RECREATION
ASSET MANAGEMENT PLAN

Version 0.1

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RECREATION
ASSET MANAGEMENT PLAN

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1. Executive Summary

The Shire of Mukinbudin owns and maintains a range of assets which help to support the delivery of recreation services. These include softscape, hardscape, sports equipment, irrigation etc. This is the Shire's first Asset Management Plan (AMP) to be produced for the recreation portfolio. It seeks to outline the activities and programmes that the Shire will carry out over the next 15 years. It details the service levels the Shire will provide and the resources required to deliver them. While the document is comprehensive, it is also considered a "first cut" AMP. As such there are a number of actions that have been identified that will improve its accuracy over time. All readers of this AMP must understand its limitations and applied assumptions before acting on any information contained within it.

Overall, the AMP has determined that while the recreation portfolio is being managed well, there are a number of critical data and procedure gaps which limit the effectiveness of asset management activities. A changing population demographic also means that there is a need to clearly understand how the portfolio is performing and how it needs to evolve to meet emerging needs.

Issues currently of key focus which require action over the short term are to:

- **Develop an accurate asset inventory for all recreation assets to a component level**
- **Develop and implement a cyclical asset safety, maintenance and condition inspection programme**
- **Develop and implement condition based works programmes**
- **Monitor key assets' whole of life costs and usage levels**
- **Secure appropriate resources to further develop the Shire's asset management programme/activities**
- **Begin monitoring the portfolios' performance against the service levels**

2. Background and Objectives

2.1. Purpose of this Asset Management Plan

This document is an Asset Management Plan (AMP) for the Shire of Mukinbudin's Recreation Portfolio, covering park and reserve areas as well as the assets within them. This AMP documents the management practices, processes and strategies that we (the Shire) apply to ensure that recreation assets are fit for purpose and maintained to agreed service levels that are balanced against long term resource availability.

2.2. Focus of this Asset Management Plan

The AMP focuses on assets that support recreation services. The number of different recreation reserves/areas that make up the portfolio and their current replacement costs are detailed in Table 2-1. However, it should be noted that a formal accurate inventory for recreation assets does not exist and therefore data confidence levels are low.

Asset Type	Quantity	Current Replacement Cost
Active Reserve	4	$278,443
Entry Statements	1	$10,363
Natural Area	-	-
Passive Reserve	1	-
Water Capture	1	-
Total	**7**	**$288,806**

Table 2-1: Assets covered by the Recreation AMP

2.3. Corporate Document Relationships

This AMP integrates with many other key Shire documents. Furthermore, AMPs are also key informing documents of the Shire's integrated planning and reporting framework, as demonstrated in Figure 2-1. The principal documents that link to this AMP are:

- Strategic Community Plan
- Corporate Business Plan
- Long Term Financial Plan
- Capital Works Plan
- Annual Budget

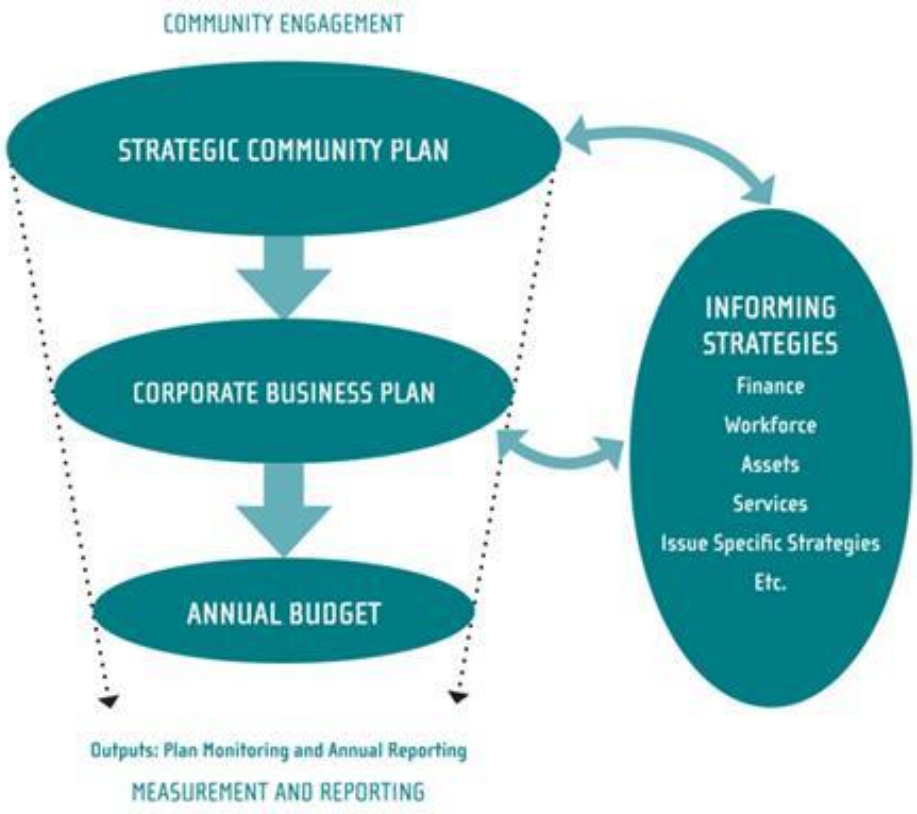


Figure 2-1: Integrated Planning and Reporting Framework

2.4. Who is the Audience of the AMP?

The principal audience of this AMP is the Shire of Mukinbudin Council and Chief Executive Officer, as well as regular users of the recreation assets.

