2022-2031

Asset Management Plan Open Space

Randwick City Council
a sense of community

June 2022

Contents

1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

Asset Management planning is a comprehensive process to ensure infrastructure benefits are optimised to meet community needs in a financially sustainable manner.

The Open Space Asset Management Plan (Open Space AMP) details information about open space assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and funding requirements over the 10-year planning period. The Open Space AMP funding model supports the development of the Long-Term Financial Plan and overall Resourcing Strategy of the Integrated Planning and Reporting Framework.

1.2 Asset Description

This plan covers Randwick City Council's open space assets which comprise of various components including:

- BBQ's
- Bike Racks
- Bollards
- Bus Shelter
- Drinking Fountains
- Fencing
- Outdoor Gyms
- Outdoor Showers
- Picnic Tables
- Planted Garden
- Planter Boxes
- Play Equipment
- Playgrounds
- Playing Fields
- Public Bins
- Public Parks and Reserves
- Seating
- Shade Structures
- Signages
- Sports Facilities
- Swimming Pools (including Rock Pools)
- Synthetic Playing Fields
- Various Other Open Space assets

The above infrastructure assets have a replacement value estimated at $126,995,372.

1.3 Levels of Service

The allocation in the planned budget is sufficient to continue providing services at current levels for the planning period.

The main objectives of the planned funding budget are:

- There is sufficient budget allocated for renewal of assets as they reach the end of life.
- There is sufficient budget in maintenance and operations with projected increase in the future years.
- There is sufficient budget to acquire new assets to meet community needs.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- High demand for passive and recreational open space and facilities as per the Open Space Recreation Needs Study
- Projected increase in population of 23% by 2036 as outlined by the NSW Department of Planning, Industry and Environment
- Projected demographic change to a greater proportion of over 60 year old population within the same period

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Balancing priorities for infrastructure with what the community is prepared to pay
- Assess capacity to fund current and improved levels of service
- Timing of renewal projects with acquisition projects through effective project management

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this Open Space AMP includes operation, maintenance, renewal, acquisition, and upgrade of existing assets. This AMP is prepared to inform a Long-Term Financial Planning period of 10 years. The 10-year forecast total funding required for the open space asset class is estimated as $196,995,040 or on average, $19,699,504 per year.

Open space assets have a moderate to long life depending on the component and material selected. The age profile of this asset class results in the requirement for only a small amount of renewal work during the planning period. Overall, our open space assets are depreciating at $2,999,304 annually.

Budget allocation over and above the projected renewals covered by this Asset Management Plan is required to ensure the future sustainability of this asset class beyond the 10-year planning period.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10-year period is, on average, $19,928,646 per year as per the Planned Budget. This is 101.2% of the cost to sustain the current level of service at the lowest lifecycle cost.

To manage infrastructure, we can only manage assets based on what is funded in the long-term financial plan. The Informed decision making depends on the Open Space AMP emphasising the consequences of planned funding on the service levels provided and risks.

The anticipated planned funding budget for open space assets leaves a surplus of $229,143, on average, per year of the forecast lifecycle costs required to provide services in the AMP. This is shown in the figure below.

Forecast Lifecycle Costs and Planned Budgets

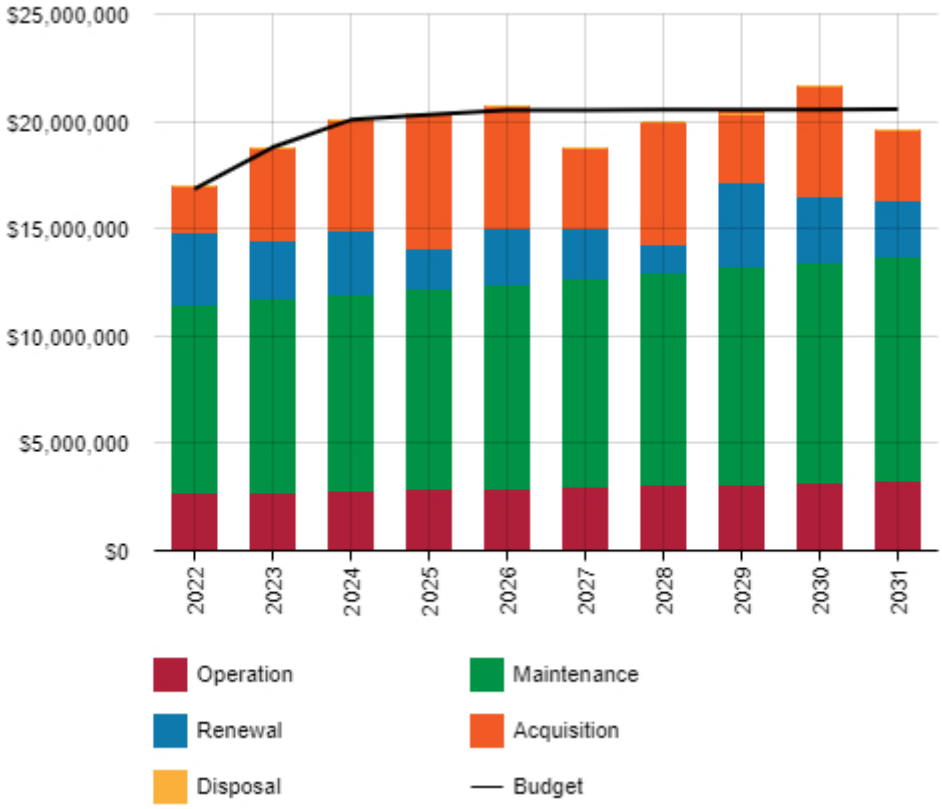


Figure values are in current dollars.

We plan to provide funding for open space assets to undertake:

- Operation, maintenance, renewal and acquisition of open space assets to meet service levels.
- Renewal / upgrades of 8 rock pools within the 10-year planning period for selected elements requiring upgrade.
- Renew / construct, on average, 2 playgrounds per year
- Continue to upgrade our open spaces with new drinking fountains, seating and signage

1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Expansion of open space assets beyond the current rate
- Continually undertake reactive maintenance only

1.6.3 Managing the Risks

Our present budget levels are sufficient to continue to manage risks in the medium term. The main risks associated with this asset class are:

- Council staff unable to meet service level agreement
- Dilapidated Open Space assets due to lack of planning
- Reduced safety to users of the open space assets

We will endeavour to manage these risks within available funding by:

- Ensuring asset management practice as set-out by this AMP
- Continual focus on asset data collection and validation
- Ongoing dialogue and consultation with the community

1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- Asset values and dimensions are correct
- 100% of Council's open space assets have been inspected
- The estimates used for current rates of renewal will remain constant
- Assets requiring renewal are identified from the asset register method

The Asset Register was used to forecast the renewal lifecycle costs for this AMP.

This AMP is based on a highly reliable confidence level of information.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- Improve asset register data confidence
- Review resilience of service delivery
- Include priority weighting methodology in maintenance and operation of assets. The four categories include: Condition, Functionality, Usage and Criticality
- Improve proactive maintenance planning and reporting mechanisms
- Establish a Strategic Asset Management system
- Improve asset management principles awareness within Council staff

2.0 Introduction

2.1 Background

This Open Spaces AMP details the requirements for the sustainable delivery of services through management of assets, including lifecycle management, risk management, statutory compliance and relevant funding to provide the appropriate levels of service over the 10-year planning period.

The AMP is to be read in conjunction with the Randwick City Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, along with other key planning documents including:

- Randwick City Plan - Community Strategic Plan (CSP)
- Informing Strategies – Arts and Culture, Economic Development, Environment, Housing, Inclusive Randwick, Integrated Transport and Open Space and Recreation
- Randwick Local Environmental Plan
- Randwick Council Resourcing Strategy including the Asset Management Strategy, Long Term Financial Plan, Workforce Management Plan and Digital Strategy
- Delivery Plan and Annual Operational Plans
- Asset Management Plans
- Randwick City Council Community Consultation Principles and Consultation Planning Guide.

The infrastructure assets covered by this AMP include all open space assets such as playgrounds, rock pools, sports fields, outdoor gyms, passive recreational facilities, planted gardens, seating, outdoor showers and many more items associated with public recreation and outdoor lifestyle. These assets are constructed using various materials with a large variety of asset life expectancy. For a detailed summary of the assets covered in this AMP refer to Section 5.

The infrastructure assets included in this plan have a total replacement value of $126,995,372.

