City of Norwood Payneham & St Peters

RECREATION & OPEN SPACE

INFRASTRUCTURE AND ASSET MANAGEMENT PLAN

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TABLE OF CONTENTS

TABLE INDEX

FIGURE INDEX

GLOSSARY

Annual Service Cost (ASC)

An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operating, maintenance, depreciation, finance/opportunity and disposal costs, less revenue.

Asset Class

Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

Asset Condition Assessment

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Asset Management

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

Assets

Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 month.

Average Annual Asset Consumption (AAAC)*

The amount of a local government's asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for each and every asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for each and every asset in an asset category or class.

Brownfield Asset Values**

Asset (re)valuation values based on the cost to replace the asset including demolition and restoration costs.

Capital Expansion Expenditure

Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretional expenditure, which increases future operating, and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group, e.g. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

Capital Expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital Funding

Funding to pay for capital expenditure.

Capital Grants

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Capital Investment Expenditure

See capital expenditure definition

Capital New Expenditure

Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

Capital Renewal Expenditure

Expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g. resurfacing or re-sheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital Upgrade Expenditure

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretional and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base, e.g. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Carrying Amount

The amount at which an asset is recognised after deducting any accumulated depreciation / amortization and accumulated impairment losses thereon.

Class of Assets

See asset class definition

Component

An individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system.

Cost of an Asset

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, plus any costs necessary to place the asset into service. This includes one-off design and project management costs.

Current Replacement Cost (CRC)

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

Current Replacement Cost "As New" (CRC)

The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

Cyclic Maintenance**

Replacement of higher value components/subcomponents of assets that is undertaken on a regular cycle including repainting, building roof replacement, cycle, replacement of air conditioning equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Depreciable Amount

The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6)

Depreciated Replacement Cost (DRC)

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset

Depreciation

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

Economic Life

See useful life definition.

Expenditure

The spending of money on goods and services. Expenditure includes recurrent and capital.

Fair Value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms length transaction.

Greenfield Asset Values **

Asset (re)valuation values based on the cost to initially acquire the asset.

Heritage Asset

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

Impairment Loss

The amount by which the carrying amount of an asset exceeds its recoverable amount.

Infrastructure Assets

Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and cycle ways. These are typically large, interconnected networks or portfolios of composite assets The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no market value.

Investment Property

Property held to earn rentals or for capital appreciation or both, rather than for:

(a) use in the production or supply of goods or services or for administrative purposes; or

(b) sale in the ordinary course of business (AASB 140.5)

Level of Service

The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost).

Loans / Borrowings

Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in ‘spreading the burden’ of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

Maintenance and Renewal Gap

Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, totalled over a defined time (e.g. five (5), ten (10) and fifteen (15) years).

Maintenance and Renewal Sustainability Index

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. five (5), ten (10) and fifteen (15) years).

Maintenance Expenditure

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

Materiality

An item is material is its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

Modern Equivalent Asset

A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset.

Non-Revenue Generating Investments

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, (e.g. parks and playgrounds, footpaths, roads and bridges, libraries, etc.).

Operating Expenditure

Recurrent expenditure, which is continuously required excluding maintenance and depreciation, (e.g. power, fuel, staff, plant equipment, on-costs and overheads).

Pavement Management System

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

Planned Maintenance**

Repair work that is identified and managed through a Maintenance Management System (MMS). The MMS
activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

PMS Score

A measure of condition of a road segment determined from a Pavement Management System.

Rate of Annual Asset Consumption*

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

Rate of Annual Asset Renewal*

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of Annual Asset Upgrade*

A measure of the rate at which assets are being upgraded and expanded per annum expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

Reactive Maintenance

Unplanned repair work that carried out in response to service requests and management/supervisory directions.

Recoverable Amount

The higher of an asset's fair value less costs to sell and its value in use.

Recurrent Expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than twelve (12) months. Recurrent expenditure includes operating and maintenance expenditure.

Recurrent Funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining Life

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining life is economic life.

Renewal

See capital renewal expenditure definition above.

Residual Value

The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

Revenue Generating Investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, (e.g. public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.).

Risk Management

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or Segment

A self-contained part or piece of an infrastructure asset.

Service Potential

The capacity to provide goods and services in accordance with the entity's objectives, whether those objectives are the generation of net cash inflows or the provision of goods and services of a particular volume and quantity to the beneficiaries thereof.

Service Potential Remaining*

A measure of the remaining life of assets expressed as a percentage of economic life. It is also a measure of the percentage of the asset's potential to provide services that are still available for use in providing services (DRC/DA).

Strategic Management Plan (SA)**

Documents Council objectives for a specified period (three (3) – five (5) yrs), the principle activities to achieve the objectives, the means by which that will be carried out, estimated income and expenditure, measures to assess performance and how rating policy relates to the Council's objectives and activities.

Sub-Component

Smaller individual parts that make up a component part.

Useful Life

Either:

(a) the period over which an asset is expected to be available for use by an entity, or

(b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the council. It is the same as the economic life.

Value in Use

The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate new cash flows, where if deprived of the asset its future economic benefits would be replaced.

Source: DVC 2006, Glossary

*Note: Items shown * modified to use DA instead of CRC*
*Additional glossary items shown **

EXECUTIVE SUMMARY

Overview

The Recreation and Open Space Infrastructure and Asset Management Plan ("the Plan"), outlines the management of the City of Norwood Payneham & St Peters' Recreation and Open Space Assets. The Plan specifies the life-cycle requirements for effective management, inspection and replacement of this asset group and outlines the financial implications and standards which need to be adhered to. The Plan is intended to demonstrate how the Council will achieve this outcome by applying the principles of responsible Asset Management Planning to ensure the existing level of service is provided in an efficient and economically rational method as well as the future requirements of the assets are addressed:

What the Council Provides

The Council provides Recreation and Open Space Infrastructure and Assets that enhances the use of Council's reserves as well as provide a safe and inviting environment.

Recreation and Open Space Infrastructure and Assets include elements such as playgrounds, tennis courts, park and street furniture, litter bins, irrigation systems, bike racks, fences, flag poles, barbeques and drinking fountains.

What does it Cost?

The Council's Recreation and Open Space Infrastructure and Assets have a replacement value of $19 million.

The total lifecycle cost of the assets is approximately $3.89 million per year. This is the average annual expenditure required to ensure all assets are maintained in accordance with current standards and are renewed at the end of their expected useful life. Actual annual expenditure will differ from year to year as specific assets come up for renewal. However, forecast average annual renewal expenditure is approximately $0.6 million over the next ten (10) years. This will primarily be spent on renewing irrigation systems, playgrounds, tennis courts, street and park furniture and bus stop shelters.

Levels of Service

The Plan identifies key elements of service for Recreation and Open Spaces Infrastructure and Assets and then identifies and costs future operations, maintenance, renewal and upgrade works required to meet the required levels of service.

Asset Condition

During 2016 the condition of all known Recreation & Open Space assets was assessed, remaining useful lives were determined and assets were valued. This data has enabled the preparation of a long term plan for the renewal of existing Recreation and Open Space assets.

Overall the condition of Recreation and Open Space Assets was considered to be good to very good and the average remaining asset life, expressed as a percentage of the assets predicted useful life has risen from 54% in 2012 to 58% in 2016.

Asset Renewal Plan

The condition assessment indicated that some assets have reached the end of their theoretical life and have been listed as backlog of assets which are overdue for renewal. In some situations these assets are still in good serviceable condition and do not need to be renewed and in other situations renewal has been deferred pending the redevelopment or upgrade of a reserve or group of assets. The asset backlog, which is valued at $1,447,944, is included within the Council's renewal program, with 23% of the backlog work to be completed within the next two years. The remaining backlog (77% or $1,106,694) has been intentionally deferred by the Council as the renewal works will be undertaken as part of Reserve redevelopment or major redevelopments that are waiting on finalising lease arrangements and external funding. It is anticipated that the backlog of renewal works will be completed within the next 4 (four) years.

The 10 year Recreation & Open Space Renewal Program projects that an average annual expenditure of $567,000 will be required to ensure that assets are renewed in accordance with this Plan. This expenditure includes the expenditure required to undertake the backlog of renewals.

An additional amount of $1.47m will be spent over the next decade to redevelop reserves. Allocation of renewal funds relevant to these reserves will contribute to the reserve redevelopment costs.

Future Renewal Projections

The Council will continue to maintain a 5 (five) yearly cycle for undertaking a condition assessment of Recreation & Open Space assets.

The 10 year Renewal Program will focus on the following works:

- Undertaking the works listed as backlog renewals;
- Renewal of bus stop shelters to ensure Disability Discrimination Act compliance
- Continuation of the renewal of irrigation systems that have exceeded their design life and are known to be inefficient in their operation;
- Redevelopment / reconstruction of Tennis Courts that have exceeded their design life and pose a risk to tennis players and
- Linkage with programs for the enhancement or redevelopment of Recreation & Open Space Assets.

Conclusion

It is anticipated that the Plan will be continually refined based on changes to service level expectations by the community. These changes with be incorporated into future revisions of the Plan.

The Plan improvements and actions include:

- regular review of Recreation and Open Space Infrastructure and Asset data, including condition levels and incorporate into the financial information held in the corporate database;

- review levels of service for Recreation and Open Space Infrastructure and Assets;

- refinement of maintenance practices to ensure alignment to service level requirements;

- reviewing and refining linkages between asset planning, service level delivery and corporate financial management system; and

- on-going reviews and updates of the Plan.

1 INTRODUCTION

1.1 Background to Plan

The Plan demonstrates responsive management of assets (and services provided from assets), compliance with regulatory requirements, and communicates funding required to achieve the required levels of service.

The key objective of the Council is to provide services to its community. Some of these services are provided via infrastructure assets. The Council has acquired infrastructure assets by 'purchase', by contract by construction and by donation of assets constructed by developers and others to meet increased levels of service.

The Council's main goal in managing any infrastructure assets is to meet the required level of service in the most cost effective manner for present and future consumers.

