



**Minutes of the Finance, Risk and Audit Committee
held on Tuesday, 8 October 2024 at 2.00 pm
Council Chamber, Council Administration Centre
245 Sturt Road, Sturt**

PRESENT

Mrs Emma Hinchey (Chair)

Ms Nicolle Rantanen

Mr Josh Hubbard (from 2.03pm)

Councillor Jason Veliskou (from 2.10pm)

Councillor Luke Naismith

In Attendance

Chief Executive Officer - Tony Harrison

General Manager City Services - Angela Allison

Manager Office of the CEO - Kate McKenzie

Unit Manager Governance and Council Support - Victoria Moritz

Unit Manager Asset Solutions – Brendon Lyons

Manager Engineering, Assets and Environment – Mathew Allen

Asset Strategy Officer – Catrin Johnson

Unit Manager Engineering – Carl Lundborg

1 Open Meeting

The Chair opened the meeting at 2.00pm.

2 Kaurna Acknowledgement

We acknowledge the Kaurna people, the traditional custodians of this land and pay our respects to their elders past and present.

3 Elected Member Declaration of Interest (if any)

The Chair asked if any member wished to disclose an interest in relation to any item being considered at the meeting.

Nil interests were disclosed.

4 Confirmation of Minutes

4.1 Confirmation of Minutes of the Finance, Risk and Audit Committee Meeting held on 13 August 2024

Report Reference FRAC241008R4.1

Moved Ms Rantanen

Seconded Councillor Naismith

That the minutes of the Finance, Risk and Audit Committee Meeting held on 13 August 2024 be taken as read and confirmed.

Carried Unanimously

5 Business Arising

5.1 Business Arising Statement - Action Items

Report Reference FRAC241008R5.1

The Committee committed the Business Arising Statement and meeting schedule with a minor correction to the date and time of the Special FRAC meeting which is to be held on 11 November at 5.00pm.

Moved Ms Rantanen

Seconded Councillor Naismith

That the Finance, Risk and Audit Committee:

1. Notes the business arising statement, meeting schedule and upcoming items.

Carried Unanimously

6 Confidential Items – Nil

7 Reports for Discussion

7.1 Finance, Risk and Audit Committee Annual Report to Council 2023-2024

Report Reference FRAC241008R7.1

2.03m Mr Hubbard entered the meeting

The Committee noted the Finance, Risk and Audit Committee Annual Report to Council 2023-24 noting a minor correction to the Committee member names in the table.

Moved Councillor Naismith

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee:

1. Endorse the Finance, Risk and Audit Committee Annual Report for 2023-2024 (Attachment 1 to this report) to be presented to Council at its meeting on 26 November 2024, subject to amendments as required.

Carried Unanimously

7.2 State of Our Assets - KPI Performance Scorecard

Report Reference FRAC241008R7.2

2.10pm Councillor Veliskou entered the meeting

The Committee noted the report and summary of the City of Marion's 2024 Asset Management progress results and provided the following feedback:

- The Latest Performance for KPI 1: Asset Condition was discussed, with the Committee querying the Assets in the 'not defined' category and any perspective associated risk. Staff confirmed that it is highly unlikely that any high-risk assets remain uncategorised.
- It was noted that asset owners and the asset solution team are proactively working to refine the quality and accuracy of the data.
- The Committee queried the overall percentage of assessed assets in relation to the number of undefined assets, noting staff will review the accuracy of the figures.
- The Committee discussed KPI 4 in relation to Climate resilience with staff confirming that the assessment methodology is in the process of being developed, noting this is a multi-staged project with a variety of factors influencing the process.
- The Committee noted the delay in some of the asset data and discussed the approach to determine and improve analytics for prioritising data.
- Staff commented the organisation isn't quite there yet with improved analytics, noting this as a stretch goal for the organisation. The team is working to identify assets that haven't been defined or assessed yet which will inform predictive modelling. It was noted that the minimum inspection cycle is every four years, however asset management inspections are conducted more frequently. The Committee suggested re-evaluating the inspection frequency in line with risk tolerance.
- The Committee discussed the difference between maintenance renewals and plans and assets that have legislative maintenance requirements. Staff noted that individual asset owners are aware of the legislative requirements, and these are on a contracted maintenance cycle to ensure compliance.
- The target for the Asset Renewal Funding Ratio was discussed with the Committee noting the result for 2022/23 was 82% highlighting the importance of monitoring this result in relation to the target. Management commented the supply of vehicles had a significant impact on this result. The 2023/24 result has improved and looks on track against target, to be confirmed on the finalisation of the external audit.
- The Committee suggested the inclusion of additional data in the table relating to Asset Condition showing the percentage of assets in poor condition would be helpful, noting the organisation's performance was strong compared to the National report.
- It was also suggested that the inclusion of a satisfaction vs. importance matrix should be considered to guide council decisions and community expectations. This may assist with decisions relating to assets that have a lower satisfaction rate such as footpaths and kerbs.

- The Committee commented on the achievement of all 11 competencies that have reached or exceeded Core Maturity and there are still some areas of improvement in the organisations Asset Data Confidence, however, overall, the organisation is performing very well against the national report.

