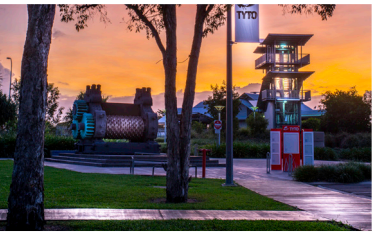
HINCHINBROOK
SHIRE COUNCIL

HINCHINBROOK LOCAL GOVERNMENT AREA ASSET MANAGEMENT PLAN 2017

VOLUME 5 - PARKS AND OPEN SPACES



Schedule of Changes & Amendments

Version	Date	Changes/Amendments	Author
V0.1	4 May 2017	Draft Issued for Council Briefing	Monica Accornero Hinchinbrook Shire Council
V1.0	6 June 2017	Final Issued for Council Approval	Monica Accornero Hinchinbrook Shire Council

NB:

1. Primary number changes to Versions (e.g. V1.0 to V2.0) will be made when the document undergoes its regular review and when significant changes are made to standards and guidelines for inspections, intervention levels or work
2. Secondary number changes (V1.0 to V1.1) will apply to minor amendments that do not materially impact the document and are intended only to clarify or update issues.

Endorsement Table

Name	Title	Endorsed & Signature	Date
Dan McKinlay	Chief Executive Officer	*Original signed and held on file*	04/07/2017
James Stewart	Executive Manager Engineering Services	*Original signed and held on file*	30/06/2017
Monica Accornero	Infrastructure Engineer	*Original signed and held on file*	29/06/2017
Joel Elkhorne	Asset Management Coordinator	*Original signed and held on file*	29/06/2017

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1 EXECUTIVE SUMMARY

1.1 Background

The Asset Management Plan is prepared to provide a record of:

- The state of Council's infrastructure assets at the close of the past financial year;
- The 10-year funding required to achieve Council's adopted asset performance targets; and
- Action Plan as a result of the findings from this Asset Management Plan.

This Plan encompasses the following infrastructure asset classes:

Description	Assets Covered	Dimensions	Replacement Value
Parks	Parks, playgrounds, walkways, other	Parks 21, Playgrounds 18	$4,878,617.65

Note: The number of playgrounds has been determined from the register in the Parks and Gardens Management Plan.

1.2 Current State of Council's Assets

The value of the HSC public open space assets is shown in the following table.

Description	Current Replacement Cost	Depreciable Amount
Parks	4,878,617.65	$1,564,211.30

Assetic Predictor Models

The Condition Index and Remaining Useful Lives used in the Assetic Predictor models indicate that the following renewal expenditure is required over the next 10 years:

Asset Class	Total ($)
Parks	803,045.43

The aim of the predictive modelling is to assist Council in determining the level of funding that provides the most cost effective outcomes for renewal and maintenance that will maintain desired levels of service. The models will be regularly updated to take account of changes in condition resulting from renewal works and inspections and will be used for planning future budget requirements.

1.3 Asset Funding Levels

Proposed Expenditure on Capital Renewal is summarised in the following table. Further details, including capital upgrade and new works, are shown in Appendix A.

Year	Open Spaces
2017-18	$55,085
2018-19	$0
2019-20	$9,563
2020-21	$16,632
2021-22	$13,327
2022-23	$1,377
2023-24	$164,873
2024-25	$181,843
2025-26	$40,265
2026-27	$320,079
Total:	$803,045

Hinchinbrook Shire Council's Public Open Spaces Asset Financial Ratios are outlined in Section 4.3.

2 Current State of Council's Assets

2.1 Key Indicators

Council owns and maintains public open space assets as follows.

Description	Assets Covered	Dimensions	Replacement Value
Parks	Parks, playgrounds, walkways, other	Parks 21, Playgrounds 18	$4,878,617.65

2.2 Asset Class Status

The following table and charts indicate the current condition of the Council's P assets
The 1- 5 condition rankings in the following charts refer to the ratings shown below.