The key elements of the Plan are:

- taking a life cycle approach;
- developing cost-effective management strategies for the long term;
- providing a defined level of service and monitoring performance;
- understanding and meeting the demands of growth through demand management and infrastructure investment;
- managing risks associated with asset failures;
- sustainable use of physical resources; and
- continuous improvement in asset management practices.

1.2 Scope of the Plan

Table 1.1 provided below, summaries the assets covered by the Plan.

TABLE 1.1 ASSETS COVERED BY THIS PLAN

Asset category	***Description***	***Quantity***	***Unit***
Bus Stop Shelters	Bus stop shelters	50	
Fencing	Open space fences, bollards and barriers	208	segments
Furniture	Barbecues Park Benches Bike Racks Litter bins Dog Bag Dispensers Drinking Fountains Park Seats Park Picnic Table Settings Flag Poles Artwork, Monuments & Plaques	30 54 32 377 42 36 280 63 8 68	
Irrigation systems	Controllers & Reticulation systems	58	
Lighting	Way Finding, Directional & Security	404	
Paths	Path network within Open Space areas	23,202	m.
Playgrounds	Regional District Neighbourhood Local	4 6 9 8	
Recreation Structures	Shelters & Sports Ground Structures	7	
Retaining walls	Retaining Structures of Varying Height	1,948	m.
Signage	Signs Located Within Open Space Areas.	209	
Tennis Facilities	Courts & Associated Equipment	37	

The data contained in Table 1.1 above, was sourced through a data capture process that was undertaken during 2016. Significant areas of open space containing grass, trees and garden beds are considered non-capitalised assets and are not included in the Plan.

1.3 Key Stakeholders

Table 1.2 provided below sets out a summary of the stakeholders associated with the development of the Plan.

TABLE 1.2 STAKEHOLDERS

Key Stakeholder	***Key Stakeholders Role***
Projects Manager Asset	Responsible for the development of the Plan.
Asset & Special Projects Officer	Provided assistance with the development of the Plan.
Acting General Manager Corporate Services	Long Term Financial Management Plan input.
Manager, City Assets	Review and management approval.
General Manager, Urban Services	Executive Management endorsement.

1.4 Relationship with Other Plans

The Plan is to be read in conjunction with the following Council Strategic documents:

- City Plan 2030;
- Open Space Strategy;
- Community Land Management and Master Plans;
- Tennis Facilities Strategy;
- Tennis Courts Whole-of-Life Implementation Strategy;
- Playgrounds Strategy;
- Playgrounds ‘Whole-of-Life’ Implementation Strategy;
- Irrigation Management Plan;
- Bus Stop Shelter Whole-of-Life Implementation Strategy;
- Long Term Financial Management Plan;
- Recreation & Open Space Whole-of-Life Implementation Plan; and
- Asset Management Policy.

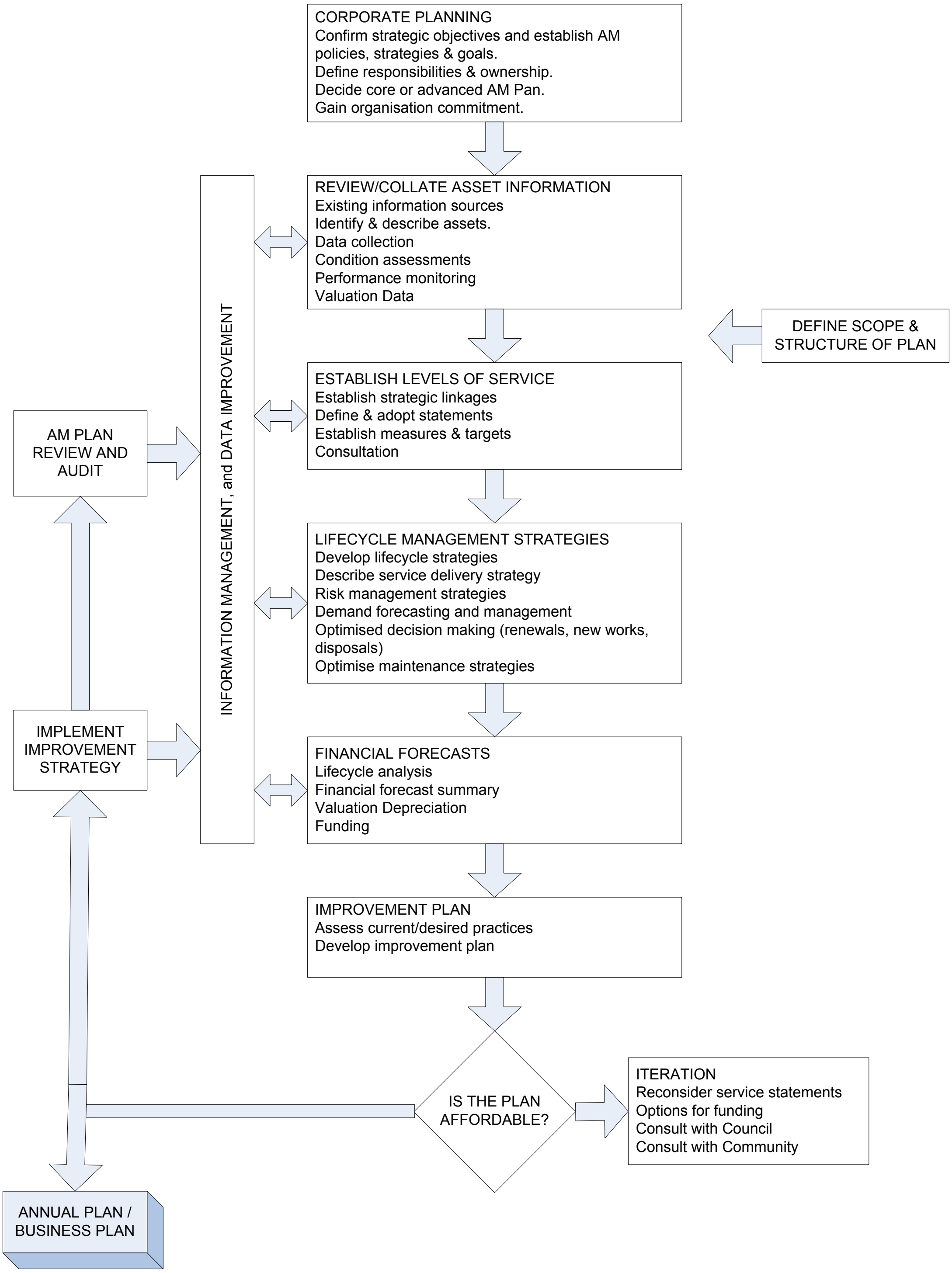
1.5 Plan Framework

The key elements of the Plan are:

- levels of service - specifies the services and levels of service to be provided by the Council;
- future demand - how this will impact on future service delivery and how this is to be met;
- life cycle management - how the Council will manage its existing and future assets to provide the required services;
- financial summary - what funds are required to provide the required services.
- asset management practices;
- monitoring - how the Plan will be monitored to ensure it is meeting the Council’s objectives; and
- asset management improvement plan.

A road map for preparing an infrastructure and asset management plan is shown below in figure 1.5.1.

Road Map for preparing an Asset Management Plan
Source: IIMM Fig 1.5.1, p 1.11



2 LEVELS OF SERVICE

This section of the Plan outlines asset management issues pertaining to the service levels or performance standards for the Recreation and Open Space Infrastructure Asset Portfolio.

A key objective of the Plan is to identify the current level of service provided by the asset group. This level of service has been developed over time as a result of customer and stakeholder feedback and consultation, legislative requirements and defines the level of service currently provided by the City.

The levels of service defined in this section of the Plan will be used:

- to inform customers of the proposed type and level of service they should expect;
- as a focus for the development of asset management strategies to meet these levels of service;
- as a measure of the effectiveness of Council's asset management practices and the performance of this plan;
- to identify the costs and benefits of the services offered; and
- to enable Council and customers to discuss and assess the suitability, affordability and equality of the existing service level and to determine the impact of increasing or decreasing this level in future.

2.1 Customer Research and Expectations

Stakeholder and community levels of service relate to how the service in terms of safety, quality, quantity, reliability, responsiveness, cost, efficiency and legislative compliance is received in the public realm.

The Council's knowledge of the expectations of its citizens and its community is generally based on the following:
- community satisfaction surveys;
- responsiveness to service requests and complaints;
- consultation on Annual Capital Works projects through the Annual Business Plan; and
- feedback from Elected Members.

The Council has undertaken Community Satisfaction Surveys in 2009, 2011, 2013 & 2017. A summary of the relevant section of these customer satisfaction surveys is outlined in Table 2.1 provided below.

TABLE 2.1 COMMUNITY SATISFACTION SURVEY LEVELS

Survey Question	***Performance (mean out of 5)****			
	2009	***2011***	***2013***	***2017***
Performance in providing Infrastructure (all attributes)	3.6	4.0	4.0	3.8
Provision & Maintenance of Parks & Gardens	3.9	4.3	4.2	4.1

*Scores range from 1 = Very Dissatisfied to 5 = Very Satisfied

As can be seen in Table 2.1 above, the score of 3.8 in 2017 indicates the community is generally satisfied with the Council's management of its civil infrastructure.

2.2 Legislative Requirements

The Council has to meet many legislative requirements including Australian and State legislation and State regulations. These details are outlined in Table 2.2 provided below:

TABLE 2.2 LEGISLATIVE REQUIREMENTS

Legislation	***Requirement***
Local Government Act 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by infrastructure and asset management plans for sustainable service delivery.
Environmental Protection Act 1993	Sets out requirements for any works to comply with the Act.
Building Code of Australia 2007	Sets out minimum standards for construction of new assets.
Development Act 1991	Certain recreation infrastructure assets require Development Approval e.g. tennis courts, playing field lighting, etc.
Disability Discrimination Act 1992	The responsibilities and powers of the Council in providing equitable access for persons with a disability.
Occupational Health, Safety and Welfare Act 1995	The responsibilities of the Council in providing safe work practices and worksites.

2.3 Strategic and Corporate Goals

In 2008 the Council adopted its ***CityPlan 2030 Shaping our Future*** which set out the Council's vision forward planning strategies and goals.

Our Vision is:

'A City which values its heritage, cultural diversity, sense of place and natural environment.

