Sunshine Coast Council

PARKS & GARDENS

ASSET MANAGEMENT PLAN

Version 2.0

September 2012

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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 month.

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, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

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

Capital 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, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

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

expenditures, the total project cost needs to be allocated accordingly.

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 arms 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, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no market value.

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

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

Life Cycle Cost **

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. Life Cycle Expenditure may be compared to Life Cycle Expenditure to give an initial indicator of life cycle sustainability.

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

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

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

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

Modern equivalent asset.
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, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operating expenditure
Recurrent expenditure, which is continuously required excluding maintenance and depreciation, eg 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, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

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

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

Service 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 are still available for use in providing services (DRC/DA).

Strategic Management Plan (SA)**
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 the 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 **

1. EXECUTIVE SUMMARY

What Council Provides

The current Open Space network has a replacement value of $95m and a written down value of $59m as at 30 June 2012.

Council provides an open space network to enable appropriate and diverse recreation opportunities throughout the region.

The network comprises a variety of major assets including a range of different recreation parks, sportsfields, basketball courts, cricket pitches, skate parks, playgrounds, fitness equipment and dog parks. Other less major assets worthy of including in this AMP include shade structures, shelters and bbqs.

What does it Cost?

There are two key indicators of cost to provide the Parks & Gardens open space park network.

- The life cycle cost being the average cost over the life cycle of the asset; and
- The total maintenance and capital renewal expenditure required to deliver existing service levels in the next 10 years covered by Council's long term financial plan.

Projected Maintenance & Capital Renewal Expenditure – 1 Year
The life cycle cost to provide the Parks & Gardens Open Space service is estimated at $17.3m per annum. Council's planned life cycle expenditure for year 1 of the asset management plan is $14.3m which gives a life cycle sustainability index of 0.82.

Projected Maintenance & Capital Renewal Expenditure – 10 Year
The total maintenance and capital renewal expenditure required to provide the Parks & Gardens service the in the next 10 years is estimated at $214.6m. This is an average of $21.46m per annum.

Council's maintenance and capital renewal expenditure for year 1 of the asset management plan of $14.3m giving a 10 year sustainability index of 0.66.

Plans for the Future

Council plans to operate and maintain the Parks network to achieve the following strategic objectives.

1. Ensure the Parks network is maintained at a safe and functional standard as set out in this asset management plan.

Measuring our Performance

Quality
Parks assets will be maintained in a reasonably usable condition. Defects found or reported that are outside our service standard will be repaired. Refer to maintenance response service levels for details of defect prioritisation and response time.

Function
Our intent is that an appropriate parks network is maintained in partnership with other levels of government and stakeholders to enable appropriate recreation and outdoor activities in parks.

Parks asset attributes will be maintained at a safe level and associated signage and equipment will be provided as needed to ensure public safety. Council needs to ensure key functional objectives are met:

- Provision of adequate open space
- Provision of usable and safe open space

Safety

Council inspects parks and playgrounds regularly and prioritises and repairs defects in accordance with inspection schedule to ensure assets are safe and hazard free.

Next Steps

Review of current asset management process

Review of data integrity

Review of roles & responsibilities

2. INTRODUCTION

2.1 Background

This asset management plan is to demonstrate responsible management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding required to provide the required levels of service.

The asset management plan is to be read with the following associated planning documents:

- SCC Corporate Plan 2009-14
- SCC Operational Plan 2012-13
- SCC 10 Year Capital Works Program; and
- SCC Financial Sustainability Plan 2010 – 2020.

This asset management plan covers the following open space assets: Recreation Parks & Amenity Reserves.

Recreation Parks have been identified as an asset type within the open space network which is primarily used by the community for informal recreation, social, cultural and leisure activities and which may provide for other complimentary values (e.g. landscape amenity or conservation). This asset type includes a range of recreation parks types described below. Due to the large range of land uses, types and tenures involved with this asset type, Recreation Parks can often be located on freehold land owner by council or land designated as road reserve, land under council control as lessee or as council as trustee. The types of recreation parks have been categorised and defined and adopted by Council as follows:

1. **Sunshine Coast Wide Recreation Parks** as a guide are a minimum of 20ha with a minimum boundary of 200m. These parks service an average of 30,000 people and are highly accessible with over 50% on road frontage or contiguous with public spaces such as malls.

2. **District Recreation Parks** are between 1.5-5ha in size and where located in high density settings comprise a minimum of 25% civic space and a minimum of 0.5ha kick and throw space. They have a minimum of 50m from any boundary

3. **Local Recreation Parks** are generally between 1-2ha in size, no narrower than 50m from any boundary.

4. **Amenity Reserves** are areas of the open space network primarily used for landscape, amenity and/or a buffer function which may also be used by the community for informal recreation, social, cultural and leisure activities as a secondary function. This park type may include landscape gardens, amenity reserves and streetscapes in road reserves. They can also include interurban breaks.

The number and total area of recreation parks is described in the table below:

Table 2.1 – Number & Total Area of Recreation Parks

Park Type	Number	Total area (ha)
SCC Wide Recreation Parks	13	969
District Recreation Parks	64	
Local Recreation Parks	509	
Amenity Reserve	585	

Each of these recreation park types supports a range of embellishments including individual smaller fixtures such as taps, fences and bollards as well as larger assets such as BBQ's, shelters and pathways. For the purposes of this asset management plan most of the smaller financial assets have been grouped together under the TBC & TBR Asset category (see: Table 2.1.1) and have been financially accounted for. There are also a wide range of other non-financial asset types that contribute in a positive way to the overall functioning of the service such as trees

This generic listing of assets attributed to each park type is not exhaustive. Further work needs to be undertaken in this area to validate and specify more precisely asset types, the number of assets and the condition of assets in each park category.

Table 2.1.1 Assets covered by this Plan

Asset category	Dimension	Replacement Value ($M)
Artwork	59	0.61
BBQ's electric/gas fired / wood	343	2.70
Beach Showers & Taps	128	0.85
Courts	87	9.75
Cricket pitches	19	0.13
Drinking Fountains	114	0.42
Fencing & Gates	640	3.80
Fitness Equipment	62	1.50
Fountains	5	1.04
Furniture	2426	11.80
Irrigation & drainage	56	1.36
Ovals	3	5.62
Playgrounds	1190	16.4
Retaining Walls	156	5.16
Shade structures / Shelters	183	3.40
Skate parks	45	3.72
Steps	67	1.17
Misc	Various	2.13
Landscaping & earthworks	Various	10.2
TBC & TBR	Various	12.81
TOTAL		**94.57**

Key stakeholders in the preparation and implementation of this asset management plan are:

Parks Operations Maintenance Team	Inspections, maintenance and defect rectification
Cleaning Services Team	Inspections, maintenance and defect rectification
Projects and Design Team	Decommissioning and renewal via capital works program
Building and Facilities Branch	Buildings & Public Amenities
Civil Works Services Branch	Roads, footpaths, bridges and boardwalks
Asset Management & Service Programming Unit	Corporate asset management advice

2.2 Goals and Objectives of Asset Management

Council 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 council staff 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 the required level of service in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Taking a life cycle approach,
- Developing cost-effective management strategies for the long term,
- Providing a defined level of service and monitoring performance,
- Understanding and meeting the demands of growth through demand management and infrastructure investment,
- Managing risks associated with asset failures,
- Sustainable use of physical resources,
- Continuous improvement in asset management practices.[1]

This asset management plan is prepared under the direction of Council's vision, mission, goals and objectives.

Council's vision is:

To be Australia's most sustainable region – vibrant, green, diverse.

[1] IIMM 2006 Sec 1.1.3, p 1.3

Relevant Council goals and objectives and how these are addressed in this asset management plan are:

Table 2.2 Council Goals and how these are addressed in this Plan

Goal (theme)	Objective (emerging priorities)	Strategies	How Goal and Objectives are addressed in AMP
Managing growth on the Sunshine Coast positively contributes to the diverse lifestyle choices available to our community. The protection of our environmental, open space, heritage and community values are integral to our future. Council will pursue balanced planning and partnerships with developers, builders, designers and the community to deliver a high quality built environment within an outstanding natural environment.	7.4 Timely and appropriate infrastructure and service provision	7.4.3 Ensure the provision of parks, open space and community infrastructure consistent with identified local and regional needs	Sustainable provision of Parks assets to ensure adequate provision and maintenance of the open space network in accordance with the agreed service provision levels
	7.5 Council's services and assets meet the needs of our growing community	7.5.3 Maintain and renew council assets to agreed standards	Sustainable maintenance and renewal of the open space network to ensure adequate maintenance of the open space network in accordance with the agreed service provision levels

