant committee/team.
Agreed Actions	Integrate reporting of implementation of the CNP into the Environment Strategy Steering Committee as a standing agenda item.
Action Officer	Team Leader Environment and Coast
Completion Date	31/12/2024

2.2 Outstanding initiatives		Descriptor	Impact	Likelihood	Risk Rating
	Audit	Reputation	Minor	Possible	Low
	CHB		Minor	Possible	Low

Discussion

Overall, Audit found that six of the 16 (37.5%) initiatives within scope were ‘in progress’⁴ and four (25%) were yet to commence. The status of these outstanding initiatives and audit comments/findings are outlined within this section. The seven recommendations made in this section aim to assist CHB in increasing assurance that targets within the CNP are attainable and appropriate for Council and the community’s needs.

Item #	Initiative Description	Target	Target timeframe	Status	Audit comments
1.2	Install electric charging stations for charging of fleet vehicles	N/A (35 charging stations over 4 years)	2023-27	In progress - delayed	Currently, the budget associated with installing electric charging stations is obtained through budget bids for capital expenditure. The 2024-25 Annual Business Plan provides \$20,000 towards charging infrastructure. Charging stations are not yet included in CHB’s Long Term Financial Plan (LTFP). See Recommendation 2 . In the <i>Fleet Transition Plan</i> , it is outlined that all Council passenger vehicles will transition to electric vehicles (EVs) as they are scheduled for replacement. One key stakeholder reported that due to this staggered approach to transitioning the fleet passenger vehicles, the planned 35 charging stations may not be required in the planned 4 years. See Recommendation 3 .

Recommendation 2	To ensure budget is available to action the approved transition to EV vehicles, include anticipated costs of EV charging stations in future iterations of the LTFP and align the timing of these costs with the Transport Asset Management Plan.
Agreed Actions	Agreed – will be incorporated into the EV implementation work
Action Officer	Team Leader Environment & Coast
Completion Date	30/06/2025

⁴ One initiative was found to be in progress and on track with target timeframe and four initiatives were in progress but delayed with the target timeframe.

Recommendation 3	Amend the target for implementation of EV charging stations to more accurately reflect the need associated with the gradual transition to EVs as per the Fleet Transition Plan. Report and agree on this target with relevant governance/oversight committee.
Agreed Actions	Agreed – will provide updated targets for EV implementation
Action Officer	Team Leader Environment & Coast
Completion Date	31/03/2025

Item #	Initiative Description	Target	Target timeframe	Status	Audit comments																									
1.3	Purchase electric passenger vehicles (EVs)	All passenger vehicles to be 100% electric by 2027.	2023-27	In progress - delayed	<p>The Fleet Transition Plan confirms Council’s plan to convert to EVs. At the time of this review, CHB were in the early stages of drafting the next iteration of the Transport Asset Management Plan (TAMP). This was not available for review. Manager Engineering provided the below summary of new planned EV charging stations vs. total EVs in the location, intended to be included in the TAMP:⁵</p> <table border="1" data-bbox="1160 810 1861 999"> <thead> <tr> <th>Location</th> <th>2024/25</th> <th>2025/26</th> <th>2026/27</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Glenelg</td> <td>1 (2)</td> <td>0 (2)</td> <td>1 (3)</td> <td>2 (3)</td> </tr> <tr> <td>Brighton</td> <td>0 (0)</td> <td>1 (2)</td> <td>2 (6)</td> <td>3 (6)</td> </tr> <tr> <td>Depot</td> <td>1 (2)</td> <td>0 (2)</td> <td>0 (2)</td> <td>1 (2)</td> </tr> <tr> <td>TOTAL</td> <td>2</td> <td>1</td> <td>3</td> <td>6</td> </tr> </tbody> </table> <p>In future revisions of the TAMP, it is intended that ‘like for like’ turnover for EVs will be included. As work to develop the new TAMP is under way, and staff provided detail about plans for new EVs and charging stations, no recommendation is made for this initiative.</p>	Location	2024/25	2025/26	2026/27	TOTAL	Glenelg	1 (2)	0 (2)	1 (3)	2 (3)	Brighton	0 (0)	1 (2)	2 (6)	3 (6)	Depot	1 (2)	0 (2)	0 (2)	1 (2)	TOTAL	2	1	3	6
Location	2024/25	2025/26	2026/27	TOTAL																										
Glenelg	1 (2)	0 (2)	1 (3)	2 (3)																										
Brighton	0 (0)	1 (2)	2 (6)	3 (6)																										
Depot	1 (2)	0 (2)	0 (2)	1 (2)																										
TOTAL	2	1	3	6																										

⁵ In the EV/charging stations summary table, the number of new EV charging stations scheduled to be installed are outlined for each location. Brackets show the total number of EVs at each location (i.e. in 2024/25 there is one charging station scheduled to be installed for the two EVs in Glenelg).

Item #	Initiative Description	Target	Target timeframe	Status	Audit comments
2.1	Investigate and plan for the implementation of sustainable street and public lighting	Complete plan and endorsed by Council by June 2023	2022-23	In progress - delayed	In CHB's 2024/25 draft Annual Business Plan, a \$20,000 budget has been allocated to the streetlight conversion plan. The intention is to use this budget for a consultant to assess the remaining public and street lighting and provide recommendations for changes to ensure that these lights are to Australian Standard. As budget has been allocated for the streetlight conversion plan, no recommendation is made for this initiative.
2.2	Continue to implement sustainable public lighting	100% completion by 2028	2023-27	In progress - delayed	76% of street and public lighting has been converted to LEDs. A key stakeholder reported that the remaining 24% is yet to be completed due to complexity and requires consultant assistance in planning the forward approach, as discussed above. A key stakeholder reported that due to the complexity, it is anticipated that the cost for the conversion of the remaining public and street lighting will be significant. Due to the progress demonstrated and the target timeframe of 2027, no recommendation is made for this initiative.
4.2	Improve annual reporting of Council's emissions	N/A	2022-30	In progress - delayed	In CHB's 2023 Annual Report, there was no report on Council's emissions. This was included in previous years' Annual Reports. Key stakeholders interviewed reported a desire to be transparent with the community and confirmed that several years of data are available for review and comparison. The draft 2024 Annual Report is due in September. Key stakeholders confirmed that discussions are taking place within the team to determine the level of detail that will be provided in the report, and how this information will be presented. See Recommendation 4 .

Recommendation 4	Continue work to achieve a clear approach to how CHB will report on Council's emissions. Ensure this reporting is included in relevant future Council reports.
Agreed Actions	Agreed

Action Officer	Team Leader Environment & Coast
Completion Date	30/06/2025

Item #	Initiative Description	Target	Target timeframe	Status	Audit comments
5.1	Reduce supply chain emissions	5% reduction of scope 3 emissions every	2022-30	Not started	<p>Scope 3 emissions include “All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.”⁶ Scope 3 emissions make up approximately 90% of CHB’s emissions inventory.</p> <p>Resilient South is a partnership amongst southern Adelaide councils and the state government. This partnership takes a collaborative approach to tackle climate change impacts and works towards reducing greenhouse gas emissions across the region. Resilient South have a <i>Regional Climate Action Plan 2024-2029</i> that outlines their roadmap for the next five years. Audit note that there may be some overlap between this CHB initiative and Resilient South’s <i>Regional Climate Action Plan</i>. For example, one of the actions in this plan is to “Develop common procurement principles, practices, resources and training to support council staff and suppliers to decarbonise the supply chain and improve transparency of emissions reporting”.⁷ For a summary of all overlapping initiatives and actions across both plans, see Appendix 7. See also Recommendation 5.</p>
5.2	Reduce road and other infrastructure emissions through	5% reduction of scope 3 emissions	2023-30	Not started	<p>Resilient South also have a <i>Resilient Asset Management Project (RAMP)</i>. The aim of this project is to ensure council infrastructure is resilient to climate change and mitigate each council’s carbon footprint.”⁸ This may provide some useful input.</p>

⁶ City of Holdfast Bay, 2022, *Carbon Neutral Plan*, pg. 8, URL: <https://www.holdfast.sa.gov.au/assets/general-downloads/Environment/Carbon-Neutral-Plan-FINAL.pdf>

⁷ Resilient South, *Regional Climate Action Plan 2024-2029*, pg. 26, URL: <https://www.resilientsouth.com/recap>

⁸ Resilient South, 2024, *Resilient Asset Management Project (RAMP)*, URL: <https://www.resilientsouth.com/ramp>

Item #	Initiative Description	Target	Target timeframe	Status	Audit comments
	improving the materials and methods used for construction	every 3 years			The Team Leader Environment and Coast indicated some initial meetings with partner councils to discuss bitumen and reduced emissions. See Recommendation 5 .

Recommendation 5	<p>Work to develop a clearer approach to how CHB will:</p> <ul style="list-style-type: none"> ▪ reduce supply chain emissions, and ▪ reduce road and infrastructure emissions. <p>Ensure that progress is included in regular reporting against the CNP, as identified in Recommendation 1.</p> <p><i>Note - CHB may benefit from the initiatives/actions of the Resilient South Group's projects/plans, and/or be able to utilise the information/guidance provided by Resilient South regarding reducing supply both chain emissions and asset-related emissions, once available.</i></p>
Agreed Actions	Agreed – will review options and liaise with Resilient South
Action Officer	Team Leader Environment & Coast
Completion Date	30/06/2025

Item #	Initiative Description	Target	Target timeframe	Status	Audit comments
6.2	Implement a community energy program	N/A	2023-30	Not started	<p>The aim of this initiative it to support CHB's community to increase use of renewable energy. It does not directly impact the Council's journey to become carbon neutral. There are a range of sustainability-related initiatives offered by CHB (see item #6.1 in Appendix 6), however, the implementation of a community energy program is yet to commence. An internal budget bid was reportedly submitted in recent years for this initiative but was not supported.</p> <p>In 2022, the City of Mitcham implemented a <i>Community Renewables Program</i>. Since 2022, the City of Mitcham have run three community bulk buys of solar panels and</p>

					batteries, leading to over 900 households transitioning to renewable energy. ⁹ Other SA metropolitan councils are reportedly set to replicate parts of this program for their own communities, ¹⁰ and the intention of this initiative was to implement a similar program. Internal Audit understand that the Mitcham example has been beneficial for the community (reduced energy costs) and the council (revenue source). See Recommendation 6.
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Recommendation 6	Work to implement a community energy program. <i>Note – resourcing will likely be required to assist in planning/achieving this initiative and may need to be budgeted. Internal Audit understand that there is opportunity to leverage learnings from other councils.</i>
Agreed Actions	Agreed – however this will depend on funding within next year’s Annual Business Plan
Action Officer	Team Leader Environment & Coast
Completion Date	30/06/2026

Item #	Initiative Description	Target	Target timeframe	Status	Audit comments
7.1	Certify all council events as carbon neutral	All major council events certified carbon neutral. (e.g., NYE.)	2024-30	Not started	<p>Events play an important role in stimulating CHB’s local economy and fostering a creative and liveable city. CHB stage more than 250 public events and festivals across the year:¹¹</p> <ul style="list-style-type: none"> ■ core events (management by CHB) ■ external events managed in partnership with CHB, and ■ external events managed privately (e.g. events with permit/small private events).

⁹ Mitcham Council, 2024, *Community Renewables Program*, URL: <https://www.mitchamcouncil.sa.gov.au/our-environment/Community-Renewables-Program#:~:text=Introducing%20the%20Community%20Renewables%20program&text=Since%202022%2C%20the%20Council%20has,joining%20a%20virtual%20power%20plant.>

¹⁰ Mitcham Council, 2024, *Community Renewables Program*, URL: <https://www.mitchamcouncil.sa.gov.au/our-environment/Community-Renewables-Program#:~:text=Introducing%20the%20Community%20Renewables%20program&text=Since%202022%2C%20the%20Council%20has,joining%20a%20virtual%20power%20plant.> Metropolitan councils include City of Charles Sturt, City of Campbelltown and City of Unley.

¹¹ City of Holdfast Bay, 2021, *Events Strategy*, URL: <https://www.holdfast.sa.gov.au/assets/general-downloads/Council/Strategy-and-plans/Events-Stratgy.pdf>

					<p>CHB’s <i>Events Strategy</i> outlines “Zero or negligible negative impact on the environment and incorporates “green” initiatives” as a key priority area. A 2024 <i>Sustainability Performance Framework Report</i> by Healthy Environs assessed CHB’s sustainable events performance. It identified that council’s progress was at ‘evolving’ overall, with a rating of ‘instigating’ in relation to assessment/monitoring and performance around sustainability at events.</p> <p>Key stakeholders advised that work has not yet commenced around this initiative.¹² It is likely to require project resources to achieve. Although there are councils committed to reduce the impacts of their events, no SA council has certified their events as carbon neutral. See Recommendation 7.</p>
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Recommendation 7	<p>Review the feasibility of the implementation of initiative 7.1 around certifying CHB events as carbon neutral. Steps may include:</p> <ul style="list-style-type: none"> ▪ research/information gathering and benchmarking progress of other councils/event managers and assessment of required resources, and/or ▪ engaging a consultant to advise on the forward approach, including key steps and likely ongoing budget implications. <p>After this work, clarify Council’s appetite for proceeding with this initiative and develop a clearer understanding of how/when this initiative will be pursued.</p> <p><i>Note – work to achieve this action may be reasonably linked with efforts around event sustainability – with an aim to reduce duplication of effort.</i></p>
Agreed Actions	
Action Officer	
Completion Date	

¹² Audit note that this initiative is focussed on carbon offset rather than carbon reduction for Council.

Item #	Initiative Description	Target	Target timeframe	Status	Audit comments
8.1	Develop and implement an Urban Forest Strategy to increase tree canopy cover.	Targets to be set in Urban Forest Strategy. Complete strategy and endorsed by Council by June 2023.	2022-30	In progress - delayed	<p>CHB's <i>Environment Strategy 2020-2025</i> includes a Council-endorsed target to increase tree canopy cover from 15.28% to 16.8% by 2030. This is one of the main drivers of the Urban Forest Strategy.</p> <p>CHB's Urban Forest Strategy is currently in draft and is largely complete. There was reportedly a one-year delay while waiting for data requested from Department for Environment and Water (DEW). Now that this information has been received, more detailed sub-target modelling is still being finalised, delaying the finalisation of the Urban Forest Strategy.</p> <p>A consultant was engaged by CHB to assist with creating a model to achieve their tree canopy goal. The Urban Forest Strategy is reportedly likely to be finalised by the end of the 2024 calendar year. Due to clear progress against this initiative, no recommendation is raised.</p>



APPENDICES

Appendix 1. Scope of the audit engagement



Internal Audit Scope Carbon Neutral Plan

Background	<p>The 2024-25 Internal Audit Plan provides for a review of the City of Holdfast Bay's (CHB's) Carbon Neutral Plan. This is not a reflection of perceived shortfalls, but rather due to the importance of the Plan. This audit has been brought forward to 2023-24 to replace an audit that has been postponed.</p> <p>The Carbon Neutral Plan was finalised in March 2022 and aims to eliminate, reduce and offset emissions generated by Council by the year 2030.</p> <p>The Plan includes a range of initiatives across nine different categories. The initiatives are plotted against planned timelines for achievement.</p> <p>Review of the status of the Plan can provide valuable insight into progress in planning for and implementing items, and may identify opportunities to influence the successful achievement of the Plan.</p>
Audit Objective	<p>The objective of this audit is to assess the status of the implementation of all initiatives outlined in the Carbon Neutral Plan, and to provide more detailed insight around progress towards achieving these.</p>
Scope	<p>The audit will not assess the status of initiatives that are scheduled to be achieved in several years time (items 1.4, 8.3, 8.4 and 9.1), where action has not yet commenced.</p> <p>The audit will assess Council's progress only, it will not review activities conducted by Alwyndor.</p>
Methodology	<p>The audit methodology will include:</p> <ul style="list-style-type: none"> ▪ reviewing key documentation and relevant policies and procedures ▪ interviewing key stakeholders and team members ▪ assessment of progress in implementing the Plan's initiatives ▪ identifying potential opportunities for improvement ▪ drafting a report summarising findings and recommendations, and ▪ providing a final report for presentation to the Risk and Audit Committee.
Relevant Risks	<p>This audit aligns with Council's strategic risk:</p> <ul style="list-style-type: none"> ▪ poor or ineffective management of the impacts of climate change.
General Administration	<p>Galpins will conduct the audit and will maintain regular communication with stakeholders around progress of the audit. The audit will be conducted from June – July 2024.</p>
Audit Team	<ul style="list-style-type: none"> ▪ Janna Burnham (Partner/Director) ▪ Danika Brown (Analyst)

Appendix 2. Overall Control Environment Conclusion Rating Definitions

This internal audit project aimed to assess the controls established to address a key strategic risk or risks as documented in the Executive Summary. Based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, we conclude that the control environment is one of the following ratings:

Rating	Effective	Majority Effective	Partially Effective	Requires Significant Improvement	Ineffective
Definition	Controls assessed were effective in mitigating the key strategic risk or risks	Controls assessed were largely effective in mitigating the key strategic risk or risks	Controls assessed were partially effective in mitigating the key strategic risk or risks	Controls assessed require significant improvement to mitigate the key strategic risk or risks	Controls assessed were ineffective in mitigating the key strategic risk or risks

Appendix 3. CHB Risk Framework

The method of risk assessment used in this review is based on Council’s Risk Management Framework. It measures the likelihood of each risk occurring and the consequence of the risk event. From this analysis it is then possible to determine the level of inherent risk (risk without any controls in place) and residual risk (risks when controls are in place). This method of analysis is not an exact science and quite subjective, but it is of value as an indicator and therefore assists in assessing review risks.

Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Likelihood	Almost Certain	Medium	Medium	High	Extreme	Extreme
	Likely	Low	Medium	High	High	Extreme
	Possible	Low	Medium	Medium	High	High
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Medium	Medium

Qualitative Measures of Likelihood

LIKELIHOOD	EXPLANATIONS:		FREQUENCY
	Operations	Projects/ Business Case	
Almost Certain	It is expected to occur again, immediately or within a short period – likely to occur most weeks or months.	Could be expected to occur more than once during the study or project delivery	Event is expected to occur in most circumstances
Likely	Will probably occur in most circumstances – several times a year.	Could easily be incurred and has generally occurred in similar studies or projects.	Event could occur in most circumstances
Possible	Could be incurred within a one – two year period.	Incurred in a minority of similar studies or projects	Event could occur at some time
Unlikely	Could be incurred in a two - five year time frame.	Known to happen, but only rarely.	Event could occur in circumstances
Rare	May occur in exceptional circumstances. Could be incurred in a 5-30 year timeframe.	Has not occurred in similar studies or projects. Conceivable but in extreme circumstances.	Event may only occur in exceptional circumstances

Consequence Criteria

	Reputation	Business impact	People Safety	Environment	Service Delivery
Insignificant	<p>No adverse effect on public image No media interest Insignificant level of community concern. A slight but manageable increase in the number of adverse resident complaints Negligible adverse impact upon social health and wellbeing of the community which has little or no impact upon established community relationships and links</p>	<p>Low financial loss – impact of less than \$10k Operational issues manageable within normal activities <i>Project – up to 5% of original project budget.</i></p>	<p>No injuries Minor repairs required of an insignificant nature to property / infrastructure.</p>	<p>“Nuisance” category under the SA <i>Environment Protection Act (1993)</i> Short term, immediately reversible effects on ecosystem</p>	<p>Insignificant impact on Council’s ability to achieve strategic outcomes Project – Nil impact on achievement of key project objectives or project duration up to 10% of original timeframe without consequential impacts</p>
Minor	<p>Minor adverse effect on public image Minor media coverage in paper distributed within the local area (small scale single article). Minor level of community concern, an increase in the number of resident complaints requiring direct effort to resolve/attend to Minor adverse impact upon social health and wellbeing of the community that may have a minor impact upon established community relationships and links</p>	<p>Medium financial loss – impact of between \$10k and \$100k Minor impact in undertaking routine activities <i>Project – between 5-10% of original project</i></p>	<p>Only First Aid treatment required Minor loss or infrastructure damage. Normal seasonal illness leading to minor disruption to activities</p>	<p>“Nuisance” category under SA <i>Environment Protection Act (1993)</i> Some minor adverse effects to few species/ ecosystem parts that are short term and immediately reversible. Contamination – on-site release immediately contained</p>	<p>Some delays in delivery of strategic initiatives, but only minor aspects impacted Overall strategic intent still achievable Project duration extended up to 35% of original project timeframe without consequential impacts</p>

Moderate	<p>Moderate adverse effect on public image</p> <p>Adverse media campaign in relevant press over two or more issues, supported by uptake of issue in electronic media</p> <p>Moderate level of community concern, large number of complaints and letters to editor in relevant press</p> <p>Minor common law action or Ombudsman investigation threatened/ initiated</p>	<p>Moderate financial loss – impact of between \$100k and \$1 million</p> <p>Impacts up to 2.5% on rate revenue generation</p> <p>Impaired ability to maintain normal operations, reprogramming required</p> <p>Minor legal issues, non-compliances and breaches of regulation</p> <p><i>Project – between 10-20% of original project budget.</i></p>	<p>Medical treatment required which may include short term admission to hospital</p> <p>Moderate loss/or infrastructure damage</p> <p>Local epidemic leading to noticeable disruption of activities</p>	<p>“Material” category under the SA <i>Environment Protection Act (1993)</i></p> <p>Contamination – on-site release contained with outside assistance</p> <p>Ecosystems- temporary, reversible damage, loss of habitat and migration of animal populations, some reduction in numbers and die back of plants.</p> <p>Pollution requires physical removal, air quality constitutes potential long term health problems. Manageable restrictions in resource usage</p> <p>Disturbance to sites or artefacts of cultural significance</p>	<p>Some key components of the Strategic Plan cannot be achieved within expected timeframes.</p> <p>Additional funding/resources or some strategies re-prioritisation is required</p> <p>Project duration extended up to 35% of original project timeframe with consequential impacts on other dependencies</p>
Major	<p>Significant adverse effect on public image</p> <p>Widespread adverse media campaign including electronic local and national media. Social media going viral requiring management intervention.</p> <p>Pressure on State Government and agencies to intervene</p> <p>Significant level of community concern</p> <p>Social health and wellbeing of the community seriously affected by major community unrest and/or significant breakdown of established community relationships and links.</p> <p>Significant common law action threatened, major Ombudsman investigation initiated</p>	<p>Major financial loss - impact of between \$1 million and \$3 million</p> <p>Impacts between 2.5% and 10% on rate revenue generation</p> <p>Significant effects loss of ability to complete programs, major restrictions to services and project delivery</p> <p>Serious breach of regulation with investigation or report to authority with prosecution and/or moderate fine possible</p> <p><i>Project – between 20-35% of original project budget.</i></p>	<p>Serious & extensive injuries</p> <p>Serious structural damage to infrastructure or serious loss of assets.</p> <p>Widespread epidemic that causes significant disruption to activities</p>	<p>“Serious” category under the SA <i>Environment Protection Act (1993)</i></p> <p>Contamination – off-site release with no detrimental effects</p> <p>Ecosystems – recoverable damage, death of animals in large numbers, widespread habitation destruction, significant air quality issues. Pollution issues requiring long term management, serious introduction of invasive species</p> <p>Restrictions on resource usage threatening viability of accepted lifestyle</p> <p>Damage to sites or artefacts of cultural significance</p>	<p>Key Strategic Objectives unable to be achieved; review of Strategic Plan is required</p> <p>Project duration extended by 36- 80% of original project timeframe with or without consequential impacts on other dependencies</p>

Catastrophic	<p>Major effect on public image Widespread adverse media campaign including electronic local, national and international media. Widespread community outrage Social media going viral, unable to be contained. State Government and agencies to intervene Social health and wellbeing of the community severely affected resulting in fracturing of established community relationships and links. Class Actions, Judicial Inquiries initiated</p>	<p>Critical financial loss/exposure – impact greater than \$3 million Impacts of more than 10% on rate revenue generation</p> <p>Projects & programs failure, inability to meet minimum acceptable standards Major breaches of regulation, sanctions imposed <i>Project - >35% of original project budget.</i></p>	<p>Fatalities Critical loss, irreversible damage property / infrastructure with a replacement cost that overwhelms the capital budget (>25%) Community movements restricted under State Emergency Plan</p>	<p>“Serious Material harm” category under the <i>SA Environment Protection Act (1993)</i> and EPA actions initiated Off-site contamination requiring immediate and significant remediation actions Ecosystems – irreversible damage, widespread loss of animals, and key stone species extinctions, destruction of flora species, widespread domination of invasive species. Pollution unable to be effectively remediated. Restriction on resource usage resulting in permanent disruption of accepted life-style</p>	<p>Goals of Strategic Plan not achievable; total and immediate re-work of Plan is required Project duration extended by >80% of original project timeframe with consequential impacts on other dependencies</p>
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Appendix 4. Documents reviewed

Below is a list of all the documents reviewed during the internal audit process. The results and recommendations within this report consider the analysis and evaluation of these documents:

- Carbon Neutral Plan Technical Report
- Charging Infrastructure Assessment – Final Report
- CHB Carbon Neutral Plan
- City of Holdfast Bay 2021 Environment Strategy Final Report
- City of Holdfast Bay Draft Annual Business Plan 2024-25
- City of Holdfast Bay Iberdrola Contract 2023-2025
- City of Holdfast Bay Origin Contract 2023-2025
- City of Mitcham Council Agenda Report 22 August 2023
- Feasibility Assessment Into Options for Collective Procurement of Electricity
- Fleet Transition Plan Report
- FOGO Masterfile – Dashboard
- Public Lighting Framework
- Public Lighting Policy
- Resilient South RAMP Research and Recommendations Report
- Resilient South Regional Climate Action Plan 2024-2029
- Resilient South Sector Agreement 2024-2029
- Sustainability Performance Framework Report
- Urban Forest Sub-Target Modelling
- Urban Forest Targets Diagram
- Holdfast Bay Urban Forest Plan [Draft]

Appendix 5. Staff members interviewed

A list of all the staff members at CHB that were interviewed during fieldwork in preparation for this report.

Title
Climate & Utilities Data Officer
Events Lead
Manager Engineering
Team Leader Environment & Coast

Appendix 6. Carbon Neutral Plan – Completed Initiatives

A summary of the completed initiatives from CHB’s Carbon Neutral Plan.

Item #	Initiative Description	Target	Target timeframe	Status	Audit Comments
1.1	Fleet Transition Plan	Complete plan and endorsed by Council by June 2023.	2022-23	Complete	<ul style="list-style-type: none"> ▪ <i>Fleet Transition Plan</i> endorsed by Council in July 11 2023 meeting ▪ Plan to transition fleet passenger vehicles to electric vehicles (EV) as they are scheduled for replacement in the Transport Asset Management Plan ▪ Staggered approach to transition of passenger vehicles will assist in managing resale price risk and allow CHB to benefit from EV price reductions and more model choices
3.1	Advocate for the purchase of 100% accredited renewable energy as part of LGA procurement for a new electricity contract due early 2023	N/A	2022-23	Complete	<ul style="list-style-type: none"> ▪ CHB’s 2023-25 Iberdrola contract signed by CEO and nominating 100% GreenPower for electricity supply
3.2	Purchase of 100% accredited renewable energy as part of LGA new electricity contract (commencing early 2023)	N/A	2023-30	Complete	<ul style="list-style-type: none"> ▪ As above ▪ Additional work commenced in this space – CHB part of project group to compare short term and long-term options for collective procurement of electricity (inc. renewable electricity) via feasibility study
4.1	Track carbon emissions and update the emissions inventory	N/A	2022-30	Complete	<ul style="list-style-type: none"> ▪ 0.6 FTE Climate & Utilities Data Officer commenced in October 2023 and responsible for this ▪ Trellis is the system used to track emissions (web-based platform) and is used at CHB to quantify water, gas and electricity ▪ Invoices can get stuck when being read by the machine, so part of the Officer’s role is to validate the data and make sure it is complete

Item #	Initiative Description	Target	Target timeframe	Status	Audit Comments
6.1	Educate, liaise and support community and businesses to move towards carbon neutrality	N/A	2022-30	Complete - ongoing	<ul style="list-style-type: none"> ▪ Ongoing BAU action ▪ CHB offer various incentives, including: <ul style="list-style-type: none"> ○ Green Living workshops ○ FOGO bin program ○ access to Resilient South sustainability webinars ▪ CHB also offer financial rebates for businesses/residents on products that help the community live a greener, healthier lifestyle (e.g. electric bikes, worm farms, insulation, etc.) ▪ Additional information/links available on CHB website
6.3	Participate in the Resilient South climate partnership	N/A	2022-30	Complete - ongoing	<ul style="list-style-type: none"> ▪ Ongoing BAU action ▪ Team Leader Environment & Coast on management committee ▪ Committee facilitated by a Coordinator and each council has one staff representative, along with representatives from Green Adelaide and DEW ▪ Meet once a month to make decisions ▪ Demonstrated active and successful partnership (see also Appendix 7).

Appendix 7. CNP and Resilient South Climate Action Plan (RSCAP) – Overlapping Actions

An outline of the overlapping actions between Council’s Carbon Neutral Plan and Resilient South’s Climate Action Plan.

CHB CNP Item #	Initiative Description	RSCAP Item #	RSCAP Overlapping Action
4. Tracking and Reporting Emissions			
4.1	Track carbon emissions and update the emissions inventory	3.4	Prepare a business case for engaging shared specialist staff to improve the efficiency, performance and consistency of carbon accounting and emissions reduction, including exploring external funding opportunities.
5. Reduced Emissions Procurement			
5.1	Reduce supply chain emissions	3.5	Develop common procurement principles, practices, resources and training to support council staff and suppliers to decarbonise the supply chain and improve transparency of emissions reporting.
5.2	Reduce road and other infrastructure emissions through improving the materials and methods used for construction	3.5	Develop common procurement principles, practices, resources and training to support council staff and suppliers to decarbonise the supply chain and improve transparency of emissions reporting.
6. Advocacy and Behaviour Change			
6.1	Educate, liaise and support community and businesses to move towards carbon neutrality	1.1	Provide incentives to protect, regenerate and increase greening and biodiversity on private land.
		2.1	Improve community understanding and preparedness for climate hazards by integrating climate change adaptation into community development and social programs.
		2.3	Support the Resilient South Environmental Educators Network to identify and deliver community education and engagement.
		2.4	Support schools to integrate climate change into classroom learning through participating in the Climate Ready Schools program.

		2.5	Support coordination of youth climate action initiatives across the region.
		3.7	Help businesses to lower their emissions and integrate climate risk planning through business sustainability mentoring.
		3.8	Promote uptake of household and community renewable energy generation and storage.
		3.9	Promote the transition to all-electric households.
		3.11	Explore opportunities to participate in and support circular economies.
		3.12	Continue to deliver linked community education programs to encourage reduced resource use and waste.
6.2	Implement a community energy program	3.3	Investigate opportunities to achieve economies of scale and financial benefit through undertaking regional projects to reduce emissions and generate and store renewable energy.

Disclaimers

Inherent limitations

This report has been prepared for the information and internal use of the City of Holdfast Bay in accordance with the scope and objectives outlined in the Executive Summary of this report. The services provided in connection with this engagement comprise an advisory engagement which is not subject to the Australian Auditing Standards or the Australian Standards on Review and Assurance Engagements. Consequently, no express opinions or conclusions have been drawn or intended to convey assurance. Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected.

Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures were on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the City of Holdfast Bay's management and personnel. We have not sought to independently verify those sources. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the City of Holdfast Bay. The internal audit findings expressed in this report have been formed on the above basis.

Third party reliance

This report is solely for the purpose set out in the Executive Summary of this report and for the City of Holdfast Bay's information, and is not to be used for any other purpose or distributed to any other party without Galpins' prior written consent. This internal audit report has been prepared at the request of the City of Holdfast Bay or its delegate in connection with our engagement to perform internal audit services. Other than our responsibility to City of Holdfast Bay, neither Galpins nor any member or employee of Galpins undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to the City of Holdfast Bay's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

Attachment 4a

Attachment 4a - Internal Audit - Completed Actions

August 2024

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2021/22 EOFY Financial Controls Alwyndor	May-22	FC02	Detailed Findings: 2 ASS-FIX-0003 Asset Management Plans are prepared and renewal expenditure and programmed maintenance required is reviewed periodically to reflect changing priorities, additional asset data and other relevant factors.	Rec.Treatment Plan 2: Complete Asset Management Plan	Better Practice	Complete	Manager Finance Alwyndor	Complete	Comments September 2022 - Alwyndor does not have a policy or formal documented procedure for Debt Collection. - Outstanding debtors are checked regularly and any aged debtors are followed up. - Risk level considered low, the majority of billing is collected via direct debit. - rarely a need for debt collection procedures. - If debt collection is needed the procedure is determined on a case-by-case basis. Comments March 2023 - Due to low level of risk related to this actions and current workloads of Finance Team, it's agreed to reschedule this until Dec 2023. Comments June 2023 - work progressing to target due date Comments August 2023 - work progressing to target due date Comments October 2023 - work being finalised for due date Comments February 2024 - minor extension required to finalise this piece of work Comments - May 2024 - On track for completion by end on June 2024 Comment - August 2024 Complete
2021/22 EOFY Financial Controls Alwyndor	May-22	FC03	Detailed Findings: 3 ASS-FIX-0013 Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.	Rec.Treatment Plan 3: Fixed Assets, asset accounting policy to be reviewed	Better Practice	Complete	Manager Finance Alwyndor	Complete	Comments September 2022 - The development of the Asset Management Plan delayed due to resources - planned for 2022/23. - Scheduled maintenance systems in place to maintain/monitor assets against priorities. - Any damage is logged. - Management of assets is undertaken by a register. Comments March 2023 - Asset Management review commenced, review completion date to 30/06/23 Comments June 2023 - work progressing to target due date Comments August 2023 - extension of time required, due to new recruitment of Financial Manager at EOFY. Comments October 2023 - work being finalised for due date Comments February 2024 - minor extension required to finalise this piece of work Comments - May 2024 - On track for completion by end on June 2024 Comment - August 2024 Complete
2021/22 EOFY Financial Controls Alwyndor	May-22	FC04	Detailed Findings: 4 ASS-FIX-0014 There is a process in place for the verification of fixed assets which is reconciled to the FAR.	Rec.Treatment Plan 4: Fixed Assets, asset accounting policy to be reviewed	Better Practice	Complete	Manager Finance Alwyndor	Complete	Comments September 2022 - Ref: 3 - Assets regularly maintained/serviced to a maintenance schedule. - The Financial Accountant provides assessment for new assets, reviewed by Finance Manager. - Finance Manager prepares high level review of useful lives/depreciation methodology every two years. - Independent valuations performed every 5 years. - Asset Management Plan to include review of communication between Finance & Maintenance, - To ensure assets effectively monitored and disposals are appropriately documented. Comments March 2023 - To be included in the Asset Management review which has now commenced, review completion date to 30/06/23 Comments June 2023 - work progressing to target due date Comments August 2023 - extension of time required, due to new recruitment of Financial Manager at EOFY. Comments October 2023 - work being finalised for due date Comments February 2024 - minor extension required to finalise this piece of work Comments - May 2024 - On track for completion by end on June 2024 Comment - August 2024 Complete
2022/23 Complaints Handling	May-23	CH03		Recommendation 3: Implement a sample-based approach to conducting quality assurance and review of complaints. This may occur at regular intervals, for example quarterly or six-monthly.	Medium	Complete	Manager Customer Experience & Library Services	Complete	Comments August 2023 - initiated, review will be undertaken in 3 months Comments October 2023 - initiated review of samples from RMS, process successful. RMS Project Team also monitoring and refining process. Continuing to review quarterly. 1st report in January 2024. Comments February 2024 - RMS data tested in Jan.2024 and reported to SLT. Progressing to provide quarterly reports by 30 June. Comments - May 2024 - Quarterly reports will be finalised for 30/06/2024. Comment - August 2024 Complete - Quarterly reporting format for complaints assurance in place.
2022/23 Complaints Handling	May-23	CH04		Recommendation 4: Consider strengthening requirements for significant contractors to report on complaints received from CHB residents in relation to their services. For example, this may cover waste management, after hours call centres, immunisation services. This can help CHB to have a fuller picture of complaints received relevant to their services/areas of responsibility.	Medium	Complete	Manager Customer Experience & Library Services	Complete	Comments August 2023 - conducting a review of the implementation of this recommendation and how to differentiate between contractor service level issues and complaints Comments October 2023 - conducting a review of the implementation of this recommendation and how to differentiate between contractor service level issues and complaints. Refining process with Managers. Aim to be in place end of financial year. Comments February 2024 - liaison with managers to ensure completion of work for 30 June 2024. Comments - May 2024 - Complaints process will be completed for 30/06/2024 Comment - August 2024 Complete - Complaints process now implemented/ staff awareness in place.
2022/23 Complaints Handling	May-23	CH06		Recommendation 6: Develop complaint handling training, for example as part of induction training and refresher training schedules. Training can cover the definition of complaints, complaints handling processes, communication approaches and tone.	Medium	Complete	Manager Customer Experience & Library Services	Complete	Comments August 2023 - being developed and will be informed by the data input over coming 3 months Comments October 2023 - being developed and will be informed by the data input over coming 6 months. Training program developed to be provided from March 2024 Comments February 2024 - on track - training due for rollout during March 2024 with completion of the program by end of June 2024. Comments - May 2024 - Training & program development in place by 30/06/2024 Comment - August 2024 Complete - Complaints handling training in place for those in key roles; covers definitions, correct handling, communications, approaches and conduct.
2023/24 Procurement	Mar-24	PR01	2.1 Clarity of current procurement framework	Recommendation 1: Introduce some governance/ assurance mechanisms to oversight procurement. Examples may include, but are not limited to: (i) - exception reporting (purchases above thresholds, varied POs, cancelled POs, exemption spot checks) (ii) - supplier creation / amendment / deletion (e.g. proof of supplier requests). Ensure that relevant staff position descriptions reflect this responsibility for assurance around procurement.	Medium	Complete	Manager Strategy & Governance	Complete	Comment - August 2024 Complete - Already occurring. The Procurement Officer undertakes spot checks of outstanding purchase orders and the holding queue to check for anomalies. This will be further strengthened by the introduction of quarterly checks by the Risk and Improvement Officer.

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2023/24 Procurement	Mar-24	PR03	2.2 Efficiency and effectiveness of current procurement process	<p>Recommendation 3: Consider implementing segregation of duties for raising and approving Purchase Orders, particularly over pre-determined value thresholds.</p> <p><i>Note – subsequent recommendations are then focussed on efficiency of process.</i></p>	Medium	Complete	Manager Finance	Complete	<p>Comment - August 2024 Recommendation has been given consideration and will not be implemented. Delegations and budget management provide adequate controls. Implementing segregation of duties will add significant administrative burden without improving controls.</p>
2023/24 Procurement	Mar-24	PR07		<p>Recommendation 7: Formalise a back-up staff member to amend the Supplier Masterfile in the event of the Procurement Officers' absence/leave.</p>	Medium	Complete	Manager Strategy & Governance	Complete	<p>Comment - August 2024 Complete - Risk And Improvement Officer and Project Officer identified and provided with necessary access and training.</p>
2023/24 Procurement	Mar-24	PR11	2.5 Test results: Compliance with Procurement Policy/Procedures	<p>Recommendation 11: Consider implementing periodic 'spot checks' of a sample of procurement, to identify non-compliance, provide appropriate training and to increase the level of compliance with procurement requirements.</p> <p>If this is implemented, ensure that the 'spot check' responsibilities are included in a staff member's position description.</p>	Medium	Complete	Manager Finance	Complete	<p>Comment - August 2024 Complete - Already occurring. Procurement Officer also now spends time at other sites to assist staff with procurement and promote procedural compliance.</p>
2023/24 Strategic Planning Alignment	May-24	STP01	3.1 Corporate Plan: Opportunity to Strengthen	<p>Recommendation 1: Opportunities to strengthen the Corporate Plan – around working with Groups/Group Managers, tracking staffing considerations.</p> <p>Consider the following opportunities to strengthen the Corporate Plan:</p> <ul style="list-style-type: none"> - work with Groups to ensure all future activities that are designed to help meet the intent of the Our Holdfast 2050+ objectives are included (including business as usual activities and non-major projects) - ensure that Group Managers have transparency over the items included in the Corporate Plan, and - more clearly track staffing (FTE) considerations associated with future potential projects within the Corporate Plan – to help track whether CHB will have capacity at various points in time to deliver on planned initiatives and to inform scheduling decisions. <p>There is also potential to allocate responsibility for actions included within the Corporate Plan.</p>	Medium	Complete	Corporate & Service Planning Lead & Mgr Strategy & Governance	Complete	<p>Comments - August 2024 Complete</p>

Attachment 4b

Attachment 4b - Internal Audit - In Progress

August 2024

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Workforce Planning	Feb-21	WFP02	<p>2.2 Opportunity to develop a strategic workforce plan that aligns with business objectives:</p> <ul style="list-style-type: none"> - Workforce planning activities are primarily conducted at a team level with the Manager assuming key responsibility. The General Manager and People and Culture provide input and support. - All Managers interviewed demonstrated an understanding of their team's operational workforce requirements and strategic challenges and identified further the need for strategic and holistic workforce planning across Council. - Specific workforce planning approaches are informal, operational, and teams based. There is opportunity to document critical workforce knowledge. - Alwyndor's Managers have demonstrated awareness of WFP recommendations arising from the Royal Commission into Aged Care Quality and Safety (the Royal Commission) and a desire to ensure compliance. Alwyndor have commenced preliminary planning for a strategic WFP.9 	<p>We recommend that:</p> <p>Rec: 2 - Develop an overarching strategy or framework to guide workforce planning initiatives, specifically including strategic workforce planning at both CHB and Alwyndor. Options to achieve this include:</p> <ul style="list-style-type: none"> - develop a high level standalone workforce plan, framework or strategy that documents the overall workforce planning requirements for CHB and Alwyndor. - link more strategic WFP activities to requirements under Council's existing 'culture' pillar. A suite of supporting documents may then be developed to further outline specific actions in place. <p>NOTE: – Internal Audit consider that WFP is an ongoing process and promote a pragmatic approach to WFP rather than a time-intensive and static document. In addition, this work can be completed in line with Council's draft strategy – Audit understand that directions included in the new Strategy are already broadly known. In addition, Alwyndor's Strategic Plan, through the enabler: People and Culture, includes an action to develop a workforce plan for 2021.</p>	Low	In Progress	Manager People and Culture	<p>30/06/2022</p> <p>30/06/2023</p> <p>30/09/2023</p> <p>31/12/2023</p> <p>31/08/2024</p>	<p>Comments June 2022; - Generic principles of Workforce Planning were determined for both Alwyndor and COHB and approved by the SLT. - Strategic Plan 2050 launched in January 2022. Awaiting development of Corporate Plan to determine workforce planning strategies to support future service delivery/strategic outcomes. - 'Culture Pillar' has now been removed for Council so is no longer applicable. Alwyndor has a separate Strategic Plan, therefore Council's 'Culture' Pillar is not applicable. - WFP strategies to be determined annually from strategic plan and workforce trends within a highly regulated industry. - Timeline for Corporate Plan to be established - approx Dec 2022 (as per SB 22/7/22)</p> <p>Comments September 2022 - Corporate Plan underway - due for completion Dec 2022 - Workforce planning strategy to follow once Corporate Plan established.</p> <p>Comments March 2023 - Will be completed to target due date</p> <p>Comments June 2023 - Work progressing to target due date</p> <p>Comments August 2023 - Corporate Plan being finalised which will then inform this strategic workforce planning.</p> <p>Comments October 2023 - Corporate Plan details now finalised - to be used as a reference by newly appointed Manager P&C over coming months to inform WFP. Extended due date until end of next quarter to allow for transfer/update of information.</p> <p>Comments February 2024 - Workforce strategy to guide workforce planning underway - target for completion 30/06/24</p> <p>Comments - May 2024 - Work on track to finalise required strategy by due date.</p> <p>Comments August 2024</p> <p>Final review stage of process</p>
Workforce Planning	Feb-21	WFP03	<p>2.2 Opportunity to develop a strategic workforce plan that aligns with business objectives:</p> <ul style="list-style-type: none"> - Workforce planning activities are primarily conducted at a team level with the Manager assuming key responsibility. The General Manager and People and Culture provide input and support. - All Managers interviewed demonstrated an understanding of their team's operational workforce requirements and strategic challenges and identified further the need for strategic and holistic workforce planning across Council. - Specific workforce planning approaches are informal, operational, and teams based. There is opportunity to document critical workforce knowledge. - Alwyndor's Managers have demonstrated awareness of WFP recommendations arising from the Royal Commission into Aged Care Quality and Safety (the Royal Commission) and a desire to ensure compliance. Alwyndor have commenced preliminary planning for a strategic WFP.9 	<p>We recommend that:</p> <p>Rec: 3 - Complete the planned CHB (not Alwyndor) skills/capability and gap analysis and use this to inform plans to obtain and develop critical skills necessary for delivery of its strategic plan. Example required skills gaps identified may include:</p> <ul style="list-style-type: none"> - service design capability - data analytics 	Low	In Progress	Manager People and Culture	<p>30/06/2022</p> <p>30/06/2023</p> <p>30/09/2023</p> <p>31/12/2023</p> <p>30/09/2024</p> <p>30/11/2024</p>	<p>Comment June 2022; *** This recommendation does not apply to Alwyndor.</p> <ul style="list-style-type: none"> - Skills/Capability Audit was undertaken for the Leadership Team, however, not completed for the rest of the organisation - Strategic Plan 2050 launched in January 2022. Awaiting development of Corporate Plan to determine workforce planning strategies to support future service delivery and strategic outcomes. - Timeline for Corporate Plan to be established - approx Dec 2022 (as per SB 22/7/22) <p>Comments September 2022 - Corporate Plan underway - due for completion Dec 2022 - Skills capability and gap analysis to follow once Corporate Plan established.</p> <p>Comments March 2023 Will be completed to target due date</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - Corporate Plan being finalised which will then inform this skills/capability audit</p> <p>Comments October 2023 - Corporate Plan details now finalised - to be used as a reference by newly appointed Manager P&C over coming months to inform WFP. Extended due date until end of next quarter to allow for transfer/update of information.</p> <p>Comments February 2024 - Skills/capability gaps analysis underway – target for completion 30/9/2024</p> <p>Comments - May 2024 - Extended deadline for completion by 8 weeks to enable finalisation/cross checking of details.</p> <p>Comments August 2024</p> <p>Final review stage of process</p>
Workforce Planning	Feb-21	WFP06	<p>2.4 Opportunity to ensure critical knowledge is formally documented:</p> <ul style="list-style-type: none"> - Knowledge of key workforce demand/supply gaps is informally held by Managers who are familiar with their operational requirements and market conditions. - Manager turnover may lead to inconsistent approaches to managing these risks and/or missed opportunities to more effectively plan for succession and knowledge documentation/transfer. - There is an opportunity to proactively review demand and supply requirements and associated workforce risks. This will strengthen Council's business continuity and knowledge transfer in the event of a General Manager or Manager leaving Council. 	<p>We recommend that:</p> <p>Rec: 6 - Review whether staff in all positions identified as critical across Council have documented their knowledge/role requirements. Where required and to assist in case of staff turnover/ unexpected leave, ensure that this knowledge is formally documented.</p> <p>NOTE: Management will review the work instructions and procedures for all critical roles, in particular Corporate roles where there is real risk due to lean team structures.</p>	Low	In Progress	Manager People and Culture	<p>30/06/2022</p> <p>31/12/2022</p> <p>30/06/2023</p> <p>30/09/2023</p> <p>31/12/2023</p> <p>30/06/2024</p> <p>30/09/2024</p>	<p>Comments June 2022; Alwyndor Management will review the work instructions and procedures for all critical roles, in particular Corporate roles where there is a real risk due to lean team structures. Business Continuity Planning undertaken for Council, with a high focus during the pandemic. Critical roles have been identified as well as succession planning opportunities. Managers responsible for determine their business processes, as well as ensuring adequate records management processes (ECM introduced in 2020 with appropriate training for all staff) to ensure documentation available for Council. NOTE: Could incorporate reference to critical operational procedures via BCP matrices completed by Managers Feb/Mar 2022.</p> <p>Comments September 2022 - Alwyndor/ Strategy & Governance to progress - no action required from Manager P&C perspective.</p> <p>Comments March 2023 - Will be progressed/finalised reviewed in line with current corporate Manager Finance recruitment.</p> <p>Comments June 2023 - Work progressing to target due date</p> <p>Comments August 2023 - Leadership team review now required to ensure workforce risks have been fully recognised and the relevant internal controls are correctly in place.</p> <p>Comments October 2023 - Newly appointed Manager P&C to review the management process for 'critical position data' - with a view to closing off this action within the next quarter.</p> <p>Comments February 2024 - Critical Positions review underway – target for completion 30/6/2024</p> <p>Comments - May 2024 - Working to have staff Critical Positions review completed by due date - 30/06/24</p> <p>Comments August 2024</p> <p>Final review stage of process - slight time extension required</p>
Budget Management	Mar-22	BM01.7	<p>2.2 Budget Maturity Assessment.</p> <ul style="list-style-type: none"> - The maturity of Council's budget management practices is majority 'advanced', however there are continuous improvement opportunities. - Opportunities for Council to strengthen its budget management include providing additional funding certainty for multi-year projects, use of indexation to improve the accuracy of depreciation in non-valuation years, and encouraging greater use of system functionality to file calculations, non-financial information and other documents supporting budget lines. 	<p>We recommend that;</p> <p>Rec 1.7 - Investigate options for software to replace the existing Corporate Performance Management (CPM) system.</p>	Better Practice	In Progress	Manager Strategy and Governance with Manager Innovation and Technology	<p>30/06/2022</p> <p>31/12/2023</p> <p>30/06/2024</p> <p>31/12/2024</p>	<p>Comments June 2022</p> <ul style="list-style-type: none"> - Investigate software options to replace the existing CPM module, in order to support the development of the Corporate Planning program and improve corporate and management reporting. <p>Comments - September 2022</p> <ul style="list-style-type: none"> - 07/07/2022 - IT-GSC approved prioritisation/scheduling Corp.Planning & Reporting - to start in Sept.2022 - 15/09/2022 - IT-GSC approved contractor for Corp.Planning & Reporting (Lack of resources delayed.) - Current start 30/11/2022 and completion 31/12/2022. <p>Comments March 2023 - linked to the Biz Regs.</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date</p> <p>Comments October 2023 - AMP workload to be scheduled to ensure all aspects reviewed & completed to timeframe - due Dec 2023.</p> <p>Comments February 2024 - Business Requirements were completed in 2023 and further detailed analysis of reporting requirements is in progress. A preferred product has been identified and a budget bid for implementation in 2024/25 has been completed.</p> <p>Comments - May 2024 - Work is continuing on the corporate plan, however has been slowed by other priorities.</p> <p>Comment - August 2024</p> <p>Work is continuing on the corporate plan, however has been slowed by other priorities. In parallel, following a budget allocation for this financial year, work has commenced on the business case for planning software, which when impeded, will accelerate completion of the plan.</p>
Transport Asset Management	May-22	AM02	<p>2.1 Forward-planning processes and use of asset management information in strategic decision making</p> <ul style="list-style-type: none"> - There is a clear link between long term financial forecasts included in the AMPs and the budget, annual business plan and long term financial plan (LTFF). - A key gap in the asset management framework for CHB is the absence of an Asset Management Strategy. - CHB has recently had a comprehensive condition assessment undertaken of road assets, which identified average conditions as lower than assumed in the current AMP, indicating a need to increase spending on renewals and maintenance. - There is a focus on increasing the level of proactive maintenance of assets. - Service levels are generally defined quite well, though there are improvement opportunities in the ongoing measurement and tracking of service levels. 	<p>We recommend that:</p> <p>Rec 02: - Review and reconfirm / refine the KPIs in the AMPs to ensure they are measurable and provide useful insights to support decision making. Measure and monitor all selected KPIs, implementing any necessary data collection mechanisms (such as additional questions in the 'Quality of Life Community Survey').</p>	Medium	In Progress	GM Assets & Delivery	30/11/2024	<p>Comments June 2022 - Progress in line with audit report</p> <p>Comments September 2022 - Will be progressed in line with Target Completion Dates</p> <p>Comments March 2023 - Will be progressed in line with Target Completion Dates</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date - 2023 Quality of Life survey received to be incorporated into the development and measure of KPIs for AMPs.</p> <p>Comments October 2023 - works progressing on KPIs for AMPs</p> <p>Comments February 2024 - work progressing on KPIs within AMP reviews</p> <p>Comments - May 2024 - Work progressing on KPIs within AMP reviews</p> <p>Comment - August 2024</p> <p>Work progressing on KPIs within AMP reviews</p>

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Transport Asset Management	May-22	AM03		<p>We recommend that;</p> <p>Rec: 03 - A review timetable is introduced for all AMPs, scheduling: - annual updates to the 10-year replacement schedule, associated costings and financial summary based on current asset management data - annual updates to the tables within the Risk and Improvement Plan Appendices (including status of treatment plans) - 4-yearly comprehensive AMP updates within 2 years of each general election. Note: it may not be necessary to annually update all AMPs – the transport AMP is highly material and therefore the most beneficial to update. Updates for other asset classes should be considered on the basis of materiality / effort vs benefit.</p>	Medium	In Progress	GM Assets & Delivery	30/11/2024	Comments June 2022 - Progress in line with audit report Comments September 2022 - Will be progressed in line with Target Completion Dates Comments March 2023 - Will be progressed in line with Target Completion Dates Comments June 2023 - work progressing to target due date Comments August 2023 - work progressing to target due date Comment October 2023 - work progressing on the AMP format Comment February 2024 - work progressing on the AMP reviews and formats Comments - May 2024 - Work progressing on the AMP reviews and formats Comment - August 2024 Work progressing on the AMP reviews and formats
Transport Asset Management	May-22	AM04		<p>We recommend that;</p> <p>Rec 4: Asset replacement cost estimates within the AMPs are costed on the basis of the most likely actual replacement design (which may constitute an upgrade), rather than an assumption of like-for-like. Note: costings within the AMP for future planning purposes do not impact on asset revaluations or depreciation calculations for financial reporting purposes. These calculations continue to be based on modern equivalent, like-for-like replacement to ensure that depreciation expense captures the current value of consumption of existing services, not future upgrades).</p>	Medium	In Progress	GM Assets & Delivery	31/07/2023 31/09/2024 30/11/2024	Comments June 2022 - Progress in line with audit report Comments September 2022 - Will be progressed in line with Target Completion Dates Comments March 2023 - Will be progressed in line with Target Completion Dates Comments June 2023 - work progressing to target due date Comments August 2023 - valuation for replacement costs open space assets (2022/23) is currently being completed. Due August 2024. To be implemented in AMP in November 2024. Comments October 2023 - AMPs to be reviewed and timeframes checked to ensure delivery of outcomes - Due August 2024. Comments February 2024 - work ongoing and on target for due date Comments - May 2024 - To be delivered with Asset Mgt Plans - Nov. 2024 Comment - August 2024 To be delivered with Asset Mgt Plans - Nov. 2024
Transport Asset Management	May-22	AM06	<p>2.3 Governance and risk management frameworks.</p> <p>- The majority of effectiveness criteria per the IMM standards have been met. - There is a need to develop an Asset Management Strategy to provide greater cohesiveness of asset management across asset classes, and improve transparency over the prioritisation of strategies for continuous improvement of asset management maturity at an organisational level. - Asset management risks captured within the AMPs would benefit from annual updates to implementation status of treatment plans.</p>	<p>We recommend that;</p> <p>Rec 6: Develop a costed delivery plan for asset management improvement initiatives identified within the Asset Management Plans. Note: the prioritisation of initiatives should be guided by the principals of the Asset Management Strategy.</p>	High	In Progress	GM Assets & Delivery	30/06/2024 30/11/2024	Comments June 2022 - Progress in line with Target Completion Dates Comments September 2022 - Will be progressed in line with Target Completion Dates Comments March 2023 - Will be progressed in line with Target Completion Dates Comments June 2023 - work progressing to target due date Comments August 2023 - work progressing to target due date Comments October 2023 - working towards a costed delivery plan in alignment with the Asset Management Strategy Comments February 2024 - work ongoing and on target for due date Comments - May 2024 - Timeline realigned to be delivered with Asset Mgt Strategy & Asset Management Plans - Nov. 2024 Comment - August 2024 To be delivered with Asset Mgt Strategy & Asset Management Plans - Nov. 2024
Transport Asset Management	May-22	AM07		<p>We recommend that;</p> <p>Rec 7: Implement a 4-yearly Asset Management Maturity Self-Assessment process.</p>	Better Practice	In Progress	GM Assets & Delivery	30/06/2024 30/11/2024	Comments June 2022 - Progress in line with Target Completion Dates Comments September 2022 - Will be progressed in line with Target Completion Dates Comments March 2023 - Will be progressed in line with Target Completion Dates Comments June 2023 - work progressing to target due date Comments August 2023 - completed initial maturity assessment as part of AMS Comments October 2023 - working towards Asset Maturity Self-Assessment in alignment with asset management strategy Comments February 2024 - work ongoing and on target for due date Comments - May 2024 - Completed assessment as part of Asset Mgt Strategy. To be published with Asset Mgt Strategy - Nov.2024 Comment - August 2024 To be published with Asset Mgt Strategy & Asset Management Plans - Nov. 2024
Transport Asset Management	May-22	AM09	<p>2.4 Asset Management Systems.</p> <p>- Asset management systems used are fit for purpose. - Opportunities exist to work towards use of advanced system functionality, including thematic GIS mapping and scenario / predictive modelling to guide future decision making.</p>	<p>We recommend that;</p> <p>Rec 9: Pursue the use of Predictive / Scenario modelling to support long term strategic asset management decisions. Note: This is considered a longer-term improvement opportunity, with priority to be considered in the context of other asset management improvement initiatives determined via recommendations 1 and 7.</p>	Better Practice	In Progress	GM Assets & Delivery	30/11/2024	Comments June 2022 - Progress in line with Target Completion Dates Comments September 2022 - Will be progressed in line with Target Completion Dates Comments March 2023 - Will be progressed in line with Target Completion Dates Comments June 2023 - work progressing to target due date Comments August 2023 - work progressing to target due date Comments October 2023 - review this as part of the later asset management framework undertaking Comments February 2024 - will incorporate into upcoming elements of AMP reviews Comments - May 2024 - Will incorporate into upcoming elements of AMP reviews, undertaking basic scenario modelling to inform transport AMP. Comment - August 2024 To be delivered with Asset Mgt Strategy & Asset Management Plans - Nov. 2024
2022/23 Flood Mitigation	Feb-23	FM02	<p>2.2 Detailed Findings</p> <p>A need to stocktake progress in implementing SMP actions</p>	<p>We recommend that:</p> <p>Rec.2: - Conduct a stocktake of progress in implementing projects identified in the Stormwater Management Plan Coastal Catchments between Glenelg and Marino 2014 (SMP) and identify whether: - (i) sufficient action taken against these compared to associated risk. - (ii) whether sufficient financial resources associated to achieve CHB's expected progress in delivering the projects. - (iii) an action plan to ensure more timely progress is required, or - (iv) each project (considering updated flood risk modelling) is still required/considered a risk area.</p> <p>Report results to the Senior Leadership Team.</p>	Medium	In Progress	Manager Engineering	31/12/2023 30/06/2025	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will program in works when meeting with Manager Engineering later this quarter. Comments February 2024 - The SMP review to include this review, and provide recs. to reprioritise projects and funding. Remaining projects prior to renewal are Tarlton/Whyte stormwater upgrade, Gilbertson Gully restoration and Harrow Road GPT. Recommmend timeframe to change to 30/6/25, inline with SMP. Comments - May 2024 - Same comments as February 2024 Comment - August 2024 The SMP review to include this review, and provide recs. to reprioritise projects and funding - further details as above.

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2022/23 Flood Mitigation	Feb-23	FM03	2.3 Detailed Findings Further encouraging rainwater tank installation/stormwater compliance measures	We recommend that: Re. 3: - Develop a strategy to ensure existing and new rainwater and stormwater detention facilities are installed and maintained correctly. This in line with the Planning, Development and Infrastructure (2016) Act's requirements (as applicable), and CHB's Stormwater Drainage Building and Construction Policy (2020). This may include but is not limited to: (i) - researching/understanding the extent of non-compliance with detention tank installation and risks of non-compliance on stormwater flooding (ii) - confirming that tanks that meet criteria set out in the Code are installed. (iii) - requiring builders to advise owners of their responsibility to install tanks (where applicable). (iv) - offering further incentives associated with tank installation on existing properties (v) - use of education on the importance of installing tanks. (vi) - regular inspection of tank installation and detention installation. (vii) - use of an enforcement/penalty-based approach when tanks / detention are not installed as per approved plans.	Low	In Progress	Manager Engineering and Manager Development Services	30/06/2024 31/12/2024	Comments June 2023 - work not yet commenced - to be completed in time to inform the FY26/27 budget Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - A rainwater tank incentive trial was completed in 2022/23 to test uptake of rainwater tank improvements. Outcomes identified that grant incentives did not have the desired outcomes on a large scale. - Stormwater Drainage Building and Construction Policy is being reviewed prior to December 2024. - Compliance, installation, inspections are the responsibility of the Development team. Recommend timeframe to change to 30/12/24, inline with policy renewal. Comments - May 2024 - Same comments as February 2024 Comment - August 2024 Stormwater Drainage Building and Construction Policy is being reviewed prior to December 2024 - other areas under Dev.team as per above.
2022/23 Flood Mitigation	Feb-23	FM04	2.4 Detailed Findings Coastal 'inundation' management is long term, some need to clarify asset ownership	We recommend that: Rec.4: - Pending confirmation of whether ownership of seawalls rests with CHB or the SA Government, review whether: (i) - seawall assets should be included in the Asset Management Plan. (ii) - ongoing monitoring and maintenance of seawall infrastructure is captured adequately in CHB's asset management system.	Low	In Progress	Manager Engineering	30/06/2024 30/06/2025	Comments June 2023 - work not yet commenced - as part of the AMP update Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - Asset ownership of seawalls on a regional scale is being discussed through the 'SA Climate Ready Coasts' joint project by the LGA/SA Government/Councils. Outcome of program will include Coastal Adaptation Planning Standards for SA including consistency of governance such as asset ownership throughout the state. - Seawalls are to be excluded from AMP until ownership is resolved at a state level. - Design is continuing for the most at risk seawalls (Glennelg North). To be completed this FY. Recommend timeframe to change to 30/6/25, inline with timeline of the new standards. Comments - May 2024 - Same comments as February 2024 - above actions progressing. EMs workshop on topic - 18/06/2024 Comment - August 2024 EMs workshop completed 18/06/24. Above actions progressing.
2022/23 Flood Mitigation	Feb-23	FM07	2.6 Detailed Findings Operational maintenance of infrastructure occurs, some minor improvements identified	We recommend that: Rec. 8: Review the Yarrum Grove maintenance schedule and ensure that Field Services have oversight of these requirements.	Low	In Progress	Manager Engineering	30/06/2024 30/09/2024	Comments June 2023 - work not yet commenced - connect to the BMS and provide alarms/training for field staff Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - No progress on this action. Comments - May 2024 - Review has begun; - contacted key stakeholders to review existing maintenance practices and preferred structures. Comment - August 2024 Review ongoing - due for completion by due date.
2022/23 Complaints Handling	May-23	CH02	1.1 Detailed Findings CHB complaints handling framework vs. better practice principles	Recommendation 2: Create an internal procedure that details the complaint process workflows and provides step by step instructions to enable staff to understand expected complaint handling processes and to implement these processes consistently and effectively.	Medium	In Progress	Manager Customer Experience & Library Services	30/06/2023 30/09/2023 30/06/2024 30/09/2024	Comments August 2023 - draft in place, reviewing over next 2-3 months Comments October 2023 - draft in place, reviewing over next 2-3 months Comments February 2024 - draft internal procedure has been tested with CE Team and training plan being developed by 30/06/24 Comments - May 2024 - Training being developed for 30/06/2024 Comment - August 2024 Internal procedure draft developed, will test and also be used as a training aid. Review by end of 1st Quarter.
2022/23 Complaints Handling	May-23	CH05		Recommendation 5: Generate reports to enable review of CHB's complaint handling performance. This can include detail on complaint numbers, complaint by division, timeliness of resolution, and outstanding escalated complaints. Provide these reports to managers for review and discuss the findings as regular items on executive meeting agendas.	Medium	In Progress	Manager Customer Experience & Library Services	30/06/2023 30/09/2023 30/06/2024 30/09/2024	Comments August 2023 - partially implemented, meetings with Project Mgt team undertaken and now monitoring complaints handling data received over next quarter, this will enable progression of the recommendation. Comments October 2023 - partially implemented, meetings with Project Mgt team undertaken and now monitoring complaints handling data received over next quarter, this will enable progression of the rec. Provide 6 Monthly report in Jan2024. Comments February 2024 - meetings being held to progress and test data to provided a 6 monthly report by 30 June. Comments - May 2024 - Reports will be in place by 30/06/2024 Comment - August 2024 Reporting format being developed with Power BI, test during Quarter 1 .
2023/24 Procurement	Mar-24	PR02	2.1 Clarity of current procurement framework	Recommendation 2: Consider strengthening the Procurement Policy by: (i) - clarifying procurement-related roles and responsibilities within CHB, and (ii) - linking to clearer guidance about how to assess and manage procurement risk.	Medium	In Progress	Manager Strategy & Governance	31/08/2024	Comment - August 2024 Policy and Procedure are due for renewal mid 2024 and will b reviewed on schedule. This review will include consideration of how to improve policy compliance.
2023/24 Procurement	Mar-24	PR04	2.2 Efficiency and effectiveness of current procurement process	Recommendation 4: Consider ways to improve the efficiency around use of Purchase Orders. This may include: (i) - implementing further exemptions – instances where POs are not required (for example when a contract is in place or for regular purchases – utilities, legal, library) (ii) - raising the base threshold for when POs are required (iii) - educating staff about ways to use POs more efficiently. <i>Note – these are included as options only. Increasing the PO threshold can be considered on a risk/benefit basis and in conjunction with stronger oversight controls as per Recommendation 1.</i>	Medium	In Progress	Manager Finance	30/06/2024 30/09/2024	Comment - August 2024 Raising the base threshold for when POs are required is not favoured at this time, however, additional exemptions will be considered to improve efficiency.
2023/24 Procurement	Mar-24	PR05		Recommendation 5: Investigate implementing an invoice matching process, where Optical Character Recognition is used to automatically link invoices to Purchase Orders. This may help to reduce time in processing invoices before receipt.	Medium	In Progress	Manager Finance	30/06/2024 30/09/2024	Comment - August 2024 Agreed - This will be implemented subject to ICT feasibility. Oversight of the evaluation and decisions regarding implementation will be via the ICT Steering Committee/Project Oversight Committee.
2023/24 Procurement	Mar-24	PR06		Recommendation 6: Consider automating invoice approval, particularly for lower value invoices below a pre-determined threshold that can be matched to a Purchase Order. Goods/services must have already been receipted in the system.	Medium	In Progress	Manager Finance	30/06/2024 30/09/2024	Comment - August 2024 This will be considered further in the context of other available process improvements.

