Sunshine Coast COUNCIL

Sunshine Coast Council Asset Management Plan 2017/18 - 2022/23

Parks and Gardens

www.sunshinecoast.qld.gov.au
mail@sunshinecoast.qld.gov.au
T 07 5475 7272 **F** 07 5475 7277
Locked Bag 72 Sunshine Coast Mail Centre Qld 4560

Acknowledgements

Council wishes to thank all contributors and stakeholders involved in the development of this document.

Contents

1 Executive Summary

1.1 Context

Sunshine Coast Regional Council seeks to provide a diverse network of public open space for the passive and active recreation of the community. This Asset Management Plan (Plan) applies to recreational parks within the open space network and seeks to communicate strategies and funding required to provide and maintain assets associated with recreation parks. The challenge for council is also to preserve the natural features of the open space network, whilst balancing the increasing demands and public use.

Recreation parks include formalised parks and gardens, playgrounds and associated fixtures such as:

- Play spaces (play equipment, softfall, shade structures & skate parks)
- Sports fields and sports playing surfaces (basketball, cricket pitches & other play surfaces)
- Picnic & bbq facilities (shelters, tables, seats & bbqs)
- Showers, taps & irrigation
- Barriers & signage

Green assets are not captured within this plan, however it is envisaged that such assets will be recognised in future years.

The Open Space Strategy 2011 sets out the desired levels of service for park provision and level of embellishment, however the lack of adherence by both council and developers presents the risk of council creating an unsustainable, over embellished open space network.

The Parks and Gardens Service

There are approximately 1037 recreation parks covering an area of approximately 858 hectares comprising of regional, district, local and landscape and amenity parks. The infrastructure assets covered in this Plan have a replacement value of approximately $120,461,000.

1.1.1 What does it cost?

The projected outlays necessary to provide the services covered by this Plan includes operations, maintenance, renewal and upgrade of existing assets over the 10 year planning period is $528,457,000 or $52,846,000 on average per year.

Executive Summary - What does it cost?	(000)
10 year total cost [10 yr Ops, Maint, Renewal & Upgrade Proj Exp]	**$528,457**
10 Year Average Cost	**$52,846**
10 year total LTFP budget [10 yr Ops, Maint, Renewal & Upgrade LTFP Budget]	**$407,101**
10 year average LTFP budget	**$40,710**
10 year AM financial indicator	**77%**
10 year average funding shortfall	-$12,136

Estimated available funding for this period is $407,101,000 or $40,710,000 on average per year which is 77% of the cost to provide the service. This is a funding shortfall of $12,136,000 on average per year. Projected expenditure required to provide services in the Plan compared with planned expenditure currently included in the Long Term Financial Plan are shown in the table above.

1.1.2 What we will do

We plan to provide safe and functional recreation parks services for the following:

- Operations and maintenance of recreation park assets to meet service levels set by annual budgets.
- Planned renewals, upgrades and new as per capital works program within the 10 year planning period.

1.1.3 What we cannot do

Where a shortfall in funding may exist, works are prioritised via the Capital Works funding program. Parks and Gardens staff continue to review and condition monitor assets.

Works and services that cannot be provided under present funding levels are:

- Proactive maintenance of all recreation park assets – this is currently limited to precincts and regional parks, however other levels of parks will continue to be reactive for the majority of works

1.1.4 Managing the Risks

There are risks associated with providing the service, and Parks and Gardens have identified the major risks as:

- Continued over-embellishment of parks due to development
- Operational budgets will require a balance between resource and funding to maintain current levels of embellishment and required maintenance

We will endeavour to manage these risks within available funding by:

- Identify and address any shortfalls in funding via the budget review process
- Review of the open space network to analyse shortfalls and/or excessive provision in terms of Levels of Service.
- Continue to liaise with Development Services to ensure sustainable outcomes are achieved
- Continue to provide proactive maintenance where possible, resulting in less renewable assets resulting in savings
- Review scoping process to limit unplanned infrastructure that does not comply with current Levels of Service from being installed.

1.1.5 Confidence Levels

This Plan is based on medium to low level of confidence information, due to formal asset verification and condition assessments having only commenced recently.

1.1.6 The Next Steps

The actions resulting from this Plan are:

- Verification and condition assessment of main asset types Determine whole of life costs for main asset types
- Revise scoping methodology
- Develop Recreation Park Plan

1.2 Questions you may have

1.2.1 What is this plan about?

This Plan covers the recreation park infrastructure assets that serve the Sunshine Coast Regional Council community's recreation needs. These assets include recreation parks throughout the region that enable people to passively or actively partake in the region's open space network.

1.2.2 What is an Asset Management Plan?

Asset management planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner.

Asset management plans detail 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.

1.2.3 Why is there a funding shortfall?

Most of the organisation's recreation park network is constructed by developers or via council's capital works program. Whilst a number of these assets are now approaching the later years of their life and require replacement, Parks and Gardens staff continue to manage this through condition auditing and providing appropriate maintenance outcomes.

Any shortfalls in funding are identified and addressed via the budget review process.

1.2.4 What options do we have?

Resolving the funding shortfall involves several steps:

1. Improving asset knowledge so that data accurately records the asset inventory, how assets are performing, condition and when assets are not able to provide the required service levels,
2. Improving our efficiency in operating, maintaining, renewing and replacing existing assets to optimise life cycle costs,

3. Identifying and managing risks associated with providing services from infrastructure,
4. Making trade-offs between service levels and costs to ensure that the community receives the best return from infrastructure,
5. Identifying assets surplus to needs for disposal to make savings in future operations and maintenance costs,
6. Consulting with the community to ensure that recreation parks services and costs meet community needs and are affordable,
7. Developing partnership with other bodies, where available to provide multi use services,
8. Seeking additional funding from governments and other bodies such as Department of Transport and Main Roads, to better reflect a 'whole of government' funding approach to infrastructure services.

   Utilising available volunteer resources such as Queensland Corrective Services Community Works

1.2.5 What happens if we don't manage the shortfall?

Infrastructure assets will continue to decline if not proactively maintained. It is also likely that service levels will be reduced in some areas, unless new sources of revenue are found. The service level reduction may include reducing the number of services, such as mowing or cleaning frequencies to accommodate budget deficiencies.

1.2.6 What can we do?

Continue to enforce and abide by adopted levels of service to ensure that we are providing a sustainable parks network. Review our current network to determine priorities for future recreation parks services and consult with the community to plan future services to match the community service needs and maximise community benefits against costs.

The development of the Recreation Park Plan should assist with reviewing current and future levels of service for recreation park assets.

Park user surveys have also been conducted in 2015 to help gauge the level of community satisfaction with the recreation park network.

1.2.7 What can you do?

We will be pleased to consider your thoughts on the issues raised in this Plan and suggestions on how we may change or reduce the recreation parks mix of services to ensure that the appropriate level of service can be provided to the community within available funding.

2 Introduction

2.1 Background

Council provides an open space network and associated recreation parks to support the passive and active recreation needs of the community. The open space assets represent a major investment to improve the health and well-being of the community. Not only does the open space network provide a means of maintaining a healthy lifestyle, it also provides an important focal point for social interaction that helps develop and strengthen the region's community.

This Plan has been developed to guide and demonstrate responsive and sustainable management of park assets (and services provided from these assets), compliance with regulatory requirements, and to communicate strategies and funding required to provide the required levels of service. Modelling within this plan is completed to represent a ten year planning period, with a full revision of the plan every five years as a minimum and an update of financial elements completed annually.

The Plan follows the format for Plans recommended in Section 4.2.6 of the International Infrastructure Management Manual[1].

The Plan is to be read with the organisation's Asset Management Policy, Asset Management Strategy and the following associated planning documents:

- Sunshine Coast Council Corporate Plan 2017-2021
- Sunshine Coast Annual Operational Plan 2016-2017
- Sunshine Coast Planning Scheme 2014
- Sunshine Coast Open Space Strategy 2011 (August 2014 edition)
- Sunshine Coast Council Access and Inclusion Plan 2011-2016
- Sunshine Coast Skate and BMX Plan 2011-2020
- Sunshine Coast Open Space Landscape Infrastructure Manual

The infrastructure assets covered by this Plan are shown in Table 2.1. These assets are used to provide recreation parks to the community. Civil infrastructure for the movement of traffic, pedestrians and stormwater in not included in this plan, nor is the land value component of recreation parks.

Table 2.1: Assets covered by this Plan

Asset category	Dimension	Replacement Value
Furniture & fixtures	Incl 853 picnic tables, 1450 seats	$38.1m
Electrical & bbqs	Incl 329 bbqs	$9.8m

[1] IPWEA, 2015, Sec 4.2.6, Example of an Asset Management Plan Structure, p 4|24 – 27.

Playground & activity areas	Incl 469 playgrounds, 23 skate parks, 20 cricket pitches	$45.0m
Shelters & shade structures	Incl 540 shelters, 144 shade sails	$14.4m
Water services	Incl 156 beach showers	$3.1m
Landscaping & Earthmoving	(to be reconciled)	$10.0m
TOTAL		**$120.4m**

Key stakeholders in the preparation and implementation of this Plan are: Shown in Table 2.1.1.

Table 2.1.1: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Elected council	Represent needs of community/shareholders Allocate resources to meet the organisation's objectives in providing services while managing risks Ensure organisation is financially sustainable
CEO/ELT	Manage the delivery of the organisation's objectives
Asset Management & Capital Management	To ensure that asset management policy and strategy is being implemented and to ensure that long term financial needs to sustain the assets for the service they deliver are advised to council for its strategic and financial planning process To provide advice and support to IS branches in regards to asset management
Infrastructure Services Department	Provision and maintenance of civil infrastructure to support recreation parks
Parks & Gardens Branch	Planning, design, delivery and maintenance Provide the agreed levels of service within budget resources Improve asset management and risk management Monitoring and updating the plan ensuring its outcomes are realised
Financial Accounting and Financial Services	To ensure that adequate financial information is provided to council and to relevant asset managers to facilitate sound management of assets
Information Technology	To ensure that the relevant IT systems are functioning and to provide advice and support for the management of asset data
Corporate Planning, Report and Risk	To ensure that risk management practices are conducted as per council policy and assist with advise on risk issues
Community Members	Inform council of desired levels of service and affordability

2.2 Goals and Objectives of Asset Management

Local government exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by 'purchase', by contract, construction by capital works and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet adopted levels 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 meets the defined level of service,
- Identifying, assessing and appropriately controlling risks,
- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed [2], and.
- Continuous improvement in asset management practices.