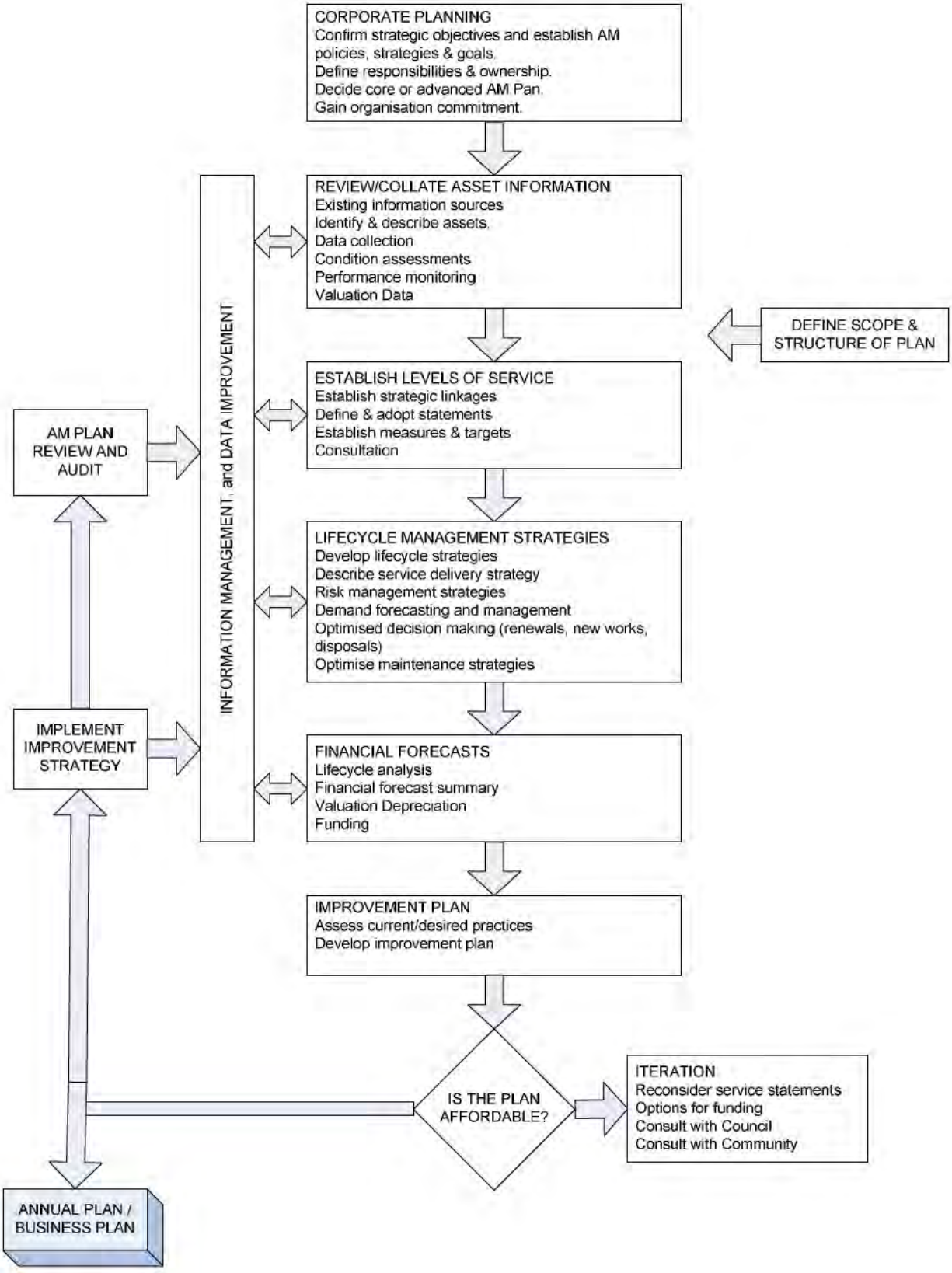
2.3 Plan Framework

Key elements of the plan are

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

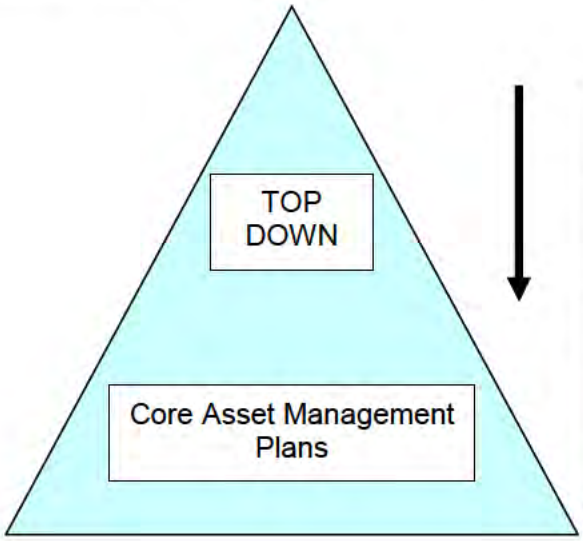
A road map for preparing an asset management plan is shown below.

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



2.4 Core and Advanced Asset Management

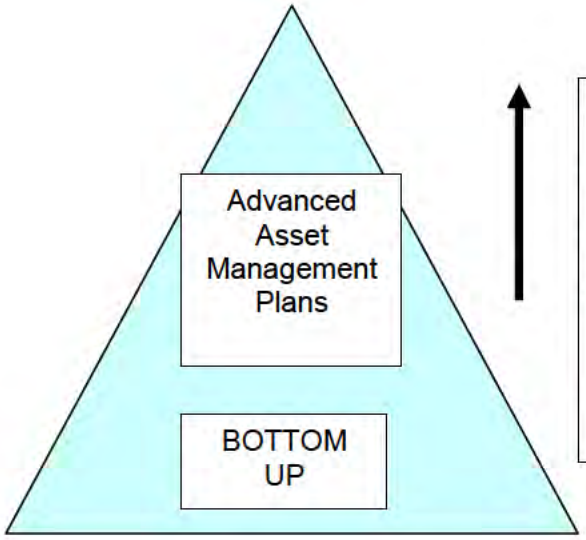
This asset management plan is prepared as a 'core' asset management plan in accordance with the International Infrastructure Management Manual (IIMM 2011). It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.



Systems / knowledge approach

- Based on what we know
- Current financial & physical data
- Uses current levels of service (not desired)
- Inconsistent data sets a major constraint
- Provides a base to move forward
- Provides a detailed improvement plan

Future revisions of this asset management plan will move towards 'advanced' asset management using a 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels.



Asset / Component Data

- Finding out what we don't know
- Analysis to individual assets & services
- Support optimisation of activities & programs to meet desired levels of service
- Implemented improvement plan

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has not carried out any recent research on customer expectations. This will be investigated for future updates of the asset management plan.

3.2 Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. These include:

Table 3.2 Legislative Requirements

Legislation	Requirement
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.
Environmental Protection Act 1994 and regulations	Aims to protect Queensland's environment while allowing for *ecologically sustainable development.* Asset provision and maintenance
Sustainable Planning Act 2009	Aims to achieve ecological sustainability by managing development and its effects and coordinating and integrating planning processes. Asset provision and maintenance
Coastal Protection and Management Act 1995	Aims to provide for the protection, conservation, rehabilitation and management of the coast, including its resources and biological diversity. Asset provision and maintenance
Workplace Health and Safety Act 2011	The objective of this Act is to prevent a person's death, injury or illness being caused by a workplace, by a relevant workplace area, by work activities, or by plant or substances for use at a relevant place. Asset provision and maintenance
Anti Discrimination Act 1991	Asset provision and maintenance
Various Australian Standards	Asset provision and maintenance
Electrical Safety Act 2002	This Act is directed at eliminating the human cost to individuals, families and the community of death, injury and destruction that can be caused by electricity. Asset provision and maintenance
	The purpose of this Act is to regulate the clearing of vegetation

Legislation	Requirement
Vegetation Management Act 1999 and Regulations	in a way that prevents the loss of biodiversity. Asset provision and maintenance
Nature Conservation Act 1992 and Regulations	Aims to conserve nature. Asset provision and maintenance
Aboriginal Cultural Heritage Act 2003	The main purpose of this Act is to provide effective recognition, protection and conservation of Aboriginal cultural heritage. Asset provision and maintenance
Water Act 2000	The purpose of this Act is to advance sustainable management and efficient use of water and other resources. Asset provision and maintenance
Permanent Water Conservation Measures	The aims of these measures are to advance sustainable management and efficient use of water. Asset provision and maintenance

3.3 Current Levels of Service

Council has defined service levels in two terms.

Community Levels of Service relate to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost/efficiency and legislative compliance.

Supporting the community service levels are operational or technical measures of performance developed to ensure that the minimum community levels of service are met. These technical measures relate to service criteria such as:

Service Criteria	**Technical measures may relate to**
Quality	Park tidiness
Quantity	Area of parks per resident
Availability	Available for use when scheduled
Safety	Number of injury accidents/claims

Council's current service levels are detailed in Table 3.3.

Table 3.3 Current Service Levels

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target	Current Performance
COMMUNITY LEVELS OF SERVICE				
Quality	Parks are suitably embellished and maintained for their intended purpose	Availability, embellishment and maintenance quality of parks monitored and reported	90% available when scheduled	Measurement metrics to be determined
Function	Parks are suitably designed, constructed and maintained for their intended purpose and support a wide range of functions, uses and purposes	Availability, embellishment and maintenance quality of parks monitored, audited and reported	90% available when scheduled	Measurement metrics to be determined
Safety	Parks are safe to visit with no hazards or threats Playgrounds safe for children use	CEPTED Safety audits	90% available when scheduled Defects rectified within agreed timeframe	Measurement metrics to be determined
Sustainability	Parks are managed with respect to future generations		Energy efficiency principles are incorporated in the design of all new facilities.	Measurement metrics to be determined
TECHNICAL LEVELS OF SERVICE				
Provision of parks	As per Open Space Strategy – Desired Level of Service	Not yet defined	Not yet defined	Not yet defined
Maintenance	Adopted service levels.	Inspections and maintenance conducted in accordance with service levels	85% achieved	Measurement metrics to be determined

Table 3.3.1 Inspection Frequencies

Open Space Type									
Category			12	11	10	9	8	7	6
Activity frequency	Inspection	General (cursory)	Daily	Bi-weekly	Weekly	Fortnightly	Monthly	Monthly	Quarterly
		General (detailed)	Quarterly	Quarterly	Quarterly	Quarterly	Annual	Annual	Annual
		Irrigation	Quarterly	Quarterly	Quarterly	Bi-annually	Annually	Annually	Annual
		Playground	Refer AS	Refer AS	Refer AS	Refer AS	Refer AS	Refer AS	Refer AS
	Mowing	(cuts/year)	23 -26	19 - 23	15 - 19	12-15	11-12	9-11	9-11
	Edging		23-26	19 - 23	15 - 19	Quarterly	Quarterly	Quarterly	Quarterly
	Weed control	Spray	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
		Hand weed	Monthly	Bi-monthly	Quarterly	Bi-annually	Bi-annually	Bi-annually	Bi-annually
	Mulching		Annually	1-3 years	2-4 years	3-5 years	3-5 years	5 years	5 years
	Fertilising		Annually	Annually	Annually	NIL	NIL	NIL	NIL
	Timber maint.		Annually	Annually	Annually	1 – 2 years	2 – 3 years	3 – 5 years	3 – 5 years
	Litter removal		Daily	Weekly	Weekly	Weekly	Weekly	Quarterly	Quarterly
	Dog bag refills		Weekly	Weekly	Fortnightly	Fortnightly	Monthly	Monthly	Monthly
	Graffiti removal	Offensive	24hrs	24hrs	24hrs	24hrs	24hrs	24hrs	24hrs
		Non offens.	5 days	5 days	5 days	5 days	5 days	5 days	5 days
	Toilet cleaning		Daily	Daily	Daily	Weekly*	Weekly*	Weekly*	Weekly*