A progressive City which is prosperous, sustainable and socially cohesive, with a strong community spirit'

To assist the Council in achieving this vision, a number of outcomes and strategies were developed. The following strategy links this Infrastructure and Asset Management Plan to the strategic outcomes and direction of Council:

Outcome 2: Cultural Vitality
A culturally rich and diverse City with a strong identity, history and sense of place.

Objectives:

4. Pleasant, well designed, sustainable urban environments.

Strategies:

Integrate new development that complements our City's built heritage and character areas.

Strengthen the planning policy framework to incorporate additional sustainability and quality urban design criteria.

Provide a mix of housing densities and styles across our City in appropriate locations.

Maximise the extent of green landscaping provided in new developments.

Outcome 4: Environmental Sustainability
A leader in environmental sustainability.

Objective:

1. Sustainable and efficient management of water, energy and other resources.

Strategies:

Implement mechanisms to make better use of water resources.

Adopt and promote energy efficiency initiatives in existing and new developments.

Identify and implement new waste reduction approaches.

Substantially reduce our City's 'Ecological Footprint'.

Objective:

3. Sustainable quality streetscapes and open spaces.

Strategies:

Protect and enhance the existing tree stock.

Improve the pedestrian amenity of streetscapes.

Protect and enhance public open space.

In addition to this, the Council is required by legislation to develop a Corporate Management Plan which describes the Council's role in supporting its vision and sets out the key targets and principles that drive the operation of the Council.

2.4 Current Levels of Service

The existing operating and renewal funding allocations are based on maintaining the current levels of service offered to the community.

TABLE 2.3 LEVELS OF SERVICE

Key Performance Measure	***Level of Service***	***Performance Measure Process***	***Performance Target***	***Current Performance***
COMMUNITY LEVELS OF SERVICE				
Quality	Provision of adequate parks & open space	Internal assessment and community feedback	Maintain existing standards with no reduction in IPOS rating.	Currently meeting target
Function	Ensure open space assets meet community needs	Internal assessment and community feedback	Fewer complaints regarding existing assets and fewer requests for additional assets	Currently meeting target
Safety	Provide safe and accessible public open space assets	Internal audits, assessments and community feedback	Less than 5 issues resulting from audits and assessments Rapid response within specified time frames to correct identified issues	Currently meeting target
TECHNICAL LEVELS OF SERVICE				
Design Standards	Design standard complies with standards	Current Australian Standards and internal design guidelines	Design for new assets meet or exceed standards	Achieved and Ongoing
Maintenance	Quality of components	Reliability, performance and safety	Internal standards	Currently meeting target

2.5 Desired Levels of Service

Currently, indications of desired levels of service are obtained from various sources including the Community Surveys undertaken by the Council, residents' feedback to Elected Members and Council staff, service requests and correspondence.

3 FUTURE DEMAND

This section of the Plan analyses the potential factors effecting demand including population growth, social and technology changes. The impact of these trends is examined and demand management strategies recommended as required to modify demand without compromising customer satisfaction.

3.1 Demand Growth Trends

The last decade has seen a small but steady increase in the City's population. A 3% increase in population is predicted for the City by 2026. The City also has a diverse mix of households, with young families with children forming the largest proportion. Our age profile is changing. However, our population will continue to be older than the Adelaide region. Significant increases in the percentage of people in the age groups of forty-five (45) and over are predicted.

A snapshot of the City's profile is outlined below:

• area covered by the City	15.1 square km
• population	36,600 (approximately)
• number of households	16,500 (approximately)
• number of businesses (Including an estimated 6,000 home-based businesses)	9,000 (approximately)
• approximate length of roads	171 km
• Number of parks	69 (from 0.02 – 33 hectares)

3.2 *Other Influences on Demand*

The City has a diverse mix of households. Couple families with children form the largest proportion of households. There are also substantial numbers of couple families without children and lone person households.

3.2.1 Legislative Changes

Legislative change has the potential to significantly affect the Council's ability to meet minimum levels of service and may require improvements to the Recreation and Open Space Infrastructure Assets

3.2.2 Changes in Customer Expectations

Customer expectation will continuously be monitored in respect to Recreation and Open Space Infrastructure and Assets. Customers expect that these assets will be readily available and in good condition throughout the City's parks and reserves.

3.2.3 Climate Change and Environment

Water Use

The Council is mindful of the ever changing demands on water usage and is proactive in implementing strategies and initiatives to deal with such pressures as they are identified. An example is the restriction of mains water available for open space irrigation which has resulted in rationalisation of irrigated areas in the Council, greater control of irrigation systems to ensure maximum efficiency as well as conformance to Irrigated Public Open Space standards.
In addition to that, the Council has constructed a stormwater harvesting system in Linde Reserve as an alternative irrigation water supply for this area and local surrounds. The scheme is capable of generating 20 Megalitres per annum, approximately 15% of the Council's irrigation needs.

The Council has also joined with the City of Burnside and the Town of Walkerville to form the Eastern Region Alliance (ERA) Waterproofing Eastern Adelaide Stormwater Harvesting and Re-Use Project, which is a significant multi-million dollar regional stormwater harvesting and re-use project. The key objective of the project is to harvest and re-use stormwater for irrigation. Stormwater will be harvested and treated during winter and stored in underground aquifers, then recovered for use in summer for irrigating public reserves across the participating Council areas. Crucial to the successful operation of the harvesting and re-use scheme, is the provision of water treatment sites. One such site will be located within the City of Norwood Payneham & St Peters at Felixstow Reserve. A wetland will be constructed on Felixstow Reserve and the reserve will undergo a significant redevelopment in conjunction with wetland construction.

Shade Sails

The Council, within its Playgrounds Whole-of-Life Implementation Plan, has endorsed the provision of shade sails being placed in Level 1 and Level 2 playgrounds over a ten (10) year period as well as consideration of shade sails during any future playground renewals. This position is in direct response to the increased focus on ultra violet (UV) radiation protection of children in Council reserves and the impact of increased extreme heat associated with Climate Change.

3.3 Impact of Trends on Recreation and Open Space Infrastructure and Assets

The following trends and the likely impact on the Council's Recreation and Open Space Infrastructure and Assets have been based upon an analysis of the Australian Bureau of Statistics CData 2011, as it pertains to the Council. Consideration has been given to the population characteristics relating to age profile, family type, cultural diversity, income, employment, dwelling type and access to a motor vehicle.

There will be demand for a range of open space areas and recreation and sporting facilities consistent with the population size. However, due to a modest expected increase in population within the City (i.e. 3% increase by 2026), demand for recreation infrastructure is unlikely to increase significantly in the near future.

There will be a need to provide open space and associated facilities which support the older members of the community within City.

There will be a need to cater for children and families as well as the older members of the community (given the range of age groups in the population). The family mix reinforces the need to cater for both 'families with children' and people without children. To this end, the Council needs to provide a range of facilities as well as the need for facilities to support our community.

In considering future trends, a large proportion of the City's dwellings are likely to have smaller open space areas and limited private recreation space. This will increase the demand and need for good open space and related facilities, (e.g. playgrounds, courts, pathways, etc.).

The State Government 30-Year Plan for Greater Adelaide recognises The Parade, Norwood as a Major District Activity Centre. Kent Town, located within the City is also recognised as a significant high density mixed-use regeneration opportunity. It is anticipated that this regeneration will increase the demand for good quality, well designed community facilities and public open spaces. As a consequence of the 30-Year Plan for Greater Adelaide, the Draft Inner Metro Rim Structure Plan has been developed. This plan, which seeks to foster the design and development of a new sustainable and liveable urban form across the Inner Metropolitan Rim of Adelaide, identifies specific future activity centres & transit corridors within the City.

Some of the key design principles outlined in the draft Structure Plan include:

- creating mixed-use precincts that provide easy access and prioritise walking, cycling and mass public transport to serve the daily needs of the local population;
- establishing greenways that permeate the urban area;
- maintaining and strengthening the role of the River Torrens Linear Park; and

- maximising the opportunities to establish residential development adjacent to or in close proximity to open space.

The 30-Year Plan for Greater Adelaide and the Inner Metro Rim Structure Plan will be the strategic framework for the renewal and redevelopment of Recreation and Open Space Infrastructure and Assets over the life of this Plan.

Other emerging trends such as the impact of modern technology has become an increasing interest for recreation, sport and open space planners. The rising popularity of new forms of passive recreation and an increasingly sedentary lifestyle has coincided with an alarming increase in obesity and decline in the number of people from the wider community who are sufficiently physically active. A significant challenge exists therefore for all levels of government to identify strategies for addressing these concerning trends.

In South Australia and nationally, there is an increasing trend toward participation in informal recreation, and a greater emphasis is being placed on providing appealing recreation settings, walking and cycle tracks, higher standard playgrounds and facilities for young people.

Surveys and consultations with communities are increasingly finding that the demand for informal recreation resources such as picnic areas, linear parks and corridors, natural settings, walking and cycle tracks, playgrounds and youth facilities are equally as important to people as sporting facilities. There is an increasing focus on family and group activity and flexible recreation participation. Walking is a particularly popular activity that can be undertaken by all age groups at any time, with limited financial outlay.

3.4 Demand Management Strategies

Demand for new services will be managed through a combination of managing and upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are set out in Table 3.1 provide below. Further opportunities will be developed in future revisions of the Plan.