2.5. Time Period of the AMP and Next Review Data

The AMP covers a 15 year period and will be next reviewed by 1st July 2015.

2.6. Asset Management Plan Stakeholders

The following people and organisations are key stakeholders in the development of the AMP and/or of the final AMP. The Service Levels detailed in Section 3 support the interests of these stakeholders. An analysis of possible stakeholders and service levels is attached as Appendix B, as well as the process used to select the final service levels. Only those which have been deemed the most important to the key stakeholders have been included in this AMP.

Stakeholder	Key in AMP development?	Key AMP audience?
Shire of Mukinbudin Council		✓
Shire of Mukinbudin Staff	✓	✓
Active Users		✓
Passive Users		✓
Residents & Landowners		✓
State Government		✓
Tourists/Visitors		✓
Local Businesses		✓

Table 2-2: Stakeholder Relationships to AMP

3. Service Levels

3.1. Service Level Introduction

This section details the service levels that the Shire has set out to achieve and provide for its recreation portfolio. The service requirements of all major stakeholders were considered (Appendix B) and those which were the most frequently occurring, or were needed, then formed the basis of the service levels along with other strategic drivers. These levels are then used to monitor the performance of the service and identify areas of over or under delivery. The service level measures also allow the Shire to ensure that the portfolio is fit for purpose and provided at an efficient cost.

3.2. Organisational Drivers and Objectives

3.2.1. Strategic Community Plan

The Shire's Strategic Community Plan (2013-2023) was considered in order to identify organisational drivers and objectives that may affect service levels. The Shire defines its overall vision to:

"A rural community working together to create a great place to live, attain a safe, healthy, and creative environment, which achieves sustainable and innovative development and economic opportunities."

In order to achieve this Vision, The Strategic Community Plan contains a number of themes, strategies and actions. All identified actions must be considered and incorporated into this Plan. Those that align with the recreation portfolio are:

Themes	Strategies	Actions
Social	2.1 – Inclusive sport and recreation participation, with diverse activities and facilities.	= Provide infrastructure and services that facilitate opportunities for our older residents to remain physically and socially active, particularly those that are socially isolated, across the Shire. = Local youth and family community facilities are maintained and enhanced including gardens, APEX Park, playgrounds, Walker Lake and the skate park. = Maintain the Aquatic Centre, ski lake as well as playing fields across the Shire to accommodate for future sport, recreation and leisure

		needs.
Economic	5.1 - Work towards providing a high quality and integrated tourism experience to extend the length of stay.	= Continue to support key tourist and visitor experiences in the Shire around the themes of the natural environment, agriculture, eco-tourism, water and pioneers.
	6.2 – A skilled and qualified workforce.	= Work with community and sporting groups to develop young people's leadership skills and provide opportunities to practice them
Environment	7.1 – Preserve and protect our native flora and fauna	= Conserve Wadderin Reserve, open spaces, natural vegetation and bushland = Protect the natural walk and drive trails = Continue tree planting across the Shire

Table 3-1: Strategic Community Plan Actions Aligned to the Recreation Portfolio

3.2.2. Asset Management Policy and Strategy

The Shire maintains both Asset Management Policy and Strategy documents. Broadly speaking, the Policy sets out the Shire's key asset management principles, whilst the Strategy describes the long term approach. The Policy's principles include a number which must be considered by the service levels, they are:

- **Define agreed asset service levels, matched with the associated resources and assets required to enable their delivery**
- **Manage assets in a whole-of-life and economically, environmentally and socially sustainable manner**
- **Balance decisions with other key Shire policies and functions**
- **Give priority to the needs of existing assets and services before new ones**
- **Commit to continuous improvement**
- **Manage the risks associated with asset ownership and management**

3.3. Stakeholder Research and Expectations

No historical consultation into stakeholder service level expectations has been undertaken. When future engagement occurs, the outcomes will be recorded here.

3.4. Legislation and Standards

The Shire has to meet many legislative requirements including Australian and State Legislation and State Regulations. Many of these requirements are drivers for minimum service levels that the Shire must meet. A list of relevant legislation can be found in Appendix A.

3.5. Recreation Assets' Function

Further to meeting legislative requirements and standards as part of the Shire's business context, consideration must also be given to the overall function of the recreation portfolio in setting service levels. In order to develop a functional statement for the Shire's recreation assets, the previously discussed corporate documents were considered. Considering all drivers, the following statement has been developed.

The Shire will seek to sustainably (environmentally, financially, culturally and socially) provide safe recreation services of an agreed quality, that are accessible to users of all abilities.

Figure 3-1: Recreation Portfolio Functional Statement

3.6. Service Level Targets and Performance

Table 3-2 details the service level targets and performance which the Shire will provide. The service levels for accessibility, quality and safety were selected from the stakeholders' needs analysis. When considering the functional statement, all outcomes are covered by the proposed service levels with the exception of sustainability. While financial sustainability is covered by the production of this AMP and other KPIs, environment, cultural and social sustainability are not. A KPI for environmental sustainability is included, and further KPIs for cultural and social sustainability will be developed in future versions of this AMP.

