Asset Management Plan

Parks & Reserves - Playgrounds

Policy Number: POL12/55
Adopted: 25/06/2007
Reaffirmed: 28/07/2009
Amended: 15/04/2014
Minute Number: MIN07.869, MIN09.978, MIN14.266
File: 31367E
Produced By: Assets and Works Group
Review Date: 01/12/2016

For more information contact the Assets and Works Group

*Administrative Centre, Bridge Road, Nowra • **Telephone (02) 4429 3111** • Fax (02) 4422 1816 • PO Box 42 Nowra 2541*
*Southern District Office – Deering Street, Ulladulla • **Telephone (02) 4429 8999** • Fax (02) 4429 8939 • PO Box 737 Ulladulla*

council@shoalhaven.nsw.gov.au • www.shoalhaven.nsw.gov.au

CONTENTS

1. EXECUTIVE SUMMARY

To support the community, Council maintains a network of physical infrastructure within the Shoalhaven Local Government Area (LGA). This infrastructure provides a platform for economic and social development, strengthens the link between the community and the natural environment and creates a sense of place for the local community and its visitors. This infrastructure is integral to the community's well-being and their quality of life.

1.1. The Purpose of the Plan

The purpose of Asset Management Plan (AMP) is to manage assets based on data research and investigation, which determines how assets are to be managed in a sustainable and effective method.

AMP is used to demonstrate how Council's assets are managed based on past and present information to create sustainable and reliable future planning. AMPs will be the basic source for decisions of renewal, replacement or demolition of an asset.
It is also a plan to ensure that assets acquired support and meet the strategic and annual objectives of the organisation and that the cost of providing the service to the community does not outweigh the benefits.

AMP is fundamental to achieve key elements of asset management, the foundation of the Plan includes as follows:

- Defining levels of service – specifies the services and levels of service to be provided by Council for each asset type
- Condition assessment – specifies the technical tools used to assess the condition of each asset
- Life cycle management – how Council will manage its existing and future assets to provide the required services
- Financial summary – what funds are required to provide the required services
- Asset management practices – how the organisation will manage its assets and the tools it will use to accomplish this
- Monitoring – how the Plan will be monitored to ensure it is meeting Council's objectives
- Asset management improvement plan

Council adopted the Shoalhaven Playground Strategy to guide the development of this central community resource. The Strategy aimed to define a Citywide planning procedure to ensure equitable access to a wide range of play opportunities. Contained within the Strategy was a five (5) year Action Plan to guide the removal and replacement of existing playground equipment only. This Action Plan determined the required budget for play equipment in each financial year and set out a rolling program of works. A commitment was also made to bring all playgrounds into compliance with Australian Standards. The Playground Strategy Review provided the opportunity to analyze playground supply across the city.

This Asset Management Plan includes relevant information from the Strategy Review. Together both documents present programs in regard to new playgrounds and replacements, maintenance estimates for existing facilities and the delivery of maintenance services, thereby giving the opportunity to review current procedures in place.

Council is committed to providing safe and efficient facilities with the main objectives being as outlined in the strategy, specifically being to:

- Improve playground safety
- Plan for future playground development
- Develop strategies for the rationalisation of play equipment
- Plan for playground maintenance

The desirable situation is that the annual capital works and maintenance programs need to allocate sufficient resources to ensure these objectives are obtained.

1.2. Asset Description

There is an increasing complexity in playground equipment, creating a wide range of recreation experiences that aim to correspond with the preferences and abilities of all users. This Asset Management Plan will consider playgrounds in alignment with the Strategy, which categorizes them as Icon Park Playgrounds, District Park Playgrounds and Local Park Playgrounds. This Plan does not include play equipment located at playgrounds other than the public parks & reserves network.

1.2.1. Icon Park Playgrounds

They are designed as one-off park/play environments which will generate local, district and regional interest. A high level of landscaping, supporting amenities, public art, etc will complement each playground. It is anticipated that most facilities within these parks will be fully accessible.

The approximate value of play equipment within these parks, dependent on each specific area Plan of Management, will vary from $70,000 to $150,000 (including softfall). In accordance with Council's Service Agreement for Open Space Maintenance these Parks will be maintained as Category 1 Parks.

1.2.2. District Park Playgrounds

District Parks and their Playgrounds are designed to offer multiple play experiences. The level of experience will vary and be dependent on the surrounding 'natural area' recreation attractions such as waterways, beaches, bushland, etc. For example, the level of play experience will be influenced by the quality and quantity of surrounding natural attractions.

Play equipment shall feature graded challenges for wide appeal. The value of these playgrounds will be in the range of $25,000 - $60,000 (including softfall). The provision of appropriate support facilities including picnic tables, barbeques, toilets and parking is important at these parks. In accordance with Council's Service Agreement for Open Space Maintenance these Parks will be maintained as either Category 1 or Category 2 Parks.

1.2.3. Local Park Playgrounds

Local Parks and their Playgrounds are developed in accordance with the above design principles where possible, but the small scale of local parks will be the major limiting factor. This will involve as a minimum, the provision of a set of swings and where possible, the provision of a single platform structure.

Play equipment shall be to a maximum value of $10,000 (including softfall). Ideally they shall be within walking distance of the surrounding residential area. In accordance with Council's Service Agreement for Open Space Maintenance these Parks will be maintained as Category 3 Parks.

1.3. Levels of Service

Understanding Levels of Service (LoS) determines what type of assets will be provided; how often they will be maintained, and when assets will be rehabilitated or replaced. The current level of service is balancing budget and expenditure to be as sustainable and efficient as possible. The reality is that the level of work required maintaining playgrounds are much higher than the budget available.

1.4. Future Demand

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices and environmental awareness for example.

Demand for infrastructure is generated predominantly through either an increased utilisation of existing infrastructure brought about by the factors above or the requirement for new infrastructure to meet the needs of growth in new development.

The demand created by these two circumstances requires analysis to consider the ramifications to existing infrastructure networks and the ability of these networks to cope with the increased infrastructure.

The New Facility Programme includes identified capital installations over the next 10 years and mainly relates to sportsfields and indoor centres, tennis courts and skateparks. There are also new parks that will be created under the Section 94 plan but as these are funded separately to the parks budget, they are not included here.

The total of all new facility estimates has been averaged or annualised into an annual amount over each of the next ten (10) years. The actual amount required in any given year could vary greatly from this annualised sum depending on the capital works programme for that year.

1.5. Lifecycle Management Plan

Management of playgrounds relates particularly to the maintenance and renewal stages of asset life. After construction phase of the asset, it moves into what is known as the "Maintain" phase. Maintenance activities are required to minimise continued deterioration of an asset. As the asset moves towards the end of its life, activities are undertaken to restore the asset to a condition close to that of the original. This is referred to as the "Renewal" phase.

The importance of the time for intervention for renewal is paramount. If renewal activities are not undertaken in a timely manner, the condition of the asset will deteriorate rapidly to failure, and the cost of injuries and reconstruction may be many times that of renewal activities.

1.6. Financial Summary

To maximize the benefits from available funding, a "programmed maintenance" list of works will be prepared and forwarded to the internal service provider for implementation based on the six (6) monthly inspections. Alternatively works may be completed under contract, depending on availability of resources, skills required and cost considerations.

1.7. Asset Management Practices

An ideal Asset Management Practice indicates a good quality of strong governance and accountability; more sustainable decisions, enhanced customer service, effective risk management; and improved financial efficiency.

1.8. Monitoring and Improvement Programme

An Asset Management Plan (AMP) is a dynamic document, reflecting and responding to changes over time and in accordance with the Improvement Programme available. Monitoring of an AMP is required to ensure compliance with the proposed improvement program milestone and to ensure compliance with adopted standards and procedures for condition and performance.

Ideally, full review of an AMP should be undertaken every three to five years to document progress and set out proposals for the next ten to fifteen years.

2. INTRODUCTION

2.1. Background

Asset management planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner. An AMP details information about infrastructure assets including actions required to provide an agreed level of service in the most cost effective manner. The plan defines the services to be provided, how the services are provided and what funds are required to provide the services.

This Asset Management Plan (AMP) is to assist Council to meet its goals and objectives in a way that best serves the community. It provides a framework for future management of playgrounds within the Council area based on current and historical information.

Council has approximately thirty (30) Asset Management Plans which is divided based on each asset types. An area, such as a sporting complex may consist of a few asset types. Therefore, each AMP interrelates with one another.