Table 3.3.1 Inspection Frequencies

Open Space Type									
Category			12	11	10	9	8	7	6
	BBQ cleaning		Daily	Daily	3 times/week	Weekly	Weekly	N/A	N/A
AS means Australian Standard (variable dependent on equipment) *if required									

Open Space Type							
Category			5	4	3	2	1
Activity frequency	Inspection	General (cursory)	Monthly	Quarterly	Annual	Annual	Annual
		General (detailed)	Annual	Annual	Annual	Annual	Annual
		Irrigation	Quarterly	Bi-annually	Bi-annually	Nil	N/A
		Playground	N/A	N/A	N/A	N/A	N/A
	Mowing	(cuts per year)	15-19	12-15	11-12	9-11	8-12
	Edging		Quarterly	Quarterly	Annual	Annual	Annual
	Weed control	Spray	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
		Hand weed	Monthly	Quarterly	Quarterly	Bi-annually	Annual
	Mulching		Annually	2-3 years	3-5 years	N/A	N/A
	Fertilising		N/A	N/A	N/A	N/A	N/A
	Timber maint.		N/A	N/A	N/A	N/A	N/A
	Litter removal		Annual	Annual	Annual	Annual	Annual

Open Space Type							
Category			5	4	3	2	1
	Dog bag refills		N/A	N/A	N/A	N/A	N/A
	Graffiti removal	Offensive	24hrs	24hrs	24hrs	24hrs	24hrs
		Non offensive	5 days	5 days	5 days	5 days	5 days
	Toilet cleaning		N/A	N/A	N/A	N/A	N/A
	BBQ cleaning		N/A	N/A	N/A	N/A	N/A

The methodology for assigning service levels (1-12) to parks includes accounting for visitation numbers, minimum levels of service required, existing hazards, and community expectations. This is a numerical rating system (1-12) and has been applied to each park. Parks with a low level of visitation, small number of assets and low expectation from the community have been rated as “1”, high profile parks have attained a rating of “12”.

3.4 Desired Levels of Service

At present, indications of desired levels of open space service provision are obtained from various sources including the Open Space Strategy, Customer Satisfaction Survey, residents' feedback to Councillors and staff, service requests and correspondence. Council has yet to quantify desired levels of service. This will be done in future revisions of this asset management plan and following council's endorsement of Desired Standards of Service (DSS) through the work undertaken by Regional Strategy and Planning Department. The information presented in the following table is in draft only and has not been endorsed by council however is shown here to be indicative of future service provision levels.

Table 3.4 Desired Level of Open Space

Category	Local	District	SCW (including Botanic Gardens and Specific Purpose Sports)
Recreation Parks	1 ha per 1000 people Minimum 1 ha No narrower than 50m from any boundary. Where located within town centre (commercial area) it will be incorporated into District Recreation Park – high density settings.	1.3 ha per 1000 people Minimum 3 ha Medium/high density* Minimum 5 low density/rural No narrower than 50m from any boundary	0.7 ha per 1000 people 20 ha No narrower than 100m on any boundary.
Sports grounds	NA	1.5 ha per 1000 people Minimum 5 ha No narrower than 150m from any boundary for field based sports.*	0.5 ha per 1000 people Minimum 20 ha No narrower than 300m on any boundary.

4. FUTURE DEMAND

4.1 Demand Forecast

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

Demand factor trends and impacts on service delivery are summarised in Table 4.1.

Table 4.1 Demand Factors, Projections and Impact on Services

Demand factor	Present position		Projection		Impact on services
Population	317,000 (2012)		508,000 (2031)		Projected population increases will increase pressure on existing assets and increase demand for provision of new assets in high growth areas.
Demographics	Highest growth patterns occurring in Central area of region		High growth expectation within Southern area of region		Requirement for new services to facilitate the growth area and to ensure facilities within neighbouring developments will cater for overflow.
	16% over 65 years old 1.5% over 85 years old 24% under 18 years old		21.7% over 65 years old 3.2% over 85 years old 21% under 18 years old		Requirement for increased access and equity focus during design of buildings and facilities. Provision of suitable facilities to meet the needs of the ageing population.
	Migration patterns have seen net gains of young families and retirees from interstate and a net loss of young people to other parts of Queensland		Current patterns predicted to continue		Review of current and future buildings and facilities to ensure the community's changing requirements are met. Established buildings and facilities may require refurbishment to align current use with desired use/s.
Number persons/household	23%	1 person	23%	1 person	Greater demand for individual activity based recreation opportunities Less demand for group activity demand Less demand for active sports field type parks
	40%	2 person	40%	2 person	
	15%	3 person	15%	3 person	
	15%	4 person	15%	4 person	
	6%	5 person	6%	5 person	

4.2 Changes in Technology

Technology changes are forecast to have some potential effect on the delivery of services covered by this plan. Historically changes in technology have had the effect of reducing whole-of-life costs. Changes in technology will be embraced where possible to reduce future whole-of-life costs.

Table 4.2 Changes in Technology and Forecast effect on Service Delivery

Technology Change	Effect on Service Delivery
Improved purpose-built software technology	Faster and more accurate asset data collection and processing Timely and responsive maintenance service levels, improved defect rectification times.
Access and use of purpose-built software technology by general operational staff	Faster and more accurate asset data collection and processing
Regional integration of purpose-built software asset data collection systems	More accurate data collection and processing. More accurate reporting capacity on the type, number and condition of assets
Improved product life cycle costs of building products used in upgrades and renewals	Extended expected lives and reduced WOL costs

4.3 Demand Management Plan

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

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this asset management plan.

Table 4.3 Demand Management Plan Summary

Service Activity	Demand Management Plan
Provision of parks (including child assets)	Planning Scheme open space contribution plan Open Space Strategy 2011 Capital Works Program 2012-2021
Maintenance of parks (including child assets)	SCRC Corporate Plan 2009-14 SCRC Operational Plan 2012-13 SCRC Budget 2012-13 Capital Works Program 2012-2021

4.4 New Assets from Growth

The new assets required to meet growth will be acquired from land developments such as the growth of Caloundra South etc. It is currently estimated that Council acquires on average $2m p/a on new assets through development, with an anticipation that this will increase over the life of this plan. Uncertainty regarding the type of assets which may be provided through such developments as Caloundra South, has the potential to greatly increase whole-of-life costs into the future depending on the type and number of assets which Council will acquire. The new asset values are summarised in Fig 1.

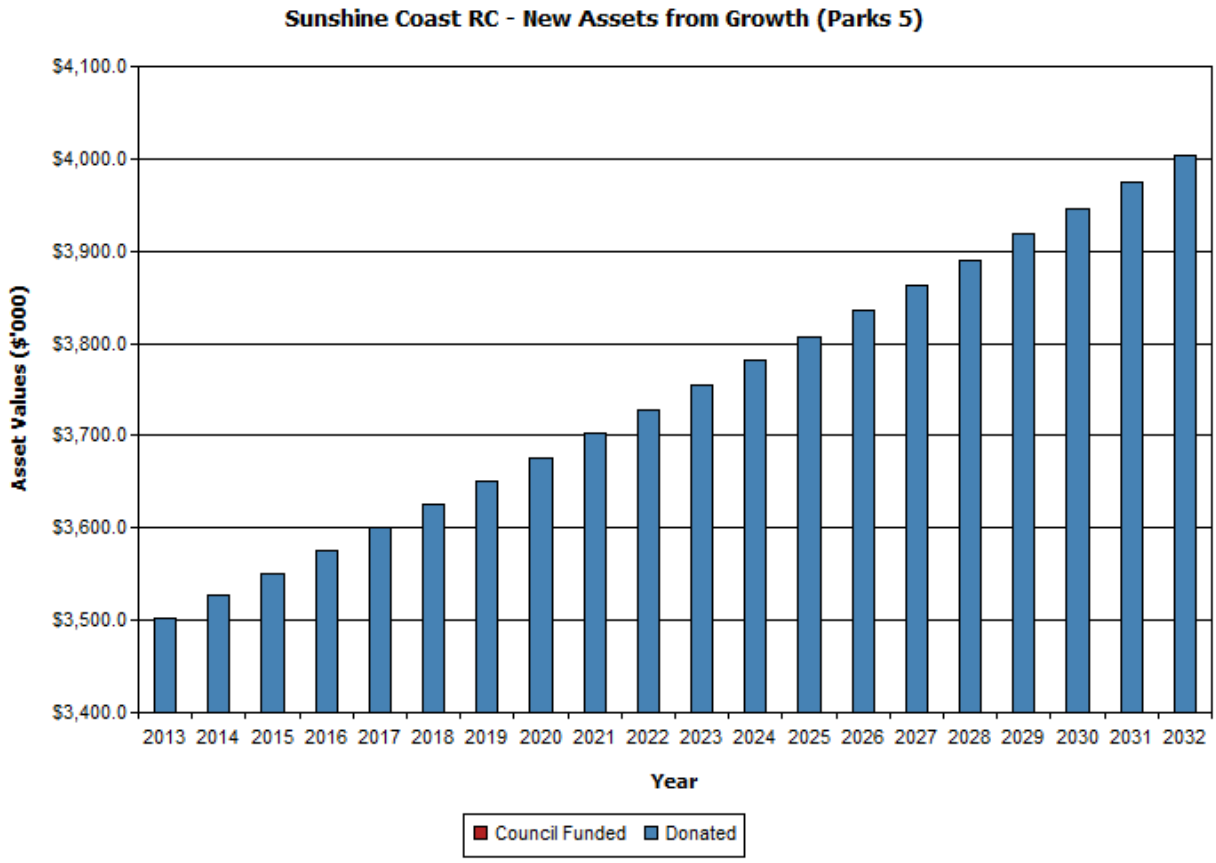


Fig 1. New Assets from Growth

Acquiring these new assets will commit council to fund ongoing operations and maintenance 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 operating and maintenance costs. Further work needs to be undertaken to validate.