2.3 Plan Framework

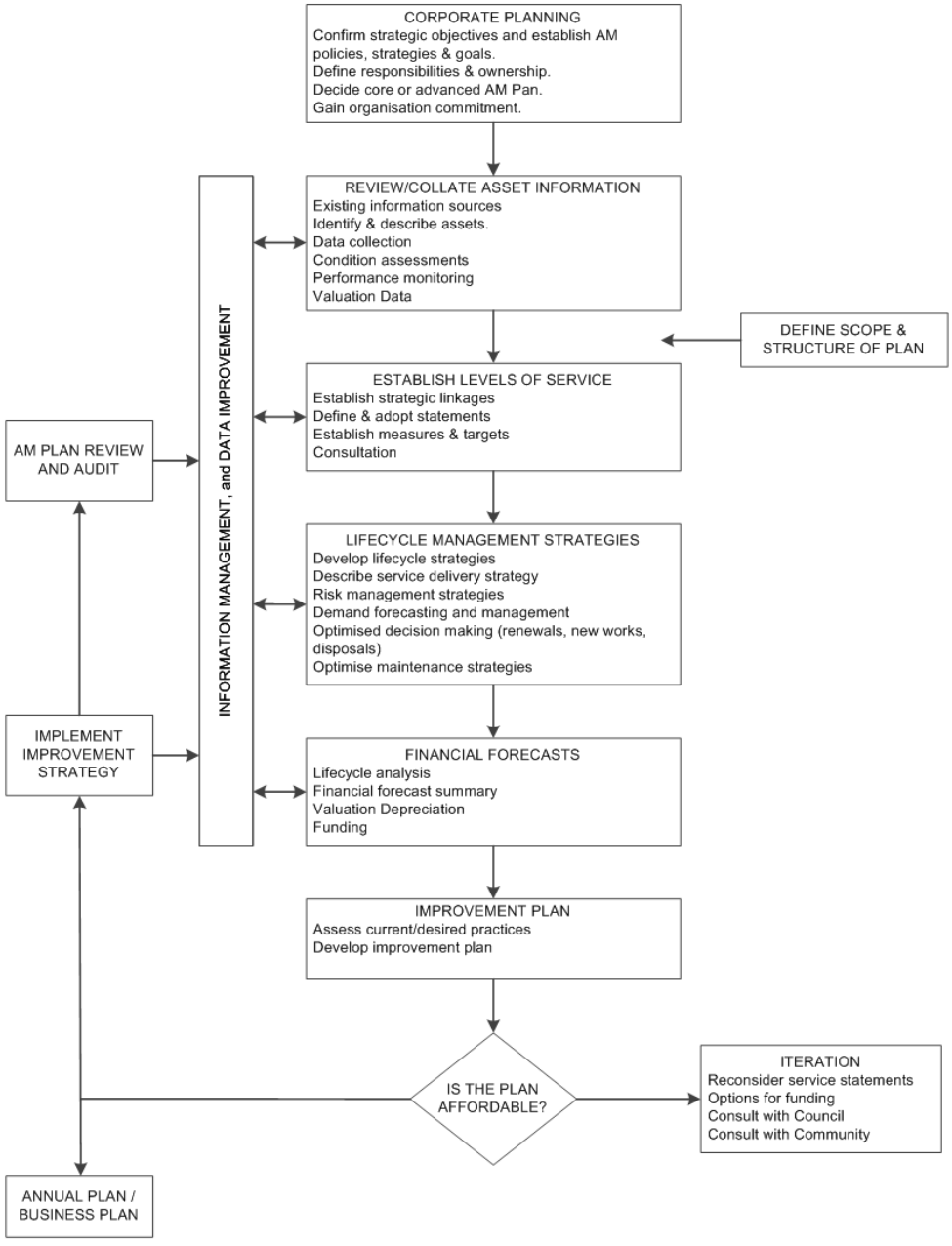
Key elements of the plan are

- Levels of service – specifies the services and levels of service to be provided by the organisation,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Life cycle management – how we will manage our existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices,
- Monitoring – how the plan will be monitored to ensure it is meeting the organisation's objectives,
- Asset management improvement plan – how we plan to improve our asset management practices.

2 Based on IPWEA, 2015, IIMM, Sec 1.2 p 1|7.

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

Road map for preparing an asset management plan
Source: IIMM Figure 1.5.1, p.1.11



2.4 Core and advanced asset management

This Plan is prepared as a 'core/intermediate' asset management plan in accordance with the International Infrastructure Management Manual (IIMM) [3]. It is prepared to meet legislative and organisational requirements for sustainable service delivery and long term financial planning/ reporting. Core/intermediate asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

2.5 Community Consultation

Park user surveys were conducted in 2015 to help gauge the level of community satisfaction with the recreation park network. Information collected during these surveys has been and will continue to be incorporated into future revisions of the Plan. This will assist council and the community in matching the level of service desired by the community, service risks and consequences, with the community's ability and willingness to pay for the service.

[3] IPWEA, 2015, IIMM.

3 Levels of Service

3.1 Customer Research and Expectations

Parks and Gardens participated in the Visitor Measures component of the 2015 Yardstick Parkcheck Program. This survey polled a sample of park users on their level of satisfaction with the organisation's provision of recreation parks and associated facilities. Overall satisfaction with Sunshine Coast Council parks scored 94.6%, slightly below the median of 95.5%. Parks and Gardens will use this information to further guide its planning, management and maintenance of recreation parks.

3.2 Strategic and Corporate Goals

This Plan is prepared under the direction of council's vision, mission, goals and objectives.

Council's vision is:

"To become Australia's most sustainable region – healthy, smart, creative"

Relevant organisation goals and objectives and how these are addressed in this Plan are:

Goal	Objective	How Goal and Objectives are addressed in AM Plan
A new economy	Providing the regional policy, regulatory settings and identity that shape a globally competitive economy	Build the reputation of the region known for its natural capital, as the preferred place to live and as a major destination for both business and pleasure
A strong community	Supporting an engaged, resilient and inclusive community that embraces diversity	Safe, healthy, connected communities
An enviable lifestyle and environment	Maintaining and enhancing the region's natural assets, liveability and environmental credentials	Well managed and maintained recreation park network, shaped by clever planning and design
Service excellence	Providing value for money services responsive to the needs of the community	Services and assets are efficient, appropriately maintained and managed to meet the needs of a growing community
A public sector leader	Delivering a high performance organisation, supported by good governance and robust decision-making	A financially sustainable organisation

Council will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan prepared in conjunction with this Plan. Management of infrastructure risks is covered in Section 5.2.

3.3 Legislative Requirements

Table 3.3: Legislative Requirements

Legislation	Requirement
Anti-Discrimination Act 1991	Promotes equality or opportunity for everyone by protecting them from unfair discrimination in certain areas of activity.
Aboriginal Cultural Heritage Act 2003	Makes provision for Aboriginal cultural heritage.
Coastal Protection and Management Act 1995	Makes provision for the protection and management of the coast.
Electrical Safety Act 2002	Makes provision for electrical safety.
Environmental Protection Act 1994	Makes provision for the protection of Queensland's environment.
Local Government Act 2009	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.
Nature Conservation Act 1992	Makes provision for the conservation of nature.
SCC Planning Scheme 2014	Sets the framework to manage growth and development on the Sunshine Coast
Sustainable Planning Act 2009	Provides the framework to integrate planning and development assessment so that development and its effects are managed in a way that is ecologically sustainable.
Vegetation Management Act 1999	Regulates the clearing of vegetation.
Water Act 2000	Makes provision for the sustainable management of water and other resources.
Work Health and Safety Act 2011	Makes provision for safe work places for staff.
Various Australian Standards (AS)	Outlining the minimum requirements for design and operations for various infrastructure

3.4 Current Levels of Service

This Plan is generally based on current levels of service, although future works and financial forecasting will require some interpretation and understanding of community desires regarding levels of service, including from future community consultation and surveys.

Levels of service have been defined from a community perspective and from a technical / operational perspective.

Community Levels of Service - Measures how the community receives the service and whether the organisation is providing community value.

Community levels of service measures used in the Plan are:

Quality	How good is the service?
Function	Does it meet users' needs?
Capacity/Utilisation	Is the service over or under used?

Council has limited formal information regarding asset function, capacity and utilisation. It is intended to identify and collect important data and information about these measures in association with reviewing council's current and future levels of service as part of the Recreation Park Plan.

Technical Levels of Service - Supporting the community levels of service are technical or operational levels of service. These technical measures relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical levels of service are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleansing frequency, mowing frequency, playground inspections etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (structure repairs, oil of timber elements, general repairs and maintenance),
- Renewal – the activities that return the service capability of an asset to that which it had originally (e.g. component replacement),
- Upgrade – the activities to provide an higher level of service (e.g. widening a footpath, replacing a playground or shelter with a larger size) or a new service that did not exist previously (e.g. new fitness equipment).

Asset management plan, implement and control technical service levels to influence the customer service levels.

Community and Technical Levels of Service currently being developed are outlined in Table 3.4.

Note these Levels of Service are yet to be formalised and are subject to review/confirmation.

Table 3.4: Current and Desired Service Levels

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Optimal Level of Service
COMMUNITY LEVELS OF SERVICE (how the customer receives the service)				
QUALITY (how good is the service)	Provide quality recreation parks – well maintained, clean and safe	Visitor Measures – measuring park outputs	96% satisfaction with quality of recreation park facilities (2015 user survey)	95% satisfaction with quality of recreation park facilities
		Organisational measure – quality % of parks compliant (score 1-3), <10% non-	< 10% non-compliance notifications per month issued both internally	< 5% non-compliance notifications issued both internally and to contractors.

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Optimal Level of Service
		compliant (score 4,5)	and to contractors. Non-compliance currently measured via Contracts Report. Parks and Gardens - Business and Technical Unit tasked to undertake internal reporting project 2017-2018	Non-compliance currently measured via Contracts Report. Parks and Gardens - Business and Technical Unit tasked to undertake internal reporting project 2017-2018
FUNCTION (fit for purpose/meets users' needs)	Ensure that recreation parks meet users' needs – parks are planned, designed & constructed to support a wide range of users	Visitor Measures – measuring park outputs	96% satisfaction with function of recreation park facilities (2015 user survey)	95% satisfaction with function of recreation park facilities
		Organisational measure – function % of parks compliant (score 1-3), <10% non-compliant (score 4,5)	Function is not currently measured – however will be reviewed during development of Recreation Park Plan	80% parks are fit for purpose / meet users' needs
CAPACITY / UTILISATION (is the service over/under used)	Provide recreation facilities in an efficient manner – in accordance with desired standards of service	Visitor Measures – measuring park outputs	96% satisfaction with capacity of recreation park facilities (2015 user survey)	95% satisfaction with capacity of recreation park facilities
		Organisational measure - capacity/utilisation % of parks compliant (score 1-3), <10% non-compliant (score 4,5)	Capacity / utilisation is not currently measured – however will be reviewed during development of the Recreation Park Plan	80% parks are fully utilised and provided in an efficient manner
TECHNICAL LEVELS OF SERVICE (how the organisation provides the service)				

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Optimal Level of Service
OPERATIONS	Facilities meet users' needs	Proactive cleaning activities completed to schedule	93 % compliance - service quality audits	95% compliance - service quality audits
		Reactive cleaning service requests are completed within designated timeframes	90 % service requests completed within designated timeframes	95% service request completed within designated timeframes
		Budget	Estimated $1 200 000	No budget change
MAINTENANCE	Recreation infrastructure is safe and suitable for purpose	Proactive maintenance activities completed as per levels of service	Approx 20% of works proactive maintenance	80% of maintenance works as proactive maintenance
		Reactive maintenance service requests are completed within designated timeframes	90% service requests completed within designated timeframes	95% service request completed within designated timeframes
		Budget	Estimated $ 1 100 000	Estimated
RENEWAL	Recreational facilities are suitable for purpose – condition of facilities and equipment	% of assets in poor/ very poor condition (4,5)	Estimated 5% poor/very poor condition	5% poor/very poor – with funding allocated for renewal
		Budget	$ 4 046 000	Estimated
UPGRADE/NEW	Recreation facilities are appropriate for community preferences and needs – facilities provision matches demand	Provision of parks infrastructure in accordance with desired standard of service	60% new infrastructure driven by request	95% of new infrastructure in accordance with strategies/masterplans (developed for all District & Sunshine Coast Wide Parks)
		Budget	$ 8 688 000	No budget change

3.5 Desired Levels of Service

Future refinement of the Plan will include further development and refinement of levels of service to address and where possible match the reasonable needs, requirements and expectation of the community. This will require a clear understanding of community needs, expectations, preferences and their willingness to pay for any increase in the levels of service.

Council's Open Space Strategy (OSS) 2011 provides a framework for protecting, enhancing and managing open space now and in the future. The vision outlined on the OSS is:

"vibrant, green, diverse – a network of parks, reserves, trails, waterways and community hubs nurturing wellbeing, supporting our economy and protecting our lifestyle and biodiversity".

