

Audit Committee

NOTICE OF MEETING

Notice is hereby given that a meeting of the Audit Committee will be held via

Kingston Room, Civic Centre
24 Jetty Rd, Brighton

Wednesday 7 October 2020 at 6.00pm

Roberto Bria
CHIEF EXECUTIVE OFFICER

Audit Committee Agenda

1. OPENING

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

2. APOLOGIES

2.1 Apologies received

2.2 Absent

3. DECLARATION OF INTEREST

If a 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. Members are reminded to declare their interest before each item.

4. CONFIRMATION OF MINUTES

Motion

That the minutes of the Audit Committee held on 9 September 2020 be taken as read and confirmed.

Moved _____, Seconded _____

Carried/lost

5. PRESENTATIONS - Nil

6. ACTION ITEMS

6.1 Action Item List – 7 October 2020

7. REPORTS BY OFFICERS

7.1 Standing Items (Report No: 306/20)

7.2 Asset Management Plan Review (Report No: 307/20)

7.3 2019-20 General Purpose Financial Statements (Report No: 305/20)

8. URGENT BUSINESS – Subject to the Leave of the Meeting

9. CONFIDENTIAL ITEMS

9.1 Waste Contract (Report No: 312/20)

Pursuant to Section 90(2) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Audit Committee consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that the Audit Committee will receive, discuss or consider:

- b. Information the disclosure of which could 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 would, on balance, be contrary to the public interest.

10. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit Committee id to be confirmed.

11. CLOSURE



ROBERTO BRIA
CHIEF EXECUTIVE OFFICER



**AUDIT COMMITTEE
ACTION ITEMS
As at 7 October 2020**

Meeting	Agenda Item	Action Required	Responsibility	Estimated Completion Date	Current Status
17 October 2018	6.4 Brighton Oval Redevelopment Review	Review Council report template to include a section on risk implications.	GM Strategy & Business Services	November 2020	New Council report template drafted and currently consulting key stakeholders for feedback.
19 June 2019	6.1 Standing Items	Review of Financial Policies and Procedures (Action from the Control Track Assessment)	Manager, Finance	January 2021	Will be part of the Control Track Assessment. Meeting scheduled with Manager Finance to finalise.
19 June 2019	6.1 Standing Items	Disaster Recovery Plan, including IT Function, to be reviewed and brought back to the Committee (Action from the Control Track Assessment)	GM Strategy & Business Services	January 2021	Disaster Recovery Plan drafted and currently under review. To be tabled at the January 2021 meeting.

Item No: **7.1**

Subject: **STANDING ITEMS – OCTOBER 2020**

Date: 7 October 2020

Written By: Manager Finance

General Manager: Strategy and Business Services, Ms P Jackson

SUMMARY

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

RECOMMENDATION

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

- **Monthly financial statements**
 - **Risk Management and Internal control**
 - **Audit – External/Internal**
 - **Public Interest Disclosures**
 - **Economy and efficiency audits**
 - **Audit Committee Meeting Schedule**
-

COMMUNITY PLAN

Culture: Enabling high performance
Culture: Being financially accountable
Culture: Supporting excellent, efficient operations

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

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

BACKGROUND

The Audit 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
- Risk management and Internal Controls
- Audit – External/Internal
- Public Interest Disclosures – previously Whistle-Blowing
- 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. This is aimed at ‘closing the communication loop’ between the Committee and Council.

REPORT

Monthly Financial Reports

Members of the Committee receive copies of the monthly financial reports as soon as practical after they are provided to Council.

Financial reports for Municipal and Alwyndor operations for the month ended 31 August 2020 were considered by Council at its meeting on 22 September 2020. Members of the Committee have received copies of the August report.

Risk Management

Administration is not aware of any material changes to Council’s risk profile not otherwise disclosed since the previous Standing Items Report on 9 September 2020.

Internal Controls

Administration is not aware of any material changes to Council’s internal controls not otherwise disclosed since the previous Standing Items report on 9 September 2020.

External Audit

Council’s external auditor, BDO, will be attending this Audit Committee to present their 2019/20 audit completion report. This report is included as part of this agenda.

Council’s external auditor, BDO, has also attended the Alwyndor Management Committee (AMC) meeting on 18 September to present their draft 2019/20 audit completion report to the AMC on the Alwyndor financial statements. This report and the Alwyndor statements are included as part of this agenda.

Internal Audit

As part of the internal audit program the following audits are scheduled to be conducted by Galpins in 2020/21:

- Workforce Planning (Quarter 2)
- Stakeholder Management (Quarter 2)
- Asset Management – Short-term (To be confirmed)
- Financial Controls (Quarter 4)

Public Interest Disclosures

On 1 July 2019 the *Public Interest Disclosure Act 2018* came into effect replacing the *Whistleblowers Protection Act 1993*. The new laws strengthen transparency and accountability across government by establishing a scheme that encourages and facilitates the appropriate disclosure of public interest information to certain persons or authorities. Council has endorsed the Public Interest Disclosure Policy aligned to the model policy provided by the Local Government Association.

There have been no public interest disclosures made to Council since the previous standing items report on 9 September 2020.

Sec 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 9 September 2020.

Council Recommendations

At its meeting on 22 September 2020 Council received the minutes and endorsed the recommendations of the meeting of the Audit Committee held on 9 September 2020.

2019 Remaining Meeting Schedule

The Audit Committee's terms of reference require it to meet at least 4 times each year and at least once each quarter. During 2020 meetings have been set to align with the two important financial programs in which the Audit Committee plays important roles:

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

With the completion of the annual financial statements and annual report there are no further formal meetings scheduled for 2020. It is anticipated that the next formal meeting will be in February 2020 at a date to be confirmed.

BUDGET

This report does not have any budget implications.

LIFE CYCLE COSTS

This report does not have any full life cycle costs implications.

Item No: **7.2**

Subject: **ASSET MANAGEMENT PLAN REVIEW**

Date: 7th October 2020

Written By: Team Leader Asset Management, Manager Engineering

General Manager: City Assets, Mr H Lacy

SUMMARY

Asset Management Plans (AMPs) provide a snapshot of the current and future state of Council's infrastructure, and ensure council is maintaining and renewing its assets in a cost effective and sustainable manner.

The AMPs have been reviewed and updated to include the latest asset condition and inventory data, and approved council projects. The forecast indicates Council's assets are generally in good condition, however a small increase to capital renewal expenditure is required over the next 10 years. Council has five AMPs being; Buildings, Stormwater, Transport, Open Space & Coastal and Plant and Equipment.

The total renewal expenditure forecast over the next 10 years is \$83.2 Mil.

The results of the AMPs inform the Long Term Financial Plan (LTFP). Council is legislatively required to update its AMPs prior to February 2021.

RECOMMENDATION

That the Audit Committee recommends the revised Asset Management Plans 2020 to Council for approval to undertake public consultation.

COMMUNITY PLAN

Community: Providing welcoming and accessible facilities

Economy: Harnessing emerging technology

Environment: Building an environmentally resilient city

Environment: Using resource efficiently

Culture: Enabling high performance

Culture: Being financially accountable

Culture: Supporting excellent, efficient operations

COUNCIL POLICY

Asset Management Policy

STATUTORY PROVISIONS

Local Government Act 1999, Section 122

Local Government (Financial Management) Regulations 2011, Regulation 5

See Section 1 in the Plans for specific legislation and relevant acts

BACKGROUND

The Local Government Act (1999) requires Council to review its AMPs within two years of a General Election, with a further six month extension applied due to Covid-19. Therefore, Council is legislatively required to update its AMPs prior to February 2021.

The AMPs have been reviewed and updated to include the latest asset condition and inventory data, and approved council projects. Projects and future demands not already approved through the New Initiative Program or Council Strategic Documents, are not included in AMP costs. The forecast indicates council's assets are generally in good condition, however a small increase to capital renewal expenditure is required over the next 10 years. The forecast also indicates substantive operational costs will be generated from Council Approved upgrades.

The updated AMPs have reviewed the existing AMPs, last adopted in 2016, and have taken into consideration the latest asset condition and inventory data, currently approved council projects risks, key improvements, future demands, and formalised Council's current approach to service level provision. The costs provided in the AMPs are all in current day dollars.

It is noted that the AMPs are not static documents and their purpose is to provide broad financial projections to assist in making key decisions, as well as a framework to assist Staff in managing council's assets. It is anticipated a revised summary of the AMP financials will be updated and reviewed annually.

Alwyndor Aged Care has been excluded from the AMPs as it is managed as a financially self-sustaining operation, however it will develop its own AMP.

STRATEGY

The primary intent of asset management is to meet a required levels of service in the most cost effective way, through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets to provide for present and future community needs (Asset Management Policy 3.1).

Asset Management Plans (AMPs) provide a snapshot of the current and future state of Council's infrastructure, and ensure council is maintaining and renewing its assets in a cost effective and sustainable manner.

Council is committed to:

- Appropriate asset management practices to achieve Council's strategic service delivery objectives
- A systematic asset management methodology to apply appropriate asset management best practices across all areas of Council. This includes assets that are planned, created, maintained renewed, and disposed of in accordance with Council's priorities for service delivery.
- Preparing and adopting Infrastructure Asset Management Plans for asset classes in accordance with legislative requirements, and defined Council and community needs.
- Asset Management Plans informed by community consultation, financial planning and operational reporting.
- Asset Management Plan that will consider all legislative requirements together with political, social and economic environments.

In this series of AMPs, the update process employed was:

- Update unit rates for all asset classes
- Review useful lives for all asset classes
- Update condition data for all asset classes (excluding stormwater which will require extensive CCTV assessment)
- Move towards a condition-driven approach to asset renewal (where appropriate)
- Consider grouping works to reduce costs and disruption to stakeholders (where appropriate)
- Use LTFP for forecast impact of Acquisition and Maintenance costs
- Include high/very high risks and key improvement items in the early years of the renewals program
- Formalise / document (interim) service levels
- Move towards ISO 55000 compliance, showing line of sight between AMPs and Strategic Plan

The key deliverables achieved to date include:

1. Updates to data and data collection
2. Review unit rates and useful lives
3. Draft plans developed with Sproutt Consulting,
4. Review of transport program by expert consultant who worked on previous 2016 asset plans
5. Refer draft AMPs to SLT for review and comment

Next steps:

1. Council Meeting 27th October
2. Community Consultation 2nd November – 2nd December
3. Council Meeting 27th Jan / 9th Feb

Definitions

Asset: A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. This typically includes infrastructure, property, buildings, plant and equipment.

Infrastructure assets: Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths, cycle-ways, stormwater drainage, and buildings.

Level of service: The defined service quality for a particular service/activity against which service performance may be measured.

Operational: Activities undertaken to ensure efficient operation and serviceability of the assets. This will ensure that the assets retain their service potential over the course of their useful life. Includes cleaning and minor repairs, such as stormwater GPT cleaning, street sweeping, and pothole repairs. Includes overheads, such as wages and utility costs incurred during operational activities.

Renewal: Provides a program of progressive renewal of individual assets. Deteriorating asset condition primarily drives renewal needs, with increasing maintenance costs also considered.

Acquisition: Provides a program of works to create new assets or substantially upgrade existing assets. This is primarily driven by community, growth, social and/or environmental needs/desires.

Summary

The total expenditure forecast over the next 10 years is \$83.2 Mil (current day dollars). This represents an increase of \$10.1 Mil as compared to the previous Asset Management Plans 2016 and LTFP.

Although the increase is modest, the updated AMPs 2020 significantly changes the renewal allocations between asset classes, with less funding for transport and more for buildings and open space.

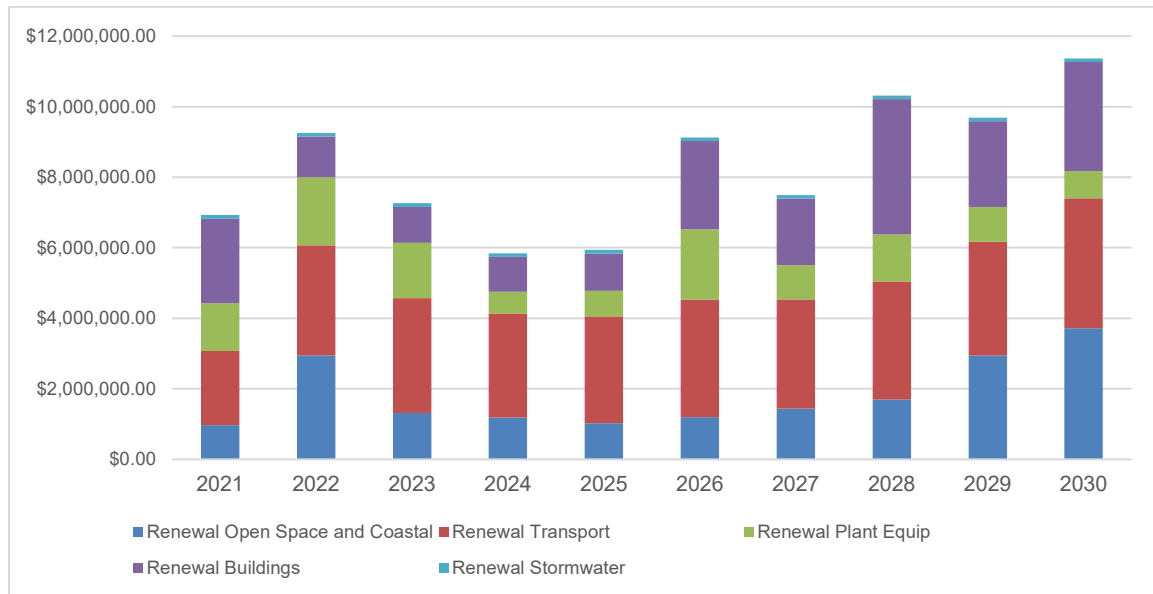


Figure 1: AMPs 2020 - 10 Year Forecast Renewals (current day \$s)

Refer Attachment 1

Buildings AMP

City of Holdfast Bay owns or has care and control of 130 buildings across 81 locations providing accommodation for Council's civic, administrative and operational functions as well as providing community services, such as sporting and recreational activities, surf lifesaving clubs, libraries, community centres, public toilets, depot and basic storage sheds. The portfolio also include several buildings and facilities for commercial and tourism (income generating) purposes. The buildings covered by this report have a current replacement value of \$108 million.

Refer Attachment 2

The 10 year forecast renewal expenditure for Building assets is \$20.4 Mil. This includes renewals brought forward through approved projects, most notably the Caravan Park Stage 2 and Glenelg Town Hall Upgrade Stage 2 and 3 projects in 2021.

Refer Attachment 1

Changes from the previous Buildings AMP include:

- Inventory, condition, and unit rate data updated to align with 2019 Assetic Audit. Data now to a room, rather than building level.
- Condition-based renewal program.
- Works are grouped into refurbishment and upgrade programs, to generate efficiencies of scale, and prevent disruption to stakeholders where possible.
- Building hierarchy to ensure high criticality buildings are maintained to a high standard.
- Levels of Service documented, including operational response times.

- DDA audits and upgrades included.

It is noted that there is likely to be a gap between leased maintenance activities and Council’s service levels as outlined in this plan. The extent of this gap is yet unknown. This gap should be reviewed and accounted for in discussion with the relevant leasee. It is recommended this is reviewed prior to next budget allocation.

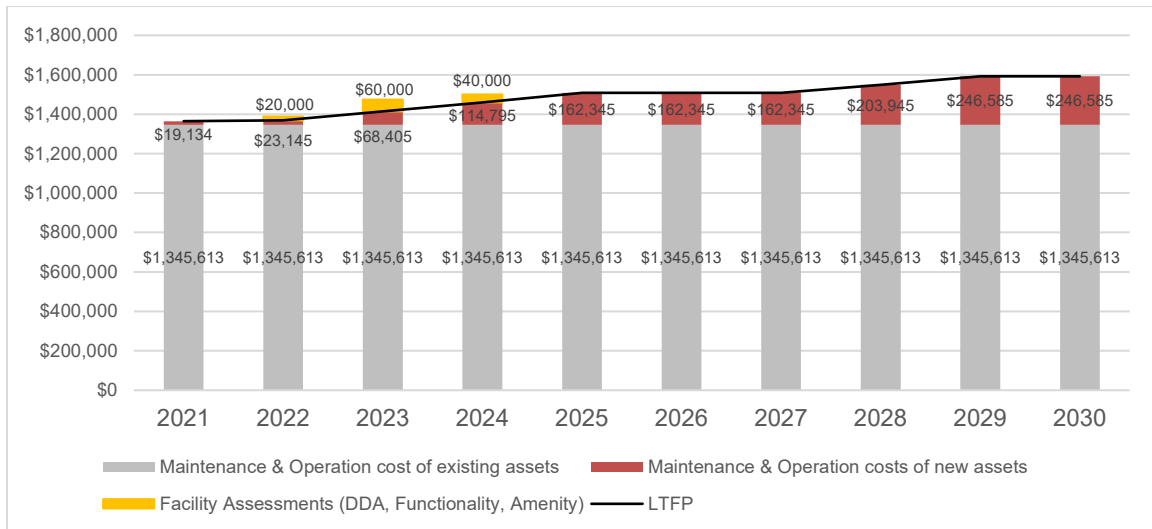


Figure 2: AMPs 2020 - 10 Year Forecast Operational Costs (current day \$s)

Information on functionality, safety and amenity were lacking for the building portfolio. These elements will form an important part of the replacement triggers, complementing the condition data already available. These should be audited prior to the next Asset Management Plan review and fully integrated into the forecast renewal program.

It appears that future demand for Holdfasts Buildings and Facilities is rapidly changing with a focus on buildings compliance, environmental sustainability, multi-use facilities, and gender equity. The forecast acquisition expenditure is \$24.7 Mil, partially offset by an anticipated \$11.2 Mil in External Funding / Grants. This includes the Glenelg Town Hall Upgrade Stage 2 and 3, as well as the Glenelg Oval Masterplan work. DDA compliance and safety improvements have also been included in the AMP costs (Figure 3).

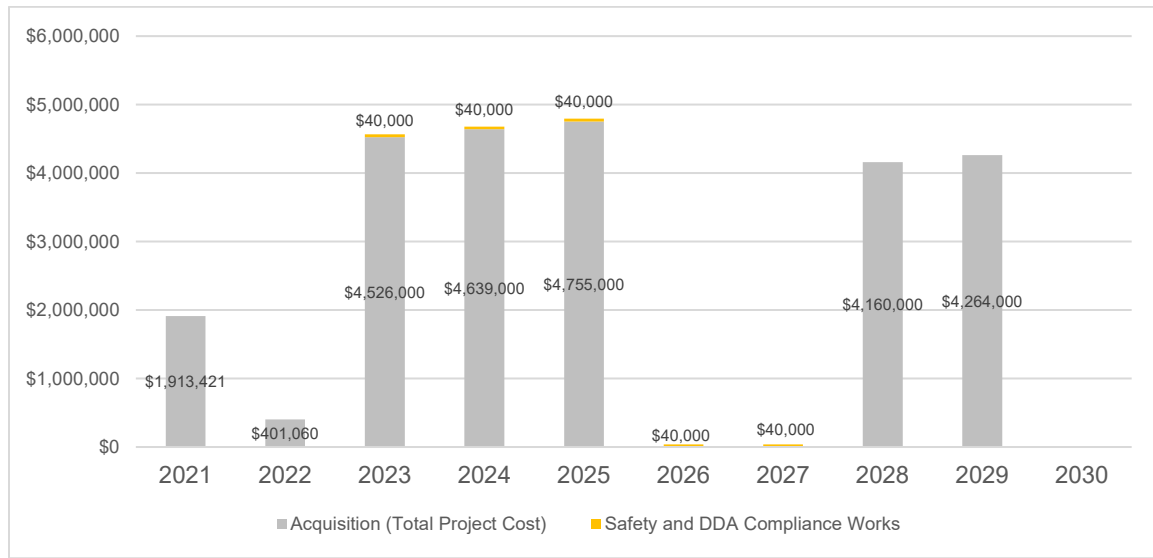


Figure 3: AMPs 2020 - 10 Year Forecast Acquisition Costs (current day \$s)

Stormwater AMP

The City of Holdfast Bay is reliant on a well-planned and extensive stormwater drainage network to provide flood protection to properties. We maintain 70 kilometres of underground pipes with sizes between 100 mm diameter and 3.6 m wide culverts and over 2,000 pits and junction boxes. In addition, Council has various stormwater assets including tree inlet pits, water sensitive urban design, pumps, rising mains, and 5 gross pollutant traps. The total replacement value of this infrastructure is estimated at \$58.5M.

Refer Attachment 3

The 10 year forecast renewal expenditure for Stormwater assets is \$1.03 Mil. The forecast acquisition expenditure is \$19.2 Mil, partially offset by an anticipated \$8.5 Mil in Further New Initiative Funding/ External Funding / Grants.

Refer Attachment 1

Changes from the previous Stormwater AMP include:

- A reduction in the renewal forecast. Based on a CCTV sample, our stormwater assets are in fair condition and further inspections are required to confirm this. The relatively low replacement costs forecast over the next 10-years reflects this fair condition and long useful life. There is a large replacement program anticipated from 2040 onwards.
- Increase in forecast acquisition costs. The Draft Stormwater Strategy indicates Council needs to invest \$19.2 Mil (total project cost, current day dollars) over the next 10 years in major stormwater upgrades to increase the capacity of our stormwater system to reduce flood risk for properties (Figure 3). It is anticipated external/ grant funding from Marion Council and the Stormwater Management Authority will partially fund this program (Figure 4).

- Increase in forecast operations costs as a result of the planned acquisition projects (Figure 5).

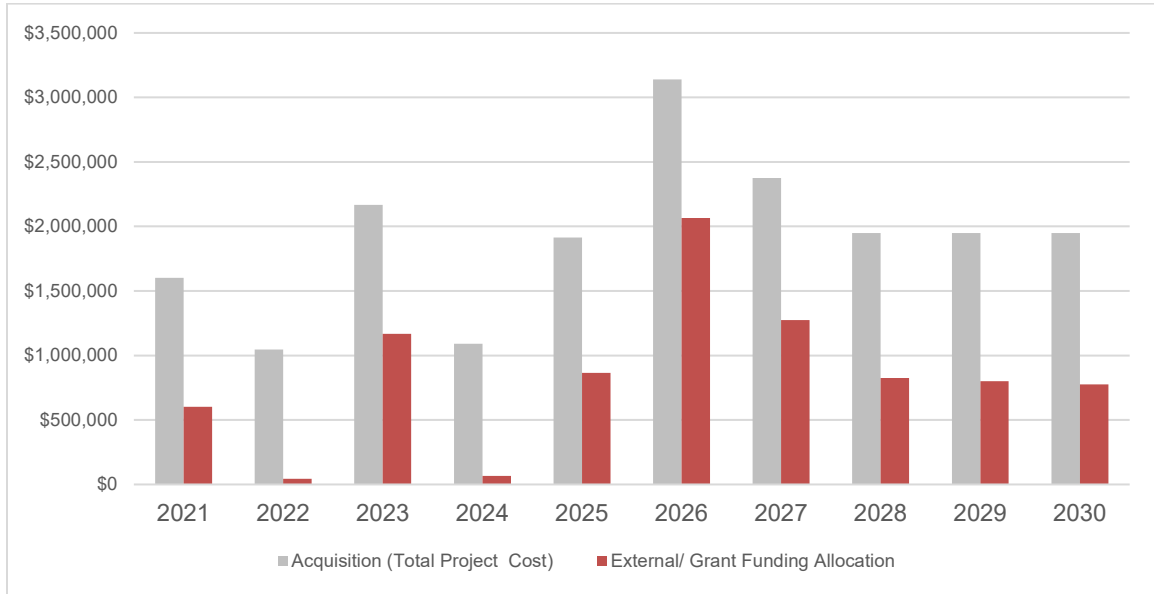


Figure 4: AMPs 2020 - 10 year Forecast Acquisition Costs (current day \$s)

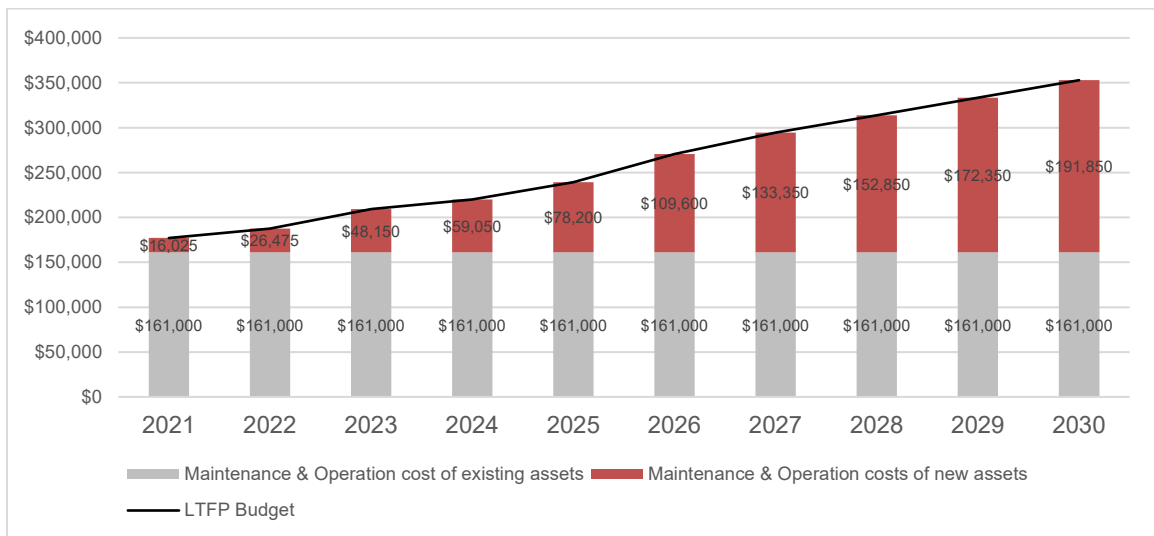


Figure 5: AMPS 2020 - 10 Year Forecast Operational Costs (current day \$s)

Transport AMP

The City of Holdfast Bay has 178 km of transport network catering for road users, including vehicles, pedestrians, and cyclists. Key road assets include roads, kerbs, bridges and footpaths, as well as supporting assets such as street lighting, bus shelters, line marking, and signage. Our road assets are used for movement of vehicles as well as on-street parking. The overall values of the Transport Portfolio is \$259 Mil.

Refer Attachment 4

The 10 year forecast renewal expenditure for Transport assets is \$31.1 Mil. The forecast acquisition expenditure is \$28.5 Mil, partially offset by an anticipated \$10.4 Mil in External Funding / Grants.

Refer Attachment 1

Whilst the physical condition of the assets is considered good and the number of community complaints is low, there are views within the community that the function of some roads is below standard; for example through congestion, excessive speed, narrow road width, intersection treatments, lack of on street parking, lack of safe cyclist and pedestrian paths or insufficient lighting.

Changes from the previous Transport AMP include:

- Roads resealed every 25 years, instead of 35. This aligns better with industry standards. This has been applied as a flat, rather than condition-based program.
- Kerb replacement during road treatment decreased to 40%, in line with actual costs.
- Rejuvenation program removed.
- Unit rates updated.
- LED Street Lighting fixtures (luminaires only) with a value of \$920,000, have recently transferred to Council and have a long warranty and expected life. Their maintenance and operational costs are included in the forecast budget. It is anticipated this will be sufficient to maintain these items on an ongoing basis.
- The Jetty Road Mainstreet Project is included in the Transport Plan.

Modifications to the Transport Program have been reviewed and confirmed by asset engineer Steve Walker, in consultation with internal staff.

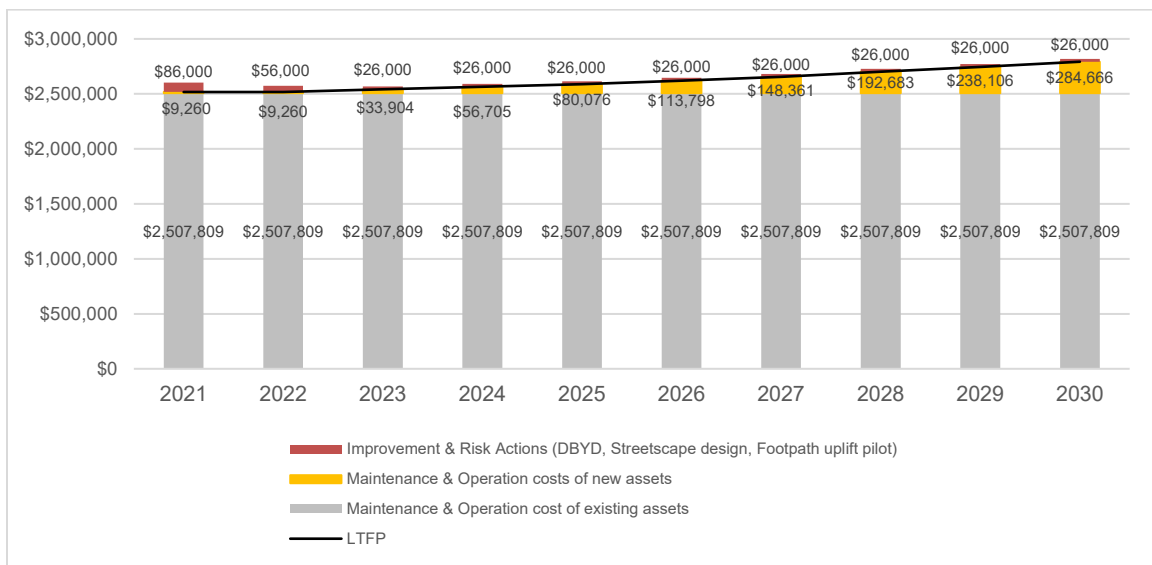


Figure 6: AMPs 2020 - 10 Year Forecast Operational Costs (current day \$s)

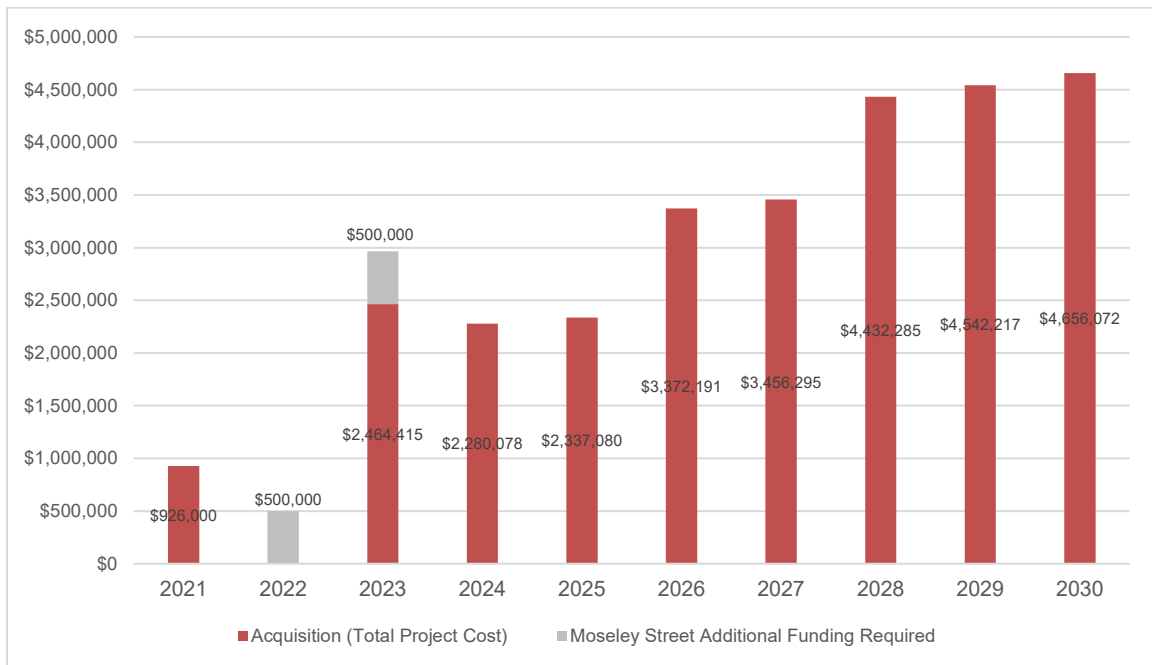


Figure 7: AMPs 2020 - 10 Year Forecast Acquisition Costs (current day \$s)

Open Space and Coastal

The City of Holdfast Bay has over 100 open space and coastal areas, incorporating parks and reserves, streets, corridors and civic spaces, and coastal areas. The total value of Holdfast’s Open Space and Coastal portfolio is \$73 Mil. Examples of assets within these spaces include playgrounds, fencing, bins, benches, shelters, artwork, and paths through reserves, access ramps, retaining walls, seawalls, and drinking fountains. Coastal assets, for the purposes of this plan, include all assets west of the edge of kerb that runs alongside the western edge of Coast Park pedestrian walkway. The portfolio also includes marine structures, such as the Patawalonga Lock and Glenelg Jetty. Assets range in condition and quality based on several factors including age and quality, its suitability to the physical environment (e.g. coastal or inland), usage, and asset maintenance program.

Refer Attachment 5

A large number of found assets, identified during the 2017 JLL open space condition audit, have been included in this AMP. This has increased forecast renewal expenditure from the previous AMP.

The 10 year forecast renewal expenditure for Open Space and Coastal assets is \$18.4 Mil. A significant portion of this expenditure relates to the Patawalonga Lock (\$869 K), as well as sports court resurfacing (\$293 K). The forecast acquisition expenditure is \$4.2 Mil, partially offset by an anticipated \$1.3 Mil in External Funding / Grants.

Refer Attachment 1

It was noted that a review of the Patawalonga Lock is currently underway, and it is anticipated further expenditure may rise as a result.

Changes from the previous Open Space and Coastal AMPs include:

- Application of the hierarchy of open space areas as outlined within the Open Space and Public Realm Strategy (2018-30) and the subsequent Playspace Action Plan (2019 – 29).
- Unit rates updated to match style guide, noting that not all open space will have style guide infrastructure.
- Asset inventory, condition, useful lives, and unit rates aligned to 2017 JLL revaluation and condition assessment.

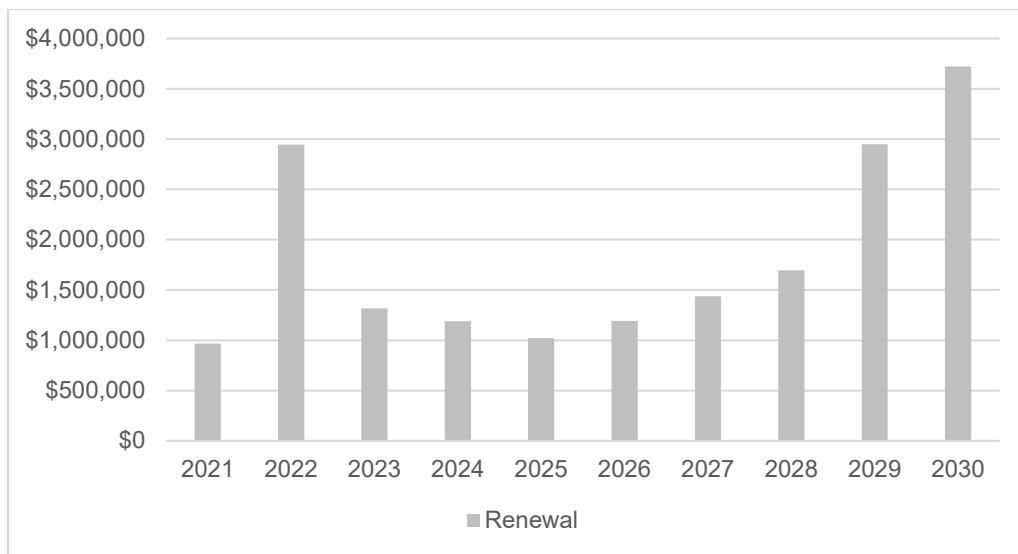


Figure 8: AMPs 2020 - 10 Year Forecast Renewal Costs (current day \$s)

In response to rising demands, Council’s in metropolitan Adelaide are undertaking significant upgrades to public open spaces, particularly with regards to recreation hubs, sporting precincts and play spaces. Over the next three years a large number of upgrades are planned within Holdfast, most notably the Wigley Playspace Upgrade and Glenelg Oval Upgrade projects. These projects will result in a rise to the forecast maintenance and operational costs over time, which needs to be considered in future budgets.

It was also noted that several long lived, high cost coastal assets, such as sea walls and rock revetments, were not included in the AMP costs. Further consideration should be given to these items.

Plant and Equipment AMP

City of Holdfast Bay own, operate and maintain 190 plant and equipment with a replacement value of \$7.6 mil. These assets support the delivery a number of services, including 31 car fleet as pool vehicles for administrative and depot staff, 37 heavy vehicles, 67 minor plant, and 55 major

plant which deliver Field Service’s civil, rapid response, and open space programs, as well as Community Wellbeing’s home maintenance and bus programs.

Refer Attachment 6

The 10 year forecast renewal expenditure for Plant and Equipment assets is \$12.3 Mil. It is anticipated renewal costs will be partially offset by disposal proceeds (trade in) estimated at \$3.68M.

Refer Attachment 1

Council’s is committed to the maintenance, repair and replacement of its plant and equipment assets, to ensure they are able to operate safely and efficiently.

Changes from the previous Plant and Equipment AMP include:

- Useful lives updated ranging from 3 years for car fleet, to 10 years for major plant.
- Condition data updated - Small backlog of heavy machinery to be addressed in the next three years.
- Inventory updated.
- Provision for Improved disability access in Council’s two large community buses.

The performance and function of the Plant and Equipment assets will be maintained at a safe standard at all times, through regular inspections and servicing that is compliant with legislative requirements and manufacturing specifications. Risk assessments are regularly completed on all plant and equipment.

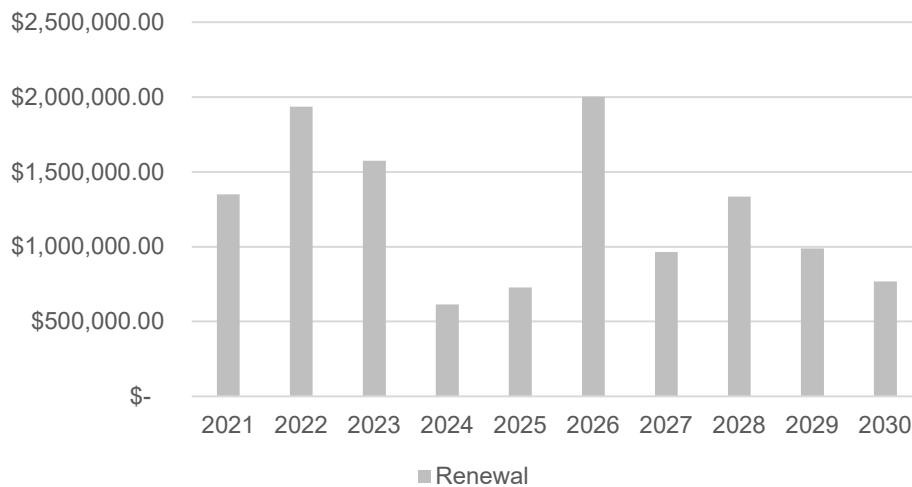
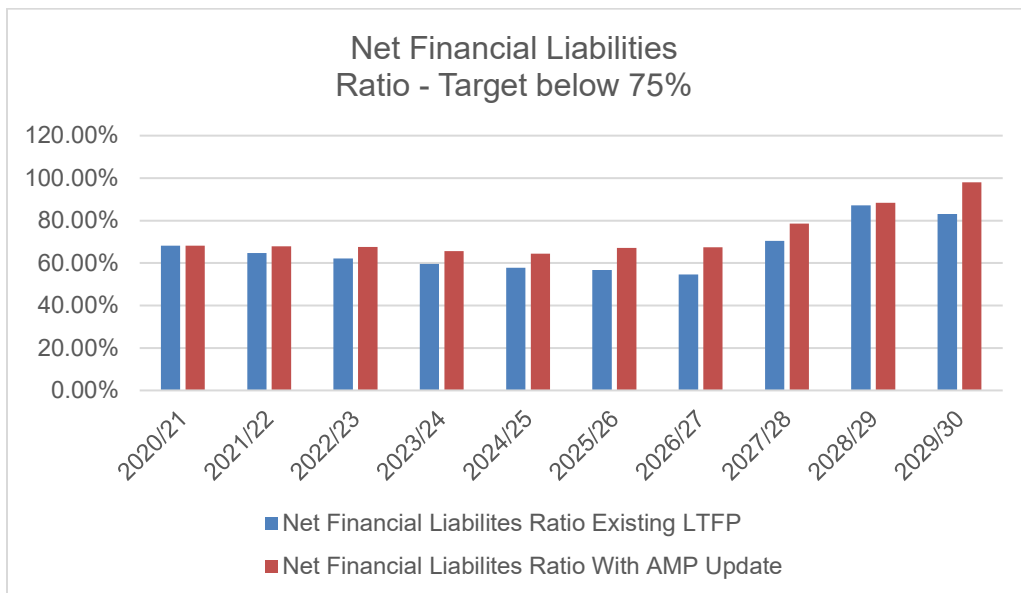
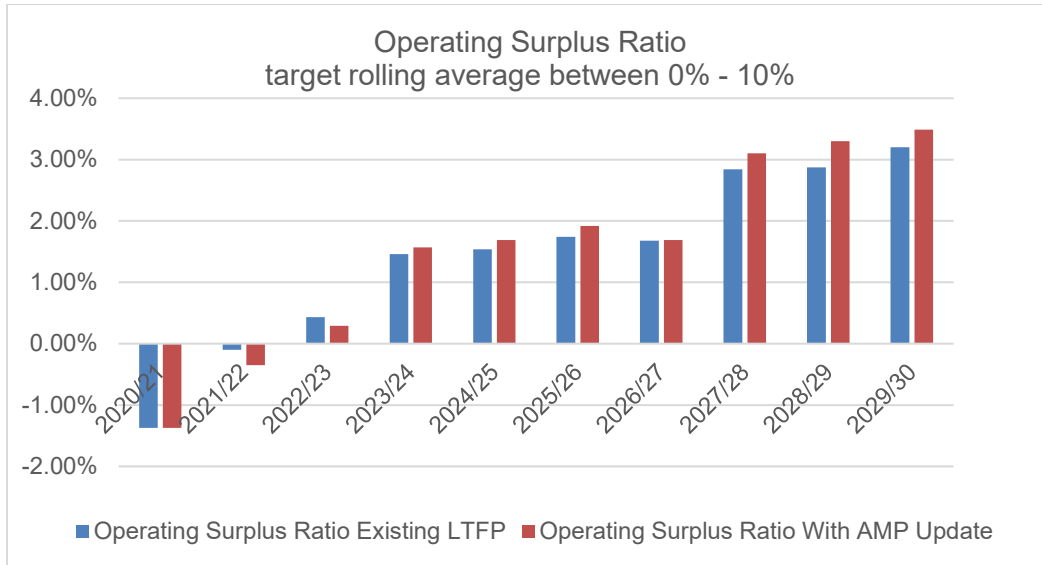


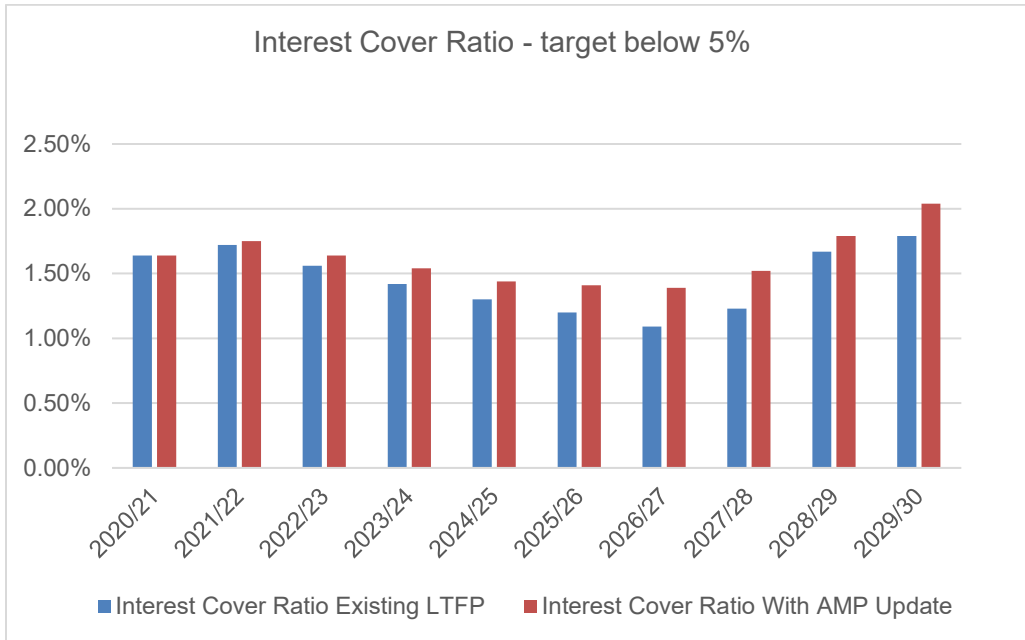
Figure 9: AMPs 2020 - 10 Year Forecast Renewal Costs (current day \$s)

Financial Implications

The proposed AMP has been applied to the existing Long Term Financial Plan (LTFP) to compare the outcomes. Under both scenarios the LTFP model includes major new strategic projects including stormwater upgrades, Glenelg Oval, Jetty Road Glenelg and Kingston Park. Annual provisions have also been made for new initiatives.

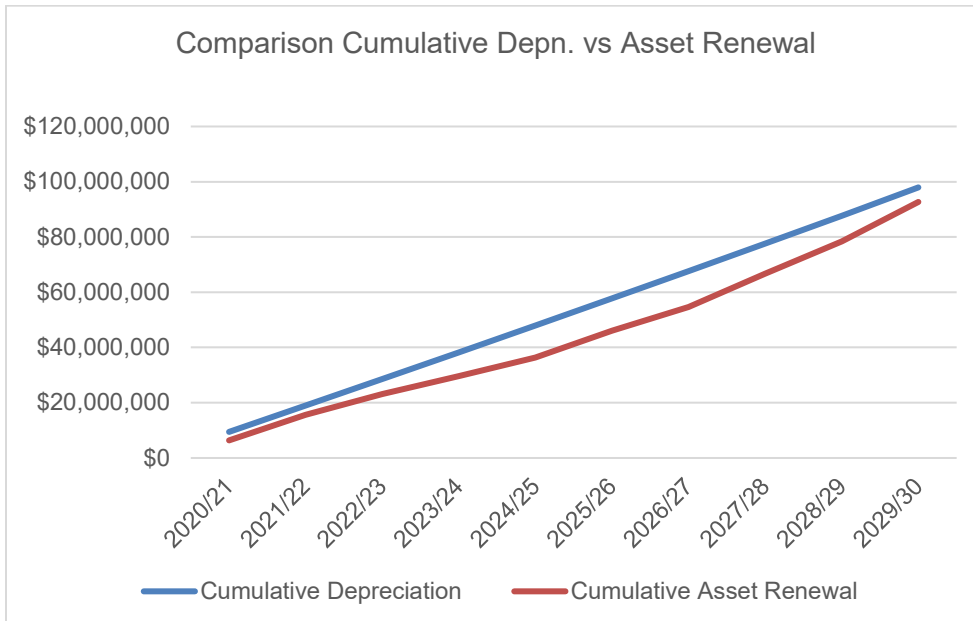
The key comparative financial indicator charts are highlighted below:





The outcomes indicate that Councils main financial targets are not breached in the short to medium term while there is an overall trend upwards as additional renewal expenditure is incurred on existing assets.

An additional analysis has been undertaken of how expenditure on asset renewal compares with depreciation over the term on the plan. The following chart shows a reasonably close correlation indicating that the capital renewal expenditure forecast is reasonable compared with the useful life of the assets.



The LTFP will be further reviewed to take into account the 2019/20 audited financial statements, subsequent budget updates and any forecast changes in the LGPI. This will be reported to the next Audit Committee meeting.

Key Findings:

The key findings and assumptions of the asset plans are:

- Assets owned or under care and control of Council's are in good-fair condition, with a \$10.1 Mil increase over 10-years in capital expenditure required to ensure a backlog does not develop.
- Program assumes the external and internal visual condition assessments conducted so far are indicative of sub-surface and structural condition. Further investigation into subsurface and structural condition of assets, most notably stormwater, road pavement and the Patawalonga Lock, is underway. Early indications are that additional funding may be required as a result of this. Asset Plans will need to incorporate this information at next annual review.
- Two key demands identified as having an impact on council's assets were climate change and demographics. The findings of the integrated transport strategy, environment strategy, and strategic property review will have an impact and should consider these asset management plans.
- A detailed revaluation of assets should be undertaken over the next two years.
- The plans assume the current level of service and business structure will remain unchanged during the 10 year window.
- The plans only consider approved New Initiative Projects. Caution required when approving further projects, to ensure that the impact on operational budgets are fully accounted for. These will have a significant, cumulative effect on Council's forecast operational budgets. The 1% forecast operational costs are a broad estimate and should be refined to specific asset classes for future reviews.
- Asset Management Plans are a living document, which should be updated and reviewed annually.

If approved, the plans will go to Council for approval prior to going out to community consultation. The plans will be reformatted to align with the Council's Style Guide.

BUDGET

The asset management plans will inform the Long Term Financial Plan. As such, decisions made in the asset management plans may impact significantly upon Council's Long Term Budget.

LIFE CYCLE COSTS

The asset management plans will inform the Long Term Financial Plan. As such, decisions made in the asset management plans may impact significantly upon Council's Long Term Budget. Life cycle cost estimates are considered specifically in each plan. This includes provision for risk and improvement items identified in the plan.

Attachment 1



Attachment 1

Buildings Financial Summary

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	TOTAL
Acquisition (Total Project Cost)	\$1,913,421	\$401,060	\$4,526,000	\$4,639,000	\$4,755,000	\$0	\$0	\$4,160,000	\$4,264,000	\$0	\$24,658,481
Maintenance & Operation cost of existing assets*	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$13,456,130
Maintenance & Operation costs of new assets	\$19,134	\$4,011	\$45,260	\$46,390	\$47,550	\$0	\$0	\$41,600	\$42,640	\$0	\$246,585
Renewal	\$2,393,886	\$1,147,734	\$1,016,203	\$990,754	\$1,046,338	\$2,502,578	\$1,892,355	\$3,832,719	\$2,432,957	\$3,095,318	\$20,350,842
Disposal	\$0	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000
Facility Assessments (DDA, Functionality, Amenity)	\$0	\$20,000	\$60,000	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000
Safety and DDA Compliance Works	\$0		\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$0	\$0	\$0	\$200,000
TOTAL COST	\$5,672,054	\$2,920,418	\$7,033,076	\$7,101,757	\$7,234,501	\$3,888,191	\$3,277,968	\$9,379,932	\$8,085,210	\$4,440,931	\$59,034,038
External/ Grant Funding Allocation	\$0	\$0	-\$2,262,816	-\$2,319,387	-\$2,377,372	\$0	\$0	-\$2,080,137	-\$2,132,141	\$0	-
COUNCIL FUNDING REQUIRED	\$5,672,054	\$2,920,418	\$4,770,260	\$4,782,370	\$4,857,129	\$3,888,191	\$3,277,968	\$7,299,795	\$5,953,069	\$4,440,931	\$47,862,185

*Estimate based on historical spend

Stormwater Financial Summary

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	TOTAL
Acquisition (Total Project Cost)	\$1,602,500	\$1,045,000	\$2,167,500	\$1,090,000	\$1,915,000	\$3,140,000	\$2,375,000	\$1,950,000	\$1,950,000	\$1,950,000	\$19,185,000
Maintenance & Operation cost of existing assets*	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$1,610,000
Maintenance & Operation costs of new assets	\$16,025	\$10,450	\$21,675	\$10,900	\$19,150	\$31,400	\$23,750	\$19,500	\$19,500	\$19,500	\$191,850
Renewal	\$110,637	\$100,000	\$100,000	\$100,000	\$114,875	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,025,512
Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$1,890,162	\$1,316,450	\$2,450,175	\$1,361,900	\$2,210,025	\$3,432,400	\$2,659,750	\$2,230,500	\$2,230,500	\$2,230,500	\$22,012,362
External/ Grant Funding Allocation	-\$602,500	-\$45,000	-\$1,167,500	-\$67,000	-\$866,000	-\$2,065,000	-\$1,275,000	-\$825,000	-\$800,000	-\$775,000	-\$8,488,000
COUNCIL FUNDING REQUIRED	\$1,287,662	\$1,271,450	\$1,282,675	\$1,294,900	\$1,344,025	\$1,367,400	\$1,384,750	\$1,405,500	\$1,430,500	\$1,455,500	\$13,524,362

*Estimate based on historical spend

Transport Financial Summary

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	TOTAL
Acquisition (Total Project Cost)	\$926,000	\$0	\$2,464,415	\$2,280,078	\$2,337,080	\$3,372,191	\$3,456,295	\$4,432,285	\$4,542,217	\$4,656,072	\$28,466,633
Maintenance & Operation cost of existing assets*	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$25,078,090
Maintenance & Operation costs of new assets	\$9,260	\$0	\$24,644	\$22,801	\$23,371	\$33,722	\$34,563	\$44,323	\$45,422	\$46,561	\$284,667
Improvement & Risk Actions (DBYD, Streetscape design, Footpath uplift pilot)	\$86,000	\$56,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$350,000
Moseley Street Additional Funding Required	\$0	\$500,000	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000
Renewal	\$2,108,249	\$3,119,894	\$3,254,475	\$2,946,076	\$3,034,043	\$3,327,903	\$3,098,821	\$3,348,648	\$3,219,620	\$3,682,278	\$31,140,007
Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$5,637,318	\$6,183,703	\$8,777,343	\$7,782,764	\$7,928,303	\$9,267,625	\$9,123,488	\$10,359,065	\$10,341,068	\$10,918,720	\$86,319,397
External/ Grant Funding Allocation	-\$920,000	\$0	-\$1,103,415	-\$760,078	-\$779,080	\$1,124,191	-\$1,152,295	-\$1,477,285	-\$1,514,217	-\$1,552,072	-\$10,382,633
COUNCIL FUNDING REQUIRED	\$4,717,318	\$6,183,703	\$7,673,928	\$7,022,686	\$7,149,223	\$8,143,434	\$7,971,193	\$8,881,780	\$8,826,851	\$9,366,648	\$75,936,764

*Estimate based on historical spend

Open Space and Coastal Financial Summary

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	TOTAL
Acquisition (Total Project Cost)	\$2,182,014	\$1,941,000	\$58,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,181,014
Maintenance & Operation cost of existing assets*	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$31,901,630
Maintenance & Operation costs of new assets	\$21,820	\$19,410	\$580	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41,810
Renewal	\$965,957	\$2,944,295	\$1,316,141	\$1,188,231	\$1,019,180	\$1,193,478	\$1,437,394	\$1,694,948	\$2,949,130	\$3,721,896	\$18,430,650
Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$6,359,954	\$8,094,868	\$4,564,884	\$4,378,394	\$4,209,343	\$4,383,641	\$4,627,557	\$4,885,111	\$6,139,293	\$6,912,059	\$54,555,104
External/ Grant Funding Allocation	-\$484,601	-\$827,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,312,461
COUNCIL FUNDING REQUIRED	\$5,875,353	\$7,267,008	\$4,564,884	\$4,378,394	\$4,209,343	\$4,383,641	\$4,627,557	\$4,885,111	\$6,139,293	\$6,912,059	\$53,242,643

*Estimate based on historical spend

Plant and Equipment Financial Summary

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	TOTAL
Acquisition (Total Project Cost)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance and Operation cost of existing assets*	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$4,976,200
Maintenance and Operation cost of new assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewal	\$1,349,500	\$1,936,436	\$1,573,960	\$615,181	\$727,752	\$2,001,553	\$965,310	\$1,334,402	\$987,337	\$767,466	\$12,258,897
Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Improved Disability Access Community Bus	\$0	\$0	\$80,000	\$0	\$80,000	\$0	\$0	\$80,000	\$0	\$80,000	\$320,000
COUNCIL FUNDING REQUIRED	\$1,847,120	\$2,434,056	\$2,151,580	\$1,112,801	\$1,305,372	\$2,499,173	\$1,462,930	\$1,912,022	\$1,484,957	\$1,345,086	\$17,555,097

*Estimate based on historical spend

Note all figures are in current day dollars. Year is year ending of FY.

Attachment 2





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City of Holdfast Bay

**Building
Asset Management Plan**

October 2020



[Forward By the Mayor or CEO]

Document Control

Issue	Date	Issue Details	Author	Checked	Approved
V.1	14.07.20	Draft 1	SW	TY	TY

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Abbreviations

Asset Management Plan	AMP
Level of Service	LoS
Long Term Financial Plan	LTFP

Executive Summary

City of Holdfast Bay owns or is in care and control of 130 buildings across 81 locations providing accommodation for Council's civic, administrative and operational functions as well as providing community services, such as sporting and recreational activities, surf lifesaving clubs, libraries, community centres, public toilets, depot and basic storage sheds. The portfolio also include several buildings for commercial and tourism (income generating) purposes. The buildings covered by this report have a current replacement value of \$108 million.

In February 2019, a Level 2 condition assessment was undertaken on the building portfolio by Knowledge AMS and modeling completed by Assetic, providing a snapshot of the condition of our asset stock to a room level, and identifying issues that require remediation. Although on average our buildings are in good condition, the audit indicated the condition of our building stock varied considerably, with some critical facilities approaching refurbishment /replacement in the short term. The report also highlighted Holdfast's reliance on external sources of funding and maintenance by lease holders to ensure buildings meet our required service standards.

Given constraints in operational budgets, this asset plan recommends that Holdfast Bay increases its building capital expenditure to ensure levels of service can be maintained, and critical buildings remain in early-mid life. As external sources of funding are received, this will partially offset this increased expenditure. The renewal program in this AMP is aligned to the building hierarchy to ensure high criticality buildings, such as the Brighton Civic Center, are maintained to a high standard. Works are grouped into refurbishment and upgrade programs, to generate efficiencies of scale, and prevent disruption to stakeholders where possible. Moving forward lease arrangements should progressively be aligned to agreed service levels as outlined in this asset plan.

Information on functionality, safety and amenity were lacking for the building portfolio. These elements will form an important part of the replacement triggers, complementing the condition data already available. These should be audited prior to the next Asset Management Plan review and fully integrated into the forecast renewal program.

Future demand for Holdfasts Buildings and Facilities is rapidly changing with a focus on buildings compliance, environmental sustainability, multi-use facilities, and gender equity. Several major building upgrades are currently, or will soon be, underway:

- The Brighton and Glenelg Oval redevelopments will replace the majority of the club rooms and associated grounds.
- An ongoing restoration of the Glenelg Town Hall and Bay Discovery Center will restore much of the external fabric of this heritage listed building.
- An upcoming feasibility study for combining the Brighton Civic Center into a Community Hub potentially will bring forward a renewal/upgrade to this facility and the neighbouring Brighton Library.

The strategic direction of Holdfast's property and its Asset Management Plans should complement each other. Future projects should consider and make reference to the service level framework outlined in this asset plan, and planned works adjusted accordingly.

BUILDING ASSET MANAGEMENT PLAN

We will drive a systematic approach to the development, maintenance and replacement of our assets and ensure that these assets meet the needs of our community.

TOTAL VALUE OF ASSETS
\$108 Million

- Commercial Buildings
- Council Buildings
- Public Toilets
- Sporting Buildings
- Community Buildings
- Utility



Overall Building Asset Condition is GOOD

LEVELS OF SERVICE



Community
Quality
Function/Capacity
Safety
Cost Effectiveness
Responsiveness



Technical
Condition
Function/Accessibility
Safety
Cost Effectiveness
Environmental



Operational
Reactive - Maintenance
Long Term - Maintenance



Strategic Directions inline with Transport AMP

- A HEALTHY, CREATIVE, CONNECTED COMMUNITY**
 - Building a healthy, active and resilient community
 - Providing welcoming, accessible facilities
- A DIVERSE and RESILIENT LOCAL COMMUNITY**
 - Supporting and growing local business
- AN ACCESSIBLE, LIVELY & SAFE COASTAL CITY THAT CELEBRATES OUR PAST TO BUILD FOR OUR FUTURE**
 - Creating lively & safe places
 - Building character and celebrating history
- AN EFFECTIVE CUSTOMER-CENTRED ORGANISATION**
 - Providing customer centred services
 - Enabling high performance
 - Being financially accountable
 - Supporting excellent, efficient operations

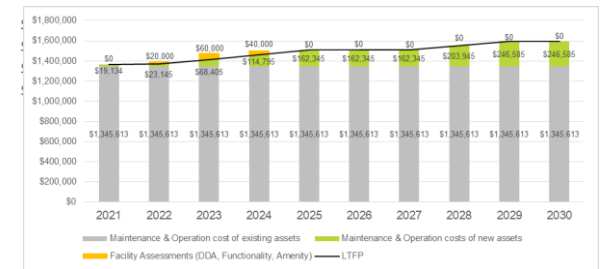
The **Asset Sustainability Ratio** indicates whether Council has the financial capacity to fund asset renewal at continued existing service levels.



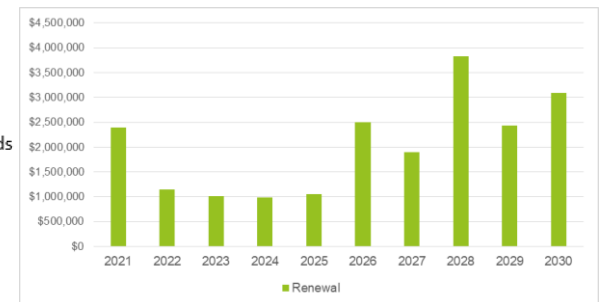
Council Target: 90-110% over 5 Years

Over the next 10 years of forecasting, City of Holdfast Bay expects to have 100% of the funds required for the optimal renewal and replacement of Building Assets.

10 Year Operation & Maintenance Expenditure Forecast



10 Year Renewal Expenditure Forecast



1 Introduction

In accordance with the Local Government Act 1999 (the Act) and the Strategic Plan (Our Place 2030), the Council provides a range of community services to the members of the local community and visitors. The services include transport services, waste management services, environmental services, social and recreational services, open space services, stormwater drainage services, and coastal and beach management services.

Under the Act, Council is required to develop and adopt an infrastructure and asset management plan covering a period of at least 10 years. In addition, Council is required to adopt a long-term financial plan 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. Variations to the scheduled works within the AMP and the LTFP may be adjusted as the need arises

The primary intent of asset management is to meet a required level of service in the most cost-effective way, through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets to provide for present and future community needs. The Building Asset Management plan will be a living document over the next 3 to 4 years complying to all legislative requirements, and to communicate funding required to provide the required levels of service over a 10-year planning period.

This plan also aims to align with ISO 55000 (international standard for asset management) but does not seek to become accredited as an ISO document or process. This document 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 ISO framework also aims to create transparency and accountability through all aspects of asset management; this process ensures that all stakeholders understand their roles and responsibilities of achieving the intentions of the plan.

The Building Asset Management Plan works in conjunction with the following Council’s plans and strategies (Table 1-1):

Table 1-1 Plans, Strategies and Policies

Plans, Strategies and Policies	
Our Place 2030 Strategic Plan	Open Space and Public Realm Strategy 2018-2030
The Annual Business Plan	Tourism Plan 2020
Asset Management Policy	Youth Action Plan 2018-2033
Long Term Financial Plan	Creative Holdfast Arts and Culture Strategy 2019-2024
Disposal policy	Community Land Management Plans
Asset Leasing Policy	Outdoor Dining Policy
CCTV Policy	Holdfast Bay Council State of the Assets Report 2019

1.1 Legislation and Relevant Acts

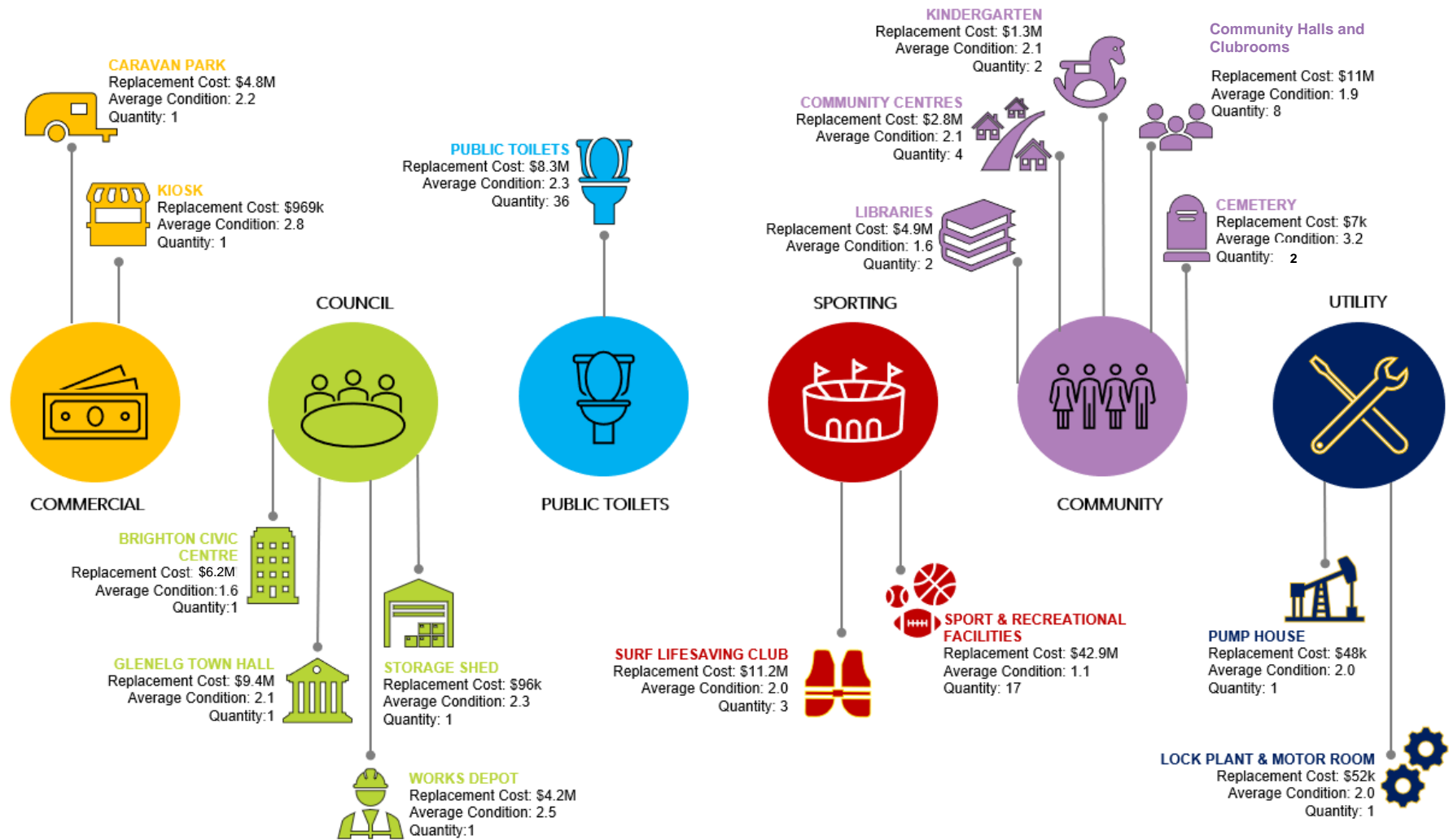
Council considers the following legislative framework in the management of its Building assets (Table 1.1-1).