TABLE 3.1 DEMAND MANAGEMENT PLAN SUMMARY

Service Activity	***Demand Management Plan***
Open Space	The Council's Open Space Strategy provides information which allows the Council to pro-actively plan for open space to ensure that there is equity in access to open space which provides high quality amenity and recreation opportunities throughout the City.
Playgrounds	The Council's Playgrounds Strategy provides a strategic approach to the future development, maintenance and management of playgrounds located within the City. There will be an emphasis on creating innovative themed playgrounds of a high standard, playgrounds that interest children by challenging them and exposing them to an acceptable degree of risk and playgrounds that can improve the fitness of all ages and abilities.
Tennis Courts	The Council's Tennis Facilities Strategy provides a strategic approach to the future development, maintenance and management of tennis facilities located within the City.
Irrigation Systems	The Council's Irrigation Management Plan and Irrigation Audits provide a strategic approach to the renewal, maintenance and management of irrigation systems

Playgrounds Strategic Improvement Plan

The Council's Playground Strategy Report 2006 and the Open Space Strategy 2002 recommended the provision of five (5) innovative playgrounds with a focus on a specific theme and accessibility. The table below indicates the progress in the implementation of the plan

TABLE 3.2. PLAYGROUNDS STRATEGIC IMPLEMENTATION PLAN

Playground	Hierarchy	Theme	Implementation Date
Coke Park	Regional	Creative Fun	Implemented
Linde Reserve	Regional	Culture & Arts	Implemented
Payneham Oval	Regional	Action	Implemented
Adey Reserve	District	Nature	To be determined
Dunstan Playground	Regional	Adventure	To be determined

At the completion of the redevelopment of the Adey Reserve Playground and the Dunstan Adventure Playground the recommendations of the 2006 Playground Strategy will be complete.

River Torrens Shared Use Path Renewal and Upgrade

The River Torrens Shared Use Path forms part of a Greenway that connects the Adelaide foothills with the Gulf St Vincent while passing through the Adelaide CBD. The Council has 7,000m of the shared use path that forms part of the River Torrens Linear Park Greenway. The path is now thirty five years old and renewal is required. The popularity of the path with commuters and recreation cyclists has grown significantly creating a demand for an upgrade of the path to a new width of between three (3) and four (4) metres and in accordance with current standards and guidelines.
The Council will undertake a renewal / upgrade of other recreation and open space assets within the Linear Park during the shared use path upgrade.
Work on this project will commence in 2016/2017 and will be progressively undertaken in subsequent years.

3.5 New Assets from Growth

The Council is a well established urban area with little opportunity for large greenfield site developments. The demand for new Recreation and Open Space Infrastructure and Assets will be aligned however to the State Government's 30 year Greater Adelaide Plan and future revisions of the Plan. This will ensure areas of the City identified for significant population growth have the necessary supporting open space provisions.

4 ASSET MANAGEMENT PRACTICES

This section identifies the strategies, practices and guidelines which support Asset Management at the City of Norwood Payneham & St Peters. These activities have no direct impact on the condition or performance of the asset themselves, but provide the tools and functions required to support the maintenance, renewal and enhancement plans.

These functions include:

- system planning and monitoring;
- system record management; and
- asset management planning and policy.

4.1 Standards and Guidelines

Asset management practices and processes are driven by a number of legislative requirements and are assisted by developed guidelines.

These practices and processes include:

- the Local Government Act 1999, which sets outs the Council's Asset Management responsibility and the requirement to develop and adopt Infrastructure and Asset Management Plans;
- the Australian Accounting Standard 27 Financial Reporting by Local Governments 1996 which sets out the asset accounting requirements;
- the International Infrastructure Management Manual, NAMS which provides guidance and direction on asset management policy and plan development; and
- the Local Government Association of South Australia Asset Management Template Document which provides Local Government Organisations with a standard template to adopt for the development of Asset Management Plans.

4.2 Information Flow Requirements and Processes

The key information flows into the Plan is:

- the reserve asset register data;
- the unit rates for categories of work/material;
- service levels;
- projections of various factors affecting future demand for services;
- correlations between maintenance and renewal; and
- data on new assets acquired by the Council.

The key information which flows from the Plan is:

- the assumed Works Program and trends;
- the resulting budget, valuation and depreciation projections; and
- the useful life analysis.

These will impact on the Council's Long-Term Financial Management Plan and the Council's annual budgets.

Financial projections in this Plan are developed in consultation with the Council's Corporate Services Department and are provided to them for incorporation into the Long-Term Financial Management Plan. Both capital and renewal projects identified by the Plan will assist in forming the foundation of the annual budget from year to year.

4.3 Risk Management

4.3.1 Overview

The Council has a responsibility to keep its Recreation and Open Space Infrastructure and Assets in a safe and serviceable condition. To assist with management of risk, the Council undertakes an annual review of risk management issues in conjunction with the Local Government Mutual Liability Scheme. The outcomes of this review guides the risk management activities for the Council for the ensuing year.

4.3.2 Routine Maintenance

The Council's open spaces, which are not in themselves considered to be assets for the purposes of the Plan, are maintained according to an established maintenance and servicing protocol. That is, servicing activities such as grass cutting, garden bed mulching and shrub pruning, are carried out according to established maintenance practices, which from year to year, follow an established seasonal routine.

With respect to recreation and open space assets, varying levels of established maintenance programs exist. For example, irrigation systems are checked for defects in late winter and early spring, prior to the commencement of the irrigation season each year. The irrigation checks serve to create a list of irrigation maintenance works which need to be carried out prior to the irrigation season, which usually commences in October each year.

Similarly, public barbeques are serviced weekly during the summer and public litter bins emptied frequently within reserves.

Proactive programmed inspections are undertaken for playgrounds and tennis courts, as these assets are deemed to pose the greatest risk to the Council, should defects occur.

The bulk of recreational asset maintenance, however, is undertaken on a reactive basis, following the receiving of complaints.

Whether identified by inspection or by notification, maintenance defects are prioritised on a risk managed basis. That is, matters which are deemed to pose a higher risk of injury to the public, or liability to the Council, are addressed on a more urgent basis than those which pose a lower risk.

4.4 Accounting/Financial Systems

The Council utilises the Authority Assets Module system for management of financial information.

4.5 Asset Management System

The Council undertook a data capture process for all recreation and open space assets in 2016. The data captured has been transferred to the Conquest Asset Management System, which will be managed for the Council by Tonkin Consulting.

5 LIFECYCLE MANAGEMENT PLAN

This section of the Plan details how the Council intends to manage and operate the assets while optimising life-cycle costs.

5.1 Asset Information

5.1.1 Physical Parameters

The assets which are covered by the Plan are shown in Table 5.1 provided below.

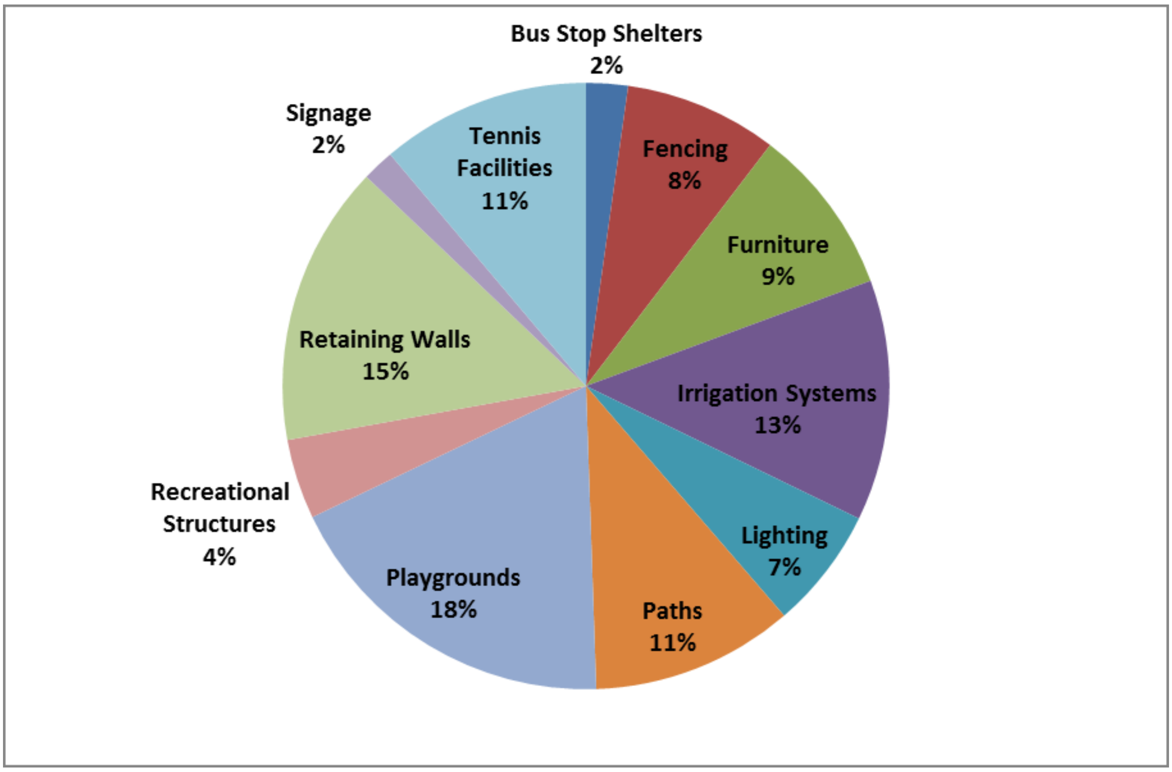
TABLE 5.1: RECREATION AND OPEN SPACE ASSET INVENTORY AND REPLACEMENT VALUE

Asset category	*Description*	*Number*	*Replacement Value**
Bus Stop Shelters	Shelters	50 units	$500,000
Fencing	Fences, bollards & barriers	208 segments	$1,924,387
Furniture	Street and open space furniture	990 units	$1,568,350
Irrigation Systems	Controllers & reticulation systems	58 units	$2,587,305
Lighting	Way finding, directional & security	404 units	$846,000
Paths	Path network in open space areas	23,202m	$1,889,572
Playgrounds	Equipment, softfall & fencing	27 units	$3,189,982
Recreation Structures	Shelters & Sports Ground Structures	7	$342,000
Retaining walls	Retaining structures varying height	1,948m	$3,066,250
Signage (not capitalised)	Signs within open space areas	209 units	$268,000
Tennis Facilities	Courts & associated equipment	37 courts	$2,832,374

** this figure refers to a total for all sub-classes of assets.*

Within the Council's Open Space Strategy, there exists a hierarchy for open space. The adopted hierarchy includes Regional, District, Neighbourhood and Local levels. For the purpose of reviewing the Plan and developing future Recreation and Open Space Infrastructure and Assets this will need to be taken into consideration.