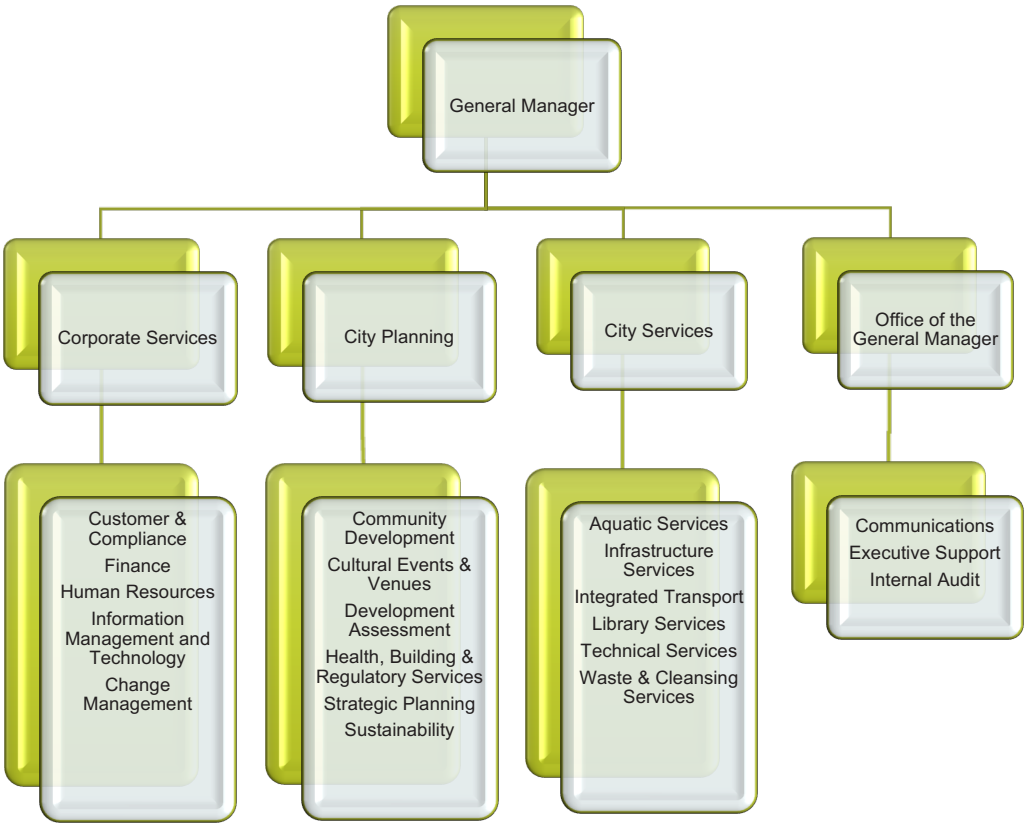
Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AMP

Key Stakeholder	Role in Asset Management Plan
Council Representatives	Represent needs of community/shareholders. Allocate resources to meet planning objectives in providing services while managing risks. Ensure service is sustainable.
Council Officers	Manage open space assets. Ensure level of service provided meets needs of residents and visitors. Implement the components identified in the Open Space AMP.
Residents	Core users of open space assets. Their needs, wants and expectations are conveyed to the Council and should be reflected in desired levels of service.

Key Stakeholder	Role in Asset Management Plan
Visitors	Second largest users of open space assets. Their needs, wants and expectations drive the replacement in areas of the highest visitor counts. Visitors will contribute to local economic growth and promote business opportunities.
Insurers	Insurers have interest in implementation of systems which allow Council to gain better knowledge of the condition of their assets. Systems should be reflected in the number of claims made against each asset group.
Utilities and Other Authorities	Utilise the reserves to install underground assets. Assist with facilitating various functions of the utilities and relevant authorities – e.g. drainage reserve from Sydney Water.

Our organisational structure for service delivery from infrastructure assets is detailed below.



2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing, and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management – utilise Council's Risk Management Framework to effectively mitigate risks arise,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

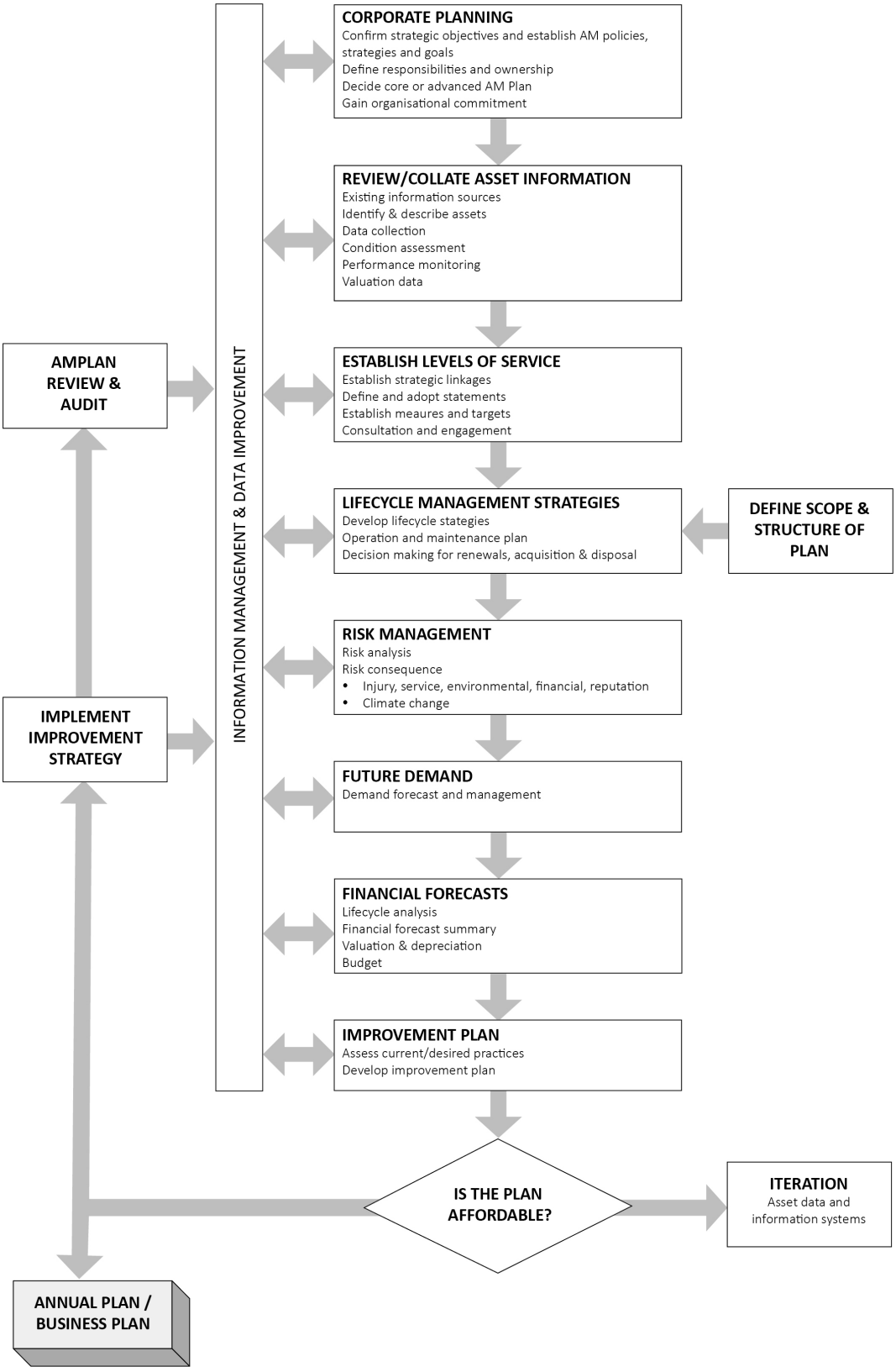
- International Infrastructure Management Manual 2015 [1]
- ISO 55000[2]

[1] Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13

[2] ISO 55000 Overview, principles and terminology

A road map for preparing an AMP is shown below.

Road Map for preparing an Asset Management Plan
Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



