Gunnedah Shire

Open Space Asset Management Plan

November 2024

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In presenting this document to the community, Gunnedah Shire Council acknowledges the Kamilaroi Nation as the traditional Custodians of the Land on which we live and work. In doing so, Council pays its respect to all Elders both past and present as well as to the young Indigenous leaders of tomorrow.

Contents

Background

Asset Management Plans are important documents which help us to plan and invest wisely to maintain our assets and infrastructure so we can continue to deliver valuable services for our community now and into the future.

Assets are the foundation stones of the Shire and include the streets we drive on, the parks and reserve our family play on, the stormwater network we rely on, and the community and sporting facilities we enjoy across our LGA.

Here we present the Open Space Asset Management Plan, which covers Gazebo/Rotunda, Fences, Irrigation, Lighting, Open Space Furniture, Other Structures, Park Active Area, Park Infrastructure and Play Equipment Assets within all Council's parks and open spaces.

Asset Management Plans provide a snapshot of the current and future state of Council's infrastructure. The plans ensure we maintain and renew assets in a cost-effective and sustainable manner that meets our community's expectations.

In the management of assets, we have to balance the service standard expectations of the community with the cost of delivering the service. While we would all like the highest standard of our assets this comes at a cost, the long-term impact of which needs to be carefully considered.

Behind the plans is a significant amount of investigation, planning and financial modelling to help council staff to maintain our assets cost-effectively. The Asset Management Plans also highlight that when we build new assets or upgrade assets, we must plan for the ongoing maintenance and ultimate replacement of the assets at the end of their life.

We encourage you to have a look at the Asset Management Plans and review whether the service levels presented here are consistent with your vision for the future of Gunnedah Shire Council.

The following shows our AM documents in relation to other documents of Gunnedah Shire Council:

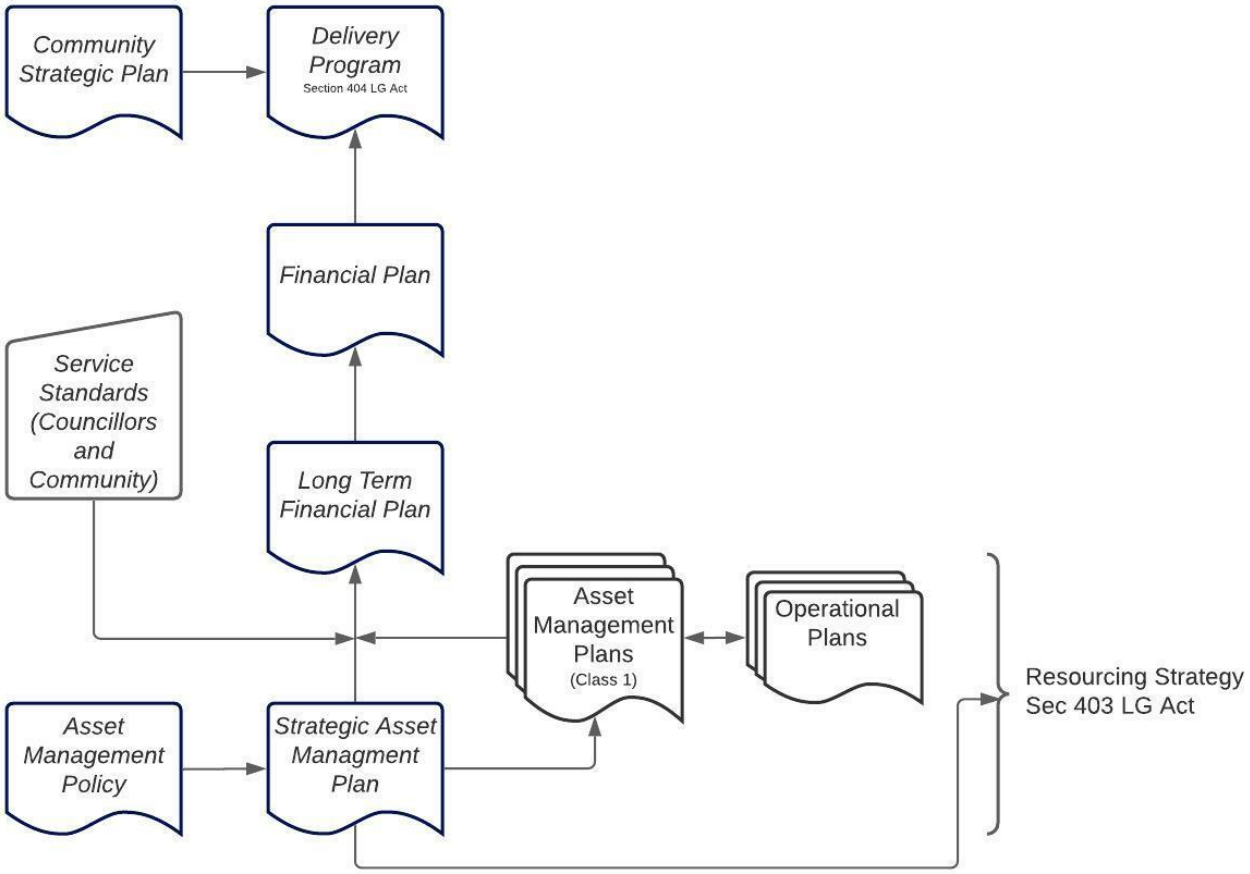

Figure 1: Strategic Asset Management Plan and the Asset Management Planning Process

Executive Summary

This document outlines in detail how Open Space assets are obtained, maintained, retained, and disposed of to provide best value for Gunnedah Shire Council to meet its organisational objectives.

This Asset Management Plan (AMP) provides 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 outlines the services to be provided, how the services are provided and what funds are required to provide over the 10-year planning period. The AMP will link to the Long Term Financial Plan (LTFP) which typically considers a 10-year planning period.

Council currently has a total 10-year LTFP renewal funding allocation of $2,183,160. There is a forecasted renewal funding requirement of $7,657,170 over the planning period to meet the desired level of service indicating a funding gap of $5,474,010. The current opening backlog is assessed to be $1,452,600. The overall portfolio condition is forecasted to degrade from an average condition of 1.27 to 2.67 under the current funding scenario. The level of confidence is assessed as medium due to the currently available data and assumptions that were required during the lifecycle modelling.