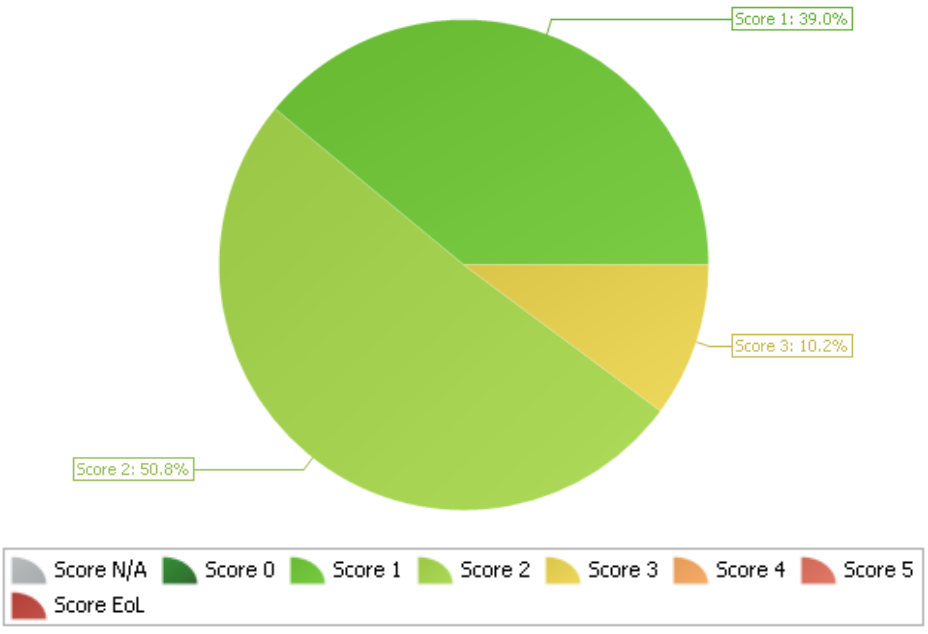
Condition Rating	Description
0	**New:** Condition of asset when it is first installed.
1	**Excellent Condition**: Only planned maintenance required
2	**Good**: Minor maintenance required plus planned maintenance
3	**Fair**: Significant maintenance required
4	**Poor**: Significant renewal/upgrade required
5	**Very Poor**: Unserviceable

2.2.1 Parks

The condition profile of Council's Park assets is shown below. Data was extracted from Technology One and includes all assets designated as Open space Actual condition data not available, values for condition have been derived from the remaining useful live as a proportion of the total useful life and from the written down value as a proportion of the total replacement cost for each asset converted to a 0 – 5 scale.

The results have been used for predictive modeling, in Assetic myPredictor, of the funding requirements for renewal of parks (refer to Section 4.2).

Parks Overall Condition Rating



3 LEVELS OF SERVICE AND CONDITION ASSESSMENT

3.1 Level of Service

Council is currently in the process of defining current service levels. At present collection of all existing levels of service and performance measurements is being undertaken. The levels of service and performance measurement can be grouped into the following areas of customer values, service criteria or service attributes.

- Quality
- Function
- Reliability/responsiveness
- Customer service
- Sustainability
- Safety

It is envisaged that indications of desired levels of service will be obtained from various sources including and not limited to Customer Satisfaction surveys, resident's feedback to Councillors and staff, service requests and correspondences.

The Parks and Gardens Management Plans details the intervention levels for its assets. This plan needs to be reviewed and incorporated into defined levels of service.

3.2 Condition Assessment Framework

Council utilises the following IPWEA manuals as the framework for undertaking condition assessments:

- Practice Note 10.1: Parks Management
- Practice Note 10.2: Parks Asset Management
- Practice Note 10.3: Parks Management: Levels of Service

4 ASSET FUNDING LEVELS

4.1 Forecast 5-Year Funding Required

A five year analysis of existing conditions and costs has been undertaken to determine funding implications for the asset condition. Funding requirements are based on the Service Potential Index and remaining asset lives in the Council's Asset Management System.

