

Shire of Kondinin

Recreation Asset Management Plan

Part 1 - Summary

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Executive Summary

The Shire of Kondinin owns and maintains a range of assets that help to support the delivery of a recreation (parks) service. This includes softscape, hardscape, sports equipment, irrigation and so on.

This document is the Shire's Asset Management Plan (AMP) for the recreation portfolio (parks, gardens, ovals etc.). It outlines the activities and programmes that will be carried out over the next 15 years. It also details the service levels (standard) the Shire will provide and the resources required to deliver them.

While the document is comprehensive, it is also evolving with the Shire's practice maturity. As such there are a number of actions that have been identified that will improve the AMP's accuracy over time. All readers of this AMP must understand its limitations and applied assumptions before acting on any information contained within it. All information within this AMP is fully detailed within a separate Part 2 document.

Overall, the Shire's recreation portfolio is worth approximately \$6.8m and generally appears to be in an average to good condition. The portfolio's asset consumption ratio currently sits at 64%, which is firmly within the target range of 50%-70%. The latest available data suggests that only 4% of recreational assets (by value) were in either a poor or very poor condition.

Looking forward, the Shire's recreation service may experience some service demand change. Influences such as Council, demographics, financial sustainability, participation, population and socio-economics are regarded as likely to have the greatest affect.

In order to improve the Shire's management practices, a number of key tasks have been identified. These have been listed within the Improvement Plan for future implementation.

Background and Objectives

Purpose of this Asset Management Plan

This document is an Asset Management Plan (AMP) for the Shire's recreation assets. These are typically defined as infrastructure located within parks, gardens, ovals etc., but excluding buildings and paths. The AMP documents how the Shire plans to manage these assets, to deliver services of a specified quality (service levels) and what the associated long term costs are.

Focus of this Asset Management Plan

The AMP focuses on recreation assets. The number of recreation 'places' that make up the portfolio, and their values, are detailed in Table 1.

Park Type	Number of Places	Number of Assets	Replacement Cost
Active Places	15	-	\$5,672,000
Natural Area	4	-	\$341,000
Passive Places	7	-	\$555,000
Tourism/Heritage	6	-	\$209,000
Total	32	-	\$6,777,000

Table 1: Assets covered by the Recreation AMP

Corporate Document Relationships

This AMP integrates with the other following Shire documents:

- = Strategic Community Plan
- = Corporate Business Plan
- = Long Term Financial Plan
- = Annual Budget

Time Period of the AMP and Review Process

The Asset Management Plan covers a 15 year period. It will be reviewed during annual budget preparation and amended to be kept up to date.

Service Levels

Introduction

Service Levels describe the standard (e.g. quality) that the Shire provides from its recreation assets. These have been developed through the consideration of strategic inputs, policy inputs (Appendix A) and perceived customer requirements. The process through which the Shire's Service Levels were developed is found in Appendix B.

Service Level Performance

Table 2 details the service level performance that the Shire is currently achieving. At present, no KPIs have yet been ascertained.

KPI	Performance	Tactic
Accessibility	Unknown	Establishing performance
Aesthetics	Unknown	Monitoring
Condition	Very Good	Establishing target
Fit for Purpose	Unknown	Establishing performance
Water Sustainability	Unknown	Establishing performance

Table 2: Service Level Performance

Service Demand

This section summarises likely factors that may affect the demand for recreation services over the life of the AMP. Full details of past and future demand factors are recorded in Appendix C.

Historic Demand

The following table outlines the key factors that may have affected historical service demand change.

Driver Type	Effect	Demand Change
Population	Shire population down from 950 (2001) to 864 (2016).	Decrease
Demographic	Population decrease in all 0-49 age bands. Population increase in all 50+ age bands. Median age has increased from 35 to 43 years (2001 – 2016).	Neutral , but shifting needs.

Recreation Participation	Participation rates continue to fall slightly year on year across the general population. Walking remains the most popular activity for recreation.	Broad decrease in demand, particularly across active recreation.
Tourism	Tourist numbers in the 'golden outback' region grew from 1.9m (2013/14) to 2.3m (2017/18). This growth may have increased demand on tourism recreation places.	Increase
Climate	Annual rainfall has remained steady at ~350mm per annum (1918 – 2017). Annual monthly mean maximum temperatures up from 32.6°C to 33.3°C (1949 to 2017). Changes could have decreased assets' lives, while increasing maintenance frequencies and costs.	Increase in costs and ability to maintain service levels.