Table 1-1-1 Legislative Requirements – Building Assets

Legislation	Requirements
Building Code of Australia (National Construction Code)	Meet requirements for occupation under the approved Building Class. Includes provisions for DDA compliance.
Development Act 1993 & Development (Residential Code) Variation Regulations 2016	An Act to provide for planning and regulate development in the State; to regulate the use and management of land and buildings, and the design and construction of buildings; to make provision for the maintenance and conservation of land and buildings where appropriate; and for other purposes.
Disability Discrimination Act 1992	Provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.
Environmental Protection Act	An Act to provide the protection of the environment; to establish the Environment Protection Authority and define its functions and powers; and for other purposes. Consideration of this act should be undertaken for the provision, development, or management of open space.
Food Act 2001	Sets out standards for food handling.
Heritage Act 1993 and Heritage Places Act 1993	The portfolio includes buildings that are State and Locally Heritage listed buildings. These Acts set out the responsibilities of the land owner to maintain and preserve the heritage value of the buildings.
Liquor Licensing Act 1997	Sets out responsibilities for holders of liquor license.
Local Government Act 1999.	Sets out role, purpose, responsibilities, and powers of local governments including the preparation of long-term financial plan supported by asset management plans for sustainable service delivery.
Planning, Development and Infrastructure Act 2016	An Act to provide for matters that are relevant to the use, development and management of land and buildings, 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
Retail & Commercial Leases Act 1995	An Act regulating the leasing of certain properties.

SA Public Health Act 2011	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.
Work Health and Safety Act 2012	An Act to provide for the health, safety, and welfare of persons at work; and for other purposes.

2 Asset Class Information



2.1 Physical Parameter

This AMP covers the class of Building Assets for the City of Holdfast Bay. A building asset is defined as any construction or structure with fixed and permanent foundations or footings, enclosed or part enclosed with walls, roofing of rigid and long-lasting materials, with the purpose of occupation and/or storage. There are three levels to a building as defined in this AMP;

- the building location or site which includes all subsidiary structures associated with the site such as sheds, cabins, and toilets,
- the individual buildings, which accounts for separate lease arrangements, and
- the asset componentization at a room level.

External structures, such as retaining walls and decking, are included as a building component if affixed to the building. If not they are incorporated into the open space portfolio.

Building Assets are divided into categories as they provide different roles to the Council and community. The assets covered by this Building AMP are shown Section 2 and in Table 2-1-1 below:

Table 2-1-1 Building Categories

Building Categories	Number of Locations	Number of Building Structures	Number of Asset Components	Replacement Value	Average Condition Rating
Commercial	2	51	729	\$5,740,362	2.20
Council	4	4	564	\$19,865,331	2.0
Public Toilets	36	36	747	\$8,342,056	2.30
Sporting	20	20	1548	\$54,025,208	2.10
Community	17	17	783	\$20,046,690	1.90
Utility	2	2	24	\$100,514	2.0
TOTAL	81	130	4395	\$108,120,161	2.0

2.2 Asset Hierarchy

An 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 planning and delivery. Council's asset hierarchy and associated service levels are detailed in Appendix 1.

Table 2-2-1 below summarises Council's service levels for each level of hierarchy.

The Building Asset Hierarchy are set out in three levels:

Table 2-2-1 Hierarchy Levels

Hierarchy Level	Criticality	Description
A	High	Public facing, high usage or those critical to the core operations of council.
B	Mid	Assets where the consequences of failure, resulting in partial or complete building closure, are not likely to have immediate and /or extreme impact on Council operations or the Community (e.g. sporting clubs).
C	Low	Assets with little to no operational impact (e.g. sheds)

Each criticality has different service level agreements. This framework was produced internally, and as part of Council's Building Asset Improvement Plan, community consultation will be undertaken upon the next criticality framework review.

Lease agreements should be reviewed and realigned with Council's service levels.

2.3 Asset Expected Life

All assets are provided with a baseline straight line 'useful life' value (blue line), used for the purposes of lifecycle cost planning and accounting for asset valuation and depreciation. This straight-line depreciation is used in Council's financial reporting.

The 'service life' of Building Assets differs from the standard design life and the useful life, as it also accounts for the ongoing maintenance and renewal of the asset to maintain a designated technical level of service (black line). The setting of service levels will be undertaken by council staff in consultation with the community and elected members, to optimize whole of life costs for the assets.

As upkeep of the asset is made through the capital renewal & maintenance budgets, the condition should be maintained at the desired level to ensure assets reach their potential service life (black line). If no regular maintenance occurs the potential asset life will not be reached (red line).

Figure 2-3 shows that the deterioration curves, red and black, show a true reflection on an assets aging profile, as it typically deteriorates faster towards the end of its life.

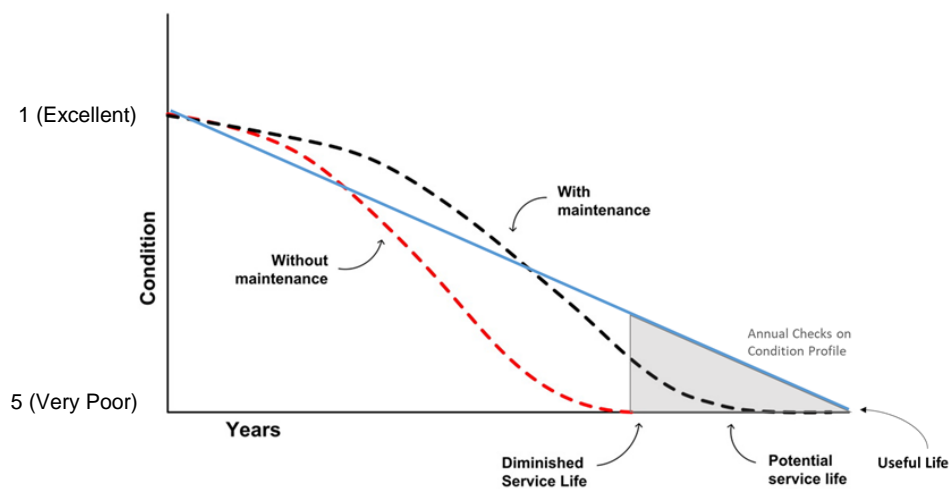


Figure 2-3 Asset Ageing Profile

After determining remaining life using each building component's condition scores, Council then grouped forecast works into a series of refurbishment and replacement projects.

For example, if interior paint, flooring, and fixtures all occur within a three year period within a particular building, then a refurbishment is triggered and all refurbishment works within the building are grouped together into a single project. This is to generate cost efficiencies and reduce disruption to building users.

Where buildings have complex spaces, or those with very different condition profiles such as the Glenelg Town Hall, a building-wide refurbishment program was not deemed cost effective and has not been applied. These will continue to be maintained through the component level defect and maintenance programs.

Services, such as air conditioning or fire systems, as well as roofing are considered independent of refurbishment and replacement programs due to their compliance and safety requirements which require a strict replacement cycle.

2.4 Asset Quality and Distribution

The City of Holdfast Bay has a responsibility to maintain the appropriate condition of Building Assets as defined by the levels of service.

This includes:

- Forward works planning – capital and maintenance program.
- Overseeing works undertaken.
- Organising of building audits and safety inspection.

Internal inspections of Building Assets, including leased properties, will be undertaken as per service levels (Appendix 1). An external condition audit of all Building Assets should be completed every 4-5 years to maintain an up to date database of condition, maintenance, and risks.

Building Assets incorporate a 1-5 condition rating score. This condition rating standardises all assets for easy comparison across the entire portfolio. Each building component, as detailed in the Building Asset Hierarchy, is given a condition score which in turn form the basis for an overall average condition score per building asset

The condition rating score is described in Table 2-5.

Table 2-4: Condition Assessment System (based on International Infrastructure Management Manual 2015, IIMM)

Condition Rating	Condition Description	Actions
1	Very Good	No action required
2	Good	Minor defects only
3	Fair	Maintenance required to return to accepted level of service
4	Poor	Consider renewal
5	Very Poor	Approaching unserviceable

This condition rating system is for nonspecific use across all building component types. Each building and subsequent building component has been provided with a full set of condition ratings during building audits undertaken in 2019 by Knowledge AMS, with deterioration modeling completed by Assetic.

3 Stakeholders

Key stakeholders in the preparation and implementation of this Building Asset Management Plan are shown in Table 3-1-1.

Table 3-1-1 Building Asset Management Plan Key Stakeholders

Key Stakeholders	Roles in Asset Management Plan
------------------	--------------------------------

<p>Residents and Ratepayers</p>	<p>Ultimate beneficiaries of the AMP process.</p> <p>Feedback collected throughout the year.</p> <p>Annual satisfaction survey undertaken.</p>
<p>Visitor / Tourists</p>	<p>Regular satisfaction surveys undertaken, and feedback collected.</p>
<p>Business Owners; Traders; Service Providers; Lessees</p>	<p>Play a significant role in providing services.</p> <p>Feedback is collected through regular consultation.</p> <p>Suppliers provide the goods and services to manage the assets and infrastructure.</p>
<p>Elected Members, Stewardship</p>	<p>To act as custodians of community assets</p> <p>To set asset management policy and vision</p> <p>Allocate resources to meet Council objectives in providing services while managing risks</p>
<p>Chief Executive Officer/ Senior Leadership Team</p>	<p>To provide leadership and strategic direction</p> <p>Review Asset Management Policy and Asset Management Strategies</p> <p>To ensure that community needs and the outcomes of service reviews are incorporated into asset management planning and Long-Term Financial Plan</p> <p>To ensure that training of Councillors and staff in financial and asset management practices is provided</p> <p>To ensure that accurate and reliable information is presented to Council</p> <p>To ensure appropriate delegations and approval processes are followed</p>
<p>Asset Management Leadership Team</p>	<p>Facilitate development of Asset Management Plans</p> <p>To oversee the implementation of the Asset Management Policy and Asset Management Strategies</p> <p>To oversee the ongoing development and review of service plans and asset management plans</p> <p>To ensure that community needs and the outcomes of service reviews are incorporated into asset management plans</p> <p>To promote and raise awareness of asset management within the organisation</p> <p>To ensure relevant health and wellbeing, human rights and equity principles and strategies are taken into consideration</p> <p>To develop and implement asset management improvement plan</p> <p>To provide and manage the asset management information system(s)</p>

	Integrate asset management and financial plans and reporting
Asset Manager(s) and Staff	<p>To develop and implement maintenance, renewal and capital works programs in accordance with the Asset Management Policy, Strategy, Plans, as well as budget allocations.</p> <p>Develop Specific Management Plans (upgrade, renewal, maintenance, operations, disposal)</p> <p>To deliver levels of service to agreed risk and cost standards and expectations</p> <p>To report asset related risk and damage</p> <p>To establish and monitor asset compliance and risk inspection regimes</p> <p>To manage asset condition assessments</p> <p>To provide technical expertise to Asset Management Leadership Team</p>

4 Current and Desired Levels of Service (LoS)

Levels of Service or objectives and the way these are benchmarked and measured annually and quarterly, are the single biggest point of difference between previous asset management plans and ISO 55000 standard plans. By its very definition ISO 55000 is measurable and definable outcome that typifies an outcome-based paradigm.

The International Infrastructure Management Manual describes Levels of Service (LOS) as ‘defined service quality for an activity or service area against which service performance may be measured’.

The City of Holdfast Bay have 3 defined levels of service:

- Customer (Community) Level of Service
- Technical Level of Service
- Operational Level of Service

These Levels of Service are designed to support continued performance and function of the Building assets (and all their components) to a reasonable standard. They are also intended to ensure the future economic sustainability of Holdfast's Buildings is considered and unreasonable costs are not being placed on future Asset Management Plans.

Customer (Community) Level of Service

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Quality	Building / facilities are attractive, clean and damage free.	Quality of Life Community Survey	7 or above – Community satisfaction
Culture: Supporting excellent, efficient operations	Function/Capacity	Ability for the asset to meet the service program delivery needs – ‘fit for purpose’.	Quality of Life Community Survey	7 or above – Community satisfaction
Culture: Supporting excellent, efficient operations	Function/Capacity	Ability for the asset to meet the service program delivery needs – ‘fit for purpose’.	Strategic Property Review Findings	Delivery of Strategic Property Review Actions – Target 70%
Placemaking: Creating lively and safe places	Safety	Facilities are free from hazards and accessible to all groups.	Number of incident/injury reports	0 report per year
Culture: Being financially accountable	Cost Effectiveness	Provide services in a cost-effective manner.	Quality of Life Community Survey on the cost effectiveness of building services.	Above 7.0
Culture: Supporting excellent, efficient operations	Responsiveness	Provide services with determined response time.	Time taken to respond to request are better than our service level targets	Above 95%

Technical Level of Service

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Condition	Appropriate maintenance works and regular condition assessment.	Maintenance and inspection better than our service level targets.	Above 95%
Placemaking: Creating lively and safe places Placemaking: Developing walkable, connected neighbourhoods	Function/Accessibility	Planned maintenance to support building functionality.	Time taken to respond to request are better than our service level targets	Above 95%
Placemaking: Creating lively and safe places	Safety	Provide safe suitable facilities free from hazards.	Ave. no. of safety defects per asset. Legislative compliance testing:	Equal to exceeding agreed service level targets
Culture: Being financially accountable Culture: Supporting excellent, efficient operations	Cost Effectiveness	Provide service in a cost-effective manner.	Asset Renewal Funding Ratio	100%
Environment: Building an environmentally resilient city	Environmental	Environmental Strategy	Projects consider environmental outcomes and options	100%

Operational Level of Service

Reactive Maintenance

Respond 1 – within 1 hour

*Attend 95% of Priority 1 tasks within the target attend time
Complete 85% of Priority 1 tasks within the target completion time (subject to access, parts and materials being available, otherwise ‘make-safe’ or undertake ‘temporary repairs)*

Respond 2 – within 48 hours

*Attend 95% of Priority 2 tasks within the target attend time
Complete 85% of Priority 2 tasks within the target completion*

Respond 3 – within 10

*Attend 95% of these tasks within the target attend time
Complete 90% of these tasks within the target completion time*

Respond 4 – within 30 days

*Attend 95% of these tasks within the target completion time
Complete 95% of these tasks within the target completion time*

Long Term Maintenance

Respond 5 – include in Programmed Works schedule

*Specific key performance indicators and/or milestones to be agreed on a project-by-project basis
Respond to customers within 5 business days*

Respond	Examples
<p>Respond 1 – Emergency response</p> <p><i>During normal working hours – attendance within 1 hr.</i></p> <p><i>Outside normal working hours – attendance within 2 hrs.</i></p> <p><i>Unless otherwise addressed in lease agreement</i></p> <p><i>Or close building</i></p>	<ul style="list-style-type: none"> ➤ Risk of life or substantial damage to property. ➤ Smell of gas. ➤ Major water leak resulting in flood and immediate danger to the structure, services or fixtures/fittings. ➤ Major loss of power. ➤ Smell of burning (electrical). ➤ Major structural damage, such as ceiling collapse. ➤ Main drain blockage. ➤ Total loss of heating in building ➤ Lighting fault on staircases, landings, vertical transport, and areas likely to be a Health and Safety Issue. ➤ Water penetration into electrical fittings that poses a safety hazard
<p>Respond 2 – Response within 48 hours</p> <p><i>During normal hours where feasible</i></p> <p><i>Unless otherwise addressed in lease agreement</i></p> <p><i>Or close building</i></p>	<ul style="list-style-type: none"> ➤ Lighting tube/bulb failures. ➤ Partial loss of heating. ➤ Loss of hot water. ➤ Loss of drinking water. ➤ Partial loss of power to room or area. ➤ Overflow pipe discharging. ➤ Blocked drains (excluding main drainage). ➤ Fault on external doors and windows that may compromise security. ➤ Faults on internal doors that may compromise security.

Respond	Examples
	<ul style="list-style-type: none"> ➤ <i>Water penetration into electrical fittings that doesn't pose a safety hazard</i> ➤ <i>Major loss of water from faulty taps or shower heads.</i> ➤ <i>Broken WC seat.</i>
<p>Respond 3 – Respond and fix within 10 working days</p> <p><i>Unless otherwise addressed in lease agreement</i></p>	<ul style="list-style-type: none"> ➤ <i>Minor heating system leak.</i> ➤ <i>Minor internal plumbing leak.</i> ➤ <i>Minor loss of water from faulty taps or shower heads.</i> ➤ <i>Flickering lights.</i> ➤ <i>Loss of power to individual lights.</i> ➤ <i>Major cooker, washing machine or fridge faults.</i> ➤ <i>Internal lock faults.</i> ➤ <i>Roof leaks.</i> ➤ <i>Emergency light faults.</i> ➤ <i>Bathroom extractor fan faults.</i> ➤ <i>Replace shower hose or head.</i> ➤ <i>Minor joinery repairs.</i> ➤ <i>Window faults not compromising security.</i> ➤ <i>Minor fridge faults.</i>
<p>Respond 4 – Respond and fix within 30 working days</p>	<ul style="list-style-type: none"> ➤ <i>Replace sanitary fittings.</i> ➤ <i>Making good holes in walls and ceilings or plaster repairs.</i> ➤ <i>Minor joinery repairs non-urgent.</i> ➤ <i>Repairs to room furniture.</i>
<p>Respond 5 – Programed works – fixed by agreed date, requires new initiative bid (NIB), service improvement</p>	<ul style="list-style-type: none"> ➤ <i>Any work not fully in the above categories where completion date is pre-arranged with clients.</i> ➤ <i>Fixing of shelving, notice boards, white boards etc.</i> ➤ <i>Manufacture of items for departments not regarded as maintenance related (subject to appropriate funding being available).</i> ➤ <i>Refurbishment, upgrade of facilities or services that requires additional funding approval.</i>

5 Future Demand

Overtime, the community’s demand for the services that the City provides changes. The reason for change can be varied, but some of the common drivers are population, demographics, technology, environmental, economic and political. Naturally as service demand changes, the City’s assets may also need to change.

Table 5-1 Future Demands

CURRENT POSITION	DEMAND FORECAST	DEMAND IMPACT	DEMAND MANAGEMENT PLAN	IMPACT ON ASSETS
Population increase: ✓ Total estimated population 37,032	Planned to accommodate for 40,313 by 2031	Increased demand for social infrastructure assets such as libraries, recreational, and community facilities.	Regular Strategic Property Review and Implement actions	Increased operational, maintenance and renewal costs.
Changing demographics: ✓ City of Holdfast Bay’s Median Age is 46 years	Growth in aging population.	Increased demand for facilities more suitable for the elderly people.	Audit DDA, maintaining assets in line with changing Building Codes and Australian Standards	Increased DDA and aged care options.
Changing consumer preferences	All sports clubs have access to a building	Potential consolidation of building assets and possible move toward shared mixed-use buildings for clubs and community groups. Increasing female participation in sport requiring redevelopment of existing or development of new change facilities.	Consult with stakeholder on preferred amenities once a renewal or upgrade pending (see Buildings Lifecycle Plan).	Changes to building requirements i.e. female/child friendly changing rooms. Disability friendly change facilities.

CURRENT POSITION	DEMAND FORECAST	DEMAND IMPACT	DEMAND MANAGEMENT PLAN	IMPACT ON ASSETS
<p>Technology change:</p> <p>✓ Global trend towards smart cities creating simplified services through smart technology.</p>	<p>Growing expectation to implement digital service improvements.</p>	<p>Council must adapt to the changing way the community operates, think and plan.</p>	<p>Align new or building upgrades with strategic plans and corporate values (ARISE), exploring new emerging technologies during design and procurement.</p>	<p>Buildings powered using solar panels connect to battery storage.</p>
<p>Climate Change</p>	<p>Reducing the carbon footprint and increase the use of renewable energy.</p>	<p>Reduce the operational costs to facilities</p>	<p>Council to implement its environmental strategy.</p>	<p>Installation of battery storage and solar panels.</p>
<p>Brighton Civic Centre</p>	<p>Council to undertake a Feasibility Study for the redevelopment of Brighton Civic center as a community hub</p>	<p>Has the potential to change how Council delivers its community and civic services, along with significant changes to Civic Centre precinct.</p>	<p>Council to consider the Feasibility Study and allocate appropriate budget</p>	<p>Changes in the location and nature of councils civic and depot</p>
<p>Glenelg Oval</p>	<p>Glenelg Oval Masterplan Delivery</p>	<p>Realign the ageing assets with the services that are required by the sporting bodies into the future.</p>	<p>Council to review and implement subsequent stages</p>	<p>New and upgraded facilities, that better meet the needs of the community</p>
<p>Leased Facilities</p>	<p>Community Leasing Policy Impact</p>	<p>Will place more responsibility for maintenance and monitoring on council, and has the potential to require the tenants to have a rigorous and defined maintenance program</p>	<p>Review budget and strategies for maintenance and operations to support this demand</p>	<p>Improved management of assets</p>

6 Life Cycle Planning/Strategies

The lifecycle management plan details how the City of Holdfast Bay plans to manage and operate the assets at the agreed levels of service while managing life cycle.

The assets covered by this Building Asset Management Plan is shown in Section 2, Asset Class Information. The City's Building assets are on average in good condition. However, the condition of our building stock varies considerably, with some critical facilities approaching refurbishment /replacement in the short term. Holdfast also has a reliance on external sources of funding and maintenance by lease holders to prevent buildings falling below required service standards.

This section presents an analysis of Council's available Building assets information and the life cycle management plans covering the 4 key work activities to manage Building assets.

- **Routine Maintenance** – activities undertaken to ensure efficient operation and serviceability of the assets. This will ensure that the assets retain their service potential over the course of their useful life.
- **Capital Renewal/Replacement** – Provides a program of progressive renewal of individual assets. Deteriorating asset condition primarily drives renewal needs, with increasing maintenance costs also considered.
- **Decommission** – Any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Any costs or revenue gained from asset disposals is included in the long-term financial plan.
- **Creation/Acquisition** – Provides a program of works to create new assets or substantially upgrade existing assets. This is primarily driven by community, growth, social and/or environmental needs/desires.

Variability of these stages also exists within different building categories, as building function may influence the renewal versus replacement strategies.

Lease holder maintenance, in some circumstances, has over time proven to be below Council's service standards as outlined in this plan. This has led to increased maintenance and or reduced service life. The lifecycle implications of activities outside of council's service standard model should be carefully considered and accounted for.

The major stages can be further divided into specific processes as listed in Figure 6-1. In each stage of the lifecycle, varying events will trigger the need to begin the next phase of the cycle. Further details on the processes of these lifecycle stages for building assets is provided in the following sections.

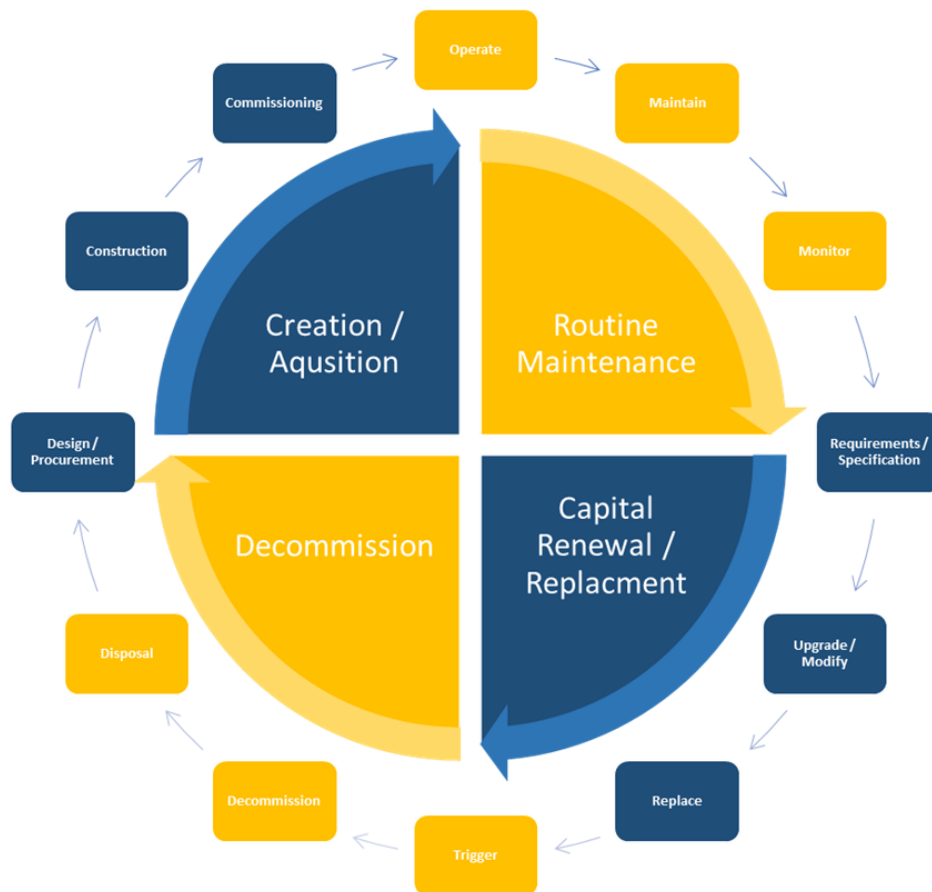


Figure 6-1 Life Cycle Management Plan

6.1 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning and monitoring security systems.

Maintenance include all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include:

- Fixing up broken windows
- Malfunctioning CCTV
- Lighting
- Plumbing
- Fixing cracked ground

Maintenance is classified as:

Reactive Maintenance

Reactive maintenance is unplanned repair work carried out in response to service request and management directions. Council's building maintenance crew organises most of the unplanned repair works. These works are then initiated from the Customer Service Request via the Building Management System.

Planned Maintenance

Planned Maintenance, such as gutter cleaning, is repair work that is identified and managed through a Building Management System. These activities include inspection, condition assessment and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Specific Maintenance

Specific maintenance is replacement of higher value components/sub-components of assets that are undertaken on a regular cycle including repainting and replacing air conditioning units. This work falls below the capital/maintenance threshold but may require a specific budget allocation.

The aim under this Building AMP is to improve the planned and specific operations and maintenance portion of the maintenance work in order to reduce the service interruptions, reactive maintenance works to extend the useful lives and improve the condition of the asset.

As the years progress, the maintenance budget is projected to increase due to inflation and an asset portfolio growing in size, complexity and age.

6.2 Renewal Plan

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

Assets requiring renewal are identified using the Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year).

In the 10-year Forecast Renewal Program Council will:

- ✓ Refurbish 47 Buildings
- ✓ Replace/Upgrade/Decommission 29 Buildings (largely caravan park)

For a summary of forecast renewals and refurbishments per building see Appendix 2.

6.2.1 Renewal Ranking Criteria

Asset renewal is typically undertaken to either:

- ✓ Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate, or
- ✓ To ensure the infrastructure is of sufficient quality to meet the service requirements

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

- Have a high consequence of failure;
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.¹

¹ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p3|97

The ranking criteria used to determine priority of identified renewal proposals are detailed in Table 6-1-1.

Table 6-1-1 Renewal Priority Ranking Criteria

Criteria	Weighting
Service Level Hierarchy (High, Med, Low)	50%
Risk rating: Social, political, environmental implications of failure	25%
Potential to reduce life cycle costs by replacement with a modern equivalent	25%
Total	100%

6.3 Acquisition Plan

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

6.3.1 Selection Criteria

Proposed upgrade of existing assets, and new assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the entities needs.

When Council commits to new assets, they must be prepared to fund future operations, maintenance, and renewal costs. They must also account for future depreciation when reviewing long term sustainability. This is outlined in Holdfast’s Asset Management Policy (Section 3.3.3):

Future life cycle costs will be reported and considered in all Council decisions relating to new services and assets and upgrading of existing assets. If actual costs are not known, an estimate will be applied to the upgrade portion of the project, based upon the Asset Management Plan's life cycle forecast (%).

Major upgrade projects forecast in the next 10 years include:

- Glenelg Oval Redevelopment
- Brighton Caravan Park Stage 2
- Glenelg Town Hall Refurbishment

The full table of projected acquisition projects for the next 10 years is displayed in Appendix 2. Only the upgrade portion of the project is included in the estimated amount.

6.4 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation Council Disposal of Assets Policy outlines this process.

In 2022, Council plans to dispose of the Brighton Oval Toilet Block for an estimated cost of \$2000.

7 Financial Summary

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available with the introduction of a new strategic asset management modelling system in future AMPs, on desired levels of service and current and projected future asset performance. All costs are shown in current (2020) dollar values and do not include inflation.

7.1 Asset Valuations

Valuations are undertaken in alignment with Australian Accounting Standard 'AASB13 Fair Value'. These valuations are required every three to five years, with an independent audit required every five years. Valuations are undertaken to satisfy the financial reporting requirements and to understand the cost to replace assets.

The valuation of Council's Building assets was last valued in 2019 by Assetic. Table 7.1 displays the building valuation in its asset categories.

Table 7.1-1 Valuation of Building Assets – by Asset Category

Asset Category	Current Replacement Cost	Accumulated Depreciation
Commercial	\$5,740,362	\$3,062,219
Community	\$20,046,690	\$10,748,190
Council	\$19,865,331	\$11,146,943
Public Toilet	\$8,342,056	\$4,997,007
Sporting	\$54,025,208	\$25,855,904
Utility	\$100,514	\$36,849
TOTAL	\$108,120,161	\$55,847,112

7.2 Maintenance Trends and Forecasts

Figure 7-2-1 displays the maintenance and operational expenditure trend of City of Holdfast Bay's Building assets.

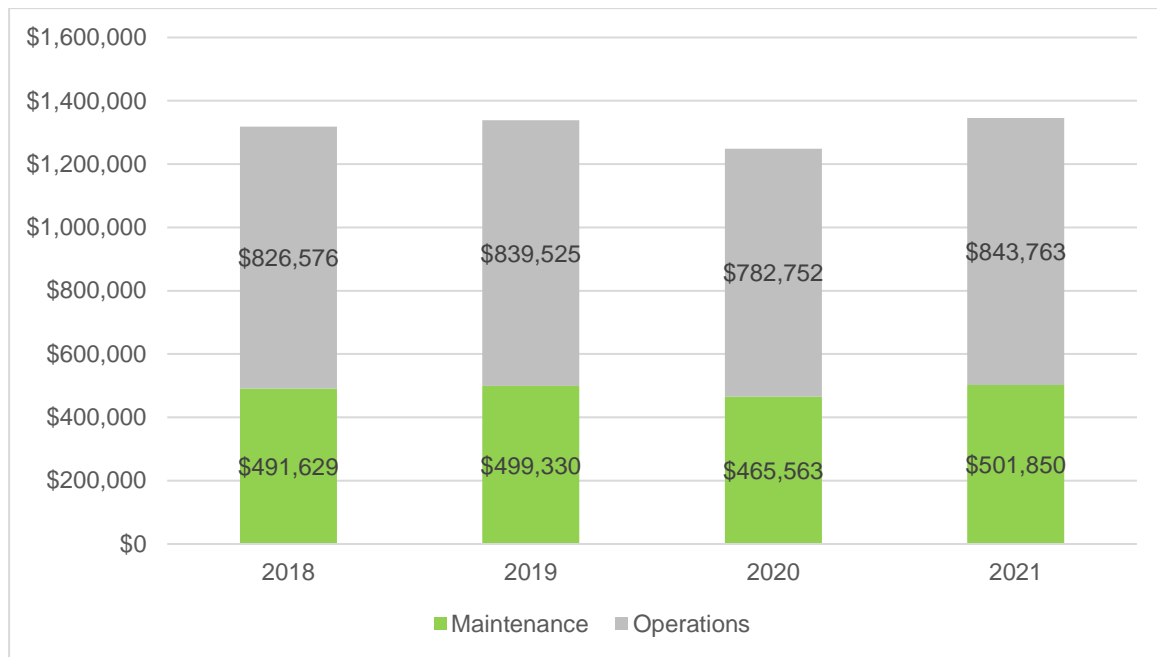


Figure 7-2-1 Buildings Maintenance and Operations Expenditure Trend

Maintenance and operational expenditure has previously been set based on historical expenditure. These historical budgets are forecast to be adequate if;

- proposed increased capital expenditure, as outlined in this plan, is adopted, and
- building operational service levels are adhered to, including by lease holders.

It is noted that there is likely to be a gap between leased maintenance activities and Council's service levels as outlined in this plan. The extent of this gap is yet unknown. This gap should be reviewed and accounted for in discussion with the relevant leasee. It is recommended this is reviewed prior to next budget allocation.

If, following review, maintenance and operational budget allocations for a particular facility are insufficient to meet required level of service, either the budget will need to be increased or the level of service should be lowered to a different tier – for example a Level A to a Level B Community building. This should be done with consideration for service consequences and risks as identified in this asset management plan and the facility management plan.

7.3 Future Operations and Maintenance Forecast

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

Figure 7-3-1 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget. As can be seen in the graph below, council is anticipating operations and maintenance costs to increase gradually due to new buildings or upgrades over the next 10 years.

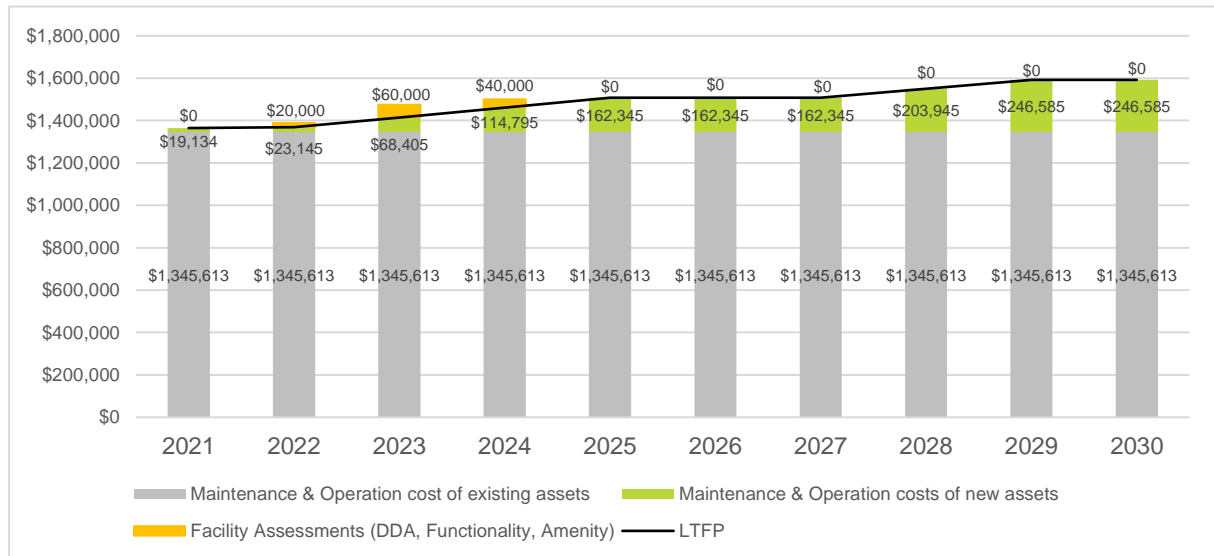


Figure 7-3-1 Operations and Maintenance Summary

The operation and maintenance costs on Council’s Building assets are forecast to increase by \$ \$1,409,629 (cumulative total) over the next 10 years, with an:

- Additional maintenance cost of \$1,289,629 is required for newly acquired assets (Included in LTFP Budget). This is largely due to the Glenelg Town Hall and Glenelg Oval Upgrade projects.
- Additional \$120,000 of operational costs is required to action risks identified in the Risk Management Plan as well as improvement items outlined in the Improvement Plan (not included in LTFP budget). Specifically, facility safety and DDA compliance audits.

It is anticipated this estimate is conservative, as it assumes no further upgrades beyond those already approved by Council. This should be adjusted using the forecast lifecycle costs estimates, as upgrade projects are designed and approved. Decommissioning of low use assets may partially offset this additional expenditure, and should also be accounted for.

7.4 Future Renewal Forecast

Forecast renewal costs are projected to increase over time if the asset stock increases.

The forecast renewal costs are consistent with the planned renewal budget as Council has committed to adopting the renewals as detailed in the Asset Management Plan. An averaged budget has not been used due to the inclusion of building specific refurbishment and renewal programs that require full funding allocation per program. Any changes to the planned budget will require consideration of the impact on these bundled works.

Council’s LTFP renewal forecast for the next 10 years is \$20,350,842 and this projection is shown in Figure 7-4-1.

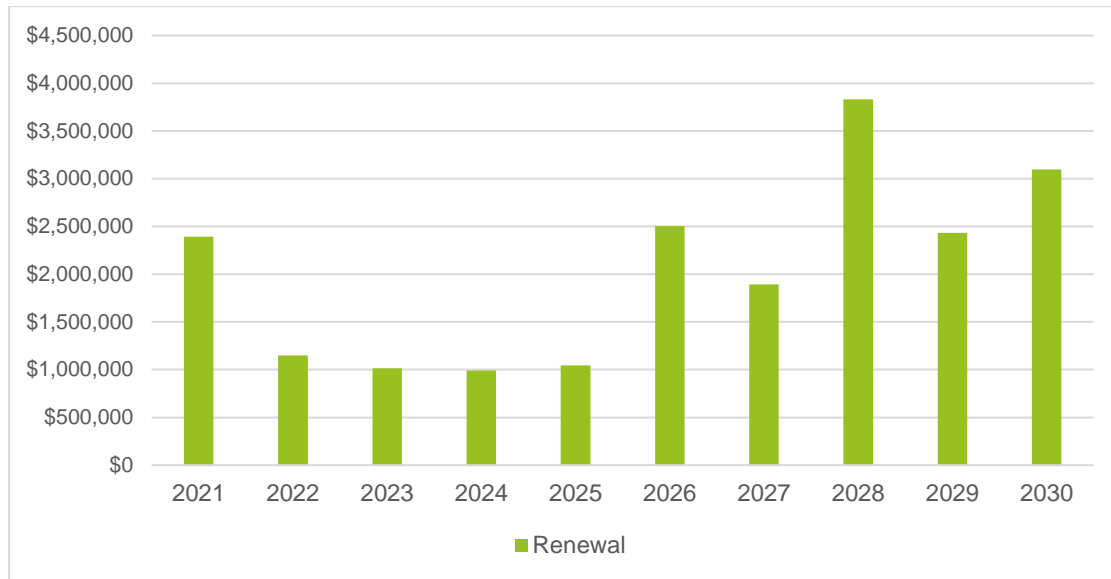


Figure 7-4-1 10 Year Renewal Forecast

7.5 Future Acquisition Forecast

Future demand for Holdfasts Buildings and Facilities is rapidly changing with a focus on buildings compliance, environmental sustainability, multi-use facilities, and gender equity. Several major building upgrades are currently, or will soon be, underway:

- The Brighton and Glenelg Oval redevelopments will replace the majority of the club rooms and associated grounds.
- An ongoing restoration of the Glenelg Town Hall and Bay Discovery Center will restore much of the external fabric of this heritage listed building.
- An upcoming feasibility study for combining the Brighton Civic Center into a Community Hub potentially will bring forward a renewal/upgrade to this facility and the neighbouring Brighton Library.
- This includes \$200,000 over five years for capital works resulting from facility specific safety and DDA compliance audits.

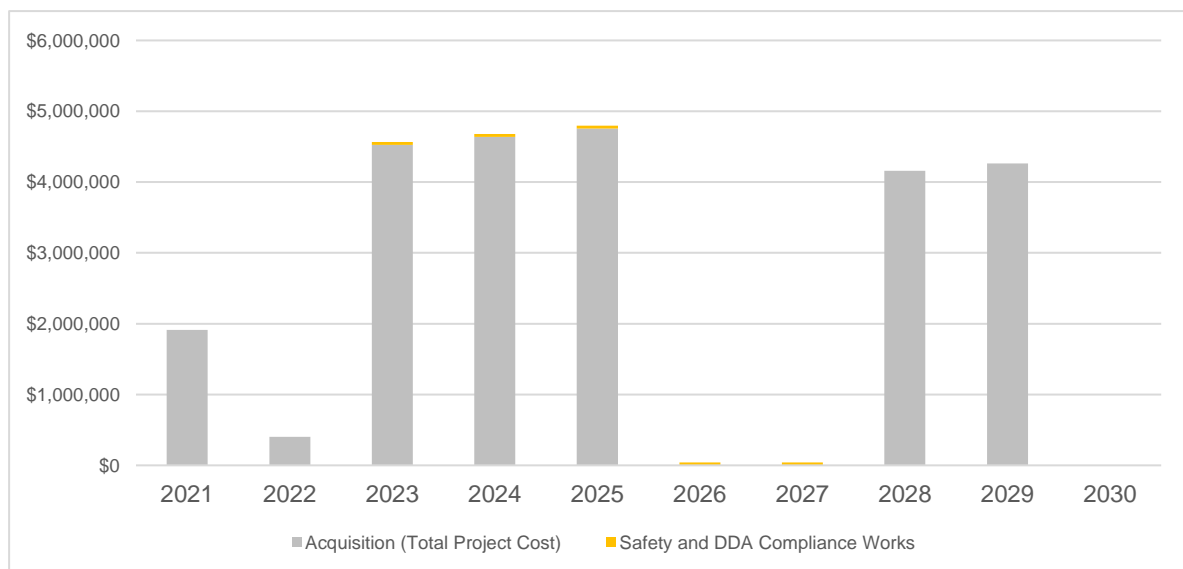


Figure 7-4-2 10 Year Acquisition Forecast

The strategic direction of Holdfast's property and its Asset Management Plans should complement each other. Future projects should consider and make reference to the service level framework outlined in this asset plan, and planned works adjusted accordingly.

The full table of projected acquisition projects for the next 10 years is displayed in Appendix 2. Only the upgrade portion of the project is included in the estimated amount.

7.6 Assumptions

The following key assumptions were applied in this financial forecast:

- Remaining life based renewal program
- Refurbishment program is included
- Replacement is like-for-like except where upgrade has been approved by council
- Only upgrades approved by Council have been included

7.7 Data Confidence

The expenditure and valuations projections in this Asset Management Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified as 'C – Uncertain' based on the IPWEA data confidence scale². 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 +/-25%.

See Appendix 3 for data confidence grading system.

8 Risk Management

The objective of the risk management process with regards to Building assets is to ensure that:

- 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.

An assessment of risks associated with service delivery from infrastructure assets has identified the most critical risks to Council. The risk assessment process identifies and assesses risks, develops a risk rating and develops a risk treatment plan for non-acceptable risks.

High and Very High Risks that have been identified are:

² IPWEA, 2011, IIMM, Table 2.4.6 p2|59.

- Compliance with legislative and Australian Standards requirements, including DDA, is critical item. Whilst some assessments have been completed for high criticality buildings, there are still further auditing required across medium and low criticality sites.
- Efficient and proactive maintenance is a key to a well-managed buildings portfolio. Whilst council completes regular maintenance on its facilities, there is concern the current maintenance program funding is not sufficient for the service levels outlined in this plan. A review prior to the next budget allocation, is recommended.
- There is a risk Council will be unable to fund required capital and maintenance. Prioritisation of key works and whole-of-life consideration during new initiative processes will help mitigate this risk.
- Loss of Key Staff
- Political Changes – Change in Executive Staff or Council may delay or alter works delivered
- This AMP has been based on new data and a new approach to modelling, which incorporates defects as well as refurbishment programs. There remains a risk in adopting this new approach until the results have been reviewed annually, including site inspections.

A risk treatment action has been included in the forecast costs for this asset plan, and in some cases is already underway. For a full list of risks and treatment plans see Appendix 4.

9 Plan Improvement and Monitoring

9.1 Monitoring and Reviewing

The Building Asset Management Plan is not a one-off document but part of the Council's business planning process. For this reason, it is necessary to review and update any key assumptions, strategic change or budget decision that may affect the planned service levels and future expenditure requirements. To keep this AMP current, council will schedule the plan review into its strategic and annual planning and budget processes. This asset management plan has a life of 4 years.

9.2 Improvement Plan

Improvement items identified in the previous AMP that form a part of Council's ongoing business as usual improvements include:

- Continue to refine asset register - review useful lives and unit rates used for valuation purposes
- Generate project based rolling works program spanning 3 to 5 years for Building Assets based on detailed visual inspection.
- Ensure Maintenance Standards and Plan align with agreed level of service
- Ensure appropriate budget lines to capture maintenance expenditures
- Ensure building inspections program aligns with agreed level of service

Specific Business Improvement Actions that will be a focus for the next three years include:

- Undertake annual safety inspection program on all buildings as per Service Levels
- Establish Facilities Management Plans for complex, heritage listed, or high-risk sites
- Implement clear maintenance and capital replacement responsibilities in lease agreements that align with building hierarchy service standards. Where service levels are unachievable account for the anticipated lifecycle costs.
- Work towards adopting a life cycle approach to depreciation

- Aligned works program to asset hierarchy service levels to ensure buildings essential to core business are maintained to their required level
- Audit functionality, safety and amenity for key buildings and integrate service levels and forecast works. Include DDA Compliance assessment for all buildings accessible by the community.
- Complete strategic property review and integrate with asset planning

All improvement actions have been included in the forecast costs for this asset plan, and in some cases are already underway. For a full list of improvement items see Appendix 5.

APPENDICES

Appendix 1: Building Service Levels

Appendix 2: Financial Summary

Appendix 3: Data Confidence Grading System

Appendix 4: Building Risks

Appendix 5: Building Improvement Plan

Appendix 1: Building Service Levels

Hierarchy	Purpose	Maintenance & operations	Renewal Thresholds
A – Community*	<p>Category A Community building catering for residents and visitors at a neighbourhood or metropolitan level.</p> <p>Buildings are well developed with extensive and varied facilities.</p>	These assets are maintained at a high standard with quarterly inspections and maintenance and weekly cleaning	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 3.5 (average) • A refurbishment or replacement has been triggered* • Safety is compromised • Functionality and amenity is below required levels
A – Sporting*	<p>Category A Sporting building catering for residents and visitors at a neighbourhood or metropolitan level.</p> <p>Buildings are well developed with extensive and varied facilities.</p>	These assets are maintained at a high standard with quarterly inspections and maintenance and weekly cleaning	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 3.5 (average) • A refurbishment or replacement has been triggered* • Safety is compromised • Functionality and amenity is below required levels
A – Council	<p>Category A Council building catering for a large number of Council Staff, who are undertaking activities critical to core business processes.</p> <p>Buildings are well developed with extensive and varied facilities.</p>	These assets are maintained at a high standard with quarterly inspections and maintenance and weekly cleaning	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 3.5 (average) • A refurbishment or replacement has been triggered* • Safety is compromised • Functionality and amenity is below required levels

Hierarchy	Purpose	Maintenance & operations	Renewal Thresholds
A – Commercial*	<p>Category A Commercial building catering for residents and visitors at a neighbourhood or metropolitan level.</p> <p>Buildings are well developed with facilities suited to a particular commercial activity.</p> <p>Buildings are well developed with extensive and varied facilities.</p>	<p>These assets are maintained at a high standard with quarterly inspections and maintenance and a high standard of cleaning aligned with utilization and function of the building (may be tenants responsibility)</p>	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 3.5 (poor) • A refurbishment or replacement has been triggered+ • Safety is compromised • Functionality and amenity is below required levels
B – Community*	<p>Category B Community building catering for residents and visitors at a local level.</p> <p>Buildings are reasonably well developed with facilities suited to a particular group or activity.</p>	<p>These assets are maintained at a moderate standard with annual inspections and maintenance and weekly cleaning</p>	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 4 (poor) • A refurbishment or replacement has been triggered+ • Safety is compromised • Functionality and amenity is below required levels
B – Sporting*	<p>Category B Sporting building catering for residents and visitors at a local level.</p> <p>Buildings are reasonably well developed with facilities suited to a particular sport.</p>	<p>These assets are maintained at a moderate standard with annual inspections and maintenance and weekly cleaning</p>	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 4 (poor) • A refurbishment or replacement has been triggered+ • Safety is compromised • Functionality and amenity is below required levels
B - Council	<p>Category B Council building catering for a large number of Council Staff, who are undertaking activities related to core and subsidiary business processes.</p>	<p>These assets are maintained at a moderate standard with annual inspections and maintenance and weekly cleaning</p>	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 4 (poor) • A refurbishment or replacement has been triggered+

Hierarchy	Purpose	Maintenance & operations	Renewal Thresholds
B – Commercial*	<p>Buildings are reasonably well developed with facilities suited to business activity.</p> <p>Category B Commercial building catering for residents and visitors at a local level.</p> <p>Buildings are reasonably well developed with facilities suited to a particular commercial activity.</p>	<p>These assets are maintained at a moderate standard with annual inspections and maintenance and cleaning aligned with utilization and function of the building (may be tenants responsibility)</p>	<ul style="list-style-type: none"> • Safety is compromised • Functionality and amenity is below required levels • Overall Condition rating is no lower than 4 (poor) • A refurbishment or replacement has been triggered+ • Safety is compromised • Functionality and amenity is below required levels
B – Public Toilets*	<p>Category B Public Toilets building catering for residents and visitors at a neighbourhood or metropolitan level.</p> <p>Buildings are reasonably well developed with facilities compliant with legislative requirements.</p>	<p>These assets are maintained at a moderate standard with monthly inspections and maintenance and cleaning aligned with toilet utilisation (include auto-cleaning)</p>	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 4 (poor) • A refurbishment or replacement has been triggered+ • Safety is compromised • Functionality and amenity is below required levels
C – Community*	<p>Category C Community building. A subsidiary building, often supporting a larger community complex.</p> <p>Buildings are functional with facilities compliant with legislative requirements.</p>	<p>These assets are maintained at a safe standard with inspections, maintenance, and cleaning as required</p>	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 4.5 (very poor) • A refurbishment or replacement has been triggered+ • Safety is compromised • Functionality and amenity is below required levels

Hierarchy	Purpose	Maintenance & operations	Renewal Thresholds
C – Sporting*	<p>Category C Sporting building. A subsidiary building, often supporting a larger sporting complex.</p> <p>Buildings are functional with facilities compliant with legislative requirements.</p>	<p>These assets are maintained at a safe standard with inspections, maintenance, and cleaning as required</p>	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 4.5 (very poor) • A refurbishment or replacement has been triggered* • Safety is compromised • Functionality and amenity is below required levels
C - Council	<p>Category C Council building catering for a small number of Council Staff, who are undertaking specific business processes.</p> <p>Buildings are functional with facilities suited to a specific business activity.</p>	<p>These assets are maintained at a safe standard with inspections, maintenance, and cleaning as required</p>	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 4.5 (very poor) • A refurbishment or replacement has been triggered* • Safety is compromised • Functionality and amenity is below required levels
C – Commercial*	<p>Category C Commercial building catering for residents and visitors at a local level.</p> <p>Buildings are functional with facilities suited to a particular commercial activity.</p>	<p>These assets are maintained at a safe standard with annual inspections and maintenance and cleaning aligned with utilization and function of the building (may be tenants responsibility)</p>	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 4.5 (very poor) • A refurbishment or replacement has been triggered* • Safety is compromised • Functionality and amenity is below required levels
C – Public Toilet*	<p>Category C Public Toilets building catering for residents and visitors at a local level.</p>	<p>These assets are maintained at a safe standard with monthly inspections and maintenance and cleaning aligned with toilet utilisation (include auto-cleaning)</p>	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 4.5 (very poor)

Hierarchy	Purpose	Maintenance & operations	Renewal Thresholds
	Buildings are functional with facilities compliant with legislative requirements.		<ul style="list-style-type: none"> • A refurbishment or replacement has been triggered⁺ • Safety is compromised • Functionality and amenity is below required levels
C – Utility*	<p>Category C Utility building catering for local residents and council employees.</p> <p>Buildings are functional with facilities compliant with legislative requirements.</p>	These assets are maintained at a safe standard with inspections, maintenance, and cleaning as required	<ul style="list-style-type: none"> • Overall Condition rating is no lower than 4.5 (very poor) • A refurbishment or replacement has been triggered⁺ • Safety is compromised • Functionality and amenity is below required levels

**Unless otherwise negotiated in a lease agreement.*

⁺Table 2 3 Asset Ageing Profile

Appendix 2: Financial Summary

AMP 2020

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Acquisition (Total Project Cost)	\$1,913,421	\$401,060	\$4,526,000	\$4,639,000	\$4,755,000	\$0	\$0	\$4,160,000	\$4,264,000	\$0
Maintenance & Operation cost of existing assets	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613
Maintenance & Operation costs of new assets	\$19,134	\$4,011	\$45,260	\$46,390	\$47,550	\$0	\$0	\$41,600	\$42,640	\$0
Renewal	\$2,393,886	\$1,147,734	\$1,016,203	\$990,754	\$1,046,338	\$2,502,578	\$1,892,355	\$3,832,719	\$2,432,957	\$3,095,318
Disposal	\$0	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facility Assessments (DDA, Functionality, Amenity)	\$0	\$20,000	\$60,000	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0
Safety and DDA Compliance Works	\$0		\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$0	\$0	\$0
TOTAL COST	\$5,672,054	\$2,920,418	\$7,033,076	\$7,101,757	\$7,234,501	\$3,888,191	\$3,277,968	\$9,379,932	\$8,085,210	\$4,440,931
External/ Grant Funding Allocation	\$0	\$0	-\$2,262,816	-\$2,319,387	-\$2,377,372	\$0	\$0	-\$2,080,137	-\$2,132,141	\$0
COUNCIL FUNDING REQUIRED	\$5,672,054	\$2,920,418	\$4,770,260	\$4,782,370	\$4,857,129	\$3,888,191	\$3,277,968	\$7,299,795	\$5,953,069	\$4,440,931

Figures are in nominal (current Year) values.

LTFP (After AMP 2016)

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Acquisition (Total Project Cost)	\$2,580,360	\$1,445,060	\$4,526,000	\$4,639,000	\$4,755,000	\$0	\$0	\$4,160,000	\$4,264,000	\$0
Maintenance & Operation cost of existing assets	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613	\$1,345,613
Maintenance & Operation costs of new assets (1%)	\$25,804	\$14,451	\$45,260	\$46,390	\$47,550	\$0	\$0	\$41,600	\$42,640	\$0
Renewal	\$469,173	\$938,202	\$248,817	\$974,892	\$139,590	\$219,785	\$682,115	\$3,771,457	\$1,260,809	\$678,403
Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$4,420,950	\$3,743,326	\$6,165,690	\$7,005,895	\$6,287,753	\$1,565,398	\$2,027,728	\$9,318,670	\$6,913,062	\$2,024,016
External/ Grant Funding Allocation	\$0	\$0	-\$2,262,816	-\$2,319,387	-\$2,377,372	\$0	\$0	-\$2,080,137	-\$2,132,141	\$0
COUNCIL FUNDING REQUIRED	\$4,420,950	\$3,743,326	\$3,902,874	\$4,686,508	\$3,910,381	\$1,565,398	\$2,027,728	\$7,238,533	\$4,780,921	\$2,024,016

Figures are in nominal (current Year) values.

AMP 2020 Acquisition Works (Total Project Cost)*

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Brighton Caravan Park Stage 2 Upgrade	\$326,060	\$326,060	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Brighton Town Hall Historical Entrance Restoration	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Glenelg Oval Masterplan	\$0	\$0	\$4,526,000	\$4,639,000	\$4,755,000	\$0	\$0	\$4,160,000	\$4,264,000	\$0
Glenelg Tennis Clubrooms Upgrade	\$146,181	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Glenelg Town Hall Upgrade Stage 2 & 3	\$1,059,880	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Holdfast Bay CC Toilet Upgrade	\$14,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Kingston Park Kiosk Upgrade	\$137,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Seacliff Toilet Upgrade	\$230,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$1,913,421	\$401,060	\$4,526,000	\$4,639,000	\$4,755,000	\$0	\$0	\$4,160,000	\$4,264,000	\$0

*Upgrade component of project only. Replacement cost of existing is already included in ongoing maint and ops budgets.

AMP 2020 External/ Grant Funded Allocation *

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Glenelg Oval Masterplan	\$0	\$0	-\$2,262,816	-\$2,319,387	-\$2,377,372	\$0	\$0	-\$2,080,137	-\$2,132,141	\$0
TOTAL COST	\$0	\$0	-\$2,262,816	-\$2,319,387	-\$2,377,372	\$0	\$0	-\$2,080,137	-\$2,132,141	\$0

*Upgrade component of project only. Replacement cost of existing is already included in ongoing maint and ops budgets.