FIGURE 5.1 CITY OF NORWOOD PAYNEHAM & ST PETERS RECREATION AND OPEN SPACE INFRASTRUCTURE BY REPLACEMENT VALUE



5.1.2 Asset Condition and Remaining Life

An asset condition rating audit for all Recreation and Open Space Infrastructure and Assets was undertaken in 2016 has been integrated into the Conquest Asset Management system during 2016/2017. The process will established a condition rating for all assets and provide sufficient data to enable the calculation of the remaining useful life for each asset. A review of the condition of these assets will be undertaken every five (5) years to ensure that those assets nearing the end of their life are not allowed to deteriorate beyond the maintenance intervention point and require costly reconstruction or replacement.

This information has been used to review the Council’s Whole-of-Life renewal allocation for these assets.

5.1.3 Asset Valuations

The value of Recreation & Open Space assets as at 30 June 2016 is summarised in Table 5.2.

TABLE 5.2: RECREATION AND OPEN SPACE ASSET VALUES

Asset Class	Current Replacement Cost	Remaining Life %
Bus Stop Shelters	$500,000	50%
Fencing	$1,924,387	54%
Furniture	$1,568,350	66%
Irrigation	$2,587,305	46%
Lighting	$846,000	67%
Paths	$1,889,572	62%
Playgrounds	$3,189,982	69%
Recreation Structures	$342,000	71%
Retaining Walls	$3,066,250	56%
Signage	$268,000	66%
Tennis Courts	$2,832,374	32%
Total	**$19,014,220**	**58%**

This table illustrates the total fair value of the assets (current replacement cost) and the remaining life of the assets expressed as a percentage of the assumed life of the asset.

FIGURE 5.2.1 RECREATION AND OPEN SPACE ASSET CONDITION ASSESSMENT

The overall condition of Recreation & Open Space assets has been assessed as being good to very good

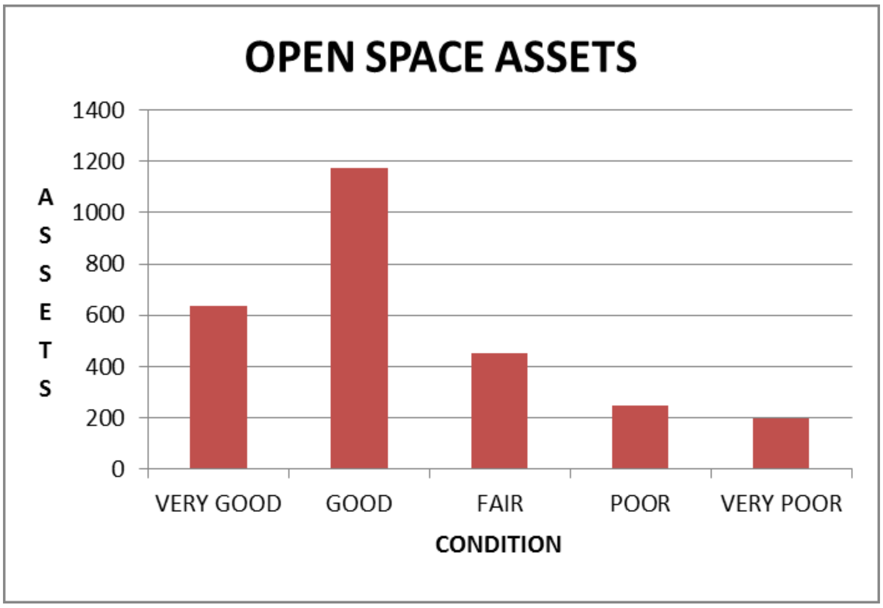


Figure 5.2.2 Bus Stop Shelter Condition Assessment – significant improvement in the condition of shelters has occurred in the past 4 (four) years and it is anticipated that all of the poor to very poor shelters will be renewed in the coming 4 (four) years.

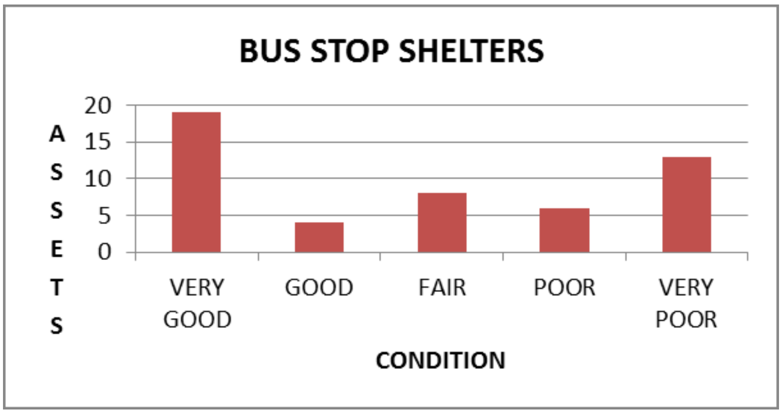


Figure 5.2.3 Fencing Condition Assessment – Fencing assets are in good condition and a moderate level of renewal will occur in the coming decade to ensure that poor to very poor assets are attended to.

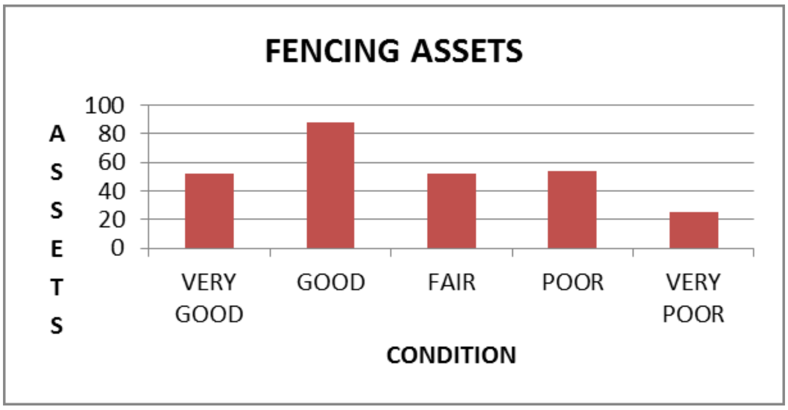


Figure 5.2.4 Furniture Condition Assessment – Furniture assets (bins, seats, fountains, bike racks etc.) are in good to very good condition however renewal will still occur through reserve upgrades and where the furniture is in fair to good condition but the appearance of the bin is below the accepatbale service level for the reserve or street.

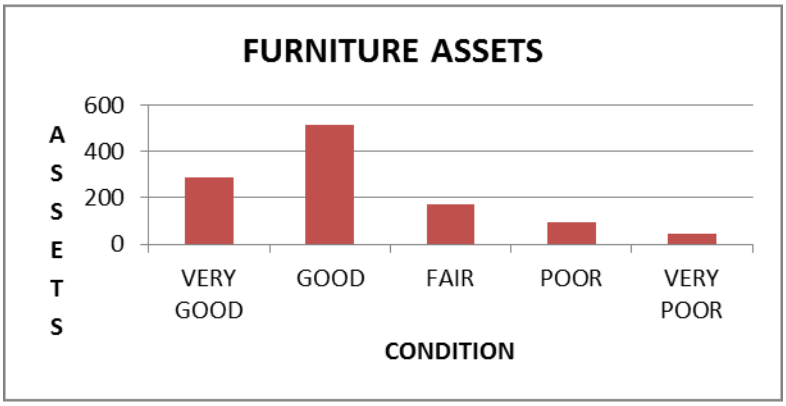


Figure 5.2.5 Irrigation Condition Assessment – steady progress has been made in renewing irrigation systems that were older than 25 years. Several very poor but still operational irrigation systems have not been renewed as the reserves are listed for an upgrade or redevelopment in the near future.

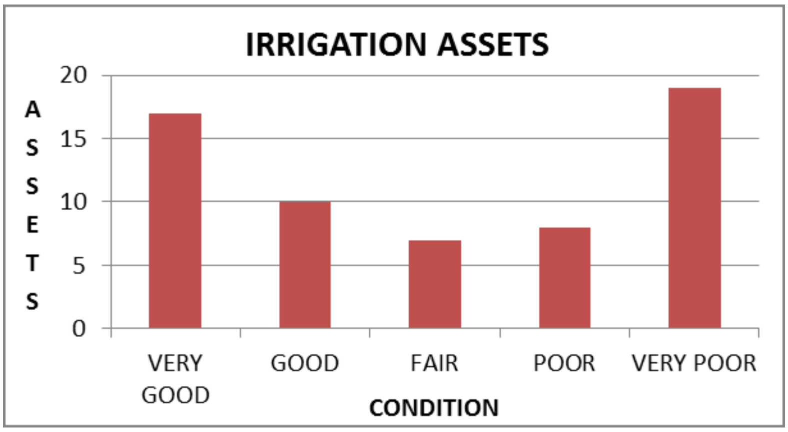


Figure 5.2.6 Lighting Condition Assessment – the majority of reserve lighting assets are relatively new and therefore are in good condition. Renewal in future years will result in environmental and financial benefits from new technologies.

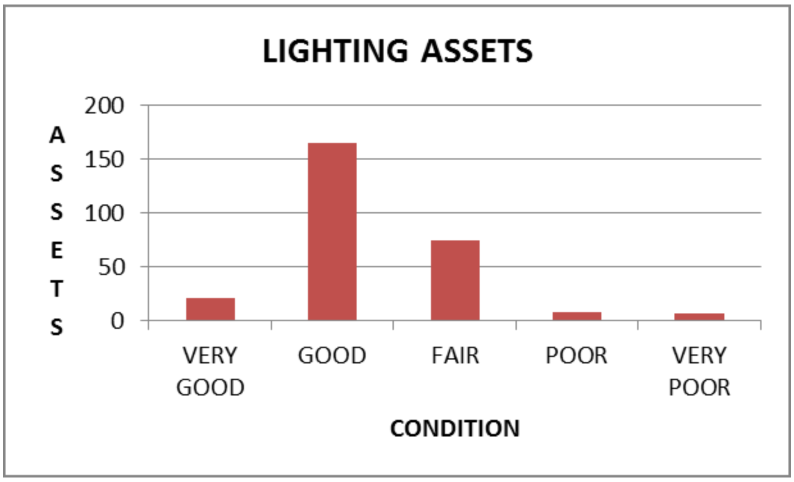


Figure 5.2.7 Path Condition Assessment – Paths within reserves are relatively new and have been maintained in good condition. Minor renewal will occur over the next decade through reserve redevelopment and renewal of poor to very poor paths.