The following table shows the net strategy costs of scenarios modelled over the planning period:

Table 1: Net Strategy Comparison

Scenario	Renewal Cost	Operational Costs	Maintenance Cost	Initial Backlog	Final Backlog	Total Change in Backlog	Net Strategy Costs	Final Ave. Cond
Current LTFP Funding	$2,180,643	$14,061,526	$13,882,875	$1,452,600	$5,403,427	$3,950,827	$34,075,871	2.67
Desired LoS Required Funding	$7,657,170	$14,061,526	$1,435,276	$1,452,600	$0	-$1,452,600	$21,701,372	1.34

As can be seen from the table above it is unsustainable to allocate the Current LTFP Funding for Open Space renewals. The Current LTFP Funding scenario is projected to result in significantly high maintenance costs, over $5 million of backlog works resulting in an unacceptable risk profile and service standard for the community, and a significantly higher whole of life cost scenario than the Desired LoS Required Funding scenario.

It is recommended that Council increase the renewal funding allocation to the values presented in the Desired LoS Required Funding scenario in Table 15, $7,657,170 total over the 10-year planning horizon (on average $765,717 per year). This is anticipated to strike an acceptable balance between, expenditure, community expectations and risk. Should Council choose to allocate a lesser amount of renewal funding it would need to consider the long-term effects on asset performance, service levels and risk.

A detailed breakdown of the associated costs and projected requirements are listed in the Financial Summary.

Introduction

In accordance with the *Local Government Act 1993* (the Act) and the Community Strategic Plan (2017-2027), Council provides a range of community services to the members of the local community and visitors. The services include transport services, waste management services, environmental services, social and recreational services, open space services and stormwater drainage services.

Under the Act, Council is required to develop and adopt an infrastructure and asset management plan covering a period of at least 10 years. In addition, Council is required to adopt a long-term financial plan associated with such service plans also covering a period of at least 10 years. There is a direct link between the development and implementation of these two plans, with the LTFP updated to reflect forecast expenditure as detailed within these plans. Variations to the scheduled works within the AMP and the LTFP may be adjusted as the need arises. The primary intent of asset management is to meet a required level of service in the most cost-effective way, through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets to provide for present and future community needs. The AMP will be a living document over the next 3 to 4 years complying to all legislative requirements, and to communicate funding required to provide the required levels of service over a 10-year planning period.

This plan also aims to align with ISO 55000 (international standard for asset management) but does not seek to become accredited as an ISO document or process. This document aims to align the delivery of asset management activities with the organisation's goals and objectives; this process is known as the "line of sight" with asset management. The ISO framework also aims to create transparency and accountability through all aspects of asset management; this process ensures that all stakeholders understand their roles and responsibilities of achieving the intentions of the plan.

The AMP works in conjunction with the following Council's plans and strategies:

Table 2: Plans, Strategies and Policies

Plans, Strategies and Policies	Description
Community Strategic Plan 2017 to 2027	Is a long-term plan that outlines the community's vision, values, key themes and action statements for the future. It involves extensive community engagement to ensure the plan reflects the aspirations and needs of the community. The plan guides decision-making and resource allocation, aiming to improve the quality of life, economic development, and sustainability within the community.

Plans, Strategies and Policies	Description
Delivery Program	Aligned to the strategic directions of the Community Strategic Plan, the Delivery Program describes what the elected council commits to deliver over their 4-year term.
Operational Plan	The Operational Plan identified the annual projects and activities to deliver against the Delivery Program outcomes, in alignment with the Community Strategic Plan.
Long Term Financial Plan	The Long Term Financial Plan (LTFP) is a 10-year rolling plan that informs decision-making and demonstrates how the objectives of the Community Strategic Plan and commitments of the Delivery Program and Operational Plan will be resourced and funded.
Asset Management Policy	Outlines the organisation's principles and guidelines on how AM will be done to achieve the organisation's objectives.
Strategic Asset Management Plan (SAMP)	High-level plan to implement the Asset Management Policy and outlines how assets will be managed – relies on lower-level plans for execution.
Risk Management Policy	Provides a framework and guidance for the management of risks associated with the delivery of the entirety of Council's functions and operations and to maximise opportunities and minimise adverse impacts.
Risk Management Framework	Documents a set of components that provide the foundations for risk management throughout Council including policies, procedures, business rules and risk management tools.

Table 3: Definitions

Abbreviation	Meaning
ABS	Australian Bureau of Statistics
AM	Asset Management
AMP	Asset Management Plan
FY	Financial Year
LGA	Local Government Area
LoS	Level of Service
LTFP	Long Term Financial Plan
Workbank Backlog	The value of engineering works that are requiring to be delivered to meet the desired level of service, but where capital renewal funding is not adequate.

Table 4: Legislation and Relevant Acts

Legislation	Requirements
Crown Land Management Act 2016	Provides for the administration and management of Crown land in the Eastern and Central Division of the State of NSW. Council has large holdings of Crown land under its care, control and management.
Disability Discrimination Act 1992	Provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.

Legislation	Requirements
Environmental Planning and Assessment Act 1979	Institutes a system of environmental planning and assessment for the State of New South Wales. Among other requirements the Act outlines the requirement for the preparation of Local Environmental Plans (LEP), Development Control Plans (DCP), Environmental Impact Assessments (EIA) and Environmental Impact Statements.
Heritage Act 1977	Provides for the protection and conservation of places and objects of cultural heritage significance and the registration of such places and objects.
Local Government Act 1993	Sets out the role, purpose, responsibilities and powers of local governments.
Native Vegetation Act 2003	Prevents broad scale clearing unless it improves or maintains environmental outcomes.
WHS Act 2000	Secures and promotes health and safety of employees at work.

Asset Information

This plan applies to Open Space assets which provide community, leisure, sporting and recreational services.

