



Parks and Open Spaces Service Management Plan

MAY 2018

Document Control

Rev No	Date	Revision Details	Author	Reviewer	Approver
V1	20/01/2017	Initial Draft	Matthew Burdett	John Keen	
V2	18/12/2017	2017/18 Revision	Matthew Burdett	Brendan Sippel	
V3	02/07/2018	Format content		Sara Rozynski	

TABLE OF CONTENTS

1	Executive Summary.....	4
	1.1 Expenditure Analysis	5
	1.2 SMP Improvement Plan.....	7
	1.3 LOCAL GOVERNMENT INFRASTRUCTURE PLAN	7
2	Introduction	8
	2.1 Background.....	8
	2.2 Council’s Goals and Objectives for Parks and Open Space Services	8
	2.3 The purpose of this Parks and Open Space Plan	8
3	Level of Service	9
	3.1 Community Consultation.....	9
	3.2 Current Levels of Service.....	9
4	Future Demand.....	11
5	Risk Management	12
	5.1 Risk Assessment	12
6	Lifecycle Management Plan	13
	6.1 Input Data and Parameters	13
	6.2 Renewal Planning	14
	6.3 New/Upgrade Planning (Creation or Acquisition).....	14
	6.4 Operations and Maintenance planning.....	15
	6.5 Condition & Performance Monitoring	15
	6.6 Disposal Plan	16
7	Parks and Open Space Assets Analysis	17
	7.1 Asset Class Summary.....	17
	7.2 Age Profile	17
	7.3 Asset condition Profile	18
8	Financial Summary.....	19
	8.1 Assumptions	19
	8.2 Current Long term Financial Plan.....	19
	8.3 Forecast renewal expenditure	20
	8.4 Planned new/upgrade expenditure	20
	8.5 Forecast operations and maintenance expenditures	21
	8.6 Expenditure Summary.....	21
	8.7 Expenditure projections for long term financial plan	23
	8.8 Asset Valuations	24
	8.9 Financial Recommendations	24
9	Plan Improvement and Monitoring	25
	9.1 Performance Measures	25
	9.2 Improvement Plan.....	25
	9.3 Monitoring and Review Procedures.....	25
10	Appendices	26
	Appendix A Condition Renewal Program	27
	Appendix B Planned New/Upgrade 10 year Capital Works Program.....	28

1 EXECUTIVE SUMMARY

This services management plan (SMP) describes the parks and open space assets provided to the community, and the considerations that need to be made to ensure that the provision of these assets is done in a sustainable and equitable manner, now and into the future.

What Does This Plan Cover?

The parks and open space assets are valued at \$6.3M (fair value) as at 30 June 2016 and are apportioned as shown in Figure 1-1:

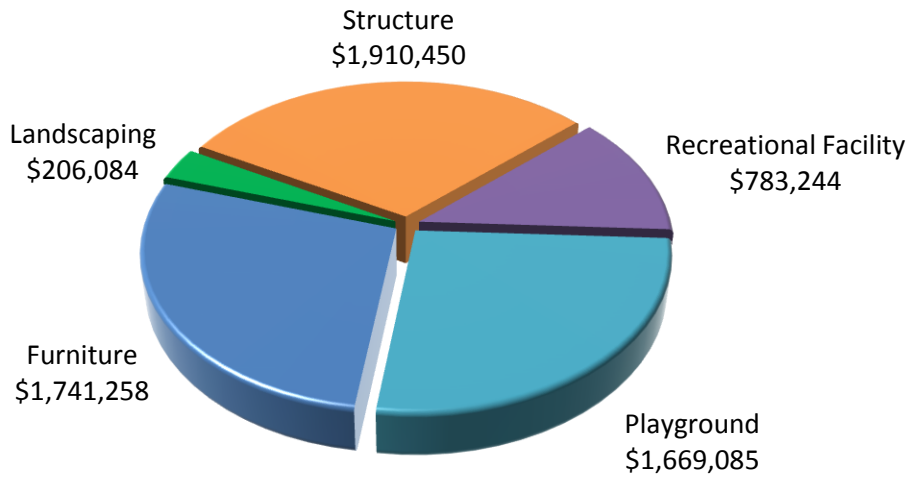


FIGURE 1-1: PARKS AND OPEN ASSETS VALUE SUMMARY

What is the current condition of these assets?

The assets have been assessed as being in good condition overall with only 2%, or \$203,000 in replacement cost, of parks and open space assets in poor or very poor condition and in need of urgent repair, renewal or replacement.

Asset Condition Profile

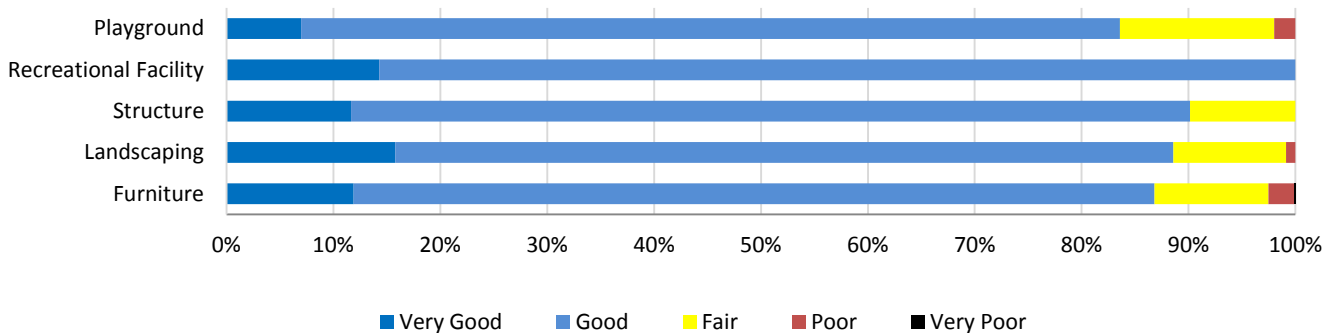


FIGURE 1-2: PARKS AND OPEN SPACE CONDITION PROFILE

1.1 EXPENDITURE ANALYSIS

There are three major categories that make up the total expenditure for Councils parks assets:

- Operations and maintenance - day to day costs to keep the assets in a serviceable condition and to slow the rate of deterioration.
- Renewals - replacing assets with like for like to deliver the same level of service, at or near the end of the assets economic life.
- New/upgrade - replacing assets with a new or improved asset to provide a higher level of service than was previously provided or a new service, i.e. safer road, reduced travel times, improved drainage, providing a service that did not previously exist in that location etc.

The following expenditure analysis has been undertaken to understand what it costs to own, operate, maintain and replace Councils park assets over a 10 year planning period. This is based on what is currently understood of the services and likely demand over that planning period.

1.1.1 OPERATIONS AND MAINTENANCE EXPENDITURE

The forecast operations and maintenance expenditure can be seen in Table 1-1 below. It has been assumed that the current level of maintenance expenditure is the appropriate amount to maintain the assets in a condition that delivers the adopted levels of service, however it is recommended that a 'base budget review' be undertaken to confirm the accuracy of current maintenance and operations expenditure levels. As can be seen from Table 1-1, operations expenditure greatly outweighs maintenance expenditure and this is considered appropriate for this asset type.