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2023/24 Procurement	Mar-24	PR08	2.3 Training and information availability	<p>Recommendation 8: Embed procurement training into training schedules (e.g. induction process, semi-regular updates) and provide regular procurement refresher training sessions for relevant staff. Training formats may vary and include:</p> <ul style="list-style-type: none"> - F2F training - 'lunch and learn' sessions - online, on-demand videos - step by step guides. <p><i>Note – both the mix and regularity of training provided can be determined by CHB</i></p>	Low	In Progress	Manager Strategy & Governance	31/10/2024	<p>Comment - August 2024</p> <p>An introduction to procurement principles is already provided as part of the employee induction, with an invitation to book a 1:1 session if purchasing activities are required by the role. However, refresher sessions for existing staff and Scribe self-guided lessons will be implemented to improve coverage and increase the learning and compliance opportunities.</p>
2023/24 Procurement	Mar-24	PR09		<p>Recommendation 9: Review procurement information available on Baywatch and:</p> <ul style="list-style-type: none"> - update with current tools, templates and guidance (e.g. raising a PO, procure to pay process steps) - ensure process guidance is in place for all procurement-related steps - remove documents/information that is no longer current. 	Low	In Progress	Manager Finance	<p>30/04/2024</p> <p>30/09/2024</p>	<p>Comment - August 2024</p> <p>Agreed</p>
2023/24 Procurement	Mar-24	PR10	2.4 Tech1 enhancements to improve user experience around payments	<p>Recommendation 10: Review the suggested Tech1 improvements list (included in Appendix 6) and develop a project plan to address these. Present the plan to the IT Steering Committee, with changes to be implemented as part of the team's overall workload.</p> <p><i>Report back on agreed actions to the Audit and Risk Committee.</i></p>	Low	In Progress	Manager Finance	31/10/2024	<p>Comment - August 2024</p> <p>Presentation for investment evaluation by October 2024, implementation as resources allow. This will be overseen by the ICT Steering Committee / Project Oversight Committee.</p>
2023/24 Procurement	Mar-24	PR12		<p>Recommendation 12: Reinforce to staff that POs should be created prior to the goods being received or the services being completed, and that exemption should be obtained if PO's cannot be approved prior to the receipt of the invoice.</p>	Medium	In Progress	Manager Finance	31/10/2024	<p>Comment - August 2024</p> <p>Already occurring but will be strengthened with procurement education to ensure that staff are confident in using appropriate techniques. Additional training materials are also being produced. Spot checks will continue to be undertaken and follow ups with staff will occur when required.</p>

Attachment 4c

Attachment 4c - Internal Audit - Not Yet Implemented

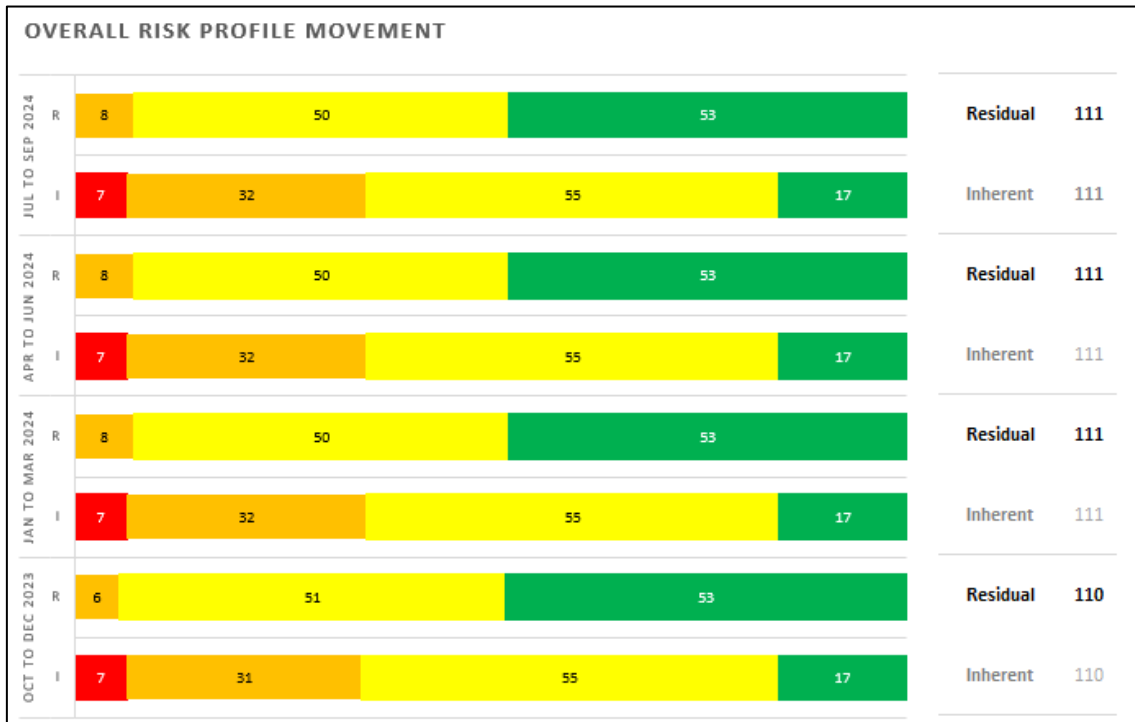
August 2024

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2022/23 Flood Mitigation	Feb-23	FM01	2.1 Detailed Findings A framework to manage flooding is in place, there's opportunity to review Stormwater Management Plan	We recommend that: Rec. 1: - After updated flood modelling/risk data is received from the State Government, review the Stormwater Management Plan. This can include updated action items/projects for achievement, based on the latest modelling data. Note – this recommendation will be dependent on agreement with the City of Marion and the Stormwater Management Authority.	Low	Not Yet Implemented	Manager Engineering	30/06/2026 30/06/2025	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will program in works when meeting with Manager Engineering later this quarter. Comments February 2024 - The Stormwater Management Plan has been proposed as a new initiative for 2024/25. With discussion with Marion, they have agreed to co-fund the project for 2024/25 if approved by Council. Comments - May 2024 - Same comments as February 2024 Comment - August 2024 The Stormwater Management Plan has been proposed as a new initiative for 2024/25 - awaiting Council approval.
2022/23 Flood Mitigation	Feb-23	FM05	2.5 Detailed findings Opportunity for proactive condition assessments and oversight of third parties	We recommend that: Rec. 6: - Develop an approach, for example via two-way liaison, to obtain assurance that Minda's current management of stormwater is effective. <i>Note: the intent of this recommendation is for CHB to have assurance that it will not be unexpectedly impacted by a failure in stormwater asset controls at Minda. Minda may also benefit from two-way discussion with CHB on this matter. If CHB attempt to open liaison and Minda is not forthcoming in engaging, then this recommendation will be considered closed.</i>	Medium	Not Yet Implemented	Manager Engineering and Manager Development Services	30/06/2024 30/06/2025	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - no progress on this action. Risk and criticality will be further explored in the SMP. Recommend timeframe to change to 30/6/25, inline with SMP. Comments - May 2024 - Same comments as February 2024 Comment - August 2024 Will discuss across both teams to determine best way forward within remaining timeframes.
2022/23 Flood Mitigation	Feb-23	FM06	2.6 Detailed Findings Operational maintenance of infrastructure occurs, some minor improvements identified	We recommend that: Rec.7: - Define the maintenance requirements for CHB's Water Sensitive Urban Design (WSUD) assets and plan an approach to ensure these are maintained in line with industry standards.	Low	Not Yet Implemented	Manager Field Services	30/06/2024 30/09/2024	Comments June 2023 - work not yet commenced - for implementation in FY 2024/25 budget Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - No progress on this action. Relatively low priority in comparison to other actions. Comments - May 2024 - Will review - relatively low priority in comparison to other actions. Comment - August 2024 Will review - relatively low priority in comparison to other actions.
2022/23 Flood Mitigation	Feb-23	FM08		We recommend that: Rec. 9: - Work to increase clarity around cost management of Gross Pollutant Traps, in particular: (i) - ensure that ongoing maintenance costs are included as part of forward planning for new GPTs, and (ii) - work to clarify cost recovery arrangements for GPT cleaning with the City of Marion.	Low	Not Yet Implemented	Manager Field Services	30/06/2024 30/09/2024	Comments June 2023 - work not yet commenced - noted as 'ongoing' - need to clarify Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - No progress on this action. Relatively low priority in comparison to other actions. Comments - May 2024 - Will review - relatively low priority in comparison to other actions. Comment - August 2024 Will review - relatively low priority in comparison to other actions.
2023/24 Procurement	Mar-24	PR13	2.6 Review of Contractor Management System (under development)	Recommendation 13: Consider implementing additional functionality to within the contractor management system to: - allow contractors to update their own records (e.g. licences, mandatory training, WHS details) within the system (monitored by Council staff), and - allow key users/teams to add contractors to the system, with governance/oversight by Procurement & Supplier Management Officer and Governance team as part of regular checking of amendments to supplier details.	Better Practice	Not Yet Implemented	Manager Finance	31/10/2024	Comment - August 2024 As resources allow - link in with Appendix 6 future functionality (Rec.10)
2023/24 Strategic Planning Alignment	May-24	STP02	3.2 A need to formalise governance, monitoring and reporting	Recommendation 2: Clarify governance arrangements around Strategic Plan, ownership of objectives and reporting. As part of work to develop monitoring/reporting and governance mechanisms to track progress against the Our Holdfast 2050+ Plan: - clarify roles/responsibilities for ownership and oversight of achievement against the Our Holdfast 2050+ Plan - ensure that ownership of each objective/ action is clearly allocated - ensure that progress is included as a standing agenda item at a relevant strategic meeting.	High	Not Yet Implemented	Corporate & Service Planning Lead and Manager Strategy & Governance	31/07/2024 30/09/2024	Comments - August 2024 Review will commence during coming weeks - extended timeframe required
2023/24 Strategic Planning Alignment	May-24	STP03		Recommendation 3: Include performance vs Strategic Plan as part of executive performance assessment. Consider more clearly reviewing performance against relevant parts of the Strategic Plan as part of executive performance discussions/ assessment.	Medium	Not Yet Implemented	Corporate & Service Planning Lead and Manager Strategy & Governance	31/07/2024 30/09/2024	Comments - August 2024 Review will commence during coming weeks - extended timeframe required
2023/24 Strategic Planning Alignment	May-24	STP04	3.3 Completeness of Strategic Framework	Recommendation 4: Timing of update of supporting strategic plans and alignment with the Strategic Plan. In future, consider coordinating the timing of update of Council's supporting strategic plans, so that the Our Holdfast strategy is adopted first, and that subsequent plans are updated and/or adopted subsequent to this. This may also help to enable more depth of alignment between the Our Holdfast strategy and supporting strategic plans. Note – some annual updates are legislatively required, however a plan may be developed to help ensure that, over time, the Our Holdfast strategy is finalised in advance of other strategic plans/sub-plans.	Medium	Not Yet Implemented	Corporate & Service Planning Lead and Manager Strategy & Governance	31/12/2024	Comments - August 2024 Not yet commenced

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2023/24 Strategic Planning Alignment	May-24	STP05		Recommendation 5: Clearly identifying where corporate performance will be documented and tracked. Work to more clearly identify where strategic goals for corporate performance will be documented (and tracked). This will for example cover the organisational initiatives required within CHB to help achieve the objectives of Strategic Plan. Eg in corporate plan. Stuart had comments here – ask for input. Reference resourcing strategy in the framework diagram.	Medium	Not Yet Implemented	Corporate & Service Planning Lead and Manager Strategy & Governance	31/12/2024	Comments - August 2024 Not yet commenced
2023/24 Strategic Planning Alignment	May-24	STP06	3.4 Finalising measures of success (KPIs)	Recommendation 6: Continuing work in relation to key performance indicators/measures of success. Continue work to ensure that 'SMART' (Specific, Measurable, Attainable and action oriented, Relevant and Time-bound) measures are in place for objectives in the Our Holdfast 2050+ Strategic Plan, flowing through to Corporate Plan and other relevant strategies. In addition, work to progress an internal (less formal) understanding of how CHB will measure success towards other 'aspirations' included in the Strategy beyond 2030.	Medium	Not Yet Implemented	Corporate & Service Planning Lead and Manager Strategy & Governance	31/12/2024	Comments - August 2024 Not yet commenced
2023/24 Strategic Planning Alignment	May-24	STP07	3.5 Linkage between Strategic Plan and Annual Business Plan	Recommendation 7: Strengthen linkage between Strategic Plan and Annual Business Plan. Work to strengthen the link between the Strategic Plan and ABP. For example: - agree which objectives will be reported against each year (some may not be scheduled until future years) - track success against KPIs. <i>Note – this clearer report on progress will be after clarification of smart measures/KPIs as outlined in Recommendation 5.</i>	Medium	Not Yet Implemented	Corporate & Service Planning Lead and Manager Strategy & Governance	31/01/2025	Comments - August 2024 Not yet commenced
2023/24 Strategic Planning Alignment	May-24	STP08	3.6 Prioritisation Framework and linkage to Strategic Objectives	Recommendation 8: Consider mandatory alignment between Prioritisation Framework and Strategic Plan. Aim to strengthen the support of the Strategic Plan via the Prioritisation Framework by: - considering making alignment with the Strategic Plan a mandatory criterion of the Framework - conducting a post-implementation review to assess whether funded projects sufficiently align to the objectives and initiatives outlined in the Strategic Plan. <i>Nb – this recommendation is included in recognition that the Strategic Plan is intended as Council's highest-level strategic document.</i>	Medium	Not Yet Implemented	Corporate & Service Planning Lead and Manager Strategy & Governance	31/10/2024	Comments - August 2024 Not yet commenced
2023/24 Strategic Planning Alignment	May-24	STP09	3.7 Legislative compliance	Recommendation 9: Clearly demonstrating compliance with more administrative/minor elements of s.122 of the Local Government Act. Aim to achieve clearer compliance with minor administrative elements of s122 Act. These may, for example, be addressed in attachments to the next iteration of the Our Holdfast 2050+ Strategic Plan. Nb: A list of relevant elements is in Appendix 6 - as follows; - 1(a)(i) There is a clear indication of the extent to which the council has participated with other councils, State and national governments in setting public policy objectives. [Partial] - 1(a)(iii) There is a clear indication of the extent to which the council intends to coordinate with State and national governments and councils or other regional bodies in the planning and delivery of services where there is common interest. [Partial] - 2(a) SMP should address the strategic planning issues within the area of Council, with reference to any relevant state planning policy or regional plan under the Planning, Development and Infrastructure Act 2016, and set out Council's priorities for the implementation of planning policies. [No]	Low	Not Yet Implemented	Corporate & Service Planning Lead and Manager Strategy & Governance	30/11/2024	Comments - August 2024 Not yet commenced
2023/24 Carbon Neutral Plan Audit	Jun-24	2.1	Summary of Progress	Recommendation 1: To assist in strengthening transparency around the progress made against the initiatives within the Carbon Neutral Plan, integrate Carbon Neutral Plan initiative progress reporting to the agenda of a relevant committee/team.	Low	Not Yet Implemented	Manager Engineering	31/12/2024	Comments - August 2024 Not yet commenced
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2	Outstanding Initiatives	Recommendation 2: To ensure budget is available to action the approved transition to EV vehicles, include anticipated costs of EV charging stations in future iterations of the LTFP and align the timing of these costs with the Transport Asset Management Plan.	Low	Not Yet Implemented	Manager Engineering	30/06/2025	Comments - August 2024 Not yet commenced
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2		Recommendation 3: Amend the target for implementation of EV charging stations to more accurately reflect the need associated with the gradual transition to EVs as per the Fleet Transition Plan. Report and agree on this target with relevant governance/oversight committee.	Low	Not Yet Implemented	Manager Engineering	31/03/2025	Comments - August 2024 Not yet commenced
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2		Recommendation 4: Continue work to achieve a clear approach to how CHB will report on Council's emissions. Ensure this reporting is included in relevant future Council reports.	Low	Not Yet Implemented	Manager Engineering	30/06/2025	Comments - August 2024 Not yet commenced

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2		<p>Recommendation 5: Work to develop a clearer approach to how CHB will:</p> <ul style="list-style-type: none"> - reduce supply chain emissions, and - reduce road and infrastructure emissions. <p>Ensure that progress is included in regular reporting against the CNP, as identified in Recommendation 1.</p> <p>Note - CHB may benefit from the initiatives/actions of the Resilient South Group's projects/plans, and/or be able to utilise the information/guidance provided by Resilient South regarding reducing supply both chain emissions and asset-related emissions, once available.</p>	Low	Not Yet Implemented	Manager Engineering	30/06/2025	<p>Comments - August 2024 Not yet commenced</p>
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2		<p>Recommendation 6: Work to implement a community energy program.</p> <p>Note – resourcing will likely be required to assist in planning/achieving this initiative and may need to be budgeted. Internal Audit understand that there is opportunity to leverage learnings from other councils.</p>	Low	Not Yet Implemented	Manager Engineering	30/06/2026	<p>Comments - August 2024 Not yet commenced - pending funding within the Annual Business Plan</p>

Table 2: Overall Risk Profile Movement – 12 months to September 2024



Review of Strategic Risks

Work has commenced on a review of the content, format and focus of the strategic risk register, which currently consists of 20 risks.

Referenced during the July quarterly Senior Leadership Team (SLT) risk discussion, it was noted that this review needs to be a robust process, considering all risks currently identified and probing any new risk areas for potential inclusion. This will then provide the most accurate and relevant risk management alignment for decision making and the business going forwards.

The initial phase will be to consider those risks with a strategic and external focus across the business. From the current strategic risk register, these risk areas would include but are not limited to:

- Lack of strategic alignment
- Poor or ineffective management of the impacts of climate change
- Poor or ineffective community service delivery
- Failure to appropriately engage the broader community and stakeholders
- Poor or ineffective customer service delivery
- Poor or inadequate Economic Development and Tourism Management
- Failure to adequately consider Emergency Management planning, preparation, response and recovery, and
- Inability to sustainably provide aged care services to the community consistent with the requirements of the Aged Care Quality and Safety Commission.

The next phase will be to review the remaining risks with a strategic and internal focus across the business. From the current strategic risk register, these risk areas would include but are not limited to:

- Inability to implement appropriate controls to manage changes to Local Government reform
- Inability to respond and recover effectively from disruptive events
- Poor or ineffective planning systems and processes
- Staff, contractor or volunteer death or serious injury OR subject to physical, sexual, emotional or psychological abuse
- Inadequate utilisation of information technology to support service delivery
- Poor or ineffective workforce planning, including recruitment and retention
- Inability to effectively implement strategic projects
- Poor or ineffective budget development and management
- Poor or ineffective management of legislative and regulatory obligations and ongoing changes
- Inability of current staff profile to transform the organisation
- Prevention of risk or harm to children, young and vulnerable people, and
- Insufficient or ineffective Asset Management Planning

These will be considered and either updated to a secondary, internal tier of the strategic risk register or, if considered more relevant, will become risks within operational risk registers.

Once the strategic risk register has been fully reviewed, the revised format will then enable tailored risk management training for the Leadership Team to further embed into daily activities and related decision making. Additional training will be rolled out to all staff currently identified in the corporate Training Needs Analysis.

The full register detail for 'Strategic and High-Level Operational Risk' is presented for noting and is provided for members' information.

Refer Attachment 1

Strategic and 'Extreme/High' Rated Operational Risk Reviews – 2024-25 Q1

Risks with a HIGH residual risk rating in either the strategic risk register or the operational risk register are summarised in Table 3.

Table 3 – Risks with Current Rating of HIGH – July to September 2024

	I	R	T
Strategic Risk SC01 Inability to respond and recover effectively from disruptive events. <i>Business Continuity Plans updated, and exercise scheduled for August 2024.</i>	E	H	M
Strategic Risk SC07 Inability to effectively implement strategic projects. <i>Monitoring feedback re impact on 2024-25 rates & enhancements at Jetty Road.</i>	E	H	M
Strategic Risk SC09 Ineffective management of legislative/regulatory obligations & ongoing changes <i>Raised uncertainties - LGA Reforms, Elected Members & Administration.</i>	E	H	M
Strategic Risk AD01 Poor or ineffective management of the impacts of climate change <i>Addressed actively at local and metropolitan level - a long-term high risk issue.</i>	E	H	M

	I	R	T
Operational Risk: AM02 Asset Management Plans with high-risk actions (to be completed within 1 year) <i>Asset Mgt Strategy & Plans being finalised – November 2024.</i>	H	H	M
Operational Risk: AM03 Asset Management Plans with high-risk actions (to be completed within 2 year) <i>Asset Mgt Strategy & Plans being finalised – November 2024.</i>	H	H	M
Operational Risk: AM04 Asset Management Plans with high-risk actions (to be completed within 4 year) <i>Asset Mgt Strategy & Plans being finalised – November 2024.</i>	H	H	M
Operational Risk: MA03 Failure of work scheduling processes - <i>Field Services</i> <i>Review across increased workload, expectation & delivery pressures.</i>	H	H	M

New/Emerging Risks and Opportunities

Risk and opportunity discussions were held with SLT during early July 2024. These discussions detailed a quarterly review of new and/or emerging risks, including areas previously identified in order to consider them for inclusion in the strategic and/or operational risk registers.

As a result, the discussion identified the additional issues aligning to the following existing risk:

Expansion of Jetty Road, Glenelg – linked to strategic risk SC07.

- Overseen by the Project Management Committee and being closely monitored as a major project, linked to local economic risk, revenue loss and key reputation risk, with an impact on rates for local ratepayers.
- As a result of the recent 2024-25 rate rise declaration, there has been an increased volume of community feedback.
- In the majority of cases, the feedback relates directly to the 2.3% rate increase attributed to the costs of the Jetty Road, Glenelg expansion.
- This is currently being handled positively with transparent communication and will be actively monitored and managed over coming months.

The remaining SLT discussion provided a focus on key risk management items within the annual work program as detailed below.

2024-25 Work Program

In addition to the regular risk reviews and SLT discussion sessions, the risk management work program for 2024-25 will cover the following:

- **Business Continuity** – facilitation of a desktop exercise session to allow new members of the Crisis Management Team to familiarise themselves with existing team members, team resources and to run through two alternative business continuity scenarios.
- **National Local Government Vulnerability Program** – a review to be undertaken of one of the four pillars identified within the City of Holdfast Bay program (drafted in July 2023, following last year’s workshop). The pillars are identified as; financial environment, built environment, natural environment or community/social environment.

- **Strategic and Operational Risk Register Reviews;** ongoing review across both registers and the business over coming months.
- **Risk Appetite setting** - facilitation of an Elected Member workshop later in the year to identify and set the corporate 'Risk Appetite.'
- **RelianSys - Rollout to Senior Leadership Team**
Individual meetings to be set up with senior leaders to demonstrate how the risk data has been loaded into RelianSys and how to extract it via the reporting functionality.

2023 JLT Risk Survey for Local Government

Each year JLT issue a ranking of Local Government risks, the 2023 rankings have been released and are as follows,

Risk	Detail
1	Financial Sustainability
2	Cyber Security
3	Assets and infrastructure
4	Climate Change
5	Disaster and Catastrophe
6	People and Culture
7	Business Continuity
8	Ineffective Governance
9	Statutory/ Regulation
10	Waste Management
11	Reputation Risks
12	Liability Claims

Greater detail is provided via their attached report extract.

Refer Attachment 2

Budget

There are no budget implications associated with this report.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Risk Management Policy

Statutory Provisions

Not applicable

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

Attachment 1																	City of Holdfast & Alwyndor Risk Register - Strategic & High Risk Level										August 2024		
Last Review Date	Risk ID	Strategic/Operational	Risk Type	Risk Category	Risk Description	Consequences	Risk Manager	Causes	Inherent Risk			Controls Description	Residual Risk			Target Risk			Additional controls Further treatments/actions										
									Consequence	Likelihood	Risk Rating		Consequence	Likelihood	Risk Rating	Consequence	Likelihood	Risk Rating											
August/September 2024	SC05	Governance, Legal & Compliance	Strategic - External	Effective Governance	Lack of strategic alignment	Service Delivery, Financial/Infrastructure, Reputation, Environmental/Cultural	General Manager Strategy and Governance	1.Increased service demands/delivery; need to be agile 2.Low risk appetite for alternative service options 3.Hard to measure performance outcomes vs outputs	Major	Possible	High	1.Experienced/qualified staff overseeing strategy/governance process 2.Membership on LG related Strategic and Governance networks 3.Related policies, procedures and processes 4.Strategic Plan review working group 5.Benchmarking groups - access to key governance data	Moderate	Unlikely	Medium	Moderate	Unlikely	Medium	1. Present strategic overview ('Our Holdfast 2050+etc...') to new EMs 2. Draft and finalise CHB Corporate Plan 3. Review Business Plans to ensure alignment to Corporate Plan										
August/September 2024	AD01	Environmental & Coast	Strategic - External	Environment	Poor or ineffective management of the impacts of climate change	Environmental/Cultural Reputation Financial/Infrastructure	General Manager Assets and Delivery	1. Lack of focus for environmental/climate change 2. Lack of budget capacity for environmental issues 3. Poor Community engagement on environmental issues	Catastrophic	Likely	Extreme	1.Resilient South Regional Climate Partnership 2.Environment Strategy & Implementation Plan 3.Waste Management Policy inc diversion to recycling & organics 4.Tree Management Policy and Street tree audit 5.Specialist trained staff/externally funded Urban Greening Officer	Catastrophic	Possible	High	Major	Unlikely	Medium	1.Implement Resilient South Local Action Plan 2.Develop Regional Climate Action Plan 3.Develop a carbon neutral plan/strategy to achieve 2030 target										
August/September 2024	CB01	Poor or ineffective Community Service delivery	Strategic - External	Community Service	Poor or ineffective Community Service delivery	Service Delivery Financial/Infrastructure Environmental/Cultural	General Manager Community and Business	1. Significant range of services and increasing demand 2. Decreasing State and Federal services/funding 3. COVID pandemic impacts	Major	Possible	High	1.Policy, procedure & processes 2.Qualified/specialist staff 3.Community Engagement strategies 4.Play Space action plan 5.Website events/activities calendar	Major	Unlikely	Medium	Major	Unlikely	Medium	1.Measure engagement participants per year 2.Monitor no. of new/retaining mixed use developments 3.Scope current/potential CHB building usage stats										
August/September 2024	CB02	External Communications	Strategic - External	Growth and Prosperity	Failure to appropriately engage the broader community and stakeholders	Service Delivery Environmental/Cultural Reputation	General Manager Community and Business	1.Lack of appropriate engagement/informing community 2.Disproportionate vocal minority 3.Inconsistent approach to stakeholder management	Moderate	Possible	Medium	1.Communications Strategy 2030 2.Qualified/specialised staff 3.Policy & procedures for Communications & Engagement 4.Website training programs 5.Regular 1:1 support for project managers	Moderate	Unlikely	Low	Moderate	Rare	Low	1.Implement actions from Stakeholder Management audit 2.Review project management communications/external engagement 3.Review engagement documentation - with Strategy & Governance										
August/September 2024	CB03	Service Delivery	Strategic - External	Customer Service	Poor or ineffective customer service delivery	Service Delivery, Reputation, Environmental/Cultural	General Manager Community and Business	1.Lack of customer-centric design 2.Lack of customer focus, especially post COVID 3.Inadequate IT support systems/processes for efficient/effective customer service	Moderate	Likely	High	1.Experienced/qualified customer service staff 2.Cross Council service standards for customer experience 3.Benchmarking and service information from LG network groups 4.Customer experience strategy 5.Service level performance key measures	Moderate	Unlikely	Medium	Minor	Unlikely	Low	1.Develop a Customer Service Charter/Service Statement. 2.Undertake Customer Experience surveys to reconnect post COVID 3.Review and implement findings as illustrated by survey results										
August/September 2024	CB05	Economic Development	Strategic - External	Service Delivery	Poor or inadequate Economic Development and Tourism Management	Financial/Infrastructure, Service Delivery, Environmental/Cultural, Reputation	General Manager Community and Business	1.Outdated Tourism Policy/Plan 2.Lack of Social Inclusion/Access and Inclusion Plan 3.Lack of effective traffic mgmt. strategies/transport issues	Major	Possible	High	1.Membership of Regional Tourism Boards 2.Networking with tourism organisations 3.Qualified/experienced staff 4.Tourism Destination Action Plan 5.Regional Destination Action Plan	Major	Unlikely	Medium	Major	Unlikely	Medium	1.Ensure LTFP is updated with economic dev funding detail 2.Factfind from tourism group activity levels for coming Summer 3.Draft tourism events calendar with COVID 'Plan B' capabilities										
August/September 2024	AD03	Community Safety	Strategic - External	Emergency Management	Failure to adequately consider Emergency Management planning, preparation, response and recovery	Reputation Legal/Regulatory/Policy Service Delivery	General Manager Strategy and Governance	1.Disruptive events 2.Flooding/heat related emergencies 3.Climate change/Environmental factors	Major	Almost Certain	Extreme	1.Crisis and Incident Management Plan 2.Business Continuity Plan 3.Incident Management training 4.Southern Region Zone Partnership (CoMa/CoMi/CoO)	Major	Unlikely	Medium	Major	Unlikely	Medium	1. Emergency sand bags/flood signage/disaster mgt kits @ depot 2.Member attend Resilient South Emergency Mgt meetings 3.Review website to ensure Community infopages are updated										
August/September 2024	AL01	Aged Care	Strategic - External	Community Health and Wellbeing	Inability to sustainably provide aged care services to the community consistent with the requirements of the ACQS.	Legal/Regulatory/Policy Service Delivery Financial/Infrastructure Reputation	General Manager Alwyndor	1.Significant operation with \$20m turnover/250 staff 2. Operates with multiple other Allied Health services 3.Lack of defined/inadequate policies and procedures	Major	Possible	High	1.Onsite management and support from Alwyndor Mgt Board 2.Specialised/trained staff 3.Additional staffing available via contracted services 4.Policies, procedures and processes 5.Aged Care Service standards	Major	Unlikely	Medium	Major	Unlikely	Medium	1.Support services staff review 2.Staff skills audit 3.Benchmark services against lead aged care industry providers										
August/September 2024	CE01	Governance, Legal & Compliance	Strategic - Internal	Effective Governance	Inability to implement appropriate controls to manage changes to Local Government reform	Legal/Regulatory/Policy, People, Financial/Infrastructure, Reputation	Chief Executive Officer	1. Significant LG changes are ongoing 2. General rate/revenue pressures from State Govt. 3. Disatisfaction with Boundary Reform process	Major	Possible	High	1.Membership of Local Government Association 2.Qualified/Specialised support staff for CEO office 3.LGRS suite of LG Insurances (PSSI) 4.Localised partnerships across various levels with neighbouring councils 5.Relevant suite of policies and procedures	Major	Unlikely	Medium	Major	Unlikely	Medium	1.Implement caretaker process during pre-election period 2. Schedule mandatory training for Elected Members post election 3. Review skills/provide training for newly appointed Elected Members.										
August/September 2024	SC01	Community Safety	Strategic - Internal	Disruptive events	Inability to respond and recover effectively from disruptive events	Reputation Legal/Regulatory/Policy Service Delivery	General Manager Strategy and Governance	1.Cyber Security/hacking 2.Disruptive events 3.Climate change/Environmental factors	Major	Almost Certain	Extreme	1.Crisis and Incident Management Plan 2.Business Continuity Plan 3.Incident Management training 4.Southern Region IM Partnership (CoMa/CoMi/CoO)	Major	Possible	High	Major	Unlikely	Medium	1.Consider feedback/input as part of consultation of new OPTI system 2.Identify member to attend Resilient South Emergency Mgt meetings 3.Review website to ensure Community infopages are updated										
August/September 2024	SC02	Place Making	Strategic - Internal	Growth and Prosperity	Poor or ineffective planning systems and processes	Legal/Regulatory/Policy Service Delivery Reputation	General Manager Strategy and Governance	1. Planning reform impacts reducing Council's influence 2. Priorities/targets to increase tree coverage impacting on Council planning 3. Loss of knowledge	Major	Likely	Extreme	1.Planning legislation and guidelines 2.Qualified/Specialist staff 3.Effective Planning and Development application process 4.Regulated policies and procedures 5.Assessments sampled/reviewed by supervisor	Moderate	Possible	Medium	Moderate	Unlikely	Medium	1. Implementation of 2021/22 audit recommendations 2. Internal Audit to review Planning reform implementation 3. Review training requirements of team members										
August/September 2024	SC03	Workplace Culture	Strategic - Internal	People & Culture (incl. WHS)	Staff, contractor or volunteer death or serious injury OR subject to physical, sexual, emotional or psychological abuse	People Reputation Legal/Regulatory/Policy	General Manager Strategy and Governance	1.Physical, sexual, emotional or psychological abuse 2.Unqualified staff 3.Lack of appropriate training	Catastrophic	Possible	High	1.WHS Strategic Plan and Programs 2.Qualified/Specialised staff 3.Regular appraisal systems 4.Skills audits/Training Needs Analysis (TNA) 5.Published training program	Catastrophic	Rare	Medium	Catastrophic	Rare	Medium	1.Support finalisation of 2021/22 EA renewal process 2.Update policy documentation as required 3.Rolout new Fair Treatment procedures at Depot										
August/September 2024	SC04	Governance, Legal & Compliance	Strategic - Internal	Innovation and Business Support	Inadequate utilisation of information technology to support service delivery	Service Delivery, Environmental/Cultural, Project, Legal/Regulatory/Policy, People	General Manager Strategy and Governance	1. Inadequate approach to data governance/security 2.Failure of significant/SMART city concepts/opportunities 3.Council's needs fail to align with vendor functionality	Major	Likely	Extreme	1.Information Management Governance Committee 2.Secure working practices in line with ISO 27001 Info Security Mgt Systems 3.Networking partnerships with neighbouring/metro Council areas 4.Qualified / Specialised staff 5.Vendor agreements/ preferred contractors for third party services	Moderate	Possible	Medium	Moderate	Possible	Medium	1. Implement 2021/22 Cyber Security audit actions 2. Implement identified user security inc MFA at Council & Alwyndor 3. Review feasibility of resources/deliverables & advise IT Mgt Gp.										
August/September 2024	SC06	People & Culture (incl. WHS)	Strategic - Internal	Workforce Planning	Poor or ineffective workforce planning, including recruitment and retention.	People Legal/Regulatory/Policy Reputation Financial/Infrastructure	General Manager Strategy and Governance	1. Inadequate workforce planning inc post COVID pressures 2.Poor comms. re. Aged Care legislative/regulatory change 3.Poor and ineffective recruitment decisions	Catastrophic	Possible	High	1.Organisational Development Policy 2.Recruitment and Selection Procedures 3.Background Screening & Reporting Procedures. 4.People & Culture Service Standards. 5.Quality Working Culture Policy.	Major	Rare	Medium	Major	Rare	Medium	1.Support finalisation of 2021/22 EA renewal process 2.Draft a Compliance Policy & Framework 3.Undertake gap analysis across current skills audit data										
August/September 2024	SC07	Service Delivery	Strategic - Internal	Project delivery	Inability to effectively implement strategic projects	Financial/Infrastructure, Service Delivery, Reputation, Environmental/Cultural	General Manager Strategy and Governance	1.Increased volume and complexity of projects 2. Iagided stakeholder interest in major project outcomes 3.Decentralised approach to project management	Major	Likely	High	1.Project Management Board meetings and oversight 2.Project Management Framework and templates 3.Qualified /specialised staff managing project progress 4.Annual budget management process 5.Grant funding reporting and verification process	Major	Possible	High	Moderate	Unlikely	Medium	1.Enhance project management reporting templates 2.Scope/design group training or online training module 3.Devise training module and/or online module to deliver required detail										
August/September 2024	SC08	Financial	Strategic - Internal	Effective Governance	Poor or ineffective budget development and management	Financial/Infrastructure, Legal/Regulatory/Policy, Reputation	General Manager Strategy and Governance	1.Lack of zero based budgeting aligned with strategy 2. Insufficient budget for development of new assets 3. Difficult to understand full cost of individual services	Major	Possible	High	1.Qualified/experienced/ specialised staff 2.Financial regulatory/Accounting standards 3.Internal policies, procedures, processes 4.Regular external and internal system audits 5.Budget Setting, Management & Reporting	Major	Unlikely	Medium	Major	Unlikely	Medium	1. Scope & implement zero based budgeting as required 2. Ensure capital accounting adequately allocated for new assets 3.Ensure inclusion of strategic option/variations in LTFP process										
August/September 2024	SC09	Governance, Legal & Compliance	Strategic - Internal	Effective Governance	Poor or ineffective management of legislative and regulatory obligations and ongoing changes	Legal/Regulatory/Policy, Service Delivery, Financial/Infrastructure, Reputation	General Manager Strategy and Governance	1.Poor comms. re. legislative/regulatory change 2. Insufficient resources/skills/accurate data & cost information 3.Lack of compliance framework/understanding for risks	Major	Almost Certain	Extreme	1.Reference to LGA 1999 Act & regulations 2.LGA Governance networking group 3.Qualified / experienced staff 4.Compliance Register - Council 5.Governance policy, procedure and processes	Major	Possible	High	Major	Rare	Medium	1. Review and update Compliance Register 2. Draft a Compliance Policy & Framework 3. Provide Compliance training for staff as relevant										
August/September 2024	SC10	Workforce Planning	Strategic - Internal	People & Culture (incl. WHS)	Inability of current staff profile to transform the organisation	People, Service Delivery, Legal/Regulatory/Policy, Reputation	General Manager Strategy and Governance	1.Lack of innovative/dynamic organisational direction 2.Poor capability/capacity for organisational transformation 3.Lack of skills/training to support staff to build change/agle skills	Major	Possible	High	1.HR policy and procedures 2.Training Needs Analysis (TNA) & corporate training program 3.Organisational structures and skills audits 4.Vacancy Management 5.Succession Planning	Major	Unlikely	Medium	Major	Unlikely	Medium	1.Align strategic plans to organisation structure to ensure capacity 2.Benchmark similar Councils re their strategic planning process 3. Ensure 'key worker' risk/succession planning is updated & mapped.										
August/September 2024	SC11	Workforce Planning	Strategic - Internal	People & Culture (incl. WHS)	Prevention of risk or harm to children, young and vulnerable people	People, Service Delivery, Reputation, Environmental/Cultural	General Manager Strategy and Governance	1.'Poor recruitment 2.Failure to adequately undertake staff checks/ screening 3. Inadequate level of training	Catastrophic	Likely	Extreme	1.Background Screening & Reporting Procedures 2.Training Needs Analysis (TNA) details training per position. 3.Required training undertaken for existing related positions. 4.Appropriate screening checks undertaken as part of recruitment process.	Major	Rare	Medium	Major	Rare	Medium	1.Undertake TNA reconciliation to skills source docs. 2.Identified staff to acknowledge 'Children & Vulnerable People' req'mts. 3.Ensure required screening checks are undertaken as relevant										
August/September 2024	AD02	Place Making	Strategic - Internal	Growth and Prosperity	Insufficient or ineffective Asset Management Planning	Service Delivery Environmental/Cultural Financial/Infrastructure Reputation	General Manager Assets and Delivery	1.Insufficient resources/skills/accurate data & cost information, 2. Inadequate level of correct data analysis 3.Lack of commitment by SLT and EMs to drive asset management	Major	Likely	High	1.Place making Strategies guiding future asset investment/design 2. Asset management policy, AMPs and related procedures 3. Capital accounting & project management programs 4. Specialist/trained staff 5. Regular training to align with legislation	Major	Unlikely	Medium	Major	Unlikely	Medium	1.Asset Management Audit actions 2. Recruit staff to team vacancies 3.Update asset related policies and procedures for 2022/23										
March 2023	81	Business Impact	Operational	Asset Management	Asset Management Plans with high and very high risk actions with actions to be completed in within 1 year	Service Delivery, Financial/Infrastructure, Reputation, Environmental/Cultural	General Manager Assets and Delivery	1. Inadequate priority planning currently in place 2. Insufficient resources/skills/accurate data & cost information, 3.Inadequate level of correct data analysis	Major	Likely	High	1.Trained teams/specialist staff 2.Adequate vehicles, tools & skills in place 3.Training Needs Analysis (TNA) data base 4.Established maintenance schedule data 5. SOPs/SSAPs/User Reference Documentation	Major	Possible	High	Major	Unlikely	Medium	1. Develop an Internal AMS to inform AMPs. 2. Review survey to inform community LOS as required to inform next AMP. 3. Introduce review timetable via annual updates to the AMP development.										
March 2023	82	Business Impact	Operational	Asset Management	Asset Management Plans with high and very high risk actions with actions to be completed in within 2 years	Service Delivery, Financial/Infrastructure, Reputation, Environmental/Cultural	General Manager Assets and Delivery	1. Inadequate priority planning currently in place 2. Insufficient resources/skills/accurate data & cost information, 3.Inadequate level of correct data analysis	Major	Likely	High	1.Trained teams/specialist staff 2.Adequate vehicles, tools & skills in place 3.Training Needs Analysis (TNA) data base 4.Established maintenance schedule data 5. SOPs/SSAPs/User Reference Documentation	Major	Possible	High	Major	Unlikely	Medium	1. Update asset category rates via revaluation sysle, next AMP update/ reconcile replacement costs 2. Revise the valuation date/line to 01/07 - to commence 2022/23 with Open Space. 3. Develop costed improvement plan with AMS.										
March 2023	83	Business Impact	Operational	Asset Management	Asset Management Plans with high and very high risk actions with actions to be completed in within 4 years	Service Delivery, Financial/Infrastructure, Reputation, Environmental/Cultural	General Manager Assets and Delivery	1. Inadequate priority planning currently in place 2. Insufficient resources/skills/accurate data & cost information, 3.Inadequate level of correct data analysis	Major	Likely	High	1.Trained teams/specialist staff 2.Adequate vehicles, tools & skills in place 3.Training Needs Analysis (TNA) data base 4.Established maintenance schedule data 5. SOPs/SSAPs/User Reference Documentation	Major	Possible	High	Major	Unlikely	Medium	1. Undertake assessment with AMS and schedule every 4 years. 2. Investigate the use of thematic GIS mapping to support decision making. 3. Long term goal, asset data maturity to be in place to inform the strategic modelling. Aim to undertake some predictive/scenario modelling to inform the next Transport AMP.										
March 2023	110	Events Management (formerly CB04)	Operational	Service Delivery	Inability to deliver a sustainable events calendar	Service Delivery, Environmental/Cultural, Financial/Infrastructure, Reputation,	General Manager Community and Business	1. High volume of events - raised community expectation 2.Demand/Pressures of open space management 3.Increased no. of events impacts community safety	Major	Possible	High	1. Qualified/specialised staff 2. Established events program 3.Event management policy, strategy, procedure & process 4.Partnership with local groups - Jetty Road Mainstreet etc 5.Stakeholder communication process	Moderate	Possible	Medium	Moderate	Possible	Medium	1.Undertake event organiser survey to gauge post COVID needs 2.Benchmark event organisers to identify key review areas post COVID 3.Review target markets - domestic/overseas/package/independents 4. Internal process improvement - event traffic management 5. DAP 6. Endorse RT DAP Councils/Tourism Recovery Plan										

Attachment 2

AUSTRALIAN LOCAL GOVERNMENT RISK RANKINGS FROM THE 2023 JLT RISK SURVEY

FINANCIAL SUSTAINABILITY



The significant impact of past events, as well as the interconnectedness of risks, collectively contribute to financial pressure for councils. This, in turn, affects their bottom line and financial sustainability, ultimately impacting their ability to effectively serve their communities.

1



4

CLIMATE CHANGE

Climate change is increasingly causing physical and transitional risks to councils. These risks result in significant impacts on business and function, and the insufficient disaster recovery costs undermine the ability for Councils and their communities to recover quickly. This in turn leads to councils being unable to satisfy the needs of the community and meet their expectations.



5

DISASTER & CATASTROPHE

The increase and continual impact of disasters such as floods, bushfires and cyclones significantly impact councils. This is being compounded by the effects of climate change. With limited funds provided to Local Government to mitigate the effects of events on their assets & infrastructure, councils remain wary.



CYBER SECURITY

The risk of a cyber incident is pervasive across all sectors, including local government. Recognising the potential impact an ICT outage, cyber-attack or ransomware can have on a council and its constituents showcases a growing emphasis on enhancing the protection of systems and data.

2

PEOPLE & CULTURE



Councils continue to struggle with attracting and maintaining professional staff. This is made more challenging as they compete with market costs that their funding from the State and Federal Governments and rates do not provide for. Unsafe workplaces from bullying and harassment from frustrated community members is a rising concern.

6



ASSETS & INFRASTRUCTURE

The breadth, diversity and scale of the Assets & Infrastructure portfolios managed by local government is immense and varied. The capacity to finance building or maintaining Assets & Infrastructure is a significant issue for councils, along with the cost of upgrading or repairing. Over the past two years, inflation has been a considerable impact to maintain or upgrade/replace assets.

3



BUSINESS CONTINUITY



Local governments have been significantly affected by business interruptions caused by a range of events, including the many and too-frequent natural disasters of unprecedented severity, the increasing incidents or threats of Cyber-attacks and the continued ripples of the COVID-19 pandemic. These disruptions have had a significant impact on the operations and finances of local government.

7



WASTE MANAGEMENT

Increased expectations to reimagine the waste management process creating better practices and sustainability pose substantial challenges for the public sector, encompassing issues of financial capacity, environmental sustainability, resource allocation and public health as well as high-risk activity with challenges around all aspects of risk, from liability, property, workers and environment.

10



REPUTATION RISKS

Being in touch with community needs and understanding the most effective way to meet these, councils have the challenge of managing community expectations when it comes to the provision of essential services. Further, reputation is closely linked to other key risks which drive community expectations.

11



INEFFECTIVE GOVERNANCE

Operating in an environment of increasing change, councils are being affected by new vulnerabilities and risks. Supply chain issues, inflationary pressures, election cycles, and workforce challenges have placed significant pressure on local governments' workplace culture, internal control environment, and capacity, which if not held together by a strong governance framework, potentially lead to performance and accountability issues.

8



LIABILITY CLAIMS



Understanding councils' risk profile and applying the risk management policy and processes underpin the management of liability claims.

12



STATUTORY/REGULATION

Councils face the challenge of managing the multitude of statutory and regulatory requirements placed upon them by State and Federal legislation. They are also a regulator in their own right via local laws, as well as any State and Territory legislative powers that have been delegated to them.

9

Item No: 8.4

Subject: DRAFT ASSET MANAGEMENT PLANS

Summary

The *Local Government Act (1999)* requires Council to review its Asset Management Plans (AMPs) prior to November 2024.

The Asset Management Plans have been reviewed and updated to include the latest asset condition and inventory data for community consultation in line with legislative requirements. The Asset Management Strategy will also be distributed for consultation as it is a new organisational document.

This report discusses the development and findings in the draft Asset Management Plans seeking endorsement for public consultation.

Recommendation

That the Audit and Risk Committee:

- 1. supports the draft Asset Management Plans and draft Asset Management Strategy for consideration by Council for community consultation from 29 August to 19 September 2024; and**
 - 2. notes a further report be provided to the Audit and Risk Committee and Council once community consultation has occurred and prior to Council's adoption of the Asset Management Plans.**
-

Background

The *Local Government Act (1999)* requires Council to review its Asset Management Plans (AMPs) within two years of a General Election. Council is legislatively required to update its AMPs prior to November 2024. The previous AMPs were last adopted in 2000.

The AMPs have been reviewed and updated to include the latest asset condition and inventory data. The forecast indicates:

- council's assets are generally in good condition
- a small increase of an average of \$348,701 per year to capital renewal is required over the next ten years
- additional operational costs will be generated from acquisitions and new capital projects
- major projects not approved through the Long Term Financial Plan (LTFP) have been excluded from the acquisition forecast

All costs provided in the AMPs are all in current day dollars.

The AMPs consider strategic context, levels of service, demand forecasts, asset lifecycle planning, financial indicators, risk management and improvement programs.

Alwyndor Aged Care is excluded from the AMPs as it is managed as a financially self-sustaining operation.

Report

The Asset Management Framework consists of a suite of documents in line with industry best practice and internal audit recommendations. The documents include:

- Asset Management Policy
- Asset Management Strategy
- Asset Management Plans (Buildings, Open Space, Plant and Equipment, Stormwater, and Transport)

The draft AMPs are being prepared for Council approval by November 2024 including community consultation in line with legislative requirements. The draft asset management strategy will also be distributed for consultation as it is a new organisational document. The asset management policy does not require consultation and will be updated by November 2024.

Community consultation is scheduled to take place from 29 August to 19 September 2024. Following consultation, the documents will be updated on the feedback and latest information available and presented to the Audit and Risk Committee prior to being adopted by Council.

Asset Management Strategy

The asset management strategy is developed to ensure Council's assets are managed in the most cost-effective and sustainable way, so we can continue to deliver valuable services for our community now and into the future. This document outlines how asset management is performed within Council to deliver on our strategic objectives. It defines council asset management maturity in terms of process and practices and identifies areas of improvement to ensure our systems reflect best-practice asset management.

An assessment of our asset management maturity based on the International Infrastructure Management Manual (IIMM) rates our asset management activities as having a core level of maturity. The improvement program actions outline the steps to progress each of these areas towards an advanced level of maturity. These improvements are across all asset classes.

Refer Attachment 1

Building Asset Management Plan

Council owns or has care and control of 163 buildings providing Council's:

- civic, administrative and operational functions
- community services such as sporting and recreational activities, surf lifesaving clubs, libraries, community centres, and public toilets
- commercial portfolio including the Bay Discovery Centre, Partridge House, and Brighton Holiday Park

The overall asset portfolio is valued over \$138 million with an average annual operational expenditure of \$2,028,528 and average capital renewal expenditure of \$3,053,579 over the ten-year plan.

The condition data confidence to inform the building AMP is classified as “C - Uncertain” as the projections are largely based on 2019 asset data. There are several short terms actions prioritised within the improvement program to address this, including:

- Asset inventory and condition audit 2024-25
- Review of levels of service 2025-26
- Strategic property review including development of Council’s Property Plan 2025-26
- Review of lease agreements 2024-25 and 2025-26

Following the delivery of these key improvement actions the Building AMP will be updated and brought back to Council for review in 2026 to reflect the updated asset data and strategic direction.

Refer Attachment 2

Open Space Asset Management Plan

Open space is land commonly open to public access and provided for community and recreation activity. These are areas such as parks, sportsgrounds, natural areas, greenways, public plazas, the beach, foreshore and other land freely available for community activity.

Council manages and maintains 6000 open space assets in over 100 open space areas. Key assets include playgrounds, sporting surfaces, electrical and lighting, benches, shelters, artwork, structures, irrigation and drinking fountains.

The overall asset portfolio is valued over \$76 million with an average annual operational expenditure of \$3,884,027 and average capital renewal expenditure of \$1,859,440 over the ten-year plan.

Open space assets are in extremely good physical condition, with an average condition of 2.2 (good) and only 3.1% of assets in poor or very poor condition. As such the annual renewal expenditure for open space assets is below the expected annual spend (annual depreciation) as we do not want to replace assets prematurely before the end of their lives.

The playground renewal program has been included in the open space AMP and additional expenditure has been included in the playground renewal projects to ensure the modern standard equivalent replacement is funded, including compliance requirements, safety requirements, inclusion of natural assets and landscaping, and materiality to ensure we maximise whole of life value. This also includes providing shading and drink fountain facilities as well as accessible pathways, seating, and play equipment where possible.

Refer Attachment 3

Plant and Equipment Asset Management Plan

Council own and maintain a portfolio of plant and equipment assets for the purpose of providing a large variety of services to the community. Our plant and equipment portfolio includes 32 cars, 35 heavy vehicles, 33 major plant assets, and 80 minor plant assets along with over 400 minor equipment items. These assets support our civil, rapid response, and open space programs, as well as Community Wellbeing’s bus program.

The overall asset portfolio is valued over \$7.7 million with an average annual operational expenditure of \$3,010,196 and average capital renewal expenditure of \$1,606,593 over the ten-year plan.

Additional allowances have been included into the plant and equipment AMP to support the Fleet Transition Plan, including allowance to upgrade passenger fleet vehicles to electric vehicles and associated electric vehicle charging infrastructure.

Refer Attachment 4

Stormwater Asset Management Plan

The primary purpose of stormwater assets is to manage the quality and quantity of rainfall runoff. The AMP focuses on how we manage our stormwater assets and infrastructure in line with the stormwater management plan outcomes. The Council own and maintain over 67 kilometers of underground pipes, over 2,000 pits, 9 gross pollutant traps (GPTs) and 48 water sensitive urban design assets.

The overall asset portfolio is valued over \$68 million with an average annual operational expenditure of \$403,177 and average capital renewal expenditure of \$200,000 over the ten-year plan.

A significant stormwater asset inventory collection and condition assessment was completed in 2022-23 and 2023-24 to inform the AMP providing significant improvement into data confidence to inform our planning. As stormwater pipes are long life underground assets hidden from view, it is a challenge to capture consistent quality condition information. Following the data collection a CCTV (closed-circuit television) pipe register was created and a commitment has been made to increase the annual pipe inspection program to increase our database over time to manage pipe condition and risk.

The renewal investment is low due to the long life of stormwater assets and the relatively good condition and age profile. Based on the age profile it is anticipated there will be incremental increases to the renewal program over time until a substantial increase from the 2040s onwards.

Refer Attachment 5

Transport Asset Management Plan

Council own and maintain a variety of transport assets to enable safe, efficient and sustainable movement of people and goods between destinations. The transport portfolio includes 178km of road network and associated kerbs, footpaths, kerb ramps, roundabouts, traffic control devices, bus stop infrastructure and several bridges. The transport network caters for all road users, including vehicles, pedestrians, and cyclists.

The overall asset portfolio is valued over \$337 million with an average annual operational expenditure of \$2,142,031 and average capital renewal expenditure of \$4,546,862 over the ten-year plan.

Transport assets are in good physical condition, with the following breakdown of average condition and percentage of assets in poor or very poor (PVP) condition below.

Asset Category	Average Condition	Poor or very poor (PVP)
Road seal	2.7 (good)	8%
Road pavement	2.2 (good)	0.3%
Footpath	2.4 (good)	7%
Kerb	2.7 (good)	4%

Both the asset condition and the PVP scores are within acceptable levels of service of below 3.0 (fair) for average condition and below 10% for poor or very poor assets.

To ensure the road seal remains high quality and safe, the ten-year road reseal program was developed with the condition modelled year on year to ensure we are appropriately maintaining and funding our roads. The results of this modelling indicate the road seal will be managed in line with Council's service levels, noting an increase of poor condition roads towards 2035. Future data collection on a four-year cycle will continue to provide updated data to inform future planning.

Transport investment in the ten-year renewal plan is marginally higher than the annual depreciation for this time. This is due to additional allowances for:

- improved the DDA compliance of kerb ramps and bus stop infrastructure
- kerb replacement for isolated damage caused primarily by tree roots
- footpath defect repair of trip hazards not associated with footpath segment replacement

This additional funding will provide Council with the capacity to address safety concerns as they arise and provide a higher level of service to our community through improved accessibility of our footpath network, improved connection to public transport and a reduction in nuisance flooding due to lifting kerbs.

Refer Attachment 6

Budget

All costs provided in the AMPs are all in current day dollars.

Valuations are undertaken for each asset class in alignment with Australian Accounting Standard 'AASB13 Fair Value' and are undertaken at minimum every five years. The summary of the valuation is outlined below.

Asset Class	Current Asset Cost	Accumulated Depreciation	Carrying Value
Building	\$138,085,688	\$56,850,512	\$81,235,176
Open Space	\$76,514,880	\$30,638,910	\$45,875,971
Plant and Equipment	\$7,716,433	\$3,821,976	\$3,894,458
Stormwater	\$68,853,175	\$27,772,402	\$41,080,773
Transport	\$337,848,873	\$128,979,275	\$208,869,598
TOTAL	\$629,019,049	\$248,063,075	\$380,955,976

The operations and maintenance asset costs are forecast to trend in line with the previous four years as the number of assets and the services provided have not changed and are not expected to change substantially. The summary of the operational expenditure is outlined below.

Asset Class	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000	2034 \$'000	2035 \$'000
Building	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029
Open Space	3,884	3,884	3,884	3,884	3,884	3,884	3,884	3,884	3,884	3,884
Plant and Equipment	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010
Stormwater	403	403	403	403	403	403	403	403	403	403
Transport	1,972	2,072	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172
TOTAL	11,298	11,398	11,498	11,498	11,498	11,498	11,498	11,498	11,498	11,498

Asset renewal is generally aligned to asset condition; however, assets can also be replaced based on strategic or master planning requirements. The summary of the capital renewal expenditure is outlined below.

Asset Class	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000	2034 \$'000	2035 \$'000
Building	2,900	2,900	2,900	3,119	3,119	3,119	3,119	3,119	3,119	3,119
Open Space	2,058	1,492	2,181	2,169	1,873	1,505	1,479	2,123	2,163	1,551
Plant and Equipment	1,713	1,621	1,590	1,350	1,493	1,592	1,218	2,299	2,284	906
Stormwater	180	180	180	190	190	210	210	220	220	220
Transport	4,180	4,180	4,450	4,450	4,547	4,732	4,732	4,732	4,732	4,732
TOTAL	11,031	10,373	11,301	11,279	11,223	11,158	10,758	12,494	12,519	10,528

The capital renewal expenditure across all asset categories varies from the pre-existing LTFP 2024-25. The below table outlines the annual changes from the LTFP 2024-25. On average there is an increase of \$348,701 per year. Following the adoption of the asset management plans the LTFP will be updated to reflect the updated lifecycle costs.

Capital Renewal	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000	2034 \$'000	2035 \$'000
Draft AMP	11,031	10,373	11,301	11,279	11,223	11,158	10,758	12,494	12,519	10,528
LTFP 2024-25	10,680	8,770	12,161	11,340	13,397	10,566	10,566	10,566	10,566	10,566
Variance	-351	-1,603	860	60	2,174	-593	-192	-1,928	-1,953	38

The above renewal tables exclude renewal planning for Information Technology (IT). IT renewals are equivalent to the LTFP 2024-25 financials.

The key financial findings:

- The total expenditure over the ten-year renewal program is \$112,664,736.
- This is \$3,487,008 million additional funding the Long-Term Financial Plan 2024-25. An average of \$348,701 per year.
- The increases are due to new assets being built or found, improved data through data collection, compliance and standard requirements or higher service levels, and early asset failure or major defects affecting the service function (footpath trip hazard or raised kerb)
- The LTFP is to be updated to align with AMPs after AMP endorsement and 2023-24 financial statement approval
- The total Council borrowings (debt) will remain below \$60 million over the ten-year planning period
- The net financial liabilities ratio will remain below 110% over the ten-year planning period.

Life Cycle Costs

Detailed within the AMPs

Strategic Plan

Statutory compliance *Local Government Act 1999: Section 122*

Our Holdfast 2050+

Sustainability: A city, economy and community that is resilient and sustainable

Council Policy

Asset Management Policy

Statutory Provisions

Local Government Act 1999: Section 122

Written By: Manager Engineering

General Manager: Assets and Delivery, Ms P Jackson

Attachment 1

Draft Asset Management Strategy

CITY OF HOLDFAST BAY

2024



Contents

1. Document purpose and scope	2
2. Organisational context	3
2.1 Strategic context	3
2.2 Integration with organisational strategies	4
2.3 Stakeholders	6
2.4 Asset portfolio	7
2.5 Asset management system	7
2.6 Strategic approach to asset management	8
3. Asset management processes and decision-making	9
3.1 Strategic asset management planning	9
3.2 Asset management plan	9
3.3 Level of Service	10
3.4 Data management	11
3.5 Capital investment	11
3.6 Operations and maintenance	12
3.7 Climate change	12
3.8 Maturity assessments and improvements	13
3.9 Risk management	13
4. Asset management maturity	14
5. Improvement program	16

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Document Custodian	James Mitchell, Manager Engineering
Revision	1.5
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Approved by	General Manager Assets and Delivery

1. Document purpose and scope

This Asset Management Strategy will assist Council to achieve its strategic ambitions as outlined in its Strategic Plan 2050+. In doing so it will ensure City of Holdfast Bay's assets are managed in the most cost-effective and sustainable way, so we can continue to deliver valuable services for our community now and into the future.

City of Holdfast Bay owns and maintains a diverse asset portfolio, worth approximately \$500 million. To manage these assets effectively we must consider:

- The existing network - how it is performing and whether it meets the agreed service levels, now and into the future.
- When the existing assets should be renewed and how/when they should be maintained.
- Whether we should expand the asset network through new projects.
- How management of assets is funded and prioritised.
- How asset data is collected and managed.

Our goal is to provide assets that meet the community's demands, comply with the agreed service levels, provide value-for-money services that maximise asset life, and ensure budgets are allocated appropriately for new assets.

City of Holdfast Bay has developed asset management plans to ensure assets meet the required level of service in the most cost-effective way, through the creation, acquisition, maintenance, operation, renewal, and disposal of assets for present and future community needs.

These plans interact with Council's other strategic documents including the Long Term Financial Plan (LTFP), the Strategic Plan (Our Holdfast 2050+) and the four-year Corporate Plan.

The Asset Management Strategy's scope includes all assets that are owned, managed, or under the care and control of Council. Council's assets have been categorised into five groups with associated asset management plans:

- Buildings
- Open space
- Plant and equipment
- Stormwater
- Transport

This document will outline how asset management is performed within Council to deliver on our strategic objectives. It will also define Council asset management maturity in terms of process and practices to identify areas of improvement to ensure our systems reflect best-practice asset management.

2. Organisational context

2.1 Strategic context

In accordance with the Local Government Act 1999 (the Act) and the Strategic Plan (Our Holdfast 2050+), the Council provides a range of community services to the local community and visitors.

Assets are the foundation stones of the Council and the management of assets is essential to achieve our Council’s vision of “Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia’s most sustainable city.”

The strategy is developed and implemented in conjunction with the following plans, strategies and policies:

- Strategic Plan (Our Holdfast 2050+)
- Corporate Plan (Four-year delivery plan)
- Long Term Financial Plan (LTFP)
- Asset management plans (AMPs)
- Asset management policy

City of Holdfast Bay’s planning framework (draft) is outlined in Figure 1.1.

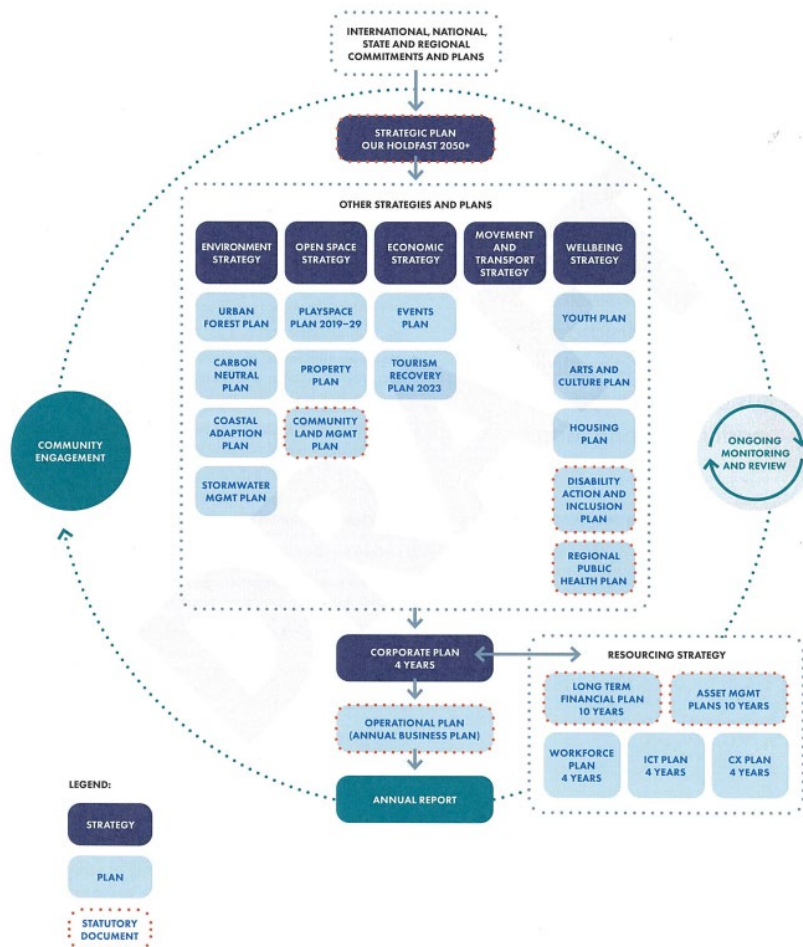


Figure 1.1 Planning framework (draft)

2.2 Integration with organisational strategies

Council's strategies/plans define the services we provide across all areas of the organisation. Table 2.1 defines these documents and how they affect asset management.

Strategy / plan	Description	Integration with asset management
Strategic Plan (Our Holdfast 2050+)	The Council's shared vision for 2050+ and key strategies to achieve the vision.	Provides strategic direction and organisational objectives.
Corporate Plan (Four-year delivery plan)	Four-year operational and capital plan linking the strategy to annual programs.	Outlines key new initiatives to be delivered in the next four years. Cyclic relationship with the AMP and LTFP. All three documents to be aligned in terms of financial planning and project delivery.
Long Term Financial Plan (LTFP)	Demonstrates financial sustainability in the medium to long term, while achieving the objectives in the Strategic Plan.	Financial projections in the LTFP adopted by Council must be consistent with those in the AMP adopted by Council.
Annual Business Plan	Outlines Council's activities progressing towards the Strategic Plan objectives. Outlines how Council plans to allocate its budget and what services and projects will be delivered in the financial year.	The AMP informs the annual capital and operational budgets associated with the creation, renewal and maintenance of Council's assets in the Annual Business Plan.
Environment Strategy	Sets the direction for Council's activities and resource allocation as we strive to protect and enhance the region's environment for future generations.	Provides direction in terms of Council's strategy for the environment. This includes emissions reduction, climate resilience, coastal impacts, water quality and use, water-sensitive urban design (WSUD), biodiversity management, and urban forest management.
Carbon Neutral Plan	Outlines the actions the organisation will take to become carbon neutral by 2030.	Decision-making on all aspects of the asset lifecycle to consider emissions.
Coastal Adaptation Plan	Addresses risks and impacts associated with sea level rise.	Creation and management of assets to be informed by the plan.
Urban Forest Strategy	Our commitment to the urban forest to ensure the city is beautiful, healthy and cool for future generations.	Our urban forest must be considered in all stages of infrastructure management to ensure infrastructure and natural assets can coexist.
Stormwater Management Plan (SMP)	A coordinated approach to managing stormwater. The SMP sets out strategies, actions and programs to minimise flooding, harness stormwater, reduce urban temperatures, and improve waterway health and landscapes.	Informs the upgrade and expansion of the stormwater network for renewal and new capital stormwater projects.
Open Space Strategy	Guides development and management of parks, reserves, recreation facilities and	Informs the Open Space AMP new capital projects to ensure coordinated delivery of

Strategy / plan	Description	Integration with asset management
	other public spaces until 2030.	new and renewal projects.
Playspace Plan	Developed to prioritise investment for playspaces across the city. This plan outlines short, medium and long-term actions over the next 10 years.	Informs the Open Space AMP new capital projects to ensure coordinated delivery of new and renewal projects.
Property Plan	To be developed	To be developed
Community Land Management Plans (CLMP)	Outlines what the land will be used for, how it will be managed, and what activities will be permitted on the land to assist Council's ongoing management of the land.	Determines the high-level use of Council's open space to inform future development of the land.
Economic Activation Plan (EAP) (Economic Strategy)	Sets a five-year plan to deliver actions through five key economic strategic areas.	Ensure built infrastructure is able to facilitate future economic changes to the city.
Events Strategy (Events Plan)	A framework and direction for development, management and investment in events for the next five years.	Ensure built infrastructure and operational activities are able to facilitate events within the City.
Tourism Recovery Plan	Guides the recovery and development of Holdfast Bay's tourism industry for three years, re-stimulates tourism and helps businesses and tourism operators recover economically from the impacts of the COVID-19 pandemic.	Assets and infrastructure to support the growing tourism demand and destination development.
Movement and Transport Plan	Provide strategic direction for transportation and sets a short to medium-term action plan.	Inform the functionality of transport infrastructure.
Wellbeing Strategy	To be developed	To be developed
Youth Plan	Guides the role of council regarding the provision of youth services and opportunities across our community.	Consideration and voice of young people in development of public spaces and places.
Arts and Culture Strategy (Arts and Culture Plan)	Provides a framework that guides the coordination, promotion, management, and investment in arts and culture across the City for five years.	Ensure best practice is observed for cultural heritage when delivering projects. Facilitate artwork in the public realm and existing infrastructure. Capture artwork in the open space AMP.
Housing Plan	To be developed	To be developed
Disability Access & Inclusion Plan (DAIP)	A four-year plan that guides investment to ensure equal access and inclusion for all people who live, work and play in the City of Holdfast Bay.	Adopt universal design principals. Ensure access and inclusion improvements are included within infrastructure projects.
Regional Public	Outlines actions across all four priority	Maintain infrastructure to encourage active

Strategy / plan	Description	Integration with asset management
Health Plan	areas to improve the health and wellbeing of our community and reduce the incidence of preventable illness and injury.	recreation.

Table 2.1 Strategic alignment

2.3 Stakeholders

The key stakeholders for asset management and their roles are defined in Table 2.2.

Key stakeholders	Role in asset management
Residents/ community	End users of the services provided directly and indirectly by the assets. Provide feedback collected throughout the year including annual satisfaction survey.
Elected Members	Act as custodians of community assets. Set asset management policy and vision. Allocate resources to meet Council objectives in providing services while managing risks.
Audit Committee	Audit Committee will review, and make recommendations and observations to Council on the financial outcomes of the AMPs.
Chief Executive Officer and Senior Leadership Team	Provide leadership and strategic direction. Review Asset Management Policy and Asset Management Strategy. Ensure community needs and the outcomes of service reviews are incorporated into asset management planning and the Long-Term Financial Plan. Ensure Councillors and staff are provided with training in financial and asset management. Ensure accurate and reliable information is presented to Council. Ensure appropriate delegations and approval processes are followed.
Manager Engineering	Manages development, implementation and review of asset management plans, the Asset Management Policy and Asset Management Strategy. Responsible for advancing asset management within the organisation.
Asset Management Lead	Prepares asset management plans. Manages asset register and spatial systems. Coordinates data collection. Coordinates annual renewal budget planning. Delivery of asset management improvement programs. Provides technical asset management expertise to the organisation.
Senior Project Manager	Coordinates Council's capital works program.

Key stakeholders	Role in asset management
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Manager Field Services	Ensures the maintenance and works programs are achieving service standards.
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Table 2.2 Stakeholders' responsibilities

2.4 Asset portfolio

Council's assets have been categorised into five groups with associated asset management plans. Below is a summary of the asset categories, their value and condition.

Asset category	Replacement value	Average asset condition	Percent of assets in acceptable condition
Buildings	\$138,085,688	2.2 (good)	88%
Open space	\$76,514,880	2.2 (good)	97%
Plant and equipment	\$7,716,433	N/A	TBC
Stormwater	\$68,853,174	1.7 (very good)	91%
Transport	\$337,848,873	2.4 (good)	95%

Table 2.3 Asset summary

2.5 Asset management system

This strategy aims to align the delivery of asset management activities with the organisation's goals and objectives; this process is known as the "line of sight" with asset management.

The asset management framework consists of the three key asset management documents, the Asset Management Policy, Asset Management Strategy and asset management plans. These documents create transparency and accountability through all aspects of asset management; to ensure all stakeholders understand their roles and responsibilities. The Council's asset management system is outlined in Figure 2.1.