3.0 LEVELS OF SERVICE

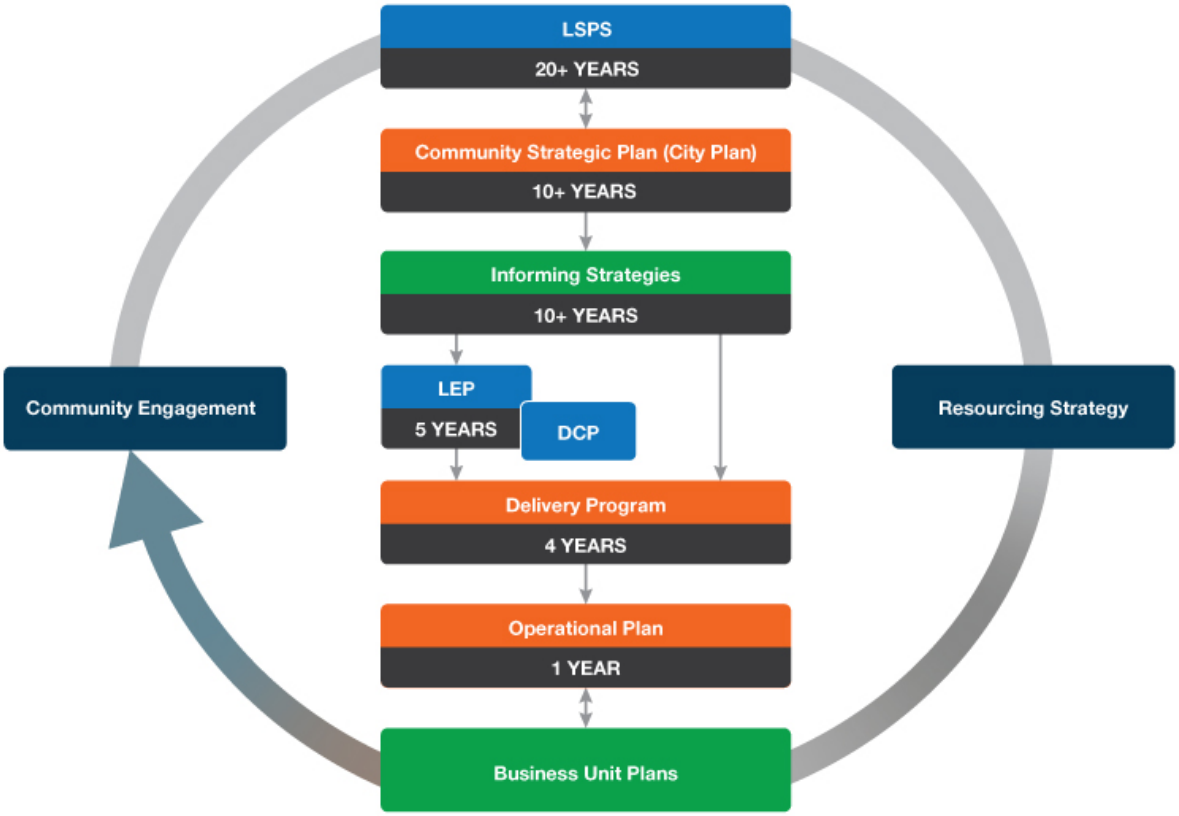
3.1 Customer Research and Expectations

Levels of service should be developed in consultation with the community. Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist the Councillors and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

We currently have historic understanding of customer expectations. Community satisfaction information has been used in developing the 10-year Randwick City Plan and in the allocation of resources in the budget.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the 10-year Community Strategic Plan and Informing Strategies within the Integrated Planning and Reporting (IPR) framework. This AMP forms a part of the Resourcing Strategy.



Strategic goals have been set by the Randwick City Plan (CSP). The relevant goals and objectives and how these are addressed in this AMP are summarised in Table 3.2.

Table 3.2: Goals and how these are addressed in this Plan

Randwick Community Strategic Plan Outcome	Direction	Objective	How Goal and Objectives are addressed in the AMP
Outcome 1. Leadership in Sustainability	Direction 1a: Council has a long-term vision based on sustainability.	Ensure financial strategies underpin Council's asset management policies and strategic vision.	The Open Space AMP aligns with Council's Resourcing Strategy, including the Asset Management Strategy, Workforce Plan and Long-Term Financial Plan.
Outcome 6: A Liveable City	Direction 6a: Our public infrastructure and assets are planned, managed, and funded to meet the community expectations and defined levels of service.	Plan asset renewals and construct or accept dedication of new assets in accordance with adopted service levels.	The Open Space AMP includes funding for renewal and new assets including provisions for performance monitoring against adopted service levels.
		Implement the strategic asset management system to deliver intergenerational equity and meet the Council's obligations as the custodian of our community's assets.	The implementation of a Strategic Asset Management System is a part of the monitoring and improvement program within this Asset Management Plan.
Outcome 6: A Liveable City	Direction 6b: Our centres, beaches, streets and other public places are safe, inviting, clean and support a recognisable image of our City.	Conduct programmed asset maintenance management in accordance with adopted service levels.	The Open Space AMP includes funding for operations and maintenance and provisions for performance monitoring against adopted service level.
Outcome 6: A Liveable City	Direction 6c: The safety of our community is paramount and is acknowledged and supported through proactive policies, programs, and strategies.	Conduct programmed and minor reactive maintenance management in accordance with adopted service levels.	Respond to customer requests within service level agreements. Identify High and Extreme risk open space areas / assets. Planned inspections for High and Extreme risk open space areas / assets. Develop an operational and maintenance plan and allocate funding to carry out remediation work as required.

Randwick City Council will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan prepared in conjunction with this AMP. Management of infrastructure risks is covered in Section 6.

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the open spaces are outlined in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
NSW Local Government Act 1993	Sets out role, purpose, responsibilities, and powers of local government including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
Protection of the Environment Operations Act 1997	A state legislation to protect, restore and enhance the environment in NSW. It provided both the framework for Council decisions that affect the environment and the means of adopting Australia-wide environment protection measures set by the National Environment Protection Council.
Water Management Act 2000	Sets out responsibilities associated with the use of water.
Contaminated Land Management Act 1997	Sets out specific requirements in connection with the remediation of land.
Disability Discrimination Act 1992	Provides protection for everyone in Australia against discrimination based on disability, in the areas of provision of goods, facilities, services and land.
Native Vegetation Act	To manage native vegetation, to prevent broad scale clearing, to protect native vegetation, to improve native vegetation and to encourage revegetation of land.
NSW Biosecurity Act 2015	Sets out requirements for control of pests, diseases and weeds.
Commonwealth Environment Protection and Biodiversity Act	Sets out requirements associated with environment and utilisation.
NSW Threatened Species Conservation Act 1995	Sets out requirements in relation to fauna and threatened species.
Civil Liability Act 2002 and Civil Liability Amendment (Personal Responsibility) Act 2002	Protects the Council from civil action by requiring the court to consider the financial resources, the general responsibilities of the authority and the compliance with general practices and applicable standards.
Workplace Health and Safety Act 2011	Protecting Works and other persons against harm to their health, safety and welfare through the elimination or minimisation of risks arising from work.
Australian Accounting Standard AASB116	Reporting on asset condition and consumption to Councillors, management, and the community.

3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

Customer Values indicate:

- what aspects of the service is important to the customer?
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

Condition An overall condition 3 (scale 1-5) for open space assets is the minimum acceptable service level;

Function The Open Space must be fit for purpose and the intention of open space asset shall be well defined;

Safety Open space assets and facilities are constructed according to appropriate safety standards;

Capacity/Use Open space should be able to cater for the volume of visitors / users;

In Table 3.5 under each of the service measure types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 3.5: Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Service Objectives: Open space areas meet the needs of the community. Open space assets are maintained and are fit for use.				
Quality	Provide quality open space assets free from obvious defects	Customer satisfaction survey results	Satisfaction for coastal open space and walkways 87% (up from 80% in 2014) Satisfaction for Ovals and sporting facilities 83% (up from 78% in 2014)	Increase in customer satisfaction survey results.
	Confidence levels		High	High
Function	Fields, playgrounds, parks and open space assets meet user's needs	Customer satisfaction survey results	Satisfaction for town centre cleaning 75.7% (up from 75% in 2014)	Satisfied with current performance.

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
	Continue to improve the open space network to meet community needs	Design and construction of open space assets to Council and Australian Standards	Open space construction works are designed and funded under the capital works program.	Maintain current approach.
	Confidence levels		Medium	High
Safety	Open space assets are operational, presented in a safe manner and free from hazards	Routine inspections of playgrounds Regular inspections and reporting of damaged assets	Quarterly inspection of playgrounds and scheduling of maintenance requirements Regular inspections of open space facilities	Maintain current approach.
	Confidence levels		Medium	High

3.6 Technical Levels of Service

Technical Levels of Service – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).
- **Operation** – the regular activities to provide services (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc.
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. road resurfacing and pavement reconstruction, pipeline replacement and building component replacement)

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.[3]

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AMP.

[3] IPWEA, 2015, IIMM, p 2|28.

Table 3.6: Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Seek to create additional open space through land acquisition, dedication of land from development and convert unused road reserve.	Review opportunities across the City and develop open space plans.	Funded by budget.	Maintain current approach.
		Budget	$4,679,129	$4,441,000
Operation	Routine cleaning of open spaces.	Frequency of cleaning.	Scheduled cleaning program.	Maintain current approach.
	Apply a risk management approach to open space inspections and condition assessment.	Regular general inspection of open space assets. 20% of assets to be inspected annually.	20% inspected annually.	Regular inspection ongoing. 80% of the network inspected every 2nd year.
		Budget	$2,954,586	$2,954,586
Maintenance	Maintain Opens Space area, landscaping maintenance.	Landscaping, tree pruning, mowing and general public place clean up.	Average of 84% satisfaction rating for all Open Spaces facilities incl. ovals, parks, ocean pools, playgrounds and beaches	Maintain current approach.
	Open space Repairs.	Respond to CRMs within SLA timeframe.	95.8% of Service Requests actioned within allocated time frames.	Maintain current performance.
		Budget	$9,639,145	$9,639,145
Renewal	Renew existing open space assets that are in poor condition.	Assess renewal needs based on condition.	Open space assets added to works programs and renewed as required.	Maintain current approach.
	Maintain CBD aesthetics and liveability by developing town	Functional assessment and community feedback.	Selected CBD within the Council LGA are planned for upgrade within this AMP.	Maintain current approach.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	centres to modern design standards.			
		Budget	$2,655,787	$2,664,773

Note: * Current activities related to Planned Budget.

** Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

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

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	154,265 (As per Randwick Housing Strategy 2021	NSW DPIE projects a 23% increase in population by 2036 within the Randwick Local Government Area.	An increase in population will require an increase in community and infrastructure services. Existing services may require amendment to cater for changes in use or increased patronage.	This AMP allows Council to upgrade, on average, 2 playgrounds per year to help meet future demand. There is also scope to continue to install / construct facilities to improve open spaces including showers, outdoor gyms, seats and water fountains. As new developments are completed, there will also be donated assets to help meet the demand created.

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Demographics	Randwick City Council has: 18% over 60 YO 43% in the 20-45 YO group (As of 30 June 2016, ABS)	Greater proportion of 10-20 YO (>35% growth) Greater proportion of over 60 YO (>45% growth) Low proportion of 25-45 YO (<10% growth)	Greater need for aged and disability access. Increase in population will require improvements to public transport infrastructure and accessible recreational infrastructure including beaches.	This AMP allows Council to budget for various open space facilities to be constructed / provided. Renewal priority criteria has built-in mechanisms to ensure that Council's open space assets are provided to modern standards where practicable.
Technology Changes	Materials used for open space assets need to be suitable for the setting / environment	Use of more materials that are environmentally friendly, cheaper to construct or provide longer overall life will reduce impact, maintenance and lifecycle costs.	Potential to reduce maintenance and resource requirements.	We have implemented use of recycled plastic, timber and stainless steel. Emerging technologies should be assessed for both performance, abilities to improve service and whole of life costs as well as promoting the use of sustainable materials.

4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated, or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Randwick City Council to ongoing operations, maintenance, and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance, and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.[4]

[4] IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5.1

Table 4.5.1 Managing the Impact of Climate Change on Assets and Services

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Increased Rainfall Frequency / Intensity	Higher chance of flash flooding.	Inundated low level open space areas such as playgrounds, ovals and sporting facilities.	Construction of open space assets with better drainage, appropriate level & grading to cater for increased overland flow.
More extreme weather events	Increase in average temperatures and longer drought periods.	More extreme heat on open space areas will potentially impact asset life and not be safe to use.	Transition the use of more natural materials for open spaces to reduce urban heat effects where possible. Install more shade structures to provide safer playing space.
Need to be carbon neutral	Any civil works are a high carbon emitting activity. Reduce carbon emission from construction of these works.	The need to reduce occurrence in open space construction activities.	Utilise low carbon concrete, recycled materials, and other new technologies to assist in reduction of maintenance activities and extend asset life span, thus reducing the occurrence of asset renewal.
Provide more trees to improve air quality and lower heat impacts	Increase native tree planting.	Improve shade at our open spaces. Longer drought period may make it harder for plants to survive.	Choose to plant native and drought tolerant trees and plants in green spaces adjacent to open space.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change.
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

Table 4.5 summarises some asset climate change resilience opportunities.

Table 4.5 Building Asset Resilience to Climate Change

New Asset Description	Climate Change impact to these assets?	Build Resilience in New Works
New Playgrounds	Higher average temperatures.	Use materials that do not get too hot and install shade structures at playgrounds. Assess soft fall for hardness to manage the playground safety.
Synthetic Fields	Surface can create a hot playing environment.	Consider the use of cork as an infill which will help with heat exchange and allows it to be more environmentally friendly as cork is biodegradable. Work with suppliers to continue to develop the technology.
Natural Turf Fields	Increase in rain events leads to fields which cannot be used or high wear and tear.	Install suitable subsoil drainage under sports fields. Limit use of fields. Consider installing a core number of synthetic fields to balance demand.

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this asset management plan.

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Randwick City Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

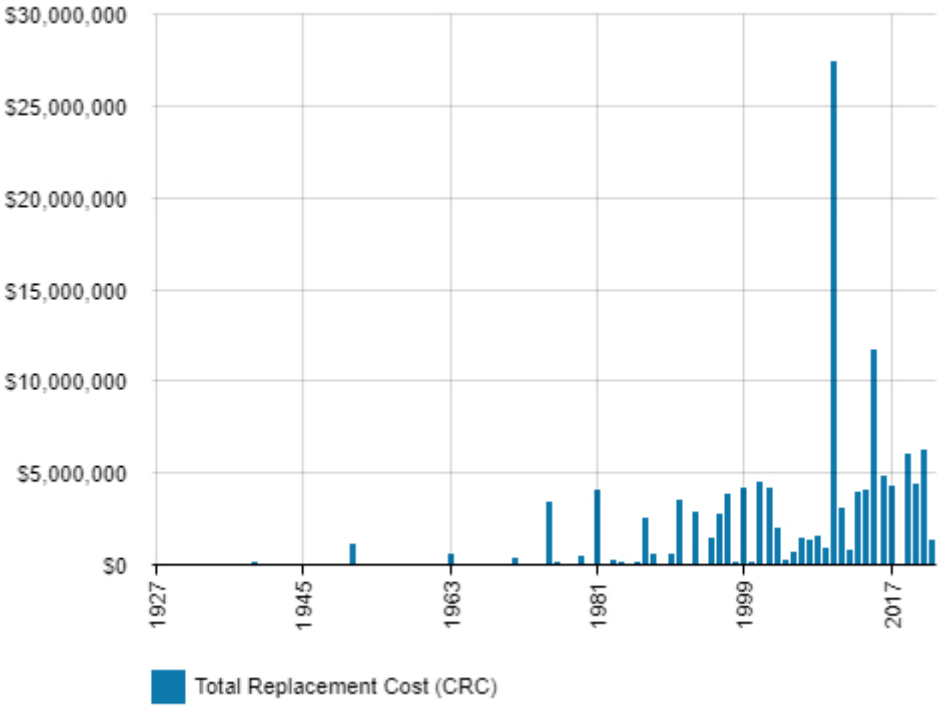
The assets covered by this AMP are shown in Table 5.1.1. The age profile of the assets included in this AMP are shown in Figure 5.1.1.

Table 5.1.1: Assets covered by this Plan

Asset Components	Replacement Value
Banner Poles	$211,957
Barbecues	$70,683
Bicycle Rack	$204,837
Bin	$1,002,800
Boat Ramp	$668,286
Bollards	$1,723,003
Bridge	$139,344
Bus Shelters	$52,597
Cricket Facilities	$525,165
Digital Assets	$1,161,727
Disability Access	$320,415
Drinking Fountain	$703,035
Fencing	$6,453,522
Flag Poles	$191,451
Furniture	$2,930,050
Gates	$286,721
Handrails	$428,626
Irrigation	$8,240,004
Landscaped Areas	$41,110,685
Lighting	$7,548,828
Miscellaneous	$117,357

Asset Components	Replacement Value
Stormwater Harvesting	$5,398,893
Pathway	$57,294
Picnic Furniture	$1,136,163
Play Equipment	$2,108,163
Playground	$3,716,783
Posts	$829,324
Scoreboard	$726,069
Seats	$1,448,916
Shade Structure	$775,218
Shower	$33,874
Signs	$259,839
Skate Park	$4,396,543
Sports Surfaces	$14,227,792
Outdoor Classroom	$178,050
Swimming Pool	$8,417,541
Timber Pathway	$58,910
Walls	$8,467,537
Wickets	$648,988
Wind Turbine	$18,383
TOTAL	**$126,995,372**

Figure 5.1.1: Asset Age Profile



All figure values are shown in current day dollars.

According to Figure 5.1.1, the majority of open spaces asset were built between 1995 and 2021. Thus, it is anticipated that major renewals will not be required until 2045 to 2060 period.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. There are insufficient resources available to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Various	Playgrounds and sports facilities in poor condition. High risk playgrounds are identified through regular inspections and included in capital works programs.
Various	Open Space assets (various) in poor condition. High risk assets are identified during inspections and included in capital works programs.

The above service deficiencies were identified from open space inspections undertaken by contractors, in-house staff and public space inspectors.

5.1.3 Asset condition

Condition assessment is generally planned for 20 percent of the network every year. The information collected from inspecting open space assets has been used to develop this AMP.