TABLE 1-1: OPERATIONS AND MAINTENANCE EXPENDITURE (\$'000s)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Average
Operations	\$1,440	\$1,469	\$1,498	\$1,528	\$1,559	\$1,590	\$1,622	\$1,654	\$1,687	\$1,721	\$1,577
Maintenance	\$360	\$367	\$375	\$382	\$390	\$397	\$405	\$414	\$422	\$430	\$394
Total	\$1,800	\$1,836	\$1,873	\$1,910	\$1,948	\$1,987	\$2,027	\$2,068	\$2,109	\$2,151	\$1,971

Increases in this expenditure over the next 10 years are due to growth of the population and/or the asset base.

1.1.2 CAPITAL RENEWAL EXPENDITURE

The condition based renewal analysis, which is considered to be the most accurate, shows that in order to keep park assets delivering the current levels of service over the 10 year planning period, Council will need to spend on average \$69,000 per year on asset renewals. It's worth noting however that park assets, more so than other asset types, are not only renewed on the basis of poor condition but also due to service obsolescence. Park assets may be renewed with modern day equivalents purely on the basis of aesthetics or utilisation and this must be factored into the asset's remaining useful life. There is not currently enough data to accurately predict the full impact of obsolescence on park asset renewal forecasts however **it is believed that the combined condition and obsolescence funding requirement should be \$100,000 annualised for the 10 year planning period.** Future iterations of this SMP will develop this further and introduce data to support accurate projections.

TABLE 1-2: CONDITION RENEWAL EXPENDITURE (\$'000s)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Average
Projected Renewal	\$1	\$0	\$194	\$5	\$0	\$0	\$0	\$4	\$0	\$318	\$52

1.1.3 NEW/UPGRADE CAPITAL EXPENDITURE

Council has detailed a number of capital works projects planned for the next 10 years. The annualised expenditure for these works can be seen against the budget allocation in Table 1-3 below.

TABLE 1-3: NEW/UPGRADE EXPENDITURE (\$'000s)

New/Upgrade Type	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Average
Capital Program	\$425	\$175	\$155	\$105	\$90	\$75	\$75	\$75	\$75	\$0	\$125
LTFP	\$540	\$75	\$75	\$75	\$75	\$95	\$75	\$220	\$70	\$0	\$130

The total 10 year expenditure estimate based on the current new/upgrade capital works program is \$1,250,000, the allowance in the LTFP is \$1,300,000. This provides a funding surplus at the end of the 10 year planning period of \$50,000 if the current capital program is followed for its duration. The program has been developed from knowledge and experience of the parks staff incorporating known trends in community park use. An annual review of the current program should be undertaken to ensure it meets community expectations and agreed service levels.

1.1.4 OVERALL

The total expenditure (operations and maintenance, renewals, new/upgrade) is projected as approximately \$21,480,000 over 10 years which can be seen in Figure 1-3 below.

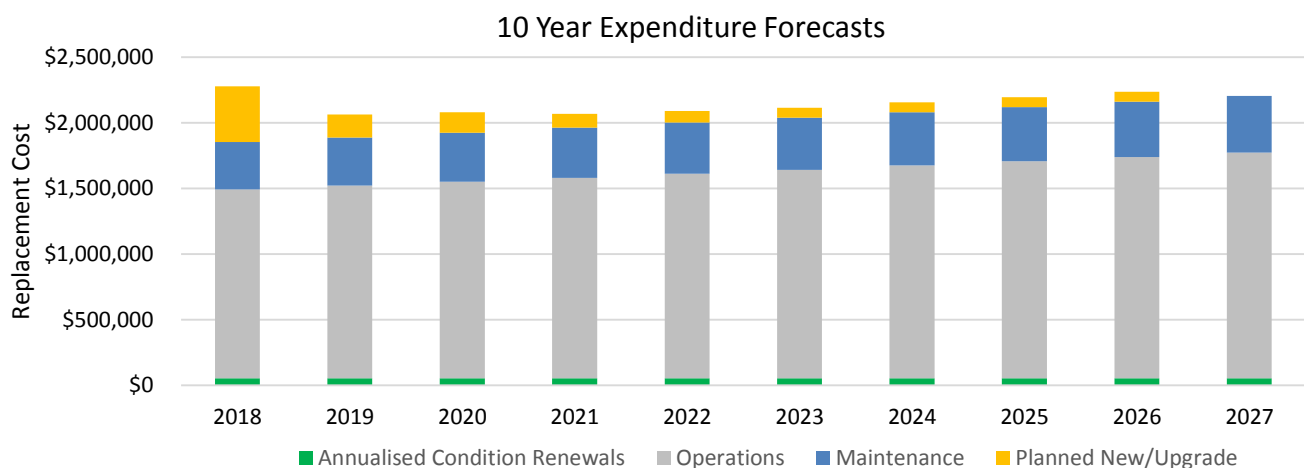


FIGURE 1-3: FUNDING REQUIRED TO DELIVER PARK SERVICES AGAINST AVAILABLE FUNDING IN THE CURRENT LTFP

To maintain current service levels over the next 10 years Council will have to spend on average approximately \$2M every year for maintenance, operations, and the renewal of existing assets. The total expenditure over the 10 year planning period is \$20,230,000. Council's LTFP should be updated to include this required amount.

What are our Options?

Council has the option to alter the funding allocations through a range of methods;

- Revenue can be managed to provide sufficient funding to deliver the agreed levels of service.
- Funding can be redistributed to, from or within asset classes to ensure that all asset classes and funding allocations receive the appropriate funding.
- Service levels can be changed to better reflect available funds.
- Council can determine what new/upgrade works are undertaken in line with the ability to attract external funds to undertake these works and the ability of Council's own source funding to operate and maintain these assets into perpetuity.

- New/upgrade works from growth will partially come from developer contributed assets that will require more stringent development conditions to ensure that the community is not left with infrastructure that does not perform satisfactorily. Appropriate funding streams will need to be made available to own and operate these contributed assets into perpetuity.

1.2 SMP IMPROVEMENT PLAN

It is recommended that the improvement plan set out at the end of this SMP be implemented. Summarising the improvement plan it is recommended that:

1. The current Maintenance and Operations expenditure levels to be maintained.
2. A base budget review of maintenance costs to be undertaken.
3. Maintenance practices be reviewed and driven by identified asset needs.
4. A condition based renewal program of works to be adopted.
5. Funding to be reallocated to new/upgrade works while still prioritising renewals, operations and maintenance.
6. The New/Upgrade program be reviewed and ensure alignment with agreed service levels.
7. Introduce a funding allocation for forward planning and design to better execute capital works projects.

The above expenditure analysis and resulting improvement plan highlights the necessity for reviewing and improving the long term financial plan and the capital works program.

1.3 LOCAL GOVERNMENT INFRASTRUCTURE PLAN

(Assessment of infrastructure requirements due to future growth)

The information contained within this Service Management Plan does not contain any data relating to the Local Government Infrastructure Plan (LGIP). It has been assumed that future infrastructure requirements required because of population growth and identified within the LGIP will be provided as contributed assets by others, either directly, or through infrastructure charges levied by Council to provide infrastructure at a later date. The cost of maintaining these potential assets has been accommodated in the Service Management Plan through a 2 % increase per annum to the required maintenance budgets going forward.