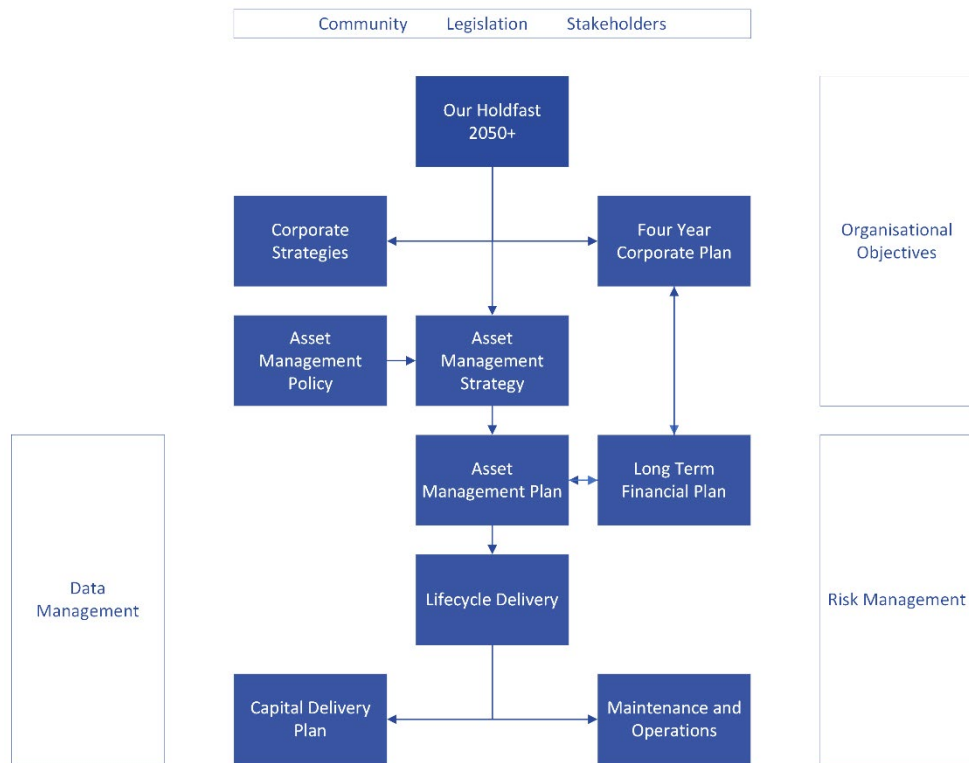


Figure 2.1 Asset management system

2.6 Strategic approach to asset management

The objective of asset management is to meet a required level of service, in the most cost-effective manner, through management of assets for present and future communities.

The strategic approach to asset management encompasses all practices associated with the asset lifecycle and consideration of the organisational strategic direction, with a viewpoint of the lowest long-term cost (rather than short-term savings) when making decisions.

The guiding principles for asset management are outlined in the Asset Management Policy. These principles inform our asset management processes and decision-making criteria, which provide clear direction to meet the service delivery needs now and into the future.

3. Asset management processes and decision-making

This section outlines the processes and decision-making criteria for the following aspects of asset management.

3.1 Strategic asset management planning

The asset management documents that make up the asset management framework (section 2.5) are the Asset Management Policy, Asset Management Strategy, and asset management plans. These documents are to be updated in the following timeframes as a minimum:

Document	Frequency	Last renewal	Next renewal
Asset Management Policy	4 years	2024	November 2028
Asset Management Strategy	4 years	2024	November 2028
Asset management plans	4 years*	2024	November 2028

Table 3.1 Asset management framework

*Comprehensive review of AMP every four years, annual update required. See section 3.2 for detail.

3.2 Asset management plan

In accordance with the Local Government Act 1999 (the Act) and the Strategic Plan (Our Holdfast 2050+), the Council provides a range of community services to the local community and visitors.

Under the Act, Council is required to develop and adopt infrastructure AMPs covering a period of at least 10 years. In addition, Council is required to adopt a long-term financial plan covering a period of at least 10 years.

There is a legislated direct link between the development and implementation of these two plans, with the LTFP updated to reflect forecast expenditure as detailed in the AMP. Variations to the scheduled works in the AMP and the LTFP may be adjusted as the need arises.

The AMPs aim to align with ISO 55000 (international standard for asset management) without seeking to become accredited as an ISO document or process.

The asset management plan is comprehensively reviewed every four years with updates being required more frequently as detailed in Table 3.2.

AMP section	Update frequency	Detail
Introduction	4 years	Update may be required for legislation or relevant Act changes.
Asset class information	4 years	Update for any structural change to asset hierarchy or following a condition assessment.
Stakeholders	4 years	Update following any organisational change.
Levels of Service	1 year	Update following Levels of Service (LoS) review, annual update to track KPIs.

AMP section	Update frequency	Detail
Future demand	4 years	Update following major external changes.
Lifecycle planning	1 year	Update renewal programs, capital programs, and maintenance and operational programs. Ongoing three-year rolling program.
Financial summary	1 year	Update annual valuation, future renewal and new acquisition forecasting.
Risk management	1 year	Update and track risks annually.
Improvements and monitoring	1 year	Update and track improvement program annually.

Table 3.2 Asset management plan timeframes

Performance of AMPs is tracked through the following measures:

1. Level of Service key performance indicators (KPIs).
2. Delivery of improvement program.
3. Improved data confidence.
4. Review of the AMP, minimum every four years.

3.3 Level of Service

The International Infrastructure Management Manual (IIMM) describes Levels of Service (LoS) as “defined service quality for an activity or service area against which service performance may be measured”.

City of Holdfast Bay has two defined levels of service:

- Customer (community) LoS – community perception of service.
- Technical LoS – technical indicators of performance.

Community LoS measures in AMPs (align with Quality of Life Survey):

- Quality (of service).
- Functionality (fit for purpose).
- Capacity and utilisation (meets community need).

Technical LoS measures in AMPs:

- Condition (condition of asset).
- Renewal (asset renewal/sustainability ratio).
- Accessibility and inclusion.
- Safety (compliance).
- Resilience (to climate change).
- Environmental impact (carbon footprint).

LoS are measured annually within each AMP.

LoS for individual business processes are defined within department’s operational plans. The next service review will be completed via the improvement plan action number 8 (section 5).

3.4 Data management

Council undertakes a four-year condition assessment and valuation cycle.

Asset class	Previous valuation	Previous condition assessment	Next valuation	Next condition assessment
Open Space	30 June 2023	2022-23	1 July 2027	2026-27
Transport	Road 1 July 2023	2023-24	1 July 2024	2027-28
	Kerb 1 July 2023	2023-24		
	Footpath 31 December 2019	2023-24		
	Transport other 30 June 2021	2023-24		
Stormwater	30 June 2022	2023-24	1 July 2026	2025-26
Buildings	30 June 2022	2018-19	1 July 2025	2024-25
Plant and Equipment	These assets are recognised at cost			
Trees (natural assets) *	N/A	2022-23	N/A	2026-27

Table 3.3 Asset valuation and condition assessment frequency

*Natural assets (trees) are non-financial assets and excluded from the financial register. However, natural assets are managed using asset management principles with a cyclic condition assessment every four years and a 10-year Tree Management Plan. A replacement value and amenity value can be applied to trees.

Accurate and comprehensive data for all asset categories is stored in a centralised corporate asset management information system and mapped through a geographic information system (GIS).

Asset data is stored, managed and maintained in accordance with Council's data management principles and guidelines. See improvement program number 3.

There is ongoing collection, auditing and updating of the asset data to ensure a single point of truth for each asset category, forming a complete and accurate asset register. Following each annual budget cycle, the AMP and LTFP are updated and realigned.

Condition assessments and valuations have been aligned to ensure the valuations are undertaken using the most up-to-date data.

Before each condition assessment cycle, the format and quality of the asset category data is reviewed to ensure the correct level of data is captured to facilitate the appropriate level of predictive modelling, scenario modelling and optimisation for asset management planning purposes.

3.5 Capital investment

Renewal planning is undertaken using Level of Service and condition data and outlined in each asset category AMP.

New capital projects (single or multi-year), which have been formally approved by Council are included within the LTFP and AMP. Budget bids can also be created for new initiatives (capital)

within the annual budget process. These projects are prioritised based on their strategic alignment and subject to Council approval of the annual budget.

As new assets are commissioned through the capitalisation process, they are commissioned and built into future renewal programs. Future operational and maintenance costs are planned, resourced and built into the annual operational budget planning process.

The 10-year renewal forecast developed in the AMP is further developed into a three-year rolling capital renewal program. This program consists of scoping in year one; designing, year two; and construction, year three.

The capital program is approved and documented each year through the annual business plan and undergoes community engagement prior to approval.

3.6 Operations and maintenance

Regular maintenance is required to maximise service life while minimising service disruption and customer dissatisfaction. Neglecting maintenance of infrastructure by deferring it to future years may create a false economy through increased resourcing for unplanned maintenance, a reduction in asset life, or compromised asset function.

Regularly collecting data and reviewing services can improve the understanding of asset performance and inform operational investment decisions, which can improve the performance or extend the life of assets.

Operational service levels are defined for scheduled maintenance and reactive maintenance across four service areas: open space, trees, civil works, and rapid response / city cleansing. A service review for each of these sections will form part of the improvement plan action number 8 (section 5). The service review will include defining services levels, processes for tracking performance against service levels, resourcing to meet service levels and a framework for decision-making.

3.7 Climate change

Climate risks to councils are increasing as a result of more extreme events. Increasing costs associated with bushfire losses, heatwave-related deaths and damage, coastal erosion, sea-level rise, storm-surge damage, flooding and storms are occurring across South Australia.

Climate-related risks are not just physical, with councils also facing legal, financial and transitional risks that must be understood and managed.

Councils need to be well-equipped and prepared for supporting our communities and local economies through major disruption and shocks, such as extreme weather and other climate change impacts. Recent experiences associated with the 2019-20 bushfires demonstrate the need for building resilience and reducing risk.

Climate change effects on assets include:

- Increased rates of deterioration, damage, or destruction of constructed assets.
- Reduced quality and amenity of open space and natural assets.
- Increasing reduction in service such as road closures as a result of more frequent or intense flood events.
- Increasing demand for council asset management and maintenance services as a result of more frequent extreme weather events.

Asset-specific climate change resilience is outlined in the future demand and risk management sections of the AMPs.

Council is undertaking a Resilient Asset Management Project (RAMP), in conjunction with the four Resilient South councils, to gauge the suitability of products, tools and guidelines for assessing climate change risks to assets, and identify options to mitigate and incorporate these risks into our asset management practices. This includes incorporating whole of life decision making when considering an asset renewal or creation, such as future climate impact across the asset life for materials, design, and the resilience of the services the asset provides to the community. The outcomes of the RAMP will inform our asset management practices.

Council has committed to a Carbon Neutral Plan for carbon-neutral operations by 2030. Asset management practices are required to consider asset lifecycle emissions for decision-making and appropriately resource for lower carbon assets and operations in line with the Carbon Neutral Plan.

3.8 Maturity assessments and improvements

We undertake maturity assessments every four years with the Asset Management Strategy, addressing issues across all asset categories (section 4).

Maturity assessments will inform the asset management improvement programs (section 5), with a separate asset category-specific improvement program incorporated into the AMPs.

3.9 Risk management

The process for managing Council's risks is consistent with the International Risk Management Standard ISO 31000:2018.

The objective of the risk management process with regards to trees is to ensure:

- All significant operational and organisational risks are understood and identified.
- The highest risks that need to be addressed in the short to medium term are identified.
- Strategies and treatments to address risks are identified and applied.

Council acknowledges risk management is an essential part of best-practice asset management. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. It develops a risk rating, evaluates the risk and develops a risk treatment plan for unacceptable risks.

The asset management risk register is reviewed and updated at minimum annually in-line with our risk management procedures. These risks are summarised in each asset management plan. The asset management risk register should be reviewed with the council's strategic and operational risk registers.

Council undertakes an internal asset management audit every four years, prior to the council election, to provide assurance that established processes and controls in relation to asset management are robust. The last audit was in 2022, with the next audit in 2026.

4. Asset management maturity

IPWEA (Institute of Public Works Engineering Australasia) published the International Infrastructure Management Manual (IIMM), which is considered a best-practice guide for asset management, and developed an assessment tool for asset management maturity.

This assessment tool looks at the gap between the current and target asset management maturity, where the sustainable, cost-effective asset or investment performance is a function of the quality of underlying asset management practices, systems and culture in those organisations.

The IIMM asset management maturity assessment completed in 2024 is outlined in Table 4.1.

IIMM Ref	Question	Section	Current score	Target score	Maturity gap
2.1	1	AM policy and objectives	75	60	+15
2.2	2	Levels of Service framework	75	60	+15
2.3	3	Demand forecasting and management	60	60	0
2.4	4	Asset condition and performance	65	60	+5
2.5	5	Strategic Asset Management Plan	70	60	+10
3.2	6	Managing risk and resilience	65	60	+5
3.3	7	Operational planning	60	60	0
3.4	8	Capital works planning	65	60	+5
3.5	9	Asset financial planning and management	60	60	0
3.6	10	AM plans (for the asset portfolio and assets)	75	60	+15
4.1	11	AM people and leaders	55	60	-5
4.2	12	Asset data and information	55	60	-5
4.3	13	Asset management information systems (AMIS)	60	60	0
4.4	14	AM process management	55	60	-5
4.5	15	Outsourcing and procurement	55	60	-5
4.6	16	Continual improvement	55	60	-5
Overall score			63	60	+3

Summary results					
IIMM Ref	Section		Current score	Target score	Maturity gap
2	Understanding and defining requirements		69	60	+9
3	Developing asset management lifecycle strategies		65	60	+5
4	Asset management enablers		56	60	-4
Overall score			63	60	+3

Table 4.1: IIMM asset management maturity assessment 2024

Asset Management Maturity Rating



Figure 4.1 Asset management maturity rating

5. Improvement program

This section details improvements linked to the maturity assessment to improve the efficiency in the way we deliver our asset management services.

Action number	Action	IIMM ref.	Action officer	Due
1	Implement the AM Strategy's monitoring, review and reporting processes for AM documents and improvement programs.	2.1, 2.5, 4.1, 4.3, 4.4, 4.6	Manager Engineering	July 2025 and ongoing
2	Develop the three-year rolling capital works program with business case development for major projects.	3.4, 4.6	Senior Project Manager	December 2025
3	Establish an approved data management framework and guidelines for asset register, including system integration and to inform predictive modelling.	2.4, 4.2, 4.3, 4.4	Asset Management Lead	July 2026 and ongoing
4	Undertake cyclic data collection to continue to improve data quality for decision-making.	2.4, 4.2	Asset Management Lead	Annual ongoing
5	Annually track measured community and technical LoS for all asset classes.	2.2	Asset Management Lead	June 2025 and ongoing
6	Review AMPs with alignment to Asset Management Strategy and Council strategies. Incorporate scenario modelling into the AMP.	2.3, 2.5, 3.2, 3.6	Asset Management Lead	November 2024
7	Update each asset categories unit rates through the revaluation process.	3.5	Asset Management Lead	Annual ongoing
8	Review operational LoS and update responsibilities, resourcing and planning to meet agreed LoS. Implement a system to prioritise, assess and action requests in-line with operational LoS.	3.3	Manager Field Services	June 2025
9	Develop a resource strategy to deliver on improvement programs and identified AM activities. Track and report on improvement programs.	4.5, 4.6	Asset Management Lead	July 2026
10	Track the asset risk register annually, and report to the senior leadership team (SLT), in alignment with the operational risk register, strategic risk register and AMPs.	3.2	Asset Management Lead	November 2024
11	Improve internal communications and awareness of AM activities with key stakeholders. AM Steering	3.6, 4.1,	Manager	December

Action number	Action	IIMM ref.	Action officer	Due
	Committee reporting to SLT quarterly.	4.4	Engineering	2023
12	<p>Incorporate climate change into all levels of asset management practices through:</p> <ul style="list-style-type: none"> - Implementation of Resilient Asset Management Program recommendations. - Alignment with the Carbon Neutral Plan via tracking of carbon emissions and reduction of emissions across the asset lifecycle. 	N/A	Manager Engineering	June 2026 and ongoing

Table 5.1 Improvement program

Attachment 2

BUILDINGS

Draft Asset Management Plan 2024

City of Holdfast Bay



Welcome

Asset management plans are important documents that outline how we plan, invest in, and maintain our infrastructure assets so we can continue to deliver valuable services for our community now and into the future.

Assets are the foundation stones of the City of Holdfast Bay. They include the streets we drive on, the parks and reserves our families play on, the stormwater network we rely on, and the community and sporting facilities we enjoy across Holdfast Bay.

Here we present the Buildings Asset Management Plan. Our buildings portfolio includes 163 buildings which provide accommodation for Council's civic, administrative and operational functions, community services such as sporting and recreational activities, surf life saving clubs, libraries, community centres and public toilets. We also manage a commercial portfolio of buildings including the Bay Discovery Centre, Partridge House, and Brighton Holiday Park.

Asset management plans provide a snapshot of the current state of our infrastructure and the requirements to ensure we maintain and renew assets in a cost-effective and sustainable manner that meets our community's expectations.

Management of assets requires balancing the service standard expectations of the community with the costs required to deliver the service. While we would all like the highest standard of our assets, this comes at a cost, the long-term impact of which needs to be carefully considered.

A significant amount of investigation, planning and financial modelling underlies the asset management plans. The plans highlight that when we build new assets or upgrade assets, we must plan for their ongoing maintenance and eventual replacement at the end of the asset's life.

I encourage you to have a look at the asset management plans and consider whether the service levels presented here are consistent with your vision for the future of Holdfast Bay.

Contents

Executive summary	3
1 Introduction	4
1.1 Purpose.....	4
1.2 Strategic Context	4
1.3 Stakeholders	6
1.4 Asset management framework	7
2 Asset class information	8
2.1 Asset hierarchy	8
3 Levels of Service	9
3.1 Community Levels of Service.....	9
3.2 Technical Levels of Service	9
3.3 Legislation and relevant Acts.....	11
4 Demand forecast	13
5 Lifecycle planning	15
5.1 Asset life	15
5.2 Asset condition	16
5.3 Historical expenditure	18
5.4 Operation and Maintenance Plan	18
5.5 Renewal Plan (capital)	19
5.6 Acquisition Plan (new capital)	20
5.7 Disposal Plan.....	20
6 Financial summary	21
6.1 Asset class valuation.....	21
6.2 Expenditure forecast summary	22
6.3 Funding strategy	24
6.4 Assumptions	24
6.5 Data confidence.....	24
7 Risk management.....	26
8 Improvement plan.....	29

Executive summary

The City of Holdfast Bay owns and maintains 163 buildings worth over \$138 million providing a range of community services including sport and recreational activities, surf life saving, libraries, public toilets, commercial activities, and civic, administration and operational functions.

The objective of asset management is to ensure the City of Holdfast Bay's assets are managed in the most cost-effective and sustainable way, so we can continue to deliver valuable services for our community now and into the future.

To ensure our assets are providing the appropriate service to the community, levels of service are tracked each year. These levels of service are defined under quality, function, capacity and climate.

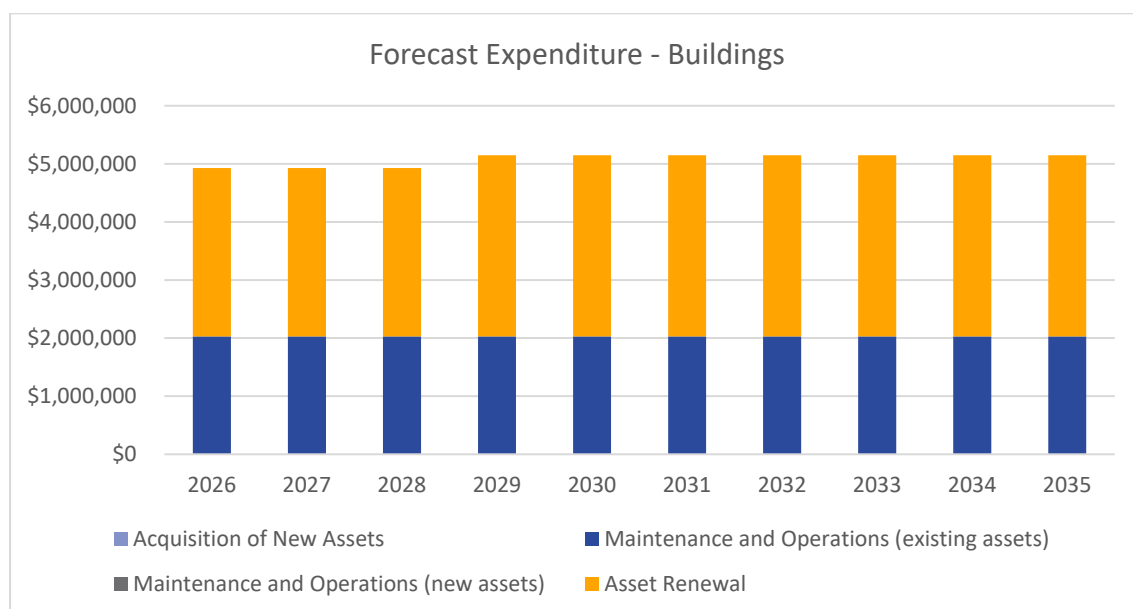
Asset lifecycle planning outlines how Council plans to manage building assets in an optimised cost-effective manner while ensuring delivery of the agreed service levels. The lifecycle of assets can be defined in four stages, including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal

The physical condition of our assets is a level of service indicator to ensure we are appropriately investing in assets. The targets for condition are overall average condition better than 3.0 (fair) and the percentage of assets in fair to very good condition above 90%. The current condition levels are:

- Average condition: 2.2 (good)
- Fair to very good condition percentage: 88%

The expenditure forecast for all four stages of the asset lifecycle is summarised below.



Council is committed to continuously improving the quality and maturity of its asset management practices. The building improvement program has been developed as a roadmap for these improvements in conjunction with the Asset Management Strategy.

1 Introduction

1.1 Purpose

City of Holdfast Bay (Council) owns and maintains buildings to provide a range of community services including sporting and recreational activities, surf life saving, libraries, public toilets, caravan park cabins, commercial buildings, and Council's civic, administration and operational functions.

Building assets are fundamental to providing services that contribute to the health and wellbeing of our residents and visitors, and to maintaining the liveability and economic vitality of our council area.

The strategic direction for the overall management of our buildings assets is detailed in several documents including Council's Strategic Plan (Our Holdfast 2050+).

The asset management plan addresses how we manage our building assets. Assets covered in this plan include:

- commercial buildings (59)
- community buildings (22)
- council buildings (8)
- public toilets (25)
- sport and recreation buildings (47)
- utility buildings (2)

The plan aims to demonstrate proactive management of assets in compliance with regulatory requirements to sustainably meet present and future community needs through:

- Aligning with industry best practice and international standard for asset management ISO 55000:2014 without seeking accreditation as an ISO document or process.
- Aligning delivery of asset management activities with organisational goals and objectives.
- Creating transparency and accountability through all aspects of asset management.
- Meeting the agreed Levels of Service in the most cost-effective way through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets.

1.2 Strategic Context

In accordance with the *Local Government Act 1999* (the Act) and the Strategic Plan (Our Holdfast 2050+), the council provides a range of community services to the local community and visitors.

Assets are the foundation stones of the Council and management of assets is essential to achieve our Council's vision of:

"Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia's most sustainable city."

This plan is developed and implemented in conjunction with the following plans, strategies, and policies:

- Strategic Plan (Our Holdfast 2050+)
- Corporate Plan (Four-year delivery plan)
- Long Term Financial Plan (LTFP)

- Asset Management Policy
- Asset Management Strategy
- Asset management plans (AMPs)
- Open Space and Public Realm Strategy 2018–2030
- Property Plan (in development)
- Carbon Neutral Plan

City of Holdfast Bay’s planning framework (draft) is outlined in Figure 1.1.

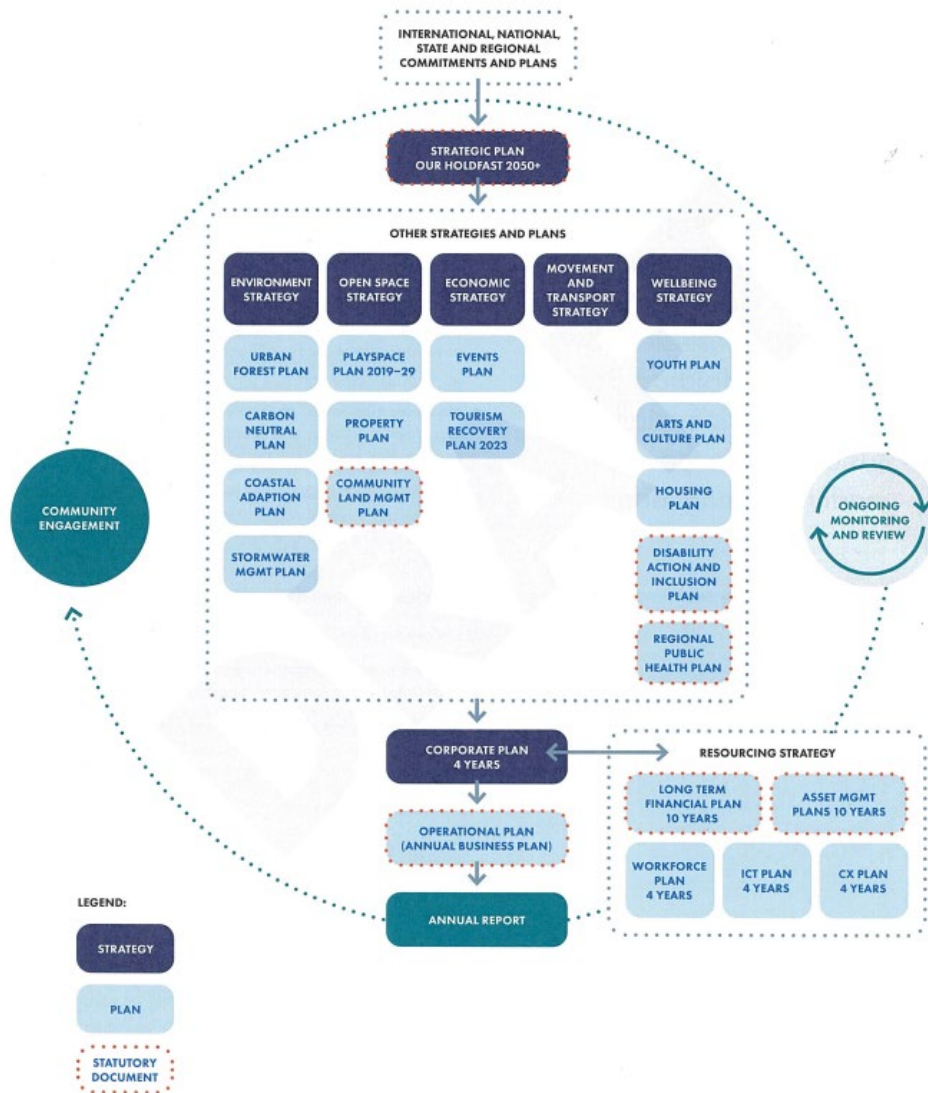


Figure 1.1 Planning framework (draft)

1.3 Stakeholders

Key stakeholders responsible for asset management and end users of building assets are provided in Table 1.1.

Key stakeholders	Role in Asset Management Plan
Residents / community	End users of the services provided directly and indirectly by the assets. Provide feedback collected throughout the year, including the annual satisfaction survey.
Elected Members	Act as custodians of community assets. Set asset management policy and vision. Allocate resources to meet Council objectives in providing services while managing risks.
Audit Committee	Reviews, and makes recommendations and observations to Council on the financial outcomes of the asset management plans.
Chief Executive Officer and Senior Leadership Team	Provide leadership and strategic direction regarding management of assets and service provision. Review Asset Management Policy and Asset Management Strategy. Ensure community needs and agreed service levels are incorporated into asset management planning and the Long Term Financial Plan. Ensure councillors and staff provided with training in financial and asset management practices. Ensure accurate and reliable information is presented to Council. Ensure appropriate delegations and approval processes are followed.
Manager Engineering	Manages development, implementation and review of asset management plans, the Asset Management Policy and Asset Management Strategy. Responsible for advancing asset management within the organisation.
Asset Management Lead	Prepares asset management plans. Manages the asset register and spatial systems. Coordinate condition data collection. Coordinates annual renewal budget planning. Delivery of asset management improvement programs. Provides technical asset management expertise to the organisation.
Manager Buildings and Facilities	Coordinates the buildings capital works program. Ensures the maintenance and works programs are achieving service standards.
Property Officer	Management of all leases and licences associated with council buildings.

Table 1.1 Stakeholder responsibilities

1.4 Asset management framework

The Asset Management Strategy aims to align the delivery of asset management activities with the organisation’s goals and objectives; this process is known as the “line of sight” with asset management.

The asset management framework consists of the three key asset management documents - the Asset Management Policy, Asset Management Strategy and asset management plans. These documents create transparency and accountability through all aspects of asset management to ensure all stakeholders understand their roles and responsibilities.

The Council’s asset management system is outlined in Figure 1.2. The asset management system is the end-to-end process of asset management within Council. The asset management framework connects Council’s strategic vision and goals to the on-the-ground delivery of our services.

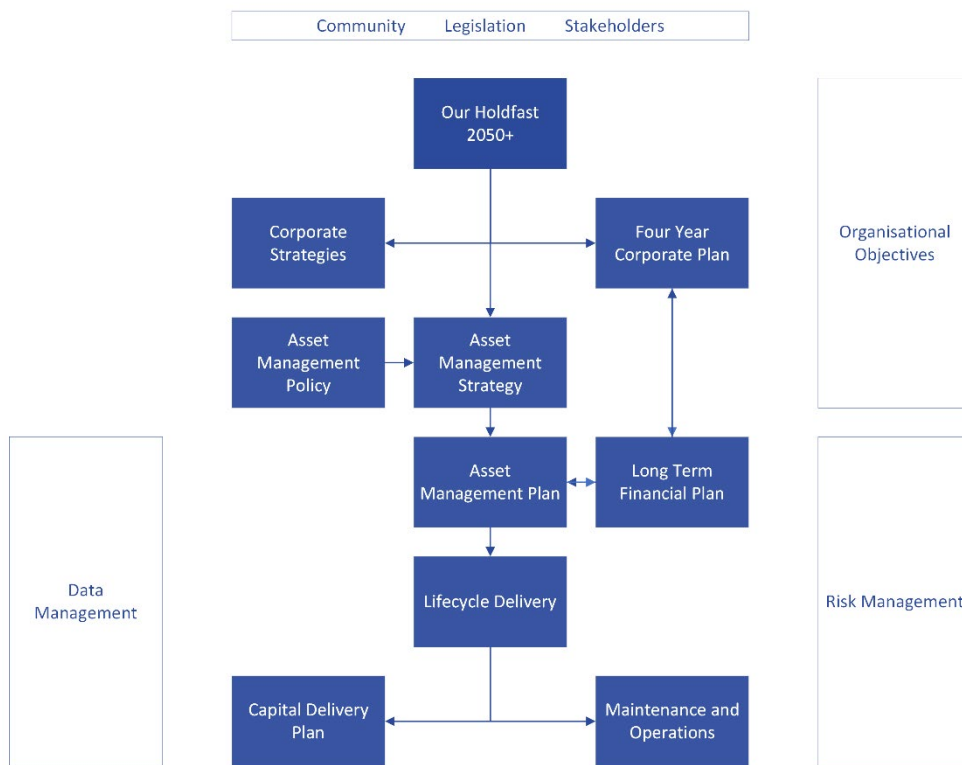


Figure 1.2 Asset management system

2 Asset class information

The building asset class includes 163 buildings and is defined into six building categories as summarised in Table 2.1.

Building category	Building sub-category	Number of buildings
Commercial	Kiosk	2
	Caravan park	57
Community	Cemetery shed	1
	Community centre	4
	Community halls and clubrooms	10
	Kindergarten	5
	Library	2
Council	Depot	6
	Brighton Civic Centre	1
	Glenelg Town Hall	1
Public Toilets	Public toilets	25
Sporting	Sport and recreational facilities	43
	Surf life saving club	4
Utility	Pump house	1
	Lock plant and motor room	1
Total		163 buildings

Table 2.1 Buildings assets

2.1 Asset hierarchy

The building asset hierarchy provides a framework for structuring data in an information system to assist in the 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 level planning and delivery.

Hierarchy	Criticality	Description
A	High	Buildings that are public facing with high usage or are critical to core council operations.
B	Medium	Buildings where failures resulting in partial or complete building closure are manageable and not likely to have immediate and extreme impact on council or community operations.
C	Low	Buildings with little to no operational impact.

Table 2.2 Building asset hierarchy categories

3 Levels of Service

The International Infrastructure Management Manual (IIMM) describes Levels of Service (LoS) as “defined service quality for an activity or service area against which service performance may be measured”.

City of Holdfast Bay has two defined Levels of Service for building assets for:

- Community Levels of Service – community perception of service.
- Technical Levels of Service – technical indicators of performance.

The defined Levels of Service are designed to support the continued performance and function of building assets to a reasonable standard, where maintenance and servicing are compliant with legislative requirements and manufacturing specifications. They are intended to ensure the building assets and associated budgets are appropriate to meet the service levels.

3.1 Community Levels of Service

Council receives feedback from a variety of sources including:

- Community enquiries and requests
- Community Strategy consultation
- Annual Business Plan consultation
- Project feedback
- Development of AMPs
- Quality of Life Report 2023
- Customer satisfaction surveys

This feedback is built into all areas of the Plan and we seek to measure our performance against community expectation through our service level links to customer request records and the Quality of Life 2023 Report.

Performance measure	Objective	Performance measure	Key performance indicator	2024 performance
Quality	Providing and maintaining community centres and programs	Quality of Life Survey score	Greater than 7.5	7.9
Quality	Providing and maintaining public toilets	Quality of Life Survey score	Greater than 7.5	7.4
Quality	Providing and maintaining sporting facilities	Quality of Life Survey score	Greater than 7.5	8.3

Table 3.1 Community Levels of Service

3.2 Technical Levels of Service

Performance measure	Objective	Performance measure	Key performance indicator	2024 performance
Quality (condition)	Physical condition of buildings within agreed service level condition	Condition of buildings	Average condition less than 3.0	2.2
Quality (condition)	Physical condition of building assets is within agreed service level condition	Condition of buildings	Percentage of poor or very poor (PVP) assets below 10%	12%
Quality (renewal)	Sustainably managing the renewal of assets	Asset renewal ratio (Renewal expenditure over forecast budget).	90% - 110%	144% (2021 – 2023)
Quality (responsiveness)	Building assets are functioning and maintained within determined response times	Time taken to respond to requests	Meet response times for priority 4 and 5 requests (90%)	TBC
Function (safety)	Compliance	Legislative compliance testing undertaken and complaint	100% compliance	Yes
Climate (mitigation)	Reduce and eliminate emissions to reach 2030 carbon-neutral target	Emissions reduction from previous year	Evidence-based reduction	TBC
Climate (adaptation)	Reduction of asset management climate risk to Council	Consider climate risk in infrastructure decision-making	Progress the RAMP and implementation of actions	Yes

Table 3.2 Technical Levels of Service

All community and technical Levels of Service have been achieved with the following exceptions:

Service level	Response action
Quality – providing and maintaining public toilets: 7.4 (target 7.5)	Significant investment in public toilets has been made in the past two financial years, including the new Seacliff Amenity Facility, a new toilet block on the Patawalonga and the ongoing renewal program of existing facilities.
Quality (renewal) – asset renewal ratio: 144% (target 90%-110%)	Through the new initiative process, several council buildings have had improvements during this period. These improvement projects have included associated renewal works to complement network upgrades.
Quality (condition) – Physical state of assets PVP below 10%: 12%	An asset condition inspection is scheduled for 2024-25 to review and update the condition data. The data will inform updated maintenance and renewal programs to meet service level requirements.

Table 3.3 Response actions

Following a condition audit and service review of the building asset class in 2025-26, new service levels will be developed to further measure the suitability and performance of our building portfolio.

Levels of Service with 2024 performance labelled TBC (to be confirmed) do not currently have a baseline indicator. These are to be measured and reported on, going forward.

3.3 Legislation and relevant Acts

Under the Local Government Act 1999, Council is required to develop and adopt an infrastructure and asset management plan (AMP) covering a period of at least 10 years. In addition, Council is required to adopt a long term financial plan (LTFP) associated with such service plans also covering a period of at least 10 years. There is a direct link between development and implementation of these two plans, with the LTFP updated to reflect forecast expenditure as detailed in these plans.

Council considers the following legislative framework in the management of its building assets.

Legislation	Requirements
<i>Aboriginal Heritage Act 1988</i>	An Act to provide for the protection and preservation of Aboriginal heritage; to repeal the Aboriginal and Historic Relics Preservation Act 1965 and the Aboriginal Heritage Act 1979; and for other purposes.
<i>Australian Accounting Standards</i>	Standards applied in preparing financial statements, relating to the valuation, revaluation, and depreciation of assets.
<i>Building Code Australia</i>	Meet requirements for occupation under the approved building class.
<i>Climate Change and Greenhouse Emissions Reduction Act 2007</i>	An Act to provide for measures to address climate change with a view to assisting to achieve a sustainable future.
<i>Disability Discrimination Act 2018</i> and other relevant disability legislation	To eliminate, as much as possible, discrimination against persons on the grounds of disability. Sets the standard for accessibility.
<i>Environment Protection Act 1993</i>	Responsibility not to cause environmental harm (e.g. noise pollution, contamination of water).
<i>Heritage Act 1993 and Heritage Places Act 1993</i>	Provides for the identification, recording and conservation of places and objects of non-Aboriginal heritage significance.
<i>Local Government Act 1999</i>	Sets out the role, purpose, responsibilities, and powers of local governments including preparation of a LTFP supported by asset management plans for sustainable service delivery.
<i>Local Government (Financial Management and Rating) Amendment Act 2005</i>	Impetus for the development of a strategic management plan, comprising an asset management plan and an LTFP.
<i>Planning, Development and Infrastructure Act 2016</i>	An Act to provide for matters relevant to the use, development and management of land and buildings, including a planning system to regulate development within the State; rules with respect to the design, construction and use of buildings; and other initiatives to facilitate the development of infrastructure, facilities and environments that will benefit the community.
<i>Retail and Commercial Leases Amendment Act 2019</i>	An Act regulating leasing of retail premises.

Legislation	Requirements
<i>SA Public Health Act 2011</i>	An Act to promote and provide for the protection of the health of the public of South Australia and to reduce the incidence of preventable illness, injury, and disability; and for other purposes.
<i>Water Industry Act 2012</i>	An Act to facilitate planning in connection with water demand and supply.
<i>Work Health and Safety Act 2012</i>	An Act to provide for the health, safety and welfare of persons at work; and for other purposes.

Table 3.3 Legislative requirements

4 Demand forecast

A community's demand for services may change over time depending on factors including environmental, technological and capacity requirements. Council may need to make changes to manage future demand for services.

Demand driver	Current position	Demand forecast	Demand impact	Demand management	Impact on assets
Population and housing density increases	Total estimated population 37,543 (2021), 51% of dwellings are medium to high density.	Planned to accommodate for 40,000 by 2031. Expected pressure for higher density development in the greater Adelaide region.	Increased demand for social building infrastructure assets such as libraries, recreational, and community facilities.	Regular Strategic Property Review for all buildings and implementation of identified actions.	Increased operational, maintenance and renewal costs.
Ageing population and increase in disability rates	Median age is 48 years	Growth in ageing population and demand for universal design for inclusion and accessibility.	Increased demand for building facilities that are more suitable for use by elderly people.	Undertake DDA compliance audit for buildings, maintain assets in accordance with changing Building Codes and Australian Standards.	Increased DDA compliance and aged care service provision requirements.
Environmental sustainability (climate mitigation)	Council and the community are increasingly aware of our impact on the environment and Council's role in environmental sustainability.	Council is committed to pursuing, supporting, and creating an environment that will sustain current and future generations.	Requirement to use fewer, recycled and renewable resources that can contribute to the development of a circular economy and reduce Council's carbon footprint. Greater environmental sustainability requirements placed on the construction industry.	Implement actions from the Environment Strategy 2020-25, Climate Governance Risk Assessment and Carbon Neutral Plan.	Higher costs associated with construction methods that are environmentally sustainable.
Climate Change	Increase in severe weather events including droughts,	Increasing number of hot	Assets not reaching their expected useful lives due to	Resilient Asset Management Program (RAMP) assessing	Higher costs associated with materials, construction

Demand driver	Current position	Demand forecast	Demand impact	Demand management	Impact on assets
(climate adaptation)	extreme heat events, storms, storm surges, high tides, and sea level rise.	weather days and events. Increase in intensity of rain events. Sea level rise is accelerating. Increased evapotranspiration.	a lack of consideration of climate change. Increasing management and maintenance demand associated with climate change adaptation.	resilience and suitability of assets under changing climate conditions.	methods and maintenance of climate resilient and environmentally sustainable building assets.
Changing consumer preferences	All sports clubs expect access to a building.	All sports clubs have access to a building. Increasing female participation in sport requiring upgrades to change facilities. Changing demand in the type of facility provided.	Potential consolidation of building assets and possible move towards shared mixed-use buildings for clubs and community groups. Increase in female participation in sport requires redevelopment of existing, or development of new, change facilities.	Strategic planning of the Building and Facilities asset class to develop a renewal plan that includes consideration of changed usage of buildings. Consultation with stakeholders on preferred amenities once a renewal or upgrade is pending (refer to Buildings Lifecycle Plan).	Changes to building usage requirements, i.e. female/child-friendly changing rooms and disability-friendly change facilities.
Technology change	Increasing use of solar panels and smart technologies to operate building facilities.	Growing expectation to implement digital service improvements.	Council must adapt to the changing way the community operates, think and plan.	Align new or building upgrades with strategic plans and corporate values, exploring new emerging technologies during design and procurement.	Increasing use of solar panels and batteries will reduce the operational costs of facilities. Installation of battery storage and solar panels requires additional capital expenditure.

Table 4.1 Demand factors

5 Lifecycle planning

Asset lifecycle planning outlines how Council plans to manage building assets in an optimised cost-effective manner while ensuring delivery of agreed service levels. The lifecycle of assets can be defined in four stages, including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal

Each of these stages is further detailed in this lifecycle planning section.

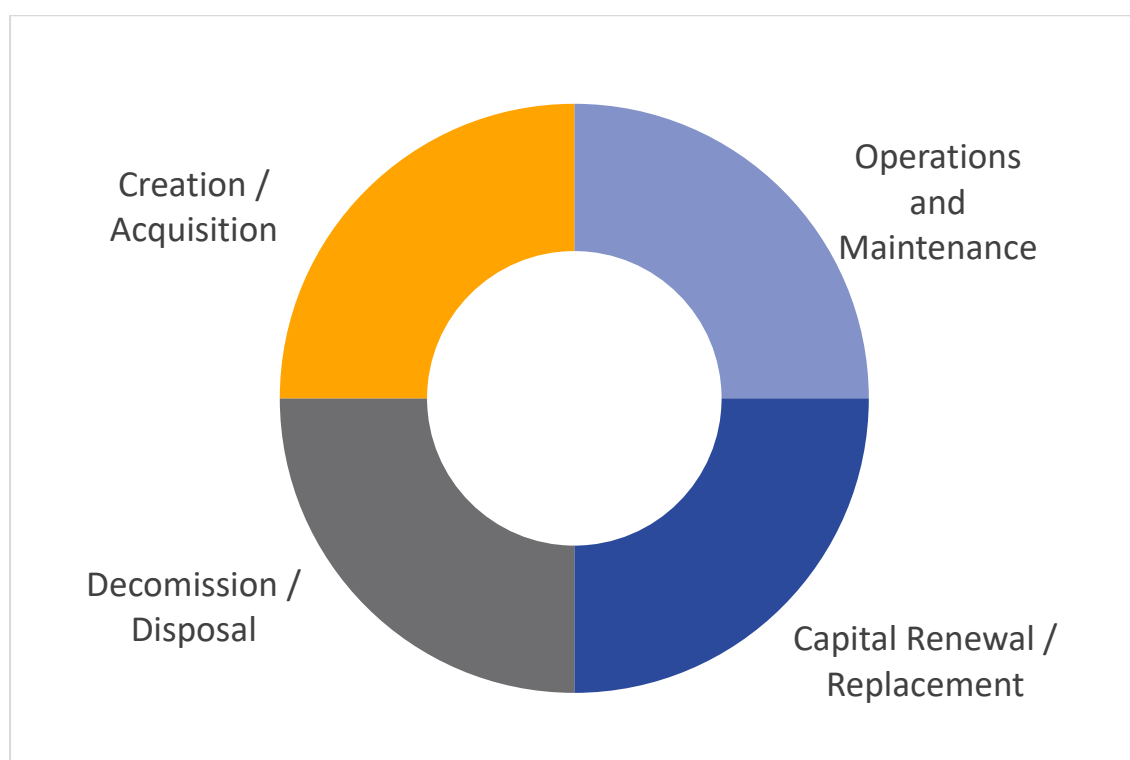


Figure 5.1 Asset lifecycle

5.1 Asset life

Throughout the asset lifecycle, assets are inspected, condition-rated and revalued on a periodic basis. Asset condition and expected useful life are used to estimate the remaining life of each asset.

Building assets are managed financially using a straight-line depreciation method whereby an asset has a baseline current replacement cost that is depreciated over time using an assigned expected useful life for each asset. Throughout the asset lifecycle, assets are inspected, condition-rated and revalued on a periodic basis. Asset condition and expected useful life are used to estimate the remaining life of each asset.

Assets may be renewed or replaced based on several factors including condition, amenity, capacity, function and increasing requirement for asset maintenance and repair as assets age. The service life of an asset may therefore differ from the design life or the useful life. During an asset's service life, maintenance and repair works will be required to maintain the service level provided by the asset.

A summary of expected useful lives of buildings assets is provided in Table 5.1.

Building asset category	Useful life range (years)
Exterior and sundries	30 - 50
Interior finishes	35
Public toilets	40
Roofing	50 - 60
Services	35 - 60
Structures	40 - 150
Substructure	40 - 150

Table 5.1 Useful lives

5.2 Asset condition

Council is responsible for maintaining building assets in the appropriate condition for the defined level of service (section 3). This is achieved through the following works:

- Periodic building asset condition audits and safety inspections.
- Development of a forward works program for capital renewal works and maintenance activities.
- Overseeing works undertaken.

An independent condition audit of all building assets is completed every five years minimum to maintain an up-to-date database of condition, maintenance, and risks. Condition audits will be aligned to the asset class revaluations.

During the service life, buildings are maintained and inspected regularly to ensure the asset remains safe for use and fit for purpose, and to ensure the service life is achieved.

The condition scoring criteria adopted for building asset audits is based on the IPWEA condition rating guidelines and is summarised in Table 5.2.

Condition grade	Condition	Description
1	Very good	Sound physical condition, no work required.
2	Good	Acceptable physical condition, minimal risk of failure but potential for deterioration, only minor work required (if any).
3	Fair	Significant deterioration evident, failure unlikely in near future however further deterioration likely. Maintenance required to return the asset to accepted level of service. Renewal likely to be required in the medium term.
4	Poor	Failure likely in short term, consider renewal.

		Renewal likely to be required in the short term – 2 to 5 years.
5	Very Poor	Failed or failure imminent/safety risk, approaching unserviceable. Refurbishment, replacement or removal required as a priority.

Table 5.2 Condition score criteria

The building assets were last audited in 2019 with the next condition assessment scheduled for 2024-25. The Asset Management Plan will be updated following the 2024-25 data collection.

A summary of the condition of building assets from the 2019 asset condition inspection is provided in Table 5.3 and Figure 5.2.

Asset category	Number of buildings	Average component condition rating	Percentage below condition 3
Commercial	59	2.3	12%
Community	22	2.0	9%
Council	8	2.0	9%
Public toilets	25	2.5	13%
Sporting	47	2.2	14%
Utility	2	2.0	0%
Total	163	2.2	12%

Table 5.3 Condition ratings

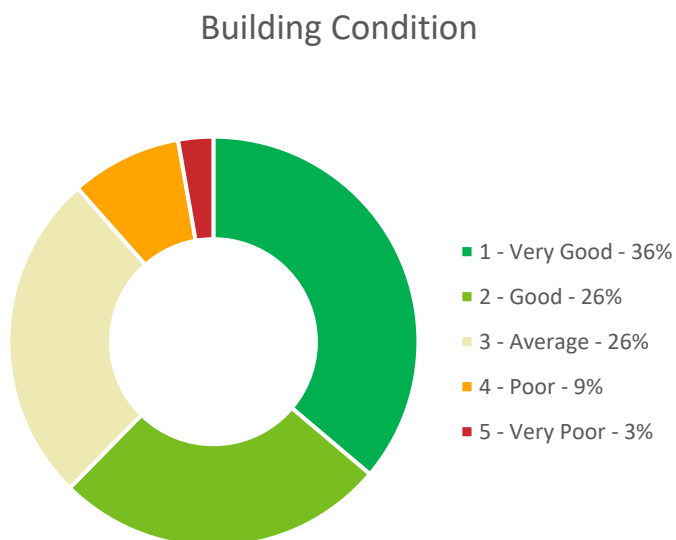


Figure 5.2 Building Condition Profile

5.3 Historical expenditure

Historical expenditures for 2019-20 to 2022-23 for operation, maintenance, new assets and renewal of existing assets for the building asset class is summarised in Figure 5.3. The actual expenditures for each year have been indexed by the local government price index (LGPI) to create 2024-25 equivalent expenditures.

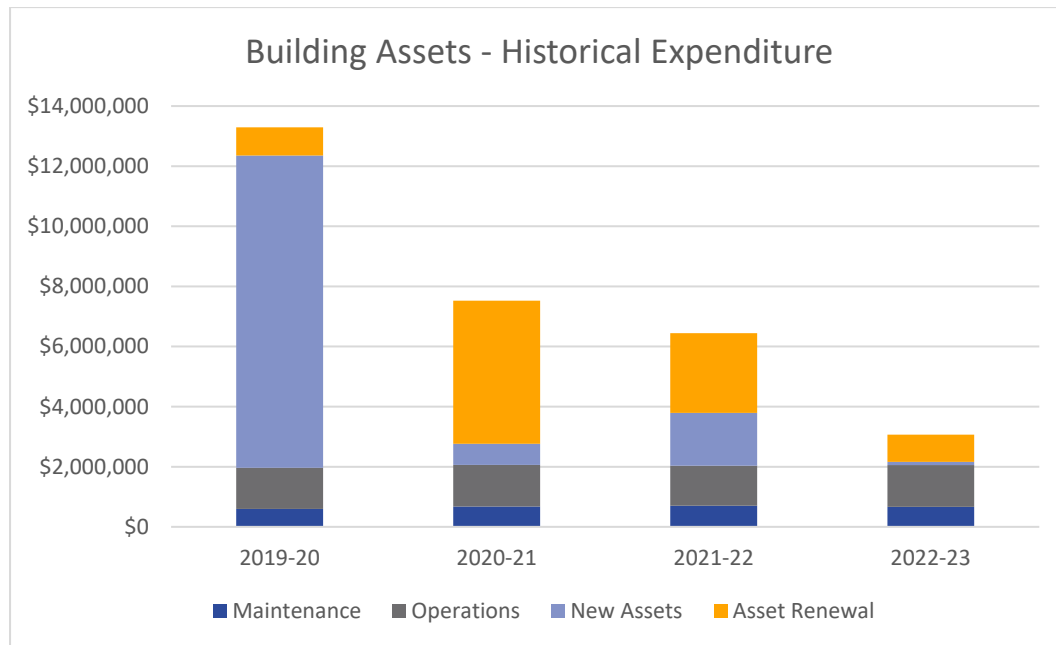


Figure 5.3 Historical expenditure

5.4 Operation and Maintenance Plan

Assets are maintained and serviced throughout the lifecycle to ensure service delivery and safety are maintained.

Typical operations associated with building assets include cleaning and regular inspection of electrical and plumbing assets.

Maintenance activities include all actions required to retain an asset’s condition and amenity, and can be classified as either reactive or planned. Typical maintenance activities include repair of electrical and plumbing services in buildings, external and internal painting and surface treatments on buildings, and structural repairs as required.

Expenditures from the previous financial years have been indexed by the local government price index (LGPI) to create 2024-25 equivalent expenditures.

The operation and maintenance costs of building assets are forecast to trend in line with the previous four years of costs.

Annual amounts of \$1,366,856 for operations and \$661,672 for maintenance have been adopted, based on the average of the previous four years, to provide equivalent 2024-25 estimates.

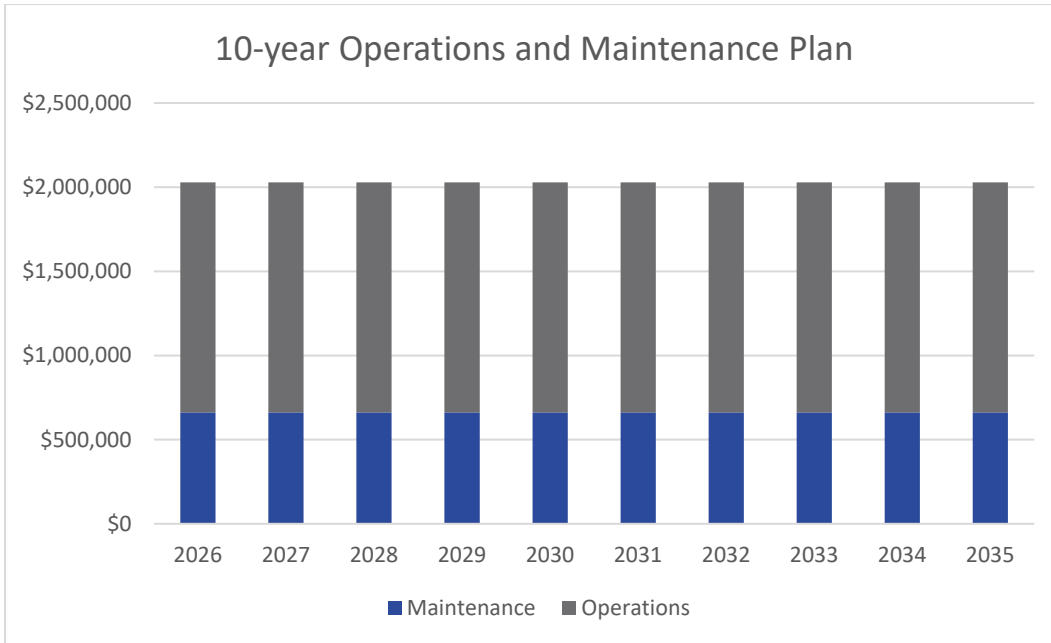


Figure 5.4 Operations and Maintenance Plan

5.5 Renewal Plan (capital)

Asset renewal is capital work which restores, rehabilitates, replaces, or renews an existing asset to its original service potential.

Asset renewal is undertaken for reasons including deteriorating asset condition, function, and amenity considerations, or to align works in an area to minimise disruption and undertake works efficiently.

The building replacement program outlined in this plan has been developed based on condition data, standard useful lives of assets, and reported defects and failures.

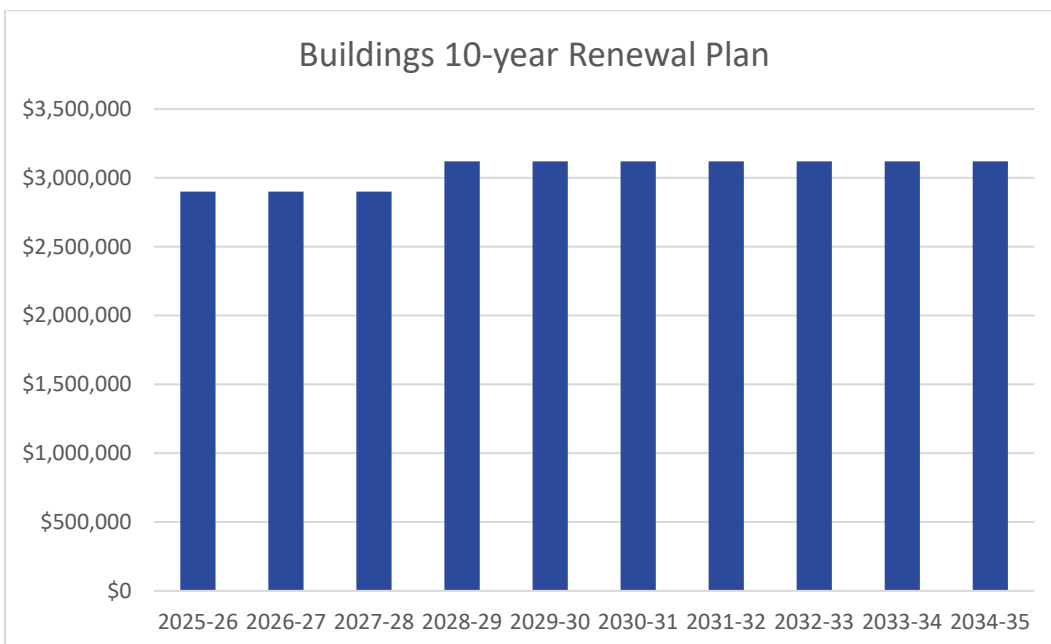


Figure 5.5 10-year Renewal Plan

Following the 2024-25 condition assessment and building service review a revised renewal program will be developed and implemented into an updated asset management plan.

5.6 Acquisition Plan (new capital)

Acquisitions are new assets that did not previously exist or works resulting in significant upgrade of the asset and an increased capacity to deliver a service. The requirement for an acquisition may result from growth, changed demand, social or environmental needs. Assets may also be donated to Council.

Acquisition works result in additional future operations and maintenance costs.

Acquisition of new assets is often based on community expectations and strategies to change a service offering in a specific location.

Council is currently undertaking and planning upgrades and acquisitions for the:

- Brighton Beachfront Holiday Park redevelopment
- Seacliff Amenities Building and Beach Access Redevelopment
- Patawalonga toilet

The Brighton Beachfront Holiday Park redevelopment is a funded project being undertaken over several years. Works still to be undertaken include replacement and development of cabins and internal roads.

The Seacliff Amenities Building and Beach Access Redevelopment, and Patawalonga toilet, are both being delivered in 2024-25 and have been excluded from acquisitions in this plan.

5.7 Disposal Plan

Disposal of assets refers to activities associated with disposing of a decommissioned asset including sale, demolition, or relocation. Council's Disposal of Assets Policy outlines this process.

Council has no upcoming disposals for building assets and currently there is no funding requirement for building asset disposals.

6 Financial summary

Financial requirements for the building asset class are outlined in this section.

6.1 Asset class valuation

Valuations are undertaken for each asset class in alignment with Australian Accounting Standard AASB13 Fair Value and are generally undertaken at least every five years.

The revaluation of Council's building asset class was last undertaken as of 30 June 2022 and was developed by an external independent valuer based on the current building asset register data.

While building inspections were undertaken during development of this valuation, a full condition audit of all building asset components was not undertaken at this time. It is planned to complete a condition audit and defect collection for all of Council's buildings assets during the 2024-25 financial year and develop a revaluation as of 1 July 2025 using the asset component and condition data.

Before starting the condition audit, building asset data will be reviewed and updated to ensure a high level of data quality and structure prior to the audit. All building asset components will be assigned an asset type, asset dimension, a unit rate for current replacement cost, and standard useful life to develop an overall valuation for building assets as of 1 July 2025.

The current valuation of Council's building asset class is summarised below.

Building subcategory	Current asset cost	Accumulated depreciation	Carrying value	Number of buildings
Commercial	\$7,129,956	\$2,971,176	\$4,158,780	59
Community	\$28,964,848	\$14,111,012	\$14,853,836	22
Council	\$31,919,434	\$17,451,492	\$14,467,942	8
Public toilets	\$4,829,530	\$1,850,053	\$2,979,478	25
Sporting	\$65,157,920	\$20,429,695	\$44,728,224	47
Utility	\$84,000	\$37,085	\$46,915	2
Total	\$138,085,688	\$56,850,512	\$81,235,176	163

Table 6.1 Building assets valuation

Building Asset Valuation

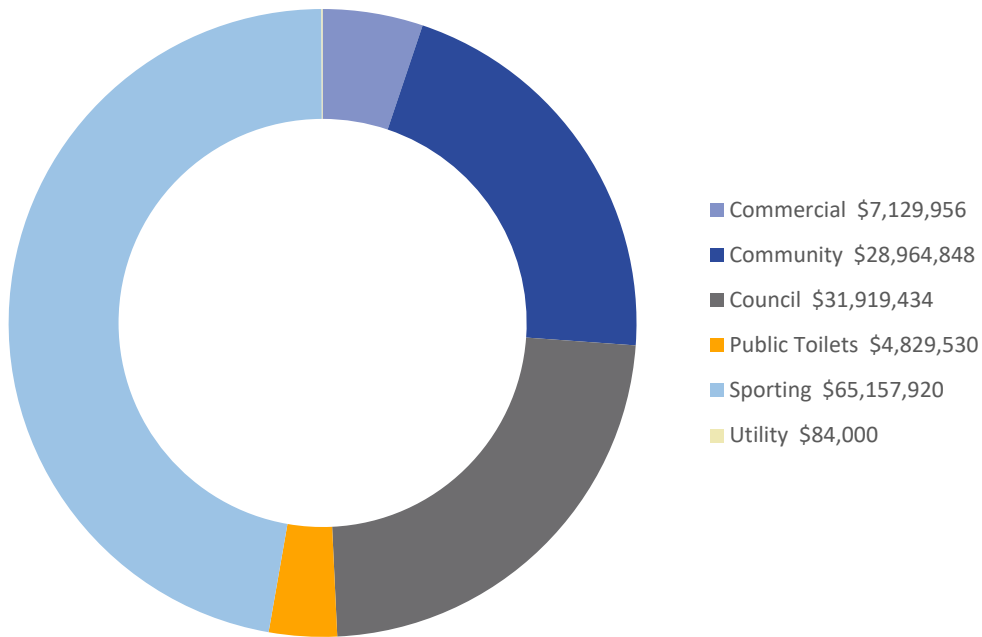


Figure 6.1 Building assets valuation

6.2 Expenditure forecast summary

The overall buildings expenditure forecast for operations, maintenance, renewal of existing assets and acquisition of new assets is provided in Table 6.2. The building asset renewal forecast is provided in Table 6.3.

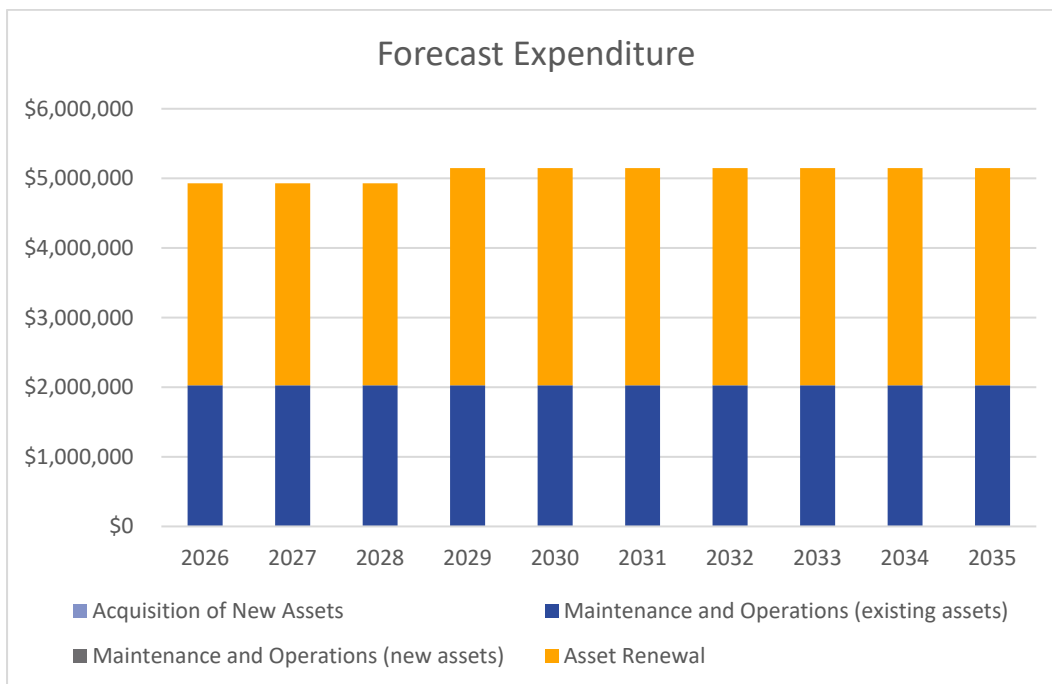


Figure 6.2 Building forecast expenditure

Financial year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Acquisition of new assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance and operations (existing assets)	\$2,028,528	\$2,028,528	\$2,028,528	\$2,028,528	\$2,028,528	\$2,028,528	\$2,028,528	\$2,028,528	\$2,028,528	\$2,028,528
Maintenance and operations (new assets)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset renewal	\$2,900,000	\$2,900,000	\$2,900,000	\$3,119,398	\$3,119,398	\$3,119,398	\$3,119,398	\$3,119,398	\$3,119,398	\$3,119,398
Asset disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
External grant funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Council funding required	\$4,928,528	\$4,928,528	\$4,928,528	\$5,147,926	\$5,147,926	\$5,147,926	\$5,147,926	\$5,147,926	\$5,147,926	\$5,147,926

Table 6.2 Forecast expenditure

Financial year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Building asset renewal	\$2,900,000	\$2,900,000	\$2,900,000	\$3,119,398	\$3,119,398	\$3,119,398	\$3,119,398	\$3,119,398	\$3,119,398	\$3,119,398
Total renewal	\$2,900,000	\$2,900,000	\$2,900,000	\$3,119,398	\$3,119,398	\$3,119,398	\$3,119,398	\$3,119,398	\$3,119,398	\$3,119,398

Table 6.3 10-year renewal plan

6.3 Funding strategy

Key strategic activities that will affect the future financial position for buildings:

- The AMP to inform the LTFP
- Valuation 1 July 2025
- Building condition data collection in 2024-25
- Building leasing agreement review
- Building service review
- Carbon Neutral Plan implementation
- Resilient Asset Management Program implementation
- Property Plan (in development)

6.4 Assumptions

The following assumptions have been adopted in the development of the financial forecasts:

- The renewal budget requirement is currently based on previous AMP data and LTFP budgets.
- Operation and maintenance budget forecasts have been based on actual operation and maintenance costs for a four-year period adjusted to 2024-25 equivalent costs.
- No decommissioning of assets has been assumed.

6.5 Data confidence

Expenditure requirements for asset replacement and operational costs have been based on the best available data.

Asset replacement costs for buildings have been based on the previous 2020 AMP for the first five years of the planning period and average budget requirements for the last five years of the planning period. While the budget can be managed in the short term, it is accepted that new condition data and review of the buildings asset class during 2024-25 will result in an updated renewal plan.

The buildings asset register is currently being restructured prior to a condition audit in 2024-25. Data restructuring will include the separate identification of service assets such as large switchboards and solar panels and lifts that operate on a service life in a similar manner to plant and equipment assets. Smaller assets such as wall and floor finishes will be grouped together rather than being identified as individual assets.

The data confidence for this asset class is classified as “C – Uncertain” based on the IPWEA data confidence scale provided in Table 6.4.

Once each building is identified separately and assigned either one or several commissioned assets based on complexity, it is anticipated data confidence can be upgraded to “B – reliable” prior to the next asset management plan update.

Confidence level	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, e.g. 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 is available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated at $\pm 25\%$.
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.

Table 6.4 Data confidence

7 Risk management

The objective of the risk management process is to ensure all significant asset management risks are identified and assessed. Following a risk assessment and consideration of both likelihood and consequence, risks identified as high or very high in the short to medium term are investigated. Strategies and treatments are implemented to mitigate or address unacceptable risks.

An assessment of risks in line with Council’s risk matrix (Figure 7.1) associated with the building asset class is detailed in Table 7.1.

Likelihood \ Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	E	Medium	Medium	High	Extreme	Extreme
Likely	D	Low	Medium	High	High	Extreme
Possible	C	Low	Medium	Medium	High	High
Unlikely	B	Low	Low	Medium	Medium	High
Rare	A	Low	Low	Low	Medium	Medium

Figure 7.1 Risk matrix

Table 7.1 summarises the asset management risk register, which is reviewed and updated at minimum annually in line with our risk management procedures. The asset management risk register should be reviewed in line with the strategic and operational risk register.

Building risk statement	Current controls	Residual risk rating	Further risk treatments/actions	Target risk rating
Climate change affecting useful life of assets and ability for buildings to be refuges	<ul style="list-style-type: none"> - Ongoing participation in the Resilient Asset Management Program (RAMP) with Resilient South Councils. - Coastal adaptation planning in place, including hazard identification and assessment. - Integrated IPWEA Practice Note 12.1 into asset project design & planning processes. - Consideration of climate change risks in strategic and long-term planning. 	HIGH	<ul style="list-style-type: none"> - Implement RAMP actions for all asset classes and across the asset lifecycle. - Complete coastal adaptation planning including data collation, risk assessments and community engagement. 	MEDIUM
Inconsistency caused by changes to Elected Members or Senior Leadership personnel	<ul style="list-style-type: none"> - Alignment of asset management framework (AM Policy, Strategy and plans) including service levels and long-term financial plans. - Development of AM Steering Committee. - Regular asset management updates provided to Elected Members. 	MEDIUM	<ul style="list-style-type: none"> - Improving asset management maturity aligned with AM Strategy improvement plan. - Keep Elected Members and Senior Leadership Committee, informed via the Asset Management Steering Committee. Identify training where required. 	MEDIUM
Insufficient budget to meet service levels for maintenance and renewal	<ul style="list-style-type: none"> - Clear budget planning process, identifying any funding dependencies within planned/major upgrades. - Operational management plans for complex and high-risk sites. - 10-year financial planning and rolling 3-year capital works program. - Regular condition audits of assets. - Community service levels developed through ongoing feedback. 	MEDIUM	<ul style="list-style-type: none"> - AM Strategy Improvement Program Action Number 8 and Improvement Action 4: Review operational LoS and update responsibilities, resourcing and planning to meet agreed LoS. Implement system to prioritise, assess and action requests in-line with operational LoS. - AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision-making. 	MEDIUM
Lack of accuracy and consistency in asset management source data	<ul style="list-style-type: none"> - Current asset information data levels through cyclic condition audits. See confidence levels. - Annual cyclic data collection schedule in place. - Ongoing improvements to data management guidelines. - Regular updates from routine maintenance spot checks/issue reporting. 	HIGH	<ul style="list-style-type: none"> - Controls aligned to improvement plan (section 8) including 2024-25 building data collection. - AM Strategy Improvement Program Action Number 3: Establish the data management framework and guidelines for asset register to future-proof for predictive modelling. - AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision-making. 	LOW

Building risk statement	Current controls	Residual risk rating	Further risk treatments/actions	Target risk rating
Lack of alignment between strategic property management and building renewal works	<ul style="list-style-type: none"> - Planned condition audit 2024-25. - Planned service review 2024-25. 	HIGH	<ul style="list-style-type: none"> - Complete condition audit. - Develop a strategic plan for property. - Strategic planning alignment for new and existing buildings. - Update AMP to reflect strategic direction for property. 	MEDIUM
Inconsistent / inaccurate property data	<ul style="list-style-type: none"> - Existing data based on 2019 condition audit. 	MEDIUM	<ul style="list-style-type: none"> - Property data collected and used as the base for property management system. - Periodic data cleansing/updating program. 	MEDIUM
Lack of compliance with legislative and Australian Standards requirements, including DDA compliance	<ul style="list-style-type: none"> - DDA compliance program following audit of all key buildings. - Ongoing programs to complete related audit recommendations. - Other legislative compliance met, including inspections and testing. 	MEDIUM	<ul style="list-style-type: none"> - Undertake a gap analysis for DDA compliance. - Use the 2024-25 data collection to identify improvement areas and include within renewal programs. 	MEDIUM
Lease buildings not suitably maintained	<ul style="list-style-type: none"> - Established buildings maintenance program. - Regular site inspections give assurance that lease holders adequately maintain the facilities. 	MEDIUM	<ul style="list-style-type: none"> - Undertake review of buildings maintenance program to ensure all properties are correctly listed and detailed. - Review and update lease templates as required. 	LOW
Risk of change in community service standards or expectations	<ul style="list-style-type: none"> - Track service levels with Quality of Life Survey - Community feedback through customer requests records - Feedback through community engagement on strategies and plans 	MEDIUM	<ul style="list-style-type: none"> - Improvement action 5 review of service levels - Improvement action 7 undertake strategic property review 	LOW

Table 7.1 Risk assessment

8 Improvement plan

The following tasks have been identified for improving building asset management practices and future versions of this plan.

