

Recreation Asset Management Plan 2023-2033



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June 2023



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Version Control

Version	Date	Details	Author	Ref.
1	18/05/2023	AMWG review of previous endorsed plan	Sonja Pienaar, Principal Asset and Mapping Services	Recreation Asset Management Plan Draft 23-33 v1.4.docx
2	26/5/2023	Reviewed draft	Luke Botica, Director Works and Infrastructure	Recreation Asset Management Plan Draft 23-33 v1.5.docx
3	19/6/2023	Endorsed	Executive Leadership Team	Recreation Asset Management Plan Final Draft 23-33 v1.5.docx
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Approval

Name	Date	Details
Executive Leadership Team	19/6/2023	As per minutes of the meeting held on 19 June 2023

Approval Process

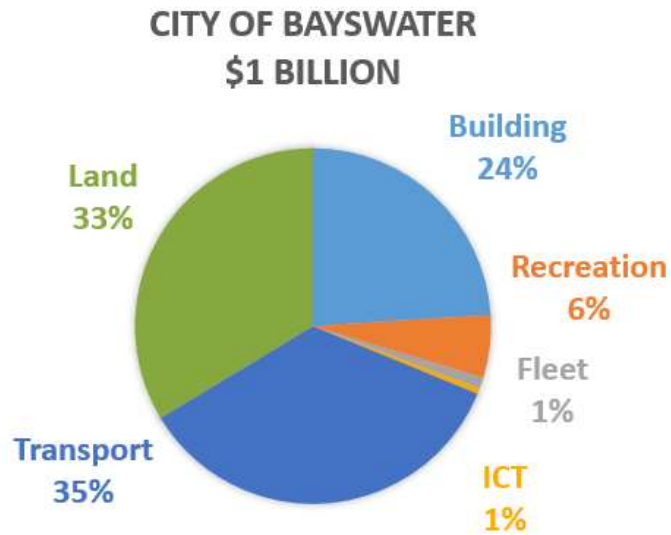
The City's Executive Leadership Team (ELT) to endorse an annual internal review with a full review every four years to be adopted by Council according to the *Asset Management Policy (2019)*.

The previous Recreation Asset Management Plan 2021-2031 was endorsed by ELT in April 2021.

Executive Summary

The City of Bayswater maintains a range of assets to provide an integrated approach to the delivery of service. The City is responsible for community infrastructure with a replacement value of close to \$1 billion.

In order to ensure that the City effectively manages this large portfolio of assets, the City's Asset Management Working Group renewed their commitment to continuous improvement of its asset management practices, including preparing a suite of asset management plans as informing strategies to the Strategic Community Plan (SCP) and the Long Term Financial Plan LTFP).



The purpose of an asset management plan is to assist the City to manage its infrastructure and other assets to an agreed level of service, and to ensure this is sustainable into the future. It is a plan for the appropriate acquisition, upgrade, maintenance, renewal, and disposal of assets, that balances aspirations with affordability.

The City manages 577 ha of parks, gardens and natural areas at 323 locations. This is the City's Asset Management Plan (AMP) for the Recreation portfolio (parks, gardens and natural areas). It includes infrastructure such as irrigation, playground equipment, sports and park lighting, park furniture, and sports and park structures and equipment. Pathways and car parking are excluded from this plan and are referenced in the Transport Asset Management Plan, although they play an important role in delivering recreation services.

On 30 June 2022, the City's Recreation portfolio had a current replacement value of \$54m. This excludes turf, gardens, natural bush, reserve trees and lakes. The available data indicates that approximately \$1.9m will be required annually to renew recreation assets to sustain the current service levels. This excludes ongoing operation and maintenance expenditure and in 2021/22 financial year it amounted to approximately \$9.7m.

It is anticipated that a number of likely changes will occur to recreation service demand. Some of the more significant changes will be the increasing population, changing recreation needs of the community and climate change.

While care has been taken to represent available information accurately, the City is committed to continuous improvement to ensure that the organisation's asset management maturity continues to evolve.

In order to improve asset management practices and the accuracy of this plan, a number of key tasks have been identified. These have been listed within the Improvement Plan for future implementation.

All readers of this asset management plan must understand its limitations and applied assumptions before acting on any information contained within it.

Background and Objectives

Purpose of this Asset Management Plan

As part of the Integrated Planning and Reporting Framework, the City has prepared asset management plans as informing strategies to the Strategic Community Plan (SCP) and the Long Term Financial Plan (LTFP).

This document is an Asset Management Plan (AMP) for the City's Recreation portfolio and documents the related management practices, processes and strategies. The objective of the Recreation AMP is to ensure that recreation assets are maintained to agreed service levels, balanced against long term resource availability and sustainability.