Key Performance Indicator	Stakeholder	Level of Service	Performance Measure	Target	Current	Data Confidence
Accessibility	Shire, Active Users, Passive Users, State Government, Tourists/Visitors, Local Businesses	Recreation areas are accessible to all users	Percentage of recreation areas that comply with Disability and Discrimination Act requirements.	100%	TBC	-
Environmental Sustainability	Shire	That the recreation service's energy consumption from non-renewal sources is reduced.	Annual percentage of energy consumed which is sourced from renewables.	10%	TBC	-
		That the recreation service's use of bore and scheme water is minimised.	Annual percentage of water used on the recreation service which is from non-bore and scheme sources.	10%	TBC	-
Quality	Active Users, Passive Users, Residents & Landowners, State Government, Tourists/Visitors, Local Businesses	Recreation asset condition	Percentage of recreation assets at the end of each financial year within their intervention condition level.	85%+	TBC	

Safety	Shire, Active Users, Passive Users, Residents & Landowners, State Government, Tourists/Visitors, Local Businesses, Ratepayers	Ensure effective management of risks to health in accordance with relevant legislation and community needs.	Percentage of compliance, safety and maintenance defects corrected within intervention targets.	85%+	TBC	

Table 3-2: Service Level Targets and Performance

4. Demand

This section summarises likely factors which may affect the demand for recreation assets over the life of the AMP. Full details of potential demand factors are recorded in Appendix E.

4.1. Historic Demand

Whilst historical demand trends are not always an indication of what may happen in the future, they often help managers form a view of how likely they may influence future demand trends.

Analysis of ABS census data shows that the number of recorded people in the Shire at census night has steadily fallen from 914 (2001) to 807 (2011). This decrease of -11.7% would suggest that demand for some of the services that the Shire's recreation assets support would also have fallen and that some assets may no longer be required. In addition, over this time the population's median age has also increased from 38 to 44 in 2011. This may suggest that services used by younger people (e.g. playgrounds) would have experienced a decrease in demand, while services used by older people (e.g. bowls) may have increased.

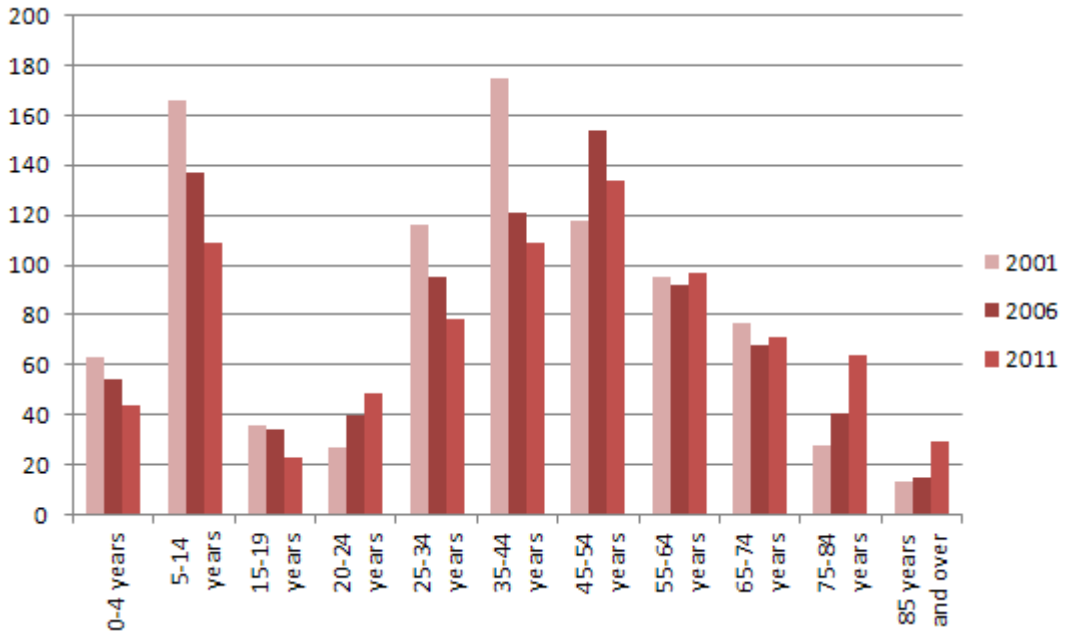


Figure 4-1: ABS Census Data - Mukinbudin Population and Demographic 2001-2011

Analysis of the 2009/10 and 2011/12 ABS Participation in Sport and Physical Recreation Surveys showed that on the whole, participation rates in sport and physical recreation across Australia have remained static at around 65%. Therefore demand for assets that support recreation services are affected more by population and demographic changes than social changes.

Outside of immediate local demand, there may be potential demand from visitors to the Shire, whether day trippers or tourists. Figures from Tourism WA (Figure 4-2) show that over the past 4 years, the estimated number of visitors to/within WA have risen from 18.7million in 2008/09 to 22.1million in 2012/13. Whilst figures show that only 7% of visitors go to the "golden outback" region of WA (within which the Shire lies), there remains some potential future demand growth for certain recreation services within the Shire, particularly at sites that visitors are likely to go to. This may mean an increase in demand for passive recreation areas and assets such as barbeques, picnic tables, gazebos, walk trails etc.

Figure 4-2: WA Visitors (Source: Tourism WA October 2013)

In summary, it is highly likely that over at least the last 10 years, that demand for recreation services has fallen as the local population has decreased. This may have been offset slightly by an increase in demand for visitor based recreation assets. At the same time though, changes in median age and demographic profile mean that services required by younger people and young families may have fallen, whilst those demanded by older people rose. As such, the Shire's recreation service provision may no longer necessarily be in alignment with demand and a review of demand and usage levels is required.

4.2. Future Demand Drivers (Factors)

Consideration was given to six possible future demand drivers (political, economic, social, technological, legal and environmental) that may influence demand on the provision of recreation services. Each of these drivers is discussed in Appendix E and summarised in Table 4-1.

