WARREN SHIRE COUNCIL

Recreation

ASSET MANAGEMENT PLAN

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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 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, 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 is 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.

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

Council provides recreation facilities such a swimming pool, sports grounds, parks & reserves, racecourse and cemeteries in partnership with sporting groups and organisations to enable the community to enjoy the local environment.

What does it Cost?

The projected cost to provide the services covered by this Asset Management Plan includes operations, maintenance, renewal and upgrade of existing assets over the 10 year planning period is $690,000 per year.

Council's estimated available funding for this period is $678,887 per year which is 98% of the cost to provide the service. This is a funding shortfall of $11,113 per year.

Plans for the Future

Council plans to operate and maintain the Recreation Asset to achieve the following strategic objectives.

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

Measuring our Performance

Quality

Recreation Assets will be maintained in a reasonably usable condition. Defects found or reported that are outside our service standard will be repaired. See our maintenance response service levels for details of defect prioritisation and response time.

Function

Our intent is that an appropriate Recreation Asset is maintained in partnership with other levels of government and stakeholders to provide appropriate sporting and recreation facilities.

The Recreation Asset attributes will be maintained at a safe level and associated signage and equipment is provided as needed to ensure public safety. We need to ensure key functional objectives are met:

- Safe and high quality sporting fields
- Safe and high quality parks and playgrounds

The main functional consequence of the Recreation Asset is improvement of lifestyle and health of the community.

Safety

We inspect all Recreation Asset regularly and prioritise and repair defects in accordance with our inspection schedule to ensure they are safe.

The Next Steps

This actions resulting from this asset management plan are:

- Improve asset data;
- Undertake condition rating;
- Improve budgeting in accordance with service levels;

2. INTRODUCTION

2.1 Background

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

This asset management plan covers the following infrastructure assets excluding Land & Buildings:

Table 2.1 Assets covered by this Plan

Asset category	Asset Description	Replacement Value (Not including Land and Buildings)
Swimming Pool	Warren War Memorial	$1,490,376
Sports Grounds	Victoria Park Carter Oval Noel Waters Oval	$435,156
Parks & Reserves	Macquarie Park Lions Park Oxley Park Ebert Park Ravenswood Park Rotary Park Orchard Street Reserve Macquarie Drive Reserve Gillendoon Street Saunders Park Nevertire Park Bore Flat Reserve Bob Christenson Reserve Tigerbay Wildlife Reserve Town Approaches	$139,896
Showground/Racecourse	Warren	$666,360
Cemeteries	Warren Nevertire Collie Dick's Camp The Marra	$31,656

TOTAL	$4,036,515

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

Ratepayers and Residents	Consumer
Sports Clubs and Organisations	Consumer
NSW Department of Sport and Recreation	Partner
Warren Shire Water Supply Services	Raw Water Supplier
Warren Shire Sewerage Services	Waste Water Supplier

2.2 Goals and Objectives of Asset Management

The 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.

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

Our Vision:

Our Vision is for Warren Shire to be an attractive, healthy and caring environment in which to live, work and play, achieved in partnership with the community through initiative, foresight and leadership.

Our Mission:

To pursue excellence, to be responsive and pro-active in the promotion and improvement of our community through responsible and innovative leadership.

Goals:

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

- To ensure Council recreation and sporting facilities are maintained to an agreed standard and service requirement.
- To implement planning strategies to secure high quality community facilities and services for the local government area, within Council's financial capacity.
- To support and encourage local voluntary community organisations associated with Council to achieve their objectives.
- To create a strong sense of community through an integrated community service network.
- To make the local government area an attractive and desirable place to live and visit.
- To assist in maintaining and improving the health and well being of our community's lifestyle.
- To enhance the amenity and lifestyle of the community through the provision of quality infrastructure and services.

- To contribute to regional and sub-regional environmental land use planning initiatives.
- To support initiatives which contribute to sustainable natural resource Management.
- Facilitate the development and expansion of infrastructure and services essential for a successful tourism sector.
- To provide a planning system, policies and procedures which reflect the vision and values of the community and also take into account:-

    - ✓ The physical infrastructure which is available to service the community.
    - ✓ The changing economic, social and environmental circumstances.
    - ✓ The need for growth and stability within the local government area.
    - ✓ The principles of ecologically sustainable development.
    - ✓ The preservation of heritage items.
    - ✓ The need to comply with state legislation.