Information used in the Asset Management Plan

The City's financial asset register for Infrastructure asset class is required to hold assets at a current fair value as opposed to historic/purchase price. The financial register obtains its fair value valuations from the City's infrastructure asset management system that holds details on each asset and its components as well as unit cost and age/condition information used to estimate the fair value. The values represented in this report has been obtained from a revaluation conducted in the infrastructure asset management system as on 30 June 2023 and aligns with the financial asset register. Revaluations are only required every four years. In subsequent years the purchase price is considered sufficient to represent fair value.

Focus of this Asset Management Plan

The AMP focuses on assets that support the recreation service. The key assets that make up the service and their values are detailed in Table 1. For the purposes of this plan, turf, gardens, natural bush, reserve trees and lakes are not valued, but play a vital role in the management of recreation services.

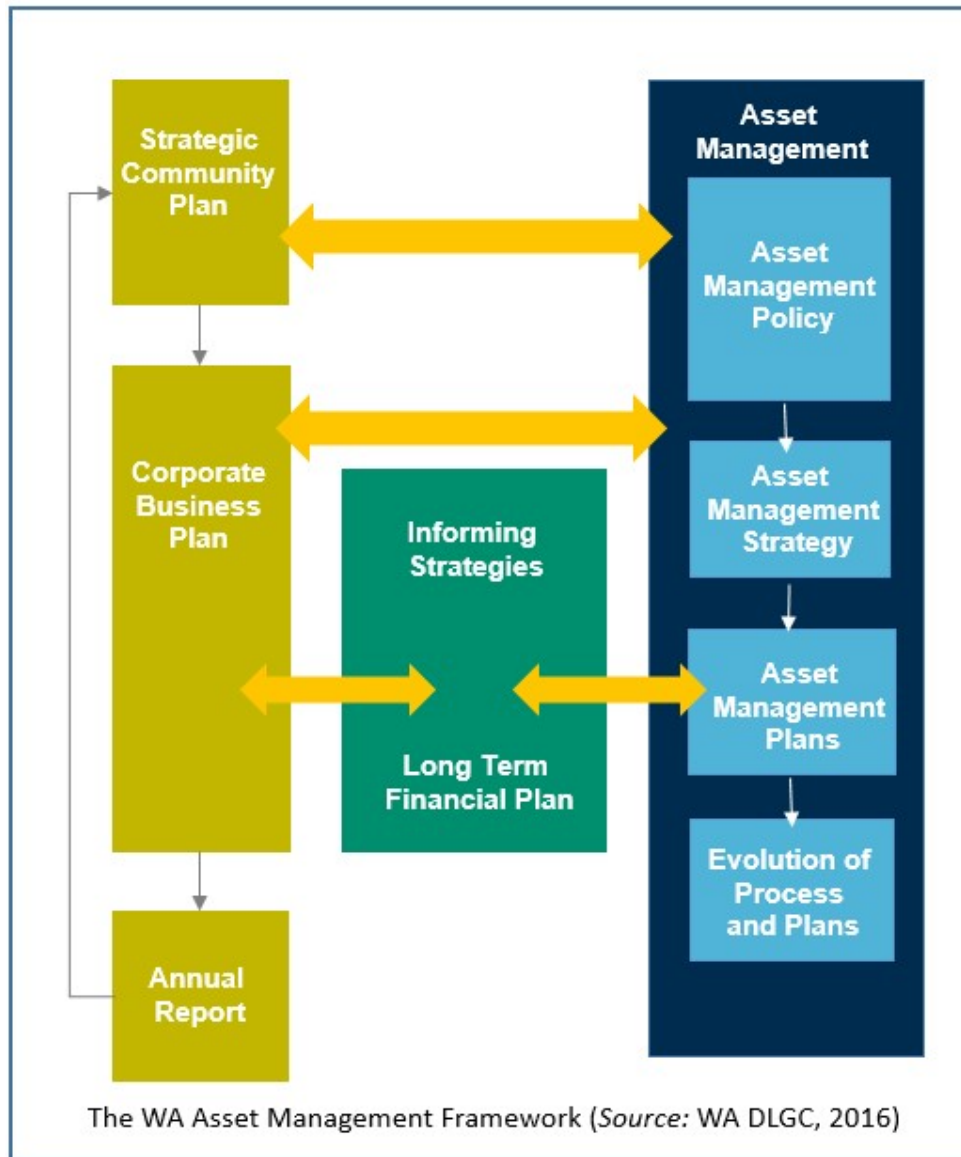
Table 1: Assets covered by the Recreation AMP (as at 30 June 2022)