Task No	Task	Responsibility	Resources required	Due for review
1	Undertake building condition assessment	Manager Building and Facilities	Existing	June 2025
2	Undertake annual safety inspection program.	Manager Building and Facilities	Existing	June 2025, ongoing
3	Establish a compliance register for DDA requirements within each building.	Manager Building and Facilities	Additional	June 2025
4	Establish Facilities Management Plans for complex, heritage-listed or high-risk sites.	Manager Building and Facilities	Additional	June 2028
5	Review the levels of service, incorporate into renewal planning and define asset hierarchy service levels aligned to core business.	Manager Building and Facilities	Existing	December 2025
6	Implement defined maintenance and capital replacement responsibilities in lease agreements that align with building hierarchy service standards.	Manager Building and Facilities	Existing	June 2026
7	Undertake a strategic property review development of Council's Property Plan.	Manager Building and Facilities	Additional	June 2026
8	Update Buildings Asset Management Plan based on: <ul style="list-style-type: none"> - new condition data - service level review - strategic property review - lease agreement review 	Manager Building and Facilities	Existing	June 2026

Table 8.1 Improvement plan

Attachment 3

OPEN SPACE

Draft Asset Management Plan 2024

City of Holdfast Bay



Welcome

Asset management plans are important documents that outline how we plan, invest and maintain our infrastructure assets so we can continue to deliver valuable services for our community now and into the future.

Assets are the foundation stones of the City of Holdfast Bay. They include the streets we drive on, the parks and reserves our families play on, the stormwater network we rely on, and the community and sporting facilities we enjoy across Holdfast Bay.

Here we present the Open Space Asset Management Plan. Our 6,000 open space assets are located across more than 100 open space areas including parks, sportsgrounds, natural areas, greenways, public plazas, the beach, foreshore and other land freely available for community activity. Key assets include playgrounds, sporting surfaces, electrical and lighting, benches, shelters, artwork, structures, irrigation and drinking fountains.

Asset management plans provide a snapshot of the current state of our infrastructure and the requirements to ensure we maintain and renew assets in a cost-effective and sustainable manner that meets our community's expectations.

Management of assets requires balancing the service standard expectations of the community with the costs required to deliver the service. While we would all like the highest standard of our assets, this comes at a cost, the long-term impact of which needs to be carefully considered.

A significant amount of investigation, planning and financial modelling underlies the asset management plans. The plans highlight that when we build new assets or upgrade assets, we must plan for their ongoing maintenance and eventual replacement at the end of the asset's life.

I encourage you to have a look at the asset management plans and consider whether the service levels presented here are consistent with your vision for the future of Holdfast Bay.

Contents

Executive summary	3
1 Introduction	4
1.1 Purpose.....	4
1.2 Strategic context.....	4
1.3 Stakeholders	6
1.4 Asset management framework	7
2 Asset class information	8
2.1 Open Space Hierarchy	8
3 Levels of Service	10
3.1 Community Levels of Service.....	10
3.2 Technical Levels of Service	11
3.3 Legislation and relevant Acts.....	12
4 Demand forecast	14
5 Lifecycle planning	16
5.1 Asset life	16
5.2 Asset condition	18
5.3 Historical expenditure	20
5.4 Operation and Maintenance Plan	21
5.5 Renewal Plan	21
5.6 Acquisition Plan (new capital)	23
5.7 Disposal Plan.....	24
6 Financial summary	25
6.1 Asset valuation	25
6.2 Expenditure forecast summary	26
6.3 Funding strategy	29
6.4 Assumptions	29
6.5 Data confidence.....	29
7 Risk management.....	31
8 Improvement Plan.....	34

Executive summary

The City of Holdfast Bay owns and maintains approximately 6000 open space assets worth over \$76 million. These assets provide a large range of services in these spaces for sport, recreation and leisure activities, contributing to the health and wellbeing of our residents and visitors.

The objective of asset management is to ensure the City of Holdfast Bay's assets are managed in the most cost-effective and sustainable way, so we can continue to deliver valuable services for our community now and into the future.

To ensure our assets are providing the appropriate service to the community, levels of service are tracked each year. These levels of service are defined under quality, function, capacity and climate.

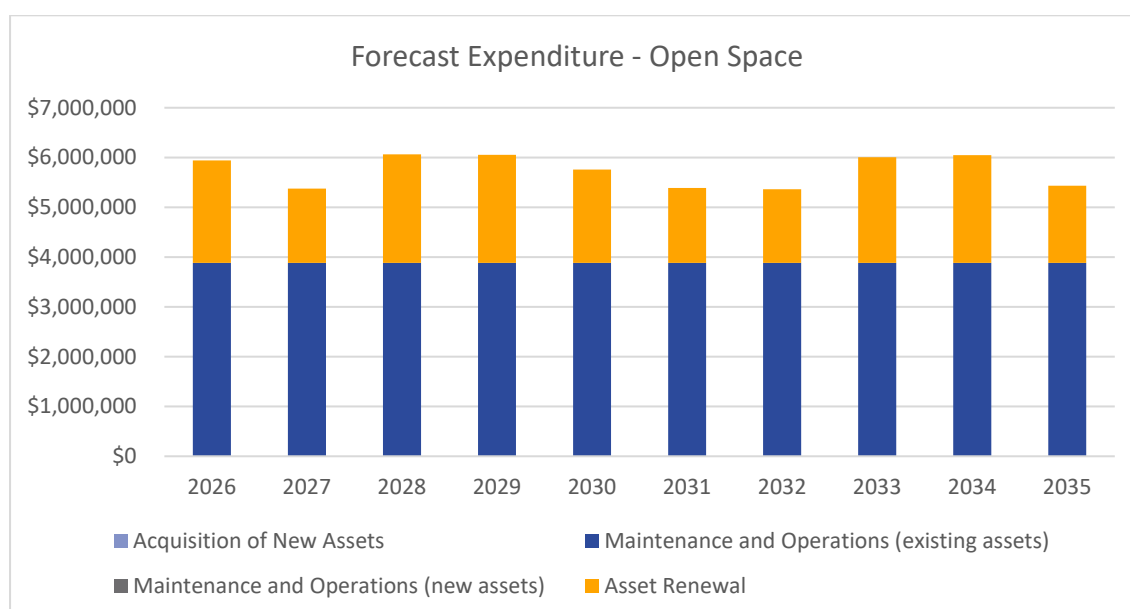
Asset lifecycle planning outlines how Council plans to manage open space assets in an optimised cost-effective manner while ensuring delivery of the agreed service levels. The lifecycle of assets can be defined in four stages, including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal

The physical condition of our assets is a level of service indicator to ensure we are appropriately investing in assets. The targets for condition are overall average condition better than 3.0 (fair) and the percentage of assets in fair to very good condition above 90%. The current condition levels are:

- Average condition: 2.2 (good)
- Fair to very good percentage: 97%

The expenditure forecast for all four stages of the asset lifecycle is summarised below.



Council is committed to continuously improving the quality and maturity of its asset management practices. The open space improvement program has been developed as a roadmap for these improvements in conjunction with the Asset Management Strategy.

1 Introduction

1.1 Purpose

Open space is land commonly open to public access and provided for community and recreation activity. These are areas such as parks, sportsgrounds, natural areas, greenways, public plazas, the beach, foreshore and other land freely available for community activity.

City of Holdfast Bay owns and maintains open space assets to provide a large range of services in these spaces for physical activity and leisure activities, contributing to the health and wellbeing of our residents and visitors. These areas enhance the liveability and economic vitality of our council area while encouraging biodiversity and resilience to climate change.

The strategic direction for the overall management of open space is detailed in several documents including Council's Strategic Plan (Our Holdfast 2050+) and Open Space and Public Realm Strategy 2018-2030. The Plan addresses how we manage our open space infrastructure assets.

Assets covered in this plan include:

- Artwork, including monuments and plaques
- Electrical and lighting, including switchboards and public lighting
- Fencing and walls
- Fittings and fitouts, including seating, shelters, barbecues, CCTV, shade sails
- Marine assets including sand groynes and a jetty
- Other structures such as boardwalks, decked areas, ramps and stairs
- Playground equipment, exercise equipment softfall
- Signs
- Sporting structures and court surfaces such as tennis and basketball courts
- Waste assets such as bins and dog bag dispensers
- Water assets such as drinking fountains, showers and irrigation

The plan aims to demonstrate proactive management of assets in compliance with regulatory requirements to sustainably meet present and future community needs through:

- Aligning with industry best practice for asset management ISO 55000:2014 without seeking accreditation as an ISO document or process.
- Aligning delivery of asset management activities with organisational goals and objectives.
- Creating transparency and accountability through all aspects of asset management.
- Meeting the agreed Levels of Service in the most cost-effective way through creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets.

1.2 Strategic context

In accordance with the Local Government Act 1999 (the Act) and the Strategic Plan (Our Holdfast 2050+), Council provides a range of community services to the local community and visitors.

Assets are the foundation stones of the Council, and management of assets is essential to achieve our Council's vision of:

"Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia's most sustainable city."

The plan is developed and implemented in conjunction with the following plans, strategies and policies:

- Strategic Plan (Our Holdfast 2050+)
- Corporate Plan (Four-year delivery plan)
- Long Term Financial Plan (LTFP)
- Asset Management Policy
- Asset Management Strategy
- Asset management plans (AMPs)
- Open Space and Public Realm Strategy 2018–2030
- Playspace Action Plan 2019–29
- Coastal Adaptation Planning
- Carbon Neutral Plan

Council’s planning framework (draft) is outlined in Figure 1.1.

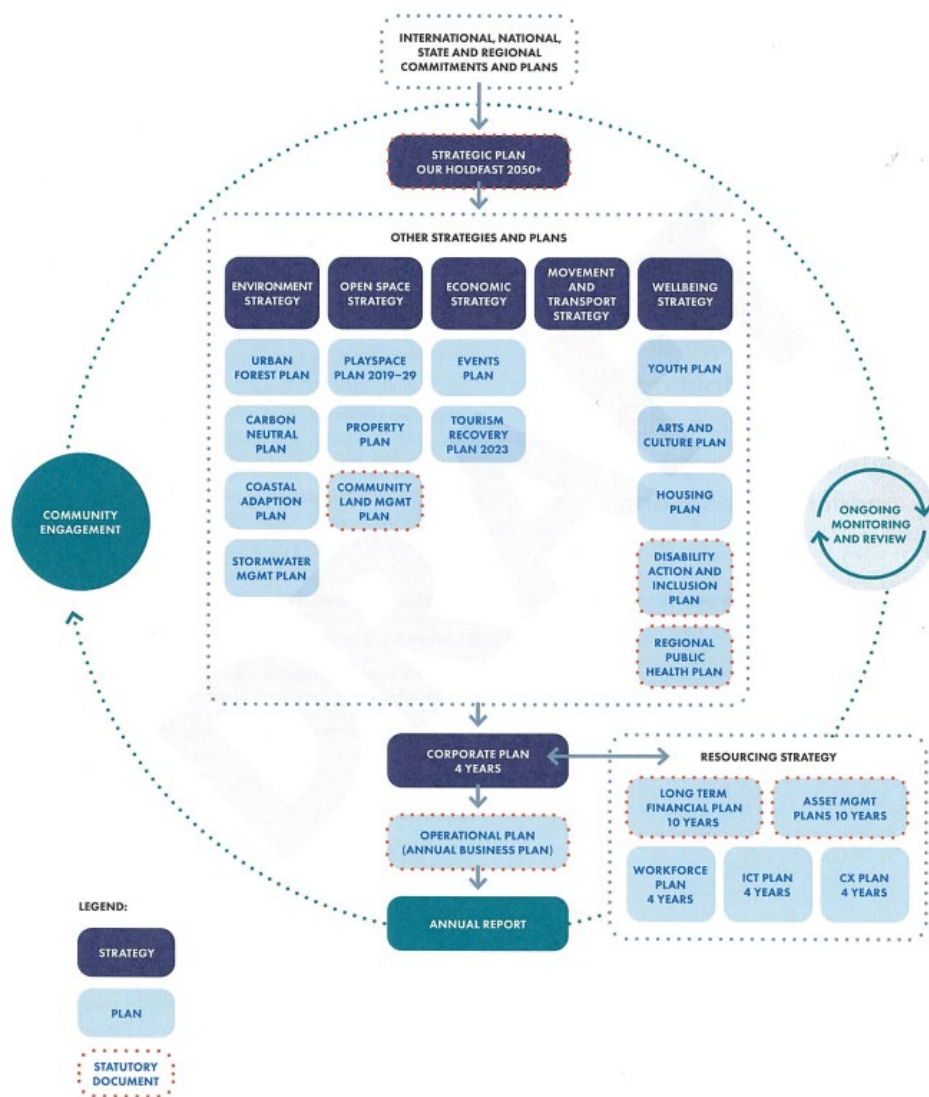


Figure 1.1 Planning framework (draft)

1.3 Stakeholders

Key stakeholders responsible for asset management and end users of open space assets are provided below.

Key stakeholders	Role in Asset Management Plan
Residents / community	<p>End users of the services provided directly and indirectly by the assets.</p> <p>Provide feedback collected throughout the year, including the annual satisfaction survey.</p>
Elected Members	<p>Act as custodians of community assets.</p> <p>Set asset management policy and vision.</p> <p>Allocate resources to meet council objectives in providing services while managing risks.</p>
Audit Committee	<p>Reviews, and makes recommendations and observations to Council on the financial outcomes of the asset management plans.</p>
Chief Executive Officer and Senior Leadership Team	<p>Provide leadership and strategic direction.</p> <p>Review Asset Management Policy and Asset Management Strategy.</p> <p>Ensure community needs and agreed service levels are incorporated into asset management planning and the LTFP.</p> <p>Ensure councillors and staff are provided with training in financial and asset management practices.</p> <p>Ensure accurate and reliable information is presented to Council.</p> <p>Ensure appropriate delegations and approval processes are followed.</p>
Manager Engineering	<p>Manages development, implementation and review of asset management plans, the Asset Management Policy and Asset Management Strategy.</p> <p>Responsible for advancing asset management within the organisation.</p>
Asset Management Lead	<p>Prepares asset management plans.</p> <p>Manages the asset register and spatial systems.</p> <p>Coordinates data collection.</p> <p>Coordinates annual renewal budget planning.</p> <p>Delivery of asset management improvement programs.</p> <p>Provides technical asset management expertise to the organisation.</p>
Senior Project Manager	<p>Coordinates Council's capital works program.</p>
Public Realm Urban Design	<p>Develops Open Space and Public Realm Strategy and Playspace Action Plan</p>
Field Services	<p>Ensures the maintenance and works programs are achieving service standards.</p>

Table 1.1 Stakeholder responsibilities

1.4 Asset management framework

The Asset Management Strategy aims to align the delivery of asset management activities with the organisation’s goals and objectives; this process is known as the “line of sight” with asset management.

The asset management framework consists of the three key asset management documents - the Asset Management Policy, Asset Management Strategy and asset management plans. These documents create transparency and accountability through all aspects of asset management to ensure all stakeholders understand their roles and responsibilities.

The Council’s asset management system is outlined in Figure 1.2. The asset management system is the end-to-end process of asset management within Council. The asset management framework connects Council’s strategic vision and goals to the on-the-ground delivery of our services.

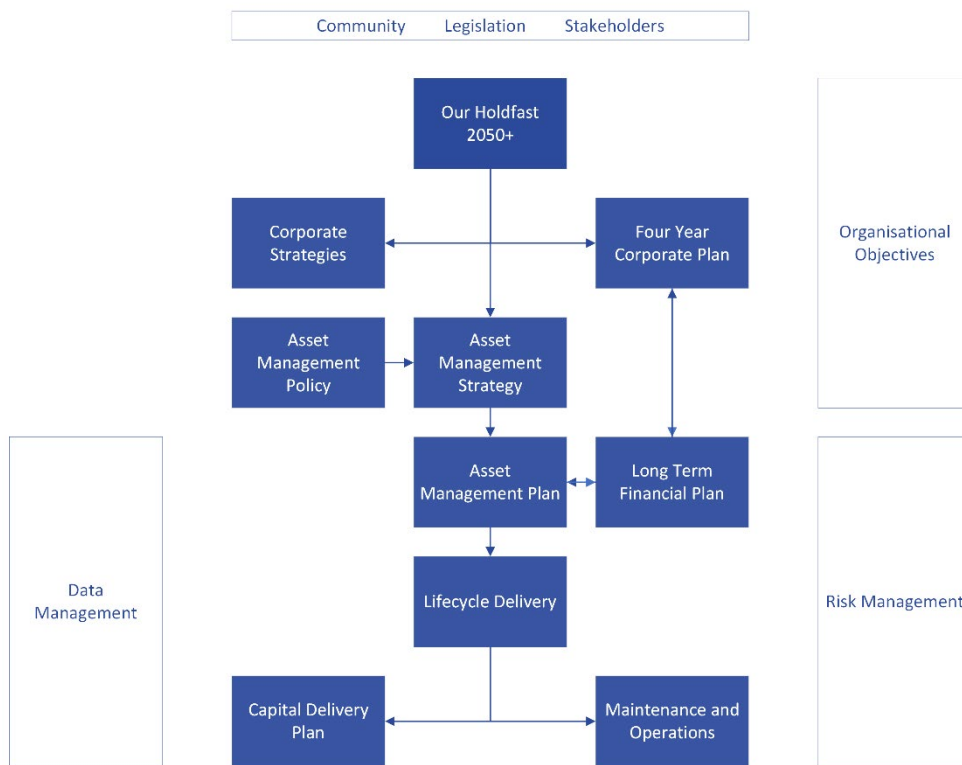


Figure 1.2 Asset management system

2 Asset class information

Council's open space asset class includes approximately 6,000 assets and is defined into 11 categories and further into subcategories as summarised in Table 2.1.

Category	Typical assets	Number of assets
Artwork	Art, monument, plaque	478
Electrical and lighting	Lighting, electrical distribution boards, other electrical assets	864
Fencing and walls	Fences, walls, balustrades, bollards, gates	1,033
Fittings and fitouts	Arbors, barbecues, flag poles, planting structures, pathways, base pads, CCTV, seating, shelters	1,521
Marine	Sand groynes, jetty	19
Other structures	Boardwalk, decked area, paved area, ramp, stairs	192
Playground	Playground equipment, edging, softfall	279
Signs	Signs	627
Sporting	Sporting structures and surfaces	296
Waste	Bins, dog bag dispensers, cigarette butt disposal	390
Water	Drinking fountains, fire hydrants, irrigation, showers, other	294
Total		5,993

Table 2.1 Open space assets

Previously, the open space asset class was separated into two sub-classes for open space and coastal assets. In 2023 it was determined to consolidate the open space and coastal asset classes into a single asset class for open space.

Both previous sub-classes included pathway assets not associated with road corridors. This resulted in path assets across the transport, open space and coastal asset classes. In 2023 the path assets were consolidated into the transport asset class.

The open space asset register does not include natural assets such as trees and plants.

2.1 Open Space Hierarchy

The Open Space and Public Realm Strategy uses a consolidated categorisation and hierarchy. This hierarchy is consistent with community facility planning, play space planning and other purposes, and will enable greater alignment. The open space hierarchy has four levels:

- State/Regional
- District
- Neighbourhood

- Local

It provides a link with the Public Realm Style Guide which describes the materials and techniques relating to physical design and construction. The hierarchy is used to indicate the significance of a given open space based on open space type, user catchment area, and primary nature of use. Other factors used to order the consideration of open space are character, size, location, management, and maintenance treatments.

The hierarchy enables coordinated development of open space and public realm projects, in line with community expectations. By linking to Council's planning framework (Figure 1.1) and the asset management plan, works will be delivered in a well-planned manner, with the aim to achieve a high level of community satisfaction of our open spaces and places.

The categorisation guide and full hierarchy can be found in the Open Space and Public Realm Strategy.

3 Levels of Service

The International Infrastructure Management Manual (IIMM) describes Levels of Service (LoS) as “defined service quality for an activity or service area against which service performance may be measured”.

City of Holdfast Bay has defined Levels of Service for open space assets for both:

- Community Levels of Service – community perception of service
- Technical Levels of Service – technical indicators of performance

The defined Levels of Service are designed to support continued performance and function of the open space assets to a reasonable standard, where maintenance and servicing are compliant with legislative requirements and manufacturing specifications. They are intended to ensure the open space assets and associated budgets are appropriate to meet the service levels.

Community and technical Levels of Service are used as performance indicators.

Detailed operational Levels of Service for individual business processes are defined within the department’s operational plans. Requirements are identified in the improvement actions section.

3.1 Community Levels of Service

Council receives feedback from a variety of sources including:

- Community enquiries and requests
- Community Strategy consultation
- Consultation from strategies such as Open Space Strategy and Playspace Action Plan
- Annual Business Plan consultation
- Project feedback
- Development of AMPs
- Quality of Life Report
- Customer satisfaction surveys

This feedback is built into all areas of the Plan, and we seek to measure our performance against community expectation through our service level links to customer request records and the Quality of Life Report 2023.

Performance measure	Objective	Performance measure	Key performance indicator	2024 performance
Quality	Providing and maintaining open space and reserves	Quality of Life Survey score	Greater than 7.5	8.4
Quality	Providing and maintaining sporting facilities	Quality of Life Survey score	Greater than 7.5	8.3
Quality	Providing and maintaining playgrounds	Quality of Life Survey score	Greater than 7.5	8.4
Quality	Maintaining beaches and coastal areas	Quality of Life Survey score	Greater than 7.5	8.1
Function	Providing services and programs that encourage a healthy and	Quality of Life Survey score	Greater than 7.5	8.1

Performance measure	Objective	Performance measure	Key performance indicator	2024 performance
	active lifestyle			
Safety	Parks and reserves are well laid out and allow me to keep an eye on my children/my surrounds	Quality of Life Survey score	Greater than 7.5	8.3
Safety	There is plenty of lighting along paths and in parks in the City of Holdfast Bay	Quality of Life Survey score	Greater than 7.5	7.0

Table 3.1 Community Levels of Service

3.2 Technical Levels of Service

Performance measure	Objective	Performance measure	Key performance indicator	2024 performance
Quality (condition)	Physical condition of open space assets is within agreed service level condition	Condition of open space assets	Average condition less than 3.0	2.2
Quality (condition)	Physical condition of open space assets is within agreed service level condition	Condition of open space assets	Percentage of poor or very poor (PVP) assets below 10%	3.1%
Quality (renewal)	Sustainably managing the renewal of assets	Asset renewal ratio (Renewal expenditure over forecast budget).	90% - 110%	59% (2021-2023)
Quality (responsiveness)	Open space assets are functioning and maintained within determined response times	Time taken to respond to requests	Meet response times for priority 4 and 5 requests (90%)	TBC
Capacity	Assets have the capacity to meet community demand	Parks and reserves are within in 400m of each property	Above 90%	95%
Function (Safety)	Playgrounds are safe and free of hazards	Monthly and annual playground inspections	Inspections completed and actions managed within timeframes	Yes
Functionality (accessibility)	Open spaces are accessible to all.	Accessibility is improved through renewal and capital works	Increased accessibility compliance of open space assets	Yes
Climate (mitigation)	Reduce and eliminate emissions to reach 2030 carbon-neutral target	Emissions reduction from previous year	Evidence-based reduction	TBC
Climate (adaptation)	Reduction of asset management climate risk to Council	Consider climate risk in infrastructure decision-making	Progress the RAMP and implementation of actions	Yes

Table 3.2 Technical Levels of Service

All community and technical Levels of Service have been achieved with the following exceptions:

Service level	Response action
Quality – There is plenty of lighting along paths and in parks in the City of Holdfast Bay: 7.0 (target 7.5)	Review of the Public Lighting Policy and development of the Public Lighting Framework has addressed service levels of lighting in reserves. The need for lighting is determined by the open space hierarchy and criteria in the Public Lighting Framework.
Quality (renewal) – asset renewal ratio: 59% (target 90%-110%)	Due to the high-quality condition of open space assets, the dedicated renewal budget (2021-2023) was not required for renewal. Significant investment has been made in new, and upgrades of, open space assets in this time. The forward 10-year renewal program has been developed using up-to-date condition data from 2022-23.

Table 3.3 Response actions

Levels of Service with 2024 performance labelled TBC (to be confirmed) do not currently have a baseline indicator. These are to be measured and reported on going forward.

3.3 Legislation and relevant Acts

Under the *Local Government Act 1999* (the Act), Council is required to develop and adopt an infrastructure and asset management plan covering a period of at least 10 years.

Council is additionally required to adopt a long term financial plan (LTFP) for a period of at least 10 years. There is a direct link between the development and implementation of these two plans, with the LTFP updated to reflect forecast expenditure as detailed in the AMPs.

Council considers the following legislative framework in the management of its open space assets.

Legislation	Requirements
<i>Aboriginal Heritage Act 1988</i>	An Act to provide for the protection and preservation of Aboriginal heritage; to repeal the Aboriginal and Historic Relics Preservation Act 1965 and the Aboriginal Heritage Act 1979; and for other purposes.
Australian Accounting Standards	Standards applied in preparing financial statements, relating to the valuation, revaluation, and depreciation of assets.
<i>Climate Change and Greenhouse Emissions Reduction Act 2007</i>	An Act to provide for measures to address climate change with a view to assisting to achieve a sustainable future.
<i>Disability Discrimination Act 2018</i> and other relevant disability legislation	To eliminate, as much as possible, discrimination against persons on the grounds of disability. Sets the standard for accessibility.
<i>Electricity Act 1996</i> and <i>Electricity (General) Regulations 2012</i>	An Act to regulate the electricity supply industry; to make provision for safety and technical standards for electrical installations; and for other purposes.
<i>Environment Protection Act 1993</i>	Responsibility not to cause environmental harm (e.g. noise pollution, contamination of water).
<i>Local Government Act 1999</i>	Sets out the role, purpose, responsibilities and powers of local governments, including preparation of an LTFP supported by asset management plans for sustainable service delivery.

Legislation	Requirements
<i>Local Government (Financial Management and Rating) Amendment Act 2005</i>	Impetus for the development of a strategic management plan, comprising an asset management plan and an LTFP.
<i>Landscape South Australia Act 2019</i>	An Act to promote sustainable and integrated management of the State's landscapes, to make provision for the protection of the State's natural resources, and for other purposes.
<i>Native Title Act (South Australia) 1994</i>	Consideration should be undertaken in the provision, development, and management of open space.
<i>SA Public Health Act 2011</i>	An Act to promote and provide for the protection of the health of the public of South Australia and to reduce the incidence of preventable illness, injury, and disability; and for other purposes.
<i>Work Health and Safety Act 2012</i>	An Act to provide for the health, safety, and welfare of persons at work; and for other purposes.

Table 3.4 Legislative requirements

4 Demand forecast

A community's demand for services may change over time depending on factors including environmental, technological and capacity requirements. Council may need to make changes to manage future demand for services.

Demand Driver	Current position	Demand forecast	Demand impact	Demand management	Impact on assets
Population and housing density increases	Total estimated population 37,543 (2021), 51% of dwellings are medium to high density.	Planned to accommodate for 40,000 in Holdfast Bay by 2031.	Expected pressure for higher density development. A growing population will lead to a gradual loss of private greenspace. This will place more demand on public open space, requiring innovative new responses. Increasing demand on places for recreation activities.	The Open Space and Public Realm Strategy 2018–2030 identifies: <ul style="list-style-type: none"> - Key project opportunities; - Opportunities for improved use of open space, corridors and streets; and, - Challenges in future years. Potential requirements for new open space or multi-function use of existing spaces.	Increased maintenance requirements. Renewals to consider changes to usage and function leading to increased costs.
Ageing population	Median age is 48 years	Growth in ageing population	Increased demand for accessibility in open space.	Ongoing review of suitability of assets to meet the needs of the community. Development of the Wellbeing Strategy to inform the role of open space to make our community happy, healthy and connected. Alignment of actions in the Disability Access and Inclusion Plan.	Early renewal/upgrade of assets to meet compliance or functionality requirements. Higher costs associated with upgrades to existing assets to meet community demand and accessibility requirements.
Legislative requirements	Increasing requirement for Disability Discrimination	Higher standards of safety and improved open space assets.	Higher Level of Service may impact on the amount of maintenance and renewal that can be undertaken within	Disability Action and Inclusion Plan 2020-2024 defines actions for access to services including open space.	Requirement to redesign networks and some specific assets to meet legislative

Demand Driver	Current position	Demand forecast	Demand impact	Demand management	Impact on assets
	Act (DDA) compliance on open space assets (e.g. playground equipment)		allocated budgets.	assets.	requirements.
Environmental sustainability (climate mitigation)	Council and the community are increasingly aware of our impact on the environment and Council's role in environmental sustainability.	Council is committed to pursuing, supporting, and creating an environment that will sustain current and future generations. This goal is shared by our community and is a primary objective of most governments across the world.	Requirement to use fewer, recycled and renewable resources that can contribute to the development of a circular economy and reduce Council's carbon footprint. Greater environmental sustainability requirements placed on the construction industry.	Implement actions from the Environment Strategy 2020-25, Climate Governance Risk Assessment and Carbon Neutral Plan.	Higher costs associated with material supply and construction methods that are environmentally sustainable. Changeover to LED lighting.
Climate change (climate adaptation)	Increase in severe weather events including droughts, extreme heat events, storms, storm surges, high tides, and sea level rise.	Increasing number of hot weather days and events. Increase in intensity of rain events. Sea level rise is accelerating. Increased evapotranspiration.	Assets not reaching their expected useful lives due to lack of consideration of climate change. Increasing management and maintenance demand associated with climate change adaptation.	The Open Space and Public Realm Strategy 2018–2030 supports the environment by addressing the issues of climate change adaptation, biodiversity and water sensitive urban design (WSUD). Resilient Asset Management Program assessing resilience and suitability of assets under changing climate conditions. Coastal Adaptation Planning.	Higher costs associated with designing, constructing, maintaining and operating climate-resilient assets. Increase cooling and shading in open spaces through WSUD, trees and biodiversity, improved irrigation systems, access to drinking fountains and shade structures.

Table 4.1 Demand factors

5 Lifecycle planning

Asset lifecycle planning outlines how Council plans to manage open space assets in an optimised cost-effective manner while ensuring delivery of agreed service levels. The lifecycle of assets can be defined in four stages, including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal

Each of these stages are further detailed in this lifecycle planning section.

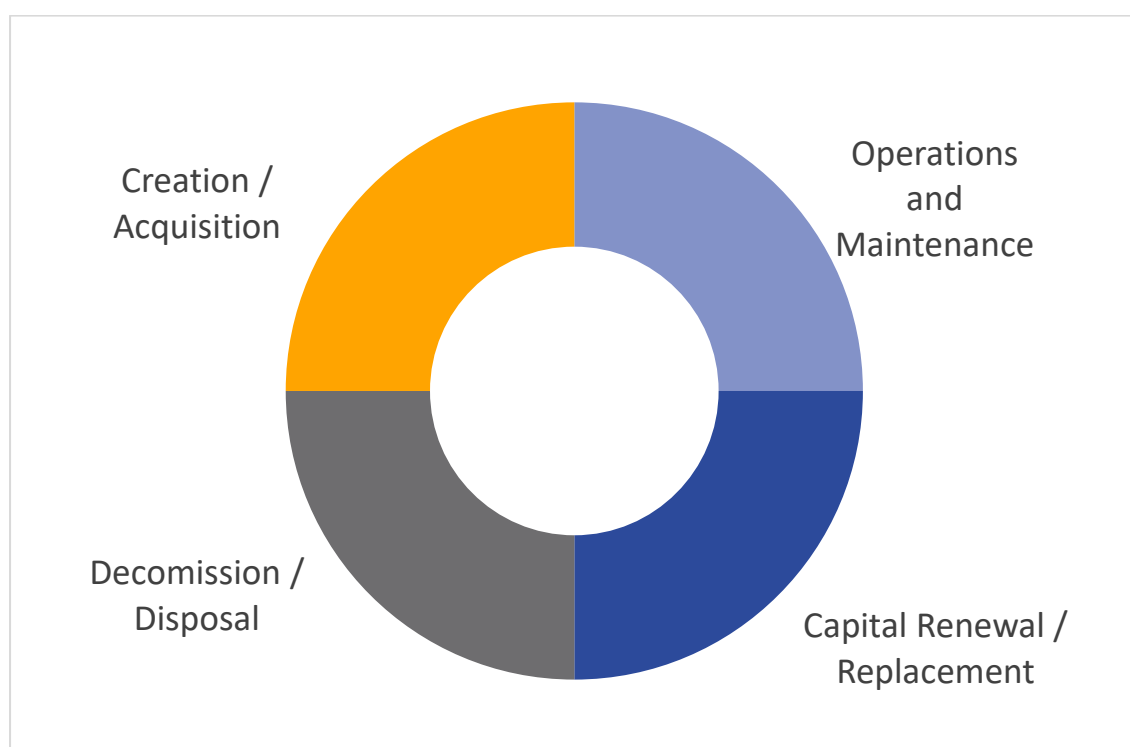


Figure 5.1 Asset lifecycle

Open space assets are managed to provide services and are maintained and replaced based on defined services levels, community expectations, condition, usage, and amenity.

Planning for the replacement or acquisition of open space assets requires consideration of multiple criteria and often master planning of a location involving multiple asset classes.

5.1 Asset life

Throughout the asset lifecycle, assets are inspected, condition-rated and revalued on a periodic basis. Asset condition and expected useful life are used to estimate the remaining life of each asset.

Open Space assets are managed financially using a straight-line depreciation method whereby an asset has a baseline current replacement cost that is depreciated over time using an assigned expected useful life for each type of asset.

Assets may be renewed or replaced based on several factors including condition, amenity, capacity, function and increasing requirement for asset maintenance and repair as assets age. The service life of an asset may therefore differ from the design life or the useful life. During an asset’s service life, maintenance and repair work will be required to maintain the service level provided by the asset.

A summary of expected useful lives of open space assets is provided in Table 5.1.

Open space category	Subcategory	Expected useful life (years)
Artwork	Art	Varied
	Monuments	
	Plaques	
Electrical and lighting	Distribution boards	25 to 80
	Electrical other	25 to 50
	Lighting	25 to 30
Fencing and walls	Balustrades	20 to 40
	Bollards	40
	Fences	20 to 40
	Gates	25 to 40
	Walls	30 to 60
Fittings and fitouts	Arbors, barbecues, bike rails, cages	20 to 40
	Base pads, flagpoles	40
	Planting structures	30 to 50
	Seating	20 to 25
	Shelters	10 to 30
	CCTV	10
Marine	Sand groynes	20
	Jetty	100
Other structures	Boardwalks, ramps, stairs	40
	Decked areas, paved areas	20 to 80
Playground	Playground edging	20 to 40
	Playground equipment	15 to 40
	Softfall	5 to 20
Signs	Signs	5 to 20
	Concrete signs, Pylon for sign	40 to 50
Sporting	Sporting structures	15 to 35
	Sporting surface, base	7 to 100

Open space category	Subcategory	Expected useful life (years)
Waste	Waste	10 to 15
Water	Water assets	10 to 60
	Irrigation	20 to 60
	Backflow prevention	8

Table 5.1 Useful lives

5.2 Asset condition

Council is responsible for maintaining open space assets in the appropriate condition for the defined level of service (section 3). This is achieved through the following works:

- Regular inspection of open space assets, in particular playground assets, to ensure safety requirements are met.
- Periodic open space asset condition audits.
- Development of a forward works program for capital renewal works and maintenance activities.
- Undertaking capital renewal works of open space assets using Council’s style guide to ensure the provision of consistent and aesthetically appealing assets.

During the service life of an open space asset, it should be maintained and inspected regularly to ensure the asset remains safe for use and fit for purpose and to ensure the service life is achieved.

The condition scoring criteria adopted for open space asset audits is based on the IPWEA condition rating guidelines and is summarised in Table 5.2.

Condition grade	Condition	Description	Consumption score for condition (%)
0	New		0
1	Very good	Sound physical condition, no work required.	5
2	Good	Acceptable physical condition, minimal risk of failure but potential for deterioration, only minor work required (if any).	27.5
3	Fair	Significant deterioration evident, failure unlikely in near future however further deterioration likely. Renewal likely to be required in the medium term – 5 to 10 years.	55
4	Poor	Failure likely in short term. Renewal likely to be required in the short term – 2 to 5 years.	72.5
5	Very Poor	Failed or failure imminent/safety risk. Refurbishment, replacement or removal required as a priority.	95

Table 5.2 Condition score criteria

An open space asset condition assessment was completed in 2023. Condition audits are undertaken on a periodic basis to understand the condition of assets and to estimate the expected remaining life of each asset to enable the development of asset renewal plans.

The condition inspection was limited to a visual inspection of all assets. Further specialised structural, mechanical or electrical inspections were not undertaken.

A summary of the condition of open space assets is provided in Table 5.3.

Asset Category	Number of assets	Average condition rating	Percentage below condition 3
Artwork	478	1.5	1.3%
Electrical and lighting	864	2.3	0.8%
Fencing and walls	1033	2.5	6.4%
Fittings and fitouts	1521	2.3	2.1%
Marine	19	3.0	47.4%
Other structures	192	2.3	5.7%
Playgrounds	279	2.2	3.2%
Signs	627	2.2	3.3%
Sporting	296	2.3	6.8%
Waste	390	2.1	0.8%
Water	294	2.0	0%
Total	5993	2.2	3.1%

Table 5.3 Condition ratings

Only 3.1% of assets are in a condition 4 (poor) or 5 (very poor), indicating there is minimal condition-based renewal required in the short term. There is approximately 25% of assets in condition 3 (fair), which will be approaching a poor condition and likely to require renewal in the medium term.

The high percentage of marine assets in poor condition includes the nine sand groyne assets along the foreshore. These have been included in the 2025-26 renewal plan.

Open Space Condition

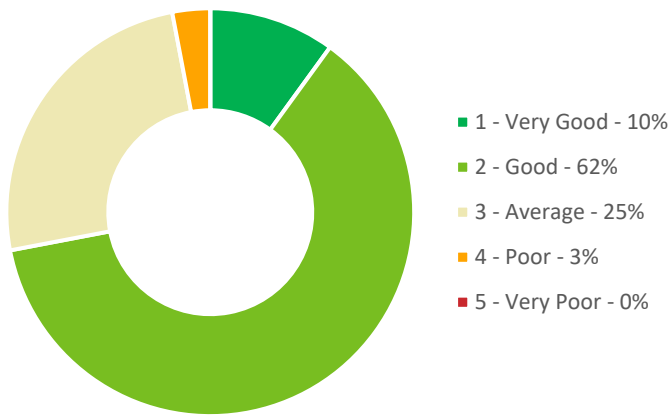


Figure 5.2 Open space condition profile

5.3 Historical expenditure

Historical expenditure for 2019-20 to 2022-23 for operation, maintenance, new assets and renewal of existing assets for the open space asset class is summarised in Figure 5.3. The actual expenditures for each year have been indexed by the local government price index (LGPI) to create 2024-25 equivalent expenditures.

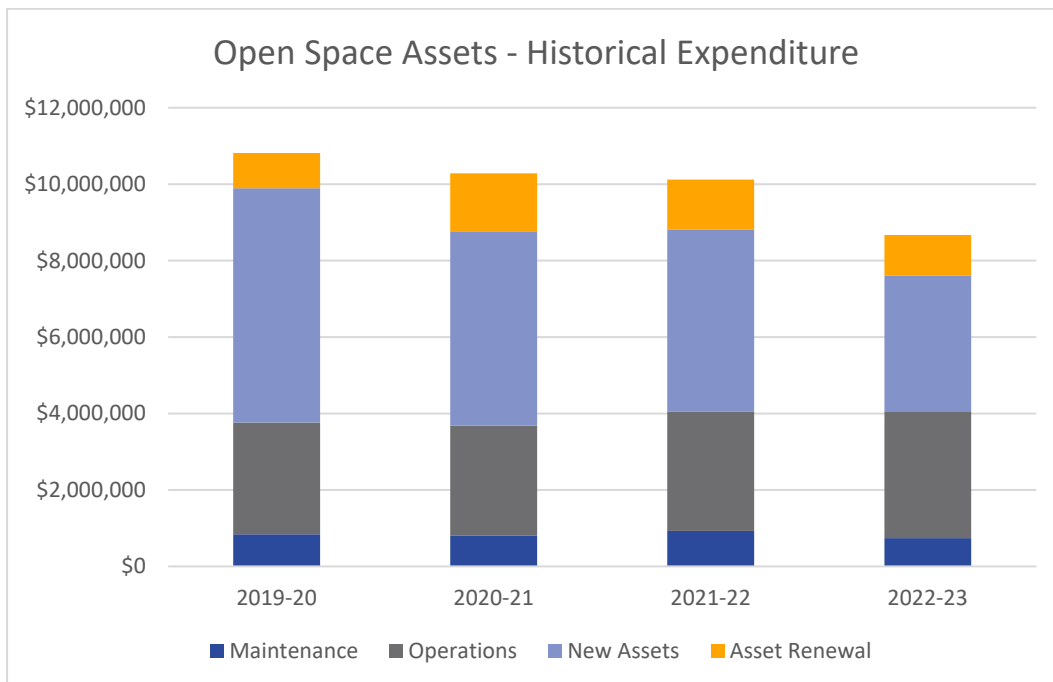


Figure 5.3 Historical expenditure

5.4 Operation and Maintenance Plan

Operations include regular activities and costs required to provide services. Operational costs associated with open space assets include cleaning and maintenance of equipment, irrigation and mowing of reserve areas, removal of graffiti and maintenance of electrical assets.

Maintenance of open space assets includes the activities required to keep the assets in a serviceable condition during their service life. Maintenance activities can be defined as either planned or reactive maintenance.

Assessment and planning of both reactive maintenance and planned maintenance is undertaken by council personnel who use judgment to minimise interruption to operations and service delivery.

Playground assets are inspected regularly by council personnel and an annual playground safety audit is undertaken to ensure the equipment is safe to use. Repair and replacement works are undertaken as required. Water backflow prevention devices are tested annually and repaired or replaced as required.

The operations and maintenance costs of Council's open space assets are forecast to trend in line with the previous four years of costs as the number of assets and the services provided have not changed and are not expected to change substantially. Annual amounts of \$3,052,802 for operations and \$832,225 for maintenance have been adopted based on the average of the previous four years.

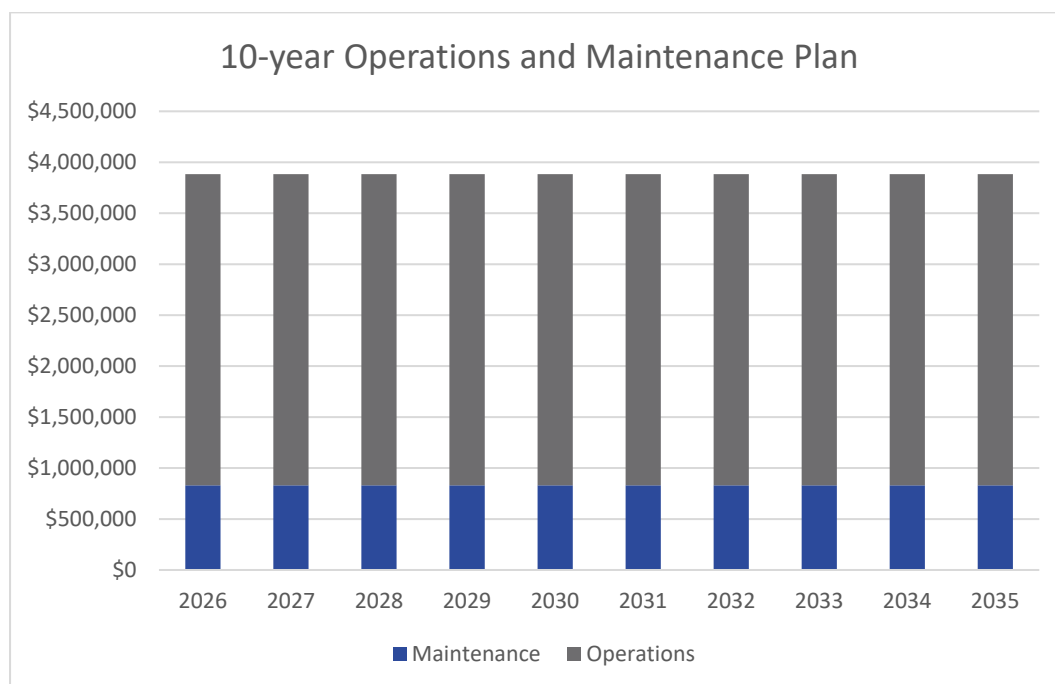


Figure 5.4 Operations and Maintenance Plan

5.5 Renewal Plan

Renewal is capital work which restores, rehabilitates, replaces, or renews an existing asset to its original service potential.

Renewal of open space assets is generally aligned to asset condition, however assets are also replaced or upgraded to align with works in the same location, master planning or strategic outcomes to provide an improved level of service.

Asset renewal is undertaken to ensure continuity of service provision for the community. The open space renewal plan has been developed for each asset category on the following basis:

- Asset condition data has been used to develop annual budget requirements to maintain asset category condition within agreed service level condition.
- For each asset, the remaining life or forecast renewal data has been calculated using the asset condition data, the defined condition at end of life and the standard useful life of the asset.
- DDA compliance requirements for bus shelters and kerb ramps is considered and incorporated into renewal plans to improve the DDA compliance over the 10-year period.
- Resourcing considerations for council were considered with asset condition to distribute the program over the 10-year period.
- The renewal ratio of average annual renewal to annual depreciation was also considered in the development of the renewal plan.

The open space renewal program outlined is developed based on condition data from the 2022-23 condition audit and standard useful lives of assets. Adjustments to the forecast renewal years of assets align with the replacement of grouped assets and where renewal requirements provide efficiency and ensure continuity of service provision. Replacement costs have been estimated using the 2023 revaluation. Additional project costs have been included where known to ensure sufficient budget is available for modern standard equivalent replacement to all compliance and service standards.

The playground replacement program has been identified as a program where the modern standard equivalent replacement far exceeds the base renewal cost. This is due to a number of factors including compliance requirements, safety requirements, natural assets and landscaping, materiality to maximise whole-of-life cost and service requirements for the appropriate playground demographics. This also includes providing shading and drink fountain facilities as well as accessible pathways, seating, and play equipment where possible. Additional funding has been included in the renewal program to facilitate service levels for playground renewal.

In Figure 5.5, “Other” includes asset categories Other structures, Signs, Waste, Fences and walls, and Fittings and fitouts. For complete values, see Table 6.3.

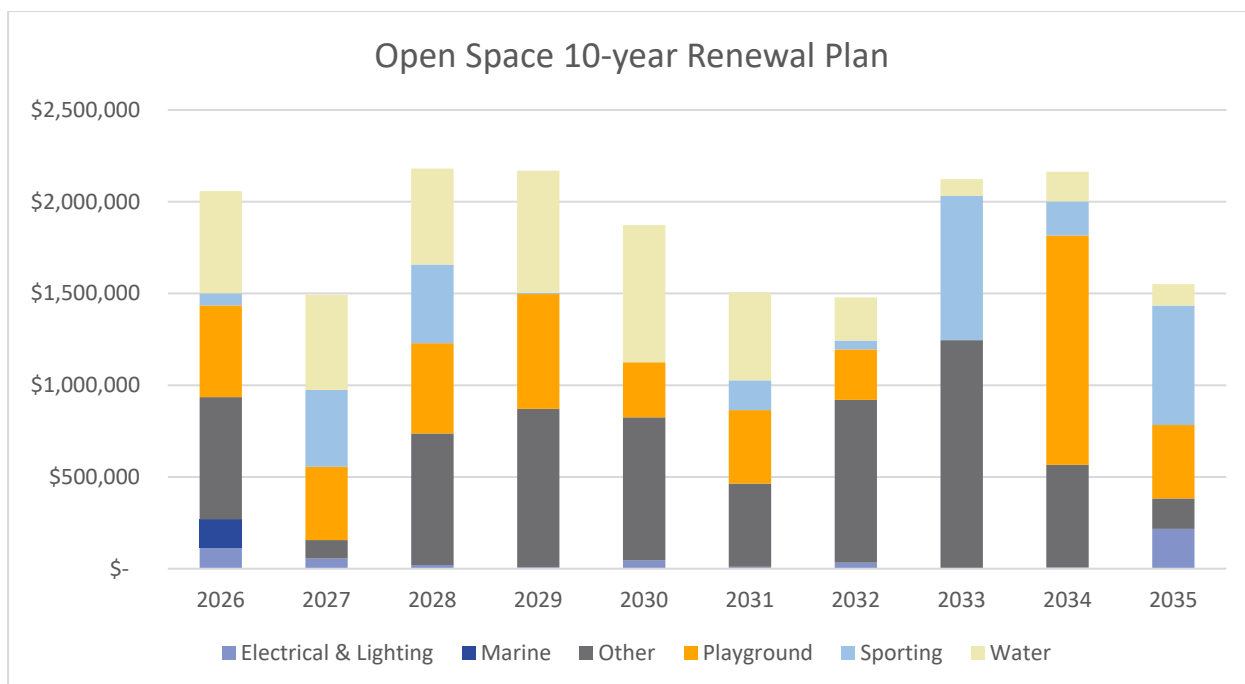


Figure 5.5 10-year renewal plan

5.6 Acquisition Plan (new capital)

Acquisitions are new assets that did not previously exist or works resulting in significant upgrade of the asset and an increased capacity to deliver a service. The requirement for an acquisition may result from growth, changed demand, or social or environmental needs. Assets may also be donated to Council.

Acquisition works result in additional future operations and maintenance costs.

Acquisition of new assets is often based on community expectations and strategies to change a service offering in a specific location.

Council is currently undertaking and planning upgrade and acquisition works at the following sites:

- Transforming Jetty Road
- Former Buffalo site improvements
- Brighton Beachfront Holiday Park
- Kingston Park Coastal Reserve

The Transforming Jetty Road project is a large project that will result in primarily transport assets, including road, footpath, and kerb assets. There will also be the creation of new open space assets via the streetscape and public realm improvements.

The former Buffalo site is being redeveloped during the 2024-25 financial year and will not require funding during the 10-year period of this plan.

The Brighton Beachfront Holiday Park redevelopment is being undertaken over several years inclusive of the creation of transport, building and open space assets. Works still to be undertaken include replacement and development of cabins and internal roads.

Open space new capital projects are funded through the annual business plan new initiative process.

The coastal seawalls (rock walls) are excluded from Council's asset register. Ownership and responsibilities for maintenance and renewal are not defined across the South Australian metropolitan coastline for these assets. Conversations are ongoing between the two levels of government to define the future governance responsibilities for these assets. There are no future planned acquisitions for coastal seawalls in this plan.

5.7 Disposal Plan

Disposal of assets refers to activities associated with disposing of a decommissioned asset including sale, demolition, or relocation. Council's Disposal of Assets Policy outlines this process.

Council has a 60-year lease on the Glenelg Jetty with the State Government that will conclude in 2029. In 2029 the lease will either be renewed or the asset will be handed back to the State Government and removed from Council's asset register.

Council has no planned upcoming disposals for open space assets and currently there is no funding requirement for open space asset disposals.

6 Financial summary

The financial requirements for the open space asset class are outlined in this section.

6.1 Asset valuation

Asset values are projected to increase as additional assets are added through capital works. Unit rates are also expected to increase over time as the construction costs for infrastructure increases.

Additional assets will generally increase the requirement for maintenance and operations as well as future renewal.

Valuations are undertaken for each asset class in alignment with Australian Accounting Standard AASB13 Fair Value, and are generally undertaken at least every five years.

The open space asset class revaluation was undertaken as of 30 June 2023 based on open space asset data reviewed and updated to improve data quality prior to the 2022-23 open space condition assessments.

All open space assets were assigned an asset type, asset dimension and unit rates to develop an overall current replacement cost as of 30 June 2023.

Accumulated depreciation and carrying values of assets were calculated based on condition data collected during the audit and standard useful lives assigned to asset types.

The valuation of the open space asset class as of 2024 is summarised in Table 6.1

Asset category	Current asset cost	Accumulated depreciation	Carrying value	Number of in-use assets
Artwork	\$3,063,000	\$1,113,149	\$1,949,851	478
Electrical and lighting	\$11,000,425	\$5,112,725	\$5,887,700	864
Fences and walls	\$15,852,406	\$6,233,539	\$9,618,867	1,033
Fittings and fitouts	\$10,131,601	\$3,781,999	\$6,349,602	1521
Marine	\$6,635,000	\$3,617,821	\$3,017,179	19
Other structures	\$6,353,817	\$2,271,493	\$4,082,324	192
Playground	\$4,568,414	\$1,673,092	\$2,895,322	279
Signs	\$1,453,500	\$502,513	\$950,987	627
Sporting	\$10,338,186	\$3,759,186	\$6,579,000	296
Waste	\$589,200	\$193,378	\$395,822	390
Water	\$6,529,332	\$2,380,014	\$4,149,318	294
Total	\$76,514,880	\$30,638,910	\$45,875,971	5,993

Table 6.1 Open space asset valuation

Open Space Asset Valuation

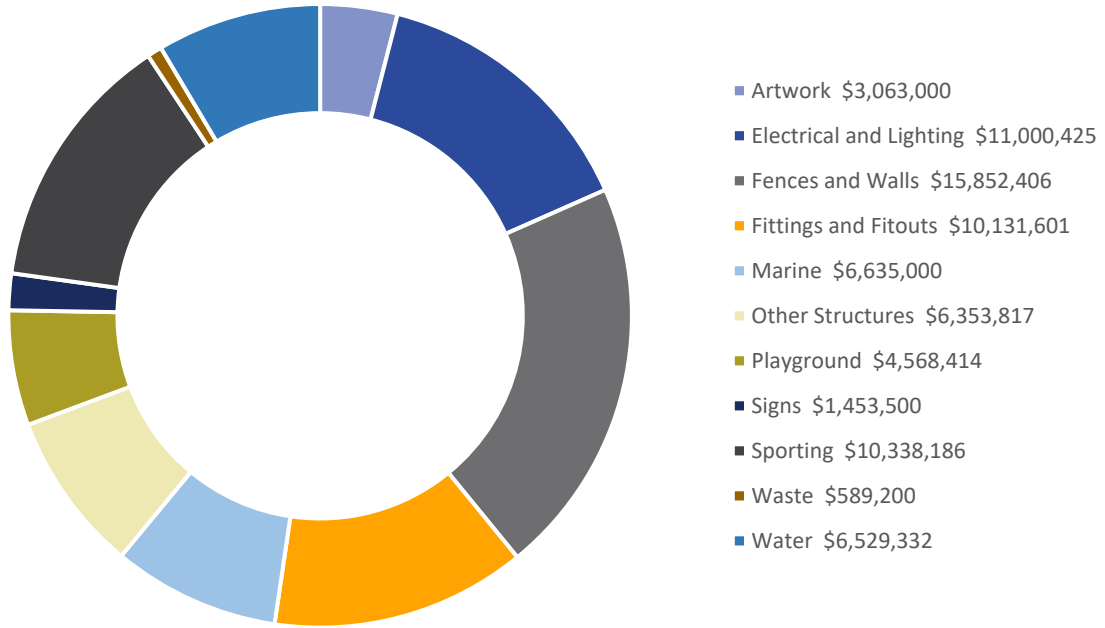


Figure 6.1 Open space asset valuation

6.2 Expenditure forecast summary

The overall open space expenditure forecast for operations, maintenance, renewal of existing assets and acquisition of new assets is provided in Figure 6.2 and Table 6.2. The open space asset renewal forecast is provided in Table 6.3.

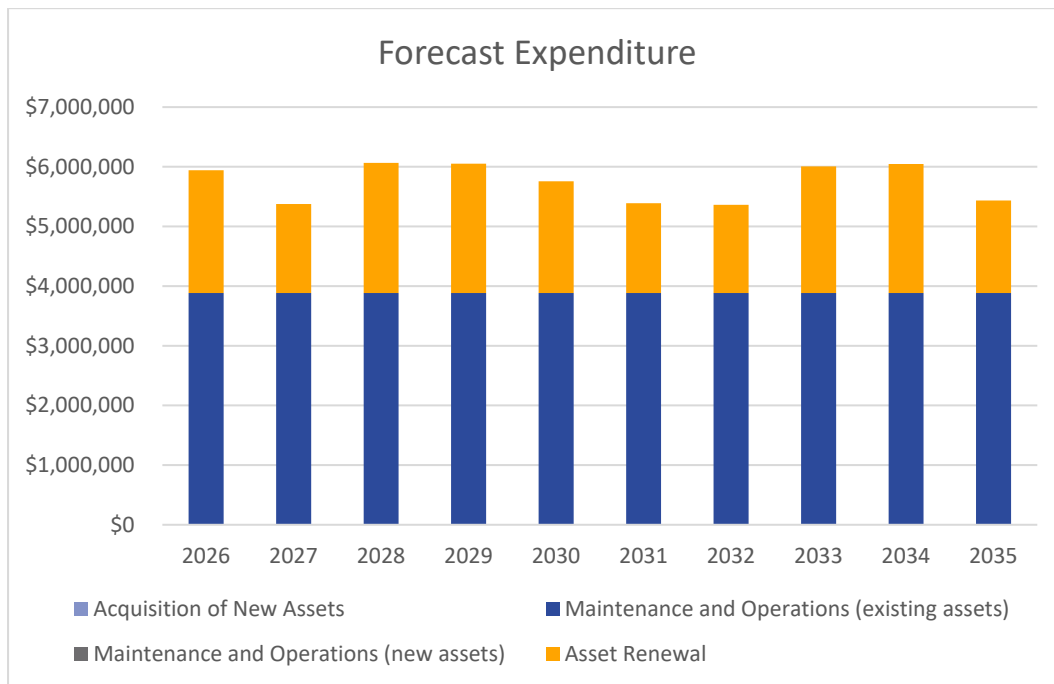


Figure 6.2 Forecast expenditure

Financial year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Acquisition of new assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance and operations (existing assets)	\$3,884,027	\$3,884,027	\$3,884,027	\$3,884,027	\$3,884,027	\$3,884,027	\$3,884,027	\$3,884,027	\$3,884,027	\$3,884,027
Maintenance and operations (new assets)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset renewal	\$2,058,040	\$1,492,300	\$2,180,550	\$2,169,330	\$1,873,080	\$1,504,650	\$1,478,680	\$2,123,450	\$2,163,400	\$1,550,920
Asset disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
External grant funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Council funding required	\$5,942,067	\$5,376,327	\$6,064,577	\$6,053,357	\$5,757,107	\$5,388,677	\$5,362,707	\$6,007,477	\$6,047,427	\$5,434,947

Table 6.2 Forecast expenditure

Financial year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Electrical and lighting	\$114,880	\$55,540	\$20,180	\$9,090	\$45,090	\$10,230	\$33,350	\$0	\$5,680	\$216,700
Fences and walls	\$15,340	\$20,330	\$427,510	\$433,420	\$520,530	\$0	\$424,340	\$325,890	\$0	\$95,900
Fittings and fitouts	\$137,120	\$19,540	\$240,510	\$380,330	\$9,090	\$389,060	\$357,910	\$767,990	\$391,260	\$18,180
Marine	\$153,360	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other structures	\$442,760	\$0	\$0	\$0	\$201,860	\$0	\$0	\$0	\$0	\$0
Playground	\$500,000	\$400,000	\$491,660	\$625,000	\$300,000	\$400,000	\$275,000	\$0	\$1,250,500	\$400,000
Signs	\$22,260	\$11,400	\$0	\$0	\$0	\$16,010	\$55,370	\$102,680	\$119,860	\$3,410
Sporting	\$66,540	\$418,780	\$428,490	\$6,360	\$0	\$162,040	\$47,800	\$785,940	\$185,670	\$651,260
Waste	\$48,900	\$48,900	\$48,900	\$48,900	\$48,900	\$48,900	\$48,900	\$48,900	\$48,900	\$48,900
Water	\$556,880	\$517,810	\$523,300	\$666,230	\$747,610	\$478,410	\$236,010	\$92,050	\$161,530	\$116,570
Total renewal	\$2,058,040	\$1,492,300	\$2,180,550	\$2,169,330	\$1,873,080	\$1,504,650	\$1,478,680	\$2,123,450	\$2,163,400	\$1,550,920

Table 6.3 10-year renewal

6.3 Funding strategy

Key strategic activities that will affect the future financial position for open space:

- The AMP to inform the LTFP
- Open Space and Public Realm Strategy update
- Playspace Action Plan update
- Wellbeing Strategy development
- Economic Development Strategy
- Tourism Plan
- Precinct plans or master planning
- Coastal Adaptation Planning
- Valuation following condition data collection 2027
- Carbon Neutral Plan implementation
- Resilient Asset Management Program implementation

6.4 Assumptions

The following assumptions have been adopted in development of the financial forecasts:

- The renewal program has been based on condition data collected in 2022-23.
- Condition data and standard useful lives have been used to estimate remaining lives of assets and the forecast renewal date for each asset. This raw renewal data has been adjusted where required to align renewal works and time renewal programs to achieve efficiencies and ensure continuity to the service the open space assets provide.
- Operation and maintenance budget forecasts have been based on actual operation and maintenance costs for a four-year period adjusted to 2024 costs.
- No decommissioning of assets has been assumed.
- No acquisition of coastal seawalls (rock walls). Seawalls are excluded from the asset register.
- Glenelg Jetty works (five-year program until the end of the lease) is currently being developed and has been excluded from this plan.

6.5 Data confidence

Expenditure requirements for asset replacement and operational costs have been based on the best available data.

Asset renewal costs have generally been based on open space revaluation data current as of 30 June 2023. Some renewal costs have been adjusted where up-to-date information is available.

Current open space asset register data is based on a project undertaken during 2022-23 which involved a reviewed and updated asset register, followed by a condition audit with post processing to form the basis of the revaluation as of 30 June 2023.

During the 2022-23 open space condition audit and asset revaluation, approximately 1,000 additional open space assets were identified and added to the register. All open space assets were assigned a condition score with the date of inspection, a material type and asset dimensions. All open space assets have photographic records in the asset register for ease of identification and ongoing management.

The data confidence for this asset class is classified as “B – Reliable” based on the IPWEA data confidence scale as provided in Table 6.4. The data is based on sound records, procedures, investigation, and analysis. The dataset is complete and estimated to be accurate $\pm 5\%$.

Confidence level	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, e.g. 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.

Table 6.4 Data confidence

7 Risk management

The objective of the risk management process is to ensure all significant asset management risks are identified and assessed. Following a risk assessment and consideration of both likelihood and consequence, risks identified as high or very high in the short to medium term are investigated. Strategies and treatments are implemented to mitigate or address unacceptable risks.

An assessment of risks in line with Council’s risk matrix (Figure 7.1) associated with the open space asset class are detailed in Table 7.1.

Likelihood \ Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	E	Medium	Medium	High	Extreme	Extreme
Likely	D	Low	Medium	High	High	Extreme
Possible	C	Low	Medium	Medium	High	High
Unlikely	B	Low	Low	Medium	Medium	High
Rare	A	Low	Low	Low	Medium	Medium

Figure 7.1 Risk matrix

Table 7.1 summarises the asset management risk register, which is reviewed and updated at minimum annually in line with our risk management procedures. The asset management risk register should be reviewed in line with the strategic and operational risk register.

Open space risk statement	Current controls	Residual risk rating	Further risk treatments/actions	Target risk rating
Climate change affecting useful life of assets	<ul style="list-style-type: none"> - Ongoing participation in the Resilient Asset Management Program (RAMP) with Resilient South Councils. - Coastal adaptation planning in place, including hazard identification and assessment. - Integrated IPWEA Practice Note 12.1 into asset project design and planning processes. - Consideration of climate change risks in strategic and long-term planning. 	HIGH	<ul style="list-style-type: none"> - Implement RAMP actions for all asset classes and across the asset lifecycle. - Complete coastal adaptation planning including data collation, risk assessments and community engagement. 	MEDIUM
Inconsistency caused by changes to Elected Members or Senior Leadership personnel.	<ul style="list-style-type: none"> - Alignment of asset management framework (AM Policy, Strategy and Plans) including service levels and long-term financial plans. - Development of AM Steering Committee. - Regular asset management updates provided to Elected Members. 	MEDIUM	<ul style="list-style-type: none"> - Improving asset management maturity aligned with AM Strategy improvement plan. - Keep Elected Members and Senior Leadership Committee, informed via the Asset Management Steering Committee. Identify training where required. 	MEDIUM
Insufficient budget to meet service levels for maintenance and renewal	<ul style="list-style-type: none"> - Clear budget planning process, identifying any funding dependencies within planned/major upgrades. - Operational management plans for complex and high-risk sites. - 10-year financial planning and rolling 3-year capital works program. - Regular condition audits of assets. - Community service levels developed through ongoing feedback. 	MEDIUM	<ul style="list-style-type: none"> - AM Strategy Improvement Program Action Number 8 and Improvement Action 4: Review operational LoS and update responsibilities, resourcing and planning to meet agreed LoS. Implement a system to prioritise, assess and action requests in-line with operational LoS. - AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision-making. 	MEDIUM
Lack of accuracy and consistency in asset management source data	<ul style="list-style-type: none"> - Satisfactory data confidence level in current asset information data levels through cyclic condition audits. See confidence levels.. - Annual cyclic data collection schedule in place. - Ongoing improvements to data management guidelines. - Regular updates from routine maintenance spot checks/issue reporting. 	MEDIUM	<ul style="list-style-type: none"> - AM Strategy Improvement Program Action Number 3: Establish the data management framework and guidelines for asset register to future-proof for predictive modelling. - AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision-making. 	LOW
Lack of	<ul style="list-style-type: none"> - Undertake independent annual audits. 	MEDIUM	<ul style="list-style-type: none"> - Training need analysis review targeting improvement of 	LOW

Open space risk statement	Current controls	Residual risk rating	Further risk treatments/actions	Target risk rating
compliance with legislative requirements and Australian Standards	- All audit recommendations resolved as a priority.		technical skills for existing and new staff including additional training to support compliance knowledge.	
Lack of alignment between open space strategy and renewal	- Developed Open Space Strategy and Playspace Action Plan. - AMP 2024 renewal planning considering strategic plans to ensure appropriate budget is available to meet service levels.	MEDIUM	- Consideration of renewal impacts in review of key strategies. - Update AMPs following endorsement of key strategies.	LOW
Risk of change in community service standards or expectations	- Track service levels with Quality of Life Survey - Community feedback through customer requests records - Feedback through community engagement on strategies and plans	MEDIUM	- Improvement action 1, undertake review of Open Space and Public Realm Strategy including community engagement	LOW

Table 7.1 Risk assessment

8 Improvement Plan

The following tasks have been identified for improving open space asset management practices and future versions of this plan.

Task No	Improvement task	Responsibility	Resources required	Due
1	Undertake review of open space strategy to inform future asset management planning.	Manager Public Realm Urban Design	Existing	June 2026
2	Higher order condition assessment program for critical assets including but not limited to electrical (switchboards), lighting and heritage assets.	Asset Management Lead	Existing	June 2025 and ongoing
3	Improved scope development of three-year capital renewal program. Alignment of renewal and improvement projects to achieve efficiencies of scale and minimise disruption to stakeholders.	Senior Project Manager	Existing	June 2025 and ongoing
4	Develop Patawalonga Lock Maintenance, Operations and Renewals Plan. Review every 5 years.	Manager Buildings and Facilities	Existing	June 2026

Table 8.1 Improvement Plan

Attachment 4

PLANT AND EQUIPMENT

Draft Asset Management Plan 2024

City of Holdfast Bay



Welcome

Asset management plans are important documents that outline how we plan, invest and maintain our infrastructure assets so we can continue to deliver valuable services for our community now and into the future.

Assets are the foundation stones of the City of Holdfast Bay. They include the streets we drive on, the parks and reserves our families play on, the stormwater network we rely on, and the community and sporting facilities we enjoy across Holdfast Bay.

Here we present the Plant and Equipment Asset Management Plan. Our plant and equipment portfolio includes 32 cars, 35 heavy vehicles, 33 major plant and 80 minor plant assets along with approximately 400 pieces of minor equipment. These assets support our civil, rapid response, and open space programs, as well as Community Wellbeing's bus program.

Asset management plans provide a snapshot of the current state of our infrastructure and the requirements to ensure we maintain and renew assets in a cost-effective and sustainable manner that meets our community's expectations.

Management of assets requires balancing the service standard expectations of the community with the costs required to deliver the service. While we would all like the highest standard of our assets, this comes at a cost, the long-term impact of which needs to be carefully considered.