Driver Type	Affect over life of AMP
Political	State Government and a number of its Departments can potentially exert influence over the Shire's recreation service and thus affect demand. While a number of the Shire's reserves are situated on vested crown land, and changes to these arrangements could occur, no state government demand change has currently been identified. The Shire Council can affect demand through a number of ways, but primarily through the allocation of financial resources and setting of service levels. However, the development of the Shire's Integrated Planning and Reporting Framework will help ensure that all service levels are sustainably funded. The Shire reviews its Town Planning Scheme every 5 to 7 years. Revisions to the Scheme have the potential to change land use and therefore affect demand of recreation services. However, over the current life of this AMP, no significant change in demand is forecast due to Town Planning Scheme reviews. In 5 February 2009, the Minister for Local Government announced a suite of Local Government reforms. Future amalgamations may occur, although the scope and timing unknown. However if they were to occur, there would likely be a period of increased resource need for local governments to align their asset management practices. Amalgamation may also present opportunities for local governments to reduce their recreation portfolio size through rationalisation. This could lower resource demand. Another feature of reform that will demand additional resources is the need to improve the Shire's asset management practices and processes over the coming years. A key goal of improved practices is to develop a long term balanced position between the service levels delivered and their costs of provision. However the long term sustainability of the Shire is not currently known. Change Effect: Likely higher demand over the short term (2-3 years) to increase the level of resources to improve and sustain the Shire's asset management practices. Longer term, there may be additional demand to increase expenditure or lower service levels if, in the event that, the Shire is not currently financially sustainable. Amalgamations may present the opportunity for some recreation assets to be rationalised and thus reduce demand.
Economic	Over the life of this AMP, it is highly likely that the cost of many consumables, including basic ones such as energy and water, will increase

	above normal CPI levels. As such, there may be an increasing need to monitor consumption levels and to identify where opportunities exist to reduce usage and costs. The introduction of the IPRF will enable the Shire to determine its sustainability and potentially allow Council to change the service levels that it provides. The implementation of improved asset management practices will allow the Shire to align service levels to resource availability. Change Effect: Rising consumable costs will drive increased demand for either more financial resources and/or the acquisition of technologies and/or implementation of strategies to reduce usage and costs. The Shire's long term sustainability is not currently known and therefore its effect on demand is also unclear.
Social	The Shire's population has fallen from 914 in 2001 to 807 in 2011. This trend is in line with the State Government's bands B and C forecast which suggest that the population will continue to fall to between 390 and 540 people by 2026. If this forecast were to prove correct, then a significant reduction in recreation asset demand due to population change is expected. Historical census data shows that the Shire's median age changed from 38 in 2001 to 44 in 2011. With this expected to continue to increase into the foreseeable future, and with a potentially shrinking population, services demanded of younger people (e.g. playgrounds) will likely fall, whilst services for older people (e.g. bowls, passive recreation etc.) may rise, or at least reduce slowly. The ABS Participation in Sport and Physical Recreation Surveys show that in recent years, participation rates have remained largely unchanged at approximately 65%. However, they also show that demand for different activities has changed. Therefore there is a need to regularly review the activities which are the most popular within the Shire and align services to demand. Change Effect: Negative overall demand change if population continues to fall. Potential increase in demand for services used by older people and decrease in services used by younger people due to an ageing demographic. Changes to preferred recreation activities are likely and so future demand trends need to be determined.
Technological	Technology changes do not seem to be affecting participation rates. Therefore the greatest area of demand effect seems to be in the application of technology in managing the recreation portfolio. An improvement in the Shire's asset management practices will likely mean that a higher volume of data will need to be captured and managed on its recreation portfolio. For example, a full inventory of assets, including condition ratings may need to be captured and stored. This position may mean that an increase in resource is needed to acquire and manage data, as well as a software management system. Opportunity also exists to apply technology to achieve more efficient maintenance practices. For example, by locating reticulation heads and

	spray coverage in a GIS, watering can be optimised to reduce consumption and potentially increase service levels. Change Effect: Opportunity exists to manage and maintain the recreation portfolio more efficiently and sustainably and thus reduce demand. Changes to participation rates are unlikely due to technology change. Possible increase in resource demand due to additional asset management practices.
Legal	The introduction of a proactive safety and maintenance inspection regime would provide higher levels of service to users while minimising exposure to risk of litigation. Change Effect: Slight increase in demand for a formalised safety inspection regime but lower exposure to risk.
Environmental	It is likely that over the term of this AMP that infrastructure managers will have to ensure that assets are maintained at increasingly environmentally sustainable levels. The Shire will need to embrace changes in order to meet Strategic Corporate objectives as well as emerging climate changes. Records show that the Shire's annual maximum monthly mean temperature has risen from 33.7°C in 1965 to 35.3°C in 2012. Annual rain fall seems to have remained static between 1928 and 2012 at approximately 324mm per annum. Regardless of cause, the Shire's climate is getting hotter. This will increase demand to adopt sustainable practices and reduce dependency on irrigation water from rainfall sources. Change Effect: Increased demand for clearer decision making around asset need. Increase demand for adoption of environmentally sustainable practices and solutions.

Table 4-1: Future Demand Drivers

4.3. Demand Summary

As the Shire's population fell over the past 10 years and its demographic changed, it is likely that service demand changed as well. As such, it is possible that the recreation service no longer aligns to demand needs. This could be observed by way of asset under or over utilisation, or even demand for recreation assets that currently do not exist. Furthermore, if many assets are poorly utilised, then they will have a poor use/cost ratio and rationalisation may be required.