Asset Type	Description	Quantity	Current Replacement Cost
Fencing	Fencing, walls, bollards, gates	66,807m	\$7,143,434
Furniture	Seats, benches, tables, picnic sets	1,647 items	\$2,219,165
Playground Equipment	Play equipment, play surfaces, shade structures	728 units at 116 playgrounds	\$5,874,479
Sport Structures	Exercise equipment, dog exercise equipment, sporting equipment, courts, skate park infrastructure	307 items	\$3,244,192
Structures	Bins, drink fountains, boardwalks, jetties, footbridges, BBQs, gazebos, statues, memorials, boat ramps, lookouts, internal road bridges	792 items	\$4,728,043
Lighting	Park lighting and sport lighting, separated into poles and luminaire components	1,837 items, comprising: 22 sport lighting locations (181 poles); and 79 park lighting locations (436 poles and 177 bollards)	\$10,350,965
Equipment	Bike racks and security cameras	54 items	\$189,500
Drainage	Destratification devices, water quality loggers	7 items	\$291,175
Irrigation	Irrigation pipes	216,301m	\$19,925,825
	Irrigation components, bores, bore pumps, water tanks	17,909 items	
Total			\$53,966,777

Corporate Document Relationships

This AMP integrates with the following City documents as part of an integrated planning and reporting framework:

- Strategic Community Plan
- Corporate Business Plan
- Long Term Financial Plan
- Asset Management Strategy
- Annual Budget



The Recreation AMP is also guided by the following informing strategies:

- Access and Inclusion Plan
- Age Friendly Strategy
- CCTV Strategy
- Collective Local Biodiversity Strategy
- Community Recreation Plan
- Community Safety and Crime Prevention Plan
- Open Space Strategy
- Play Space Strategy
- Public Health and Wellbeing Plan

- Renewable Energy and Emission Reduction Position and Action Statement
- Town Centre Activation Plans (Bayswater, Maylands, Morley, and Noranda)
- Urban Forestry Strategy
- Waterwise Strategy
- Youth Action Plan

Time Period of the AMP and Review Process

The Recreation AMP covers a 10-year period and will be reviewed annually.

An internal review will be conducted annually and endorsed by the City’s Executive Leadership Team (ELT) with a full review every four years for the approval of Council, as per the *Asset Management Policy (2019)*. The Asset Management Plan review will inform the annual review of the LTFP/Budget process as part of the integrated planning and reporting framework.

The next review will commence shortly after 1 July 2023. The Asset Management Plans for 2024 to 2034 will inform the LTFP 2024-34, and the 2024-25 budget process to commence in January 2024.

Service Levels

Introduction

Service levels describe the outputs that the City provides from its recreation assets. These have been developed through the consideration of strategic and policy inputs, customer perceptions and needs.

Community Perceptions Survey

The City’s last Community Perceptions Survey was in 2021 and indicated the following performance results and trends as shown in Table 2 below. A new survey is to be conducted in 2023.

Table 2: Community Perception Survey

Focus	Very Satisfied or Satisfied 2021	Very Satisfied or Satisfied 2018	Trend
Community sporting and recreation facilities	86.40%	88.50%	Decreasing
Play spaces, parks and reserves	86.10%	91.80%	Decreasing
Conservation and environmental management services	79.30%	79.80%	Decreasing

Service Level Performance

Table 3 details the targeted service levels to be refined in future revisions of the plan.

Table 3: Service Level Performance

KPI	Service level - Target	Service level - Performance
Asset Maintenance	Monitor percentage of compliance, safety and maintenance defects corrected within intervention targets	Monitoring and reporting annually.
Financial Sustainability	Asset Ratios	Monitoring and reporting annually.
Quality	Condition 1-3 for 80%+	Monitoring and reporting annually.

Service Demand

This section summarises likely factors that may affect the demand for recreation assets over the life of the AMP.

Some of the more significant changes will be the increasing population, changing recreation needs of the community and climate change.