5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how council plans to manage and operate the assets at the agreed levels of service (defined in section 3) while minimising 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 useful life
- Establish a sound basis on which asset management decisions are made
- Plan for the impact of refurbishment, maintenance, and renewal; and
- Increase the service delivery capacity for the asset

The standard asset's lifecycle is depicted in the following diagram:

5.1.1 Physical Parameters

The number and total area of recreation parks is described in Tbale 5.1 (below):

Table 5.1 Physical Parameters

Park Type	Number	Total area (ha)
SCRC Wide Recreation Parks	13	969
District Recreation Parks	64	
Local Recreation Parks	509	
Amenity Reserves	585	

Table 5.1.1 Current Service Levels

The typical asset life for each asset category is shown below:

Asset category	Typical Useful Life (Years)	Asset category	Typical Useful Life (Years)
BBQ's electric/gas fired	10	Playground Equipment	15
BBQ's wood fired	10	Power Outlet	25
Bike Racks	15	Retaining Wall – Timber	50
Bollards – Timber	20	Retaining Wall – Brick / Stone / Concrete	80
Bollards – Concrete / Steel	25	Seating	15
Drinking Fountains	15	Shower – beach	15
Entry Statements	15	Signage	10
Fences	25	Softfall Area & Edging	10
Flagpole	25	Sports Court – Basketball – Asphalt	30
Fountains	50	Sports Court – Basketball – Concrete	50
Garden Edging	15	Sports Court – Cricket Pitch	30
Gates	25	Sportsfield	30
Guardrail/Handrail	25	Sports Goal	25
Irrigation	15	Viewing Platform	25
Lighting	25	Vehicle Barriers	25
Picnic Shelter	25	Water Bore & Pump	25
Picnic Table – Timber	15	Water Tank – Plastic	10
Picnic Table – Aluminium	25	Water Tank – Concrete	25
Playground Shadesail	15	Water Taps	25

The numbers and types of assets supporting the region's parks and open space network are large, widespread, variable and complex. The maintenance applied to assets is considered to be at a minimum and anecdotal evidence suggests the construction materials being used during installations are short-lived and will require high maintenance levels and/renewal over the next 10 years. It is one of the objectives of this asset management plan to draw attention to the installation of assets with low useful

lives and to realign council's asset infrastructure age profile to better reflect sustainable asset management.

There are many assets in a variety of locations throughout the region considered to be nearing the end of their useful life expectancies. The condition and purpose of these assets needs to be reviewed to ensure they are required to provide the level of service. Demand for some of these assets may have changed over time and now be low enough to justify decommissioning without renewal. In conjunction with the defect assessments and rectification program, future demand assessments throughout the open space network are forecast to highlight existing infrastructure that may be suitable for decommissioning.

The age profile of council's assets, based on Council's Financial Asset Register, is shown below:

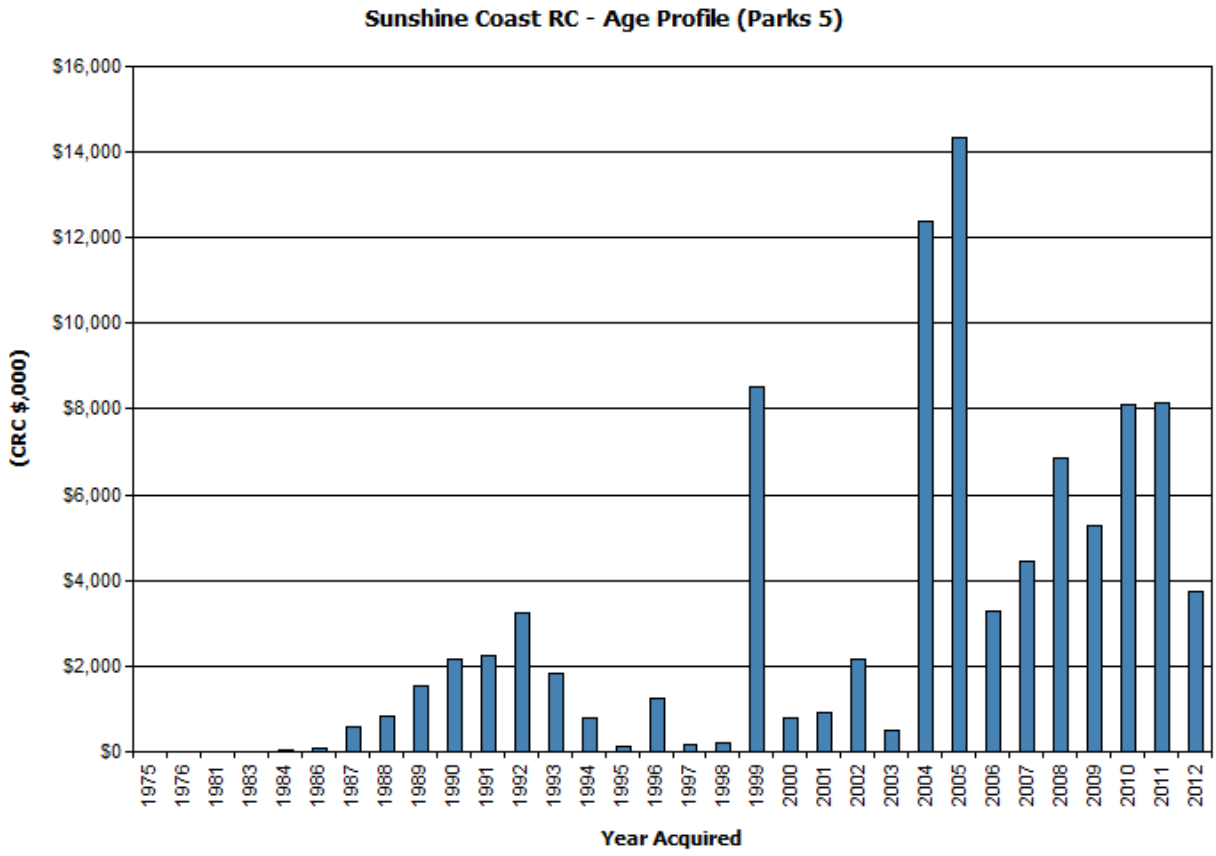


Fig 5.1 Asset Age Profile

Acquisition dates of assets and financial asset write on processes need to be reviewed as a part of the improvement plan, especially for the years 2004-2005. It is evident that a large quantity of existing assets were entered into the financial asset management system in this period, this appears to be based on the asset recognition date and not the date that the assets were constructed.

5.1.2 Asset capacity and performance

Council's services are generally provided to meet 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
All Recreation Parks	Uncertainty about the number and type of assets which will be inherited from Caloundra South. Accuracy and integration of data between asset management programs (GIS & FAIM). Knowledge of condition of assets and appropriate system to capture data. Appears to be a large number of assets within the financial asset register which have not been captured.
SCRC Wide Recreation Parks	Number and area/size provision
Local Recreation Parks	Over embellishment of parks leading to increased demand on maintenance and renewals

The above service deficiencies were identified from operations knowledge, customer requests and existing analysis and forecast within the Open Space Strategy. A long term strategy for the management of council activities has been prepared to accommodate the forecast increase in number and size of recreation parks across the region. This long term strategy provides for increased use of speciality contractors, improved overall service levels and improved response times for reactive service activities in conjunction with an increased focus on regional programmed maintenance of all recreation parks.

5.1.3 Asset condition

An extensive condition profile of council's assets is not fully known at present. Condition assessments are planned upon the implementation of Maximo. Condition is measured using:

Condition is measured using a 1 – 5 rating system.[2]

Rating	Description of Condition
1	Excellent condition: Only planned maintenance required.
2	Very good: Minor maintenance required plus planned maintenance.
3	Good: Significant maintenance required.
4	Average: Significant renewal/upgrade required.
5	Poor: Unserviceable.

5.1.4 Asset valuations

The value of assets as at 30 June 2012 covered by this asset management plan is summarised below. Assets were last revalued at 30 June 2012. Assets are valued at greenfield rates.

Current Replacement Cost	$94,578,000
Depreciable Amount	$93,474,174
Depreciated Replacement Cost	$59,459,797
Annual Depreciation Expense	$ 4,999,000

Council's sustainability reporting states the rate of annual asset consumption and compares this to asset renewal and asset upgrade and expansion.

Asset Consumption	5.35%
Asset renewal	2.16%
Annual Upgrade/expansion	7.90%

5.2 Risk Management Plan

An assessment of risks associated with service delivery from infrastructure assets has identified critical risks to council. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, 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 are summarised in Table 5.2.

[2] IIMM 2011, Appendix B, p B:1-3 ('cyclic' modified to 'planned')

Table 5.2 Critical Risks and Treatment Plans

Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan
Built structures	Catastrophic defects	H	Condition assessment and minor defect rectification and/or replacement and/or removal
BBQ's	Health defects/cleanliness Electrical faults	VH	Condition assessment and minor defect rectification and/or replacement and/or removal Electrical safety inspections Suitable funding required in Council's Capital Works Program to address
Bollards	Removal/damage, access to park by vehicles and potential damage	H	Condition assessment and minor defect rectification and/or replacement and/or removal
Courts	Trip hazards	H	Condition assessment and minor defect rectification and/or replacement and/or removal
Playgrounds	Defects	VH	Condition assessment and minor defect rectification and/or replacement and/or removal Scheduled maintenance program Suitable funding required in Council's Capital Works Program to address
Seats	Splinter defects Structural faults	H	Condition assessment and minor defect rectification and/or replacement and/or removal
Skate parks	Trip hazards, vandalism	H	Condition assessment and minor defect rectification and/or replacement and/or removal
Sporting/Playground equipment	Defects	VH	Condition assessment and minor defect rectification and/or replacement and/or removal Suitable funding required in Council's Capital Works Program to address
Trails km	Trip hazards, clear access	H	Condition assessment and minor defect rectification and/or replacement and/or removal

5.3 Routine Maintenance Plan

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

5.3.1 Maintenance plan

Maintenance includes reactive, planned and cyclic maintenance work activities.

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

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS, Maximo 7 or similar). MMS 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.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, etc. This work generally falls below the capital/maintenance threshold.

Maintenance expenditure trends are shown in Table 5.3.1

Table 5.3.1 Maintenance Expenditure Trends

Year	Maintenance Expenditure ($'000)		
	Reactive	Planned	Cyclic
2012/13	$2000	$8000	$1000
2013/14	$2000	$8000	$1000
2014/15	$2000	$8000	$1000

Maintenance expenditure levels are considered to be adequate to meet required service levels at this point. Future revision of this asset management plan will include linking required maintenance expenditures with required service levels.

Assessment and prioritisation of reactive maintenance is undertaken by council staff using experience and judgement generally in accordance with the maintenance service levels.