AMP's position within Council's organisation chart to link with corporate and operational objectives is shown below:

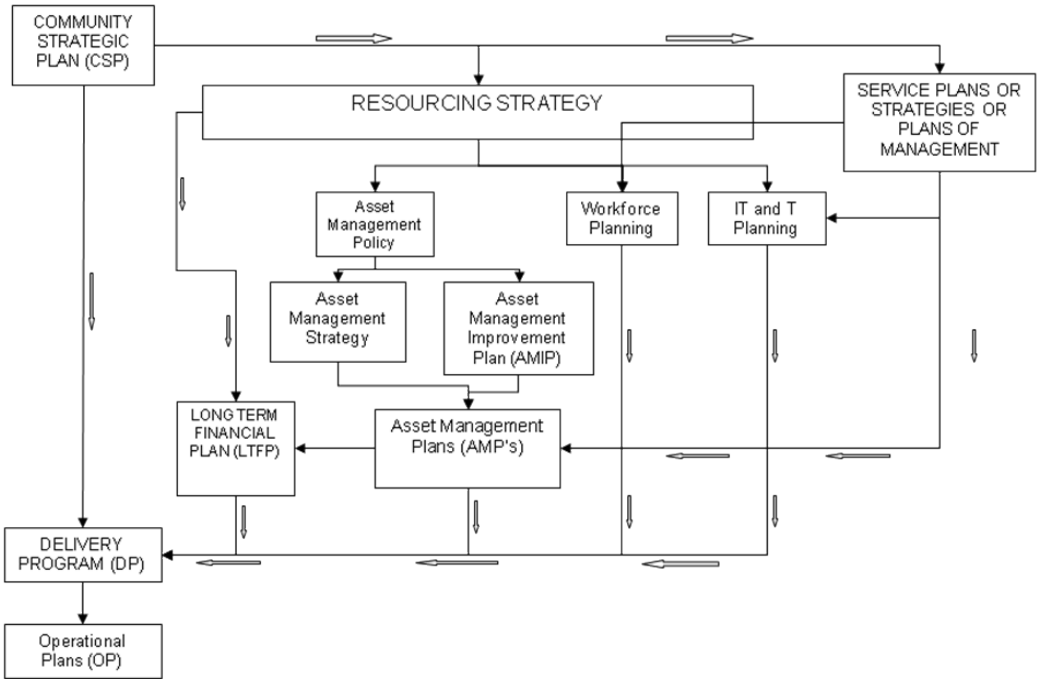


Diagram 1. How Asset Management Plan links with corporate and operational objectives

2.2. Goals and Objectives of Asset Ownership

The organisation exists to provide services to its community. Some of these services are provided by infrastructure assets. We have acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Our goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed.

Council's assets has been acquired by purchase, by contract, construction by council staff as well as donation (section 94) of assets constructed by developers and others to meet increased level of service.

Council is committed to providing safe and efficient facilities, within realistic financial constraints, with the main objectives being as outlined in the strategy, specifically to:

- Improve safety
- Maintain playgrounds at a reasonable "level of service"
- Plan for future development
- Develop strategies for the rationalisation of various playgrounds facilities

Council is also committed to ensuring that the facilities provided are maintained to a standard which suits the purpose and in a manner that ensures available resources are effectively applied. It is recognized that it is neither reasonable nor practical to target zero defects. However it is an objective to have an acceptable level of defects and none that affect customer health and safety or facilities' structural integrity.

The desirable situation is that the annual capital works and maintenance programs need to allocate sufficient resources to ensure these objectives are obtained.

Council's Vision

> We will work together in the Shoalhaven to foster a safe and attractive community for people to live, work, stay and play; where sustainable growth, development and environmental protection are managed to provide a unique and relaxed lifestyle.

(adopted by Council, 21 May 2013)

Council's Mission

> To enhance Shoalhaven's strong communities, natural, rural and built environments and appropriate economic activities through strategic leadership, effective management, community engagement and innovative use of resources.

(adopted by Council, 21 May 2013)

2.3. Plan Framework

The key elements that effects this AMP are:

Asset Management Policy

> The policy is used as a base of principles and requirements to create an AMP that is in accordance with the organisation's strategic plan. (2011, International Infrastructure Management Manual)

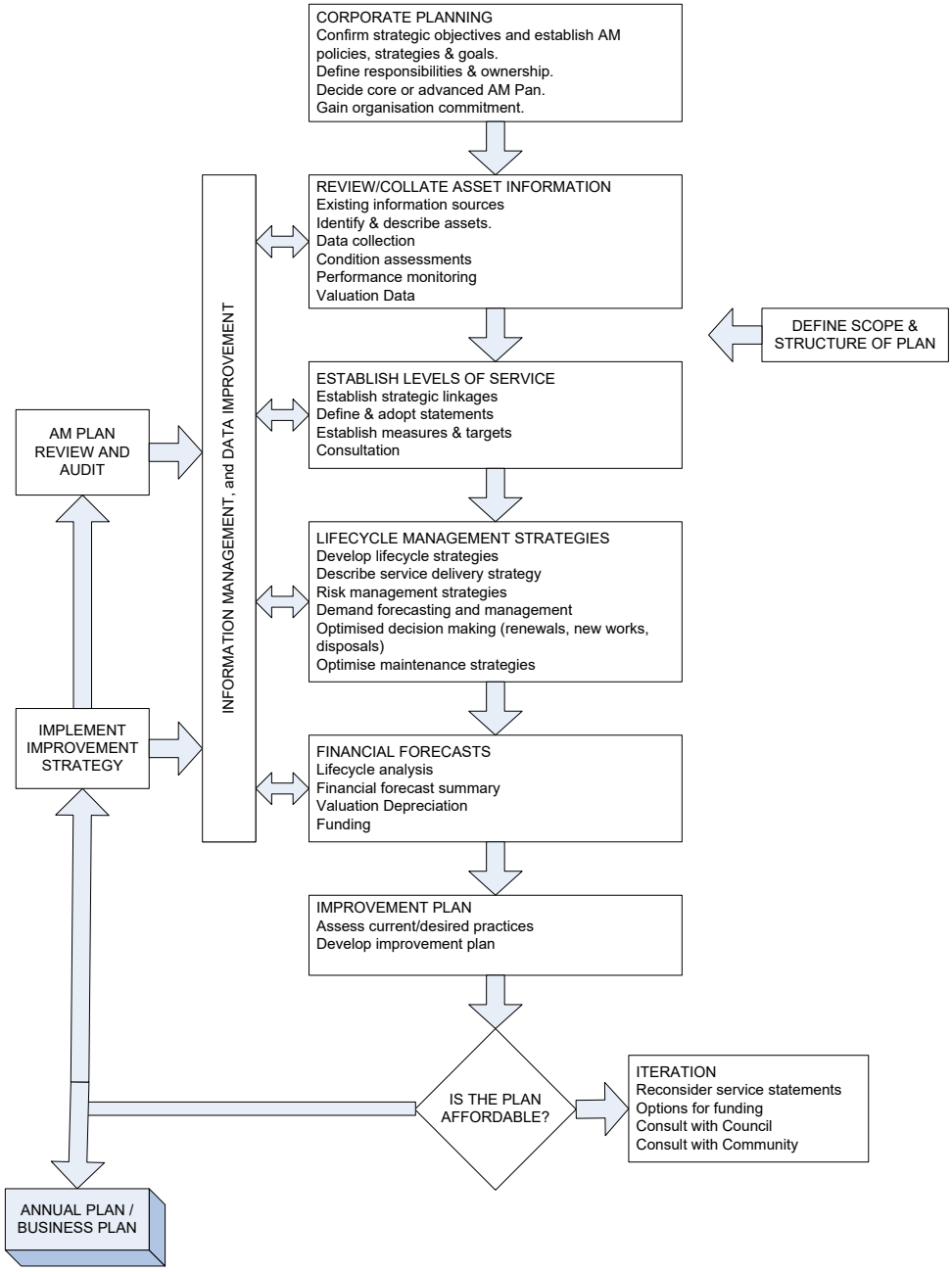
Asset Management Strategy

> A strategy for asset management covering development and implementation of plans and programs for asset creation, operation, maintenance, rehabilitation/replacement, disposal and performance monitoring to ensure desired level of service and other operational objectives are achieved at optimum cost.

The basic key elements of the AMP consists of:

- Level of service – specifying the services and levels of service to be provided by Council
- Future demand – how this will impact on future service delivery and how this is to be met
- Life cycle management – how Council will manage its existing and future assets to provide the required services
- Financial summary – what funds are required services
- Plan Improvement and Monitoring – how the plan will be monitored to ensure it is meeting Council's objectives

A road map for preparing an asset management plan is shown below:



Road Map for preparing an Asset Management Plan
Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11.

2.4. Core and Advanced AM

Asset Management Plan is a continuous document that will require ongoing evaluation. Currently, the level of this asset management plan is at the Core Level which contains basic information on assets and financial forecasts.

3. LEVELS OF SERVICE

In developing the levels of service as documented in this AMP, Council has given due regard to the strategic goals and objectives in the Sportsground Strategic Plan 2008 - 2036 which sets out the strategic direction of Council to implement its Management Plan over the following years. Council has also given due regard to Legislative requirements and Australian Standards and stakeholder expectations in the form of customer research and expectation surveys.

3.1. Customer Research and Expectations

The proposal of future works that is introduced by the AMP must include active engagement and consultation with the community, especially users and managers of the asset. It is significant also to determine community's service level expectations for infrastructure assets.