Historic Demand

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

Table 4: Historic Demand Drivers

Driver Type	Effect	Demand Change
Population	The population grew from 64,677 (2016) to 69,283 (2021). This is consistent with the growth rate between 2006 and 2016.	Consistent increase
Demographics	The median age declined slightly between 2006 and 2016 from 38 to 37 years of age and rose again to 38 by 2021 census.	Neutral
Recreation Participation	Sport facility operators have experienced longer and overlapping seasons that impact the usage and maintenance of these facilities.	Changing patterns
Tourism	Tourist numbers in the 'Perth' region have almost risen back to pre-pandemic numbers according to Tourism WA. Further investigations are required to determine if and how this would have impacted the City's recreational services.	Neutral
Climate	According to the City's Waterwise Strategy 2020, climate change presents significant challenges for the City such as declining groundwater availability and increasing urban heat. The Department of Water is implementing targets for reducing groundwater use to ensure groundwater stores are rebalanced in a drying climate. (Source: Groundwater future in Perth: Securing Gnangara groundwater and adapting to climate change)	Changing patterns

Future Demand

Consideration was given to six possible future demand drivers for recreation assets.

Table 5: Future Demand Drivers

Driver Type	Effect	Demand Change
Political	Possible increased demand for additional municipal resources as a result of decreasing external grant funding.	Increase
Economic	The long-term outlook is for recreational maintenance costs to at least match inflation increases. Possible demand pressure to reduce the use of non-renewable energy resources and to increasingly reuse water and/or reduce water usage may require initial investment.	Neutral
Social	A forecasted increase of the City's future population will increase the demand for recreation services. At this point in time demographic and social disadvantage drivers seem not to be a cause of demand change. (Source: City's Community Recreation Plan)	Increase
Technological	Opportunity exists to manage and maintain the recreation portfolio more efficiently and sustainably through the use of new software and hardware solutions. Major changes to participation rates caused by technology influences are unlikely. Possible increase in resource demand due to improved asset management practices.	Increase
Legal	Benefits (i.e. stronger risk mitigation) may be realised though improving the City's defect identification and correction practices.	Increase
Environmental	Increased demand for more environmentally sustainable construction and maintenance practices. Increased need to understand future rainfall events and maximum temperatures and allow for shorter asset lives and higher costs.	Increase

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. Looking forward, the following initiatives and improvements are proposed in order to meet demand changes.

- Using the findings and recommendations from the Open Space Strategy, Play Space Strategy, Community Recreation Plan, Precinct Plans and any future recreation orientated strategies, to inform the Asset Management Plan and consequent 10 year Forward Capital Works Programs, as these demand management strategies have already included extensive community consultation.
- Regularly review useful life estimates and condition of recreation assets against expected useful life and condition, to identify changes in deterioration patterns.
- Aligning the Long Term Financial Plan and annual budgets with the AMP supported 10-year Forward Capital Works Programs will ensure that demand is managed in a sustainable way.

Public Open Space Classification

The City's Open Space Strategy 2018 provides a classification based on the Department of Sport and Recreation's *Classification Framework for Public Open Space*, which was released in 2012. The framework provides consistent terminology to describe the form and function of different types of public open spaces, which can be applied during the planning and management processes. The framework is divided into two primary categories: function, and catchment hierarchy.

Function (primary use and expected activities):

- Recreation Spaces;
- Sport Spaces; and
- Nature Spaces.

Catchment Hierarchy (typical size and how far a user might travel to visit a site):

- Local Space;
- Neighbourhood Space;
- District Space; and
- Regional Space.
-

The City has also identified pocket parks, which captures parks smaller than local Public Open Space (POS).

The City's Play Space Strategy 2022 has identified a level of service framework for the provision of play infrastructure associated with the catchment hierarchy of its parks, and has recommended a program of works that will inform future Recreation AMP and 10 year Forward Capital Work Program.

Risk Management

The City intends to proactively monitor the condition of recreation assets. Having sufficient warning, and understanding the likelihood and consequence of an asset failing, will allow the City to take corrective action to avoid unplanned failures and meet agreed service levels.

A risk analysis of current recreation assets and asset management practices has not been included in this document, and has been identified in the improvement plan as a high priority to be addressed in future plans.

Lifecycle Management

Lifecycle management refers to how the City intends to manage and operate its recreation assets at the agreed service levels. It considers the information and strategies used to guide lifecycle decisions, including decisions regarding acquisition, maintenance, renewal, upgrade and disposal. Future revisions of this AMP will consider the implementation of these lifecycle management strategies which will feed into the 10-year Forward Capital Works Program.

Recreation Assets Physical Parameters

The following information is obtained from the City's asset management system.