The Open Space network comprises of:

Table 5: Summary of Open Space Network

Asset Type	Quantity	Replacement Value	Percentage of Network
Fences	25	$1,011,400	5.84%
Gazebo/ Rotunda	6	$211,300	1.22%
Irrigation	7	$646,935	3.74%
Lighting	40	$2,049,281	11.83%
Open Space Furniture	39	$764,754	4.42%
Other Structures	70	$7,643,605	44.14%
Park Active Areas	7	$592,800	3.42%
Park Infrastructure	14	$2,699,803	15.59%
Park Passive Areas	1	$41,518	0.24%
Play Equipment	41	$1,655,214	9.56%
Total	**250**	**$17,316,609**	**100.00%**

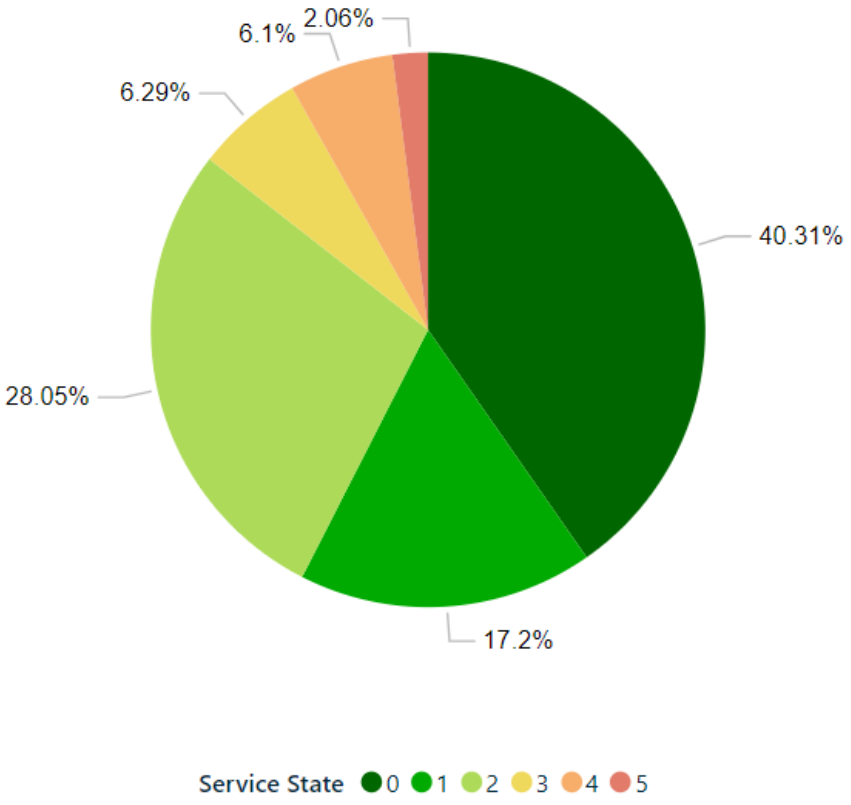

Figure 2: Current Condition State of the Assets

Asset Hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in the 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 asset hierarchy is currently at a park level as descried in Gunnedah's Open Space Strategy and distilling this information down to an asset level is listed as an improvement item below.

Asset Expected Life

All assets are provided with a baseline straight line useful life value (blue line), used for the purposes of lifecycle cost planning and accounting for asset valuation and depreciation. This straight-line depreciation is used in Council's financial reporting. The service life of some assets, such as transport, differs from the standard design life and the useful life, as it also accounts for the ongoing maintenance and renewal of the asset to maintain a designated technical level of service (black line). The setting of service levels will be undertaken by council staff in consultation with the community and elected members, to optimise whole of life costs for the assets.

As upkeep of the asset is made through the capital renewal and maintenance budgets, the condition should be maintained at the desired level to ensure assets reach their potential service life (black line). If no regular maintenance occurs the potential asset life will not be reached (red line).

Figure 3 shows that the deterioration curves of red and black show a true reflection on an assets aging profile, as it typically deteriorates faster towards the end of its life.

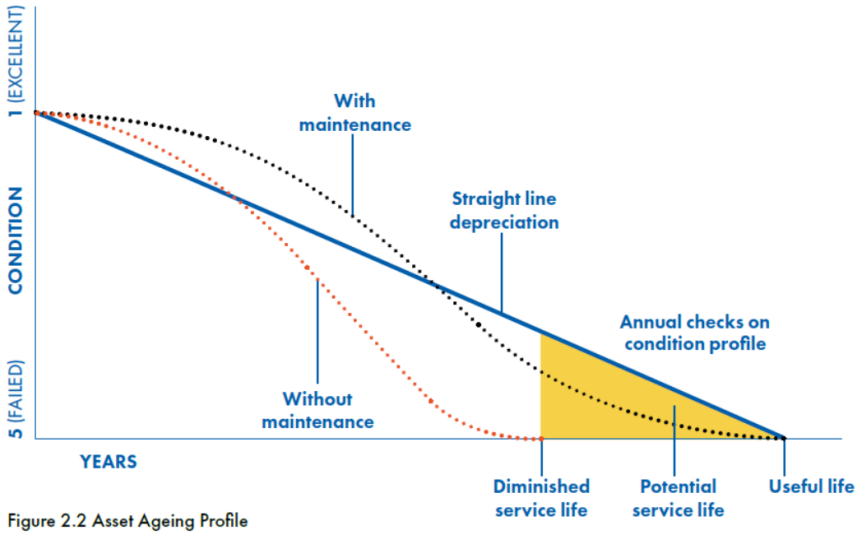

Figure 3: Asset Ageing Profile

See financial summary section for commentary on how the current budget allocation is performing.

Asset Quality, Condition and Distribution

The condition data that underpins this AMP and supporting lifecycle model is based upon valuation assessments completed by 30 June 2024. The condition framework used in the assessments was:

Table 6: Condition Assessment Framework

Condition Rating	Condition Description	Actions
0	As New	No action required
1	Excellent/Very Good	No action required
2	Good	Minor defects only
3	Fair	Maintenance required to return to accepted level of service
4	Poor	Consider renewal
5	Very Poor	Approaching unserviceable
6	End of Life	Unserviceable

The average condition score by asset type derived from the assessments was:

Table 7: Average Condition Score by Asset Type

Asset Type	Average Score
Fences	1.61
Gazebo/ Rotunda	1.24
Irrigation	0.66
Lighting	1.03
Open Space Furniture	1.67
Other Structures	1.70
Park Active Areas	1.37
Park Infrastructure	1.49
Park Passive Areas	0.00
Play Equipment	1.13
Total	**1.27**

Critical Assets

Council currently manages the relative service levels of the Parks by classifying them as a Tier 1, 2, or 3 site. This defines the operational and maintenance activity frequencies such as inspection, cleaning, mowing, and rubbish removal to balance the cost of servicing the sites with meeting the level of service desired of the community.

At this stage, this criticality categorisation has not been used in the renewal modelling, however the expected lives for high use sites have been revised to ensure the expected time to renewal considers the relatively higher use the assets experience.

Stakeholders

Open Space assets are managed through Gunnedah Shire Council's Public Facilities division with support services from the Engineering, Assets and Finance services departments. The key stakeholders and their roles are defined in Table 8.