Quality information from community members and stakeholders ensures the current and future infrastructure across the Shoalhaven Local Government Act (LGA) is managed by Council to achieve the principles of equity, access, participation and right. This information from the community and stakeholders will be integrated with data, research & technical and financial information to create a comprehensive Asset Management Plan.

Understanding Levels of Service (LoS) is vital for the lifescycle management of assets. It determines what type of assets will be provided; how often they will be maintained, and when assets will be rehabilitated or replaced. LoS define the assets performance targets, in relation to reliability, quantity, quality, responsiveness, safety, capacity, environmental impact, comfort, cost/affordability and legislative compliance.

Community consultation is undertaken to reflect the community's views for satisfaction and importance of Council facilities provided, and for identifying community needs and wants in relation to Playgrounds.

Opportunities to add value with community consultation are limited with regard to maintenance.

3.2. Strategic and Corporate Goals

The AMP provides clear guidelines for the effective management of the assets owned and managed by Council. Local Authorities exist principally to supply core services that meet the needs of their communities.

Council's goal in managing assets is to meet the required level of service in a sustainable manner for present and future stakeholders. The key elements to strategic goals of asset management are:

- Demonstrating responsible stewardship;
- Taking a life cycle approach to asset ownership;
- Defining the infrastructure assets physically and financially;
- Providing a defined Level of Service and monitoring the performance against service levels and service expectations;

- Understanding and meeting the demands of growth through demand management and infrastructure investment;
- Managing risks associated with asset failure; and
- Support long term financial planning.

Council objective is to ensure financial strategies underpin Council's asset management policies and strategic. Its goal is to have long term vision for sustainability. In order to do so, the action that can be done is to prepare and review the Council's short and medium term financial plans for Risk Management; Plant & Equipment, Information Technology, Section 94; Asset Management Plans and case reverses.

Acting as a leader in the delivery of social, financial, environmental, and operational objectives, Council needs to ensure good governance and administrative support for the Council and organization.

Council's other goals are to plan, manage and fund Council's public assets to meet the community expectations and defined levels of services. Furthermore, the safety of the community is paramount and is acknowledged and supported through proactive policies, programs and strategies.

3.3. Legislative Requirements

Table 1: List of legislation requirements

Legislation	Requirement
National Asset Management Framework Legislation 2010	Focuses on long term financial sustainability and provides a mandate to have a long term strategy, financial statements and annual reporting mechanisms.
DLG Integrated Planning NSW	Key requirement is to integrated community plans with operational and delivery plans
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery
Work Health and Safety Act 2011	Aims to secure the health, safety and welfare of people at work. It lays down general requirements which must be met at places of work in New South Wales. The provisions of the Act cover every place of work in New South Wales. The Act covers self employed people as well as employees, employers, students, contractors and other visitors.
Occupational Health and Safety Regulation 2001	Regulations on the control and management or risk in the work place
The Protection of the Environment Operations Act 1997 (POEO Act)	Is the key piece of environment protection legislation administered by Department of the Environment and Climate Change (DECC). The POEO Act enables the Government to set out explicit protection of the environment policies (PEPs) and adopt more innovative approaches to reducing pollution.
Disability Discrimination Act	Sets out responsibilities of Council and staff in dealing with access and use of public infrastructure
Australian Accounting Standards	Sets out the financial reporting standards relating to infrastructure assets. Standards of particular relevane to Infrastructure Assets include:
	AASB116 Property, Plant & Equipment - prescribes requirement for recognition and depreciation of property, plant and equipment assets
	AASB136 Impairment of Assets - aims to ensure that assets are carried at amounts that are not in excess of their recoverable amounts
	AASB1021 Depreciation of Non-Current Assets - specifies how depreciation is to be calculated
	AAS1001 Accounting Policies - specifies the policies that Council is to have for recognition of assets and depreciation
	AASB1041 Accounting for the reduction of Non-Current Assets - specifies the frequency and basis of calculation depreciation and revaluation basis used for assets
	AAS1015 Accounting for acquistion of assets - method of allocating the value to new assets on acquistion
Crown Lands Act 1989	Defined principles for the use and management of Crown land which may be under Trust to Council, they may prescribe:
	Lease & licences of Crown Lands (Part 4, Division 3 & 4); and
	Plans of Management for Crown Lands (Part 5, Division 6)
AS 3600-2001 Concrete Structures	Proposes a set of standard for achieving a design life of 40-60 years for concrete structures.

3.4. Current Level of Service

Maintenance activities is currently undertaken by our internal service provider Works and Services section (W&S), or under contract, depending on availability of resources, skills required and cost considerations. If Council operations cannot compete with the market price indicated by the Playfix reports, consideration will be given to outsourcing these works as a cost effective solution for the actioning of repairs identified in the six (6) monthly defect inspections. Works will be performed in accordance with the Defect and Risk Management Inspection Procedure and this Asset Management Plan.

The Service Agreement will include a financial provision for 'Programmed Maintenance' from a prioritized list of defects as well as provision for urgent repairs arising from hazard inspections, customer reporting or cyclic defect/condition inspections.

Service delivery will be monitored by unit cost of repairs, random audits of quality and achievement of the specified annual 'Programmed Maintenance'.

3.5. Desired Level of Service

At present, indications of meeting or understanding the desired Levels of Service are obtained from various sources including meetings and consultations with Management Committees.

The main framework of desired Level of Service is stated as follows:

- Service attributes : Aspects or characteristic of a service which includes accessibility, cost, efficiency, quality, quantity, reliability, responsiveness and safety
- Levels of Service : What Council intends to deliver that is based on the community's point of view
- Community performance measure : How the community receives or reacts to the service
- Technical Performance Measure : What Council does to deliver the service, which includes operation and maintenance

(International Infrastructure Management Manual, 2011)

The action that has been undertaken is a survey to the community and data research has been undertaken to discover information of desired level of service. The data collected synchronize with the performance measure so that the desired level of service is reached.

4. FUTURE DEMANDS

In 1996 the population in Shoalhaven was 76,726. In 2011 showed the population was 98,542. It is projected that in 2016 the population would be 104,079 and in 2021is 111,401 (http://www.id.com.au/forecast/shoalhaven). This forecast and population statistics shows the percentage of population has been increasing 6.4% every five (5) years. Therefore it is more than likely that demand for most type of facilities will increase as well.

4.1. Demand Drivers

Any enhancements of the existing facilities would need to be justified in relation to upgrading existing facilities which would provide an increase in the "level of service" rather than a maintenance activity which would prolong useful life of the building.

Population growth alone is not the sole driver for playgrounds. Population growth can create demand for new dwellings and associated infrastructure. Factors affecting demand for libraries include population growth and density; changes in demographics; seasonal factors; social and economic factors; environmental awareness and technological changes.

4.2. Demand Forecasts

Any enhancements of the existing facilities would need to be justified in relation to upgrading existing facilities which would provide an increase in the "level of service" rather than a maintenance activity which would be prolongs useful life of the play equipment.

Population growth alone is not the sole driver for playground assets. Population growth can create demand for new dwellings and associated infrastructure. Factors affecting demand for playgrounds include population growth and density; changes in demographics; seasonal factors; social and economic factors; environmental awareness and technological changes.

The provision of playgrounds is an essential element to the contemporary community's lifestyle. Council's playgrounds also provide a means for the Council to administer and manage the function and role Council has in providing services to the community.

4.3. Demand Impacts on Assets

Demands are usually impacted by a number of components which includes:

- Population or demographic changes
- Changes in community's expectation
- Changes in usage pattern
- Seasonal variation
- Cyclical variations
- Random variations which cannot be attributed to specific causes

Effective asset utilisation seeks to provide the maximum return on funds invested in assets. Over-utilisation can cause failure to achieve levels of service due to asset 'capacity failure'. Under-utilisation of an asset is also a 'capacity failure' and represents a lack of demand for the service the asset provides causing a less than cost effective level of utilisation.
(International Infrastructure Management Manual, 2011)

4.4. Demand Management Plan

Strategies for ensuring that assets are well utilised include:

- Effective demand forecasting before creating new assets, to ensure asset capacity and demand requirements are matched
- Maximising the asset utilisation by providing other assets to meet the demand or operational asset solutions to improve overall asset capacity and hydraulic performance
- Management of customer demand, to reduce demand for over-utilised assets or vice versa

(International Infrastructure Management Manual, 2011)

Demand for new and enhanced services will be managed through a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand and demand management. Demand management practice including non-asset solutions, insuring against risks and managing failures.

The planning for infrastructure due to demand is a constant process of review and assessment of existing infrastructure and its ability to cope with increasing demand, versus the need to augment with new infrastructure.

Demand on infrastructure is created through increased utilisation generated from a growing population and changing patterns of behaviour, ranging from social demographics to transport options and solutions. Often this increasing demand will stem from urban or residential growth increasing the utilisation of a range of community infrastructure.

Council develops strategies for demand management on single or groups of affected assets and continues to manage the relationship between existing and new asset requirements in the context of asset management. This demand management also includes asset rationalisation as discussed in this plan.