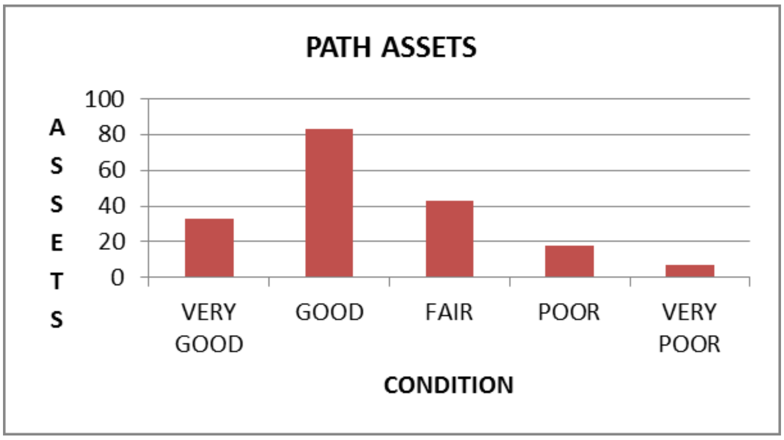


Figure 5.2.8 Playground Condition Assessment – Playground assets are in good condition with renewal planned to occur after 20 years. Some higher profile playgrounds may need to be re-assessed in the future as high usage may indicate that renewal may be required sooner than the estimated 20 year life span.

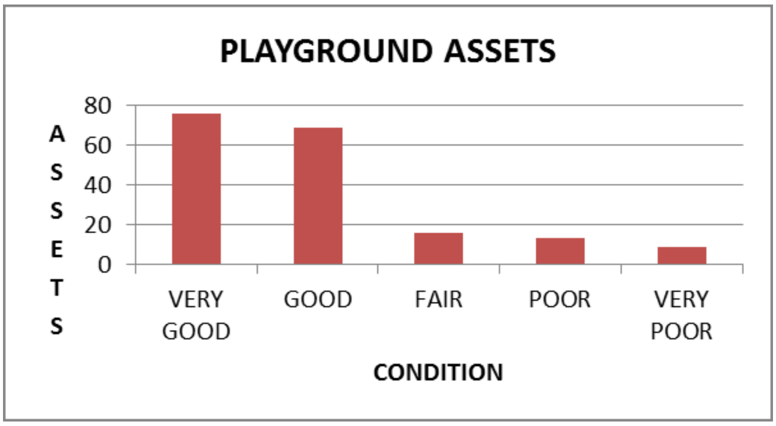


Figure 5.2.9 Recreation Structures Condition Assessment – this asset category includes shelters, pergolas, basketball rings, goal posts etc. The asset condition is fair to good and renewal of poor to very poor assets will occur over the next decade.

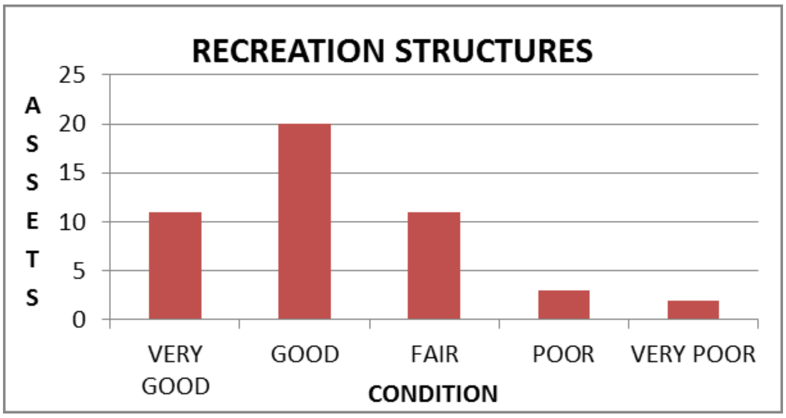


Figure 5.2.10 Retaining Walls Condition Assessment – retaining walls are in fair condition and are found in most reserves and specifically in open space areas adjacent to creek alignments and the River Torrens Linear Park. Renewal of poor to very poor assets will occur in the next decade.

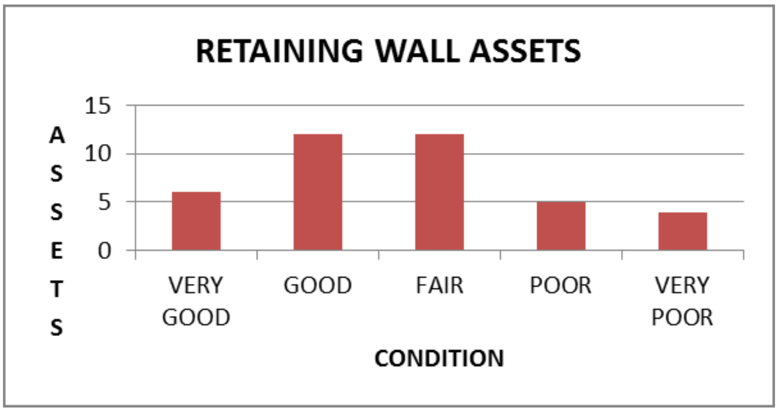


Figure 5.2.11 Signage Condition Assessment – signage assets are located in all reserves and are generally in good condition. Renewal is currently a low priority, occuring when a reserve is upgraded or redeveloped.

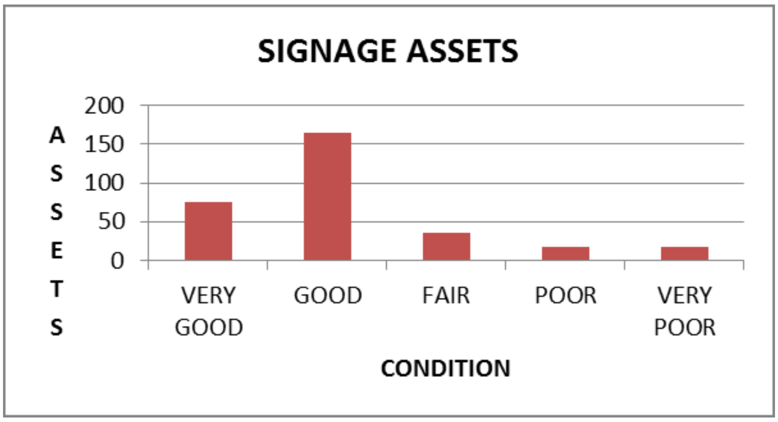


Figure 5.2.12 Tennis Courts & Sports Field Condition Assessment – these assets are in poor to very poor condition largely due to the tennis courts located at Payneham Oval and Buttery Reserve reaching the end of thir useful lives. Full reconstruction will occur in the near future, subject to grant funding availability and finalisation of tennis club leases.

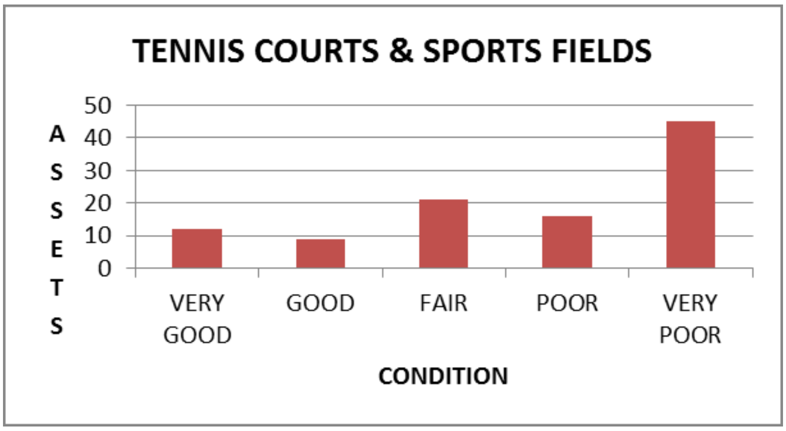
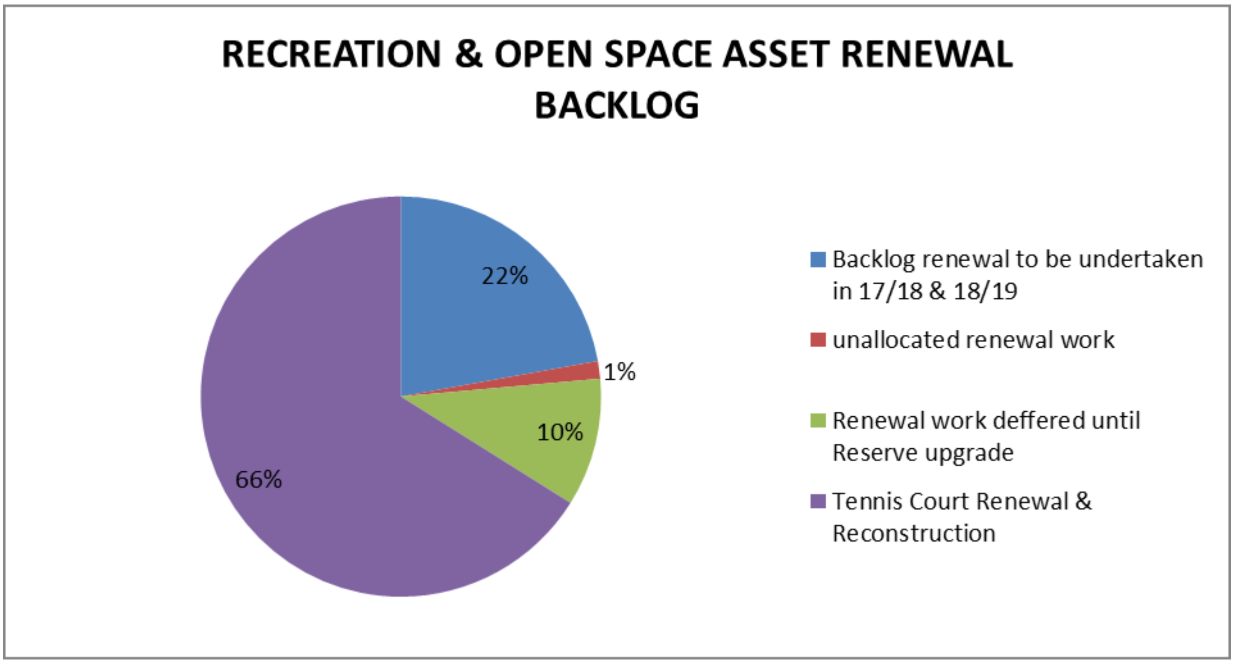


Figure 5.2.13 Recreation & Open Space Assets Backlog of assets requiring renewal



Assets that have reached the end of their theoretical life are listed as a backlog of assets which are overdue for renewal. In some situations these assets are still in good serviceable condition and do not need to be renewed and in other situations renewal has been deferred pending the redevelopment or upgrade of a reserve or group of assets. The above graph shows types of assets within the backlog and the table below shows the value of the renewal backlog.