A significant amount of investigation, planning and financial modelling underlies asset management plans. The plans highlight that when we build new assets or upgrade assets, we must plan for their ongoing maintenance and eventual replacement at the end of the asset's life.

I encourage you to have a look at the asset management plans and consider whether the service levels presented here are consistent with your vision for the future of Holdfast Bay.

Contents

Executive summary	3
1 Introduction	4
1.1 Purpose.....	4
1.2 Strategic context.....	4
1.3 Stakeholders	6
1.4 Asset management framework	7
2 Asset class information	8
2.1 Asset hierarchy	8
3 Levels of Service	10
3.1 Community Levels of Service.....	10
3.2 Technical Levels of Service	10
3.3 Legislation and relevant Acts.....	11
4 Demand forecast	12
5 Lifecycle planning	13
5.1 Asset life	13
5.2 Historical expenditure	14
5.3 Operation and maintenance	15
5.4 Renewal Plan (Capital Renewal).....	16
5.5 Acquisition and Upgrade Plan (New Capital).....	17
5.6 Disposal Plan.....	17
6 Financial summary	18
6.1 Asset class valuation.....	18
6.2 Expenditure forecast summary	19
6.3 Funding strategy	22
6.4 Assumptions	22
6.5 Data confidence.....	22
7 Risk management.....	24
8 Improvement Plan.....	27

Executive summary

The City of Holdfast Bay owns and maintains 32 cars, 35 heavy vehicles, 33 major plant, 80 minor plant assets, and approximately 400 pieces of minor equipment worth over \$7.7 million. These assets support our civil, rapid response, and open space programs, and Community Wellbeing bus program.

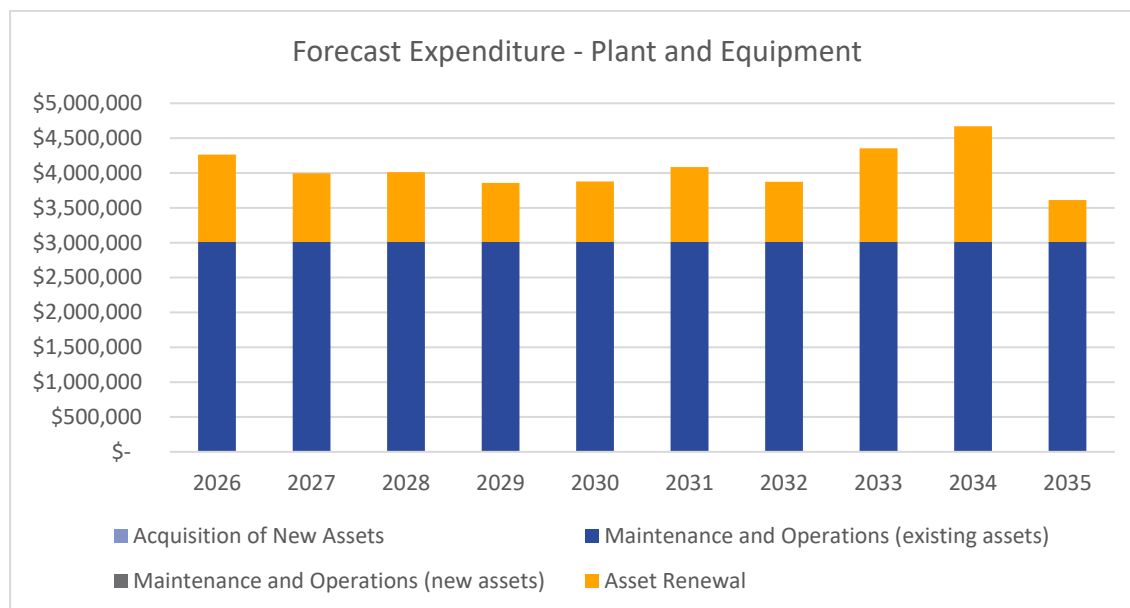
The objective of asset management is to ensure the City of Holdfast Bay's assets are managed in the most cost-effective and sustainable way, so we can continue to deliver valuable services for our community now and into the future.

To ensure our assets are providing the appropriate service to the community, levels of service are tracked each year. These levels of service are defined under quality, function, capacity and climate.

Asset lifecycle planning outlines how Council plans to manage plant and equipment assets in an optimised cost-effective manner while ensuring delivery of the agreed service levels. The lifecycle of assets can be defined in four stages, including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal

The expenditure forecast for all four stages of the asset lifecycle is summarised below.



Council is committed to continuously improving the quality and maturity of its asset management practices. The plant and equipment improvement program has been developed as a roadmap for these improvements in conjunction with the Asset Management Strategy.

1 Introduction

1.1 Purpose

City of Holdfast Bay owns and maintains a portfolio of plant and equipment assets for the purpose of providing a large variety of services to the community.

Our plant and equipment assets allow us to:

- Undertake civil maintenance and capital works projects.
- Maintain our open space reserves and sporting facilities.
- Clean our streets and open space areas.
- Undertake our buildings and facilities management and maintenance work.
- Inspect and manage our capital works projects.
- Deliver equipment for our numerous events that are held annually.

The assets covered in this plan include four categories of plant and equipment:

- Car fleet
- Heavy vehicles
- Major plant
- Minor plant (commissioned and non-commissioned)

The plan aims to demonstrate proactive management of assets in compliance with regulatory requirements to sustainably meet the present and future community needs through:

- Aligning with industry best practice for asset management ISO 55000:2014 without seeking accreditation as an ISO document or process.
- Aligning delivery of asset management activities with organisational goals and objectives.
- Creating transparency and accountability through all aspects of asset management.
- Meeting the agreed Levels of Service in the most cost-effective way through creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets.

1.2 Strategic context

In accordance with the Local Government Act 1999 (the Act) and the Strategic Plan (Our Holdfast 2050+), Council provides a range of community services to the local community and visitors.

Assets are the foundation stones of the Council and management of assets is essential to achieve our Council's vision of:

“Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia’s most sustainable city.”

The plan is developed and implemented in conjunction with the following plans, strategies and policies:

- Strategic Plan (Our Holdfast 2050+)
- Corporate Plan (Four-year delivery plan)
- Long Term Financial Plan (LTFP)
- Asset Management Policy
- Asset Management Strategy

- Asset management plans (AMPs)
- Carbon Neutral Plan
- Fleet Transition Plan

City of Holdfast Bay’s planning framework (draft) is outlined in Figure 1.1.

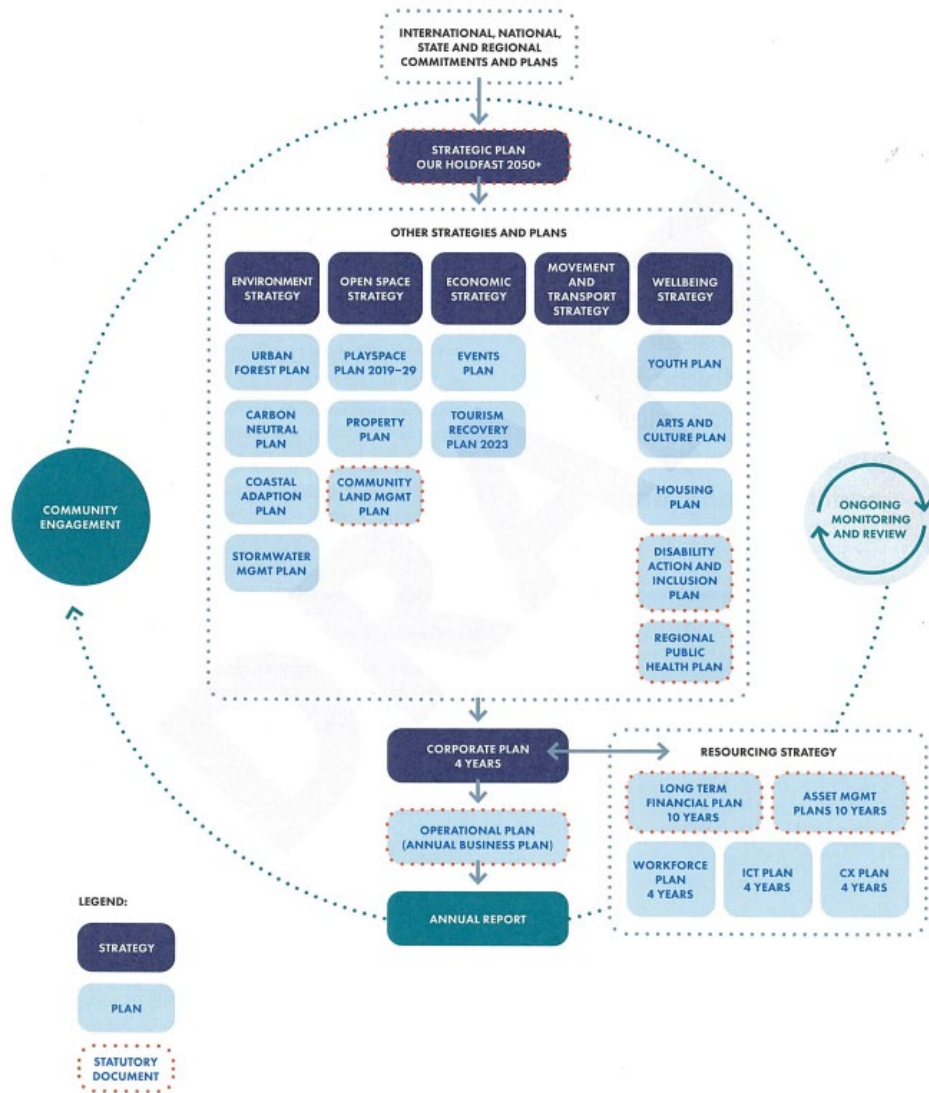


Figure 1.1 Planning framework (draft)

1.3 Stakeholders

Key stakeholders responsible for the asset management lifecycle of plant and equipment are provided in Table 1.1.

Key stakeholders	Role in Asset Management Plan
Residents / community	End users of the services provided directly and indirectly by the assets. Provide feedback collected throughout the year, including the annual satisfaction survey.
Elected Members	Act as custodians of community assets. Set asset management policy and vision. Allocate resources to meet council objectives in providing services while managing risks.
Audit Committee	Reviews, and makes recommendations and observations to Council on the financial outcomes of the asset management plans.
Chief Executive Officer and Senior Leadership Team	Provide leadership and strategic direction regarding management of assets and service provision. Review Asset Management Policy and Asset Management Strategy. Ensure community needs and agreed service levels are incorporated into asset management planning and the Long Term Financial Plan. Ensure councillors and staff are provided with training in financial and asset management practices. Ensure accurate and reliable information is presented to Council. Ensure appropriate delegations and approval processes are followed.
Manager Engineering	Manages development, implementation and review of asset management plans, the Asset Management Policy and Asset Management Strategy. Responsible for advancing asset management within the organisation.
Asset Management Lead	Prepares asset management plans. Manages the asset register and spatial systems. Coordinates data collection. Coordinates annual renewal budget planning. Delivery of asset management improvement programs. Provide technical asset management expertise to the organisation.
Assets and Delivery	Deliver plant and equipment capital works program.
Field Services	Ensure the maintenance programs are achieving service standards.

Table 1.1 Stakeholder responsibilities

1.4 Asset management framework

The Asset Management Strategy aims to align delivery of asset management activities with the organisation’s goals and objectives; this process is known as the “line of sight” with asset management.

The asset management framework consists of the three key asset management documents - the Asset Management Policy, Asset Management Strategy and asset management plans. These documents create transparency and accountability through all aspects of asset management to ensure all stakeholders understand their roles and responsibilities.

The Council’s asset management system is outlined in Figure 1.2. The asset management system is the end-to-end process of asset management within Council. The asset management framework connects Council’s strategic vision and goals to the on-the-ground delivery of our services.

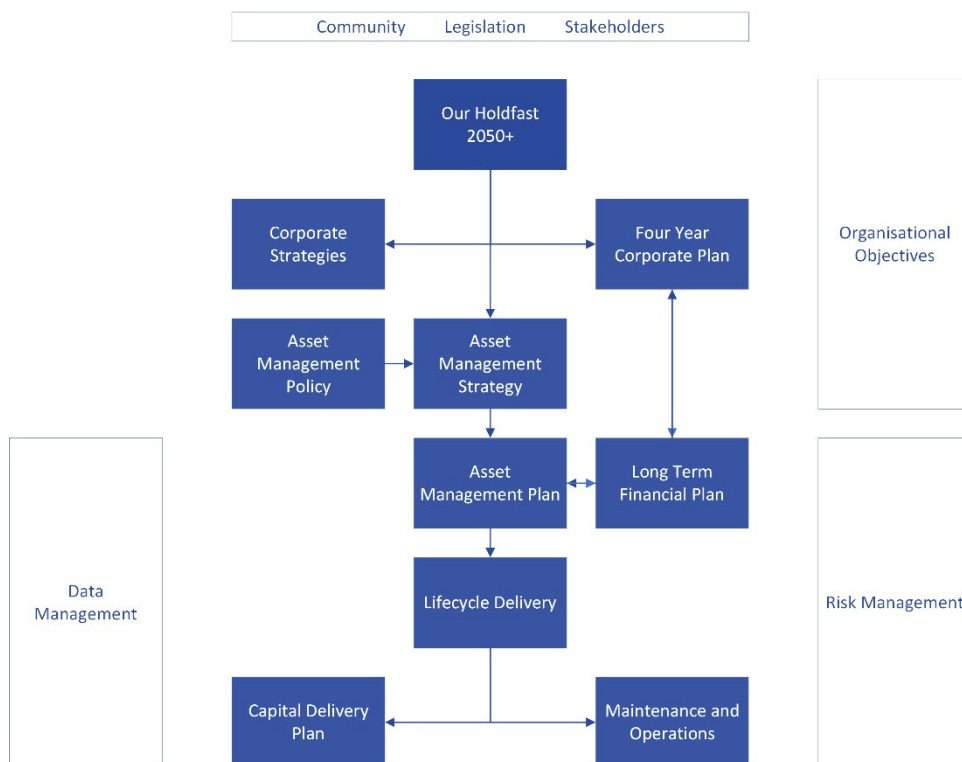


Figure 1.2 Asset management system

2 Asset class information

The plant and equipment asset class is defined in four categories:

- Car fleet
- Heavy vehicles
- Major plant
- Minor plant (commissioned and non-commissioned)

Category	Total replacement value	Number of assets	Useful service life
Car fleet	\$1.2 million	32	3 – 5 years
Heavy vehicles	\$4.4 million	35	5 – 9 years
Major plant	\$0.7 million	33	10 years
Minor plant (commissioned)	\$1.4 million	80	3 – 25 years
Minor plant (non-commissioned)	N/A	446	varying
Total	\$7.7 million	626	

Table 2.1 Plant and equipment assets

2.1 Asset hierarchy

The 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, asset category and subcategory used for asset planning, financial reporting and service level hierarchy used for service planning and delivery.

The plant and equipment asset class is defined in four categories for car fleet, heavy vehicles, major plant and minor plant. Within each asset category the assets are defined into hierarchy levels based on criticality of service.

Hierarchy level	Criticality	Description
Car fleet - standard	Medium	Typical use, standard maintenance and servicing, simple vehicle replacement. Includes pool vehicles, utility vehicles and personal use vehicles.
Car fleet – complex	Medium	Typical use, standard maintenance and servicing, vehicle replacement requires specialised build. Includes community safety vehicles and specific-use vehicles.
Heavy vehicles - standard	Medium	Typical use, standard maintenance and servicing, vehicle replacement requires specialised build.
Heavy vehicles – critical	High	High use, complex maintenance and repair requirements, critical to Council’s core service delivery, vehicle replacement requires specialised build. Includes three sweeper vehicles, a ride-on scrubber unit, two large community buses and a tractor that works on the beach.

Major plant	Medium	Typical use, standard maintenance and servicing.
Minor plant - minor	Low	Variety of non-commissioned minor plant assets that are replaced only as required.
Minor plant - standard	Medium	Variety of commissioned minor plant assets with varying service lives.

Table 2.2 Asset hierarchy

3 Levels of Service

The International Infrastructure Management Manual (IIMM) describes Levels of Service (LoS) as “defined service quality for an activity or service area against which service performance may be measured”.

City of Holdfast Bay has defined Levels of Service for plant and equipment assets for both:

- Community Levels of Service – community perception of service
- Technical Levels of Service – technical indicators of performance

Defined Levels of Service are designed to support continued performance and function of the plant and equipment assets to a reasonable standard, where maintenance and servicing are compliant with legislative requirements and manufacturing specifications. They are intended to ensure the plant and equipment assets and associated budgets are appropriate to meet the service levels.

3.1 Community Levels of Service

No community Levels of Service as Council’s fleet provides an internal service.

3.2 Technical Levels of Service

Performance measure	Objective	Performance measure	Key performance indicator	2024 performance
Quality (condition)	Physical state of assets in a serviceable condition	Average condition of assets	Average condition better than 3.0 (fair)	TBC
Quality (condition)	Physical state of assets in a serviceable condition	Percentage of poor or very poor (PVP) assets	PVP below 10%	TBC
Quality (renewal)	Sustainably managing the renewal of assets	Asset renewal ratio (Renewal expenditure over forecast budget).	90% - 110%	106% (2021-2023)
Function (safety)	Car fleet and heavy vehicles are inspected monthly by internal staff and serviced at least annually by external qualified personnel	Work order records maintained for monthly inspection and annual servicing	100% compliance	100%
Climate change	Transition light fleet to EVs	Deliver in line with fleet transition plan	Annual delivery planned, budgeted and delivered	Yes

Table 3.1 Technical Levels of Service

Levels of Service with 2024 performance labelled TBC (to be confirmed) do not currently have a baseline indicator. These are to be measured and reported on, going forward.

3.3 Legislation and relevant Acts

Under the *Local Government Act 1999*, Council is required to develop and adopt an infrastructure and asset management plan (AMP) covering a period of at least 10 years.

Council is additionally required to adopt a long-term financial plan (LTFP) associated with such service plans, also covering a period of at least 10 years. There is a direct link between the development and implementation of these two plans, with the LTFP updated to reflect forecast expenditure as detailed in these plans.

Council considers the following legislative framework in the management of its plant and equipment assets.

Legislation	Requirements
<i>Australian Accounting Standards</i>	Standards applied in preparing financial statements, relating to the valuation, revaluation, and depreciation of assets.
<i>Climate Change and Greenhouse Emissions Reduction Act 2007</i>	An Act to provide for measures to address climate change with a view to assisting to achieve a sustainable future.
<i>Disability Discrimination Act 2018</i> and other relevant disability legislation	To eliminate, as much as possible, discrimination against persons on the grounds of disability. Sets the standard for accessibility.
<i>Highway Act 1926</i>	Sets out the legislative framework for roads and road authorities in SA.
<i>Local Government Act 1999</i>	Sets out the role, purpose, responsibilities and powers of local governments including preparation of an LTFP supported by asset management plans for sustainable service delivery.
<i>Local Government (Financial Management and Rating) Amendment Act 2005</i>	Impetus for development of a strategic management plan, comprising an asset management plan, and LTFP.
<i>Motor Vehicles Standards Act 1989 (Australian Design Rules)</i>	National standards for vehicle safety, anti-theft, and emissions.
<i>Relevant Australian Standards</i>	Standards relating to requirements to inspect and certify cranes, elevated work platforms and lifting devices.
<i>Relevant Heavy Vehicle National Law and Regulations</i>	Laws and regulations related to heavy vehicles over 4.5 tonnes gross vehicle mass.
<i>Road Traffic Act 1961</i>	To provide for vehicle standards, mass and loading requirements and other safety measures in relation to light vehicles. Contains powers for Council to install and remove traffic control devices.
SafeWork SA relevant to fleet management	Registering relevant plant with Safework SA Code of Practice – Managing risks of plant in the workplace.
<i>Work Health and Safety Act 2012</i>	An Act to provide for the health, safety, and welfare of persons at work; and for other purposes.

Table 3.2 Legislation requirements

4 Demand forecast

A community's demand for services may change over time depending on factors including environmental, technological and capacity requirements. Council may need to make changes to manage future demand for services.

Demand driver	Current position	Demand forecast	Demand impact	Demand management	Impact on assets
Population increases	Total estimated population 37,543 (2021).	Planned to accommodate for 40,000 by 2031.	Increased demand for operational services and associated fleet.	Track operational and maintenance through request management and review plant and equipment requirements.	Potential to increase fleet as service requirements increase with population.
Environmental sustainability (Climate mitigation)	Council and the community are increasingly aware of our impact on the environment and Council's role in environmental sustainability. Council is committed to achieving zero net carbon emissions by 2030 through reduced carbon emissions.	Council is committed to pursuing, supporting, and creating an environment that will sustain current and future generations.	Requirement to use fewer, recycled and renewable resources that can contribute to the development of a circular economy and reduce Council's carbon footprint. Greater environmental sustainability requirements placed on the construction industry.	Implement actions from the Environment Strategy 2020-2025, Climate Governance Risk Assessment recommendations, Carbon Neutral Plan and Fleet Transition Plan.	Transition to a lower energy fleet through the fleet transition plan. Capital and operational costs associated with energy efficient fleet to be considered through the fleet transition plan and included in the AMP.
Climate change (climate adaptation)	Increase in severe weather events including droughts, extreme heat events, storms, storm surges, high tides, and sea level rise.	Increasing number of hot weather days and events. Increase in intensity of rain events. Sea level rise is accelerating. Increased evapotranspiration.	Need appropriate fleet to facilitate emergency management planning. Increase in tree canopy will require additional specialised resourcing, including fleet.	Development of the Urban Forest Plan to provide indications of any effect on Council's fleet.	Increased or changed fleet and operating costs to adapt to changing environments.

Table 4.1 Demand factors

5 Lifecycle planning

Asset lifecycle planning outlines how Council plans to manage plant and equipment assets in an optimised cost-effective manner while ensuring delivery of agreed service levels. The lifecycle of assets can be defined in four stages, including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal

Each of these stages is further detailed in this lifecycle planning section.

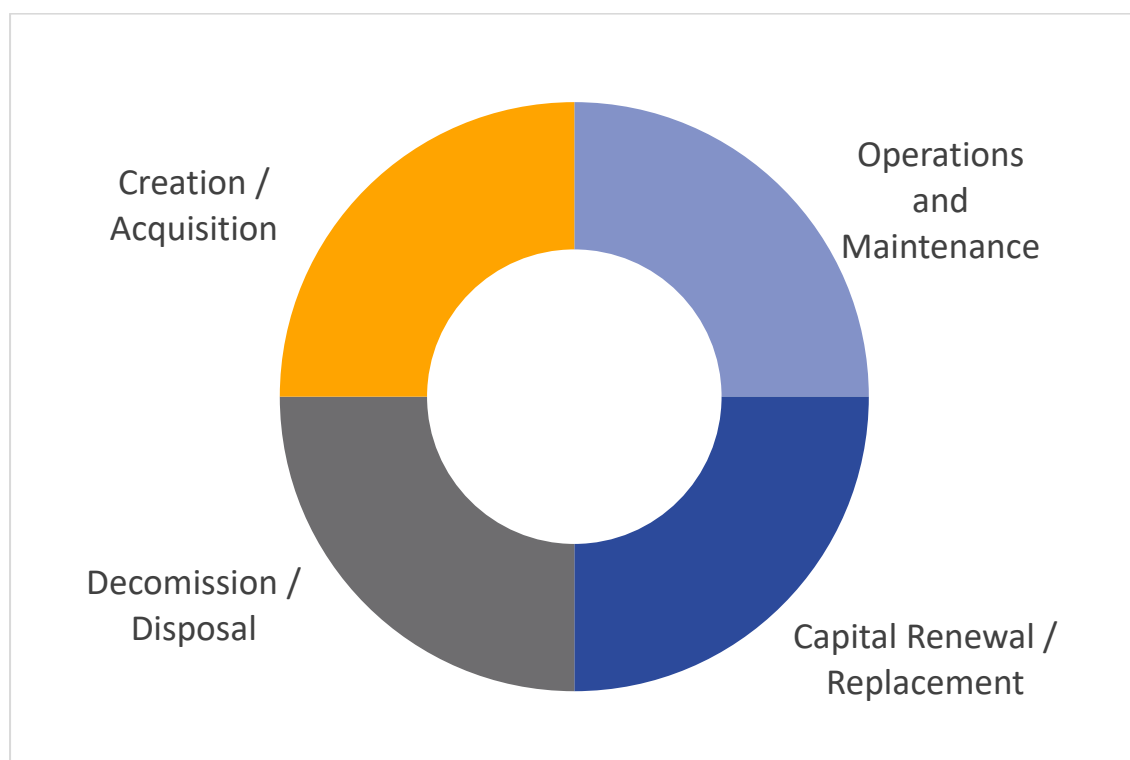


Figure 5.1 Asset lifecycle

Council's plant and equipment assets are managed to provide the services that Council provides to the community. Council's car fleet, heavy vehicles and major plant assets are replaced based on defined service lives of these assets. Council's minor plant assets are replaced either based on service lives or upon failure of the asset, depending on the item. During the life of an asset, it is maintained and serviced to ensure delivery of service and safety is provided.

5.1 Asset life

Plant and equipment assets are assigned a service life to define renewal timeframes rather than the standard expected useful life that is used for other asset classes. The service life assigned to plant and equipment assets considers factors such as the criticality of the asset, operation and maintenance costs, resale value of the asset, and the requirement to maintain the level of service provided by the asset.

Council replaces car fleet, heavy vehicles and major plant assets based on a defined service life rather than replacing assets based on condition. However, if an asset’s condition results in the asset being unsafe or no longer fit for service, an asset may require replacement earlier than originally planned.

Minor plant assets are defined as either a minor asset that is not commissioned and generally costs less than \$2,000 each, or a standard asset commissioned for plant and equipment generally costs more than \$2,000. Commissioned minor plant assets are assigned a service life between three years and 25 years, depending on the asset type and use. Non-commissioned minor plant assets are replaced upon failure, if they become unsafe to use or no longer able to provide the intended service.

During the service life of a plant and equipment asset, it should be serviced and maintained and inspected regularly to ensure the asset remains safe for use and fit for purpose and to ensure the service life is achieved. Regular risk assessments of assets should also be undertaken.

Plant and equipment category	Service life
Car fleet - standard	3 years
Car fleet - complex	5 years
Heavy vehicles – standard	9 years
Heavy vehicles – critical	5 years
Major plant	10 years
Minor plant – minor	As required
Minor plant – standard	3 years – 25 years

Table 5.1 Service life of plant and equipment assets

5.2 Historical expenditure

Historical expenditures for 2019-20 to 2022-23 for operation, maintenance, new assets and renewal of existing assets for the plant and equipment asset class is summarised in Figure 5.2. The actual expenditures for each year have been indexed by the local government price index (LGPI) to create 2024-25 equivalent expenditures.

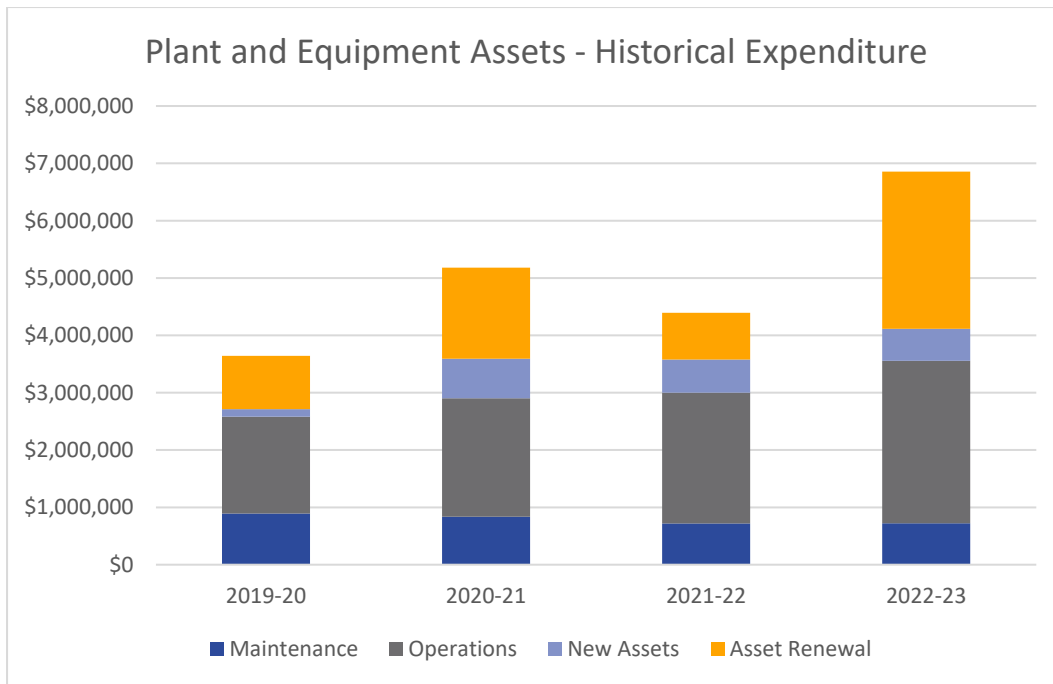


Figure 5.2 Historical expenditure

5.3 Operation and maintenance

Operations includes regular activities and costs required to provide services. Operational costs associated with plant and equipment includes fuel, vehicle registration, insurance, batteries and tyres.

Maintenance of plant and equipment assets includes activities required to keep the assets in a serviceable condition during their service life. Car fleet and heavy vehicles are inspected and serviced regularly, and repairs are undertaken following any incidents. Other plant and equipment assets are inspected, serviced and repaired as required to maintain service delivery.

Maintenance activities can be defined as either planned or reactive maintenance. Reactive maintenance is unplanned repair work that is generally carried out following damage, failure or safety issues associated with the asset. Planned maintenance is planned work including regular inspections, servicing of vehicles and equipment, and condition assessment of assets. Assessment and planning of both reactive maintenance and planned maintenance is undertaken by Council personnel who use judgment to minimise interruption to operations and service delivery.

The operations and maintenance costs of Council’s plant and equipment assets are forecast to trend in line with the previous four years of costs as the number of vehicles and the services provided have not changed and are not expected to change substantially. Annual amounts of \$2,216,748 for operations and \$793,448 for maintenance have been adopted based on the average of the previous four years.

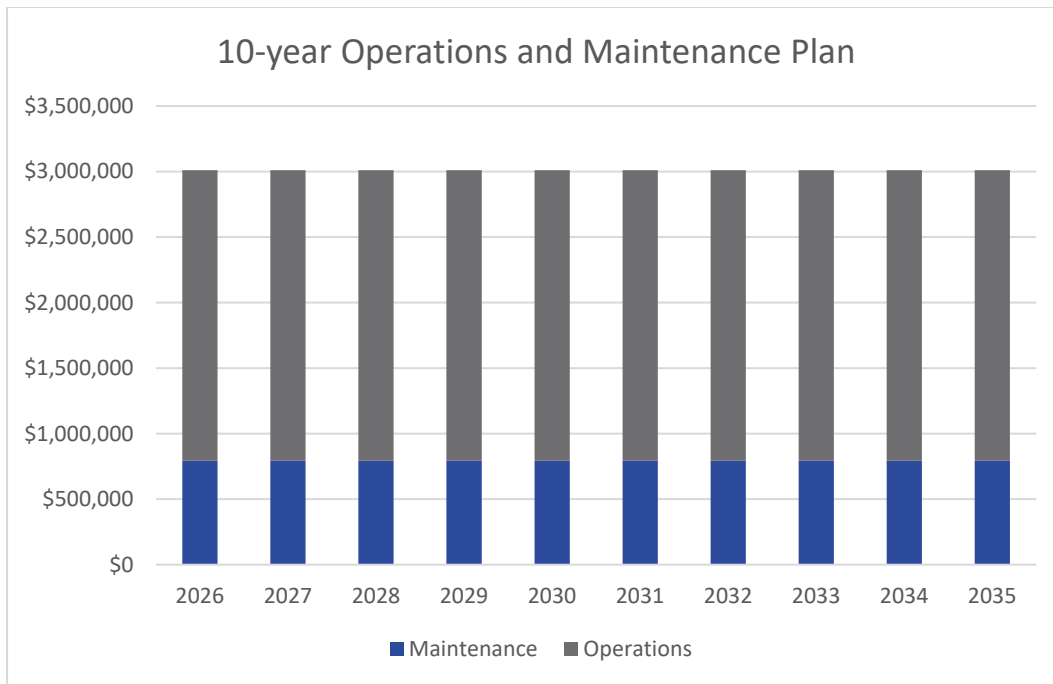


Figure 5.3 Operations and maintenance plan

5.4 Renewal Plan (Capital Renewal)

Replacement of plant and equipment assets is undertaken regularly to ensure continuity of service provision. To ensure continuity of service, maintain safety standards and maximise return on the trade-in of old vehicles and equipment, Council’s plant and equipment assets are replaced according to the following program:

- Car fleet assets are replaced between three years and five years.
- Critical heavy vehicles are replaced every five years.
- Medium-use heavy vehicles are replaced every nine years.
- Major plant assets are replaced every 10 years.
- Minor plant assets are replaced either on a defined timeframe or upon failure depending on each item.

The plant and equipment replacement program outlined in this plan has been developed to align with the service lives defined for the asset categories and with some adjustment to allow for an even spread of replacement budget over the 10 year period. Replacement costs have been estimated using a combination of inputs including the original purchase costs of vehicles with an allowance for inflation to 2024 and updated cost estimates where available.

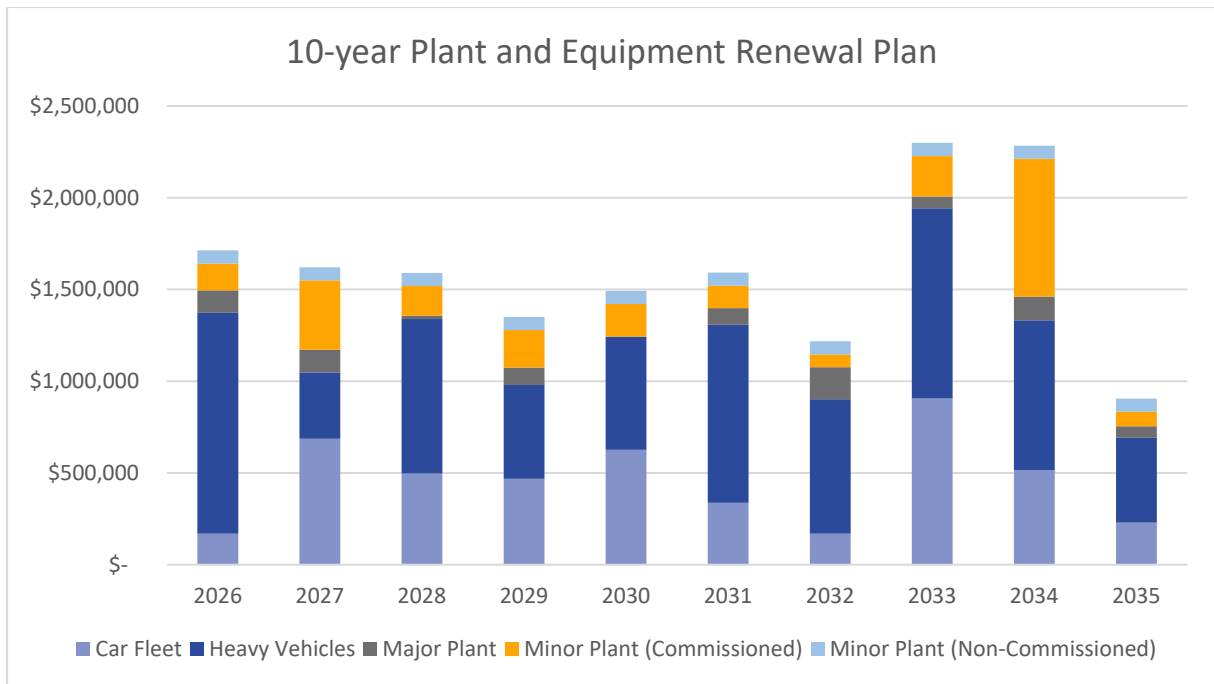


Figure 5.4 10-year renewal plan

5.5 Acquisition and Upgrade Plan (New Capital)

Acquisitions are new assets that did not previously exist or works resulting in an upgrade of the asset and an increased capacity to deliver a service. The requirement for an acquisition may result from growth, changed demand, social or environmental needs. Assets may also be donated to the City of Holdfast Bay.

Council is currently planning the following upgrades:

- Replacement of the current elevated work platform with a new elevated work platform that has an insulated bucket.
- Replacement of car fleet assets and some heavy vehicles with electric vehicles.
- Electric vehicle charging stations to facilitate the new electric vehicle fleet, including \$10,000 in 2025-26 and \$30,000 in 2026-27. Further requirements are subject to an update of the fleet transition plan.

5.6 Disposal Plan

Plant and equipment assets are generally disposed of following delivery of new replacement plant and equipment assets. Car fleet, heavy vehicles and major plant assets are usually traded-in as part of the new vehicle purchase. Minor plant assets are either disposed of due to failure or sold following delivery of the new replacement asset. All assets are disposed of in accordance with Council's Disposal of Assets Policy.

6 Financial summary

The financial requirements for the plant and equipment asset class are outlined in this section.

6.1 Asset class valuation

Valuation of Council’s plant and equipment asset class differs from the other asset classes in that the values are based on the original capitalised cost of each asset. The depreciated values are based on the service life assigned to each asset.

The valuation of Council’s plant and equipment asset class as of 1 January 2024 is summarised in Table 6.1.

Asset category	Cost	Accumulated depreciation	Carrying value	Number of assets
Car fleet	\$1,193,747	\$373,121	\$820,626	32
Heavy vehicles	\$4,376,368	\$1,964,605	\$2,411,763	35
Major plant	\$710,781	\$375,897	\$334,884	33
Minor plant (commissioned)	\$1,435,537	\$1,108,353	\$327,184	80
Minor plant (non-commissioned)	N/A	N/A	N/A	446
Total	\$7,716,433	\$3,821,976	\$3,894,458	626

Table 6.1 Plant and equipment asset valuation

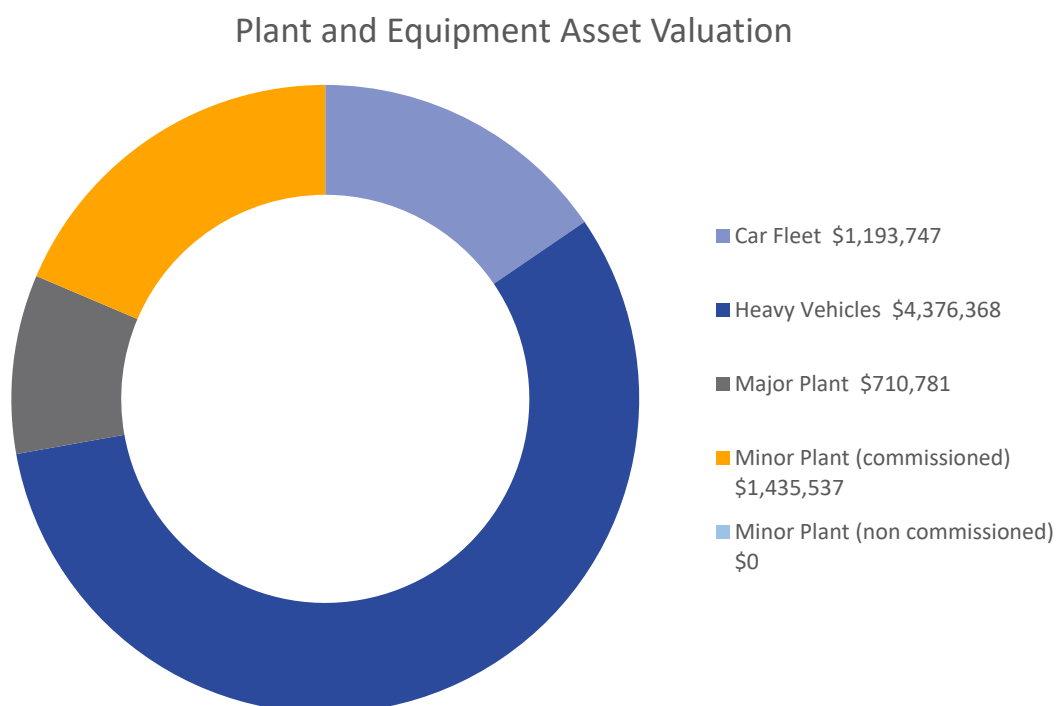


Figure 6.1 Plant and equipment assets

6.2 Expenditure forecast summary

The overall plant and equipment expenditure forecast for operations, maintenance, renewal of existing assets, and acquisition of new assets is provided in Figure 6.2 and Table 6.2. The plant and equipment asset renewal forecast is provided in Table 6.3.

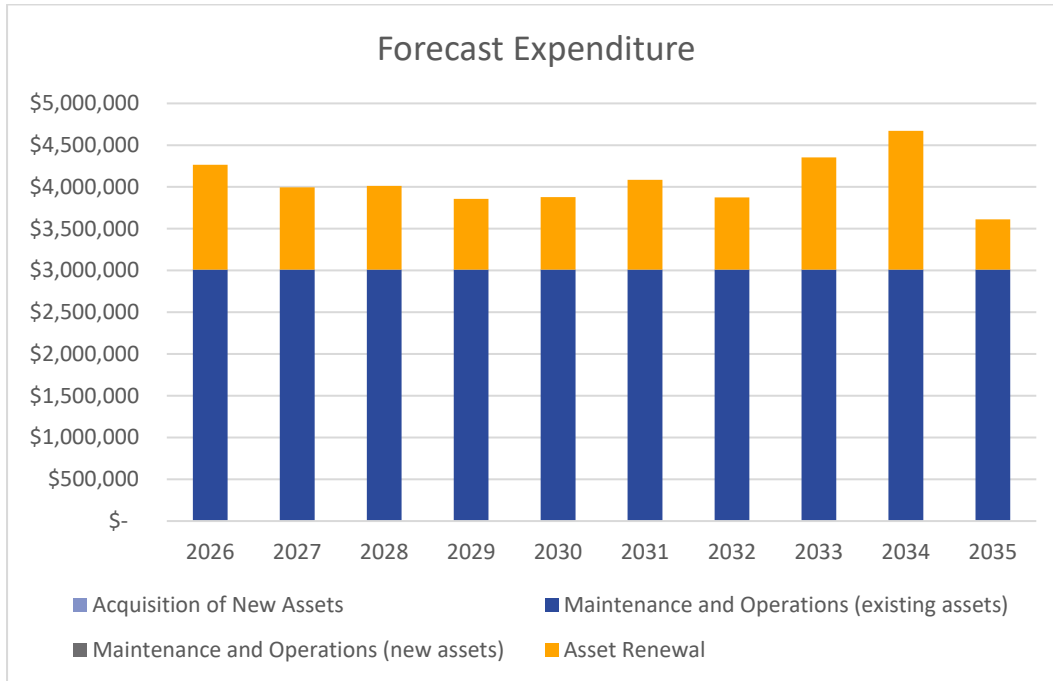


Figure 6.2 Plant and equipment forecast expenditure

Financial year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Acquisition of new assets	\$10,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance and operations (existing assets)	\$3,010,196	\$3,010,196	\$3,010,196	\$3,010,196	\$3,010,196	\$3,010,196	\$3,010,196	\$3,010,196	\$3,010,196	\$3,010,196
Maintenance and operations (new assets)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset renewal	\$1,712,871	\$1,620,831	\$1,590,325	\$1,350,232	\$1,492,814	\$1,592,328	\$1,218,085	\$2,299,078	\$2,283,639	\$905,723
Asset disposal	-\$458,469	-\$636,013	-\$587,942	-\$502,727	-\$623,806	-\$518,156	-\$353,727	-\$954,827	-\$623,073	-\$303,359
External grant funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Council funding required	\$4,264,598	\$3,995,014	\$4,012,579	\$3,857,701	\$3,879,204	\$4,084,368	\$3,874,554	\$4,354,447	\$4,670,762	\$3,612,560

Table 6.2 Forecast expenditure

Financial year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Car fleet	\$169,413	\$686,277	\$497,150	\$468,040	\$626,277	\$337,150	\$169,413	\$906,277	\$515,777	\$229,413
Heavy vehicles	\$1,203,330	\$361,203	\$841,618	\$511,701	\$616,394	\$970,747	\$732,212	\$1,036,606	\$816,212	\$462,198
Major plant	\$122,305	\$124,018	\$18,700	\$95,087	\$0	\$90,428	\$174,455	\$63,872	\$128,749	\$63,000
Minor plant (commissioned)	\$146,028	\$377,538	\$161,062	\$203,609	\$178,348	\$122,208	\$70,210	\$220,528	\$751,106	\$79,317
Minor plant (non- commissioned)	\$71,795	\$71,795	\$71,795	\$71,795	\$71,795	\$71,795	\$71,795	\$71,795	\$71,795	\$71,795
Total renewal	\$1,712,871	\$1,620,831	\$1,590,325	\$1,350,232	\$1,492,814	\$1,592,328	\$1,218,085	\$2,299,078	\$2,283,639	\$905,723

Table 6.3 10-Year Renewal Plan

6.3 Funding strategy

Key strategic activities that will affect the future financial position for plant and equipment:

- The AMP to inform the LTFP
- Carbon Neutral Plan implementation
- Resilient Asset Management Program implementation

6.4 Assumptions

The following assumptions have been adopted in development of the renewal program:

- The renewal program has been based on acquisition date and service life for car fleet, heavy vehicles, major plant and commissioned minor plant assets.
- The replacement of non-commissioned minor plant assets will be undertaken as required to maintain service provision and safe use of equipment.
- Replacement cost estimates have been developed as of 2024; purchase costs have been indexed by CPI to develop 2024-25 cost estimates however no CPI has been added for future year replacements.
- No allowance has been made for acquisition of new assets or decommissioning of existing assets.
- Current operational and maintenance expenditure is sufficient to maintain service levels.
- Information and Technology (IT) assets have been excluded from this plan. An improvement action item has been outlined in section 8 to incorporate the IT asset register into the plant and equipment asset management plan.
- The IT renewals are budgeted through the LTFP.

6.5 Data confidence

Expenditure requirements for asset replacement and operational costs have been based on the best available data. Replacement cost estimates have been based on a combination of previous costs indexed to 2025 and consideration of recent purchase prices to provide expected cost estimates as of 2025. Operational and maintenance expenditure requirements have been based on actual expenditures from the past four years. It has been assumed these actual costs from the past four years provide the most accurate estimate of required costs to maintain service levels going forward.

Based on the IPWEA data confidence scale, the plant and equipment data is classified as “B - reliable”. The asset registers for car fleet, heavy vehicles and major plant are accurate and kept up to date. The asset register for the minor plant category is maintained, however, as there are periods between audits the data accuracy is estimated to be accurate to $\pm 10\%$.

Confidence level	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, e.g. 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 is 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.

Table 6.4 Data confidence

7 Risk management

The objective of the risk management process is to ensure all significant asset management risks are identified and assessed. Following a risk assessment and consideration of both likelihood and consequence, risks identified as high or very high in the short to medium term are investigated. Strategies and treatments are implemented to mitigate or address unacceptable risks.

An assessment of risks in line with Council’s risk matrix (Figure 7.1) associated with the plant and equipment asset class are detailed in Table 7.1.

Likelihood \ Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	E	Medium	Medium	High	Extreme	Extreme
Likely	D	Low	Medium	High	High	Extreme
Possible	C	Low	Medium	Medium	High	High
Unlikely	B	Low	Low	Medium	Medium	High
Rare	A	Low	Low	Low	Medium	Medium

Figure 7.1 Risk matrix

Table 7.1 summarises the asset management risk register, which is reviewed and updated at minimum annually in line with our risk management procedures. The asset management risk register should be reviewed in line with the strategic and operational risk register.

Plant and equipment risk statement	Current controls	Residual risk rating	Further risk treatments/actions	Target risk rating
Risk of climate change affecting useful life of assets	<ul style="list-style-type: none"> - Ongoing participation in the Resilient Asset Management Program (RAMP) with Resilient South Councils. - Coastal adaptation planning in place including hazard identification and assessment. - Integrated IPWEA Practice Note 12.1 into asset project design & planning processes. - Consideration of climate change risks in strategic and long-term planning. 	HIGH	<ul style="list-style-type: none"> - Implement RAMP actions for all asset classes and across the asset lifecycle. - Complete coastal adaptation planning including data collation, risk assessments and community engagement. 	MEDIUM
Inconsistency caused by changes to Elected Members or Senior Leadership personnel.	<ul style="list-style-type: none"> - Alignment of asset management framework (AM Policy, Strategy and plans) including service levels and long-term financial plans. - Development of AM Steering Committee. - Regular asset management updates provided to Elected Members. 	MEDIUM	<ul style="list-style-type: none"> - Improving asset management maturity aligned with AM Strategy improvement plan. - Keep Elected Members and Senior Leadership Committee informed via the Asset Management Steering Committee. Identify training where required. 	MEDIUM
Insufficient budget to meet service levels for maintenance and renewal	<ul style="list-style-type: none"> - Clear budget planning process, identifying any funding dependencies within planned/major upgrades. - Operational management plans for complex and high risk sites. - 10-year financial planning and rolling 3-year capital works program. - Regular condition audits of assets. - Community service levels developed through ongoing feedback. 	MEDIUM	<ul style="list-style-type: none"> - AM Strategy Improvement Program Action Number 8 and Improvement Action 4: Review operational LoS and update responsibilities, resourcing and planning to meet agreed LoS. Implement system to prioritise, assess and action requests in-line with operational LoS. - AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision-making 	MEDIUM
Lack of accuracy and consistency in asset management source data	<ul style="list-style-type: none"> - Satisfactory data confidence level in current asset information data levels through cyclic condition audits. See confidence levels. - Annual cyclic data collection schedule in place. - Ongoing improvements to data management guidelines. - Regular updates from routine maintenance spot checks/issue reporting. 	MEDIUM	<ul style="list-style-type: none"> - AM Strategy Improvement Program Action Number 3: Establish the data management framework and guidelines for asset register to future-proof for predictive modelling. - AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision-making 	LOW
Loss or damage of	<ul style="list-style-type: none"> - Updated and relevant Safe Work Method Statement 	MEDIUM	<ul style="list-style-type: none"> - Annual review of SWMS, SWIs, SOPs and operating 	MEDIUM

Plant and equipment risk statement	Current controls	Residual risk rating	Further risk treatments/actions	Target risk rating
plant & equipment	(SWMS), Safe Work Instructions (SWI), Safe Operating Procedure (SOP) and operating manuals are in place for all plant and equipment. - Plant-specific risk assessments are in place. - Training for new/high-risk operations completed and captured in Training Needs Analysis.		manuals. - Training analysis / skills gap analysis to be undertaken for new/high-risk/complex operations.	
Non-compliance with heavy vehicle (HV) laws	- Fleet management process recognises heavy vehicle assets. - Required details incorporated into the procurement process. - Recorded service detail provides a compliance register for all HV vehicles.	MEDIUM	- Ensure all vehicles are compliant with HV laws prior to final procurement. - Ensure effective record keeping within newly decentralisation of Depot fleet management.	MEDIUM
Obsolete/ineffective plant & equipment assets	- Plant and equipment utilisation and capacity review undertaken. - Asset Management Plan for Plant and Equipment. - Asset registers with detailed End of Life data.	MEDIUM	- Undertake plant & equipment review of utilisation and capacity. - Update the Asset Management Plan for Plant and Equipment	LOW

Table 7.1 Risk assessment

8 Improvement Plan

The following tasks have been identified for improving plant and equipment asset management practices and future versions of this plan.

Task No	Improvement task	Responsibility	Resources required	Due for review
1	Review Use of Vehicles Policy.	Asset Management Lead	Existing	June 2025
2	Deliver fleet transition to electric vehicles in line with Fleet Transition Plan including supporting charging infrastructure.	Asset Management Lead	Existing	Ongoing
3	Review the service life of low-use passenger fleet and consider replacement based on mileage versus service life.	Asset Management Lead	Existing	June 2026
4	Develop continuity plan for critical plant and equipment.	Manager Field Services	Existing	June 2026
5	Undertake minor plant assets audit and develop annual replacement cost estimates for non-commissioned minor plant assets. Incorporate the annual cost estimate requirement into the next asset management plan.	Manager Field Services	Existing	June 2028
6	Incorporate the Information Technology (IT) asset register into the Plant and Equipment Asset Management Plan. Improve data standards for the Information Technology (IT) asset register to align with best practice.	Asset Management Lead	Existing	June 2028

Table 8.1 Improvement Plan

Attachment 5

STORMWATER

Draft Asset Management Plan 2024

City of Holdfast Bay



Welcome

Asset management plans are important documents that outline how we plan, invest and maintain our infrastructure assets so we can continue to deliver valuable services for our community now and into the future.

Assets are the foundation stones of the City of Holdfast Bay. They include the streets we drive on, the parks and reserves our families play on, the stormwater network we rely on, and the community and sporting facilities we enjoy across Holdfast Bay.

Here we present the Stormwater Asset Management Plan, which covers 67km of underground pipes and more than 2,000 pits, 9 gross pollutant traps (GPTs) and 48 water sensitive urban design assets.

Asset management plans provide a snapshot of the current state of our infrastructure and the requirements to ensure we maintain and renew assets in a cost-effective and sustainable manner that meets our community's expectations.

Management of assets requires balancing the service standard expectations of the community with the costs required to deliver the service. While we would all like the highest standard of our assets this comes at a cost, the long-term impact of which needs to be carefully considered.

A significant amount of investigation, planning and financial modelling underlies the asset management plans. The plans highlight that when we build new assets or upgrade assets, we must plan for their ongoing maintenance and eventual replacement at the end of their life.

I encourage you to have a look at the asset management plans and consider whether the service levels presented here are consistent with your vision for the future of Holdfast Bay.

Contents

Executive summary	3
1 Introduction	4
1.1 Purpose.....	4
1.2 Strategic context.....	4
1.3 Stakeholders	6
1.4 Asset management framework	7
2 Asset class information	8
3 Levels of Service	9
3.1 Community Levels of Service.....	9
3.2 Technical Levels of Service	10
3.3 Stormwater standards.....	11
3.4 Legislation and relevant Acts.....	12
4 Demand forecast.....	14
5 Lifecycle planning.....	17
5.1 Asset life	17
5.2 Asset condition	18
5.3 Historical expenditure	20
5.4 Operation and Maintenance Plan	21
5.5 Renewal Plan (capital)	22
5.6 Acquisition Plan (new capital)	23
5.7 Disposal Plan.....	24
6 Financial summary	25
6.1 Asset valuation	25
6.2 Expenditure forecast summary	26
6.3 Funding strategy	28
6.4 Assumptions	28
6.5 Data confidence.....	28
7 Risk management.....	30
8 Improvement Plan.....	33

Executive summary

The City of Holdfast Bay owns and maintains 67km of underground pipes and over 2,000 pits, 9 gross pollutant traps (GPTs) and 48 water sensitive urban design assets worth over \$68 million. These assets help manage the quality and quantity of rainfall runoff.

The objective of asset management is to ensure the City of Holdfast Bay's assets are managed in the most cost-effective and sustainable way, so we can continue to deliver valuable services for our community now and into the future.

To ensure our assets are providing the appropriate service to the community, levels of service are tracked each year. These levels of service are defined under quality, function, capacity and climate.

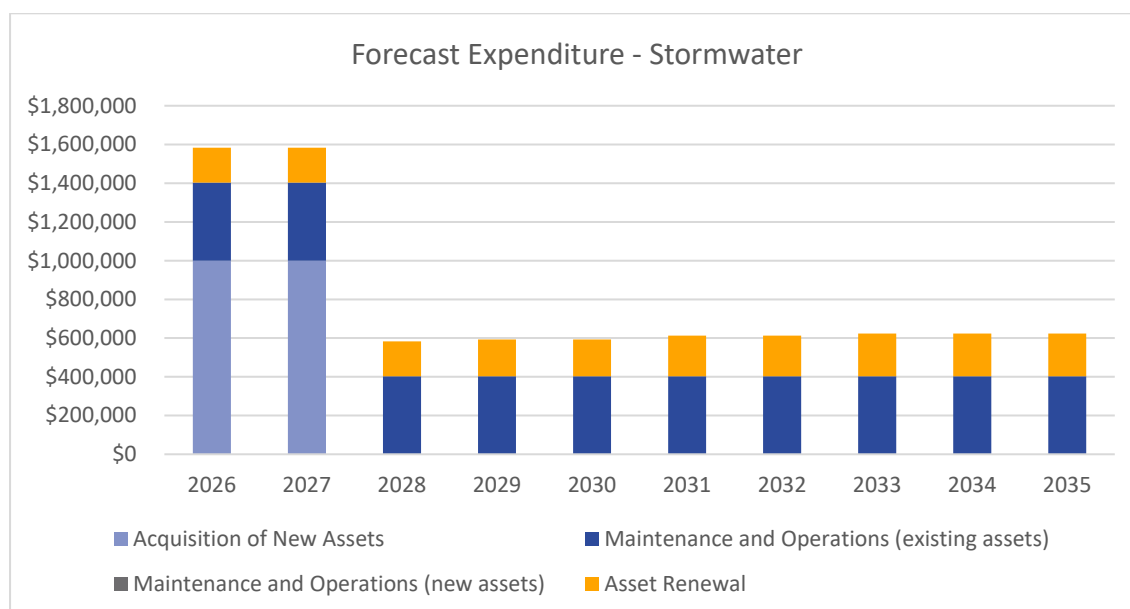
Asset lifecycle planning outlines how Council plans to manage stormwater assets in an optimised cost-effective manner while ensuring delivery of the agreed service levels. The lifecycle of assets can be defined in four stages, including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal

The physical condition of our assets is a level of service indicator to ensure we are appropriately investing in assets. The targets for condition are overall average condition better than 3.0 (fair) and the percentage of assets in fair to very good condition above 90%. The current condition levels are:

- Average condition: 1.7 (very good)
- Fair to very good condition percentage: 91%

The expenditure forecast for all four stages of the asset lifecycle is summarised below.



Council is committed to continuously improving the quality and maturity of its asset management practices. The stormwater improvement program has been developed as a roadmap for these improvements in conjunction with the Asset Management Strategy.

1 Introduction

1.1 Purpose

The primary purpose of stormwater assets is to manage the quality and quantity of rainfall runoff, with the objective to:

- Minimise property flooding
- Protect the health and safety of the community
- Minimise adverse impacts on the environment
- Harness the potential of stormwater to overcome water shortages
- Reduce urban temperatures
- Improve waterway health

The strategic direction for overall management of stormwater is detailed in Council's Stormwater Management Plans (SMPs). The Asset Management Plan focuses on how we manage our stormwater assets and infrastructure in line with the Stormwater Management Plan outcomes.

City of Holdfast Bay owns and maintains a variety of stormwater assets including:

- Underground drainage network (stormwater pits and pipes)
- Water quality devices such as gross pollutant traps (GPTs)
- Water sensitive urban design (WSUD)

The plan aims to demonstrate proactive management of assets in compliance with regulatory requirements to sustainably meet present and future community needs through:

- Aligning with industry best practice for asset management ISO 55000:2014 without seeking accreditation as an ISO document or process.
- Aligning delivery of asset management activities with organisational goals and objectives.
- Creating transparency and accountability through all aspects of asset management.
- Meeting the agreed Levels of Service in the most cost-effective way through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets.

1.2 Strategic context

In accordance with the Local Government Act 1999 (the Act) and the Strategic Plan (Our Holdfast 2050+), the Council provides a range of community services to the local community and visitors.

Assets are the foundation stones of the Council and the management of assets is essential to achieve our Council's vision of:

"Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia's most sustainable city."

The plan is developed and implemented in conjunction with the following plans, strategies and policies:

- Strategic Plan (Our Holdfast 2050+)
- Corporate Plan (Four-year delivery plan)
- Long Term Financial Plan (LTFP)
- Asset Management Policy

- Asset Management Strategy
- Asset management plans (AMP)
- Stormwater management plans (SMP)
- Coastal adaptation planning
- Carbon Neutral Plan

Council’s planning framework (draft) is outlined in Figure 1.1

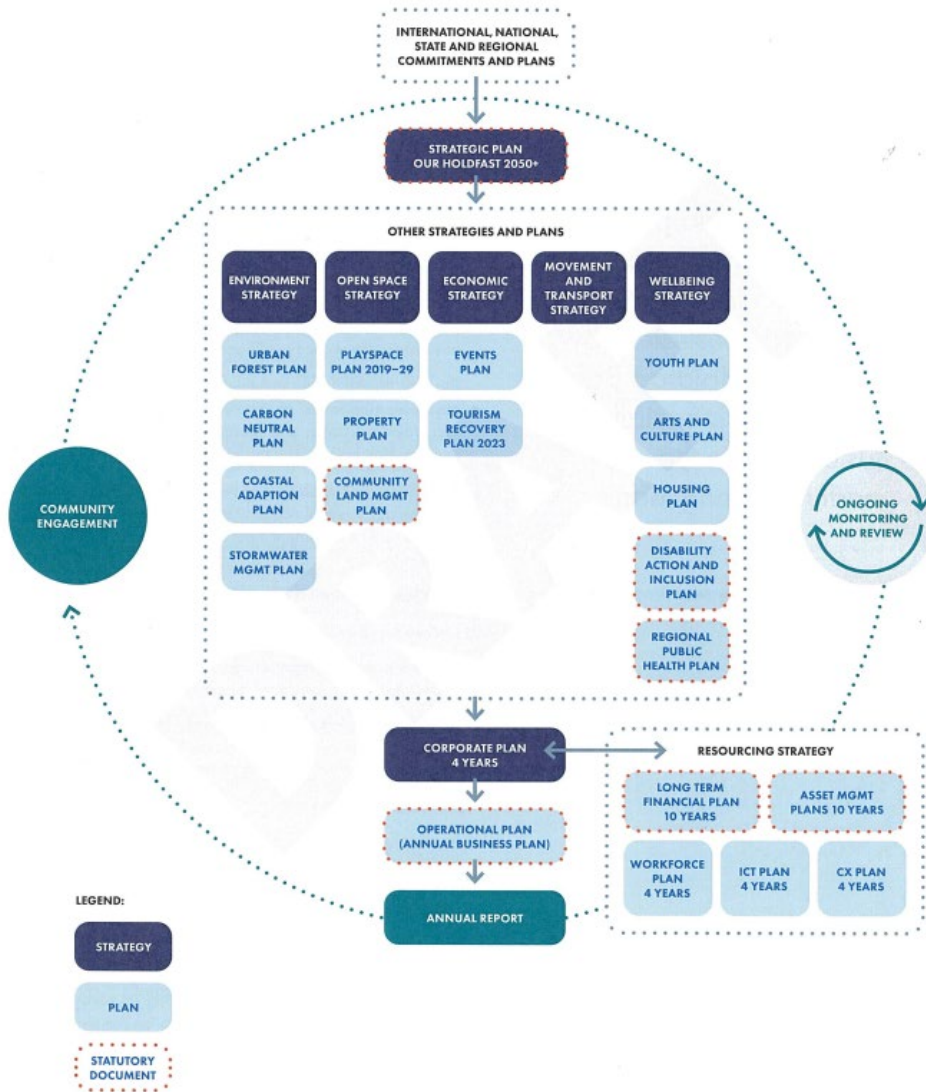


Figure 1.1 Planning framework (draft)

1.3 Stakeholders

Key stakeholders responsible in the asset management lifecycle of stormwater assets are provided in Table 1.1.

Key stakeholders	Role in Asset Management Plan
Residents / community	End users of the services provided directly and indirectly by the assets. Provide feedback collected throughout the year, including the annual satisfaction survey.
Elected Members	Act as custodians of community assets. Set asset management policy and vision. Allocate resources to meet council objectives in providing services while managing risks.
Audit Committee	Reviews, and makes recommendations and observations to Council on the financial outcomes of the asset management plans.
Chief Executive Officer and Senior Leadership Team	Provide leadership and strategic direction. Review Asset Management Policy and Asset Management Strategy. Ensure community needs and the outcomes of service reviews are incorporated into asset management planning and LTFP. Ensure councillors and staff are provided with training in financial and asset management practices. Ensure accurate and reliable information is presented to Council. Ensure appropriate delegations and approval processes are followed.
Manager Engineering	Manages development, implementation and review of asset management plans, the Asset Management Policy and Asset Management Strategy. Responsible for advancing asset management within the organisation.
Asset Management Lead	Prepares asset management plans. Manages the asset register and spatial systems. Coordinates data collection. Coordinates annual renewal budget planning. Delivery of asset management improvement programs. Provides technical asset management expertise to the organisation.
Senior Project Manager	Coordinates Council's capital works program.
Manager Field Services	Ensures the maintenance and works programs are achieving service standards.

Table 1.1 Stakeholder responsibilities

1.4 Asset management framework

The Asset Management Strategy aims to align the delivery of asset management activities with the organisation’s goals and objectives; this process is known as the “line of sight” with asset management.

The asset management framework consists of the three key asset management documents, the Asset Management Policy, Asset Management Strategy and asset management plans. These documents create transparency and accountability through all aspects of asset management to ensure all stakeholders understand their roles and responsibilities.

The Council’s asset management system is outlined in Figure 1.2. The asset management system is the end-to-end process of asset management within Council. The asset management framework connects Council’s strategic vision and goals to the on-the-ground delivery of our services.

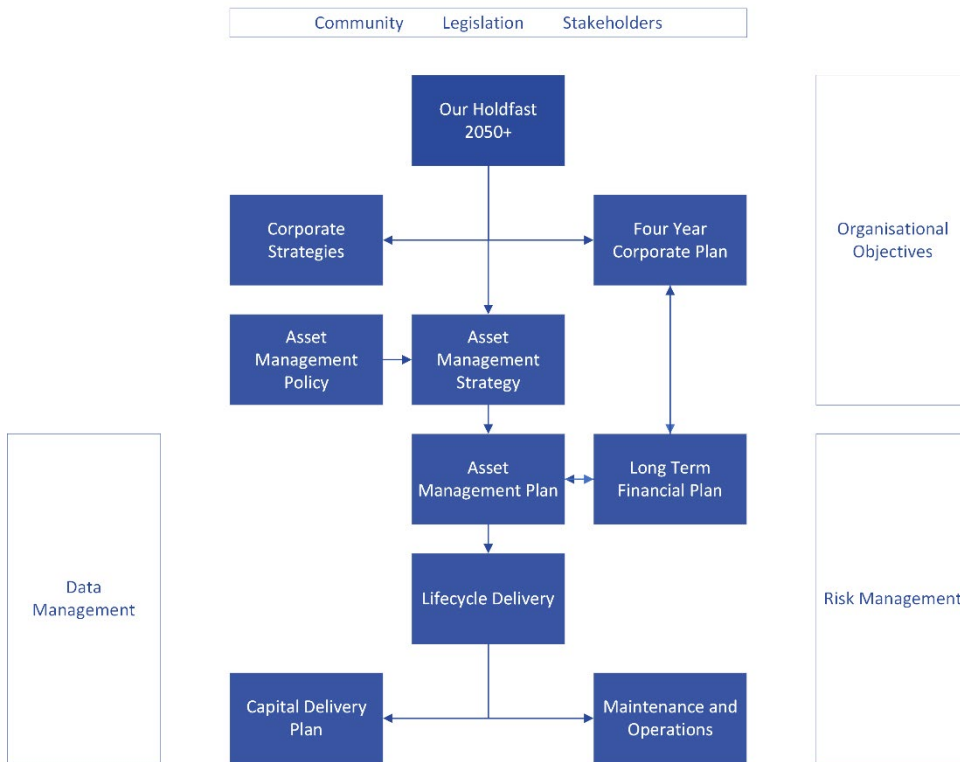


Figure 1.2 Asset management system

2 Asset class information

The stormwater asset class includes approximately 5,300 assets and is defined into two categories for drains and pits and, further, into subcategories as summarised below.

Stormwater drain assets	Number of assets	Length (m)
Stormwater pipes	2,800	67,360
Stormwater culverts	173	4,590
Total	2,973	71,950

Table 2.1 Stormwater drain assets

Stormwater pit assets	Number of assets
Side entry pit	1,711
Junction box	467
Grated inlet pit	112
Gross pollutant trap	9
Headwall	98
Other	92
Pump station	3
Water sensitive urban design (WSUD)	48
Total	2,540

Table 2.2 Stormwater pit assets

The stormwater asset class was last revalued in 2022 using current data. During 2023-24 the stormwater asset GIS register was reviewed and updated. An audit of the stormwater pits was undertaken to confirm asset data and collect pit condition information.

This Asset Management Plan has been based on the spatial data as of 2024. The next revaluation will be developed as of 1 July 2026.

3 Levels of Service

The International Infrastructure Management Manual (IIMM) describes Levels of Service (LoS) as “defined service quality for an activity or service area against which service performance may be measured”.

City of Holdfast Bay has defined Levels of Service for stormwater assets for both:

- Community Levels of Service – community perception of service
- Technical Levels of Service – technical indicators of performance

The defined Levels of Service are designed to support continued performance and function of stormwater assets to a reasonable standard, where maintenance and servicing are compliant with legislative requirements and manufacturing specifications. They are intended to ensure the stormwater assets and associated budgets are appropriate to meet the service levels.

Community and technical levels of service are used as performance indicators.

Detailed operational levels of service for individual business processes are defined within department’s operational plans. Requirements are identified in the improvement actions section.

3.1 Community Levels of Service

Council receives feedback from a variety of sources including:

- Community enquiries and requests
- Community Strategy consultation
- Annual Business Plan consultation
- Project feedback
- Development of AMPs
- Quality of Life Report
- Customer satisfaction surveys

This feedback is built into all areas of the Plan and we seek to measure our performance against community expectation through our service level links to customer request records and the Quality of Life Report 2023.