The strategy outlines the (desired) levels of service for the provision and embellishment (in part) of open space. The development of the Recreation Park Plan will further assist to determine areas where council is under or over performing in providing these adopted levels of service to the community.

4 Future Demand

4.1 Demand Drivers

Drivers affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Drivers

The present position and projections for demand drivers that may impact future service delivery and utilisation of assets were identified and are documented in Table 4.3.

4.3 Demand Impact on Assets

The impact of demand drivers that may affect future service delivery and utilisation of assets are shown in Table 4.3.

Table 4.3: Demand Drivers, Projections and Impact on Services

Demand drivers	Present position	Projection	Impact on services
Population	Population is increasing with the popularity of the region as a desired place to live Current population 282 822* (*ABS 2014)	Expected that population will continue to rise Population increased 2.34% per year on average from 2006-2011, and is expected to reach close to 500 000 by 2031	Increased demand and use of parks infrastructure and corresponding increased maintenance requirements and possible decreased asset life
Demographics	Demographics are changing as more empty nesters & retirees move to the region	Expected that demographics will change over time – with a shift from active to passive recreation	The growth in the older age groups is likely to lead to an increase in demand for more passive recreation areas/facilities with increased access and equity
Development trends	Higher housing densities in new estates	Expected to continue	Increased housing densities will lead to increased demand for public open space as privately owned space decreases
Leisure trends	Changing leisure trends, with a demand for a greater variety of recreational activities	Recreational parks will need to cater for a wider range of use	Expectation that recreation parks will provide a wide range of experiences and services

4.4 Demand Management Plan

It is anticipated that demand for new assets and services will be managed through a combination of managing, upgrading and/or rationalisation of existing assets and providing new assets to meet demand where appropriate.

As part of the development of asset management strategies and practices in the future, consideration will be given to developing demand management strategies to provide alternatives to the creation of new assets in order to meet future demand. This will include looking at ways of modifying customer demands in order that the utilisation of existing assets is maximised and the need for new assets is deferred or reduced.

Opportunities identified to date for demand management are shown in Table 4.4. Further opportunities will be developed in future revisions of this Plan.

Table 4.4: Demand Management Plan Summary

Demand Driver	Impact on Services	Demand Management Plan
Population numbers	Increased use of recreational parks infrastructure and corresponding increased maintenance requirements and possible decreased asset life	Identify key growth areas and plan for the future provision of recreation parks via regional strategy and planning
Demographic types	The growth in the older age groups is likely to lead to an increase in demand for more passive recreation areas/facilities with increased access and equity	Review and identify appropriate levels of service via Recreational Park Plan (under development) and provision of appropriate infrastructure (LIM)
Development trends	Increased housing densities will lead to increased demand for public open space as privately owned space decreases.	Development Services to ensure developer compliance with council's level of service / appropriate provision and embellishment of recreational parks via Sunshine Coast Planning Scheme 2014 and Open Space Strategy 2011
Leisure trends	Expectation that recreation parks with provide a wide range of experiences and services	Asset provision and rationalisation of services in accordance with open space hierarchy via Recreational Park Plan (under development) and visitor measure surveys. Vary levels of service accordingly.

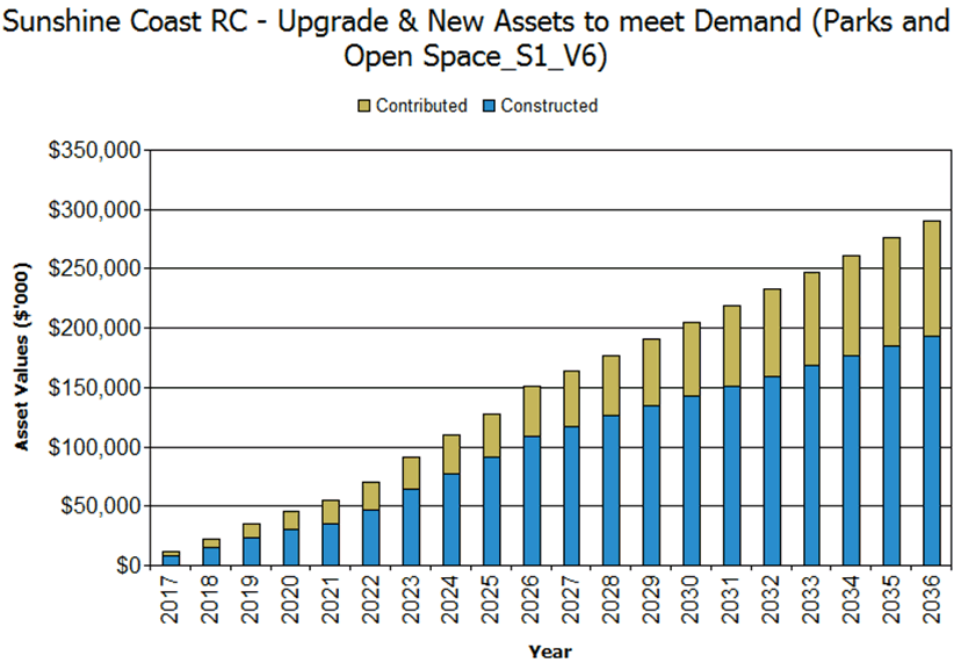
4.5 Asset Programs to meet Demand

New assets required to meet growth will be constructed/acquired by council or donated free of charge from new land developments. New assets constructed/acquired by the organisation are discussed in Section 5.5. The cumulative value of new contributed and constructed asset values are summarised in Figure 1.

Note growth from contributed assets has been estimated as 1% of total annual new (and upgrade) asset value for each year.

Acquiring these new assets will commit the organisation to fund ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs in Section 5.

Figure 1: Upgrade and New Assets to meet Demand



5 Lifecycle Management Plan

The lifecycle management plan details how the organisation plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while optimising life cycle costs.

5.1 Background Data

Lifecycle asset management takes account of the whole-of-life implications for acquiring, operating, maintaining and disposing of park assets. The objectives of lifecycle planning are to:

- establish the total cost of an asset over its life
- establish a sound basis on which asset management decisions are made
- plan for the impact of refurbishment and maintenance, and
- increase the service delivery capacity for the asset

Currently whole of life costing implications are largely not known or taken into account when planning and delivering recreation park assets. Work needs to be undertaken to ascertain these costs, to allow council to make more informed decisions and budget requests.

5.1.1 Physical parameters

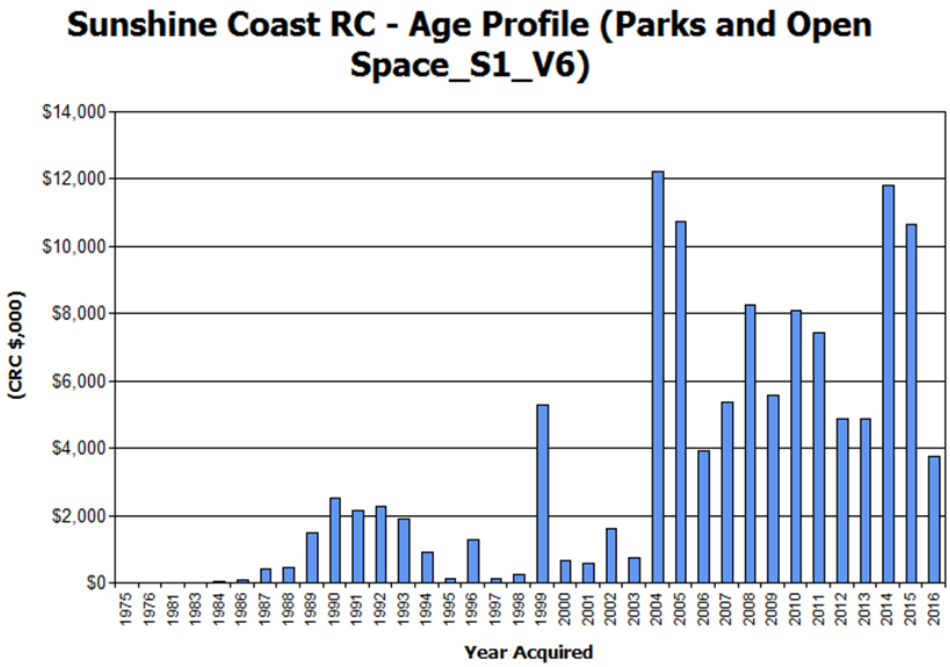
The assets covered by this Plan are shown in Table 2.1. Assets supporting recreation parks are numerous, varied and widespread, with the highest concentration of recreation parks and assets located along the coastal urban strip, with the majority of foreshore parks catering for very high visitation numbers.

The maintenance applied to many assets is considered to be at a minimum and anecdotal evidence suggests the construction materials being used during some installations are short-lived and/or will require high maintenance levels and/or renewal over the next 10 years. It is one of the objectives of this Plan to draw attention to the installation of assets with low useful lives and to realign council's asset age profile to better reflect sustainable asset management.

The age profile of the assets included in this AM Plan is shown in Figure 2

NOTE: many assets were entered into the financial management system in 2004-2005, thus the spike in assets "acquired" during these years.

Figure 2: AssetProfile



5.1.2 Asset capacity and performance

The organisation's services are generally provided to meet desired levels of service and design standards where these are available.

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Park Infrastructure	Lack of knowledge of condition of some asset types such as barriers and irrigation
Local Parks	Many parks do not meet size requirements and/or are over embellished
Sunshine Coast Wide Parks	Provision shortages. Size of some existing parks does not meet needs Competing demands for open space i.e. commercial use, events etc.
General	Quality of open space provided by developers – often drainage as primary function

The above service deficiencies were identified via strategic and operational knowledge of the recreation park network. The SCC Open Space Strategy 2011 identifies the desired standards of service for both the provision of open space and level of embellishment contained within. The revised levels of service will assist with establishing operational and maintenance intervention levels and forecasting the cost for the same.

5.1.3 Asset condition

Condition is regularly monitored for playgrounds, as this is a legislative requirement. Parks and Gardens now have an established scheduled asset verification and condition inspection program for major park fixtures such as bbqs, shelters, picnic tables, seats and beach showers. Audits are conducted on a regular basis and carried out utilising a mobile GIS applications on iPads. Condition is measured using a 1 – 5 grading system as detailed in Table 5.1.3.

Table 5.1.3: Simple Condition Grading Model

Condition Grading	Description of Condition
1	**Very Good/As New**: only planned maintenance required
2	**Good**: minor maintenance required plus planned maintenance
3	**Fair/Satisfactory**: significant maintenance required
4	**Poor**: renewal/rehabilitation required
5	**Very Poor**: requires significant renewal works or planned capital replacement

5.1.4 Asset valuations

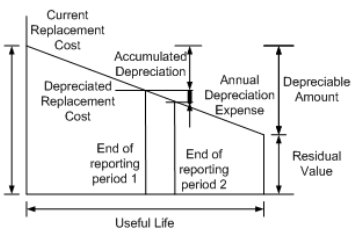
The value of assets recorded in the asset register as at June 2016 covered by this Plan is shown below. Assets were last revalued at 2011 and are in the process of being revalued.

Current Replacement Cost	$120,461,000
Depreciable Amount	$120,461,000
Depreciated Replacement Cost[4]	$75,835,000
Annual Depreciation Expense	$5,343,000

Useful lives were reviewed in 2015 by an external valuation consultant.

Various ratios of asset consumption and expenditure have been prepared to help guide and gauge asset management performance and trends over time.