Table 8: Key Stakeholders

Key Stakeholders	Roles in Asset Management
Council Officers	Council officers play a role in managing Open Space assets to ensure that they provide a level of service that meets the needs of both residents and visitors to the area. Council officers implement the components identified in the Open Space asset management plan.
Council Representatives	This stakeholder group includes Councillors and the Mayor for the Council. They are primarily responsible to ensure that their decisions represent and reflect the needs of the wider community.
Residents	Residents are the core users of Open Space assets. Their needs, wants and expectations are conveyed to Council, which should be reflected in the desired levels of service.
Visitors	Visitors are the second largest users of Open Space assets, due to their likely frequency of use. Visitor's wants, needs and expectations drive the development in areas of the highest usage and also commercial areas.
Insurers	Insurers have an interest to drive the implementation of systems, which would allow Council a better position in the knowledge of the condition of our assets. This should be reflected in by the number of claims made against this asset group.

Current and Desired Levels of Service

This AMP is prepared to facilitate consultation prior to adoption of levels of service by Gunnedah Shire Council.

Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist Council 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.

The International Infrastructure Management Manual describes Levels of Service (LoS) as '*defined service quality for an activity or service area against which service performance may be measured*'.

Table 9: Customer (Community) Levels of Service

Strategic Goal	Criteria	Level of Service Objective	Performance Measure	KPI
1.5 Strategically Managed Infrastructure 3.3 Villages are Vibrant and Sustainable 3.5 Our Younger People are Attracted, Retained and Developed 3.6 A Healthy and Active Community Participating in a Diverse Range of Recreational and Cultural Activities. 4.7 Enhanced Streetscapes and Open Spaces in Gunnedah and Villages	Quality	Well maintained assets that meet community expectations.	Performance measures and KPIs have not yet been determined.	
	Function / Customer Satisfaction	Meet user requirements		
	Availability	Open Space to be available to the community.		
	Safety	Open Space are free from hazards		
	Legislative Compliance	Compliance with all legislation and regulations.		

Table 10: Technical Levels of Service

Strategic Goal	Criteria	Level of Service Objective	Performance Measure	KPI
1.5 Strategically Managed Infrastructure 3.3 Villages are Vibrant and Sustainable 3.5 Our Younger People are Attracted, Retained and Developed 3.6 A Healthy and Active Community Participating in a Diverse Range of Recreational and Cultural Activities. 4.7 Enhanced Streetscapes and Open Spaces in Gunnedah and Villages.	Operations	Asset conditions are regularly monitored.	Condition assessments are undertaken every four years at a portfolio level.	100% Compliance
		Safety of playgrounds are regularly assessed.	Safety audits are undertaken in accordance with Council's operational standards.	100% Compliance
		Parks and Open Space are well kept and encourage community use.	Operational activities such as mowing, weed management, cleaning, etc are undertaken in accordance with Council's operational standards.	100% Compliance
	Maintenance	Maintenance defects are rectified in a timely manner.	In alignment with maintenance levels of services.	90% Compliance.
	Renewal	Asset conditions meet community expectations.	Renewals completed before or when assets reach condition 4 (poor).	90% Compliance.
	Upgrade / New	Assets comply with legislative requirements and regulatory standards.	Compliance Audits	100% Compliance with legislative requirements.

Future Demand

Over time, the community's demand for the services which Gunnedah Shire Council provides changes. The reason for change can be varied, but some of the common drivers are population, demographics, technology, environmental, economic and political. Naturally as service demand changes, Council's assets may also need to change.

Table 11: Demand Management

Current Position	Demand Forecast	Demand Impact	Demand Management Plan
Population – Gunnedah Shire Council's population as of the 2021 census was 12,691 people.	By 2036 the population is expected to increase by 589 people (4.6%) to 13,280.	Negligible or minor.	N/A
Community Expectations – According to the 2024 Community Research Survey, the community is satisfied with the performance of the Council's Open Space assets. All Open Space survey fields were rated as having good performance, >80% satisfaction ratings.	The Community Research Survey was based on current status, not forward focused. The condition projections included in the supporting lifecycle model are the only forward focused performance information. Under the current LTFP funding scenario the average condition of the portfolio is predicted to deteriorate which may reduce community satisfaction and trigger extra community focus / expectations	Community becomes unsatisfied with Open Space assets. Community expects higher service standard from Open Space. Reputation damage for Council.	Open Space maintenance and renewals to be completed based on agreed services levels that meet community expectations.

Current Position	Demand Forecast	Demand Impact	Demand Management Plan
Demographic Changes – Age distribution analysis of the ABS census data shows a trend to an ageing population with residents generally staying in Gunnedah and 'ageing in place'.	See left.	An ageing population may demand Open Space assets that can support active ageing activities / services.	Undertake service performance review of key Open Space sites to understand if the current asset portfolio is meeting current needs / future projections. Depending on the results of the above Council may need to consider both asset (expansion, new upgrade) and non-asset solutions (e.g., utilising privately owned infrastructure for community activities).
Environmental Performance – As Australia moves towards achieving its's emission deduction and net zero targets, local government authorities will need to consider the carbon impact from construction activities and the availability and utilisation of recycled materials. Furthermore, solar lighting may need to be considered for Open Space lighting schemes.	See left.	Expansion, New and Upgrade projects will need to comply with modern environmental standards and may incur higher costs than traditional projects. Community expectations / Council initiatives for better environmental performance may demand proactive upgrade of underperforming assets.	All Expansion, New and Upgrade projects to comply with standards. Monitor Council's position and take opportunities to upgrade to better environmentally performing components where it is cost effective to do so.

Life Cycle Planning/Strategies

The lifecycle management plan details how Gunnedah Shire Council plans to manage and operate the assets at the agreed levels of service while managing life cycle. The assets covered by this Open Space AMP are shown in the Asset Information section above.

This section presents an analysis of Council's Open Space assets information and the life cycle management plans covering the five key work activities to manage Open Space assets.

Operations Plan

Operational activities are regular ongoing practices that keep the Open Space assets functional and ready for use. Operational activities do not affect the condition of the asset and include cleaning, safety audits, condition assessments, mowing and watering.

Council has typically spent $1,406,153 per annum on operational activities for Open Space. It is expected that this trend will continue over the planning horizon.

Maintenance Plan

Maintenance is the regular ongoing work necessary to keep assets serviceable. Maintenance activities are required to ensure assets meet their design life and this includes reactive and proactive works.