2 INTRODUCTION

2.1 BACKGROUND

This parks and open space service management plan is to demonstrate responsive management of services provided by Lockyer Valley Regional Council's assets, compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a 10 year planning period.

The Lockyer Valley Regional Council parks & open space assets include the following asset classes:

- Furniture
- Landscaping
- Playground
- Structures
- Recreational Facilities (limited to courts, sporting fields and skate parks)

This service management plan is to be read in conjunction with:

- Lockyer Valley Regional Council Corporate Plan 2017-2022
- Lockyer Valley Regional Council Community Plan 2012-2022
- Lockyer Valley Regional Council Customer Service Charter
- Lockyer Valley Regional Council Operational Plan 2017-2018

2.2 COUNCIL'S GOALS AND OBJECTIVES FOR PARKS AND OPEN SPACE SERVICES

Council operates and maintains the parks and open space assets to achieve the following strategic objectives:

- Meet legislative requirements;
- Ensure that Council's parks and open space services and assets are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment;
- Safeguard Council assets including physical assets and employees by implementing appropriate management strategies and appropriate financial resources for those services;
- Ensure resources and operational capabilities are identified and responsibility for service delivery and management is allocated;
- Ensure that the parks and open space network provides full functionality;
- Ensure the network is planned appropriately to cater for future growth;
- Maximise the asset's useful life whilst minimising lifecycle expenditure;
- Maintain a high level of community satisfaction in the delivery of parks and open space services.

2.3 THE PURPOSE OF THIS PARKS AND OPEN SPACE PLAN

The purpose of this Parks and Open Space Plan is to:

1. Improve our understanding of the parks and open space assets and services managed by ensuring access to quality data describing the network and the network condition, as well as the condition of all asset attributes;
2. Provide a framework of alignment for the parks and open space assets and the levels of service derived from the assets;
3. Improve the organizational capabilities for the management of the parks and open space asset and services;
4. Improved confidence levels in future works programs for renewal and maintenance programs and the associated funding requirements for the management options; and
5. Provide guidance for the Council in continuous improvement and toward advanced service management planning.

TABLE 3-1: CURRENT LEVELS OF SERVICE

Classification	Parks Services		
Level of Service	Clean, Safe, accessible and sustainable Parks to all residents.		
Performance Measure	Number of complaints and incidents (<5 per annum)		
Service Factors	Customer Service Standards	Technical Service Standards	Performance Measure
High Quality Parks	Consistently clean, safe Parks facilities,	Maintenance programs contribute to timely removal of rubbish/graffiti, vegetation control, and landscape maintenance and to the cleaning of BBQs and toilets.	<5 Complaints/Annum
Accessible	Residents have access to Parks and park facilities	Parks and facilities available 24 hours a day, 7 days a week. Rapid response times	90% availability Response in 24 hours
Safe	Playground, BBQs and Parks are safe to use	Maintenance programs comply with safety requirements and timeframes. CEPTD principles considered in all designs	Nil Accidents as a result of unsafe assets
Safe	Playgrounds safe to use	Playgrounds to be audited every 3 months as per Australian Standards	100% compliance with statutory requirements
Affordability and Whole of Life Management	Parks services remain affordable	Service Management Plan accounts for improved whole of life asset management	Investment and return on investment known
Maintenance of Parks	Mowing to a high standard with a good finish	Park mowing standards <ul style="list-style-type: none"> • 1-2 weeks high usage parks • 2-3 weeks medium usage parks • 3-4 low usage parks • Other parks as requested 	<2 complaints per month

4 FUTURE DEMAND

Factors affecting future demand for services include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices, environmental awareness, etc. Known demand impacts for the Lockyer Valley in relation to 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	38,312 persons (2014)	Increase population to 63,000 by 2031.	No impact based on projected population position.
Demographic	Median age 37 (2011)		An aging population will have a nominal increase in the need for infrastructure services, principally associated with access. (e.g. Footpaths, access to buildings and facilities, aged care, medical services etc.)
<i>Tourism</i>	Approximately 304,000 visitors per annum.		<i>Tourism increases will result in a nominal increase in usage of infrastructure, particularly those providing access to and servicing tourist attractions.</i>
<i>Housing</i>	In 2015, 260 residential dwellings were approved.	Potential infill housing and take up of current land stocks.	<i>New dwelling starts across the region do not indicate demand for additional infrastructure assets or services, however Council will need to maintain adopted assets.</i>

Demand for new services will be managed through a combination of managing existing assets, upgrades, provision of new assets to meet demand and demand management. Demand management practices may include non-asset based solutions, insuring against risks, appropriate risk mitigation strategies and managing failures.

TABLE 4-2: DEMAND MANAGEMENT PLAN SUMMARY

Service Activity	Demand Management Plan
Community demand for parks and open spaces.	Study parks and open space utilisation to better understand the community needs. Base asset provision on utilisation, in preference to providing for historical trends
Replacement or repair of park and playground equipment.	Progressive repair or replacement of parks and open space assets in line with known utilisation trends.
Capital Works – Renewals / Replacement	Schedule long-term capital works program and investigate partners with the adjacent Councils to achieve economies of scale and cost savings. Replacement projects will need to be assessed with a balance between competing demands for investment to renew existing assets as well as providing expenditure for new assets to meet growing service delivery demand.

The Demand Management Planning process will need to be applied to all asset groups, types and components to ensure that the Council understands the funding requirements to deliver the necessary works and what is required going forward to adequately provide services to the community. This work should be undertaken as a matter of priority and certainly prior to consideration of any new parks and open space assets.

5 RISK MANAGEMENT

Council has a 'duty of care' to the community in relation to management of the parks and open space service assets. This covers the various phases of design and construction through to operations and maintenance of the system.

The risk management framework derives from:

- Risks associated with the loss of service by the failure of critical assets;
- Financial risks from a lack of due diligence in the management of funding for the renewal, maintenance and operation of the assets to provide agreed Levels of Service; and
- Operational risks where data and information are not maintained to standards which enable competent management outputs.

5.1 RISK ASSESSMENT

Council undertakes regular inspections of its Parks and Open Spaces with defects identified being logged and prioritised for repair. Playground equipment in parks are inspected on an annual and quarterly cycle to meet legislative requirements and community safety. Remedial actions are undertaken based on severity of risk and hierarchy of park or open space.

6 LIFECYCLE MANAGEMENT PLAN

Lifecycle planning uses current asset and financial data to detail how Council will manage and operate the assets to deliver sustainable levels of service (defined in Section 4) while optimising life cycle costs.