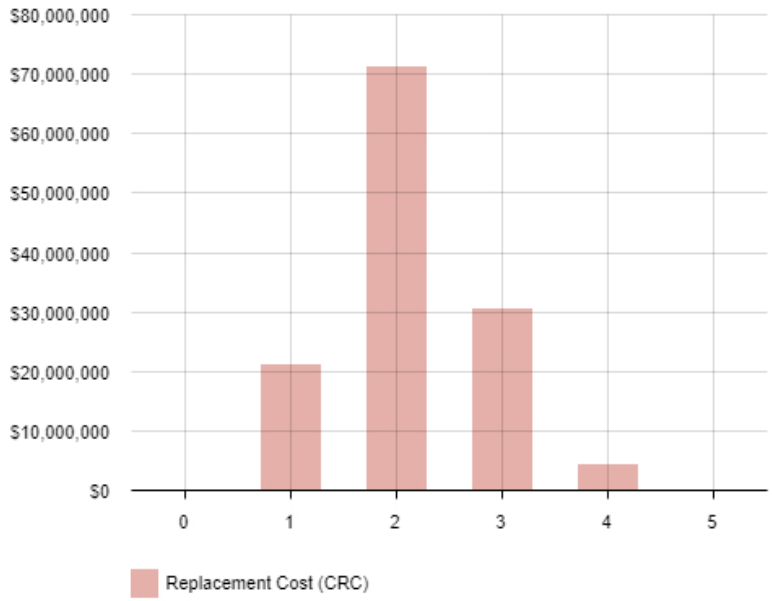
Condition is measured using a 1 – 5 grading system[5] as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support.

Table 5.1.3: Condition Grading System

Condition Grading	Description of Condition
1	**Very Good**: free of defects, only planned and/or routine maintenance required
2	**Good**: minor defects, increasing maintenance required plus planned maintenance
3	**Fair**: defects requiring regular and/or significant maintenance to reinstate service
4	**Poor**: significant defects, higher order cost intervention likely
5	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

Figure 5.1.3: Asset Condition Profile



All figure values are shown in current (real) dollars.

[5] IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

The current asset conditions are good with most assets at condition 2 or 3. The distribution is skewed towards the new assets end. The overall condition for open space assets is considered to be good.

As assets age, the condition will deteriorate and eventually will require renewal in the long term. Management of these assets to extend the lifespan may change the asset renewal timeframe. Other lifecycle methods would be to bring forward or delay some of the renewal times based on a risk assessment approach.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets is shown in Table 5.2.1.

Table 5.2.1: Maintenance Budget Trends

Year	Maintenance Budget $
2020	$7,576,207
2021	$8,091,733
2022	$8,803,097

Maintenance budget levels are adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AMP, and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is currently undertaken by staff using experience and sound professional judgement. There is an inherent risk in depending on the staff to use experience, the risk is identified in the Section 6 under Risk Management. The improvement plan in Section 8.2 also indicates an improvement on the prioritisation methodology.

5.2.1 Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown is Table 5.2.2.

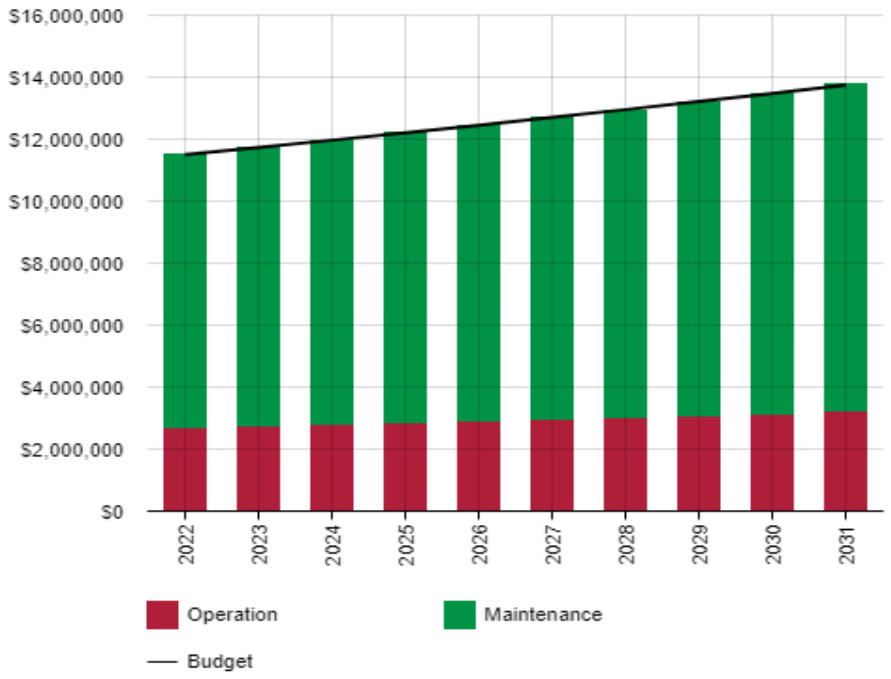
Table 5.2.2: Asset Service Hierarchy

Service Hierarchy	Service Level Objective
Missing Services	To inspect, assess, make the asset safe within 24 hours of reporting. Plan the rectification to reduce reconstruction costs. Include major works in capital works programs.
Broken Equipment	To inspect, assess and make safe of the asset within 24 hours of reporting, rectified within the Service Level Agreement timeframe
Poor Playing Surface	To inspect and assess within the Service Level Agreement timeframe and respond appropriately to the reporting individual.
Damaged bollards and/or fence	To inspect and assess within the Service Level Agreement timeframe and respond appropriately to the reporting individual.

5.2.2 Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2: Operations and Maintenance Summary



All figure values are shown in current day dollars.

The forecast operations and renewal costs are in line with the proposed operations budget. However, with the growing cost of material, labour, and new acquisitions, it is likely that the budget for future operations and maintenance will require review every 5 years to keep up with the growing cost. The increase in maintenance cost while insignificant, will create deferred maintenance items causing increased deterioration rate and a shorter lifespan of assets.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces, or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e., condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on 30 June 2021.[6]

Table 5.3: Useful Lives of Assets

Asset Components	Useful Lives	Asset Components	Useful Lives
Banner Poles	40	Gates	40
Barbecues	40	Handrails	60
Bicycle Rack	60	Irrigation	15
Bin	70	Landscaped Areas	80
Boat Ramp	100	Lighting	60
Bollards	70	Miscellaneous	80
Bridge	100	Outdoor Classroom	60
Bus Shelters	80	Pathway	60
Cricket Facilities	40	Picnic Furniture	60
Digital Assets	40	Play Equipment	15
Disability Access	80	Playground	50
Drinking Fountain	80	Posts	60
Fencing	40	Scoreboard	50
Flag Poles	40	Seats	60
Furniture	25	Shade Structure	15

[6] D03483347

Asset Components	Useful Lives
Shower	15
Signs	20
Skate Park	80
Sports Surfaces	15
Stormwater Harvesting	80

Asset Components	Useful Lives
Swimming Pool	80
Timber Pathway	60
Walls	80
Wickets	80
Wind Turbine	80

The estimates for renewals in this AMP were based on the asset register method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).[7]

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.[8]

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

Table 5.3.1: Renewal Priority Ranking Criteria

Criteria	Weighting
Community – Function	10%
Community – Quality	5%
Technical – Condition	30%
Technical – Risk of Failure	40%
Technical – Operating/Maintenance and lifecycle costs	15%
Total	**100%**

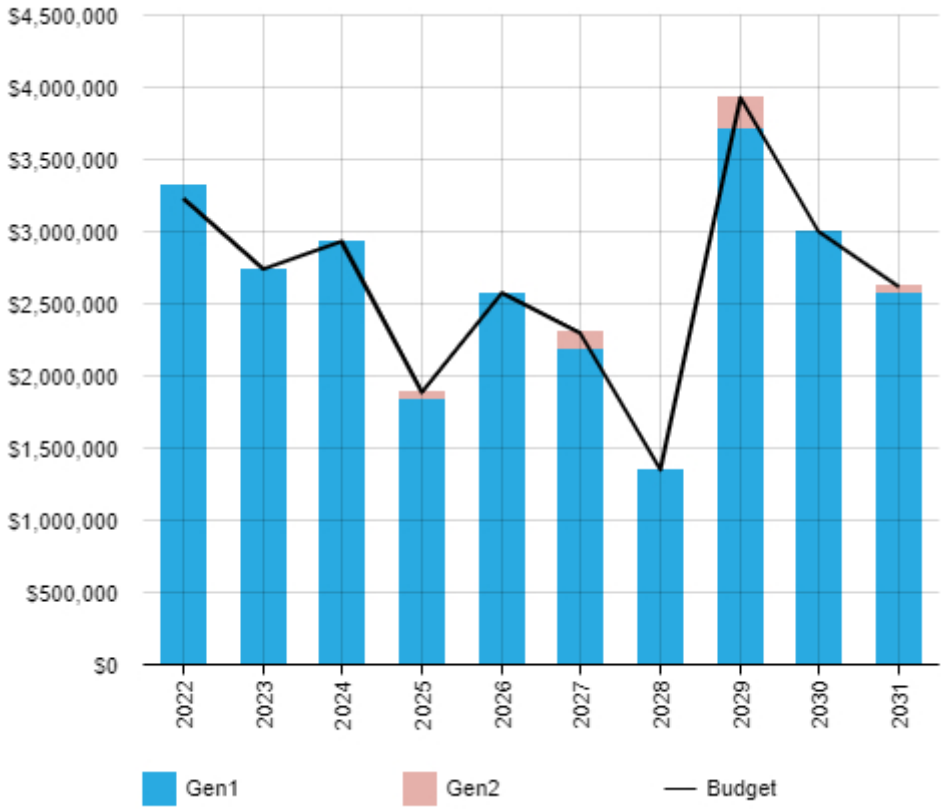
[7] IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

[8] Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4.1: Forecast Renewal Costs



All figure values are shown in current day dollars.