The aim of the predictive modelling is to assist Council in determining the level of funding that provides the most cost effective outcomes for renewal and maintenance that will maintain desired levels of service. The models will be regularly updated to take account of changes in condition resulting from renewal works and inspections and will be used for planning future budget requirements. A 25 year outlook has been provided in the chart, with a 5 year detailed expenditure provided in the table. Where GIS data is available, maps have been prepared of the proposed treatment plan over the 5 years, which can be found in Appendix A. A breakdown of the treatments by year can be found in Appendix B.

4.2 Committed Funding

4.2.1 Parks

Proposed expenditure on public open spaces renewals is shown below.

Program	2017-18	2018-19	2019-20	2020-21	2021-22	5 Year Total
Renew Structure	$55,085.00		$9,563.40	$16,632.45	$13,327.35	$94,608.20

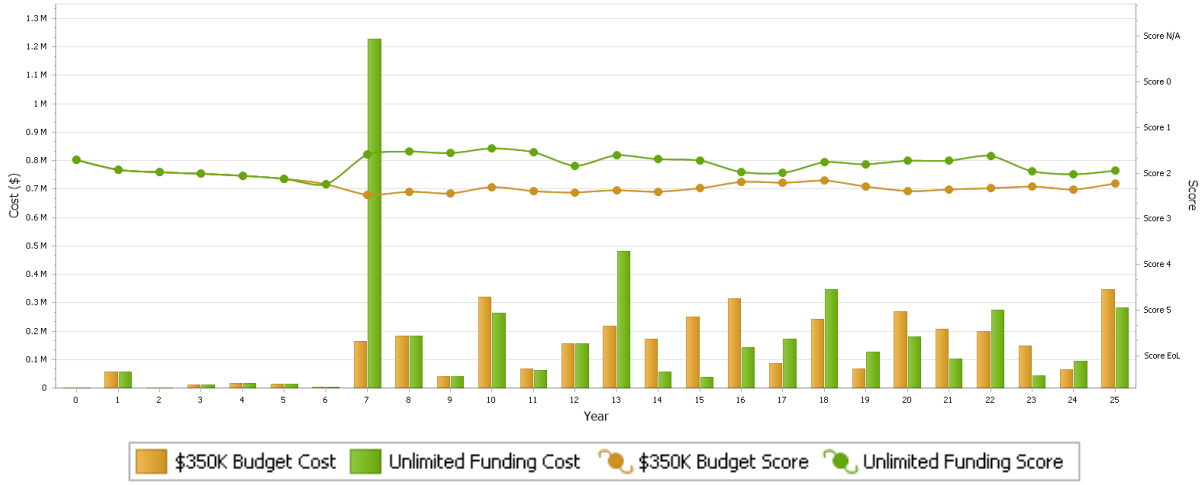
Parks Predictive Modelling

Assetic myPredictor was used to model levels of expenditure against future asset condition. The options modelled are as follows.

- Optimal funding required to meet all predicted renewal requirements

- Current Funding - $1.65 million per annum(note this excludes new infrastructure and funding)
- $350K budget

The chart below indicates the effect on the asset condition for each model.



4.3 Financial Ratios

Asset Consumption Ratio

This ratio seeks to highlight the aged condition of a local government's stock of physical assets. If a local government is responsibly maintaining and renewing/replacing its assets in accordance with a well prepared asset management plan, then the fact that its' Asset Consumption Ratio may be relatively low and/or declining should not be cause for concern – providing it is operating sustainably.

Asset Consumption Ratio = *Depreciated Replacement Cost of Depreciable Assets* / *Current Replacement Cost of Depreciable Assets*

Purpose: This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.

Standards: Standard is met if the ratio can be measured and is 50% or greater (0.50 or >). Standard is improving if the ratio is between 60% and 75% (0.60 and 0.75).

Current Asset Consumption Ratio

Asset Class	Current Replacement Cost ($)	Depreciated Replacement Cost ($)	Ratio
Parks	$4,878,617.65	$3,314,406.35	68%

Asset Sustainability Ratio

This ratio is an approximation of the extent to which assets managed by a local government are being replaced as these reach the end of their useful lives. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to depreciation expense. Expenditure on new or additional assets is excluded.