5.3.2 Standards and specifications

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

AS4685:2004 Playground Equipment Safety Set

AS4486:1997 Playground and Playground Equipment

AS4422:1996 Playground Surfacing – Specifications, requirements and test method

AS4373: Pruning of Amenity Trees

Various maintenance contracts

5.3.3 Summary of future maintenance expenditures

Future maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Fig 4. Note that all costs are shown in current 2012 dollar values. Further validation of maintenance costs needs to be undertaken once the impact on type and number of assets from the development are known.

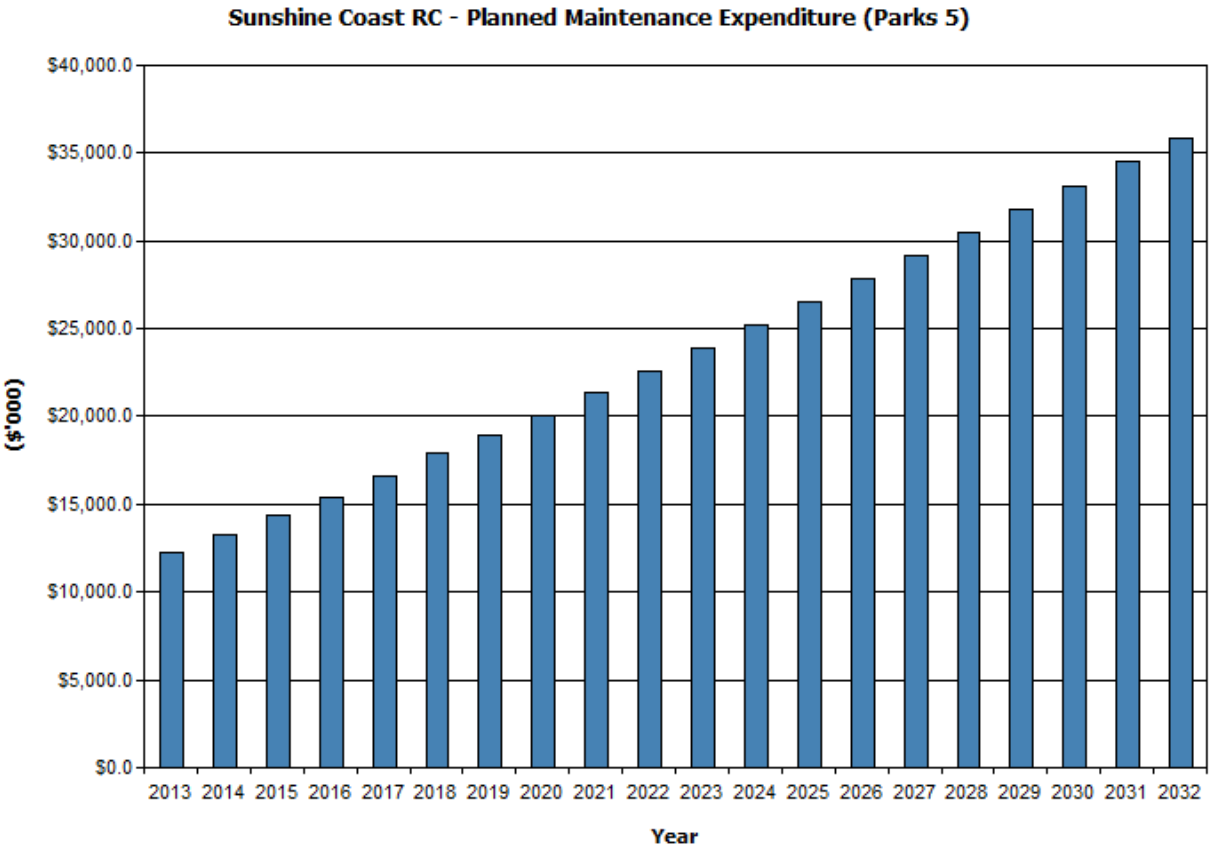


Fig 4. Planned Maintenance Expenditure

Deferred maintenance, i.e. works that are identified for maintenance and unable to be funded are to be included in the risk assessment process in the Risk Management Plan.

Maintenance is funded from council's operating budget and grants where available. This is further discussed in Section 6.2.

5.4 Renewal/Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

5.4.1 Renewal plan

Assets requiring renewal are identified from estimates of remaining life obtained from Council's Financial Asset Register. Renewal projects are inspected to verify if the asset is still required; the accuracy of remaining life estimate, and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in Council's 10 Year Capital Works Program. The priority ranking criteria is detailed in Table 5.4.1.

Table 5.4.1 Renewal Priority Ranking Criteria

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

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Examples of low cost renewal include ensuring new assets are constructed with long useful lives such as concrete instead of timber for boardwalks, retaining walls, pathways.

5.4.2 Renewal standards

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

Building Code of Australia

Relevant Australian Standards

DDPSP (Development Design Planning Scheme Policy) Landscape Infrastructure

Draft Landscape Infrastructure Manual (LIM, in prep.)

5.4.3 Summary of future renewal expenditure

Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Fig 5. Note that all costs are shown in current 2012 dollar values.

The projected capital renewal program is shown in Appendix B.

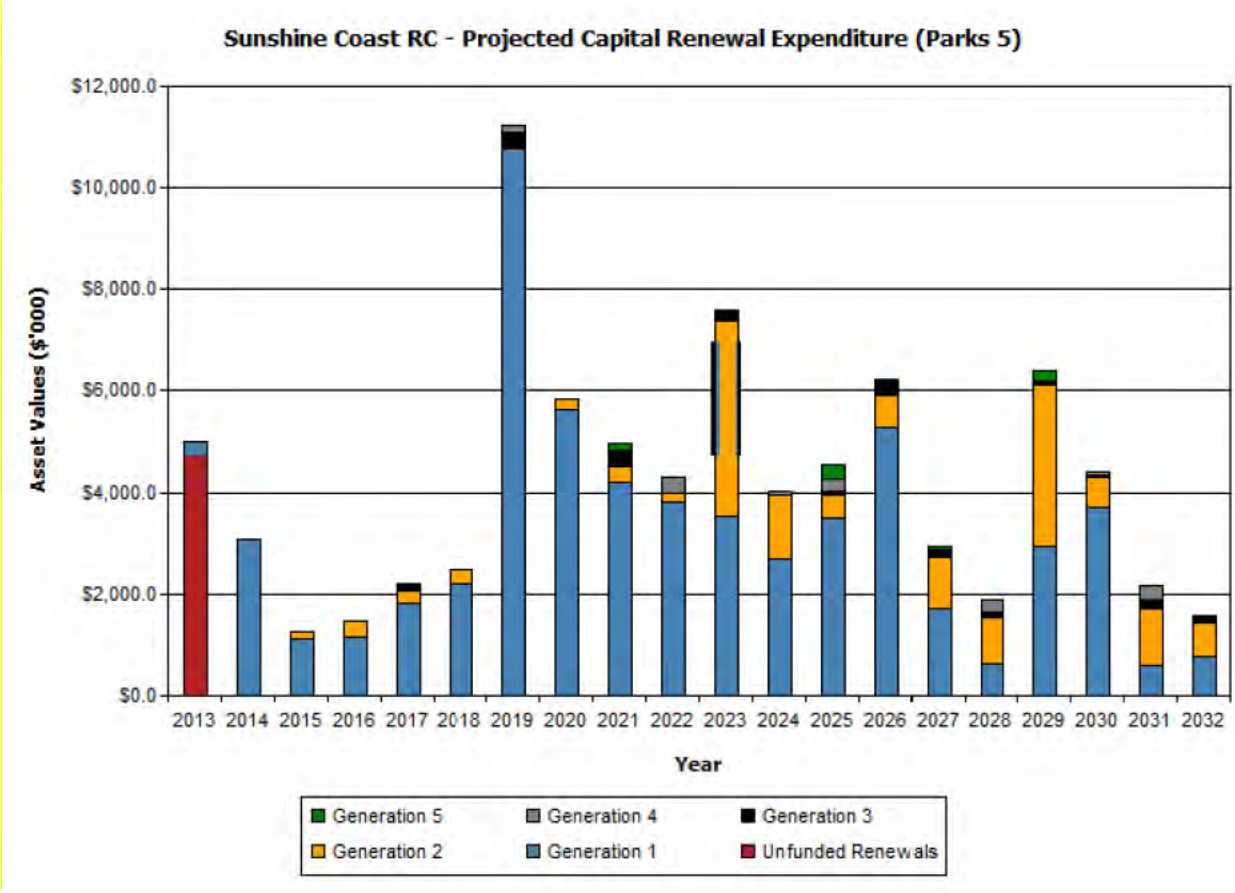


Fig 5. Projected Capital Renewal Expenditure

Unfunded renewal, i.e. those assets identified for renewal and not scheduled for renewal in capital works programs are to be included in the risk assessment process in the Risk Management Plan.

Renewals are to be funded from council's capital works program and grants where available. 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, increase in level of service, social or environmental needs. Assets may also be acquired at no cost to council from land development. These assets from growth are considered and discussed 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 scoped and assessed to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in Council's 10 Year Capital Works Program. 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 considerations	14%
Environmental impacts	14%
Economic benefits	14%
Demand	14%
Total	100%

5.5.2 Standards and specifications

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

Planned upgrade/new asset expenditures are summarised in Fig 6.

The planned upgrade/new capital works program is shown in Appendix C. All costs are shown in current 2012 dollar values.