Table 6: Recreation Asset Portfolio Physical Parameters

Asset Type	Quantity	Current Replacement Cost	Depreciated Replacement Cost (Written Down Cost)**	Annual Depreciation
Fencing	66,807m	\$7,143,434	\$4,829,080	\$112,612
Furniture	1,647 units	\$2,219,165	\$1,409,130	\$98,328
Playground Equipment	728 units	\$5,874,479	\$2,485,851	\$351,443
Sport Structures	307 items	\$3,244,192	\$1,869,682	\$181,642
Structures	792 units	\$4,728,043	\$2,330,381	\$130,367
Lighting	1,837 units	\$10,350,965	\$4,426,521	\$361,334
Equipment	54 units	\$189,500	\$116,922	\$15,499
Drainage	7 units	\$291,175	\$249,966	\$22,082
Irrigation	17,909 units; 216,301m	\$19,925,825	\$5,292,026	\$635,318
Total		\$53,966,778	\$23,009,559	\$1,908,625

Recreation Portfolio Condition

Table 7 shows the condition rating for recreation assets (rating 1-5, with 1 being very good and 5 being very poor), weighted by replacement cost. The condition is a purely visual condition rating.

Table 7: Recreation Asset Portfolio Condition

Asset Type	Very Good	Good	Average	Poor	Very Poor
Fencing	34%	19%	45%	2%	0%
Furniture	54%	27%	15%	4%	0%
Playground Equipment	33%	37%	30%	0%	0%
Sport Structures	58%	18%	23%	1%	0%
Structures	35%	23%	33%	9%	0%
Lighting	27%	40%	30%	3%	1%
Equipment	69%	27%	4%	0%	0%
Drainage	88%	0%	12%	0%	0%
Irrigation	16%	20%	63%	1%	0%
Total	29%	26%	43%	2%	0%

Recreation Portfolio Data Confidence and Reliability

Table 8 details the reliability and confidence levels of the current asset data the City holds (1-5 with 1 being very good and 5 very poor). It is the City's intention to progress towards a position where data confidence levels for all areas are classified as either a 1 or 2.

Table 8: Portfolio Data Confidence Level

Asset Type	Inventory	Condition	Valuation
Fencing	2	2	1
Furniture	2	1	1
Playground Equipment	2	1	1
Sport Structures	2	2	2
Structures	2	2	2
Lighting	3	3	4
Equipment	2	2	2
Drainage	3	3	3
Irrigation	4	4	4
Weighted Average	3	3	3

Lifecycle Management Strategies

This section details all the strategies and practices that are currently employed to manage recreation assets at the lowest lifecycle cost.

Recreation assets are currently managed under three main services that work closely together, namely Parks and Gardens, Project Services (Sport and Recreation) and Environment.

Operation and Maintenance (O&M) Strategy

Recreation assets are predominately maintained through scheduled maintenance activities, but a substantial number of activities are conducted on a reactive basis. The level of service of scheduled activities is governed by historic budget allocations. Future operation and maintenance strategies will document various activities, the service standards of these activities, and first principle costs associated with these activities. Current systems are to be re-aligned to allow for cost reporting by specific activities, to monitor service level expenditure.

The operation and maintenance expenditure in 2021/22 financial year amounted to approximately \$9.7m.

Some of these activities include:

- Mowing;
- Weed management;
- Litter collection;
- Routine defects inspection – play equipment, irrigation, parks;
- Timber treatment;
- Cleaning of furniture and play equipment;
- Minor repairs to furniture and play equipment;
- Graffiti cleaning;
- Tree pruning;
- Irrigation testing and repair;
- Fertilising;

- Watering;
- Cleaning BBQs; and
- Light globe replacements.

Renewal Strategy

All recreation assets are periodically inspected to determine their condition. City staff then consider poor condition assets to determine the timing, scope and budget of any future renewal project. The identified projects are scheduled within the 10-year Forward Capital Works Program in line with informing strategies, and strive to balance cost, safety, reliability and functionality.

The purpose of the asset management plan is to ensure that these strategies are effective, to manage the required renewals and maintain a specific level of service.

Table 9: Recreation Assets – Useful Life Estimates

Asset Type	Description	Useful life in years
Fencing	Fencing, walls, bollards, gates	10-99 years
Furniture	Seats, benches, tables, picnic sets	4-50 years
Playground Equipment	Play equipment, play surfaces, shade structures	10-15 years
Sport Structures	Exercise equipment, dog exercise equipment, sporting equipment, courts, skate park infrastructure	5-30 years
Structures	Bins, drink fountains, boardwalks, jetties, footbridges, BBQs, gazebos, statues, memorials, boat ramps, lookouts, internal road bridges	10-50 years
Lighting	Park lighting and sport lighting separated into poles and luminaire components	10-30 years
Equipment	Bike racks	30 years
	Security cameras	10 years
Drainage	Destratification devices	25 years
	Water quality loggers	3 years
Irrigation	Irrigation pipes	25 years
	Irrigation components	7-25 years
	Bores	20-25 years
	Bore pumps	8 years
	Water tanks	25 years