AMP 2020 Renewal Works

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Bowker Street Oval Clubrooms							\$125,138			\$4,541
Brighton Caravan Park - Kitchen & Amenities						\$4,755			\$13,995	
Brighton Civic Centre	\$80,309		\$303,482	\$1,980		\$680,224	\$19,770	\$39,755		
Brighton Oval - Croquet Club Shed					\$640	\$1,920	\$256			
Brighton Oval - Dog Training Centre Shed				\$1,120		\$724		\$3,136	\$448	
Brighton Oval - Rotary Club		\$121,491								
Brighton Oval (Croquet Club)						\$163,680				

City of Holdfast Bay Building AMP

Brighton Oval (Toilet Block)					\$13,860			
Brighton Public Library					\$55,640	\$296,846	\$111,280	
Brighton Seacliff Yacht Club	\$2,085	\$436,698			\$360,400	\$420	\$220,566	\$93,705 \$359,040
Brighton Senior Citizens Club	\$176,169		\$474,011		\$256,274	\$112,847		
Brighton Surf Club	\$5,535	\$4,155	\$15,690	\$49,000	\$124,838	\$271,851	\$3,405	\$483,735
Brighton Table Tennis Club						\$262,328		\$94,973
Brighton Tennis Club			\$165		\$705		\$50,000	
Broadway Kiosk	\$1,020	\$14,010	\$5,040		\$7,485	\$71,743	\$92,000	\$179,108
Broadway Kiosk Exeloo							\$262,500	
Caravan Park - Budget Cabin 4				\$3,703				
Caravan Park - Budget Cabin 5				\$3,703				
Caravan Park - Budget Cabin 8				\$3,703				
Caravan Park - Caretaker's Residence	\$49,645				\$1,442			
Caravan Park - Hillside Cabin 1	\$58,800							
Caravan Park - Hillside Cabin 2	\$59,300							
Caravan Park - Hillside Cabin 3	59300							
Caravan Park - Hillside Cabin 4	\$61,300							
Caravan Park - Hillside Cabin 5	\$58,800							
Caravan Park - Maintenance Shed	\$20,508	\$4,212	\$2,106		\$3,159			
Caravan Park - Seaside Cabin 10	\$61,300							
Caravan Park - Seaside Cabin 11	\$61,300							
Caravan Park - Seaside Cabin 12	\$59,300							
Caravan Park - Seaside Cabin 13	\$58,800							
Caravan Park - Seaside Cabin 14	\$58,800							
Caravan Park - Seaside Cabin 15	\$58,800							
Caravan Park - Seaside Cabin 7	\$58,800							
Caravan Park - Seaside Cabin 8	\$59,300							
Caravan Park - Seaside Cabin 9	\$59,300							
Caravan Park - Spa Cabin 1						\$500		
Caravan Park - Special Access Cabin	\$14,680							

City of Holdfast Bay Building AMP

Caravan Park - Storage Shed									\$51
Caravan Park - Waterview Villa 10						\$500			
Caravan Park - Waterview Villa 8						\$500			
Caravan Park Kiosk	\$46,800	\$11,700	\$9,100		\$7,800	\$2,600			
Caravan Park Laundry Block						\$6,595	\$50,251		
Community Services Office/ Wilton House	\$15,000	\$18,480		\$25,872		\$3,696	\$3,696	\$9,240	\$36,960
Council Depot			\$1,395	\$420		\$4,200	\$140,865		\$93,009
Council Depot - Washdown Bay						\$14,472			\$3,216
Depot Machinery Shed						\$226,337	\$87,261		\$54,538
Exeloo - Bindarra Reserve				\$158,500					
Exeloo - Da Costa Reserve						\$17,600			
Exeloo - John Miller Park						\$15,600			
Exeloo - Old Gum Tree Reserve				\$16,600					
Exeloo - Seaforth Park						\$16,600			
Exeloo - Wattle Reserve									\$16,600
Exeloo - Wigley Reserve									\$14,600
Exeloo and Change Facility - Hartley Reserve					\$16,600				
Glenelg Community Centre	\$63,828	\$25,575		\$4,603		\$49,056	\$55,944	\$111,888	
Glenelg Municipal Library	\$55,270			\$9,700	\$408,510	\$72,837	\$6,450		
Glenelg North Community Centre	\$31,000								\$840
Glenelg Oval - Air Raid Shelter (underground)									\$13,426
Glenelg Oval - Brick Pump Shed					\$1,130		\$630		
Glenelg Oval - Groundkeeper's shed									\$1,500
Glenelg Oval - Kiosk				\$9,920	\$3,960		\$1,320	\$7,920	\$6,600
Glenelg Oval - Northern Ticket Offices (Rugless Tce)		\$1,890						\$8,820	\$3,150
Glenelg Oval - Southern Toilet Block							\$21,571	\$5,883	
Glenelg Oval (Away Training Room)					\$360	\$1,170	\$45,473	\$26,638	
Glenelg Oval (Clubrooms)							\$13,250	\$159,000	
Glenelg Oval (Cricket Club)	\$14,550			\$2,000					
Glenelg Oval (Edward Rix)				\$103,356		\$9,396			\$56,376

City of Holdfast Bay Building AMP

Glenelg Oval (North Eastern Toilet Block)	\$2,000	\$9,438	\$2,000	\$13,364					\$25,740
Glenelg Oval (North Western Toilet Block)						\$4,000	\$20,592		\$56,160
Glenelg Oval (Tennis Club)	\$426,819								
Glenelg Oval Time Clock		\$7,000							
Glenelg Town Hall	\$237,855	\$569,022	\$334,950						\$893,200
Glenelg Town Hall - Cafe	\$2,265		\$133,875		\$55,125	\$950		\$60	\$1,400
Glenelg Town Hall Public Toilets								\$9,540	
Glenelg United Tennis Club Amenities (Bath St Reserve)	\$31,972	\$6,917							
HB Community Centre - Administration and Activity		\$16,385	\$420	\$95,640		\$88,560	\$1,260	\$387,680	\$346,025
HB Community Centre - Child Care Building	\$56,860	\$168,622				\$45,901			\$14,577
HB Community Centre - Craft, Hairdressing, Podiatry Area	\$16,140	\$55,500	\$390	\$3,100		\$29,938	\$30,255	\$40,194	\$10,795
Helmsdale Tennis Clubrooms			\$1,575	\$63,081		\$7,465		\$25,486	
Hindmarsh Lane Coles Toilet Block	\$100,218	\$6,678							
Holdfast Bay Bowling - Shed						\$36,301			
Holdfast Bay Bowling Clubroom								\$1,178,669	\$222,976
Holdfast Bay Community Centre			\$780						
Hove Meals on Wheels			\$240	\$16,500			\$4,485	\$89,000	\$44,906
Kauri Pde Sporting Complex							\$1,020	\$26,280	
Keelara Club	\$6,000		\$315			\$3,780	\$1,125	\$82,000	\$2,325
Keelara Club - Greenkeepers Building					\$7,260		\$17,073	\$9,829	
Kibby Reserve Shed									\$5,149
Kingston House - Shed		\$14,520							
Kingston House - Toilet Block								\$8,580	
Partridge House	\$110,000				\$127,000	\$11,614	\$2,910	\$8,595	\$148,579
Partridge House-Toilets/Service Area							\$2,000	\$64,684	
Partridge St East Car Park	\$9,000								
Patawalonga Foreshore - Pump House									\$3,930
Patawalonga Lock Plant and Motor Room									\$4,201
Ringwood Community Centre				\$2,016		\$33,698	\$1,110	\$62,000	\$29,768
Seacliff Beach Toilets	\$169,700								

City of Holdfast Bay Building AMP

Seacliff Community Kindergarten					\$5,005	\$47,417	\$51,985	\$90,070		
Seacliff Surf Life Saving Club		\$150			\$2,565				\$705	
Seacliff Youth Centre/ Kindergym	\$6,000					\$13,456			\$229,726	
Somerton Bowling Club		\$840	\$16,380			\$5,205	\$1,575	\$74,000	\$144,934	
Somerton Park Kindergarten									\$42,350	
Somerton Surf Club	\$40,000	\$8,460	\$3,675	\$195,000		\$42,731	\$9,765		\$312,732	
Somerton Surf Club Exterior Public Toilets								\$12,268		
Somerton Yacht Club	\$26,990				\$47,914			\$54,758	\$91,193	\$2,474
South Brighton Community Hall & Dover Tennis Club	\$6,547				\$6,547		\$30,870	\$269,143	\$132,077	
South Brighton Community Hall Public Toilets	\$8,450							\$7,240		
St Judes Cemetery - Shed		\$2,708				\$1,248				
Toilet Block, Kingston Coastal Reserve	\$29,233					\$3,419			\$34,185	
Toilets - Beach House		\$15,000					\$1,000	\$22,393		
Wilton House						\$38,038	\$5,785	\$222,265		\$58,520
Total	\$2,393,886	\$1,147,734	\$1,016,203	\$990,754	\$1,046,338	\$2,502,578	\$1,892,355	\$3,832,719	\$2,432,957	\$3,095,318
Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Bowker Street Oval Clubrooms							\$125,138			\$4,541
Brighton Caravan Park - Kitchen & Amenities						\$4,755			\$13,995	
Brighton Civic Centre	\$80,309		\$303,482	\$1,980		\$680,224	\$19,770	\$39,755		
Brighton Oval - Croquet Club Shed					\$640	\$1,920	\$256			
Brighton Oval - Dog Training Centre Shed				\$1,120		\$724		\$3,136	\$448	
Brighton Oval - Rotary Club		\$121,491								
Brighton Oval (Croquet Club)						\$163,680				
Brighton Oval (Toilet Block)						\$13,860				
Brighton Public Library						\$55,640	\$296,846	\$111,280		
Brighton Seacliff Yacht Club		\$2,085	\$436,698			\$360,400	\$420	\$220,566	\$93,705	\$359,040
Brighton Senior Citizens Club			\$176,169		\$474,011	\$256,274	\$112,847			
Brighton Surf Club		\$5,535	\$4,155	\$15,690	\$49,000	\$124,838	\$271,851	\$3,405		\$483,735
Brighton Table Tennis Club							\$262,328		\$94,973	
Brighton Tennis Club				\$165		\$705		\$50,000		

City of Holdfast Bay Building AMP

Broadway Kiosk		\$1,020	\$14,010	\$5,040	\$7,485	\$71,743	\$92,000	\$179,108
Broadway Kiosk Exeloo							\$262,500	
Caravan Park - Budget Cabin 4							\$3,703	
Caravan Park - Budget Cabin 5							\$3,703	
Caravan Park - Budget Cabin 8							\$3,703	
Caravan Park - Caretaker's Residence		\$49,645			\$1,442			
Caravan Park - Hillside Cabin 1	\$58,800							
Caravan Park - Hillside Cabin 2	\$59,300							
Caravan Park - Hillside Cabin 3	59300							
Caravan Park - Hillside Cabin 4	\$61,300							
Caravan Park - Hillside Cabin 5	\$58,800							
Caravan Park - Maintenance Shed		\$20,508	\$4,212	\$2,106	\$3,159			
Caravan Park - Seaside Cabin 10	\$61,300							
Caravan Park - Seaside Cabin 11	\$61,300							
Caravan Park - Seaside Cabin 12	\$59,300							
Caravan Park - Seaside Cabin 13	\$58,800							
Caravan Park - Seaside Cabin 14	\$58,800							
Caravan Park - Seaside Cabin 15	\$58,800							
Caravan Park - Seaside Cabin 7	\$58,800							
Caravan Park - Seaside Cabin 8	\$59,300							
Caravan Park - Seaside Cabin 9	\$59,300							
Caravan Park - Spa Cabin 1						\$500		
Caravan Park - Special Access Cabin	\$14,680							
Caravan Park - Storage Shed								\$51
Caravan Park - Waterview Villa 10						\$500		
Caravan Park - Waterview Villa 8						\$500		
Caravan Park Kiosk		\$46,800	\$11,700	\$9,100	\$7,800	\$2,600		
Caravan Park Laundry Block						\$6,595	\$50,251	
Community Services Office/ Wilton House	\$15,000	\$18,480		\$25,872		\$3,696	\$3,696	\$9,240 \$36,960

City of Holdfast Bay Building AMP

Council Depot	\$1,395		\$420	\$4,200	\$140,865		\$93,009
Council Depot - Washdown Bay				\$14,472			\$3,216
Depot Machinery Shed					\$226,337	\$87,261	\$54,538
Exeloo - Bindarra Reserve			\$158,500				
Exeloo - Da Costa Reserve				\$17,600			
Exeloo - John Miller Park				\$15,600			
Exeloo - Old Gum Tree Reserve			\$16,600				
Exeloo - Seaforth Park					\$16,600		
Exeloo - Wattle Reserve							\$16,600
Exeloo - Wigley Reserve							\$14,600
Exeloo and Change Facility - Hartley Reserve						\$16,600	
Glenelg Community Centre	\$63,828	\$25,575		\$4,603	\$49,056	\$55,944	\$111,888
Glenelg Municipal Library	\$55,270			\$9,700	\$408,510	\$72,837	\$6,450
Glenelg North Community Centre	\$31,000						\$840
Glenelg Oval - Air Raid Shelter (underground)							\$13,426
Glenelg Oval - Brick Pump Shed					\$1,130	\$630	
Glenelg Oval - Groundkeeper's shed							\$1,500
Glenelg Oval - Kiosk			\$9,920	\$3,960		\$1,320	\$7,920 \$6,600
Glenelg Oval - Northern Ticket Offices (Rugless Tce)		\$1,890					\$8,820 \$3,150
Glenelg Oval - Southern Toilet Block						\$21,571	\$5,883
Glenelg Oval (Away Training Room)					\$360	\$1,170	\$45,473 \$26,638
Glenelg Oval (Clubrooms)						\$13,250	\$159,000
Glenelg Oval (Cricket Club)	\$14,550			\$2,000			
Glenelg Oval (Edward Rix)				\$103,356		\$9,396	\$56,376
Glenelg Oval (North Eastern Toilet Block)	\$2,000	\$9,438	\$2,000	\$13,364			\$25,740
Glenelg Oval (North Western Toilet Block)					\$4,000	\$20,592	\$56,160
Glenelg Oval (Tennis Club)	\$426,819						
Glenelg Oval Time Clock		\$7,000					

City of Holdfast Bay Building AMP

Glenelg Town Hall	\$237,855	\$569,022	\$334,950						\$893,200	
Glenelg Town Hall - Cafe	\$2,265		\$133,875		\$55,125	\$950		\$60	\$1,400	
Glenelg Town Hall Public Toilets						\$9,540				
Glenelg United Tennis Club Amenities (Bath St Reserve)	\$31,972	\$6,917								
HB Community Centre - Administration and Activity		\$16,385	\$420	\$95,640		\$88,560	\$1,260	\$387,680	\$346,025	\$221,400
HB Community Centre - Child Care Building	\$56,860	\$168,622				\$45,901				\$14,577
HB Community Centre - Craft, Hairdressing, Podiatry Area	\$16,140	\$55,500	\$390	\$3,100		\$29,938	\$30,255	\$40,194	\$10,795	
Helmsdale Tennis Clubrooms			\$1,575	\$63,081		\$7,465		\$25,486		
Hindmarsh Lane Coles Toilet Block	\$100,218	\$6,678								
Holdfast Bay Bowling - Shed						\$36,301				
Holdfast Bay Bowling Clubroom								\$1,178,669	\$222,976	\$250,848
Holdfast Bay Community Centre			\$780							
Hove Meals on Wheels			\$240	\$16,500			\$4,485	\$89,000	\$44,906	
Kauri Pde Sporting Complex							\$1,020	\$26,280		
Keelara Club	\$6,000		\$315			\$3,780	\$1,125	\$82,000	\$2,325	\$337,600
Keelara Club - Greenkeepers Building					\$7,260		\$17,073	\$9,829		
Kibby Reserve Shed									\$5,149	
Kingston House - Shed		\$14,520								
Kingston House - Toilet Block								\$8,580		
Partridge House	\$110,000				\$127,000	\$11,614	\$2,910	\$8,595	\$148,579	
Partridge House-Toilets/Service Area							\$2,000	\$64,684		
Partridge St East Car Park	\$9,000									
Patawalonga Foreshore - Pump House										\$3,930
Patawalonga Lock Plant and Motor Room										\$4,201
Ringwood Community Centre				\$2,016		\$33,698	\$1,110	\$62,000		\$29,768
Seacliff Beach Toilets	\$169,700									
Seacliff Community Kindergarten					\$5,005	\$47,417	\$51,985	\$90,070		
Seacliff Surf Life Saving Club			\$150		\$2,565				\$705	

City of Holdfast Bay Building AMP

Seacliff Youth Centre/ Kindergym	\$6,000					\$13,456			\$229,726	
Somerton Bowling Club		\$840	\$16,380			\$5,205	\$1,575	\$74,000	\$144,934	
Somerton Park Kindergarten									\$42,350	
Somerton Surf Club	\$40,000	\$8,460	\$3,675	\$195,000		\$42,731	\$9,765		\$312,732	
Somerton Surf Club Exterior Public Toilets								\$12,268		
Somerton Yacht Club	\$26,990			\$47,914				\$54,758	\$91,193	\$2,474
South Brighton Community Hall & Dover Tennis Club	\$6,547			\$6,547		\$30,870	\$269,143		\$132,077	
South Brighton Community Hall Public Toilets	\$8,450							\$7,240		
St Judes Cemetery - Shed		\$2,708				\$1,248				
Toilet Block, Kingston Coastal Reserve	\$29,233					\$3,419			\$34,185	
Toilets - Beach House		\$15,000					\$1,000	\$22,393		
Wilton House						\$38,038	\$5,785	\$222,265	\$58,520	
TOTAL COST	\$2,393,886	\$1,147,734	\$1,016,203	\$990,754	\$1,046,338	\$2,502,578	\$1,892,355	\$3,832,719	\$2,432,957	\$3,095,318

Appendix 3: Data Confidence Grading System

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. Data set is complete and estimated to be accurate +-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 +-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 +-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 +-40%.
E – Unknown	None or very little data held.

Appendix 4: Building Risks

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Responsibility	Completion Date
Coastal Buildings	Sea level rise	Moderate	Review and implement findings of Coastal Protection Infrastructure Assessment 2020	Asset Manager(s) and Staff	2050
Buildings and Facilities	Compliance with legislative and Australian Standards requirements, including DDA	High	Complete DDA compliance audit of all buildings.	Asset Manager(s) and Staff	2025
Buildings and Facilities	Maintenance program funding insufficient to meet service standards	High	Implement Operational Service Levels in this AMP Renegotiate lease agreements Facility management plans for all complex and high risk buildings.	Asset Manager(s) and Staff	2025
Buildings and Facilities	Lack of alignment between strategic property direction and building renewal works leads to unnecessary expenditure	Moderate	Both asset management planning and strategic property decision making to use same service level framework Asset leadership team to include staff responsible for both strategic planning and delivery of works	Asset Leadership Team	2023
Buildings and Facilities	Loss of key staff	High	Develop succession plans.	CEO/ Senior Leadership Team	2023
Buildings and Facilities	Coordination between Council and third parties, such as contractors and State Government, with regard to capital works/ upgrades is currently poor	Moderate	Where possible establish direct data share arrangement with 3rd parties; Have a standard reinstatement detail for works and adequate resourcing to monitor and inspect works	Asset Manager(s) and Staff	2025
Buildings and Facilities	Economics – Council unable to fund required capital, maintenance, or operational expenditure	High	Ensure business continuance strategy includes capital and maintenance works Prioritise all capital and maintenance work i.e. essential or non-essential	Asset Leadership Team	2025

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Responsibility	Completion Date
			Have an active model to demonstrate the impact of deferring works		
Buildings and Facilities	Climate change – material useful lives may reduce and early failure occurring	Moderate	Adopt IPWEA Practice Note 12.1 Undertake Climate Change Infrastructure Adaptation Study	Asset Leadership Team	2023
All	New AMP data, needs review	Moderate	Improve the data confidence level through cleansing and collection of new data	Asset Manager(s) and Staff	2025
All	Political Changes – Change in Executive Staff or Council	High	Documentation of procedures, policies, and workflows Provide regular updates to elected members on asset management	CEO/Senior Leadership	2023
All	New AMP modelling approach, needs review	High	Review annually, including regular site inspections	Asset Leadership Team	2023
All	Change in community service standards or expectations	Moderate	Review community feedback through complaints or surveys	Council	2025

Appendix 5: Building Improvement Plan

Task No	Task	Responsibility	Resources Required	Established	Due
1	Undertake annual safety inspection program on all buildings	Asset Manager(s) and Staff	BAU	2020	2022
2	Establish a compliance register for DDA requirements	Asset Manager(s) and Staff	Medium	2020	2024
3	Integrate building maintenance into Technology One and link to customer requests	Asset Leadership Team	Low	2020	2022
4	Establish Facilities Management Plans for complex, heritage listed, or high-risk sites	Asset Manager(s) and Staff	Medium	2020	2030
5	Model the localised impacts of climate change of Holdfast's Building Assets and identify required actions	Asset Leadership Team	Low	2020	2022
6	Review the level of service for Holdfast's Buildings and refine	Asset Manager(s) and Staff	BAU	2020	2022
7	Implement clear maintenance and capital replacement responsibilities in lease agreements that align with building hierarchy service standards	Asset Manager(s) and Staff	BAU	2020	2023
8	Consider and account for Life Cycle Costs (%) for all New Capital Bids based on either forecast expenditure or actual expenditure (where known)	Chief Executive Officer/ Senior Leadership Team	BAU	2020	2022
9	Work towards adopting a life cycle approach to depreciation	Asset Leadership Team	Low	2020	2024
10	Aligned works program to asset hierarchy service levels to ensure buildings essential to core business are maintained to their required level	Asset Leadership Team	BAU	2020	2021
11	Works should be grouped into appropriate refurbishment and upgrade programs, to generate efficiencies of scale, and prevent disruption to stakeholders	Asset Manager(s) and Staff	BAU	2020	2022
12	Audit functionality, safety and amenity for key buildings and integrate service levels and forecast works	Asset Manager(s) and Staff	High	2020	2030
13	Current criticality framework was produced internally. Community consultation will be undertaken upon the next criticality framework review.	Asset Manager(s) and Staff	Low	2020	2023

Task No	Task	Responsibility	Resources Required	Established	Due
14	Strategic Property Review	Asset Manager(s) and Staff	Medium	2020	2022



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Attachment 3





sproutt

City of Holdfast Bay

**Stormwater
Asset Management Plan**

October 2020



[Forward By the Mayor or CEO]

Document Control

Issue	Date	Issue Details	Author	Checked	Approved
V.1	24.03.20	1 st Draft	SW		
V.2	24.08.20	2 nd Draft	SW		

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Abbreviations

Asset Management Plan	AMP
Level of Service	LoS
Long Term Financial Plan	LTFP
Double Side Entry Pit	DSEP
Side Entry Pit	SEP
Gross Pollutant Traps	GPT
Water Sensitive Urban Water Design	WSUD
Headwall	HW
Junction Box	JB
Average Recurrence Intervals	ARI

Executive Summary

The City of Holdfast Bay is reliant on a well-planned and extensive stormwater drainage network to provide flood protection to properties. We maintain 70 kilometres of underground pipes with sizes between 100 mm diameter and 3.6 m wide culverts and over 2,000 pits and junction boxes. In addition, Council has various stormwater assets including tree inlet pits, water sensitive urban design, pumps, rising mains, and 5 gross pollutant traps. The total replacement value of this infrastructure is estimated at \$58.5M.

Much of underground pipe system was installed in the 1960's and 1970's, so is 50-60 years through a useful life of between 80 and 120 years. Due to the aggressive marine environment, some pipes will not last as long depending on their proximity to the coast. Our trunk stormwater pipe network drains low areas behind the former sand dunes and are generally at shallow grades which leads to increased blockages and maintenance. In addition, the beach outlets require constant maintenance to keep them free of sand.

Council needs to invest in major stormwater upgrades to increase the capacity of our stormwater system to reduce flood risk for properties. This is reflected in the forecast acquisition costs outlined in this Asset Management Plan. Our stormwater catchment includes significant portions of the City of Marion who contribute financially to upgrade works. These works are identified in the Cities of Holdfast Bay and Marion Stormwater Management Plan (2014). In addition, works to improve the quality of water and reduce the volume of stormwater entering the marine environment are required. This includes gross pollutant traps, water sensitive urban design and options to reuse stormwater.

As a significant amount of the stormwater assets are buried it is difficult and costly to assess the condition. Based on a CCTV sample, our stormwater assets are in fair condition and further inspections are required to confirm this. The relatively low replacement costs forecast over the next 10-years reflects this fair condition and long useful life. There is a large replacement program anticipated from 2040 onwards.

When Council needs to replace or upgrade portions of the underground infrastructure other options such as pipe relining or upgrade on new alignments will be investigated to reduce inconvenience to residents and risk.

STORMWATER ASSET MANAGEMENT PLAN

We will drive a systematic approach to the development, maintenance and replacement of our assets and ensure that these assets meet the needs of our community.

TOTAL VALUE OF ASSETS
\$58 Million



Drains
\$47.4 Mil



Sumps
\$11.1 Mil

LEVELS OF SERVICE



Community
Quality
Function
Capacity
Responsiveness



Technical
Condition
Function/Capacity
Safety

IMPROVEMENT PLAN

- DEVELOP** a rolling 3 year works program identifying assets to be renewed.
- IMPLEMENT** risk mitigation strategies identified in this AMP.
- INVESTIGATE** pipe conditions using CCTV.
- REVIEW** Stormwater Asset Management Plan.
- IMPROVE** street tree management to reduce kerb lift & associated stormwater issues.



Strategic Directions inline with Stormwater AMP

- A **COMMUNITY CONNECTED TO OUR NATURAL ENVIRONMENT**
 - Reduce flash flooding within our city during rain events less than 20mm: target reduction – 0 flash floods
 - Reduce stormwater discharge: target reduction – 30%

- An **EFFECTIVE CUSTOMER – CENTRED ORGANISATION**
 - Providing customer centred services
 - Enabling high performance
 - Being financially accountable
 - Supporting excellent, efficient operations

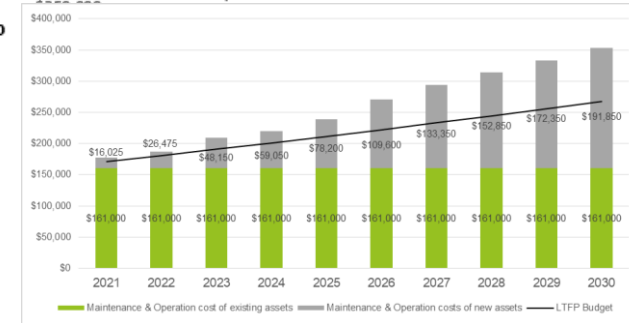
The **Asset Sustainability Ratio** indicates whether Council has the financial capacity to fund asset renewal at continued existing service levels.



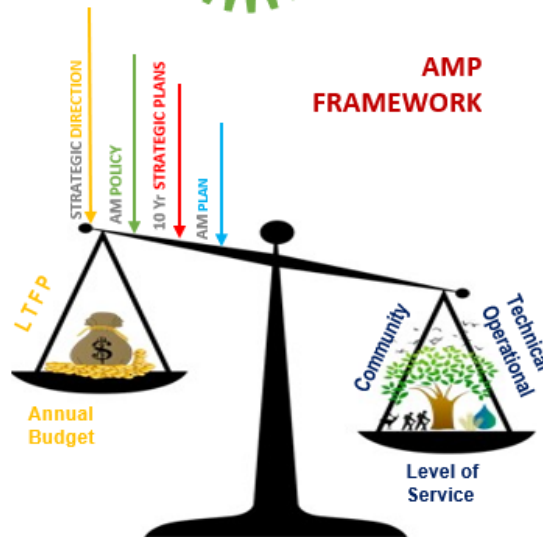
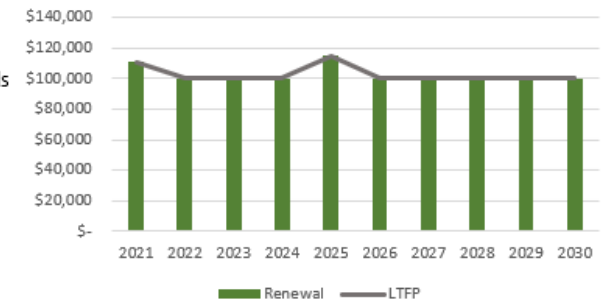
Council Target:
90-110%
over 5 Years

Over the next 10 years of forecasting, City of Holdfast Bay expects to have 100% of the funds required for the optimal renewal and replacement of its Stormwater Assets.

10 Year Operational & Maintenance Forecast



10 Year Renewal Forecast



1 Introduction

In accordance with the Local Government Act 1999 (the Act) and the Strategic Plan (Our Place 2030), the Council provides a range of community services to the members of the local community and visitors. The services include transport services, waste management services, environmental services, social and recreational services, open space services, stormwater drainage services, and coastal and beach management services.

Under the Act, Council is required to develop and adopt an infrastructure and asset management plan covering a period of at least 10 years. In addition, Council is required to adopt a long-term financial plan 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. Variations to the scheduled works within the AMP and the LTFP may be adjusted as the need arises

The primary intent of asset management is to meet a required level of service in the most cost-effective way, through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets to provide for present and future community needs. The Stormwater Asset Management plan will be a living document over the next 3 to 4 years complying to all legislative requirements, and to communicate funding required to provide the required levels of service over a 10-year planning period.

This plan aims to align with ISO 55000 (international standard for asset management) but does not seek to become accredited as an ISO document or process. This document 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. This plan also aims to create transparency and accountability through all aspects of asset management; this process ensures that all stakeholders understand their roles and responsibilities of achieving the intentions of the plan.

The Stormwater Asset Management Plan works in conjunction with the following Council’s plans and strategies (Table 1-1).

Table 1-1 Plans, Strategies and Policies

Plans, Strategies and Policies	
Adelaide’s Living Beaches – 2005-2025	Planning SA’s Coast Park
Asset Management Policy	Quality of Life and Business Confidence Reports
Beach Wrack (Seagrass) Removal Policy	Resilient South Regional Plan
Disposal policy	Stormwater Management Plan 2014
Long Term Financial Plan	The Annual Business Plan
Open Space and Public Realm Strategy 2018-2030	Water Sensitive Urban Development Plan
Our Place 2030 Strategic Plan	

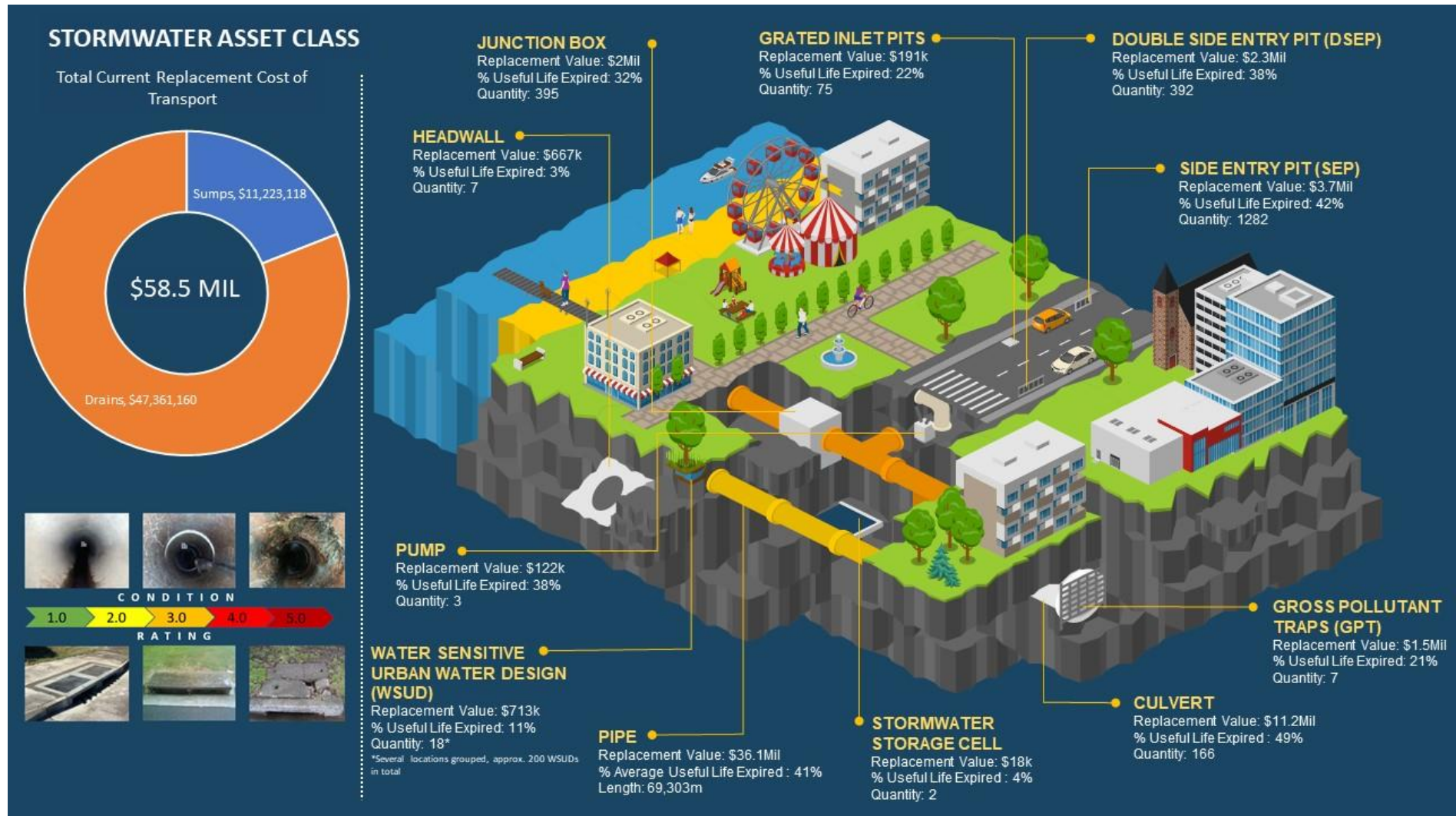
1.1 Legislation and relevant Acts

Council considers the following legislative framework in the management of its Plant and Equipment assets (Table 1.1-1).

Table 1-1-1 Legislative Requirements – Stormwater Assets

Legislation	Requirements
Australian Accounting Standards	Standards applied in preparing financial statements, relating to the valuation, revaluation, and depreciation of Stormwater assets.
Environmental Protection Act	An Act to provide the protection of the environment; to establish the Environment Protection Authority and define its functions and powers; and for other purposes. Consideration of this act should be undertaken for the provision, development, or management of open space.
Local Government Act 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of long term financial plan supported by asset management plans for sustainable service delivery.
Work Health and Safety Act 2012	An Act to provide for the health, safety, and welfare of persons at work; and for other purposes.
Natural Resources Management Act 2004	An Act to promote sustainable and integrated management of the State's natural resources; to make provision for the protection of the State's natural resources.
Local Government (Stormwater Management) Amendment Act 2007.	Act empowering the Stormwater Management Authority
National Construction Code 2014	Sets out minimum standards for stormwater management for property development.
Emergency Management Act 1994	Requires lifeline utilities to function at the fullest possible extent during and after an emergency and to have plans for such functioning (business continuity plans)
Local Government Stormwater Management Act 2007	Outlines the Stormwater Management Agreement between State and Local Governments, establishment of the Stormwater Management Authority and preparation of Stormwater Management Plans.

2 Asset Class Information



2.1 Physical Parameter

This AMP covers the class of Stormwater Assets for the City of Holdfast Bay. A Stormwater asset is defined as any fixed and permanent that service Council's stormwater drainage network; collecting stormwater from the council and its upstream catchment and discharging it to the sea.

Stormwater assets are divided into functional categories as they provide different roles within the Stormwater network. These are standardised to the Southwest Drainage Scheme data scheme and at a higher level include Drains and Sumps. These are further classified into sub categories as displayed in Tables 2.1-1 to and 2.1-2.

Table 2.1-1 Stormwater Pipe Categories

Stormwater Categories	Number of Assets	Diameter/ Size (mm)	Length (km)	Replacement Value	% of Useful Life Expired
Pipes	93	100-250	1438.72	\$240,964	34%
Pipes	2052	300-600	37929.19	\$12,220,801	37%
Pipes	712	600+	29935.61	\$34,899,395	47%
Total	2857		69,304	\$47,361,160	41%

Table 2.1-2 Stormwater Sump Categories

Stormwater Categories	Number of Assets	Type	Replacement Value	% of Useful Life Expired
sump	1282	SEP	\$3,718,875	42%
sump	392	DSEP	\$2,250,492	38%
sump	75	GP	190,862	22%
sump	7	GPT	\$1,538,010	21%
sump	7	Major HW*	\$666,863	3%
sump	395	JB	\$2,005,442	32%
sump	3	Pump	\$121,565	38%
sump	2	Stormwater Storage Cell	18,420	4%
sump	18*	WSUD	\$712,589	11%
Total	2181		\$11,223,118	31%

*A number of locations grouped, approx.200 WSUDs total

+ Beach Headwalls are included in the Open Space and Coastal Asset Portfolio



DRAINS

Our drains are constructed using:

- Pipes
- Culverts

The material for pipes and culverts used are mainly pre-cast concrete and unplasticised polyvinyl chloride (uPVC).


Table 2.1-2 Pipes and Culvert materials






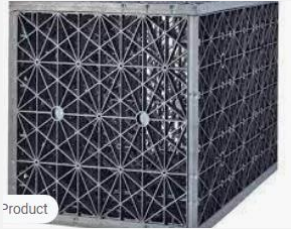

Drains	Illustrated View
<p>Pipes and Culverts: Pre-cast Concrete</p>	
<p>Pipes: PVC</p>	

SUMPS

Sumps are divided into nine different functionality categories:

Table 2.1-3 Sumps – Sub Categories

SUMPS	Illustrated View	SUMPS	Illustrated View
<p>Side Entry Pit (SEP)</p>		<p>Gross Pollutant Traps (GPT)</p>	

SUMPS	Illustrated View	SUMPS	Illustrated View
Double Side Entry Pit (DSEP)		Headwall (HW)	
Grated Inlet Pit (GP)		Junction Box (JB)	
Pump		Stormwater Storage Cell	
Water Sensitive Urban Water Design (WSUD)			

The extent of the City of Holdfast Bay’s Stormwater network is shown in Appendix 1.

2.2 Asset Hierarchy

An 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 planning and delivery.

There are two processes to determining stormwater criticality, criticality for upgrade and existing renewal.

Several reports have modelled the current stormwater network performance and determined criticality of upgrades (Stormwater Management Plan, Tonkin Stormwater Management Plan Glenelg to Marino 2014). Key factors included:

- Flood risk mitigation

- Age
- Impact on Properties
- Catchment Size

These findings have later been refined internally and New Initiative programs developed (Stormwater Strategy 2020, Stormwater Policy 2020).

Table 2.2-1 below summarises Council's service levels for each level of hierarchy.

Table 2.2-1 Asset Hierarchy

Hierarchy Level	Criticality	Description
A	High	5-Yr ARI Flooding, high impact on number of properties and/or those critical to the core operations of council. Or issue is an urgent safety hazard
B	Mid	100-Yr ARI Flooding with medium impact on number of properties and/or community facilities. Persistent water pooling that impacts a number of stakeholders.
C	Low	Low risk of flooding, low impact on properties, functional

Each criticality has different service level agreements. These are outlined in detail in Appendix 2. This framework was produced internally, and as part of Council's Stormwater Asset Improvement Plan, community consultation will be undertaken upon the next criticality framework review.

2.3 Asset Expected Life

All assets are provided with a baseline straight line useful life value (blue line), used for the purposes of lifecycle cost planning and accounting for asset valuation and depreciation. This straight-line depreciation is used in Council's financial reporting.

The service life of transport assets differs from the standard design life and the useful life, as it also accounts for the ongoing maintenance and renewal of the asset to maintain a designated technical level of service (black line). The setting of service levels will be undertaken by council staff in consultation with the community and elected members, to optimize whole of life costs for the assets.

As upkeep of the asset is made through the capital renewal & maintenance budgets, the condition should be maintained at the desired level to ensure assets reach their potential service life (black line). If no regular maintenance occurs the potential asset life will not be reached (red line).

Figure 2.3-1 shows that the deterioration curves, red and black, show a true reflection on an assets aging profile, as it typically deteriorates faster towards the end of its life.

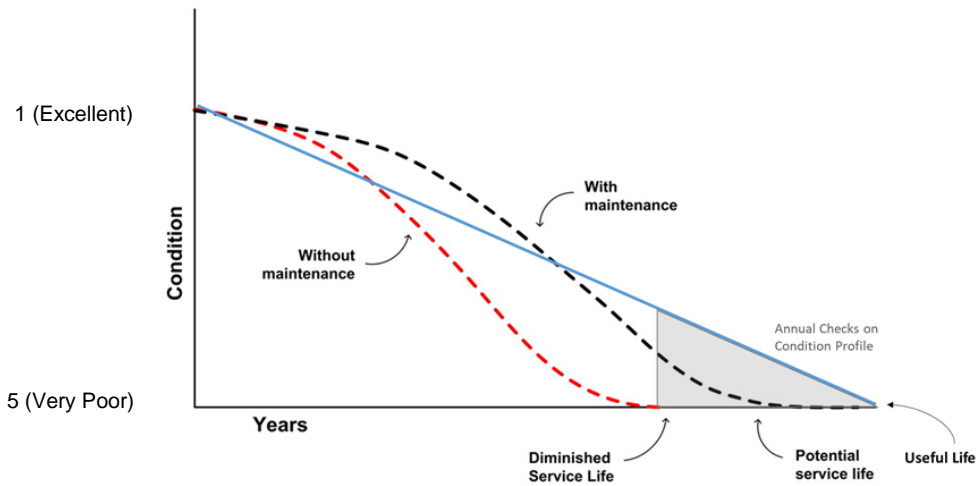


Figure 2.3-1 Asset Ageing Profile

2.4 Asset Quality and Distribution

The City of Holdfast Bay has a responsibility to maintain the appropriate condition of stormwater assets as defined by the levels of service.

This includes:

- Forward works planning – capital and maintenance program.
- Overseeing works undertaken.
- Organising of Stormwater condition audits.

Internal CCTV inspections of stormwater assets will be undertaken progressively throughout the network over a 10-year period, starting with high criticality stormwater assets as defined in Table 2-1. This will ensure we maintain an up to date database of condition, maintenance, and risk.

Stormwater assets incorporate a 1-5 condition rating score (Table 2.4-1) for each asset.

Table 2.4-1 Condition Assessment System (based on International Infrastructure Management Manual 2015, IIMM)

Condition Rating	Condition Description	Actions
1	Very Good	No action required
2	Good	Minor defects only
3	Fair	Maintenance required to return to accepted level of service
4	Poor	Consider renewal
5	Very Poor	Approaching unserviceable



3 Stakeholders

Key stakeholders in the preparation and implementation of this Stormwater Asset Management Plan are shown in Table 3-1-1.

Table 3-1-1 Stormwater Asset Management Plan Key Stakeholders

Key Stakeholders	Roles in Asset Management Plan
Residents and Ratepayers	<p>Ultimate beneficiaries of the AMP process.</p> <p>Feedback collected throughout the year.</p> <p>Annual satisfaction survey undertaken.</p>
Visitor / Tourists	<p>Regular satisfaction surveys undertaken, and feedback collected.</p>
Business Owners; Traders; Service Providers	<p>Play a significant role in providing services.</p> <p>Feedback is collected through regular consultation.</p> <p>Suppliers provide the goods and services to manage the assets and infrastructure.</p>
Council	<p>To act as custodians of community assets</p> <p>To set asset management policy and vision</p>

Key Stakeholders	Roles in Asset Management Plan
	<p>Allocate resources to meet Council objectives in providing services while managing risks</p>
<p>Chief Executive Officer/ Senior Leadership Team</p>	<p>To provide leadership and strategic direction</p> <p>Review Asset Management Policy and Asset Management Strategies</p> <p>To ensure that community needs and the outcomes of service reviews are incorporated into asset management planning and Long-Term Financial Plan</p> <p>To ensure that training of Councillors and staff in financial and asset management practices is provided</p> <p>To ensure that accurate and reliable information is presented to Council</p> <p>To ensure appropriate delegations and approval processes are followed</p>
<p>Asset Management Leadership Team</p>	<p>Facilitate development of Asset Management Plans</p> <p>To oversee the implementation of the Asset Management Policy and Asset Management Strategies</p> <p>To oversee the ongoing development and review of service plans and asset management plans</p> <p>To ensure that community needs and the outcomes of service reviews are incorporated into asset management plans</p> <p>To promote and raise awareness of asset management within the organisation</p> <p>To ensure relevant health and wellbeing, human rights and equity principles and strategies are taken into consideration</p> <p>To develop and implement asset management improvement plan</p> <p>To provide and manage the asset management information system(s)</p> <p>Integrate asset management and financial plans and reporting</p>
<p>Asset Manager(s) and Staff</p>	<p>To lead the development of the Asset Management Plans</p> <p>To develop and implement maintenance, renewal and capital works programs in accordance with the Asset Management Policy, Strategy, Plans, as well as budget allocations.</p> <p>Develop Specific Management Plans (upgrade, renewal, maintenance, operations, disposal)</p> <p>To deliver levels of service to agreed risk and cost standards and expectations</p> <p>To report asset related risk and damage</p> <p>To establish and monitor asset compliance and risk inspection regimes</p> <p>To manage asset condition assessments</p> <p>To provide technical expertise to Asset Management Leadership Team</p>

4 Current and desired Levels of Service (LoS)

Levels of Service or objectives and the way these are benchmarked and measured annually and quarterly, are the single biggest point of difference between previous asset management plans and ISO 55000 standard plans. By its very definition ISO 55000 is measurable and definable outcome that typifies an outcome-based paradigm.

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

The City of Holdfast Bay have two defined levels of service:

- Customer (Community) Level of Service
- Technical level of Service

These Levels of Service are designed to support continued performance and function of the stormwater assets (and all their components) to a reasonable standard. They are also intended to ensure the future economic sustainability of Holdfast's stormwater network is considered and unreasonable costs are not being placed on future Asset Plans.

Currently only the 5-year and 100-year average recurrence interval (ARI) flood risk and commission age of assets has been assessed. This can be used for the Technical Level of Service, as well as qualitative results from Customer Complaints System. However, moving forward other indicators of levels of service, including condition scores, quantitative number of customer complaints, works system, and live performance monitoring will be integrated with asset records, allowing for a more mature level of service assessment.

Community Level of Service

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Quality	Stormwater network is clean and damage free	Percentage of assets that are better than our service level targets (Appendix 2: Stormwater Service Levels)	Above 95%

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Function/Capacity	Stormwater functions to required level (i.e. no flash flooding)	Percentage of assets that are better than our service level targets (Appendix 2)	Above 95%
Culture: Supporting excellent, efficient operations	Responsiveness	Provide services with determined response time.	Time taken to respond to requests are better than our service level targets (Appendix 2)	Above 95%

Technical LOS

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Condition	Physical state of stormwater assets is in serviceable condition.	Percentage of assets that are better than our service level targets (Appendix 2)	Above 95%
Placemaking: Creating lively and safe places Placemaking: Developing walkable, connected neighbourhoods	Function/Capacity	Stormwater assets have the capacity to meet the community need.	Percentage of assets that are better than our service level targets (Appendix 2) Number of customer complaints reduced	Above 95%

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Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Placemaking: Creating lively and safe places	Safety	Stormwater assets are safe and free of hazards.	Number of injury or accidents	0

5 Future Demand

The community's demand for the services changes overtime. The reason for change can be varied, some of the common drivers are population, demographics, environmental and technology. As service demand changes, the council's assets may also need to change to meet the changing demand.

Table 5-1 Future Demands

CURRENT POSITION	DEMAND FORECAST	DEMAND IMPACT	DEMAND MANAGEMENT PLAN	IMPACT ON ASSETS
<p>Population increase:</p> <ul style="list-style-type: none"> ➤ Total estimated population 36,520 	Planned to accommodate for 40,313 by 2031	Greater impervious areas through increased infill development has the potential to cause local flooding problems.	<ul style="list-style-type: none"> ✓ Audit and management of stormwater drainage. Installation of water sensitive urban design features. Implementation of regional Stormwater Catchment Management Plan. 	Increase demand on stormwater assets which may lead to blockages and capacity issues.
<p>Council and the community are increasingly aware of our impact to the environment and Council's role in environmental sustainability.</p>	<p>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.</p>	<p>We are committed to using fewer of our precious resources, reducing our carbon footprint, and looking for smarter ways to achieve this objective.</p>	<ul style="list-style-type: none"> ✓ Implement actions from the environmental strategy ✓ Climate Adaptation Risk Assessment 	<p>Higher costs associated with construction methods that are environmentally sustainable,</p>
<p>Increase of severe weather events including droughts, storms, storm surges and high tide impacts on sea wall height and strength.</p>	<p>Severe weather events to increase based on current trends.</p>	<p>More intense rainfall events are likely to place increased pressure on the drainage network to carry larger volumes of stormwater runoff.</p>	<ul style="list-style-type: none"> ✓ Potential for design standard definitions change through the increase rainfall intensity. This will decrease the standard for our existing infrastructure. ✓ Sand retention and management. Audit of sea wall condition. Water storage, recycling, reclamation, and management. Use of improved 	<p>In future larger pipes may be required to meet the same design standard as the definitions change. Upgrading current capacity of current systems may also be required.</p>

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CURRENT POSITION	DEMAND FORECAST	DEMAND IMPACT	DEMAND MANAGEMENT PLAN	IMPACT ON ASSETS
			irrigation technology. Usage of A-Class reclaimed water.	
Testing new research and technologies being developed for stormwater management.	Looking for efficient and effective ways to improve stormwater management.	Taking advantage of opportunities through studies and grants to progress stormwater management technology.	<ul style="list-style-type: none"> ✓ Using new technologies to control stormwater flows within catchments to eliminate localised flooding. ✓ Funding received from Department of Environment and Water for the introduction of detention to delays flows and the use of smart tanks. 	Introduction of new products and systems, rather than like-for-like replacement, will incur additional cost

6 Life Cycle Planning/Strategies

The lifecycle management plan details how the City of Holdfast Bay plans to manage and operate the assets at the agreed levels of service while managing life cycle.

The assets covered by this Stormwater Asset Management Plan is shown in section 2, Asset Class Information.

This section presents an analysis of Council’s available Stormwater assets information and the life cycle management plans covering the 4 key work activities to manage Stormwater assets.

- **Routine Maintenance** – activities undertaken to ensure efficient operation and serviceability of the assets. This will ensure that the assets retain their service potential over the course of their useful life.
- **Capital Renewal/Replacement** – Provides a program of progressive renewal of individual assets. Deteriorating asset condition primarily drives renewal needs, with increasing maintenance costs also considered.
- **Decommission** – Any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation. Any costs or revenue gained from asset disposals is included in the long-term financial plan.
- **Creation/Acquisition** – Provides a program of works to create new assets or substantially upgrade existing assets. This is primarily driven by community, growth, social and/or environmental needs/desires.

Variability of these stages also exists within different Stormwater categories, as Stormwater function may influence the renewal versus replacement strategies.

The major stages can be further divided into specific processes as listed in Figure 6-1. In each stage of the lifecycle, varying events will trigger the need to begin the next phase of the cycle. Further details on the processes of these lifecycle stages for Stormwater assets is provided in the following sections.

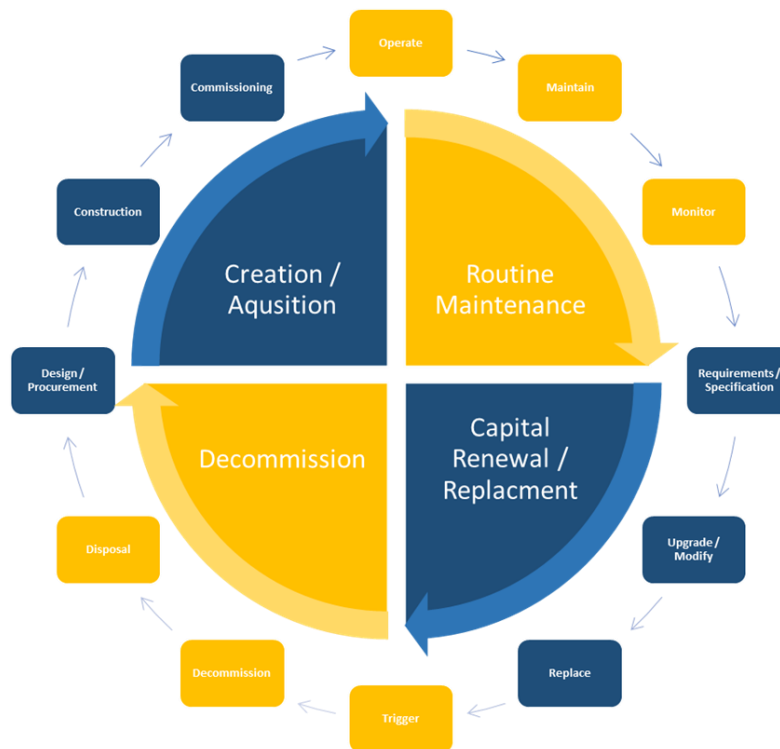


Figure 6-1 Life Cycle Management Plan

6.1 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning gross pollutant traps.

Maintenance include all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pothole repairs, minor kerb and footpath repairs, and street sign replacement. This work is not capitalised and does not increase the service life of the asset.

An example of a typical maintenance activities is repairing pit lids and pipe junctions.

As the years progress, the maintenance budget is projected to increase due to inflation and an asset portfolio growing in size, complexity and age.

6.2 Renewal Plan

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

Assets requiring renewal are identified using the Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year).

In the 10-year Forecast Renewal Program Council will include:

- Annual WSUD Program
- Annual Minor Stormwater Program
- Farrell Street Pump Station

It is anticipated the renewal program will be adjusted once CCTV condition assessment have been received. However initial results indicate no major capital renewal works are required in the 10-year window.

6.2.1 Renewal Ranking Criteria

Asset renewal is typically undertaken to either:

- ✓ Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate, or
- ✓ To ensure the infrastructure is of sufficient quality to meet the service requirements

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

- Have a high consequence of failure;
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.¹

¹ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p3|97

The ranking criteria used to determine priority of identified renewal proposals are detailed in Table 6.2-1.

Table 6.2-1 Renewal Priority Ranking Criteria

Criteria	Weighting
Service Level Hierarchy (High, Med, Low)	50%
Risk rating: Social, political, environmental implications of failure	25%
Potential to reduce life cycle costs by replacement with a modern equivalent	25%
Total	100%

6.3 Acquisition Plan

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

6.3.1 Selection Criteria

Proposed upgrade of existing assets, and new assets, are identified from various sources such as:

- ✓ City of Holdfast Bay Stormwater Management Plan;
- ✓ Water Sensitive Urban Design (WSUD) Plan;
- ✓ Customer feedback, depot information about nuisance flooding hotspots;
- ✓ Proposals identified by Strategic Plans.

Potential upgrade and new works should be reviewed to verify that they are essential to the entities needs.

When Council commits to new assets, they must be prepared to fund future operations, maintenance, and renewal costs. They must also account for future depreciation when reviewing long term sustainability. This is outlined in Holdfast’s Asset Management Policy (Section 3.3.3):

Future life cycle costs will be reported and considered in all Council decisions relating to new services and assets and upgrading of existing assets. If actual costs are not known, an estimate will be applied to the upgrade portion of the project, based upon the Asset Management Plan’s life cycle forecast (%).

Major upgrade projects forecast in the next 10 years include:

- Wattle Gross Pollutant Trap
- Gully Masterplan Implementation
- Harrow Road stormwater outfall headwall upgrade

The full table of projected acquisition projects for the next 10 years is displayed in Appendix 3.

6.4 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation Council Disposal of Assets Policy outlines this process.

Council has no upcoming disposals for stormwater assets. As such, there is no funding required or expected from the decommissioning of any assets at this point in time.

7 Financial Summary

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available with the introduction of a new strategic asset management modelling system in future AMPs, on desired levels of service and current and projected future asset performance. All costs are shown in current (2020) dollar values and do not include inflation.

A summary of all financials is provided in Appendix 3.

7.1 Asset Valuations

Valuations are undertaken in alignment with Australian Accounting Standard 'AASB13 Fair Value', and 'AASB116 Property Plant and Equipment'. These valuations are required every three to five years, with an independent audit required every five years. Valuations are undertaken to satisfy the financial reporting requirements and to understand the cost to replace assets.

The valuation of Council's Stormwater Assets is summarised in Table 7-1-1:

Table 7.1-1 Stormwater Asset Valuation

Asset Category	Current Replacement Cost	Accumulated Depreciation	Written Down Value
Drains	\$47,361,160	\$17,058,490	\$30,302,670
Sumps	\$11,223,118	\$4,010,147	\$7,212,970
TOTAL	\$58,584,278	\$21,068,638	\$37,515,640

7.2 Maintenance and Operational Trends and Forecasts

Figure 7-2 displays the maintenance and operational trend of City of Holdfast Bay's stormwater assets.

The maintenance budget was predominately used for pit lids and water sensitive urban water design (WSUD) and the operational budget was used for the cleaning of gross pollutant traps (Figure 7.2-1).

There was a significant increase in the operational expenditure in 2019-2020 due to a backlog works program for gross pollutant trap cleaning and stormwater repairs. This program is now concluded and it is expected the budget for 2021 will be \$100,000 for operational costs and \$61,000 for maintenance.

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Figure 7.2-1 Maintenance and Operational Budget Trend Graph

It is anticipated the maintenance and operational budget will increase slightly in the medium to long term as demand on assets increases as well as extreme storm events associate with climate change.

7.3 Future Operations and Maintenance Forecast

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset portfolio. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease.

Figure 7.2-2 shows the forecast operations and maintenance costs exceeds the proposed operations and maintenance LTFP budget. This is based on the whole project cost, including constructed and contributed funds.

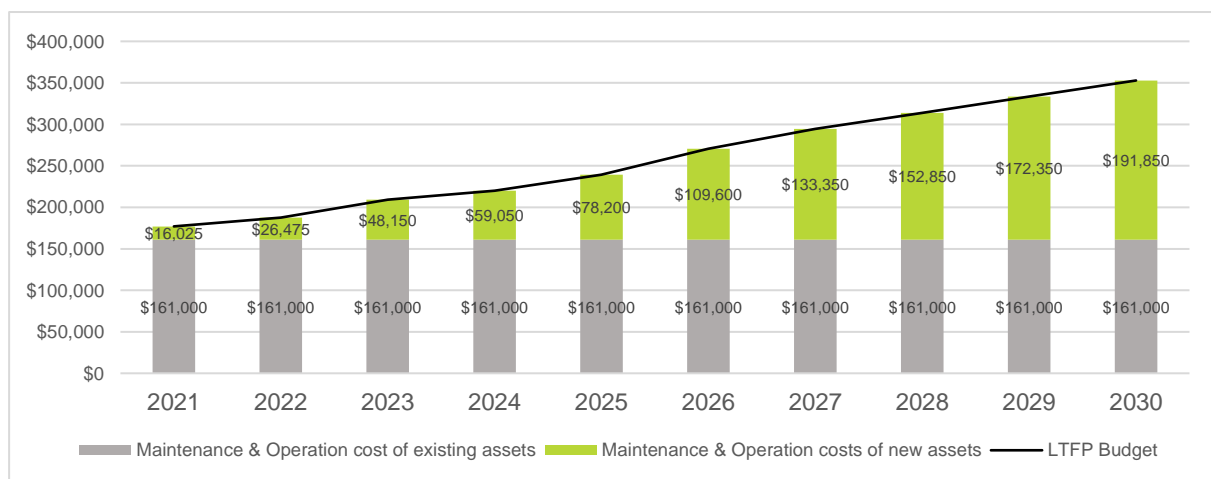


Figure 7.3-1 10 Year Operational & Maintenance Forecast, including all acquisitions (constructed and contributed)

The operation and maintenance costs on Council’s Stormwater assets are forecast to increase by approximately \$987,900 over the next 10 years.

- Additional maintenance cost of \$987,900 is required for newly acquired assets.

Council has allowed for an additional 1% of its Acquisition (Total Project Cost) costs to be added to maintenance and options budget (Figure 7.2-2).

The above additional costs will need to be addressed through the Improvement Plan for operational and maintenance planning efficiencies and process in future years.

7.4 Future Renewal Forecast

The forecast renewal costs are consistent with the planned LTFP budget over the next 10 years. This is because Council has committed to adopting the renewals as detailed in the Asset Management Plan.

The 10 year renewals are very low, when compared to the stormwater portfolio. This due to the long life of stormwater, relatively good condition. It is anticipated there will be a substantial increase in renewal budgets required from 2040 onwards. The ongoing CCTV investigations may also identify renewals that are required in the 10 year window. It is recommended this renewal forecast is reviewed annually to allow for this.

Council's LTFP renewal forecast for the next 10 years is displayed in Figure 7.4-3.

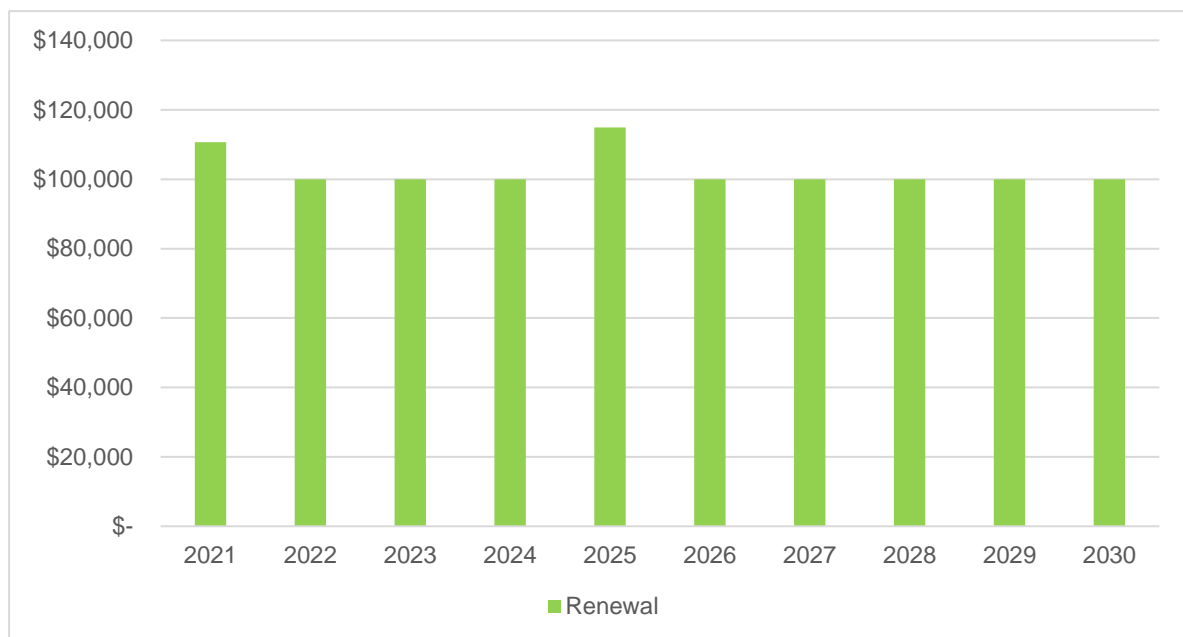


Figure 7.4-3 10 Year Renewal Forecast

7.5 Future Acquisition Forecast

Council's acquisition forecast and LTFP budget for the next 10 years is displayed in Figure 7.5-1.

The acquisition (total project cost) program has been derived from the DRAFT Stormwater Strategy 2020, represents a whole project cost, and does not include funding contributions from Stormwater Management Authority or Neighbouring Councils.

The actual expenditure by council is anticipated to reduce significantly after these contributions, as reflected in the Appendix 3: Financial Summary. However, it is important to include the entire asset costs to account for appropriate maintenance and operation requirements (Section 7.3).

Acquisition project details are listed in Appendix 3.

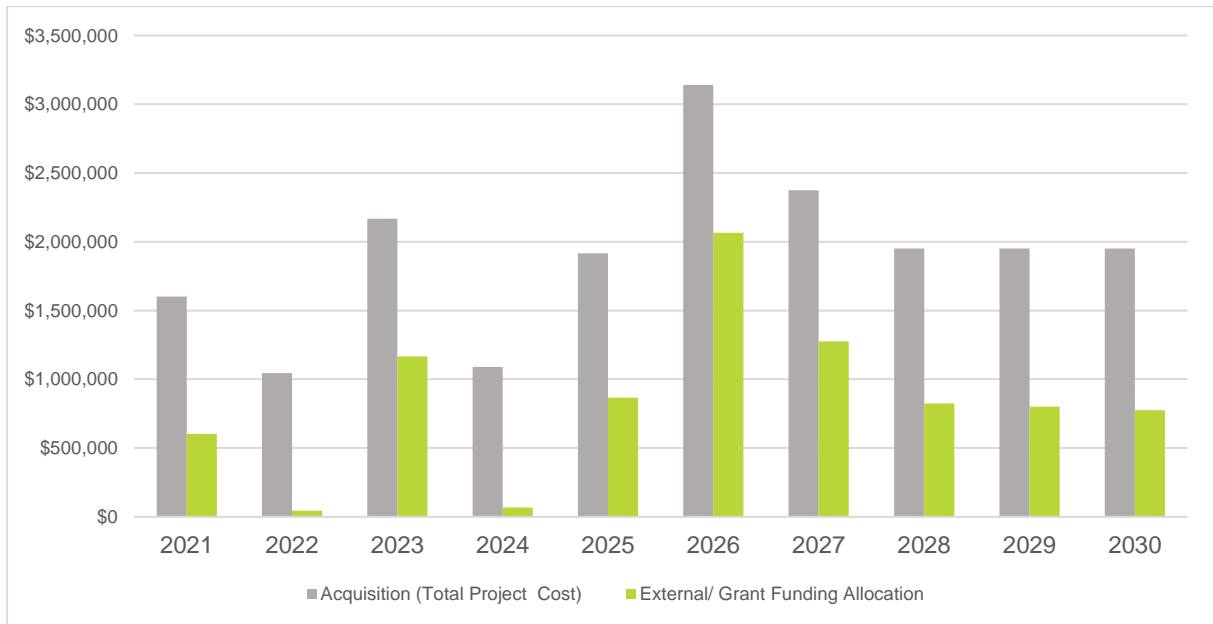


Figure 7.5-1 10 Year Acquisition Forecast

7.6 Assumptions

The following key assumption(s) were applied in this financial forecast:

- Remaining life-based renewal program.
- The annual shortfall over 10 years is caused by the increased maintenance and operational expenditure required by the acquisitions, a 3.32% increase in asset stock.
- No decommissioning of existing assets.
- Operational and Maintenance Budget fixed – using average of previous 5 years actuals.

7.7 Data Confidence

The expenditure and valuations projections in this AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. This Stormwater data confidence is classified as ‘C – Uncertain’ based on the IPWEA data confidence scale² (table 8-5). 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 +/-25%.

See Appendix 4 for data confidence grading system.

² IPWEA, 2011, IIMM, Table 2.4.6 p2|59.

8 Risk Management

The objective of the risk management process with regards to Stormwater assets is to ensure that:

- 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.

An assessment of risks associated with service delivery from Stormwater assets has identified the most critical risks to Council. The risk assessment process identifies and assesses risks, develops a risk rating, and develops a risk treatment plan for non-acceptable risks.

High and Very High Risks that have been identified are:

- There is a risk of Stormwater flooding due to capacity issue in the stormwater network. Adopting and funding the actions in the Stormwater Strategy, as outlined in this plan, will help mitigate this risk.
- There is a risk of local flooding caused by blockages from heavy collection debris inside the pipes and pits. Fully funding required GPT cleaning, and gradually increasing this funding over time, will help mitigate this risk. As will continuing CCTV inspections of critical stormwater assets.
- Poor coordination between Council and Third Parties, such as neighbouring councils and SA Water, leading to re-work or re-design.
- Climate Change - material useful life may reduce and early failure occur. Participating in the Resilient South's Climate Adaptation Risk Assessment, will help better understand this risk.
- Economics – Council unable to fund required capital and maintenance. This is a significant risk for the stormwater portfolio given the forecast increases in capital, maintenance, operations, and new initiative funding required over the short to medium term.

A risk treatment action has been included in the forecast costs for this asset plan, and in some cases is already underway. For a full list of risks and treatment plans see Appendix 5.

9 Plan Improvement and Monitoring

9.1 Monitoring and Reviewing

The Stormwater Asset Management Plan is not a one-off document but part of the Council's business planning process. For this reason, it is necessary to review and update any key assumptions, strategic change or budget decision that may affect the planned service levels and future expenditure requirements. To keep this AMP current, council will schedule the plan review into its strategic and annual planning and budget processes. This asset management plan has a life of 4 years.

9.2 Improvement Plan

Improvement items identified in the previous AMP that form a part of Council's ongoing business as usual improvements include:

- Continue to refine asset register - review useful lives and unit rates used for valuation purposes
- Generate project based rolling works program spanning 3 to 5 years for stormwater drainage system assets based on detailed visual inspection.
- Ensure Maintenance Standards and Plan align with agreed level of service

City of Holdfast Bay Stormwater AMP

- Ensure appropriate budget lines to capture maintenance expenditures
- Implement regular internal inspections of stormwater drainage system

Specific Business Improvement Actions that will be a focus for the next three years include:

- Review and improve street tree management, to reduce kerb lift and associated stormwater issues
- Continue CCTV investigation of pipe condition for critical assets and update AMP to reflect findings
- Participate in Resilient South's Climate Adaptation Risk Assessment
- Review and integration of historical asset failures into asset management planning
- Ensure design of WSUDs is appropriate, and establish proactive maintenance and operations

All improvement actions have been included in the forecast costs for this asset plan, and in some cases are already underway. For a full list of improvement items see Appendix 6.

APPENDICES

Appendix 1: Stormwater Network

Appendix 2: Stormwater Service Levels

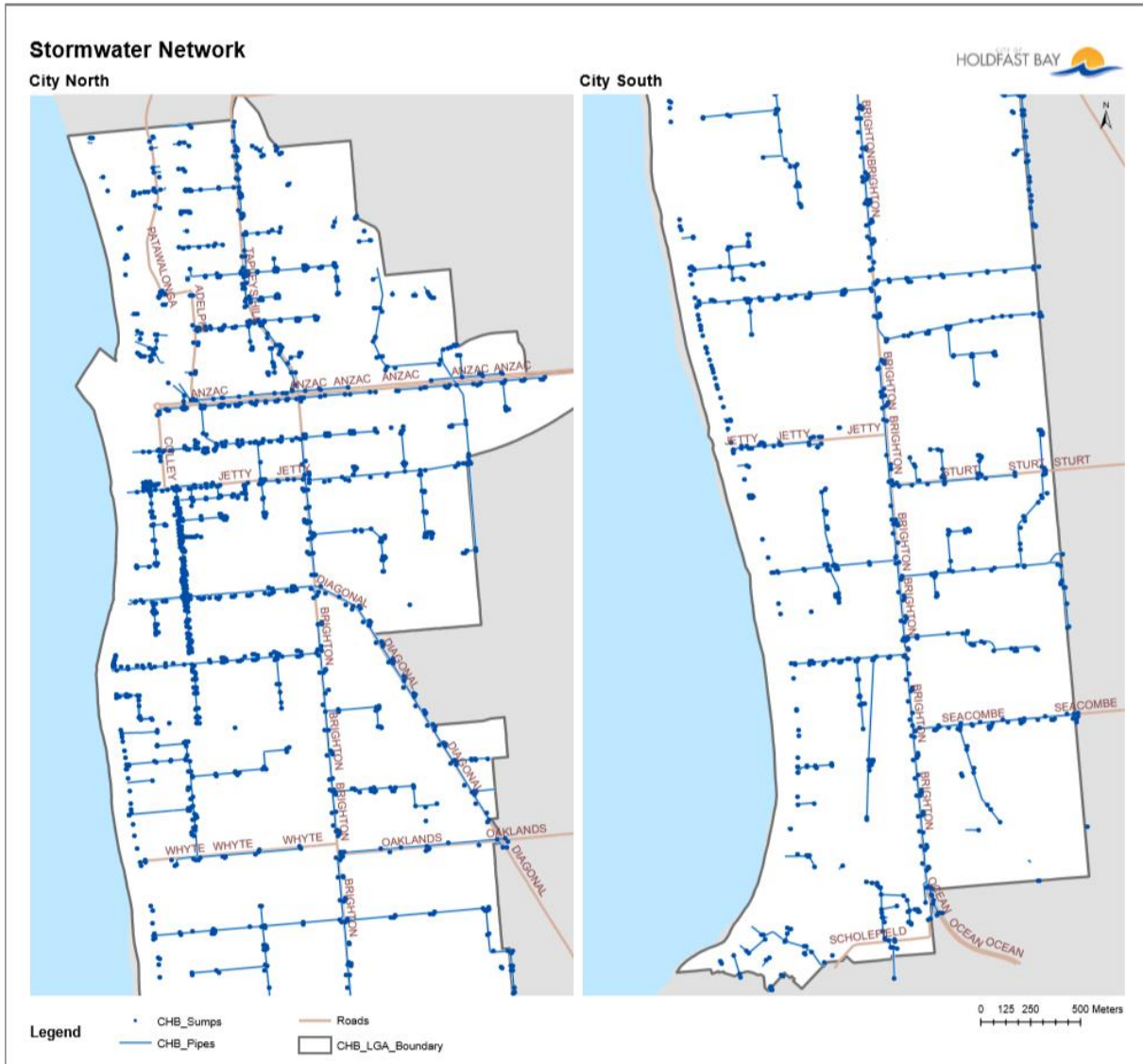
Appendix 3: Financial Summary

Appendix 4: Data Confidence Grading System

Appendix 5: Stormwater Risks

Appendix 6: Stormwater Improvement Plan

Appendix 1: Stormwater Network



Appendix 2: Stormwater Service Levels

Asset Hierarchy Level	Purpose	Maintenance & Operations	Renewal Thresholds
High – Drains/Sumps	Assets or Stormwater runoff zones with a high risk of flooding (5-YR ARI), servicing a large number of residents and visitors, where failure could compromise Council’s core business	These assets are maintained at a high standard, with annual CCTV inspections and prioritisation of repairs.	<ul style="list-style-type: none"> • Overall Condition rating is 3.5 (poor) or higher • Safety is compromised • Functionality and amenity are below required levels • No overfloor flooding for 20 YR event for properties
Medium – Drains/Sumps	Assets Stormwater runoff zones with a medium risk of flooding (100-YR ARI), servicing a number of stakeholders, where failure would have an impact on the community	These assets are maintained at a moderate standard, with inspections as required and repairs to be completed as resource become available.	<ul style="list-style-type: none"> • Overall Condition rating is 4 (poor) or higher • Safety is compromised • Functionality and amenity are below required levels • No overfloor flooding for 100 YR event for properties
Low – Drains/Sumps	Assets Stormwater runoff zones with a low risk of flooding, servicing a small number of stakeholders	These assets are maintained at a safe standard, with inspections as required and repairs where safety is compromised.	<ul style="list-style-type: none"> • Overall Condition rating is 4.5 (very poor) or higher • Safety is compromised

Appendix 3: Financial Summary

AMP 2020

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Acquisition (Total Project Cost)	\$1,602,500	\$1,045,000	\$2,167,500	\$1,090,000	\$1,915,000	\$3,140,000	\$2,375,000	\$1,950,000	\$1,950,000	\$1,950,000
Maintenance & Operation cost of existing assets	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000
Maintenance & Operation costs of new assets	\$16,025	\$10,450	\$21,675	\$10,900	\$19,150	\$31,400	\$23,750	\$19,500	\$19,500	\$19,500
Renewal	\$110,637	\$100,000	\$100,000	\$100,000	\$114,875	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$1,890,162	\$1,316,450	\$2,450,175	\$1,361,900	\$2,210,025	\$3,432,400	\$2,659,750	\$2,230,500	\$2,230,500	\$2,230,500
External/ Grant Funding Allocation	-\$602,500	-\$45,000	-\$1,167,500	-\$67,000	-\$866,000	-\$2,065,000	-\$1,275,000	-\$825,000	-\$800,000	-\$775,000
COUNCIL FUNDING REQUIRED	\$1,287,662	\$1,271,450	\$1,282,675	\$1,294,900	\$1,344,025	\$1,367,400	\$1,384,750	\$1,405,500	\$1,430,500	\$1,455,500

Figures are in nominal (current Year) values.