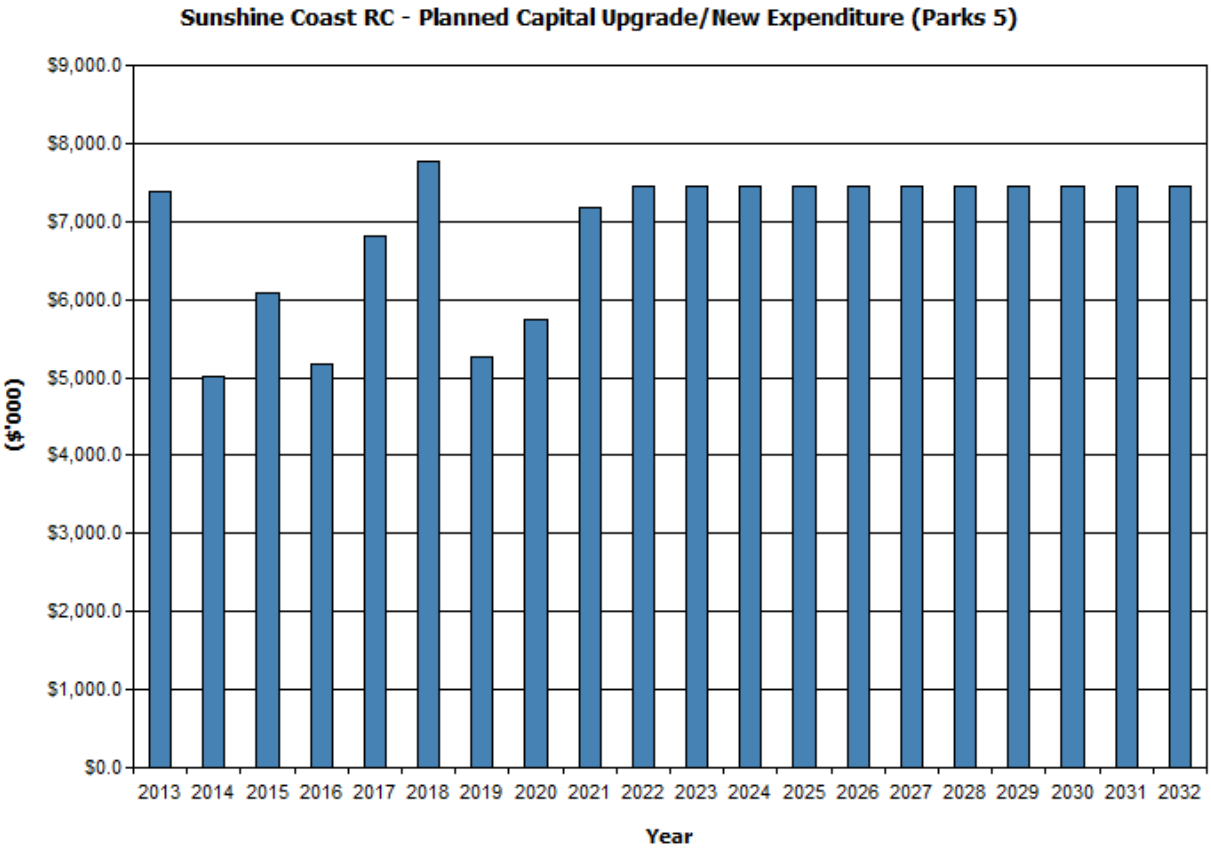


Fig 6. Planned Capital Upgrade/New Asset Expenditure

New assets and services are to be funded from council's capital works program and grants where available. 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. At this stage there are no assets identified for disposal. Council needs to further develop a disposal plan for those assets which are not required to provide the service.

6. FINANCIAL SUMMARY

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

6.1 Financial Statements and Projections

The financial projections are shown in Fig 7 for planned operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets).

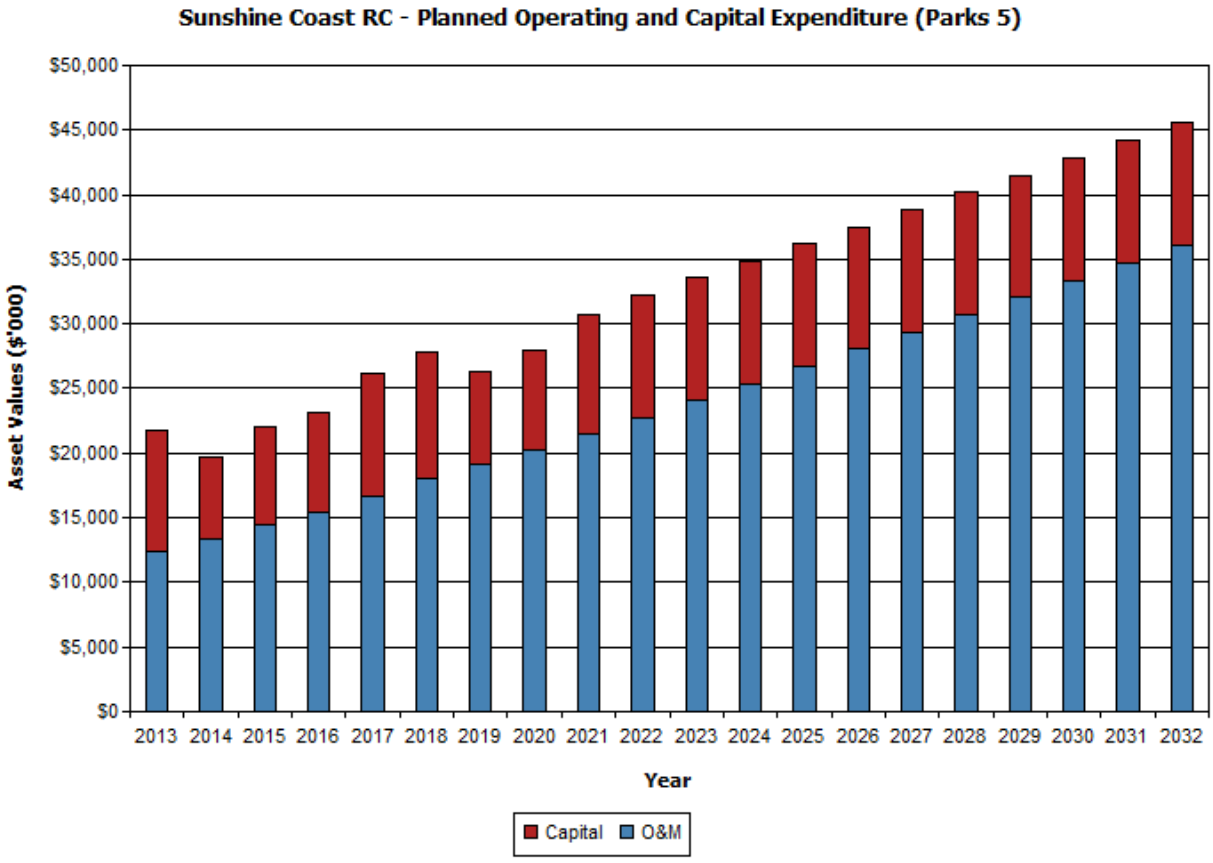


Fig 7. Planned Operating and Capital Expenditure

Note that all costs are shown in current 2012 dollar values, and are based on data available from Council's Financial Asset Register.

6.1.1 Sustainability of service delivery

There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs and medium term costs over the 10 year financial planning period.

Long term - Life Cycle Cost

Projected Maintenance & Capital Renewal Expenditure – 1 Year
The life cycle cost to provide the Parks & Gardens Open Space service is estimated at $17.3m per annum. Council's planned life cycle expenditure for year 1 of the asset management plan is $14.3m which gives a life cycle sustainability index of 0.82.

Projected Maintenance & Capital Renewal Expenditure – 10 Year
The total maintenance and capital renewal expenditure required to provide the Parks & Gardens service the in the next 10 years is estimated at $214,600,000. This is an average of $21.46m per annum.

Council's maintenance and capital renewal expenditure for year 1 of the asset management plan of $14.3m giving a 10 year sustainability index of 0.66.

Further validation of the Sustainability Index will be undertaken through improved data knowledge, systems and processes and reported back to Council in updated versions of this plan.

The major groups of assets covered by this plan (80% of the value) include courts, shelters, playgrounds, and furniture. The following interpretation of the data is provided as a summary of the likely life cycle funding gaps identified sub-groups within this plan. This is provided to give a general indication of likely funding gaps relevant to each sub-group of assets and a brief summary of the reasons behind these interpretations.

- Courts asset type life cycle funding gap is likely to be low for the next 10 years due to the hard surface, constructed nature of the asset type. General operational maintenance of this asset type is likely to be all that is required in order to achieve extended useful lives of this asset type.

- Shelters have been identified as another major contributor to the asset value. This asset type is likely to have a high value life cycle funding gap due to the major elements normally used in their construction (timber), their location (generally high profile parks) in coastal locations and intensity of use.

- Playgrounds asset type life cycle funding gap is likely to be medium for the next 10 years due to the variable nature of the elements from which they are constructed considered against the amount of operational maintenance effort currently expended on the maintenance of this asset type. A continued focus on general operational maintenance of this asset type is likely to be required in order to maximise the useful lives of this asset type whilst controlling the expenditure on renewals. It would be beneficial to combine an audit of the playgrounds with a needs analysis to determine whether all individual assets of this type are still required and to ensure council keeps a focus on its identified desired levels of service provision of playgrounds.

- Furniture asset type life cycle funding gap is likely to be medium for the next 10 years due to the variable nature of the elements from which they are constructed considered against the amount of operational maintenance effort currently expended and planned on the maintenance of this asset type. A continued focus on general operational maintenance of this asset type is likely to be required in order to maximise the useful lives of this asset type whilst controlling the expenditure on renewals. To address this need, a specific parks infrastructure maintenance team has been created to provide an operation maintenance focus on these asset types.

Medium term – 10 year financial planning period

This asset management plan identifies the estimated maintenance and capital expenditures required to provide an agreed level of service to the community over a 20 year period for input into a 10 year financial plan to provide the service in a sustainable manner. Table 6.1.1 shows in detail the projected and planned renewals and forecast expenditure gaps.

Fig 8 shows the projected asset renewals in the 20 year planning period from Council's Financial Asset Register. The projected asset renewals are compared to planned renewal expenditure in the 10 Year Capital Works Program and capital renewal expenditure in year 1 of the planning period as shown in Fig 8. Table 6.1.1 shows the annual and cumulative funding gap between projected and planned renewals. As shown in this table, a spike in the gap between planned and projected renewals and expenditure gap is forecast in 2013 and 2019, this needs to be further validated.