Table 10: Recreation Asset Renewal Programs

Asset Class	Renewal Strategy
Fencing	Visual condition inspections to identify fencing in poor condition.
Furniture	Visual condition inspections to identify furniture in poor condition.
Playground Equipment	The Play Space Strategy has identified playgrounds reaching the 15-year end of life point. Annual external playground inspections are conducted to ensure playgrounds meet required specifications, and identifies items for rectification to ensure compliance and safety.
Sport Structures	The Community Recreation Plan, in consultation with sport clubs, has recommended items for renewal as they reach end of life and are in poor condition.
Structures	Structural inspections are conducted for timber structures and retaining walls to ensure safety requirements are met, and identified items are scheduled for rectification.
Lighting	Flood light replacement program criteria for predicting replacement needs to be refined, to determine cost of upgrades to meet sporting requirements through grant programs.
Equipment	The CCTV replacement program is to be conducted in consultation with Information Services as some components of the CCTV system are included in the Information and Communications Technology AMP. Further criteria for predicting replacement needs to be identified. Bike rack replacement to be included as part of the park furniture program.
Drainage	Further criteria for predicting replacement needs to be identified.
Irrigation	Irrigation systems and cabinets, and bore pump replacement programs have identified renewal priorities that the visual condition assessment could not identify. Further criteria for predicting renewals for this asset class needs to be determined.

Renewal and Park Redevelopment

The aim is to synchronise the above renewal programs so that work can be done by functional area of the park and not only by asset type. In many cases, like-for-like replacements (renewal) for individual park assets are not practical and instead, a park needs to be considered as a functional unit. Once a significant number of assets require renewal, the functional area of the park will need to be considered for redevelopment. The extent of the redevelopment will identify whether it is to be a renewal, upgrade or if new assets are installed. This will be refined in future revisions of the plan. The City commits to community consultation and engagement for any park redevelopment initiatives.

Some renewals can also be scheduled during park upgrades to allow for economies of scale and reduce interruption to the community.

In line with the City's *Asset Management Policy (2019)* when considering asset renewal, consideration should also be given to disposal, rationalisation and non-asset solutions to reduce the whole of life cost of providing the asset and the service.

Upgrade/New Strategy

Recreation assets are upgraded, or new assets are installed when the demand has been identified in a strategy and plan that informs the asset management plan, such as the Open Space Strategy, Play Space Strategy, Precinct Plan or Community Recreation Strategy. Recreation assets on occasion require an upgrade to improve functionality or capacity, and plans such as the Access and Inclusion Plan informs these decisions. By considering upgrades

and new projects together with renewal and disposal activities within an integrated asset management approach, appropriate consideration can be given to whole-of-life costs while prioritising renewal activities.

Table 11: Recreation Upgrade/New Programs

Asset Class	Upgrade/New Strategy
Fencing	A future strategy should be identified to manage the current and future fencing related assets.
Furniture	A future strategy should be identified to manage the current and future park furniture related assets
Playground Equipment	Play Space Strategy has identified playgrounds for improvement and expansion.
Sport Structures	Community Recreation Plan in consultation with sport clubs has recommended items for improvement and expansion.
Structures	A future strategy should be identified to manage current and future park structure-related assets.
Lighting	Flood light replacement program criteria for predicting replacement needs to be refined to determine the cost, as these are expensive items and may be required to be upgraded to meet sporting requirements through grant programs.
Equipment	The CCTV Strategy will inform any CCTV upgrade/new program. The Local Bike Plan is currently being drafted and may identify locations for new and improved bike racks.
Drainage	A future strategy should be identified to manage the current and future drainage related assets.
Irrigation	The irrigation, bore, and bore pump replacement program has identified renewal priorities that the visual condition assessment could not identify. Further criteria for predicting replacement needs to be identified.

Disposal Strategy

The City rarely disposes of recreation assets without replacing them. Where a potential need is identified not to replace an asset, it is considered a true disposal. The *Asset Management Policy (2019)* not only prioritises renewal of assets but also identifies that consideration should be given to rationalisation or non-asset solutions when considering renewal of assets. Current information only supports age or condition-based considerations when assessing for renewal. There are no documented criteria for considering the disposal of recreation assets, and they are currently assessed on an ad hoc basis. All true disposal should be identified through the 10-year Forward Capital Works Program.

