



# STRATEGIC ASSET MANAGEMENT PLAN

<b>Document Control</b>	<b>Strategic Asset Management Plan</b>
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## EXECUTIVE SUMMARY

### Context

Adelaide Plains Council is responsible for the acquisition, operation, maintenance, renewal and disposal of an extensive range of physical assets with a replacement value of **\$158,612,221.38 million**.

These assets include land, buildings, parks, recreation areas, roads, footpaths, stormwater drainage system, community wastewater management system and associated operating assets and provide service essential to our community's quality of life.

This Strategic Asset Management Plan (SAMP) takes the organisational objectives in our Strategic Plan, develops the asset management objectives, principles, framework and strategies required to achieve our organisational objectives. The plan summarises activities and expenditure projections from individual asset management plans to achieve the asset management objectives.

### What does it Cost?

Operating Outlays (excluding depreciation)

The projected operating outlays necessary to provide the services covered by this SAMP includes operation and maintenance of existing assets over the 10 year planning period is **\$2,686,862 million** on average per year.

Capital Outlays

The projected required capital outlays including renewal/replacement and new/upgrade of existing assets and acquisition of new assets over the 10 year planning period is **\$4,452,335 million** on average per year.

We have balanced the projected expenditures in the SAMP with financial outlays in the Long-Term Financial Plan (LTFP), this will involve.

- community consultation on desirable and affordable levels of service
- balancing service performance, risk and cost in a trade-off of projects and initiatives
- considering the impact of trade-offs and accepting the service and risk consequences

### What we will do

Our aim is to provide the services needed by the community in a financial sustainable manner. Achieving financial sustainability requires balancing service levels and performance with cost and risk.

It may not be possible to meet all expectations for services within current financial resources. We will continue to engage with our community to ensure that needed services are provided at appropriate levels of service at an affordable cost while managing risks.

### What we have deferred

We endeavour to provide all services at the desired service levels or provide new services. Major initiatives and projects that are deferred for the next 10 years under long-term financial plan funding levels are:

- None Identified

### Managing the Risks

There are risks associated with providing the service and not being able to complete all identified initiatives and projects. We have identified major risks as:

- None Known
- We will endeavour to manage these risks within available funding by:
- Undertaking necessary asset repairs and maintenance to councils assets

### Confidence Levels

This SAMP is based on high level of confidence information.

### The Next Steps

The actions resulting from this asset management plan are:

- implement the improvement plan in Section 4.1
- improve consultation methods to increase awareness of service performance, risk and cost pressures we are facing
- investigate actions to extend the life of assets without affecting performance and risk
- review asset renewal and replacement options to reduce service delivery lifecycle costs.

## **2. ASSET MANAGEMENT STRATEGY**

### **2.1 Asset Management System**

Asset management enables an organisation to realise value from assets in the achievement of organisational objectives, while balancing financial, environmental and social costs, risk, quality of service and performance related to assets.