- To ensure property is efficiently and effectively used in the best interests of the community.
- To provide public infrastructure, which benefits the broader community in an economically responsible manner.
- To promote water conservation.
- To show leadership within the community.
- To provide a forum that encourages public participation in the decision making process.
- Implement a well-researched and flexible financial planning strategy.
- To provide Council with budgetary and financial reporting systems which comply with statutory obligations and meet its needs.
- To strive for excellence in service provision.
- To continuously review our systems to ensure that resources are being used efficiently and effectively.
- To ensure compliance with all relevant Occupational Health and Safety obligations.

The Local Government Act, 1993 has mandatory core objectives for management of community land. The objectives in Section 36F of the Act for community land categorised as 'Sportsground' are:-

(a) To encourage, promote and facilitate recreational pursuits in the community involving organised and informal sporting activities and games, and

(b) To ensure that such activities are managed having regard to any adverse impact on nearby residences.

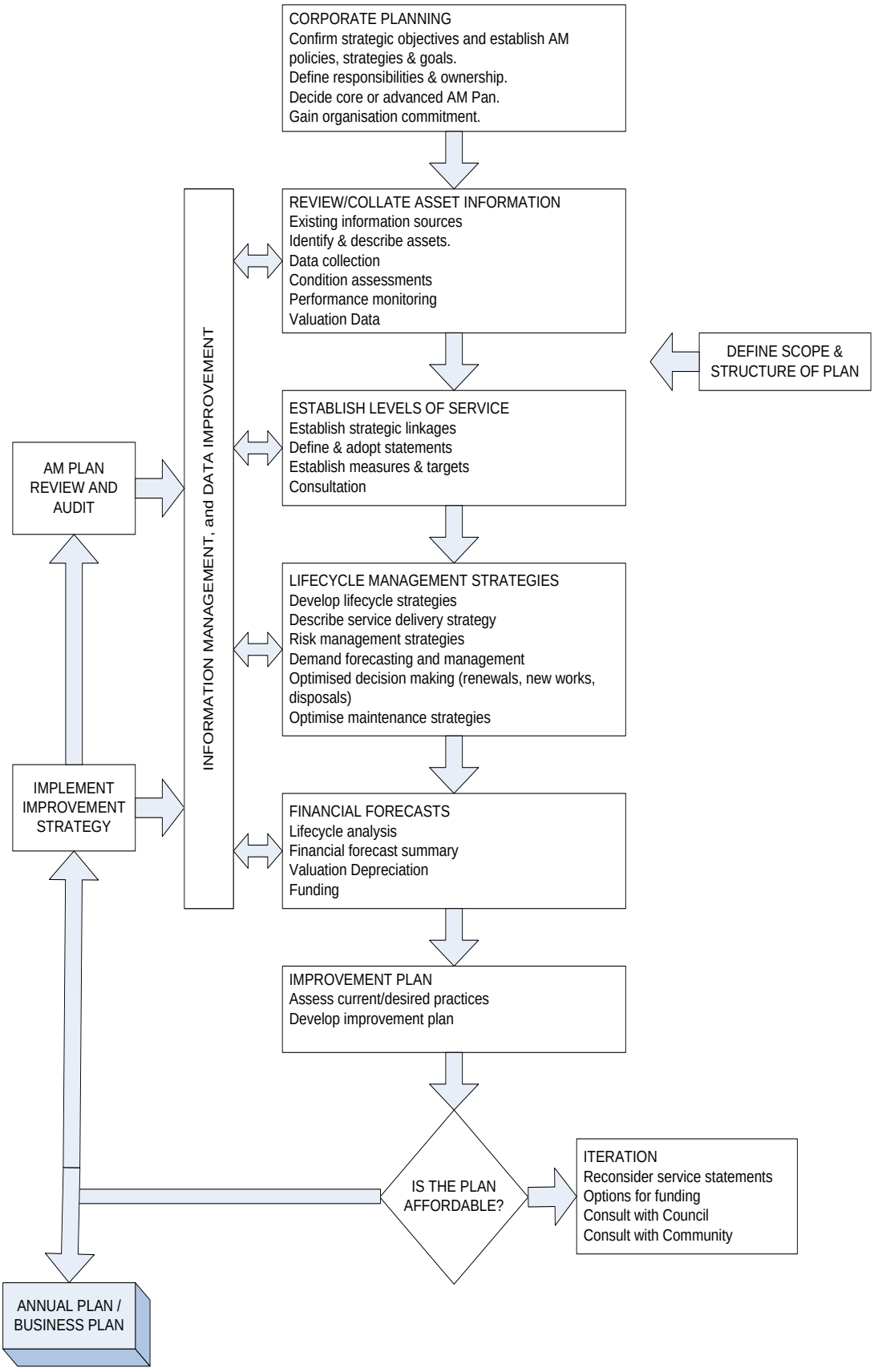
2.3 Plan Framework

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. 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.

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.

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has not carried out any 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
1. Management	
Local Government Act 1993	Need to be more accountable. Need for better asset management.
Environmental Planning and Assessment Act 1979	Council control of planning approvals.
Crown Lands Act 1989	Council control of Crown Land and Community Land
Companion Animals Act 1998	Responsibilities and prohibition of Companion Animals in Public Places
Disability Discrimination Act (DDA)1992	Provision of access for the disabled
2. Environmental Protection	
Protection of the Environment Operations Act 1997 Brings together: - Clean Air Act 1961 - Clean Waters Act 1970 - Pollution Control Act 1970 - Noise Control Act 1975 - Environmental Offences and Penalties (EOP) Act 1989	Regulating activities and issue of licenses as well as the monitoring of and reporting on facility use. Council is required to be "duly diligent" in undertaking the facility maintenance and operations