LTFP (after AMP 2016)

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Acquisition (Total Project Cost)	\$1,602,500	\$1,045,000	\$2,167,500	\$1,090,000	\$1,915,000	\$3,140,000	\$2,375,000	\$1,950,000	\$1,950,000	\$1,950,000
Maintenance & Operation cost of existing assets	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000
Maintenance & Operation cost of new assets	\$16,025.00	\$10,450.00	\$21,675.00	\$10,900.00	\$19,150.00	\$31,400.00	\$23,750.00	\$19,500.00	\$19,500.00	\$19,500.00
Renewal	\$240,000	\$0	\$0	\$0	\$2,382	4,764.92	\$19,071	0	\$0	\$0
Disposal	\$0	0	\$0	\$0	\$0	0	\$0	0	\$0	0
TOTAL COST	\$2,019,525	\$1,216,450	\$2,350,175	\$1,261,900	\$2,097,532	\$3,337,165	\$2,578,821	\$2,130,500	\$2,130,500	\$2,130,500
External/ Grant Funding Allocation	-\$602,500	-\$45,000	-\$1,167,500	-\$67,000	-\$866,000	-\$2,065,000	-\$1,275,000	-\$825,000	-\$800,000	-\$775,000
COUNCIL FUNDING REQUIRED	\$1,417,025	\$1,171,450	\$1,182,675	\$1,194,900	\$1,231,532	\$1,272,165	\$1,303,821	\$1,305,500	\$1,330,500	\$1,355,500

Figures are in nominal (current Year) values.

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AMP 2020 Acquisition Works (Total Project Cost)*

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
GPT - Construction						\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
GPT - Harrow Road Concept, Design			\$90,000							
GPT - Harrow Road Construction						\$510,000				
GPT - Pine Avenue Concept, Design		\$60,000								
GPT - Pine Avenue Construction			\$340,000							
GPT - Wattle Construction	\$500,000									
Gully Masterplans - Barton Gully scour protection Concept, Design		\$15,000								
Gully Masterplans - Barton Gully scour protection Construction				\$85,000						
Gully Masterplans - Gilbertson Gully creek and WSUD Concept, Design, Construction	\$100,000									
Harrow Road stormwater outfall headwall upgrade (construct with GPT) Construction	\$250,000									
Improved access for maintenance – extra JB access points, gate valve to Wigley outfall Concept, Design	\$7,500									
Improved access for maintenance – extra JB access points, gate valve to Wigley outfall Construction		\$42,500								
Major Outfalls - Edward Street Brighton Design			\$425,000							
Major Outfalls - Whyte and Tarlton Street Design	\$150,000									
Minor Upgrades - College Road Somerton Park Construction		\$400,000								
Minor Upgrades - College Road Somerton Park Design	\$400,000									
Minor Upgrades - High Street South Brighton, Concept		\$35,000		\$595,000						
Minor Upgrades - High Street South Brighton, Design			\$70,000							
Minor Upgrades - Kauri Parade Kingston Park Upstream of Pine Gully Construction						\$680,000				
Minor Upgrades - Kauri Parade Kingston Park Upstream of Pine Gully Design		\$80,000								
Minor Upgrades - Moore Street Somerton Park Concept, Design			\$120,000							
Minor Upgrades - Moore Street Somerton Park Construction					\$680,000					
Minor Upgrades - Rudford Street Brighton Concept, Design	\$90,000									
Minor Upgrades - Rudford Street Brighton Construction			\$510,000							
Minor Upgrades - Walkers Street South Brighton, Concept, Design		\$165,000								
Minor Upgrades - Walkers Street South Brighton, Construction					\$935,000					

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WSUD - Winton Avenue Hove Construction											\$42,500
Total	\$1,602,500	\$1,045,000	\$2,167,500	\$1,090,000	\$1,915,000	\$3,140,000	\$2,375,000	\$1,950,000	\$1,950,000	\$1,950,000	\$1,950,000

*Upgrade component of project only. Replacement cost of existing is already included in ongoing maint and ops budgets.

Note: Some projects are design and investigation in preparation for construction. Project values include contributions from the City of Marion and Stormwater Management Authority. Project is subject to annual budget approval.

AMP 2020 Renewal Works

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Annual Minor Stormwater Works	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Annual WSUD Program	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Pump station - Confined Space - Farrell Street	\$0	\$0	\$0	\$0	\$14,875	\$0	\$0	\$0	\$0	\$0
SW Pipe - 300mm Precast Concrete - Drain 18 - Augusta Street	\$2,449	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Underground Soakage Pit - James Place - Pit Type L - Other Size/Type SW Pit - Underground Soakage Pi	\$8,188	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$110,637	\$100,000	\$100,000	\$100,000	\$114,875	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000

Appendix 4: Data Confidence Grading System

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. Data set is complete and estimated to be accurate +-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 +-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 +-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 +-40%.
E – Unknown	None or very little data held.

Appendix 5: Stormwater Risks

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Responsibility	Completion Date
Stormwater Drains	Local flood because of blockage due to heavy collection debris inside the pipes and pits.	High	CCTV investigation of critical pits and pipes	Asset Manager(s) and Staff	2022
All	Poor coordination between Council and Third Parties, such as neighbouring councils and SA Water, leading to re-work or re-design	High	Explore proprietary works software Where possible establish direct data share arrangement with 3rd parties; Become a DBYD vendor, Have a standard reinstatement detail for works and adequate resourcing to monitor and inspect works	Asset Management Leadership Team	2023
All	Climate Change - material useful life may reduce and early failure occur	High	Climate adaptation risk assessment	Asset Manager(s) and Staff	2024
Stormwater Network	Capacity reduced due to sea level rise and obstructions of coastal outlets	Moderate	Climate Adaptation investigations and ongoing maintenance of coastal outlets	Asset Manager(s) and Staff	2030
Stormwater Network	Stormwater flooding due to capacity issue in the stormwater network	High	Assess and improve capacity of network. Implement Stormwater Strategy Actions, as outlined in this plan.	Asset Manager(s) and Staff	2040
Gross Pollutant Traps (GPTs)	Increase pollutants entering the marine environment	Moderate	Install GPTs on major coastal outlets	Asset Manager(s) and Staff	2030
Gross Pollutant Traps (GPTs)	Local flood because of blockage due to heavy collection debris inside the GPTs.	Moderate	Maintain a high standard of GPT cleaning and maintenance	Asset Manager(s) and Staff	Ongoing
Water Sensitive Urban Design (WSUD) Landscape	Increase pollutants entering the marine environment	Moderate	Install WSUDs where practical to improve water quality	Asset Manager(s) and Staff	2030

City of Holdfast Bay Stormwater AMP

Water Sensitive Urban Design (WSUD) Landscape	WSUDs cause local floods due to ineffectual design, operations or maintenance.	Moderate	Ensure design is appropriate, and establish proactive maintenance and operations	Asset Manager(s) and Staff	2024
Development assessment and control	Damage to private property and council infrastructure from private stormwater	Moderate	Work with developers and contractors to improve private stormwater design. Enforce agreed minimum standards.	Asset Manager(s) and Staff	2024
Development assessment and control	Increase risk of flood due to increased impervious areas	Moderate	Work with internal staff, developers and contractors to improve design. Enforce agreed minimum standards. Ensure finished floor levels are above requirements for 100 Yr Flood levels.	Asset Manager(s) and Staff	2024
All	Loss of Key Staff	Moderate	Develop succession plans.	Chief Executive Officer/ Senior Leadership Team	2023
All	Economics - Council unable to fund required capital, maintenance, or operational expenditure.	Moderate	Regularly monitor, review, and prioritize critical works Move towards a 20-year review of upcoming works for stormwater	Asset Management Leadership Team	2024
All	Insufficient capacity for increased housing density.	Moderate	Review Stormwater Management Plan. Complete actions in Stormwater Strategy.	Asset Manager(s) and Staff	2030

Appendix 6: Stormwater Improvement Plan

Task No	Task	Responsibility	Resources Required	Established	Due
1	Develop a rolling 3 year works program identifying assets to be renewed. Publish this for community information.	Asset Manager(s) and Staff	Medium	2020	2022
2	Implement the risk mitigation strategies identified in this plan	Asset Leadership Team	Medium	2020	2023
3	Review and improve street tree management, to reduce kerb lift and associated stormwater issues	Asset Manager(s) and Staff	Low	2020	2025
4	Add Life Cycle Costs (%) for operational and maintenance expenses to all New Capital Bids based on AMP figures, where actual costs are not known	Asset Manager(s) and Staff	Included in Project Costs	2020	2020
5	Review the Stormwater Management Plan	Asset Manager(s) and Staff	Medium	2020	2024
6	CCTV investigation of pipe condition for critical assets	Asset Manager(s) and Staff	Medium	2020	2030
7	Ensure design of WSUDs is appropriate, and establish proactive maintenance and operations	Asset Manager(s) and Staff	Low	2020	2022
8	Further develop formal criticality framework for renewals and maintenance.	Asset Management Leadership Team	Low	2020	2025
9	Climate adaptation risk assessment and integration of historical asset failures	Asset Management Leadership Team	Low	2020	2024
10	Stormwater data sharing arrangement across Southwest Drainage Scheme Councils	Asset Management Leadership Team	Low	2020	2022

City of Holdfast Bay Stormwater AMP

Task No	Task	Responsibility	Resources Required	Established	Due
11	Facilitate annual reviews and provide report to CEO	Asset Leadership Team	Low	2020	2022



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Attachment 4





sproutt

City of Holdfast Bay

Transport

Asset Management Plan

October 2020

CITY OF
HOLDFAST BAY



[Forward By the Mayor or CEO]

Document Control

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Abbreviations

Asset Management Plan	AMP
Level of Service	LoS
Long Term Financial Plan	LTFP

Executive Summary

The City of Holdfast Bay has 178 km of transport network catering for road users, including vehicles, pedestrians, and cyclists. Key road assets include roads, kerbs, bridges and footpaths, as well as supporting such as street lighting, bus shelters, line marking, and signage. Our road assets are used for movement of vehicles as well as on -street parking.

Whilst the physical condition of the assets is considered good and the number of community complaints is low, there are views within the community that the function of some roads is below standard; for example through congestion, excessive speed, narrow road width, intersection treatments, lack of on street parking, lack of safe cyclist and pedestrian paths or insufficient lighting.

Council has recently commenced discussion around an Integrated Transport Plan to identify options to improve how our transport assets service the community, businesses and visitors to the area.

Roads

The City of Holdfast Bay has 178 km of road. Based on a detailed condition audit in 2015 and review in 2019, the road condition is considered to be good.

Council's historical investment in the roads has been based on;

- the road wearing base course are in good condition, as was indicated by the condition ratings from the audit in 2015,
- roads are able to remain serviceable, safe and functional to a condition 5 (failed),
- roads are resealed every 35 years (on average), and
- rejuvenation treatments (liquid bitumen applied to the surface) are implemented regularly.

The City of Holdfast Bay has typically stable soils which result in sound pavements. Many of the roads were constructed in 1960's when the area was developed, and this age portfolio will mean that the roads will need to be renewed at a similar time.

However, given an observed increase in surface cracking and pavement failure, the aging profile of the roads, increased traffic and commercial vehicles, and high community expectations for road quality, there is an expectation that Council will need to increase the required investment in the short to medium term. To allow for this we have applied a flat 25 year program for road treatment works, including patching failures and resealing roads. We have also commenced targeted pavement testing.

A detailed condition assessment is undertaken every 4-6 years. Following each new condition assessment, Council reviews its strategy, its past performance, and it's future needs. This is to provide the most cost efficient method to maintain the roads for the community and to ensure the optimal asset life is reached for roads. Council wishes to ensure we are not under or over-investing in our road network.

Kerb & Watertable

The City of Holdfast Bay has 389 km of concrete kerb and spoon drains. A majority of this is along public roads. Our kerbing, based on the detailed condition audit in 2015 is considered to be in good condition.

Council has typically very flat surface grades along our kerbs and combined with narrow roads and street trees a small lift in kerbing can create significant surface pooling and nuisance. Treatments to alleviate this include replacing segments of kerb or other innovative treatments such as tree inlet pits which drain the ponded areas and provide valuable water to the adjoining trees.

Investment in kerb is partially completed through the road treatment program, and partially through sectional replacements to address water pooling as a result of tree root uplift and grade issues. Following a review of the actual kerb replacement requirements this level of funding was reduced from 50% to 40% kerb replacement during road treatment, and an annual general kerb budget of \$150,000 included to address other areas of kerb lift (often resulting in water pooling). Whilst concrete kerbs should last 100 years, due to tree damage and replacement to overcome pooling of water, the typical life of the kerb will be around 50 years.

Footpath and Shared Paths

Council has 313 km of footpaths and shared paths along our public roads, including sections of Coast Park and the Mike Turtur bikeway.

Council's on-road footpath consists generally of a path both sides of every road and they are predominantly a paved path. Our coast park trail similarly is a paved path, whilst the Mike Turtur Bikeway is predominately asphalt. A footpath audit was completed in 2019 and identified that the footpath assets are in generally good condition, although a large number of local defects were identified. Many of the defects are as a result of tree roots lifting the footpath creating localised mounding or trip hazards. Council has embarked on an accelerated footpath repair program to repair defects to improve safety. An increased level of community satisfaction on the paths has been received following the repair works.

Investment in the replacement of the footpath network is sufficient to maintain current service levels, with backlog in maintenance recently addressed through the accelerated footpath program in 2019-20.

Bridges

Council has four bridges, the largest being the King Street Bridge at Glenelg North over the Patawalonga which was reconstructed in 2011. The other bridges are smaller road bridges or pedestrian bridges. A recent assessment in 2019 confirmed Bridges are in good condition, consistent with their expected life. There has been no notable changes to this program.

Other

Condition data from visual assessments indicates other transport items, such as traffic control devices, traffic lights, bus shelters, signage, line marking, off street car parks, and roundabouts are in good condition with sufficient maintenance, operational, and renewal budgets. This is a small component of the overall program and at this stage there has been no notable changes to this program.

LED Street Lighting fixtures (luminaires only) with a value of \$920,000, have recently transferred to Council and have a long warranty and expected life. Their maintenance and operational costs are included in the forecast budget. It is anticipated this will be sufficient to maintain these items on an ongoing basis.

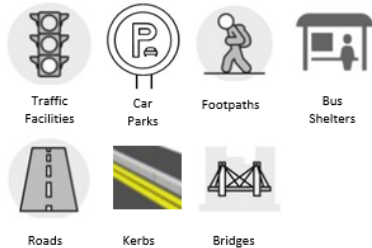
Overall

Overall Holdfast's Transport Assets appear to be in good condition, and investment is largely adequate to maintain current service standards, with the exception of the road network where there is a concern we are under-investing in the short to medium term. The forecast Renewal, Maintenance, and Operational budgets in this AMP represent a sound approach to managing our transport assets from the information available.

TRANSPORT ASSET MANAGEMENT PLAN

We will drive a systematic approach to the development, maintenance and replacement of our assets and ensure that these assets meet the needs of our community.

TOTAL VALUE OF ASSETS
\$259 Million



Overall Transport Asset Condition is **GOOD**

LEVELS OF SERVICE



Community
Quality
Function/Capacity
Safety
Cost Effectiveness
Responsiveness



Technical
Condition
Function/Accessibility
Safety
Cost Effectiveness
Responsiveness



Operational
Cleaning Standards
Maintenance
Capital Renewal
Responsiveness



Strategic Directions inline with Transport AMP

- AN EFFECTIVE **CUSTOMER-CENTRED** ORGANISATION
 - Providing customer-centred service
 - Enabling high performance
 - Being financially accountable
 - Supporting excellent, efficient operations

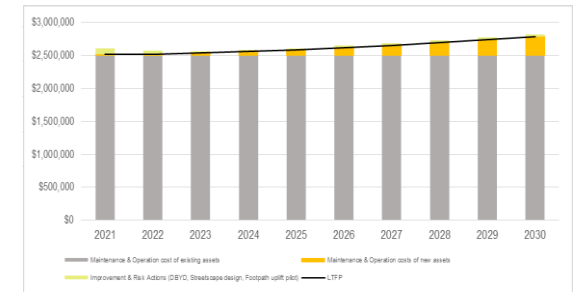
- AN **ACCESSIBLE, VIBRANT & SAFE** COASTAL CITY THAT CELEBRATES OUR PAST TO BUILD FOR OUR FUTURE
 - Creating lively & safe places
 - Developing walkable, connected neighbourhoods

The **Asset Sustainability Ratio** indicates whether Council has the financial capacity to fund asset renewal at continued existing service levels.

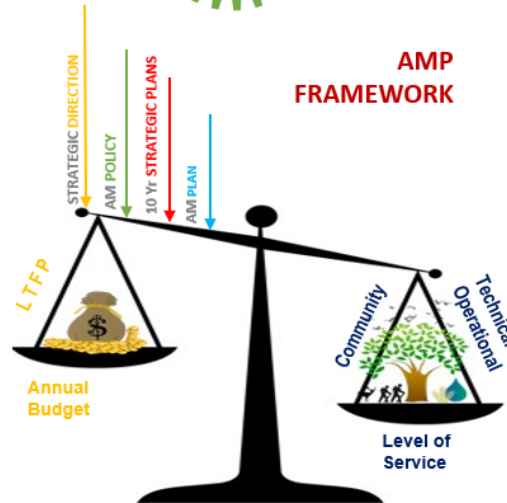
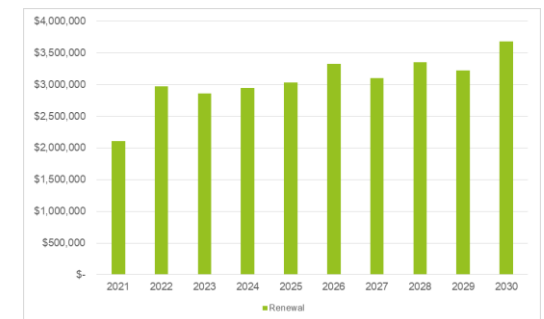


Council Target: **90-110%** over 5 Years

10 Year Operations & Maintenance Expenditure Forecast



Total Forecast Renewal Expenditure



Over the next 10 years of forecasting, City of Holdfast Bay expects to have 99% of the funds required for the optimal renewal and replacement of Transport Assets.

1 Introduction

In accordance with the Local Government Act 1999 (the Act) and the Strategic Plan (Our Place 2030), the Council provides a range of community services to the members of the local community and visitors. The services include transport services, waste management services, environmental services, social and recreational services, open space services, stormwater drainage services, and coastal and beach management services.

Under the Act, Council is required to develop and adopt an infrastructure and asset management plan covering a period of at least 10 years. In addition, Council is required to adopt a long-term financial plan 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. Variations to the scheduled works within the AMP and the LTFP may be adjusted as the need arises

The primary intent of asset management is to meet a required level of service in the most cost-effective way, through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets to provide for present and future community needs. The Transport Asset Management plan will be a living document over the next 3 to 4 years complying to all legislative requirements, and to communicate funding required to provide the required levels of service over a 10-year planning period.

This plan also aims to align with ISO 55000 (international standard for asset management) but does not seek to become accredited as an ISO document or process. This document 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 ISO framework also aims to create transparency and accountability through all aspects of asset management; this process ensures that all stakeholders understand their roles and responsibilities of achieving the intentions of the plan

The Transport Asset Management Plan works in conjunction with the following Council’s plans and strategies (Table 1.1-1).

Table 1.1-1 Plans, Strategies and Policies

Plans, Strategies and Policies	
Asset Management Policy	Quality of Life and Business Confidence Reports
Integrated Transport Strategy (In Progress)	Resilient South Regional Plan
Disposal policy	The Annual Business Plan
Long Term Financial Plan	Holdfast Bay City Council Roads State of the Assets Report 2015
Our Place 2030 Strategic Plan	

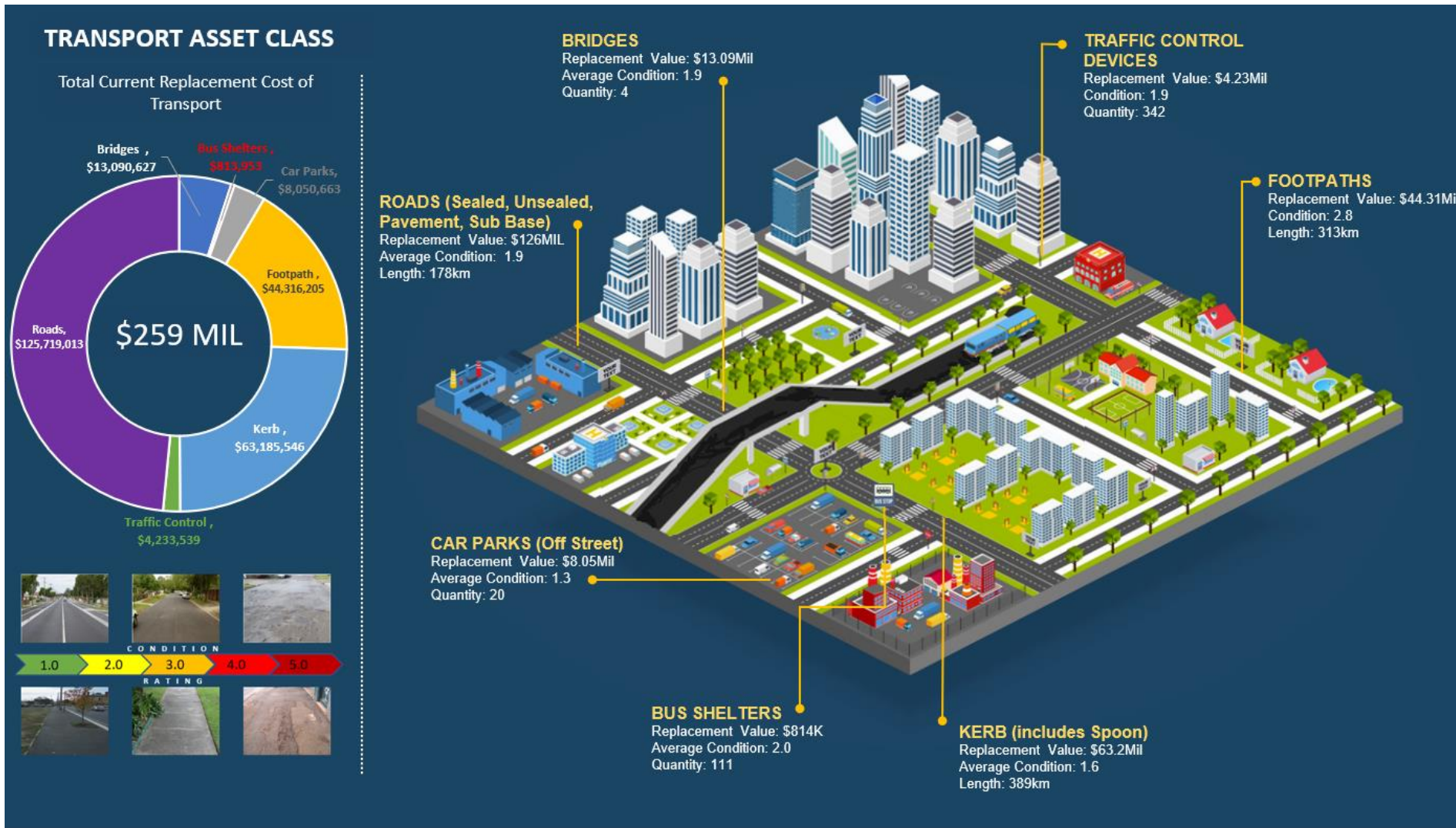
1.1 Legislation and Relevant Acts

Council considers the following legislative framework in the management of its Plant and Equipment assets (Table 1.1-1).

Table 1-2 Legislative Requirements – Transport Assets

Legislation	Requirements
AS / NZS 1428.2 Pedestrian & Cycling Paths	Have consideration of, adhere to and fulfil the requirements of the Standards.
Australian Accounting Standards	Standards applied in preparing financial statements, relating to the valuation, revaluation and depreciation of open space assets.
Development Act 1993	An Act to provide for planning and regulate development in the State; to regulate the use and management of land and buildings, and the design and construction of buildings; to make provision for the maintenance and conservation of land and buildings where appropriate; and for other purposes.
Planning, Development, and Infrastructure Act 2016	An Act to provide for matters that are relevant to the use, development and management of land and buildings, including by providing a planning system to regulate development within the State, rule 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.
Disability Discrimination Act 1992	Provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.
Environmental Protection Act	An Act to provide the protection of the environment; to establish the Environment Protection Authority and define its functions and powers; and for other purposes. Consideration of this act should be undertaken for the provision, development or management of open space.
Highways Act 1926	An Act to provide for the appointment of a Commissioner of Highways, and to make further and better provision for the construction and maintenance of roads and works and for other purposes.
Local Government Act 1999.	Sets out role, purpose, responsibilities, and powers of local governments including the preparation of long-term financial plan supported by asset management plans for sustainable service delivery.
Work Health and Safety Act 2012	An Act to provide for the health, safety, and welfare of persons at work; and for other purposes.
Road Traffic Act 1961	An Act to consolidate and amend certain enactments relating to road traffic; and for other purposes.
Summary Offences Act 1953	This Act provides provisions for road closure to motor vehicles in accordance with section 59.

2 Asset Class Information

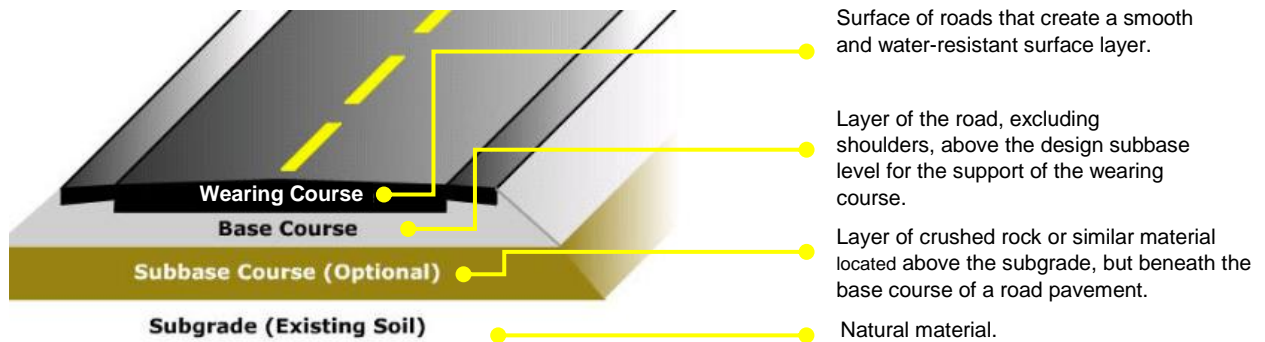


2.1 Physical Parameter

This AMP covers the class of Transport Assets for the City of Holdfast Bay. A Transport asset is defined as any fixed or permanent structure that services Council's Transport network. The infrastructure services include: roads for motor vehicles, bicycle ways for bicycles, facilities for public transport, footpaths, verges, kerbs and water table for drainage services, car parks and streetscapes for aesthetics.

The physical boundary of each asset will be divided practically, by function and material. These will be interlinked at a higher level to the Transport Segment ID to allow for cyclical maintenance and operation programs, as well as forming the foundation for prioritisation and risk management. The individual asset categories (Road, Footpath etc.) are used primarily for customer request management, renewal, maintenance, defect management, and other asset management functions.

ROADS – Roads are divided into four layers



FOOTPATHS

Footpaths are divided into four types based on its material type (base course is included in the total footpath cost):



KERB & WATERTABLE

Kerb and watertables are divided into five types based on material type and functionality (pram ramps are included as part of the kerb segment)



CAR PARK

Carpark assets have been separated from other transport assets due to their specialised strategic and operational requirements. A car park asset is further divided into its functional type:

- Footpath
- Kerb & Watertable
- Landscape
- Pavement
- Seal

Car parks include off-street car parking only that is managed and /or owned by council and may be associated with a property or reserve but remain a transport class asset.

BUS SHELTERS

Bus shelters include all shelters owned and/or managed (leased) by City of Holdfast Bay. The asset is inclusive of the shelter structure, bench and any paving works associated with its installation. It is not inclusive of signage or tactile.

TRAFFIC CONTROL DEVICES

Traffic control devices include:

- Pedestrian crossings
- Roundabouts
- Speed restrictions (i.e. road humps)
- Traffic islands
- Traffic signals
- Line marking
- Signs (regulatory signs)

The asset register only includes physical infrastructure owned and/or managed by City of Holdfast Bay associated with these traffic items.

BRIDGES

Bridges include road and footbridges currently owned and/or managed by City of Holdfast Bay. Bridges components are further divided into structure, electrical, plumbing and street lighting.

Details on sub categories as displayed in Section 2, Asset Class Information, and Table 2.1-1.

Table 2.1-1 Transport Asset Categories

Transport Asset Categories	Number of Assets	Replacement Value	Average of % Expired
Bridges	7	\$13,090,627	39%
Bus Shelters	110	\$813,953	40%
Car Parks	119	\$8,050,663	30%
Footpath	2578	\$44,316,205	57%
Kerb	2831	\$62,374,688	34%
Pavement	1311	\$55,290,251	43%
Sealed	27	\$32,050,868	56%
Spoon	34	\$810,858	32%
Sub Base	1311	\$38,372,840	20%
Traffic Control	344	\$4,233,539	39%
Unsealed	4	\$5,054	35%
Total	8676	\$259,409,546	40%

2.2 Asset Hierarchy

An 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 planning and delivery. Table 2-2-1 below outlines Council's service levels for each level of hierarchy.

The criteria for a high service level street include close proximity to metropolitan and neighbourhood open space and coastal areas, education facilities, and aged care facilities, as well as road usage (vehicles per day).

Council's asset hierarchy and associated service levels are detailed in Appendix 1.

Table 2-2-1 Asset Hierarchy

Hierarchy Level	Description
High (Premium)	Premium service level assets cater for tourists, residents, and visitors at a metropolitan and Interstate level – For example Jetty Road (Glenelg), Moseley Square
High	High service level transport assets cater for residents and visitors at a neighbourhood or metropolitan level. For example, Jetty Road (Brighton), Esplanade, Major Bus Routes
Medium	For example, residential and industrial local roads.
Low	For example, laneways and low volume roads.

2.3 Asset Expected Life

All assets are provided with a baseline straight line useful life value (blue line), used for the purposes of lifecycle cost planning and accounting for asset valuation and depreciation. This straight-line depreciation is used in Council’s financial reporting.

The service life of transport assets differs from the standard design life and the useful life, as it also accounts for the ongoing maintenance and renewal of the asset to maintain a designated technical level of service (black line). The setting of service levels will be undertaken by council staff in consultation with the community and elected members, to optimize whole of life costs for the assets.

As upkeep of the asset is made through the capital renewal & maintenance budgets, the condition should be maintained at the desired level to ensure assets reach their potential service life (black line). If no regular maintenance occurs the potential asset life will not be reached (red line).

Figure 2-2 shows that the deterioration curves, red and black, show a true reflection on an assets aging profile, as it typically deteriorates faster towards the end of its life.

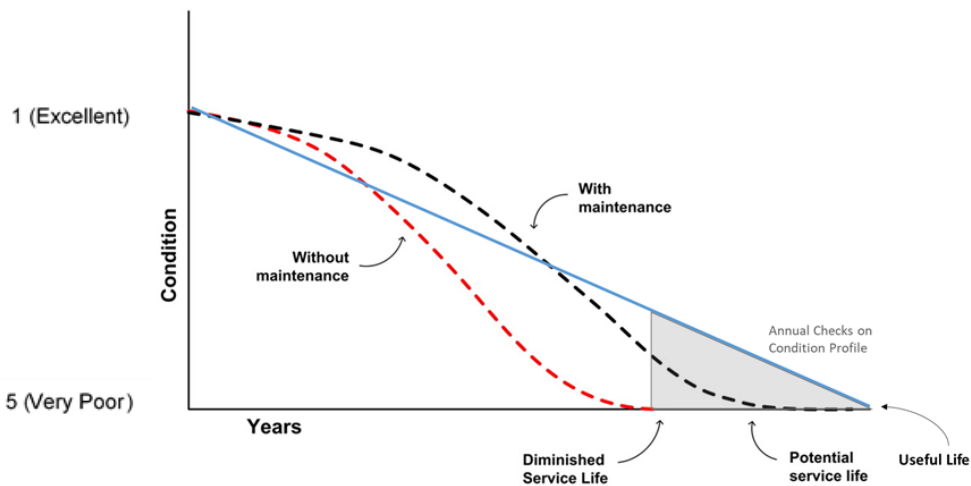


Table 2-1 Asset Aging Profile

2.4 Asset Quality and Distribution

The City of Holdfast Bay has a responsibility to maintain the appropriate condition of transport assets as defined by the levels of service.

This includes:

- Forward works planning – capital and maintenance program.
- Overseeing works undertaken.
- Organising of specific traffic and transport audits.

Internal inspections of transport assets will be undertaken through a four-year program, managed by the Assets and Finance Teams. The inspection frequency is based on criticality. An external, comprehensive condition and defect audit of transport assets should be completed every 4-5 years, to satisfy legislative requirements.

Transport assets incorporate a 1-5 condition rating score (Table 2-4-1) for each asset.

Table 2-4-1: Condition Assessment System (based on International Infrastructure Management Manual 2015, IIMM)

Condition Rating	Condition Description	Actions
1	Very Good	No action required
2	Good	Minor defects only
3	Fair	Maintenance required to return to accepted level of service
4	Poor	Consider renewal
5	Very Poor	Approaching unserviceable



Each Transport segment and subsequent transport asset has been provided with a full set of condition ratings during Transport audits, last undertaken in 2019 (Roads), 2019 (Footpaths), 2018 (Bridges), 2015 (all other Transport Assets). Road, Kerb & Watertable, and Footpath assets are scored every 20m for condition and defects, and their scores averaged for the entire segment to produce the overall condition score.

3 Stakeholders

Key stakeholders in the preparation and implementation of this Transport Asset Management Plan are shown in Table 3-1-1.

Table 3-1-1 Transport Asset Management Plan Key Stakeholders

Key Stakeholders	Roles in Asset Management Plan
Residents and Ratepayers	Ultimate beneficiaries of the AMP process. Feedback collected throughout the year. Annual satisfaction survey undertaken.
Visitor / Tourists	Regular satisfaction surveys undertaken, and feedback collected.
Business Owners; Traders; Service Providers	Play a significant role in providing services. Feedback is collected through regular consultation. Suppliers provide the goods and services to manage the assets and infrastructure.
Council	To act as custodians of community assets To set asset management policy and vision Allocate resources to meet Council objectives in providing services while managing risks
Chief Executive Officer/ Senior Leadership Team	To provide leadership and strategic direction Review Asset Management Policy and Asset Management Strategies To ensure that community needs and the outcomes of service reviews are incorporated into asset management planning and Long-Term Financial Plan To ensure that training of Councillors and staff in financial and asset management practices is provided To ensure that accurate and reliable information is presented to Council To ensure appropriate delegations and approval processes are followed

Key Stakeholders	Roles in Asset Management Plan
Asset Management Leadership Team	<ul style="list-style-type: none"> Facilitate development of Asset Management Plans To oversee the implementation of the Asset Management Policy and Asset Management Strategies To oversee the ongoing development and review of service plans and asset management plans To ensure that community needs and the outcomes of service reviews are incorporated into asset management plans To promote and raise awareness of asset management within the organisation To ensure relevant health and wellbeing, human rights and equity principles and strategies are taken into consideration To develop and implement asset management improvement plan To provide and manage the asset management information system(s) Integrate asset management and financial plans and reporting
Asset Manager(s) and Staff	<ul style="list-style-type: none"> To lead the development of the Asset Management Plans To develop and implement maintenance, renewal and capital works programs in accordance with the Asset Management Policy, Strategy, Plans, as well as budget allocations. Develop Specific Management Plans (upgrade, renewal, maintenance, operations, disposal) To deliver levels of service to agreed risk and cost standards and expectations To report asset related risk and damage To establish and monitor asset compliance and risk inspection regimes To manage asset condition assessments To provide technical expertise to Asset Management Leadership Team

4 Current and Desired Levels of Service (LoS)

Levels of Service or objectives and the way these are benchmarked and measured annually and quarterly, are the single biggest point of difference between previous asset management plans and ISO 55000 standard plans. By its very definition ISO 55000 is measurable and definable outcome that typifies an outcome-based paradigm.

The International Infrastructure Management Manual describes Levels of Service (LOS) as ‘defined service quality for an activity or service area against which service performance may be measured’.

The City of Holdfast Bay have 2 defined levels of service:

- Customer (Community) Level of Service
- Technical level of Service

These Levels of Service are designed to support continued performance and function of the transport network (and all their components) to a reasonable standard. They are also intended to ensure the future economic sustainability of Holdfast's transport network is considered and unreasonable costs are not being placed on future Asset Management Plans.

Customer (Community) Level of Service

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Quality	Provision of clean and serviceable facilities.	Percentage of assets that are better than our service level targets (Appendix 1)	Above 95%
Culture: Supporting excellent, efficient operations	Function/Capacity	Generally, meet user requirements and are available when required.	Quality of Life Community Survey on the functionality of transport assets.	Above 7.0
Placemaking: Creating lively and safe places	Safety	Facilities are free from hazards and accessible to all groups.	Number of incident/injury reports	0 report per year
Culture: Being financially accountable	Cost Effectiveness	Provide services in a cost-effective manner.	Quality of Life Community Survey on the cost effectiveness of transport services.	Above 7.0

Culture: Supporting excellent, efficient operations	Responsiveness	Provide services with determined response time.	Time taken to respond to request are better than our service level targets (Appendix 1).	Above 95%
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Technical Level of Service

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Condition	Appropriate maintenance works and regular condition assessment.	Maintenance and inspection better than our service level targets (Appendix 1)	Above 95%
Placemaking: Creating lively and safe places Placemaking: Developing walkable, connected neighbourhoods	Function/Accessibility	Provide access and services for all user groups.	Function and amenities better than our service level targets (Appendix 1)	Above 95%
Placemaking: Creating lively and safe places	Safety	Provide safe suitable facilities free from hazards.	Average Number of defects per asset	Equal to exceeding agreed service level defect targets
Culture: Being financially accountable Culture: Supporting excellent, efficient operations	Cost Effectiveness	Provide service in a cost-effective manner.	Asset Renewal Funding Ratio	100%

Environment: Building an environmentally resilient city	Environmental	Environmental Strategy	Projects consider environmental outcomes and options	100%
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5 Future Demand

Overtime, the community’s demand for the services that the City provides changes. The reason for change can be varied, but some of the common drivers are population, demographics, technology, environmental, economic and political. Naturally as service demand changes, the City’s assets may also need to change.

Table 5-1 Future Demands

CURRENT POSITION	DEMAND FORECAST	DEMAND IMPACT	DEMAND MANAGEMENT PLAN	IMPACT ON ASSETS
<p>Population increase:</p> <ul style="list-style-type: none"> ➤ Total estimated population 36,520 	<p>Planned to accommodate for 40,313 by 2031</p>	<p>Increased demand and use of transport assets will affect the useful life of the assets which will increase the maintenance and renewal program.</p> <p>The demand for more roads and footpaths are unlikely but it will increase the demand for traffic control devices such as carparks.</p>	<p>To protect the base from degradation through:</p> <ul style="list-style-type: none"> ✓ Efficient maintenance of potholes ✓ Condition surveys every 4 years to ensure reseal works are performed at timely intervention points. 	<p>Increase demand on traffic load which will reduce the useful life of road assets.</p>
<p>Changing demographics:</p> <ul style="list-style-type: none"> ➤ City of Holdfast Bay’s Median Age is 46 years 	<p>Growth in aging population</p>	<p>With the increase in the aging population, there will be a strong demand for the accessibility of transport infrastructure (e.g. better footpaths to walk on, bus shelters due to increase use of public transport), signage and other traffic control measures.</p>	<p>Track community service level KPI for Functionality. Are we providing the correct assets to suit the changing needs of the community?</p>	<p>Investigate methods to reduce the impact of tree roots on existing and new footpaths constructed.</p>
<p>Housing density:</p> <ul style="list-style-type: none"> ➤ 51% of dwellings are medium to high density 	<p>Increase in housing density</p>	<p>Increase in redevelopment will pose an increase demand on transport assets.</p> <p>Increase parking therefore more congestion.</p> <p>Increase use of public transport.</p>	<p>Ensure post-development remediation works are completed to required standard</p> <p>Ensure Bus Stops are DDA compliant</p>	<p>More demand for minor maintenance</p>

CURRENT POSITION	DEMAND FORECAST	DEMAND IMPACT	DEMAND MANAGEMENT PLAN	IMPACT ON ASSETS
<p>Climate/Environmental Change:</p> <ul style="list-style-type: none"> ➤ Increase trend in severe weather events including droughts, storms and storm surges. 	<p>Exponential severe weather events to continue based on current trends.</p> <p>Greater environmental sustainability requirements placed on the construction industry.</p>	<p>Assets not reaching their stated useful lives due to lack of consideration of climate change.</p> <p>Increasing management and maintenance demand associated with climate change adaptation.</p>	<p>Ensure safety issues are investigated, prioritised, and appropriately addressed as resources allow.</p> <p>Investigate the impact of rising activity on transport infrastructure with Council's partners e.g. DPTI.</p>	<p>Higher costs associated with construction methods that are environmentally sustainable, e.g. disposal of contaminated old road pavement material.</p>
<p>Legislative Requirements:</p> <ul style="list-style-type: none"> ➤ The increasing level of DDA compliance on transport assets. 	<p>Higher standards of safety and improved transport assets.</p>	<p>Higher level of service may impact on the amount of maintenance and renewal able to be undertaken with allocated budget.</p>	<p>Review the DDA compliance impacts on existing assets and adjust forecast asset replacement costs and design lives</p>	<p>Redesigning networks and specific assets to meet legislative requirements.</p>

6 Life Cycle Planning/Strategies

The lifecycle management plan details how the City of Holdfast Bay plans to manage and operate the assets at the agreed levels of service while managing life cycle.

The assets covered by this Transport Asset Management Plan is shown in Section 2, Asset Class Information. The City's transport network is generally in fair condition, having been well funded in the past 10 years. However, failures in the consistency and quality of treatment programs, as well as a wearing course design not suited to modern capacity requirements, has led to the development of early pavement failures. These are currently under investigation. Whilst funding requirements are modest in the short term, there are risks that these may substantially increase in the medium term.

This section presents an analysis of Council's available transport assets information and the life cycle management plans covering the 4 key work activities to manage Transport assets.

- **Operations and Maintenance Plan** – activities undertaken to ensure efficient operation and serviceability of the assets. This will ensure that the assets retain their service potential over the course of their useful life.
- **Renewal Plan** – Provides a program of progressive renewal of individual assets. Deteriorating asset condition primarily drives renewal needs, with increasing maintenance costs also considered.
- **Acquisition Plan** – Provides a program of works to create new assets or substantially upgrade existing assets. This is primarily driven by community, growth, social and/or environmental needs/desires.
- **Disposal Plan** – Any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

The major stages can be further divided into specific processes as listed in Figure 6-1. In each stage of the lifecycle, varying events will trigger the need to begin the next phase of the cycle. Further details on the processes of these lifecycle stages for Transport assets is provided in the following sections.



Figure 6-1 Life Cycle Management Plan

6.1 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include street sweeping, asset inspections, and traffic management costs.

Maintenance include all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pothole repairs, minor kerb and footpath repairs, and street sign replacement.

Maintenance of transport assets is largely reactive, with some planned cyclical activities and programs. With the shift towards proactive maintenance programs we will see an increase in expenditure in the short term followed by a gradual decrease as efficiencies are realized.

Maintenance is classified as:

Reactive Maintenance

Reactive maintenance is unplanned repair work carried out in response to customer service requests and management decisions and are often carried out by Council field services. Such unplanned maintenance could include storm damage and any ad hoc requests from the community. Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Planned Maintenance

Planned Maintenance is identified and managed through an Asset Management System (AMS). AMS activities include inspection, road patching, minor kerb replacements, and trip stop. These activities include inspection, condition assessment and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

The City of Holdfast Bay will operate and maintain the Transport assets to provide the defined levels of service to approved budgets in the most cost-effective manner.

6.2 Renewal Plan

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

Assets requiring renewal are identified using the Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year).

In the 10-year Forecast Renewal Program Council will:

- Maintain 385 Roads
- Replace 233 Footpaths
- Upgrade 40 Bus Shelters
- Renew 17 Traffic Control Devices

6.2.1 Renewal Ranking Criteria

Asset renewal is typically undertaken to either:

- ✓ Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate, or
- ✓ To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground)¹

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

- ✓ Have a high consequence of failure;
- ✓ Have high use and subsequent impact on users would be significant,
- ✓ Have higher than expected operational or maintenance costs, and
- ✓ Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.²

The ranking criteria used to determine priority of identified renewal proposals are detailed in Table 6-2-1.

Table 6-2-1 Renewal Priority Ranking Criteria

Criteria	Weighting
Service Level Hierarchy (High, Med, Low)	50%
Risk rating: Social, political, environmental implications of failure	25%
Potential to reduce life cycle costs by replacement with a modern equivalent	25%
Total	100%

As detailed in the risk section of this AMP, the pavement design and condition remain a risk until the testing results have been received. This may have a significant impact on the Renewal Program. Additionally, the localised impacts of climate change is not yet known upon the transport assets. This remains a risk until these impacts have been reviewed and an action plan implemented.

6.3 Acquisition Plan

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

6.3.1 Selection Criteria

Proposed upgrade of existing assets, and new assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs.

¹ IPWEA, 2015, IIMM Sec 3.4.4, p|91

² Based on IPWEA, 2015, IIMM, Sec 3.4.5, p3|97

When Council commits to new assets, they must be prepared to fund future operations, maintenance, and renewal costs. They must also account for future depreciation when reviewing long term sustainability. This is outlined in Holdfast's Asset Management Policy (Section 3.3.3):

Future life cycle costs will be reported and considered in all Council decisions relating to new services and assets and upgrading of existing assets. If actual costs are not known, an estimate will be applied to the upgrade portion of the project, based upon the Asset Management Plan's life cycle forecast (%).

The only Council approved forecast constructed acquisitions approved by council are the Holdfast Community Centre Car Park Ramp and Jetty Mainstreet Project Costs. The recently installed LED street lighting was added as a donated cost, which will require ongoing maintenance and operational funding. It is anticipated further upgrades and acquisitions will emerge from the Integrated Transport Strategy once actions have been finalized and approved.

6.4 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Council Disposal of Assets Policy outlines this process.

Council has no upcoming disposals for transport assets. As such, there is no funding required or expected from the decommissioning of any assets at this point in time.

7 Financial Summary

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available with the introduction of a new strategic asset management modelling system in future AMPs, on desired levels of service and current and projected future asset performance. All costs are shown in current (2020) dollar values and do not include inflation.

A summary of all financials is provided in Appendix 2.

7.1 Asset Valuations

Valuations are undertaken in alignment with Australian Accounting Standard 'AASB13 Fair Value'. These valuations are required every three to five years, with an independent audit required every five years. Valuations are undertaken to satisfy the financial reporting requirements and to understand the cost to replace assets.

The valuation of Council's Transport assets is summarised in the Table 7.1-1.

Table 7.1-1 Valuation of Transport Assets – by Asset Category

Asset Category	Current Replacement Cost	Accumulated Depreciation
Bridges	\$13,090,627	\$4,159,948
Bus Shelters	\$813,953	\$322,896
Car Parks	\$8,050,663	\$2,207,669
Footpath	\$44,316,205	\$24,695,174

Kerb	\$63,185,546	\$27,817,465
Traffic Control	\$4,233,539	\$1,502,715
Roads	\$125,409,546	\$49,812,340
TOTAL	\$259,409,546	\$110,518,207

7.2 Maintenance Trends and Forecasts

Figure 7.2-1 displays the maintenance and operational expenditure trend of City of Holdfast Bay's Transport assets.

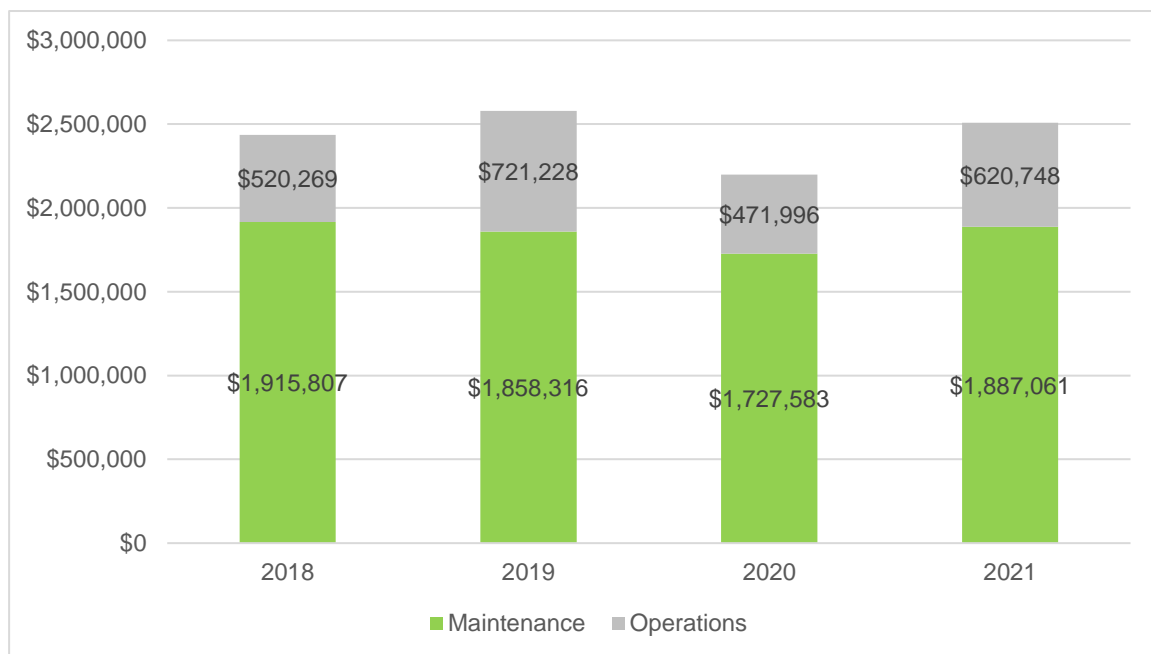


Figure 7-2-1 Transport Maintenance and Operations Expenditure Trend

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this asset management plan and service risks considered in the Infrastructure Risk Management Plan.

7.3 Future Operations and Maintenance Forecast

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 7-3-1 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

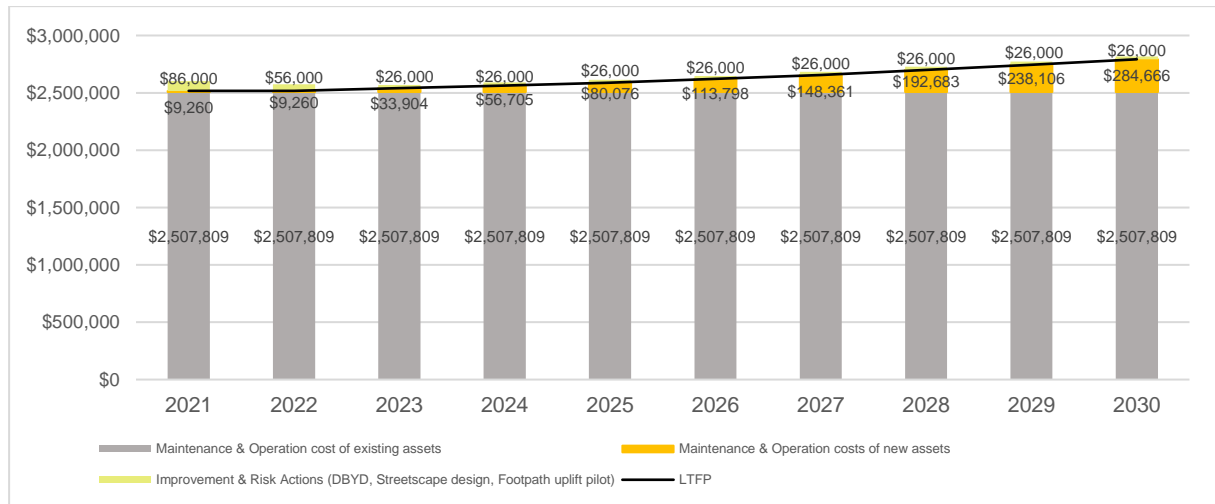


Figure 7-3-1 Operations and Maintenance Summary

The operation and maintenance costs on Council’s Transport assets are forecast to (cumulatively) increase by approximately \$1,516,819 over the next 10 years:

- Additional maintenance and operations cost of \$1,166,819 is required for newly acquired assets (included in LTFP Budget). This is largely the result of the Jetty Road Masterplan project, which has been fully allocated to the Transport Portfolio.
- Additional \$350,000 of operational costs is required to action risks identified in the Risk Management Plan as well as improvement items outlined in the Improvement Plan (not included in LTFP budget). This include DBYD registration, streetscape design, and Roads Comprehensive Condition Data Collection and Optimized Treatment Strategy.

The above additional costs will need to be addressed through the Improvement Plan for operational and maintenance planning efficiencies and process in future years. Over time maintenance and operational budgets remain consistent.

7.4 Future Renewal Forecast

The forecast renewal costs are consistent with the planned renewal budget over the next 10 years. This is because Council has committed to adopting the renewals as detailed in the Asset Management Plan.

Council’s LTFP renewal forecast for the next 10 years is \$31,140,007 and this projection is shown in Figure 7-4-1.

The total expenditure forecast for Transport Assets for the next 10 years is shown in figure 7-5. The shortfall in funds (where the column exceeds the blue LTFP Budget line) relates to the maintenance and operational costs that was explained in section 7.3.

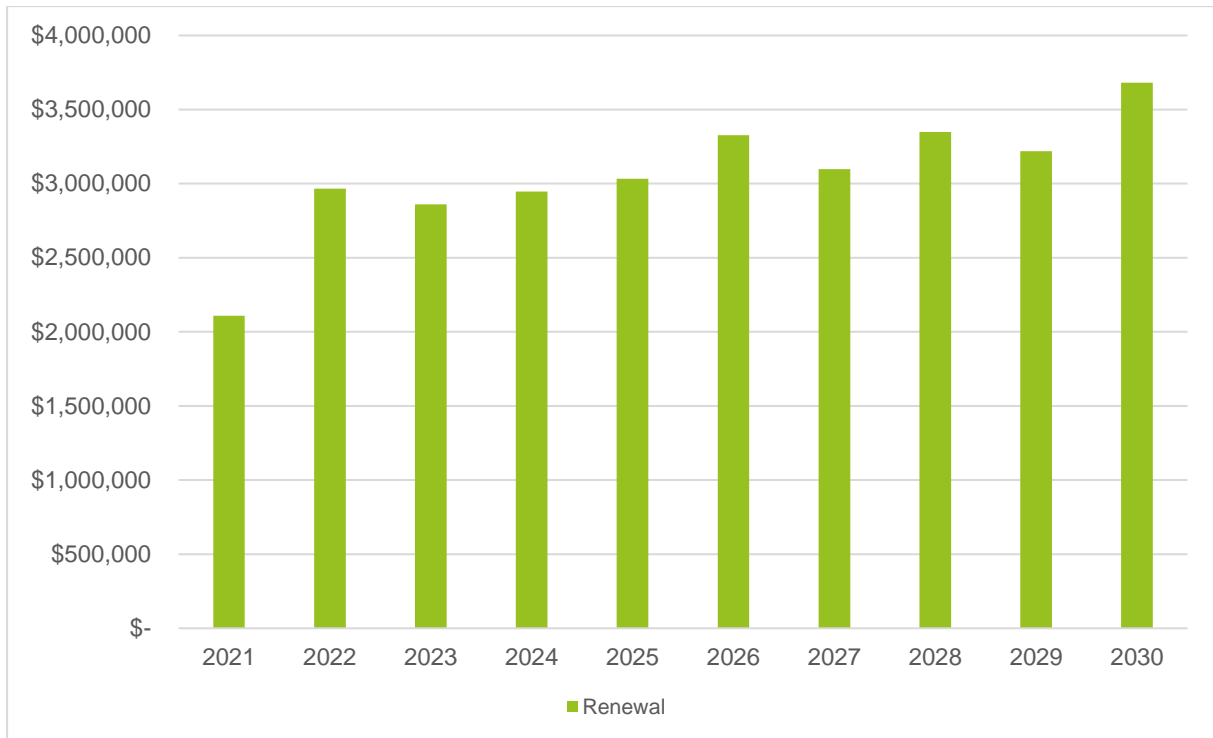


Figure 7-4-1 10 Year Renewal Forecast

7.5 Future Acquisition Forecast

Council’s acquisition forecast and LTFP budget for the next 10 years is displayed in Figure 7.5-1.

The majority of anticipated acquisition costs are from the Jetty Road Mainstreet Masterplan Project. There is also \$1 Mil allocation for additional costs associated with the Moseley Street Reconstruction planned for 2022-23.

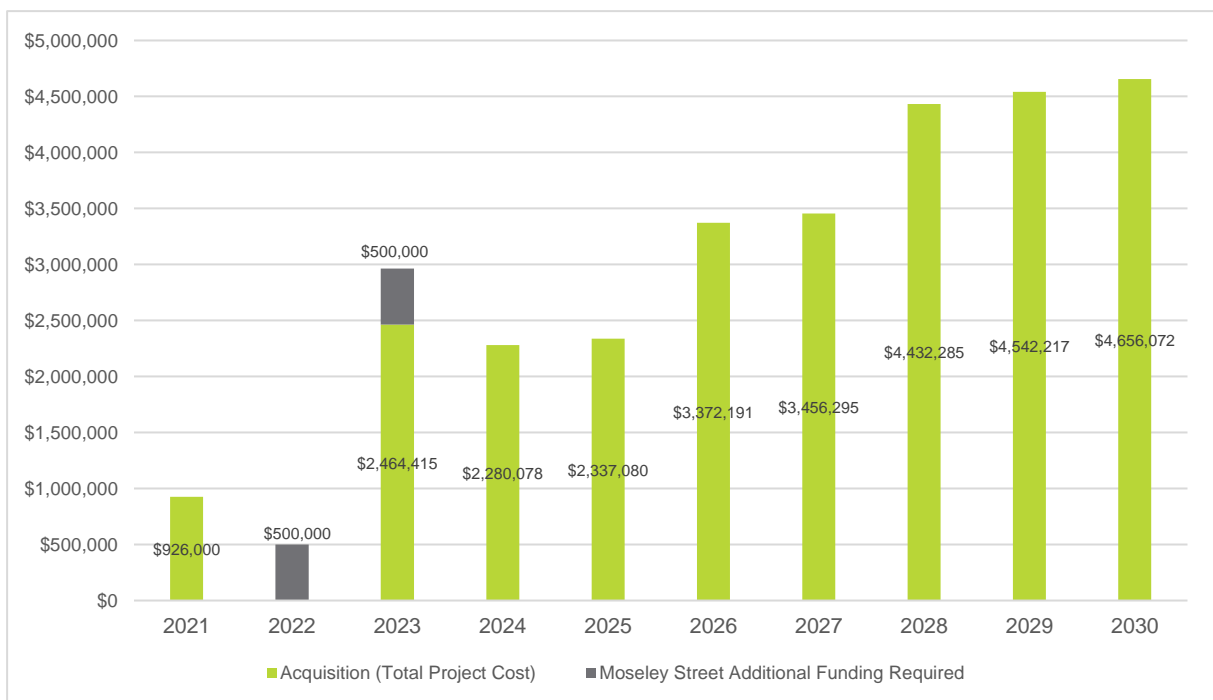


Figure 7-5-1 10 Year Acquisition Forecast

7.6 Assumptions

The following key assumptions were applied in this financial forecast:

- Remaining life-based renewal program.
- Annual refurbishment included (seal rejuvenation, deep lift patching, crack sealing)
- Kerb replacement lines 40% current replacement cost to allow for reseal-based refurbishment, except for DPTI maintained roads with 100% current replacement cost.
- Only major reconstruction required in the next 10 years is Moseley Street

7.7 Data Confidence

The expenditure and valuations projections in this AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified as 'C – Uncertain' based on the IPWEA data confidence scale³. 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 +/-25%.

See Appendix 3 for data confidence grading system.

³ IPWEA, 2011, IIMM, Table 2.4.6 p2|59.

8 Risk Management

The objective of the risk management process with regards to transport assets is to ensure that:

- 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.

An assessment of risks associated with service delivery from infrastructure assets has identified the most critical risks to Council. The risk assessment process identifies and assesses risks, develops a risk rating and develops a risk treatment plan for non-acceptable risks.

High and Very High Risks that have been identified are:

- Whilst council has begun the process of remediating footpath defects through an accelerated program, there remains a risk of an undulating surface due to the effects of tree roots and heat expansion. This will be mitigated with a Footpath Tree-lift Remediation Pilot, included in forecast maintenance and operations program.
- There is a risk that Bus Shelters and Stops under care and control of council do not fully – comply with current DDA requirements. Council is currently undertaking an audit to assess this, and a budget has been included in this amp for remediation works.
- A lack of coordination between Council and Third Parties, such as neighbouring councils and SA Water. This leads to a reduction in expected life due to patching and heavy vehicle use. A budget for DBYD vendor registration has been included in this asset plan to help mitigate this risk.
- Economics – Council unable to fund required capital and maintenance

A risk treatment action has been included in the forecast costs for this asset plan, and in some cases is already underway. For a full list of risks and treatment plans see Appendix 4.

9 Plan Improvement and Monitoring

9.1 Monitoring and Reviewing

The Transport Asset Management Plan is not a one-off document but part of the Council's business planning process. For this reason, it is necessary to review and update any key assumptions, strategic change or budget decision that may affect the planned service levels and future expenditure requirements. To keep this AMP current, council will schedule the plan review into its strategic and annual planning and budget processes. This asset management plan has a life of 4 years.

9.2 Improvement Plan

Improvement items identified in the previous AMP that form a part of Council's ongoing business as usual improvements include:

- Continue to refine Asset Register - review useful lives and unit rates used for valuation purposes
- Generate project based rolling works program spanning 3 to 5 years for seal / pavement and kerb based on detailed visual inspection.

- Continue to undertake Footpath inspection program to determine required renewals on a segment by segment basis
- Continue to undertake Carpark inspection program to determine required renewals on an individual basis
- Continue to undertake Bridge inspection program to determine required renewals on an individual basis

Specific Business Improvement Actions that will be a focus for the next three years are listed in Appendix 5. Key items include:

- Consider works for a whole street to improve service delivery and reduce overall costs
- Undertake detailed inspections and investigations including geotechnical investigations to determine pavement solutions
- Review unsealed laneways to determine whole of life cost if upgraded
- Investigate wearing course approach to life cycle – rejuvenation vs reseal options
- Further develop and implement transport service levels and review road hierarchy
- Improve the data confidence level through cleansing and collection of new data

All improvement actions have been included in the forecast costs for this asset plan, and in some cases are already underway. For a full list of improvement items see Appendix 5.

Appendices

Appendix 1: Transport Service Levels

Appendix 2: Financial Summary

Appendix 3: Data Confidence Grading System

Appendix 4: Transport Risks

Appendix 5: Transport Improvement Plan

Appendix 1: Transport Service Levels

Asset Hierarchy Level	Purpose	Maintenance & Operations	Renewal Thresholds
High (Premium)	Premium service level assets cater for tourists, residents, and visitors at a metropolitan and Interstate level – For example Jetty Road (Glenelg), Moseley Square	These transport assets are maintained at a high standard, with daily inspections and prioritisation of repairs. Response time with a week	<ul style="list-style-type: none"> Overall Condition rating is 3.5 (poor) or higher Safety is compromised Functionality and amenity are below required levels
High	High service level transport assets cater for residents and visitors at a neighbourhood or metropolitan level. For example, Jetty Road (Brighton), Esplanade, Major Bus Routes	These transport assets are maintained at a high standard, with quarterly inspections and prioritisation of repairs. Maximum response time for repairs 90 days.	<ul style="list-style-type: none"> Overall Condition rating is 3.5 (poor) or higher Major Defects cover 25% of asset Safety is compromised Functionality is 3.5 (poor) or higher
Medium	For example, residential and industrial local roads.	These transport assets are maintained at a moderate standard, with quarterly inspections. Maximum response time for repairs 90 days.	<ul style="list-style-type: none"> Overall Condition rating is 3.8 (poor) or higher Major Defects cover 25% of asset Safety is compromised Functionality is 3.5 (poor) or higher
Low	For example, laneways and low volume roads.	These transport assets are maintained at a safe standard, with inspections annually. Maximum response time for repairs 90 days.	<ul style="list-style-type: none"> Overall Condition rating is 4.2 (very poor) or higher Major Defects cover >25% of asset Safety is compromised

Appendix 2: Financial Summary

AMP 2020

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Acquisition (Total Project Cost)	\$926,000	\$0	\$2,464,415	\$2,280,078	\$2,337,080	\$3,372,191	\$3,456,295	\$4,432,285	\$4,542,217	\$4,656,072
Maintenance & Operation cost of existing assets	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809
Maintenance & Operation costs of new assets	\$9,260	\$0	\$24,644	\$22,801	\$23,371	\$33,722	\$34,563	\$44,323	\$45,422	\$46,561
Improvement & Risk Actions (DBYD, Streetscape design, Footpath uplift pilot)	\$86,000	\$56,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000
Moseley Street Additional Funding Required	0	\$500,000	\$500,000	0	0	0	0	0	0	0
Renewal	\$2,108,249	\$3,119,894	\$3,254,475	\$2,946,076	\$3,034,043	\$3,327,903	\$3,098,821	\$3,348,648	\$3,219,620	\$3,682,278
Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$5,637,318	\$6,183,703	\$8,777,343	\$7,782,764	\$7,928,303	\$9,267,625	\$9,123,488	\$10,359,065	\$10,341,068	\$10,918,720
External/ Grant Funding Allocation	-\$920,000	\$0	-\$1,103,415	-\$760,078	-\$779,080	-\$1,124,191	-\$1,152,295	-\$1,477,285	-\$1,514,217	-\$1,552,072
COUNCIL FUNDING REQUIRED	\$4,717,318	\$6,183,703	\$7,673,928	\$7,022,686	\$7,149,223	\$8,143,434	\$7,971,193	\$8,881,780	\$8,826,851	\$9,366,648

Figures are in nominal (current Year) values.