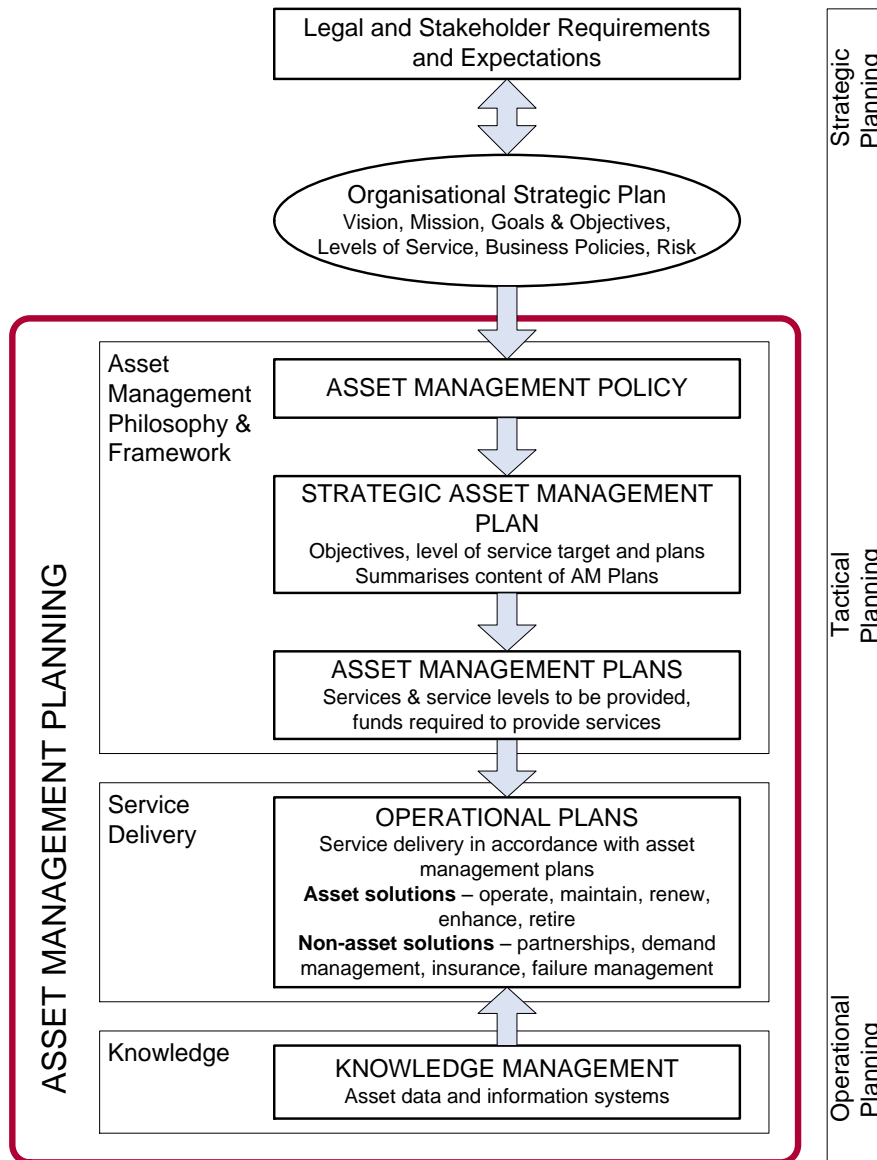
An asset management system is a set of interrelated and interacting elements of an organisation to establish the asset management policy and asset management objectives, and the processes, needed to achieve those objectives. An asset management system is more than 'management information system' software. The asset management system provides a means for:

- coordinating contributions from and interactions between functional units within an organisation; and
- consistent application of the asset management processes to achieve uniform outcomes and objectives.

The asset management system includes:

- The asset management policy
- The asset management objectives
- The strategic asset management plan
- The asset management plans, which are implemented in
  - operational planning and control
  - supporting activities
  - control activities
  - other relevant processes.

The asset management system fits within the organisation's strategic planning and delivery process as shown in Figure 1.



**Figure 1: Strategic Asset Management Plan fit in Planning Process**

**2.1.1 Asset Management Policy**

The asset management policy sets out the principles by which the organisation intends applying asset management to achieve its organisational objectives. Organisational objectives are the results the organisation plans to achieve, as documented in its Strategic Plan. Our adopted asset management policy is available from Adelaide Plains Council website.

**2.1.2 Strategic Asset Management Plan**

This strategic asset management plan is to document the relationship between the organisational objectives set out in the Strategic Plan 2020-2024 and the asset management (or service) objectives and define the strategic framework required to achieve the asset management objectives.

The asset management objectives must be aligned with the organisation’s strategic objectives set out in its strategic plan. This strategic asset management plan encompasses the following key themes:

- Enviably Lifestyle
- Emerging Economy
- Remarkable Landscapes
- Proactive Leadership

### 2.1.3 Asset Management Plans

Supporting the strategic asset management plan and asset management plans for major service/asset categories. The asset management plans document the activities to be implemented and resources to be applied to meet the asset management objectives. The strategic asset management plan summarises the key issues from following asset management plans:

- Transport
- Buildings and Land
- Stormwater
- Community Wastewater Management System (CWMS)
- Open Space

The Strategic Asset Management Plan is part of the organisation’s strategic and annual planning and reporting cycle as shown in Table 2.1.