Whilst a range of historical and future demand factors have been investigated, the Shire does not have, nor has prepared, a long term forecast of future recreation based service demand in terms of key quantitative measures. The collection of data on a number of key areas such as energy and water consumption, usage, asset inventory and asset condition will be important in order to understand where changes can be made to closely align recreation assets with stakeholder service demand. If this position can be achieved then the Shire will be able to ensure that services are delivered at a cost effective level.

The analysis shows that the key demand areas over the life of this AMP are likely to be:

= An increased demand for skilled labour (internal or external) and financial resources to:

- meet the needs of legislation reform
- improve asset management practices and systems
- meet potential amalgamation challenges
- fund higher energy and material costs
- implement environmental sustainability initiatives
- bridge any possible infrastructure funding gap
- realign recreation services to demand

= Changing demand for services and thus changing requirements of recreation assets due to:

- A declining local population size
- An aging population

= An opportunity to reduce demand and costs through:

- The use of new technologies
- The rationalisation of the existing portfolio where opportunities exist and where the provision of services is found to not be cost effective.

In order to quantify and meet the challenges that these major demand factors may pose, the following improvement actions have been listed:

= Investigate the options available to the Shire to secure appropriate asset management skills and resources to drive improved practices
= Quantify and budget for the approximate annual cost for the additional asset management resources
= Collect inventory and condition data on the recreation assets
= Develop and implement a cyclical asset defect and condition inspection programme
= Monitor recreation assets' costs and utilisation levels in order to determine those which are performing poorly
= Engage with stakeholders to understand their current and future service needs
= Investigate technologies that can help to reduce costs and increase environmental sustainability
= Identify environmental sustainability initiatives

5. Risk Management

The Shire does not currently operate a risk management policy or corporate risk register. In lieu of these, a desktop risk analysis has been undertaken for the recreation portfolio and is included as Appendix G. Table 5-1 outlines the top identified risks. An improvement action for the Shire to develop a corporate risk management framework has been listed.

Risk Ref.	The Risk	Level of Risk	Further Action
5	No formal safety and maintenance inspection procedure exists. Assets can become unsafe and are replaced sub-optimally.	VH	Develop and implement a cyclical safety and maintenance inspection programme.
7	Shire does not have a recreation asset management system, accurate data management is difficult to achieve.	H	Develop a specification and budget for a future asset management system.
9	Shire does not have a formal rationalisation process. Poorly utilised or costly assets may be retained.	H	Develop an asset rationalisation procedure.
10	No corporate risk management framework or policy, fail to identify risks and consistently address them.	H	Develop a corporate risk management framework and register.
12	Asset inventories not accurate. Basic asset management practices hard to achieve.	H	Develop a recreation asset data dictionary. Collect asset inventory data.
13	Recreation portfolio may be expensive to provide due to a lack of asset data and sound management practices	H	Monitor usage levels of recreation areas and associated whole of life costs. Understand which areas are performing poorly.
14	Shire has no defined maintenance service levels, leading to inefficient maintenance practices.	H	Develop maintenance based service levels for recreation assets. Link service levels to annual budgets.

Table 5-1: Major Recreation Portfolio Risks

Each of the top identified risks are recommended for further action (see Section 9).

6. Lifecycle Management Plan

The lifecycle management plan details how the Shire plans to manage and operate its recreation portfolio at the agreed service levels (Section 3). This section also specifically details the current condition of each asset group.

6.1. Background Data

6.1.1. Work Category Definitions

This AMP generally considers work within the following six areas of activity.

Activity	Definition
Operation	Continuously required expenditure which enables the asset to provide benefits to the community such as mowing, street sweeping, electricity costs etc.
Maintenance	Regular repair works to prevent deterioration of the assets' capability, such as minor repairs, servicing etc.
Renewal	Works to replace existing assets which are worn, poorly functioning or dated with assets of equivalent capacity or performance. For example, the renewal of an internal wall in a building, renewal of an engine in a grader, resurfacing a road (re-sheeting or resealing) or replacing girders on a bridge.
Upgrade	The significant upgrade of an asset to produce a higher service level, such as dualling or widening of a road, extension of a building, installation of reticulation to a dry park etc.
New Work	The creation of a new asset, in a location where that asset type has not existed before.
Asset Disposal	The process of removing and disposing of an asset upon the end of its useful life. For the purpose of this AMP this is only when an asset is not replaced.

Table 6-1: Activity Categories

6.1.2. Lifecycle Costing Basis

The financial projections within this section of the AMP have adopted life cycle costing (LCC) principles. LCC is the combination of all lifecycle costs associated with an asset, from conception and design through to eventual disposal. This concept is demonstrated by the Figure to the right. Lifecycle costing is important in order to understand the true costs of assets.

Figure 6-1: Asset Lifecycle

6.1.3. Recreation Portfolio Physical Parameters

The Shire's recreation portfolio is a large asset group which supports a number of service outcomes and has a broad stakeholder base. The Shire does not have a robust inventory of its recreation assets and therefore is unable to determine the different quantities it manages and owns. The physical parameters and approximate values of its recreation assets currently covered by this AMP are shown in Table 6-2 and the portfolio's current replacement cost in

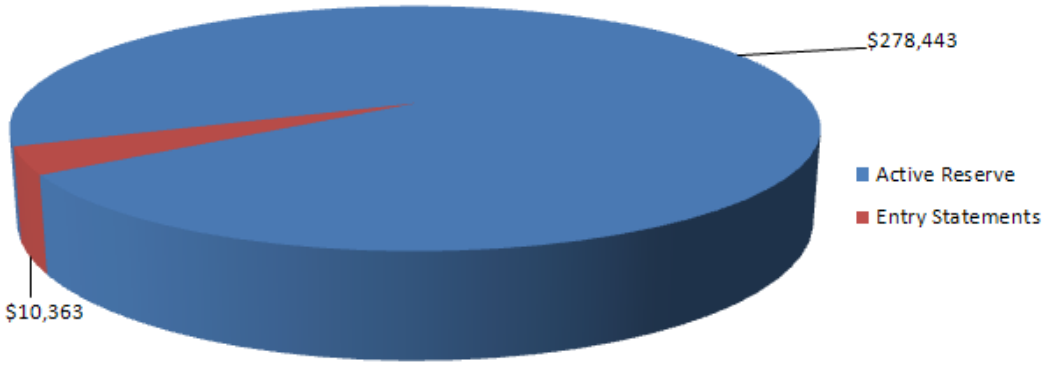


Figure 6-2.