LTFP (after AMP 2016)

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Acquisition (Total Project Cost)	\$926,000	\$0	\$2,464,415	\$2,280,078	\$2,337,080	\$3,372,191	\$3,456,295	\$4,432,285	\$4,542,217	\$4,656,072
Maintenance & Operation cost of existing assets	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809	\$2,507,809
Maintenance & Operation cost of new assets	\$9,260	\$0	\$24,644	\$22,801	\$23,371	\$33,722	\$34,563	\$44,323	\$45,422	\$46,561
Renewal	\$2,108,249	\$1,589,046	\$2,605,192	\$2,063,321	\$1,867,184	\$4,473,484	\$4,482,349	\$4,299,509	\$10,988,128	\$3,859,585
Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$5,553,339	\$4,098,877	\$7,604,083	\$6,876,033	\$6,737,469	\$10,389,232	\$10,483,043	\$11,285,954	\$18,085,605	\$11,072,057
External/ Grant Funding Allocation	-\$920,000	\$0	-\$1,103,415	-\$760,078	-\$779,080	-\$1,124,191	-\$1,152,295	-\$1,477,285	-\$1,514,217	-\$1,552,072
COUNCIL FUNDING REQUIRED	\$4,633,339	\$4,098,877	\$6,500,668	\$6,115,955	\$5,958,389	\$9,265,041	\$9,330,748	\$9,808,669	\$16,571,388	\$9,519,985

Figures are in nominal (current Year) values.

AMP 2020 Acquisition Works (Total Project Cost)*

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Holdfast Community Centre Car Park Ramp	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LED Street Lighting Upgrade	\$920,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Jetty Road Masterplan	\$0	\$0	\$2,464,415	\$2,280,078	\$2,337,080	\$3,372,191	\$3,456,295	\$4,432,285	\$4,542,217	\$4,656,072
Total	\$926,000	\$0	\$2,464,415	\$2,280,078	\$2,337,080	\$3,372,191	\$3,456,295	\$4,432,285	\$4,542,217	\$4,656,072

*Upgrade component of project only. Replacement cost of existing is already included in ongoing maint and ops budgets.

AMP 2020 External/ Grant Funding Allocation*

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
LED Street Lighting Upgrade	-\$920,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Jetty Road Masterplan	\$0	\$0	-\$1,103,415	-\$760,078	-\$779,080	-\$1,124,191	-\$1,152,295	-\$1,477,285	\$1,514,217	-\$1,552,072
Total	-\$920,000	\$0	-\$1,103,415	-\$760,078	-\$779,080	-\$1,124,191	-\$1,152,295	-\$1,477,285	\$1,514,217	-\$1,552,072

*Upgrade component of project only. Replacement cost of existing is already included in ongoing maint and ops budgets.

AMP 2020 Renewal Works

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Bridges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bus Shelters	\$30,000	\$30,000	\$28,075	\$30,000	\$30,000	\$30,000	\$30,075	\$30,150	\$30,225	\$30,300
Car Parks	\$57,564	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$253,050
Footpath	\$218,116	\$126,736	\$201,255	\$285,259	\$373,226	\$593,944	\$437,929	\$638,775	\$453,021	\$576,859
Kerb	\$763,827	\$1,153,956	\$1,123,379	\$1,091,819	\$1,091,819	\$1,091,819	\$1,091,819	\$1,091,819	\$1,091,819	\$1,091,819
Pavement*	\$40,000	\$142,593	\$254,092	\$40,000	\$40,000	\$72,742	\$40,000	\$88,906	\$99,357	\$215,852
Sealed	\$994,916	\$1,498,998	\$1,498,998	\$1,498,998	\$1,498,998	\$1,498,998	\$1,498,998	\$1,498,998	\$1,498,998	\$1,498,998

City of Holdfast Bay Transport AMP

Spoon	\$0	\$37,600	\$0	\$0	\$0	\$40,400	\$0	\$0	\$46,200	\$15,400
Sub Base*	\$0	\$50,100	\$148,676	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Traffic Control	\$3,826	\$79,911	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unsealed	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$2,108,249	\$3,119,894	\$3,254,475	\$2,946,076	\$3,034,043	\$3,327,903	\$3,098,821	\$3,348,648	\$3,219,620	\$3,682,278

Appendix 3: Data Confidence Grading System

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. Data set is complete and estimated to be accurate +-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 +-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 +-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 +-40%.
E – Unknown	None or very little data held.

Appendix 4: Transport Risks

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Responsibility	Completion Date
Roads	Unforeseen asset condition and maintenance requirements.	Moderate	Rolling 3 year program and regular inspections	Asset Manager(s) and Staff	2022
Footpaths	Increased insurance claims due to substantial cracking and formation of undulating surface due to unforeseen effects of tree roots and heat expansion.	High	Trial new ways to address issue long term and implement appropriate solution based on risk	Asset Manager(s) and Staff	2022
Transport	Congestion due to limited expansion of our Transport Network	Moderate	Findings of the Integrated Transport Strategy	CEO/ Senior Leadership Team	2030
Streetscape	Unsatisfied ratepayers as the existing streetscape is not maintained appropriately for visual aesthetics	Moderate	Work with Council to develop and fund a strategy to improve streetscapes	CEO/ Senior Leadership Team	2025
Bus Stops (including shelters where provided)	Not complying with DDA requirements	Very High	Upgrade bus stops and replace non-compliant bus shelters based on risk.	Asset Manager(s) and Staff	2022
Kerb and Water Table	Increased insurance claims (trip hazards and flood) due to substantial cracking and formation of undulating surface due to effects of tree roots and heat expansion.	Moderate	Audit and accelerated remediation program if required	Asset Manager(s) and Staff	2022
Kerb and Water Table	Pram Ramps not DDA Compliant.	High	Upgrade kerb ramps and replace non-compliant ramps based on risk.	Asset Manager(s) and Staff	2030

Streetscape	Vegetation in the rail reserve are poorly maintained due to confusion on lease agreements	Moderate	Confirm responsibility and maintenance and ensure all parties manage necessary works	Asset Leadership Team	2022
Roads, Footpaths	Coordination between Council and Third Parties, such as DPTI and SA Water, with regard to capital works is currently poor. This leads to a reduction in expected life due to patching and heavy vehicle use.	High	Explore proprietary works software Where possible establish direct data share arrangement with 3 rd parties; Become a DBYD vendor, Have a standard reinstatement detail for works and adequate resourcing to monitor and inspect works	Asset Manager(s) and Staff	2023
Poor quality data within asset management plan	Data consistency and accuracy	Moderate	Improve the data confidence level through cleansing and collection of new data	Asset Manager(s) and Staff	2025
All	Economics – Council unable to fund required capital and maintenance	High	Ensure business continuance strategy includes capital and maintenance works Prioritise all capital and maintenance work i.e. essential or non-essential Have an active model to demonstrate the impact of deferring works	Asset Leadership Team	2025
All	Climate Change - material useful life may reduce and early failure occur	Moderate	Adopt IPWEA Practice Note 12.1	Asset Leadership Team	2021
All	Loss of Key Staff	High	Succession Planning and good record management	CEO/Senior Leadership	2023
All	Political Changes – Change in Executive Staff or Council	High	Documentation of procedures, policies, and workflows Provide regular updates to elected members on asset management	CEO/Senior Leadership	2023
All	AMP Modelling	High	Independent review by specialists	Asset Leadership Team	2023

All	Change in community service standards or expectations	Moderate	Review community feedback through complaints or surveys	Council	2025
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Appendix 5: Transport Improvement Plan

Task No	Task	Responsibility	Resources Required	Established	Due
1	Develop a rolling 3 year works program identifying assets to be renewed. Publish this for community information.	Asset Manager(s) and Staff	Medium	2020	2022
3	Implement the risk mitigation strategies identified in this plan	Asset Leadership Team	Medium	2020	2023
4	Establish Maintenance Standards and Plans	Asset Manager(s) and Staff	Low	2020	2022
5	Create budget lines to capture maintenance expenditures, and improve processes to allocate costs against budget	Asset Leadership Team	Low	2020	2022
7	Develop process to complete renewal projects on time and on budget, and to the required quality	Asset Leadership Team	Medium	2020	2022
9	Consider works for a whole street to improve service delivery and reduce overall costs	Asset Manager(s) and Staff	Low	2020	2022
10	Identify new technology for improved asset life and/or environmental benefit, or reduced whole of life cost	Asset Manager(s) and Staff	Low	2020	2022
11	Undertake detailed inspections and investigations including geotechnical investigations to determine pavement solutions	Asset Manager(s) and Staff	Medium	2020	2022
12	Review unsealed laneways to determine whole of life cost if upgraded	Asset Manager(s) and Staff	Low	2020	2022
13	Develop a pavement reinstatement standard for 3 rd -party works and implement an agreement	Asset Manager(s) and Staff	Low	2020	2022
14	Investigate wearing course approach to life cycle – rejuvenation vs reseal options	Asset Leadership Team	Low	2020	2022
15	Further develop and implement transport service levels and review road hierarchy	Asset Leadership Team	Low	2020	2022
16	Add street lighting fixtures to the transport asset register. Explore the option of a lighting and electrical specific AMP.	Asset Manager(s) and Staff	High	2020	2022
17	Improve the data confidence level through cleansing and collection of new data	Asset Manager(s) and Staff	High	2020	2025
18	Benchmark our asset condition data and renewal strategies against similar LGAs	Asset Manager(s) and Staff	Low	2020	2023
19	Allocate asset portfolios to managers and provide training and support	Asset Leadership Team	Low	2020	2021

Task No	Task	Responsibility	Resources Required	Established	Due
20	Facilitate annual reviews and provide report to CEO	Asset Leadership Team	Low	2020	2022



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Attachment 5





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City of Holdfast Bay

Open Space & Coastal Asset Management Plan

October 2020



[Forward By the Mayor or CEO]

Document Control

Issue	Date	Issue Details	Author	Checked	Approved
V.1	26.08.2020	1 st Draft	SW		

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Abbreviations

Asset Management Plan	AMP
Level of Service	LoS
Long Term Financial Plan	LTFP

Executive Summary

The City of Holdfast Bay has over 100 open space and coastal areas, incorporating parks and reserves, streets, corridors and civic spaces, and coastal areas. The total value of Holdfast's Open Space and Coastal portfolio is \$73M. Examples of assets within these spaces include playgrounds, fencing, bins, benches, shelters, artwork, paths through reserves, access ramps, retaining walls, seawalls, and drinking fountains. The portfolio also includes marine structures, such as the Patawalonga Lock and Glenelg Jetty. Assets range in condition and quality based on several factors including age and quality, its suitability to the physical environment (e.g. coastal or inland), usage, and asset maintenance program.

There is a hierarchy of open space areas outlined within the Open Space and Public Realm Strategy (2018-30) and the subsequent Playspace Action Plan (2019 – 29), both of which articulate a long term vision for the provision of high quality, distinctive and vibrant open spaces in the city. Parks and reserves that service a large number of residents and visitors experience higher wear and tear than smaller local parks. Additionally, exposure to the coastal environment further accelerates asset depreciation. These high profile areas require a higher provision of service, including frequency and type of maintenance, cleaning, as well as the frequency and quality of renewal.

There are increasing demands upon open space and coastal areas. Increasing infill residential development is resulting in reduced block sizes, and more importance placed on public reserves to provide quality open space for the residential population and broader community. The City of Holdfast Bay receives approximately 1.3 million visitors each year, many who are attracted to our public open spaces and associated amenities, particularly those along our foreshore

In response to these demands, Council's in metropolitan Adelaide are undertaking significant upgrades to public open spaces, particularly with regards to recreation hubs, sporting precincts and play spaces. Over the next three years a large number of upgrades are planned within Holdfast, most notably the Wigley Playspace Upgrade and Glenelg Oval Upgrade projects. These projects will result in a rise to the forecast maintenance and operational costs over time, which needs to be considered in future budgets. Council will continue to partner with State and Federal Governments along with relevant industry associations to assist in project planning, funding and activation.

As community expectations continue to increase with regards to quality of open space, the need to meet and possibly exceed base level standards of amenity will be present. For instance, there is increasing call for an all access play space within our City meeting universal design principles for equipment and amenities. Councils draft Disability Access and Inclusion Policy highlights the need to plan for DDA compliance, all access public facilities, and as such, adherence to these principles will likely be needed and funded from upcoming budgets. To better understand the current and future needs of the community in regards to this, research needs to be undertaken to help inform this decision making process. This will include identifying the changing needs of the local community and evaluate these impacts on community open space provision.

Council seeks to avoid ad hoc replacement of open space assets with mis-matched street furniture or amenities giving the impression of unplanned and reactive amenity provision, through the application of its style guide. However greater consideration needs to be given to affordability of the style guide, particularly in local and neighbourhood level open spaces. Where custom designed assets are required, as is the case of precinct upgrades and playspace enhancements, additional costs will be factored in to the project costs.

Coastal assets, for the purposes of this plan, include all assets west of the edge of kerb that runs alongside reserves, such as John Miller, and along the western edge of Coast Park pedestrian walkway. Council has a number of long life, high value, coastal assets including rock seawalls, retaining walls, Jetties, and coastal paths and access ramps. Due to their long life and fair condition, these do not appear in the 10 year window of this asset plan, but need to be considered long term due

to their significant cost to council when refurbishment or renewal is required. The design life of these assets should also be reviewed in light of change climatic conditions.

OPEN SPACE & COASTAL ASSET MANAGEMENT PLAN

We will drive a systematic approach to the development, maintenance and replacement of our assets and ensure that these assets meet the needs of our community.

TOTAL VALUE OF ASSETS
\$73 Million



LEVELS OF SERVICE

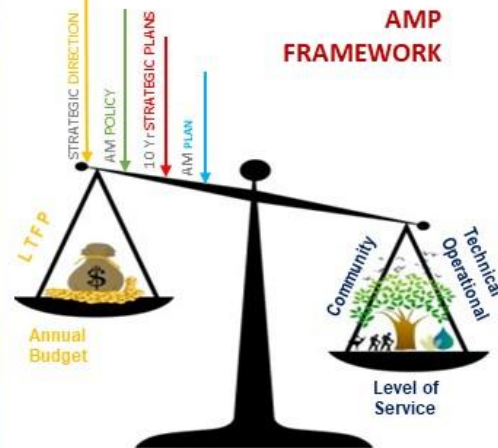


IMPROVEMENT PLAN

- AUDIT** functionality, safety and amenity for key buildings and integrate service levels and forecast work.
- ESTABLISH** a compliance register for DDA requirements.
- CREATE** Facilities Management Plans for complex, heritage listed or high-risk sites
- REFINE** asset register.



Strategic Directions inline with Stormwater AMP



- A HEALTHY, CREATIVE, CONNECTED COMMUNITY**
 - Increase resident wellbeing.
 - Achieve a high level of community satisfaction with playgrounds and open space.
- A COMMUNITY CONNECTED TO OUR NATURAL ENVIRONMENT**
 - Increase native flora in natural areas.
 - Increase native fauna habitats in natural areas.
 - Decrease Council's greenhouse emissions.
- AN ACCESSIBLE, LIVELY & SAFE COASTAL CITY THAT CELEBRATES OUR PAST TO BUILD FOR OUR FUTURE**
 - Achieve a high level of community satisfaction with walkability and access to open space.
- An EFFECTIVE CUSTOMER –CENTRED ORGANISATION**
 - Providing customer centred services
 - Enabling high performance
 - Being financially accountable
 - Supporting excellent, efficient operations

The Asset Sustainability Ratio indicates whether Council has the financial capacity to fund asset renewal at continued existing service levels.



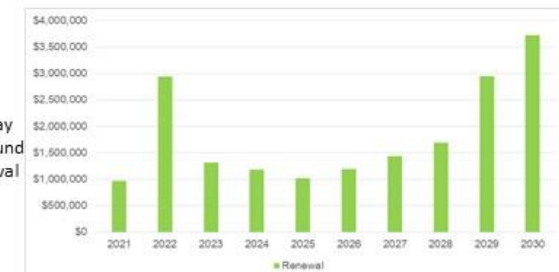
Council Target: 90-110% over 5 Years

Over the next 10 years of forecasting, City of Holdfast Bay expects to have 100% of the fund required for the optimal renewal and replacement of its Open Space and Coastal assets.

10 Year Maintenance & Operations Expenditure Forecast



10 Year Renewal Expenditure Forecast



1 Introduction

In accordance with the Local Government Act 1999 (the Act) and the Strategic Plan (Our Place 2030), the Council provides a range of community services to the members of the local community and visitors. The services include transport services, waste management services, environmental services, social and recreational services, open space services, stormwater drainage services, and coastal and beach management services.

Under the Act, Council is required to develop and adopt an infrastructure and asset management plan covering a period of at least 10 years. In addition, Council is required to adopt a long-term financial plan 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. Variations to the scheduled works within the AMP and the LTFP may be adjusted as the need arises

The primary intent of asset management is to meet a required level of service in the most cost-effective way, through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets to provide for present and future community needs. The Open Space and Coastal Asset Management plan will be a living document over the next 3 to 4 years complying to all legislative requirements, and to communicate funding required to provide the required levels of service over a 10-year planning period.

This plan also aims to align with ISO 55000 (international standard for asset management) but does not seek to become accredited as an ISO document or process. This document 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 ISO framework also aims to create transparency and accountability through all aspects of asset management; this process ensures that all stakeholders understand their roles and responsibilities of achieving the intentions of the plan.

The Open Space Management Plan works in conjunction with the following Council’s plans and strategies (Table 1-1).

Table 1-1 Plans, Strategies and Policies

Plans, Strategies and Policies	
Asset Management Policy	Coastal Protection Infrastructure Assessment Report
Long Term Financial Plan	Quality of Life Report
Open Space and Public Realm Strategy 2018-2030	Playspace Action Plan 2019-29
Our Place 2030 Strategic Plan	

1.1 Legislation and relevant Acts

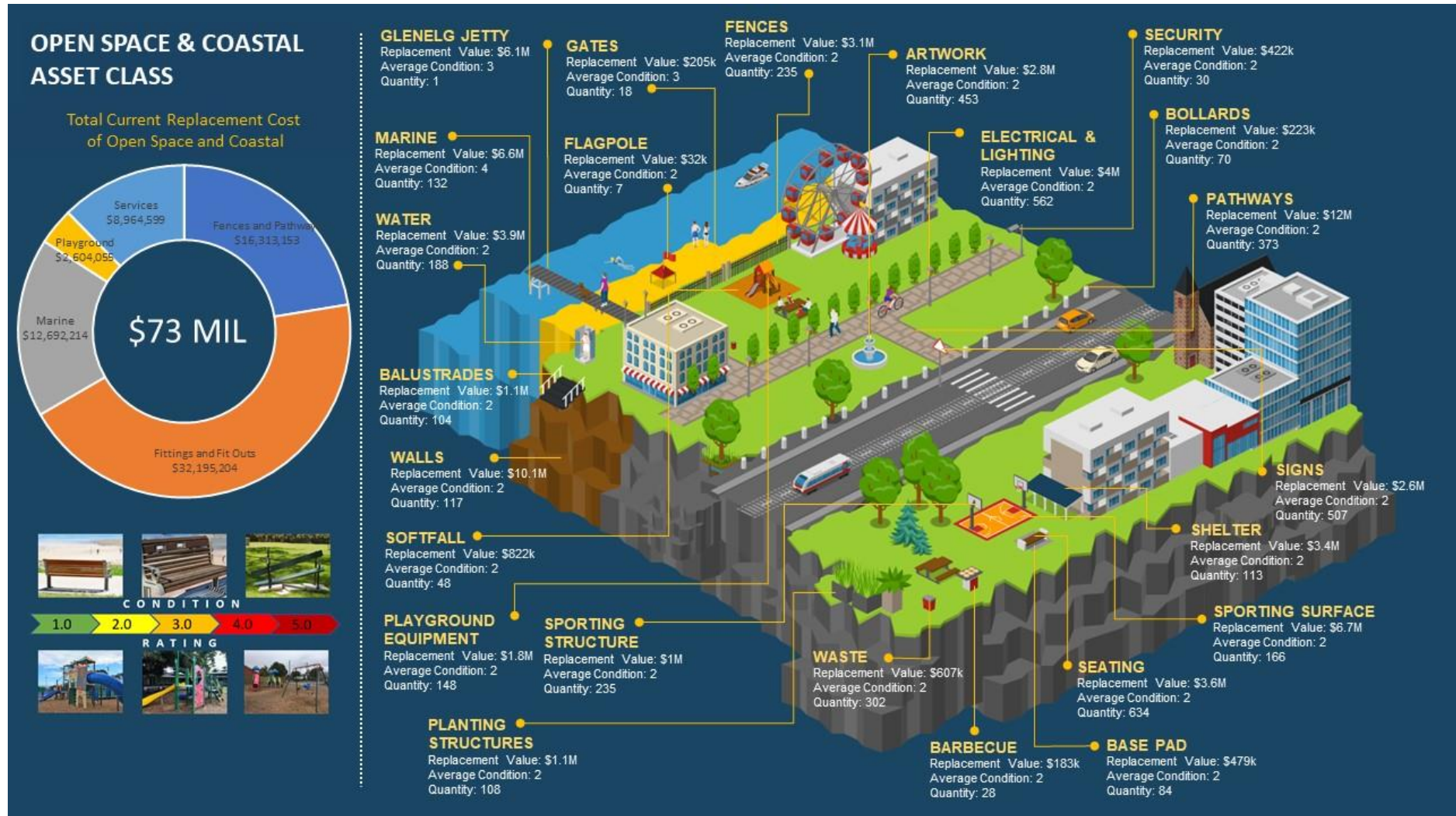
Council considers the following legislative framework in the management of its Plant and Equipment assets (Table 1.1-1).

Table 1.1-1 Legislative Requirements – Open Space and Coastal Assets

City of Holdfast Bay Open Space and Coastal AMP

Legislation	Requirement
Aboriginal Heritage Act 1988	An Act to provide for the protection and preservation of the Aboriginal heritage; to repeal the Aboriginal and Historic Relics Preservation Act 1965 and the Aboriginal Heritage Act 1979; and for other purposes.
Native Title Act (South Australia) 1994	Consideration should be undertaken in the provision, development and management of open space.
Local Government Act 1999	Sets out role, purpose, responsibilities, and powers of local governments including the preparation of a LTFP supported by asset management plans for sustainable service delivery.
Development Act 1993	Regulates the use and managements of buildings including their design and construction, ongoing maintenance, and conservation.
Disability Discrimination Act 1992	To ensure persons with disabilities have access to the building and facilities.
Work Health & Safety Act 2012	Provide a safe work environment for workers on the site
Environment Protection Act 1993	Responsibility not to cause environmental harm (e.g. noise pollution, contamination of water).
SA Public Health Act 2011	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.
Planning Development and Infrastructure Act 2016	An Act to provide for matters that are relevant to the use, development and management of land and buildings
Australian Accounting Standards	Standards applied in preparing financial statements, relating to the valuation, revaluation and depreciation of transport assets.

2 Asset Class Information



2.1 Physical Parameter

This AMP covers the class of Open Space and Coastal Assets for the City of Holdfast Bay. Coastal assets, for the purposes of this plan, include all assets west of the edge of kerb that runs alongside reserves, such as John Miller, and along the western edge of Coast Park pedestrian walkway. These include assets located in marine and foreshore environments, such as rockwalls, seawalls, beach access ramps, and the Glenelg Jetty.

Open Space and Coastal assets are divided into functional categories as they provide different roles within the network. There are 5 higher level categories:

- Fences and pathways
- Fittings and fitouts
- Marine
- Playground
- Services

These are further classified into sub-categories as displayed in Section 2, Asset Class Information and Table 2.1-1.

Table 2.1-1 Open Space and Coastal Asset Categories

Open Space and Coastal Asset Categories	Sub Categories	Number of Assets	Replacement Value	% of Useful Life Expired
Fences & Pathways	Bollards	70	\$223,067	44%
Fences & Pathways	Balustrades	104	\$1,094,234	45%
Fences & Pathways	Fences	235	\$3,051,669	51%
Fences & Pathways	Pathways	373	\$11,944,183	47%
Fittings & Fitouts	Flagpole	7	\$32,230	40%
Fittings & Fitouts	Gates	18	\$205,055	55%
Fittings & Fitouts	Barbecue	28	\$183,066	42%
Fittings & Fitouts	Base Pad	84	\$478,804	64%
Fittings & Fitouts	Sporting Structures	235	\$1,021,021	48%
Fittings & Fitouts	Planting Structures	108	\$1,092,175	48%
Fittings & Fitouts	Artwork	453	\$2,768,748	46%
Fittings & Fitouts	Signs	507	\$2,577,685	46%

Open Space and Coastal Asset Categories	Sub Categories	Number of Assets	Replacement Value	% of Useful Life Expired
Fittings & Fitouts	Seating	634	\$3,635,671	51%
Fittings & Fitouts	Shelter	113	\$3,409,308	46%
Fittings & Fitouts	Sporting Surfaces	166	\$6,686,081	47%
Fittings & Fitouts	Walls	117	\$10,105,360	48%
Marine	Jetty	1	\$6,117,824	50%
Marine	Patawalonga Lock	132	\$6,574,390	73%
Playground	Playground Equipment	148	\$1,781,904	53%
Playground	Softfall	48	\$822,151	58%
Services	Security	30	\$422,023	87%
Services	Waste	302	\$607,261	45%
Services	Water	188	\$3,879,917	45%
Services	Electrical & Lighting	562	\$4,055,398	44%
			\$72,769,225	

2.2 Asset Hierarchy

An 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 planning and delivery.

The level of importance is then grouped into these hierarchical levels as defined in the Open Space and Public Realm Strategy (2018-30):

Table 2.2-1 below summarises Council's service levels for each level of hierarchy.

Table 2.2-1 Asset Hierarchy

Hierarchy Level	Description
-----------------	-------------

State/Regional	Large scale facilities that offer a broad use of application. Capable of functioning for state level sports with appropriate amenities including public toilets and club rooms. To cater for high usage and have readily available off-street car parking. Facilities can be either organised or natural and will vary in user groups. All facilities should be able to cater for different users and a wider geographical catchment. For example Wigley Reserve.
District	Mixed use facilities that are large in scale. They provide a mixture of facilities varying from play spaces to formal sports. Appropriate amenity facilities should be provided and off-street parking integrated dependent on the size of facility and use. Facilities are to function as 'destination parks' and cater for a wide geographical catchment. For example John Miller Reserve.
Neighbourhood	Medium to large facilities with a focus towards social and recreational spaces. Facilities should cater for the local community and residents. Emphasis towards natural and informal spaces, with local facilities such as bbqs, junior sports and local art. For example Alf Smedley and Mel Baker Reserve.
Local	Local parks cater for nearby and adjacent residents, small in scale they function as spaces for gathering, resting and relaxing by locals. Facilities can include single age playspaces and short term amenities. Emphasis is put towards natural spaces and a sense of community ownership. For example Graymore Park.

Each of the following sub groups supports the above hierarchical levels:

- Parks and Recreation
- Streets, corridors, and civic spaces
- Coastal

A detailed list of the Open Space and Coastal Hierarchy and expected service levels is in Appendix 1.

A reduced unit rate (60%) was applied to playground, furniture, fences, bollards, BBQ, shelter, signs, and bin surrounds in lower hierarchy open spaces.

2.3 Asset Expected Life

All assets are provided with a baseline straight line useful life value (blue line), used for the purposes of lifecycle cost planning and accounting for asset valuation and depreciation. This straight-line depreciation is used in Council's financial reporting.

The service life of Open Space and Coastal assets differs from the standard design life and the useful life, as it also accounts for the ongoing maintenance and renewal of the asset to maintain a designated technical level of service (black line). The setting of service levels will be undertaken by council staff in consultation with the community and elected members, to optimize whole of life costs for the assets.

As upkeep of the asset is made through the capital renewal & maintenance budgets, the condition should be maintained at the desired level to ensure assets reach their potential service life (black line). If no regular maintenance occurs the potential asset life will not be reached (red line).

Figure 2.3-1 shows that the deterioration curves, red and black, show a true reflection on an assets aging profile, as it typically deteriorates faster towards the end of its life.

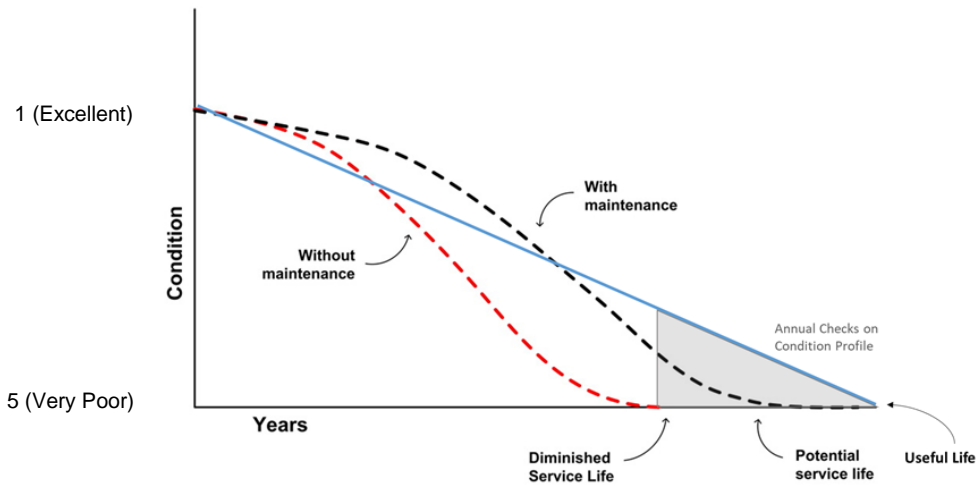


Figure 2.3-1 Asset Ageing Profile

2.4 Asset Quality and Distribution

The City of Holdfast Bay has a responsibility to maintain the appropriate condition of its Open Space and Coastal assets as defined by the levels of service.

This includes:

- Forward works planning – capital and maintenance program.
- Overseeing works undertaken.
- Organising of Open Space and Coastal condition audits.

Council seeks to avoid ad hoc replacement of open space assets with ‘mis-matched’ street furniture or amenities through the application of Council’s style guide. This allows the Open Space network to be consistent and aesthetically appealing.

Open Space and Coastal assets incorporate a 1-5 condition rating score (Table 2.4-1) for each asset.

Table 2.4-1 Condition Assessment System (based on International Infrastructure Management Manual 2015, IIMM)

Condition Rating	Condition Description	Actions
1	Very Good	No action required
2	Good	Minor defects only
3	Fair	Maintenance required to return to accepted level of service
4	Poor	Consider renewal
5	Very Poor	Approaching unserviceable



3 Stakeholders

Key stakeholders in the preparation and implementation of this Open Space and Coastal Asset Management Plan are shown in Table 3-1-1.

Table 3-1-1 Open Space Asset Management Plan Key Stakeholders

Key Stakeholders	Roles in Asset Management Plan
Residents and Ratepayers	<p>Ultimate beneficiaries of the AMP process.</p> <p>Feedback collected throughout the year.</p> <p>Annual satisfaction survey undertaken.</p>
Visitor / Tourists	<p>Regular satisfaction surveys undertaken, and feedback collected.</p>
Business Owners; Traders; Service Providers	<p>Play a significant role in providing services.</p> <p>Feedback is collected through regular consultation.</p> <p>Suppliers provide the goods and services to manage the assets and infrastructure.</p>
Elected Members, Stewardship	<p>To act as custodians of community assets</p> <p>To set asset management policy and vision</p> <p>Allocate resources to meet Council objectives in providing services while managing risks</p>

Key Stakeholders	Roles in Asset Management Plan
Chief Executive Officer/ Senior Leadership Team	<p>To provide leadership and strategic direction</p> <p>Review Asset Management Policy and Asset Management Strategies</p> <p>To ensure that community needs and the outcomes of service reviews are incorporated into asset management planning and Long-Term Financial Plan</p> <p>To ensure that training of Councillors and staff in financial and asset management practices is provided</p> <p>To ensure that accurate and reliable information is presented to Council</p> <p>To ensure appropriate delegations and approval processes are followed</p>
Asset Management Leadership Team	<p>Facilitate development of Asset Management Plans</p> <p>To oversee the implementation of the Asset Management Policy and Asset Management Strategies</p> <p>To oversee the ongoing development and review of service plans and asset management plans</p> <p>To ensure that community needs and the outcomes of service reviews are incorporated into asset management plans</p> <p>To promote and raise awareness of asset management within the organisation</p> <p>To ensure relevant health and wellbeing, human rights and equity principles and strategies are taken into consideration</p> <p>To develop and implement asset management improvement plan</p> <p>To provide and manage the asset management information system(s)</p> <p>Integrate asset management and financial plans and reporting</p>
Asset Manager(s) and Staff	<p>To develop and implement maintenance, renewal and capital works programs in accordance with the Asset Management Policy, Strategy, Plans, as well as budget allocations.</p> <p>Develop Specific Management Plans (upgrade, renewal, maintenance, operations, disposal)</p> <p>To deliver levels of service to agreed risk and cost standards and expectations</p> <p>To report asset related risk and damage</p> <p>To establish and monitor asset compliance and risk inspection regimes</p> <p>To manage asset condition assessments</p> <p>To provide technical expertise to Asset Management Leadership Team</p>

4 Current and desired Levels of Service (LoS)

Levels of Service and the way these are benchmarked and measured annually and quarterly, are the single biggest point of difference between previous asset management plans and ISO 55000 standard plans. By its very definition ISO 55000 is measurable and definable outcome that typifies an outcomes-based paradigm.

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'.

The City of Holdfast Bay have 2 defined levels of service:

- Customer (Community) Level of Service
- Technical Level of Service

These Levels of Service are designed to support continued performance and function of the Open Space and Coastal assets (and all their components) to a reasonable standard. They are also intended to ensure the future economic sustainability of Holdfast's Open Space and Coastal network is considered and unreasonable costs are not being placed on future Asset Management Plans.

Customer (Community) Level of Service

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Quality	Open space and coastal assets are damage free and clean.	Community Survey	7 or above Community Satisfaction
Culture: Supporting excellent, efficient operations	Function	Provide opportunities for sports, recreation, and enjoyment	Community Survey	7 or above Community Satisfaction
Culture: Supporting excellent, efficient operations	Capacity	Community participation	Community Survey	7 or above Community Satisfaction
Placemaking Creating lively and safe places	Safety	No preventable injuries to staff or members of public.	Number of injuries or accidents.	0

Technical LOS

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Condition	Ensuring the physical state of the open space and coastal assets are in serviceable condition.	Percentage of assets that are better than our service level targets (Appendix 1: Open Space and Coastal Service Levels)	Above 90%
Placemaking: Creating lively and safe places Placemaking: Developing walkable, connected neighbourhoods	Function	Open space and Coastal assets have the capacity to meet the service level needs.	Percentage of assets that are better than our service level targets (Appendix 1: Open Space and Coastal Service Levels)	Above 90%
Placemaking: Creating lively and safe places Placemaking: Developing walkable, connected neighbourhoods	Capacity	Assets have the capacity to meet the community demand.	Parks and reserves are within in 400m of each property	Above 90%
Placemaking: Creating lively and safe places	Accessibility	Facilities are accessible to all.	DDA compliant	All State/Regional Assets to be compliant
Placemaking: Creating lively and safe places	Safety	Open Space and Coastal facilities are safe and free of hazards.	Legislative compliance for play equipment, asbestos and EPA requirements.	100%

5 Future Demand

The community's demand for the services changes overtime. The reason for change can be varied, some of the common drivers are environmental and technology. As service demand changes, the council's assets may also need to change to meet the changing demand.

Table 5-1 Future Demands

CURRENT POSITION	DEMAND FORECAST	DEMAND IMPACT	DEMAND MANAGEMENT PLAN	IMPACT ON ASSETS
<p>Population increase:</p> <ul style="list-style-type: none"> ➤ Total estimated population 36,520 	<p>Planned to accommodate for 40,313 by 2031</p>	<p>A growing population will lead to a gradual loss of private greenspace. This will place more demand on open space assets, requiring innovative new responses.</p>	<p>The Open Space and Public Realm Strategy 2018-2030 identifies opportunities for better use of open space in its corridors and streets.</p>	<p>The Open Space and Public Realm Strategy put forward</p> <ul style="list-style-type: none"> ➤ Key project opportunities from 2018-2030. ➤ Challenges Council may face in the years ahead. <p>More demand for maintenance.</p>
<p>Housing density:</p> <ul style="list-style-type: none"> ➤ 51% of dwellings are medium to high density 	<p>Increased higher density development</p>			
<p>Changing demographics:</p> <ul style="list-style-type: none"> ✓ City of Holdfast Bay's Median Age is 46 years 	<p>Growth in aging population.</p>	<p>With the increase in the aging population, there will be a strong demand for the accessibility on open space and coastal assets (e.g. better pathways to walk on, readily accessible beachfront)</p>	<p>Track community service level KPI for Functionality. Are we providing the correct assets to suit the changing needs of the community?</p>	<p>Higher costs associated with upgrades to existing assets to meet community demand</p>
<p>Climate/Environmental Change:</p>	<p>Exponential severe weather events to</p>	<p>Assets not reaching their stated useful lives due to lack of consideration of climate change.</p>	<p>Ensure safety issues are investigated, prioritised, and appropriately addressed as resources allow.</p>	<p>Higher costs associated with construction methods</p>

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CURRENT POSITION	DEMAND FORECAST	DEMAND IMPACT	DEMAND MANAGEMENT PLAN	IMPACT ON ASSETS
<ul style="list-style-type: none"> ➤ Increase trend in severe weather events including droughts, storms, and storm surges. 	<p>continue based on current trends.</p> <p>Greater environmental sustainability requirements placed on the construction industry.</p>	<p>Increasing management and maintenance demand associated with climate change adaptation.</p>	<p>The Open Space and Public Realm Strategy 2018-2030 Strategy 3D: Ensure landscapes are adaptive to climate change (drought tolerant, sustainable) and water sensitive urban design principles are adopted.</p>	<p>that are environmentally sustainable</p>
<p>Legislative Requirements:</p> <ul style="list-style-type: none"> ➤ The increasing level of DDA compliance on Open Space assets (e.g. Playground equipment) 	<p>Higher standards of safety and improved Open Space assets.</p>	<p>Higher level of service may impact on the amount of maintenance and renewal able to be undertaken with allocated budget.</p>	<p>Disability Action Plan (in development)</p>	<p>Redesigning networks and specific assets to meet legislative requirements.</p>
<p>Technology Change:</p> <ul style="list-style-type: none"> ➤ Worldwide trend towards smart cities creating simplified services through smart technology 	<p>Public expectations to implement and/or improve digital services.</p>	<p>Operating and maintenance costs can be reduced with the application of smart technology. Reduced water, power and waste consumption will all be a direct benefit to the environment.</p>	<p>The Open Space and Public Realm Strategy 2018-2030 Strategy 3D: Ensure new technology is explored in design, including smart features.</p>	<p>Level of service improvements for parks will impact our maintenance and renewal programs.</p>

6 Life Cycle Planning/Strategies

The lifecycle management plan details how the City of Holdfast Bay plans to manage and operate the assets at the agreed levels of service while managing life cycle.

The assets covered by this Open Space and Coastal Asset Management Plan is shown in section 2, Asset Class Information.

This section presents an analysis of Council’s available Open Space and Coastal assets information and the life cycle management plans covering the 4 key work activities to manage the assets:

- **Routine Maintenance** – activities undertaken to ensure efficient operation and serviceability of the assets. This will ensure that the assets retain their service potential over the course of their useful life.
- **Capital Renewal/Replacement** – Provides a program of progressive renewal of individual assets. Deteriorating asset condition primarily drives renewal needs, with increasing maintenance costs also considered.
- **Decommission** – Any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation. Any costs or revenue gained from asset disposals is included in the long-term financial plan.
- **Creation/Acquisition** – Provides a program of works to create new assets or substantially upgrade existing assets. This is primarily driven by community, growth, social and/or environmental needs/desires.

The major stages can be further divided into specific processes as listed in Figure 6-1. In each stage of the lifecycle, varying events will trigger the need to begin the next phase of the cycle. Further details on the processes of these lifecycle stages for Open Space and Coastal assets is provided in the following sections.

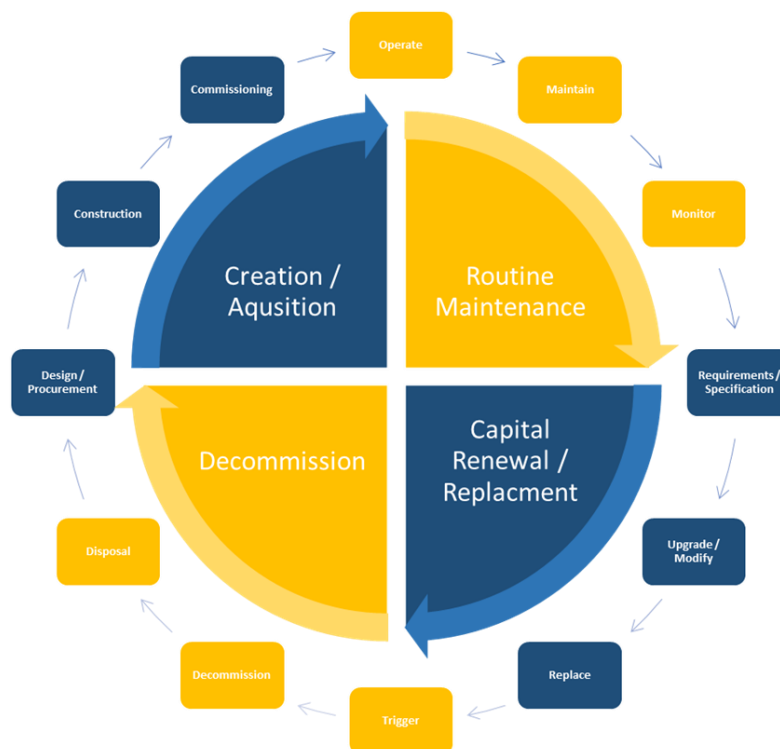


Figure 6-1 Life Cycle Management Plan

6.1 Operational and Maintenance Plan

Operations activities include regular activities to provide services. Examples of typical operational activities include volunteer management, safety, and amenity (e.g. cleaning, grass mowing, weeding, pest control).

Maintenance include all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include servicing and repairs.

As the years progress, the maintenance budget is projected to increase due to inflation and an asset portfolio growing in size, complexity and age.

Maintenance is classified as:

Reactive Maintenance

Reactive maintenance is unplanned repair work carried out in response to customer service requests and management decisions and are often carried out by Council field services. Such unplanned maintenance could include vandalism and any ad hoc requests from the community.

Planned Maintenance

Planned Maintenance is identified and managed through an Asset Management System (AMS). AMS activities include inspection, routine mowing of grass in reserves and sports grounds, condition assessment. These activities include inspection, condition assessment and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

The City of Holdfast Bay will operate and maintain the Open Space and Coastal assets to provide the defined levels of service to approved budgets in the most cost-effective manner.

6.2 Renewal Plan

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

Assets requiring renewal are identified using the Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year).

6.2.1 Renewal Ranking Criteria

Asset renewal is typically undertaken to either:

- ✓ Ensure the reliability of the existing infrastructure to deliver the service it was provided to facilitate, or
- ✓ To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground)¹

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

¹ IPWEA, 2015, IIMM Sec 3.4.4, p|91

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

The ranking criteria used to determine priority of identified renewal proposals are detailed in Table 6-2-1.

Table 6-1-1 Renewal Priority Ranking Criteria

Criteria	Weighting
Service Level Hierarchy (High, Med, Low)	40%
Risk rating: Social, political, environmental implications of failure	40%
Potential to reduce life cycle costs by replacement with a modern equivalent	20%
Total	100%

Whilst not common practice, some assets in good condition are relocated from district and state/regional open spaces to neighbourhood and local open spaces.

6.3 Acquisition Plan

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

6.3.1 Selection Criteria

Proposed upgrade of existing assets, and new assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the entities needs.

When Council commits to new assets, they must be prepared to fund future operations, maintenance, and renewal costs. They must also account for future depreciation when reviewing long term sustainability. This is outlined in Holdfast's Asset Management Policy (Section 3.3.3):

Future life cycle costs will be reported and considered in all Council decisions relating to new services and assets and upgrading of existing assets. If actual costs are not known, an estimate will be applied to the upgrade portion of the project, based upon the Asset Management Plan's life cycle forecast (%).

Major upgrade projects forecast in the next 10 years include:

- Wigley Playground Upgrade
- Glenelg Oval Redevelopment
- Brighton Oval Redevelopment

The full table of projected acquisition projects for the next 10 years is displayed in Appendix 2.

6.4 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation Council Disposal of Assets Policy outlines this process.

Council has no upcoming disposals for Open Space and Coastal assets. As such, there is no funding required or expected from the decommissioning of any assets at this point in time.

Whilst not common practice, some assets in good condition are relocated from district and state/regional open spaces to neighbourhood and local open spaces, rather than disposed. Where replacing existing, this is treated as a disposal proceed (residual). It has been identified as an improvement item to review this practice and the cost benefit to council.

7 Financial Summary

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available with the introduction of a new strategic asset management modelling system in future AMPs, on desired levels of service and current and projected future asset performance. All costs are shown in current (2020) dollar values and do not include inflation.

A summary of all financials is provided in Appendix 2.

7.1 Asset Valuations

Valuations are undertaken in alignment with Australian Accounting Standard 'AASB13 Fair Value'. These valuations are required every three to five years, with an independent audit required every five years. Valuations are undertaken to satisfy the financial reporting requirements and to understand the cost to replace assets.

The valuation of Council's Open Space and Coastal Assets is summarised in Table 7-1-1.

Table 7.1-1 Open Space and Coastal Asset Valuation

Asset Category	Current Replacement Cost	Accumulated Depreciation
Artwork	\$2,768,748	\$1,277,142
Balustrades	\$1,094,234	\$476,340
Barbecue	\$183,066	\$79,230
Base Pad	\$478,804	\$325,440
Bollards	\$223,067	\$89,735
Electrical & Lighting	\$4,055,398	\$1,872,931
Fences	\$3,051,669	\$1,381,648
Flagpole	\$32,230	\$10,255
Gates	\$205,055	\$109,294
Jetty	\$6,117,824	\$3,058,912
Marine	\$6,574,390	\$3,686,295
Pathway	\$11,944,183	\$6,004,112
Planting Structures	\$1,092,175	\$465,464

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Playground Equipment	\$1,781,904	\$962,330
Seating	\$3,635,671	\$1,400,037
Security	\$422,023	\$354,740
Shelter	\$3,409,308	\$1,548,818
Signs	\$2,577,685	\$986,243
Softfall	\$822,151	\$434,537
Sporting Structures	\$1,021,021	\$465,593
Sporting Surfaces	\$6,686,081	\$2,722,003
Walls	\$10,105,360	\$5,576,508
Waste (Bin Surrounds & Poles)	\$607,261	\$248,245
Water	\$3,879,917	\$1,889,432
Total	\$72,769,225	\$35,425,282

*May be a residual value associated with reuse of assets

7.2 Maintenance and Operations Trends and Forecasts

Figure 7.2-1 displays the maintenance and operational expenditure trend of City of Holdfast Bay's Open Space and Coastal assets.

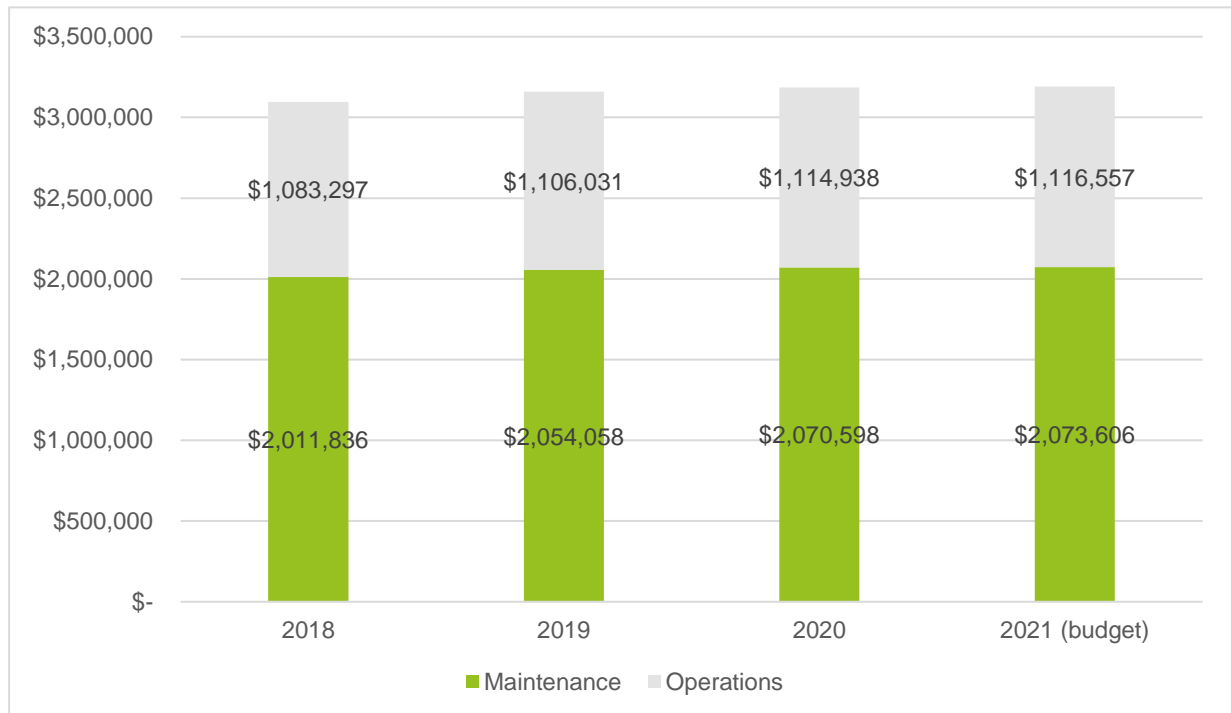


Figure 7.2-1 Open Space and Coastal Maintenance and Operations Expenditure Trend

Maintenance and operations budget levels are considered to be adequate to meet historical service levels, which may be less than or equal to projected service levels outlined in this asset plan. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this asset management plan and service risks considered in the Infrastructure Risk Management Plan.

Overall, Council's maintenance and operational budget will increase in the medium to long term as demand on assets increases, planned upgrades are completed, and high value coastal assets, such as rock revetments and jetties, require major maintenance. This forecast increase requires careful consideration. Particularly in regards to the follow on impact on levels of service in lower priority open space areas.

7.3 Future Operations and Maintenance Forecast

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset portfolio. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 7.3-1 shows the forecast operations and maintenance matches the proposed operations and maintenance LTFP budget.



Figure 7.3-1 10 Year Maintenance and Operations Expenditure Forecast

The operations and maintenance cost on Council's Open Space and Coastal assets are forecast to (Cumulatively) increase by \$397,530 over the next 10 years:

- Additional operational cost of \$397,530 in maintenance and operations costs is required for newly acquired assets over the next 10 years (included in LTFP). This is largely as a result of the Brighton Oval and Wigley Reserve Playspace upgrade projects.

The additional costs will need to be addressed through the Improvement Plan for operational and maintenance planning efficiencies and processes in future years.

7.4 Future Renewal Forecast

The forecast renewal costs are considered adequate to meet the planned renewal works program over the next 10 years. However, in order for future renewal projects to have sufficient funds at any given year, the LTFP budget timing will need to be realigned.

Council's LTFP renewal forecast for the next 10 years is \$18,430,650 and this projection is shown in Figure 7.4-1.

A list of major Open Space and Coastal asset renewals is shown in Appendix 2.

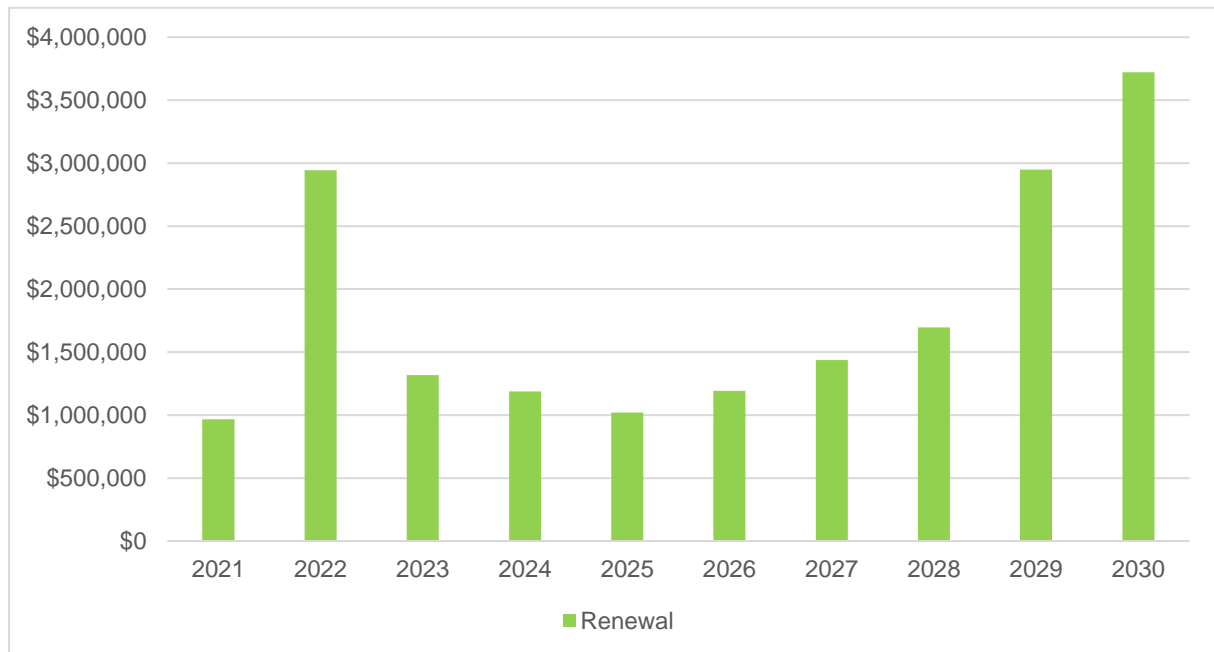


Figure 7.4-1 10 Year Renewal Forecast

7.5 Future Acquisition Forecast

There are increasing demands upon open space and coastal areas. Increasing infill residential development is resulting in reduced block sizes, and more importance placed on public reserves to provide quality open space for the residential population and broader community. The City of Holdfast Bay receives approximately 1.3 million visitors each year, many who are attracted to our public open spaces and associated amenities, particularly those along our foreshore

In response to these demands, Council's in metropolitan Adelaide are undertaking significant upgrades to public open spaces, particularly with regards to recreation hubs, sporting precincts and play spaces. Over the next three years a large number of upgrades are planned within Holdfast, most notably the Wigley Playspace Upgrade and Glenelg Oval Upgrade projects. These projects will result in a rise to the forecast maintenance and operational costs over time, which needs to be considered in future budgets. Council will continue to partner with State and Federal Governments along with relevant industry associations to assist in project planning, funding and activation.

As community expectations continue to increase with regards to quality of open space, the need to meet and possibly exceed base level standards of amenity will be present. For instance, there is increasing call for an all access play space within our City meeting universal design principles for equipment and amenities. Councils draft Disability Access and Inclusion Policy highlights the need to plan for DDA compliance, all access public facilities, and as such, adherence to these principles will likely be needed and funded from upcoming budgets. To better understand the current and future needs of the community in regards to this, research needs to be undertaken to help inform this decision making process. This will include identifying the changing needs of the local community and evaluate these impacts on community open space provision.

See Section 6.3 and Appendix 2 for a list of approved Acquisition projects.

7.6 Assumptions

The following key assumption(s) were applied in this financial forecast:

- Condition based renewal program (remaining life calculated using condition data).

- Acquisition costs added for projects approved by Council, including Oval Masterplans and Playspace Upgrades
- No decommissioning of existing assets.
- Maintenance and operational budget fixed – average of previous 5 year actuals.

7.7 Data Confidence

The expenditure and valuations projections in this AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. This Open Space and Coastal data confidence are classified as 'B – Reliable' based on the IPWEA data confidence scale² (Appendix 3). 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. Data set is complete and estimated to be accurate +-10%.

See Appendix 3 for data confidence grading system.

8 Risk Management

The objective of the risk management process with regards to Open Space and Coastal assets is to ensure that:

- 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.

An assessment of risks associated with service delivery from Open Space and Coastal assets has identified the most critical risks to Council. The risk assessment process identifies and assesses risks, develops a risk rating, and develops a risk treatment plan for non-acceptable risks.

High and Very High Risks that have been identified are:

- Unknown compliance with legislative and Australian Standards requirements. Unknown risks in emergency situations
- No clear maintenance program due to unclear roles and responsibilities
- Political Changes – Change in Executive Staff or Council
- Unsuccessful external grant applications

A risk treatment action has been included in the forecast costs for this asset plan, and in some cases is already underway. For a full list of risks and treatment plans see Appendix 4.

9 Plan Improvement and Monitoring

9.1 Monitoring and Reviewing

The Open Space and Coastal Asset Management Plan is not a one-off document but part of the Council's business planning process. For this reason, it is necessary to review and update any key assumptions, strategic change or budget decision that may affect the planned service levels and future expenditure requirements. To keep this AMP current, council will schedule the plan review into

² IPWEA, 2011, IIMM, Table 2.4.6 p2|59.

its strategic and annual planning and budget processes. This asset management plan has a life of 4 years.

9.2 Improvement Plan

Improvement items identified in the previous AMP that form a part of Council's ongoing business as usual improvements include:

- Continue to refine asset register - review useful lives and unit rates used for valuation purposes
- Generate project based rolling works program spanning 3 to 5 years for Open Space and Coastal assets based on detailed visual inspection.
- Ensure Maintenance Standards and Plan align with agreed level of service
- Ensure appropriate budget lines to capture maintenance expenditures
- Continue regular inspections of Open Space and Coastal Assets

Specific Business Improvement Actions that will be a focus for the next three years include:

- Review the level of service for Holdfast's Open Space and refine further, particularly costs associated with application of the style guide.
- Consider and account for Life Cycle Costs (%) for all New Capital Bids based on either forecast expenditure or actual expenditure (where known)
- Review asset register, and include found assets such as seawalls and rock revetments.

All improvement actions have been included in the forecast costs for this asset plan, and in some cases are already underway. For a full list of improvement items see Appendix 5.

APPENDICES

Appendix 1 Open Space and Coastal Service Levels

Appendix 2 Financial Summary

Appendix 3 Data Confidence Grading System

Appendix 4 Open Space and Coastal Risks

Appendix 5 Open Space and Coastal Improvement Plan

Appendix 1: Open Space and Coastal Service Levels

Hierarchy	Purpose	Maintenance & operations	Renewal Thresholds	Replacement Type
State/Regional – Parks and recreation	<p>Large scale facilities that offer a broad use of application. Capable of functioning for state level sports with appropriate amenities including public toilets and club rooms. To cater for high usage and have readily available off-street car parking. Facilities can be either organised or natural and will vary in user groups. All facilities should be able to cater for different users and a wider geographical catchment.</p> <p>For example Wigley Reserve.</p>	<p>These assets are maintained at a high standard with fortnightly maintenance, weekly mowing, and quarterly playground inspections</p>	<ul style="list-style-type: none"> • Overall Condition rating is 3.5 (average) or higher • A refurbishment or replacement has been triggered • Safety is compromised • Functionality and amenity is below required levels 	Style Guide or custom designed
State/Regional – Streets, corridors and civic spaces		<p>These assets are maintained at a high standard with weekly maintenance, weekly mowing</p>	<ul style="list-style-type: none"> • Overall Condition rating is 3.5 (average) or higher • A refurbishment or replacement has been triggered • Safety is compromised • Functionality and amenity is below required levels 	Style Guide or custom designed
State/Regional - Coast		<p>These assets are maintained at a high standard with fortnightly maintenance, weekly mowing, and quarterly playground inspections</p> <p>Seasonal Beach Cleaning</p>	<ul style="list-style-type: none"> • Overall Condition rating is 3.5 (average) or higher • A refurbishment or replacement has been triggered • Safety is compromised • Functionality and amenity is below required levels 	Style Guide or custom designed
District - Parks and recreation	<p>Mixed use facilities that are large in scale. They provide a mixture of facilities varying from play spaces to formal sports. Appropriate amenity facilities should be provided and off-street parking integrated dependent on the</p>	<p>These assets are maintained at a high standard with fortnightly maintenance, fortnightly mowing, and quarterly</p>	<ul style="list-style-type: none"> • Overall Condition rating is 4 (poor) or higher • A refurbishment or replacement 	Style Guide

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Hierarchy	Purpose	Maintenance & operations	Renewal Thresholds	Replacement Type
	<p>size of facility and use. Facilities are to function as 'destination parks' and cater for a wide geographical catchment.</p> <p>For example John Miller Reserve.</p>	<p>playground inspections</p>	<p>has been triggered</p> <ul style="list-style-type: none"> • Safety is compromised • Functionality and amenity is below required levels 	
District - Streets, corridors and civic spaces		<p>These assets are maintained at a high standard with fortnightly maintenance</p>	<ul style="list-style-type: none"> • Overall Condition rating is 4 (poor) or higher • A refurbishment or replacement has been triggered • Safety is compromised • Functionality and amenity is below required levels 	Style Guide
District - Coast		<p>These assets are maintained at a high standard with fortnightly maintenance, fortnightly mowing, and quarterly playground inspections</p>	<ul style="list-style-type: none"> • Overall Condition rating is 4 (poor) or higher • A refurbishment or replacement has been triggered • Safety is compromised • Functionality and amenity is below required levels 	Style Guide
Neighborhood - Parks and recreation	<p>Medium to large facilities with a focus towards social and recreational spaces. Facilities should cater for the local community and residents. Emphasis towards natural and informal spaces, with local facilities such as bbqs, junior sports and local art</p> <p>For example Alf Smedley and Mel Baker Reserve.</p>	<p>These assets are maintained at a moderate standard with monthly maintenance, fortnightly mowing, and quarterly playground inspections</p>	<ul style="list-style-type: none"> • Overall Condition rating is 4 (poor) or higher • A refurbishment or replacement has been triggered • Safety is compromised • Functionality and amenity is below required levels 	Style Guide (if budget allows)
Neighborhood - Streets, corridors and civic spaces		<p>These assets are maintained at a moderate standard with monthly maintenance</p>	<ul style="list-style-type: none"> • Overall Condition rating is 4.2 (poor) or higher • A refurbishment or replacement 	Style Guide (if budget allows)

Hierarchy	Purpose	Maintenance & operations	Renewal Thresholds	Replacement Type
			<ul style="list-style-type: none"> has been triggered Safety is compromised Functionality and amenity is below required levels 	
Neighborhood - Coast		These assets are maintained at a moderate standard with monthly maintenance, fortnightly mowing, and quarterly playground inspections	<ul style="list-style-type: none"> Overall Condition rating is 4.2 (poor) or higher A refurbishment or replacement has been triggered Safety is compromised Functionality and amenity is below required levels 	Style Guide (if budget allows)
Local - Parks and recreation	<p>Local parks cater for nearby and adjacent residents, small in scale they function as spaces for gathering, resting and relaxing by locals. Facilities can include single age playspaces and short term amenities. Emphasis is put towards natural spaces and a sense of community ownership.</p> <p>For example Graymore Park.</p>	These assets are maintained at a safe standard with monthly maintenance, fortnightly mowing, and quarterly playground inspections	<ul style="list-style-type: none"> Overall Condition rating is 4.5 (very poor) or higher A refurbishment or replacement has been triggered Safety is compromised 	<p>Style Guide (if budget allows)</p> <p>Consider repurposed or refurbished options</p>
Local - Streets, corridors and civic spaces		These assets are maintained at a safe standard with monthly maintenance	<ul style="list-style-type: none"> Overall Condition rating is 4.5 (very poor) or higher A refurbishment or replacement has been triggered Safety is compromised 	<p>Style Guide (if budget allows)</p> <p>Consider repurposed or refurbished options</p>
Local - Coast		These assets are maintained at a safe standard with monthly maintenance, fortnightly mowing, and quarterly playground inspections	<ul style="list-style-type: none"> Overall Condition rating is 4.5 (very poor) or higher A refurbishment or replacement has been triggered Safety is compromised 	<p>Style Guide (if budget allows)</p> <p>Consider repurposed or refurbished options</p>

Appendix 2: Financial Summary

AMP 2020

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Acquisition (Total Project Cost)	\$2,182,014	\$1,941,000	\$58,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance & Operation cost of existing assets	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163
Maintenance & Operation costs of new assets	\$21,820.14	\$19,410.00	\$580.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Renewal	\$965,957	\$2,944,295	\$1,316,141	\$1,188,231	\$1,019,180	\$1,193,478	\$1,437,394	\$1,694,948	\$2,949,130	\$3,721,896
Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$6,359,954	\$8,094,868	\$4,564,884	\$4,378,394	\$4,209,343	\$4,383,641	\$4,627,557	\$4,885,111	\$6,139,293	\$6,912,059
External/ Grant Funding Allocation	-\$484,601	-\$827,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COUNCIL FUNDING REQUIRED	\$5,875,353	\$7,267,008	\$4,564,884	\$4,378,394	\$4,209,343	\$4,383,641	\$4,627,557	\$4,885,111	\$6,139,293	\$6,912,059

Figures are in nominal (current Year) values.