**Table 2.1: Strategic Asset Management Plan within the Planning and Reporting Cycle**

	Plan	Planning Cycle	Performance Reporting	Reporting Method
Community Planning	Strategic Plan	4 years	Community Objectives Indicators	Annual Report
Strategic Planning	10 year Long-Term Financial Plan	4 years	Financial Indicators	Annual Report
	Strategic Asset Management Plan Asset Management Plans		Asset Management Objectives	
Operational Planning	4 year Operational Plan	4 years	Operational Objectives incorporated into Annual Plan	Annual Report
Annual Planning & Budget	Annual Plan & Budget	Annual	Annual Objectives Budget Objectives	Reports to Council
	Departmental Work Plans		Work Plan Objectives	Reports to Council, Environment & Infrastructure Committee, Finance Audit Committee
	Individual Work Plans		Work Plan Objectives	Performance Reviews

## 2.2 What Assets do we have?

We manage a lot of assets to provide services to our community. The assets provide the foundation for the community to carry out its everyday activities, while contributing to overall quality of life.

**Table 2.2: Assets covered by this Plan**

Asset Class/Category	Details
Transport	Sealed Roads 181,728 Length (m) Sheeted Roads 541,218 Length (m) Bridges No. 4 Footpaths Sealed 19,186 Length (m) Footpaths Unsealed 61 Length (m) Pram Ramps No. 184 Kerb & Watertable 63,778 Length (m)
Stormwater	Pipes Box Culverts Headwalls Junction Boxes Pump Stations Gross Pollutant Traps
Open Space	Landscaping Sites No. 12 Site Improvements No. 226 Structures No. 45
Buildings and Land	Buildings No. 45 Buildings Components No. 19 Land Parcels No. 162 Easements No. 16
Community Wastewater Management System	Pump Stations No. 9 Air Valve No. 15 Tanks No. 10 Domestic Pumps/Sumps No. 20 Gravity Pipes No. 74 Irrigation No. 31

## 2.3 Our Assets and their management

### 2.3.1 Asset Values

The infrastructure assets covered by this strategic asset management plan are shown in Table 2.3.1. These assets are used to provide services to the community.

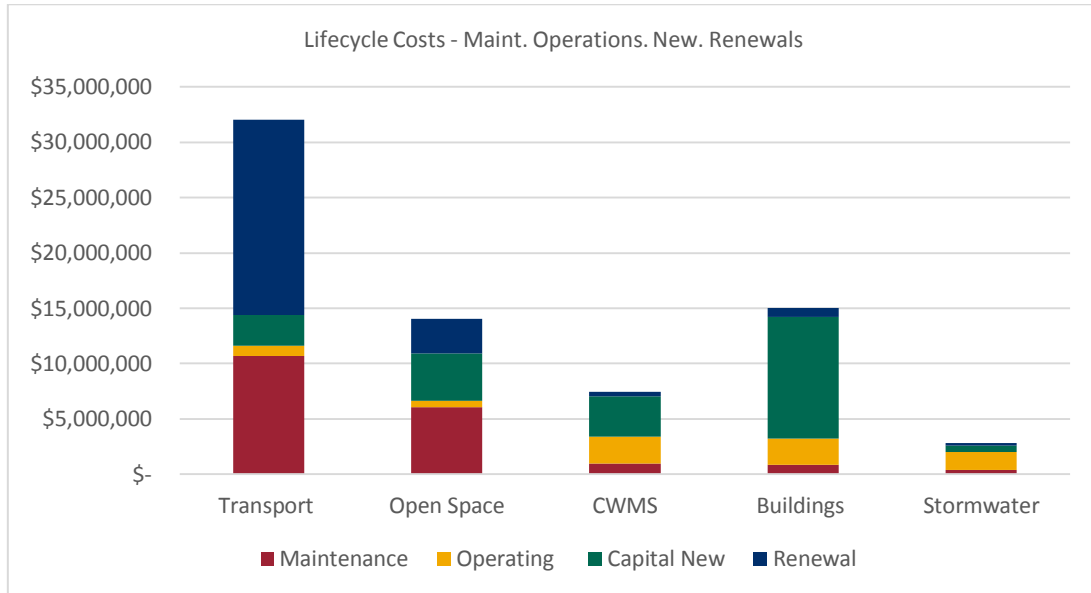
**Table 2.3.1: Assets covered by this Plan**