Rate of Annual Asset Consumption (Depreciation/Depreciable Amount)	4.4%
Rate of Annual Asset Renewal (Capital renewal exp/Depreciable amount)	3.5%
Rate of Annual Asset Upgrade/New (Capital upgrade exp/Depreciable amount)	6.4%
Rate of Annual Asset Upgrade/New (Including contributed assets)	9.4%



[4] IPWEA, 2015, IIMM, Sec 2.5.4, p 2|79.

[5] Also reported as Written Down Current Replacement Cost (WDCRC).

In 2017 the organisation plans to renew assets at 78.10% of the rate they are being consumed and will be increasing its asset stock by 9.4% in the year.

5.1.5 Historical Data

No historical data at this point in time.

5.2 Infrastructure Risk Management Plan

Council is committed to actively managing risks in all areas of its business activities, with the aim to:

- provide safe community assets with reasonable protection from harm to the community, its employees and other stakeholders;
- manage its financial resources in a responsible manners;
- comply with legislation relevant to council's activities; and
- maintain and protect public assets.

An assessment of risks[5] associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a 'financial shock' to the organisation. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan, together with the estimated residual risk after the selected treatment plan is operational are summarised in Table 5.2. These risks are reported to management and council.

Table 5.2: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All assets	Structural defects/failure resulting in personal injury	H	Requirement for all maintenance staff/contractors to report defects. Programmed condition assessment of major asset types	L	In-house resource
All assets	Vandalism / Graffiti resulting in personal injury and loss of public image	H	Requirement for all maintenance staff/contractors to report faults. Service levels determining response times, depending on severity of incident	L	TBA
All assets	Storm damage resulting in reduced/loss of services	H	Disaster management plan to prioritise repair works in such an event	L	Unknown
All assets	Spike in costs for asset renewals as they reach end of useful life	H	Establishment of asset maintenance zones and related proactive maintenance plan required	L	Unknown

[5] Organisation's Infrastructure Risk Management Plan

Play equipment	Structural defects/failure resulting in personal injury	VH	Scheduled inspections in accordance with Australian Standards	M	In-house resource
Recreation parks	Conflicting use resulting in personal injury i.e. dog attacking park user	H	Review parks with conflicting use and relocate activities that conflict	M	In-house resource

Note * the residual risk is the risk remaining after the selected risk treatment plan is operational.

5.3 Routine Operations and Maintenance Plan

Operations include regular activities to provide services such as public health, safety and amenity, e.g. street sweeping, cleaning (public amenities, bbqs etc) and grass mowing.

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

5.3.1 Operations and Maintenance Plan

Operations activities affect levels of service including quality and function through activities such as street sweeping, grass mowing frequency, cleaning frequency and opening hours of park facilities.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating, e.g. oiling of timber elements but excluding rehabilitation or renewal. Maintenance may be classified into reactive, planned and specific maintenance work activities.

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

Planned (scheduled) maintenance is repair work that is identified and managed through a maintenance management system. These activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

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

It is estimated that unplanned maintenance accounts for the majority of maintenance expenditure whilst planned operational activities accounts for the majority of operational expenditure. This is largely due to much of the operational works being contracted out, with council having a contractual commitment to fund such contracts. A key element of advanced asset management planning is determining the most cost-effective mix of planned and unplanned maintenance. Future maintenance costs are forecast to increase relative to current rate of development and new assets being installed by council.

Future revision of this plan will include linking required maintenance expenditures with levels of service.

Note: Operations expenditure is not fully distinguished from maintenance expenditure in the organisational financial systems, although there are some entries on a line item basis that relate to operations costs i.e. electricity and water, therefore the below figures are an estimate of the cost split. Past maintenance expenditure is shown in Table 5.3.1.

Table 5.3.1: Maintenance Expenditure Trends

Year	Maintenance Expenditure	
	Planned and Specific	Unplanned
2012/2013	$1 500 000	$450 000
2013/2014	$1 600 000	$550 000
2014/2015	$1 700 000	$650 000
2015/2016	$1 844 000	$760 000

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

Due to the shortfall in required maintenance budget, assessment and prioritisation of reactive maintenance is undertaken by the organisation's staff using experience and judgement.

5.3.2 Operations and Maintenance Strategies

Parks and Gardens will strive to operate and maintain assets to provide the defined level of service within budget limitations, 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 (30 – 70% planned desirable as measured by cost),
- maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and council,
- review current and required skills base and implement workforce training and development to meet required 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 the organisation is obtaining best value for resources used.

Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The organisation's service hierarchy is shown is Table 5.3.2.

Table 5.3.2: Asset Service Hierarchy

Service Hierarchy	Service Level Objective
Precincts and Sunshine Coast Wide Parks	Provide premium presentation and facilities for regional catchment
District Parks	Provide high presentation and facilities for district catchment
Local Parks	Provide moderate presentation and facilities for local catchment
Landscape & Amenity	Provide low maintenance / scenic amenity

Critical Assets

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at the appropriate time.

Operations and maintenances activities may be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc. Critical assets failure and required operations and maintenance activities are detailed in Table 5.3.2.1.

Table 5.3.2.1: Critical Assets and Service Level Objectives

Critical Assets	Critical Failure Mode	Operations & Maintenance Activities
Precincts and Sunshine Coast Wide Parks	Loss of service/reputation	Designated as precinct areas, with regular inspections and quicker response times for defects
Public amenities (ensuring safe & clean)	Loss of service	Cleansing activities adjusted according to seasonal visitor number variations

Standards and specifications

Maintenance work is carried out in accordance with the following Standards and Specifications.

AS/NZS 4685:2014 Playground Equipment and Surfacing Set

AS/NZS 4486:1997 Playground and Playground Equipment

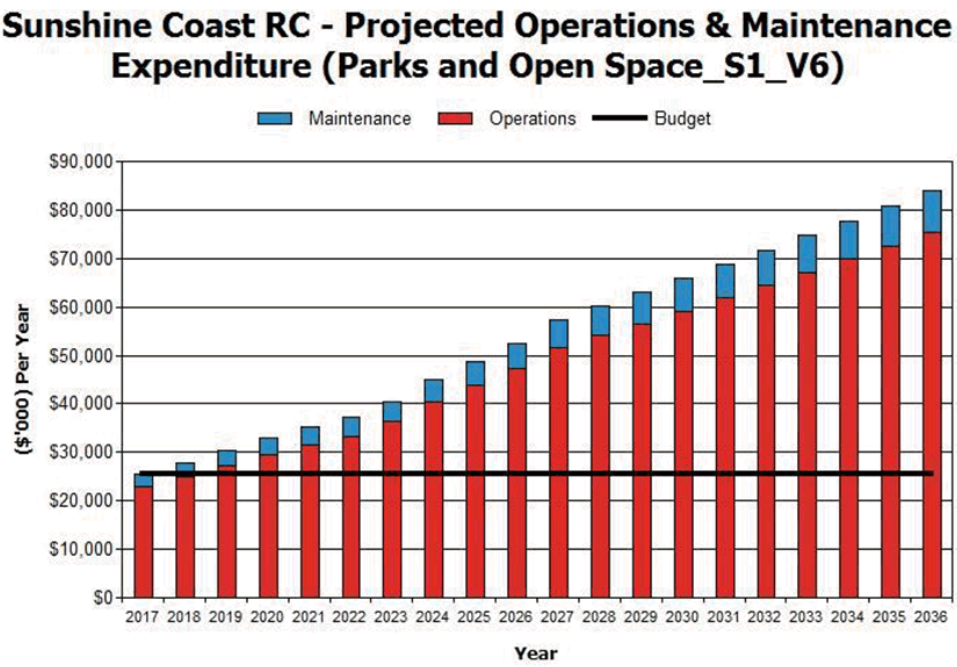
AS 4422:2016 Playground Surfacing – Specifications, requirements and test method

SCC Open Space Landscape Infrastructure Manual

5.3.3 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 4. Note that all costs are shown in current 2015 dollar values (i.e. real values).

Figure 4: Projected Operations and Maintenance Expenditure



Deferred maintenance, i.e. works that are identified for maintenance and unable to be funded are to be included in the risk assessment and analysis in the infrastructure risk management plan.

Maintenance is funded from the operating budget where available. This is further discussed in Section 6.2.

5.4 Renewal/Replacement Plan

Renewal and replacement 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 or lesser required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

5.4.1 Renewal plan

Assets requiring renewal/replacement are identified from one of three methods provided in the 'Expenditure Template'.

Method 1 uses Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year, or

Method 2 uses capital renewal expenditure projections from external condition modelling systems (such as Pavement Management Systems), or

Method 3 uses a combination of average *network renewals* plus *defect repairs* in the *Renewal Plan* and *Defect Repair Plan* worksheets on the 'Expenditure template'.

Method 1 was used for this Plan.

The useful lives of assets used to develop projected asset renewal expenditures are shown in Table 5.4.1. Asset useful lives were last reviewed in 2013.[6]

Table 5.4.1: Useful Lives of Assets

Asset (Sub)Category	Useful life (years)	Asset (Sub)Category	Useful life (years)
BBQs	10	Retaining wall – timber	50
Bike racks	15	Retaining wall – brick/stone/concrete	80
Drinking fountains	15	Seating	15
Flagpole	25	Shade sail	15
Irrigation	15	Shower beach	15
Picnic shelter	25	Sports court – basketball asphalt	30
Picnic table – aluminium	25	Sports court – basketball concrete	50
Picnic table – timber	15	Sportscourt – cricket pitch	30
Playground equipment	15	Sportsfield	30

5.4.2 Renewal and Replacement Strategies

The organisation will plan capital renewal and replacement projects to meet level of service objectives and minimise infrastructure service risks by:

Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner, undertaking project scoping for all capital renewal and replacement projects to identify:

- the service delivery 'deficiency', present risk and optimum time for renewal/replacement,
- the project objectives to rectify the deficiency,
- the range of options, estimated capital and life cycle costs for each options that could address the service deficiency,
- and evaluate the options against evaluation criteria adopted by the organisation, and
- select the best option to be included in capital renewal programs,
- using 'low cost' renewal methods (cost of renewal is less than replacement) wherever possible,
- maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and council,
- review current and required skills base and implement workforce training and development to meet required construction and renewal needs,
- maintain a current hierarchy of critical assets and capital renewal treatments and timings required,
- Review management of capital renewal and replacement activities to ensure the organisation is obtaining best value for resources used.

[6] Enter Reference to Report documenting Review of Useful Life of Assets

Renewal ranking criteria

Asset renewal and replacement is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. roughness of a road).[7]

It is possible to get some indication of capital renewal and replacement priorities by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have a high utilisation and subsequent impact on users would be greatest,
- The total value represents the greatest net value to the organisation,
- Have the highest average age relative to their expected lives,
- Are identified in the AM Plan as key cost factors,
- Have high operational or maintenance costs, and
- Where replacement with modern equivalent assets would yield material savings.[8]

Council has in place an evaluation ranking system that assesses and priorities projects based on various factors. The ranking criteria used to determine priority of identified renewal and replacement proposals is detailed in Table 5.4.2.