Moved Ms Rantanen

Seconded Councillor Naismith

That the Finance, Risk and Audit Committee:

1. Review and provides feedback on the 2024 State of our Assets Report for the City of Marion.
2. Notes the 2024 National State of the Assets summary report and key findings

Carried Unanimously

7.3 2024 Asset Management Plan Tranche 3(c)

Report Reference FRAC241008R7.3

Draft Transport Asset Management Plan

The Committee noted and provided the following feedback on the Draft Transport Asset Management Plan:

- The Committee raised concerns about funding and renewal ratios, questioning how these would be addressed. Management explained this has been considered across all the Asset Management Plans, noting some pressures across particular years. It was noted that these will need to be addressed and considered as part of the next Annual Business Planning process, particularly in regard to footpaths, based on audits and council decisions.
- Staff highlighted the footpath renewal plan, citing a condition audit from four years ago and a more recent one informing future work noting the cost to maintain footpaths is \$730k annually. The Committee referenced the consideration of a satisfaction vs. importance matrix from discussions in the previous item.
- The Committee emphasised the need for current asset data and encouraged the use of emerging technologies to enhance decision-making.
- The Committee suggested considering asset retirement and disposal in plans, especially for projects like the T2D, and coastal pathway, with staff acknowledging that some disposal decisions had already been identified.
- The Committee discussed the service level agreements (SLA's) and how they align with risk and resources. The Committee highlighted the need for testing with the community and continuous adjustments based on feedback. Management commented that the Executive Leadership Team monitors performance against the SLA's and adjusts these to continually improve performance.
- Particular SLAs in the Customer Event System relating to road safety hazards and signage were discussed and whether these were acceptable. Staff commented that in cases where the request identified a safety risk to the community, immediate action is taken to isolate and make safe, however would look to review these timeframes taking into account further community feedback following consultation.
- There was discussion around the use of AI in asset management with staff clarifying this was in relation to emerging technologies to assist with and support data collection and

analysis and will look to review the terminology in this section.

- The Committee discussed the useful life of assets in the face of climate risks, and whether this was appropriate with the changing environment. Staff commented they are undertaking a resilient asset management plan and will review the impacts of climate risks within this.
- The Committee discussed Table 20: Asset function performance outcome, agreeing to amend the wording of “TBD” to “continuous improvement” to avoid any confusion.
- The results in Table 10: Community Satisfaction survey levels were discussed with the Committee questioning why the targets for satisfaction were not being met. It was noted the main issues identified and currently under investigation are in relation to Roads - Amount of street parking, causing congestion and traffic hazards and Footpaths and kerbs - Unkept greenery obstructing footpaths, uneven surfaces.
- Staff agreed to review the language used around ‘smart cities’ to clearly identify and describe how these elements are applied, for example referencing specific technology applications like sensors in traffic management.
- The Committee discussed Table 14: Demand drivers, impacts and demand management, in particular the section relating to Land Use. The Committee suggested reviewing the language in the second dot point noting that not all outcomes will improve the transport network within the area, rather this will apply ‘where possible’.
- A minor error was noted in the last dot point on page 85 which should read ‘carbon footprint’.
- There was discussion around two assets not meeting current standards, specifically bridges that were compliant when built, but were now non-conformant due to the recent update of standards. Staff confirmed these are pedestrian bridges, with plans underway to assess risks and perform upgrades.
- The Committee discussed the Capital Expenditure which is projected to be \$1.769m (1.6% of the total cost of the AMP) above the forecast funding allocation in the 2024/25 to 2033/34 adopted Long-Term Financial Plan, suggesting the language could be made clearer in the report to Council.
- Figure 1: Transport assets Condition Profile was discussed with the Committee commenting that additional clarity or an additional statement could be included in regard to items identified as very poor condition and what this means from a safety and risk perspective.
- The Committee discussed the review and consultation process and suggested referencing the impact on the Asset Management Plan in any additional projects that Council may consult on.
- Table 32: Data confidence grades description was discussed by the Committee with the suggestion of including a short description of actions being taken to assist with community consultation.

Draft Water Treatment and Resources Asset Management Plan

The Committee noted and provided the following feedback on the Draft Water Treatment and Resources Asset Management Plan:

- The Committee discussed stormwater retention and infrastructure questioning if there is enough infrastructure to manage larger, less frequent rain events. Staff acknowledged stormwater management challenges, noting mechanisms currently in place with more work needed given some assets are nearing capacity.
- Management noted they are continually working with key external stakeholders and the State Government to review challenges and opportunities referencing external resources such as the desalination plant. The Committee also discussed the opportunities within the

City of Marion such as expanding the purple pipeline network for recycled water distribution and partnerships with developers to manage water treatments.

- The Committee emphasised the importance of water management to reduce reliance on rates and provide water security, noting the mutual benefits for both the City and the State, viewing the water business as a strategic asset that could eventually pay for itself.
- The committee recognised both the challenges and opportunities in managing water resources, with a focus on strategic water retention, climate resilience, and partnerships with developers and commended staff on the report.

Moved Ms Rantanen

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

1. Notes and provides feedback on the:

- Draft Water Treatment and Resources Asset Management Plan, and the
- Draft Transport Asset Management Plan.

Carried Unanimously

8 Reports for Noting

8.1 Council Member Report

Report Reference FRAC241008R8.1

Moved Ms Rantanen

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

1. Notes this report.

Carried Unanimously

9 Workshop / Presentation Items – Nil

10 Other Business

11 Meeting Closure

The meeting shall conclude on or before 5.00pm unless there is a specific motion adopted at the meeting to continue beyond that time.

The meeting was declared closed at 3.25pm.

CONFIRMED THIS 11 DAY OF NOVEMBER 2024

CHAIRPERSON