Asset Class/Category	Gross Replacement Cost
Transport	\$105,618,397.00
Stormwater	\$11,517,680.00
Open Space	\$6,421,682.44
Buildings & Land	\$28,478,471.94
Community Wastewater Community System	\$6,575,990.00
<b>TOTAL</b>	<b>\$158,612,221.38</b>

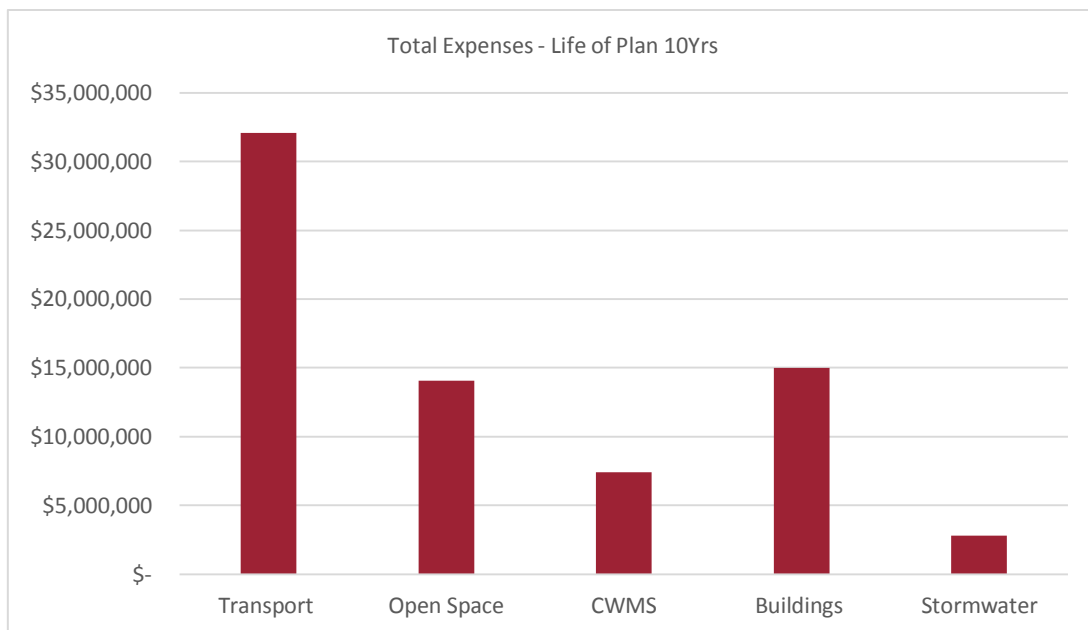


### 2.3.2 Asset Management Indicators

An asset management objective is to provide the services that the community needs at the optimum lifecycle cost in a financially sustainable manner. Figure 2 shows the projected operation, maintenance, new, renewal expenditure balanced with financial outlays in the 10 year long-term financial plan. Also figure 3 shows the projected total expenditure – Life of Plan 10 Years.



**Figure 2: Projected Maintenance, Operations and Capital Expenditure**



**Figure 3: Projected Total Expenditures - Life of Plan, 10 Years**

The purpose of this strategic asset management plan is to develop the strategies to achieve the asset management objectives through balancing of asset service performance, cost and risk.