LTFP (after AMP 2016)

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Acquisition (Total Project Cost)	\$2,182,014	\$1,941,000	\$58,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance & Operation cost of existing assets	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163	\$3,190,163
Maintenance & Operation costs of new assets	\$21,820.14	\$19,410.00	\$580.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Renewal	\$1,093,764	\$964,065	\$1,201,203	\$562,925	\$2,804,654	1,272,122.91	\$914,200	3,989,236	\$1,510,369	\$626,088
Disposal	\$0	0	\$0	\$0	\$0	0	\$0	0	\$0	0
TOTAL COST	\$6,487,761	\$6,114,638	\$4,449,946	\$3,753,088	\$5,994,817	\$4,462,286	\$4,104,363	\$7,179,399	\$4,700,532	\$3,816,251
External/ Grant Funding Allocation	-\$484,601	-\$827,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COUNCIL FUNDING REQUIRED	\$6,003,160	\$5,286,778	\$4,449,946	\$3,753,088	\$5,994,817	\$4,462,286	\$4,104,363	\$7,179,399	\$4,700,532	\$3,816,251

Figures are in nominal (current Year) values.

City of Holdfast Bay Open Space and Coastal AMP

AMP 2020 Acquisition Works (Total Project Cost)*

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Coast Park and Kingston Park Masterplan	\$0	\$608,140	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Brighton Oval Redevelopment Additional Open Space Assets	\$0	\$450,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Brighton Oval Redevelopment New Playground	\$234,436	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Coast Park and Kingston Park Masterplan	\$769,000	\$827,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Da Costa Playspace Upgrade	\$110,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Foreshore irrigation upgrade	\$53,000	\$55,000	\$58,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Install Three New Sand Groynes	\$230,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wigley Playground Upgrade	\$785,578	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$2,182,014	\$1,941,000	\$58,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0

*Upgrade component of project only. Replacement cost of existing is already included in ongoing maint and ops budgets.

AMP 2020 External/ Grant Funding Allocation*

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Coast Park and Kingston Park Masterplan	-\$484,601	-\$827,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	-\$484,601	-\$827,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

*Upgrade component of project only. Replacement cost of existing is already included in ongoing maint and ops budgets.

AMP 2020 Renewal Works

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Artwork	\$22,823	\$68,469	\$45,646	\$45,646	\$35,045	\$32,365	\$136,947	\$134,541	\$139,164	\$111,285
Balustrades	\$0	\$9,823	\$0	\$0	\$6,080	\$5,969	\$0	\$0	\$0	\$13,755
Barbecue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,190	\$0	\$9,865

City of Holdfast Bay Open Space and Coastal AMP

Base Pad	\$0	\$9,070	\$4,023	\$5,285	\$10,232	\$22,069	\$22,069	\$52,138	\$49,455	\$40,926
Bollards	\$0	\$2,541	\$1,029	\$756	\$112	\$3,360	\$1,288	\$1,897	\$4,026	\$1,964
Electrical & Lighting	\$45,000	\$57,653	\$21,066	\$44,037	\$24,900	\$21,080	\$65,022	\$21,066	\$37,137	\$284,540
Fences	\$36,000	\$92,939	\$76,963	\$76,027	\$80,135	\$58,575	\$108,367	\$101,640	\$75,927	\$56,474
Gates	\$0	\$0	\$827	\$0	\$7,490	\$41,718	\$0	\$6,338	\$0	\$22,470
Marine	\$4,000	\$869,390	\$114,000	\$132,000	\$63,000	\$0	\$255,390	\$0	\$92,000	\$1,584,000
Pathway	\$190,000	\$491,283	\$549,873	\$365,168	\$486,983	\$279,134	\$190,000	\$322,238	\$223,869	\$203,030
Planting Structures	\$0	\$4,974	\$0	\$1,082	\$14,301	\$42,560	\$54,720	\$36,480	\$5,353	\$1,752
Playground Equipment	\$421,782	\$89,371	\$0	\$31,758	\$5,254	\$36,401	\$47,399	\$8,173	\$149,491	\$176,538
Seating	\$12,232	\$165,898	\$56,439	\$17,276	\$11,928	\$37,252	\$60,604	\$90,075	\$1,351,880	\$100,612
Security	\$90,200	\$231,567	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Shelter	\$0	\$101,136	\$40,656	\$98,546	\$31,656	\$40,373	\$12,419	\$37,829	\$61,338	\$140,696
Signs	\$31,821	\$47,202	\$14,664	\$46,784	\$0	\$20,599	\$49,894	\$212,117	\$12,153	\$97,949
Softfall	\$22,344	\$141,651	\$145,894	\$45,600	\$0	\$26,940	\$109,001	\$145,894	\$45,600	\$97,447
Sporting Structures	\$2,531	\$36,536	\$39,808	\$17,834	\$4,358	\$39,132	\$55,743	\$50,361	\$94,569	\$45,161
Sporting Surfaces	\$27,000	\$293,072	\$29,988	\$154,143	\$104,958	\$40,638	\$48,626	\$212,052	\$63,239	\$29,988
Walls	\$7,000	\$33,385	\$49,710	\$3,000	\$0	\$0	\$13,596	\$49,710	\$352,477	\$446,064
Waste	\$1,224	\$46,019	\$43,275	\$41,964	\$80,748	\$79,813	\$131,336	\$119,399	\$56,139	\$39,980
Water	\$52,000	\$152,316	\$82,280	\$61,325	\$52,000	\$365,500	\$74,973	\$74,810	\$135,313	\$217,400
TOTAL COST	\$965,957	\$2,944,295	\$1,316,141	\$1,188,231	\$1,019,180	\$1,193,478	\$1,437,394	\$1,694,948	\$2,949,130	\$3,721,896

Appendix 3: Data Confidence Grading System

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. Data set is complete and estimated to be accurate +-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 +-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 +-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 +-40%.
E – Unknown	None or very little data held.

Appendix 4: Open Space and Coastal Risks

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Responsibility	Completion Date
All	Unknown compliance with legislative and Australian Standards requirements. Unknown risks in emergency situations	High	Complete DDA compliance audit of all key Open Space and Coastal.	Asset Manager(s) and Staff	2025
All	No clear maintenance program due to unclear roles and responsibilities	High	Develop Operational Service Levels Management plans for all complex and high risk sites.	Asset Manager(s) and Staff	2025
All	Loss of key staff	Moderate	Develop succession plans.	CEO/ Senior Leadership Team	2023
All	Economics – Council unable to fund required capital, maintenance, or operational expenditure	Moderate	Ensure business continuance strategy includes capital and maintenance works Prioritise all capital and maintenance work i.e. essential or non-essential Have an active model to demonstrate the impact of deferring works	Asset Leadership Team	2025
All	Political Changes – Change in Executive Staff or Council	High	Documentation of procedures, policies, and workflows Provide regular updates to elected members on asset management	CEO/Senior Leadership	2023
All	AMP Modelling	Moderate	Independent review by specialists	Asset Leadership Team	2023
Coastal Assets	Sea level rise	Moderate	Review and implement findings of Coastal Protection Infrastructure Assessment 2020	Asset Manager(s) and Staff	2050
All	Lack of alignment between strategic direction and open space renewal works leads to unnecessary expenditure	Moderate	Both asset management planning and strategic property decision making to use same service level framework Asset leadership team to include staff responsible for both strategic planning and delivery of works	Asset Leadership Team	2022

City of Holdfast Bay Open Space and Coastal AMP

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Responsibility	Completion Date
All	Unsuccessful external grant applications	High	Planned major open space upgrades dependent on some external (State Government) grant funding. Community expectations unable to be met and projects delayed or scaled down to fit available budget	Asset Manager(s) and Staff	ongoing
All	Climate change – material useful lives may reduce and early failure occurring	Moderate	Adopt IPWEA Practice Note 12.1 Undertake Climate Change Infrastructure Adaptation Study	Asset Leadership Team	2023
Poor quality data within asset management plan	Data consistency and accuracy	Moderate	Improve the data confidence level through cleansing and collection of new data	Asset Manager(s) and Staff	2025
All	Change in community service standards or expectations	Moderate	Review community feedback through complaints or surveys	Council	2025

Appendix 5: Open Space and Coastal Improvement Plan

Task No	Task	Responsibility	Resources Required	Established	Due
1	Undertake annual safety inspection program on all playgrounds	Asset Manager(s) and Staff	BAU	2020	2022
2	Establish a compliance register for DDA requirements	Asset Manager(s) and Staff	Medium	2020	2024
3	Integrate open space and coastal maintenance into Technology One and link to customer requests	Asset Leadership Team	Low	2020	2022
4	Model the localised impacts of climate change of Holdfast's Open Space Assets and identify required actions	Asset Leadership Team	Low	2020	2022
5	Review the level of service for Holdfast's Open Space and refine	Asset Manager(s) and Staff	BAU	2020	2022
6	Consider and account for Life Cycle Costs (%) for all New Capital Bids based on either forecast expenditure or actual expenditure (where known)	Chief Executive Officer/ Senior Leadership Team	BAU	2020	2022
7	Aligned works program to asset hierarchy service levels	Asset Leadership Team	BAU	2020	2021
8	Works should be grouped into appropriate refurbishment and upgrade programs, to generate efficiencies of scale, and prevent disruption to stakeholders	Asset Manager(s) and Staff	BAU	2020	2022
9	Audit functionality, safety and amenity for key spaces and integrate service levels and forecast works	Asset Manager(s) and Staff	High	2020	2030
10	Review practice of reusing open space assets rather than disposing, and the cost benefit to council	Asset Manager(s) and Staff	BAU	2020	2022
11	Integrate findings of the Coastal Protection Infrastructure Assessment Report into maintenance, operations, and renewals	Asset Manager(s) and Staff	High	2020	2024
12	Develop Patawalonga Lock Maintenance, Operations, and Renewals Plan. Review every 5 years.	Asset Manager(s) and Staff	Medium	2020	2022

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Attachment 6





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City of Holdfast Bay

Plant and Equipment Asset Management Plan

October 2020



[Forward By the Mayor or CEO]

Document Control

Issue	Date	Issue Details	Author	Checked	Approved
V.1	04.08.2020	1 st Draft	SW		

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Abbreviations

Asset Management Plan	AMP
Level of Service	LoS
Long Term Financial Plan	LTFP

Executive Summary

City of Holdfast Bay own, operate and maintain 190 plant and equipment with a replacement value of \$7.6 mil. These assets support the delivery a number of services, including 31 car fleet as pool vehicles for administrative and depot staff, 37 heavy vehicles, 67 minor plant, and 55 major plant which deliver Field Service's civil, rapid response, and open space programs, as well as Community Wellbeing's home maintenance and bus programs.

Council's is committed to the maintenance, repair and replacement of its plant and equipment assets, to ensure they are able to operate safely and efficiently. Council has adopted a cyclical approach to plant and equipment replacement, ranging from 3 years for car fleet, to 10 years for major plant. The service life is timed to occur with the best return for investment for plant and equipment. It has been identified that the extended service life of high use heavy vehicles, such as road sweepers and community buses, has caused escalating maintenance costs and a disruption to critical services over the last four years. To address this, the service life of these vehicles has been shortened to five years in this asset management plan.

Council's Plant and Equipment portfolio is currently meeting the service level requirements of Council, and it is anticipated the cost to maintain council's plant and equipment will remain consistent. This is, however, dependent upon organization structure and capacity. Council's projected expenditure necessary to provide the services covered by this Asset Management Plan (AMP) includes operational, maintenance, renewal and disposal of existing assets over the 10-year planning period is \$17.2M or \$1.72M on average per year. It is anticipated renewal costs will be partially offset by disposal proceeds (trade in) estimated at \$3.68M.

The performance and function of the Plant and Equipment assets will be maintained at a safe standard at all times, through regular inspections and servicing that is compliant with legislative requirements and manufacturing specifications. Risk assessments are regularly completed on all plant and equipment.

As council replaces vehicles we will continue to embrace new and emerging technology and low emission options in support of our strategic plans (Environment Strategy, Strategic Plan). For example, a future improvement item identified in this asset plan is to work towards fully electric car fleet and executive vehicles, and hybrid options for heavy or utility vehicles, as well as advanced safety features. There may be a slight increase in forecast capital and acquisition expenditure over the medium term to allow for these improvements.

PLANT AND EQUIPMENT ASSET MANAGEMENT PLAN

We will drive a systematic approach to the development, maintenance and replacement of our assets and ensure that these assets meet the needs of our community.

TOTAL VALUE OF ASSETS
\$7.60 Million



Car Fleet
\$1.10 Mil



Major Plant
\$4.15 Mil



Major Plant
\$1.25 Mil



Minor Plant
\$1.25 Mil

LEVELS OF SERVICE



Community
Quality
Function
Capacity
Safety



Technical
Condition
Function/Capacity
Safety

IMPROVEMENT PLAN

REVIEW existing Plant & Equipment Policies & Procedures

UNDERTAKE electric vehicle feasibility study

REDUCE useful life of high use vehicles

CONDUCT risk assessment

IMPROVE disability access & safety of Community Bus Program



Strategic Directions inline with Plant & Equipment AMP

- A HEALTHY, CREATIVE, CONNECTED COMMUNITY**
 - Building a healthy, active and resilient community
 - Providing welcoming, accessible facilities
- A COMMUNITY CONNECTED TO OUR NATURAL ENVIRONMENT**
 - Using resources efficiently
- An EFFECTIVE CUSTOMER – CENTRED ORGANISATION**
 - Providing customer centred services
 - Enabling high performance
 - Being financially accountable
 - Supporting excellent, efficient operations

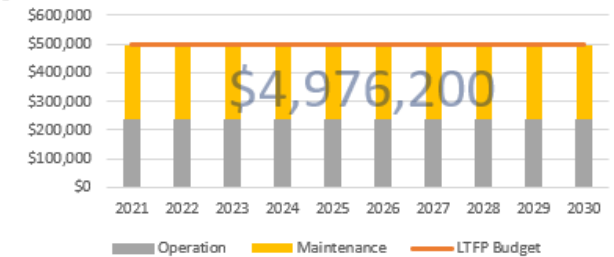
The Asset Sustainability Ratio indicates whether Council has the financial capacity to fund asset renewal at continued existing service levels.



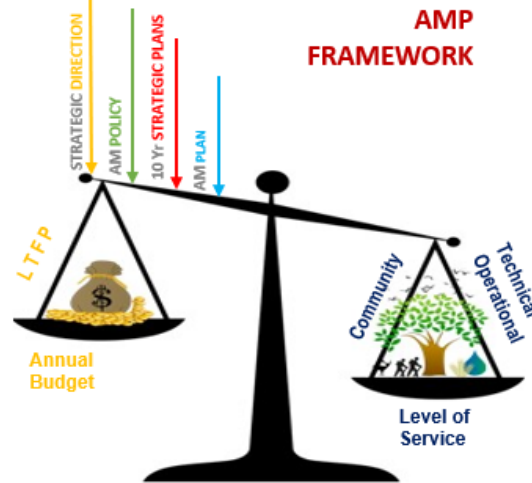
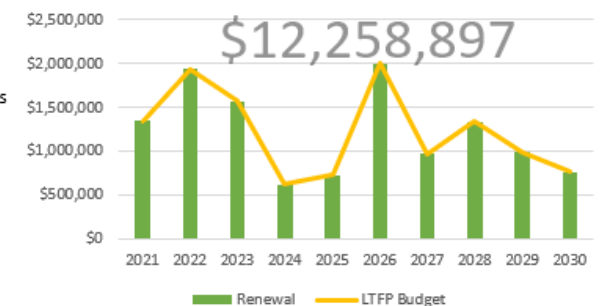
Council Target:
90-110%
over 5 Years

Over the next 10 years of forecasting, City of Holdfast Bay expects to have 100% of the funds required for the optimal renewal and replacement of Plant and Equipment assets.

10 Year Operational and Maintenance Expenditure Forecast



10 Year Renewal Expenditure Forecast



1 Introduction

In accordance with the Local Government Act 1999 (the Act) and the Strategic Plan (Our Place 2030), the Council provides a range of community services to the members of the local community and visitors. The services include transport services, waste management services, environmental services, social and recreational services, open space services, stormwater drainage services, and coastal and beach management services.

Under the Act, Council is required to develop and adopt an infrastructure and asset management plan covering a period of at least 10 years. In addition, Council is required to adopt a long-term financial plan 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. Variations to the scheduled works within the AMP and the LTFP may be adjusted as the need arises

The primary intent of asset management is to meet a required level of service in the most cost-effective way, through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets to provide for present and future community needs. The Plant and Equipment Asset Management plan will be a living document over the next 3 to 4 years complying to all legislative requirements, and to communicate funding required to provide the required levels of service over a 10-year planning period.

This plan also aims to align with ISO 55000 (international standard for asset management) but does not seek to become accredited as an ISO document or process. This document 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 ISO framework also aims to create transparency and accountability through all aspects of asset management; this process ensures that all stakeholders understand their roles and responsibilities of achieving the intentions of the plan.

The Plant and Equipment Asset Management Plan works in conjunction with the following Council's plans and strategies (Table 1.1-1).

Table 1-1 Plans, Strategies and Policies

Plans, Strategies and Policies
Our Place 2030 Strategic Plan
The Annual Business Plan
Asset Management Policy
Long Term Financial Plan
Disposal Policy
Use of Vehicle Policy

1.1 Legislation and relevant Acts

City of Holdfast Bay Plant and Equipment AMP

Council considers the following legislative framework in the management of its Plant and Equipment assets (Table 1.1-1).

Table 1.1-1 Legislative Requirements – Plant and Equipment Assets

Legislation	Requirements
Australian Accounting Standards	Standards applied in preparing financial statements, relating to the valuation, revaluation, and depreciation of Plant and Equipment assets.
Disability Discrimination Act 1992 and other relevant disability legislation	To eliminate, as much as possible, discrimination against persons on the grounds of disability. Sets the standard for accessibility.
Highway Act 1926	Sets out the legislative framework for roads and road authorities in SA.
Local Government Act 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of Long-Term Financial Plan supported by asset management plans for sustainable service delivery.
Local Government (Financial Management and Rating) Amendment Act 2005	Impetus for the development of a Strategic Management Plan, comprising an Asset Management Plan, and Long-Term Financial Plan.
Motor Vehicles Standards Act 1989 (Australian Design Rules)	National standards for vehicle safety, anti-theft, and emissions.
Relevant Australian Standards	Standards relating to requirements to inspect and certify cranes, elevated work platforms and lifting devices.
Relevant Heavy Vehicle National Law and Regulations	Laws and regulations related to heavy vehicles over 4.5 tonnes gross vehicle mass.
Road Traffic Act 1961	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.
Work Health and Safety Act 2012	An Act to provide for the health, safety, and welfare of persons at work; and for other purposes.

2 Asset Class Information

Plant and Equipment assets are divided into four hierarchy groups: Car fleet, Heavy Vehicle, Major Plant and Minor Plant. The diagram below displays the types of assets and its replacement value in each Plant and Equipment hierarchy.

PLANT & EQUIPMENT ASSET CLASS

MINOR PLANT

Total Replacement Value: **\$1.24MIL**
 Average Useful Life: **5 years**
 Quantity: **67**

- Air Conditioner (3) **\$38k**
- Audio System (7) **\$34k**
- Depot Tools & Equipment (16) **\$104k**
- Event Equipment (2) **\$18k**
- Caravan Park Equipment (6) **\$71k**
- IT Equipment (12) **\$655k**
- Parks & Garden Machinery (11) **\$131k**
- Security System (3) **\$138k**
- Other Equipment (7) **\$51k**

HEAVY VEHICLE

Total Replacement Value: **\$3.97MIL**
 Average Useful Life: **8.24 years**
 Quantity: **37**

- Bus (2) **\$293k**
- Beach Cleaner (1) **\$93k**
- Chipper (2) **\$148k**
- Construction Machinery (7) **\$735k**
- Ride on Mower (2) **\$50k**
- Street Sweeper (4) **\$770k**
- Truck (19) **\$1.88MIL**

MAJOR PLANT

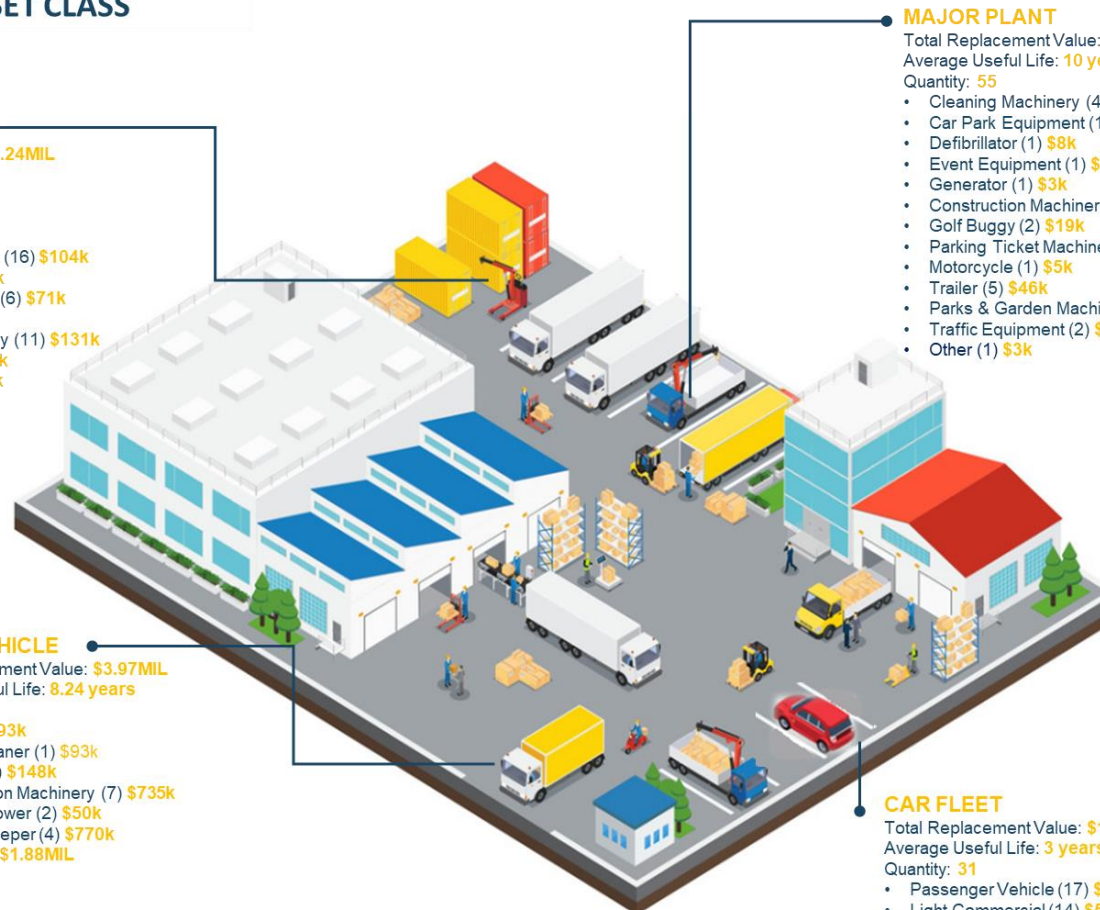
Total Replacement Value: **\$1.29MIL**
 Average Useful Life: **10 years**
 Quantity: **55**

- Cleaning Machinery (4) **\$63k**
- Car Park Equipment (18) **\$511k**
- Defibrillator (1) **\$8k**
- Event Equipment (1) **\$8k**
- Generator (1) **\$3k**
- Construction Machinery (5) **\$148k**
- Golf Buggy (2) **\$19k**
- Parking Ticket Machine (5) **\$210k**
- Motorcycle (1) **\$5k**
- Trailer (5) **\$46k**
- Parks & Garden Machinery (9) **\$189k**
- Traffic Equipment (2) **\$82k**
- Other (1) **\$3k**

CAR FLEET

Total Replacement Value: **\$1.13MIL**
 Average Useful Life: **3 years**
 Quantity: **31**

- Passenger Vehicle (17) **\$536k**
- Light Commercial (14) **\$592k**



2.1 Physical Parameter

This AMP covers the class of Plant and Equipment Assets for the City of Holdfast Bay. These assets are classified into four major asset groups:

- Heavy Vehicles – For example trucks > 4.5 tonne GVM etc),
- Car Fleet – For example sedans, wagons, utilities etc) and
- Minor Plant – For example push mowers, edgers, chainsaws, generators
- Major Plant – For example ride on mowers, crane attachment, hydrovacuum



Figure 2-1-1: Example of Heavy Vehicle



Figure 2-1-2: Example of Car Fleet

For a list of significant plant and equipment (replacement value >50k), see Appendix 1.

2.2 Asset Hierarchy

An 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 planning and delivery.

At City of Holdfast Bay, Plant & Equipment Target Service Lives are based on several criteria:

- Potential business interruption,
- Re-sale value,
- Escalating maintenance costs,
- Safety
- Fit for Purpose – able to undertake tasks required
- Condition/ Council's Image

For example, those vehicles critical to the organisation, such as street sweepers or pool vehicles, are replaced earlier in their life cycles to reduce the risk of unexpected asset failure and improve re-sale return, as well as ensuring they benefit from modern technological advancements.

Table 2-1 below summarises Council's service levels for each level of hierarchy.

Table 2-1 Asset Hierarchy

Hierarchy Level	Criticality	Description
A	High	High usage, public facing, complex and/or expensive to repair, critical to the core operations of council, or failure would pose a hazard to the community.
B	Medium	Typical usage, not public facing, standard maintenance and servicing

This framework was produced internally, and as part of Council’s Plant and Equipment Asset Improvement Plan, community consultation will be undertaken upon the next criticality framework review.

2.3 Asset Expected Life

All assets are provided with a baseline straight line 'useful life' value, used for the purposes of lifecycle cost planning and accounting for asset valuation and depreciation.

The 'service life' of plant and equipment assets differs from the standard design life and the useful life, as it also accounts for the ongoing maintenance and renewal of the asset to maintain a designated technical level of service, and also incorporates the most cost efficient point at which to replace the plant and equipment, as outlined above.

Table 2.3-1 Service Life – Plant and Equipment by Categories and Types

Plant and Equipment Category	Service Life (Years)
Car Fleet	3
Heavy Vehicles (High)	5
Heavy Vehicles (Medium)	9
Major Plant	10
Minor Plant	5

2.4 Asset Quality and Distribution

Council does not use condition assessment for its Plant and Equipment assets, unless the condition renders vehicle unsafe or unserviceable during an inspection or risk assessment. It instead uses the acquisition date-based approach where assets are replaced at the end of their service life.

Given the acquisition date-based approach to Plant and Equipment asset renewal, it is therefore critical for Council to ensure its Plant and Equipment assets are inspected and maintained in accordance with design specifications and timeframes.

Risk assessments are regularly completed on all plant and equipment.

3 Stakeholders

Key stakeholders in the preparation and implementation of this Open Space and Coastal Asset Management Plan are shown in Table 3-1-1.

Table 3-1-1 Plant and Equipment Asset Management Plan Key Stakeholders

Key Stakeholders	Roles in Asset Management Plan
Residents and Ratepayers	<p>Ultimate beneficiaries of the AMP process.</p> <p>Feedback collected throughout the year.</p> <p>Annual satisfaction survey undertaken.</p>
Visitor / Tourists	<p>Regular satisfaction surveys undertaken, and feedback collected.</p>
Business Owners; Traders; Service Providers	<p>Play a significant role in providing services.</p> <p>Feedback is collected through regular consultation.</p> <p>Suppliers provide the goods and services to manage the assets and infrastructure.</p>
Council	<p>To act as custodians of community assets</p> <p>To set asset management policy and vision</p> <p>Allocate resources to meet Council objectives in providing services while managing risks</p>
Chief Executive Officer/ Senior Leadership Team	<p>To provide leadership and strategic direction</p> <p>Review Asset Management Policy and Asset Management Strategies</p> <p>To ensure that community needs and the outcomes of service reviews are incorporated into asset management planning and Long-Term Financial Plan</p> <p>To ensure that training of Councillors and staff in financial and asset management practices is provided</p> <p>To ensure that accurate and reliable information is presented to Council</p> <p>To ensure appropriate delegations and approval processes are followed</p>
Asset Management Leadership Team	<p>Facilitate development of Asset Management Plans</p> <p>To oversee the implementation of the Asset Management Policy and Asset Management Strategies</p> <p>To oversee the ongoing development and review of service plans and asset management plans</p>

Key Stakeholders	Roles in Asset Management Plan
	<p>To ensure that community needs and the outcomes of service reviews are incorporated into asset management plans</p> <p>To promote and raise awareness of asset management within the organisation</p> <p>To ensure relevant health and wellbeing, human rights and equity principles and strategies are taken into consideration</p> <p>To develop and implement asset management improvement plan</p> <p>To provide and manage the asset management information system(s)</p> <p>Integrate asset management and financial plans and reporting</p>
Asset Manager(s) and Staff	<p>To lead the development of the Asset Management Plans</p> <p>To develop and implement maintenance, renewal and capital works programs in accordance with the Asset Management Policy, Strategy, Plans, as well as budget allocations.</p> <p>Develop Specific Management Plans (upgrade, renewal, maintenance, operations, disposal)</p> <p>To deliver levels of service to agreed risk and cost standards and expectations</p> <p>To report asset related risk and damage</p> <p>To establish and monitor asset compliance and risk inspection regimes</p> <p>To manage asset condition assessments</p> <p>To provide technical expertise to Asset Management Leadership Team</p>

4 Current and desired Levels of Service (LoS)

Levels of Service and the way these are benchmarked and measured annually and quarterly, are the single biggest point of difference between previous asset management plans and ISO 55000 standard plans. By its very definition ISO 55000 is measurable and definable outcome that typifies an outcomes-based paradigm.

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'.

The City of Holdfast Bay have 2 defined levels of service for Plant and Equipment:

- Customer (Community) Level of Service
- Technical Level of Service

The above 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 also intended to ensure that the Plant and Equipment assets are appropriate to meet service levels set by Council's annual budgets.

Customer (Community) Level of Service

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Quality	Operations of the Plant and Equipment including passenger vehicles.	Internal Staff Survey	7 or above –satisfaction
Culture: Supporting excellent, efficient operations	Function	Maintain all plant and equipment in good working order	Breakdowns/down time reports	0 per year
Culture: Supporting excellent, efficient operations	Capacity	Availability of appropriate Plant and Equipment.	Community and Internal Staff Survey	7 or above –satisfaction
Placemaking Creating lively and safe places	Safety	No preventable injuries to staff or members or public.	Number of injuries or accidents.	0

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Placemaking Creating lively and safe places	Safety	No preventable injuries to staff or members or public.	Up to date Risk Assessments for all Plant and Equipment	100%

Technical LOS

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Condition	Ensuring the fleet is in good working condition and meet all industry standards	Assets compliant with required turnover cycles	Above 95%
Culture: Supporting excellent, efficient operations	Condition	Ensuring the fleet is in good working condition and meet all industry standards	No lost time due to unavailable plant and equipment	Above 95%
Placemaking: Creating lively and safe places Placemaking: Developing walkable, connected neighbourhoods	Function/Capacity	Plant and Equipment assets have the capacity to meet the service level needs.	Community and Internal Staff Survey No lost time due to plant and equipment failure	7 or above – satisfaction
Placemaking: Creating lively and safe places	Safety	Council fleet are inspected on an annual basis by a suitable trade qualified workshop.	Proactive maintenance program	100%

5 Future Demand

The community's demand for the services changes overtime. The reason for change can be varied, some of the common drivers are environmental and technology. As service demand changes, the council's assets may also need to change to meet the changing demand.

Table 5-1 Future Demands

CURRENT POSITION	DEMAND FORECAST	DEMAND IMPACT	DEMAND MANAGEMENT PLAN	IMPACT ON ASSETS
Council and the community are increasingly aware of our impact to 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.	We are committed to using fewer of our precious resources, reducing our carbon footprint, and looking for smarter ways to achieve this objective.	<ul style="list-style-type: none"> ✓ Implement actions from the environmental strategy ✓ Climate Adaptation Risk Assessment ✓ Investigate alternative fuels on Council's car fleet, heavy vehicles, major and minor plant. 	<p>Higher costs associated with plant and equipment that are environmentally sustainable</p> <p>Electric vehicles with reduce noise for sensitive areas and after hours</p>
Testing new research and technologies being developed for plant and equipment, including a recent driverless bus trial	Looking for efficient and effective ways to improve plant and equipment's delivery of services	Taking advantage of opportunities through studies and grants to progress plant and equipment technology.	<p>Investigate new and emerging technologies during the procurement of new plant and equipment including;</p> <ul style="list-style-type: none"> ✓ Driverless Vehicles ✓ GPS Tracking ✓ Advanced Safety Technology ✓ Electric and Hybrid Options 	Higher costs associated with plant and equipment that have advanced technological features

6 Life Cycle Planning/Strategies

The lifecycle management plan details how the City of Holdfast Bay plans to manage and operate the assets at the agreed levels of service while managing life cycle.

The assets covered by this Plant and Equipment Asset Management Plan is shown in section 2, Asset Class Information.

This section presents an analysis of Council’s available Plant and Equipment assets information and the life cycle management plans covering the four key work activities to manage Plan and Equipment assets.

- **Routine Maintenance** – activities undertaken to ensure efficient operation and serviceability of the assets. This will ensure that the assets retain their service potential over the course of their useful life.
- **Capital Renewal/Replacement** – Provides a program of progressive renewal of individual assets. Deteriorating asset condition primarily drives renewal needs, with increasing maintenance costs also considered.
- **Decommission** – Any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation. Any costs or revenue gained from asset disposals is included in the long-term financial plan.
- **Creation/Acquisition** – Provides a program of works to create new assets or substantially upgrade existing assets. This is primarily driven by community, growth, social and/or environmental needs/desires.

The major stages can be further divided into specific processes as presented in the figure below. In each stage of the lifecycle, varying events will trigger the need to begin the next phase of the cycle. Further details on the processes of these lifecycle stages for Plant and Equipment assets is provided in the following sections.

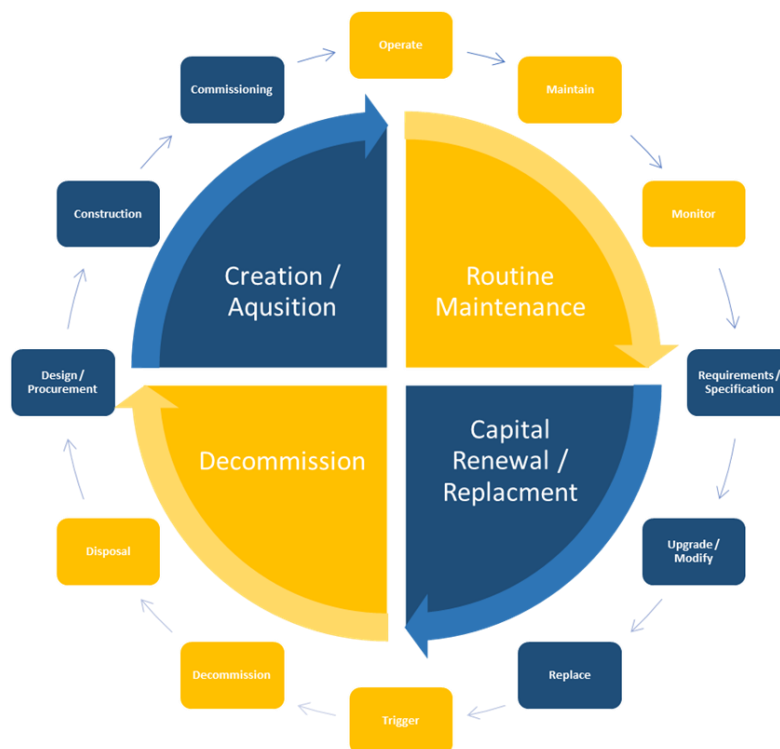


Figure 6-1 Life Cycle Management Plan

6.1 Operational and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cost of fuel, registration, insurance, vehicle batteries and tires.

Maintenance include all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include servicing and repairs.

As the years progress, the maintenance budget is projected to increase due to inflation and an asset portfolio growing in technological complexity.

Maintenance can be further classified into:

Reactive Maintenance

Reactive maintenance is unplanned repair work carried out in response to failure of the plant and equipment e.g. breakdown, accidental damage, safety repairs (non-scheduled servicing). Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement to minimise downtime.

Planned Maintenance

Planned Maintenance is identified and managed through an Asset Management System (AMS). AMS activities include inspection, scheduled servicing, condition assessment against breakdown experience. These activities include inspection, condition assessment and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

6.2 Renewal Plan

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

Renewal is the replacement¹ of an existing car fleet, heavy vehicle, major plant and minor plant. The decision for replacing these Plant and Equipment assets rely on Council's Plant and Equipment replacement program where:

- Car fleets are replaced every 3 years.
- High Use Heavy Vehicles are replaced every 5 years
- Medium Use Heavy Vehicles are replaced every 9 years
- Minor Plant are replaced every 5 years
- Major Plant are replaced every 10 years

Unless replacement is warranted due to safety, capacity, or functionality. For a full summary of forecast renewals (>50k) see Appendix 1.

6.3 Acquisition Plan

¹ AASB116 Property Plant and Equipment

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

We are planning upgrades to:

- Street Sweepers, to improve safety, efficiency, and performance
- Digital Scales on all Heavy Vehicles
- New, upgraded Jetting Unit
- Elevated Work Platform
- Small Footpath Sweeper

Additionally we are moving towards hybrid and electric vehicle options for all fleet vehicles, and heavy vehicles where possible.

6.4 Disposal Plan

Car fleet, heavy vehicle, major plant and minor plant assets are typically disposed of at end of life and are being replaced or identified as surplus to requirements. All assets disposed of are in accordance with Council's Disposal of Assets Policy.

Expected Disposal Proceeds are outlined in Table 7.3 1 Disposal Proceeds Estimate.

7 Financial Summary

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available with the introduction of a new strategic asset management modelling system in future asset plans, on desired levels of service and current and projected future asset performance.

A summary of all financials is provided in Appendix 1.

7.1 Asset Valuations

Valuations are undertaken in alignment with Australian Accounting Standard 'AASB13 Fair Value', and 'AASB116 Property Plant and Equipment'. These valuations are required every three to five years, with an independent audit required every five years. Valuations are undertaken to satisfy the financial reporting requirements and to understand the cost to replace assets. All costs are shown in current (2020) dollar values and do not include inflation.

The valuation of Council's Plant and Equipment Assets is summarised in Table 7-1-1.

Table 7.1-1 Plant and Equipment Asset Valuation

Asset Category	Current Replacement Cost	Accumulated Depreciation
Car Fleet	\$1,128,705	\$425,949
Heavy Vehicle	\$3,971,671	\$2,790,040
Major Plant	\$1,296,747	\$691,979
Minor Plant	\$1,242,199	\$931,753
TOTAL	\$7,639,322	\$4,839,721

7.2 Maintenance and Operations Trends and Forecasts

Figure 7.2-1 displays the maintenance and operational expenditure trend of City of Holdfast Bay's Open Space and Coastal assets.

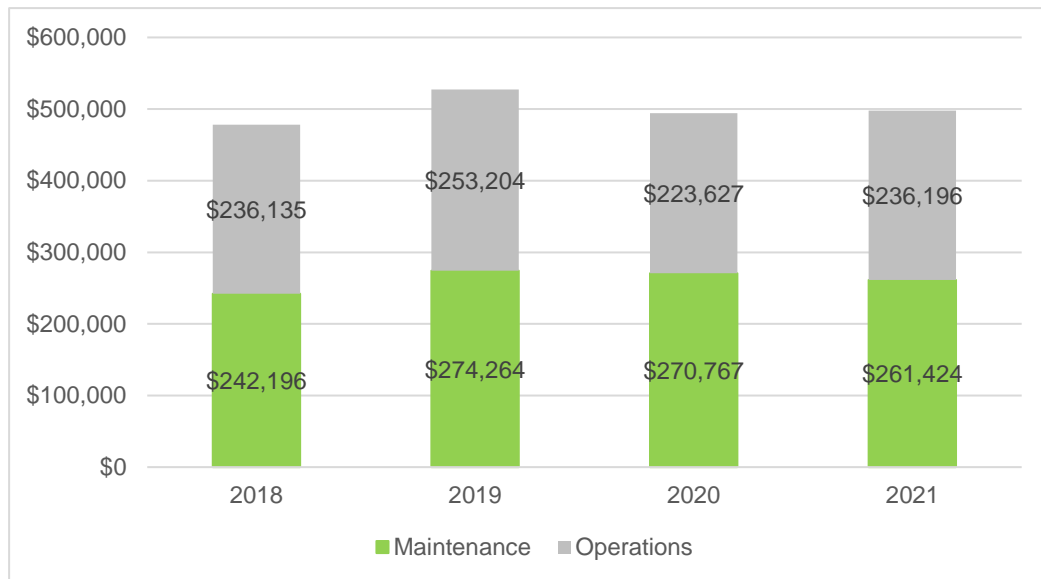


Figure 7.2-1 Maintenance and Operational Budget Trend Graph

7.3 Future Operations and Maintenance Forecast

The operation and maintenance costs on Council's Plant and Equipment assets are forecast to trend in line with the value of the asset stock shown in Figure 7.3-1 with an adopted 2020-21 financial year budget of \$497,620 (including fuel and maintenance costs). 2020-21 financial year costs are the baseline costs used in the preparation of this asset management plan. No CPI increase have been added to subsequent years.

Operational costs assume fuel and registration costs remains at current day prices (\$1.12/L Petrol and \$1.14/L Diesel).

Plant and equipment age their maintenance costs will increase, but this will be offset by younger plant and equipment purchased through the cyclical program.

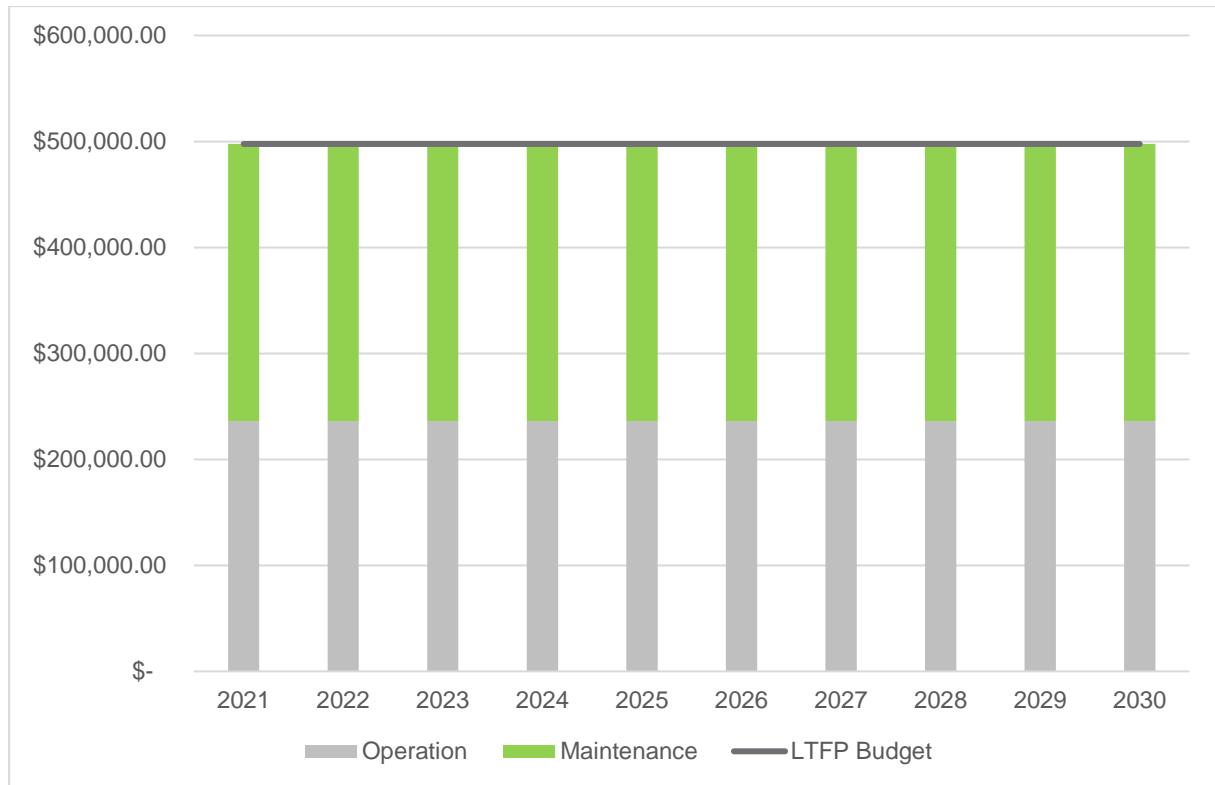


Figure 7.3-1 10 Year Operational & Maintenance Forecast

Whole of life cost will be considered for all new vehicles, including comparisons with the operational, maintenance, reliability, and capital costs of electric and hybrid vehicle options.

7.4 Future Renewal Forecast

Future Plant and Equipment renewal program identified in this asset plan are necessary to manage safety risks, operational requirements and maintain the Plant and Equipment assets at an acceptable level.

As shown in Figure 7.4-1, the forecast renewal costs are relatively consistent with the planned LTFP budget over the next 10 years. This assumes the plant and equipment are currently sufficient to deliver required service to the community and internal staff, and only minor upgrades, outlined in Section 6.3, are required over the 10 year period.

As services change, for example if additional street sweeping or tree watering is required, this may have a significant impact on the renewal forecast, due to the high capital, maintenance, and operating costs of specialist heavy machinery and vehicles.

It is anticipated that the two large community buses will require improved DDA access features during future renewal. Additional funds are outlined in Appendix 1: Financial Summary. As an upgrade, these will be requested through the new initiative process.

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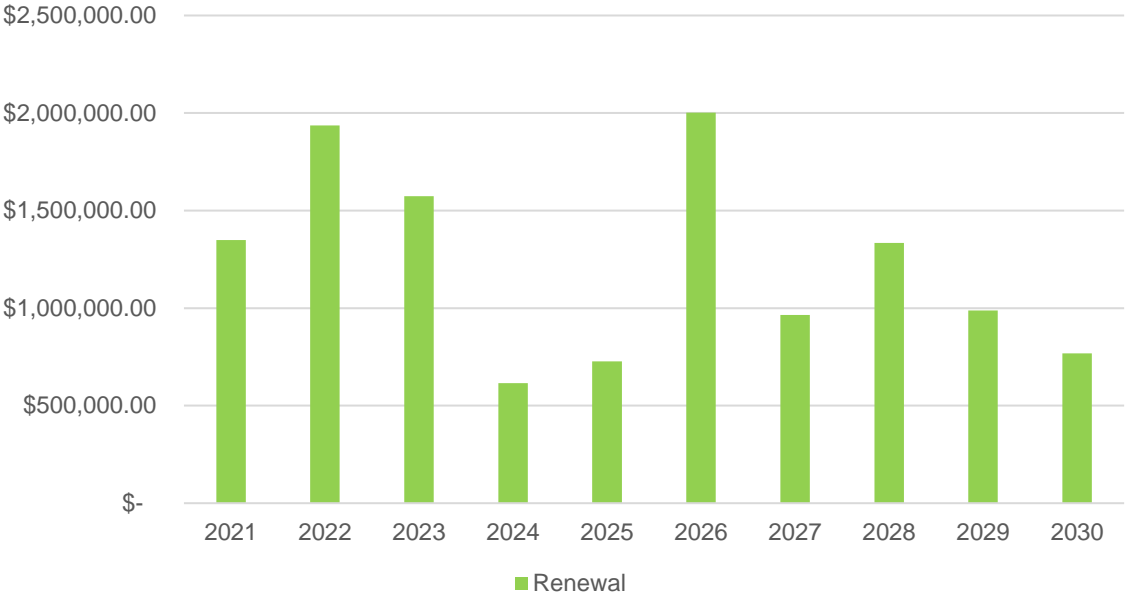


Figure 7.4-1 10 Year Renewal Forecast

Renewal is offset partially by the salvage value of the plant and equipment. In Table 7-4-3 below the disposal proceeds are estimated for the forecast renewal program, based on historical returns achieved over the last four years.

Table 7.4-3 Disposal Proceeds Estimate

Year	Renewal Spend Budget	Disposal Proceeds Budget	Net Budget
2021	\$1,349,500	\$400,000	\$949,500
2022	\$1,936,436	\$580,000	\$1,356,436
2023	\$1,573,960	\$470,000	\$1,103,960
2024	\$615,181	\$180,000	\$435,181
2025	\$727,752	\$220,000	\$507,752
2026	\$2,001,553	\$600,000	\$1,401,553
2027	\$965,310	\$290,000	\$675,310
2028	\$1,334,402	\$400,000	\$934,402
2029	\$987,337	\$300,000	\$687,337
2030	\$767,466	\$230,000	\$537,466

7.5 Assumptions

The following key assumption(s) were applied in this financial forecast:

- Acquisition date-based renewal program.
- No CPI was added to subsequent years.
- No acquisition of new assets

- No decommissioning of existing assets.
- Current Operational and Maintenance Budget are sufficient to maintain level of service.

7.6 Data Confidence

The expenditure and valuations projections in this AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. This Plant and Equipment data confidence is classified as 'B – Reliable' based on the IPWEA data confidence scale². 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 +-10%.

See Appendix 2 for data confidence grading system.

² IPWEA, 2011, IIMM, Table 2.4.6 p2|59.

8 Risk Management

The objective of the risk management process with regards to Plant and Equipment assets is to ensure that:

- 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.

An assessment of risks associated with service delivery from Plant and Equipment assets has identified the most critical risks to Council. The risk assessment process identifies and assesses risks, develops a risk rating, and develops a risk treatment plan for non-acceptable risks.

High and Very High Risks that have been identified are:

- Long service life for high use machinery causes escalating maintenance costs. This has been addressed in the asset replacement cycles of this asset plan.
- Disposal proceeds (trade in) are subject to the market and may vary
- A lack of availability of specialist plant and equipment
- Rise in fuel costs and tariffs will increase operational costs

A risk treatment action has been included in the forecast costs for this asset plan, and in some cases is already underway. For a full list of risks and treatment plans see Appendix 3.

9 Plan Improvement and Monitoring

9.1 Monitoring and Reviewing

The Plant and Equipment Asset Management Plan is not a one-off document but part of the Council's business planning process. For this reason, it is necessary to review and update any key assumptions, strategic change or budget decision that may affect the planned service levels and future expenditure requirements. To keep this asset plan current, council will schedule the plan review into its strategic and annual planning and budget processes. This asset management plan has a life of 4 years.

9.2 Improvement Plan

Improvement items identified in the previous asset plan that form a part of Council's ongoing business as usual improvements include:

- Continue to refine asset register - review useful lives and unit rates used for valuation purposes
- Generate project based rolling works program spanning 3 to 5 years for Plant & Equipment assets based on detailed visual inspection.
- Ensure Maintenance Standards and Plan align with agreed level of service
- Ensure appropriate budget lines to capture maintenance expenditures
- Implement regular internal inspections of Plant & Equipment

Specific Business Improvement Actions that will be a focus for the next three years include:

- Review plant currently beyond its service life, with a view to amending the remaining life or possible disposal without replacement

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- Update use of Vehicles Policy
- Reduce the service life of high-use heavy vehicles, such as road sweepers, to address escalating maintenance costs
- Improve the disability access and safety of Holdfast's community bus program
- Review alternate Plant and Equipment procurement including leasing or dry hire

All improvement actions have been included in the forecast costs for this asset plan, and in some cases are already underway. For a full list of improvement items see Appendix 4.

APPENDICES

Appendix 1: Financial Summary

Appendix 2: Data Confidence Grading System

Appendix 3: Plant and Equipment Risks

Appendix 4: Plant and Equipment Improvement Plan

Appendix 1: Financial Summary

AMP 2020

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Acquisition (Total Project Cost)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance and Operation cost of existing assets	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620
Maintenance and Operation cost of new assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewal	\$1,349,500	\$1,936,436	\$1,573,960	\$615,181	\$727,752	\$2,001,553	\$965,310	\$1,334,402	\$987,337	\$767,466
Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Improved Disability Access Community Bus	\$0	\$0	\$80,000		\$80,000	\$0	\$0	\$80,000	\$0	\$80,000
COUNCIL FUNDING REQUIRED	\$1,847,120	\$2,434,056	\$2,151,580	\$1,112,801	\$1,305,372	\$2,499,173	\$1,462,930	\$1,912,022	\$1,484,957	\$1,345,086

Figures are in nominal (current Year) values.

LTFP (After AMP 2016)

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Acquisition (Total Project Cost)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance and Operation cost of existing assets	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620
Maintenance and Operation cost of new assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewal	\$201,305	\$1,611,000	\$795,088	\$841,430	\$203,905	\$1,127,801	\$285,219	\$1,787,831	\$628,016	\$812,707
Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COUNCIL FUNDING REQUIRED	\$698,925	\$2,108,620	\$1,292,708	\$1,339,050	\$701,525	\$1,625,421	\$782,839	\$2,285,451	\$1,125,636	\$1,310,327

Figures are in nominal (current Year) values.

AMP 2020 Works

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Car Fleet	\$35,000	\$277,971	\$616,904	\$233,830	\$277,971	\$616,904	\$233,830	\$277,971	\$616,904	\$233,830
Heavy Vehicles	\$755,000	\$1,448,831	\$407,946	\$84,207	\$367,679	\$757,712	\$667,862	\$305,604	\$173,235	\$468,561
Major Plant	\$127,000	\$22,834	\$68,266	\$125,164	\$62,027	\$569,437	\$11,818	\$269,983	\$25,218	\$45,000

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Minor Plant	\$57,500	\$51,800	\$480,844	\$171,980	\$20,075	\$57,500	\$51,800	\$480,844	\$171,980	\$20,075
Office Furniture and Equipment	\$375,000	\$135,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$1,349,500	\$1,936,436	\$1,573,960	\$615,181	\$727,752	\$2,001,553	\$965,310	\$1,334,402	\$987,337	\$767,466

Figures are in nominal (current Year) values.

Disposal Proceeds Estimate

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Renewal Spend Budget	\$1,349,500	\$1,936,436	\$1,573,960	\$615,181	\$727,752	\$2,001,553	\$965,310	\$1,334,402	\$987,337	\$767,466
Disposal Proceeds Budget	\$400,000.00	\$580,000.00	\$470,000	\$180,000	\$22,000	\$600,000	\$290,000	\$400,000	\$300,000	\$230,000
NET BUDGET	\$949,500	\$1,356,436	\$1,103,960	\$435,181	\$705,752	\$1,401,553	\$675,310	\$934,402	\$687,337	\$537,466

Figures are in nominal (current Year) values.

Major Projects (>50k)

Asset	Description	Type
102574.0	Car Fleet - S382BTF - Toyota Hiace Bus - White – Community Services	Car Fleet
102575.0	Car Fleet - S383BTF - Toyota Hiace Bus - White - Community Services	Car Fleet
102474.0	Car Fleet - TBA - Mitsubishi Canter 515 MWB	Heavy Vehicles
102583.0	Heavy Vehicles - SB41NC - Fuso Concrete Truck 1 2017 Model	Heavy Vehicles
102584.0	Heavy Vehicles - S342BMG - Fuso Canter 2T 2016 Model 6500kg GCM 3300kg GVM 3200kg KW	Heavy Vehicles
102585.0	Heavy Vehicles - SB45JU - Hino Paving 2T 2014 Model 1980kg KW	Heavy Vehicles
102586.0	Heavy Vehicles - SB94JN - Hino Paving 2T 2014 Model 1980kg KW	Heavy Vehicles
102587.0	Heavy Vehicles - SB27MZ - Fuso Cutting 4T 2017 Model	Heavy Vehicles
102589.0	Heavy Vehicles - S24SBY - Caterpillar Loader 2016 Model	Heavy Vehicles
102590.0	Heavy Vehicles - S16SVS - Case Backhoe 2012 Model	Heavy Vehicles
102591.0	Heavy Vehicles - SB26MZ - Fuso Tipper 6T 2017 Model	Heavy Vehicles
102594.0	Heavy Vehicles - S341BMG - Fuso Canter 2016 Model - Handy Man	Heavy Vehicles
102596.0	Heavy Vehicles - S724BDP - Hino Sign Truck 2014 Model	Heavy Vehicles
102597.0	Heavy Vehicles - SB90LP - Rosmech Scarab Roadsweeper 2016 Model	Heavy Vehicles

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102598.0	Heavy Vehicles - S23SCV - Asura Mathieu Sweeper 2016 Model	Heavy Vehicles
102599.0	Heavy Vehicles - SB26KO - Macdonald J Road Sweeper 2015 Model	Heavy Vehicles
102601.0	Heavy Vehicles - S67SER - Boss Beach Cleaner 2017 Model - Clean Team	Heavy Vehicles
102602.0	Heavy Vehicles - S70SER - Kubota Tractor 2017 DHC 70hp Model	Heavy Vehicles
102603.0	Heavy Vehicles - SB62KO - Hino Small Tree 2015 Model - Trees	Heavy Vehicles
102604.0	Heavy Vehicles - SB46ET - Mitsubishi Fighter Chipper 6T 2011 Model - Trees (City Trees)	Heavy Vehicles
102605.0	Heavy Vehicles - SSB44ET - Mitsubishi Water Truck 6T 2011 Model - Trees	Heavy Vehicles
102607.0	Heavy Vehicles - SB01GX - Hino EWP 2013 Model - Trees	Heavy Vehicles
102617.0	Heavy Vehicles - SB76LV - Hino Canter 2016 Model	Heavy Vehicles
102618.0	Heavy Vehicles - SB45ET - Mitsubishi Fighter 2011 Model	Heavy Vehicles
102619.0	Heavy Vehicles - S73SAI - Volvo Loader 2014 Model	Heavy Vehicles
102631.0	Heavy Vehicles - SB22HE - Hino 816 Graffiti Truck 2013 Model - Graffiti	Heavy Vehicles
102636.0	Heavy Vehicles - TBA - Toyota Coaster Bus 2020 Model – Community Services	Heavy Vehicles
102637.0	Heavy Vehicles - SB30DW - Toyota Coaster Bus No 1 2017 Model – Community Services	Heavy Vehicles
105818.0	Heavy Vehicles - XS13AQ - Mitsubishi Canter	Heavy Vehicles
105819.0	Heavy Vehicles - XS66AO - Mitsubishi Fuso Fighter Tipper 7.5T 2018 Model	Heavy Vehicles
106256.0	Heavy Vehicles - S57SGK - John Deere Tractor 5085M with lawn edger - 2018 Model	Heavy Vehicles
106256.0	Heavy Vehicles - S57SGK - John Deere Tractor 5085M with lawn edger - 2018 Model - Reserves	Heavy Vehicles
111415.0	Heavy Vehicles - SX64CC - Mitsubishi Fuso with Flocon Unit 2019 Model	Heavy Vehicles
111009.0	Major Plant - Partridge St Car Park East - Automatic Pay Stations	Major Plant
111011.0	Major Plant - Partridge St Car Park East - Licence Plate Recognition System	Major Plant
111018.0	Major Plant - Partridge St Car Park West - Automatic Pay Stations	Major Plant
111020.0	Major Plant - Partridge St Car Park West - Licence Plate Recognition System	Major Plant
111027.0	Major Plant - Licence Plate Recognition Kit - Attached to Toyota Yaris	Major Plant
110977.0	Minor Plant - Fibre Link Connection Brighton Library	Minor Plant
110998.0	Minor Plant - RFID Collection Security System - Brighton Library	Minor Plant
110999.0	Minor Plant - RFID Collection Security System - Glenelg Library	Minor Plant

Appendix 2: Data Confidence Grading System

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. Data set is complete and estimated to be accurate +-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 +-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 +-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 +-40%.
E – Unknown	None or very little data held.

Appendix 3: Plant and Equipment Risks

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Responsibility	Completion Date
Heavy Vehicles, Plant and Equipment	Damage plant due to incorrect use	Moderate	<p>Ensure all plant and equipment has correct SWMS, SOPS, and Manuals.</p> <p>For new or complex machinery ensure training at handover and plant specific risk assessment has been completed</p>	Asset Manager(s) and Staff	Ongoing
Heavy Vehicles	Injury to operators	Moderate	<p>Ensure all plant and equipment has correct SWMS, SOPS, and Manuals.</p> <p>Ensure all machinery has up to date risk assessments</p>	Asset Manager(s) and Staff	Ongoing
Heavy Vehicles, Plant and Equipment	Breakdown causing downtime for operators and loss of service to the community	Low	<p>Turnover vehicles as per allocated service life</p> <p>Regular maintenance and inspections</p>	Asset Manager(s) and Staff	2022
Plant and Equipment	Unnecessary, and/or inefficient plant and equipment	Moderate	Review and assess utilization and capacity of plant and equipment every two years	Asset Manager(s) and Staff	2022
Plant and Equipment	Long service life for high use machinery causes escalating maintenance costs	High	Reduce life of high use machinery	Asset Management Leadership Team	2021
Plant and Equipment	Council may not have sufficient funds for required capital and maintenance	Moderate	<p>Apply a criticality framework to vehicles to ensure essential services can be delivered</p> <p>Ensure there is an option to lease or borrow vehicles from neighboring councils or private companies in case of extended disruption</p>	Asset Manager(s) and Staff	2023
Plant and Equipment	Loss of key staff and operators, leading to downtime of plant and equipment	Low	Develop succession plans	Chief Executive Officer/ Senior Leadership Team	2023
Heavy Vehicles	Non-compliance with HV Laws	Moderate	Ensure all vehicles are compliant with HV Laws,	Asset Manager(s) and Staff	2024

City of Holdfast Bay Plant and Equipment AMP

			including digital scales and correct dimensions		
Car Fleet, Heavy Vehicles	Out of Date Use of Vehicles Policy causes confusion or incorrect use of vehicle	Medium	Update Use of Vehicles Policy	Asset Manager(s) and Staff	2021
Specialist Plant and Equipment	Specialist plant and equipment unavailable	Medium	Maintenance for existing specialist equipment, and consider share arrangements with other councils or leasing options to reduce business disruption during long lead times	Asset Manager(s) and Staff	2022
Plant and Equipment	Changes to disposal proceeds (trade in)	Medium	Update expected disposal proceeds regularly in line with market prices. Consider net cost when changing useful lives	Asset Manager(s) and Staff	2023
Plant and Equipment	Rise in fuel costs and tariffs	Medium	Ensure sufficient budget to allow for expected rises in fuel costs and tariffs	Asset Manager(s) and Staff	2023

Appendix 4: Plant and Equipment Improvement Plan

Task No	Task	Responsibility	Resources Required	Established	Due
1	Develop a rolling 3 year works program identifying assets to be renewed.	Asset Manager(s) and Staff	Medium	2020	2022
2	Implement the risk mitigation strategies identified in this plan	Asset Leadership Team	Medium	2020	2023
3	Review plant currently beyond its service life, with a view to amending the remaining life or possible disposal without replacement	Asset Manager(s) and Staff	BAU	2020	2022
4	Review Use of Vehicles Policy	Asset Manager(s) and Staff	BAU	2020	2021
5	Undertake an Electric Vehicles Feasibility Study	Asset Manager(s) and Staff	Medium	2020	2022
6	Reduce the service life of high-use heavy vehicles, such as road sweepers, to address escalating maintenance costs.	Asset Management Leadership Team	Medium	2020	2021
7	Improve the disability access and safety of Holdfast's community bus program	Asset Manager(s) and Staff	Medium	2020	2022
8	Develop continuity planning in case of failure of high criticality plant and equipment. Lease options or sharing arrangements with neighboring councils.	Asset Manager(s) and Staff	Medium	2020	2022
9	Review alternate Plant and Equipment procurement including leasing or dry hire	Asset Manager(s) and Staff	BAU	2020	2022

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Item No: **7.3**

Subject: **2019-20 GENERAL PURPOSE FINANCIAL STATEMENTS**

Date: 7 October 2020

Written By: Manager Financial Services, Finance Manager - Alwyndor

General Manager: Strategy & Business Services, Ms P Jackson

SUMMARY

The financial statements for the year ended 30 June 2020 have been completed and audited by Council's auditor, BDO, who have indicated that an unqualified audit opinion will be provided and that there are no material issues arising from the audit. They are presented to the Audit Committee for review.

RECOMMENDATION

That the Audit Committee inform Council it has reviewed the General Purpose Financial Reports for the year ending 30 June 2020, as required under Section 126(4)(a) of the *Local Government Act 1999*, and found them to present fairly the state of affairs of the Council as required under the *Local Government (Financial Management) Regulations 2011*.

COMMUNITY PLAN

Culture: Being financially accountable

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

BACKGROUND

Pursuant to sub-section 126(4) of the *Local Government Act*, the Audit Committee is required to review Council's annual financial statements to ensure that they present fairly the state of affairs of Council.

The financial statements for the year ended 30 June 2020 have been completed and audited. They will be presented to an ordinary meeting of Council on 27 October 2020 for the Chief Executive Officer and the Mayor to be authorised to sign the certification of the financial statements.

Preliminary 2019/20 funding statements were received by Council on 11 August 2020 (Report 227/20) and have been previously distributed to members of the Audit Committee under separate cover. The preliminary statements excluded impairment of assets and the final Southern Region Waste Resource Authority result as these were yet to be finalised.

The attached 2019/20 financial statements have been prepared in accordance with The Model Financial Statements, Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011* and Council policies. The statements including notes and have not previously been considered by the Audit Committee.

REPORT

Independence of Council's Auditor

Regulation 22 of the *Local Government (Financial Management) Regulations 2011* details the legislative requirements for the independence of council auditor.

Regulation 22(1) states that a Council must not engage its auditor to provide services to the Council outside the scope of the auditors function under the Act.

Council's auditor, BDO, has not been engaged to provide any services to Council other than within the scope as auditor under the *Local Government Act*. The audit of Council includes the audit of the Alwyndor Aged Care Facility.