Table 12: Recreation Disposal Program

Asset Class	Disposal Strategy
Fencing	Currently done on a case by case basis, and a future strategy may assist with identifying possible future disposals.
Furniture	Currently done on a case by case basis, and a future strategy may assist with identifying possible future disposals.
Playground Equipment	Play Space Strategy has identified playgrounds for rationalisation or relocation.
Sport Structures	The Community Recreation Plan may recommend items for disposals.
Structures	Currently done on a case by case basis, and a future strategy may assist with identifying possible future disposals.
Lighting	Currently done on a case by case basis, and a future strategy may assist with identifying possible future disposals.
Equipment	Currently done on a case by case basis, and a future strategy may assist with identifying possible future disposals.
Drainage	Currently done on a case by case basis, and a future strategy may assist with identifying possible future disposals.
Irrigation	Reducing irrigated areas may result in the disposal of irrigation assets. Currently done on a case by case basis, and a future strategy may assist with identifying possible future disposals.

Financial

This section contains the financial requirements based on all the information presented in this AMP.

Current operation and maintenance, renewal, upgrade and new expenditure

Future revisions of this plan will report on historical expenditure for operation and maintenance, renewal, upgrade and new expenditure.

Table 13 provides a summary of capital expenditure related to recreation assets by various service areas (branches) during the 2021-22 financial year.

Table 13: Recreation Asset Capital Expenditure 2021-22 Financial Year

Cost Centre Description - Branch	Project Class Description	Total
Parks & Gardens	Other infrastructure renewal	\$585,529
	Park development construction	\$1,122,054
Project Services	Community capital requests	\$9,970
	COVID-19 \$5m Stimulus Package Projects	\$3,490,291
	Drink fountains	\$4,340
	Floodlights	\$17,361
	Furniture and equipment	\$29,296
	Other infrastructure construction	\$1,596,638
	Other infrastructure renewal	\$103,502
	Park development construction	\$100,484
	Playground	\$53,200
	Sports Goals	\$16,439
Recreation Facility - Waves	Other infrastructure construction	\$1,000
Strategic Planning & Place	Entry statement	\$10,000
	Other infrastructure construction	\$17,701
	Park development construction	\$17,598
Sustainability & Environment	Other infrastructure construction	\$16,091
	Park development construction	\$105,591
	Sustainable environment	\$383,303
Grand Total		\$7,680,387

Projected Expenditure Requirements

Projected Renewal Expenditure

Widely used indicators for long-term renewal requirements are annual depreciation figures. These figures represent the annual replacement cost to maintain the service at current service levels.

More refined estimates of the required renewal expenditure require data that is reliable in terms of inventory, valuation and condition.

As the City's asset management maturity, data reliability and systems improve, the reliability of these estimates will improve.

For purposes of this document, the annualised replacement cost will present the official indicators of required renewal expenditure as an annual average over the next 10 years. This number excludes the impact of any growth of the portfolio due to new and upgrade projects over the next 10 years.

All replacement costs are presented as they were in June 2022, and no consumer or construction price index (CPI) has been applied to adjust for inflation.

Table 14 provides a summary of estimated renewal requirements as described above.

Table 14: Recreation Assets Projected Renewal Expenditure Requirements.

Asset Type	Annualised Replacement Cost (2022 value)
Fencing	\$112,612
Furniture	\$98,328
Playground Equipment	\$351,443
Sport Structures	\$181,642
Structures	\$130,367
Lighting	\$361,334
Equipment	\$15,499
Drainage	\$22,082
Irrigation	\$635,318
Total required	\$1,908,626

Projected Upgrade and New Expenditure

Future revisions of the Recreation Asset Management Plan will identify upgrades and new projects that will impact the recreation asset portfolio.

Planned Expenditure Requirements

In future revisions of this plan, the 10 year Forward Capital Works Program (FCWP) and the Long Term Financial Plan (LTFP) will provide information on planned expenditure.

Plan Improvement and Monitoring

This section of the plan outlines the degree to which this AMP is an effective and integrated tool for asset management. It also details the future tasks required to improve its accuracy and robustness.

Performance Measures

The effectiveness of this asset management plan will be monitored by the performance of three statutory asset management ratios that the City reports on.

These KPIs are useful in determining:

- the current physical state of the asset portfolio;
- how sufficient past renewal expenditure was; and
- whether sufficient future renewal expenditure is being allowed for.

Asset Consumption Ratio

This ratio is a measure of the condition of the City's physical assets, by comparing their depreciated replacement cost or fair value (replacement cost, less deductions, for physical deterioration) against their current replacement cost (cost to replace). The ratio highlights the aged condition of the portfolio and has a target band of between 50%-75%. Non-depreciating assets should be excluded from the calculation.