Table 5.4.2: Renewal and Replacement Priority Ranking Criteria

Criteria	Weighting (%)
Community / social benefit	16
Corporate alignment	14
Risk assessment	14
Financial consideration	14
Environmental impacts	14
Economic benefits	14
Demand	14
Total	**100%**

Renewal and replacement standards

Renewal work is carried out in accordance with the following Standards and Specifications:

- Relevant Australian Standards and Building Codes
- SCC Open Space Landscape Infrastructure Manual

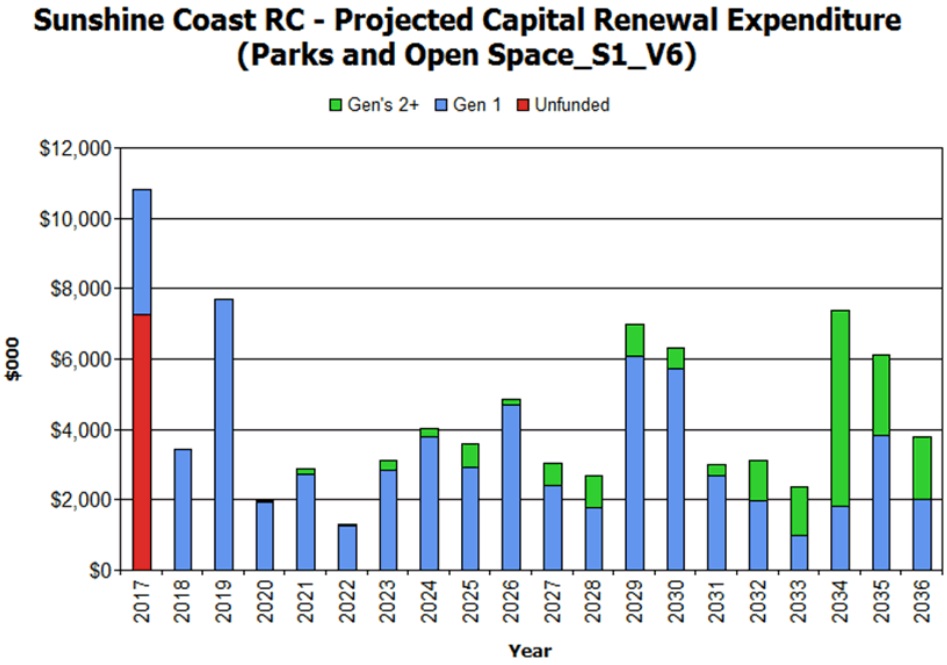
[7] IPWEA, 2011, IIMM, Sec 3.4.4, p 3|60.
[8] Based on IPWEA, 2011, IIMM, Sec 3.4.5, p 3|66.

5.4.3 Summary of future renewal and replacement expenditure

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock ages and increases from growth. The expenditure is summarised in Fig 5. Note that all amounts are shown in real values.

The projected capital renewal and replacement program is shown in Appendix B.

Fig 5: Projected Capital Renewal and Replacement Expenditure



Deferred/unscheduled renewal and replacement, i.e. those assets identified for renewal and/or replacement and not scheduled in capital works programs are to be included in the risk analysis process in the risk management plan.

Renewals and replacement expenditure in council's capital works program will be accommodated in the long term financial plan. This is further discussed in Section 6.2.

5.5 Creation/Acquisition/Upgrade 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 organisation from land development. These assets from growth are considered in Section 4.4.

5.5.1 Selection criteria

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 organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed below.

Table 5.5.1: New Assets Priority Ranking Criteria

Criteria	Weighting (%)
Community / social benefit	16
Corporate alignment	14
Risk assessment	14
Financial consideration	14
Environmental impacts	14
Economic benefits	14
Demand	14
Total	**100%**

5.5.2 Capital Investment Strategies

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:

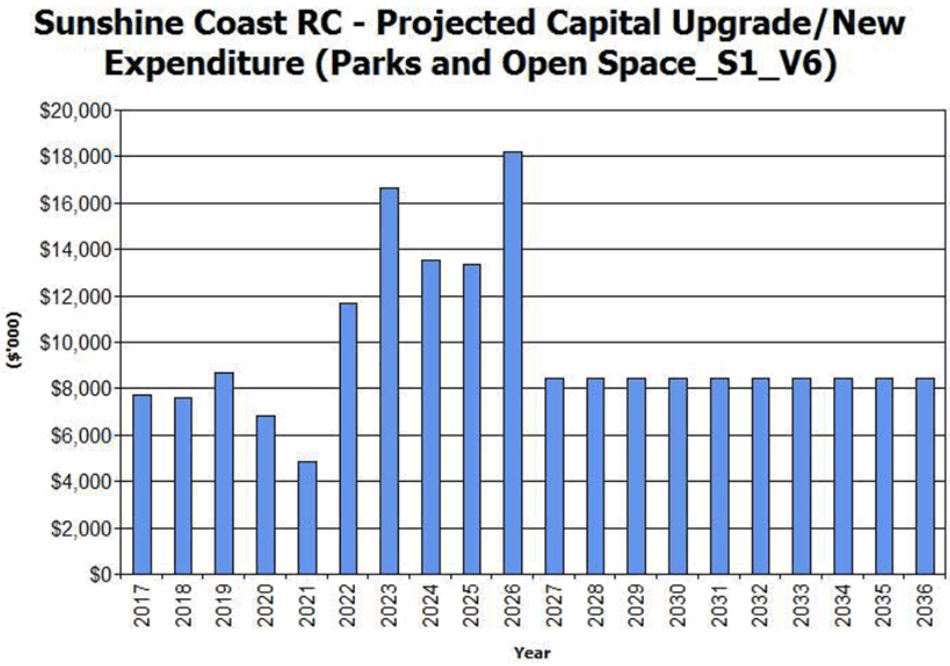
- the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset,
- the project objectives to rectify the deficiency including value management for major projects,
- the range of options, estimated capital and life cycle costs for each options that could address 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 the organisation is obtaining best value for resources used.

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.4.2.

5.5.3 Summary of future upgrade/new assets expenditure

Projected upgrade/new asset expenditures are summarised in Fig 6. The projected upgrade/new capital works program is shown in Appendix C. All amounts are shown in real values.

Fig 6: Projected Capital Upgrade/New Asset Expenditure



Expenditure on new assets and services in council's capital works program will be accommodated in the long term financial plan. This is further discussed in Section 6.2.

5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6, together with estimated annual savings from not having to fund operations and maintenance of the assets. 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 council's long term financial plan.

Where cashflow projections from asset disposals are not available, these will be developed in future revisions of this Plan.

Table 5.6: Assets Identified for Disposal

Asset	Reason for Disposal	Timing	Disposal Expenditure	Operations & Maintenance Annual Savings
Back flow prevention devices (approx. 60)	No longer required	2012-ongoing (staged removals)	$ 10 000 ($165 per valve to remove)	$ 6 000 ($100 per valve - $66 annual testing, $30 register fees)
Water meters (Approx. 135 in size from 20-100mm)	No longer required	2015-2017	Approx. $350 per meter <50mm	$40 000
Irrigation components	No longer required	2015-2017	TBA	TBA
Review of all future asset renewals	Rationalisation of poor condition & underutilised assets	2015 - ongoing	TBA	$3 000 per bbq

5.7 Service Consequences and Risks

The organisation has prioritised decisions made in adopting this Plan to obtain the optimum benefits from its available resources. Decisions were made based on the development of 3 scenarios of AM Plans.

Scenario 1 - What we would like to do based on asset register data

Scenario 2 – What we should do with existing budgets and identifying level of service and risk consequences (i.e. what are the operations and maintenance and capital projects we are unable to do, what is the service and risk consequences associated with this position). This may require several versions of the AM Plan.

Scenario 3 – What we can do and be financially sustainable with AM Plans matching long-term financial plans.

The development of scenario 1 and scenario 2 Plans provides the tools for discussion with council and community on trade-offs between what we would like to do (scenario 1) and what council should be doing with existing budgets (scenario 2) by balancing changes in services and service levels with affordability and acceptance of the service and risk consequences of the trade-off position (scenario 3).

5.7.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Proactive maintenance of some parks assets, where restricted by budget and where maintenance becomes a priority, will be managed by reactive maintenance.
- Further asset data is still being collated to predict budgetary requirement to perform proactive maintenance in line with council's levels of service.

5.7.2 Service consequences

Operations and maintenance activities and capital projects that cannot be undertaken will maintain or create service consequences for users. These include:

- Assets may not reach useful lives due to preventative maintenance not occurring
- Increased maintenance costs as assets age. Decline in levels of service

5.7.3 Risk consequences

The operations and maintenance activities and capital projects that cannot be undertaken may maintain or create risk consequences for the organisation. These include:

- Spike in renewals cost as the assets reach end of useful life

These risks have been included with the Infrastructure Risk Management Plan summarised in Section 5.2 and risk management plans actions and expenditures included within projected expenditures.

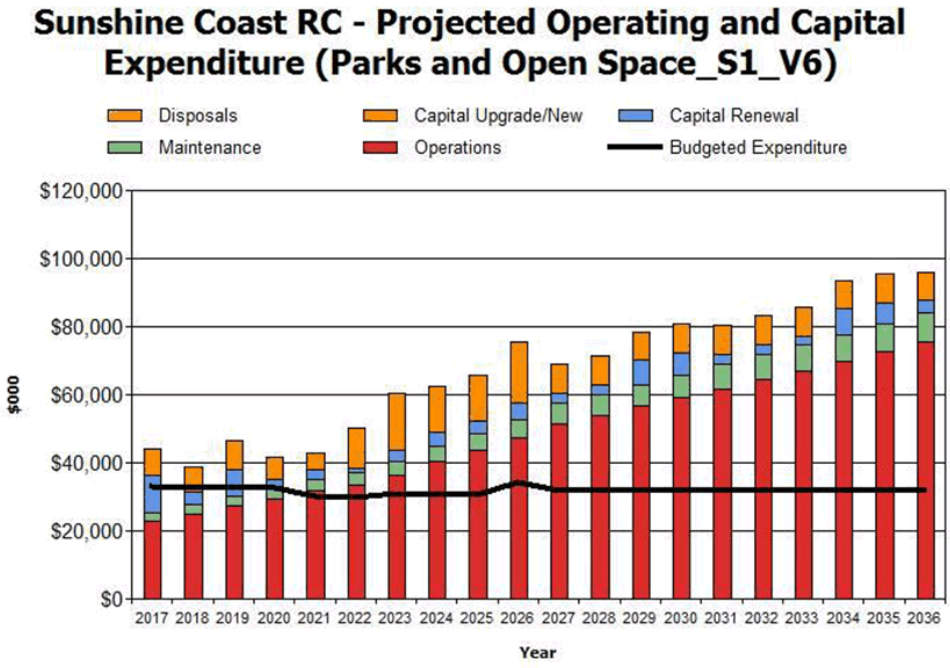
6 Financial Summary

This section contains the financial requirements resulting from all the information presented in the previous sections of this Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

6.1 Financial Statements and Projections

The financial projections are shown in Fig 7 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets). Note that all costs are shown in real values.

Fig 7: Projected Operating and Capital Expenditure



6.1.1 Sustainability of service delivery

There are four key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset category, these being the asset renewal funding ratio, long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio[9]	96%

The Asset Renewal Funding Ratio is the most important indicator and reveals that over the next 10 years, the organisation is forecasting that it will have 96% of the funds required for the optimal renewal and replacement of its assets.

Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the levels of service over the asset life cycle. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this Plan is $42,570,000 per year (average operations and maintenance expenditure plus depreciation expense projected over 10 years).

Life cycle costs can be compared to life cycle expenditure to give an initial indicator of affordability of projected service levels when considered with age profiles. Life cycle expenditure includes operations, maintenance and capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure over the 10 year planning period is $29,799,000 per year (average operations and maintenance plus capital renewal budgeted expenditure in LTFP over 10 years).

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. The life cycle gap for services covered by this Plan is -$12,771, 000 per year (-ve = gap, +ve = surplus).

Life cycle expenditure is 70% of life cycle costs.

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. **If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.**

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan.

Medium term – 10 year financial planning period

This Plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

The projected operations, maintenance and capital renewal expenditure required over the 10 year planning period is $41,934,000 on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is $29,799,000 on average per year giving a 10 year funding shortfall of -$12,136,000 per year. This indicates that the organisation expects to have 71% of the projected expenditures needed to provide the services documented in the Plan.