AMP Section	Recreation Area Type	Quantity	Unit	Reinstatement Value	Fair Value
6.2	Active Reserves	4	No.	$278,443	-
6.2	Entry Statements	1	No.	$10,363	-
6.2	Natural Areas	-	No.	-	-
6.2	Passive Reserves	1	No.	-	-
6.2	Water Harvesting	1	No.	-	-
TOTAL	**ALL**	**7**	No.	**$288,806**	**-**

Table 6-2: Recreation Portfolio Physical Parameters

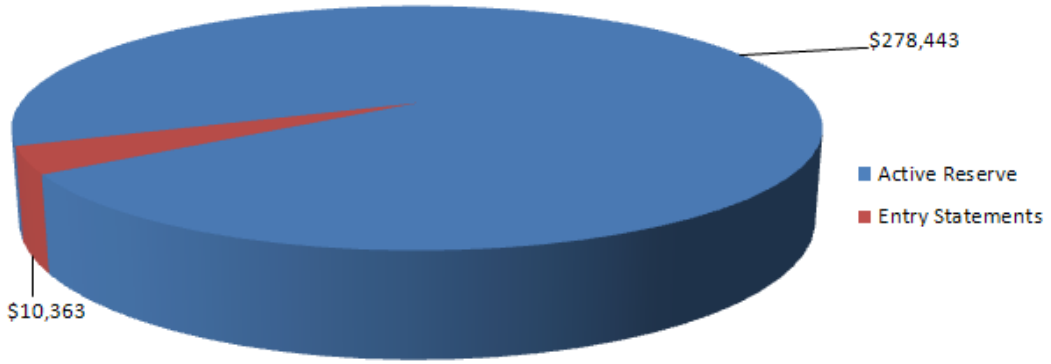


Figure 6-2: Recreation Portfolio Asset Current Replacement Cost

6.1.4. Recreation Portfolio Data Confidence and Reliability

To be able to effectively manage its assets, the Shire collects and maintains a range of data on its recreation portfolio. Understanding where gaps in this data exist is important to determine the confidence that we can put in the outcomes (e.g. valuations) that result. Table 6-4 details the reliability and confidence levels of the current asset data the Shire holds. In assessing the data, the Shire has applied the IIMM confidence framework as detailed in Table 6-3.

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

Table 6-3: Data Confidence Measures

Asset Class	Inventory	Condition	Valuation
All recreation assets	5	5	5

Table 6-4: Recreation Portfolio Data Confidence Levels

It is the Shire's intention to progress towards a position whereby data confidence levels for all areas are classified as either a 1 or 2.

6.2. Asset Lifecycle Management – Recreation Assets

6.2.1. Asset Inventory

A partial inventory of the Shire's recreation assets is attached in Appendix H. The Shire does not hold a robust inventory of recreation assets and the collection of this data has been listed as an improvement action. As such, there are limitations to this lifecycle management plan. The development of a data dictionary which sets out what future fields of data the Shire will need to hold and maintain on its recreation assets has also been listed as an improvement action.

6.2.2. Asset Condition

At present the Shire does not hold condition data on its recreation assets, nor does it have a formal condition assessment programme from which it can develop long term capital works programmes. An improvement task to develop and implement such a programme has been listed.

6.2.3. Asset Valuation

At the end of each financial year, the Shire reviews the valuation of its infrastructure assets. However, due to a lack of inventory, valuations for the recreation portfolio are not available. Some historical costs are available and these are detailed in Table 6-5. An improvement action has been listed to revalue the portfolio after an inventory has been developed and condition data recorded.

Year	Current Replacement Cost	Fair Value	Annual Depreciation
2013	$288,806	$27,318	-

Table 6-5: Recreation Portfolio Valuation

6.2.4. Operation and Maintenance Plan

Operation activities and costs are those which are required to run an asset (e.g. electrical charges, gas costs, cleaning etc.). Maintenance is the regular on-going work that is necessary to keep assets operating including instances where portions of the asset fail and need immediate repair to make the asset operational again (e.g. minor repairs, servicing, painting etc.). This section of the AMP details the Shire's current operation and maintenance activities and costs.

Historical Expenditure

The Shire's actual past expenditure on operation and maintenance activities is shown in Table 6-6. However, there are weaknesses in the Shire's general ledger. As such, it is likely that some operation and renewal expenditure has been recorded as maintenance. Furthermore, it is likely that some past expenditure on built recreation assets (e.g. gazebos) has been recorded against the property portfolio.

While current levels of expenditure are considered adequate to meet the required service levels, future versions of this AMP need to be able to link required expenditure with service levels. This task has been listed as an improvement action.