According to the available data, these ratios indicate that overall, recreation assets fall below the target range, indicating there may be cause for concern regarding the condition and aging profile of these assets. The reliability of the ratios will improve as the reliability of the data and valuation methodologies improves. However, it is still important to report on these ratios using the data on hand. If technical indicators such as condition ratings and the City's customer

satisfaction levels do not reflect the same trends as the ratios, the valuation methodologies should be reviewed.

Table 15: Recreation Asset Consumption Ratio

Asset	Depreciated Replacement Cost (Fair Value) DRC (FV)	Current Replacement Cost of Depreciable CRC	Asset Consumption Ratio ACR
Fencing	\$4,829,080	\$7,143,434	68%
Furniture	\$1,409,130	\$2,219,165	63%
Playground Equipment	\$2,485,851	\$5,874,479	42%
Sport Structures	\$1,869,682	\$3,244,192	58%
Structures	\$2,330,381	\$4,728,043	49%
Lighting	\$4,426,521	\$10,350,965	43%
Equipment	\$116,922	\$189,500	62%
Drainage	\$249,966	\$291,175	86%
Irrigation	\$5,292,026	\$19,925,825	27%
Total	\$23,009,559	\$53,966,778	43%

Asset Sustainability Ratio

This ratio is a measure of the extent to which assets managed by the City are being replaced, as they reach the end of their useful lives. The ratio is essentially based on information from previous years, and is calculated by dividing the average annual depreciation expense of the recreation asset portfolio, by the average annual renewal expenditure. The ratio has a target band of between 90%-110%.

Future revisions of this plan will collect and refine the reporting of actual renewal expenditure. Once data reliability has improved, these ratios can be accurately calculated.

Table 16: Recreation Asset Sustainability Ratio

Asset	1 Year Average Annual Renewal Expenditure	Annual Depreciation	Asset Sustainability ratio - target 90%
Fencing	TBC	\$112,612	TBC
Furniture	TBC	\$98,328	TBC
Playground Equipment	TBC	\$351,443	TBC
Sport Structures	TBC	\$181,642	TBC
Structures	TBC	\$130,367	TBC
Lighting	TBC	\$361,334	TBC
Equipment	TBC	\$15,499	TBC
Drainage	TBC	\$22,082	TBC

Irrigation	TBC	\$635,318	TBC
Total	TBC	\$1,908,625	TBC

Asset Renewal Funding Ratio

This ratio is a measure as to whether the City has the financial capacity to fund asset renewal as and when it is required over the future 10-year period. The ratio is calculated by dividing the net present value of planned renewal expenditure over the next 10 years in the LTFFP, by the net present value of planned renewal expenditure over the next 10 years in the AMP. The same net present value discount must be applied in both calculations. The ratio has a target band of between 95%-105%.

Future revisions of this plan will collect planned renewal from the LTFFP and refine the required renewal expenditure required. Once data reliability has improved these ratios can be calculated.

Table 17: Recreation Asset Renewal Funding Ratio

Asset	NPV of LTFFP Planned Renewal Expenditure over the next 10 years according to LTFFP	NPV of AMP Required Renewal Expenditure over the next 10 years	Asset Renewal Ratio
Fencing	TBC	TBC	TBC
Furniture	TBC	TBC	TBC
Playground Equipment	TBC	TBC	TBC
Sport Structures	TBC	TBC	TBC
Structures	TBC	TBC	TBC
Lighting	TBC	TBC	TBC
Equipment	TBC	TBC	TBC
Drainage	TBC	TBC	TBC
Irrigation	TBC	TBC	TBC
Total	TBC	TBC	TBC

Improvement Plan

It is important to further develop the City's Asset Management Plans. This will ensure that the City's asset management continues to mature and can provide accurate data and information for effective decision-making to ensure that the City's infrastructure and assets are managed sustainably into the future.

The asset management improvement plan generated from this AMP is shown in Table 18.

Table 18: Recreation AMP Improvement Plan

Task No.	Task	Timeline
1	Identify main risks for assets and asset management practices.	Dec 2023
2	Improve inventory reliability. Review classification and definitions to form the basis of a review of the inventory. Identify recreation assets under the control of other branches.	Dec 2023
3	Improve valuation reliability by reviewing replacement cost estimates and useful life triggers.	Dec 2023
4	Improve condition data reliability and review the renewal and other lifecycle strategies to align with current practices.	Dec 2023
5	Improve reporting on historic renewal costs to inform the calculation of asset sustainability ratios.	May 2024
6	Prepare 10-year Forward Capital Works Programs that feed into the Long Term Financial Plan and allow for calculating asset renewal funding ratios.	May 2024