The diagram below demonstrates the asset management whole of life approach:

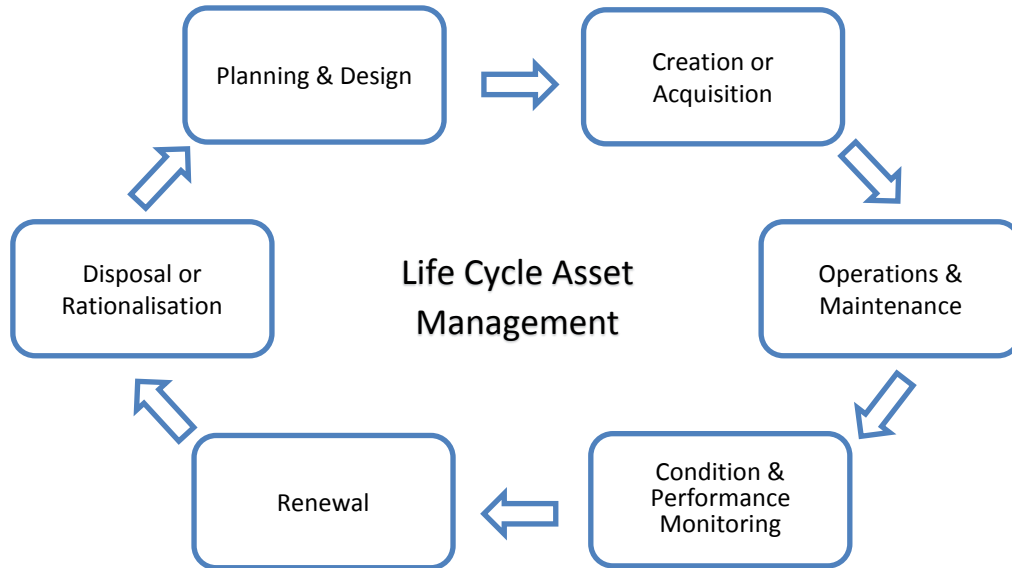


FIGURE 6-1: ASSET LIFECYCLE
Source: IIMM

6.1 INPUT DATA AND PARAMETERS

6.1.1 DATA CONFIDENCE

This lifecycle assessment is based on Council’s revaluation data, financial data and asset register as detailed in Section 8. The data is considered to have an accuracy rating of 2 in accordance with the rating scale in Table 6-1.

TABLE 6-1: DATA CONFIDENCE RATING

Grade	Description	Accuracy
1	Accurate	100%
2	Minor inaccuracies	± 5%
3	50% estimated	± 20%
4	Significant data estimated	± 30%
5	All data estimated	± 40%

(Section 4.3.7 of the *International Infrastructure Management Manual (IIMM) Version 3.0, 2006*)

6.1.2 ADOPTED USEFUL LIVES OF PARKS & OPEN SPACE ASSETS

An asset’s useful life is defined as a period over which a depreciable asset is expected to be fully consumed. This period can be significantly impacted by Council’s maintenance practices.

The useful life of an asset is initially based on the manufacturer’s recommended (expected) life. However, this may be adjusted based on historical evidence of the impact of local environmental conditions on the expected life. Obsolescence, mentioned in Section 1, may also have significant impacts on asset utilisation which may lead to redundancy; however Council is yet to hold sufficient data to use in informing this SMP.

Council's adopted useful lives for each asset type are shown in Table 6-2 below.

TABLE 6-2: PARKS AND OPEN SPACE ASSET HIERARCHY AND LIVES

Asset Class	Asset Type	Components	Materials	Asset Lives (Years)
Furniture	Barbeque		Brick, Block, Metal	35
	Drinking Fountain		Metal	30
	Entrance Statement		Metal, Plastic, Stone, Timber	40
	Fencing		Metal, Other, Plastic, Stone, Timber	30
	Lighting		Concrete, Metal	40
	Rubbish Bin		Metal, Plastic, Timber	30
	Seat		Brick, Metal, Plastic, Stone, Timber	40
	Table		Brick, Concrete, Metal, Plastic, Timber	50
Landscaping	Garden Edging			40
	Retaining Wall		Block, Stone	80
	Vegetation Support			30
Playground	Playground Equipment	Flying Fox, Rocker, Seesaw, Slide, Swing, Play Structure		30
	Playground Softfall		Rubber	7
				Bark
Recreational Facilities	Courts			80
	Skate Park			80
Structures	Memorial			90
	Ornament			90
	Shade Shelter			45

6.2 RENEWAL PLANNING

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

This plan provides indicative program information for the renewal of the parks and open space assets. The program includes the funding requirements and identifies any funding surplus or deficit, i.e 'Renewal Gap' (the difference between 10 year LTFP budget allocation and 10 year renewal needs). As stated in previous sections the full impact of asset obsolescence on renewals is not yet fully understood, and how much of an impact this makes on renewal funding requirements will be determined in the future iterations of this plan.

This plan provides indicative program information for the renewal of the cemetery assets in Appendix A Condition Renewal Program.

6.3 NEW/UPGRADE PLANNING (CREATION OR ACQUISITION)

New/Upgrade works are those that:

- Create a new asset that did not previously exist, or
- Upgrade or improve an existing asset beyond its existing capacity.

This plan provides indicative program information for the new acquisition and upgrade of cemetery assets in Appendix B Planned New/Upgrade 10 year Capital Works Program.

6.4 OPERATIONS AND MAINTENANCE PLANNING

Current maintenance management is undertaken based on historical practices and trends supported by documented routines.

The maintenance service objectives are to:

- To maintain the system in a safe, serviceable and aesthetic condition, displaying a defensible duty of care within Council's financial and physical constraints to the satisfaction of Council and the community;
- To maintain and preserve the functionality and value of the existing assets;
- Ensure the provision of an affordable standard of customer service ensuring that customer requests are responded to in an efficient and effective manner.

6.5 CONDITION & PERFORMANCE MONITORING

6.5.1 CONDITION RATING

Council has adopted a condition assessment method using a rating scale of 1 to 5. The Condition Ratings and their corresponding upper and lower remaining useful life limits are detailed in Table 6-3.

TABLE 6-3: STRUCTURAL CONDITION GRADING MODEL

Grade	Condition	% Useful Life remaining	Description
1	Very Good	>70%	Sound physical condition. No signs of deterioration. Only normal maintenance required.
2	Good	70%-51%	Acceptable physical condition; minor deterioration visible, no short-term failure risk. Minor defects only. Only minor work required, if any.
3	Fair	50%-11%	Acceptable physical condition; minimal short-term failure risk but potential for deterioration in long-term. Minor defects only. Minor components or isolated sections of the asset may need replacement or repair now but asset functions safely at adequate level of service. Work may be required but asset is serviceable. Maintenance required to restore the asset to an acceptable level of service.
4	Poor	10%- 4%	Significant deterioration evident. Failure likely in short-term. Likely need to replace most or all of asset. No immediate risk to health or safety but works required to ensure asset remains safe. Substantial work required in short-term, asset barely serviceable. Asset requires renewal – work to be programmed.
5	Very Poor	<4%	Failed or failure imminent. Immediate need to replace most or the entire asset. Health and safety hazards exist which present a possible risk to public safety, or asset cannot be serviced/operated without risk to personnel. Asset is effectively unserviceable. Major work or replacement required urgently.

(International Infrastructure Management Manual (IIMM) Version 3.0, 2006 Section 3.3.6)

6.5.2 ASSET CAPACITY AND PERFORMANCE

Council's services are generally provided to meet design standards where these are available. Locations of identified deficiencies in service performance will be provided in future revisions of this Plan. In addition, if these deficiencies are to be addressed the project details will be included in the New/Upgrade program and evaluated through this plan.