---

[9] AIFMG, 2009, Financial Sustainability Indicator 8, Sec 2.6, p 2.18

Medium Term – 5 year financial planning period

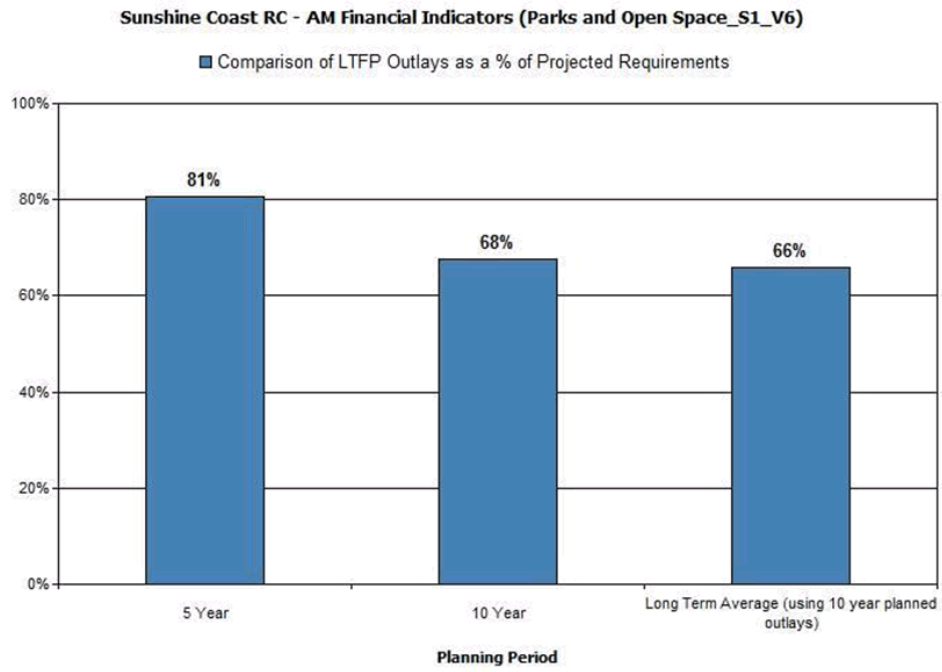
The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is $35,737,000 on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is $30,347,000 on average per year giving a 5 year funding shortfall of -$5,389,000. This indicates that the organisation expects to have 85% of projected expenditures required to provide the services shown in this Plan.

Asset management financial indicators

Figure 7A shows the asset management financial indicators over the 10 year planning period and for the long term life cycle.

Figure 7A: Asset Management Financial Indicators



Providing services from infrastructure in a sustainable manner requires the matching and managing of service levels, risks, projected expenditures and financing to achieve a financial indicator of approximately 1.0 for the first years of the Plan and ideally over the 10 year life of the Long Term Financial Plan.

Figure 8 shows the projected asset renewal and replacement expenditure over the 20 years of the Plan. The projected asset renewal and replacement expenditure is compared to renewal and replacement expenditure in the capital works program, which is accommodated in the long term financial plan

Figure 8: Projected and LTFP Budgeted Renewal Expenditure

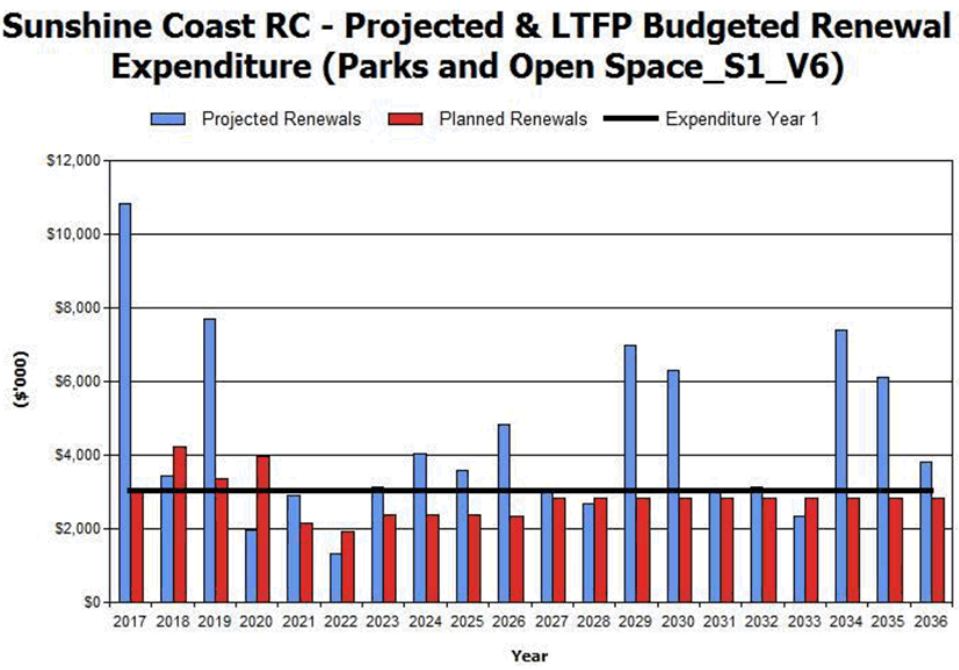


Table 6.1.1 shows the shortfall between projected renewal and replacement expenditures and expenditure accommodated in long term financial plan. Budget expenditures accommodated in the long term financial plan or extrapolated from current budgets are shown in Appendix D.

Providing services in a sustainable manner will require matching of projected asset renewal and replacement expenditure to meet agreed levels of service with **the corresponding** capital works program accommodated in the long term financial plan.

A gap between **projected asset renewal/replacement expenditure and amounts accommodated in the LTFP** indicates that **further work is required on reviewing service levels in the Plan (including possibly revising the LTFP)** before finalising the Plan to manage required levels of service and funding **to eliminate any funding gap**.

Council will manage the 'gap' by developing this Plan to provide guidance on future service levels and resources required to provide these services, and review future services, service levels and costs with the community.

6.1.2 Projected expenditures for long term financial plan

Table 6.1.2 shows the projected expenditures for the 10 year long term financial plan.

Expenditure projections are in 2016 real values.

Table 6.1.2: Projected Expenditures for Long Term Financial Plan ($000)

Year	Operations ($000)	Maintenance ($000)	Projected Capital Renewal ($000)	Capital Upgrade/ New ($000)	Disposals ($000)
2017	$22,902	$2,604	$10,814	$7,721	$0
2018	$25,056	$2,849	$3,424	$7,590	$0
2019	$27,207	$3,093	$7,682	$8,675	$0
2020	$29,585	$3,363	$1,977	$6,845	$0
2021	$31,637	$3,597	$2,888	$4,825	$0
2022	$33,328	$3,789	$1,308	$11,700	$0
2023	$36,349	$4,133	$3,122	$16,650	$0
2024	$40,335	$4,586	$4,021	$13,550	$0
2025	$43,756	$4,975	$3,590	$13,340	$0
2026	$47,163	$5,362	$4,835	$18,219	$0
2027	$51,523	$5,858	$3,047	$8,423	$0

6.2 Funding Strategy

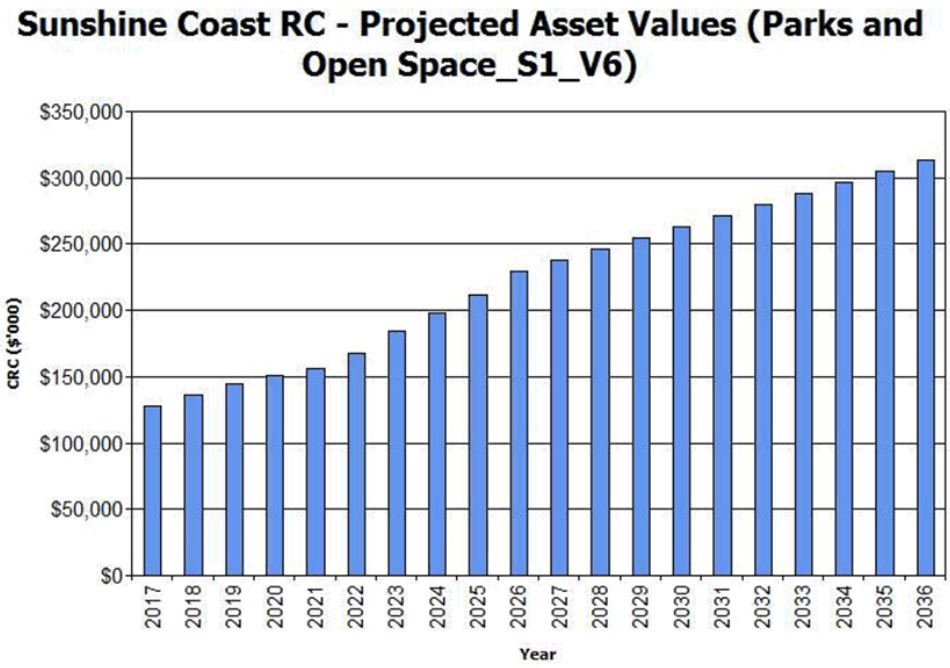
When levels of service are reviewed, as appropriate to ensure ongoing financial sustainability projected expenditures identified in Section 6.1.2 should be considered when determining operational and capital budgets.

Further detailed work is required across the asset group to better understand the life cycle expenditure and funding requirements. It is anticipated that council's long term financial plan will be revised as necessary to incorporate a funding strategy to address the funding requirements outline in this plan, particularly for the longer term.

6.3 Valuation Forecasts

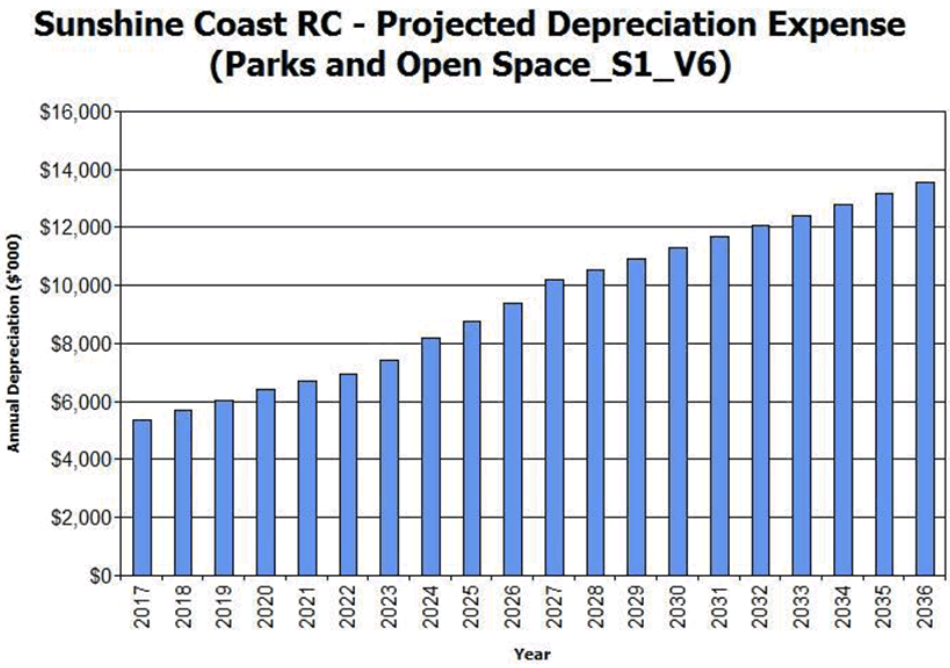
Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by the organisation and from assets constructed by land developers and others and donated to the organisation. Figure 9 shows the projected replacement asset values over the planning period in real values.