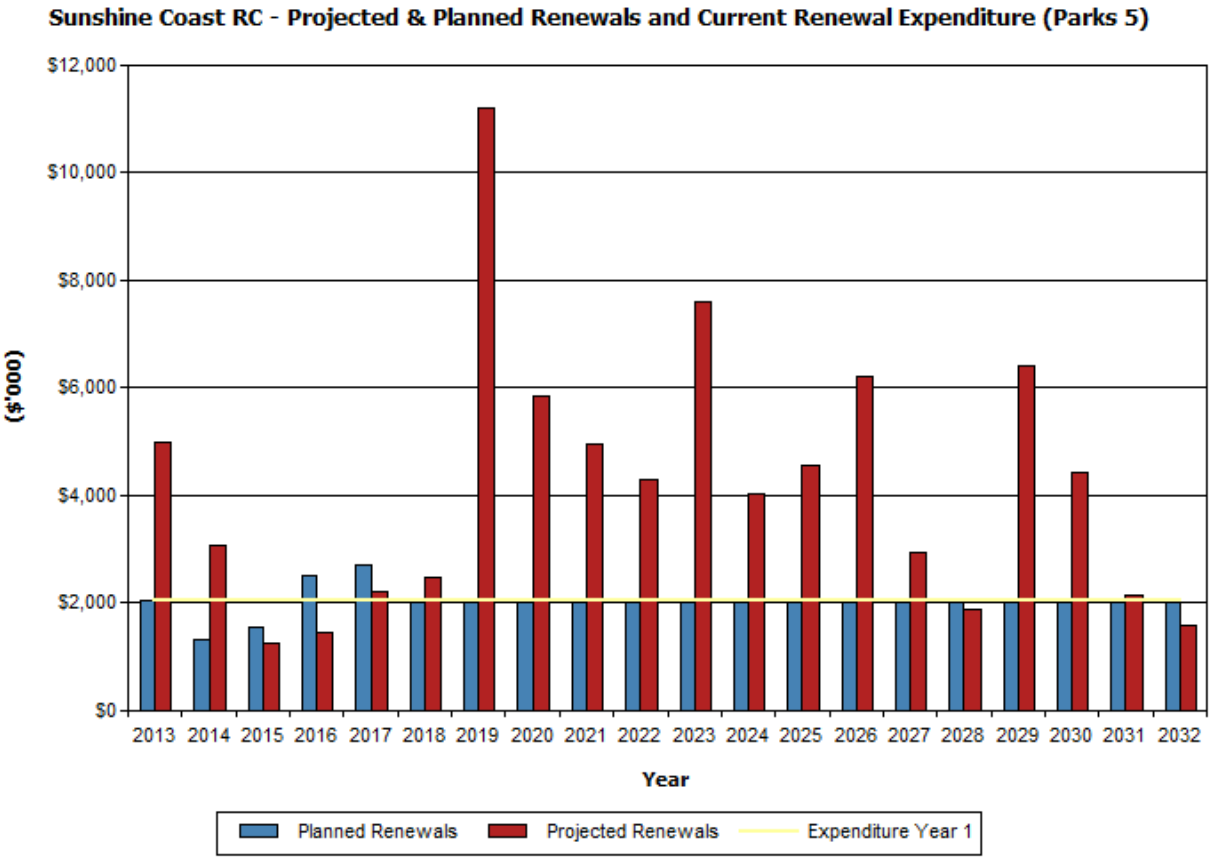


Fig 8. Projected and Planned Renewals and Current Renewal Expenditure

Table 6.1.1 shows the gap between projected and planned renewals.

Table 6.1.1 Projected and Planned Renewals and Expenditure Gap

Year End June 30	Total Operations Expenditure ($'000)	Total Maintenance Expenditure ($'000)	Projected Capital Renewal Expenditure ($'000)	Planned Capital Upgrade/New Expenditure ($'000)	Planned Disposals ($'000)	Planned Capital Renewal Expenditure ($'000)	Shortfall in Renewal Expenditure (Projected - Planned) ($'000)	Cumulative Renewal Funding Shortfall ($'000)
2013	$78.06	$12,266.68	$5,005.42	$7,388.00	$0.00	$2,035.00	$2,970.42	$2,970.42
2014	$84.38	$13,258.99	$3,066.07	$5,005.00	$0.00	$1,325.00	$1,741.07	$4,711.48
2015	$91.50	$14,378.45	$1,248.72	$6,074.00	$0.00	$1,538.00	-$289.28	$4,422.20
2016	$97.97	$15,395.85	$1,469.22	$5,172.00	$0.00	$2,499.00	-$1,029.78	$3,392.43
2017	$105.68	$16,606.17	$2,201.52	$6,806.00	$0.00	$2,713.00	-$511.48	$2,880.95
2018	$114.10	$17,930.47	$2,479.07	$7,761.00	$0.00	$2,022.00	$457.07	$3,338.02
2019	$120.70	$18,967.17	$11,219.38	$5,263.00	$0.00	$2,022.00	$9,197.38	$12,535.40
2020	$127.66	$20,061.50	$5,849.93	$5,733.00	$0.00	$2,022.00	$3,827.93	$16,363.33
2021	$135.72	$21,327.95	$4,951.21	$7,187.00	$0.00	$2,022.00	$2,929.21	$19,292.54
2022	$144.00	$22,629.29	$4,288.80	$7,461.00	$0.00	$2,022.00	$2,266.80	$21,559.34
2023	$152.31	$23,933.69	$7,607.62	$7,461.00	$0.00	$2,022.00	$5,585.62	$27,144.95

Year End June 30	Total Operations Expenditure ($'000)	Total Maintenance Expenditure ($'000)	Projected Capital Renewal Expenditure ($'000)	Planned Capital Upgrade/New Expenditure ($'000)	Planned Disposals ($'000)	Planned Capital Renewal Expenditure ($'000)	Shortfall in Renewal Expenditure (Projected - Planned) ($'000)	Cumulative Renewal Funding Shortfall ($'000)
2024	$160.63	$25,241.19	$4,023.14	$7,461.00	$0.00	$2,022.00	$2,001.14	$29,146.09
2025	$168.97	$26,551.82	$4,560.53	$7,461.00	$0.00	$2,022.00	$2,538.53	$31,684.62
2026	$177.33	$27,865.61	$6,213.97	$7,461.00	$0.00	$2,022.00	$4,191.97	$35,876.60
2027	$185.71	$29,182.60	$2,926.09	$7,461.00	$0.00	$2,022.00	$904.09	$36,780.68
2028	$194.11	$30,502.82	$1,874.11	$7,461.00	$0.00	$2,022.00	-$147.89	$36,632.79
2029	$202.53	$31,826.30	$6,415.68	$7,461.00	$0.00	$2,022.00	$4,393.68	$41,026.47
2030	$210.97	$33,153.08	$4,416.36	$7,461.00	$0.00	$2,022.00	$2,394.36	$43,420.83
2031	$219.44	$34,483.21	$2,158.28	$7,461.00	$0.00	$2,022.00	$136.28	$43,557.10
2032	$227.92	$35,816.70	$1,573.20	$7,461.00	$0.00	$2,022.00	-$448.80	$43,108.30

Table 6.1.1 Projected and Planned Renewals and Expenditure Gap

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue.

A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap.

Council will manage the 'gap' by developing this asset management plan to provide guidance on future service levels and resources required to provide these services, and addressing the longer term implications of the developing shortfall.

Council's long term financial plan covers the first 10 years of the 20 year planning period. According to this data, the total maintenance and capital renewal expenditure required over the 10 years is $214,600,000. Managing this projected expenditure will involve a concerted effort in terms of asset identifications and revaluations of existing assets to provide more accurate data on estimated lives of individual and groups of assets.

6.2 Funding Strategy

Projected expenditure identified in Section 6.1 is to be funded from council's operating and capital budgets. The funding strategy is detailed in the council's 10 year long term financial plan.

6.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by council and from assets constructed by land developers and others donated to council. Fig 9 shows the projected replacement cost asset values over the planning period in current 2012 dollar values.