### 2.3.3 Opportunities and Risks

We have identified opportunities relevant to the services included in this strategic asset management plan including:

- Strategic Overview & Management of Infrastructure Assets
- Service Standards and Levels

Relevant risks to the strategic asset management plan in the future are:

- Decline in Service Levels
- Decline Operational Service Standards
- Influx of Gifted Assets

Infrastructure risk management plans for these and other relevant risks are summarised with risk management activities and resource requirements incorporated in the relevant asset management plans.

## 2.4 Where do we want to be?

### 2.4.1 Community Expectations

We have identified community expectations for service levels to be generally consistent with current levels of service. We engage with the community through community engagement processes to ensure that informed decisions are made on future levels of service and costs and that service and risk consequences are known and accepted by stakeholders.

### 2.4.2 Organisational Objectives

The organisation objectives are developed in the Strategic Plan 2020-2024 under Vision, shown below.

#### Vision

**Productive:** A leading supplier of primary produce to local, national and international markets. Proximity to markets and natural growing conditions provide competitive advantages for primary producers on the Adelaide Plains that has seen our economy emerge as a key contributor to the region's prosperity.

- **Diverse:** A more diverse community with access to a greater mix of local opportunities. Increased employment, services and education attracts and retains a diverse community that chooses to live, learn and work in the region.
- **Location:** A lifestyle location connected to the Barossa, Coast and Adelaide. Adelaide Plains is a quiet community that offers residents time and space with convenient access to the benefits of Greater Adelaide, the coast and the Barossa region.
- **Welcoming:** A proud, spirited and generous community. This is a place that everyone belongs, where community connection and care is strong and someone is always available to help when a neighbour is in need.
- **Ambition:** Advancing infrastructure and technology to foster a competitive local economy. Modern practice, research and innovation, and efficient access to export centres and local markets builds an economic environment and reputation that rivals the State's major primary productions regions. With employment opportunities diversifying and new housing products in abundance, Adelaide Plains will become the place of choice for the Northern Adelaide Plains.
- **Leadership:** A decisive and proactive Council. Our Elected Members share a vision of prosperity founded on courage, robust deliberation, transparency and forward thinking and investing.
- **Attractive:** A Place of choice for businesses, residents and visitors. Our townships are inviting, well cared for, filled with character and provide a range of services, facilities and accommodation that caters for all people and our landscapes, events and infrastructure provide memorable experiences.

## **Strategies**

### **ENVIABLE LIFESTYLE**

#### *Strategic Response*

Arrest the departure of younger population through affordable housing, access to diverse employment opportunities, regional university pathways and retail/recreation. Support retention of older community members through compact living with ease of access to improved retail and services in townships. Add to the vibrancy of towns through events, volunteering opportunities and community initiative funds or service support.

#### *Strategies*

1. Manage growth to sustain and activate our townships;
2. Provide, support and acquire facilities, assets, services and programs that build community capacity, health and connection; and
3. Advocate for increased health, education, aged care and youth services, welfare and emergency facilities and services.

### **EMERGING LANDSCAPES**

#### *Strategic Response*

Facilitate growth of the business sector through strategic advocacy, partnerships and service improvements that generate local procurement and employment opportunities, provide certainty for investment and enhance the appeal and visitor experience delivered by Council's key tourism strengths and opportunities.

#### *Strategies*

1. Support the growth of primary industries and the introduction of value-add employment generators;
2. Facilitate greater access to local opportunities from public and private investment; and
3. Reinforce Adelaide Plains Council as a place of choice for business, residents and visitors.

### **REMARKABLE LANDSCAPES**

#### *Strategic Response*

Advocate for Government investment in the Gawler River Catchment, liaise with and support agencies responsible for adverse event mitigation and response, maintain a mix of waste management services and increase community education and lever volunteering opportunities and multiple State agency agendas to target the enhancement of coastal visitor experiences.

#### *Strategies*

1. Protect and enhance our coastal and riverine landscapes, native vegetation and heritage;
2. Mitigate the impacts of adverse natural events on the community;
3. Improve resource recovery and carbon and waste management.