The forecast renewal costs are generally below the proposed renewal budget. As an average, this is an indicator that there is sufficient funding for renewal of assets in the next 10 years. However, the surplus captured under renewal is not sufficient to cater for the proposed town centre upgrade projects in the next 10 years.

5.5 Acquisition Plan

Acquisition is the practice of creating new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated / dedicated to the Randwick City Council.

5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term.

Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

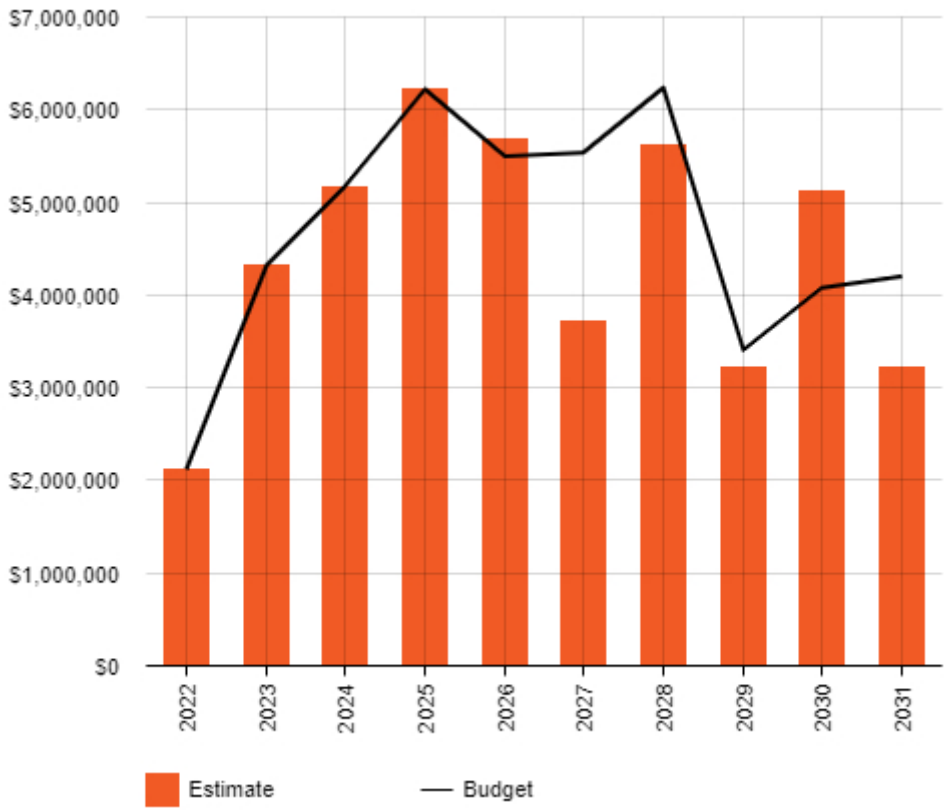
Table 5.5.1: Acquired Assets Priority Ranking Criteria

Criteria	Weighting
Safety	25%
Community Expectation	15%
Lifecycle Cost	25%
Community Benefits (Usage, population, future development)	35%
Total	100%

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

Figure 5.5.1: Acquisition (Constructed) Summary

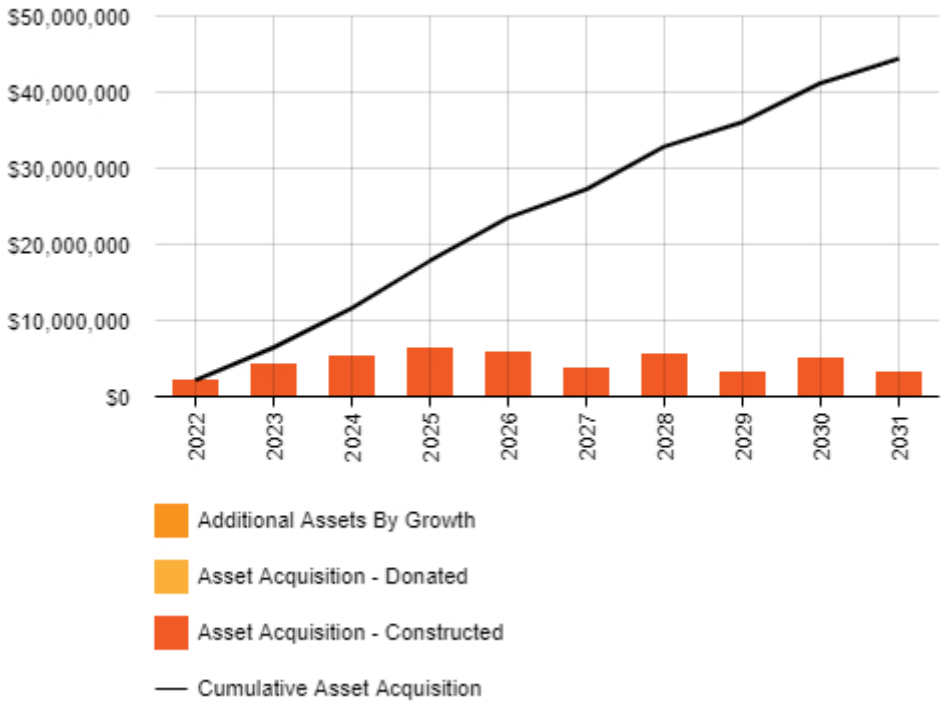


All figure values are shown in current day dollars.

When Council commits to new assets, we must be prepared to fund future operations, maintenance and renewal costs. We must also account for future depreciation when reviewing long term

sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by Council. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

Figure 5.5.2: Acquisition Summary



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

The planned acquisition will be constructed open space assets from council's capital works program. There will be some donated / dedicated assets by means of civil works from developments undertaken in the LGA.

5.6 Disposal Plan

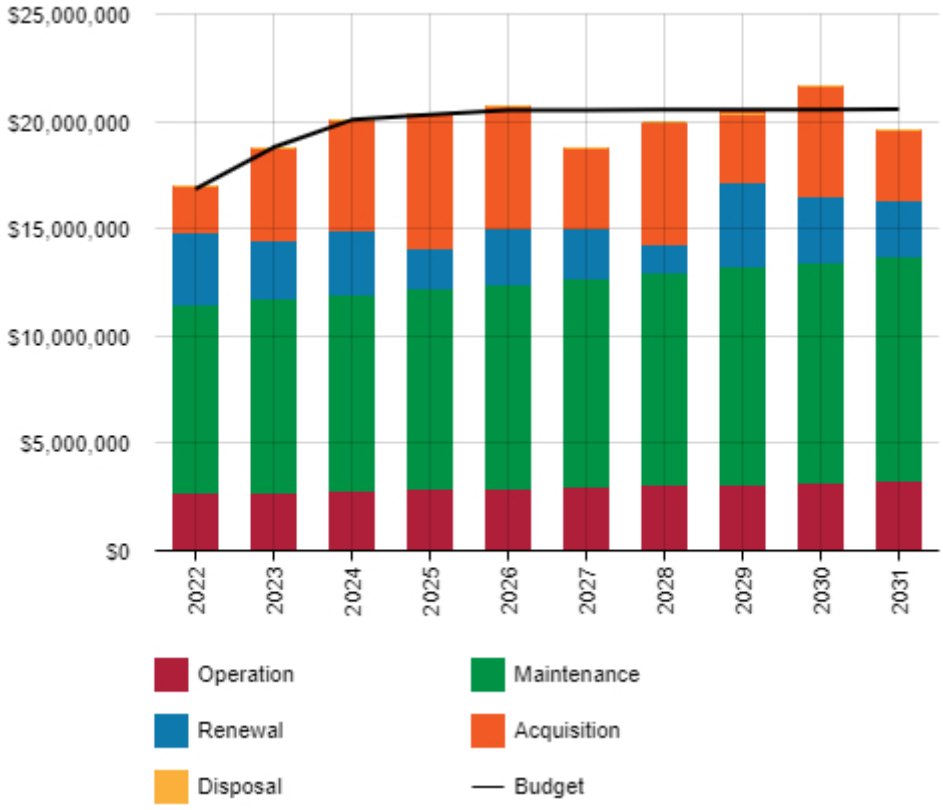
Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation. There are currently no assets being identified for possible decommissioning and disposal. Costs incurred from early disposal of assets were not included in this asset management plan. The cost incurred will be the residual values of the assets being renewed prior to the end of life. Depending on the performance of such assets, their values can be fully actualised prior to the end of life.