Regulation 22(3) requires that the Council Chief Executive Officer and Presiding Member of the Audit Committee execute certificates confirming that the Auditor has complied with the independence requirements. The Chief Executive Officer will sign the certificate prior to the Audit Committee meeting on 7 October 2020 under regulation 22(3) confirming the Auditor's independence. A copy will be tabled at the Audit Committee meeting on 7 October 2020 for completion by the presiding member.

Regulation 22(5) requires the auditor to provide a statement to the following effect:

"I confirm that, for the audit of the financial statements of the City of Holdfast Bay for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act".

A Council audit completion report including this declaration is provided at Attachment 1.

Refer Attachment 1

Regulations 22(4) and 22(6) require that copies of the above certificates must accompany the financial statements.

Financial Statements for the Year Ended 30 June 2020

Section 124 of the *Local Government Act* requires Council to keep such accounting records as correctly and adequately record and explain the revenues, expenses, assets and liabilities of the Council. The accounting records must be kept in a manner to enable the preparation and provision of statements that present fairly financial and other information.

Section 127 additionally requires councils to prepare for each financial year:

- Financial statements and notes in accordance with standards prescribed by the regulations; and
- Other statements or documentation relating to the financial affairs of the council required by regulation.

Regulation 13 of the *Local Government (Financial Management) Regulations 2011* further requires the financial statements of a Council (other than notes and other explanatory documentation) to be in accordance with the requirements set out in the Model Financial Statements published by the Local Government Association.

Consolidated financial statements are provided at Attachment 2 and have been audited by Council's Auditor, BDO, who have indicated that an unqualified audit opinion will be provided and that there are no material issues arising from the audit.

Refer Attachment 2

Audited financial statements for Alwyndor activities are provided at Attachment 3. Council's Auditor BDO presented a separate draft Alwyndor Audit Completion Report to the Alwyndor Management Committee on 18 September 2020 which was unqualified with no material issues. The final completion report is attached.

Refer Attachment 3a & b

As part of the audit, the General Manager Strategy & Business Services and Manager Financial Services will both sign a letter to the Auditor which provides certain representations in relation to the financial statements pursuant to Australian Auditing Standard ASA580, a copy of which is provided at Attachment 4.

Refer Attachment 4

The following comments are offered with respect to Council's 2019/20 consolidated financial statements:

Consolidation

The consolidated financial statements include Alwyndor Aged Care Facility ("Alwyndor") and Council's equity interest in the Southern Region Waste Resource Authority ("SRWRA").

Alwyndor is not a separate entity to Council but is operated with reasonable autonomy with oversight by a Committee of Council established under Section 41 of the *Local Government Act*, comprising Elected Members and independent members with relevant expertise.

SRWRA is an established regional subsidiary under Section 43 of the *Local Government Act*. Council has a 15% equity interest in SRWRA.

Operating Result

The consolidated operating result before capital revenues is \$1,192,000 (deficit) comprising \$1,151,000 (deficit) from Alwyndor and \$41,000 (deficit) from Council's municipal operations. Contained in Council's municipal operations result is a \$99,000 surplus from Council's equity interest in SRWRA.

The operating results vary from the preliminary result reported to Council on 11 August 2020 (Report 277/20) as indicated in the table below.

The major difference with the Council operating result was accounting for the final employee leave provision and processing final invoices to 2019/20.

Loan receivables were reviewed and considered by the Audit Committee on 9 September 2020 (Report 246/20). On 22 September 2020 Council noted the minutes of the Audit Committee (Minute C220920/2040). The loan impairment provision has been maintained in accordance with the recommendations.

The major difference with the Alwyndor result was processing adjustments following a thorough reconciliation of unspent funds within the Home Care program and a review of the asset register and useful lives.

Preliminary Report Council 227/20 operating result before net gain/loss on asset disposals/revaluations - rounded	Financial Statements Operating Result (rounded)	Difference (to Council Report 227/20)
Municipal Operations		
(\$48,000) Deficit	(\$41,000) Deficit	\$7,000 decrease in deficit

Alwyndor Operations		
(\$1,170,000) Deficit	(\$1,151,000) Deficit	\$19,000 decrease in deficit
Consolidated		
(\$1,218,000) Deficit	(\$1,192,000) Deficit	\$26,000 decrease in deficit

Additional comments comparing the results for 2019/20 to the previous year and referenced to the notes in the financial statements are provided at Attachment 5.

Refer Attachment 5

Ratio Analysis

Financial indicators have been determined and are detailed in Note 15 of the financial statements.

The ratios have been compared to the 2019/20 budget including the interest cover ratio which indicates the ability to service debt by calculating net financial interest as a percentage of overall operating revenue.

The following table provides ratio analysis for consolidated activities including comparisons to budget.

Ratio Consolidated Funds	Target – from Long Term Financial Plan	Original Budget	Revised Budget Forecast	Actual Results
Operating Result	≥ 0	\$72,300 Surplus	(\$1,419,162) Deficit	(\$1,192,000) Deficit
Operating Ratio	$\geq 0\%$	0.1%	(2.1%)	(2%)
Net Financial Liabilities Ratio	$\leq 75\%$	66%	63%	51%
Interest Cover Ratio	$\leq 5\%$	0.3%	0.5%	0.2%
Asset Sustainability Ratio	90% -110%	127%	118%	134%

Ratios - Municipal Funds

The following table provide ratio analysis for municipal activities including comparisons to budget.

Ratio – Municipal Funds	Target – from Long Term Financial Plan	Original Budget	Revised Budget Forecast	Actual Results (rounded)
Operating Result	≥ 0	\$252,376 Surplus	(\$447,863) Deficit	(\$41,000) Deficit
Operating Ratio	$\geq 0\%$	0.5%	(0.9%)	0%

Net Financial Liabilities Ratio	≤ 75%	60%	57%	43%
Interest Cover Ratio	≤ 5%	1.2%	1.2%	1.0%
Asset Sustainability Ratio	90% -110%	127%	131%	166%

Explanation of variances between budget and result – Municipal Funds

The contributing factors for the *operating result* budget forecast surplus decrease from the original forecast have been reported to Council throughout the financial year. The most recent report on 11 August 2020 (Report 227/20) fully detailed the budget forecast variations for 2019/20. The report included comprehensive details of the business unit variances in the operating actual surplus result compared to the revised budget forecast. The report was provided to Audit Committee members under separate cover.

The following table summarises the major contributing variances between the revised budget forecast and final result:

Major Municipal Operational Variances	Amount
Unspent funds from HACC program	\$53,900
Unspent funds from Jetty Road Mainstreet	\$275,068
Higher Caravan Park user income	\$117,689
Lower interest on borrowings expense	\$61,970
Lower depreciation expense	\$54,812
Timing of Financial Assistance Grants	\$114,655
Lower materials, contract & other expenditure	\$253,855
Higher employee leave provisions	(\$394,013)
Lower equity share in SRWRA	(\$131,300)
Total variance to forecast (favourable)	\$406,636

The major contributing factors for the reduced *net financial liabilities ratio* are as follows:

- The 2019/20 original ratio assumed completion of the 2018/19 capital works program. However not all 2018/19 capital projects were completed and the net capital expenditure budget was increased by \$7,714,169 during 2019/20.
- The 2019/20 capital expenditure program was not finalised by 30 June 2020 and \$6,042,669 (net) has been approved by Council (Report 227/20) to be carried forward into 2020/21 to be funded by new borrowings.
- The above factors contributed to strong positive cash flow throughout 2019/20 until March when the impact of COVID-19 occurred. This resulted in a financial concession be granted to defer the fourth rate instalment until 31 August 2020. Other non-rate revenue was reduced during this period while major capital expenditure was incurred for the Brighton Oval Complex and the Glenelg Town Hall projects. This resulted in the requirement for new borrowings totaling \$2.15m. This borrowing was substantially less

than the revised budget due to the timing of other capital expenditure as outlined in report 227/20.

Ratios – Alwyndor Funds

Ratio – Alwyndor Funds	Target – from Long Term Financial Plan	Original Budget	Revised Budget Forecast	Actual Results Rounded
Operating Result	≥ 0	(\$180,076) Deficit	(\$970,792) Deficit	(\$1,150,943) Deficit

Additional Alwyndor Performance Indicators	Target	Actual to 30 June 2020
Bed occupancy rate – year-to-date average	97.5%	98%
Cash Liquidity Level – ability to refund bonds/refundable accommodation deposits (RAD's)	Minimum of \$2m	\$4m @ call
Accommodation Bond/RAD Level – to ensure it is increasing to provide financial reserves for future capital expenditure	\$31.2m.	@ 30/6/20 \$33.5m. 5% increase
Percentage of full pension funded beds – this determines eligibility for Federal Government refurbishment supplement funding	41% - 55 beds	41% - 56 beds
Resident Financial Position – surplus/(deficit) position per resident	(\$11.96) deficit per resident per day	(\$30.14) deficit per resident per day

Explanation of variances between target, budget and result – Alwyndor Funds

The major contributing factors for the *operating result* actual deficit increase from the original forecast is based on numerous factors as tabled below:

Major Alwyndor Operational Variances	Amount
Higher COVID-19 funding	(\$345,000)
Higher income following the reconciliation of unspent funds for Home Care Packages	(\$100,000)
Higher depreciation on equipment	\$22,000
Higher wages due to management of COVID-19 including overtime to avoid agency, extra shifts for visitor management (including weekends) and cleaning regimes, and training. Two employee terminations occurred which were not included in the forecast.	\$350,000
Higher leave accruals due to year-end adjustments and reduction in leave taken during COVID-19	\$130,000
Higher medical supplies due to COVID-19	\$50,000
Higher materials, contracts and other expenses	\$73,000
Total variance to forecast	\$180,000

Southern Region Waste Resource Authority (SRWRA)

SRWRA is an established regional subsidiary under Section 43 of the *Local Government Act* to provide and operate services for the management of waste facilities under its control on behalf of its constituent Councils. The Councils include City of Holdfast Bay, City of Onkaparinga and City of Marion. Each Council has equal voting rights, however the percentage of interest and ownership differs being City of Holdfast Bay 15%, City of Onkaparinga 55% and City of Marion 30%. The SRWRA overall financial result for 2019/20 was \$658,000 operating surplus. The 2019/20 SRWRA financial statements are attached.

Refer Attachment 6

BUDGET

This report has no direct budget implications.

LIFE CYCLE COSTS

This report has no direct implication for life cycle costs.

Attachment 1





CITY OF HOLDFAST BAY

Annual completion report

YEAR ENDED 30 JUNE 2020

CONTENTS

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Dear Audit Committee Members

We are pleased to present this report to the Audit Committee of City of Holdfast Bay in relation to the 30 June 2020 annual audit.

As at the date of this report, we have substantially completed our audit and subject to the satisfactory resolution of the matters outlined in the Executive Summary, we expect to issue an unmodified audit report.

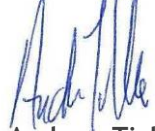
We have set out in this document the significant matters arising from our audit. This summary covers those matters we believe to be material in the context of our work.

We look forward to the Audit Committee meeting on 7 October 2020 where we will have the opportunity to discuss this report.

Should you require clarification on any matter in this report before this date, please do not hesitate to contact me on +61 8 7324 6082.

We would like to take this opportunity to extend our appreciation to management for their assistance and cooperation throughout the course of our audit.

Yours faithfully



Andrew Tickle

Engagement Partner

Adelaide, 25 September 2020





EXECUTIVE SUMMARY

PURPOSE

The purpose of this report is to communicate significant matters arising from our audit of the Council to the Audit Committee. This report has been discussed with management.

A separate report has been produced in relation to the significant matters arising from our audit of Alwyndor Aged Care; this should be read in conjunction with this report.

SCOPE

Our audit was conducted in accordance with Australian Auditing Standards and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 for the year ended 30 June 2020.

STATUS OF THE AUDIT

Our audit of the financial report is substantially complete. We expect to issue an unmodified audit report, subject to satisfactory completion of the following:

- ▶ Receipt of management representations on various matters;
- ▶ Review of subsequent events post 30 June 2020; and
- ▶ Receipt of formally adopted financial statements and agreement of these to the final draft provided to us to date.

A draft of the proposed audit report is included at [Appendix 1](#).

SUMMARY OF MISSTATEMENTS

We have not identified any misstatements during our audit.

AREAS OF AUDIT FOCUS

In performing our audit, we have identified those matters that, in the auditor's judgement, were of the most significance in the audit of the financial report. Our audit procedures also focused on areas that were considered to represent significant risks of material misstatement.

Refer to the relevant section for details on the significant risk areas and other areas focused on during the audit.

IMPACT OF COVID-19

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic. Besides the serious public health threat that has arisen from the outbreak of COVID-19, it continues to have serious economic impacts on many businesses.

COVID-19 AND THE FINANCIAL REPORT

The following table sets out the areas of the 30 June 2020 financial report and financial reporting process that were materially impacted by the COVID-19 pandemic. It also sets out our audit response to these impacts and our findings.

Area	Impact on the financial report	Audit response and summary of findings
Control environment	Potential deficiencies in the control environment may arise as a result of staff working from home due to social distancing and shelter-at-home directives.	Our response included updating our understanding of the control environment and the review of key internal controls while social distancing protocols were in place. We did not note any instances of a control failure as part of this testing.

AREAS OF AUDIT FOCUS

We identified the risk areas as part of our risk assessment procedures undertaken during the planning phase and continued to be alert for risks during the course of the audit. Our audit procedures focused on areas that were considered to represent risks of material misstatement.

Management override of internal controls

Description	Audit work performed	Summary of findings
Australian Auditing Standards require that we presume there is a risk that management has the ability to manipulate accounting records and override controls that otherwise appear to be operating effectively	<p>We tested general journals posted during the year and at the end of the reporting period to consider appropriateness.</p> <p>We reviewed accounting estimates for management biases for fraud. We sought to corroborate management explanations with independent supporting evidence whenever possible.</p>	We did not identify any evidence of misstatements due to management override of internal controls.

Cut-off of grant funding and accuracy of any amounts deferred at 30 June 2020

Description	Audit work performed	Summary of findings
There is a risk of error in the calculation of grant income recognised and deferred at the end of the year by reference to grant agreements and Australian Accounting Standards.	<p>The Council has early adopted AASB 15 <i>Revenue from Contracts with Customers</i> and AASB 1058 <i>Income of Not-for-Profits Entities</i> in the prior period.</p> <p>We reviewed grant revenue recognition for consistency with Council's accounting policies and Australian Accounting Standards. We obtained a schedule of grant income recognised and deferred at year end. We selected a sample of grants and obtained the agreements to review in detail and ensure that they have been recognised in accordance with applicable accounting standards.</p>	No issues were noted from our testing.

AREAS OF AUDIT FOCUS *CONTINUED*

Loans made to community organisations

Description	Audit work performed	Summary of findings
There is an increased risk in relation to the recoverability of the loans made to Glenelg Football Club. Therefore, consideration needs to be given whether any further impairment is required in 2020.	We obtained and review the Council's 2020 impairment of the Glenelg Football Club.	We noted that there was no further impairment of the loan in 2020, this appears reasonable and no exceptions were noted.

Disclosure of new Accounting Standards AASB 16 Leases

Description	Audit work performed	Summary of findings
<p>The new leases standard, AASB 16 Leases is effective for annual periods beginning on or after 1 January 2019 and early adoption is permitted. This new leases standard, which mainly impacts lessees, will therefore apply for the first time to your 30 June 2020-year end and supersedes existing standard, AASB 117 Leases, as well as related Interpretations.</p> <p>There is a risk of material misstatement in relation to the disclosures of AASB 16 impact on the Council's financial statements.</p>	<p>We obtained management's assessments and calculation. We made inquiries with management in respect of ongoing lease commitments, rent concessions provided, and sought to corroborate management representations to appropriate supporting documents.</p> <p>We reviewed the adoption impact at the date of application and the respective disclosures in the financial statements.</p>	We agreed with Council's assessment that there are no agreements that are considered to be a lease under AASB 16.

AREAS OF AUDIT FOCUS *CONTINUED*

Revaluation, depreciation, useful lives and residual values of Infrastructure, Land & Building

Description	Audit work performed	Summary of findings
<p>Council's infrastructure assets, land and building are carried at valuation. There is a risk that these balances are misstated as a result of the application of inappropriate valuation methodologies, or incorrect underlying assumptions.</p>	<p>Council's assets have been revalued by Council's employees in conjunction with independent valuers. We have evaluated the competence, capability and objectivity of the independent valuers, obtained an understanding of their work, and evaluated its appropriateness.</p>	<p>This year revaluations have been undertaken for footpaths based on independent valuations undertaken by Public Private Property. We noted that the revaluation has resulted in a net decrease in value of Council's assets by \$666,000.</p> <p>On the basis of the audit work performed, we are satisfied that the financial statements are presented fairly in relation to the revaluation of footpaths.</p>

Accounting Treatment for items captured within Capital Work In Progress

Description	Audit work performed	Summary of findings
<p>There is a risk that the accounting treatment of items captured within capital WIP may not be in accordance with Australian Accounting Standards.</p>	<p>We obtained the WIP schedule and reviewed in detail a sample of projects outstanding as at the end of the year to ensure they are likely to generate assets.</p> <p>We performed sample testing of assets transferred out of capital WIP to ensure that the categorisation and value allocated to assets are appropriate.</p>	<p>No exceptions were noted in relation to the accounting treatment of capital works in progress.</p>



INTERNAL CONTROL

CURRENT YEAR

We have a responsibility to provide an audit report in which we express a conclusion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law in all material respects.

In addition, accordance with ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*, we are required to communicate in writing, significant deficiencies in internal control identified during the audit to those charged with governance on a timely basis.

The standard defines a deficiency in internal control as follows:

1. A control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial report on a timely basis; or
2. A control necessary to prevent, or detect and correct, misstatements in the financial report on a timely basis is missing.

Significant deficiency in internal control means a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgement, is of sufficient importance to merit the attention of those charged with governance. There were no significant deficiencies identified in internal controls during the course of the Council audit.

We intend providing an unqualified audit report in relation to compliance with Section 125 of the Local Government Act 1999.

INTERNAL CONTROL RISK ASSESSMENT

We have completed the testing of internal controls for the purpose of providing an audit opinion on Council's internal controls. This work focuses on controls exercised by the Council in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law.

Our assessment of internal controls is based on the criteria in the Better Practice Model - Financial Internal Control for South Australian Councils as issued by the Local Government Association of South Australia.

The Better Practice Model emphasises a risk based approach to internal financial controls. It states that a Council should design and implement internal financial controls activities and monitoring systems that prioritise extreme and high financial risk as identified by the Council's risk tolerance framework.

We have been advised by the management that no risk assessment was performed for this financial year. Instead, self-assessment was performed over all 'core controls' that are suggested per Better Practice Model.

For the purpose of our internal control audit opinion, we have performed our own risk assessment to identify the key financial risks facing the Council, determine the inherent risk level and evaluate core controls activities to address this risk. Based on this work, we have not noted any material exceptions that would lead to a qualification to the audit report on internal controls.



OTHER REPORTING REQUIREMENTS

INDEPENDENCE AND ETHICS

In conducting our audit, we are required to comply with the independence requirements of the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 2011* made under that Act and s290 of APES 110 *Code of Ethics for Professional Accountants*.

We have obtained independence declarations from all staff engaged in the audit.

We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

We have not become aware of any issue that would cause any member of the engagement team, BDO or any BDO network firm to contravene any ethical requirement or any regulatory requirement that applies to the audit engagement.

BDO has not provided any other services during the audit to City of Holdfast Bay.

None of these engagements have impaired our independence

The *Corporations Act 2001* requires the lead auditor to make a declaration to the directors regarding independence. We are in a position to make this declaration, a draft of which has been included at [Appendix 2](#).

NON-COMPLIANCE WITH LAWS AND REGULATIONS

We have made enquiries in relation to any non-compliance with laws and regulations during the course of our audit. We have not identified any instances of non-compliance with laws and regulations as a result of our enquiries.

We have not identified any reportable matters during the course of our audit.

FRAUD

Management have confirmed that there were no matters of fraud identified for the period under audit, or subsequently. It should be noted that our audit is not designed to detect fraud however should instances of fraud come to our attention we will report them to you.

We have not identified any instances of fraud during the course of our audit.



APPENDIX 1 PROPOSED AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF CITY OF HOLDFAST BAY

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of Holdfast Bay (the Council), which comprises the statement of financial position as at 30 June 2020, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the financial report of City of Holdfast Bay, presents fairly, in all material respects, the Council's financial position as at 30 June 2020 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the Local Government Act 1999 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Local Government Act 1999, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the annual reports of the Southern Region Waste Resource Authority for the year ended 30 June 2020.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report of the City of Holdfast Bay, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Council's Responsibility for the Financial Report

The Council's officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 and for such internal control as the Council's officers determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.



APPENDIX 1 PROPOSED AUDIT REPORT CONTINUED

In preparing the financial report, the Council's officers are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council's officers either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_files/ar4.pdf.

This description forms part of our auditor's report.

BDO Audit (SA) Pty Ltd

Andrew Tickle
Director

Adelaide, XX October 2020



APPENDIX 2 AUDITOR INDEPENDENCE DECLARATION

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the City of Holdfast Bay for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 - Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) Local Government (Financial Management) Regulations 2011.

Andrew Tickle
Director

BDO Audit (SA) Pty Ltd

Adelaide, XX October 2020



APPENDIX 3 NEW DEVELOPMENTS

We wish to bring to your attention some upcoming changes in financial reporting which may cause significant changes to your future reported financial position and performance. We have provided an overview of the major changes below and would be happy to discuss the impact on your business and assist with transition where applicable.

AASB 2020-4 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - COVID-19 RELATED RENT CONCESSIONS

Effective for annual reporting periods beginning on or after 1 June 2020, this change introduces a practical expedient that permits lessees not to assess whether a rent concession that occurs as a direct consequence of the COVID-19 pandemic is a lease modification, provided all of the following criteria are met:

- ▶ Change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately prior to the change
- ▶ Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a concession would meet this condition if it resulted in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021)
- ▶ There is no substantive change to other terms and conditions of the lease.

In such cases, the concessions are accounted for as if they were not a lease modification. On first time adoption for the year ended 30 June 2021, the cumulative effect of initially applying the amendment will be recognised as an adjustment to opening balances of retained earnings on 1 July 2020.

AASB 2018-6 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - DEFINITION OF A BUSINESS

The nature of this amendment clarifies the definition of a ‘business’ in AASB 3 *Business Combinations* (AASB 3) to assist in determining whether a transaction should be accounted for as a business combination or as an asset acquisition. The main amendments include:

- ▶ Narrowing the definition of ‘outputs’ and a ‘business’ to focus on returns from selling goods and services to customers, rather than on cost reductions
- ▶ Amending guidance on inputs, processes and outputs to align with the new definition of a ‘business’
- ▶ Clarifying that to be considered a ‘business’, an acquired set of activities and assets must include, as a minimum, an input and a substantive process, that together significantly contribute to the ability to create outputs.

There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively to acquisitions occurring on or after the beginning of the first annual reporting period beginning on or after 1 January 2020, i.e. on or after 1 July 2020.



APPENDIX 3 NEW DEVELOPMENTS CONTINUED

AASB 2020-1 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

Effective for annual reporting periods beginning on or after 1 January 2022, there are four main changes to the classification requirements within AASB 101

Presentation of financial statements:

1. The requirement for an ‘unconditional’ right has been deleted from paragraph 69(d) because covenants in banking agreements would rarely result in unconditional rights.
2. The right to defer settlement must exist at the end of the reporting period. If the right to defer settlement is dependent upon the entity complying with specified conditions (covenants), the right to defer only exists at reporting date if the entity complies with those conditions at reporting date.
3. Classification is based on the right to defer settlement, and not intention (paragraph 73), and
4. If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g. a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity under IAS 32.

As these amendments only apply for the first time to the 30 June 2023 balance sheet (and 30 June 2022 comparative balance sheet), companies are not yet able to make an assessment of the impacts regarding the right to defer settlement, compliance with bank covenants, and intention to settle.

APPENDIX 4 RESPONDING TO COVID-19

COVID-19 AND YOUR BUSINESS

The unprecedented COVID-19 crisis affecting the globe has directly and materially impacted economic activity in Australia and throughout the world. This has caused some otherwise healthy businesses to experience material reductions to revenue while overhead expenses have remained relatively fixed. This inevitably leads to a cash flow crisis and even solvency concerns.

Download **Coronavirus (COVID-19) Business impact and risk response guide** ▶



If your business is in this situation, an immediate and robust business rescue plan is necessary to give you the best chance to ensure long-term viability. Being proactive is critical.

Clients facing this scenario can click on the icon opposite for a detailed business impact and risk response guide. This provides guidance on the following areas:


- ▶ People and leadership
- ▶ Sustainability
- ▶ Operations
- ▶ Supply chain
- ▶ Health and safety.

The Australian Government has also released a number of economic measures in response of COVID-19 and BDO can continue to help you navigate these stimulus measures. Please refer to BDO's [‘Stimulus measures’](#) resource page where BDO advisers continue to provide expert commentary on these measures and how businesses can access them via a range of technical updates, webinars and articles.

COVID-19 AND FUTURE REPORTING PERIODS

We understand that this changing environment may continue to create challenges from a financial reporting perspective and create risks that entities may not have encountered before. BDO will continue to work closely with management to ensure these challenges are addressed on a timely basis.

Please refer to BDO's [IFRS Advisory Coronavirus](#) resource page which continues to be updated with financial reporting bulletins and accounting news articles which address ongoing financial reporting considerations for businesses



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VICTORIA
WESTERN AUSTRALIA

We have prepared this report solely for the use of City of Holdfast Bay. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

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Attachment 2



City of Holdfast Bay

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020



City of Holdfast Bay

General Purpose Financial Statements for the year ended 30 June 2020

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City of Holdfast Bay

General Purpose Financial Statements

for the year ended 30 June 2020

Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

R. Bria
CHIEF EXECUTIVE OFFICER

A. Wilson
MAYOR

Date: 27 October 2020

City of Holdfast Bay

Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Income			
Rates	2a	37,086	36,020
Statutory Charges	2b	2,230	2,282
User Charges	2c	7,602	7,698
Grants, Subsidies and Contributions	2g	13,958	13,896
Investment Income	2d	411	687
Reimbursements	2e	3,493	2,632
Other Income	2f	4,915	4,042
Net Gain - Equity Accounted Council Businesses	19	99	76
Total Income		69,794	67,333
Expenses			
Employee Costs	3a	31,646	29,316
Materials, Contracts & Other Expenses	3b	26,807	25,605
Depreciation, Amortisation & Impairment	3c	10,416	10,150
Finance Costs	3d	2,117	778
Total Expenses		70,986	65,849
Operating Surplus / (Deficit)		(1,192)	1,484
Asset Disposal & Fair Value Adjustments	4	(3,396)	(243)
Amounts Received Specifically for New or Upgraded Assets	2g	4,728	3,460
Net Surplus / (Deficit) ¹		140	4,701
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	(710)	(11,523)
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	183	-
Total Other Comprehensive Income		(527)	(11,523)
Total Comprehensive Income		(387)	(6,822)

¹ Transferred to Statement of Changes in Equity

City of Holdfast Bay

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	21,355	25,559
Trade & Other Receivables	5b	5,513	3,244
Inventories	5c	10	9
Total Current Assets		26,878	28,812
Non-Current Assets			
Financial Assets	6a	1,166	1,301
Equity Accounted Investments in Council Businesses	6b	3,227	2,945
Infrastructure, Property, Plant & Equipment	7a	720,377	712,513
Other Non-Current Assets	6c	4,551	5,053
Total Non-Current Assets		729,321	721,812
TOTAL ASSETS		756,199	750,624
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	45,278	41,053
Borrowings	8b	3,056	1,000
Provisions	8c	4,618	4,068
Total Current Liabilities		52,952	46,121
Non-Current Liabilities			
Borrowings	8b	10,554	11,460
Provisions	8c	469	432
Total Non-Current Liabilities		11,023	11,892
TOTAL LIABILITIES		63,975	58,013
Net Assets		692,224	692,611
EQUITY			
Accumulated Surplus		179,483	179,160
Asset Revaluation Reserves	9a	506,326	507,036
Other Reserves	9b	6,415	6,415
Total Council Equity		692,224	692,611

City of Holdfast Bay

Statement of Changes in Equity for the year ended 30 June 2020

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2020					
Balance at the end of previous reporting period		179,160	507,036	6,415	692,611
Net Surplus / (Deficit) for Year		140	-	-	140
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(710)	-	(710)
- Share of OCI - Equity Accounted Council Businesses	19	183	-	-	183
Other Comprehensive Income		183	(710)	-	(527)
Total Comprehensive Income		323	(710)	-	(387)
Balance at the end of period		179,483	506,326	6,415	692,224
2019					
Balance at the end of previous reporting period		174,459	518,559	6,415	699,433
Net Surplus / (Deficit) for Year		4,701	-	-	4,701
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(11,523)	-	(11,523)
Other Comprehensive Income		-	(11,523)	-	(11,523)
Total Comprehensive Income		4,701	(11,523)	-	(6,822)
Balance at the end of period		179,160	507,036	6,415	692,611

City of Holdfast Bay

Statement of Cash Flows

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates		36,370	35,907
Statutory Charges		2,270	2,332
User Charges		7,792	10,097
Grants, Subsidies and Contributions (operating purpose)		14,058	14,066
Investment Receipts		411	687
Reimbursements		3,503	2,642
Other Receipts		9,354	13,146
<u>Payments</u>			
Payments to Employees		(31,395)	(29,367)
Payments for Materials, Contracts & Other Expenses		(28,848)	(34,849)
Finance Payments		(665)	(778)
Net Cash provided by (or used in) Operating Activities	11b	12,850	13,883
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		3,485	(2,886)
Sale of Replaced Assets		195	390
Sale of Surplus Assets		40	22
Repayments of Loans by Community Groups		112	208
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(7,799)	(4,268)
Expenditure on New/Upgraded Assets		(14,320)	(7,162)
Net Cash provided by (or used in) Investing Activities		(18,287)	(13,696)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings		2,150	-
Proceeds from Bonds & Deposits		-	4
Proceeds from Aged Care Facility Deposits		7,159	8,640
<u>Payments</u>			
Repayments of Borrowings		(1,000)	(1,130)
Repayment of Bonds & Deposits		(34)	-
Repayment of Aged Care Facility Deposits		(7,042)	(9,234)
Net Cash provided by (or used in) Financing Activities		1,233	(1,720)
Net Increase (Decrease) in Cash Held		(4,204)	(1,533)
plus: Cash & Cash Equivalents at beginning of period	11	25,559	27,092
Cash & Cash Equivalents at end of period	11	21,355	25,559

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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n/a - not applicable

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention (except as stated below) in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

1.2 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 The Local Government Reporting Entity

The City of Holdfast Bay is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 24 Jetty Road, Brighton. These consolidated financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and

balances between activity areas and controlled entities have been eliminated.

3 Income Recognition

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years the payment of untied grants (financial assistance grants / local roads / supplementary grants) has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2017/18	\$1,185,644	\$1,136,934	+\$48,710
2018/19	\$1,676,394	\$1,324,637	+\$351,757
2019/20	\$1,234,622	\$1,173,216	+ \$61,406

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported

Note 1. Summary of Significant Accounting Policies (continued)

had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and

depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Fittings	\$2,000
Equipment	\$2,000
Buildings	\$10,000
Roads	\$10,000
Other Infrastructure	\$6,500

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture & Equipment

Office Furniture & Equipment	3 to 10 years
Vehicles and Road-making Equip	6 to 15 years
Other Plant & Equipment	3 to 25 years

Building & Other Structures

Buildings – masonry	50 to 170 years
Buildings – other construction	20 to 60 years
Park Structures – masonry	40 to 100 years
Park Structures – other construction	20 to 50 years

Infrastructure

Sealed Roads – Surface	15 to 40 years
Sealed Roads – Structure	120 to 150 years
Sealed Roads – Sub-base	300 years
Sealed Roads – Kerbing	100 years
Bridges	100 years
Paving & Footpaths	10 to 50 years
Drains / Culverts	15 to 150 years
Playground Equipment	10 to 20 years
Benches, seats, etc	7 to 25 years

Other Assets

Library Lending Materials	7 years
---------------------------	---------

6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

7 Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

8 Borrowings

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables"

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

applied and Council's involvement with the schemes are reported in Note 18.

10 Leases

Accounting policy applicable from 01 July 2019

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

10.1 Leases and Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Alwyndor Aged Care has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Resident loans are also treated using the principles of lease accounting because Alwyndor Aged Care has assessed that residents enter a lease to occupy a room within residential aged care facilities. Refer to note 1 (8.1.ii.).

i.) Aged Care Refundable Accommodation Deposits/ Contributions

Refundable Accommodation Deposits/Contributions are recognised upon receipt as per the amount received. Amounts received are repaid upon the resident vacating their accommodation and are settled in accordance with legislative requirements.

The accounting treatment for resident loans is described in 1(X) below. Un-refunded resident's loans (under the Aged Care Act) incur interest.

ii.) Aged Care Resident Loans

Resident loans are recorded as aged care facility deposits. Resident loans comprise of Refundable Accommodation Deposits/Contributions and Accommodation Bonds, which are subject to the Aged Care Act 1997.

Resident loans - Aged Care Act 1997

Lump sum amounts received from residents in payment of their accommodation expense (prior to 01/07/2014: Accommodation Bonds, from 01/07/2014: Refundable Accommodation Deposits (RAD)).

From December 2005 repayment to the resident is guaranteed by the Australian Government.

RADs and Bonds fall within the scope of AASB 16: Leases, in that there is a contract conveying to the resident the right to use an asset for a period of time, in exchange for consideration.

Alwyndor Aged Care estimated the fair value of the consideration by reference to the Daily Accommodation Payment (DAP) that the resident would have paid if they had not chosen to provide a RAD. This results in the recognition of a rental income amount, and corresponding interest expense. The impact of the change in policy is described further in note 1 (10).

11 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

12 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

13 New and amended accounting standards and interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

The City of Holdfast Bay has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The Council has determined the impact of the new standards will mainly impact the timing of revenue recognition in relation to special purpose grants. These grants are provided to the Council to construct or acquire an asset to be controlled by the Council. They are accounted for under AASB 1058 and as such, amounts received in relation to these grants are recorded as a liability "Amounts in Advance" and recorded in revenue as the asset is constructed.

AASB 16 Leases

Council

Council applied AASB 16 Leases, for the first time from 1 July 2019. This standard requires that the right of use conveyed by leasing contracts (except leases with a maximum term of 12 months and leases for low-value assets) be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2020, Council has no leases to which this treatment will need to be applied.

Alwyndor Aged Care

Alwyndor Aged Care has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for

short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss.

For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is as follows:

	New \$	Previous \$	Difference \$
Residential daily accommodation fees	1,882,278	430,133	1,452,145
Interest on accommodation bonds	1,535,138	82,993	1,452,145
Net surplus	347,140	347,140	-
Net assets	-	-	-

14 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 2. Income

\$ '000	Notes	2020	2019
(a). Rates Revenues			
General Rates			
General Rates		35,717	34,662
Less: Mandatory Rebates		(471)	(445)
Less: Discretionary Rebates, Remissions & Write Offs		(196)	(178)
Total General Rates		35,050	34,039
Other Rates (Including Service Charges)			
Natural Resource Management Levy		1,307	1,254
Separate & Special Rates		650	635
Total Other Rates		1,957	1,889
Other Charges			
Penalties for Late Payment		45	76
Legal & Other Costs Recovered		34	16
Total Other Charges		79	92
Total Rates Revenues		37,086	36,020
(b). Statutory Charges			
Development Act Fees		340	375
Animal Registration Fees & Fines		183	157
Parking Fines / Expiation Fees		1,161	1,140
Other Licences, Fees & Fines		546	610
Total Statutory Charges		2,230	2,282
(c). User Charges			
Cemetery/Crematoria Fees		245	154
Parking Fees		838	1,013
Sundry		76	90
Commercial Leases/Caravan Park		2,407	2,743
Aged Care Residential Fees and Rentals		3,876	3,515
Major Community Event		160	177
Other		-	6
Total User Charges		7,602	7,698

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 2. Income (continued)

\$ '000	Notes	2020	2019
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		283	349
- Banks & Other		128	338
Total Investment Income		411	687
(e). Reimbursements			
Private Works		71	73
Aged Care Facility - Home Care		2,969	2,308
Other		453	251
Total Reimbursements		3,493	2,632
(f). Other Income			
Rebates Received		270	428
Sundry		377	369
Aged Care Facility - Accommodation and Care Fees		2,425	979
Aged Care Facility - Home Care		1,744	2,132
Other		99	134
Total Other Income		4,915	4,042
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		4,728	3,460
Total Amounts Received Specifically for New or Upgraded Assets		4,728	3,460
Other Grants, Subsidies and Contributions		11,341	10,954
Untied - Financial Assistance Grant		1,173	1,325
Roads to Recovery		373	300
Home and Community Care Grant		1,010	965
Individually Significant Item - Additional Grants Commission Payment (refer below)		61	352
Total Other Grants, Subsidies and Contributions		13,958	13,896
Total Grants, Subsidies, Contributions		18,686	17,356
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		11,241	11,506
State Government		7,426	5,802
Other		19	48
Total		18,686	17,356

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 3. Expenses

\$ '000	Notes	2020	2019
(a). Employee Costs			
Salaries and Wages		26,531	24,136
Employee Leave Expense		2,296	2,312
Superannuation - Defined Contribution Plan Contributions	18	2,423	2,359
Superannuation - Defined Benefit Plan Contributions	18	250	277
Workers' Compensation Insurance		978	1,048
Less: Capitalised and Distributed Costs		(832)	(816)
Total Operating Employee Costs		31,646	29,316
Total Number of Employees (full time equivalent at end of reporting period)		340.4	332.6
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		41	41
Elected Members' Expenses		363	343
Election Expenses		12	214
Operating Lease Rentals - Non-Cancellable Leases (2019 only)	17		
- Minimum Lease Payments		-	47
Subtotal - Prescribed Expenses		433	645
(ii) Other Materials, Contracts and Expenses			
Contractors		7,802	7,728
Energy		518	619
Maintenance		2,341	2,467
Legal Expenses		160	247
Levies Paid to Government - NRM levy		1,282	1,234
Levies - Other		-	1
Professional Services		3,324	2,464
Water		573	763
Materials		2,666	2,595
Insurances		578	565
Waste Management		3,941	3,770
Other		3,189	2,507
Subtotal - Other Material, Contracts & Expenses		26,374	24,960
Total Materials, Contracts and Other Expenses		26,807	25,605

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 3. Expenses (continued)

\$ '000	Notes	2020	2019
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings & Other Structures		2,784	2,820
Infrastructure			
- Stormwater Drainage		503	492
- Roads		1,470	1,361
- Footpaths		945	929
- Kerb & Guttering		670	726
- Other Transport		445	442
- Open Space & Coastal		1,861	1,698
Plant & Equipment		970	1,013
Furniture & Fittings, Office Equipment		618	519
Library Lending Materials		150	150
Total Depreciation, Amortisation and Impairment		10,416	10,150
(d). Finance Costs			
Interest on Loans		582	630
Interest on Accommodation Bonds		1,535	148
Total Finance Costs		2,117	778

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		195	390
Less: Carrying Amount of Assets Sold		(3,556)	(631)
Gain (Loss) on Disposal		(3,361)	(241)
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		40	22
Less: Carrying Amount of Assets Sold		(75)	(24)
Gain (Loss) on Disposal		(35)	(2)
Net Gain (Loss) on Disposal or Revaluation of Assets		(3,396)	(243)

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 5. Current Assets

\$ '000	Notes	2020	2019
(a). Cash & Cash Equivalent Assets			
Cash on Hand at Bank		916	294
Deposits at Call		16,172	8,523
Short Term Deposits & Bills, etc.		4,267	16,742
Total Cash & Cash Equivalent Assets		21,355	25,559
(b). Trade & Other Receivables			
Rates - General & Other		1,288	574
Council Rates Postponement Scheme		42	40
Accrued Revenues		57	168
Debtors - General		1,626	1,436
GST Recoupment		240	196
Prepayments		527	298
Loans to Community Organisations		218	195
Aged Care Facility Deposits		1,942	525
Subtotal		5,940	3,432
Less: Allowance for Doubtful Debts		(427)	(188)
Total Trade & Other Receivables		5,513	3,244
(c). Inventories			
Stores & Materials		10	9
Total Inventories		10	9

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 6. Non-Current Assets

\$ '000	Notes	2020	2019
(a). Financial Assets			
Receivables			
Loans to Community Organisations		1,684	1,819
Provision for Impairment on Loans to Community Organisations		(518)	(518)
Total Receivables		1,166	1,301
Total Financial Assets		1,166	1,301
 (b). Equity Accounted Investments in Council Businesses			
Southern Region Waste Resource Authority	19	3,227	2,945
Total Equity Accounted Investments in Council Businesses		3,227	2,945
 (c). Other Non-Current Assets			
Capital Works-in-Progress		4,551	5,053
Total Other Non-Current Assets		4,551	5,053

City of Holdfast Bay

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 7a (i). Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/6/2019					Asset Movements during the Reporting Period						as at 30/6/2020				
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals							Dep'n	Impairment	
Land	2	28,062	-	-	-	28,062	-	-	-	-	-	-	28,062	-	-	-	28,062
Land	3	330,274	347	-	-	330,621	191	-	-	-	-	-	330,274	538	-	-	330,812
Buildings & Other Structures	2	3,652	-	2,554	-	1,098	-	247	-	(38)	-	-	3,652	247	2,592	-	1,307
Buildings & Other Structures	3	137,431	1,908	48,856	-	90,483	9,249	586	(2,442)	(2,746)	-	-	131,617	11,743	48,230	-	95,130
Infrastructure																	
- Stormwater Drainage	3	54,791	3,682	19,825	-	38,648	230	250	(8)	(503)	-	-	54,778	4,162	20,323	-	38,617
- Roads	3	121,569	4,200	42,491	-	83,278	-	1,242	(196)	(1,470)	-	-	120,800	5,442	43,388	-	82,854
- Footpaths	3	43,827	456	17,285	-	26,998	-	415	(90)	(945)	(666)	-	44,659	388	19,335	-	25,712
- Kerb & Guttering	3	64,548	2,434	19,161	-	47,821	-	1,526	(636)	(670)	-	-	63,624	3,959	19,542	-	48,041
- Other Transport	3	23,592	1,545	4,893	-	20,244	281	289	-	(445)	-	-	23,592	2,115	5,338	-	20,369
- Open Space & Coastal	3	53,826	1,858	19,429	-	36,255	5,455	820	(83)	(1,861)	-	-	53,613	8,134	21,161	-	40,586
Plant & Equipment	3	-	9,934	4,600	-	5,334	112	697	(162)	(970)	-	-	-	9,943	4,932	-	5,011
Furniture & Fittings, Office Equipment	3	-	4,708	1,863	-	2,845	752	97	(14)	(618)	-	-	-	5,484	2,422	-	3,062
Library Lending Materials	3	-	1,384	558	-	826	-	182	-	(150)	(44)	-	-	1,345	531	-	814
Total Infrastructure, Property, Plant & Equipment		861,572	32,456	181,515	-	712,513	16,270	6,351	(3,631)	(10,416)	(710)	-	854,671	53,500	187,794	-	720,377
Comparatives		856,267	26,359	154,682	-	727,944	3,006	3,891	(655)	(10,150)	(13,585)	2,062	861,572	32,456	181,515	-	712,513

Note 7a (ii). Investment Property

Nil

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices 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 within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

Fair value hierarchy level 2 valuations - Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of land - Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques. Accordingly, formal sensitivity analysis does not provide useful information.

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Highest and best use - For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land. Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

Valuation of Assets (continued)

Land & Land Improvements

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting data, effectively writing off the expenditure.

Land and Land improvements, including bulk earthworks with an assessed unlimited useful life, were valued at 30 June 2017 by Maloney Field Services.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2017
- Valuer: Maloney Field Services

Buildings & Other Structures

Buildings and other structures were revalued as at 30 June 2017 by Maloney Field Services

- Basis of valuation: Fair Value / Written down current replacement cost
- Date of valuation: 30 June 2017
- Valuer: Maloney Field Services

Infrastructure

Infrastructure assets have been valued as follows:

Roads, Kerb and Gutter

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2019
- Valuer: Public Private Property

Footpaths

- Basis of valuation: Written down current replacement cost
- Date of valuation: 31 December 2019
- Valuer: Public Private Property

Stormwater Drainage

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2017
- Valuer: Jones Lang LaSalle

Other Transport - Bridges, Car Parks, Traffic Control Devices

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2016
- Valuer: Maloney Field Services

Open Space, Coastal

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2018
- Valuer: Jones Lang LaSalle

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

Valuation of Assets (continued)

Plant & Equipment

These assets are recognised at cost.

Library Lending Materials

Library Lending Materials were valued as at 30 June 2020 by Council senior library officers.

Note 8. Liabilities

\$ '000	Notes	2020		2019	
		Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		5,084	-	3,302	-
Payments Received in Advance		4,291	-	3,481	-
Accrued Expenses - Employee Entitlements		230	-	468	-
Accrued Expenses - Other		328	-	346	-
Aged Care Facility Deposits		33,504	-	31,970	-
Deposits, Retentions & Bonds		-	-	34	-
Other		1,841	-	1,452	-
Total Trade and Other Payables		45,278	-	41,053	-
(b). Borrowings					
Loans		3,056	10,554	1,000	11,460
Total Borrowings		3,056	10,554	1,000	11,460
All interest bearing liabilities are secured over the future revenues of the Council					
(c). Provisions					
Employee Entitlements		4,618	469	4,068	432
Total Provisions		4,618	469	4,068	432

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 9. Reserves

\$ '000	1/7/2019	Increments (Decrements)	Transfers	Impairments	30/6/2020
(a). Asset Revaluation Reserve					
Land	310,456	-	-	-	310,456
Buildings & Other Structures	40,198	-	-	-	40,198
Infrastructure					
- Stormwater Drainage	22,004	-	-	-	22,004
- Roads	67,266	-	-	-	67,266
- Footpaths	14,055	(666)	-	-	13,389
- Kerb & Guttering	41,589	-	-	-	41,589
- Other Transport	2,727	-	-	-	2,727
- Open Space & Coastal	8,309	-	-	-	8,309
Library Lending Materials	432	(44)	-	-	388
Total Asset Revaluation Reserve	507,036	(710)	-	-	506,326
Comparatives	518,559	(11,523)	-	-	507,036

\$ '000	1/7/2019	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2020
(b). Other Reserves					
Alwyndor General Reserve	6,414	-	-	-	6,414
Total Other Reserves	6,414	-	-	-	6,414
Comparatives	6,414	-	-	-	6,414

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Note 10. Assets Subject to Restrictions

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

Receivables

Accommodation Bonds	1,942	525
Total Receivables	1,942	525
Total Assets Subject to Externally Imposed Restrictions	1,942	525

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2020	2019
(a). Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	21,355	25,559
Balances per Statement of Cash Flows		21,355	25,559
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		140	4,701
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		10,416	10,150
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(99)	(76)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(4,728)	2,886
Net (Gain) Loss on Disposals		3,396	243
		9,125	17,904
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(1,068)	(195)
Change in Allowances for Under-Recovery of Receivables		(239)	-
Net (Increase)/Decrease in Inventories		(1)	1
Net (Increase)/Decrease in Other Current Assets		478	-
Net Increase/(Decrease) in Trade & Other Payables		3,968	(3,585)
Net Increase/(Decrease) in Unpaid Employee Benefits		587	(242)
Net Cash provided by (or used in) operations		12,850	13,883
(c). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Corporate Credit Cards		150	150
LGFA Cash Advance Debenture Facility		14,358	14,358

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Corporate Credit Cards	150	150
LGFA Cash Advance Debenture Facility	14,358	14,358

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

City of Holdfast Bay

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019
\$ '000										
Business Undertakings	3,262	3,700	2,216	2,308	1,046	1,392	-	-	80,503	79,379
Community Services	23,795	21,249	30,328	26,741	(6,533)	(5,492)	12,072	11,553	94,853	94,663
Culture	688	641	4,659	5,058	(3,971)	(4,417)	266	259	17,376	17,366
Economic Development	583	598	1,378	1,276	(795)	(678)	-	-	342	347
Environment	472	288	8,076	7,601	(7,604)	(7,313)	13	106	43,219	42,939
Recreation	230	317	6,763	6,620	(6,533)	(6,303)	-	-	323,262	316,276
Regulatory Services	1,761	1,968	6,169	5,656	(4,408)	(3,688)	-	-	617	546
Transport & Communication	50	26	7,398	7,825	(7,348)	(7,799)	-	-	177,197	176,997
Unclassified Activities	-	-	-	-	-	-	-	-	3,278	3,322
Council Administration	38,953	38,546	3,999	2,764	34,954	35,782	1,607	1,978	15,552	18,789
Total Functions/Activities	69,794	67,333	70,986	65,849	(1,192)	1,484	13,958	13,896	756,199	750,624

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

Note 12b. Components of Functions

The activities relating to Council functions are as follows:

BUSINESS UNDERTAKINGS

Caravan Parks, Off-street Car Parks, Private Works, Commercial Property, Commercial Activities.

COMMUNITY SERVICES

Public Order and Safety, Crime Prevention, Health Services, Nursing Homes, Elderly Citizens Facilities, Home Assistance Scheme, Aged and Disabled Services, Youth Services, Community Bus, Community Amenities including Cemeteries and Public Conveniences.

CULTURE

Library Services, Heritage and Museum Facilities and Services.

ECONOMIC DEVELOPMENT

Tourism and Local Businesses Support.

ENVIRONMENT

Domestic Waste & Green Waste, Recycling, Coastal Protection, Stormwater and other Drainage, Street Cleaning, Street Lighting.

RECREATION

Jetties, Other Marine Facilities, Parks and Gardens, Sports Facilities.

REGULATORY SERVICES

Dog and Cat Control, Building Control, Town Planning, Health Inspection, Litter and Parking Control.

TRANSPORT

Construction and Maintenance of Roads, Footpaths, Traffic Control, Streetscape, Kerb and Water Table, Bridges.

COUNCIL ADMINISTRATION

Administration n.e.c., Elected Members, Organisational, Support Services, Rate Revenue.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 0.25% and 1.2% (2019: 1.25% and 2.78%). Short term deposits have an average interest rate of 1.14% (2019: 1.37%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.53% (2019: 0.55%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Receivables

Aged Care Facility Contributions

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities

Creditors and Accruals

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

Recognised Financial Instruments

Liabilities

Aged Care Facility Contributions

Accounting Policy:

To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

Terms & Conditions:

Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

Carrying Amount:

Approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.

Liabilities

Interest Bearing Borrowings

Accounting Policy:

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:

Secured over future revenues, borrowings are repayable six monthly; interest is charged at rates between 2.20% and 7.05% (2019: 3.75% and 7.05%).

Carrying Amount:

Approximates fair value.

Liabilities

Leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 17.

City of Holdfast Bay

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2020					
Financial Assets					
Cash & Equivalents	21,355	-	-	21,355	21,355
Receivables	5,793	901	901	7,595	6,824
Total Financial Assets	27,148	901	901	28,950	28,179
Financial Liabilities					
Payables	44,993	-	-	44,993	44,950
Current Borrowings	3,591	-	-	3,591	3,056
Non-Current Borrowings	-	4,943	9,156	14,099	10,554
Total Financial Liabilities	48,584	4,943	9,156	62,683	58,560
2019					
Financial Assets					
Cash & Equivalents	25,559	-	-	25,559	25,559
Receivables	3,553	990	936	5,479	4,497
Total Financial Assets	29,112	990	936	31,038	30,056
Financial Liabilities					
Payables	40,707	-	-	40,707	40,707
Current Borrowings	1,529	-	-	1,529	1,000
Non-Current Borrowings	-	5,248	10,287	15,535	11,460
Total Financial Liabilities	42,236	5,248	10,287	57,771	53,167

The following interest rates were applicable to Council's Borrowings at balance date:

	30 June 2020		30 June 2019	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	4.30%	13,610	4.73%	12,460
		13,610		12,460

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

City of Holdfast Bay

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	Notes	2020	2019
(a). Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Land		-	43
Buildings		510	6,815
Infrastructure		476	212
Reserves		800	2,914
Plant & Equipment		261	152
		2,047	10,136
These expenditures are payable:			
Not later than one year		2,047	10,136
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		2,047	10,136

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 15. Financial Indicators

\$ '000	Amounts 2020	Indicator 2020	Prior Periods 2019	2018
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These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	(1,192)			
Total Operating Income	69,794	(2%)	2%	2%

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	35,941			
Total Operating Income	69,794	51%	41%	49%

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Operating Surplus Ratio	(2%)	2%	2%
---	------	----	----

Adjusted Net Financial Liabilities Ratio	51%	41%	49%
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3. Asset Renewal Funding Ratio

Net Asset Renewals	7,604			
Infrastructure & Asset Management Plan required expenditure	5,676	134%	112%	51%

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 16. Uniform Presentation of Finances

\$ '000	2020	2019
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	69,794	67,333
<i>less</i> Expenses	(70,986)	(65,849)
Operating Surplus / (Deficit)	(1,192)	1,484
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(7,799)	(4,268)
<i>add back</i> Depreciation, Amortisation and Impairment	10,416	10,150
<i>add back</i> Proceeds from Sale of Replaced Assets	195	390
Subtotal	2,812	6,272
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(14,320)	(7,162)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	3,485	(2,886)
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	40	22
Subtotal	(10,795)	(10,026)
Net Lending / (Borrowing) for Financial Year	(9,175)	(2,270)

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 17. Leases

\$ '000	2020	2019
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Council as a Lessor

Leases Providing Revenue to the Council

Council owns various buildings and facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Income received from such leases are disclosed in Note 2c.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:

Not later than one year	485	511
Later than one year and not later than 5 years	1,750	1,912
Later than 5 years	1,609	2,130
	<u>3,844</u>	<u>4,553</u>

Note 18. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2019/20; 9.50% in 2018/19). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2018/19) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 18. Superannuation (continued)

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Note 19. Interests in Other Entities

\$ '000

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Income		Council's Share of Net Assets	
	2020	2019	2020	2019
Joint Ventures	99	76	3,227	2,945
Total	99	76	3,227	2,945

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2020	2019
Southern Region Waste Resource Authority	Management of waste and waste facilities	3,227	2,945
Total Carrying Amounts - Joint Ventures & Associates		3,227	2,945

Southern Region Waste Resource Authority

Established under Section 43 of the Local Government Act, 1999 to provide operate services for the management of waste and the management of waste facilities under its control on behalf of the constituent Council, being the City of Holdfast Bay, City of Marion, and City of Onkaparinga. The Authority made a provision of \$13.7m in the accounts for landfill restoration which is considered reasonable.

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 19. Interests in Other Entities (continued)

\$ '000

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2020	2019	2020	2019	2020	2019
Southern Region Waste Resource Authority	15%	15%	15%	15%	15%	33%

(c) Movement in Investment in Joint Venture or Associate

	Southern Region Waste Resource Authority	
	2020	2019
Opening Balance	2,945	2,869
Share in Operating Result	99	76
Share in Other Comprehensive Income	183	-
Council's Equity Share in the Joint Venture or Associate	3,227	2,945

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations.

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 178 km of road reserves of average width 8.7 metres.

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 4 appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

4. SOUTHERN REGION WASTE RESOURCE AUTHORITY

Council has a 15% interest in Southern Region Waste Resource Authority. The Authority describes contingent liabilities in Note 15 to their Financial Statements for the year ended 30 June 2020.

Note 22. Events After the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2020, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Certification of Financial Statements as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 27/10/20.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

City of Holdfast Bay

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 23. Related Party Transactions

\$ '000	2020	2019
Key Management Personnel		
Transactions with Key Management Personnel		
The Key Management Personnel of the Council include the Mayor, Councillors, Alwyndor Management Committee CEO and certain prescribed officers under section 112 of the <i>Local Government Act 1999</i> . In all, 32 persons were paid the following total compensation:		
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	1,071	1,121
Leave Entitlements on Termination	-	223
Payments to Mayor and Elected Members	358	364
Development Assessment Panel Independent Members, Alwyndor Management Committee	45	48
Total	1,474	1,756

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

City of Holdfast Bay

General Purpose Financial Statements for the year ended 30 June 2020

Auditor's Report - Financial Statements

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City of Holdfast Bay

General Purpose Financial Statements for the year ended 30 June 2020

Auditor's Report - Financial Statements

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City of Holdfast Bay

General Purpose Financial Statements for the year ended 30 June 2020

Auditor's Report - Internal Controls

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City of Holdfast Bay

General Purpose Financial Statements for the year ended 30 June 2020

Auditor's Report - Internal Controls

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City of Holdfast Bay

General Purpose Financial Statements

for the year ended 30 June 2020

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Holdfast Bay for the year ended 30 June 2020, the Council's Auditor, BDO Audit Partnership (SA) has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

R. Bria

CHIEF EXECUTIVE OFFICER

J Smedley

PRESIDING MEMBER, AUDIT COMMITTEE

Date: 27 October 2020

Attachment 3a



Alwyndor Aged Care

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020



ABN: 66 219 253 940

Alwyndor Aged Care

General Purpose Financial Statements for the year ended 30 June 2020

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Alwyndor Aged Care

General Purpose Financial Statements

for the year ended 30 June 2020

Certification of Financial Statements

We have been authorised by Alwyndor to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of Alwyndor's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year,
- internal controls implemented by Alwyndor provide a reasonable assurance that Alwyndor's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect Alwyndor's accounting and other records.

Roberto Bria
CHIEF EXECUTIVE OFFICER

Beth Davidson-Park
GENERAL MANAGER - ALWYNDOR

Date: 15 October 2020

Alwyndor Aged Care

General Purpose Financial Statements for the year ended 30 June 2020

Alwyndor Management Committee Declaration

The Alwyndor Management Committee declare that

In our opinion:

The financial statements and notes, as set out in the document are in accordance with the *Australian Charities and not-for-profits Commission Action 2012 and:*

- a comply with Australian Accounting Standards; and
- b give a true and fair view of the financial position of the registered entity as at 30 June 2020 and of its performance for the year ended on that date.

There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Kim Cheater
CHAIR

Date: 15 October 2020

Alwyndor Aged Care

Statement of Comprehensive Income

for the year ended 30 June 2020

\$	Notes	2020	2019
Income			
User Charges	2a	3,876,941	3,515,100
Grants, Subsidies and Contributions	2e	10,811,842	10,219,401
Investment Income	2b	321,137	504,940
Reimbursements	2c	2,968,911	2,307,825
Other Income	2d	4,185,601	3,128,905
Total Income		22,164,432	19,676,171
Expenses			
Employee Costs	3a	14,265,520	12,862,135
Materials, Contracts & Other Expenses	3b	6,272,256	5,897,148
Depreciation, Amortisation & Impairment	3c	1,242,461	1,187,033
Finance Costs	3d	1,535,138	147,719
Total Expenses		23,315,375	20,094,035
Operating Surplus / (Deficit)		(1,150,943)	(417,864)
Asset Disposal & Fair Value Adjustments	4	(75,402)	(2,333)
Net Surplus / (Deficit) ¹		(1,226,345)	(420,197)
Other Comprehensive Income		-	-
Total Comprehensive Income		(1,226,345)	(420,197)

¹ Transferred to Statement of Changes in Equity

Alwyndor Aged Care

Statement of Financial Position

as at 30 June 2020

\$	Notes	2020	2019
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	20,490,690	20,081,445
Trade & Other Receivables	5b	2,474,061	962,876
Total Current Assets		22,964,751	21,044,321
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	7a	38,436,043	39,425,770
Total Non-Current Assets		38,436,043	39,425,770
TOTAL ASSETS		61,400,794	60,470,091
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	36,374,805	34,458,517
Provisions	8b	1,616,173	1,410,322
Total Current Liabilities		37,990,978	35,868,839
Non-Current Liabilities			
Provisions	8b	156,821	121,912
Total Non-Current Liabilities		156,821	121,912
TOTAL LIABILITIES		38,147,799	35,990,751
Net Assets		23,252,995	24,479,340
EQUITY			
Accumulated Surplus		7,767,984	8,994,329
Asset Revaluation Reserves	9a	9,070,657	9,070,657
Other Reserves	9b	6,414,354	6,414,354
Total Alwyndor Equity		23,252,995	24,479,340

Alwyndor Aged Care

Statement of Changes in Equity for the year ended 30 June 2020

\$	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2020					
Balance at the end of previous reporting period		8,994,329	9,070,657	6,414,354	24,479,340
Net Surplus / (Deficit) for Year		(1,226,345)	-	-	(1,226,345)
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		(1,226,345)	-	-	(1,226,345)
Balance at the end of period		7,767,984	9,070,657	6,414,354	23,252,995
2019					
Balance at the end of previous reporting period		9,414,526	9,070,657	6,414,354	24,899,537
Net Surplus / (Deficit) for Year		(420,197)	-	-	(420,197)
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		(420,197)	-	-	(420,197)
Balance at the end of period		8,994,329	9,070,657	6,414,354	24,479,340

Alwyndor Aged Care

Statement of Cash Flows

for the year ended 30 June 2020

\$	Notes	2020	2019
Cash Flows from Operating Activities			
<u>Receipts</u>			
User Charges		3,876,941	3,517,249
Grants, Subsidies and Contributions (operating purpose)		10,882,454	10,219,401
Investment Receipts		321,137	504,940
Reimbursements		2,968,911	2,307,825
Other Receipts		3,463,484	3,519,643
<u>Payments</u>			
Payments to Employees		(14,292,664)	(12,708,264)
Payments for Materials, Contracts & Other Expenses		(6,517,574)	(6,518,933)
Finance Payments		(82,993)	(147,719)
Net Cash provided by (or used in) Operating Activities	11b	619,696	694,142
Cash Flows from Investing Activities			
<u>Receipts</u>			
Sale of Surplus Assets		-	42,367
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(234,905)	(199,865)
Expenditure on New/Upgraded Assets		(93,231)	(282,920)
Net Cash provided by (or used in) Investing Activities		(328,136)	(440,418)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Aged Care Facility Deposits		7,160,329	8,640,479
<u>Payments</u>			
Repayment of Aged Care Facility Deposits		(7,042,644)	(9,234,547)
Net Cash provided by (or used in) Financing Activities		117,685	(594,068)
Net Increase (Decrease) in Cash Held		409,245	(340,344)
plus: Cash & Cash Equivalents at beginning of period	11	20,081,445	20,421,789
Cash & Cash Equivalents at end of period	11	20,490,690	20,081,445

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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n/a - not applicable

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Alwyndor in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

1.2 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Alwyndor's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest dollar.

2 The Reporting Entity

Alwyndor Aged Care reports under the Australian Charities and Not-for-profits Commission Act 2012 and has its principal place of business at 52 Dunrobin Road, Hove, South Australia. These

consolidated financial statements include Alwyndor's direct operations and all entities through which Alwyndor controls resources to carry on its functions. In the process of reporting on Alwyndor as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income Recognition

Alwyndor recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which Alwyndor expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable Alwyndor to acquire or construct a recognisable non-financial asset that is to be controlled by Alwyndor. In this case, Alwyndor recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Alwyndor's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

5 Infrastructure, Property, Plant & Equipment

5.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by Alwyndor includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Alwyndor for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$2,000
Other Plant & Equipment	\$2,000
Buildings - new construction/extensions	\$10,000

5.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of

asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

5.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Alwyndor, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

5.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Alwyndor were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

6.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Alwyndor assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

7.2 Superannuation

Alwyndor makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Alwyndor's involvement with the schemes are reported in Note 13.

8 Leases

Accounting policy applicable from 01 July 2019

Alwyndor assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an

identified asset for a period of time in exchange for consideration.

8.1 Leases and Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Alwyndor Aged Care has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Resident loans are also treated using the principles of lease accounting because Alwyndor Aged Care has assessed that residents enter a lease to occupy a room within residential aged care facilities. Refer to note 1 (8.1.ii.).

i.) Refundable Accommodation Deposits/ Contributions

Refundable Accommodation Deposits/Contributions are recognised upon receipt as per the amount received. Amounts received are repaid upon the resident vacating their accommodation and are settled in accordance with legislative requirements. The accounting treatment for resident loans is described in 1(X) below. Un-refunded resident's loans (under the Aged Care Act) incur interest.

ii.) Resident Loans

Resident loans are recorded as aged care facility deposits. Resident loans comprise of Refundable

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

Accommodation Deposits/Contributions and Accommodation Bonds, which are subject to the Aged Care Act 1997.

Resident loans - Aged Care Act 1997

Lump sum amounts received from residents in payment of their accommodation expense (prior to 01/07/2014: Accommodation Bonds, from 01/07/2014: Refundable Accommodation Deposits (RAD)).

From December 2005 repayment to the resident is guaranteed by the Australian Government.

RADs and Bonds fall within the scope of AASB 16: Leases, in that there is a contract conveying to the resident the right to use an asset for a period of time, in exchange for consideration.

Alwyndor Aged Care estimated the fair value of the consideration by reference to the Daily Accommodation Payment (DAP) that the resident would have paid if they had not chosen to provide a RAD. This results in the recognition of a rental income amount, and corresponding interest expense. The impact of the change in policy is described further in note 1 (10).

9 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

10 New and amended accounting standards and interpretations

AASB 16 Leases

Alwyndor Aged Care has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases'

and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss.