## **PROACTIVE LEADERSHIP**

### *Strategic Response*

Proactive engagement in new and existing regional partnerships, pursuit of funding and exploration of new revenue opportunities will create value for the region and rate payers. Early engagement in reform will support opportunities for continuous improvement. Setting a strategic financial agenda with regard to sustainability ratios will open up investment opportunities for the delivery of Council's strategic plan, and a continued emphasis on engagement and consultation will raise awareness, understanding and participation by an increasingly active community regarding Council's intent and progress.

### Strategies

1. Actively seek funding and partnerships to deliver Council initiatives;
2. Actively engage with and inform our communities;
3. Strategic and sustainable financial management; and
4. Proactively engage in Local Government Reform and continuous improvement.

## 2.5 Asset Management Vision

To ensure the long-term financial sustainability of the organisation, it is essential to balance the community's expectations for services with their ability to pay for the infrastructure assets used to provide the services. Maintenance of service levels for infrastructure services requires appropriate investment over the whole of the asset life cycle. To assist in achieving this balance, we aspire to:

Develop and maintain asset management governance, skills, process, systems and data in order to provide the level of service the community need at present and in the future, in the most cost-effective and fit for purpose manner.

In line with the vision, the objectives of the strategic asset management plan are to:

- ensure that our infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to our financial sustainability;
- safeguard our assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets;
- adopt the long term financial plan as the basis for all service and budget funding decisions;
- meet legislative requirements for all our operations;
- ensure resources and operational capabilities are identified and responsibility for asset management is allocated;
- ensure operational and service delivery risks are adequately managed;
- continually improve our asset, risk and financial management and service delivery performance;
- provide high level oversight of financial and asset management responsibilities through Audit Committee reporting to Council on development and implementation of the Strategic Asset Management Plan, Asset Management Plans and Long Term Financial Plan.

## 2.6. How will we get there?

The strategic asset management plan proposes strategies to enable the organisational objectives and asset management policies to be achieved.

**Table 2.6: Asset Management Strategies**

No	Strategy	Desired Outcome
1	Incorporate Year 1 of long term financial plan revenue and expenditure projections into annual budgets.	Long term financial planning drives budget deliberations and the long term implications of all services are considered in annual budget deliberations.
2	Report our financial position at fair value in accordance with Australian Accounting Standards, financial sustainability and performance against organisational objectives in Annual Reports.	Financial sustainability information is available for Council and the community.
3	Develop and maintain a long term financial plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide our services.
4	Develop and annually review asset management plans and strategic asset management plan covering at least 10 years for all major asset classes.	Identification of level of services needed by the community and required funding to optimise 'whole of life' costs.
5	Review and update asset management plans, strategic asset management plan and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	We and the community are aware of changes to service levels and costs arising from budget decisions.
6	Develop and maintain a risk register of operational and service delivery risks showing current risk levels, risk management treatments and report regularly to Council on current high level risks.	Risk management of operational and service delivery risks is an integral part of governance.
7	Ensure Council decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
8	Report on our resources and operational capability to deliver the services needed by the community in the annual report.	Services delivery is matched to available resources and operational capabilities.
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.
10	Implement an improvement plan to realise 'core' maturity for the financial and asset management competencies within 2 years.	Improved financial and asset management capacity within the organisation.

## **2.7 Asset Management Improvement Plan**

The tasks required achieving a 'core' financial and asset management maturity are shown in priority order in the asset management improvement plan in Section 4.1.

## **2.8 Consequences if actions are not completed**

There are consequences for the Council if the improvement actions are not completed. These include:

- Inability to achieve strategic and organisational objectives;
- Inability to achieve financial sustainability for the organisation's operations;
- Current risks to infrastructure service delivery are likely to eventuate and response actions may not be appropriately managed;
- We may not be able to accommodate and/or manage changes in demand for infrastructure services.



### **3. OPERATIONS AND MAINTENANCE**

#### **3.1 Routine Operation and Maintenance Plan**

Operation include regular activities to provide services such as public health, safety and amenity, i.e. cleaning, utility services, street sweeping, grass mowing and street lighting.