Environmental Planning and Assessment Act 1979	Encourages the proper management of natural and man-made resources, the orderly use of land, the provision of services and protection of the environment.
Threatened Species Conservation Act 1995	Encourages the proper management of natural and man-made resources, the orderly use of land, the provision of services and protection of

	threatened species.
Fisheries Management Act 1994	Encourages the proper management of natural and man-made resources, the orderly use of land, the provision of services and protection of fish and their habitat.
3. Health and Safety	
Work Health Safety Act 2011	Council's responsibility to ensure health, safety and welfare of employees and others at places of work. Likely be cost implications Impacts all operations. Note public safety – insurance.

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	Length of Grass on Sporting Fields
Quantity	Area of parks per resident
Availability	Distance from a Dwelling to a Park
Safety	Number of injury accidents

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

Table 3.3a Current Service Levels – Swimming Pool

Key Performance Measure	Level of Service	Performance Measure Process	Current Performance	Performance Target
COMMUNITY LEVELS OF SERVICE				
Quality	Provide facilities with good water quality, clean amenities and sun shelters	Customer service requests	0 complaints	0 complaints
Function	Ensure facilities are fully operational Accessible Affordable	No. days open Total hrs/day open Ticket price complaints	180 days open 10 hrs/day 0 complaints pa	180 days open 10 hrs/day 0 complaints pa
Safety	Water, structures and surrounds are safe, Supervision is adequate for usage	No. of reported incidents and accidents	0 reported incident per year	0 reported incident per year
TECHNICAL LEVELS OF SERVICE				
Condition	Water pH is within limits Amenities and surrounds are clean	Daily water testing Routine inspections	100% compliance 0 litter/graffiti noted on inspections	100% compliance 0 litter/graffiti noted on inspections
Function	Provide access and services for all user groups	DDA legislative requirements	100 % Compliance	100% Compliance
Cost	Keep facilities in safe condition	Value of Council's	Current nett cost amounts	Target cost amounts to

effectiveness	within budget provisions	community service obligation	to $137,000 per annum	$150,000 per annum
Safety	Provide safe suitable facilities free from hazards	Reported accidents/incidents for -personal injury -signage -non-slip surfaces -sun shelters	0 reported accidents/incidents	0 reported accidents/incidents