Table 3: Historic Demand Drivers

Future Demand

Consideration was given to six possible future demand drivers that may influence demand on the provision of recreation based services.

Driver Type	Service Demand Change
Political	Overall effect negligible , but moderate increase to improve asset management practices.
Economic	Increase from higher energy and water costs, and to implement water use minimisation initiatives. Long term financial sustainability likely to be secure, however corporate ratios require further refinement.
Social	Decreasing demand due to population and recreation participation decline. Changing/increasing needs due to an ageing population and social disadvantage. Increase from higher tourist numbers.
Technological	Opportunity to decrease maintenance costs through implementation of emerging technologies.
Legal	Neutral , no identified drivers.
Environmental	Increase in costs due to climate change and implementation of water use minimisation strategies.

Table 4: Future Demand Drivers

Demand Management

A review of past and future demand factors shows that service demand change has occurred, and will also likely occur into the future. No specific mitigation tactics are required at present. The Shire will take a monitor and react approach.

Lifecycle Management Plan

The lifecycle management plan details how the Shire intends to manage and operate its recreation portfolio at the agreed service levels. Full details of the portfolio can be found in Appendix D.

Recreation Portfolio Physical Parameters

Table 5 details the number of parks places within the Shire and their combined values.

Place Type	Number of Assets	Current Replacement Cost	Fair Value	Annual Depreciation
Active Places	-	\$5,672,000	\$3,711,017	\$245,450
Natural Areas	-	\$341,000	\$198,813	\$16,293
Passive Places	-	\$555,000	\$301,667	\$29,800
Tourism/Heritage	-	\$209,000	\$120,800	\$8,083
Total	-	\$6,777,000	\$4,332,297	\$299,627

Table 5: Recreation Portfolio Physical Parameters

Recreation Portfolio Condition

Figure 1 details the condition of recreation assets by their total replacement cost.