5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.7.1: Lifecycle Summary



All figure values are shown in current day dollars.

The forecast costs of the asset are generally in line or below the proposed budget. In fact, the proposed budget is currently providing approximately 101.2% of the forecast costs. The budget seems to be sustainable. Any surplus can be set aside in preparation for other new asset/upgrades in the near future.

6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[9].

An assessment of risks[10] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Playgrounds	Damaged hinges, joints, cut ropes, broken chain, cracked plastic, and broken or raised soft fall	Loss or reduction of service, restricted access, injuries to users or personal property damage
Flood lights	Failed footings, corroded / broken pole, broken light bracket	Loss or reduction of service, restricted access, casualties to users or property damage
Ocean Pools	Failed pumps, concrete pitting, broken handrails	Loss or reduction of service, restricted access, casualties to users or property damage
Beaches	Sand washout	Loss or reduction of service, restricted access, casualties to users
Synthetic fields	Fire damage, broken surface	Loss or reduction of service, restricted access, injuries to users or personal property damage

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

[9] ISO 31000:2009, p 2

[10] D03410905 RCC Enterprise Risk Management Framework

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

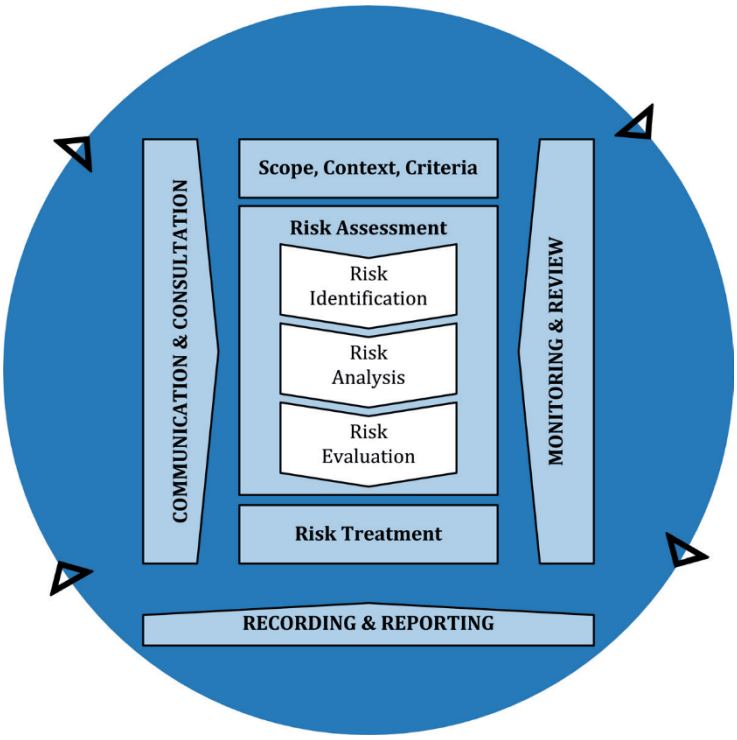


Fig 6.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks[11] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2.1. It is essential that these critical risks and costs are reported to management and the Council.

[11] D03410905 RCC Enterprise Risk Management Framework

Table 6.2.1: Risks and Treatment Plans

Risk Assessment

Risk Factors	Consequence	Likelihood
Personal Injury		*Please note likelihood is based on condition assessment*
Financial Implications		
Environmental		
Political		

Consequence	Risk Descriptions
Catastrophic	Death, toxic release off site with detrimental effect, huge financial loss (>$100,000), sustained comprehensive negative national media coverage with major loss in community trust
Major	Extensive injuries, loss of production capability, off site release with no detrimental effects, major financial loss (>$50,000 & <$100,000), Ongoing negative media coverage in local and metro press with minimal community trust
Moderate	Medical treatment required, on-site release contained with outside assistance, high financial loss (>$10,000 & <$50,000), Short period negative media coverage with rigorous community discussion
Minor	First aid treatment, on-site release immediately contained, medium financial loss (>$1000 & <$10,000), little or no impact on community's perception of Council
Insignificant	No injuries, low financial loss (<$1000), no effect to normal operations

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.

Table 6.2.2: Risks Matrix

	CONSEQUENCE				
LIKELIHOOD	Insignificant (2)	Minor (3)	Moderate (7)	Major (13)	Catastrophic (20) Major (13)
Almost Certain (5)	Medium (10)	High (15)	High (35)	Extreme (65)	Extreme (100)
Likely (4)	Medium (8)	Medium (12)	High (28)	High (52)	Extreme (80)
Possible (3)	Low (6)	Medium (9)	High (21)	High (39)	Extreme (60)
Unlikely (2)	Low (4)	Low (6)	Medium (14)	High (26)	High (40)
Rare (1)	Low (2)	Low (3)	Medium (7)	Medium (13)	High (20)

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

We do not currently measure our resilience in service delivery for open space assets. This will be included in future iterations of the AMP.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AMP are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- We cannot continually undertake reactive maintenance only
- We cannot expand the current open space assets without consideration of lifecycle cost and financial sustainability

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Council staff unable to meet service level agreement
- Dilapidated Open Space assets
- Reduced safety to users of the open spaces

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Risk of causing harm to users from dilapidated open space assets e.g. trip and fall, low slip resistant, damaged playground equipment and inaccessible ovals or parks.

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio[12] 99.7%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 99.7% of the funds required for the optimal renewal of assets.

The forecast renewal works along with the proposed renewal budget, is illustrated in Appendix D.

Medium term – 10 year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10-year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10-year planning period is $15,258,504 average per year.

The proposed (budget) operations, maintenance and renewal funding is $15,249,518 on average per year. This indicates that 99.9% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the 10-year life of the Long-Term Financial Plan.

7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.2 shows the forecast costs (outlays) required for consideration in the 10-year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

Forecast costs are shown in 2021 dollar values.

[12] AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2022	$2,120,000	$2,698,321	$8,803,096	$3,319,861	0
2023	$4,320,000	$2,752,288	$8,979,158	$2,740,825	0
2024	$5,170,000	$2,807,333	$9,158,742	$2,931,786	0
2025	$6,220,000	$2,863,480	$9,341,916	$1,886,829	0
2026	$5,680,000	$2,920,750	$9,528,755	$2,574,268	0
2027	$3,720,000	$2,979,165	$9,719,330	$2,296,051	0
2028	$5,620,000	$3,038,748	$9,913,716	$1,350,276	0
2029	$3,220,000	$3,099,523	$10,111,991	$3,928,469	0
2030	$5,120,000	$3,161,513	$10,314,231	$3,000,830	0
2031	$3,220,000	$3,224,743	$10,520,515	$2,618,535	0

7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

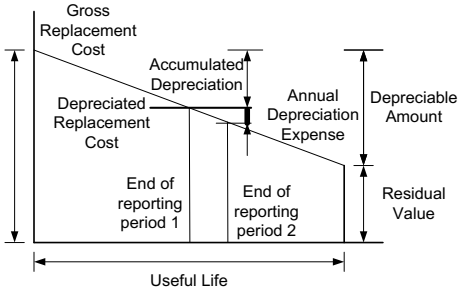
The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued using fair value to determine cost to replace service capacity:

Replacement Cost (Current/Gross)	$126,995,372
Depreciable Amount	$496,253,558
Depreciated Replacement Cost[13]	$84,313,768
Depreciation	$2,999,304



[13] Also reported as Written Down Value, Carrying or Net Book Value.

7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the asset class.

Additional assets will generally add to the operations and maintenance needs in the longer term. Also, new assets will require additional costs due to future renewals. Any additional assets will add to future depreciation forecasts.

Under the AASB requirements, Council is required to revaluate assets at a rate of minimum once every 4 years. This will help align the values of the existing assets with the addition of the acquired assets to a current day value.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- Asset values and dimensions are correct; Changes to asset values and dimensions will have an effect on resources required to operate, maintain and renew the Open Space assets.
- 100% of Council's open space assets are inspected and the open space asset conditions are updated accordingly. Monitoring of change of condition may show change in the asset's useful life which may have a subsequent change of funding required to maintain level of service.
- The estimates used for current rates of renewal will remain constant at the current 2021 values for the next 10 years. Any increase to the renewal costs may reduce the amount of work budgeted with possible reduction in the Open Space service level.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale[14] in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%

[14] IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment for Data used in AMP

Data	Confidence Assessment	Comment
Demand drivers	C. Medium	The demand drivers are based on NSW DPIE forecasts and Council's LSPS.
Growth projections	B. High	The growth projection is based on the Open Space and Recreation Needs Study, Open Space and Recreation Strategy, community requests, condition assessment and ongoing development requirements.
Acquisition forecast	B. High	Based on data for Randwick City Council for the past 5 years.
Operation forecast	B. High	Based on data for Randwick City Council for the past 5 years.
Maintenance forecast	B. High	Based on data for Randwick City Council for the past 5 years.
Renewal forecast - Asset values	B. High	The data is based on a recent modelling of asset data after completion of asset condition assessment.
- Asset useful lives	B. High	The data is based on a recent modelling of asset data after completion of asset condition assessment.
- Condition modelling	B. High	The data is based on a recent modelling of asset data after completion of asset condition assessment.