Reactive maintenance is unplanned repair work carried out in response to service requests and supervisory directions, for example repairing a broken fence. Proactive (planned) maintenance is work that is planned and scheduled often as a preventative measure against failure, for example servicing of a water pump. This is often cyclical in nature.

The work and costs associated with maintenance activities is dependent on the condition state of the asset. As a general rule, the worse the condition state, the higher the reactive maintenance cost requirements.

Council has typically spent $332,143 per annum on maintenance activities for Open Space. It is expected that this trend will continue over the planning horizon, however the actual maintenance cost requirements will depend on the renewal and acquisition strategy adopted by Council, noting the dependency on condition state. See the Operations and Maintenance Trends and Forecasts section below for details.

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 through asset lifecycle modelling using the Brightly Predictor modelling software. This uses asset specific condition assessments and degradation profiles to understand the current condition, forecast the expected year of renewal works, propose the type of renewal works required, and provide a strategic estimate for the renewal cost. It is noted that the software provides works candidates using technical criteria that are then reviewed and prioritised into a delivery program.

The renewal service level (intervention level) set by Council was condition 4 (poor) for all assets.

Council has the following planned LTFP budget allocation for Open Space renewals:

Table 12: LTFP Planned Renewal Budget – Open Space

Year	Planned Budget
1	$185,464
2	$260,676
3	$196,036
4	$200,937
5	$205,961
6	$211,110
7	$336,387
8	$221,797
9	$156,505
10	$208,287
Total	**$2,183,160**

Acquisition Plan

Acquisitions are new assets which 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 to Council.

Proposed upgrade of existing assets, and new assets, are identified from various sources such as community requests, service manager studies and proposals identified by strategic plans. Potential upgrades and new works should be reviewed to verify that they are essential and non-asset solutions should always be considered.

Selection Criteria

When Council commits to new assets, they must be prepared to fund future operations, maintenance, and renewal costs. They must also account for future depreciation when reviewing long term sustainability. This is outlined in Council's Asset Management Policy.

Currently there are no planned acquisition projects.

Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Council's Asset Disposal Policy outlines this process.

In the 10-year planning horizon no asset disposals are planned.

Financial Summary

This section contains the financial impacts and requirements from all the information provided in the previous sections.

Financial predictions can be improved when further information becomes available and documented in future AMPs, on desired levels of service and current and projected future asset performance.

Two funding scenarios have been developed, firstly a scenario that models the current LTFP funding allocation, which can be seen in Table 12 above. Secondly a Desired LoS required funding scenario demonstrates the required expenditure to meet the desired levels of service by adopting an unconstrained budget in the supporting lifecycle model. The summary of costs for each scenario is shown below:

Table 13: Summary of Cost Forecasts

Year	Current LTFP Funding Scenario				Desired LoS Required Funding			
	Operational Costs	Maintenance Costs	Renewal Costs	Work Bank Backlog	Operational Costs	Maintenance Costs	Renewal Costs	Work Bank Backlog
1	$1,406,153	$711,444	$179,800	$1,272,800	$1,406,153	$78,551	$1,452,600	$0
2	$1,406,153	$825,365	$258,700	$1,247,300	$1,406,153	$123,754	$233,200	$0
3	$1,406,153	$1,151,990	$200,800	$1,400,800	$1,406,153	$189,466	$354,300	$0
4	$1,406,153	$1,208,157	$202,500	$1,478,900	$1,406,153	$196,172	$280,600	$0
5	$1,406,153	$1,162,118	$204,800	$1,544,400	$1,406,153	$193,779	$369,000	$0
6	$1,406,153	$1,362,059	$212,100	$2,861,400	$1,406,153	$144,486	$1,445,600	$0
7	$1,406,153	$1,491,573	$337,073	$3,115,897	$1,406,153	$138,568	$518,370	$0
8	$1,406,153	$1,584,772	$221,100	$3,100,997	$1,406,153	$137,500	$274,400	$0
9	$1,406,153	$2,007,308	$156,400	$3,518,197	$1,406,153	$138,275	$687,900	$0
10	$1,406,153	$2,378,088	$207,370	$5,403,427	$1,406,153	$94,725	$2,041,200	$0
Total	**$14,061,526**	**$13,882,875**	**$2,180,643**	**$5,403,427 (Closing)**	**$14,061,526**	**$1,435,276**	**$7,657,170**	**$0 (Closing)**
Net Strategy Costs				**$34,075,871***	**Net Strategy Costs**			**$21,701,372***

*Includes change in work bank backlog in calculation.

Asset Valuations

Council undertakes 'Revaluations' in line with the Asset Management Policy. Valuations are undertaken in alignment with Australian Accounting Standard 'AASB13 Fair Value'.

Valuations are required every three to five years and are independently audited. Valuations are undertaken to satisfy the financial reporting requirements and to understand the cost to replace assets.

Operations and Maintenance Trends and Forecasts

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.

Furthermore, the work and costs associated with maintenance activities is dependent on the condition state of the asset. Therefore, if the asset portfolio experiences poorer condition states, increased maintenance costs will be anticipated.

As stated in the Lifecycle Planning/Strategies section the typical historic operational costs are $1,406,153 per annum and maintenance costs are $332,1423 per annum. These values are calibrated into the supporting lifecycle model, from which future costs can be projected including maintenance cost forecasts that consider network growth (or decline) and a changing condition distribution.

The forecasts are shown in the below figures and table:

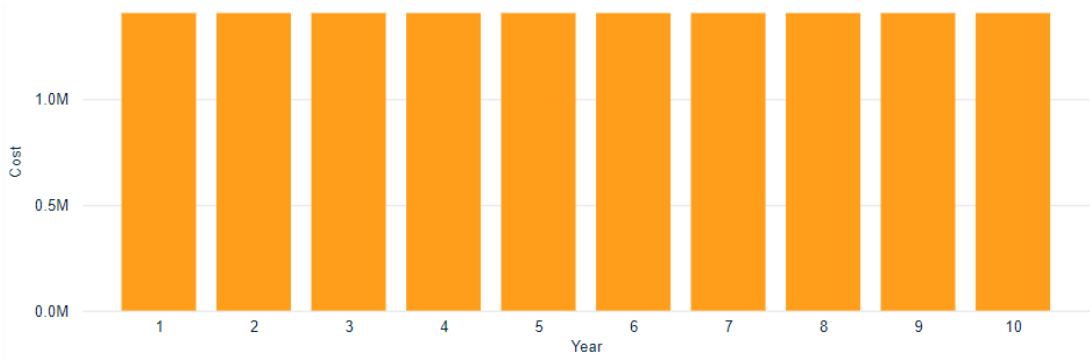

Figure 4: Total Operational Costs by Year

The above operational cost forecast applies to both model scenarios.