4.5. Asset Programmes to Meet Demand

Since Council adopted the Playground Strategy in October 1999, the standard and average age of playgrounds across the City has improved. The flow on effects has resulted in approximately 50% of Council's playground equipment now meeting relevant Australian Standards from an approximate level of 5% four years ago. The average life expectancy of a playground is 10-12 years (less in high use and exposed coastal areas) and the reduction in mean age of equipment has been achieved through the implementation of the five years Action Plan.

As removal of all noncompliant equipment has not been an option, Council has used its regular safety audit information to guarantee a satisfactory level of safety. This information was used to guide the previous 2004 Playground Strategy's Action Plan for selective removal or repair of outdated or unsafe items such as see-saws and three-metre slippery dips.

Since the Playground Strategy was adopted by Council April 2004 the Australian Standards have changed, the impact of these changes is to be reviewed and reported to Council. It is suggested that the update to a new standard across the city is questionable, for a "risk" approach would determine new playground installations to be "Low Risk" as compared to older equipment. A considered approach to the revised standard is required to ensure remedial actions are reasonable with regard to available funds and risk assessment.

<u>Accessibility Issues</u>
The location of playgrounds needs to recognise the demographic characteristics of the community and mobility limits of adults and children. This applies particularly to local playgrounds which are frequently accessed by foot.

Access for children with disabilities is now considered at the design stage but for existing parks, retrofitting for disabled access could be accommodated using pathways and equipment upgrades. By providing a basic level of amenities (i.e. adequate pathways, seating and shade) it is anticipated that supervising adults will also be adequately catered for, particularly with regard to the needs of supervisors with prams/wheelchairs. Whilst most playgrounds and parks have limited prams/wheelchairs access and facilities, Icon Parks shall provide a higher level of access for disabled users.

Opportunities for Additional Playgrounds

The main opportunity for the provision of additional playgrounds exists where:

- Urban expansion and population increase is projected leading to an increase in demand for playgrounds;
- Demographic information identifies a community need for additional playgrounds to serve a particular age group;
- Joint development initiatives with local businesses, schools or community groups are promoted.

Upon reviewing the 2004 Playground Strategy careful consideration was given to the development of additional playgrounds in established areas. A variety of issues were considered including current accessibility, types of equipment, local demographics and the number of requests for new playgrounds received.

A desktop analysis concludes that demand is sufficient for six (6) additional playgrounds to be provided in the Shoalhaven. It is proposed that the addition of the following playgrounds will commence once existing playgrounds have been updated to comply with Standards.

Location (Council Reserve No.)	**Playground Category**
Callala Beach East (site to be determined)	Local Park
Culburra North (site to be determined)	Local Park
Mollymook – Miles Close (SMM502)	Local Park
North Nowra Phillip Drive (NNN065)	Local Park
North Nowra –Greys Beach (NNN147)	Icon Park
Ulladulla – Flame Tree Court (SUL971)	Local Park

Additional requests for playgrounds, not identified above, will be considered within the capital works planning process and included in a future review of the Strategy.

5. LIFECYCLE MANAGEMENT PLAN

5.1. Background Data

Refer Background Data to Attachment 1 of this AMP

5.1.1. Asset Condition

Since 1998, a firm of consultant playground safety auditors, Playfix P/L, has been commissioned to provide six monthly reports on the condition of Council's playgrounds. This was initiated in response to concerns about the age and condition of playground equipment. Each safety audit assesses the age, design, and condition of equipment within each playground. A detailed report and recommended repair list accompanies the assessment.

The overall conditions of all Park Playgrounds were considered by the Parks Officer and Asset Management Unit and classified as listed in Table 2 below. As prioritized maintenance tasks are completed the overall condition of facilities will improve, consequently satisfying the key performance indicator to achieve facilities in a fair or better condition each year.

Table 2: Overall Playground Conditions

Condition	Locations	% Network Value based on Construction Replacement Costs
C1 – As new	24 Local Park, 3 District Park, 1 Icon Park	**30%**
C2- Good	22 Local Park, 5 District Park	**27%**
C3 – Fair	21 Local Park, 4 District Park	**20%**
C4 – Poor	14 Local Park, 2 District Park	**11%**
C5 – Requires replacement	23 Local Park Playgrounds	**12%**

The value of prioritized defects to the entire Playgrounds network is listed in table 3 below. Due to the Playground facilities being inspected on a six (6) month frequency, the figures below represent the first half of year budget; an additional 50% (approximate) of the Total Prioritised Defect value below needs to be added to reflect the actual annual appropriation required.

The total replacement costs of the existing Playgrounds network (including soft fall) are also as listed in table 3.

Table 3: Prioritised Defect Value and Facility Replacement Costs

Defect Description Number of Playgrounds		Action				Totals	Facility Replacement Costs	
		1 Day	1 Week	4 Weeks	1 Year		Playground	Softfall
Northern Parks & Reserves	55	$30	$15,176	$10,043		**$25,249.12**	**$574,000**	$264,000
Central Parks & Reserves	33		$4,367	$2,230		**$6,596.89**	**$505,000**	$246,300
Southern Parks & Reserves	26		$18,957	$4,986		**$23,942.62**	**$177,000**	$101,900
TOTAL VALUES		**$30**	**$38,500**	**$17,259**	**$0**			
NOTE: An additional budget will be allowed for soft fall within Funding Needs Summary								
TOTAL PRIORITISED DEFECT VALUE						**$55,789**		
TOTAL PLAYGROUNDS REPLACEMENT VALUE								$1,868,200

The reported priorities as listed in Table 3 above, are given to each defect task by the playground auditors, there is however a delay in the administration process from inspection to reporting. When the inspection is performed, if any defects are identified requiring immediate rectification, Council's representative is contacted (by phone) and the defects are actioned.

When Council receives the inspection reports, the information is processed and reassigned to the internal service provider. In some instances to action a job may require inspection and reclassification by the Parks Manager; in many instances it is not practical to action tasks as prioritised by the inspection auditors. Council's system of prioritising the tasks is continually developing, to maintain levels of service to the community. A Risk Management Procedure is required to clarify reasonable guidelines for response times and intervention levels.

Additionally conditions of the playgrounds are reported on the 'Playground Inspection Form' by Council staff during the routine maintenance schedule and any defects made safe and repair attention actioned to available funds.

5.2. Infrastructure Risk Management Plan

The 'Defect and Risk Management Inspection Procedure' specifies the following inspection frequencies for playgrounds –

- Defect Inspections - Every Six (6) Months and,
- Hazard Inspections – at scheduled reserve maintenance visitations

There are two main risks that Council is facing as follows:

- **Strategic Risk** – Risk managed through Council's annual Risk Management Plan due to the potential affect a failure in this area can have on Council's operations
- **Operational Risk** – Risks that relate to the day-to-day operations of Council. Operational risk arises from inadequate internal controls, inadequate or no documentation, poor planning and implementation, or inadequate supervision.

Any hazards identified will be prioritised and undertaken as either “Urgent Maintenance” or listed and undertaken as “Programmed Maintenance” in accordance with the timeframes adopted by Council for the defect priority.

This risk management section of the asset management plan concentrates on identification of practical risks at the asset level. An assessment of the risks associated with the service delivery of building assets has identified some critical risks to Council. The risk assessment process:

- Identifies credible risks;
- The likelihood of the risk event occurring;
- The consequences should the event occur;
- Develops a risk rating; and
- Evaluates the risk and develops a risk treatment plan for non-acceptable risks.

(Note: The maintenance of playgrounds is primarily determined by the above Defect and Hazard inspections. However, at present there is no formal Risk Management Procedure to guide actions. This is considered essential due to funding and resources not being sufficient to action hazards within the timeframes currently specified in the six (6) monthly ‘Playfix’ audits. The finalisation of a Procedure will need to specify the required outcomes from the six (6) monthly audits. These outcomes need to be in a format that minimises review by staff and hence earlier issue of orders for corrective works).

5.3. Routine Operations and Maintenance Plan

Comparison of budgets from year to year has been complicated by changes to the activities contained within the definitions. An example is Core Maintenance, which is considered as the basic maintenance activities such as mowing and litter removal etc, and which has had a number of changes to what is and is not considered “core”.

5.3.1. Operations and Maintenance Plan

To maximize the benefits from available funding, a “programmed maintenance” list of works will be prepared and forwarded to the internal service provider for implementation based on the six (6) monthly inspections. Alternatively works may be completed under contract, depending on availability of resources, skills required and cost considerations.

5.3.2. Operations and Maintenance Strategies

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

- Scheduling operations activities to deliver the defined level of service in the most efficient manner,
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost),
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council/Board,

- Review current and required skills base and implement workforce training and development to meet required operations and maintenance needs,
- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options,
- Maintain a current hierarchy of critical assets and required operations and maintenance activities,
- Develop and regularly review appropriate emergency response capability,
- Review management of operations and maintenance activities to ensure Council is obtaining best value for resources used.