Figure 9: Projected Asset Values



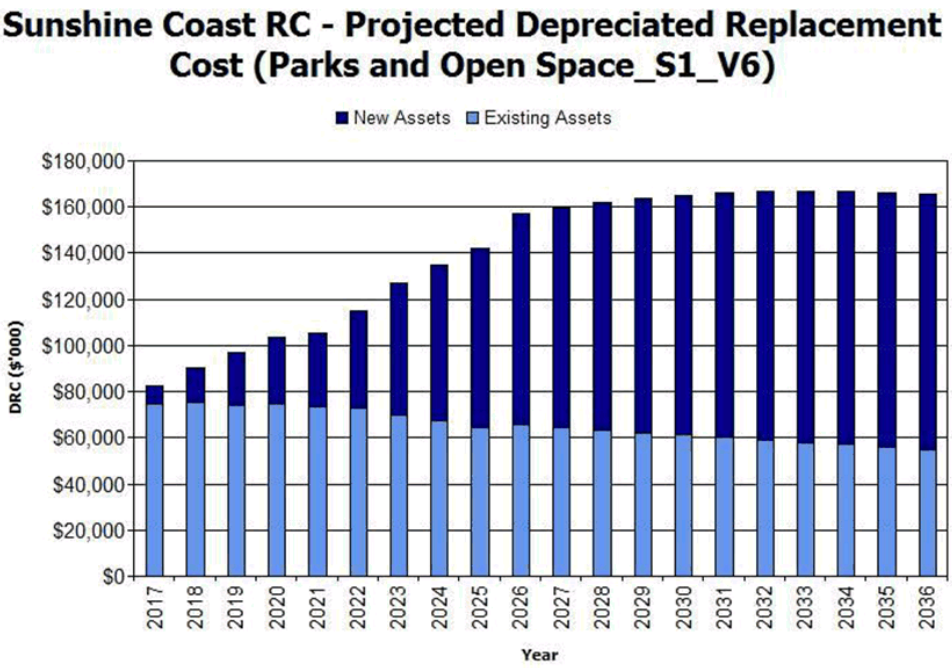
Depreciation expense values are forecast in line with asset values as shown in Figure 10.

Figure 10: Projected Depreciation Expense



The depreciated replacement cost will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets. Forecast of the assets' depreciated replacement cost is shown in Figure 11. The depreciated replacement cost of contributed and new assets is shown in the darker colour and in the lighter colour for existing assets.

Figure 11: Projected Depreciated Replacement Cost



6.4 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Plan and risks that these may change are shown in Table 6.4.

Table 6.4: Key Assumptions made in AM Plan and Risks of Change

Key Assumptions	Risks of Change to Assumptions
Financial asset data not 100% accurate	Level of funding required to maintain & renew assets may vary as assets and their condition are verified. Depreciation expenditure may also change
Based on maintaining at least current Levels of Service	If levels of service are to increase there will be a budget shortfall
Council will maintain similar levels of operational and capital funding	If operational budget decreases, levels of service will need to be adjusted accordingly

6.5 Forecast Reliability and Confidence

The expenditure and valuations projections in this Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale[10] in accordance with Table 6.5.

Table 6.5: Data Confidence Grading System

Confidence Grade	Description
A Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and recognised as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%
D Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy ± 40%
E Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this Plan is shown in Table 6.5.1.

Table 6.5.1: Data Confidence Assessment for Data used in AM Plan

Data	Confidence Assessment	Comment
Demand drivers	B	Demand drivers reviewed by Regional Strategy & Planning
Growth projections	B	Population projection based on state growth projections
Operations expenditures	C	Based on current budget, however difficult to breakdown costs to this level
Maintenance expenditures	C	Based on current budget, however difficult to breakdown costs to this level
Projected Renewal exps. - Asset values	B	Asset valued are reviewed and updated on a regular basis
- Asset useful lives	C	Asset useful lives reviewed in 2013, however asset register may not reflect this
- Condition modelling	C	No formalised regular condition assessment
- Network renewals	C	10 year program expenditure projections is constantly changing
- Defect repairs	C	10 year program expenditure projections is constantly changing
Upgrade/New expenditures	C	10 year program expenditure projections is constantly changing New expenditure for contributed assets is not being captured
Disposal expenditures		Identification of surplus assets is now occurring as assets reach the end of their useful life

Over all data sources, the data confidence is assessed as medium confidence level for data used in the preparation of this Plan.

[10] IPWEA, 2011, IIMM, Table 2.4.6, p 2|59.

7 Plan Improvement and Monitoring

7.1 Status of Asset Management Practices

7.1.1 Accounting and financial systems

Council operates the Technology One system for the management of budgets and financial information.

Financial Asset Information Management (FAIM) is used for specific asset data.

Accountabilities for financial systems

Financial Accounting and Financial Services are responsible for maintaining the financial systems.

Accounting standards and regulations

Queensland Treasury and Trade – Financial Reporting Requirements

Required changes to accounting financial systems arising from this AM Plan

Cleansing of asset data to ensure correct asset owner is assigned, breakdown of rolled up assets and verification of assets

Alignment (one to one relationship) with spatial asset data

7.1.2 Asset management system

Council operates Maximo (asset management system) for proactive and reactive asset maintenance

At this point in time Maximo does not meet the strategic asset management needs of council, however Council is currently going out to tender for a new “Strategic” Asset Management (SAM) system.

Asset registers

FAIM – Financial Asset Information Management

ArcGIS – Spatial Asset information

Linkage from asset management to financial system

No direct linkage / integration between GIS and FAIM

Accountabilities for asset management system and data maintenance

Asset Management and Capital Planning are responsible for the selection and implementation of asset management systems

Asset custodians are responsible for asset data maintenance in both ArcGIS and FAIM

Required changes to asset management system arising from this Plan

Integration with GIS, financial and asset management systems

Improve integrity of data

7.2 Improvement Program

The asset management improvement plan generated from this Plan is shown in Table 7.2.

Table 7.2: Improvement Plan

Task	Responsibility	Resources Required	Timeline
Asset Knowledge/ Information Systems			
Ongoing review and development of data structure / collection process	Parks & Gardens /ICTS	In-house resources	Ongoing
Develop and undertake asset verification and condition assessment	Parks & Gardens /ICTS	In-house resources	Ongoing
Integrate asset management systems, spatial and finance systems	Ass Mgmt & Cap Planning	In-house resources	Ongoing
Develop and implement asset handover process for internally delivered projects	Ass Mgmt & Cap Planning	In-house resources	December 2017
Strategic Asset Planning Process			
Review scoping process to ensure alignment with Levels of Service	Parks & Gardens	In-house resources	December 2017
Further develop customer Levels of Service	Parks & Gardens	In-house resources	Ongoing
Collect whole of life costing	Parks & Gardens	In-house resources	December 2017
Review long term capital work programs to ensure in line with Levels of Service as per OSS	Parks & Gardens	In-house resources	Ongoing
Undertake further risk analysis and further develop risk management plan	Parks & Gardens	In-house resources	Ongoing
Data for strategic modelling used as a guide to guide development of Capital Works program	Parks & Gardens	In-house resources	Ongoing
Operational Process			
Review and further develop strategy for managing scheduled and responsive maintenance	Parks & Garden	In-house resources	Ongoing
Review / further develop long term asset financial forecasts	Parks & Gardens	In-house resources	Ongoing

7.3 Monitoring and Review Procedures

This Plan will be reviewed during annual budget planning processes and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of budget decisions.

The Plan will be updated annually to ensure it represents the current levels of service, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into the organisation's long term financial plan.

The Plan has a life of 4 years (council election cycle) and is due for complete revision and updating within term. State of Assets Report will be presented to Council every 12 months, during annual budget development.

7.4 Performance Measures

The effectiveness of the Plan can be measured in the following ways:

- The degree to which the required projected expenditures identified in this Plan are incorporated into the organisation's long term financial plan,
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the Plan,
- The degree to which the existing and projected levels of service and service consequences (what we cannot do), risks and residual risks are incorporated into the organisation's Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the target of 1.0

Abbreviations

AAAC
Average annual asset consumption

AMP
Asset management plan

ARI
Average recurrence interval

BOD
Biochemical (biological) oxygen demand

CRC
Current replacement cost

CWMS
Community wastewater management systems

DA
Depreciable amount

DoH
Department of Health

EF
Earthworks/formation

IRMP
Infrastructure risk management plan

LCC
Life cycle cost

LCE
Life cycle expenditure

MMS
Maintenance management system

PCI
Pavement condition index

RV
Residual value

SS
Suspended solids

vph
Vehicles per hour

Glossary

Annual service cost (ASC)

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 operating, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

Asset class

Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

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

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.

Assets

Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 months.

Average annual asset consumption (AAAC)*

The amount of a local government's asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for each and every asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for each and every asset in an asset category or class.

Brownfield asset values**

Asset (re)valuation values based on the cost to replace the asset including demolition and restoration costs.

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, e.g. 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 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.

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 sub-components 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, e.g. 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, e.g. 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.

Carrying amount

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

Class of assets

See asset class definition.

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.

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.

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.

Cyclic maintenance**

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, cycle, 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.

Depreciable amount

The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6)

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 systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

Economic life

See useful life definition.

Expenditure

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

Fair value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

Greenfield asset values **

Asset (re)valuation values based on the cost to initially acquire the asset.

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, e.g. 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 **

The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual maintenance and asset consumption expense, represented by depreciation expense. 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.

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 and renewal gap

Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, totalled over a defined time (e.g. 5, 10 and 15 years).

Maintenance and renewal sustainability index

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. 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 if 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

A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent 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, e.g. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operating expenditure

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

Pavement management system

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

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.

PMS score

A measure of condition of a road segment determined from a Pavement Management System.

Rate of annual asset consumption*

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

Rate of annual asset renewal*

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade*

A measure of the rate at which assets are being upgraded and expanded per annum 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 life

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining life is economic life.

Renewal

See capital renewal expenditure definition above.

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, e.g. 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 potential

The capacity to provide goods and services in accordance with the entity's objectives, whether those objectives are the generation of net cash inflows or the provision of goods and services of a particular volume and quantity to the beneficiaries thereof.

Service potential remaining*

A measure of the remaining life of assets expressed as a percentage of economic life. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (DRC/DA).

Strategic Management Plan (SMA)**

Documents council objectives for a specified period (3-5 yrs), the principle activities to achieve the objectives, the means by which that will be carried out, estimated income and expenditure, measures to assess performance and how rating policy relates to council's objectives and activities.

Sub-component

Smaller individual parts that make up a component part.

Sustainability

Meeting the needs of the present without compromising the ability of future generations to meet their own needs.

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.