Performance measure	Desired Level of Service	Performance measure	Key performance indicator	2024 performance
Quality	Stormwater network is well maintained. Function is effective drainage during rain events.	Number of reactive blockages requiring clearing	Reduction in blockages	TBC

Table 3.1 Community Levels of Service

3.2 Technical Levels of Service

Performance measure	Objective	Performance measure	Key performance indicator	2024 performance
Quality (condition)	Physical state of stormwater assets in functioning condition.	Average condition of stormwater assets.	Average condition better than 3.0.	Pipes: 1.8 (14%)
		Percentage of poor or very poor (PVP) stormwater assets.	Asset PVP below 10%.	Pits: 1.6 (1.6%)
Quality (condition)	Serviceable state of stormwater assets in functioning condition.	Condition of stormwater assets.	Average condition better than 3.0. Asset PVP below 10%.	Pipes: N/A Pits: 2.6 (21%)
Quality (renewal)	Sustainably managing renewal of assets.	Asset renewal ratio (Renewal expenditure over forecast budget).	90% - 110%	470%
Quality (responsiveness)	Stormwater maintenance services are provided within determined response time.	Time taken to respond to requests.	Meet response times for priority 4 and 5 requests.	TBC
Capacity	Stormwater assets have the capacity to drain stormwater effectively. Avoid local flooding in events less than a 20% Annual Exceedance Probability (AEP) event.	Number of local flooding events occurring during a below 20% AEP event. Customer request records.	Reduction in issues raised during events. Future goal of 0 flooding issues resulting from 20% AEP event.	TBC
Function (safety)	Stormwater assets are safe and free of hazards.	Number of injuries or accidents	0	0
Climate (mitigation)	Reduce and eliminate emissions to reach 2030 carbon-neutral target.	Emissions reduction from previous year.	Evidence-based reduction.	TBC
Climate (adaptation)	Reduction of asset management climate risk to Council	Consider climate risk in infrastructure decision-making	Progress the RAMP and implementation of actions	Yes

Table 3.2 Technical Levels of Service

All community and technical Levels of Service have been achieved with the following exceptions:

Service level	Response action
Quality (condition) – physical state of asset PVP below 10%: Pipes 14%	CCTV condition inspections have been historically limited to known high-risk areas, negatively skewing the condition data. The CCTV program is being increased to 5km a year. Targeting a broader range of areas to improve the representation of data and knowledge of the network.
Quality (condition) – serviceability state of asset PVP below 10%: Pits 21%	The pit condition inspection concluding 2023-24 found 21% of the network had poor serviceability (blockages). A program has been completed in 2024 to clear these blockages to reinstate a high serviceability rate.
Quality (renewal) – asset renewal ratio: 470% (target 90%-110%)	Through the Stormwater Management Plan, implementation of significant stormwater improvement projects has been delivered. These improvement projects have included associated renewal works to complement the network upgrades. These works have been funded through the stormwater improvement program.

Table 3.3 Response actions

Levels of Service with 2024 performance labelled TBC (to be confirmed) do not currently have a baseline indicator. These are to be measured and reported on, going forward.

3.3 Stormwater standards

Council develops Stormwater Management Plans (SMPs) as a coordinated approach to managing stormwater within a particular catchment. The intent of an SMP is to set out the strategies, actions and projects that can be implemented to minimise flooding, utilise stormwater and improve the quality of water that feeds into our waterways and the ocean.

There are two SMPs directly relating to Council’s stormwater catchments:

- Stormwater Management Plan Coastal Catchments Between Glenelg and Marino (2014) in the Cities of Holdfast Bay and Marion
- Stormwater Management Plan for the Urban Catchments of Lower Sturt River in the Cities of Holdfast Bay, Marion, Mitcham, Unley and West Torrens

Through the Coastal Catchments Between Glenelg and Marino SMP, the Cities of Holdfast Bay and Marion have an overarching objective of progressing towards becoming:

“Water Sensitive Cities” and to minimise flooding and harness the potential of stormwater to overcome water shortages, reduce urban temperatures, and improve waterway health and the landscape of their cities. Water sensitive urban design is the process that will lead to Water Sensitive Cities.

The result of the Coastal Catchments Between Glenelg and Marino SMP was an implementation plan to enable funding towards stormwater improvements in the LTFP. See section 5.6. This SMP is under review in 2024-25 and the outcome of the review will determine future new capital investment.

The SMPs define our Levels of Service for quantity and quality of stormwater run-off. They are defined by our minor drainage system (underground) and major drainage system (overland flow).

Minor drainage system (underground)

The minor drainage system includes the pits and underground pipes whose primary function is to avoid nuisance flooding and ponding to maintain the serviceability and safety of the road network.

The original South Western Suburbs Drainage Scheme (1960s and 1970s), which drains the majority of the network, was designed to achieve a 20% AEP (Annual Exceedance Probability) or 5 year ARI (Average Recurrence Interval) standard.

Modelling of the pit and pipe network capacity indicates many of the pipes do not have the 20% AEP capacity when measured against contemporary standards. This is likely to be due to increased imperviousness of the catchment and changing storm intensities since the system was designed in the 1960s.

When designing new drainage systems, wherever technically possible and financially viable, Council aims to achieve a design standard for 20% AEP storms with gutter flow width no greater than 2.5m.

Major drainage system (overland flow)

The major drainage system includes the minor system as well as the roads, open spaces, water courses and other overland flow routes.

The aim of the of the major system is to prevent flooding that causes property damage or threatens the safety of people in the floodplain during a 1% AEP storm (100 year ARI) wherever technically possible and financially viable.

All new developments have a minimum design standard for the major system with the minimum freeboard (distance between top of flood water and house floor level) to be 200mm to ensure the buildings are not subject to inundation during a 1% AEP flood.

Detailed objectives for acceptable level of protection for the community are detailed in the Coastal Catchments Between Glenelg and Marino SMP.

3.4 Legislation and relevant Acts

Under the *Local Government Act 1999*, Council is required to develop and adopt an infrastructure and asset management plan covering a period of at least 10 years.

Council is additionally required to adopt a long-term financial plan (LTFP) associated with such service plans also covering a period of at least 10 years. There is a direct link between the development and implementation of these two plans, with the LTFP updated to reflect forecast expenditure as detailed within these plans.

Council considers the following legislative framework in the management of its stormwater assets.

Legislation	Requirements
<i>Aboriginal Heritage Act 1988</i>	An Act to provide for the protection and preservation of Aboriginal heritage; to repeal the Aboriginal and Historic Relics Preservation Act 1965 and the Aboriginal Heritage Act 1979; and for other purposes.
<i>Australian Accounting Standards</i>	Standards applied in preparing financial statements, relating to the valuation, revaluation, and depreciation of assets.
<i>Climate Change and</i>	An Act to provide for measures to address climate change with a view to

Legislation	Requirements
<i>Greenhouse Emissions Reduction Act 2007</i>	assisting to achieve a sustainable future.
<i>Environment Protection Act 1993</i>	Responsibility not to cause environmental harm (e.g. noise pollution, contamination of water).
<i>Local Government Act 1999</i>	Sets out role, purpose, responsibilities and powers of local governments including preparation of an LTFP supported by asset management plans for sustainable service delivery.
<i>Local Government (Financial Management and Rating) Amendment Act 2005</i>	Impetus for the development of a strategic management plan, comprising an asset management plan and an LTFP.
<i>Local Government (Stormwater Management) Amendment Act 2007</i>	<p>Implementation of Stormwater Management Agreement and establishment of Stormwater Management Authority to ensure proper management of stormwater in SA.</p> <p>Formulates policy for stormwater management and facilitates stormwater management planning for councils including funding programs.</p>
<i>Landscape South Australia Act 2019</i>	An Act to promote sustainable and integrated management of the State's landscapes, to make provision for the protection of the State's natural resources, and for other purposes.
<i>Planning, Development and Infrastructure Act 2016</i>	An Act to provide for matters relevant to the use, development and management of land and buildings, including by providing a planning system to regulate development within the State, rules with respect to the design, construction and use of buildings, and other initiatives to facilitate the development of infrastructure, facilities and environments that will benefit the community.
<i>Work Health and Safety Act 2012</i>	An Act to provide for the health, safety, and welfare of persons at work; and for other purposes.

Table 3.3 Legislation requirements

4 Demand forecast

A community's demand for services may change over time depending on factors including environmental, technological and capacity requirements. Council may need to make changes to manage future demand for services.

Demand driver	Current position	Demand forecast	Demand impact	Demand management	Impact on assets
Population and housing density increases	Total estimated population 37,543 (2021); 51% of dwellings are medium to high density.	Planned to accommodate for 40,000 in Holdfast Bay by 2031.	Greater impervious areas through increased infill development have the potential to increase pressure on the stormwater network and cause local flooding problems.	Implementation of regional Stormwater Catchment Management Plan. Audit and management of stormwater drainage to ensure serviceability of the network. Installation of water-sensitive urban design features (WSUD).	Increased demand on stormwater capacity in the major and minor networks. Resulting in requirements to increase capacity or find alternate detention.
Water quality	The stormwater system transports stormwater to the marine environment. Introduced impervious surfaces, human activities and industry since European settlement have all significantly altered the quantity, distribution and quality of water discharged to the marine environment. The cumulative impact of continuous and episodic land-based discharges has resulted in a significantly	Pollutants will continue to be captured by the stormwater system, requiring water quality measures prior to entering the marine environment.	Increase demand for Council to introduce stormwater quality controls throughout the network.	To the extent it is technically possible, financially viable and without compromising flood protection; retrofit WSUD to capture and treat road runoff and retrofit GPTs to all stormwater outlets discharging to Adelaide beaches. Minimise pollutants entering the drainage network by maintaining effective programs for cleaning and maintenance	Creates demand for new assets to treat stormwater quality such as WSUD and gross pollutant traps (GPTs). Creates demand for appropriate management of these assets and minimising debris and rubbish entering our stormwater systems.

Demand driver	Current position	Demand forecast	Demand impact	Demand management	Impact on assets
	degraded coastal environment.			of GPT and street sweeping. Installing and servicing of rubbish bins, particularly in commercial precincts.	
Environmental sustainability (climate mitigation)	Council and the community are increasingly aware of our impact on the environment and Council's role in environmental sustainability.	Council is committed to pursuing, supporting, and creating an environment that will sustain current and future generations.	Requirement to use fewer, recycled and renewable resources that can contribute to the development of a circular economy and reduce Council's carbon footprint. Greater environmental sustainability requirements placed on the construction industry.	Implement actions from the Environment Strategy 2020-25, Climate Governance Risk Assessment and Carbon Neutral Plan.	Higher costs associated with construction methods that are environmentally sustainable.
Climate change (adaptation)	Increase in severe weather events including droughts, extreme heat events, storms, storm surges, high tides, and sea level rise.	Severe weather events to increase based on current trends, including more intense rainfall events. Rise in sea level and coastal storm events.	More intense rainfall events are likely to place increased pressure on the existing drainage network to carry larger volumes of stormwater runoff. Sea level rise will potentially cause blockages or reduced outlet capacity through sand and seawater inundation of the drainage network adjacent to the coast.	Ongoing review and update of design standards due to increased rainfall intensity. Management of sand surrounding stormwater outlets adjacent to the coast. Stormwater management planning (improvement actions 1 and 2). Resilient Asset Management Program (RAMP) assessing resilience and suitability of assets	In the future, as definitions regarding expected rainfall intensity change, it may be required to construct larger pipes to achieve the same design standard. Upgrade the drainage capacity of current stormwater networks. Extension of the drainage network to new areas at risk of flooding.

Demand driver	Current position	Demand forecast	Demand impact	Demand management	Impact on assets
				under changing climate conditions.	
Technology change	Trialling new available technologies for stormwater management.	Ongoing review of efficient and effective stormwater management improvements.	Taking advantage of opportunities through studies and grants to progress stormwater management technology.	Using new technologies to monitor or control stormwater flows.	Trailing new technology will require additional budgets. Opportunities through SMP development.

Table 4.1 Demand factor

5 Lifecycle planning

Asset lifecycle planning outlines how Council plans to manage stormwater assets in an optimised cost-effective manner while ensuring delivery of agreed service levels. The lifecycle of assets can be defined in four stages:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal

Each of these stages is further detailed in this lifecycle planning section.

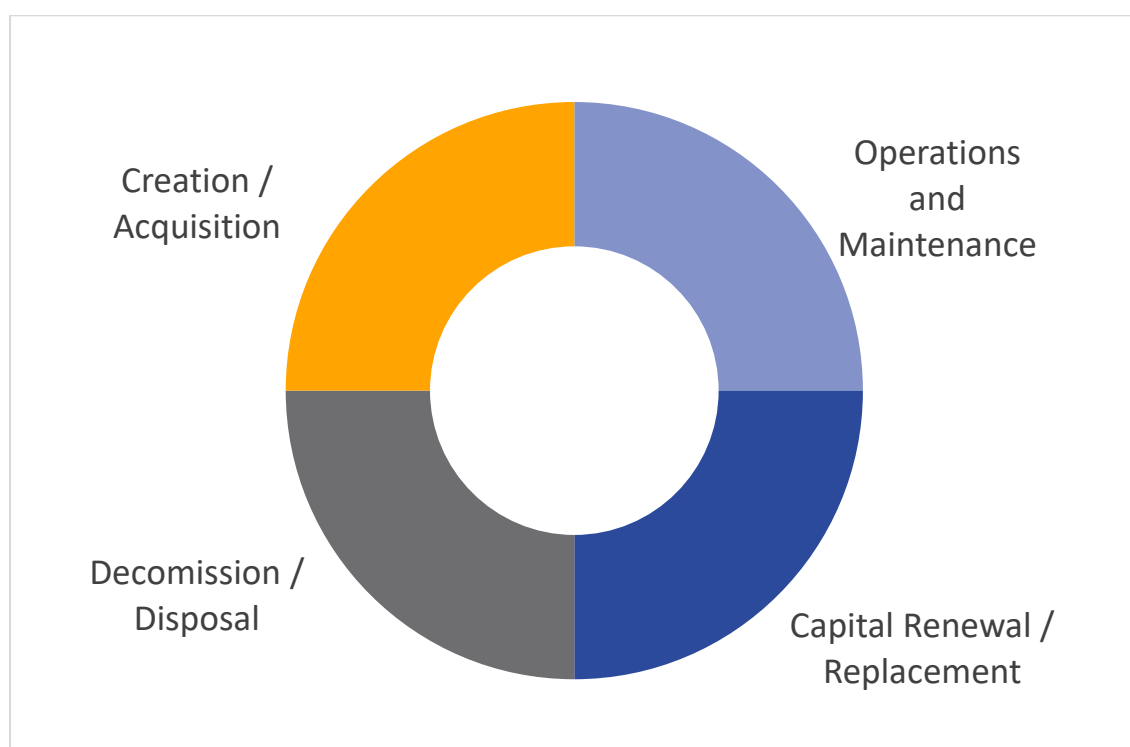


Figure 5.1 Asset lifecycle

5.1 Asset life

Throughout the asset lifecycle, assets are inspected, condition-rated and revalued on a periodic basis. Asset condition and expected useful life are used to estimate the remaining life of each asset.

Stormwater assets are managed financially using a straight-line depreciation method whereby an asset has a current replacement cost that is depreciated over time using an expected useful life.

Assets may be renewed or replaced based on several factors including condition, capacity, function and increasing requirement for asset maintenance and repair as an asset ages. The service life of an asset may therefore differ from the design life or the useful life. During an asset's service life, maintenance and repair works will be required to maintain the service level provided by the asset.

A summary of expected useful lives of stormwater assets is provided in Table 5.1.

Stormwater assets	Expected useful life (years)
PVC pipes	70
Concrete pipes	120
Box culvert drains	120
Concrete channels	80
Side entry pits	80
Small grated inlet pits	50
Grated inlet pits	80
Junction boxes	80
Gross pollutant traps	80
Headwalls	60
Pump stations	58
Pumps	20
Rain gardens	50
Tree net inlets	50

Table 5.1 Useful lives

5.2 Asset condition

Council is responsible for maintaining stormwater assets in the appropriate condition for the defined Level of Service (section 3). This is achieved through the following work:

- Periodic inspection and asset condition audits of the stormwater pit assets.
- CCTV inspection and condition audit of stormwater pipes and drains as required to confirm alignments and requirements for associated work.
- Regular sweeping of streets and cleaning of stormwater pits to minimise inundation of leaves and waste into the stormwater drainage system.
- Development of a forward works program for capital renewal works and maintenance/operational activities.

During the service life of a stormwater asset, it should be maintained and inspected regularly to ensure the asset remains safe for use and fit for purpose and to ensure the service life is achieved.

The condition scoring criteria adopted for stormwater asset audits is based on the IPWEA condition rating guidelines and is summarised in Table 5.2.

Condition grade	Condition	Description	Estimated remaining useful life (%)
0	Not rated	Asset has not been properly decommissioned, no longer exists or is unable to be rated due to serviceability issues	N/A
1	Very good	Excellent physical condition. Observable deterioration is insignificant, routine maintenance is preserving asset condition	100% to 80%
2	Good	Sound physical condition, minor deterioration/minor defects observed.	80% to 50%
3	Fair or moderate	Moderate deterioration evident, minor components or isolated sections of the asset need replacement or repair.	50% to 20%
4	Poor	Serious deterioration and significant defects are evident, affecting structural integrity. Significant intervention is required to arrest deterioration. Renewal of all of the asset is required within short term.	20% to 5%
5	Very poor	Failed or failure imminent. Immediate need to replace most or all of asset. Major work including replacement or rehabilitation required urgently.	5% to 0%

Table 5.2 Condition score criteria

A summary of stormwater node asset conditions, from data captured during 2022-23 and 2023-24 is provided in Table 5.3.

Asset category	Count	Average condition rating	Target condition rating	Percentage below condition 3 (PVP)	Target percentage (PVP)
Side entry pit	1711	2.0	3.0	2.3%	10%
Junction box	467	0.9	3.0	0.0%	10%
Grated inlet pit	112	1.3	3.0	0.9%	10%
Gross pollutant trap	9	0.9	3.0	0.0%	10%
Headwall	98	0.8	3.0	0.0%	10%
Other	92	N/A	3.0	N/A	10%
Pump station	3	N/A	3.0	N/A	10%
WSUD	48	N/A	3.0	N/A	10%
Total	2,540	1.6	3.0	1.6%	10%

Table 5.3 Stormwater node condition summary

In the past five years, 6,740m of CCTV footage has been captured throughout the network across 198 surveys. The average condition rating of the pipes surveyed was 1.8 with 14% in poor or very poor condition.

A summary of the stormwater asset condition data, based on data captured in the past five years is provided in Figure 5.2.

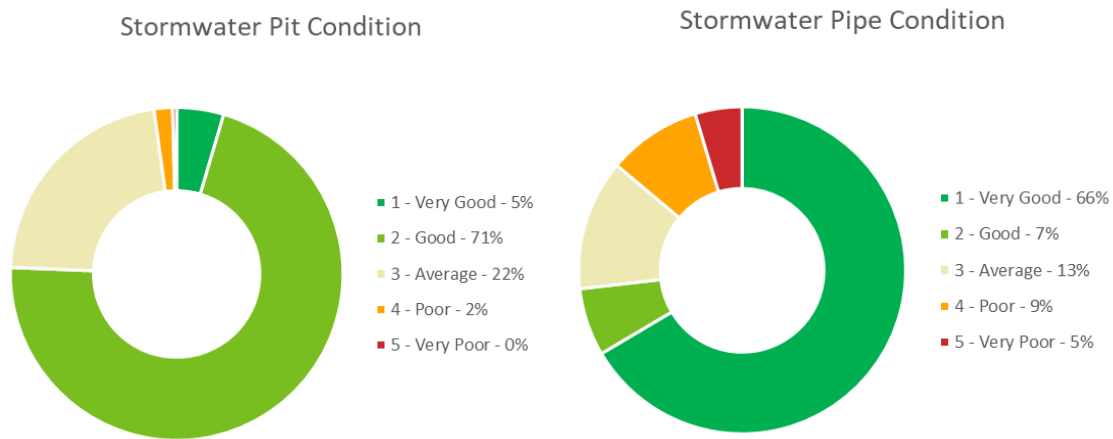


Figure 5.2 Stormwater condition profile

Through the improvement program and maintenance forecasting, annual CCTV condition inspections of pipes will be increased from 1.3km a year to 5km a year, targeting areas associated with existing projects, investigation requests, high-risk areas and known gaps in the network data.

The condition data is currently negatively skewed to poor condition as a majority of our inspections occur as a result of a failure or serviceability issue. The above pipe data may not be an accurate representation of the whole network. As we increase our condition inspections, it is expected the condition data will produce a more accurate picture of the network.

Condition data found through the accelerated inspection programs will inform our renewal planning and projects. Opportunities to improve the capacity of our underground drainage network will be applied in line with our service levels and stormwater standards.

5.3 Historical expenditure

Historical expenditure for 2019-20 to 2022-23 for operation, maintenance, new assets and renewal of existing assets for the stormwater asset class is summarised in Figure 5.3. The actual expenditure for each year has been indexed by the local government price index (LGPI) to create 2024-25 equivalent expenditure.

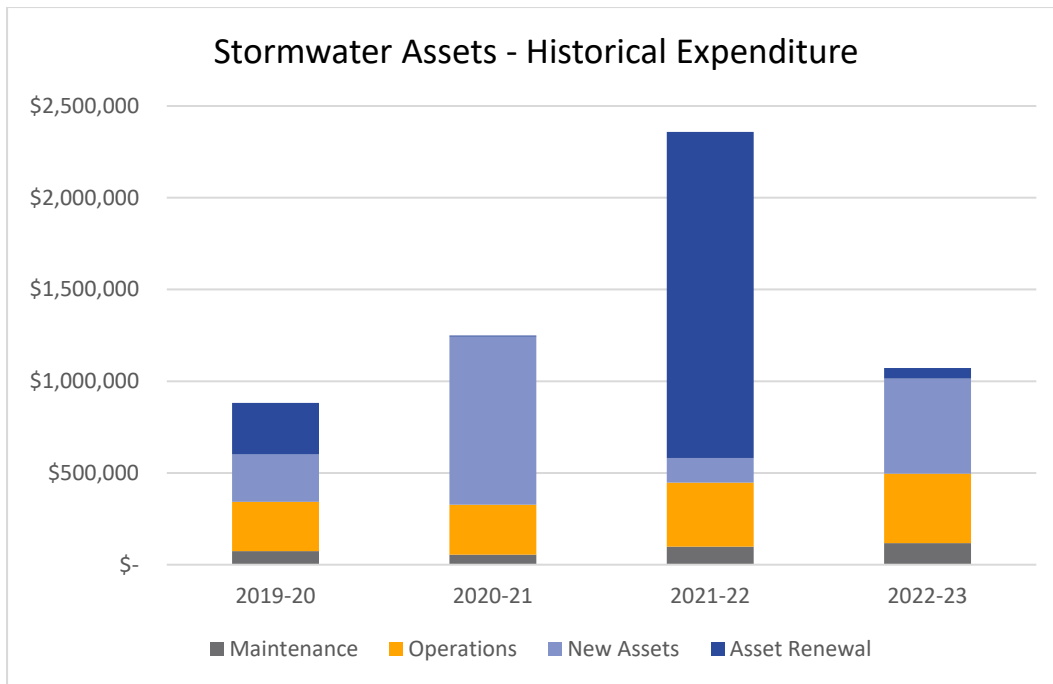


Figure 5.3 Historical expenditure

5.4 Operation and Maintenance Plan

Assets are maintained and serviced throughout the lifecycle to ensure service delivery and safety are maintained.

Typical operations associated with stormwater assets include pit and pipe cleaning, CCTV inspections, GPT cleaning and street sweeping.

Maintenance activities include all actions required to retain an asset's condition and amenity and can be classified as either reactive or planned.

Expenditures from previous financial years have been indexed by the local government price index (LGPI) to create 2024-25 equivalent expenditure.

The operations and maintenance costs of stormwater assets are forecast to trend in line with the previous four years of costs as the number of assets and the services provided have not changed and are not expected to change substantially.

Annual amounts of \$317,025 for operations and \$86,152 for maintenance have been adopted based on the average of the previous four years to provide equivalent 2024-25 estimates.

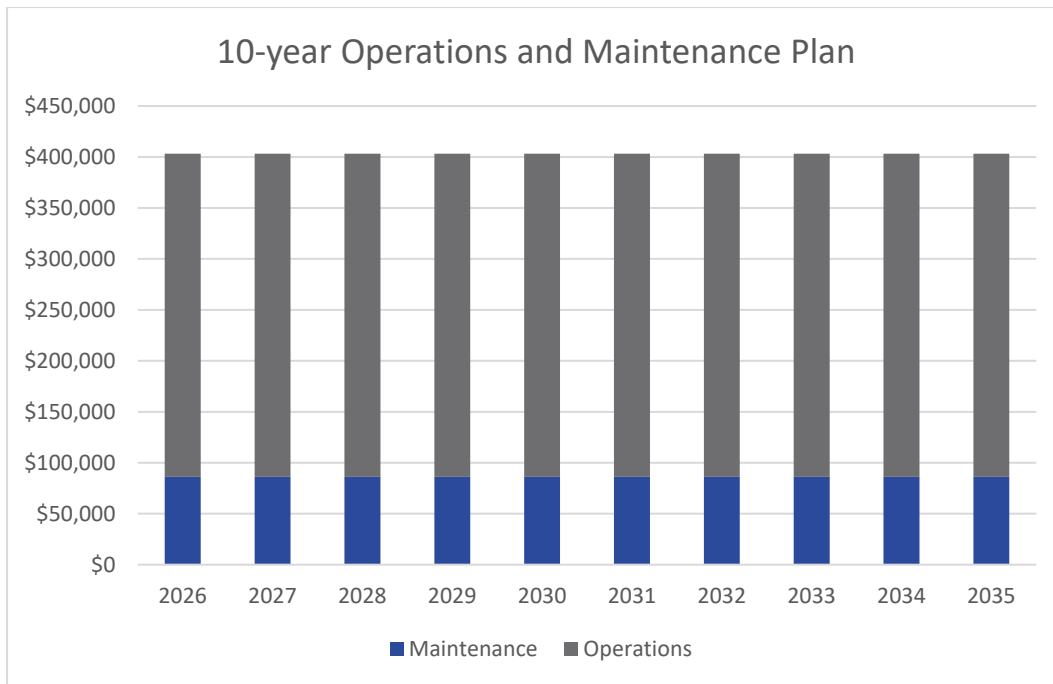


Figure 5.4 Operations and Maintenance Plan

5.5 Renewal Plan (capital)

Asset renewal is capital work which restores, rehabilitates, replaces, or renews an existing asset to its original service potential.

Asset renewal is undertaken for reasons including deteriorating asset condition, function, and amenity considerations, or to align works in an area to minimise disruption and undertake works efficiently.

The stormwater replacement program outlined in this plan has been developed based on:

- Condition data
- Standard useful lives of assets
- Reported defects and failures

The annual CCTV program will inform our renewal planning and projects.

Opportunities to improve the capacity of our underground drainage network will be applied in line with our service levels and stormwater standards within the renewal program.

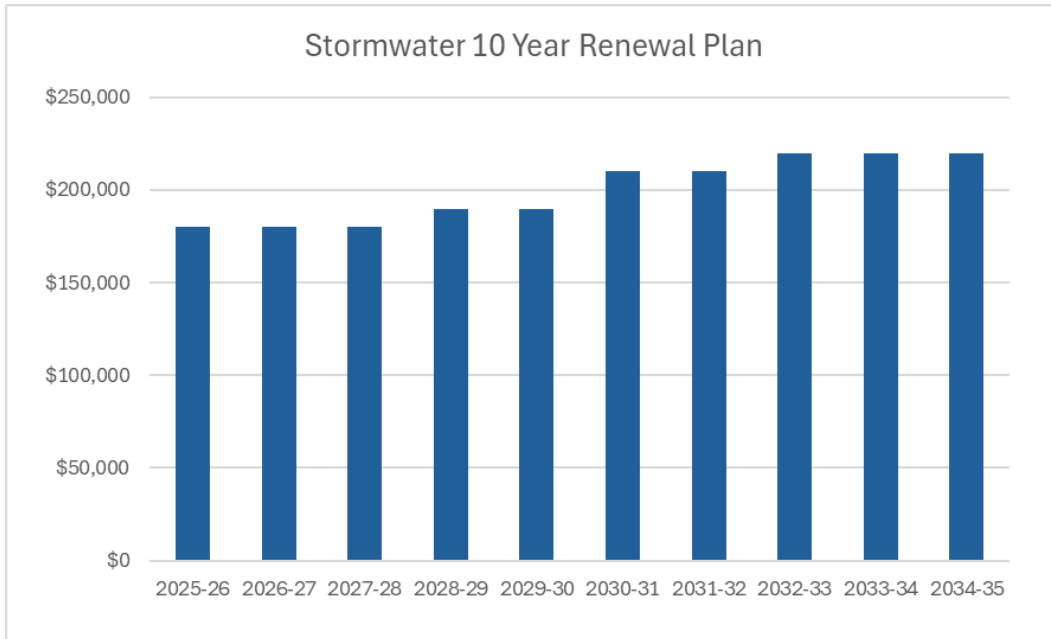


Table 5.4 10-year Renewal Plan

An average of \$200,000 has been allocated to stormwater renewal for the next 10 years with an incremental increase. This rate of renewal is very low in comparison to the stormwater portfolio due to the long life of stormwater assets and the relatively good condition and age profile. Based on the age profile, it is anticipated there will be incremental increases to the renewal program over time until a substantial increase from the 2040s onwards. Ongoing CCTV condition inspections are used to identify renewal works in the next 10 years.

5.6 Acquisition Plan (new capital)

Acquisitions are new assets that did not previously exist or works resulting in significant upgrade of the asset and an increased capacity to deliver a service. The requirement for an acquisition may result from growth, changed demand, social or environmental needs. Assets may also be donated to Council.

New stormwater works are typically triggered by a Stormwater Management Plan (SMP) and corresponding Implementation Plan. These projects are delivered to address stormwater quantity (flooding risk) and stormwater quality (pollutants).

The Stormwater Management Plan Coastal Catchments Between Glenelg and Marino 2014 (Coastal Catchments SMP) covers a vast majority of the Holdfast Bay region. The remaining areas will be covered by the Stormwater Management Plan for the Urban Catchments of Lower Sturt River, which is currently being developed.

The existing new capital budget from the Coastal Catchments SMP includes \$1,000,000 funding for both 2025-26 and 2026-27 in the LTFP. There is no funding allocated from 2027-28 onwards at this point in time.

The SMP Coastal Catchments Between Glenelg and Marino is set for a review in 2024-25. The asset acquisition plan is currently based on the Coastal Catchments SMP 2014 implementation plan. Following the 2024-25 update of the Coastal Catchments SMP it is anticipated a new implementation plan will be developed for inclusion in the LTFP for a period exceeding the current funding allocation timeframe.

The Stormwater Management Plan for the Urban Catchments of Lower Sturt River will be excluded from this acquisition plan and the outcomes are currently unknown.

This plan will require an update following the adoption or update of an SMP or associated investment plan.

5.7 Disposal Plan

Disposal of assets refers to activities associated with disposing of a decommissioned asset including sale, demolition, or relocation of assets. Council's Disposal of Assets Policy outlines this process.

Council has no upcoming disposals for stormwater assets and currently there is no funding requirement for stormwater asset disposals.

6 Financial summary

The financial requirements for the stormwater asset class are outlined in this section.

6.1 Asset valuation

Asset values are projected to increase as additional assets are added through capital works. Unit rates are also expected to increase over time as construction costs for infrastructure increase.

Additional assets will generally increase the requirement for maintenance and operations as well as future renewal.

Valuations are undertaken for each asset class in alignment with Australian Accounting Standard AASB13 Fair Value and are undertaken at minimum every five years.

The revaluation of Council's stormwater asset class was last undertaken as a desktop valuation as of 30 June 2022. Stormwater asset data review and update was undertaken in 2022 and an inspection and condition audit of the stormwater pits have been undertaken in the past two financial years.

The stormwater asset class will be revalued as of 1 July 2024 using stormwater pit data currently being collected. All stormwater drain assets have a length in metres assigned as the primary dimension, used to calculate estimated replacement costs. The stormwater pits are generally valued per item.

The valuation of Council's stormwater asset class as of 2024, prior to revaluation is summarised in Table 6.1.

Asset category	Current asset cost	Accumulated depreciation	Carrying value	Annual depreciation	Number of in-use assets
Stormwater pipes	\$39,580,597	\$16,215,552	\$23,365,045	\$331,052	2,800
Culverts and channels	\$14,091,296	\$6,458,860	\$7,632,436	\$118,893	173
Stormwater pits	\$7,836,222	\$3,569,746	\$4,266,477	\$54,507	2,264
WSUD	\$1,296,438	\$145,374	\$1,151,064	\$25,688	48
Pumps	\$551,847	\$96,200	\$455,647	\$9,814	3
Headwalls	\$4,101,652	\$884,883	\$3,216,769	\$68,362	25
Gross pollutant traps	\$1,395,122	\$401,785	\$993,337	\$17,439	9
Total	\$68,853,175	\$27,772,402	\$41,080,773	\$625,754	5,322

Table 6.1 Stormwater asset valuation

Stormwater Asset Valuation

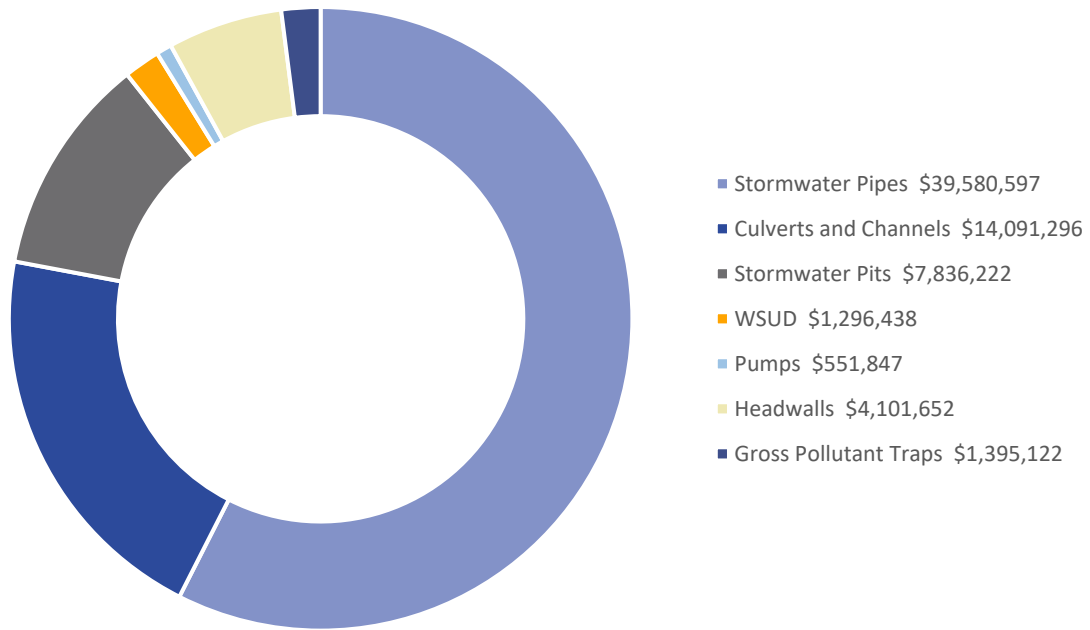


Figure 6.1 Stormwater assets valuation

6.2 Expenditure forecast summary

The overall stormwater expenditure forecast for operations, maintenance, renewal of existing assets and acquisition of new assets is provided in Figure 6.2 and Table 6.2. The stormwater asset renewal forecast is provided in Table 6.3.

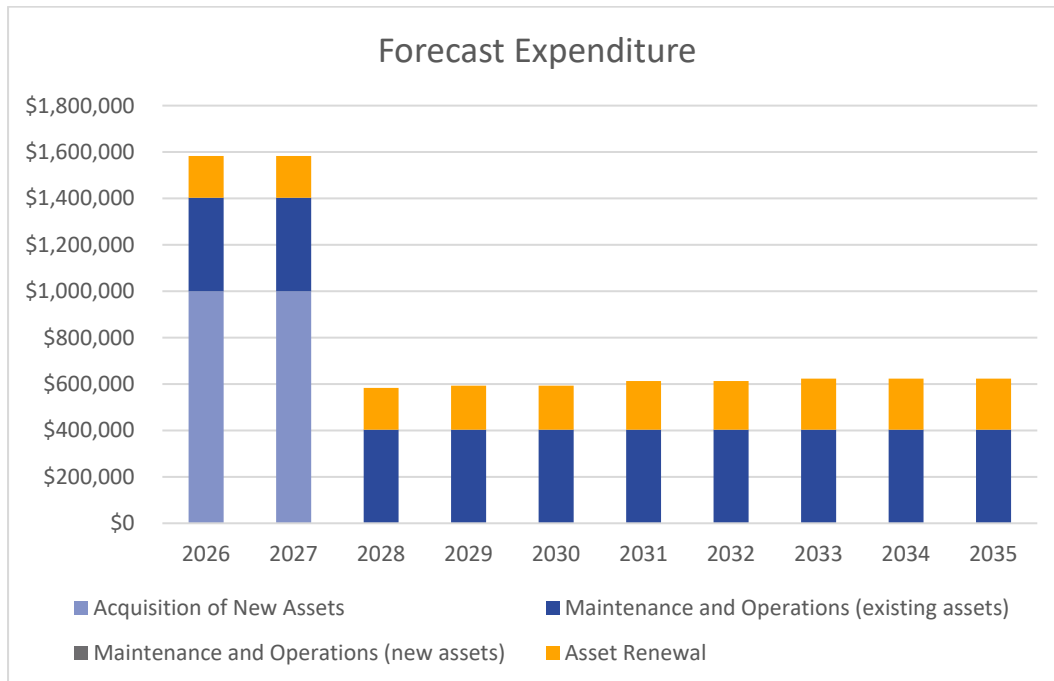


Figure 6.2 Stormwater forecast expenditure

Financial year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Acquisition of new assets	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance and operations (existing assets)	\$403,177	\$403,177	\$403,177	\$403,177	\$403,177	\$403,177	\$403,177	\$403,177	\$403,177	\$403,177
Maintenance and operations (new assets)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset renewal	\$180,000	\$180,000	\$180,000	\$190,000	\$190,000	\$210,000	\$210,000	\$220,000	\$220,000	\$220,000
Asset disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
External grant funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Council funding required	\$1,583,177	\$1,583,177	\$583,177	\$593,177	\$593,177	\$613,177	\$613,177	\$623,177	\$623,177	\$623,177

Table 6.2 Forecast expenditure

Financial year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Stormwater pipes and pits renewal	\$180,000	\$180,000	\$180,000	\$190,000	\$190,000	\$210,000	\$210,000	\$220,000	\$220,000	\$220,000
Total renewal	\$180,000	\$180,000	\$180,000	\$190,000	\$190,000	\$210,000	\$210,000	\$220,000	\$220,000	\$220,000

Table 6.3 10-year Renewal Plan

6.3 Funding strategy

Key strategic activities that will affect the future financial position for stormwater:

- The Asset Management Plan to inform the Long Term Financial Plan
- Stormwater Management Plan Coastal Catchments Between Glenelg and Marino update
- Stormwater Management Plan for the Urban Catchments of Lower Sturt River development
- Coastal adaptation planning
- Stormwater valuation 1 July 2024 using recently collected condition data
- Ongoing CCTV inspection program and next pit condition assessment in 2028
- Carbon Neutral Plan implementation
- Resilient Asset Management Program implementation

6.4 Assumptions

The following assumptions have been adopted in developing financial forecasts:

- The renewal program has been based on stormwater data collected in 2023 and 2024.
- Condition data and standard useful lives have been used to estimate remaining lives of assets and the forecast renewal date for each asset.
- The pit renewal program is based on replacing pits identified in conditions 4 or 5 over the period of this plan.
- The pipe renewal program is based on reported defects and failures confirmed through CCTV.
- Operation and maintenance budget forecasts have been based on actual operation and maintenance costs for a four-year period adjusted to 2024 costs.
- Acquisition costs have been added for projects approved by Council through the Stormwater Management Plan.
- No decommissioning of assets has been assumed.

6.5 Data confidence

Expenditure requirements for asset replacement and operational costs have been based on the best available data. Asset replacement costs have generally been based on stormwater revaluation data current as of 30 June 2022 with some adjustments where more up-to-date information is available.

Current stormwater asset register data is based on the following recent improvements:

- A desktop stormwater revaluation as of 30 June 2022.
- Spatial data review and update to align and correct stormwater drain and pit locations.
- Stormwater pit asset data collection and condition audit 2022-23 and 2023-24.
- 10% of the underground pipe network has had a CCTV condition assessment.
- GPT data based on pit condition assessment and cyclic GPT cleaning.
- WSUD data is collected in asset register at varying levels of maturity.
- Quantities in this plan are based on 2023-24 data collection. This data is yet to be post-processed and uploaded into the formal asset register.
- Stormwater asset class revaluation as of 1 July 2024 is based on the asset register. The recently collected condition data will be updated after the publication of this plan.

Data confidence for this asset class is classified as “C – Uncertain” based on the IPWEA data confidence scale. The data is based on sound records, procedures, investigations and analysis. The

dataset is complete and estimated to be accurate $\pm 5\%$. The IPWEA data confidence grading system is provided in Table 6.4.

The pit data is “B – Reliable” following the condition audit, with only a minor number of pits inaccessible, while pipe data is “C – Uncertain” due to only 10% of the network having CCTV inspections.

Confidence level	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, e.g. 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 is held.

Table 6.4 Data confidence

7 Risk management

The objective of the risk management process is to ensure all significant asset management risks are identified and assessed. Following a risk assessment and consideration of both likelihood and consequence, risks identified as high or very high in the short to medium term are investigated. Strategies and treatments are implemented to mitigate or address unacceptable risks.

An assessment of risks in-line with Council’s risk matrix (Figure 7.1) associated with the stormwater asset class are detailed in Table 7.1.

Likelihood \ Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	E	Medium	Medium	High	Extreme	Extreme
Likely	D	Low	Medium	High	High	Extreme
Possible	C	Low	Medium	Medium	High	High
Unlikely	B	Low	Low	Medium	Medium	High
Rare	A	Low	Low	Low	Medium	Medium

Figure 7.1 Risk matrix

Table 7.1 summarises the asset management risk register, which is reviewed and updated at minimum annually in-line with our risk management procedures. The asset management risk register should be review in line with the strategic an operational risk register.

Stormwater risk statement	Current controls	Residual risk rating	Further risk treatments/actions	Target risk rating
Climate change affecting useful life of assets	<ul style="list-style-type: none"> - Ongoing participation in the Resilient Asset Management Program (RAMP) with Resilient South Councils. - Coastal adaptation planning in place including hazard identification and assessment. - Integrated IPWEA Practice Note 12.1 into asset project design and planning processes. - Consideration of climate change risks in strategic and long-term planning. 	HIGH	<ul style="list-style-type: none"> - Implement RAMP actions for all asset classes and across the asset lifecycle. - Complete coastal adaptation planning including data collation, risk assessments and community engagement. 	MEDIUM
Inconsistency caused by changes Elected Members or Senior Leadership personnel.	<ul style="list-style-type: none"> - Alignment of asset management framework (AM Policy, Strategy and plans) including service levels and long-term financial plans. - Development of AM Steering Committee. - Regular asset management updates provided to Elected Members. 	MEDIUM	<ul style="list-style-type: none"> - Improving asset management maturity aligned with Asset Management Strategy improvement plan. - Keep Elected Members and Senior Leadership Committee informed via the Asset Management Steering Committee. Identify training where required. 	MEDIUM
Insufficient budget to meet service levels for maintenance and renewal	<ul style="list-style-type: none"> - Clear budget planning process, identifying any funding dependencies within planned/major upgrades. - Operational management plans for complex and high-risk sites. - 10-year financial planning and rolling three-year capital works program. - Regular condition audits of assets. - Community service levels developed through ongoing feedback. 	MEDIUM	<ul style="list-style-type: none"> - AM Strategy Improvement Program Action Number 8 and Improvement Action 4: Review operational LoS and update responsibilities, resourcing and planning to meet agreed LoS. Implement system to prioritise, assess and action requests in-line with operational LoS. - AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision making. 	MEDIUM
Lack of accuracy and consistency in asset management source data	<ul style="list-style-type: none"> - Satisfactory data confidence level in current asset information data levels through cyclic condition audits. See confidence levels. - Annual cyclic data collection schedule in place. - Ongoing improvements to data management guidelines. - Regular updates from routine maintenance spot checks/issue reporting. 	MEDIUM	<ul style="list-style-type: none"> - AM Strategy Improvement Program Action Number 3: Establish the data management framework and guidelines for asset register to future proof for predictive modelling. - AM Strategy Improvement Program Action Number 4 Undertake cyclic data collection to continue to improve data quality for decision making. 	LOW
Insufficient	- Stormwater Management Plan (SMP).	HIGH	- Improvement Plan Action 1: Review SMP (Gleneilg to	MEDIUM

Stormwater risk statement	Current controls	Residual risk rating	Further risk treatments/actions	Target risk rating
capacity for stormwater demands	<ul style="list-style-type: none"> - Stormwater AMP reflecting requirements from SMPs. - Future demands considered in SMP. 		Marino) <ul style="list-style-type: none"> - Improvement Plan Action 2: Develop SMP (Sturt River) - Review and enforce agreed minimum standards in the Stormwater Management Plan. - Ensure there is an appropriate funding mechanism to complete infrastructure upgrades required in the SMP - Development of Coastal Adaptation Planning to consider coastal storm events. 	
Serviceability failure - clear blockages, appropriate fall, clean GPTs	<ul style="list-style-type: none"> - Regular inspections and responsive repairs/incident attendance. - CCTV inspection register and CCTV inspections of pits and pipes. - Regular street sweeping program and reactive cleaning of pits/pipes as required. - Pit audit 2023-24. - Cyclic GPT cleaning. 	MEDIUM	<ul style="list-style-type: none"> - Increase budget for CCTV inspections. - Improvement Plan Action 3: Undertake increased inspections. - Increase kerb repair budget and undertake additional kerb repairs as prioritised. 	MEDIUM
Risk of change in community service standards or expectations	<ul style="list-style-type: none"> - Track service levels with Quality of Life Survey - Community feedback through customer requests records - Feedback through community engagement on strategies and plans 	MEDIUM	<ul style="list-style-type: none"> - Improvement actions 1 and 2 to complete SMPs. - Improvement action 4 to undertake a service review 	LOW

Table 7.1 Risk assessment

8 Improvement Plan

The following tasks have been identified for improving stormwater asset management practices and future versions of this plan.

Task No	Task	Responsibility	Resources required	Due
1	Review the Stormwater Management Plan (Coastal catchments between Glenelg and Marino).	Manager Engineering	Existing	December 2026
2	Complete the Stormwater Management Plan (Sturt River) with partner councils.	Manager Engineering	Existing	June 2027
3	Maintain CCTV register for critical pipe assets. Develop and undertake annual proactive and reactive CCTV inspection programs.	Project Manager (Civil)	Existing	June 2026 and Ongoing
4	Define operational service levels for assessment, prioritisation and action as part of the operational service level review.	Project Manager (Civil)	Existing	June 2027

Table 8.1 Improvement Plan

Attachment 6

TRANSPORT

Draft Asset Management Plan 2024

City of Holdfast Bay



Welcome

Asset management plans are important documents that outline how we plan, invest and maintain our infrastructure assets so we can continue to deliver valuable services for our community now and into the future.

Assets are the foundation stones of the City of Holdfast Bay. They include the streets we drive on, the parks and reserves our families play on, the stormwater network we rely on, and the community and sporting facilities we enjoy across Holdfast Bay.

Here we present the Transport Asset Management Plan. Our transport portfolio includes 178km of road network and associated kerbs, footpaths, kerb ramps, roundabouts, traffic control devices, bus stop infrastructure and several bridges. The transport network caters for all road users, including vehicles, pedestrians and cyclists.

Asset management plans provide a snapshot of the current state of our infrastructure and the requirements to ensure we maintain and renew assets in a cost-effective and sustainable manner that meets our community's expectations.

Management of assets requires balancing the service standard expectations of the community with the costs required to deliver the service. While we would all like the highest standard of our assets, this comes at a cost, the long-term impact of which needs to be carefully considered.

A significant amount of investigation, planning and financial modelling underlies the asset management plans. The plans highlight that when we build new assets or upgrade assets, we must plan for their ongoing maintenance and eventual replacement at the end of their life.

I encourage you to have a look at the asset management plans and consider whether the service levels presented here are consistent with your vision for the future of Holdfast Bay.

Contents

Executive summary	3
1 Introduction	4
1.1 Purpose.....	4
1.2 Strategic context.....	4
1.3 Stakeholders	6
1.4 Asset management framework	7
2 Asset class information	8
2.1 Road Hierarchy	8
3 Levels of Service	10
3.1 Community Levels of Service.....	10
3.2 Technical Levels of Service	11
3.3 Legislation and relevant Acts.....	12
4 Demand forecast	14
5 Lifecycle planning	17
5.1 Asset life	17
5.2 Asset condition	18
5.3 Historical expenditure	22
5.4 Operation and Maintenance Plan	23
5.5 Renewal Plan (capital renewal)	24
5.6 Acquisition Plan (new capital)	26
5.7 Disposal Plan.....	26
6 Financial summary	27
6.1 Asset valuation	27
6.2 Expenditure forecast summary	28
6.3 Funding Strategy.....	31
6.4 Assumptions	31
6.5 Data confidence.....	31
7 Risk management.....	33
8 Improvement Plan.....	36

Executive summary

The City of Holdfast Bay owns and maintains 178km of road and associated kerbs, footpaths, kerb ramps, roundabouts, traffic control devices, bus stop infrastructure and bridges. These assets enable safe, efficient and sustainable movement of people and goods between destinations.

The objective of asset management is to ensure the City of Holdfast Bay’s assets are managed in the most cost-effective and sustainable way, so we can continue to deliver valuable services for our community now and into the future.

To ensure our assets are providing the appropriate service to the community, levels of service are tracked each year. These levels of service are defined under quality, function, capacity and climate.

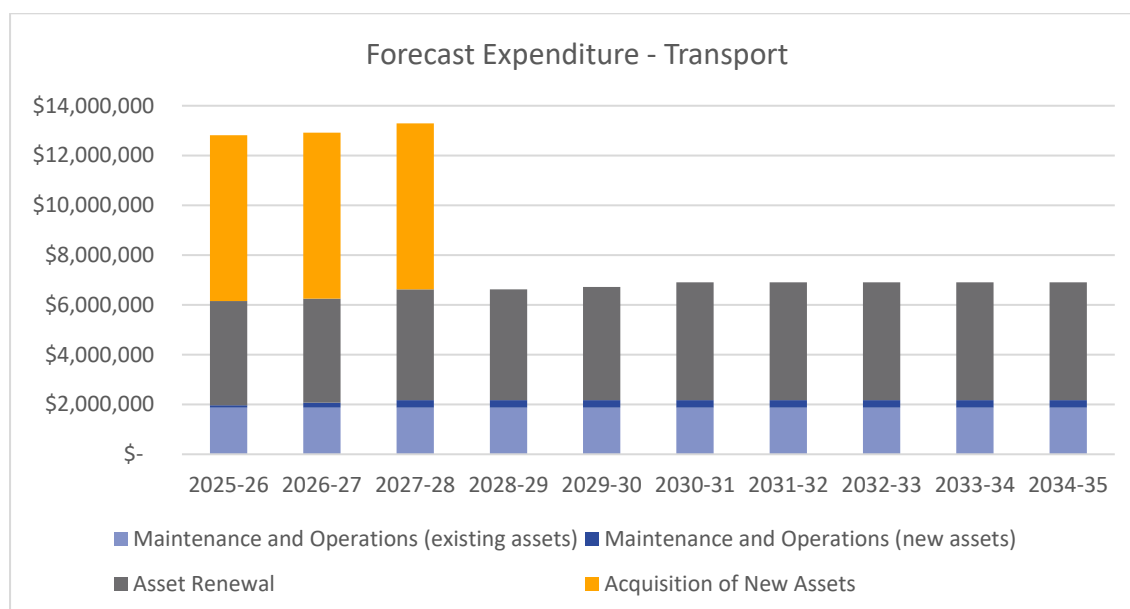
Asset lifecycle planning outlines how Council plans to manage transport assets in an optimised cost-effective manner while ensuring delivery of the agreed service levels. The lifecycle of assets can be defined in four stages, including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal

The physical condition of our assets is a level of service indicator to ensure we are appropriately investing in assets. The targets for condition are overall average condition better than 3.0 (fair) and the percentage of assets in fair to very good condition above 90%. The current condition levels are:

- Average condition: 2.4 (good)
- Fair to very good condition percentage: 95%

The expenditure forecast for all four stages of the asset lifecycle is summarised below.



Council is committed to continuously improving the quality and maturity of its asset management practices. The transport improvement program has been developed as a roadmap for these improvements in conjunction with the Asset Management Strategy.

1 Introduction

1.1 Purpose

City of Holdfast Bay owns and maintains a variety of transport assets to enable safe, efficient and sustainable movement of people and goods between destinations.

Through an effective transport network, transport assets such as roads, bridges, footpaths and bus shelters contribute to the health and wellbeing of our community and maintaining the liveability and economic vitality of our council area.

The strategic direction for the overall management of the transport network is detailed in the Movement and Transport Plan 2024.

The Asset Management Plan addresses how we manage our transport infrastructure. Assets covered in this plan include:

- Roads including road seal, pavement and sub-base
- Kerbs and gutters
- Bridges
- Bus stop infrastructure including bus shelters and surface treatments
- Footpaths
- Signs
- Traffic control assets including crossings, speed restriction and protuberances

The plan aims to demonstrate proactive management of assets in compliance with regulatory requirements to sustainably meet present and future community needs through:

- Aligning with industry best practice and international standard for asset management ISO 55000:2014 without seeking accreditation as an ISO document or process.
- Aligning delivery of asset management activities with organisational goals and objectives.
- Creating transparency and accountability through all aspects of asset management.
- Meeting the agreed Levels of Service in the most cost-effective way through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets.

1.2 Strategic context

In accordance with the *Local Government Act 1999* and the Strategic Plan (Our Holdfast 2050+), the Council provides a range of community services to the local community and visitors.

Assets are the foundation stones of the Council, and the management of assets is essential to achieve our Council's vision of:

"Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia's most sustainable city."

The plan is developed and implemented in conjunction with the following plans, strategies and policies:

- Strategic Plan (Our Holdfast 2050+)
- Corporate Plan (Four-year delivery plan)
- Long Term Financial Plan (LTFP)

- Asset Management Policy
- Asset Management Strategy
- Asset management plans (AMPs)
- Movement and Transport Plan 2024
- Carbon Neutral Plan

Council’s planning framework (draft) is outlined in Figure 1.1.

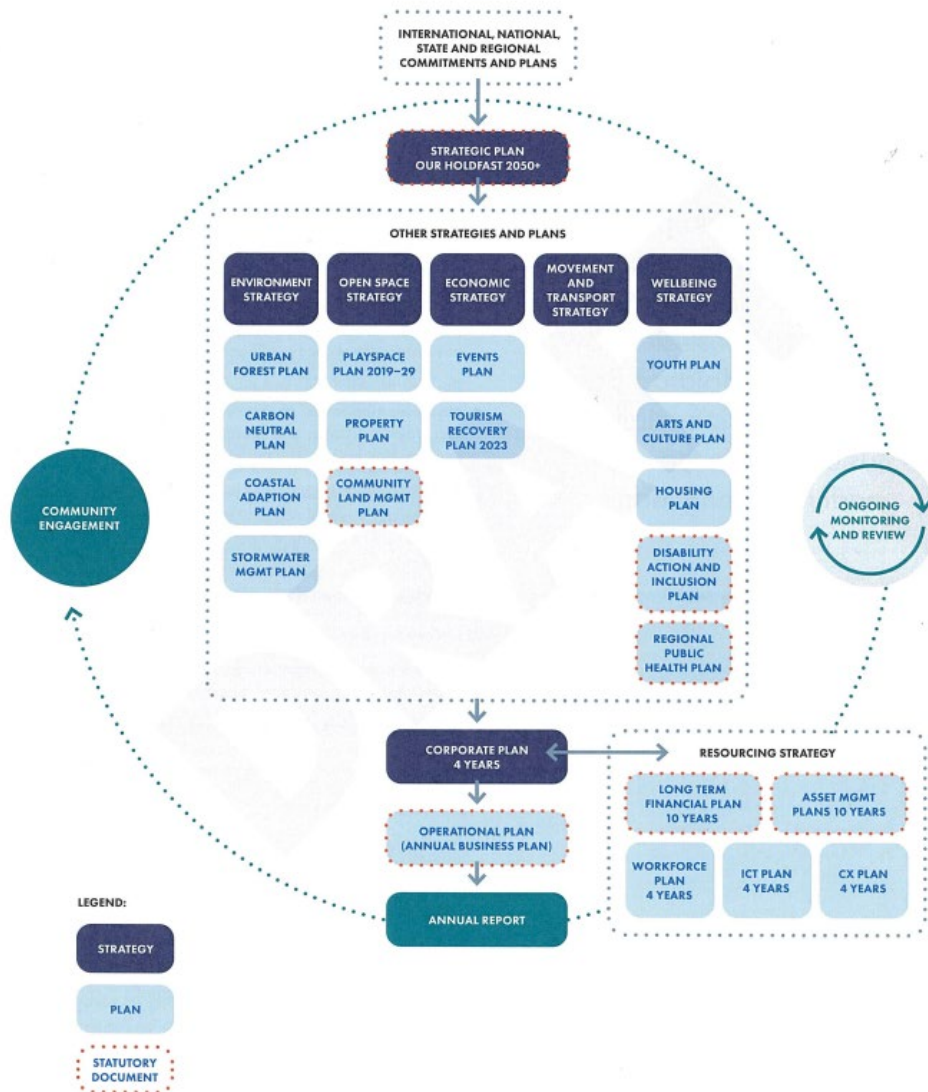


Figure 1.1 Planning framework (draft)

1.3 Stakeholders

Key stakeholders responsible for asset management and end users of transport assets are provided in Table 1.1.

Key stakeholders	Role in Asset Management Plan
Residents and ratepayers Visitors and tourists Business owners, traders and service providers	End users of the services provided directly and indirectly by the assets. Provide feedback collected throughout the year, including the annual satisfaction survey.
Elected Members	Act as custodians of community assets. Set asset management policy and vision. Allocate resources to meet council objectives in providing services while managing risks.
Audit Committee	Reviews, and makes recommendations and observations to Council on the financial outcomes of the asset management plans.
Chief Executive Officer and Senior Leadership Team	Provide leadership and strategic direction regarding management of assets and service provision. Review Asset Management Policy and Asset Management Strategy. Ensure community needs and agreed service levels are incorporated into asset management planning and the Long Term Financial Plan. Ensure councillors and staff are provided with training in financial and asset management. Ensure accurate and reliable information is presented to Council. Ensure appropriate delegations and approval processes are followed.
Manager Engineering	Manages development, implementation and review of asset management plans, the Asset Management Policy and Asset Management Strategy. Responsible for advancing asset management within the organisation.
Asset Management Lead	Prepare asset management plans. Manages the asset register and spatial systems. Coordinates data collection. Coordinates annual renewal budget planning. Delivery of asset management improvement programs. Provide technical asset management expertise to the organisation.
Senior Project Manager	Coordinates Council's capital works program.
Field Services	Ensures the maintenance and works programs are achieving service standards.

Table 1.1 Stakeholder responsibilities

1.4 Asset management framework

The Asset Management Strategy aims to align the delivery of asset management activities with the organisation’s goals and objectives; this process is known as the “line of sight” with asset management.

The asset management framework consists of the three key asset management documents, the Asset Management Policy, Asset Management Strategy and asset management plans. These documents create transparency and accountability through all aspects of asset management to ensure all stakeholders understand their roles and responsibilities.

The Council’s asset management system is outlined in Figure 1.2. The asset management system is the end-to-end process of asset management within Council. The asset management framework connects Council’s strategic vision and goals to the on-the-ground delivery of our services.

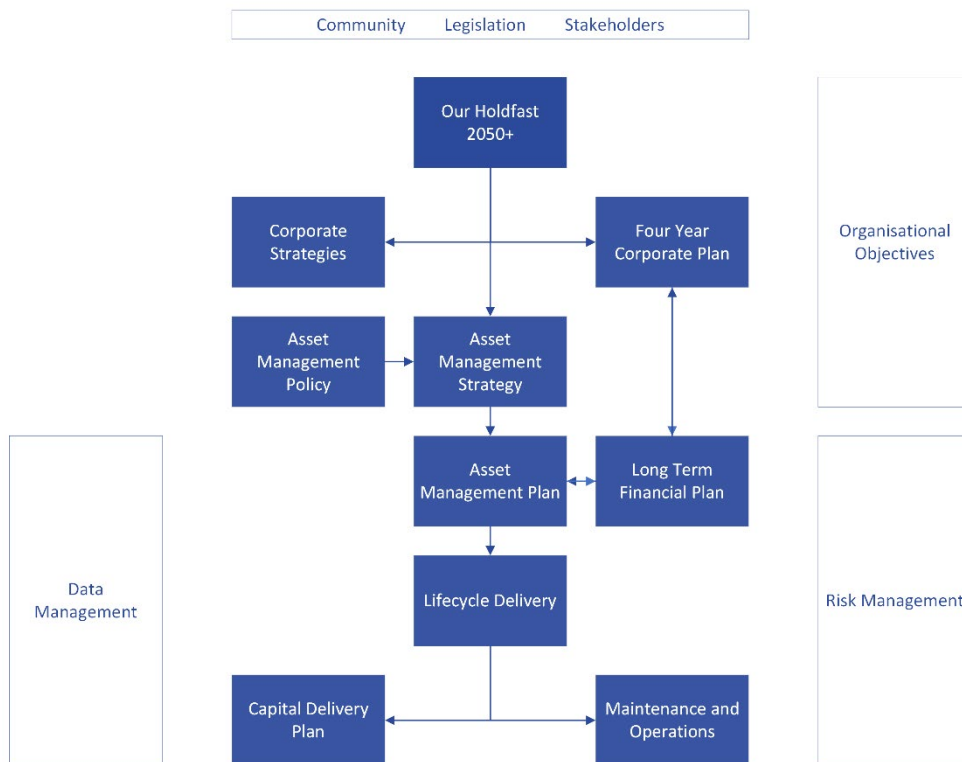


Figure 1.2 Asset management system

2 Asset class information

The transport asset class includes approximately 17,000 assets across 11 categories as summarised in Table 2.1.

Transport asset category	Number of assets
Bridges	7 (5 bridges)
Bus stop infrastructure	115
Car parks	234 (42 car parks)
Footpaths	2760
Kerb ramps	2732
Kerbs and gutters	3242
Sealed road surface	1331
Unsealed road surface	5
Road pavements	1335
Road sub base	1335
Signs	3516
Traffic controls	362
Total	16,974 assets

Table 2.1 Transport assets

Previously, pathways in open space and coastal areas were managed within the open space asset class. In 2023 it was determined to consolidate and manage all footpaths within the transport asset class.

The footpath asset category is inclusive of all pathways including shared-use paths, pathways in reserves and along the foreshore, and footpaths on road corridors.

2.1 Road Hierarchy

Council's road hierarchy uses a movement and place approach that recognises and supports the multiple roles and functions of our roads. The approach recognises that roads serve dual functions as both essential corridors for moving people and goods, and important public hubs of social exchange and activities.

The movement and place categories group roads to serve these distinct roles and functions across the network, generating the road hierarchy.

There are six road hierarchy categories, each with unique roles and functions. The categorisation provides a framework for a well-planned and efficient transport network; it also serves as a practical

guide for council to balance competing demands across the transport network and provide a consistent approach suitable to the road's function within the network. The six categories road hierarchy categories are:

- Category A – Destination Roads
- Category B – Shared Collectors
- Category C – Dedicated Collectors
- Category D – Active Streets
- Category E – Intermittent Streets
- Category F – Local Streets

The road hierarchy is used as a practical tool to inform decision-making, operational service levels, safe design and treatments across transport assets.

The categorisation guide and full hierarchy can be found in the Movement and Transport Plan (in development).

3 Levels of Service

The International Infrastructure Management Manual (IIMM) describes Levels of Service (LoS) as “defined service quality for an activity or service area against which service performance may be measured”.

City of Holdfast Bay has defined Levels of Service for transport assets for both:

- Community Levels of Service – community perception of service
- Technical Levels of Service – technical indicators of performance

Defined Levels of Service are designed to support continued performance and function of transport assets to a reasonable standard, where maintenance and servicing are compliant with legislative requirements and manufacturing specifications. They are intended to ensure the transport assets and associated budgets are appropriate to meet the service levels.

Community and technical levels of service are used as performance indicators.

Detailed operational Levels of Service for individual business processes are defined in the department’s operational plans. Requirements are identified in the improvement actions section.

3.1 Community Levels of Service

Council receives feedback from a variety of sources, including:

- Community enquiries and requests
- Community strategy consultation
- Annual Business Plan consultation
- Project feedback
- Development of asset management plans
- Quality of Life Report
- Customer satisfaction surveys

This feedback is built into all areas of the plan, and we seek to measure our performance against community expectation through our service level links to customer request records and the Quality of Life Report 2023.

Table 3.1 Community Levels of Service

Performance measure	Objective	Performance measure	Key performance indicator	2024 performance
Quality	Providing and maintaining roads and kerbing	Quality of Life Survey score	Greater than 7.5	7.1
Quality	Providing and maintaining footpaths	Quality of Life Survey score	Greater than 7.5	6.4
Quality	Providing and maintaining cycle networks	Quality of Life Survey score	Greater than 7.5	7.55
Function	I can get to places I want to go (access to shops, services, open space, etc.)	Quality of Life Survey score	Greater than 7.5	8.7

Table 3.2 Community Levels of Service

3.2 Technical Levels of Service

Performance measure	Objective	Performance measure	Key performance indicator	2024 performance
Quality (condition)	Physical state of transport assets in a serviceable condition	Average condition of transport assets	Road average condition better than 3.0 (fair)	Seal: 2.7 Pavement: 2.2
			Footpath average condition better than 3.0 (fair)	2.4
			Kerb average condition better than 3.0 (fair)	2.7
			Bridge average condition better than 3.0 (fair)	2.1
Quality (condition)	Physical state of transport assets in a serviceable condition	Percentage of poor or very poor (PVP) transport assets	Road asset PVP below 10%	Seal: 8% Pavement: 0.3%
			Footpath asset PVP below 10%	7%
			Kerb asset PVP below 10%	4%
			Bridge asset PVP below 10%	0%
Quality (renewal)	Sustainably managing the renewal of assets	Asset renewal ratio (Renewal expenditure over forecast budget)	90% - 110%	109% (2021-2023)
Quality (responsiveness)	Transport assets are functioning and maintained within determined response times	Time taken to respond to requests	Meet response times for priority 4 and 5 requests (90%)	TBC
Function (accessibility)	Streets and bus stops are Disability Discrimination Act compliant	Pathway and bus stop DDA compliance	Budgeting for DDA improvements	Yes
			All bus stops 100% DDA compliant	No
Capacity	Streets have capacity to meet user needs	Use of public transport	Increase people using public transport to work	6.8% (2021) Decrease from 2016 (9.9%)
Capacity	Streets have capacity to meet user needs	Active transport	Increase people cycling and walking to work	3.5% (2021) Decrease from 2016 (4.2%)
Function (safety)	Transport network is safe and compliant	Reduction in crashes on the network	Accident rate lower than the 10-year average	TBC
Climate (mitigation)	Reduce and eliminate emissions to reach 2030 carbon-neutral target	Emissions reduction from previous year	Evidence-based reduction	TBC
Climate (adaptation)	Reduction of asset management climate risk to Council	Consider climate risk in infrastructure decision-making	Progress the RAMP and implementation of actions	Yes

Table 3.3 Technical Levels of Service

All community and technical Levels of Service have been achieved with the following exceptions:

Service level	Response Action
Quality – providing and maintaining roads and kerbing: 7.1 (target 7.5)	The 2023-24 road and kerb data collection resulted in technical service levels in satisfactory condition. The difference between community and technical indicators is likely a result of defects on the network. The road condition has been modelled (Section 5.2) to ensure appropriate funding is budgeted. Additional funding to address isolated kerb defects has been included in the 10-year program (Table 6.3).
Quality – providing and maintaining footpaths: 6.4 (target 7.5)	The 2023-24 footpath data collection resulted in technical service level in satisfactory condition. The difference between community and technical indicators is likely a result of defects on the network. Additional funding to address isolated footpath defects has been included in the 10-year program (Table 6.3).
Function (accessibility) – all bus stops DDA compliant: Not met	The 2023-24 audit revealed a number of bus stops not meeting DDA compliance. Additional funding has been allocated for the next five years to reach compliance for all bus stops.
Capacity – Public Transport and Walking and Cycling usage: Decrease in usage from 2016 (Australian Census data)	Increasing the use of public and active transport will be addressed through the Movement and Transport Plan. Note: The COVID-19 pandemic affected the 2021 Census data, resulting in lower use of public and active transport, as well as lower vehicular use, with an increased number of people working from home or not working.

Table 3.3 Response actions

Levels of Service with 2024 performance labelled TBC (to be confirmed) do not currently have a baseline indicator. These are to be measured and reported on, going forward.

3.3 Legislation and relevant Acts

Under the *Local Government Act 1999*, Council is required to develop and adopt an infrastructure and asset management plan covering a period of at least 10 years.

Council is additionally required to adopt a long-term financial plan (LTFP) associated with such service plans, also covering a period of at least 10 years. There is a direct link between the development and implementation of these two plans, with the LTFP updated to reflect forecast expenditure as detailed in these plans.

Council considers the following legislative framework in the management of its transport assets.