For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is as follows:

	New \$	Previous \$	Difference \$
Residential daily accommodation fees	1,882,278	430,133	1,452,145
Interest on accommodation bonds	1,535,138	82,993	1,452,145
Net surplus	347,140	347,140	-
Net assets	-	-	-

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

11 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

12 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 2. Income

\$	Notes	2020	2019
(a). User Charges			
Aged Care Residential Fees and Rentals		3,876,941	3,515,100
Total User Charges		3,876,941	3,515,100
(b). Investment Income			
Interest on Investments			
- Local Government Finance Authority		195,319	170,814
- Banks & Other		125,818	334,126
Total Investment Income		321,137	504,940
(c). Reimbursements			
Home Care		2,968,911	2,307,825
Total Reimbursements		2,968,911	2,307,825
(d). Other Income			
Home Care Management Fees		1,744,056	2,132,043
Residential Daily Accommodation Fees		1,882,278	979,032
Means Tested Care Fees		542,961	-
Other		16,306	17,830
Total Other Income		4,185,601	3,128,905
(e). Grants, Subsidies, Contributions			
Grants, Subsidies and Contributions		10,811,842	10,219,401
Total Grants, Subsidies, Contributions		10,811,842	10,219,401
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		9,838,223	9,214,527
State Government		973,619	1,004,874
Total		10,811,842	10,219,401

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 3. Expenses

\$	Notes	2020	2019
(a). Employee Costs			
Salaries and Wages		12,415,642	11,092,491
Employee Leave Expense		259,240	110,798
Superannuation - Defined Contribution Plan Contributions	13	1,219,482	1,180,931
Superannuation - Defined Benefit Plan Contributions	13	60,512	67,915
Workers' Compensation Insurance		310,644	410,000
Total Operating Employee Costs		14,265,520	12,862,135
Total Number of Employees (full time equivalent at end of reporting period)		166	161
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		12,000	12,000
Minimum Lease Payments		-	14,505
Lease Expense - Low Value Assets / Short Term Leases		17,480	-
Subtotal - Prescribed Expenses		29,480	26,505
(ii) Other Materials, Contracts and Expenses			
Contractors		3,140,522	3,266,323
Professional Services		208,080	204,064
Sundry		1,314,774	975,417
Materials		1,579,400	1,424,839
Subtotal - Other Material, Contracts & Expenses		6,242,776	5,870,643
Total Materials, Contracts and Other Expenses		6,272,256	5,897,148
(c). Depreciation and Amortisation			
Buildings & Other Structures		783,446	782,155
Plant & Equipment		246,324	224,690
Furniture & Fittings		212,691	180,188
Total Depreciation and Amortisation		1,242,461	1,187,033
(d). Finance Costs			
Interest on Accommodation Bonds		1,535,138	147,719
Total Finance Costs		1,535,138	147,719

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 4. Asset Disposal & Fair Value Adjustments

\$	Notes	2020	2019
Infrastructure, Property, Plant & Equipment			
Assets Surplus to Requirements			
Proceeds from Disposal		-	21,183
Less: Carrying Amount of Assets Sold/Disposed		(75,402)	(23,516)
Gain (Loss) on Disposal		(75,402)	(2,333)
<hr/>			
Net Gain (Loss) on Disposal or Revaluation of Assets		(75,402)	(2,333)

Note 5. Current Assets

(a). Cash & Cash Equivalent Assets

Cash on Hand at Bank	121,448	195,612
Deposits at Call	16,102,603	5,642,839
Short Term Deposits & Bills, etc.	4,266,639	14,242,994
Total Cash & Cash Equivalent Assets	20,490,690	20,081,445

(b). Trade & Other Receivables

Accrued Revenues	57,303	167,577
Debtors - General	196,632	187,419
GST Recoupment	65,887	79,220
Prepayments	212,239	3,660
Aged Care Facility Deposits	1,942,000	525,000
Total Trade & Other Receivables	2,474,061	962,876

Note 6. Non-Current Assets

Nil

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 7a (i). Infrastructure, Property, Plant & Equipment

\$	Fair Value Level	as at 30/6/2019				Asset Movements during the Reporting Period				as at 30/6/2020			
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
						New / Upgrade	Renewals						
Capital Work in Progress		-	-	-	-	40,700	-	-	-	-	40,700	-	40,700
Land	2	5,288,840	-	-	5,288,840	-	-	-	-	5,288,840	-	-	5,288,840
Buildings & Other Structures	3	39,947,351	-	8,714,436	31,232,915	-	67,042	-	(783,446)	40,014,392	-	9,497,881	30,516,511
Plant & Equipment		-	2,904,685	1,281,843	1,622,842	51,463	71,299	(61,132)	(246,324)	-	2,637,752	1,199,604	1,438,148
Furniture & Fittings		-	2,019,257	738,084	1,281,173	1,068	96,564	(14,270)	(212,691)	-	2,043,560	891,716	1,151,844
Total Infrastructure, Property, Plant & Equipment		45,236,191	4,923,942	10,734,363	39,425,770	93,231	234,905	(75,402)	(1,242,461)	45,303,232	4,722,012	11,589,201	38,436,043
Comparatives		45,217,710	4,543,667	9,586,659	40,174,718	282,921	178,681	(23,516)	(1,187,033)	45,236,191	4,923,942	10,734,363	39,425,770

Note 7a (ii). Investment Property

Nil

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices 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 within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

Valuation techniques used to derive Level 2 and Level 3 fair values recognised in the financial statements

The following table sets out the valuation techniques used to measure fair value within Level 2, including a description of the significant inputs used.

Description	Valuation approach and inputs used
Land	Direct comparison of market evidence approach. This method seeks to determine the current value of an asset by reference to recent comparable transactions involving the sale of similar assets. The valuation is based on price per square metre.

The following table sets out the valuation techniques used to measure the fair value within Level 3, including details of the significant unobservable inputs used and the relationship between unobservable inputs and fair value.

Description	Valuation Approach	Unobservable Inputs	Range of Inputs	Relationship between unobservable inputs and fair value
Buildings & Other Structures	Depreciated replacement cost approach. This is the current replacement cost of an asset less, where applicable accumulated depreciation calculated on a basis to reflect the already consumed or expired service potential.	Replacement Cost	\$5,844 to \$2,854,414	The higher the replacement cost the higher the fair value
		Remaining Useful Life of Assets	30 years to 150 years	The shorter the remaining life the lower the fair value

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Alwyndor elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

All of Alwyndor's non financial assets are considered as being utilised for their highest and best use.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Land & Land Improvements

Land and Land improvements, with an assessed unlimited useful life, were valued at 30 June 2017.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2017
- Valuer: Maloney Field Services

Buildings & Other Structures

Buildings and other structures were revalued as at 30 June 2017

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2017
- Valuer: Maloney Field Services

Plant & Equipment

These assets are recognised on the cost basis.

Furniture & Fittings

These assets are recognised on the cost basis.

Residential Bed Licences

Alwyndor holds 134 bed licenses. These have not been brought to account as they do not meet the recognition criteria of AASB 138 Intangible Assets.

All other Assets

These assets are recognised at cost.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 8. Liabilities

\$	Notes	2020 Current	2020 Non Current	2019 Current	2019 Non Current
(a). Trade and Other Payables					
Trade Creditors		615,656	-	412,685	-
Payments Received in Advance					
- Grants, Subsidies, Contributions - Operating		70,612	-	-	-
Accrued Expenses - Employee Entitlements		230,470	-	467,311	-
Accrued Expenses - Other		112,934	-	159,899	-
Aged Care Facility Deposits		33,504,465	-	31,969,780	-
Other		1,840,668	-	1,448,842	-
Total Trade and Other Payables		36,374,805	-	34,458,517	-

(b). Provisions

Employee Entitlements (including oncosts)	1,616,173	156,821	1,410,322	121,912
Total Provisions	1,616,173	156,821	1,410,322	121,912

Note 9. Reserves

\$	1/7/2019	Increments (Decrements)	Transfers	Impairments	30/6/2020
(a). Asset Revaluation Reserve					
Land	4,943,268	-	-	-	4,943,268
Buildings & Other Structures	4,127,389	-	-	-	4,127,389
Total Asset Revaluation Reserve	9,070,657	-	-	-	9,070,657
Comparatives	9,070,657	-	-	-	9,070,657

\$	1/7/2019	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2020
(b). Other Reserves					
General Reserves	6,414,354	-	-	-	6,414,354
Total Other Reserves	6,414,354	-	-	-	6,414,354
Comparatives	6,414,354	-	-	-	6,414,354

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 10. Assets Subject to Restrictions

\$	Notes	2020	2019
<p>The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Alwyndor, or for which the revenues were originally obtained.</p>			
Receivables			
Aged Care Facility Deposits		1,942,000	525,000
Total Receivables		1,942,000	525,000
Total Assets Subject to Externally Imposed Restrictions		1,942,000	525,000

Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2020	2019
(a). Reconciliation of Cash			
<p>Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:</p>			
Total Cash & Equivalent Assets	5	20,490,690	20,081,445
Balances per Statement of Cash Flows		20,490,690	20,081,445
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		(1,226,345)	(420,197)
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		1,242,461	1,187,033
Net (Gain) Loss on Disposals		75,402	2,333
		91,518	769,169
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(94,185)	(197,317)
Net Increase/(Decrease) in Trade & Other Payables		381,603	223,241
Net Increase/(Decrease) in Unpaid Employee Benefits		240,760	(100,951)
Net Cash provided by (or used in) operations		619,696	694,142

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 12. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 1.05% and 2.73% (2019: 2.3% and 2.78%). Short term deposits have an average maturity of 158 days and an average interest rate of 1.8% (2019: 156 days and 2.5%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Fees & Other Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Unsecured, and do not bear interest. Alwyndor is not materially exposed to any individual debtor, credit risk exposure is concentrated within Alwyndor's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Aged Care Facility Contributions

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities

Creditors and Accruals

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to Alwyndor.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 12. Financial Instruments (continued)

Recognised Financial Instruments

Liabilities

Aged Care Facility Contributions

Accounting Policy:

To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

Terms & Conditions:

Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

Carrying Amount:

Approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.

Liabilities

Leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 17.

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2020					
<u>Financial Assets</u>					
Cash & Equivalents	20,490,690	-	-	20,490,690	20,490,690
Receivables	2,474,061	-	-	2,474,061	2,474,061
Total Financial Assets	22,964,751	-	-	22,964,751	22,964,751
<u>Financial Liabilities</u>					
Payables	36,304,193	-	-	36,304,193	36,304,193
Total Financial Liabilities	36,304,193	-	-	36,304,193	36,304,193
2019					
<u>Financial Assets</u>					
Cash & Equivalents	20,081,445	-	-	20,081,445	20,081,445
Receivables	962,876	-	-	962,876	962,876
Total Financial Assets	21,044,321	-	-	21,044,321	21,044,321
<u>Financial Liabilities</u>					
Payables	34,458,517	-	-	34,458,517	34,458,517
Total Financial Liabilities	34,458,517	-	-	34,458,517	34,458,517

Alwyndor Aged Care

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 12. Financial Instruments (continued)

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of Alwyndor.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of Alwyndor is the carrying amount, net of any impairment. All Alwyndor investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within Alwyndor's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Alwyndor's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Alwyndor will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Alwyndor also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Alwyndor has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 13. Superannuation

Alwyndor makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2019/20; 9.50% in 2018/19). No further liability accrues to Alwyndor as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Alwyndor makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2018/19) of "superannuation" salary.

In addition, Alwyndor makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Alwyndor does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Alwyndor's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Alwyndor also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Alwyndor.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 14. Interests in Other Entities

Alwyndor has no interest in any Equity Accounted Businesses such as Joint Ventures, Associates & Joint Operations.

Note 15. Non-Current Assets Held for Sale & Discontinued Operations

Alwyndor does not have any Non-Current Assets Held for Sale or any Discontinued Operations.

Note 16. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

Alwyndor does not have any Contingencies & Asset/Liabilities Not Recognised in the Balance Sheet.

Note 17. Events After the Statement of Financial Position Date

Alwyndor is unaware of any material or significant "non adjusting events" that should be disclosed.

Note 18. Related Party Transactions

\$ 2020 2019

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Alwyndor includes the Alwyndor Management Committee and General Manager - Alwyndor under section 112 of the Local Government Act 1999.

In all, 11 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	175,287	156,442
Termination Benefits	-	43,716
Payments to Alwyndor Management Committee	29,032	29,604
Total	<u>204,319</u>	<u>229,762</u>

Amounts paid as direct reimbursement of expenses incurred on behalf of Alwyndor have not been included above.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 19. Segment Reporting

\$	2020	2019
<p>Alwyndor operates in the aged care industry within South Australia and within 3 primary business segments:</p> <ul style="list-style-type: none">- provision and management of residential aged care accommodation- aged care services to the community,- rehabilitation and support services (day therapy)		
RESIDENTIAL AGED CARE		
Residential Aged Care		
Income Statement for the year ended 30 June 2020		
Care Income		
Subsidies & Supplements (Commonwealth)	7,922,800	7,549,575
Resident Fees - Means Tested Care Fees	538,244	603,773
Total Residential Care Income	8,461,044	8,153,348
Accommodation Income		
Subsidies & Supplements (Commonwealth)	977,096	869,461
Resident Accommodation Payments and Charges	1,882,278	445,356
Accommodation Bond Retention amounts	-	9,268
Total Residential Accommodation Income	2,859,374	1,324,085
Other Resident Fee Income		
Basic Daily Fee	2,493,012	2,429,391
Total Other Residential Fee Income	2,493,012	2,429,391
Financing Income		
Interest Income	321,137	504,940
Total Financing Income	321,137	504,940
Other Income		
Donations and Fundraising	19,362	-
Other Income	43,435	32,222
Total Other Income	62,797	32,222
Total Revenue	14,197,364	12,443,986

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 19. Segment Reporting (continued)

\$	2020	2019
Residential Aged Care		
Income Statement (continued) for the year ended 30 June 2020		
Care Expenses		
Labour Costs	8,091,585	7,685,036
Other Expenses	269,478	303,316
Total Care Expenses	8,361,063	7,988,352
Accommodation Expenses		
Labour Costs	261,268	205,109
Property Repairs, Maintenance and Replacement	272,444	319,369
Other Accommodation Expenses	424,279	490,851
Total Accommodation Expenses	957,991	1,015,329
Hotel Services Expenses		
Labour Costs	439,436	421,029
Contracted Services - External Service Organisations	1,300,671	1,260,461
Other Hotel Services Expenses	306,370	259,458
Total Hotel Services Expenses	2,046,477	1,940,948
Administration Expenses		
Labour Costs	1,166,624	1,254,954
Management Fees	37,059	53,938
Other Administration Expenses	521,930	520,299
Total Administration Expenses	1,725,613	1,829,191
Capital and Financing Expenses		
Depreciation	1,142,447	1,110,709
Interest Expenses	1,466,057	141,072
Total Capital and Financing Expenses	2,608,504	1,251,781
Other Expenses		
Loss on Sale of Assets	75,402	2,333
Total Other Expenses	75,402	2,333
Total Expenses	15,775,049	14,027,933
Net Profit (Before Tax)	(1,577,685)	(1,583,947)

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 19. Segment Reporting (continued)

\$	2020	2019
Residential Aged Care		
Statement of Financial Position		
as at 30 June 2020		
ASSETS		
Current Assets		
Cash	20,490,690	20,081,445
Trade & Other Receivables	2,474,061	962,876
Total Current Assets	22,964,751	21,044,321
Non-Current Assets		
Property, Plant & Equipment	38,436,043	39,425,770
Total Non-Current Assets	38,436,043	39,425,770
TOTAL ASSETS	61,400,794	60,470,091
LIABILITIES		
Current Liabilities		
Trade & Other Payables	943,925	1,095,397
Employee Provisions	928,521	897,926
Accommodation Bonds	33,504,465	31,969,780
Total Current Liabilities	35,376,911	33,963,103
Non-Current Liabilities		
Employee Provisions	77,976	68,563
Total Non-Current Liabilities	77,976	68,563
TOTAL LIABILITIES	35,454,887	34,031,666
Net Assets	25,945,907	26,438,425

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 19. Segment Reporting (continued)

\$	Rehabilitation and Support Services	Consumer Directed Care	Other Home Care	Total
2020				
Revenue	1,128,410	5,751,979	1,086,679	7,967,068
Expenses	1,181,935	5,494,728	939,065	7,615,728
Surplus/(Deficit)	(53,525)	257,251	147,614	351,340
Liabilities	182,395	2,444,307	66,210	2,692,912
Total Equity	(182,395)	(2,444,307)	(66,210)	(2,692,912)
2019				
Revenue	982,306	5,075,339	1,174,540	7,232,185
Expenses	959,308	4,443,333	665,794	6,068,435
Surplus/(Deficit)	22,998	632,006	508,746	1,163,750
Liabilities	291,476	1,615,846	51,763	1,959,085
Total Equity	(291,476)	(1,615,846)	(51,763)	(1,959,085)

Alwyndor Aged Care

General Purpose Financial Statements for the year ended 30 June 2020

Auditor's Report - Financial Statements

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Alwyndor Aged Care

General Purpose Financial Statements for the year ended 30 June 2020

Auditor's Report - Financial Statements

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Attachment 3b





ALWYNDOR AGED CARE

Annual completion report

YEAR ENDED 30 JUNE 2020

CONTENTS

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Dear Management Committee

We are pleased to present this report to the Management Committee of Alwyndor Aged Care in relation to the 30 June 2020 annual audit.

As at the date of this report, we have substantially completed our audit and subject to the satisfactory resolution of the matters outlined in the Executive Summary, we expect to issue an unmodified audit report.

We have set out in this document the significant matters arising from our audit. This summary covers those matters we believe to be material in the context of our work.

Should you require clarification on any matter in this report before this date, please do not hesitate to contact me on +61 8 7324 6082.

We would like to take this opportunity to extend our appreciation to management for their assistance and cooperation throughout the course of our audit.

Yours faithfully



Andrew Tickle
Engagement Partner

Adelaide, 15 September 2020





EXECUTIVE SUMMARY

PURPOSE

The purpose of this report is to communicate significant matters arising from our audit to the Management Committee. This report has been discussed with management.

SCOPE

Our audit was conducted in accordance with Australian Auditing Standards and the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 30 June 2020.

STATUS OF THE AUDIT

Our audit of the financial report is substantially complete. We expect to issue an unmodified audit report, subject to satisfactory completion of the following:

- ▶ Review of events subsequent to 30 June 2019;
- ▶ Receipt of written management representations on various matters;
- ▶ Receipt of formally adopted financial statements and agreement of these to the drafts provided to us to date. A draft of the proposed audit report is included at [Appendix 1](#).
- ▶ Finalisation of the position and accounting for the land fee arrangement with Council under AASB 16 Leases.

SUMMARY OF MISSTATEMENTS

We have not identified any uncorrected misstatements that, in our judgement, either individually or in aggregate, could have a material effect on the financial report for the year ended 30 June 2020.

COVID-19

The effects of COVID-19 needed to be incorporated into the preparation of the financial report for the year ended 30 June 2020. In performing our audit, a number of areas within the financial reporting process were identified as having been impacted.

Refer to the next section which includes detail on the impact of COVID-19 on the financial report, our audit response and respective findings.

AREAS OF AUDIT FOCUS

In performing our audit, we have identified those matters that, in the auditor's judgement, were of the most significance in the audit of the financial report. Our audit procedures also focused on areas that were considered to represent significant risks of material misstatement. These areas of focus are outlined below:

- ▶ Risk of management override of controls
- ▶ Initial application of new accounting standards AASB 15 *Revenue from Contracts* and AASB 1058 *Income for not-for-profit entities*
- ▶ Initial application of new accounting standard AASB 16 *Leases*

Refer to the relevant section for details on the significant risk areas and other areas focused on during the audit.

IMPACT OF COVID-19

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic. Besides the serious public health threat that has arisen from the outbreak of COVID-19, it continues to have serious economic impacts on many businesses.

COVID-19 AND THE FINANCIAL REPORT

The following table sets out the areas of the 30 June 2020 financial report and financial reporting process that were impacted by the measures associated with the COVID-19 pandemic. It also sets out our audit response to these impacts and our findings.

Area	Impact on the financial report	Audit response and summary of findings
Control environment	Potential deficiencies in the control environment may arise as a result of staff working from home due to social distancing.	Our response included updating our understanding of the control environment and the review of key internal controls while social distancing protocols were in place. We noted that there was no significant changes to the control environment, due to the key staff remaining onsite.
Non-current assets	The economic impact of COVID-19 could be an indicator of impairment of non-current assets.	Based on discussion with management and our understanding of the impact of COVID-19 on the business, we concurred with management that COVID-19 was not an indicator of impairment for Alwyndor Aged Care. As a result it was not necessary to test non-current assets for impairment.



AREAS OF AUDIT FOCUS

We identified the risk areas as part of our risk assessment procedures undertaken during the planning phase and continued to be alert for risks during the course of the audit. Our audit procedures focused on areas that were considered to represent risks of material misstatement.

In addition to the areas impacted by the COVID-19 pandemic, we set out below the areas that were considered significant risks of material misstatement along with an outline of the work performed and a summary of findings.

RISK OF MANAGEMENT OVERRIDE OF CONTROLS

Description	Audit work performed	Summary of findings
Australian Auditing Standards require that we presume there is a risk that management has the ability to manipulate accounting records and override controls that otherwise appear to be operating effectively.	We have tested general journals posted during the year and at the end of the reporting period to consider whether they are appropriate. We considered accounting estimates for management biases or fraud. We sought to corroborate management explanations with independent supporting evidence whenever possible.	There was no indication of material misstatement due to management bias or due to override of internal controls.



AREAS OF AUDIT FOCUS *CONTINUED*

INITIAL APPLICATION OF NEW ACCOUNTING STANDARDS AASB 15 REVENUE FROM CONTRACTS AND AASB 1058 INCOME OF NOT-FOR-PROFIT ENTITIES

Description	Audit work performed	Summary of findings
<p>These new accounting standards required application of a new concept to determine when performance obligations to customers are met and if grant conditions were sufficiently specific to defer income.</p>	<p>We documented the process by which management recognise revenue and compared the steps to the recognition and measurement requirements of the new standards.</p> <p>We obtained management's analysis of the impact of the new standards upon revenue recognised under contracts with residents and checked the accuracy of calculations.</p> <p>We considered the obligations of Alwyndor Aged Care in respect of consumer directed care and home care programs and vouched a sample of controls which evidence when the service delivery obligation was performed and revenue recognised.</p>	<p>We did not note any issues in regards to the implementation of the new revenue and income accounting standards.</p>



AREAS OF AUDIT FOCUS *CONTINUED*

INITIAL APPLICATION OF NEW ACCOUNTING STANDARD AASB 16 LEASES

Description

AASB 16 applies for the first time in the year ended 30 June 2020. As we have previously reported, this standard introduces a significantly different way of accounting for leases by lessees, and also some changes for lessors. A level of management judgement is required in determining key assumptions underlying the AASB 16 lease calculations.

AASB 16 also impacts the accounting for residential accommodation deposits.

Audit work performed

We obtained managements' analysis of the rental income and expenditure associated with the residential accommodation deposits.

We tested these by checking the details of the model that management have used in their calculations, checked its mathematical integrity, corroborating a sample of inputs to signed residential agreements, and considered the judgements that have been made regarding the inputs to the model.

We considered the transitional method that management elected to apply, and whether appropriate accounting adjustments and disclosures had been made.

Summary of findings

We did not have any issues with the calculations associated with the recognition of the new rental income and expense associated with the residential accommodation deposits.

We are currently in discussions with management in relation to whether the Council fee in relation to the use and occupancy of the Council owned land is considered to be a lease under AASB 16. The outcome of this decision with either result in the fee continuing to be recognised as an expense or a right of use asset and lease liability being created.



INTERNAL CONTROL

CURRENT YEAR

In accordance with *ASA 265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*, we are required to communicate in writing, significant deficiencies in internal control identified during the audit to those charged with governance on a timely basis.

The standard defines a deficiency in internal control as follows:

1. A control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial report on a timely basis; or
2. A control necessary to prevent, or detect and correct, misstatements in the financial report on a timely basis is missing.

Significant deficiency in internal control means a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgement, is of sufficient importance to merit the attention of the Management Committee.

Our audit procedures did not identify any significant deficiencies that in our professional judgment are of sufficient importance to merit the attention of the Management Committee.



OTHER REPORTING REQUIREMENTS

INDEPENDENCE AND ETHICS

In conducting our audit, we are required to comply with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and Part 4A of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

We have obtained independence declarations from all staff engaged in the audit.

We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

We have not become aware of any issue that would cause any member of the engagement team, BDO or any BDO network firm to contravene any ethical requirement or any regulatory requirement that applies to the audit engagement.

BDO has not provided any other services during the audit to Alwyndor Aged Care.

The *Corporations Act 2001* requires the lead auditor to make a declaration to the directors regarding independence. We are in a position to make this declaration, a draft of which has been included at [Appendix 2](#).

NON-COMPLIANCE WITH LAWS AND REGULATIONS

We have made enquiries in relation to any non-compliance with laws and regulations during the course of our audit. We have not identified any instances of non-compliance with laws and regulations as a result of our enquiries.

We have not identified any reportable matters during the course of our audit.

FRAUD

Management have confirmed that there were no matters of fraud identified for the period under audit, or subsequently. It should be noted that our audit is not designed to detect fraud however should instances of fraud come to our attention we will report them to you.

We have not identified any instances of fraud during the course of our audit.



APPENDIX 1 PROPOSED AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY OF HOLDFAST BAY

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of Holdfast Bay - Alwyndor Aged Care (the registered entity), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of City of Holdfast Bay - Alwyndor Aged Care, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.



APPENDIX 1 PROPOSED AUDIT REPORT CONTINUED

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (SA) Pty Ltd

Andrew Tickle
Director

Adelaide, XX Month 20X1



APPENDIX 2 AUDITOR INDEPENDENCE DECLARATION

DECLARATION OF INDEPENDENCE BY ANDREW TICKLE TO THE MEMBERS OF CITY OF HOLDFAST BAY

As lead auditor of City of Holdfast Bay - Alwyndor Aged Care for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Andrew Tickle
Director

BDO Audit (SA) Pty Ltd

Adelaide, XX Month 20XX



APPENDIX 3 NEW DEVELOPMENTS CONTINUED

We wish to bring to your attention some upcoming changes in financial reporting which may cause significant changes to your future reported financial position and performance. We have provided an overview of the major changes below and would be happy to discuss the impact on your business and assist with transition where applicable.

AASB 2020-1 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

Effective for annual reporting periods beginning on or after 1 January 2022, there are four main changes to the classification requirements within AASB 101 *Presentation of financial statements*:

1. The requirement for an 'unconditional' right has been deleted from paragraph 69(d) because covenants in banking agreements would rarely result in unconditional rights.
2. The right to defer settlement must exist at the end of the reporting period. If the right to defer settlement is dependent upon the entity complying with specified conditions (covenants), the right to defer only exists at reporting date if the entity complies with those conditions at reporting date.
3. Classification is based on the right to defer settlement, and not intention (paragraph 73), and
4. If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g. a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity under IAS 32.

As these amendments only apply for the first time to the 30 June 2023 balance sheet (and 30 June 2022 comparative balance sheet), companies are not yet able to make an assessment of the impacts regarding the right to defer settlement, compliance with bank covenants, and intention to settle.

APPENDIX 4 RESPONDING TO COVID-19

COVID-19 AND YOUR BUSINESS

The unprecedented COVID-19 crisis affecting the globe has directly and materially impacted economic activity in Australia and throughout the world. This has caused some otherwise healthy businesses to experience material reductions to revenue while overhead expenses have remained relatively fixed. This inevitably leads to a cash flow crisis and even solvency concerns.

Download **Coronavirus (COVID-19) Business impact and risk response guide** ►



If your business is in this situation, an immediate and robust business rescue plan is necessary to give you the best chance to ensure long-term viability. Being proactive is critical.

Clients facing this scenario can click on the icon opposite for a detailed business impact and risk response guide. This provides guidance on the following areas:

- ▶ People and leadership
- ▶ Sustainability
- ▶ Operations
- ▶ Supply chain
- ▶ Health and safety.

There are a number of areas of a business that may continue to be impacted by the COVID-19 outbreak. BDO have therefore provided guidance on appropriate actions to mitigate the impact and manage associated risks to [‘Keep your business running’](#).

The Australian Government has also released a number of economic measures in response of COVID-19 and BDO can continue to help you navigate these stimulus measures. Please refer to BDO’s [‘Stimulus measures’](#) resource page where BDO advisers continue to provide expert commentary on these measures and how businesses can access them via a range of technical updates, webinars and articles.

COVID-19 AND FUTURE REPORTING PERIODS

We understand that this changing environment may continue to create challenges from a financial reporting perspective and create risks that entities may not have encountered before. BDO will continue to work closely with management to ensure these challenges are addressed on a timely basis.

Please refer to BDO’s [IFRS Advisory Coronavirus](#) resource page which continues to be updated with financial reporting bulletins and accounting news articles which address ongoing financial reporting considerations for businesses.



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We have prepared this report solely for the use of Alwyndor Aged Care. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

BDO Audit (SA) Pty Ltd ABN 33 161 379 086 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (SA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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Attachment 4





holdfast.sa.gov.au

Brighton Civic Centre 24 Jetty Road, Brighton SA 5048

PO Box 19 Brighton SA 5048

P 08 8229 9999 F 08 8298 4561

Glenelg Customer Service Centre and Library

2 Colley Terrace, Glenelg SA 5045

8 October 2020

Mr Andrew Tickle
BDO Audit (SA) Pty Ltd
Level 7, BDO Centre
420 King William Street
ADELAIDE SA 5000

Dear Mr Tickle

AUDIT FOR YEAR ENDED 30 JUNE 2020 CITY OF HOLDFAST BAY

This representation letter is provided in connection with your audit of the financial report of the City of Holdfast Bay for the year ended 30 June 2020, for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purposes of appropriately informing ourselves:

Financial Report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 13 May 2020, for the preparation for the financial report in accordance with Australian Accounting Standards; in particular that the financial report presents fairly in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them, except as described in Note 1 to the financial report.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
6. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.

Books, Records and Documentation

7. We have provided you with:



- Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - All minutes of meetings held by the Board of Directors, Committees and shareholders since the end of the previous reporting period have been given to you for your inspection;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
8. All transactions have been recorded in the accounting records and are reflected in the financial report.

Uncorrected Misstatements

9. No uncorrected misstatements.

Related Parties

10. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.
11. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Australian Accounting Standards in the financial report.

Fraud

12. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
13. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
14. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
- Management;
 - Employees who have significant roles in internal control; or
 - Others where fraud could have a material impact on the financial report.
15. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.

Litigation and Claims

16. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

Compliance with Laws and Regulations

17. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
18. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.

There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Subsequent Reports

19. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required have been adjusted or disclosed.

Other Information

20. We have informed you of all the documents that we expect to issue which may compromise other information accompanying the financial report.
21. The financial report and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.
22. The final version of the other information will be provided to you when available, and prior to issuance to allow you to complete your procedures over this other information.

Electronic Presentation of Financial Report

23. We are responsible for the electronic presentation of the financial report.
24. We will ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version.
25. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.
26. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
27. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.

Yours faithfully

John Newton
Manager Financial Services

Pamela Jackson
General Manager Strategy and Business Services

Attachment 5



2019-20 Financial Statements - Prior Year Comparison

Note 2(b) - Statutory Charges \$2,230,000 (2018-19 \$2,282,000)

Reduced by \$52,000 due to reduced encroachment and hoarding fees \$38,000, development assessment fees \$35,000, food inspection fees \$36,000 offset by increased dog registration fees \$25,000, parking fines and permits \$33,000.

Note 2(c) - User Charges \$7,603,000 (2018-19 \$7,698,000)

Municipal user charges reduced by \$459,000. This comprised reduced income from caravan park \$229,000, off-street parking \$175,000, lease/user charges for council properties \$151,000 offset by Health \$75,000

Alwyndor user charges increased by \$362,000 due to an increase in residential occupancy and third party services and consumables for Home Care Packages (offset by third costs at note 3(b)).

Note 2(g) – Operating Grants, Subsidies and Contributions \$13,988,000 (2018-19 \$13,896,000)

Municipal operating grants decreased by \$500,000, primarily due to the timing of supplementary road grant (\$511,944) including an advance payment in 2019/20 of the 2019/20 and 2020/21 allocation. Other grant variances the SA HACC payments being \$45,000 less and the receipt of \$69,000 from Green Industries in 2019/20.

The general purpose financial assistance grant was \$70,000 more than prior year due to the timing and payments of advance amounts. Roads to Recovery grants were \$72,000 more, and Community Wellbeing program received \$45,000 more in Commonwealth Home Support payments. The overall prior year variance was also due a number of specific purpose minor grants received including health, waste and environmental services.

Alwyndor grants and subsidies increased by \$592,000. This is due to an increase in the Aged Care Funding Instrument (ACFI) revenue generated throughout the year and additional COVID-19 funding.

Note 2(d) - Investment Income \$411,000 (2018-19 \$687,000)

Municipal reserve fund investment reduced by \$92,000 due to reduction in cash flow due to COVID-19 relief measures for residents and customers combined with lower interest rates.

Alwyndor investment income decreased by \$184,000 due to a reduction in interest rates.

Note 2(e) – Reimbursements \$3,493,000 (2018-19 \$2,632,000)

Municipal reimbursements increased by \$203,000 mostly due to refund of, and interest on overcharges for street lighting.

Alwyndor reimbursements increased by \$661,000 due to an increase in direct services provided to Support at Home clients.

Note 2(f) - Other Income \$4,915,000 (2018-19 \$4,042,000)

Municipal other income has decreased by \$179,000 largely due to a decrease in workers compensation rebates received of \$158,000 and also prior year funding for the Olli bus trial \$23,000, reduction in lease income due to COVID-19 relief measures \$91,000 offset by increased cemeteries income of \$91,000.

Alwyndor other income increased by \$1,057,000 due to \$1,452,000 of consideration recognised for Refundable Accommodation Deposits in accordance with the new AASB 16 accounting standards. The consideration recognised is offset against the interest expense noted at Note 3(d) below. The variance of \$395,000 is due to a decrease in Home Care Package fees following the changes imposed by the Department of Health on fee structures.

Note 19 - Net gain – EQUITY ACCOUNTED COUNCIL BUSINESSES \$99,000 (2018-19 \$76,000)

This refers to Council's 15% share (\$282,000 surplus) in the SRWRA. For 2018/19 SRWRA achieved a \$658,000 operating surplus (\$512,000 in 2017/18). Major prior year variances included an increase in landfill operation income \$168,000 with a corresponding \$112,000 reduction in EPA levy payments and a reduction in investment income of \$146,000 but these were more than offset by the increase in distributions received from Integrated Waste from \$490,000 in 2018-19 to \$900,000 in 2019-20. The financial results, provisions and expanded notes of SRWRA is included in Note 19 to the financial statements.

Note 3(a) - Employee Costs \$31,646,000 (2018-19 \$29,316,000)

Overall municipal employee costs increased by \$929,000 from prior year due to enterprise agreement increases salary staff (ASU) 2.5% and wages staff (AWU) 2% - budgeted at \$360,000, combined with increased leave provisions \$347,000 due to reduced planned leave during COVID-19 travel restrictions, increase in sick leave expense due to COVID-19, reclassifications and reduction in vacancies.

Alwyndor employment costs increased by \$1,404,000. This is due to several staff vacancies during the 2018-19 year resulting in \$560,000 of prior year costs being below budget. During 2019-20, \$266,000 was due to accreditation costs, training and quality improvement initiatives. \$490,000 was due to COVID-19 initiatives to manage visitors, increase cleaning regimes and reduce agency usage.

Note 3(b) - Materials, Contracts and Other Expenses \$26,807,000 (2018-19 \$25,605,000)

Municipal expenses in this grouping increased by \$860,000. This comprised numerous items either included in the original budget or varied throughout the year. Major prior year variances occurred in waste management \$177,000, Innovation and technology \$418,000, other professional services \$733,000, tree maintenance \$117,000, increased doubtful debt recovery for parking infringements \$238,000. This was offset by reductions in election expenses \$203,000, water \$190,000, caravan park costs \$175,000, street lighting \$118,000 energy costs \$101,000 and legal expenses \$85,000.

Alwyndor expenses increased by \$375,000. This is due to a \$337,000 increase in third party costs paid for Home Care Package clients, which is offset by User Charges at Note 2(c), increased operation costs \$107,000, decreased agency costs \$129,000 and increased catering costs \$60,000 (4%).

Note 3(c) - Depreciation \$10,416,000 (2018-19 \$10,150,000)

Overall municipal depreciation increased by \$211,000 with the increases in drainage, transport, plant and equipment and office equipment.

Alwyndor depreciation increased by \$114,000 with most of this increase applicable to equipment, furniture and fittings.

Note 3(d) - Finance \$2,117,000 (2018-19 \$778,000)

Municipal finance charges reduced by \$48,000 due to lower fixed term principal outstanding amounts and the timing of cash advance debenture draw downs

Alwyndor Finance charges increased by \$1,387,000 due to \$1,452,000 of interest recognised in accordance with the new AASB 16 accounting standards. The interest expense recognised is offset against the consideration noted at Note 2(f). The balance of \$65,000 is due to a decrease in the interest rate payable on Refundable Accommodation Deposit refunds.

Note 4 - Asset Disposal and Fair Value Adjustments (\$3,396,000 loss) - (2018-19 \$243,000 - loss)

Municipal assets were sold, or disposed of, throughout the year resulting in a \$3,321,000 loss. The assets are itemised as follows:

- \$2,442,000 – Loss – Demolition of clubrooms and other related infrastructure at Brighton Oval.
- \$1,013,000 – Loss - Capital renewal program. Refers to existing infrastructure assets removed or disposed as part of the annual capital program.
- \$134,000 – Net Profit - Sale of vehicles and land.

Alwyndor conducted a thorough asset register review where a number of historical assets were identified as being previously disposed and written off in 2020 to the total value of \$75,000.

Note 2(g) - Amounts Received for New/Upgraded Assets \$4,728,000 (2018-19 \$3,460,000)

New grants were accounted for in 2019/20 for the Brighton Oval redevelopment \$2.781m, Minda coast park walkway \$1.523m, Jetty Road, Glenelg Masterplan \$205,000 and various other minor grants received \$219,000.

Note 9(a) - Change in Revaluation Surplus – \$710,000 decrease (2018-19 \$11,253,000 decrease)

Footpath assets were revalued by Public Private Property. The last revaluation on these assets was performed in 2015. Based on current replacement rates this resulted in a valuation decrease

of \$666,000. Library materials were also valued by senior library officers resulting in a valuation decrease of \$44,000.

Note 5(a) - Cash and Cash Equivalents

As at 30 June 2020, cash and cash equivalents amounted to \$21,355,000 (2018-19 \$25,559,000). This comprises \$865,000 of municipal funds and \$20,490,000 of Alwyndor funds as shown in the cash flow statements. The significant variance of municipal cash is due to the receipt of prepayments of large capital government grants received in 2018/19 subsequently applied to capital projects in 2019/20 including the Brighton Oval redevelopment. Grant funds totaling \$535,700 were also received in late June for the change room upgrade at Glenelg Football Club.

Alwyndor funds include monies received and invested for accommodation bonds. Accommodation bonds total \$33,504,465 (2018-19 \$31,969,780) and are subject to externally imposed restrictions with the requirement to be used for capital purposes.

Note 5(b) - Trade and Other Receivables – Current \$5,513,000 (2018-19 \$3,244,000)

Municipal debtors increased by \$758,000 to \$3,039,000 mostly due late payment of Rates, \$714,000 due to COVID-19 relief measures.

Alwyndor debtors had a net increase of \$1,500,000 due to an increase in current aged care facility deposits outstanding.

Note 6 (a) & 5 (b) - Loans to Community Organisations

Council's normal practice for larger loans is to borrow from the Local Government Finance Authority and on-lend to the community organisation on similar terms along with an additional 0.5% credit margin to cover administrative costs. The total amount of principal owing as at 30 June 2020 is \$1,902,254 comprising \$218,156 current (note 5b) and \$1,684,098 non-current (note 6a) components.

During 2016-17 Council received correspondence for the Glenelg Football Club and considered strategies to support the Club in its objective of long term financial sustainability. Further reports were considered in May 2017 and October 2019 accepting a principal reduction scheme over six years (via the SANFL) and agreeing to waive interest up to 31 October 2022. As at 30 June 2020 the Club had met its financial obligations. The total amount of principal owing from the Glenelg Football Club as at 30 June 2020 is \$1,663,256.

On 9 September 2020 the Audit Committee received a report assessing community loan receivables as at 30 June 2020 (Report 246/20). On 22 September Council noted the minutes of the Audit Committee (Minute C220920/2059). The financial statements include maintaining the loan impairment provision of \$517,780 for the Glenelg Football Club loan in accordance with the recommendations.

Note 6 (b) - Regional Subsidiaries – \$3,227,000 (2018-19 \$2,945,000)

This refers to Council's 15% share in the net assets of SRWRA. As at 30 June 2020 SRWRA had \$21,513,000 net assets. The increase is due to total comprehensive income of \$1,880,000 in 2019/20 which included a revaluation surplus of \$1,222,000. Refer also to note 19 above. The financial results, provisions and expanded notes of both entities are included in Note 19 to the Council statements.

Note 6 (c) – Other Non-Current Assets - Capital Works-in-Progress \$4,511,000 (2018-19 \$5,053,000)

This includes \$1.589m for improvement works on the Glenelg Town Hall, \$1.479m of preliminary works for stage 2 of the new sports complex at Brighton Oval, \$638,000 on initial masterplan designs for Kingston Park and Jetty Road, Glenelg, \$265,000 for various stormwater projects, \$226,000 for design and initial works on the Wigley Reserve playspace, \$206,000 on the redevelopment of Holdfast Tennis Club and the remaining amounts on other incomplete municipal capital projects.

Note 7 - Capital Expenditure

In 2019-20 asset additions totaled \$22,621,000 (2018-19 \$6,897,000).

For municipal activities this comprised \$16.22m on completed new and upgraded assets. The major projects included \$5.48m for the construction of Minda coast park walkway, \$9.16m for the construction of clubrooms at Brighton Oval, \$175,000 of drainage improvements through the use of Water Sensitive Urban Design (WSUD), \$399,000 of technology upgrades and \$405,000 on new equipment.

Asset additions for renewed and replaced assets totalled \$6.116m. These included \$3.72m on infrastructure including roads, kerb, footpaths and stormwater and \$697,000 for the replacement of plant and equipment. The renewal of Open Space assets totalled \$820,000 including \$258,000 on playground equipment and sporting infrastructure, \$152,000 on coastal headwall drainage, \$131,000 lighting at various reserves and \$76,000 on signage.

For Alwyndor activities this comprised \$328,000 including \$93,000 on new assets and \$235,000 on renewal and replacement of existing assets.

Note 8(a) – Payments Received in Advance \$4,291,000

This largely comprises grant income received in 2019-20 for Jetty Road \$1.666m and Brighton Oval redevelopment \$1.082m, Glenelg Oval master plan \$487,000, Wigley Reserve playspace \$500,000 and weekly FOGO grant \$98,000. The grant conditions stipulate that Council has an obligation to repay any unspent funding, therefore Council does not control the funds until spent. This means that the portion of unspent funds for these grants are recognised as payments received in advance.

Note 8(a) - Aged Care Facility Deposits – accommodation bonds

The liability for Alwyndor accommodation bonds has increased by \$1,536,000 from the previous year. The overall liability is \$33,504,465.

Note 8(b) - Borrowings

Net borrowings increased by \$1,150,000 to \$13,610,000, Principal repayments during the year amounted to \$1m. Loan borrowings of \$2.15m were required at year end to meet cash flow needs and fund major capital works including Brighton Oval redevelopment and the Glenelg Town Hall restoration in accordance with Councils Treasury Management Policy.

Note 8(c) – Provisions

Municipal employee leave provisions were increased by \$347,000 and Alwyndor leave provisions increased by \$246,000 due to reduction in planned leave taken during COVID-19 travel restrictions.

Note 9 - Reserve Funds

All reserve funds required by legislation have been maintained.

Equity

Council's net equity decreased by \$387,000 during the year as a result of:

- (\$1,192,000) operating deficit
- (\$3,396,000) deficit on disposal of assets
- \$4,728,000 capital revenue received specifically for new or upgraded assets
- (\$710,000) net decrease of assets on revaluation
- \$183,000 Share of other Comprehensive Income SRWRA

Attachment 6





FINANCIAL REPORT

For the Financial Year Ended 30 June 2020

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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Council Certificates of Audit Independence	

SOUTHERN REGION WASTE RESOURCE AUTHORITY

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2020

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern Region Waste Resource Authority Board to certify the financial statements in their final form. In our opinion:


- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.*

- the financial statements present a true and fair view of the Authority's financial position at 30 June 2020 and the results of its operations and cashflows for the financial year.

- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable throughout the financial year.

- the financial statements accurately reflect the Authority's accounting and other records.


.....
Mark Booth
Chairman


.....
Chris Adams
Chief Executive Officer

Dated the ^{7th} day of *September* 2020

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME for the financial year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
INCOME			
User charges	2	10,746	10,578
Investment income	2	501	647
Other Income	2	493	464
Net gain - equity accounted Joint Venture	15	745	437
Total Income		12,485	12,126
EXPENSES			
Employee costs	3	1,248	1,301
Materials, contracts & other expenses	3	9,719	9,445
Depreciation, amortisation & impairment	3	860	868
Other Expenses	3	-	-
Net loss - equity accounted Joint Venture	15	-	-
Total Expenses		11,827	11,614
OPERATING SURPLUS / (DEFICIT)		658	512
Net gain (loss) on disposal of assets	4	-	(9)
Amounts received specifically for new or upgraded assets		-	-
NET SURPLUS / (DEFICIT)		658	503
Other Comprehensive Income			
Changes in revaluation surplus - property, plant & equipment		1,222	-
Total Other Comprehensive Income		1,222	-
TOTAL COMPREHENSIVE INCOME		1,880	503

This Statement is to be read in conjunction with the attached Notes.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

**STATEMENT OF FINANCIAL POSITION
as at 30 June 2020**

		2020	2019
	Notes	\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	15,506	17,497
Trade & other receivables	5	2,230	1,666
Inventories	5	-	-
		<u>17,736</u>	<u>19,163</u>
Total Current Assets		<u>17,736</u>	<u>19,163</u>
Non-current Assets			
Equity Accounted Joint Venture	15	677	832
Property, Plant & Equipment	6	19,319	15,440
		<u>19,996</u>	<u>16,272</u>
Total Non-current Assets		<u>19,996</u>	<u>16,272</u>
Total Assets		<u>37,732</u>	<u>35,435</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	2,339	2,201
Provisions	7	145	126
		<u>2,484</u>	<u>2,327</u>
Total Current Liabilities		<u>2,484</u>	<u>2,327</u>
Non-current Liabilities			
Provisions	7	13,735	13,475
		<u>13,735</u>	<u>13,475</u>
Total Non-current Liabilities		<u>13,735</u>	<u>13,475</u>
Total Liabilities		<u>16,219</u>	<u>15,802</u>
NET ASSETS		<u>21,513</u>	<u>19,633</u>
EQUITY			
Accumulated Surplus		20,291	19,633
Asset Revaluation Reserve		1,222	-
		<u>21,513</u>	<u>19,633</u>
TOTAL EQUITY		<u>21,513</u>	<u>19,633</u>

This Statement is to be read in conjunction with the attached Notes.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF CHANGES IN EQUITY for the financial year ended 30 June 2020

		Accumulated Surplus	Asset Revaluation Reserve	Total Equity
2020	Notes	\$'000	\$'000	\$'000
Balance at end of previous reporting period		19,633	-	19,633
Net Surplus/ (Deficit) for Year		658		658
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment			1,222	1,222
Transfers between reserves		-	-	-
Distributions to Member Councils		-	-	-
Balance at end of period		20,291	1,222	21,513

		Accumulated Surplus	Asset Revaluation Reserve	Total Equity
2019	Notes	\$'000	\$'000	\$'000
Balance at end of previous reporting period		19,130	-	19,130
Net Surplus/ (Deficit) for Year		503		503
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-
Transfers between reserves		-	-	-
Distributions to Member Councils		-	-	-
Balance at end of period		19,633	-	19,633

This Statement is to be read in conjunction with the attached Notes

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating receipts		11,743	12,337
Investment receipts		501	647
Payments			
Operating payments to suppliers & employees		(11,886)	(11,965)
Net Cash provided by (or used in) Operating Activities	8 (b)	358	1,019
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets		-	-
Sale of surplus assets		-	21
Distributions received from equity accounted Joint Venture	15	900	490
Payments			
Expenditure on renewal/replacement of assets		(759)	(256)
Expenditure on new/upgraded assets		(2,490)	(120)
Capital contributed to equity accounted Joint Venture	15	-	-
Net Cash provided by (or used in) Investing Activities		(2,349)	135
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Distribution to Member Councils		-	-
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		(1,991)	1,154
Cash & cash equivalents at beginning of period		17,497	16,343
Cash & cash equivalents at end of period	8 (a)	15,506	17,497

This Statement is to be read in conjunction with the attached Notes

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of City of Onkaparinga, City of Marion and the City of Holdfast Bay.

1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 The Local Government Reporting Entity

Southern Region Waste Resource Authority operates as a regional subsidiary pursuant to Section 43 of the SA Local Government Act 1999 and Section 25 of the Local Government Implementation Act 1999, and has its principal place of business at 112 Bakewell Dr, Seaford Heights SA 5169.

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 9.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - Significant Accounting Policies (cont)

5 Infrastructure, Property, Plant & Equipment

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. No capitalisation threshold is applied to the acquisition of land or interests in land.

Capitalisation threshold applied of \$1,000 for all asset classes. Any purchases greater than this amount are capitalised and depreciated on the Authority's asset register.

5.3 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class are shown below. Depreciation of Landfill Construction and Future Capping, Rehabilitation and Restoration costs are amortised proportionately to the rate of filling based upon the projected remaining airspace of landfill cells as at the beginning of the reporting period. The Authority annually assesses the remaining airspace of landfill cells and accordingly, depreciation and amortisation rates are adjusted to reflect these estimates. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimated.

Plant, Furniture & Equipment	3-10 years
Buildings	30-50 years
Waste Facility	10-15 years
Landfill construction	Amortised proportionately to rate of filling
Future capping costs	Amortised proportionately to rate of filling
Future rehabilitation and restoration costs	Amortised proportionately to rate of filling

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - Significant Accounting Policies (cont)

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

The Authority recognises all presently entitled liabilities as current liabilities regardless of whether it is expected to be paid within the preceding 12 months of reporting date.

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Statewide Super. The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation 9.5% in 2019/20 (9.5% in 2018/19). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial. The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

The Authority also makes contributions to other superannuation schemes selected by employees under the 'choice of fund' legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the new assets of the scheme, and no further liability attaches to the Authority.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - Significant Accounting Policies (cont)

8 Provisions for Landfill Capping, Rehabilitation and Restoration Costs

The Authority's provision for landfill capping, post closure rehabilitation costs and restoration costs are calculated based on the net present value of the future cash outflows expected to be incurred to remediate the landfill which will include the costs of capping, rehabilitating and restoring the landfill site. The measurement of the provisions requires significant estimates and assumptions such as discount rate, inflation rate, assessment of the requirements of the Environment Protection Authority (EPA) or other government authorities, the timing, extent and costs of activities required and the area of the landfill to be remediated, which is determined by volumetric aerial surveys. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Expenditure relating to ongoing rehabilitation and restoration will reduce any provision previously established.

The Authority monitors the remaining airspace, the airspace consumption efficiency (compaction) ratio, the discount rate and the inflation rate used to calculate the net present value of the future landing capping, rehabilitation and restoration costs on an annual basis and makes adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet.

A complete review of all future capping, rehabilitation and restoration costs including a review of all the key assumptions and estimates in relation to the measurement of these costs is performed on a regular basis with the assistance of external consultants to ensure all projected costs have been independently verified.

The dates of the last review of the key assumptions and estimates in relation to the measurement of the future capping, rehabilitation and restoration costs are shown below:

Costs	Effective Date	Independent Assessor
Capping costs	30 June 2019	Golder Associates
Restoration costs	30 June 2018	Golder Associates
Rehabilitation costs	30 June 2016	Katalyse Pty Ltd

9 Inventory

Inventory held by the Authority reflect materials stored on site which have either been purchased or gifted which will be used for future Cell and Capping construction works to be undertaken in future years.

10 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax". Receivables and Creditors include GST receivable and payable. Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable. Non-current assets and capital expenditures include GST net of any recoupment.

Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

11 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with AIFRS.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - Significant Accounting Policies (cont)

12 New Accounting Standards

As a result of the introduction of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income of Not-for-Profit Entities* which came into effect as from 1 July 2019 for the Authority, an assessment of these new accounting standards determined that these standards do not have an impact on the existing accounting policies of the Authority. The Authority has no deferred revenue arrangements nor entered into any long-term lease arrangements.

13 Valuation of Land and Building Assets

Building assets held by the Authority were valued by Opteon (South Australia) Pty Ltd with an effective valuation date of 30 June 2014 applied for financial reporting purposes. Assets were valued to their market value based on highest and best use. All purchases made post 30 June 2014 have been recorded at cost.

Land assets held by the Authority were valued by AssetVal with an effective valuation date of 30 June 2020 applied for financial reporting purposes. Where there is an active and liquid market as evidenced by sales transactions of similar property types, a Market approach by way of Direct Comparison or Income methods were utilised. Some parcels of land are subject to restrictions as to use and sale and the value of these land assets has been determined after considering suitable market evidence and making necessary adjustment to account for these restrictions.

14 Valuation of Landfill Assets

Landfill assets comprise the acquisition of landfills, cell development costs, landfill improvements costs and the assets related to future landfill capping, rehabilitation and restoration costs.

Assets related to future landfill capping, rehabilitation and restoration costs are valued based on the net present value of the future cash outflows expected to remediate the landfill which will include the costs of capping, rehabilitating and restoring the landfill asset. The assumptions used to estimate these costs and details of their regular review are described in item 8 – Provision for Landfill Capping, Rehabilitation and Restoration Costs.

All landfill assets are amortised proportionately to the rate of filling as described in item 5.3 Depreciation of Non-Current Assets.

15 COVID-19

Given the nature of the business activities undertaken by the Authority, there has been no restrictions imposed on waste processing operations of the Authority due to government enforced restrictions introduced as a result of the COVID-19 pandemic event.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 2 - INCOME

	Notes	2020 \$'000	2019 \$'000
USER CHARGES			
Landfill Operations		10,746	10,578
		<u>10,746</u>	<u>10,578</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		249	421
Banks & other		12	18
investment property rental income		240	208
		<u>501</u>	<u>647</u>
OTHER INCOME			
Other Income		204	63
Southern Recycling Centre		289	401
		<u>493</u>	<u>464</u>

Note 3 - EXPENSES

EMPLOYEE COSTS			
Salaries and Wages		1,151	1,146
Employee leave expense		10	12
Superannuation		102	95
Workers' Compensation Insurance		58	48
Less: Capitalised and distributed costs		(73)	-
Total Operating Employee Costs		<u>1,248</u>	<u>1,301</u>
Total Number of FTE Employees		13	13
MATERIALS, CONTRACTS & OTHER EXPENSES			
Prescribed Expenses			
Auditor's Remuneration		19	19
Board Expenses		39	41
Subtotal - Prescribed Expenses		<u>58</u>	<u>60</u>
Other Materials, Contracts & Expenses			
Contractors		271	418
Fuel		161	132
Equipment Hire		18	-
Maintenance		217	270
Legal Expenses		32	16
Levies paid- EPA Levy		8,542	8,010
Professional services		12	36
Southern Recycling Centre		183	255
Sundry		225	248
Subtotal - Other Materials, Contracts & Expenses		<u>9,661</u>	<u>9,385</u>
		<u>9,719</u>	<u>9,445</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 3 - EXPENSES (cont)

	Notes	2020 \$'000	2019 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Landfill Construction		439	374
Buildings & Waste Facility		138	143
Plant & Equipment		283	351
Impairment	6	-	-
		<u>860</u>	<u>868</u>
OTHER EXPENSES			
Transfer to Provision of Cell 3-1 & 3-2 Capping		-	-
		<u>-</u>	<u>-</u>

Note 4 - ASSET DISPOSALS

PROPERTY, PLANT & EQUIPMENT			
Proceeds from disposal		-	21
Less: Carrying amount of assets sold		-	(30)
Gain (Loss) on disposal		<u>-</u>	<u>(9)</u>

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		1,601	1,755
Short Term Deposits & Bills, etc		13,905	15,742
		<u>15,506</u>	<u>17,497</u>
TRADE & OTHER RECEIVABLES			
Accrued Revenues		23	37
Debtors - general		2,207	1,626
Prepayments		-	3
		<u>2,230</u>	<u>1,666</u>
INVENTORIES			
Stores & Materials		-	-
		<u>-</u>	<u>-</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

Note 6 - PROPERTY, PLANT & EQUIPMENT

	2019				2020			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
	\$'000							
Land	1,427	2,556	-	3,983	5,205	-	-	5,205
Buildings	560	4,044	(634)	3,970	560	4,081	(772)	3,869
Plant & Equipment	-	4,600	(2,980)	1,620	-	5,350	(3,252)	2,098
Office Equipment	-	153	(123)	30	-	160	(133)	27
Super Cell	-	7,565	(5,195)	2,370	-	8,202	(5,391)	2,811
Super Cell Capping	5,269	-	(2,183)	3,086	5,426	-	(2,395)	3,031
Post Closure Rehabilitation	6,064	-	(5,774)	290	6,143	-	(5,799)	344
Future Restoration Costs	4,196	-	(4,161)	35	4,228	-	(4,165)	63
Work in Progress	-	56	-	56	-	1,871	-	1,871
TOTAL PROPERTY, PLANT & EQUIPMENT	17,516	18,974	(21,050)	15,440	21,562	19,664	(21,907)	19,319
Comparatives	1,987	33,787	(20,194)	15,580	17,516	18,974	(21,050)	15,440

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

Note 6 - PROPERTY, PLANT & EQUIPMENT

	CARRYING AMOUNT MOVEMENTS DURING YEAR										2020 \$'000 CARRYING AMOUNT
	\$'000										
	2019 \$'000 CARRYING AMOUNT	Additions		Disposals	Depreciation	Revaluation	Adjustments	Transfer	2020 \$'000 CARRYING AMOUNT		
	Capital	Renewals									
Land	3,983	-	-	-	-	1,222	-	-	-	-	5,205
Buildings	3,970	37	-	-	(138)	-	-	-	-	-	3,869
Plant, Equipment & Motor Vehicles	1,620	-	752	-	(274)	-	-	-	-	-	2,098
Office Equipment	30	-	7	-	(9)	-	(1)	-	-	-	27
Super Cell	2,370	637	-	-	(196)	-	-	-	-	-	2,811
Super Cell Capping	3,086	157	-	-	(215)	-	3	-	-	-	3,031
Post Closure Rehabilitation	290	79	-	-	(24)	-	(1)	-	-	-	344
Future Restoration Costs	35	32	-	-	(4)	-	-	-	-	-	63
Work in Progress	56	1,851	-	-	-	-	1	-	(37)	-	1,871
TOTAL PROPERTY, PLANT & EQUIPMENT	15,440	2,793	759	-	(860)	1,222	2	(37)	-	(127)	19,319
Comparatives	15,580	629	256	(30)	(868)	-	-	-	-	-	15,440

This Note continues on the following pages.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2020

Note 7 - LIABILITIES

	Notes	2020 \$'000		2019 \$'000	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		2,323	-	2,139	-
Payments received in advance		16	-	16	-
Accrued expenses - other		-	-	46	-
		2,339	-	2,201	-
PROVISIONS					
Annual Leave		80	-	66	-
Long Service Leave		65	17	60	25
Super Cell Capping		-	7,980	-	7,823
Post Closure Rehabilitation		-	4,064	-	3,985
Future Restoration Costs		-	1,674	-	1,642
		145	13,735	126	13,475

Movements in Provisions	Opening Balance	Additional Amounts Recognised/ (Derecognised)	Transfers	Closing Balance
Super Cell Capping	7,823	157	-	7,980
Post Closure Rehabilitation	3,985	79	-	4,064
Future Restoration Costs	1,642	32	-	1,674
Total	13,450	268	-	13,718

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 8 - RECONCILIATION OF CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Notes	2020 \$'000	2019 \$'000
Total cash & equivalent assets	5	15,506	17,497
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>15,506</u>	<u>17,497</u>

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)		658	503
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		860	868
Net (Gain) loss in Equity Movement Joint Venture		(745)	(437)
Movement in Landfill Provisions		-	-
Work in Progress Write-Off		-	127
Net (Gain) Loss on Disposals		-	9
		<u>773</u>	<u>1,070</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(564)	173
Net increase (decrease) in trade & other payables		138	(235)
Net increase (decrease) in other provisions		11	11
Net Cash provided by (or used in) operations		<u>358</u>	<u>1,019</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge		-	-
- Non-cash grants & contributions		-	-
Amounts recognised in Income Statement		-	-
- Finance Leases		-	-
		<u>-</u>	<u>-</u>

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Corporate Credit Cards		18	18
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The Authority has no bank overdraft facility.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

<p>Bank, Deposits at Call, Short Term Deposits</p>	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates of 0.25 - 1.15% (2019: 1.25 - 2.25%). Short term deposits have an average maturity of 90 days (2019: 90 days).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
<p>Receivables - Gate Fees & Associated Charges</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and reassessed annually) when collection in full is no longer probable.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
<p>Liabilities - Creditors and Accruals</p>	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and the ANZ Bank. There is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 9 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2020	≤ 1 year	Maturity		Non-interest bearing	Total
	\$'000	≤ 5 years \$'000	> 5 years \$'000		
Financial Assets					
Cash & Equivalents	15,506	-	-	-	15,506
Receivables	-	-	-	2,230	2,230
Total	15,506	-	-	2,230	17,736
Financial Liabilities					
Payables	-	-	-	2,339	2,339
Total	-	-	-	2,339	2,339

2019	≤ 1 year	Maturity		Non-interest bearing	Total
	\$'000	≤ 5 years \$'000	> 5 years \$'000		
Financial Assets					
Cash & Equivalents	17,497	-	-	-	17,497
Receivables	-	-	-	1,666	1,666
Total	17,497	-	-	1,666	19,163
Financial Liabilities					
Payables	-	-	-	2,201	2,201
Total	-	-	-	2,201	2,201

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2020

Note 10 - COMMITMENTS FOR EXPENDITURE

	2020 \$'000	2019 \$'000
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Committed Projects	<u>12,580</u> <u>12,580</u>	<u>-</u> <u>-</u>
Other Expenditure Commitments		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	<u>-</u> <u>-</u>	<u>19</u> <u>19</u>
These expenditures are payable:		
Not later than one year	-	19
Later than one year and not later than 5 years	-	-
Later than 5 years	<u>-</u> <u>-</u>	<u>-</u> <u>19</u>

Note 11 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. Potential Insurance Losses

The Authority insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", the amount of which varies according to the class of insurance.

2. Legal Expenses

All known costs have been recognised.

Note 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2020 that need to be disclosed in the financial statements.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 13 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a uniform and consistent basis. The uniform presentation represents a simplified version of reporting under the Government Finance Statistics (GFS) framework of the Australian Bureau of Statistics.

	2020 \$'000	2019 \$'000
Income	12,485	12,126
less Expenses	<u>(11,827)</u>	<u>(11,614)</u>
Operating Surplus / (Deficit)	<u>658</u>	<u>512</u>
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(759)	(256)
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	860	868
Proceeds from Sale of Replaced Assets	-	-
	<u>101</u>	<u>612</u>
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(2,490)	(120)
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	-	21
	<u>(2,490)</u>	<u>(99)</u>
Net Lending / (Borrowing) for Financial Year	<u>(1,731)</u>	<u>1,025</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 14 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under Section 112 of the *Local Government Act 1999*. The following payments were made to Key Management Personnel during the year:

	2020 \$'000
Salaries, allowances & other short term benefits	404
Post-employment benefits	-
Long term benefits	-
Termination Benefits	37
TOTAL	441

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services \$'000	Amounts Outstanding from Related Parties \$'000	Description of Services Provided to Related Parties
City of Onkaparinga	5,329	747	Provision of waste disposal services
City of Holdfast Bay	969	101	Provision of waste disposal services
City of Marion	2,409	339	Provision of waste disposal services
Southern Recycling Centre	7,030	591	Provision of waste disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5.

The Authority has a total amount outstanding of \$0.303m to the Southern Recycling Centre as at 30 June 2020

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2020

Note 15 - EQUITY ACCOUNTED JOINT VENTURE

Southern Recycling Centre (SRC)

The Authority has entered into a joint venture arrangement with Integrated Waste Services Pty Ltd to operate the Southern Recycling Centre located on the Authority's landfill site.

	2020 \$'000	2019 \$'000
The Authority's respective interests are:		
- interest in operating result:	50.00%	50.00%
- ownership of equity	49.99%	49.99%
- the proportion of voting power	50.00%	50.00%
<u>Movement in Investment in Joint Operation:</u>		
Opening Balance	832	885
New Capital Contributions	-	-
Share in Operating Result	745	437
Equity Adjustment	-	-
Distributions Received	(900)	(490)
Share in Equity of Joint Operation	677	832

Expenditure Commitments

There were no expenditure commitments at reporting date that required to be recognised in the financial statements.

Contingent Liabilities

There were no contingent liabilities at reporting date that required to be recognised in the financial statements.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 16 - FAIR VALUE MEASUREMENTS

The Authority measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Land assets.

The Authority does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Authority selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- *Market approach*: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach*: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- *Cost approach*: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Authority gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 16 - FAIR VALUE MEASUREMENTS (Cont.)

The following tables provide the fair values of the Authority's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2020					
Recurring fair value measurements					
Property, Plant & Equipment					
- Land	6	-	3,450	1,755	5,205
- Buildings	6	-	560	-	560
- Super Cell Capping	6	-	-	5,426	5,426
- Post Closure Rehabilitation	6	-	-	6,143	6,143
- Future Restoration Costs	6	-	-	4,228	4,228
Total financial assets recognised at fair value		-	4,010	17,552	21,562
2019					
Recurring fair value measurements					
Property, Plant & Equipment					
- Land	6	-	1,427	-	1,427
- Buildings	6	-	560	-	560
- Super Cell Capping	6	-	-	5,269	5,269
- Post Closure Rehabilitation	6	-	-	6,064	6,064
- Future Restoration Costs	6	-	-	4,196	4,196
Total financial assets recognised at fair value		-	1,987	15,529	17,516

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 16 - FAIR VALUE MEASUREMENTS (Cont.)

(b) Disclosed fair value measurements

The following tables provide the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	2	Market Value	Observable sales of similar properties – both vacant land and land with improvements
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	3	Cost Approach	Landfill assets unobservable inputs. The measure of these costs requires significant estimates and assumptions such as: discount rate, inflation rate, assessment of EPA requirements, the timing, extent and costs of the required activities and the estimated remaining airspace of the landfill.
A new valuation technique was used to determine the value of parcels of land where there are restrictions as to use and sale of these assets.	3	Market Value	Land assets unobservable inputs. Some parcels of land are subject to restrictions as to use and sale and the value of these land assets has been determined after considering suitable market evidence and making necessary adjustments to account for these restrictions. These adjustments are usually unobservable inputs that are likely to have a significant effect on valuation.