Year	Operation Expenditure	Maintenance Expenditure
2012/13	$1,835	$145,265
2011/12	$8,999	$85,841
2010/11	$23,363	$100,100

Table 6-6: Historical Recreation Asset Operation and Maintenance Expenditure 2010/11 - 2012/13

Maintenance Response and Prioritisation

At present, the assessment and prioritisation of maintenance activities is undertaken by operational staff using experience and judgement. An improvement task has been listed for the Shire to develop a formal framework and process aligned to service levels.

Standards and Specifications

Operation and maintenance work is carried out in accordance with the relevant standards and specifications listed in Appendix A.

Future Operation and Maintenance Expenditure

With the recreation portfolio not expected to significantly increase in size over the life of this AMP, operation and maintenance costs are expected to generally change in line with inflation levels. Where upgrades or new recreation assets are forecast for acquisition within the life of this AMP, allowances for additional operation and maintenance costs are allowed. The following figures are presented in future dollar values and an inflation factor of 4% has been applied.

Year	Operation Expenditure	Maintenance Expenditure
2014/15	$11,855	$114,818
2015/16	$12,329	$119,411
2016/17	$12,822	$124,187
2017/18	$13,335	$129,155
2018/19	$13,869	$134,321
2019/20	$14,424	$139,694
2020/21	$15,000	$145,282
2021/22	$15,600	$151,093
2022/23	$16,225	$157,137
2023/24	$16,873	$163,422
2024/25	$17,548	$169,959
2025/26	$18,250	$176,757
2026/27	$18,980	$183,828
2027/28	$19,740	$191,181
2028/29	$20,529	$198,828

Table 6-7: Projected Recreation Operation and Maintenance Expenditure

6.2.5. Renewal/Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity 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 upgrade or new work expenditure.

Historical Expenditure

The Shire's actual past expenditure on recreation asset renewal activities is shown in Table 6-8. As discussed previously, weaknesses in the general ledger mean that the data has low confidence levels. It is likely that some renewal expenditure may have been recorded as maintenance.

Year	Renewal Expenditure
2012/13	$57,220
2011/12	$50,586
2010/11	$47,755

Table 6-8: Historical Recreation Renewal Expenditure 2010/11 - 2012/13

Renewal Selection

Recreation assets requiring renewal are currently identified either by customer request or through staff inspection. Staff then use their experience and judgement to prioritise works. There would be clear benefit in moving towards a condition based regime whereby assets are regularly inspected and those found to be in a poor condition programmed for renewal. An improvement task to develop and implement a cyclical inspection programme has been listed.

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

Renewal Standards

Renewal work is carried out in accordance with the relevant standards and specifications listed in Appendix A.

Summary of Projected Renewal Expenditure

A summary of the planned expenditure on recreation asset renewal is provided below. The expenditure level is based upon the average amount of depreciation expense recorded in the Shire's accounts between 2010/11 and 2012/13. Where upgraded or new assets are planned to be added to the portfolio, additional renewal expenditure has been allowed. No allowance for asset rationalisation has been made.

Year	Renewal Expenditure
2014/15	$53,928
2015/16	$56,085
2016/17	$58,328
2017/18	$60,661
2018/19	$63,088
2019/20	$65,611
2020/21	$68,236
2021/22	$70,965
2022/23	$73,804
2023/24	$76,756
2024/25	$79,826
2025/26	$83,019
2026/27	$86,340
2027/28	$89,794
2028/29	$93,385

Table 6-9: Projected Recreation Renewal

Renewals are to be funded from capital works programs and grants where available.

6.2.6. Acquisition/Upgrade Plan

New works (acquisition) are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development.

Historical Expenditure

The Shire's actual past expenditure on recreation asset acquisition/upgrade activities is shown in Table 6-10.

Year	Upgrade Expenditure	New Expenditure
2012/13	$0	$0
2011/12	$0	$0
2010/11	$0	$0

Table 6-10: Historical Recreation Acquisition/Upgrade Expenditure 2010/11 - 2012/13

Selection Criteria

New assets and the upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Proposals are then prioritised by Council based upon perceived need and available funds. The development of a process that quantifies project alignment with the Strategic Community Plan would have clear merit, but does not currently exist. The development of such a process that evaluates projects using weighted multi-criteria analysis has been listed as an improvement task.

Standards and Specifications

Upgrade and new work is carried out in accordance with the relevant standards and specifications listed in Appendix A.

Summary of projected upgrade/new asset expenditure.

A summary of planned upgrade and new works is detailed in Table 6-11.

Year	Project	Upgrade Expenditure	New Expenditure
2014/15			
2015/16			
2016/17			
2017/18			
2018/19			

2019/20			
2020/21			
2021/22			
2022/23			
2023/24			
2024/25			
2025/26			
2026/27			
2027/28			
2028/29			

Table 6-11: Planned Recreation Upgrade & Acquisition Expenditure

New assets and services are to be funded from capital works program and grants where available.

6.2.7. Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 6-12, together with estimated annual savings from not having to fund operations, maintenance and renewal of the assets. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any.

Where cashflow projections from asset disposals are not available, these will be developed in future revisions of this AMP.

Asset	Reason for Disposal	Timing	Net Disposal Expenditure (Expend +ve, Revenue –ve)	Operations & Maintenance Annual Savings

Table 6-12: Recreation Assets Identified for Disposal

7. Financial

This section contains the financial requirements resulting from all the information presented in the previous sections of this AMP. The financial projections will be improved as further information becomes available on desired service levels and current and projected future asset performance.

All future monetary figures in this section are expressed in terms of real dollars, with a 2014 base year and an applied inflation rate of 4%. Historic figures are expressed in their respective real values.