Depreciation expense represents an estimate of the extent to which the assets have been consumed during that period. Measuring assets at fair value is critical to the calculation of a valid depreciation expense value.

Asset Sustainability Ratio = *Capital Renewal and Replacement Expenditure* / *Depreciation*

Purpose: This ratio indicates whether a local government is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.

Standards: Standard is met if the ratio can be measured and is 90% (or 0.90) Standard is improving if this ratio is between 90% and 110% (or 0.90 and 1.10).

Asset Class	Capital Renewal and Replacement Cost ($)	Depreciation ($)	Ratio
Parks	$482,965.95	$1,583,845.50	30%

Asset Renewal Funding Ratio
This ratio indicates whether the local government has the financial capacity to fund asset renewal as required, and can continue to provide existing levels of services in future, without additional operating income; or reductions in operating expenses.

The ratio is calculated from information included in the local government's Long Term Financial Plan and Asset Management Plan; not the Annual Financial Report. For the ratio to be meaningful, a consistent discount rate should generally be applied in Net Present Value (NPV) calculations

$$\textit{Asset Renewal Funding Ratio} = \frac{\textit{NPV of Planned Capital Renewals over 10 years}}{\textit{NPV of Required Capital Expenditure over 10 years}}$$

Purpose: This ratio is a measure of the ability of a local government to fund its projected asset renewal / replacements in the future.

Standards: Standard is met if the ratio is between 75% and 95% (or 0.75 and 0.95). Standard is improving if the ratio is between 95% and 105% (or 0.95 and 1.05), and the ASR falls within the range 90% to 110%, and ACR falls within the range 50% to 75%.

Asset Class	Planned Capital Renewals over 10 years ($)	Required Capital Expenditure over 10 years ($)	Ratio
Parks	$482,965.95	$1,545,944.80	31%

4.4 Actual vs Predicted Funding Comparison

Currently Environment and Community Services do not undertake forward works planning for their public open spaces assets. This has been identified in the improvement plan as an action to complete.

4.5 Data Confidence Levels

A table has been prepared to detail the confidence levels associated with the asset register and GIS mapping for each asset group.

Asset Group	Asset Register Confidence	GIS Mapping	Comments
Public Open Spaces	Low	Low	The confidence in the asset register is low as there is no GIS mapping to confirm the location and number of assets. A full review of the asset register is to be undertaken including the mapping of all assets. This should include assets such as tables, BBQs, walking trails, etc.

5 ACTION PLAN

5.1 Asset Management Document Register

The Plan is to be read with the following associated documents:

- Hinchinbrook Shire Council Asset Management Policy
- Hinchinbrook Shire Council Corporate Plan 2014 – 2019
- Hinchinbrook Shire Council Operational Plan 2016/2017
- Hinchinbrook Shire Council 2016/2017 Budget Summary
- Parks and Gardens Management Plan 2016

5.2 Asset Management Practice Improvements

5.2.1 Performance Measures

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

- The degree to which the required cash flows identified in this AMP are incorporated into Council's Long Term Financial Plan and Strategic Management Plan; and
- The degree to which the detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the AMP.

5.2.2 Improvement Plan

The asset management improvement plan generated from this Asset Management Plan shown in the following table.

Note: Importance, Urgency and Risk Rating: 1 = Low, 5 = High

Task No	Task	Importance	Urgency	Risk	Responsibility	Resources Required	Target Completion Date
1.	Obtain Council approval of this Plan.	5	5	5	Infrastructure Engineer	In-house	30 June 2017
2.	Undertake a full review of Council's Asset Register including the provision of parent and child relationships.	5	5	5	Public Open Spaces and Works Supervisor / Asset Management Coordinator	In-house	30 June 2018
3.	Establish the integration between Technology One and Assetic in order to deliver strategic asset management	5	5	5	Infrastructure Engineer	In-house	31 August 2017
4.	Undertake a sanity check on the remaining life of assets identified for renewal over the next 10 years and investigate alternatives for renewal or extension of the asset lives.	4	3	3	Public Open Spaces and Works Supervisor	In-house	31 August 2017
5.	Establish an ongoing cyclic condition inspection regime	4	5	3	Infrastructure Engineer	In-house	30 September 2017
6.	Finalise desired levels of service by establishing current performance and setting performance targets.	4	4	3	Infrastructure Engineer	In-house	30 June 2018