5.3.3. Summary of Future Costs

Maintenance activities for Playgrounds are guided by the hazards identified in risk management inspections as well from reports from the public. The budget for maintenance of play equipment in 2012/13 is $86,600.
For the last four years (2008/09-2011/12), the total budget to maintain play equipments is $290,169 (average of $72,542 per annum) and the actual expenditure is $267,274 (average $66,818 per annum). The average expenditure is lower than the budget, this means that effective maintenance work has been undertaken to work against the estimated cost. An average of $66,818 per annum is estimated for the future cost to maintain play equipments.

5.4. Renewal / Replacement Plan

5.4.1. Renewal Plan

The provision of new Playground facilities will generally be undertaken in accordance with the adopted Capital Works Program by external contract.

5.4.2. Renewal Strategies

Renewal expenditure is major work which does not increase the asset's design capacity 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 upgrade/expansion or new works expenditure.

5.4.3. Summary of Future Costs

For the last four years (2008/09-2011/12), the total budget to renew softfall is $113,412 (average of $28,353 per annum) and the actual expenditure is $241,460 (average 60,365 per annum). The average expenditure has gone beyond the budget, which is unsustainable. Based on the expenditure, total cost to renew softfall will be $60,365 per annum.

5.5. Creation / Acquisition / Augmentation Plan

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development however; these generally require additional maintenance and/or asset operations expenditure which need to be planned for.

A complete end to end process for the acquisition of assets, irrespective of how it is acquired, will be developed to ensure the information about the asset, the associated resources and management activities and financial accounting treatment is fully covered.

The Capital Strategy consists of a number of components. These include the Capital Enhancement Programme, the Capital Replacement Programme and the New Facility Programme.

5.5.1. Selection Criteria

Prior to acquiring a new asset in order to satisfy community need, it is significant to consider the following:

- Improvement to the existing asset performance
- Enter an arrangement with the private sector to provide community facility

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organizations including developers. A system to assess these requests needs to be developed and will need to ask requestors to consider:

- occupancy / usage rates of other council assets already similar sized and in use;
- preliminary costing schedules including operational, maintenance and renewal estimates;
- availability of funds and funding sources; and
- ability for the Council to schedule the works in future operational work programs.

5.5.2. Capital Investment Strategies

Capital Investment Strategies for the creating of a new facility requires overlooking the whole life cost of the new asset. This includes the initial capital cost, operating cost and selling or disposing of the asset. Having a more expensive way to build that will produce an asset that is cheaper to operate and maintain may be a better option than the opposite.

The organisation will plan capital upgrade and new projects to meet level of service objectives by:

- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner,
- Undertake project scoping for all capital upgrade/new projects to identify:
    - the service delivery ‘deficiency’, present risk and required timeline for delivery of the upgrade/new asset,
    - the project objectives to rectify the deficiency including value management for major projects,
    - the range of options, estimated capital and life cycle costs for each options that could address the service deficiency,
    - management of risks associated with alternative options,
    - and evaluate the options against evaluation criteria adopted by Council/Board, and
    - select the best option to be included in capital upgrade/new programs,
- Review current and required skills base and implement training and development to meet required construction and project management needs,
- Review management of capital project management activities to ensure Council is obtaining best value for resources used.

5.5.3. Summary of Future Costs

According to the capital works program, new playgrounds are planned to be constructed every two (2) years. For the next ten (10) years, the total budget for the work is $245,000.

5.6. Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any. Any revenue gained from asset disposals is accommodated in the organisation's long term financial plan.

The opportunity to dispose of assets (remove and not replace) is minimal. However the need to retain assets will be reviewed on an individual case basis as the need for replacement or low usage is identified.

The Playground Strategy Review provides the opportunity to analyse playground supply across the city. In accordance with the above Playground Design Guidelines an oversupply of playground equipment may be identified in some locations. In such circumstances once these playgrounds reach the end of their serviceable life they will not be replaced.

6. 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 on desired levels of service and current and projected future asset performance. It should be noted that specific projections and information is available at the level of service and individual asset type/group.

6.1. Financial Statements and Projections

An effective and sustainable funding strategy is required to cover maintenance, replacement and creating new playground cost.

Diagram below is the projection of replacement work on playground

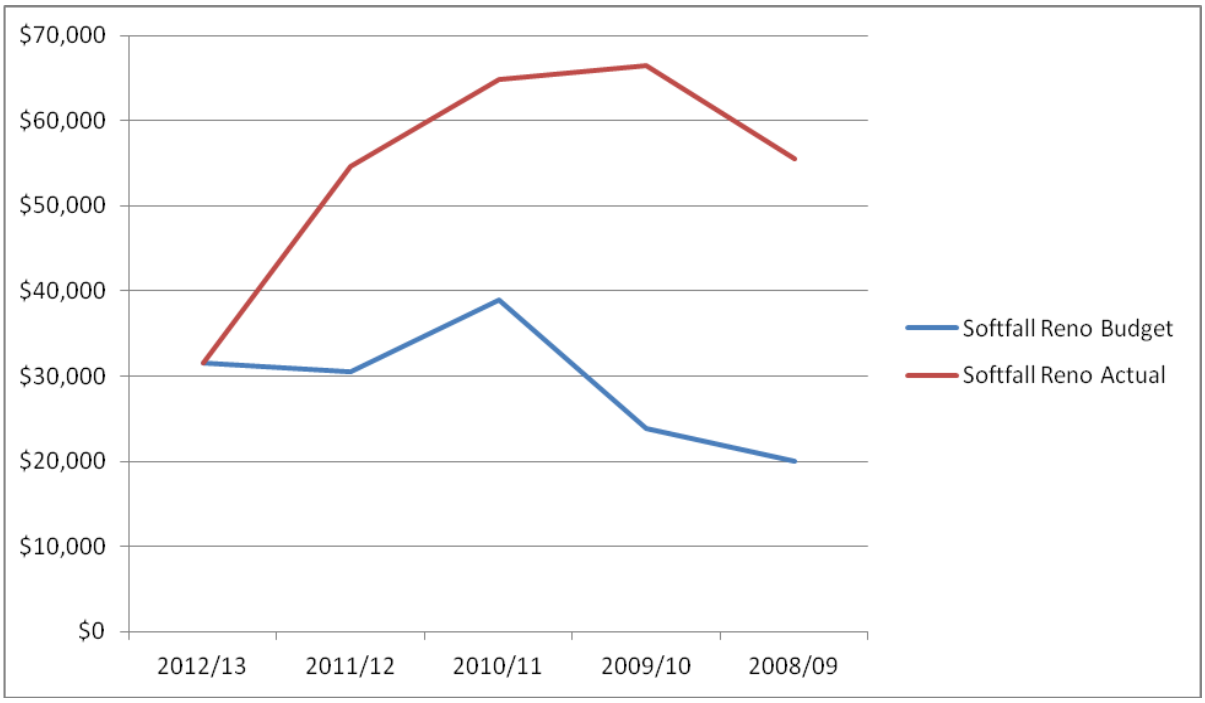
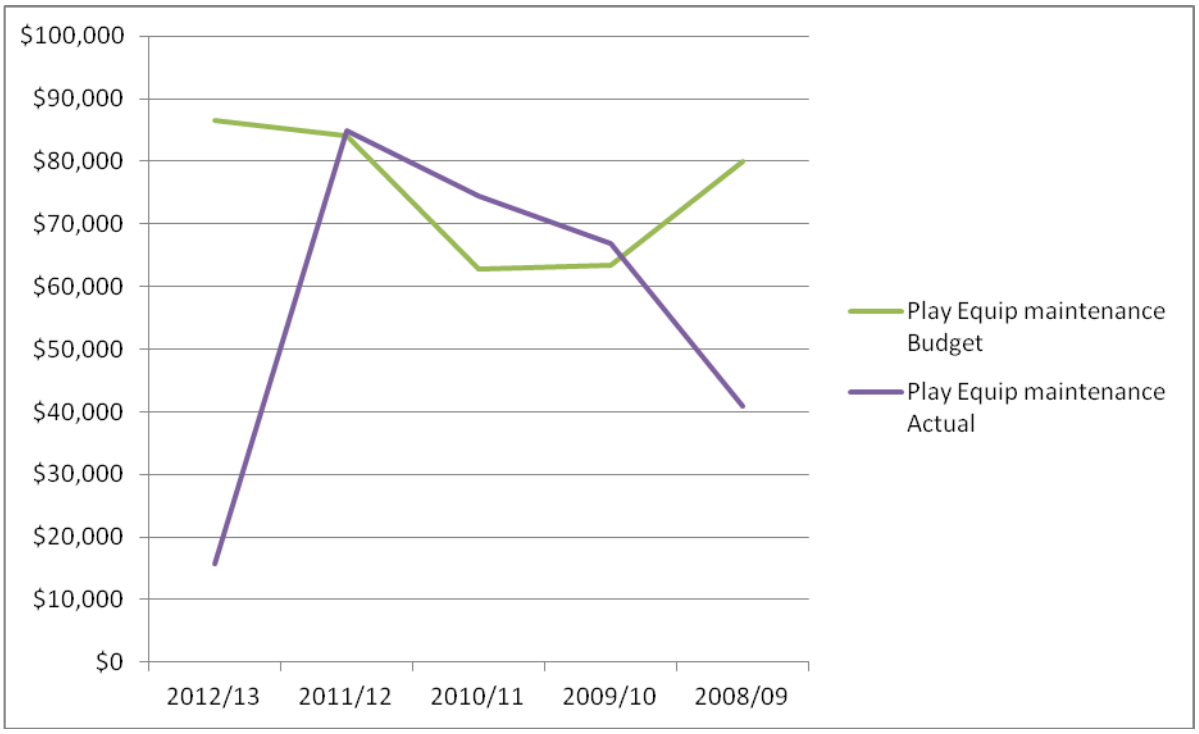