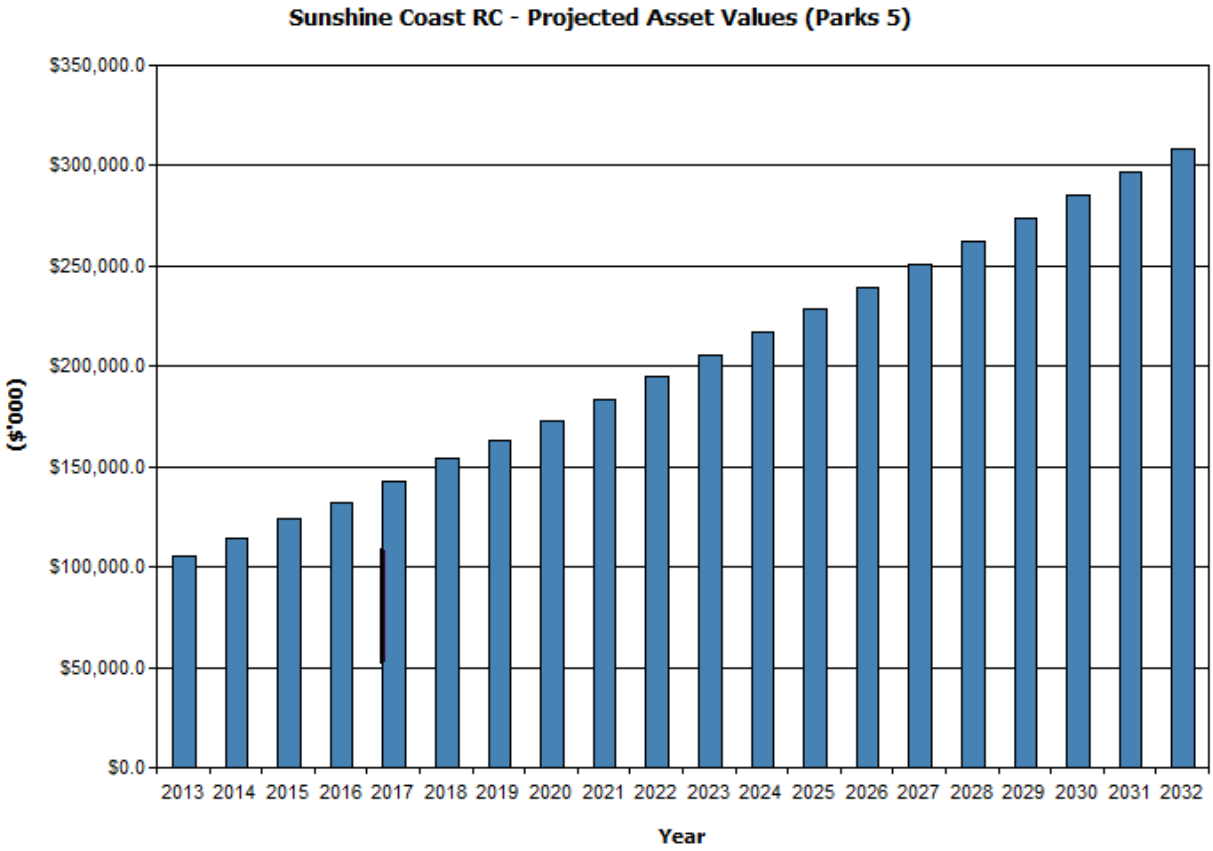


Fig 9. Projected Asset Values

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

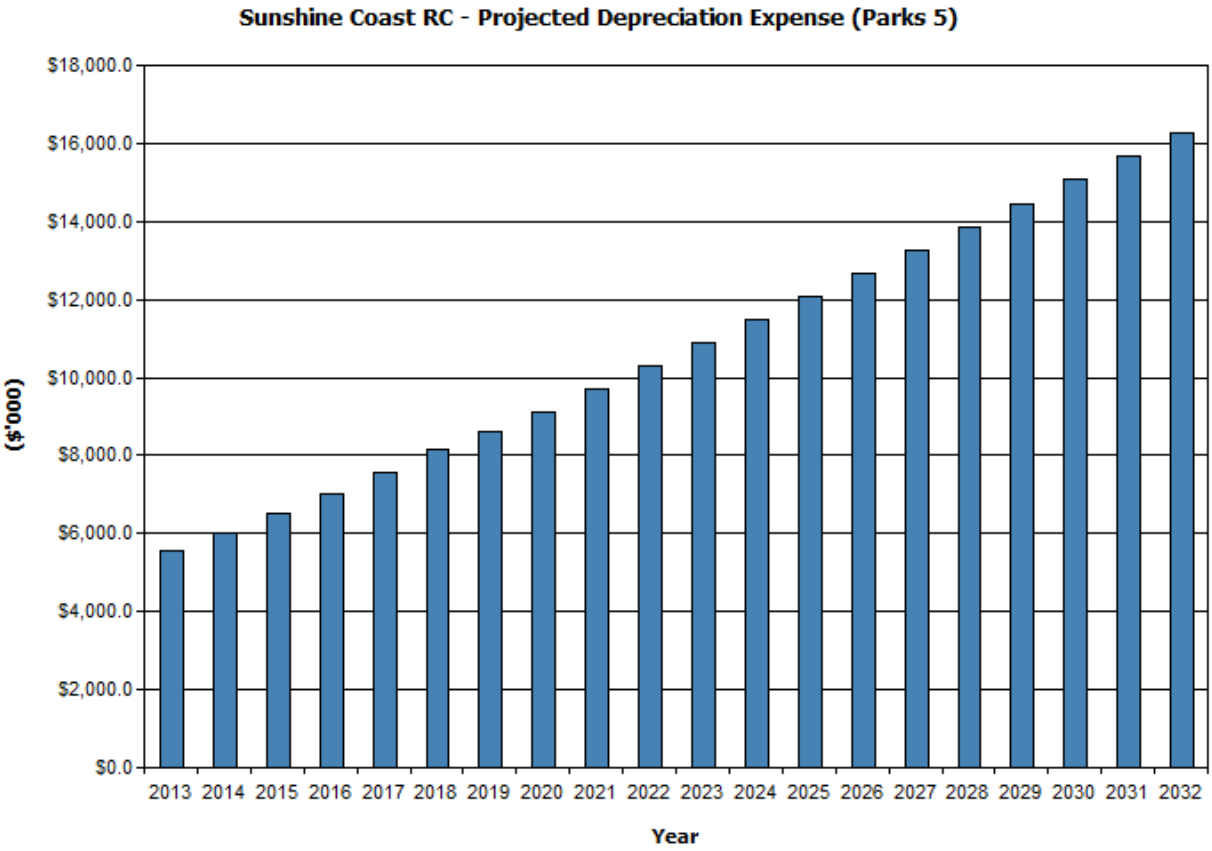


Fig 10. Projected Depreciation Expense

The depreciated replacement cost (current replacement cost less accumulated depreciation) 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 Fig 11.

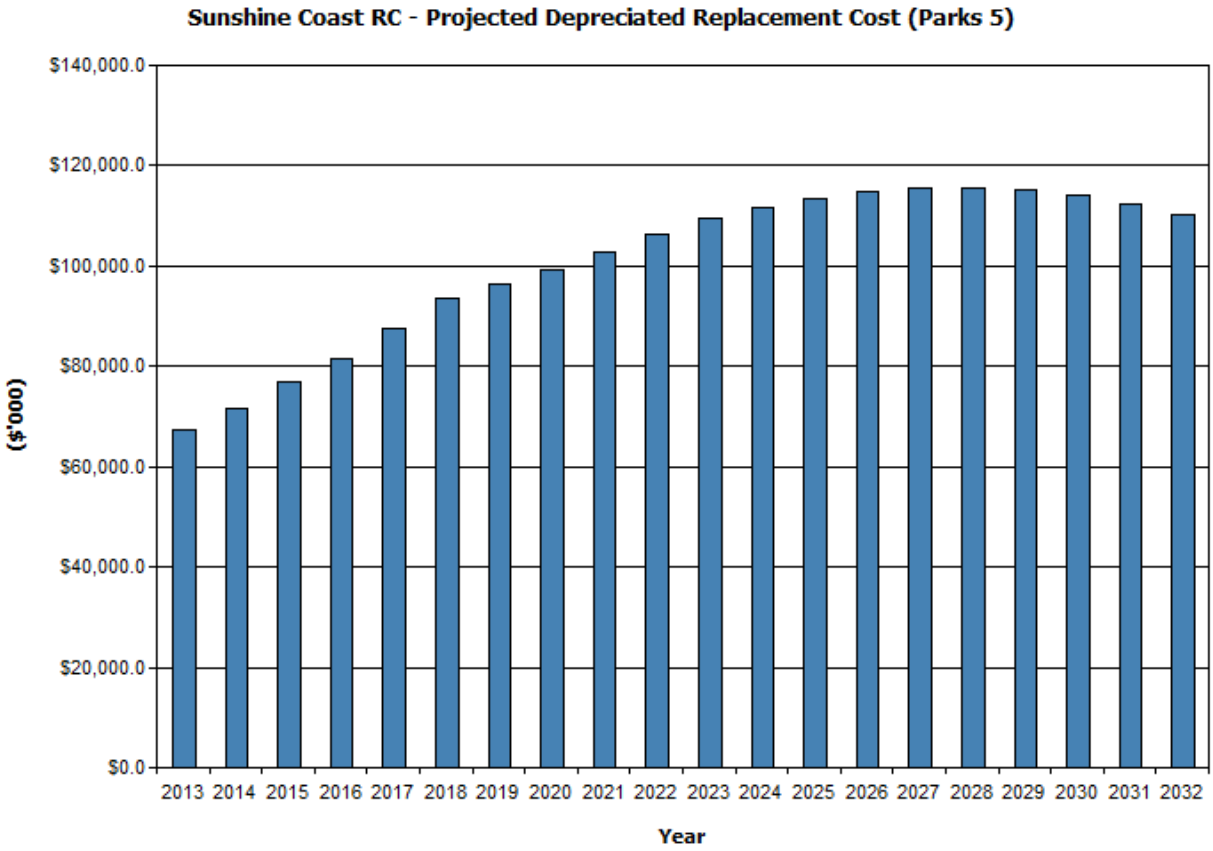


Fig 11. Projected Depreciated Replacement Cost

6.4 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this asset management 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 asset management plan are:

- Accuracy and consistency of financial data are yet to be confirmed
- Accuracy of condition assessments are yet to be confirmed, however are assumed to be variable dependent on individual assets and groups of assets
- Accuracy of useful life estimates of assets are yet to be confirmed. Work to progress evaluations of the quality of the data relating to useful lives of individual and groups of assets has been identified in Section 8 (Plan Improvement and Monitoring)

Accuracy of future financial forecasts may be improved in future revisions of this asset management plan by the following actions.

- Undertaking condition assessments of assets
- Auditing asset lists
- Componentisation of assets
- Understanding when assets are constructed.

7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

Sunshine Coast Council operates the Technology One system for management of financial information. This system is managed by the Technology One / Finance One System. Technology One is interfaced with the Asset Management System (see below) to enable the transfer of financial asset information between the two systems.

7.2 Asset Management Systems

Sunshine Coast Council operates the Maximo V7 Asset Management System (AMS M7) for the management of asset information. The asset management system is linked to the finance system via a software interface. Asset managers are responsible for maintaining data pertaining to their asset area.

Asset managers are responsible for maintaining asset data pertaining to their branch, geographical data is held within ArcGIS. In conjunction with a focus on place making, council has a commitment to the integration of sustainable asset management across the organisation.

7.3 Information Flow Requirements and Processes

The key information flows *into* this asset management plan are:

- The asset register data on size, age, value, remaining life of the network;
- The unit rates for categories of work/material;
- The adopted service levels;
- Projections of various factors affecting future demand for services;
- Correlations between maintenance and renewal, including decay models; and
- New assets acquired by council.

The key information flows *from* this asset management plan are:

- The assumed Works Program and trends;
- The resulting budget, valuation and depreciation projections; and
- The useful life analysis.

These will impact the Long Term Financial Plan, Strategic Business Plan, annual budget and departmental business plans and budgets.

8. PLAN IMPROVEMENT AND MONITORING

8.1 Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required cashflows identified in this asset management plan are incorporated into council's long term financial plan and Strategic Management Plan; and
- 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 asset management plan.

8.2 Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 8.2.

Table 8.2 Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1	Develop standard asset categories to be used across all asset management systems	AM/P&G	CG/AW	2013
2	Verify asset data within GIS and FAIM	AM/Finance	CG/AW/LH	2013
3	Asset condition verification	AM	Maximo	2013
4	Develop Mobile Computing	AM/ITCS	TBD	2013/14

8.3 Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

The Plan has a life of 4 years and is due for revision and updating within 2 years of each council election.

REFERENCES

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SCRC, Operational Plan 2012-13

IIMM, International Infrastructure Management Manual - 2011

DVC, 2006, 'Asset Investment Guidelines', 'Glossary', Department for Victorian Communities, Local Government Victoria, Melbourne, http://www.dvc.vic.gov.au/web20/dvclgv.nsf/allDocs/RWP1C79EC4A7225CD2FCA257170003259F6?OpenDocument

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