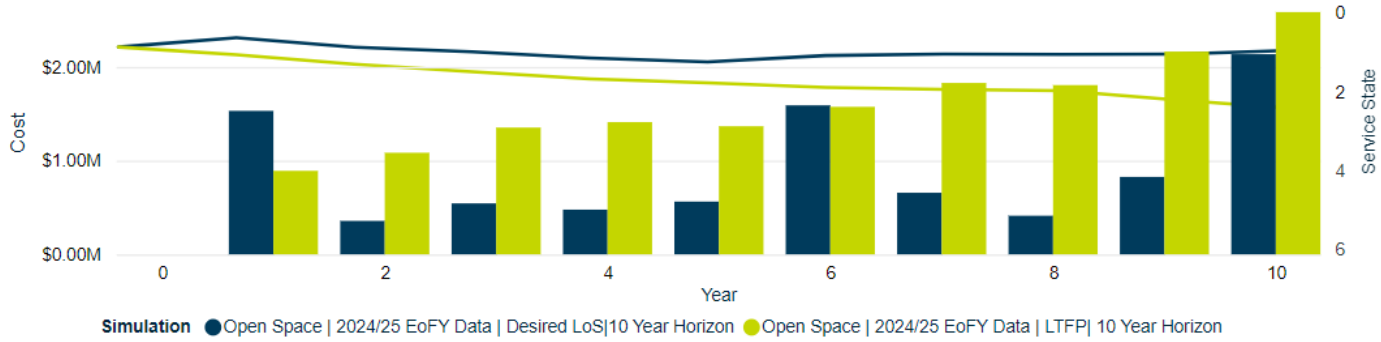

Figure 5: Total Maintenance Costs by Year and Scenario

Table 14: Operational and Maintenance Cost Summary

Year	Operational Costs	Current LTFP Funding Scenario		Desired LoS Required Funding	
		Maintenance Cost	Ave. Condition	Maintenance Costs	Ave. Condition
1	$1,406,153	$711,444	1.44	$78,551	1.06
2	$1,406,153	$825,365	1.66	$123,754	1.27
3	$1,406,153	$1,151,990	1.83	$189,466	1.37
4	$1,406,153	$1,208,157	1.99	$196,172	1.52
5	$1,406,153	$1,162,118	2.08	$193,779	1.61
6	$1,406,153	$1,362,059	2.19	$144,486	1.46
7	$1,406,153	$1,491,573	2.23	$138,568	1.43
8	$1,406,153	$1,584,772	2.26	$137,500	1.43
9	$1,406,153	$2,007,308	2.48	$138,275	1.43
10	$1,406,153	$2,378,088	2.67	$94,725	1.34
Total	**$14,061,526**	**$13,882,875**	**2.67**	**$1,435,276**	**1.34**

The effect of poorer condition states increasing maintenance costs can be seen by comparing the two scenarios, with significantly more costs experienced by the Current LTFP Funding Scenario (constrained renewals budget, therefore reduced condition states and increased maintenance costs).

Future Renewal Forecast

Council has the planned LTFP budget allocation outlined in Table 12 for Open Space renewals and this has been modelled in the Current LTFP Funding Scenario.

The forecasts are shown in the below figures and table:

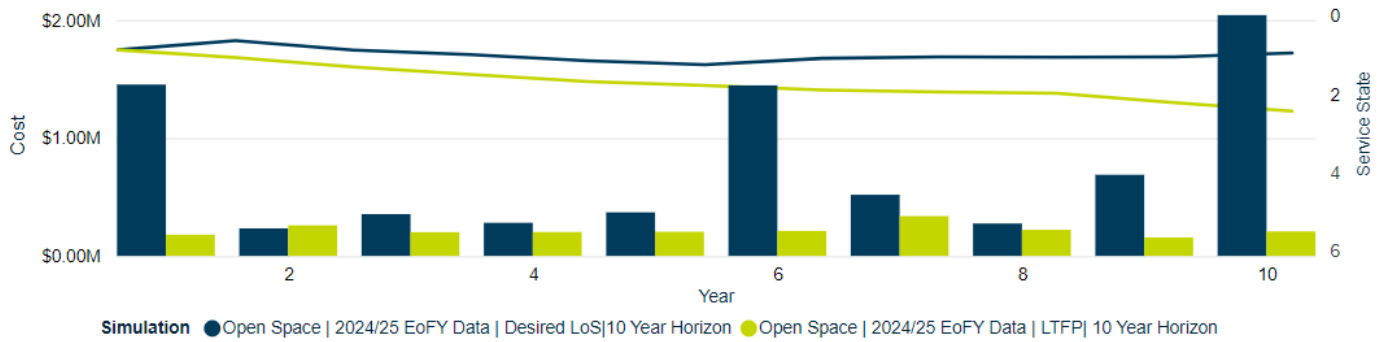

Figure 6: Total Renewal Costs by Year and Scenario

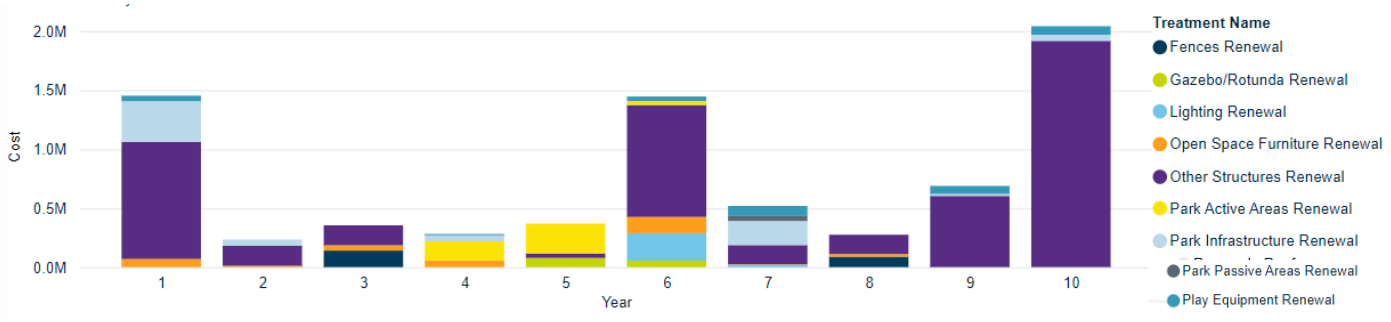

Figure 7: Total Renewal Costs by Year and Treatment Type – Desired LoS Scenario

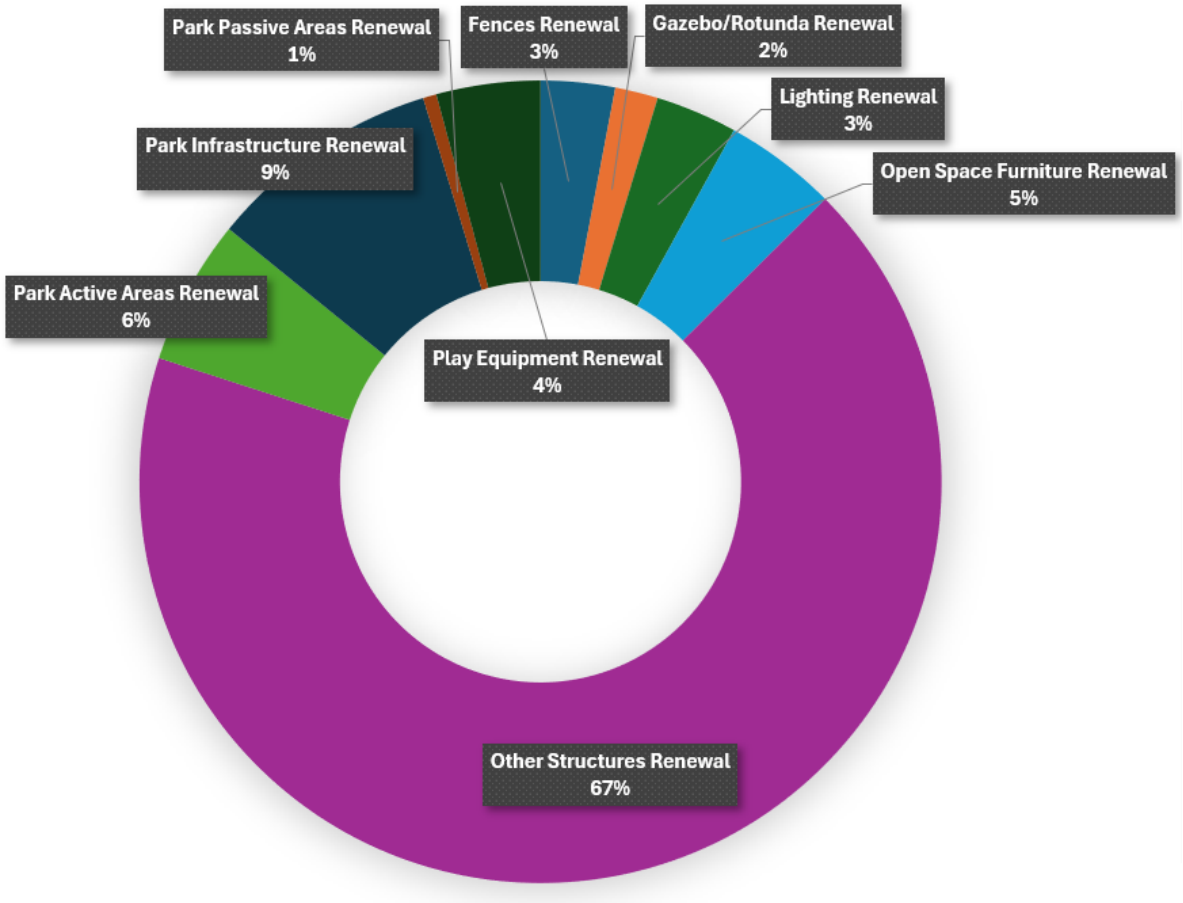

Figure 8: Total Renewal Costs % by Treatment Type – Desired LoS Scenario

Table 15: Renewal Cost Summary

Year	Current LTFP Funding Scenario		Desired LoS Required Funding	
	Renewal Cost	Ave. Condition	Renewal Costs	Ave. Condition
1	$179,800	1.44	$1,452,600	1.06
2	$258,700	1.66	$233,200	1.27
3	$200,800	1.83	$354,300	1.37
4	$202,500	1.99	$280,600	1.52
5	$204,800	2.08	$369,000	1.61
6	$212,100	2.19	$1,445,600	1.46
7	$337,073	2.23	$518,370	1.43
8	$221,100	2.26	$274,400	1.43
9	$156,400	2.48	$687,900	1.43
10	$207,370	2.67	$2,041,200	1.34
Total	**$2,180,643**	**2.67**	**$7,657,170**	**1.34**

A breakdown of asset condition at year 10, based on the two modelled scenarios, is displayed below:

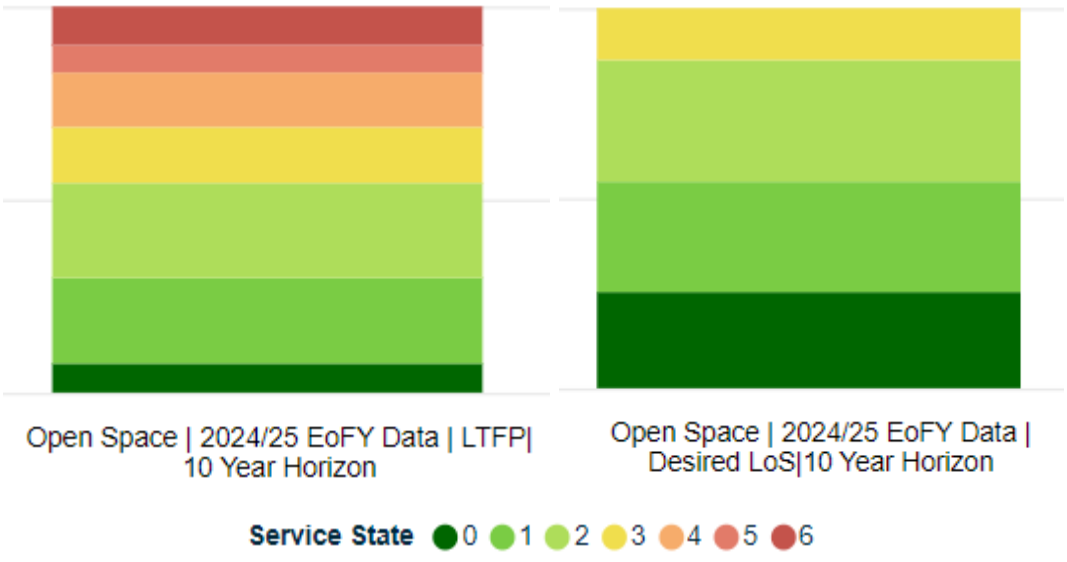

Figure 9: Condition Distribution Scenario Comparison at Year 10

Table 16 : Condition Distribution Scenario Comparaison at Year 10

Scenario	0	1	2	3	4	5	6
Current LTFP Funding	7.55%	22.12%	24.64%	14.49%	14.10%	7.09%	10.02%
Desired LoS Required Funding	25.31%	29.04%	32.02%	13.63%	0.00%	0.00%	0.00%