Table 3.3b Current Service Levels – Parks & Reserves

Key Performance Measure	Level of Service	Performance Measure Process	Current Performance	Performance Target
COMMUNITY LEVELS OF SERVICE				
Quality	Provide adventure and entertainment	Customer service requests	4 per month	1 per month
Function	Ensure facilities are fully operational	Customer requests	<1 per quarter	<1 per quarter
Safety	Provide safe suitable facilities free from hazards	No. of reported incidents and accidents	<1 accidents/incidents pa	<1 accidents/incidents pa
TECHNICAL LEVELS OF SERVICE				
Condition	Regular inspection and defect	Inspection rate All maintenance work completed within 10 working days	6 monthly inspections 80% Completion	Quarterly inspections 95% Completion
Function	Compliance with playgrounds standards	Quarterly inspections for legislative compliance	6 monthly inspections	Quarterly inspections
Cost effectiveness	Keep playground in safe condition within budget provisions	Compliance with budget	Within 10% of budget	Within 10% of budget
Safety	Playgrounds comply with safety standards	Claims history	<1 insurance claims p.a	<1 insurance claims p.a

Table 3.3c Current Service Levels – Sporting Grounds & Showground/Racecourse

Key Performance Measure	Level of Service	Performance Measure Process	Current Performance	Performance Target
COMMUNITY LEVELS OF SERVICE				
Quality	Provide quality sporting grounds	Customer requests	<1 per month	<1 per month
Function	Ensure sporting grounds meet user requirements	Customer requests	<2 per annum	<1 per annum
Safety	Provide safe suitable facilities free from hazards, accessible to DDA groups	No. of reported incidents and accidents	<1 accident/incident per annum	<1 accident/incident per annum
TECHNICAL LEVELS OF SERVICE				
Condition	Provide appropriate Sporting	Service requests	98% of requests	100% of requests completed

	Grounds to meet user requirements	response rate	completed within target response times	within target response times
Accessibility	Ensure Sporting Grounds are accessible to all users	DDA legislative compliance	98% Availability	100% Availability within 5 years
Cost effectiveness	Provide Sporting Grounds in a cost effective manner	Compliance with budget	Within +/- 10% of budget	Within +/- 10% of budget
Safety	Provide safe suitable Sporting Grounds free from hazards	OHS Legislation and Risk Management Compliance Insurance claims	98% compliance <1 claim per year	100% Compliance <1 claim per year

3.4 Desired Levels of Service

At present, indications of desired (target) levels of service are obtained from various sources such residents' feedback to Councillors and staff, service requests and correspondence. Council has quantified the desired levels of service using standards of Parks and Sporting Grounds hierarchy which are detailed below. These standards will be further refined in future revisions of this asset management plan.

Parks and Sports Ground Maintenance Standards

Park and Sports ground maintenance varies with the level of use and the location of the park or sports ground. Various levels of maintenance are set some with a high level of input from the local community. Maintenance standards for each site and their definitions of the various levels are shown below:

V Very High

- Regular mowing, say every week in a good growing season.
- Grass edges treated by mechanical edging. Grass fertilized when required.
- Toilets, bins and paved areas to be cleaned out periodically (toilets generally daily). Landscape treatment – turf, trees and shrubs, paved footpaths, shade structures, BBQ, perennial and annual gardens.

  Example: Macquarie Park, Victoria Park, Oxley Park, Warren War Memorial Pool, Warren Lawn Cemetery.

H High

- Regular mowing, say every two weeks in a good growing season.
- Grass edges treated by spraying and occasionally by mechanical trimming when required. Grass areas fertilized annually.
- Bins will be emptied twice a week. Landscape treatment – turf, trees and shrubs, paved footpaths, shelters, some perennial gardens.

  Example: Ravenswood Park, Carter Oval, Noel Waters Oval

S Standard

- Regular mowing, say every three to six weeks in a good growing season.
- Grass edges treated by spraying when required.
- Generally these areas are not irrigated.
- Landscape treatment – limited to earthworks, grasses, trees.
- Bins will be emptied periodically (generally weekly).

L Low

- Maintenance generally by users with occasional mowing or clean up by Council.

- Grass edges not treated.
- Site not irrigated.
- Landscape treatment generally trees or pasture.

  Example: Collie Cemetery, Dick's Camp Cemetery and The Marra Cemetery

U Utility

- No or minimal mowing due to site not being used as a park, or located in an isolated area with little use, or too steep to mow.
- Grass cover would typically be grazed.
- Grass edges are not treated.
- Site not irrigated.