The estimated confidence level for and reliability of data used in this AMP is considered to be High.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices[15]

8.1.1 Accounting and financial data sources

In 2010 Council implemented the financial system, Technology One. This system contains a Works and Assets Module in which works orders or tasks can be raised and costings tracked against a particular asset.

Council's finance system is managed by its Finance section. The system is reported on and audited annually. The audited report is present to Council, who then refers the report onto the Department of Local Government.

Council's Asset Management Services team provides input into the asset registers including condition, useful life, unit rates, capitalisation data and physical attributes.

8.1.2 Asset management data sources

Randwick Council's Asset Register is currently located within the Technology One software package. This dataset contains all information to physically describe the asset including its makeup, age, condition, useful life, CRC and other financial data. The register is also linked to other systems including GIS.

The Technology One software used for asset management is currently controlled/managed by Council's Finance section.

Data maintenance is undertaken by Council's Asset Management section who review data/assets on an annual program and advise the Finance section of any updates, new or disposed assets as they arise.

Council is currently reviewing options for Strategic Asset Management System.

8.2 Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

Table 8.2: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Improve asset register data confidence	Asset Management Services	Asset Team	Ongoing
2	Establish a strategic asset management system for all infrastructure asset	Asset Management Services	Funding, Implementation Team	The next AMP
3	Review resilience of service delivery	Asset Management Services	Asset Team	The next AMP

[15] ISO 55000 Refers to this as the Asset Management System

Task	Task	Responsibility	Resources Required	Timeline
4	Include priority weighting methodology in maintenance and operation of assets. The four categories include: Condition, Functionality, Usage and Criticality	Infrastructure Services	Asset Team	The next AMP
5	Improve proactive maintenance planning and reporting mechanism	Infrastructure Services	Asset Team	Ongoing
6	Improve asset management principles awareness within Council staff	Asset Management Services	Asset Team	Ongoing

8.3 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and updating within 6 months of each Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- The degree to which the required forecast costs identified in this AMP are incorporated into the long-term financial plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AMP,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

9.0 REFERENCES

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10.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

- The acquisition forecast includes new assets and facilities in open space to meet increased local demands as per the table below. List determined using the Open Space and Recreation Strategy.
- A new state government administered grant funded cycleway project stretching from Alison Road, Randwick to Kingsford Light Rail Terminal.

A.2 – Acquisition Project Summary

Year	Acquisition Project	Budget	Donated
2022	Plans of Management Projects - 2022	$120,000	0
2022	Heffron Netball Shade & Seating Structure - Stage 1	$1,000,000	0
2022	Maroubra Oasis	$1,000,000	0
2023	Plans of Management Projects - 2023	$120,000	0
2023	Criterion Track	$1,000,000	0
2023	Heffron Park Sportsfield (Southwest) Lighting	$500,000	0
2023	Grant Reserve Playground Upgrade	$1,200,000	0
2023	BMX Park	$1,500,000	0
2024	Coastal Walkway - Lurline Bay	$4,000,000	0
2024	Plans of Management Projects - 2024	$120,000	0
2024	Public Art - 2024	$1,000,000	0
2024	Maroubra Beach Masterplan - Stage 1	$50,000	0
2025	Heffron Park Costing	$4,500,000	0
2025	Plans of Management Projects - 2025	$120,000	0
2025	Heffron Netball Shade & Seating Structure - Stage 2	$1,000,000	0
2025	Public Art - 2025	$600,000	0
2026	Public Art - 2026	$600,000	0
2026	Fishermans Road - Site remediation	$4,500,000	0
2026	Plans of Management Projects - 2026	$120,000	0
2026	Maroubra Beach Masterplan - Stage 2	$460,000	0
2027	Plans of Management Projects - 2027	$120,000	0

Year	Acquisition Project	Budget	Donated
2027	Paine Reserve Synthetic Field	$3,000,000	0
2027	Public Art - 2027	$600,000	0
2028	Public Art - 2028	$500,000	0
2028	Acquisition - 49 Cuzco St	$5,000,000	0
2028	Plans of Management Projects - 2028	$120,000	0
2029	Plans of Management Projects - 2029	$120,000	0
2029	Public Art - 2029	$500,000	0
2029	Heffron Park Synthetic Field (Field 46)	$2,600,000	0
2030	Coastal Walkway - Randwick	$4,500,000	0
2030	Public Art - 2030	$500,000	0
2030	Plans of Management Projects - 2030	$120,000	0
2031	Plans of Management Projects - 2031	$120,000	0
2031	Public Art - 2031	$500,000	0
2031	Chifley Sports Reserve Multipurpose Field	$2,600,000	0

A.3 – Acquisition Forecast Summary

Table A3 - Acquisition Forecast Summary

Year	Constructed	Donated	Growth
2022	$2,120,000	0	0
2023	$4,320,000	0	0
2024	$5,170,000	0	0
2025	$6,220,000	0	0
2026	$5,680,000	0	0
2027	$3,720,000	0	0
2028	$5,620,000	0	0
2029	$3,220,000	0	0
2030	$5,120,000	0	0
2031	$3,220,000	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

Operational forecast is assumed to be increasing yearly due to the increase of material and labour cost. Additional operation forecast increase is due to the increase in acquisition forecast.

B.2 – Operation Forecast Summary

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2022	$2,698,321	$0	$2,698,321
2023	$2,752,288	$0	$2,752,288
2024	$2,807,333	$0	$2,807,333
2025	$2,863,480	$0	$2,863,480
2026	$2,920,750	$0	$2,920,750
2027	$2,979,165	$0	$2,979,165
2028	$3,038,748	$0	$3,038,748
2029	$3,099,523	$0	$3,099,523
2030	$3,161,513	$0	$3,161,513
2031	$3,224,743	$0	$3,224,743

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

Maintenance forecast is assumed to be increasing yearly due to the increase of material and labour cost. Additional maintenance forecast increase is due to the increase in acquisition forecast.

C.2 – Maintenance Forecast Summary

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2022	$8,803,096	$0	$8,803,096
2023	$8,979,158	$0	$8,979,158
2024	$9,158,742	$0	$9,158,742
2025	$9,341,916	$0	$9,341,916
2026	$9,528,755	$0	$9,528,755
2027	$9,719,330	$0	$9,719,330
2028	$9,913,716	$0	$9,913,716
2029	$10,111,991	$0	$10,111,991
2030	$10,314,231	$0	$10,314,231
2031	$10,520,515	$0	$10,520,515

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Renewal forecast is based on the asset register. The general assumption of the asset register is that the condition of the assets is assessed appropriately and that the physical data of the asset are correct.

D.2 – Renewal Forecast Summary

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2022	$3,319,861	$3,230,000
2023	$2,740,825	$2,740,825
2024	$2,931,786	$2,931,786
2025	$1,886,829	$1,886,829
2026	$2,574,268	$2,574,268
2027	$2,296,051	$2,296,051
2028	$1,350,276	$1,350,276
2029	$3,928,469	$3,928,469
2030	$3,000,830	$3,000,830
2031	$2,618,535	$2,618,535

Appendix F Budget Summary by Lifecycle Activity

The planned budget for the relevant lifecycle activities is sufficient. There is no disposal cost considered as the assets will be renewed.

Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2022	$2,120,000	$2,698,321	$8,803,096	$3,230,000	$0	$16,851,416
2023	$4,320,000	$2,752,288	$8,979,158	$2,740,825	$0	$18,792,270
2024	$5,170,000	$2,807,333	$9,158,742	$2,931,786	$0	$20,067,862
2025	$6,220,000	$2,863,480	$9,341,916	$1,886,829	$0	$20,312,224
2026	$5,500,000	$2,920,750	$9,528,755	$2,574,268	$0	$20,523,772
2027	$5,537,230	$2,979,165	$9,719,330	$2,296,051	$0	$20,531,776
2028	$6,237,041	$3,038,748	$9,913,716	$1,350,276	$0	$20,539,780
2029	$3,407,802	$3,099,523	$10,111,991	$3,928,469	$0	$20,547,784
2030	$4,079,215	$3,161,513	$10,314,231	$3,000,830	$0	$20,555,788
2031	$4,200,000	$3,224,743	$10,520,515	$2,618,535	$0	$20,563,794

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