Councils' objective is to strike an acceptable balance between, expenditure, community expectations and risk. Council believes this balance is achieved by the criticality-based service levels (intervention levels) described in the Renewals Plan section above. To achieve this desired state, the above graphs and tables show the total required renewal expenditure over the 10-year planning horizon is $7,657,170.

Currently the total allocated LTFP 10-year funding for Open Space renewals is $2,183,160. Reviewing the performance of this scenario shows that it will be unsustainable to continue to adopt this approach, with 31.21% of the portfolio projected to be in a poor condition state (4) or worse by year 10, representing a work bank backlog of $5,403,427.

Future Acquisition Forecast

Currently there are no planned acquisition projects.

Conclusions

The following table shows the net strategy costs of scenarios over the planning horizon:

Table 17: Net Strategy Comparison

Scenario	Renewal Cost	Operational Costs	Maintenance Cost	Initial Backlog	Final Backlog	Total Change in Backlog	Net Strategy Costs	Final Ave. Cond
Current LTFP Funding	$2,180,643	$14,061,526	$13,882,875	$1,452,600	$5,403,427	$3,950,827	$34,075,871	2.67
Desired LoS Required Funding	$7,657,170	$14,061,526	$1,435,276	$1,452,600	$0	-$1,452,600	$21,701,372	1.34

As can be seen from the table and sections above it is unsustainable to allocate the Current LTFP Funding for Open Space renewals. The Current LTFP Funding scenario is projected to result in significantly high maintenance costs, over $5 million of backlog works resulting in an unacceptable risk profile and service standard for the community, and a significantly higher whole of life cost scenario than the Desired LoS Required Funding scenario.

It is recommended that Council increase the renewal funding allocation to the values presented in the Desired LoS Required Funding scenario in Table 15, $7,657,170 total over the 10-year planning horizon (on average $765,717 per year). This is anticipated to strike an acceptable balance between, expenditure, community expectations and risk. Should Council choose to allocate a lesser amount of renewal funding it would need to consider the long-term effects on asset performance, service levels and risk.

Assumptions

In preparing this AMP and the supporting lifecycle model the following assumptions were made:

Table 18 AMP and Lifecycle Modelling Assumptions

Assumptions	Details
Costs	All costs are shown in current 2024/2025 FY dollar values.
Typical Operational & Maintenance Expenditure	Operational expenditure was assumed to account for 70% of the typical total operational and maintenance expenditure due to the high expense associated with park operations.

Data Confidence

The expenditure and valuations projections in this AMP are based on best available corporate data. Currency and accuracy of data is critical to effective asset and financial management.

The confidence in the data for this AMP is Medium

Risk Management

An assessment of risks associated with service delivery from infrastructure assets has identified the most critical risks to Council. The risk assessment process identifies and assesses risks, develops a risk rating and develops a risk treatment plan for non-acceptable risks.

Table 19: Risk Management Plan

Risk	Risk Rating	Control Measure / Treatment Approach	Responsibility
Community or staff member injured because of using Council assets.	High	Proactive maintenance, routine inspections, capital works program, WHS management system, WHS inspections, training and education.	Public Facilities

Risk	Risk Rating	Control Measure / Treatment Approach	Responsibility
Assets do not meet user or community expectations.	High	Asset management plan, customer satisfaction survey, service led AM planning, inspection and audit programs, capital works program.	Engineering Services Public Facilities
Critical asset or component failure results in inaccessible assets or business interruption.	Moderate	Proactive maintenance, routine inspections, capital works program.	Public Facilities
Significant breach of legislation, Council policies or frameworks.	High	Training and education, legal and LGA updates, audit programs.	Governance and Legal Public Facilities

Plan Improvement and Monitoring

This plan is to be reviewed and updated alongside any major changes to legislation or internal policies or strategies, or when required.

Monitoring and Reviewing

The Asset Management Plan is not a one-off document but part of the Council's business planning process. For this reason, it is necessary to review and update any key assumptions, strategic change or budget decision that may affect the planned service levels and future expenditure requirements.

To keep this AMP current, Council will schedule the plan review into its strategic and annual planning and budget processes. The asset management plan has a life of 4 years (or in line with the next revaluation of the asset group to assist with better data being available).

Improvement Plan

Table 20: Improvement Plan

Current Position	Improvement Item	Responsibility
The life cycle model supporting this Plan is based upon asset valuation data. Although asset valuation data can be used for life cycle modelling of Open Space assets, the quality, breadth and depth of the valuation data was limited and has restricted the model results.	Undertake a data enhancement project developing key fields such as asset taxonomy, criticality, hierarchy, asset life, costs and location information. The enhancement project can utilise the existing valuation and Assetic asset register data and be led by internal working groups. The project should align with Gunnedah's Open Space Strategy and distil key information down to an asset level.	Engineering Services Public Facilities
The life cycle model supporting this Plan is primarily based upon asset condition and renewal treatments.	Ensure any available information relating to accessibility, capacity and functionality is used in lifecycle model to inform asset planning. Consider collecting accessibility, capacity and functionality information for high criticality Open Space assets.	Engineering Services Public Facilities
Service performance information is not currently available at an asset level.	Undertake service performance review of key Open Space assets to understand if the current asset portfolio is meeting current needs / future projections. This item closely relates to collecting accessibility, capacity and functionality information and may be conducted at the same time.	Public Facilities
Council identified several irrigation systems in addition to those included here, but there was not sufficient data to include them in the modelling at this stage.	Review the irrigation assets, the grouping of their components, and determine their current condition and replacement costs.	Public Facilities