Source: DVC 2006, Glossary

Note: Items shown * modified to use DA instead of CRC

Additional glossary items shown **

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

Appendices

Appendix A Maintenance Response Levels of Service

Appendix B Budgeted Expenditures Accommodated in LTFP

Appendix A Maintenance Response Levels of Service

Open Space Category vs. Service Level		1 Premium Maintenance Regime	2 High Maintenance Regime	3 Moderate Maintenance Regime	4 Low Maintenance Regime	5 Minimal Maintenance Regime
PASSIVE OPEN SPACE						
Recreation Parks Formalised parks and open spaces used by the community for social, recreational and cultural activities which provide complementary landscape and amenity values including civic landscapes		Sunshine Coast Wide & Benefited Levy Areas	District	Local		
Amenity Reserves (incl streetscapes) Small parks, gardens and street trees that provide physical and visual relief from the built form.		CBD & Civic Precincts & Major Entry Statements	Key Business & Tourism Areas	Suburban	Undeveloped Parks / Natural Areas verge	
Road Verge & Utilities Roads, walkways and drainage that provide a path for vehicle, pedestrian or water movement.			Arterial Roads in Urban Areas High Profile DTMR Roads	Minor DTMR Roads Industrial Estates Urban & Rural Residential	Walkways Rec Trails Drainage - mowable	Drainage - requiring specialist equipment
ACTIVE OPEN SPACE						
Sports fields Facilities for sporting and active recreation activities, includes playing fields, ovals, courts and circuits.		Playing Fields (hockey)	Playing & Practice Fields (soccer, rugby, touch football)	Common Areas / Outers	Slashed Buffer Areas	
Turf & Landscaping Maintenance						
Turf Maintenance	General Maintenance (mowing)	Category 1 Typically 22 cuts (range 19-26)	Category 2 Typically 16 cuts (range 12-19)	Category 2 Typically 16 cuts (range 12-19)	Category 3 Typically 8 cuts (range 5-12)	As required
	Fertilizing	Twice year	Annually ?			
CRM Response	Urgent/hazardous	48 hours	48 hours	48 hours	48 hours	48 hours
	Non urgent	7 days	7 days	7 days	7 days	7 days
Service delivery method	Current	Internal & Contract	Internal & Contract	Internal & Contract	Contract ?	SOA
Landscape Maintenance	General Maintenance	Category 1 Typically 22 services (range 19-26)	Category 2 Typically 16 services (range 12-19)	Category 2 Typically 16 services (range 12-19)	Category 3 Typically 8 services (range 5-12)	As required
	Fertilizing	Annually	Annually	As Required		
	Mulching	Annually	Annually	As Required		
CRM Response	Urgent/hazardous	48 hours	48 hours	48 hours	48 hours	48 hours
	Non urgent	7 days	7 days	7 days	7 days	7 days
Service delivery method	Current	Internal & Contract	Internal & Contract	Internal & Contract	Contract ?	SOA
Sports fields	Mowing	Category 1 Typically 52 cuts	Category 2 Typically 26,30 or 36 services (range 26-36)	Category 2 Typically 16 services (range 12-19)	Category 3 Typically 8 services (range 5-12)	
	Fertilizing	8-12 weeks	8-12 weeks			
	Field Renovation	Annually	Annually			
CRM Response	Urgent/hazardous	48 hours	48 hours	48 hours	48 hours	
	Non urgent	7 days	7 days	7 days	7 days	
Service delivery method	Current	Internal ?	Internal ?	Contract ?	Contract ?	
	Long term	Internal ?	Internal ?	Contract ?	Contract ?	
Parks Fixtures & Services						
Park Fixtures	Routine Visual - as per maintenance visit	Weekly	Fortnightly	3 weekly	6 weekly	
	Targeted Condition Audit - bbq, shelters, beach showers	Anually	Anually	12-18 months	2 years	
	Cursery Condition Audit (non complex infrastructure - tables, seats, fencing etc). More detailed audits as required	Anually	Anually	12-18 months	2 years	
	Preventative Maintenance - timber and foreshore elements	1-5 years	3-5 years	As required	As required	
Play & Fitness Equipment (included skate, basketball courts)	Routine Visual - as per maintenance visit (AS4486)	Fortnighty	Monthly	Monthly		
	Operational (AS4486)	3 Weekly	1-3 Monthly	1-3 Monthly		
	Comprehensive (AS448	Annually	Annually	Annually		
	Preventative maintenanc	In accordance with various inspections				
CRM Response	Urgent/hazardous	4 hours	4 hours	4 hours		
	Non urgent	5 days	5 days	5 days		
Cleansing	Toilets	2-5 daily	Daily	Weekly		
	BBQs	Daily	Daily	Weekly		
	Tables & Bin Enclosures	Daily	Daily	Weekly	As required	As required
	Street sweeping	2-3 per week	1 per week	2-3 per year	1-2 per month	2-3 per year
	Beach cleaning	Weekly	As Required	As Required		
CRM Response	Urgent/hazardous	4 hours	4 hours	4 hours	4 hours	4 hours
	Non urgent	24 Hours	48 Hours	72 Hours	72 Hours	72 Hours

Appendix B Budgeted Expenditures Accommodated in LTFP

NAMS.PLUS3 Asset Management — Sunshine Coast RC

Parks and Open Space_S1_V4 — **Asset Management Pla**

First year of expenditure projections: **2016** (financial yr ending)

Parks and Open Space

Asset values at start of planning period

Current replacement cost	$120,461	(000)	Calc CRC from Asset Registor $120,461 (000)
Depreciable amount	$120,461	(000)	This is a check for you.
Depreciated replacement cost	$75,835	(000)	
Annual depreciation expense	$5,348	(000)	

Operations and Maintenance Costs for New Assets

	% of asset value	
Additional operations costs	19.01%	Existing Xsec calculated from data in worksheet: 19.01% of CRC (10 yr average)
Additional maintenance	2.16%	2.16% of CRC (10 yr average)
Additional depreciation	4.44%	4.44% of Dep Amt
Planned renewal budget (information only)		3.36% of CRC (Year 1 comparison)

You may use these values calculated from your data or overwrite the links.

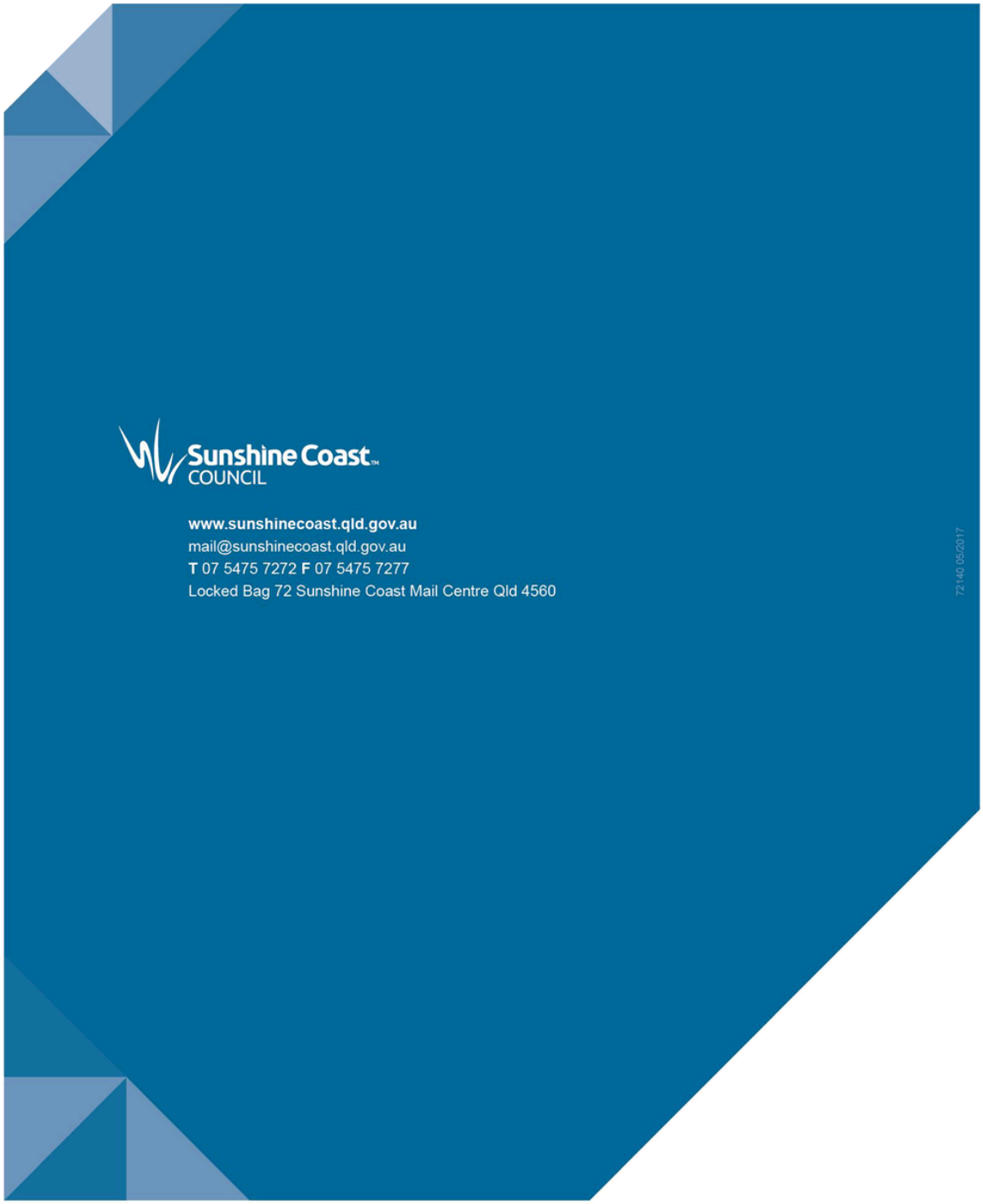
Planned Expenditures from LTFP

20 Year Expenditure Projections Note: Enter all values in current **2016** values

Financial year ending	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Expenditure Outlays included in Long Term Financial Plan (in current $ values)											**Average of first 10 year Expenditure Outlays from LTFP**									
Operations																				
Operations budget	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902
Management budget	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
AM systems budget	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total operations	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902	$22,902
Maintenance																				
Reactive maintenance budget	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604
Planned maintenance budget	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Specific maintenance items budget	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total maintenance	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604	$2,604
Capital																				
Planned renewal budget	$4,048	$4,568	$4,017	$2,563	$2,835	$3,278	$3,810	$2,862	$2,862	$2,010	$3,385	$3,385	$3,385	$3,385	$3,385	$3,385	$3,385	$3,385	$3,385	$3,385
Planned upgrade/new budget	$8,638	$6,665	$8,554	$9,159	$9,440	$8,750	$8,683	$7,629	$7,360	$9,310	$8,424	$8,424	$8,424	$8,424	$8,424	$8,424	$8,424	$8,424	$8,424	$8,424
Non-growth contributed asset va	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Asset Disposals																				
Est Cost to dispose of assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Carrying value (DRC) of disposed asse	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Additional Expenditure Outlays required and not included above	2016 $000	2017 $000	2018 $000	2019 $000	2020 $000	2021 $000	2022 $000	2023 $000	2024 $000	2025 $000	2026 $000	2027 $000	2028 $000	2029 $000	2030 $000	2031 $000	2032 $000	2033 $000	2034 $000	2035 $000
Additional Expenditure Outlays Requirements (e.g from Infrastructure Risk Management Plan)											**Average of first 10 years Expenditure Outlays required from IRMP**									
Operations	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Capital Renewal	Also incorporated into Forms 2&2.1 (where Method 1 is used) OR Form 2B Defect Repairs (where Method 2 or 3 is used)																			
Capital Upgrade	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
User Comments #2																				

Forecast Capital Renewal from Forms 2A & 2B	2016 $000	2017 $000	2018 $000	2019 $000	2020 $000	2021 $000	2022 $000	2023 $000	2024 $000	2025 $000	2026 $000	2027 $000	2028 $000	2029 $000	2030 $000	2031 $000	2032 $000	2033 $000	2034 $000	2035 $000
Forecasts for Capital Renewal using Methods 2 & 3 (Form 2A & 2B) & Capital Upgrade (Form 2C)											**Average of first 10 years Capital Renewal & Upgrade Forecasts**									
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Forecast Capital Upgrade from Form 2C	$8,638	$6,665	$8,554	$9,159	$9,440	$8,750	$8,683	$7,629	$7,360	$9,310	$8,424	$8,424	$8,424	$8,424	$8,424	$8,424	$8,424	$8,424	$8,424	$8,424


Sunshine Coast
COUNCIL
www.sunshinecoast.qld.gov.au
mail@sunshinecoast.qld.gov.au
T 07 5475 7272 F 07 5475 7277
Locked Bag 72 Sunshine Coast Mail Centre Qld 4560
72140 05/2017