Diagram below is the projection of maintenance work on playground



6.2. Funding Strategy

The classification of softfall materials appropriate for use can be divided into either organic or synthetic, with many products on the market. Life cycles for each product is approximately ten (10) years at that age both these softfalls are at the end of their predicted life (playground replacement as per Playground Strategy is 10-12 yrs for local and district categories). The following points indicate the key considerations when specifying a type of soft fall material:

- Synthetic materials are three to four times more expensive initially to install
- Synthetic materials, although prone to wear, can be easily vandalized. The repair of damage can be very expensive and requires specialized contractors
- There are no local supplies or repairers for synthetic materials
- Synthetic materials can be designed utilizing different colors and patterns
- Organic materials can conceal glass and other dangerous sharps
- Organic materials can be installed and repaired by local council workers and organic materials easy to source
- Statistics indicate that injury rates for bone fractures are higher from synthetic materials

However given the above there may exist some situations where synthetic soft falls are conclusively better, they are as follows;

- Playgrounds identified in less vandal prone areas may be considered, therefore reducing expensive repairs and reoccurring organic replacements
- Parks classified as Icon Parks, where aesthetic value adding is a high priority and security measures are more prevalent

The high initial costs for synthetic installations may be offset over the products lifecycle, if no repairs due to vandalism are required (indicating minimal maintenance costs), however this is highly optimistic. If many repairs due to vandalism are required, this would regulate the proportional maintenance costs, possibly varying substantially from year to year.

6.3. Valuation Forecasts

According to Australian Accounting Standard (AASB) 116, asset classes will need to be revalued unless there have been material changes. The due date of revaluation to each asset class is shown below:

Asset Class	Due
Water & Sewer	30-Jun-12
Property, plant and equipment, operational land, buildings	30-Jun-13
Roads, bridges, footpaths, drainage, bulk earth works	30-Jun-15
Community land, other assets, land improvement	30-Jun-16

Table 4: Fair Valuation – Infrastructure, property, plant and equipment

6.4. Key Assumptions Made in Financial Forecasts

Key assumption made in presenting the information in this AMP and in preparing forecast of required operating and capital expenditure and asset values, depreciation expenses and carrying amount estimates are detailed below. They are presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecast.

Key assumption:

- Average useful lives and average remaining lives of the asset classes are based on current local knowledge and experience, historical trends and accepted industry practice. These need to be reviewed and the accuracy improved, based on regular re-assessment of asset deterioration.
- Reviews of the effective useful lives of assets and population/demographic changes have the potential for greatest variance in future cost predictions.
- Changes in development needs associated with the rate and location of growth and changes in the desired level of service and service standards from those identified in the Asset Management Plan, will both impact on future funding.

Accuracy of future financial forecasts may be improved in future revisions of the Plan by the following actions:

- Implementation of a Job Costing system to incorporate continuously current unit rate data.
- More refined condition rating data with more history for reference.
- Greater degree of componentisation in the rating process.
- Development of better degradation models through national research and development programs.
- Development of better financial models through collaborative processes.
- Implementation of an asset information system.

Specific annual maintenance and renewal cost trends are detailed for each asset category in the relevant Sections.

6.5. Forecast Reliability and Confidence

The Long Term Financial Plan has been developed using the Conquest Asset Register, TRIM Records Management and FIS Financial System. These softwares provide historical information, coupled with valuations, capital and operations budget analysis, using the combined information held in the financial system. Asset renewal analysis has also been completed on a lifecycle management basis based on information provided by Conquest asset register, MERIT requesting system and MMS Maintenance system.

The finance system is the responsibility of the Finance section and the asset register (Conquest) is maintained by Infrastructure Group. The requesting system (MERIT) is maintained by Information Technology section. The Maintenance Management System (MMS) is maintained by Works and Services section.

7. PLAN IMPROVEMENT AND MONITORING

This section of the asset management plan outlines any asset management practices and improvements that have arisen during the process of documenting this first plan and can be incorporated into the organisation's methodology for further enhancement to the asset management practice as the second tier asset management plan is undertaken.

A basic principle of good asset management practice, is that existing assets will be maintained and renewed where necessary, before the acquisition of new assets are be considered.

The following Key Performance Indicators will be used to gauge satisfactory outcomes from this Asset Management Plan:

- Total value of high priority defects,
- % of total network in Condition 3 (Fair) or better as at 30th June each year and,
- Net Maintenance and Capital Costs.

7.1. Status of AM Practices

It is desirable to have an Asset Management Practice that indicates a good quality of strong governance and accountability; more sustainable decisions, enhanced customer service, effective risk management; and improved financial efficiency.

A basic principle of good asset management practice, is that existing assets will be maintained and renewed where necessary, before the acquisition of new assets are be considered.

7.2. Improvement Programme

Below is a list of improvement programme for this AMP:

- Further detailed analysis will be required for the next Asset Management Plan to determine a more reliable Long Term Financial Plan.
- Linking the Asset Register (Conquest) to Strategic Planning Systems (Maloney Modelling Tool), Works Management Systems (MMS), Asset Costing Systems (Knowledge Base), Customer Request Systems (Merit), Plans & Records Management (Drawing Catalog), Electronic Data Management System (EDMS/TRIM), Financial Information System (SUN/FIS) and Spatial Mapping Systems (ESRI/GIS)

7.3. Monitoring and Review Procedures

Regular monitoring and review of this asset management plan is essential in order to ensure the document is able to continue to provide strategic guidance in the sustainable management of Council's open space and recreational assets. This is the first version of the AMP and it will be reviewed and further developed over the next few years.

7.4. Performance Measures

Performance measurement provides an indication the performance against its goals and levels of services. Good performance measures should be specific, measurable, achievable, relevant, time bound (specifies due date or frequency of action), evaluation and reassessed. A good performance measure should also be used consistently over time so that progress and trends can be tracked.

The three significant measures of Council's performance are:

Quality

The assets will be maintained in a usable condition. Defects found or reported that are outside our service standard will be repaired. Defect prioritisation and response times will be detailed in Council's Maintenance Response Levels of Service.

Function

Council's intent is that appropriate assets are maintained in partnership with other levels of government and stakeholders to ensure they meet current and future needs.

Safety

Assets will be maintained at a safe level and associated signage and equipment will be provided as needed. Council inspects all assets regularly and prioritises the repair of defects in accordance with our inspection schedule to ensure they are safe.

The main functional consequences of failure to deliver the desired outcomes are:

Asset Maintenance	Increase in user and owner costs.
Level of Service	Increase in litigation.

8. REFERENCES

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/IIMM

IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/namsplus

IPWEA, 2009, 'Australian Infrastructure Financial Management Guidelines', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/AIFMG.

IPWEA, 2011, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/IIMM

9. APPENDICES

9.1. Glossary (sourced from IIMM 2011)

Age

The current date less year when asset was constructed

AMP

Asset Management Plan

Annual service cost (ASC)

1) Reporting actual cost
   The annual (accrual) cost of providing a service including operations, maintenance, depreciation, finance/opportunity and disposal costs less revenue.
2) For investment analysis and budgeting
   An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operations, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

Asset condition assessment
The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Asset management
A systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of asset based on the combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

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. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

Asset category
Sub-group of assets within a class hierarchy for financial reporting and management purposes.

Asset class
A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

Asset condition assessment
The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Asset Register
A record of asset information including condition, construction, financial, historical, inventory and technical details

Asset renewal funding ratio
The ratio of the net present value of asset renewal funding accommodated over a 10 year period in a long term financial plan relative to the net present value of projected capital renewal expenditures identified in an asset management plan for the same period [AIFMG Financial Sustainability Indicator No 8].

Average annual asset consumption (AAAC)*
The amount of an organisation's asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

Borrowings
A borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time or at a specified point in time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided**.**

Capital expansion expenditure
Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretional expenditure, which increases future operating, and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

Capital expenditure
Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital expenditure - expansion
Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users. It is discretionary expenditure, which increases future operations and maintenance costs, because it increases the organisation's asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

Capital expenditure - new
Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operations and maintenance expenditure.

Capital expenditure - renewal
Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Capital expenditure - upgrade
Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operations and maintenance expenditure in the future because of the increase in the organisation's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

Capital funding
Funding to pay for capital expenditure.