PH Playing Field / Surface High Use

- Mow weekly in a good growing season when being used. Fertilize annually, aerated annually.
- Treated for broadleaf weeds annually.
- Top dressed to correct surface irregularities if required.
- Site generally irrigated or planned to be irrigated.
- Hard surfaces inspected and cleaned regularly.

  Example: Victoria Park

PL Playing Field / Surface Low Use

- Mow as required in a good growing season when being used. Fertilize annually, aerated annually.
- Treated for broadleaf weeds annually.
- Maybe top dressed to correct surface irregularities if required.
- Site not irrigated.
- Hard surfaces cleaned as required.

  Example: Carter Oval

PVL Playing Field / Surface Very Low Use

- Maintenance generally by users with occasional mowing or clean up by Council.
- Grass edges not treated.
- Site not irrigated.
- Landscape treatment generally trees or pasture.

  Example: Noel Waters Oval .

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	2,758	3,000	Increased demand for and use of Parks and Sporting Grounds
Demographics	2.6 persons per household	2.8 persons per household	Increased demand for and use of Parks and Sporting Grounds

4.2 Changes in Technology

Technology changes are forecast to have little effect on the delivery of services covered by this plan.

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
Recreation Assets	Encourage sharing of facilities to avoid duplication Monitor Community Expectations Communicate service levels and financial capacity with the Community. Balance priorities for Recreation Asset improvement with what the Community is prepared to pay for.

4.4 New Assets from Growth

Population growth is likely to result in infill housing being constructed rather than an extension of the residential development and hence the number of existing Parks and Sporting Grounds will be sufficient.

If any new Recreation Assets are acquired 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.

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 optimising life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

Age profile information is not currently available. An age profile will be developed in future revisions of the asset management plan.

5.1.2 Asset capacity and performance

Council's services are generally provided to meet design standards where these are available.

At the present time and population, there minimal deficiencies in service performance.

5.1.3 Asset condition

The condition profile of Council's Recreation Assets has been based on age and has been found to be generally in average to good condition with some Assets requiring significance maintenance and other Assets requiring significant renewal / refurbishment / upgrade.

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

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 2004. Assets are valued at cost if known or Rawlinson's Construction Guide rates.

Current Replacement Cost	$2,763,445
Depreciable Amount	$2,763,445
Depreciated Replacement Cost	$363,950
Annual Depreciation Expense	$24,734

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 likliehood 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.

Table 5.2. Critical Risks and Treatment Plans

Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan
Playground Equipment	Vandalism	H	Daily inspection of equipment
Sporting Grounds	Damage to playing surface	H	Inspection before major use/events

5.3 Routine Maintenance Plan

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 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). 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		
	Reactive	Planned	Cyclic
2011/12	$531,717	$0	$0
2012/13 Anticipated	$593,745	$0	$0
2013/14 Estimate	$591,685	$0	$0

Maintenance expenditure levels are considered to be satisfactory to meet required service levels. 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.

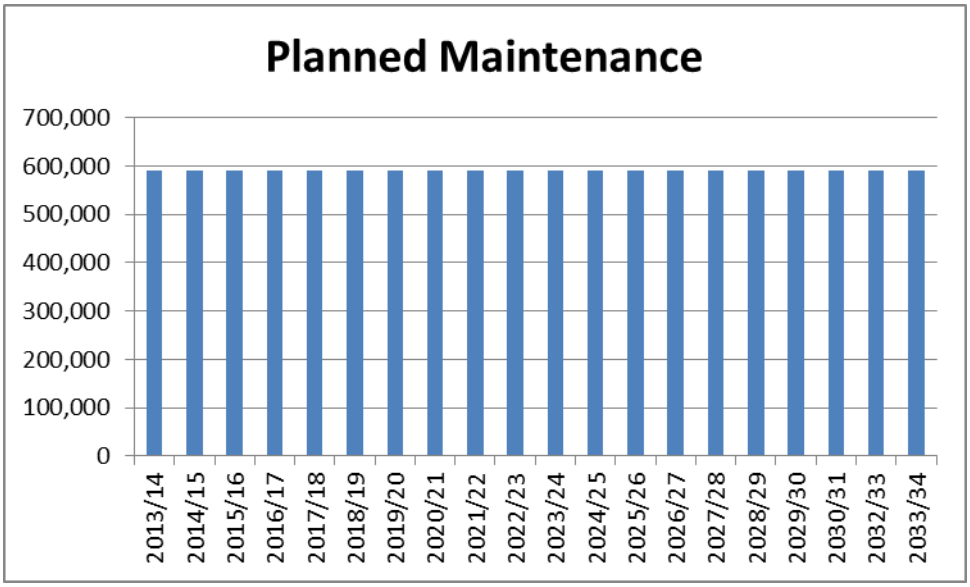
5.3.2 Standards and specifications

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

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 1. Note that all costs shown are in 2012/13 dollar values.