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

##### **3.1.1 Operation and Maintenance Plan**

Operation activities affect service levels including quality and function, such as cleanliness, appearance, etc., through street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating, e.g. road patching but excluding rehabilitation or renewal.

Maintenance expenditure levels are considered to be adequate to meet projected service levels. Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in the respective AM Plan and service risks considered in the Infrastructure Risk Management Plan.

##### **3.1.2 Operation and Maintenance Strategies**

We will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. The operation and maintenance activities include:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner;
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50-70% planned desirable as measured by cost);
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council;
- Review current and required skills base and implement workforce training and development to meet required operation and maintenance needs;
- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options;
- Maintain a current hierarchy of critical assets and required operation and maintenance activities;
- Develop and regularly review appropriate emergency response capability;
- Review management of operation and maintenance activities to ensure we are obtaining best value for resources used.

### **4. MONITORING**

### **PLAN IMPROVEMENT AND**

#### **4.1 Improvement Plan**

The asset management improvement tasks identified from an asset management maturity assessment and preparation of this strategic asset management plan are shown in Table 4.1.

**Table 4.1: Improvement Plans**

## Transport

Task	Tasks	Responsibility	Timeline
1	Annually review 10 year capital works program, renewals and new	Council Administration	October/November each year
2	Review service levels	Council Administration	As required
3	Long Term Financial Plan and Asset Management Plan align	Council Administration	As required
4	Level 2 Bridge Assessment	Council Administration	2020/21FY 2021/22FY
5	Develop footpath/pram ramps strategic plan	Council Administration	2021/22FY 2022/23FY
6	Review & Document Asset Management Plan Risks	Council Administration	Ongoing

## Stormwater

Task	Task	Responsibility	Timeline
1	Annually review 10 year capital works program, renewals and new	Council Administration	October/November each year
2	Continue the development of stormwater implementation plans for each town as a follow-on from the stormwater management plans	Council Administration	As per revaluation requirements
3	Review service levels	Council Administration	As required
4	Long Term Financial Plan and Asset Management Plan align	Council Administration	As required
5	Review & Document Asset Management Plan Risks	Council Administration	Ongoing

## Open Space

Task	Task	Responsibility	Timeline
1	Annually review 10 year capital works program, renewals and new	Council Administration	October/November each year
2	Continue the development of open space implementation plans	Council Administration	As per asset condition assessment
3	Review service levels	Council Administration	As required
4	Long Term Financial Plan and Asset Management Plan align	Council Administration	As required
5	Develop Open Space & Recreation Strategy	Council Administration	FY2022/23
6	Review & Document Asset Management Plan Risks	Council Administration	Ongoing

### Community Wastewater Management System (CWMS)

Task	Task	Responsibility	Timeline
1	Annually review 10 year capital works program, renewals and new	Council Administration	October/November each year
2	Continue CWMS scheduled and programmed maintenance requirements	Council Administration/ CWMS Officer	Ongoing
3	Review service levels	Council Administration	As required
4	Long Term Financial Plan and Asset Management Plan align	Council Administration	As required
5	Review & Document Asset Management Plan Risks	Council Administration	Ongoing

### Buildings & Land

Task	Task	Responsibility	Timeline
1	Annually review 10 year capital works program, renewals and new	Council Administration	October/November each year
2	Continue the development of buildings implementation plans	Council Administration/ Buildings Officer	As per asset condition assessment
3	Review service levels	Council Administration	As required
4	Review parcels of land for need and requirement	Council Administration	As required
5	Long Term Financial Plan and Asset Management Plan align	Council Administration	As required
6	Review & Document Asset Management Plan Risks	Council Administration	Ongoing

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Strategic Plan 2020-2024

Asset Management Policy

Annual Plan and Budget

Long Term Financial Plan

Asset Management Plans

- Transport
- Open Space
- Buildings and Land
- Stormwater
- Community Wastewater System (CWMS)