Task No	Task	Importance	Urgency	Risk	Responsibility	Resources Required	Target Completion Date
7.	Integrate the Asset Management and GIS Systems to provide for easy identification of the location of the assets, including provision of maps of asset condition.	4	3	2	GIS Coordinator	In-house	30 June 2018
8.	Undertake a review of the useful life for each asset type and review asset performance to verify.	4	3	3	Asset Management Coordinator	In-house	30 June 2018
9.	Review and Implement policies and procedures in relation to asset management and the asset register	4	3	3	Infrastructure Engineer	In-house	30 June 2018
10.	Appoint Council's Asset Inspector in undertaking sanity checks on asset data	4	4	3	Asset Inspector	In-house	30 June 2018
11.	Establish delineation between scheduled and reactive maintenance.	3	3	3	Public Open Spaces Works Supervisor	In-house	30 June 2019
12.	Council's Asset Register to be the driver for Public Open Spaces forward works programming	5	3	4	Infrastructure Engineer	In-house	30 June 2020

5.2.3 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.

This AMP has a life of 4 years and is due for revision and updating within 2 years of each Council election.

Monitoring of this asset management plan is required to:

- Ensure compliance with the proposed improvement program milestones.
- Ensure compliance with adopted standards and procedures for condition and performance.

A full review of this asset management plan should be undertaken every three to five years to document progress and set out proposals for the next five years.

APPENDIX A - PLANNED 5 YEAR CAPITAL WORKS PROGRAM MAPS

HSC Parks Future Treatment Plan by Financial Years Ending 2018 - 2022 - Ingham

HSC Parks Future Treatment Plan by Financial Years Ending 2018 - 2022 - Lucinda

HSC Parks Future Treatment Plan by Financial Years Ending 2018 - 2022 - Forrest Beach 1

Document Path: G:\projects\AssetManagementPlans\Parks\FYE_Parks.mxd Author: eileen1146

HSC Parks Future Treatment Plan by Financial Years Ending 2018 - 2022 - Forrest Beach 2

HSC Parks Future Treatment Plan by Financial Years Ending 2018 - 2022 - Forrest Beach 3

Document path: G:\projects\AssetManagementPlans\Parks\FYE_Parks_FB3.mxd Author: eileen1146

APPENDIX B - PLANNED 5 YEAR CAPITAL WORKS PROGRAM BREAKDOWN

Parks Predicted Renewals 5 Year Plan

Asset ID	Asset Name	Location	Treatment Name	Estimated Cost
YEAR 1 - Parks Predicted Renewals 2017-2018				
LA00162	Walkway - Cartwright St - Ingham;;GPS-18.65212 146	Ingham	Renew Structure	$55,085.00
YEAR 3 - Parks Predicted Renewals 2019-2020				
LA00097	Shelter Shed To Ash St Walkway_Ch 0 To 132	Forrest Beach	Renew Structure	$9,563.40
YEAR 4 - Parks Predicted Renewals 2020-2021				
LA00103	Wattle St Walkway Bridge To Wattle Street_Ch 0 To	Forrest Beach	Renew Structure	$1,883.70
LA00114	Palm Ck Bikeway Training Facility	Ingham	Renew Structure	$14,748.75
YEAR 5 - Parks Predicted Renewals 2021-2022				
LA00019	Beach Access - Patterson Parade	Lucinda	Renew Structure	$4,830.00
LA00024	Chestnut Street Walkway_Ch 184 To 277 - Pedestrian	Forrest Beach	Renew Structure	$7,700.40
LA00096	Carpark To Shelter Shed_Ch 0 To 11	Forrest Beach	Renew Structure	$796.95