Fig 1. 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 infrastructure 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 the asset register worksheets on the *'Planned Expenditure template'*. Candidate proposals are inspected to verify accuracy of remaining life estimate and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.4.1.

Table 5.4.1 Renewal Priority Ranking Criteria

Criteria	Weighting
Asset Condition	40%
Asset Age	20%
Failures	30%
Customer Service Requests	10%
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 recycling of structures and facilities to other location where use is less.

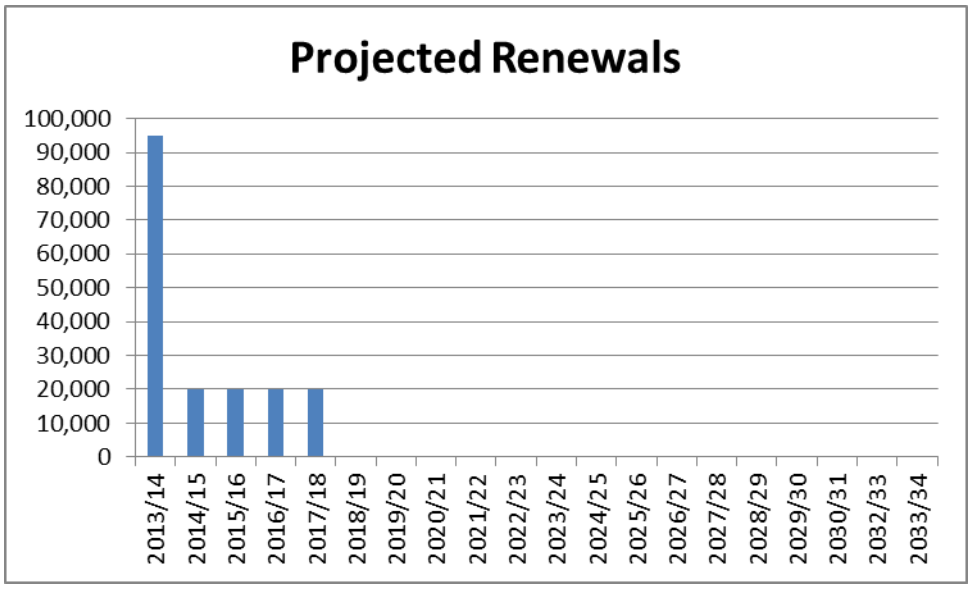
5.4.2 Renewal standards

Standards and Specifications for renewals of existing assets are the same as those for maintenance shown in Section 5.3.2.

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 2. Note that all costs shown are in 2012/13 dollars values.

Fig 2. Projected Capital Renewal Expenditure



Deferred renewal, ie 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, social or environmental needs. Assets may also be acquired at no cost to the Council 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 renewal 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
Expansion of Recreation Assets are currently not being fully funded by Council and is based on needs basis assessment only.	Assessed on merit and subject to available grant funding

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 maintenance shown in Section 5.3.2.

5.5.3 Summary of future upgrade/new assets expenditure

No new assets are proposed for funding during this plan.

New assets and services are to be funded from Council's capital works program and grants where available.

5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation.

At the present time there is no assets being disposed of.