Legislation	Requirements
<i>Aboriginal Heritage Act 1988</i>	An Act to provide for the protection and preservation of Aboriginal heritage; to repeal the Aboriginal and Historic Relics Preservation Act 1965 and the Aboriginal Heritage Act 1979; and for other purposes.
<i>Australian Accounting Standards</i>	Standards applied in preparing financial statements, relating to the valuation, revaluation, and depreciation of assets.
<i>Climate Change and Greenhouse</i>	An Act to provide for measures to address climate change with a view

Legislation	Requirements
<i>Emissions Reduction Act 2007</i>	to assisting to achieve a sustainable future.
<i>Disability Discrimination Act 2018</i> and other relevant disability legislation	To eliminate, as much as possible, discrimination against persons on the grounds of disability. Sets the standard for accessibility.
<i>Environment Protection Act 1993</i>	Responsibility not to cause environmental harm (e.g. noise pollution, contamination of water)
<i>Highways Act 1926</i>	Sets out the legislative framework for roads and road authorities in SA
<i>Local Government Act 1999</i>	Sets out role, purpose, responsibility and powers of local governments including the preparation of LTFP supported by asset management plans for sustainable service delivery.
<i>Local Government (Financial Management and Rating) Amendment Act 2005</i>	Impetus for the development of a strategic management plan, comprising an asset management plan and an LTFP.
<i>Native Title Act (South Australia) 1994</i>	Consideration should be undertaken in the provision, development and management of open space.
<i>Planning, Development and Infrastructure Act 2016</i>	An Act to provide for matters relevant to the use, development and management of land and buildings, including by providing a planning system to regulate development within the State, rules with respect to the design, construction and use of buildings, and other initiatives to facilitate the development of infrastructure, facilities and environments that will benefit the community.
<i>Road Traffic Act 1961</i>	To provide for vehicle standards, mass and loading requirements and other safety measures in relation to light vehicles. Contains powers for Council to install and remove traffic control devices.
<i>SA Public Health Act 2011</i>	An Act to promote and to provide for the protection of the health of the public of South Australia and to reduce the incidence of preventable illness, injury and disability; and for other purposes.
<i>Work Health and Safety Act 2012</i>	An Act to provide for the health, safety, and welfare of persons at work; and for other purposes.

Table 3.4 Legislative requirements

4 Demand forecast

A community's demand for services may change over time depending on factors including environmental, technological and capacity requirements. Council may need to make changes to manage future demand for services.

Demand driver	Current position	Demand forecast	Demand impact	Demand management	Impact on assets
<p>Population increases.</p> <p>The Housing Roadmap for SA indicates Greater Adelaide will increase by 46 per cent (670,000 people) by 2051.</p>	<p>Total estimated population 37,543 (2021).</p>	<p>Planned to accommodate for 40,000 in Holdfast Bay by 2031.</p>	<p>Increased demand and use of transport network, impacting quality, function and capacity of assets resulting in increased:</p> <ul style="list-style-type: none"> - Congestion; - Demand for parking and traffic control; - Demand for active transport, public transport and alternate transport; and - Wear and tear of assets. 	<p>The Movement and Transport Plan provides strategic direction and actions for the transport network.</p> <p>Asset condition monitoring to ensure we are effectively maintaining our assets through renewal and maintenance programs.</p> <p>Aim to protect underlying road base from degradation via the road reseal program to avoid full road reconstructions.</p>	<p>Increased usage will impact useful life of the assets, seen through an increase in maintenance and renewal to maintain service levels.</p> <p>Increased demand for traffic management devices and car parks.</p>
<p>Housing density increase to meet population increases.</p> <p>Increase in subdivisions:</p> <ul style="list-style-type: none"> - One property into two; - Multi-unit dwellings; - Multi-storey 	<p>51% of dwellings are medium to high density.</p>	<p>Increased density to accommodate additional 2500 people in Holdfast Bay by 2031.</p>	<p>Increased housing density will increase demand on transport assets and on public transport usage.</p> <p>Increased road parking demand and road congestion.</p> <p>Increased monitoring of building damage and hoarding compliance of active developments.</p>	<p>The Movement and Transport Plan provides strategic direction and actions for the transport network.</p> <p>Ensure post-development rectification works on roads and footpaths are completed by developers to required standards.</p>	<p>Increased resourcing to ensure post-development rectifications works are undertaken in accordance with approvals and standards.</p>

Demand driver	Current position	Demand forecast	Demand impact	Demand management	Impact on assets
dwelling.					
Ageing population	Median age is 48 years	Growth in ageing population	<p>Increased demand for accessibility to high standard through transport assets. This may include providing:</p> <ul style="list-style-type: none"> - Footpaths with minimal tripping hazards; - Compliant bus stop infrastructure; and - More pedestrian crossing locations. 	<p>Track community satisfaction to ensure the correct assets and standards are being provided for the community.</p> <p>Development of a Walking and Cycling Plan will provide strategic direction to the walking network.</p> <p>Proactive footpath maintenance program to manage defects including tripping hazards.</p> <p>Investigate options for reducing the impact of tree roots on existing and new footpaths.</p> <p>Funding allocated to DDA improvements.</p> <p>Deliver implementation plan for bus stop improvements.</p>	<p>Increased demand to bring historical assets up to current standards for accessibility throughout the transport network.</p> <p>Impact on renewal programs to upgrade to modern standard.</p> <p>Impact on maintenance programs to ensure trip hazards are a minimum on our footpath network.</p>
Environmental sustainability (climate mitigation)	Council and the community are increasingly aware of our impact on the environment and Council's role in environmental sustainability.	Council is committed to pursuing, supporting, and creating an environment that will sustain current and future generations.	<p>Requirement to use fewer, recycled and renewable resources that can contribute to the development of a circular economy and reduce Council's carbon footprint.</p> <p>Greater environmental sustainability requirements</p>	Implement actions from the Environment Strategy 2020-2025 and Carbon Neutral Plan, and recommendations from the Climate Governance Risk Assessment	Higher costs associated with material supply and construction methods that are environmentally sustainable.

Demand driver	Current position	Demand forecast	Demand impact	Demand management	Impact on assets
			placed on the construction industry.		
Climate Change (climate adaptation)	Increase in severe weather events including droughts, extreme heat events, storms, storm surges, high tides, and sea level rise.	<p>Increasing number of hot weather days and events.</p> <p>Increase in intensity of rain events.</p> <p>Sea level rise is accelerating.</p> <p>Increased evapotranspiration.</p>	<p>Assets not reaching their expected useful lives due to a lack of consideration of climate change.</p> <p>Increasing management and maintenance demand associated with climate change adaptation.</p> <p>Increased street-tree planting and impacts on hard infrastructure to be considered in the design of assets.</p>	Through the Resilient Asset Management Program (RAMP), investigate strategies for adaptation to maintain existing assets, construct climate-resilient assets and achieve expected useful lives of transport assets.	Higher costs associated with designing and constructing climate-resilient assets.
Legislative requirements	Increasing requirements for DDA compliance on transport assets.	Higher standards of safety and improved transport assets.	Higher Level of Service may affect the amount of maintenance and renewal that can be undertaken with the allocated budget.	<p>Disability Action and Inclusion Plan 2020-2024 defines actions.</p> <p>Review DDA compliance requirements for existing assets and adjust forecast asset replacement costs and design lives to achieve compliance.</p>	Requirement to redesign networks and some specific assets to meet legislative requirements

Table 4.1 Demand factors

5 Lifecycle planning

Asset lifecycle planning outlines how Council plans to manage transport assets in an optimised cost-effective manner while ensuring delivery of agreed service levels. The lifecycle of assets can be defined in four stages including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal

Each of these stages is further detailed in this lifecycle planning section.

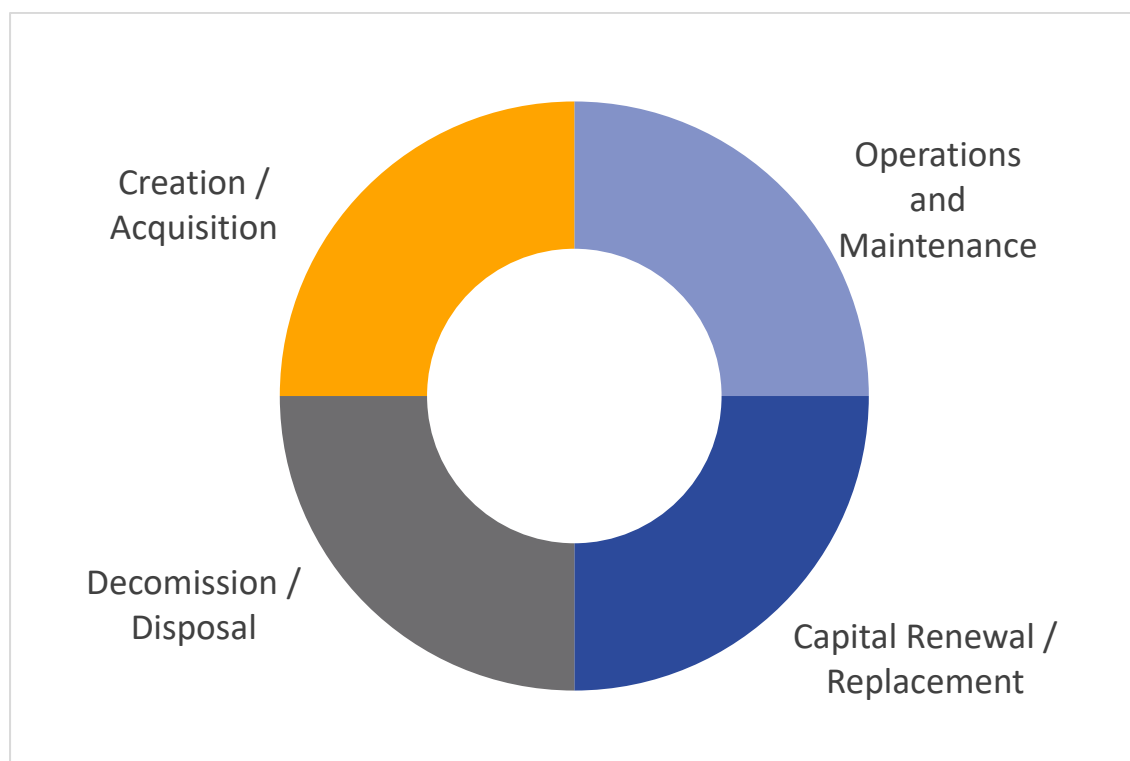


Figure 5.1 Asset lifecycle

The 17,000 transport assets are managed to provide the required services and are maintained and replaced based on defined service levels, community expectations, condition, usage, and amenity.

5.1 Asset life

Throughout the asset lifecycle, assets are inspected, condition-rated and revalued on a periodic basis. Asset condition and expected useful life are used to estimate the remaining life of each asset.

Transport assets are managed financially using a straight-line depreciation method where an asset has a baseline current replacement cost depreciated over time using an assigned expected useful life for each type of asset.

Assets may be renewed or replaced based on several factors including condition, amenity, capacity, function and increasing requirement for asset maintenance and repair as assets age. The service life

of an asset may therefore differ from the design life or useful life. During an asset’s service life, maintenance and repair works will be required to maintain the service level provided by the asset.

A summary of expected useful lives of transport assets is provided in Table 5.1.

Transport category	Asset type	Expected useful life (years)
Bridges	Concrete bridges	100
Bus shelters	Steel-framed bus shelters	20
Car parks	Footpaths	50
	Kerbs and gutters	70
	Parking bay surfaces	25
	Pavements	80
	Sealed surfaces	25
Footpaths	Concrete footpaths	60
	Paved footpaths	50
	Bitumen footpaths	40
	Gravel footpaths	20
Kerb ramps	Concrete kerb ramps	60
Kerbs and gutters	Concrete kerbs and gutters	100
Road surfaces	Sealed surfaces	25 - 30
	Unsealed surfaces	40
Road pavements	Pavements	150
Road sub base	Sub base	300
Signs	Signs	20
Traffic control devices	Crossings, roundabouts, speed restriction, traffic islands	15 to 80

Table 5.1 Useful lives

5.2 Asset condition

Council is responsible for maintaining transport assets in the appropriate condition as defined by the Level of Service (section 3). This is achieved through the following works:

- Periodic condition audits and regular inspections of transport assets
- Development of a forward works program for capital renewal works and maintenance activities

Assets are maintained and inspected regularly to ensure they remain safe, fit for purpose and ensure their service life is achieved.

The condition scoring criteria adopted for transport asset audits is based on the IPWEA condition rating guidelines and is summarised in Table 5.2 below.

Condition grade	Condition	Description	Consumption score for condition (%)
0	New		0
1	Very good	Sound physical condition, no work required.	5
2	Good	Acceptable physical condition, minimal risk of failure but potential for deterioration, only minor work required (if any).	27.5
3	Fair	Significant deterioration evident, failure unlikely in near future however further deterioration likely. Renewal likely to be required in the medium term – 5 to 10 years.	55
4	Poor	Failure likely in short term. Renewal likely to be required in the short term – 2 to 5 years.	72.5
5	Very poor	Failed or failure imminent/safety risk. Refurbishment, replacement, or removal required as a priority.	95

Table 5.2 Condition score criteria

Multiple transport asset condition assessments were completed during the 2023-24 financial year in preparation for the 1 July 2024 transport asset class revaluation.

Condition assessments are undertaken on a periodic basis to understand the condition of assets and estimate the expected remaining life of each asset to develop asset renewal plans. The transport asset condition assessments undertaken during 2023-24 included:

- road and kerb condition assessment including car parks, parking bays and roundabouts
- footpath and kerb ramp condition assessment
- bridges level 2 condition assessment
- bus stop infrastructure condition assessment

A summary of the condition of transport assets is provided in Table 5.3.

Asset category	Number of assets	Average condition rating	Percentage below condition 3
Road surfaces	1336	2.7	7.7%
Road pavements	1336	2.2	3.5%
Kerbs and gutters	3242	2.7	3.9%

Footpaths	2760	2.4	6.5%
Kerb ramps	2732	2.1	3.1%
Bridges	5 bridges	2.1	0%
Bus stop infrastructure (Council owned)	319	2.7	12.9%
Traffic control	N/A	N/A	N/A

Table 5.3 Condition ratings

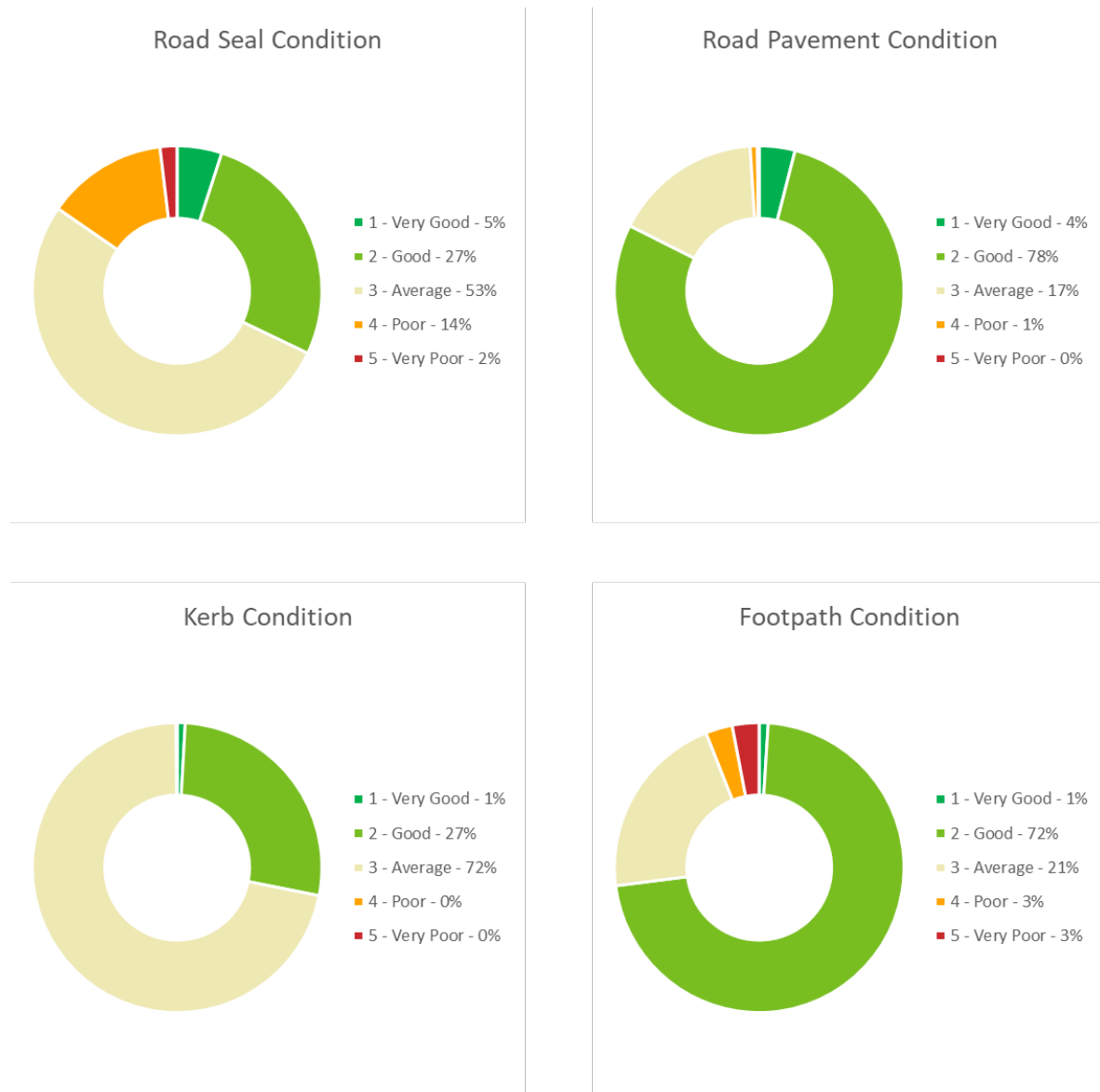


Figure 5.2 Transport class condition profile (2024)

Road condition modelling

Roads are an integral part of our city for transporting people, goods and services in cars, trucks, buses and bicycles. Providing a smooth, safe road surface for all users is essential to maintaining our service levels and safety by ensuring the surface is free of defects.

As roads age, the asphalt surface degrades through the impact of traffic, water and sunlight, resulting in cracking and potholes. Scheduled resurfacing is undertaken to act like a seal and protect the underlying pavement materials.

Protection of the underlying pavement is critical to maintaining a sustainable road network from a quality, environmental, financial and community perspective. A high-quality seal, free of potholes and cracks, helps ensure it achieves its life of 100-150 years. Damage to the road seal can lead to premature pavement reconstruction with a significant financial impact on Council.

To ensure the road seal remains high quality and safe, we have developed the 10-year road reseal program in Table 6.2. The condition of our road seal has been modelled year-on-year in line with the 10-year program to ensure we are appropriately maintaining and funding our roads.

The modelling includes variable useful lives for roads, reflective of the road hierarchy, with a 25 year useful life for high traffic and active roads and a 30 year useful life for local roads.

The modelled road seal condition is outlined in:

- Figure 5.3 - Road seal average condition illustrates the average condition of the road seal network in comparison to the service level of maintaining an average better than condition 3.0 (fair).
- Figure 5.4 - Road seal poor and very poor assets illustrates the percentage of the road seal network in condition 4.0 (poor) to 5.0 (very poor), with a service level of maintaining below 10%.
- Figure 5.5 - Road seal condition distribution illustrates the modelled distribution of road network condition over the next 10 years.

The results of this modelling indicate the road seal will be managed in line with Council's service levels, noting an increase to road segments in poor and very poor condition towards 2035. Future data collection on a four-year cycle will continue to provide updated data to inform future planning.

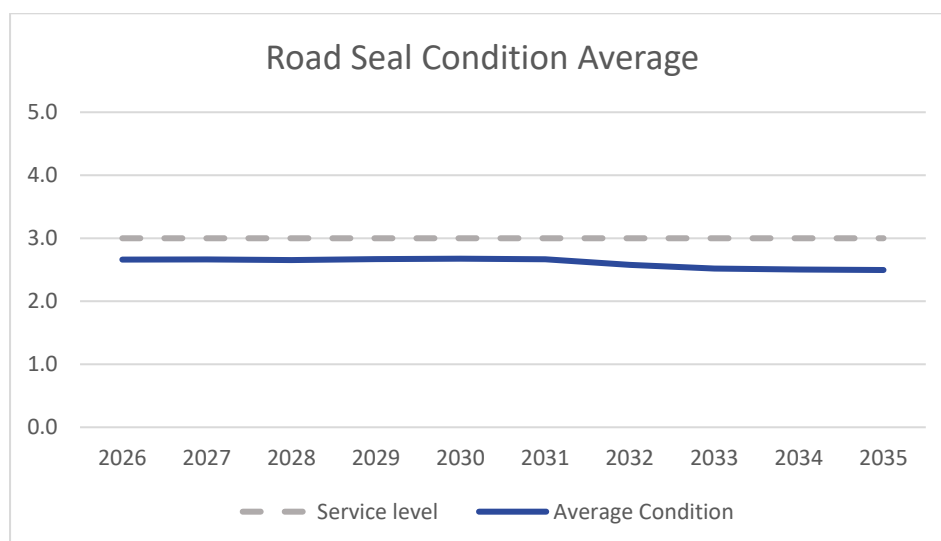


Figure 5.3 Road seal condition average

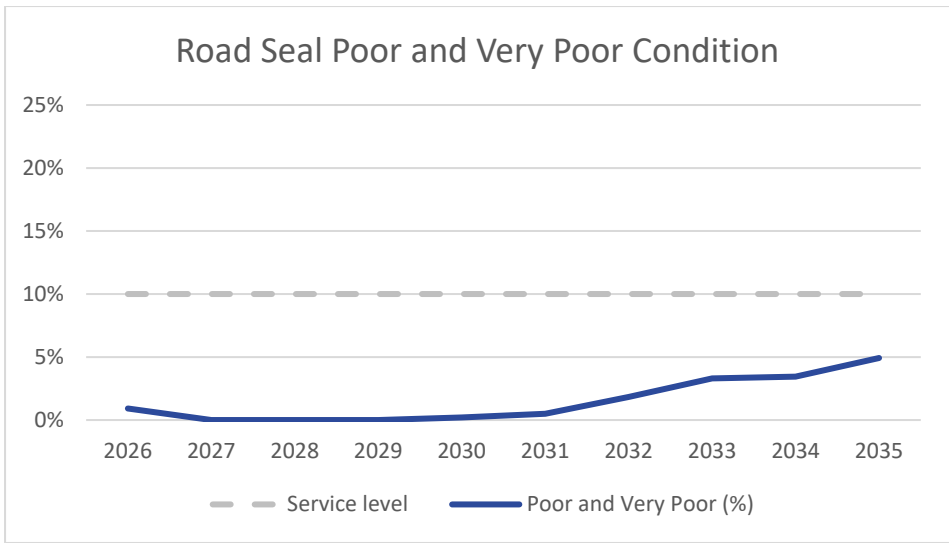


Figure 5.4 Road seal poor and very poor (PVP)

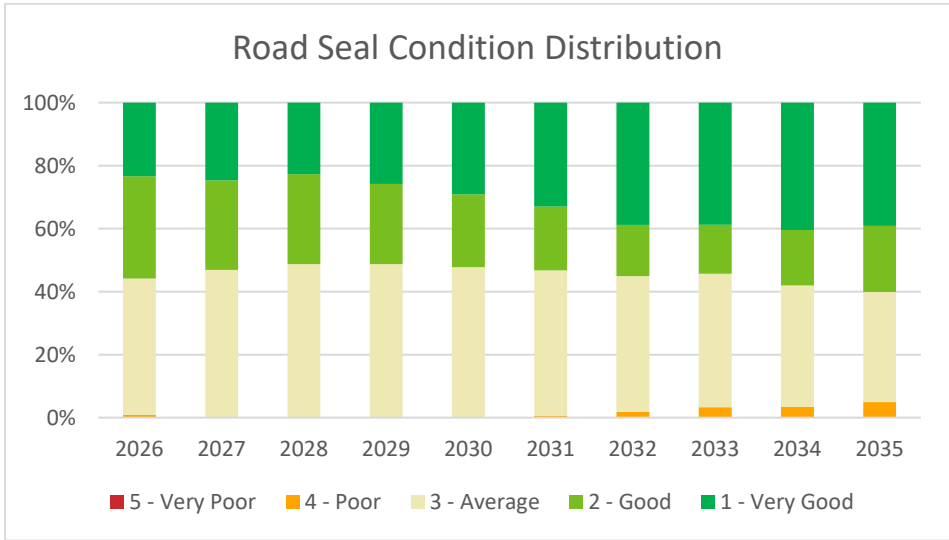


Figure 5.5 Road seal condition distribution

5.3 Historical expenditure

Historical expenditure for 2019-20 to 2022-23 for operation, maintenance, new assets and renewal of existing assets for the transport asset class is summarised in Figure 5.6. The actual expenditure for each year has been indexed by the local government price index (LGPI) to create 2024-25 equivalent expenditure.

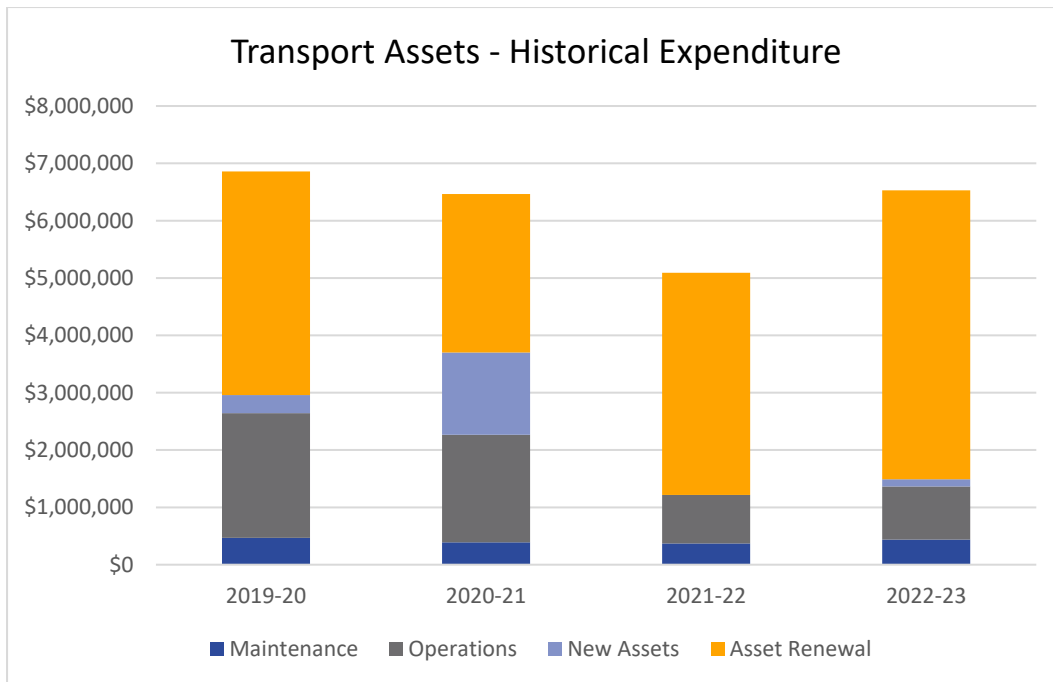


Figure 5.6 Historical expenditure

5.4 Operation and Maintenance Plan

Operations and maintenance activities include all actions required to retain an asset’s condition and amenity and can be classified as either reactive or planned.

Assessment and planning of both reactive maintenance and planned maintenance are undertaken by council personnel who use judgment to minimise interruption to operations and service delivery.

Typical maintenance of transport assets includes repairing footpath defects to avoid tripping hazards, patching road surfaces, and repairing kerbs to maintain drainage.

Typical operations associated with transport assets include cleaning footpaths and bus shelters.

Expenditures from previous financial years have been indexed by the local government price index (LGPI) to create 2024-25 equivalent expenditure.

The operations and maintenance transport asset costs are forecast to trend in line with the previous four years as the number of assets and the services provided have not changed and are not expected to change substantially. Based on the average operation and maintenance costs from the previous four years, annual amounts of \$1,455,309 for operations and \$416,722 for maintenance have been adopted, as seen in figure 5.7.

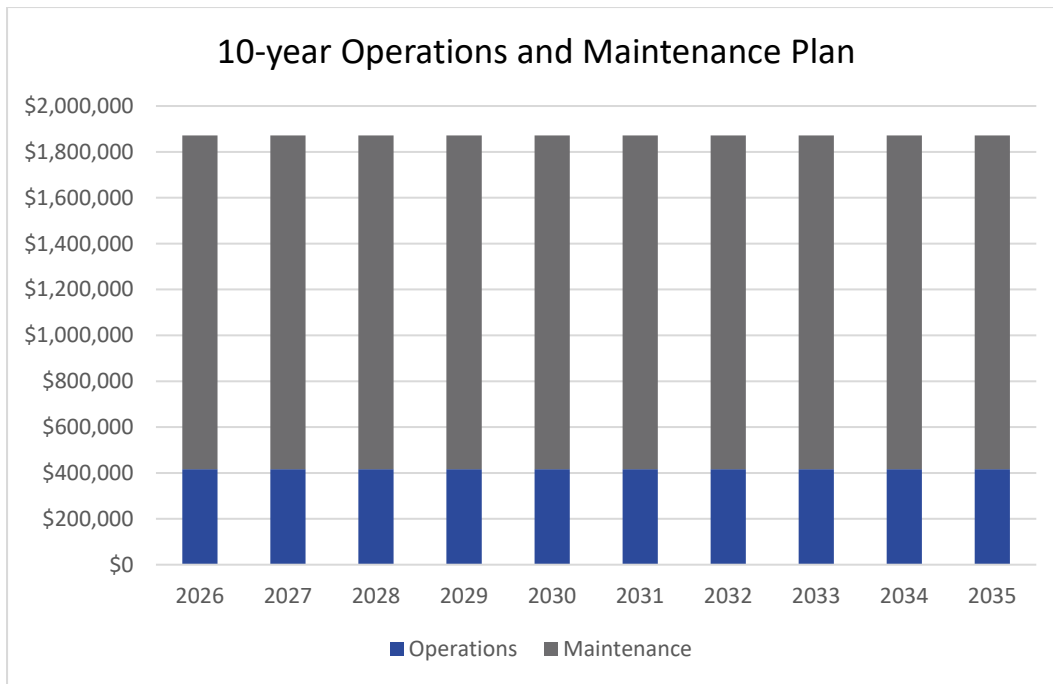


Figure 5.7 Operations and Maintenance Plan

5.5 Renewal Plan (capital renewal)

Renewal is capital work which restores, rehabilitates, replaces, or renews an existing asset to its original service potential.

Renewal of transport assets is generally aligned to asset condition however assets can also be replaced based on strategy and master-planning requirements that often involve multiple asset classes.

Renewal of transport assets is undertaken for reasons including deteriorating asset condition, function, and amenity considerations or to align works in an area to minimise disruption and undertake works efficiently.

Asset renewal is undertaken to ensure continuity of service provision for the community. The Transport Renewal Plan has been developed for each asset category on the following basis:

- Asset condition data has been used to develop annual budget requirements to maintain asset category condition within agreed service level condition.
- For each asset, the remaining life or forecast renewal data has been calculated using the asset condition data, the defined condition at end of life, and the standard useful life of the asset.
- DDA compliance requirements for bus shelters and kerb ramps is considered and incorporated into renewal plans to improve the DDA compliance over the 10-year period.
- Resourcing considerations for council were considered with asset condition to distribute the program over the 10-year period.
- The renewal ratio of average annual renewal to annual depreciation was also considered in development of the renewal plan.

The transport renewal program is based on analysis of the condition assessments undertaken in 2023-24. The forecast renewal requirements have been distributed over the 10-year planning period to evenly resource works, see figure 5.8.

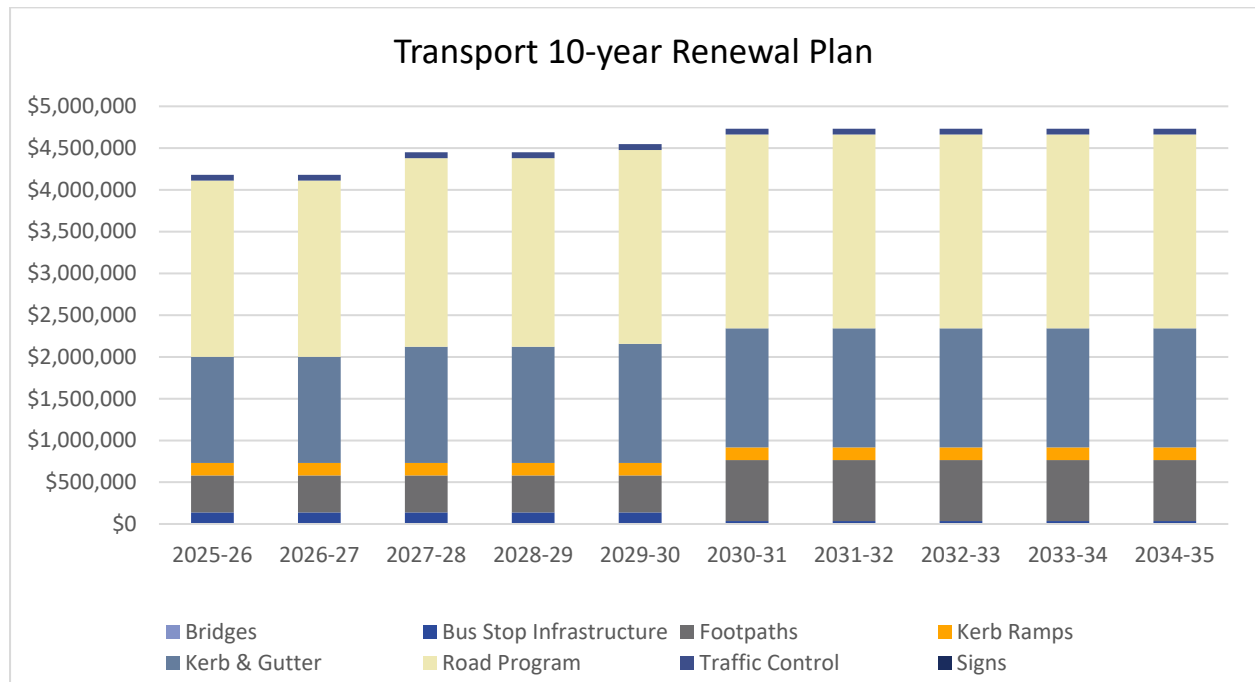


Figure 5.8 10-year Renewal Plan

Renewal of road and kerb assets represents a large portion of the transport renewal budget. To ensure works are undertaken in a cost-effective manner, planning considers the road hierarchy, location and alignment with other works to gain efficiencies.

Kerbs are generally repaired/renewed as required prior to the road reseal program to reinstate drainage paths and improve the kerb condition so no additional works will be required before the next reseal.

Renewal of kerb ramps, traffic control devices and bus stop infrastructure will be undertaken based on condition and compliance (DDA) to improve the service offering to the community.

Road surface condition data indicates 199 road segments are due for renewal. This road reseal backlog will be managed over a four-year period between 2024-25 and 2027-28. The road surface condition data indicates a substantial number of roads will be due for renewal from 2032-33. This peak requirement will be addressed over several years during the 10-year planning period.

The road renewal program is primarily road reseal, rehabilitation and reconstruction based on the 2023-24 condition assessment. Further analysis of opportunities for efficiencies through alternate treatments such as rejuvenation will be explored by Council, see improvement action 1 (Section 8).

Replacement of kerb ramps, roundabouts, carparks and bus stop infrastructure has been averaged over a 10-year period and replacement of footpaths and pathways has been evenly distributed in two stages to manage resourcing requirements.

Allowances have been included for:

- Improved the DDA compliance of kerb ramps and bus stop infrastructure

- Kerb replacement for isolated damage caused primarily by tree roots
- Footpath defect repair of trip hazards not associated with footpath segment replacement
- Road seal program on costs

5.6 Acquisition Plan (new capital)

Acquisitions are new assets that did not previously exist or works resulting in significant upgrade of the asset and an increased capacity to deliver a service. The requirement for an acquisition may result from growth, changed demand, social or environmental needs. Assets may also be donated to Council.

Acquisition works result in additional future operations and maintenance costs.

Acquisition of new assets is often based on community expectations and strategies to change a service offering in a specific location.

Council is currently undertaking and planning upgrade and acquisition works at the following sites:

- Transforming Jetty Road Project
- Acquisition of a new road directly north of Sturt Road, Brighton
- New/upgraded internal roads in Brighton Beachfront Holiday Park
- New pathways along Sturt River Linear Park
- Annual Traffic Improvement Program
- Priority actions from the Movement and Transport Plan

The Transforming Jetty Road project is a large project that will result in new and upgraded road, footpath and kerb assets, as well as streetscape and open space assets.

The new road directly north of Sturt Road has been constructed as part of a new housing development. Council will acquire this road and associated assets from the developer.

The Brighton Beachfront Holiday Park redevelopment is a funded project being undertaken over several years. Works still to be undertaken include replacement and development of cabins and internal roads.

The Sturt River Linear Park development is in the planning stage and currently unfunded.

The annual Traffic Improvement Program is developed to improve the road environment, making it safer and accessible for all transport users. Works include local area traffic management and walking and cycling improvements.

Actions from the Movement and Transport Strategy will be prioritised and funded through the Annual Business Planning process.

5.7 Disposal Plan

Disposal of assets refers to activities associated with disposing of a decommissioned asset including sale, demolition, or relocation of assets. Council's Disposal of Assets Policy outlines this process.

Council has no upcoming disposals for transport and currently there is no funding requirement for transport asset disposals.

6 Financial summary

This section outlines the transport asset class financial requirements.

6.1 Asset valuation

Asset values are projected to increase as additional assets are added through capital works. Unit rates are expected to increase over time as construction costs for infrastructure increase.

Additional assets will generally increase the requirement for maintenance and operations as well as future renewal.

Valuations are undertaken for each asset class in alignment with Australian Accounting Standard AASB13 Fair Value and are undertaken at minimum every five years. The next revaluation of the transport asset class will be developed as of 1 July 2024, based on up-to-date transport asset data with improved data quality, updated from the 2023-24 transport condition assessments.

During the next transport asset class revaluation, all transport assets will be assigned an asset type, asset dimension and unit rates to develop an overall current replacement cost as of 1 July 2024. Accumulated depreciation and carrying values of assets will be calculated based on condition data collected during the audits and standard useful lives assigned to asset types.

The transport asset valuation data in Table 6.1 is as of 1 July 2023.

Asset category	Current asset cost	Accumulated depreciation	Carrying value	Number of in-use assets
Bridges	\$17,340,888	\$4,285,982	\$13,054,906	7
Bus shelters	\$693,225	\$218,973	\$474,252	115
Car parks	\$10,936,238	\$3,087,314	\$7,848,924	234
Footpaths	\$51,393,032	\$24,772,625	\$26,620,407	2760
Kerbs and gutters	\$78,801,713	\$25,515,416	\$53,286,297	5974
Roads	\$173,411,014	\$68,882,428	\$104,528,586	2671
Signs	\$36,531	\$16,524	\$20,007	3516
Traffic control	\$5,236,232	\$2,200,013	\$3,036,219	362
Total	\$337,848,873	\$128,979,275	\$208,869,598	15,639

Table 6.1 Transport asset valuation

Transport Asset Valuation

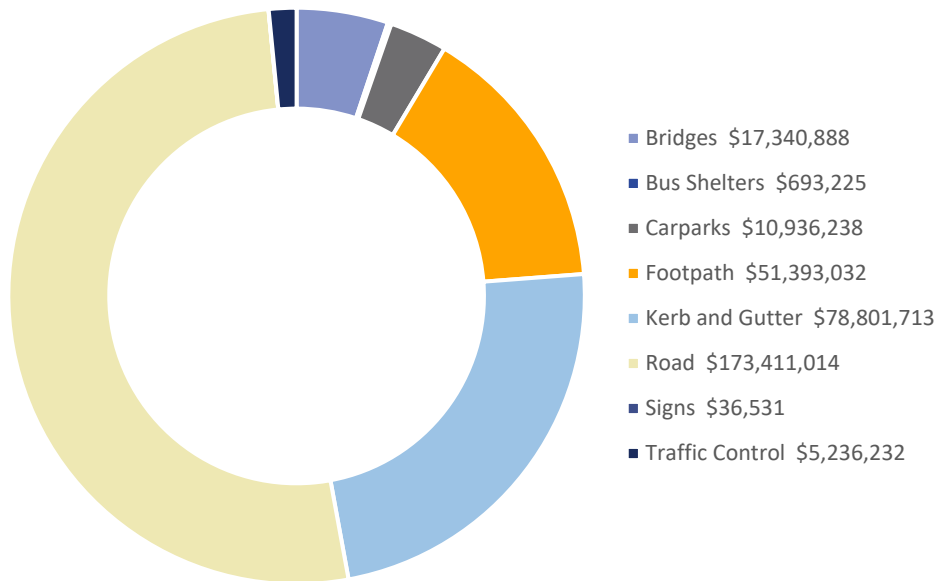


Figure 6.1 Transport assets valuation

6.2 Expenditure forecast summary

The overall transport expenditure forecast for operations, maintenance, renewal of existing assets, and acquisition of new assets is provided in Figure 6.2 and Table 6.2. The transport asset renewal forecast is provided in Table 6.3.

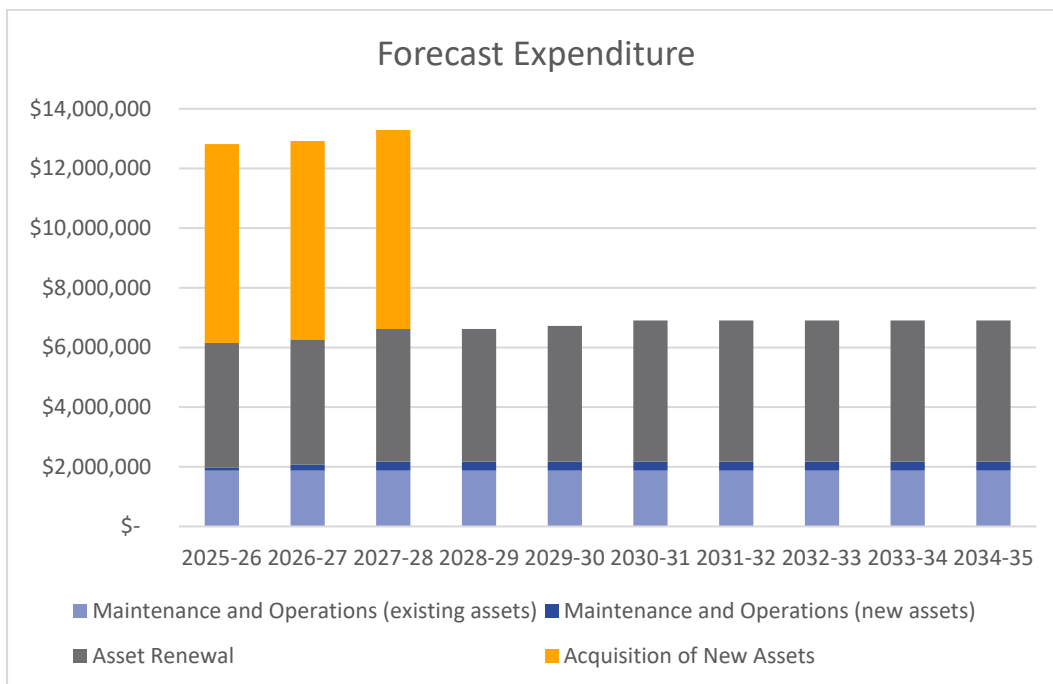


Figure 6.2 Transport forecast expenditure

Financial year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Acquisition of new assets	\$10,000,000	\$10,000,000	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance and operations (existing assets)	\$1,872,031	\$1,872,031	\$1,872,031	\$1,872,031	\$1,872,031	\$1,872,031	\$1,872,031	\$1,872,031	\$1,872,031	\$1,872,031
Maintenance and operations (new assets)	\$100,000	\$200,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Asset renewal	\$4,180,154	\$4,180,154	\$4,450,154	\$4,450,154	\$4,547,408	\$4,732,120	\$4,732,120	\$4,732,120	\$4,732,120	\$4,732,120
Asset disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
External grant funding	-\$3,333,333	-\$3,333,333	-\$3,333,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Council funding required	\$12,818,851	\$12,918,851	\$13,288,851	\$6,622,185	\$6,719,439	\$6,904,151	\$6,904,151	\$6,904,151	\$6,904,151	\$6,904,151

Table 6.2 Forecast expenditure

Financial year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Bridges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bus stop infrastructure	\$138,253	\$138,253	\$138,253	\$138,253	\$138,253	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Footpaths	\$443,000	\$443,000	\$443,000	\$443,000	\$443,000	\$730,965	\$730,965	\$730,965	\$730,965	\$730,965
Kerb ramps	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Kerbs and gutters	\$1,270,000	\$1,270,000	\$1,390,000	\$1,390,000	\$1,425,617	\$1,425,617	\$1,425,617	\$1,425,617	\$1,425,617	\$1,425,617
Road program	\$2,108,901	\$2,108,901	\$2,258,901	\$2,258,901	\$2,320,538	\$2,320,538	\$2,320,538	\$2,320,538	\$2,320,538	\$2,320,538
Traffic control	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
Signs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total renewal	\$4,180,154	\$4,180,154	\$4,450,154	\$4,450,154	\$4,547,408	\$4,732,120	\$4,732,120	\$4,732,120	\$4,732,120	\$4,732,120

Table 6.3 10-year Renewal Plan

6.3 Funding Strategy

Key strategic activities that will affect the future financial position for transport:

- The Asset Management Plan to inform the Long Term Financial Plan
- Movement and Transport Plan 2024 and future updates
- Transport valuation, 1 July 2024
- Valuation following transport condition data collection 2028
- Carbon Neutral Plan implementation
- Resilient Asset Management Program implementation

6.4 Assumptions

The following assumptions have been adopted in development of the financial forecasts:

- The renewal program has been based on condition data collected in 2023-24.
- Condition data and standard useful lives have been used to estimate the remaining lives of assets and the forecast renewal date for each asset.
- Renewal data developed during analysis of condition data has been distributed over the 10-year planning period to balance resourcing requirements.
- All renewal requirements identified in the analysed data will be addressed within the 10-year period.
- Operation and maintenance budget forecasts are based on actual operation and maintenance costs for a four-year period adjusted to 2024 costs.
- Additional costs have been included for transport asset repair works and DDA compliance requirements as previously outlined.
- Acquisition costs have been added for projects that have been approved by Council, including the Transforming Jetty Road Project.
- No decommissioning of assets has been assumed.

6.5 Data confidence

Expenditure requirements for asset renewal and operational costs are based on current available data.

Asset renewal costs are based on road and kerb revaluation data as of 1 July 2023 and rates developed from costs for recent capital works. The transport asset register was reviewed and updated in 2023 prior to condition assessment of roads and kerbs, footpaths and kerb ramps, bridges and bus stop infrastructure. These audits were undertaken in preparation for the transport asset class revaluation as of 1 July 2024.

The 2023-24 condition assessment results, including photographs, asset condition, material types, and dimensions have been uploaded into the asset register against the assets inspected.

The data confidence for this asset class is classified as “B – Reliable” based on the IPWEA data confidence scale as provided in Table 6.4. The data is based on sound records, procedures, investigations, and analysis. The dataset is complete and estimated to be accurate $\pm 5\%$.

Confidence level	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, e.g. 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.

Table 6.4 Data confidence

7 Risk management

The objective of the risk management process is to ensure all significant asset management risks are identified and assessed. Following a risk assessment and consideration of both likelihood and consequence, risks identified as high or very high in the short to medium term are investigated. Strategies and treatments are implemented to mitigate or address unacceptable risks.

An assessment of risks in line with Council’s risk matrix (Figure 7.1) associated with the transport asset class are detailed in Table 7.1.

Likelihood \ Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	E	Medium	Medium	High	Extreme	Extreme
Likely	D	Low	Medium	High	High	Extreme
Possible	C	Low	Medium	Medium	High	High
Unlikely	B	Low	Low	Medium	Medium	High
Rare	A	Low	Low	Low	Medium	Medium

Figure 7.1 Risk matrix

Table 7.1 summarises the asset management risk register, which is reviewed and updated at minimum annually in line with our risk management procedures. The asset management risk register should be reviewed in line with the strategic and operational risk register.

Transport risk statement	Current controls	Residual risk rating	Further risk treatments/actions	Target risk rating
Risk of climate change affecting useful life of assets	<ul style="list-style-type: none"> - Ongoing participation in the Resilient Asset Management Program (RAMP) with Resilient South Councils. - Coastal adaptation planning in place including hazard identification and assessment. - Integrated IPWEA Practice Note 12.1 into asset project design and planning processes. - Consideration of climate change risk in strategic and long-term planning. 	HIGH	<ul style="list-style-type: none"> - Implement RAMP actions for all asset classes. - Complete coastal adaptation planning including data collation and risk assessments. 	MEDIUM
Inconsistency caused by changes to Elected Members or Senior Leadership personnel	<ul style="list-style-type: none"> - Alignment of asset management framework (AM Policy, Strategy and plans) including service levels and long-term financial plans. - Development of AM Steering Committee. - Regular asset management updates provided to Elected Members. 	MEDIUM	<ul style="list-style-type: none"> - Improving asset management maturity aligned with AM Strategy improvement plan. - Keep Elected Members and Senior Leadership Committee informed via the Asset Management Steering Committee. Identify training where required. 	MEDIUM
Insufficient budget to meet service levels for maintenance and renewal	<ul style="list-style-type: none"> - Clear budget planning process, identifying any funding dependencies within planned/major upgrades. - Operational management plans for complex and high-risk sites. - 10-year financial planning and rolling three-year capital works program. - Regular condition audits of assets. - Community service levels developed through ongoing feedback. 	MEDIUM	<ul style="list-style-type: none"> - AM Strategy Improvement Program Action Number 8 and Improvement Action 4: Review operational LoS and update responsibilities, resourcing and planning to meet agreed LoS. Implement system to prioritise, assess and action requests in-line with operational LoS. - AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision-making. 	MEDIUM
Lack of accuracy in asset management source data consistency and accuracy	<ul style="list-style-type: none"> - Satisfactory data confidence level in current asset information data levels through cyclic condition audits, with expectation of buildings data. See confidence levels. - Annual cyclic data collection schedule in place. - Ongoing improvements to data management guidelines. - Regular updates from routine maintenance spot checks/issue reporting. 	MEDIUM	<ul style="list-style-type: none"> - AM Strategy Improvement Program Action Number 3: Establish the data management framework and guidelines for asset register to future-proof for predictive modelling. - AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision-making. 	LOW
Non DDA-	- DDA-compliant works program for bus stops, kerb ramps	MEDIUM	Accepted programs to reduce risk over time.	MEDIUM

Transport risk statement	Current controls	Residual risk rating	Further risk treatments/actions	Target risk rating
compliant assets i.e. bus stops, kerb ramps	and pedestrian crossings. - External inspections/audit assessors. - DDA assessment of bus stops 2024 - DDA assessment of kerb ramps 2024			
Risk of change in community service standards or expectations	- Track service levels with Quality of Life Survey - Community feedback through customer requests records and plans - Feedback through community engagement on strategies and plans	MEDIUM	- Finalise movement and transport plan - Improvement action 4, integration of road hierarchy in levels of service and asset lifecycle activities	LOW

Table 7.1 Risk assessment

8 Improvement Plan

The following tasks have been identified for improving transport asset management practices and future versions of this plan.

Task No	Improvement task	Responsibility	Resources required	Due for review
1	Investigate opportunities for alternate road treatment options and their impact on asset life and lifecycle cost.	Senior Project Manager	Existing	June 2026
2	Implement bus stop compliance program.	Senior Project Manager	Existing	June 2030
3	Track annual carbon emissions from the road renewal program.	Senior Project Manager	Existing	June 2025
4	Integration of road hierarchy into lifecycle activities for transport assets.	Senior Project Manager	Existing	June 2026
5	Review transport useful life to industry standards and condition data to inform future valuations.	Asset Management Lead	Existing	June 2028

Table 8.1 Improvement Plan

Item No: 8.5

Subject: ANNUAL REVIEW OF INVESTMENT PERFORMANCE

Summary

Section 140 of the *Local Government Act 1999* (the Act) requires Council to review the performance of its investments on an annual basis. This report explains the process for investing funds, amount of funds invested during 2023-24 and investment performance against budget for Council's municipal activities.

Recommendation

That the Audit and Risk Committee receives and notes this report comprising a performance review of 2023-24 municipal investments, as required under section 140 of the *Local Government Act 1999*, and recommends it to Council for noting.

Background

The Act requires councils to review the performance of its investments annually. Council invests its funds in accordance with its Treasury Management Policy ensuring funds are preserved and invested within legislative and sound prudential requirements.

Section 139 of the Act details the investment powers of a council. It requires a council to exercise care, diligence, and skill in placing and managing investments, while avoiding speculative or hazardous investments. It also stipulates matters to be considered when placing investments including the nature of risk, likely income return, effect of inflation, the costs of making the investment and any anticipated community benefit.

Council's Treasury Management Policy requires all surplus municipal funds to be invested with secure financial institutions with the Local Government Finance Authority (LGFA) being the preferred institution.

Report

This report deals with cash investments resulting from the investing of day-to-day surplus funds (operating funds) and specific purpose cash backed reserves.

Investment Policy Framework

Council's investment policy states that the LGFA is the preferred financial institution for municipal cash investments. It is guaranteed by the State and is managed and administered by a Board of Trustees, working for the benefit of councils and other local government bodies within South Australia.

The LGFA offers a special distribution payment which enables it to share its financial success with member councils. It is calculated in relation to the average deposit and loan levels held by the LGFA during the financial year.

Other approved municipal investment types include SA or Commonwealth Government Bonds and interest bearing deposits or bank bills with a credit rating from Standard & Poor's of not less than A1 for investments up to 12 months and not less than AA- for longer investments.

2023-24 Investment Placement

All of Council municipal cash investments were placed with the LGFA. Due to cash flow requirements and the utilisation of cash advance debentures, no new major fixed term investment opportunities arose during the financial year. All short-term investments were held with the LGFA due to non-quantifiable factors including transaction processing efficiency and the level of service provision.

LGFA Special Distribution Payments

The Board of Trustees of the LGFA annually determines that a bonus payment be made from surplus funds to councils and prescribed authorities who used the LGFA services. The allocation and amounts are calculated in relation to individual council deposit and debenture loan levels maintained with the LGFA over the financial year. The bonus payments equate to approximately 0.16% per annum on average deposits and loans. Council received a \$28,254.21 bonus payment for Municipal funds in 2023-24.

Cash Backed Reserve Fund Investments

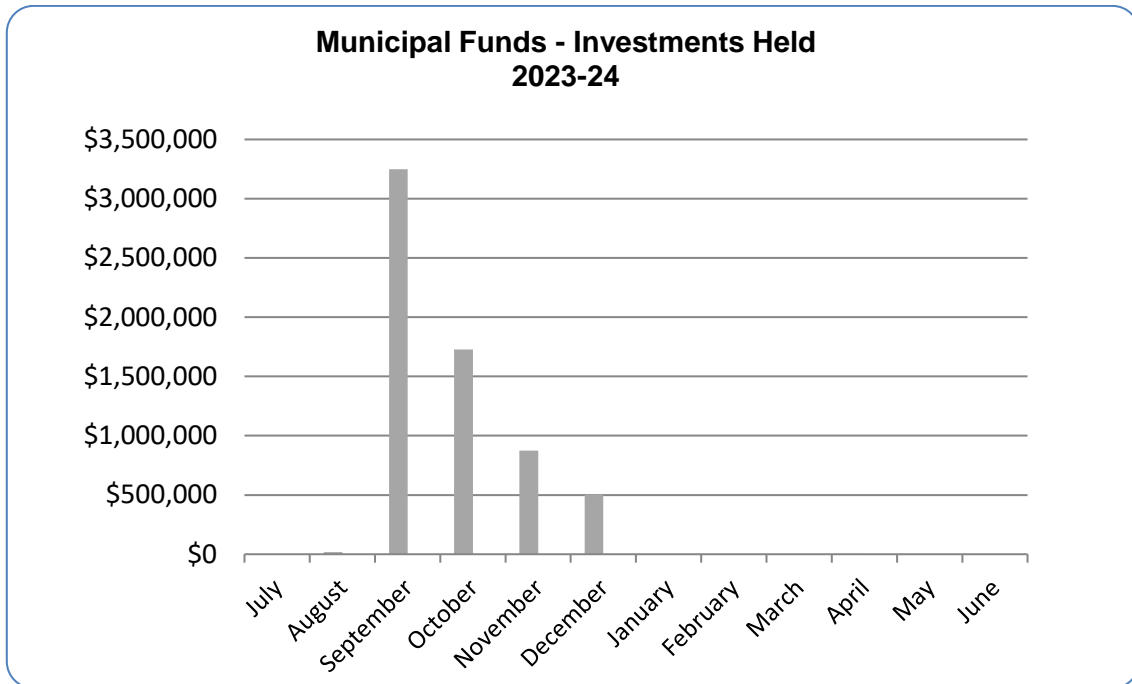
Council's Treasury Management Policy states that cash-backed municipal reserves will not be maintained unless required by legislation or agreed to with third parties. The reserves that are legally required to be maintained include developer contributions for which \$126,592 was received in 2023-24.

2023-24 Overall Budget Result

The original total forecast for investment income was \$72,000 for Municipal operations with the actual result being \$82,359.

Levels of Investment

There were no municipal invested funds held as at 30 June 2024. The following chart highlights the level of investments held for Municipal funds during 2023-24. The amounts invested peaked when the first rates notice instalment was due and before significant cashflow was required for the 2023-24 capital program.



Municipal Funds Investment Performance

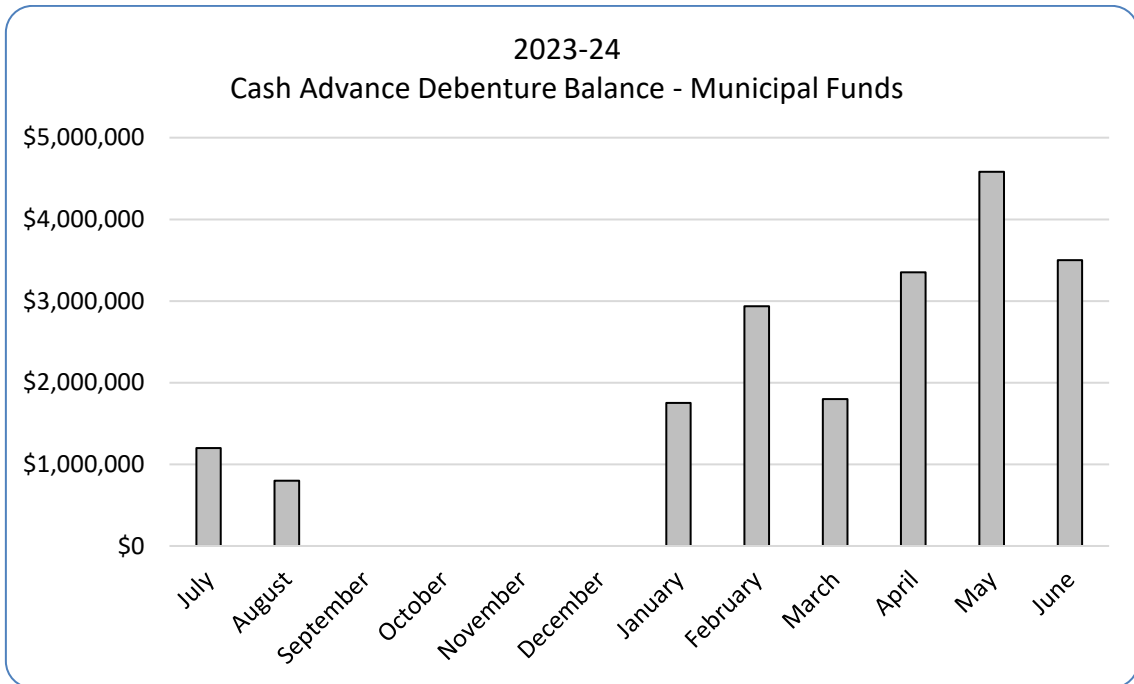
2023-24 Interest rate movements

During 2023-24 official interest rates remained stable with no major increases introduced by the Reserve Bank of Australia (RBA). Over that twelve-month period interest rates were only increased once from 4.10% to 4.35% in November 2023.

As part of the RBA's strategy to combat high inflation they increased rates by 4.25 percentage points since May 2022. Their aim is to establish a more sustainable balance between supply and demand in the economy but have not yet determined whether this has been achieved, leading to a 'wait-and-see' strategy over much of the last year.

Cash Advance Debenture movement during 2023-24

During 2023-24 available cash was utilised to meet regular operational cash flow requirements and capital expenditure. The Treasury Management Policy for municipal funds states that available funds are to be first used to repay debt and to avoid raising new debt. During 2023-24 short term cash advance debenture (CAD) borrowings were used when temporary cashflows were required, however, there was no funding requirement for new fixed term borrowings. The CAD draw-down timings reflect these cash flow requirements.



During 2023-24 a total loan principal amount of \$1,101,265 was repaid on fixed term loan borrowings. The total fixed term principal outstanding as at 30 June 2023 is \$12.3 million with a weighted average interest rate of 4.03%.

Budget

The 2024/25 municipal investments budget has been set after taking into consideration the Treasury Management Policy, interest rate environment, and surplus operational funds. The original municipal budget has been set at \$72,000.

Life Cycle Costs

Not applicable

Strategic Plan

Statutory compliance

Council Policy

Treasury Management Policy

Statutory Provisions

Local Government Act 1999, Sections 139 and 140

Written By: Manager Finance

General Manager: Strategy and Corporate, Ms S Wachtel

Item No: 8.6

Subject: MUNICIPAL INSURANCE RENEWAL AND CLAIMS REPORT

Summary

This report provides the Audit and Risk Committee with an overview of the annual insurance renewal for 2024-25 and the public liability and asset claims for 2023-24.

Recommendation

That the Audit and Risk Committee notes this report.

Background

City of Holdfast Bay self-insures by contributing to the Local Government Risk Services (LGRS) scheme. Under the banner of the LGRS, Council is provided with a comprehensive range of insurance products including asset protection, civil liability cover, workers compensation, journey insurance, personal accident insurance (for officers and volunteers) as well as income protection (provided to and paid for by Depot employees).

This report focuses on two products:

1. Asset cover (Property, machinery breakdown, motor vehicle, cyber security and data protection, computer and electronic equipment, crime protection) provided by Local Government Association Asset Mutual Fund (LGAAMF); and
2. Public liability cover provided by the Local Government Association Mutual Liability Scheme (LGAMLS) for all sums which the Member shall be legally liable to pay to third parties by reason of Civil Liabilities arising from and in connection with the Local Government business. Protection is unlimited (subject to the terms of the SA Government Treasurer's Indemnity).

Claims for workers compensation is reported through Work Health and Safety (WHS) reporting and claims submitted under the remaining insurance products are more of a personal nature and not necessarily related to the operations of Council and are therefore not included in this report.

Report

Contributions

The Local Government Asset Mutual Liability Scheme (LGAMLS) Member questionnaire for the 2024-25 financial year had a focus on obtaining COPE (Construction Occupancy Protection Exposure) information regarding our building assets to assist the scheme when tendering for cover with insurance providers.

Along with completing the questionnaire, the Finance team worked with LGRS to review Council's Asset Schedule for 2024-25 insurance renewal. Overall costs for asset protection insurance have increased by 2.8% from \$415,745 to \$427,336. This relatively small increase follows a 21% rise in insurance premiums in 2022-23 when Council's building assets were revalued. An amount of approximately \$90,000 will be on-charged to lessees as part of their lease agreements with Council.

The Local Government Association Mutual Liability Scheme (LGAMLS) contributions have increased by 5% from \$376,506 to \$395,331.

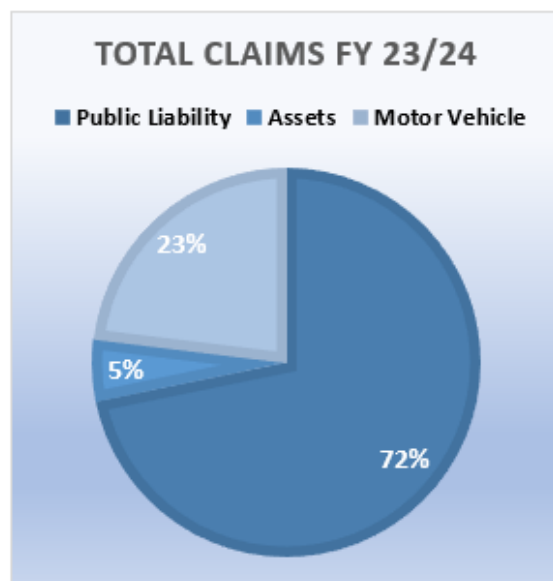
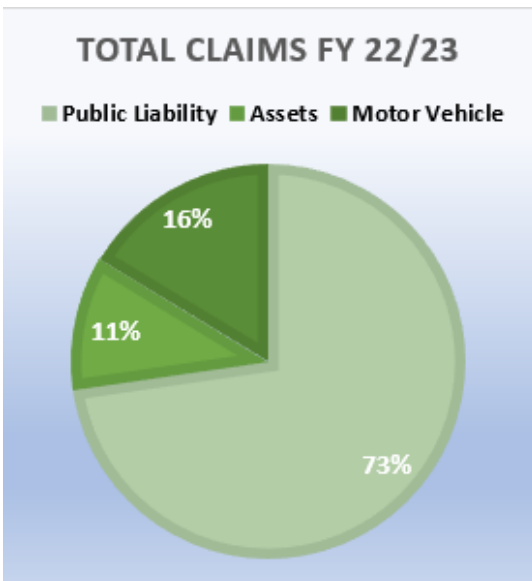
Claims

During 2023-24 there were 78 claims. The majority of these (56) related to public liability, which were all denied except for 2. The scheme manages and provides legal support for claims, including responding to claimants.

Overall Claims increased from 55 to 78 with Public Liability Claims increasing by 16 (40%) and motor vehicle claims increasing by 9 (50%). Other asset claims reduced by 2 (-33%). Though there were less claims for damaged assets last year the claim amount was higher. This was due to significant accidental damage caused to the verandah at the Holdfast Bay Community Centre.

Below is a summary of claims by type over the past two financial years.

Claim Type	FY 2022-2023				FY 2023-2024			
	Total Claims	%	Claims Value	Total Cost to CHB	Total Claims	%	Claims Value	Total Cost to CHB
Public Liability	40	73%	\$ 3,816	\$ 872	56	72%	\$ 2,815	\$ 2,815
Assets	6	11%	\$ 20,169	\$ 10,000	4	5%	\$ 74,005	\$ 9,821
Motor Vehicle	9	16%	\$ 14,030	\$ 4,397	18	23%	\$ 35,422	\$ 7,895
TOTAL	55		\$ 38,015	\$ 15,269	78		\$ 109,427	\$ 20,531



Budget

A budget of \$728,000 was allocated in 2024/25 for the insurance of Council-owned assets and public liability cover.

Life Cycle Costs

Not applicable

Strategic Plan

Not applicable

Council Policy

Not applicable

Statutory Provisions

Not applicable

Written By: Financial Accountant Lead

General Manager: Strategy and Corporate, Ms S Wachtel

Item No: 8.7

Subject: REVALUATION OF ROAD AND KERBING ASSETS AS AT 1 JULY 2023

Summary

To update the Audit and Risk Committee on the outcome of the 2023-24 desktop Asset Revaluation for the Council's Road and Kerb assets.

Recommendation

That the Audit and Risk Committee advises Council it has received and noted the report from Private Public Property on the revaluation of the 2023-24 Road and Kerb assets.

Background

Council's Asset Accounting policy, in line with Australian Accounting Standards requires all material asset classes to be revalued on a regular basis to ensure carrying values are not materially different from fair value. Generally accepted accounting practice is for this to occur at least once every five years.

Report

2023-24 External Valuation

The last valuation of Council's Road and Kerb assets was completed on 30 June 2019 so it was imperative that a valuation be carried out for the preparation of the 2023-24 financial statements. Private Public Property were appointed to complete a desktop revaluation of the Road and Kerb assets as at 1 July 2023 based on the consumption of the existing assets. The scope included a review of unit rates and assessment of Councils economic useful lives to determine the fair value of the assets and associated depreciation charges.

Refer Attachment 1

This desktop valuation is an interim measure as subsequently Council engaged Sprouitt Pty Ltd to undertake a condition audit of all transport related assets including roads and kerbing. A whole transport asset revaluation incorporating this new condition audit data will then be completed in financial year 2024-25.

As the valuation results will affect the financial position of Council it is timely for the Audit Committee to review the impact prior to the presentation of the Annual Financial Statements at the next Audit Committee meeting.

The financial impact from the Road and Kerb valuation is provided in the table below. The fair value of the Road and Kerb assets has increased by 20% and the annual deprecation charge has increased by 22%. The significant increase has been driven by the increased unit rates from inflation and market costs pressures since the last revaluation in June 2019.

Asset Class	Replacement Cost	Accumulated Depreciation	Fair Value	Annual Depreciation
Pre-Valuation 1 July 2023				
Sealed and Unsealed Roads	129,345,998	46,281,513	83,064,485	1,549,590
Kerbs and Kerb Spoon Drains	72,342,289	21,951,300	50,390,990	729,958
Total	201,688,287	68,232,813	133,455,474	2,279,548
Revaluation 1 July 2023				
Sealed and Unsealed Roads	173,411,014	66,924,202	106,486,812	1,968,897
Kerbs and Kerb Spoon Drains	78,801,713	24,718,797	54,082,916	800,997
Total	252,212,727	91,642,999	160,569,728	2,769,894
Movement				
Sealed and Unsealed Roads	44,065,016	20,642,689	23,422,327	419,307
Kerbs and Kerb Spoon Drains	6,459,424	2,767,497	3,691,926	71,039
Total \$	50,524,440	23,410,186	27,114,253	490,346
Total %	25%	34%	20%	22%

Refer Attachment 2

Budget

The 2023-24 annual depreciation charge for the Road and Kerb assets will remain in line with the adopted budget. Council adjusted for the impact of the increased depreciation in the 2023-24 third quarter budget review. An allowance for this increase was also made when preparing the 2024-25 budget.