6.5.3 CRITICAL ASSETS

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, Council targets inspection and investigative activities, maintenance plans and capital expenditure plans. The identification of critical assets, their failure modes and required operations and maintenance activities will be developed in future revisions of this service management plan.

6.6 DISPOSAL PLAN

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. No assets have been identified for possible decommissioning and disposal, and this will be developed in future iterations of this SMP.

7 PARKS AND OPEN SPACE ASSETS ANALYSIS

7.1 ASSET CLASS SUMMARY

The parks and open space assets covered by this service management plan are shown in Table 7-1. Replacement values are based on revaluation data as at 30 June 2017.

TABLE 7-1: ASSETS COVERED BY THIS PLAN

Asset Type	Major Components	Count	Replacement Cost	Fair Value
Furniture	Furniture	645	\$1,651,000	\$1,248,725
	Fencing	113	\$728,700	\$492,533
Landscaping	Retaining Walls & Garden Edging	114	\$264,654	\$206,084
Playground	Playground Equipment	147	\$748,500	\$544,425
	Playground Soft Fall	54	\$1,550,060	\$1,124,660
Recreation Facility	Courts	5	\$200,000	\$191,750
	Skate Park	7	\$843,260	\$571,494
Structures	Memorials	59	\$380,200	\$273,675
	Shade Shelter	157	\$2,176,100	\$1,618,775
		Total	\$8,587,474	\$6,310,121

7.2 AGE PROFILE

Asset Age profile information is summarised in Figure 7-1 below. The parks and open space assets are overall in a good condition.

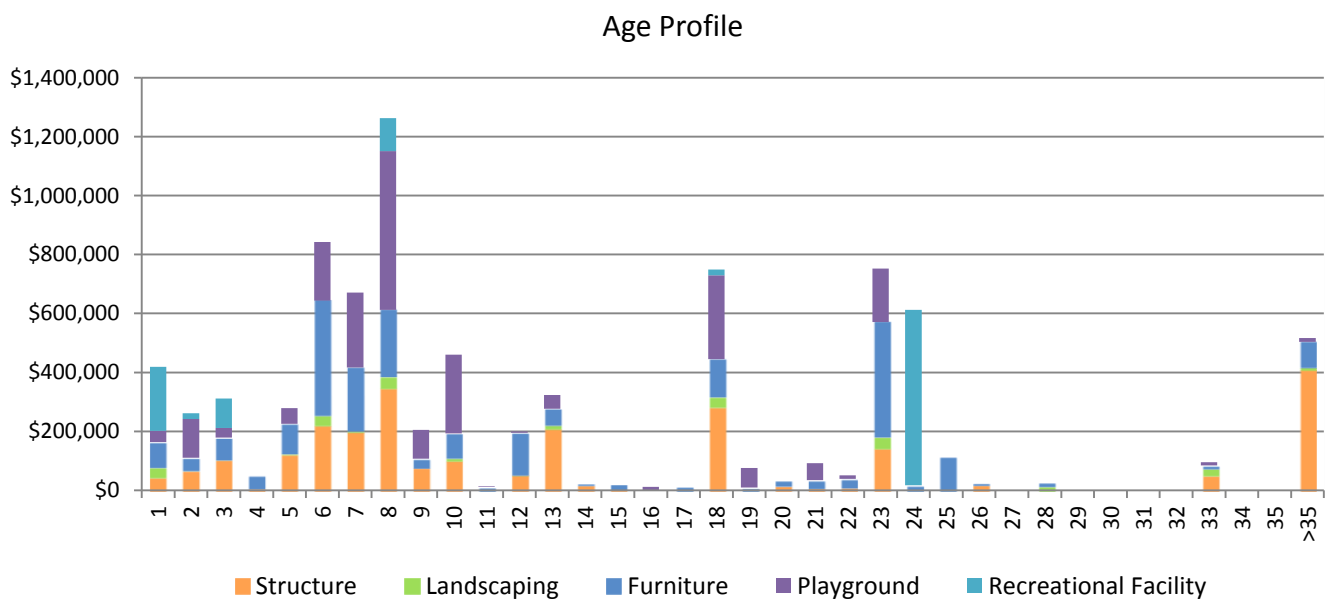


FIGURE 7-1: PARKS & OPEN SPACE ASSETS AGE PROFILE

Some Council parks and open space structures have recorded ages far in excess of the 36 years (up to 116 years) indicated in the graph above. These ages will be verified in future updates of this plan.

7.3 ASSET CONDITION PROFILE

Condition ratings for the parks and open space assets are being collected continuously at 25% per annum (starting in 2015). The condition profile of our assets is shown Figure 7-2 below.

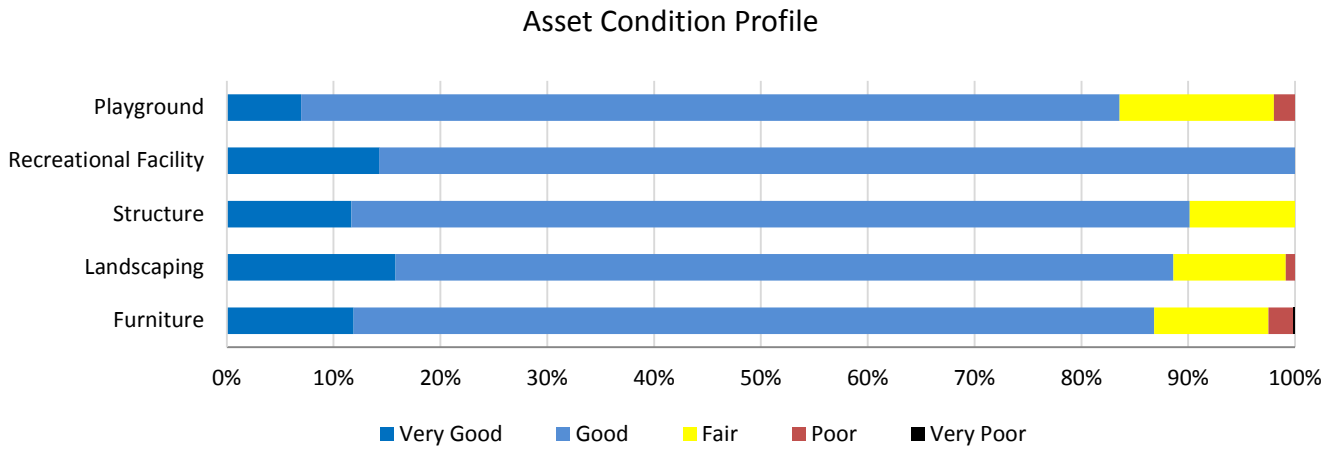


FIGURE 7-2: ASSET CONDITION PROFILE

The majority of Council’s assets have been assessed as being in good condition. Only 0.1% are currently in very poor condition (condition grade 5) with an estimated \$1,050 required in replacement cost and only 1.8% or \$202,074 worth of assets have been assessed as being in poor condition (condition grade 4) and in need of renewal.

Council has a rolling four year program for condition rating its park assets, which therefore sees 25% of assets rated each year. In addition defect and legislative playground inspections occur several times each year providing opportunity to more frequently condition rate these assets as required.