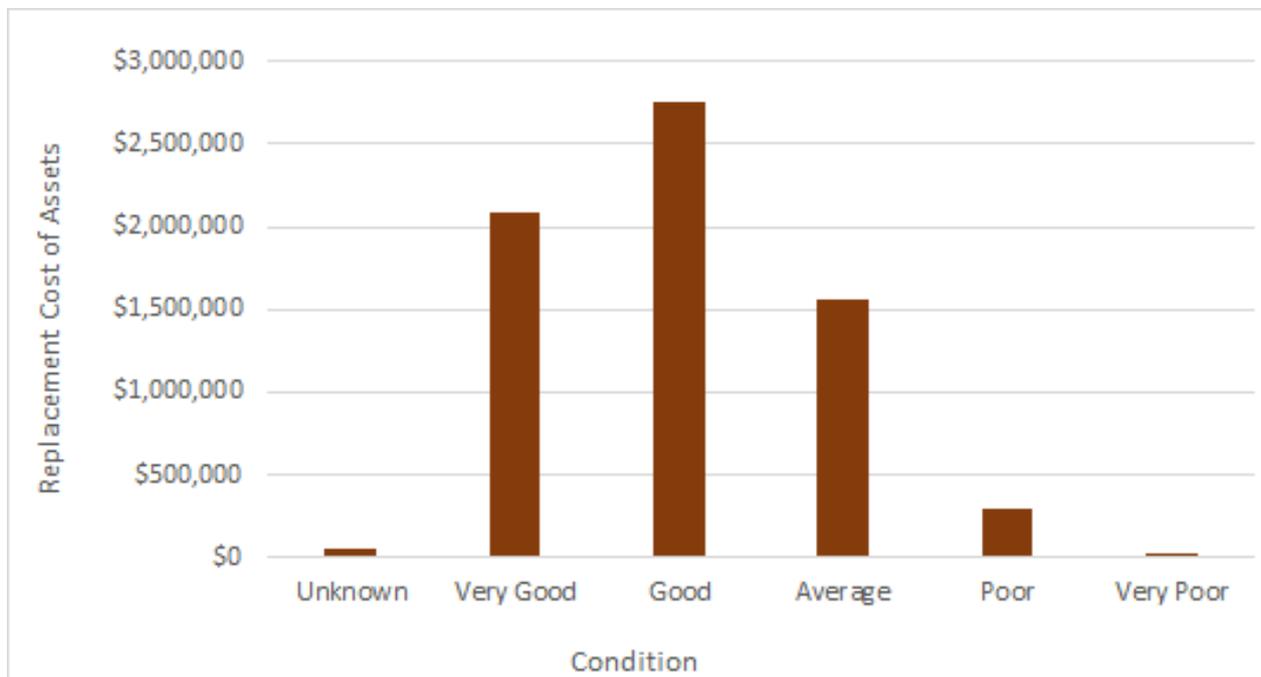


Figure 1: Recreation Portfolio Condition

Lifecycle Management Strategies

Operation & Maintenance Strategy

The Shire seeks to progress to a point whereby it employs preventative maintenance strategies wherever possible, in order to maximise asset performance and minimise long terms costs. Each park's strategy will be specifically designed for its own requirements. Technical maintenance service levels will be documented, and reflected within this AMP. All planned maintenance activities will also be individually costed, and these then used to inform the long term budget requirements.

Renewal Strategy

Recreation assets are periodically inspected to determine their condition, on a 1 (new/excellent) to 5 (very poor/failed) scale. The results are then modelled to predict assets' potential year of renewal. Shire staff then inspect these assets to determine the timing, scope and budget of any future renewal project. Projects are listed on a consolidated long term works program.

Upgrade/New Strategy

The need for new and/or upgraded assets (e.g. to meet a service deficiency) are identified from a number of potential sources. Each potential project is investigated by Shire staff and where valid, often prioritised against similar projects. Approved projects are then listed onto a consolidated long term works program. An improvement project to consider a single common prioritisation framework has been listed.

Disposal Strategy

The Shire does not frequently dispose of recreation assets. Where a potential need is identified, then this is considered by staff, and in some cases, Council.



Financial

This section contains the financial requirements resulting from all the information presented in this AMP. A detailed financial model is recorded in Appendix F.

Projected Expenditure Requirements

Year	Operation & Maintenance	Renewal	Upgrade & New	Disposal	Total
2018/19	\$254,000	\$292,563	\$141,264	\$0	\$687,827
2019/20	\$254,000	\$300,000	\$105,000	\$0	\$659,000
2020/21	\$254,000	\$300,000	\$30,000	\$0	\$584,000
2021/22	\$254,000	\$300,000	\$0	\$0	\$554,000
2022/23	\$254,000	\$300,000	\$0	\$0	\$554,000
2023/24	\$254,000	\$300,000	\$0	\$0	\$554,000
2024/25	\$254,000	\$300,000	\$0	\$0	\$554,000
2025/26	\$254,000	\$300,000	\$0	\$0	\$554,000
2026/27	\$254,000	\$300,000	\$0	\$0	\$554,000
2027/28	\$254,000	\$300,000	\$0	\$0	\$554,000
2028/29	\$254,000	\$300,000	\$0	\$0	\$554,000
2029/30	\$254,000	\$300,000	\$0	\$0	\$554,000
2030/31	\$252,000	\$300,000	\$0	\$0	\$552,000
2031/32	\$254,000	\$300,000	\$0	\$0	\$554,000
2032/33	\$252,000	\$300,000	\$0	\$0	\$552,000

Table 6: Recreation Asset Projected Expenditure Requirements

Plan Improvement and Monitoring

This Section of the AMP outlines the degree to which it is an effective and integrated tool within the Shire. It also details the future tasks required to improve its accuracy and robustness.

Performance Measures

The effectiveness of the AMP will be monitored by the performance of the three statutory ratios that the Shire reports on. Each ratio is described in Appendix G. The Shire's current performance is recorded in Table 7.

Year	Asset Consumption Ratio	Asset Sustainability Ratio	Asset Renewal Funding Ratio
2019	64% (within target)	0% (below target)	

Table 7: AMP Performance Measures

Improvement Plan

The asset management improvement plan generated from this AMP is shown in Table 8.

Task No	Task	Responsibility	Timeline
1	Refine & formalise the list of recreation places within the Shire (Appendix D).		
2	Undertake an onsite inspection to record all recreation assets' inventory and condition (Appendix D).		
3	Develop OPEX plans for each recreation place and update the AMP financial plan (Appendix F).		
4	Develop a medium term CAPEX works programme after the inspection (Appendix F), and update the AMP financial plan.		
5	Consider developing a local demographic/usage model for recreation areas & assets (Appendix C).		
6	Consider undertaking a local participation survey (Appendix C).		
7	Develop a more robust cyclical inspection procedure (Appendix E).		
8	Develop and implement service level performance monitoring processes (Appendix B).		

Table 8: Recreation AMP Improvement Plan