Capital grants
Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Capital investment expenditure
See capital expenditure definition

Capitalisation threshold
The value of expenditure on non-current assets above which the expenditure is recognised as capital expenditure and below which the expenditure is charged as an expense in the year of acquisition.

Carrying amount
The amount at which an asset is recognised after deducting any accumulated depreciation/ amortisation and accumulated impairment losses thereon.

Capital new expenditure
Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

Capital renewal expenditure
Expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or subcomponents of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital upgrade expenditure
Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretional and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital Works
The creation of new assets or an increase in the capacity of existing assets beyond their original design capacity or service potential

Carrying amount
The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

Component
An individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system.

Conquest
An asset management software package that includes Council's Asset Register and Asset Maintenance System

Core asset management
Asset management which relies primarily on the use of an asset register, maintenance management systems, job resource management, inventory control, condition assessment, simple risk assessment and defined levels of service, in order to establish alternative treatment options and long-term cashflow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than detailed risk analysis and optimised decision- making).

Cost of an asset
The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, plus any costs necessary to place the asset into service. This includes one-off design and project management costs.

Council
Shoalhaven City Council

Critical assets
Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than noncritical assets.

Current replacement cost (CRC)
The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

Current replacement cost "As New" (CRC)
The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

Depreciable amount
The cost of an asset, or other amount substituted for its cost, less its residual value.

Depreciated replacement cost (DRC)
The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset

Depreciation / amortisation
The wearing out, consumption or other loss of value of an asset whether arising from use, passing of time or obsolescence through technological and market changes. It is accounted by the allocation of the cost (or revalued amount) of the asset less its residual value over its useful life.

Disposal
Activities necessary to dispose of decommissioned assets

DLG
NSW Division of Local Government, Department of Premier and Cabinet

Expenditure
The spending of money on goods and services. Expenditure includes recurrent and capital.

Facility
A complex comprising many assets which represent a single management unit for financial, operational, maintenance and other purposes

Fair value
The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms length transaction.

Financing gap
A financing gap exists whenever an entity has insufficient capacity to finance asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current financing gap means service levels have already or are currently falling. A projected financing gap if not addressed will result in a future diminution of existing service levels**.**

GIS
Geographical Information System, mapping and spatial location technology systems which show location and relationship to key geographical datum points

Heritage asset
An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

Impairment Loss
The amount by which the carrying amount of an asset exceeds its recoverable amount.

Infrastructure assets
Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no market value.

Investment property
Property held to earn rentals or for capital appreciation or both, rather than for:
(a) use in the production or supply of goods or services or for administrative purposes; or
(b) sale in the ordinary course of business (AASB 140.5)

Level of service
The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost).

Life Cycle Cost *

1. **Total LCC** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
2. **Average LCC** The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises average operations, maintenance expenditure plus asset consumption expense, represented by depreciation expense projected over 10 years. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure

The Life Cycle Expenditure (LCE) is the actual or planned annual maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Expenditure to give an initial indicator of life cycle sustainability.

Loans / borrowings

Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in 'spreading the burden' of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

Maintenance

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, eg road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

- **Planned maintenance**
  Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.
- **Reactive maintenance**
  Unplanned repair work that is carried out in response to service requests and management/ supervisory directions.
- **Specific maintenance**
  Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.
- **Unplanned maintenance**
  Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Maintenance and renewal sustainability index

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (eg 5, 10 and 15 years).

Maintenance expenditure
Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

Materiality
An item is material is its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

Modern equivalent asset
Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and, improvements and efficiencies in production and installation techniques

Net present value (NPV)
The value to the organisation of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from eg the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

New Works
New work expenditure is Capital Works expenditure, i.e. money spent on new works (development costs) and upgrades to an existing asset or on creating a new asset

Non-revenue generating investments
Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operations
Regular activities to provide services such as public health, safety and amenity, eg street sweeping, grass mowing and street lighting.

Operating expenditure
Recurrent expenditure, which is continuously required excluding maintenance and depreciation, eg power, fuel, staff, plant equipment, on-costs and overheads.

Operational Plan
Generally comprise detailed implementation plans and information with a 1-3 year outlook (short-term). The plans detail structure, authority, responsibilities, defined levels of service and emergency responses

Rate of annual asset consumption *
The ratio of annual asset consumption relative to the depreciable amount of the assets. It measures the amount of the consumable parts of assets that are consumed in a period (depreciation) expressed as a percentage of the depreciable amount.

Rate of annual asset renewal *
The ratio of asset renewal and replacement expenditure relative to depreciable amount for a period. It measures whether assets are being replaced at the rate they are wearing out with capital renewal expenditure expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade/new *
A measure of the rate at which assets are being upgraded and expanded per annum with capital upgrade/new expenditure expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

Reactive maintenance
Unplanned repair work that carried out in response to service requests and management/ supervisory directions.

Recoverable amount
The higher of an asset's fair value, less costs to sell and its value in use.

Recurrent expenditure
Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operating and maintenance expenditure.

Recurrent funding
Funding to pay for recurrent expenditure.

Rehabilitation
See capital renewal expenditure definition above.

Remaining Useful life
Remaining useful life is determined for each individual asset from the condition rating. It is the time that the asset provides future economic benefit, from acquisition to expected replacement, renewal in full or replacement / disposal

Renewal
Works or actions to upgrade, refurbish or replace components of an asset to restore it to near new and required functional condition, extending its current remaining life

Residual value
The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

Revenue generating investments
Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management
The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or segment
A self-contained part or piece of an infrastructure asset.

Service
A benefit gained from utilising or accessing an asset and the associated work done by Council staff or others associated with the Council

Service expectation
The description of Level of Service available to users of an asset and any associated services, as described in consultation for developing and reviewing the Community Strategic Plan

Specific Maintenance
Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacement of air conditioning equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Strategic Longer-Term Plan
A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in the Council's longer-term plans such as the asset management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where the Council is at that point in time, where it wants to go, how it is going to get there, mechanisms for monitoring the achievement of the outcomes and how the plan will be resourced.

Stakeholder
A person; group; company or government department representing an interest in an asset; project or service utilising an asset

Sub-component
Smaller individual parts that make up a component part.

Useful life
Either:
(a) the period over which an asset is expected to be available for use by an entity, or
(b) the number of production or similar units expected to be obtained from the asset by the entity.
It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the council. It is the same as the economic life.

Value in Use
The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate new cash flows, where if deprived of the asset its future economic benefits would be replaced.

10. REVIEW

The Asset Management Plan shall be reviewed annually at the end of each financial year and the outcomes reported to Council.

Attachment 1 – Background Data

				Physical Parameter			
Reserve Name		Area	Category	Location	Facilities available	Asset Capacity (Area sqm)	Asset Condition
Basin View Boatramp Reserve/ BMX	BBV587	B	2	Basin View	Playground	Not Known	Good condition
Bawley Pt Reserve	SBP886	S	6	Bawley Point	Playground	Not Known	Good condition
Berrara lagoon Reserve	BBR773	S	2	Berrara	Playground	13899	Good condition
Apex Park	NBE016	N	2	Berry	Playground	4156	Good condition
Berry Showground Surrounds	NBE128	N	6	Berry	Playground	Not Known	Good condition
Mark Radium Park	NBE018	N	2	Berry	Playground	13524	Good condition
Princess St Reserve	NBE017	N	6	Berry	Playground	4994	Good condition
Bomaderry Lions Park	NBO101	N	2	Bomaderry	Playground	Not Known	Good condition
Bomaderry Sporting Complex	NBO090	N	S1	Bomaderry	Playground	102700	Excellent condition
Cavalier Pde Reserve	NBO124	N	3	Bomaderry	Playground	6887	Good condition
John Berry Reserve (Edwards Ave)	NBO096	N	3	Bomaderry	Playground	10793	Good condition
Leonard St Reserve (Endeavour Park)	NBO098	N	3	Bomaderry	Playground	6082	Good condition
Mulgen Cres Reserve	NBO097	N	3	Bomaderry	Playground	1202	Good condition
Penrose Dr Reserve	NBO106	N	3	Bomaderry	Playground	6274	Good condition
Ried Park	NBO095	N	3	Bomaderry	Playground	2442	Good condition
Sampson Cres	NBO099	N	3	Bomaderry	Playground	6743	Good condition
Sheraton Reserve	NBO125	N	3	Bomaderry	Playground	112592	Good condition
Barker Reserve (Moore St)	SBL855	S	6	Burrill Lake	Playground	12255	Good condition
McDonald Pde Reserve	SBL851	S	S3	Burrill Lake	Playground	6056	Fair condition
Callala Bay Tennis Courts	CCA291	B	5	Callala Bay	Playground	Part of Callala	Fair condition
Encounter St Reserve	CCA312	B	3	Callala Bay	Playground	1966	Good condition
Gowland Crescent Reserve	CCA318	B	3	Callala Bay	Playground	6820	Good condition
Parkes Crescent Circle	CCA282	B	2	Callala Beach	Playground	3326	Good condition
Howell Faulks Reserve	NCA045	N	6	Cambewarra Village	Playground	32375	Good condition
Rouse Ave Reserve	NCA046	N	3	Cambewarra Village	Playground	2775	Good condition
Lake Wollumboola Entrance & East Crescent	CCU388	B	2	Culburra Beach	Playground	Not Known	Good condition
Orama Crescent Reserve	CCU274	B	3	Culburra Beach	Playground	2397	Good condition
Tilbury Cove Reserve	CCU265	B	2	Culburra Beach	Playground	12447	Good condition
Cunjarong Pt Boat ramp	SCP885	S	6	Cunjurong Point	Playground	1022000	Good condition
Dolphin Reserve	CCR279	B	2	Currarong	Playground	5470	Good condition
Walton Way Reserve	CCR395	B	6	Currarong	Playground	2289	Good condition
Hazel Robotham Reserve	SFP783	S	6	Fishermans Paradise	Playground	37260	Good condition
Gordon Ravell Oval and Surrounds	CGP251	B	S2	Greenwell Point	Playground	23080	Good condition
Titania Park (formerly Greenwell Point Swimming	CGP401	B	1	Greenwell Point	Playground	Part of	Excellent condition
Huskisson Beach Reserve	BHU595	B	2	Huskisson	Playground	Not Known	Good condition