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

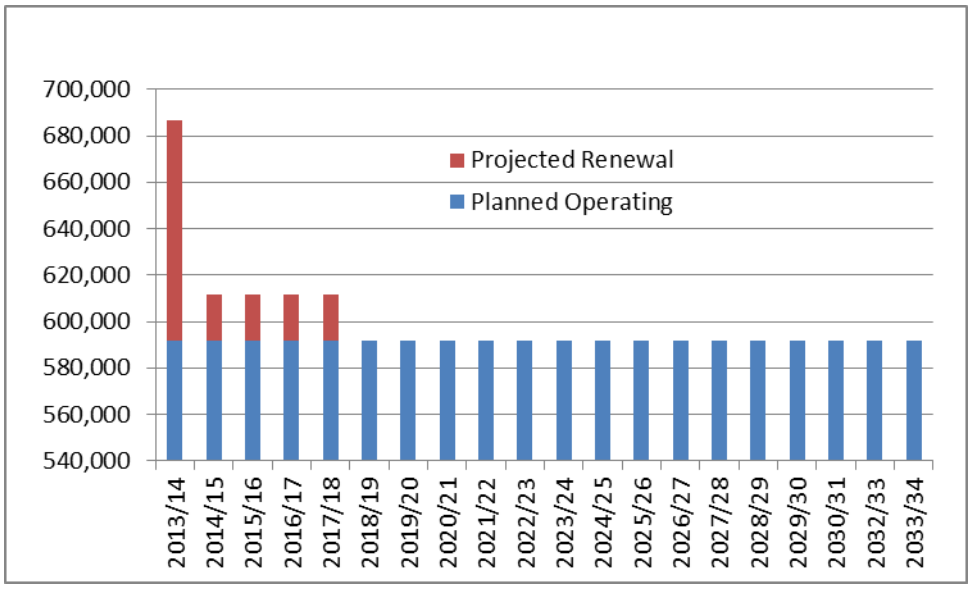
6. FINANCIAL SUMMARY

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 3 for planned operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets). Note that all costs shown are in 2012/13 dollars values.

Fig . Planned Operating and Capital Expenditure



6.1.1 Sustainability of service delivery

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 and funding plan to provide the service in a sustainable manner.

This may be compared to existing or planned expenditures in the 20 year period to identify any gap. In a core asset management plan, a gap is generally due to increasing asset renewals.

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 prioritising renewal of the assets.

Council's long term financial plan covers the first 10 years of the 20 year planning period.

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.

Achieving the financial strategy will require additional funding including grants and subsidies from the Government, Federal and State, Section 94 Developer Contribution Plan revenue and Recreation Assets user revenue.

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 and donated to Council.

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:

- Use of existing inventory data.
- Use of existing valuation, useful lives and remaining lives determined from the financial data contained within Council's asset register for Recreation Assets.
- Condition of assets being determined to the level of 'average' to 'good'
- Replacement costs for Recreation Assets are based on local operating knowledge of the asset.

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

- Improving the inventory data contained within the asset register.
- Maintaining the asset register.

- Reviewing useful lives for assets in conjunction with better condition assessment and review of the existing hierarchy within the asset categories.

7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

Council uses Fujitsu 2000plus for its financial management system.

The Manager of Finance & Administration is responsible for the accounting and financial systems.

Council works under the Australian Accounting Standards Board Standards, State Legislation / Regulations and Directives issued by the Local Government Division of the Department of Premiers and Cabinet.

Council's capital threshold policy specifies a $5,000.00 limit for expenditure that is expensed. Expenditure of over $5,000.00 on an asset is to be classed as capital expenditure and capitalised against the asset.

Changes to accounting and financial systems identified as a result of preparation of this asset management plan are:

- Identification of capital expenditures as renewal and upgrade / new.
- Development of a single corporate asset register.
- Linking of the customer service system to the corporate asset register to link requests to asset records.
- Improved project cost accounting to record costs against the asset component and develop valuation unit rates.

7.2 Asset Management Systems

A number of systems relevant to asset management are used by Warren Shire Council. These include:

Property and Rating System used is Fujitsu 2000plus.

The responsibility for operating and maintaining the core Asset Management Systems and processes for Recreation Assets is with Engineering Services Department of Council.

Due to the additional requirements to meet financial reporting standards for Fair Value and the likely requirements for a higher standard of reporting on infrastructure assets, it is likely that there will be need to consolidate asset management information into one core corporate system. The ongoing maintenance of this system should then become a core function within Council's operations

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;
- Data on 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;
- The useful life analysis.

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

7.4 Standards and Guidelines

Standards and Guidelines referenced in this asset management plan are:

- Warren Shire Council Asset Management Policy;
- Warren Shire Council Asset Management Strategy.