8 FINANCIAL SUMMARY

The financial planning provisions must acknowledge that there is no residual value in park assets once they reached the end of their useful life. Furthermore park assets more so than other asset types may be replaced out of obsolescence identified by Council planning, or customer requests. This causes some difficulty in accurately projecting future expenditure requirements.

8.1 ASSUMPTIONS

This section details the key assumptions made in presenting the information contained in this service management plan and in preparing forecasts of required operating and capital expenditure, 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 analysis and forecasts.

In the preparation of renewal forecasts and works programs, it has been assumed that Council will continue to deliver parks and open space services in the current manner and at the current levels.

This Plan is based on:

- Revaluation and condition assessment data as at 30 June 2016
- Council's financial statements for 2012/2013, 2013/2014 and 2014/2015, and
- Unconfirmed current service levels

Further, this plan will need to be updated annually to reflect changes to valuation, condition and impairment of assets.

Key assumptions made in this service management plan are:

- This plan will be adopted and implemented;
- Works programs will be adopted and funded;
- Funding priorities are based on "renew before new";
- No works undertaken unless addressed through AMP and works programs;
- Existing maintenance & operation funding levels will be maintained.
- Reducing expenditure on unplanned infrastructure maintenance and using these funds for planned reconstruction, rehabilitation, and component replacement programs;
- Steady state condition of infrastructure as identified by condition surveys;
- Expected and adopted asset useful life will be achieved; and
- Normal wear and tear conditions.

Other assumptions include:

- The calculation of depreciation cost (and resultant funding cost) does not include provision for the residual value of the asset; in effect increasing annual depreciation costs and resultant funding costs.

Assumptions regarding asset age and condition/age ratio is in accordance with the relevant tables in Section 7.

8.2 CURRENT LONG TERM FINANCIAL PLAN

The current Long Term Financial Plan (LTFP) for parks and open space asset management and service provision is shown in Table 8-1 below.

TABLE 8-1: CURRENT LONG TERM FINANCIAL PLAN (\$000's)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Renewal	\$5	\$152	\$53	\$0	\$0	\$0	\$4	\$0	\$318	\$0	\$531
New/Upgrade	\$540	\$75	\$75	\$75	\$75	\$95	\$75	\$220	\$70	\$0	\$1,300
Total	\$545	\$227	\$128	\$75	\$75	\$95	\$79	\$220	\$388	\$0	\$1,831

8.3 FORECAST RENEWAL EXPENDITURE

Figure 8-1 shows the projected asset renewal expenditure over the 10 years of the AM Plan and beyond. This expenditure is compared to renewal allocation in the LTFP which shows only slight misalignment with a \$9,000 surplus over 10 years. The peaks shown in Figure 8-1 require smoothing and this will be resolved in future iterations of this plan.

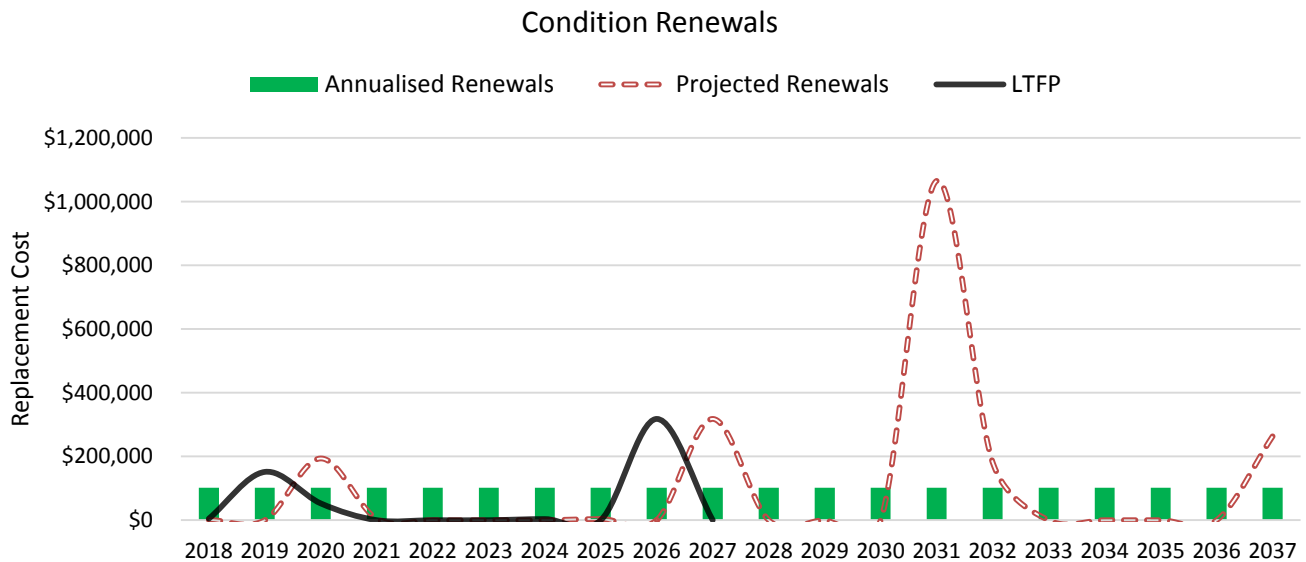


FIGURE 8-1: CONDITION BASED RENEWAL PROFILE

In addition to the outcomes derived from the condition model, a consideration also needs to be made for the impact of park asset obsolescence on forecasting renewal funding requirements. **It is suggested that a combined condition and obsolescence based annualised funding requirement of around \$100,000 is needed.** At this stage the impact of obsolescence is derived from the experience and skills of Council officers, and not enough physical data is available to affect the financial recommendations resulting from this SMP. This will be developed further and incorporated in future revisions of this plan along with supporting data.

8.4 PLANNED NEW/UPGRADE EXPENDITURE

Projected upgrade/new asset expenditures are summarised in Table 8-2 and Figure 8-2 below. The current capital works program should be revised to give a more consistent annual figure. The current long term financial plan should also be revised to ensure there are adequate funds for all planned works.

TABLE 8-2: PARKS & OPEN SPACE PLANNED NEW/UPGRADE EXPENDITURE (\$'000)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Furniture	\$85	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$0	\$685
Landscaping	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20
Structure	\$200	\$0	\$0	\$0	\$15	\$0	\$0	\$0	\$0	\$0	\$215
Playground	\$0	\$100	\$80	\$30	\$0	\$0	\$0	\$0	\$0	\$0	\$210
Recreational Facility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$120	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120
Total	\$425	\$175	\$155	\$105	\$90	\$75	\$75	\$75	\$75	\$0	\$1,250