Life Cycle Costs

The nature and content of this report is such that life cycle costs are not applicable.

Strategic Plan

Statutory compliance

Council Policy

Asset Accounting Policy

Annual Financial Statements – Note 1 – Significant Accounting Policies – 5.2 *Materiality*, 5.3 *Subsequent Recognition*

Statutory Provisions

AASB 116 Property, Plant and Equipment

AASB 13 Fair Value Measurement

Local Government Act 1999

Written By: Management Accountant Lead

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

City of Holdfast Bay

Road and Kerb Assets

1 July 2023

Desktop Revaluation Methodology

January 2024

Contents

1	Introduction	1
2	Road and Kerb Asset Registers	1
3	Valuation Methodology	1
4	Road and Kerb Asset Register Summary.....	2
5	Unit Rates and Standard Useful Lives	2
6	Draft Valuation Summary	3
7	Independent Valuation Requirements.....	3
8	Attachments.....	3

1 Introduction

The City of Holdfast Bay (Council) is a local government area situated in the south-western coastal suburbs of Adelaide approximately 12km from the Adelaide CBD. The council area is approximately 14km². Council provides a number of important services to the community and in order to provide these services, council own and manage a portfolio of assets including a transport asset class with over 18,000 assets. Council is currently undertaking a condition audit of roads, kerb, footpaths and kerb ramps and this data will be available in 2024 to undertake renewal planning and a revaluation of the whole transport asset class. However, the Road and Kerb asset categories are due for revaluation by 30 June 2024, so it has been determined to develop an interim desktop revaluation of these asset categories as of 1 July 2023 to satisfy timeframe requirements. The whole transport asset class will then be revalued as of 1 July 2024 using the condition audit data.

2 Road and Kerb Asset Registers

The road and kerb asset registers that are the basis of this revaluation include assets that are up to date as of 1 July 2023 and therefore include capital works undertaken during the 2022-23 financial year. A clean up of the existing asset registers including spatial data clean up has also been undertaken. This asset clean up was undertaken prior to commencing the road and kerb condition audit. New assets have been identified, kerb assets have been digitised correctly so that kerb lines do not cross the roads, spoon drains have been identified and roundabout road surface and pavement assets have been identified as separate componentised assets.

3 Valuation Methodology

This road and kerb asset valuation is being undertaken as an interim desktop revaluation as of 1 July 2023. The plan is to incorporate the condition audit data from the audit that is currently being undertaken into an updated Transport valuation next year. The next valuation will be as of 1 July 2024 however this desktop valuation is required to satisfy the requirement for revaluation every five years.

This valuation is based on the following inputs:

- A road and kerb asset register that is up to date as of 1 July 2023 including asset data clean up that has been completed recently for use in a condition audit.
- Asset quantities are based on GIS lengths and recorded widths. Road assets are being valued by area (\$/m²) and kerb assets are being valued by length (\$/m)
- The accumulated depreciation of each asset is based on the closing depreciation of each asset as a percentage of the closing asset cost (consumption score) of each asset as of 30 June 2023 as provided by Finance.
- Where an asset has not been previously commissioned or there is not sufficient data to provide a consumption score the following consumption scores have been assumed:
 - Road and kerb assets that have been fully consumed have been adjusted to 95% consumed as they are still in service
 - Roundabout seal assets that have been newly created as part of the data clean up have been assigned a consumption score of 50%
 - Newly identified unsealed laneway surface assets have been assigned a consumption score of 50%
 - Roundabout pavement and road pavement assets created as part of the data clean up have been assigned a consumption score of 35%.

- Roundabout sub base and road sub base assets created as part of the data clean up have been assigned a consumption score of 20%.
- Non commissioned kerb assets have been assigned a consumption score of either 50% if their asset ID appears to be an older asset or 25% if their asset ID indicates a newer asset.
- Non commissioned and newly created spoon drain assets have been assigned a consumption score of 50%
- The annual depreciation of each asset is based on standard useful lives of each asset type which has been determined from current standard useful lives and through comparison with similar surrounding councils.

4 Road and Kerb Asset Register Summary

The City of Holdfast Bay's Road and Kerb asset register is summarised below.

Asset Category	Number of Assets	Length (km)	Area (m ²)
Road Seal	1,331	179	1,534,334
Unsealed Road Surface	5	0.28	876
Road Pavement	1,335	180	1,539,671
Road Sub Base	1,334	180	1,543,047
Kerb	2,819	379	NA
Kerb Spoon Drain	423	12	NA

5 Unit Rates and Standard Useful Lives

The following unit rates for the current replacement cost and the standard useful lives of assets are required to complete the development of this desktop revaluation. The dummy rates and lives are currently highlighted yellow in the *Input – Unit Rates & Lives* tab of the valuation spreadsheet.

Road and Kerb Unit Rates as of 1 July 2023

Asset Category	Asset Type	Unit Rate (\$)	Unit of Measure	Standard Useful Life (years)
Road Seal	Bitumen Road Surface		m ²	35
Road Seal	Concrete Block Road Surface		m ²	35
Road Seal	Spray Seal Road Surface		m ²	35
Road Surface	Unsealed Road Surface		m ²	15
Road Pavement	Laneway Pavement		m ²	150
Road Pavement	Roundabout Pavement		m ²	150
Road Pavement	Sealed Road Pavement		m ²	150
Road Pavement	Unsealed Lane Pavement		m ²	150
Sub Base	Road Sub Base		m ²	300
Kerb	Concrete Median Kerb		m	100

Asset Category	Asset Type	Unit Rate (\$)	Unit of Measure	Standard Useful Life (years)
Kerb	Concrete Rollover Kerb		m	100
Kerb	Concrete Upright Kerb		m	100
Kerb	Concrete Valley Kerb		m	100
Kerb	Bitumen Gutter Only		m	100
Kerb	Concrete Gutter Only		m	100
Kerb Spoon Drain	Concrete Spoon Drain		m	70

6 Draft Valuation Summary

Once the unit rates and standard useful lives have been developed for the 16 asset types identified in the table above the valuation data will automatically update in the **Output – Valuation Summary** tab of the spreadsheet.

Type	Current Replacement Cost	Accumulated Depreciation	Written Down Value	Annual Depreciation Forecast
Road Seal				
Unsealed Road Surface				
Road Pavement				
Road Sub Base				
Kerb				
Kerb Spoon Drain				
Total				

7 Independent Valuation Requirements

Council requests that the following elements of this desktop revaluation be reviewed and developed by an independent valuer.

- Review of the revaluation methodology and assumptions adopted to complete the valuation
- Develop the unit rates and useful lives to be assigned to the 16 asset types
- Provision of an updated and endorsed desktop revaluation of Council's Road and Kerb assets as of 1 July 2023.

8 Attachments

- Road and Kerb Asset Valuation as of 1 July 2023_V1 spreadsheet
 - 6 green tabs with the asset data for the current In Use assets being valued
 - 2 grey tabs with Book Value financial data as of 30 June 2023 for Kerbs and Roads
 - 2 blue tabs including an **Input - Unit Rates & Lives** tab and an **Output – Valuation Summary** tab

Attachment 2

PUBLIC

PRIVATE

PROPERTY

INFRASTRUCTURE AND PUBLIC SECTOR VALUATION SPECIALISTS

Desktop Revaluation for Financial Reporting Purposes

AASB 116 Property, Plant and Equipment

AASB 13 Fair Value Measurement

Sealed and Unsealed Roads

As at 1 July 2023

City of Holdfast Bay

10 July 2024



PUBLIC PRIVATE PROPERTY PTY LTD ABN 99 616 987 896 LEVEL 1, 89 PIRIE ST ADELAIDE SA 5000
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City of Holdfast Bay

Desktop Revaluation for Financial Reporting Purposes

Sealed and Unsealed Roads as at 1 July 2023

Instructions	The valuations prepared herein are in response to instructions received from Rachel Childs, Management Accountant Lead, City of Holdfast Bay.
Accounting Standards	AASB 116 Property, Plant and Equipment AASB 13 Fair Value Measurement
Asset Class (Non-Current)	Sealed Roads (Sub-Base, Road Pavement and Seal) Unsealed Roads (Road Surface)
Valuation Basis	The basis of valuation as prescribed in AASB 116 Property, Plant and Equipment is Fair Value. AASB 13 defines Fair Value as follows: <i>The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.</i>
Project Scope	The objective of Australian Accounting Standard AASB 116 is to prescribe accounting treatment for <i>property, plant and equipment</i> so that users of the financial statements can discern information about an entity's investment in its property, plant and equipment and the changes in such investment. Specifically, we are instructed to determine Fair Value and depreciation charges associated with the nominated class of assets for use in Council's general purpose financial statements.
Date of Valuation	1 July 2023
Asset Overview	The assets that are the subject of this report consist of sealed and unsealed roads throughout Council area. Sealed road types are generally either spray seal or hotmix bitumen. The sealed road network has been revalued at component level as follows: <ul style="list-style-type: none"> ▪ Sub-Base ▪ Road Pavement ▪ Road Seal Asset Register and Fair Value Schedule Attached.
The Asset	When measuring Fair Value an entity shall take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Such characteristics include, for example, the following: <ol style="list-style-type: none"> (a) the condition and location of the asset; and (b) restrictions, if any, on the sale or use of the asset. The asset or liability measured at Fair Value might be either of the following: <ol style="list-style-type: none"> (a) a stand-alone asset: or (b) a group of assets. In this instance, the assets that are the subject of the valuation exhibit attributes requiring they be considered as group of assets (network).

City of Holdfast Bay

Desktop Revaluation for Financial Reporting Purposes

 Sealed and Unsealed Roads as at 1 July 2023

The Transaction	<p>AASB 13 discusses the concepts of principal market and most advantageous market. In accordance with these concepts, a market transaction takes place either:</p> <p>(a) In the principal market for the asset: or</p> <p>(b) In the absence of a principal market, the most advantageous market.</p> <p>Note: Although an entity must be able to access the market, the entity does not need to be able to sell the particular asset or transfer the particular liability on the measurement date to be able to measure fair value on the basis of the price in that market.</p> <p>Even when there is no observable market to provide pricing information about the sale of an asset or the transfer of a liability at the measurement date, a Fair Value measurement shall assume that a transaction takes place at that date, considered from the perspective of a market participant that holds the asset or owes the liability. The assumed transaction establishes a basis for estimating the price to sell the asset or transfer the liability.</p> <p>In this instance, the assets that are the subject of this report are situated on land with certain restrictions on sale and use which preclude them from the principal market. On this basis, it is assumed that the hypothetical transfer of the assets take place in 'the most advantageous market'. Such assets have been valued utilising the cost approach.</p>
The Price	<p>The price in the principal (or most advantageous) market used to measure the Fair Value of the asset or liability shall not be adjusted for transaction costs. Transaction costs shall be accounted for in accordance with other Australian Accounting Standards. Transaction costs are not a characteristic of an asset or a liability; rather, they are specific to a transaction and will differ depending on how an entity enters into a transaction for the asset or liability.</p> <p>Transaction costs do not include transport costs. If location is a characteristic of the asset (as might be the case, for example, for a commodity), the price in the principal (or most advantageous) market shall be adjusted for the costs, if any, that would be incurred to transport the asset from its current location to that market.</p>
Highest and Best Use	<p>Fair Value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.</p> <p>The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible.</p> <p>Highest and best use is determined from the perspective of market participants, even if the entity intends a different use. However, an entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.</p>

City of Holdfast Bay

Desktop Revaluation for Financial Reporting Purposes

Sealed and Unsealed Roads as at 1 July 2023

<p>Valuation Approach</p>	<p>AASB 13 endorses the following valuation techniques in the measurement of Fair Value:</p> <ul style="list-style-type: none"> • Market Approach • Cost Approach • Income Approach <p>In this instance, the assets that are the subject of revaluation are specialised assets possessing the following attribute(s):</p> <ol style="list-style-type: none"> 1. Public sector assets with no alternative use. <p>In the case of specialised assets, the valuer has adopted the Cost Approach in undertaking the revaluation. Cost Approach is described in AASB 13 as follows:</p> <p><i>A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).</i></p> <p>More particularly, the Fair Value of the assets that are the subject of this report have been determined with reference to their depreciated replacement cost (or written down current cost) which may be described as follows:</p> <p><i>The lower of replacement cost or reproduction cost, less accumulated depreciation.</i></p>
<p>Depreciation</p>	<p>AASB 116 specifies – <i>each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.</i></p> <p>The above requirement may be achieved through asset 'componentisation'. In this instance the level of componentisation has been agreed in consultation with Council. Further details regarding the adopted level of asset componentisation are contained within the attached Asset Register and Fair Value Schedule.</p>
<p>Depreciation Method</p>	<p>AASB 116 specifies – the depreciation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity.</p> <p>Council utilises the straight-line method of depreciation to systematically allocate the depreciable amount of infrastructure assets. The straight-line method of depreciation may be described as follows:</p> <p><i>The allocation of the cost of consumption of an asset equally per period over its useful life.</i></p>
<p>Useful Life</p>	<p>In the case of infrastructure assets, useful life is defined as the period over which an asset is expected to be available for use by the entity.</p> <p>In this instance, the valuer has adopted the asset useful lives in consultation with Council as specified in the attached Asset Register and Fair Value Schedule.</p>
<p>Remaining Life</p>	<p>The remaining life of the assets and/or asset components are a function of asset condition and useful life. As this valuation was undertaken on a desktop basis, remaining life calculations are based on a condition/consumption score provided by Council.</p>

City of Holdfast Bay

Desktop Revaluation for Financial Reporting Purposes

 Sealed and Unsealed Roads as at 1 July 2023

Residual Values	<p>AASB 116 defines residual value as <i>'the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life'</i>.</p> <p>Residual values are deemed not to apply to the assets that are the subject of this revaluation.</p>	
Fair Value Hierarchy	<p>To increase consistency and comparability in Fair Value measurement, AASB 13 establishes a Fair Value hierarchy that categorises into three levels the inputs to valuation techniques used to measure Fair Value. The Fair Value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs) as further defined hereunder:</p>	
	Level 1	<p>Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.</p>
	Level 2	<p>Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.</p>
	Level 3	<p>Unobservable inputs for the asset or liability. Unobservable inputs shall be used to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.</p>
	<p>The characteristics of assets held by the various tiers of Government generally preclude the availability of observable input data for identical assets. They are often unique and not traded on a regular basis. Fair Value measurements are determined from Level 2 or Level 3 inputs.</p> <p>The decision to classify a Fair Value measurement at a particular level will depend upon the individual facts and circumstances of the asset under consideration. For example, sale prices of similar assets in active markets would be considered Level 2 inputs. Where significant professional judgements are made to market evidence or where other significant assumptions are unobservable, the Fair Value measurement would be categorised as a Level 3 measurement. In this instance, the valuer has classified the assessments of Fair Value within the context of the Fair Value Hierarchy as follows:</p> <p>Cost Approach Valuations – Level 3 inputs</p>	

City of Holdfast Bay

Desktop Revaluation for Financial Reporting Purposes


Sealed and Unsealed Roads as at 1 July 2023

Disclaimer	<p>We have utilised the following defined terms in this disclaimer:</p> <p>“PPP” means Public Private Property Pty Ltd.</p> <p>“Valuer” means Andrea Carolan.</p> <p>“Client” means the City of Holdfast Bay.</p> <p>“Property” means Council Roads as detailed in attached asset register.</p> <p>1. General</p> <p>1.1 This valuation is current as at the date of valuation only and can only be regarded as representing PPP’s opinion as at that date. The valuation may change significantly and unexpectedly over a short period of time due to changes in market conditions and circumstances. PPP does not accept any liability for loss or damage arising from any change in conditions or circumstances that affect value after the date of valuation.</p> <p>1.2 This valuation has been prepared only for the use of the Client and only for the purposes of the application of Financial Reporting pursuant to Australian Accounting Standards AASB 116 Property, Plant and Equipment and AASB 13 Fair Value Measurement. This valuation should not be relied upon by the Client for any other purpose.</p> <p>1.3 This valuation has not been prepared for mortgage finance purposes and PPP does not accept any liability to any third party who may use or rely on this valuation.</p> <p>1.4 The terms of this valuation are private and confidential and should not be provided by the Client to any third party without the prior written consent of PPP.</p> <p>1.5 PPP warrants that:</p> <p>1.5.1 the Valuer holds the required qualifications to lawfully practice as a valuer; and</p> <p>1.5.2 neither PPP nor the Valuer has a pecuniary interest that could conflict with the proper valuation of the Property.</p> <p>1.6 This valuation is not intended to constitute financial advice and we confirm that neither PPP nor the Valuer is licensed to provide financial advice under the Corporations Act 2001 (Cth).</p> <p>2. Qualifications and assumptions</p> <p>2.1 Unless explicitly stated elsewhere in this valuation, in preparing this valuation PPP has made the following assumptions regarding the Property.</p> <p>2.1.1 Full and frank disclosure: The valuation has been prepared on the assumption that full and frank disclosure of all information and facts relevant to the value of the Property have been disclosed to PPP.</p> <p>2.1.2 Environmental:</p>
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City of Holdfast Bay

Desktop Revaluation for Financial Reporting Purposes

Sealed and Unsealed Roads as at 1 July 2023

	<p>2.1.2.1 Contamination: PPP has not undertaken an environmental audit of the Property. PPP has undertaken the following steps to determine if there are any obvious signs of contamination of the Property:</p> <ul style="list-style-type: none"> • site inspection; • review of historical use of the Property; <p>The valuation has been prepared on the basis that the soil and groundwater are not contaminated.</p> <p>2.1.2.2 The Property is free from any other adverse environmental issues (including without limitation susceptibility to potential flooding or landslides);</p> <p>The Client will promptly advise PPP if any of the above assumptions is incorrect. PPP reserves the right to review and if required, review its valuation if any of the assumptions is incorrect.</p>																														
Relevant Dates	<table> <tr> <td>Date of Valuation</td> <td>1 July 2023</td> </tr> <tr> <td>Date of Report</td> <td>10 July 2024</td> </tr> <tr> <td>Date of Inspection</td> <td>Desktop only</td> </tr> </table>	Date of Valuation	1 July 2023	Date of Report	10 July 2024	Date of Inspection	Desktop only																								
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Certifying Valuer	<p>Andrea Carolan FAPI Certified Practising Valuer API No: 63983</p> 																														
Attachment	Asset Register and Fair Value Schedule																														

PUBLIC

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PROPERTY

INFRASTRUCTURE AND PUBLIC SECTOR VALUATION SPECIALISTS

Desktop Revaluation for Financial Reporting Purposes

AASB 116 Property, Plant and Equipment

AASB 13 Fair Value Measurement

Kerbs and Kerb Spoon Drains

As at 1 July 2023

City of Holdfast Bay

10 July 2024



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City of Holdfast Bay

Desktop Revaluation for Financial Reporting Purposes

Kerbs and Kerb Spoon Drains as at 1 July 2023

Instructions	The valuations prepared herein are in response to instructions received from Rachel Childs, Management Accountant Lead, City of Holdfast Bay.
Accounting Standards	AASB 116 Property, Plant and Equipment AASB 13 Fair Value Measurement
Asset Class (Non-Current)	Kerbs and Kerb Spoon Drains
Valuation Basis	The basis of valuation as prescribed in AASB 116 Property, Plant and Equipment is Fair Value. AASB 13 defines Fair Value as follows: <i>The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.</i>
Project Scope	The objective of Australian Accounting Standard AASB 116 is to prescribe accounting treatment for <i>property, plant and equipment</i> so that users of the financial statements can discern information about an entity's investment in its property, plant and equipment and the changes in such investment. Specifically, we are instructed to determine Fair Value and depreciation charges associated with the nominated class of assets for use in Council's general purpose financial statements.
Date of Valuation	1 July 2023
Asset Overview	The assets that are the subject of this report consist of kerbs and kerb spoon drains forming part of the City of Holdfast Bay's network of roads and stormwater drainage infrastructure. Asset Register and Fair Value Schedule included as an Attachment .
The Asset	When measuring Fair Value an entity shall take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Such characteristics include, for example, the following: (a) the condition and location of the asset; and (b) restrictions, if any, on the sale or use of the asset. The asset or liability measured at Fair Value might be either of the following: (a) a stand-alone asset: or (b) a group of assets. In this instance, the assets that are the subject of the valuation exhibit attributes requiring they be considered as group of assets (network).

City of Holdfast Bay

Desktop Revaluation for Financial Reporting Purposes

 Kerbs and Kerb Spoon Drains as at 1 July 2023

The Transaction	<p>AASB 13 discusses the concepts of principal market and most advantageous market. In accordance with these concepts, a market transaction takes place either:</p> <p>(a) In the principal market for the asset: or</p> <p>(b) In the absence of a principal market, the most advantageous market.</p> <p>Note: Although an entity must be able to access the market, the entity does not need to be able to sell the particular asset or transfer the particular liability on the measurement date to be able to measure fair value on the basis of the price in that market.</p> <p>Even when there is no observable market to provide pricing information about the sale of an asset or the transfer of a liability at the measurement date, a Fair Value measurement shall assume that a transaction takes place at that date, considered from the perspective of a market participant that holds the asset or owes the liability. The assumed transaction establishes a basis for estimating the price to sell the asset or transfer the liability.</p> <p>In this instance, the assets that are the subject of this report are situated on land with certain restrictions on sale and use which preclude them from the principal market. On this basis, it is assumed that the hypothetical transfer of the assets take place in 'the most advantageous market'. Such assets have been valued utilising the cost approach.</p>
The Price	<p>The price in the principal (or most advantageous) market used to measure the Fair Value of the asset or liability shall not be adjusted for transaction costs. Transaction costs shall be accounted for in accordance with other Australian Accounting Standards. Transaction costs are not a characteristic of an asset or a liability; rather, they are specific to a transaction and will differ depending on how an entity enters into a transaction for the asset or liability.</p> <p>Transaction costs do not include transport costs. If location is a characteristic of the asset (as might be the case, for example, for a commodity), the price in the principal (or most advantageous) market shall be adjusted for the costs, if any, that would be incurred to transport the asset from its current location to that market.</p>
Highest and Best Use	<p>Fair Value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.</p> <p>The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible.</p> <p>Highest and best use is determined from the perspective of market participants, even if the entity intends a different use. However, an entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.</p>

City of Holdfast Bay

Desktop Revaluation for Financial Reporting Purposes

Kerbs and Kerb Spoon Drains as at 1 July 2023

<p>Valuation Approach</p>	<p>AASB 13 endorses the following valuation techniques in the measurement of Fair Value:</p> <ul style="list-style-type: none"> • Market Approach • Cost Approach • Income Approach <p>In this instance, the assets that are the subject of revaluation are specialised assets possessing the following attribute(s):</p> <ol style="list-style-type: none"> 1. Public sector assets with no alternative use. <p>In the case of specialised assets, the valuer has adopted the Cost Approach in undertaking the revaluation. Cost Approach is described in AASB 13 as follows:</p> <p><i>A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).</i></p> <p>More particularly, the Fair Value of the assets that are the subject of this report have been determined with reference to their depreciated replacement cost (or written down current cost) which may be described as follows:</p> <p><i>The lower of replacement cost or reproduction cost, less accumulated depreciation.</i></p>
<p>Depreciation</p>	<p>AASB 116 specifies – <i>each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.</i></p> <p>The above requirement may be achieved through asset 'componentisation'. In this instance the level of componentisation has been agreed in consultation with Council. Further details regarding the level of asset componentisation adopted herein is contained within the attached Asset Register and Fair Value Schedule.</p>
<p>Depreciation Method</p>	<p>AASB 116 specifies – the depreciation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity.</p> <p>Council utilises the straight-line method of depreciation to systematically allocate the depreciable amount of infrastructure assets. The straight-line method of depreciation may be described as follows:</p> <p><i>The allocation of the cost of consumption of an asset equally per period over its useful life.</i></p>
<p>Useful Life</p>	<p>In the case of infrastructure assets, useful life is defined as the period over which an asset is expected to be available for use by the entity.</p> <p>In this instance, the valuer has adopted the asset useful lives in consultation with Council as specified in the attached Asset Register and Fair Value Schedule.</p>
<p>Remaining Life</p>	<p>The remaining life of the assets and/or asset components are a function of asset condition and useful life. As this valuation was undertaken on a desktop basis, remaining life calculations are based on a condition/consumption score provided by Council.</p>

City of Holdfast Bay

Desktop Revaluation for Financial Reporting Purposes

Kerbs and Kerb Spoon Drains as at 1 July 2023

Residual Values	<p>AASB 116 defines residual value as <i>'the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life'</i>.</p> <p>Residual values are deemed not to apply to the assets that are the subject of this revaluation.</p>	
Fair Value Hierarchy	<p>To increase consistency and comparability in Fair Value measurement, AASB 13 establishes a Fair Value hierarchy that categorises into three levels the inputs to valuation techniques used to measure Fair Value. The Fair Value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs) as further defined hereunder:</p>	
	Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
	Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
	Level 3	Unobservable inputs for the asset or liability. Unobservable inputs shall be used to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.
	<p>The characteristics of assets held by the various tiers of Government generally preclude the availability of observable input data for identical assets. They are often unique and not traded on a regular basis. Fair Value measurements are determined from Level 2 or Level 3 inputs.</p> <p>The decision to classify a Fair Value measurement at a particular level will depend upon the individual facts and circumstances of the asset under consideration. For example, sale prices of similar assets in active markets would be considered Level 2 inputs. Where significant professional judgements are made to market evidence or where other significant assumptions are unobservable, the Fair Value measurement would be categorised as a Level 3 measurement. In this instance, the valuer has classified the assessments of Fair Value within the context of the Fair Value Hierarchy as follows:</p> <p>Cost Approach Valuations – Level 3 inputs</p>	

City of Holdfast Bay


Desktop Revaluation for Financial Reporting Purposes

Kerbs and Kerb Spoon Drains as at 1 July 2023

Disclaimer	<p>We have utilised the following defined terms in this disclaimer:</p> <p>“PPP” means Public Private Property Pty Ltd.</p> <p>“Valuer” means Andrea Carolan.</p> <p>“Client” means the City of Holdfast Bay.</p> <p>“Property” means Council Kerbs and Kerb Spoon Drains in attached asset register.</p> <p>1. General</p> <p>1.1 This valuation is current as at the date of valuation only and can only be regarded as representing PPP’s opinion as at that date. The valuation may change significantly and unexpectedly over a short period of time due to changes in market conditions and circumstances. PPP does not accept any liability for loss or damage arising from any change in conditions or circumstances that affect value after the date of valuation.</p> <p>1.2 This valuation has been prepared only for the use of the Client and only for the purposes of the application of Financial Reporting pursuant to Australian Accounting Standards AASB 116 Property, Plant and Equipment and AASB 13 Fair Value Measurement. This valuation should not be relied upon by the Client for any other purpose.</p> <p>1.3 This valuation has not been prepared for mortgage finance purposes and PPP does not accept any liability to any third party who may use or rely on this valuation.</p> <p>1.4 The terms of this valuation are private and confidential and should not be provided by the Client to any third party without the prior written consent of PPP.</p> <p>1.5 PPP warrants that:</p> <p>1.5.1 the Valuer holds the required qualifications to lawfully practice as a valuer; and</p> <p>1.5.2 neither PPP nor the Valuer has a pecuniary interest that could conflict with the proper valuation of the Property.</p> <p>1.6 This valuation is not intended to constitute financial advice and we confirm that neither PPP nor the Valuer is licensed to provide financial advice under the Corporations Act 2001 (Cth).</p> <p>2. Qualifications and assumptions</p> <p>2.1 Unless explicitly stated elsewhere in this valuation, in preparing this valuation PPP has made the following assumptions regarding the Property.</p> <p>2.1.1 Full and frank disclosure: The valuation has been prepared on the assumption that full and frank disclosure of all information and facts relevant to the value of the Property have been disclosed to PPP.</p> <p>2.1.2 Environmental:</p>
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City of Holdfast Bay

Desktop Revaluation for Financial Reporting Purposes
Kerbs and Kerb Spoon Drains as at 1 July 2023

	<p>2.1.2.1 Contamination: PPP has not undertaken an environmental audit of the Property. PPP has undertaken the following steps to determine if there are any obvious signs of contamination of the Property:</p> <ul style="list-style-type: none"> • site inspection; • review of historical use of the Property; <p>The valuation has been prepared on the basis that the soil and groundwater are not contaminated.</p> <p>2.1.2.2 The Property is free from any other adverse environmental issues (including without limitation susceptibility to potential flooding or landslides);</p> <p>The Client will promptly advise PPP if any of the above assumptions is incorrect. PPP reserves the right to review and if required, review its valuation if any of the assumptions is incorrect.</p>																				
Relevant Dates	<p>Date of Valuation 1 July 2023</p> <p>Date of Report 10 July 2024</p> <p>Date of Inspection Desktop only</p>																				
	<table border="1"> <thead> <tr> <th>Asset Type</th> <th>Current Replacement Cost</th> <th>Accumulated Depreciation</th> <th>Annual Depreciation</th> <th>Fair Value 1 July 2023</th> </tr> </thead> <tbody> <tr> <td>Kerbs</td> <td>\$75,783,338</td> <td>\$23,641,575</td> <td>\$757,863</td> <td>\$52,141,763</td> </tr> <tr> <td>Kerb Spoon Drains</td> <td>\$3,018,375</td> <td>\$1,077,222</td> <td>\$43,134</td> <td>\$1,941,153</td> </tr> <tr> <td>Totals</td> <td>\$78,801,713</td> <td>\$24,718,797</td> <td>\$800,997</td> <td>\$54,082,916</td> </tr> </tbody> </table>	Asset Type	Current Replacement Cost	Accumulated Depreciation	Annual Depreciation	Fair Value 1 July 2023	Kerbs	\$75,783,338	\$23,641,575	\$757,863	\$52,141,763	Kerb Spoon Drains	\$3,018,375	\$1,077,222	\$43,134	\$1,941,153	Totals	\$78,801,713	\$24,718,797	\$800,997	\$54,082,916
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Certifying Valuer	<p>Andrea Carolan FAPI Certified Practising Valuer API No: 63983</p> 																				
Attachment	Asset Register and Fair Value Schedule																				

Item No: 8.8

Subject: **2023-24 AUDIT AND RISK COMMITTEE SELF-REVIEW ASSESSMENT**

Summary

The Audit and Risk Committee's Terms of Reference state that the Committee shall at least once a year, review its own performance to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to Council for consideration. A self-review assessment questionnaire was distributed to all Committee Members and council staff who regularly attend Audit and Risk Committee meetings.

This report provides the results of the self-review assessment undertaken by the Committee regarding its performance for the 2023-24 period.

Recommendation

That the Audit and Risk Committee notes the 2023-24 self-review assessment.

Background

Clause 6.1 of the Audit and Risk Committee Terms of Reference, endorsed by Council on 24 October 2023, state the Audit and Risk Committee shall, at least once per year following the adoption of the audited financial statements by Council, review its own performance, terms of reference and provide a report to Council including any recommended changes.

The Committee considered and endorsed a report of its activities at its meeting on 12 June 2024. The report was noted by Council on 25 June 2024.

Also at its meeting on 12 June 2024, the Committee considered a questionnaire to be used for a self-review assessment.

Report

The self-review assessment was undertaken during the period 1 to 22 July 2024. All Members of the Committee (five) and staff who regularly attend meetings (four) completed the assessment.

Refer Attachment 1

Summary of Results

The overall average score was 4.5/5 with the average from staff being higher (4.7/5) than Members (4.4/5).

Based on the scores and comments provided, Administration consider it would be worth discussing the following items:

- Training and Resources
 - receiving relevant training in financial reporting and related legislation; and
 - the opportunity to attend courses and seminars, run by external advisers such as the Local Government Association, the External and Internal Auditors and Lawyers.

Budget

There are no budget implications associated with this report.

Life Cycle Costs

There are no life cycle implications associated with this report.

Strategic Plan

Not applicable

Council Policy

Audit and Risk Committee Terms of Reference

Statutory Provisions

Local Government Act, section 126

Written By: Executive Assistant to the General Manager, Strategy and Corporate

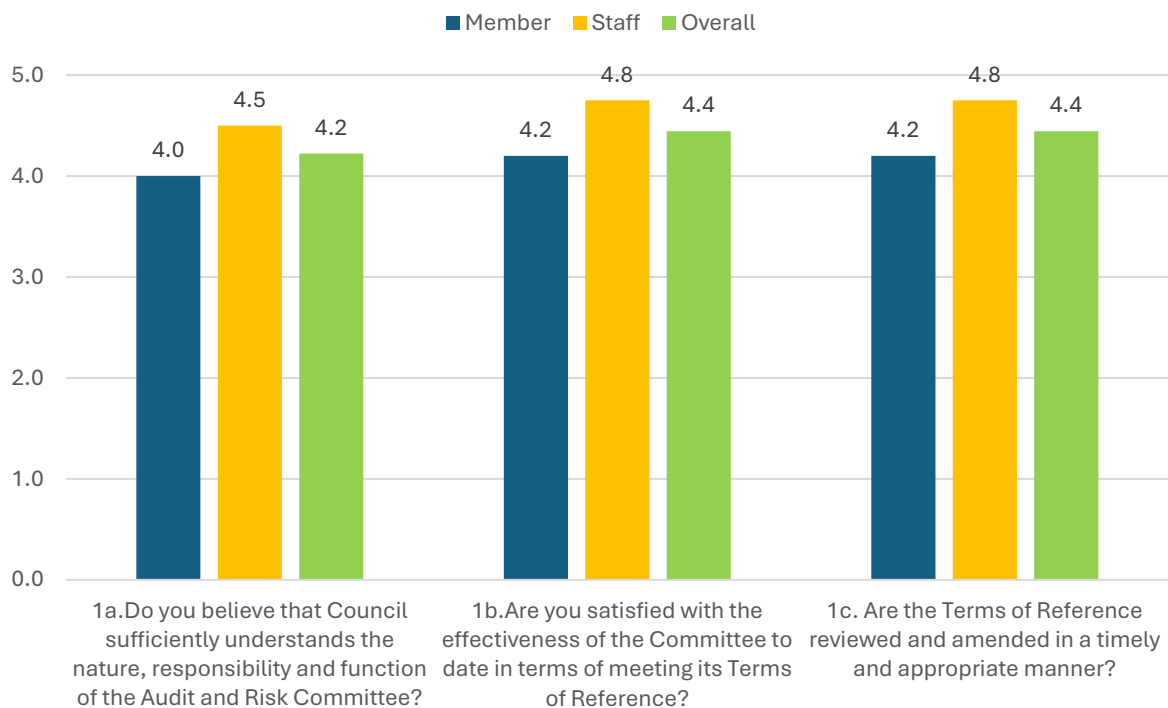
General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

Audit and Risk Committee – Self-review Assessment 2023-24

Results

1. *Terms of Reference*



1a. Comments:

- *EMs are content to leave all financial issues to the Risk and Audit Committee. They seem to have confidence that production of the financials at Council meetings that have been confirmed by the committee really don't need any questioning*
- *The two elected members on the committee seem to understand the topics being discussed and join in with good comments. The Committee's recommendations seem to be accepted by the Council*
- *I think most members of Council understand and appreciate the work the committee does, but the level of understanding will vary among the individual members*
- *Council routinely receives the minutes of the ARC and is therefore up to date with the work of the Committee. It is common for there to be questions or comments arising from the minutes, showing that Council is engaged with the role and work of the ARC.*
- *I believe this is true for most Council members.*

1b. Comments:

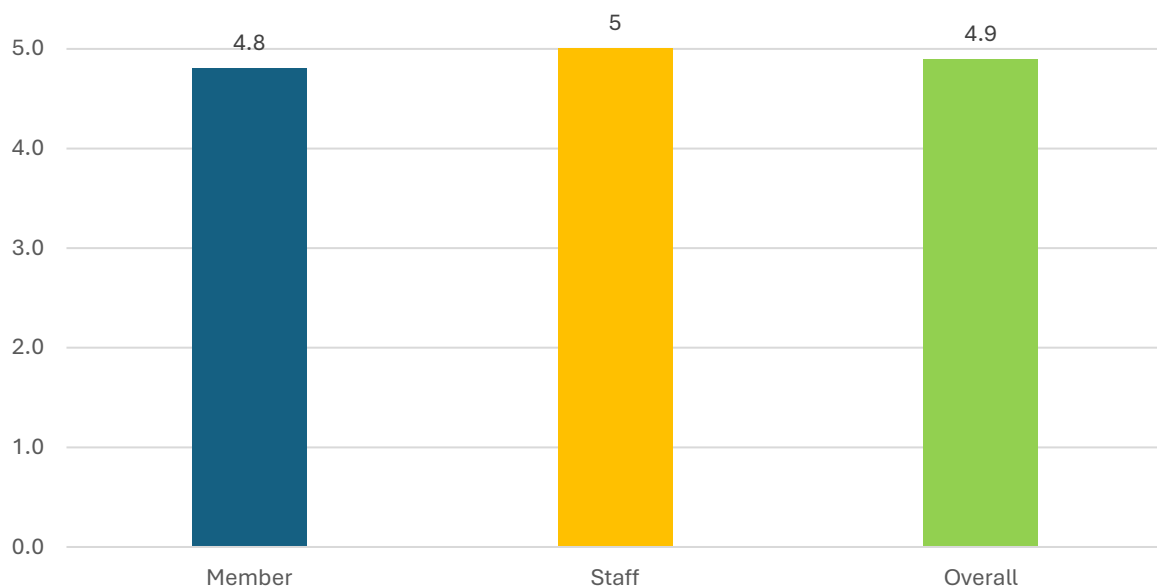
- *The committee has the mix of skills and professionalism to ensure it meets its terms of reference*
- *I have only been on the committee for a year and we appear to be following the Terms of Reference with no issue to date*
- *They engage in the requirements set out in the Terms of Reference from critically reviewing internal audit reports to providing informative recommendations to Council*
- *Yes, the discussion at the ARC is comprehensive, expansive and useful. Independent members are not afraid to challenge or question and add value in doing so. The relationship with ARC, Internal Auditors and admin is respectful, positive and constructive.*

1c. Comments:

- *Yes they are*
- *Reviewed October 2023*
- *This was recently reviewed and updated in October 2023*
- *The Terms of Reference are regularly reviewed and updated.*
- *I believe they are reviewed annually and I think this is sufficient.*

2. Membership and Appointments

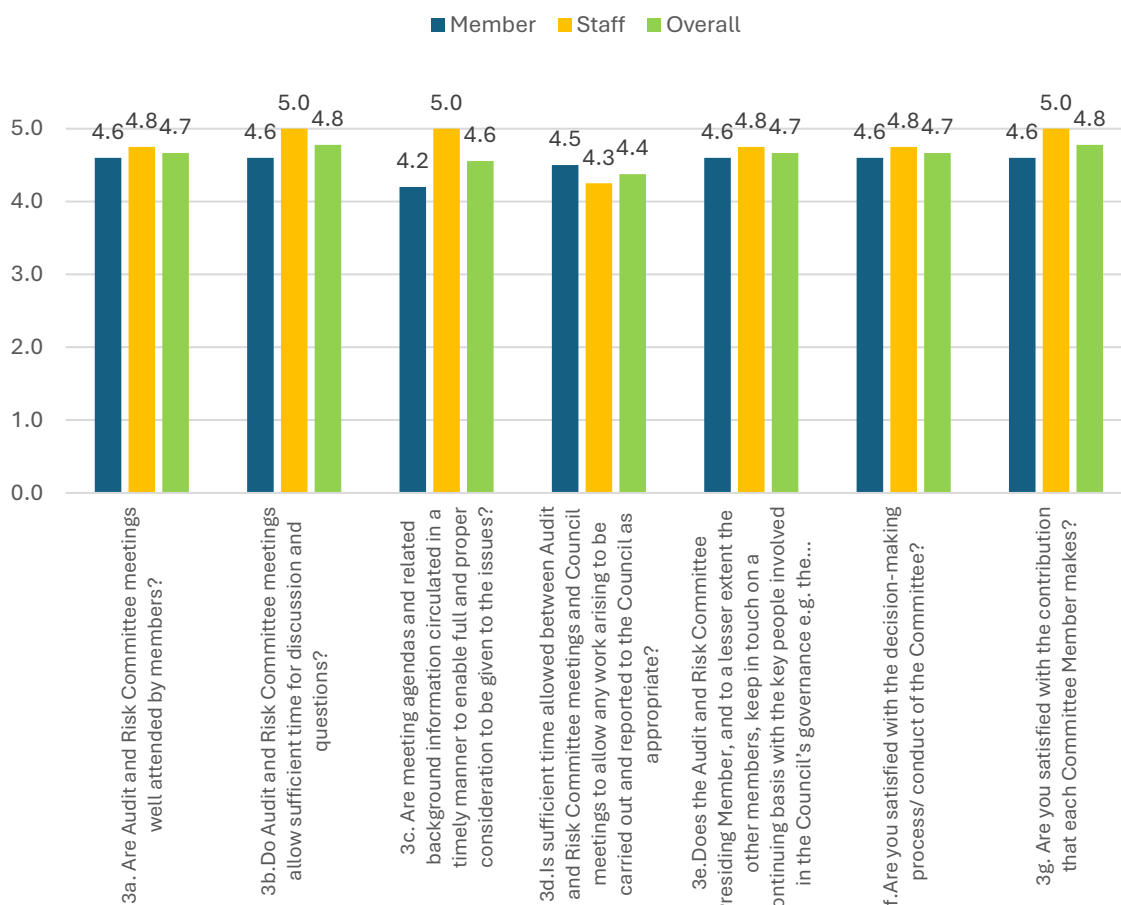
Is the number of independent members appropriate to effectively discharge the responsibilities of the Audit and Risk Committee?



Comments:

- *We have 3 independents*
- *The current balance works. There are enough members to provide different viewpoints and skillsets while small enough to remain efficient*
- *The independent members outnumber Council members and therefore hold balance of power, but the total Committee is still of a size for effective functioning.*
- *I believe three independent members and 2 elected members is the right balance.*

3. Meetings



3a. Comments:

- *We rarely have anyone missing*
- *Nearly always 100% attendance*
- *Yes. Meetings are usually arranged to accommodate individual schedules. Absentees are rare.*
- *Rarely do members miss meetings event extraordinary meetings.*

3b. Comments:

- *We have enough time to ask questions and discuss. I never feel that the meetings are rushed.*
- *As much time as is required*
- *Yes, the Chair is excellent at facilitating questions and discussion. Meetings run for as long as needed.*
- *Most of the time, rare exceptions.*

3c. Comments:

- *Occasional last minute items have been accepted due to urgency, which however also reflects importance, and results in decisions that should have perhaps had time for more reflection. Such items should be kept to a minimum.*
- *Agendas are provided as per legislation and with enough time to read, research and note all material included.*

- *Yes 5 days in advance*
- *Yes, all timeframes for circulating agendas and papers are met.*
- *Yes reports completed and distributed on time and members come to meeting having reviewed them.*

3d. Comments:

- *I am not sure if this is sufficient. I have not asked staff about this.*
- *I assume so*
- *Mostly, though occasionally it can be a tight timeframe due to scheduling*
- *Sometimes legislative timelines create tight schedules, eg, the Annual Business Planning process. All requirements are nevertheless discharged - it just creates pressure on administration.*

3e. Comments:

- *The presiding member is also an elected member. He appears to have a good relationship with the CEO and staff and be aware of the background of information.*
- *I assume so*
- *As the Presiding Member is also an elected member this almost happens by default*
- *Yes, the Chair of the ARC is active in maintaining contact with the Mayor and CEO/Senior Leadership Team.*
- *As the A&R presiding member is an elected member they represent A&R matters at Council and provide regular communication to Mayor and CEO.*

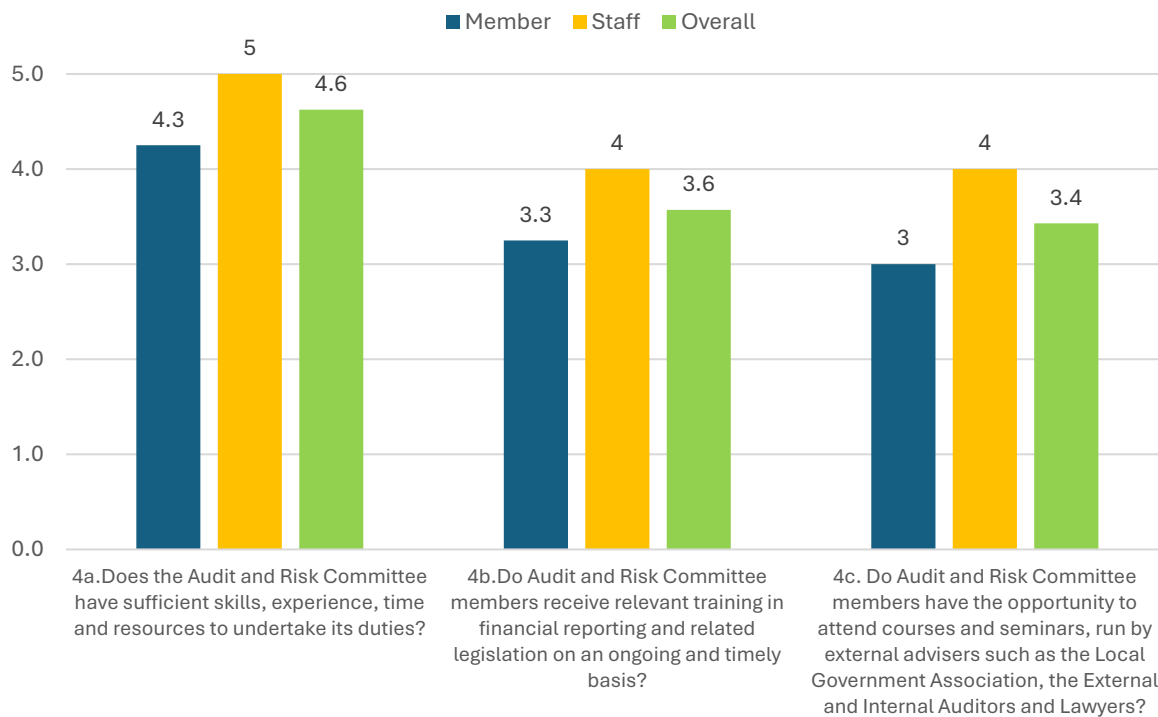
3f. Comments:

- *Yes. We have sufficient time to discuss items. We have enough information and the staff are present to provide any further information or answer questions.*
- *Each member is given an opportunity to express their thoughts and a consensus seems to always be reached amicably*
- *The conduct of the ARC is without fault and all participants are reasoned, reasonable and professional in their decision-making and conduct.*

3g. Comments:

- *Each member makes contributions according to their skillset and experience. All members contribute.*
- *All members contribute equally*
- *The ARC members are all highly proficient and engaged individuals. Meetings are well attended, with good discussion occurring.*
- *All strong contributors and represent a variety of experience and views.*

4. Training and Resources



4a. Comments:

- *I don't know what the skill sets and experiences are of all the members. They all appear to have enough to contribute to discussion. If each member completed a skills matrix each year and that was provided to the committee, we would be able to answer.*
- *There is good pool of experience with some members on other Audit and Risk Committee too.*

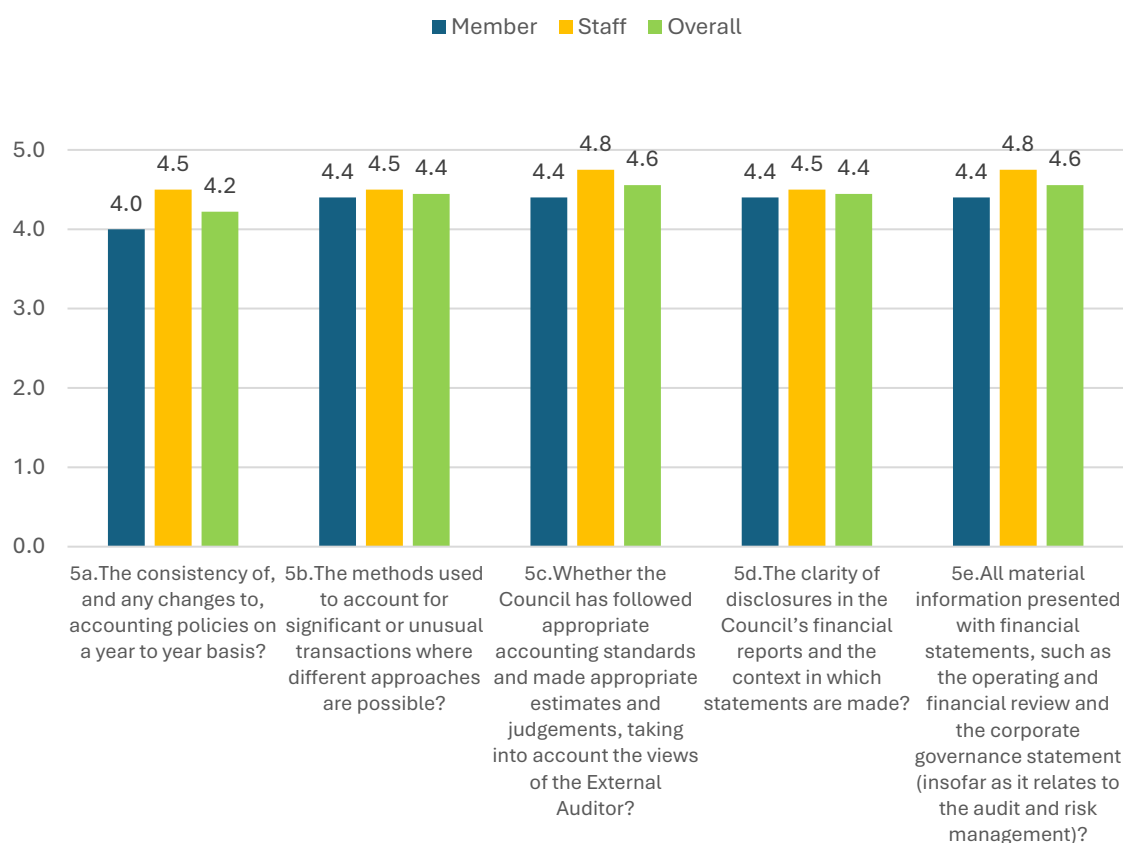
4b. Comments:

- *No proactive training has been offered in my time on the Committee*
- *I have only been on the committee for a year. We have briefings but no particular training to date. there is training available via the LGA. We should discuss this*
- *Probably could have a bit more of that.*
- *I believe training is self-directed?*

4c. Comments:

- *Not proactively offered*
- *I don't know. I believe that we can attend LGA courses. There haven't been any brought to our attention while I have been on the committee. We also don't know what training individual members do themselves.*
- *As above (Probably could have a bit more of that.)*
- *Training hasn't been mentioned.*
- *I am unsure how much of this is facilitated by Council?*
- *The independent members are appointed for their skills and paid a sitting fee and therefore should be managing their development needs.*

5. Financial Reporting



5a. Comments:

- *Not sure if this is referring to Council policies or Accounting Standards. If the former, answer is yes*
- *We review relevant policies*
- *Does not occur often but any changes, such as the recent change to the treatment of library materials, are brought to the committee for their consideration and discussion*

5b. Comments:

- *We review relevant policies, review the Annual Financial Statements and discuss both with staff and discuss aspects of the AFS with the external auditor.*
- *Again, does not occur often but any unusual items are highlighted in either a separate report, or when considering the financial statements*

5c. Comments:

- *We review relevant policies, review the Annual Financial Statements and discuss both with staff and discuss aspects of the AFS with the external auditor.*
- *The external auditor's report is always considered, and their observations or recommendations discussed*

5d. Comments:

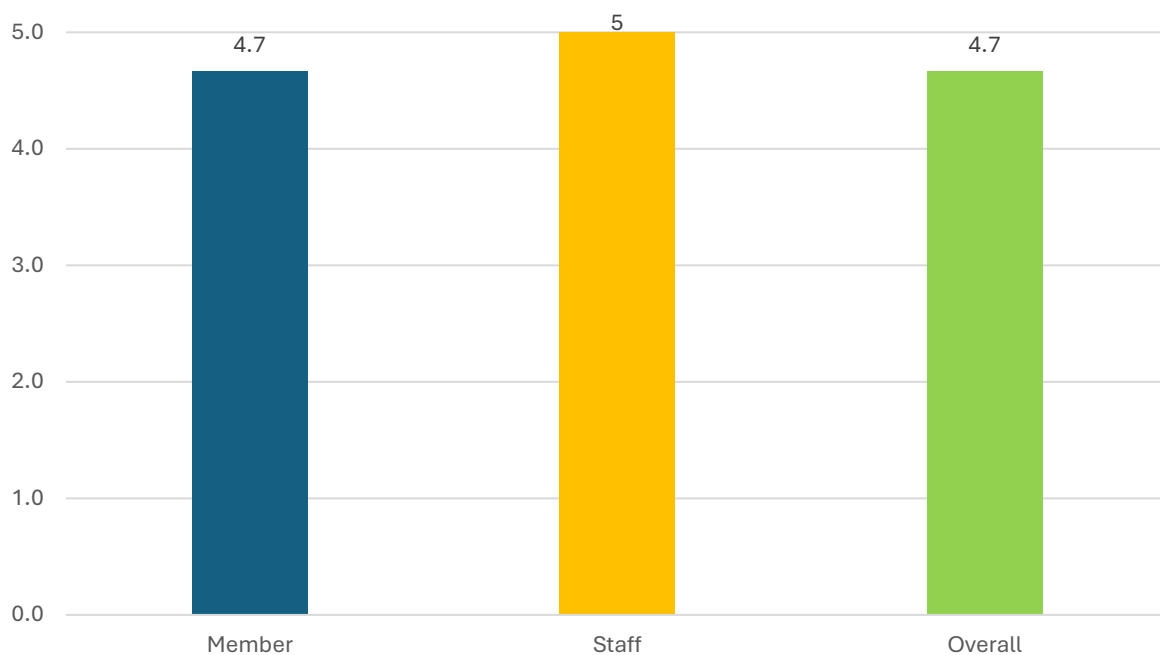
- *same as 5b and 5c*
- *Does not generate much discussion, but the statements are reviewed*

5e. Comments:

- *Nil*

6. Internal Controls and Risk Management Systems

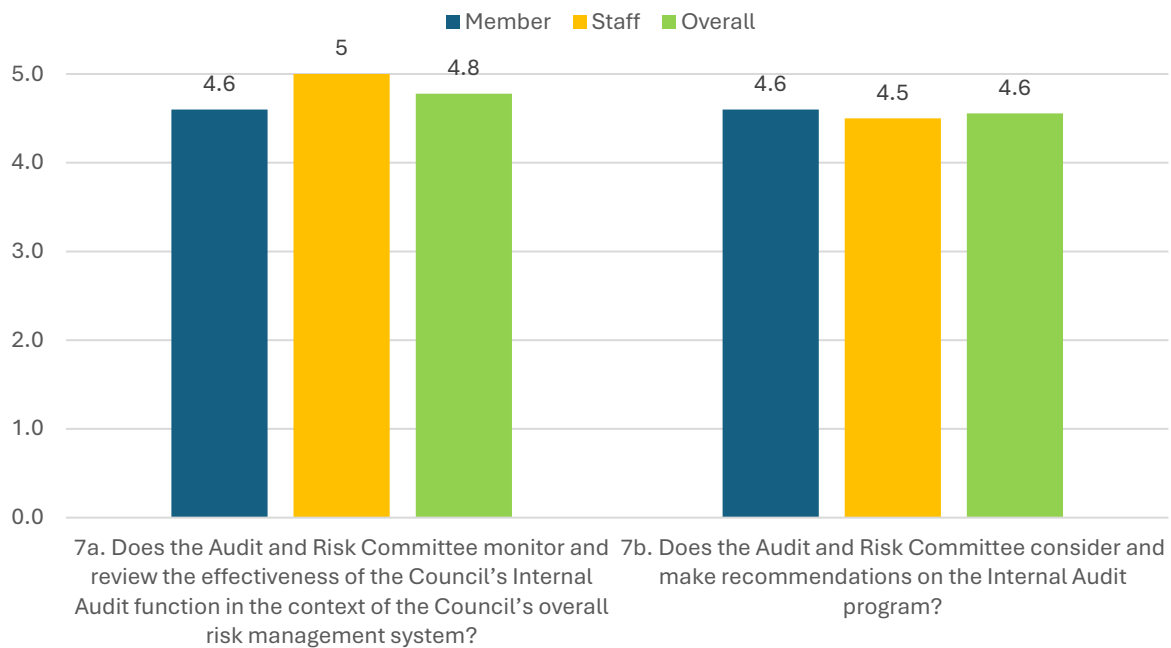
Does the Audit and Risk Committee keep under review the effectiveness of the Council's internal controls and risk management systems?



6. Comments:

- *The internal controls are covered by the Internal Audit program which is presented to the Committee and we discuss findings with the Internal Auditor. The committee received a report in June 2024 on Strategic and High Level risks. I have only been on the committee for a year so I am unsure if the Audit and Risk Committee has been involved with assisting in setting the Council's risk appetite. It would be useful to be part of a regular review of the Council's Risk Appetite especially if that included the risk appetite for Alwyndor.*
- *Risk and internal controls is probably the subject matter that receives the most attention and scrutiny by this committee.*
- *The Audit and Risk Committee receive a risk report at each meeting, as well as reports in relation to Council's internal controls.*

7. Internal Audits



7a. Comments:

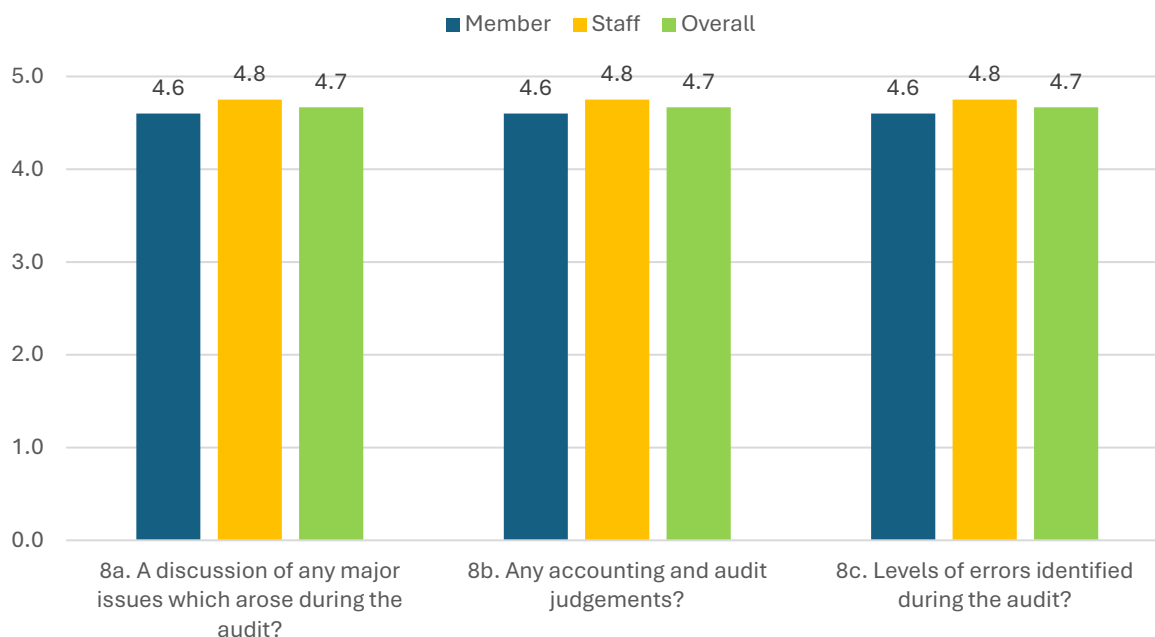
- *We have items on internal audit at almost each meeting. We meet with the internal auditors regularly and review their reports and are able to ask them questions.*
- *The internal audit function in the context of risk management is a key focus of this committee*
- *ARC receives an IA and Risk report at each meeting. Internal Auditors attend to present their findings for each internal audit.*
- *Robust discussion on internal program and risk management reviews.*

7b. Comments:

- *We review the items on the program each meeting.*
- *It considers the internal audit program but I'm not sure if it makes recommendations*
- *The ARC has the opportunity to input to the IA program each year, as well as review the results of each IA undertaken.*
- *Regularly and challenging internal auditors as well as staff.*

8. External Audit Process

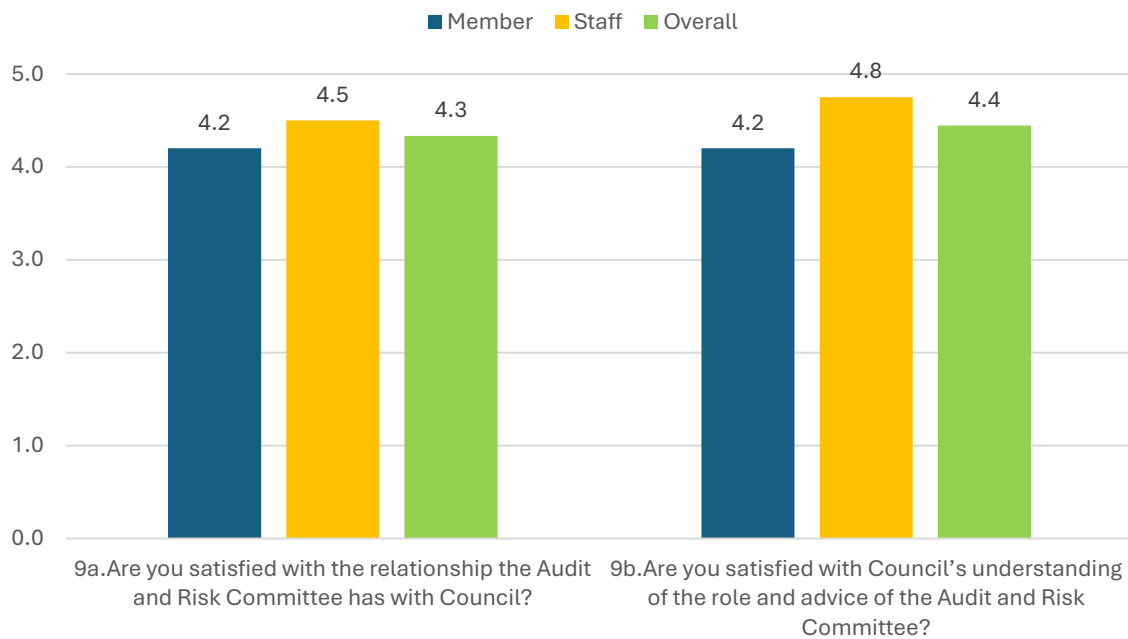
Does the Audit and Risk Committee review the findings of the External Audit with the External Auditor, including, but not limited to:



8. Comments:

- *The external auditor attends the committee and discusses the management letter and any issues. Staff are able to respond with how these are being addressed.*
- *The external auditors are given the opportunity to speak openly about their findings and are questioned, however, in recent years there have not been any issues for the committee to consider or challenge*
- *Open discussion and engagement on all matters*

9. Relationship with Council



9a. Comments:

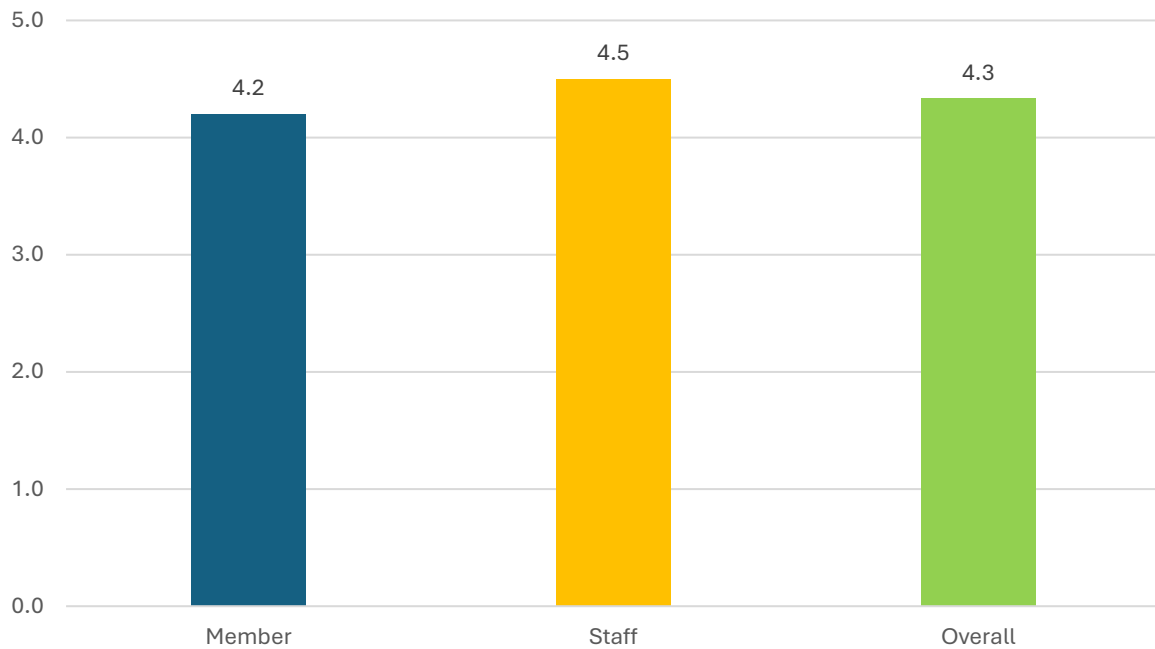
- *No opportunity for Council to meet and know the Independent Members. This should be addressed, as EMs should have ability to understand those making recommendations to them.*
- *The elected members on the committee respect and work with the independent members very well.*
- *Difficult to answer as an independent*
- *When excluding the two members of the committee who are themselves members of Council then I would say they are respectful of Council, but I would not describe it as a relationship*
- *Open robust two way discussion between staff and committee*

9b. Comments:

- *Those members without formal financial skills default heavily to relying upon recommendations from the Committee. I think more training/discussion should occur. Perhaps an annual opportunity should be provided for EM/Audit Committee interaction*
- *The elected members on the committee appear to take on board discussion points raised by independent members. I am not aware of any issues with recommendations from the committee to council.*
- *Difficult to answer as an independent*
- *I think Council respect and appreciate the advice of the committee, but suspect not every member has a full understanding of their role*
- *Council has significant respect for the advice from the ARC.*
- *Yes trusted and respected advice*

10. Communications with Stakeholders

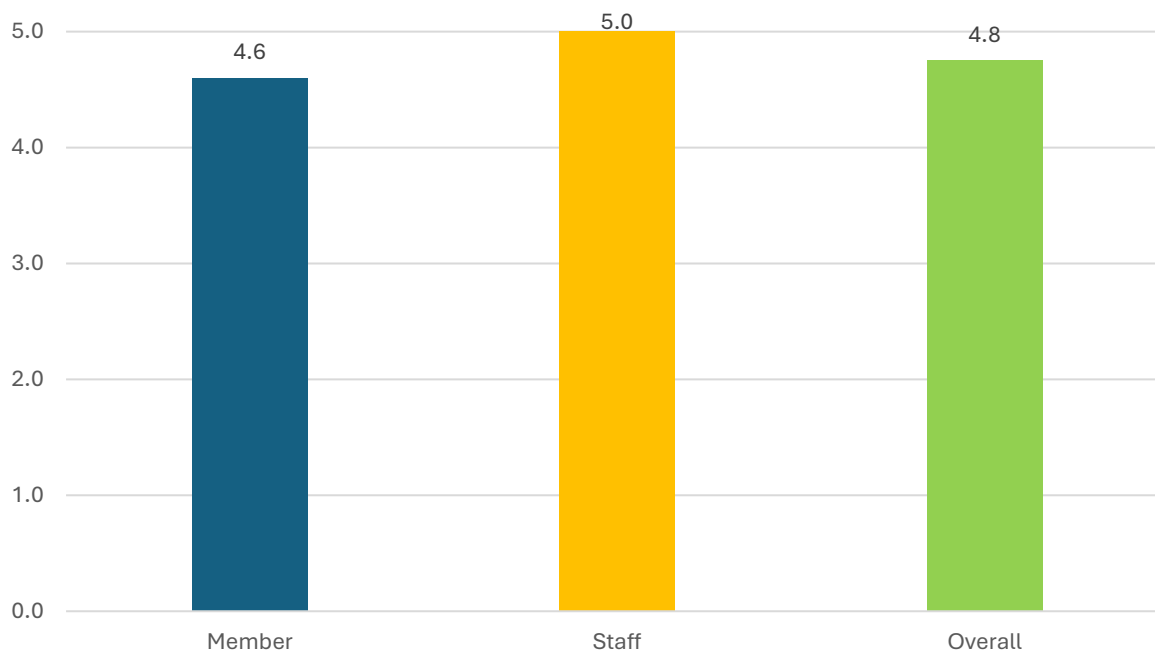
Does the Annual Report on the Audit and Risk Committee's activities provide sufficient detail to enable stakeholders to understand how the Audit and Risk Committee has discharged its duties?



- *The report covers the items we have discussed, includes the self-review assessment. It does not show attendance at meetings by members which is informative for stakeholders to see.*
- *Haven't seen it*
- *Do not have knowledge of the report to answer this*
- *Reports are available publicly, Presiding member speaks at public meetings on the findings of the A&R committee.*

11. Communication

Are you happy with the style and amount of communication with Council management?



11. Comments:

- *Yes. I am able to email questions prior to the meeting if I wish to have something answered either before or at the meeting. I feel comfortable asking questions of management and I find the responses to be thorough and useful.*
- *Not applicable*

12. Opportunities for Improvement

Is there any way you think the Committee can improve its performance?

- *Skill and experience matrix to be filled in by each member. These to be available to the committee either on individuals or aggregated to show whether we have any missing skills and experience.
A workplan included with each agenda to show what is planned to be presented to each meeting.
Another committee I am on provides a council email for their independent members to enable them to access the council member information on the LGA website. This information is vital for independent members for their background research. The email provided by the other council is not used for communication and is only used to access the LGA website.*
- *No*

Do you have any other comments?

- *No questions on risk management in this survey*