TABLE 5.3 RENEWAL BACKLOG

Backlog Type	Value	%
Identified backlog renewal that will be undertaken in 17/18 and 18/19	$320,750	22%
Renewal that can be deferred and condition deterioration will be monitored	$20,500	1.5%
Renewal that has been deferred pending future reserve upgrade or redevelopment	$149,850	10.5%
Renewal delayed due to funding and lease issues (Payneham Oval & Buttery Courts)	$956,844	66%
TOTAL	$1,447,944	100%

It is anticipated that the assets contained within the backlog will be renewed within the next 4 (four) years.

5.2 Operations and Maintenance Plan

5.2.1 Overview

The Council's day to day management of its Civil Infrastructure Assets Network can be described as follows:

Operations: These are the regular tasks that are undertaken to ensure the assets achieve their service potential. Strategies include activities such as inspections and system monitoring.

Maintenance: Maintenance strategies are designed to enable existing assets to operate to their service potential over their useful life.

There are two (2) types of maintenance systems and these are:

- unplanned maintenance: work carried out in response to reported problems (i.e. pothole repairs); and
- planned maintenance: work carried out to a pre-determined schedule.

5.2.2 Operations and Maintenance Strategies

The overall operations and maintenance strategy is to retain the current levels of service and mitigate risk while minimising cost. The introduction of condition based assessment of Recreation & Open Space Assets in 2012 has resulted in a move from reactive to proactive or planned maintenance and renewal. The second and more comprehensive condition assessment of assets undertaken in 2016 will further improve the planning for renewal of Recreational & Open Space assets.

5.2.3 Operations and Maintenance Standards and Specifications

Maintenance work is carried out on the Council's Recreation and Open Space Infrastructure and Assets in a manner which meets the Australian Standards applicable to the asset, or the manufacturer's servicing specification.

5.2.4 Operations and Maintenance Program

The Council's operations and maintenance expenditure for Recreation and Open Space Assets in the 2015-2016 financial year is $3.275M. This recurrent budget allocation is required to maintain the following assets:

- playgrounds;
- tennis court;
- parks and gardens;
- streetscapes;
- street trees; and
- pest control.

The level of maintenance and operations expenditure is required to be sufficient to achieve the aims and objectives of the operations and maintenance plan, that is, to enable Recreation and Open Space Infrastructure and Assets to operate to their service potential over their expected useful life, provide an adequate service level and mitigate risks associated with the assets. Maintenance expenditure relating to recreation and open space assets is funded from Council's annual operating budget. It is anticipated that the funding allocation will increase by CPI annually to maintain existing service levels. Adjustment of maintenance funding may also be required following the periodic review of service levels.

A recommendation for the review of maintenance expenditure following the development of service levels has been made in Section 7, 'Plan Improvement and Monitoring' of this Plan.

5.3 Renewal Plan

5.3.1 Overview

Renewal expenditure is major work which restores, rehabilitates, replaces or renews an existing asset in a similar style and generally brings the asset back to an "as new" condition. Work over and above restoring an asset to its original service potential is considered upgrade or enhancement and is not considered within the renewal plan.

Required level of expenditure on the renewal program for Recreation and Open Space Infrastructure and Assets will vary from year to year and will reflect:

- the age of the assets;
- the condition of the assets;
- the ongoing maintenance demand; and
- potential alignment to the renewal of other asset groups in the same location.

Since the initial Recreation and Open Space Asset Management Plan was produced in November 2008 the Council has committed substantial funding into this asset class. A summary of this expenditure is set out in Table 5.3 below.

TABLE 5.4 RENEWAL EXPENDITURE FOR RECREATION AND OPEN SPACE ASSETS

Financial Year	Capital (renewal)
2009-2010	$423,000
2010-2011	$414,000
2011-2012	$412,000
2012-2013	$463,000
2013-2014	$517,319
2014-2015	$553,500
2015-2016	$569,900
2016-2017	$601,826
2017-2018	$615,000

The capital renewal allocations made by the Council since the initial Plan was adopted in 2008 have enabled park and street furniture to be upgraded, irrigation systems to be replaced, playgrounds to be renewed, fences to be replaced and so on.

5.3.2 Renewal Strategy

The renewal strategy justification is based on:

- Risk, when the risk of failure and associated impact justifies action (seats, bin surrounds, flag poles etc. can no longer provide the required service, probable damage to property/person as a result of inaction)
- Asset Performance, when the asset fails to meet the required levels of service. Non-performing assets are identified by monitoring asset reliability, ability to carry out its function and efficiency during planned maintenance and inspections.
- Economics, when it is no longer economically viable to continue to maintain the asset

Future renewal will be undertaken using ‘low-cost’ renewal methods where practical. The aim of ‘low-cost’ renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Since the last Plan was developed, Whole of Life programs have been implemented for the following elements of this asset class:

- Bus Stop shelters (adopted by the Council on 7 November 2011)
- Playgrounds (adopted by the Council on 4 October 2011)
- Tennis Courts (adopted by the Council on 2 October 2012)

Impact of Deferring Renewal Works

Renewal works identified in terms of renewal strategies may be deferred if the cost (or aggregate cost) is beyond the current financial ability to fund it. This can occur when there are short term renewal profile peaks or higher priority works are required on other infrastructure asset classes.

When renewal works are deferred, the impact of the deferral on assets ability to still provide the required level of service should be assessed. Although the deferral of some renewal works may not impact significantly on the short term operation of the assets, repeated deferral will create a liability in the longer term.

Deferral of individual element renewal work also occurs due to alignment of multiple elements into a greater project. This enables economies of scale as well as enables a wider coordinated improvement of a reserve to occur at one time, rather than spread over a longer period.

5.3.3 Renewal standards

The future renewal works will reflect the best current technologies, national standards and legislative requirements. All renewal work will be carried out in accordance with the following Standards and Specifications.

- Product Installation and Maintenance Instructions;
- Building Code of Australia; and
- Australian Standards.

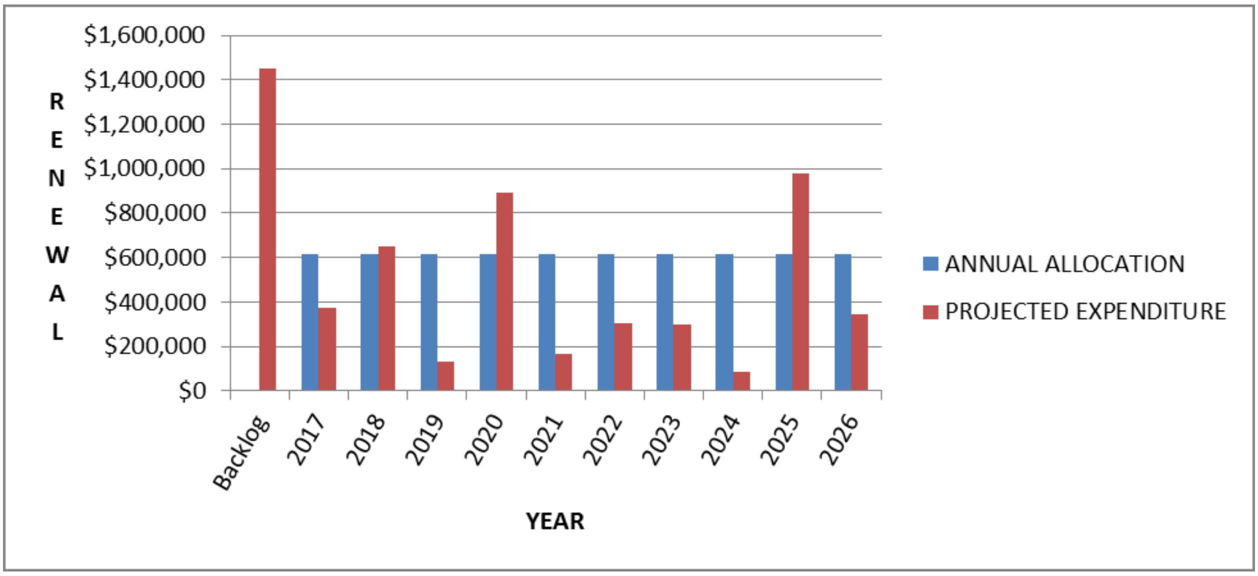
5.3.4 Renewal Program Expenditure

The collection of condition data for Recreation and Open Space Infrastructure and Assets has enabled the estimation of remaining lives for these assets to be determined. Using this information a long term Whole-of-Life program of asset renewal has been developed.

Within the Council's Long Term Financial Management Plan an average allocation of $615,000 ($2017 dollars) annually has been allowed to undertake the projected Recreation and Open Space renewal works. An assessment of the condition, age, remaining life and replacement cost of Recreation & Open Space has enabled the development of a renewal program which will result in an average annual allocation over ten years of $567,655. The funding allocation of $615,000 exceeds the required funding allocation. Please not that this allocation includes the expenditure required to renew the assets listed within the backlog.