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;
- 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 8.2Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1.	Improve data in data register	Projects & Assets Engineer	GPS	December 2013
2.	Undertake condition assessment	Services Overseer	Inspection Reports	December 2013
3.	Improve Budgeting	Treasurer	Project Team	July 2014

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 1 years of each Council election.

REFERENCES

Community Strategic Plan – CSP Objectives 3.2.1, 3.2.2, 3.2.4 and 4.1.2 – Pages 14 & 15

Delivery Program 2013/14 to 2016/17 – Pages 24 & 26

Operational Plan 2013/14 – Pages 17 & 19

Delivery Program & Operational Plan Financial Information – Estimates 2012/14 to 2016/17 – Pages 46, 54, 56, 73 & 74

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

IPWEA, 2011, *Asset Management for Small, Rural or Remote Communities* Practice Note, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/AM4SRRC.

APPENDICES

Appendix A – Proposed 20 Year Works Programs

For Operations and Maintenance and Capital/ Heavy Maintenance Works (major maintenance, minor capital and refurbishment works) for each Asset Sub Category – Swimming Pool, Sports Grounds, Parks & Reserves, Racecourse and Cemeteries.

ANNEXURE A

Proposed 20 Year Works Program

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Recreation Assets - Maintenance										
Swimming Pool	65,900	65,900	65,900	65,900	65,900	65,900	65,900	65,900	65,900	65,900
Sports Grounds	90,642	90,642	90,642	90,642	90,642	90,642	90,642	90,642	90,642	90,642
Parks & Reserves	228,508	228,508	228,508	228,508	228,508	228,508	228,508	228,508	228,508	228,508
Showground/Racecourse	150,648	150,648	150,648	150,648	150,648	150,648	150,648	150,648	150,648	150,648
Cemeteries	55,987	55,987	55,987	55,987	55,987	55,987	55,987	55,987	55,987	55,987
Total Maintenance	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**
Recreation Assets - Renewals										
Swimming Pool	0	0	0	0	0	0	0	0	0	0
Sports Grounds	0	0	0	0	0	0	0	0	0	0
Parks & Reserves	95,000	20,000	20,000	20,000	20,000	0	0	0	0	0
Showground/Racecourse	0	0	0	0	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0	0	0	0	0
Total Renewals	**95,000**	**20,000**	**20,000**	**20,000**	**20,000**	**0**	**0**	**0**	**0**	**0**
Recreation Assets - New Assets										
Swimming Pool	0	0	0	0	0	0	0	0	0	0
Sports Grounds	0	0	0	0	0	0	0	0	0	0
Parks & Reserves	0	0	0	0	0	0	0	0	0	0
Showground/Racecourse	0	0	0	0	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0	0	0	0	0
Total New Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Buildings	**686,685**	**611,685**	**611,685**	**611,685**	**611,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2032/33	2033/34
Recreation Assets - Maintenance										
Swimming Pool	65,900	65,900	65,900	65,900	65,900	65,900	65,900	65,900	65,900	65,900
Sports Grounds	90,642	90,642	90,642	90,642	90,642	90,642	90,642	90,642	90,642	90,642
Parks & Reserves	228,508	228,508	228,508	228,508	228,508	228,508	228,508	228,508	228,508	228,508
Showground/Racecourse	150,648	150,648	150,648	150,648	150,648	150,648	150,648	150,648	150,648	150,648
Cemeteries	55,987	55,987	55,987	55,987	55,987	55,987	55,987	55,987	55,987	55,987
Total Maintenance	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**
Recreation Assets - Renewals										
Swimming Pool	0	0	0	0	0	0	0	0	0	0
Sports Grounds	0	0	0	0	0	0	0	0	0	0
Parks & Reserves	0	0	0	0	0	0	0	0	0	0
Showground/Racecourse	0	0	0	0	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0	0	0	0	0
Total Renewals	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Recreation Assets - New Assets										
Swimming Pool	0	0	0	0	0	0	0	0	0	0
Sports Grounds	0	0	0	0	0	0	0	0	0	0
Parks & Reserves	0	0	0	0	0	0	0	0	0	0
Showground/Racecourse	0	0	0	0	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0	0	0	0	0
Total New Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Buildings	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**	**591,685**