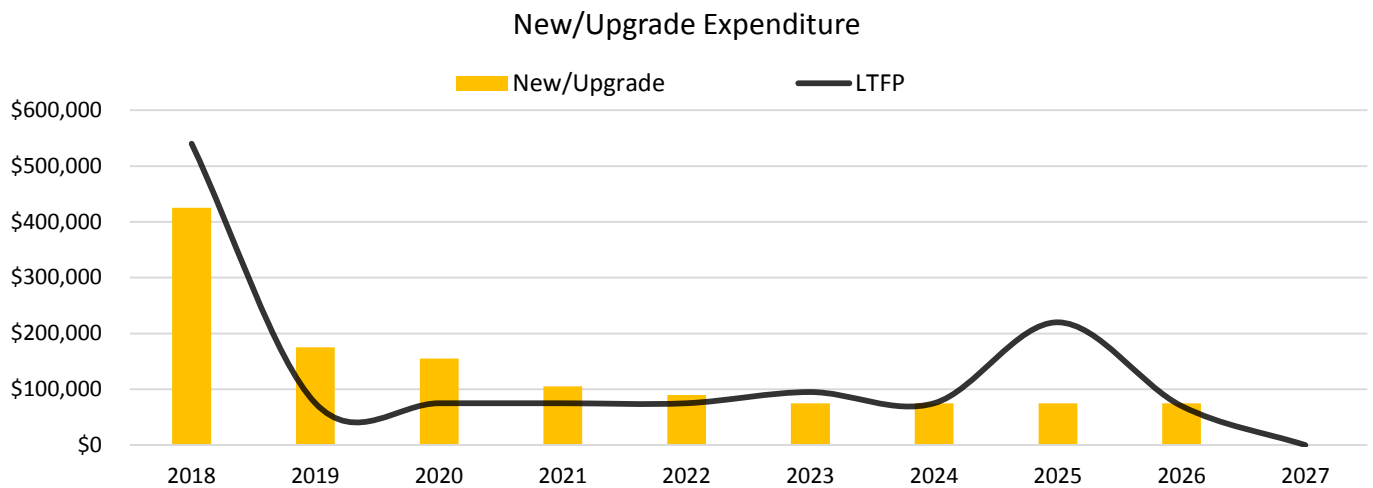


FIGURE 8-2: CURRENTLY PLANNED CAPITAL UPGRADE/NEW ASSET EXPENDITURE

8.5 FORECAST OPERATIONS AND MAINTENANCE EXPENDITURES

No Operations and Maintenance modelling has been undertaken. Therefore, operations and maintenance expenditure shown in Figure 8-3 below is based on the previous 3 year expenditure and staff experience, indexed at 2%.

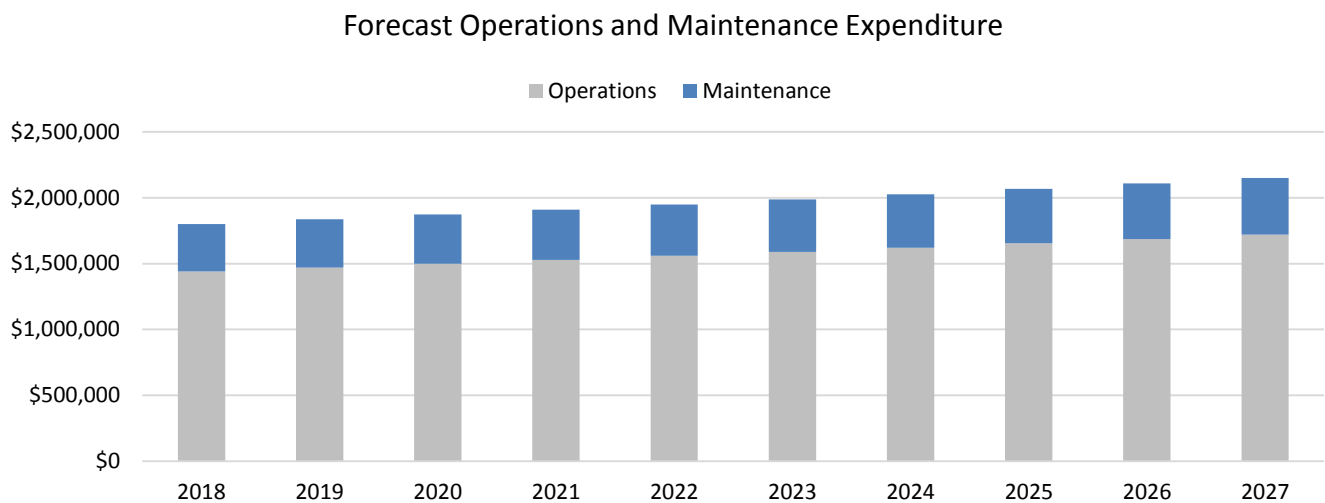


FIGURE 8-3: FORECAST OPERATIONS & MAINTENANCE EXPENDITURE

8.6 EXPENDITURE SUMMARY

The financial projections and the available funding are shown in Figure 8-4 for forecast operating (operations and maintenance) and capital expenditure (renewal and new/upgrade assets).

10 Year Expenditure Forecasts

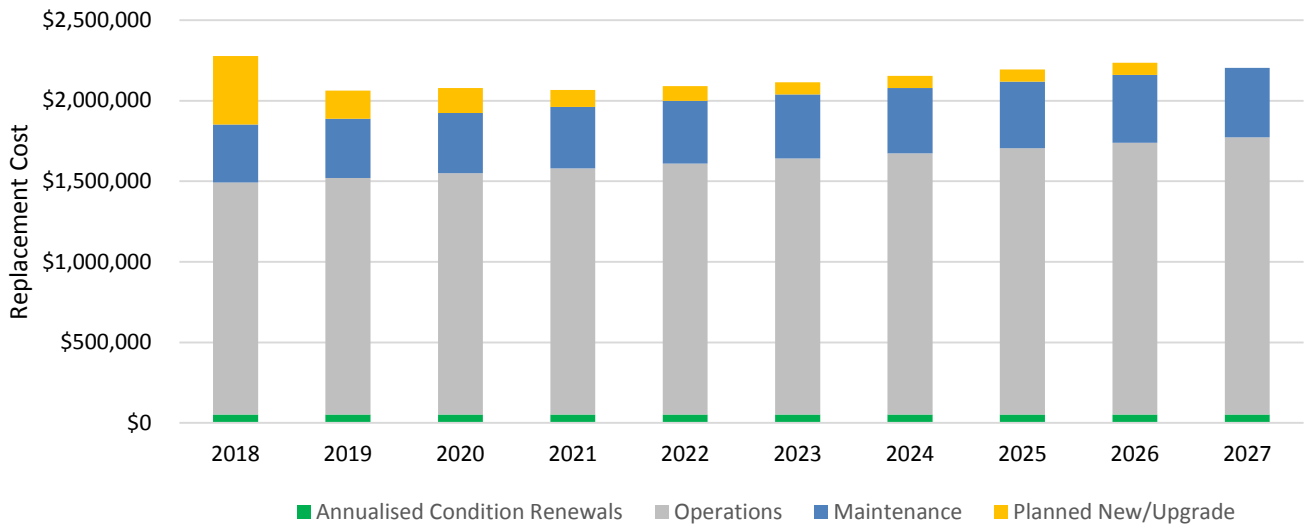


FIGURE 8-4: 10 YEAR EXPENDITURE FORECAST

The cumulative surplus/gap between the currently allocated funding and the required expenditure is included in Table 8-3 below for renewal and New/Upgrade expenditure. It illustrates the need for a greater allocation for renewals in the LTFP.