Reserve Name		Area	Category	Location	Facilities available	Asset Capacity (Area sqm)	Asset Condition
Moona Moona Reserve	BHU595	B	2	Huskisson	Playground	Not Known	Good condition
Huskisson Sports Fields and Surrounds	BHU606	B	S2	Huskisson	Playground	53486	Good condition
Voyager Park	BHU400	B	2	Huskisson	Playground	1257	Good condition
White Sands Park	BHU593	B	1	Huskisson	Playground	Not Known	Excellent condition
Hyams Beach Foreshore CROWN	BHY607	B	2	Hyams Beach	Playground	41700	Good condition
Kangaroo Valley Showground 'Osborne Park'	NKV142	N	3	Kangaroo Valley	Playground	Not Known	Good condition
Kioloa Sporting Complex	SKI909	S	S2	Kioloa	Playground	Not Known	Good condition
Hoylake Reserve (Valley Dr Reserve)	SLC784	S	6	Lake Conjola	Playground	27046	Good condition
Beach Street Reserve (Southern Area)	SLT868	S	6	Lake Tabourie	Playground	836	Good condition
Portland Way Reserve	SLT866	S	3	Lake Tabourie	Playground	8125	Good condition
River Road Reserve (Saltwater Creek Reserve)	SLT862	S	3	Lake Tabourie	Playground	18248	Good condition
Yulunga Reserve (Manyana Hill)	SCM778	S	S3	Manyana	Playground	24571	Fair condition
Mick Ryan Reserve	SMI792	S	2	Milton	Playground	11834	Good condition
Mollymook Beach Reserve	SMM922	S	2	Mollymook	Playground	Not Known	Good condition
Leo Drive Reserve (Middle)	SNW975	S	4	Narrawallee	Playground	5806	Fair condition
Leo Drive Reserve (South)	SNW798	S	3	Narrawallee	Playground	5519	Good condition
Matron Porter Drive	982	S	10	Narrawallee	Playground	Not Known	Fair condition
Matron Porter Drive Reserve	SNW797	S	6	Narrawallee	Playground	54572	Good condition
Crest Park	NNN129	N	3	North Nowra	Playground	1770	Good condition
Devlin Ave Reserve	NNN070	N	3	North Nowra	Playground	3233	Good condition
Drexel Oval Nth Nowra	NNN061	N	S2	North Nowra	Playground	44744	Good condition
Joe Hyam Reserve	NNN066	N	3	North Nowra	Playground	23681	Good condition
Walsh Cres Reserve NO.1	NNN068	N	4	North Nowra	Playground	8954	Fair condition
Arunta Close	CEN362	N	3	Nowra	Playground	2319	Good condition
Davis Park	CNO332	N	6	Nowra	Playground	3773	Good condition
Elyard Dr Reserve	CNO340	N	3	Nowra	Playground	2592	Good condition
Endeavour Park (NE)	CEN360	N	6	Nowra	Playground	18500	Good condition
Harry Sawkins Park	CNO329	N	2	Nowra	Playground	49224	Good condition
Maclean St Closure	CNO420	N	3	Nowra	Playground	Not Known	Good condition
Marriott Park	CNO331	N	2	Nowra	Playground	31043	Good condition
Nowra Park (Recreation Ground Surrounds)	CNO410	N	6	Nowra	Playground	27701	Good condition
Ratcliffe Park and Surrounds	CNO361	N	S3	Nowra	Playground	Not Known	Fair condition
Scenic Dr	CNO406	N	10	Nowra	Playground	Not Known	Good condition
Orama Crescent Walkway	CCU280WW	B	7	Orient Point	Playground	Not Known	Fair condition

Reserve Name		Area	Category	Location	Facilities available	Asset Capacity (Area sqm)	Asset Condition
Clifton Park	BSP567	B	3	Sanctuary Point	Playground	37306	Good condition
John Williams Reserve	BSP557	B	2	Sanctuary Point	Playground	3992	Good condition
Paradise Beach Reserve	BSP564	B	2	Sanctuary Point	Playground	3239	Good condition
Ray Brooks Reserve (Palm Beach/ John Williams	BSP612P	B	2	Sanctuary Point	Playground	Not Known	Good condition
Sanctuary Point - Cessna Play Equipment	BSP551	B	3	Sanctuary Point	Playground	14375	Good condition
Sanctuary Point Sports Field and Surrounds	BSP571	B	S2	Sanctuary Point	Playground	77802	Good condition
Vost Dr Reserve (The Wool Rd Reserve)	BSP572	B	4	Sanctuary Point	Playground	16347	Fair condition
Curtis Reserve & Celia Hall	NSH035	N	6	Shoalhaven Heads	Playground	12373	Good condition
Gumley Res. Landscape (End of River Road-	NSH149L	N	2	Shoalhaven Heads	Playground	355	Good condition
Oval Drive (Pepper Reserve)	NSH034	N	3	Shoalhaven Heads	Playground	20996	Good condition
Blacket Park	BSG530	B	2	St Georges Basin	Playground	11809	Good condition
Pangari Reserve	BSG531	B	3	St Georges Basin	Playground	6112	Good condition
Finkernagel Reserve	BSU776	S	S3	Sussex Inlet	Playground	35841	Fair condition
Jacob Ellmoos Reserve	BSU761	S	2	Sussex Inlet	Playground	13744	Good condition
Lions Park North	BSU881N	S	6	Sussex Inlet	Playground	Part of Lions	Good condition
Shelley Grove Reserve	BSU772	S	3	Sussex Inlet	Playground	4716	Good condition
Thompson Street (Aquatic Centre)	BSU929	S	10	Sussex Inlet	Playground	Not Known	Fair condition
Thompson Street Sporting Complex	BSU927	S	S2	Sussex Inlet	Playground	60600	Good condition
Swanhaven Reserve (Dyball Reserve)	BSW968	S	6	Swanhaven	Playground	Not Known	Good condition
Church St to Connelly Cl	2204	B	10	Tomerong	Playground	Not Known	Fair condition
Green St Reserve	SUL938	S	2	Ulladulla	Playground	Not Known	Good condition
Parson Street (east)	1906RFS	S	5	Ulladulla	Playground	Not Known	Fair condition
Racecourse Beach Car Park (South Pacific Cres Res	SUL831	S	6	Ulladulla	Playground	24303	Good condition
Timbs St Reserve	SUL835	S	3	Ulladulla	Playground	6462	Good condition
Ulladulla Rotary Park	SUL940	S	2	Ulladulla	Playground	Not Known	Good condition
Ulladulla Sporting Complex	SUL980	S	S1	Ulladulla	Playground	81100	Excellent condition
Willinga Cl Reserve	SUL830	S	3	Ulladulla	Playground	7101	Good condition
Blenheim Beach Reserve	BVI503	B	2	Vincentia	Playground	18169	Good condition
Plantation Point Reserve	BVI507	B	2	Vincentia	Playground	31828	Good condition
Violet Clark Reserve	BVI622	B	6	Vincentia	Playground	6241	Good condition
Wandandian Rest Area	BWA619	B	3	Wandandian	Playground	7746	Good condition
Racemosa Ave Reserve	CWN365	N	3	West Nowra	Playground	4620	Good condition
Rannoch Reserve	CWN361	N	3	West Nowra	Playground	5881	Good condition
Andrew Crescent Reserve	CCB376	N	3	Worrigee	Playground	7635	Good condition
Elderberry Avenue	CCB374	N	3	Worrigee	Playground	707	Good condition

Reserve Name		Area	Category	Location	Facilities available	Asset Capacity (Area sqm)	Asset Condition
Liberty Rd Worrigee	CNU443	N	4	Worrigee	Playground	7131	Fair condition
Rayleigh Gardens	CCB372	N	6	Worrigee	Playground	19394	Good condition