Figure 5.2 below provides a summary of the annual funding allocation compared to the annual renewal expenditure predicted over a ten year period for Recreation and Open Space asset renewal expenditure

FIGURE 5.3 CITY OF NORWOOD PAYNEHAM & ST PETERS 10 YEAR PROJECTED RENEWAL EXPENDITURE & FUNDING ALLOCATION



The annual depreciation expense for Recreation and Open Space Assets is $805,000. The projected renewal expenditure for these assets, which is based upon an assessment of the condition of the assets, indicates that an amount less than the annual depreciation is required for the life of this Plan to ensure that the assets are maintained in a safe condition consistent with the level of service required. Future revisions of this Plan will re-assess the condition of the assets and, if need be, the annual allocation of funds to renew Recreation and Open Space Infrastructure and Assets will be increased should asset condition deteriorate more rapidly than anticipated.

5.4 Enhancement Plan

5.4.1 Overview

Asset enhancement works are those that create a new asset that did not previously exist, or works which upgrade or improve an existing asset which beyond its original capacity or condition. Enhancement Projects are driven from the Council's Strategic Plan, *CityPlan 2030 Shaping Our Future.*

Enhancements and upgrades increase the overall replacement value of the asset and increase the Council's depreciation liability. When considering proposals for upgrades and enhancements to Recreational and Open Space Infrastructure and Assets, the Council considers the Whole-of-Life costs of the project, including the impact on depreciation, operating and maintenance expenditure and the renewal program.

At its meeting held on 6 February 2012 the Council endorsed a Playground Whole of Life Implementation Plan which includes significant enhancements related to three (3) playgrounds to obtain an innovative standard as well as the provision of shade sails to all Level 1 and 2 Playgrounds over a ten (10) year period.

Enhancements that are completed or planned include:

- redevelopment of the Payneham Oval Toddlers Playground (completed 2015);
- redevelopment of Adey Reserve - $600,000 (2017/2018);
- redevelopment of Dunstan Adventure Playground - $600,000 (2021/2022); and

- installation of shade sail structures at the following playgrounds (total of $460,000)

  - James Coke Park $50,000 Completed
  - Cruickshank Reserve $35,000 Completed
  - Manning Reserve $25,000 Deferred
  - Payneham Oval $50,000 Completed
  - Linde Reserve $50,000 Completed
  - Koster Reserve $50,000 Completed
  - Payneham Community Centre $50,000 Completed
  - Adey Reserve $50,000 (2017-2018)
  - Richards Park $50,000 Completed
  - Dunstan Adventure Playground $50,000 (2021-2022)

These works are being funded as special capital projects and not included as part of the Plan allocations.

5.5 Recreation and Open Space Asset Disposal Plan

5.5.1 Recreation and Open Space Asset Disposal Plan

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

A summary of these particular assets is set out in Table 5.5 provided below.

TABLE 5.5 ASSETS IDENTIFIED FOR DISPOSAL

Asset Detail	*Reason for Disposal*	*Timing*	*Cashflow from disposal*
Tennis Courts x 2 (Syd Jones Reserve)*	Action setout in the Tennis Whole-of-Life Implementation Plan. Removal of tennis courts from reserve as set out in the Tennis Whole-of-Life Implementation Plan.	Completed 2016	No cashflow from sale but savings on maintenance
Tennis Courts x 1 (Burchell Reserve)*	Action setout in the Tennis Whole-of-Life Implementation Plan. Removal of tennis courts from reserve as set out in the Tennis Whole-of-Life Implementation Plan.	Yet to be determined	No cashflow from sale but savings on maintenance

* This disposal relates only to the tennis courts themselves and not the land associated.

6 FINANCIAL SUMMARY

This section of the Plan outlines the known financial projections resulting from all the information presented in the other sections of the Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

6.1 Financial Statements and Projections

The financial projections are set out in Table 6.1 provided below for projected capital expenditure (renewal and upgrade/expansion/new assets). These figures are based on 2017 dollars and do not take into account inflation of CPI.

TABLE 6.1: PROJECTED CAPITAL EXPENDITURE

YEAR	*Planned New Expenditure*	*Planned Disposals*	*Planned Renewal Expenditure*	*Total Planned Renewal and New Expenditure*
2017/2018	$710,000	$0	$615,000	$1,325,000
2018/2019	$50,000	$0	$615,000	$665,000
2019/2020	$0	$0	$615,000	$615,000
2020/2021	$0	$0	$615,000	$615,000
2021/2022	$710,000	$0	$615,000	$1,325,000
2022/2023	$0	$0	$615,000	$615,000
2023/2024	$0	$0	$615,000	$615,000
2024/2025	$0	$0	$615,000	$615,000
2025/2026	$0	$0	$615,000	$615,000
2026/2027	$0	$0	$615,000	$615,000

The Planned new expenditure relates to redevelopment and enhancement of reserve areas to provide a higher level of service from the reserve or open space area. Funding for this expenditure will be through funding that is external to the Whole of Life allocation.

6.1.1 Life Cycle Costs

Lifecycle costs (or “whole of life” costs) are the average annual costs that are required to sustain the service levels. Lifecycle costs include maintenance and asset consumption (depreciation) expense.

6.2 Key Assumptions

The following key assumption has been made in the development of the Plan:

- the Council is committed to the implementation of the various strategies it has endorsed including the Open Space Strategy, Playgrounds Strategy and Tennis Facilities Strategy, Whole-of Life Implementation Plans for Playgrounds, Bus Stop Shelters and Tennis Courts & Irrigation Management Plan.

The accuracy of financial forecasts may be improved within future revisions of the Plan, through the following actions:

- Periodic condition assessment, and review of unit rates and remaining life of the Council's Recreation and Open Space Infrastructure and Assets;
- the continued strategic and forward planning approach to future open space/reserve upgrades and master plans; and
- revision of existing Council Strategies.

6.3 Funding Strategy

Projected expenditure which is discussed in Section 6.1 of the Plan is to be funded from the Council's operating and capital budgets. The funding strategy is detailed in the Council's ten (10) year Long Term Financial Management Plan. Table 6.2

The capital funding required and presented in this Plan is that required for renewal of particular assets (irrigation, playgrounds, tennis courts, park furniture, barbecue's) and does not include any other major reserve upgrades or 'soft' landscaping that may occur over a 10 year period that has not already been stated within the Plan. Capital renewal costs and maintenance costs are funded from general revenue. Major projects may attract external funding and would be funded as a special capital project in any given financial year.

Table 6.2 10 YEAR RECREATION & OPEN SPACE ASSET RENEWAL PROGRAM

	Bus Stop Shelters	Fencing	Furniture	Irrigation	Lighting	Paths	Playgrounds	Recreational Structures	Retaining Walls	Signage	Tennis & Sports Facilities	Total
Backlog	$20,000	$500	$35,150	$434,050	$4,000	$1,100				$7,500	$946,244	$1,448,544
2017/2018	$40,000	$44,000	$14,500	$79,580	$14,000		$33,150			$3,000	$145,500	$373,730
2018/2019	$50,000	$5,020	$6,500	$273,440			$166,010		$73,500		$75,660	$650,130
2019/2020	$20,000	$11,310	$10,000	$27,940	$2,000	$7,000	$47,100			$5,000	$500	$130,850
2020/2021	$30,000	$15,300	$29,200	$219,000	$2,000	$25,050	$514,525			$4,000	$55,568	$894,643
2021/2022	$30,000	$35,600	$24,450	$9,400	$2,000		$65,000			$1,000		$167,450
2022/2023	$10,000	$60,320	$22,100	$6,500			$202,865					$301,785
2023/2024	$20,000	$15,600	$56,550	$5,900	$4,000	$4,500	$184,400			$7,500	$1,000	$299,450
2024/2025		$52,280	$15,500				$16,750					$84,530
2025/2026	$50,000	$266,695	$125,950	$113,620	$12,000	$19,850	$135,500		$41,250	$15,000	$200,610	$980,475
2026/2027			$20,600				$324,360					$344,960
Total	**$270,000**	**$506,625**	**$360,500**	**$1,169,430**	**$40,000**	**$57,500**	**$1,689,660**	**$0**	**$114,750**	**$43,000**	**$1,425,082**	**$5,676,547**

7 PLAN IMPROVEMENT AND MONITORING

This section outlines the proposed improvement and monitoring program and initiatives which are aimed at future plans and associated Asset Management Plan strategies and financial projections.

7.1 Improvement Plan

The asset management improvement plan was generated from a gap analysis of the current practices and information available for the development the Plan. The proposed Infrastructure and Asset Management Improvement Plan tasks are shown in Table 7.1 provided below.

TABLE 7.1 IMPROVEMENT PLAN

Task	***Responsibility***	***Resources Required***	***Timeline***
Review maintenance practices to ensure alignment to service level requirements	City Services	Internal	TBC
Undertake a condition assessment review of Recreation & Open Space assets	City Assets	Internal & External	2016/2017
Integrate the data from the Condition Assessment Review into the Conquest Asset Management System	City Assets	Internal & External	2016/2017
Review and update of Recreation and Infrastructure Asset Management Plan	City Assets	Internal	Within 2 years of a new Council being elected

7.2 Plan Review and Monitoring

Once adopted, the Plan will form part of the formal suite of plans required under the Local Government Act 1999. The Plan will remain current until replaced by an updated Plan which would be adopted in conjunction with the adoption of any planned revision of ***CityPlan 2030 Shaping our Future*** as required.

At present this must occur within two (2) years of a new Council being elected.

The Plan is a dynamic document which forms the basis for all asset management activities performed by the Council. To ensure the plan remains useful and relevant, the following process of monitoring and review activities will be undertaken:

- formal adoption of the plan by Council;
- review and formally adopt levels of service; and
- revise the Plan annually to incorporate and document changes to work programs, outcomes of service level reviews and new knowledge resulting from the Asset Management Plan improvement plan.

8 REFERENCES

City of Norwood Payneham & St Peters, ***CityPlan 2030 Shaping our Future***

DVC, 2006, 'Asset Investment Guidelines', 'Glossary', Department for Victorian Communities, Local Government Victoria, Melbourne, http://www.dvc.vic.gov.au/web20/dvclgv.nsf/allDocs/RWP1C79EC4A7225CD2FCA257170003259F6?OpenDocument

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au