TABLE 8-3: PARKS & OPEN SPACE CUMULATIVE GAP/SURPLUS (\$000)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Renewal	\$4	\$155	\$14	\$9	\$9	\$9	\$13	\$9	\$327	\$9
New/Upgrade	\$115	\$15	-\$65	-\$95	-\$110	-\$90	-\$90	\$55	\$50	\$50

8.7 EXPENDITURE PROJECTIONS FOR LONG TERM FINANCIAL PLAN

TABLE 8-4: EXPENDITURE PROJECTS FOR LTFP

Condition Renewal	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Furniture	\$19,036	\$19,036	\$19,036	\$19,036	\$19,036	\$19,036	\$19,036	\$19,036	\$19,036	\$19,036	\$190,360
Landscaping	\$356	\$356	\$356	\$356	\$356	\$356	\$356	\$356	\$356	\$356	\$3,564
Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recreational Facility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Playground	\$32,720	\$32,720	\$32,720	\$32,720	\$32,720	\$32,720	\$32,720	\$32,720	\$32,720	\$32,720	\$327,200
Renewal Total	\$52,112	\$52,112	\$52,112	\$52,112	\$52,112	\$52,112	\$52,112	\$52,112	\$52,112	\$52,112	\$521,124

New/Upgrade	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Furniture	\$85,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$0	\$685,000
Landscaping	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
Structures	\$200,000	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$215,000
Recreational Facility	\$0	\$100,000	\$80,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$210,000
Playground	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000
New/Upgrade Total	\$425,000	\$175,000	\$155,000	\$105,000	\$90,000	\$75,000	\$75,000	\$75,000	\$75,000	\$0	\$1,250,000

Operations & Maintenance	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Operations	\$1,440,000	\$1,468,800	\$1,498,176	\$1,528,140	\$1,558,702	\$1,589,876	\$1,621,674	\$1,654,107	\$1,687,190	\$1,720,933	\$15,767,598
Maintenance	\$360,000	\$367,200	\$374,544	\$382,035	\$389,676	\$397,469	\$405,418	\$413,527	\$421,797	\$430,233	\$3,941,900
Operations & Maintenance Total	\$1,800,000	\$1,836,000	\$1,872,720	\$1,910,174	\$1,948,378	\$1,987,345	\$2,027,092	\$2,067,634	\$2,108,987	\$2,151,167	\$19,709,498

Expenditure Total	\$2,277,112	\$2,063,112	\$2,079,832	\$2,067,287	\$2,090,490	\$2,114,458	\$2,154,205	\$2,194,747	\$2,236,099	\$2,203,279	\$21,480,622
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8.8 ASSET VALUATIONS

The value of the assets recorded in the asset register as at 30 June 2016 covered by this Plan are shown in Table 8-5.

Parks and open space assets were not valued at a component level prior to the 2015/2016 financial year and will be continually refined over the subsequent valuation periods. The valuation is based on:

- A review of the asset register;
- Unit rates provided in the valuation service;
- Condition assessments to determine remaining useful lives.

TABLE 8-5: ASSET VALUATIONS AS AT 30 JUNE 2016 (\$000's)

Service	Replacement Cost	Accumulated Depreciation	Fair Value
Parks and Open Space	\$8,587	\$2,277	\$6,310

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council, from construction by land developers, and those donated to Council.

8.9 FINANCIAL RECOMMENDATIONS

In order to maintain current service levels over the next 10 years, Council will have to spend, on average approximately \$2,040,000 every year on operations, maintenance and the renewal of existing assets. There is currently a funding shortfall of approximately \$159,000 for renewal of parks and open space assets.

It is recommended that:

1. The current Maintenance and Operations expenditure levels be maintained.
2. A base budget review of maintenance costs be undertaken.
3. A condition based renewal program of works be adopted.
4. Funding be reallocated to new/upgrade works while still prioritising renewals, operations and maintenance.
5. The New/Upgrade program be reviewed to reflect available funding.
6. Introduce a funding allocation for forward planning and design to better execute capital works projects.

9 Plan Improvement and Monitoring

9.1 PERFORMANCE MEASURES

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

- The degree to which the required cash flows identified in the development of the final Plan are incorporated into Council's long term financial plan and Community/Strategic Planning processes and documents;
- 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 service management plan;
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the Council's Strategic Plan and associated plans.

9.2 IMPROVEMENT PLAN

An asset management improvement plan generated from this service management plan is shown in Table 9-1.

TABLE 9-1: IMPROVEMENT PLAN

Task No	Task	Responsibility	Resources Required	Timeline
1.	Develop classifications and hierarchy against each of Councils parks.	Matt Burdett		June 2017
2.	Review asset naming and descriptions. Update where necessary.	Matt Burdett		July 2017
3.	Confirm current levels of service for parks and open space assets and identify future demand impacts on levels of service.	Brendan Sippel		September 2017
4.	Develop a condition assessment manual for parks and open space assets.	Matt Burdett		June 2017
5.	Develop a corporate risk framework that is applicable to parks and open space risks.	Brendan Sippel / Matt Burdett		December 2017
6.	Develop a demand management plan and associated models.	Brendan Sippel / Matt Burdett		December 2017
7.	Align the Long Term Financial Plan to the expenditure forecasts found in this SMP.	Tony Brett		June 2017
8.	Set intervention levels for maintenance.	Brendan Sippel / Matt Burdett		September 2017
9.	Perform a base budget review of maintenance costs.	Brendan Sippel		December 2017
10.	Create a funding allocation specifically for forward planning & design of capital works projects.	Brendan Sippel		December 2017
11.	Develop asset useful lives that are reflective of the nature of park assets being replaced often through obsolescence rather than deteriorating condition.	Matt Burdett		September 2017
12.	Undertake an annual review and update this service management plan.	Matt Burdett		December 2018

9.3 MONITORING AND REVIEW PROCEDURES

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

This Plan has a life of 3 years and is due for major review in early 2020.

10 Appendices

Appendix A Condition Renewal 10 year Program

Appendix B Planned New/Upgrade 10 year Program

APPENDIX B PLANNED NEW/UPGRADE 10 YEAR CAPITAL WORKS PROGRAM

<i>Project ID</i>	Project Title	Project Description	Project Category	Capital Work Type	Priority	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Hattonvale Park engagement and design			Capital New		\$60 000	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0
	Das Neumann Haus Park	Stage 1 - Park development		Capital New		\$250 000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Lake Apex tree planting	Lake Apex masterplan		Capital New		\$4,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Lake Apex Shelter	Lake Apex masterplan		Capital New		\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Lions Park Irrigation			Capital New		\$16,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Lake Apex signage	Lake Apex masterplan		Capital New		\$8800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Placid rise Park	shelter, playground		Capital New		\$0	\$80,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Parks Structure Assessment			Capital New		\$16500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Laidley Recreation Reserve Playground	Playground		Capital New		\$0	\$0	\$80,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0
	Springbrook Park BBQ and Shelter	BBQ and shelter		Capital New		\$0	\$16500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Lake Apex Storage shed	Storage shed		Capital New		\$4950									
	Rotary Park Shelter	Shelter		Capital New		\$4400									
	Gatton Revitalisation	Lighting		Capital New		\$49500									