7.1. Projected Expenditure

Table 7-1, Table 7-2 and Table 7-3 detail the projected expenditure required for the recreation portfolio over the next 15 years. As previously discussed, there are areas of data weakness and therefore the following projections are likely to change as the Shire's asset management practices improve.

Asset Type	Year 1	Year 2	Year 3	Year 4	Year 5
	2014/15	2015/16	2016/17	2017/18	2018/19
Recreation Assets	$180,601	$187,825	$195,338	$203,152	$211,278
Required Funds	**$180,601**	**$187,825**	**$195,338**	**$203,152**	**$211,278**

Table 7-1: Projected Recreation Asset Expenditure - 2014/15 to 2018/19

Asset Type	Year 6	Year 7	Year 8	Year 9	Year 10
	2019/20	2020/21	2021/22	2022/23	2023/24
Recreation Assets	$219,729	$228,518	$237,659	$247,165	$257,052
Required Funds	**$219,729**	**$228,518**	**$237,659**	**$247,165**	**$257,052**

Table 7-2: Projected Recreation Asset Expenditure - 2019/20 to 2023/24

Asset Type	Year 11	Year 12	Year 13	Year 14	Year 15
	2024/25	2025/26	2026/27	2027/28	2028/29
Recreation Assets	$267,334	$278,027	$289,148	$300,714	$312,743
Required Funds	**$267,334**	**$278,027**	**$289,148**	**$300,714**	**$312,743**

Table 7-3: Projected Recreation Asset Expenditure – 2024/25 to 2028/29

7.2. Projected Revenue Sources

Table 7-4, Table 7-5 and Table 7-6 detail the likely revenue sources for the recreation portfolio.

Asset Type	Year 1	Year 2	Year 3	Year 4	Year 5
	2014/15	2015/16	2016/17	2017/18	2018/19
Recreation Income	$1,824	$1,897	$1,972	$2,051	$2,133
Municipal Funds	**$178,777**	**$185,929**	**$193,366**	**$201,100**	**$209,144**

Table 7-4: Projected Recreation Asset Revenue - 2014/15 to 2018/19

Asset Type	Year 6	Year 7	Year 8	Year 9	Year 10
	2019/20	2020/21	2021/22	2022/23	2023/24
Recreation Income	$2,219	$2,307	$2,400	$2,496	$2,596
Municipal Funds	**$217,510**	**$226,210**	**$235,259**	**$244,669**	**$254,456**

Table 7-5: Projected Recreation Asset Revenue - 2019/20 to 2023/24

Asset Type	Year 11	Year 12	Year 13	Year 14	Year 15
	2024/25	2025/26	2026/27	2027/28	2028/29
Recreation Income	$2,699	$2,807	$2,920	$3,036	$3,158
Municipal Funds	**$264,634**	**$275,220**	**$286,228**	**$297,678**	**$309,585**

Table 7-6: Projected Recreation Asset Revenue - 2024/25 to 2028/29

7.3. Key Assumptions Made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this AMP and in preparing forecasts of required operating and capital expenditure, asset values and depreciation expense. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are that:

- Recreation assets will remain in Council ownership throughout the period covered by this AMP, unless specifically detailed otherwise in Section 6.
- Standards, Acts and Regulations associated with recreation assets will remain essentially the same over the AMP life.
- Expenditure projections make allowance for likely inflation at a rate of 4% per annum.
- Operation and maintenance costs are based on historical expenditure trends which are not necessarily a sound indicator of future need, nor are tied to actual activities.
- Renewal programmes have been based on either historical cost or annual depreciation rates. Future versions of this AMP will move to condition based works programming and resourcing methods.
- Inventory information used in calculations is the latest available at hand, but consideration of overall data confidence levels is critical when using this AMP.
- Historical expenditure reports split by activity may contain expenditure which was actually expended on different activities.

Accuracy of future financial forecasts may be improved in future revisions of this AMP by the following actions.

- Developing and applying unit costs and assumed lives for all assets.
- Improving the accuracy and data confidence of asset inventories where they are low.
- Ensuring that accurate valuations of all asset types are produced annually.
- Implementing condition based works programming with associated funding requirement projections.
- Ensuring that all future upgrade, new and disposal projects, with funding expenditure/ revenue projections, are fully documented in Section 6.

7.4. Integrated Planning & Reporting KPIs

The Shire operates its business processes in-line with the WA Department of Local Government's Integrated Planning and Reporting Advisory Standard. Asset Management performance is measured by the application of three Key Performance Indicators (KPIs). The recreation portfolio's performance against each KPI is as follows.

KPI	Performance	Comment
Asset Consumption Ratio	Unknown	Target band is between 50% and 75%. The recreation portfolio's performance is not known due to no valuations being available.
Asset Sustainability Ratio	Unknown	Target band is between 90% and 110%. This ratio cannot be produced until the general ledger is refined and an accurate record of past renewal expenditure is produced.
Asset Renewal Funding Ratio	105%	Target band is between 90% and 100%. The ratio is marginally above this band. However, considering the low data confidence levels, this result is acceptable.

8. Asset Management Practices

8.1. Accounting/Financial Systems

The current financial package used by the Shire for recording expenditure and revenue from recreation assets is Quickbooks, however the Shire is moving to Synergysoft during 2014. The Shire's Deputy CEO is responsible for the system's maintenance and accuracy. In meeting its financial reporting obligations the Shire must comply with

- AAS 4 Depreciation
- AAS 5 Materiality
- AAS 6 Accounting Policies
- AAS 27 Financial Reporting by Local Governments
- AAS 29 Financial Reporting by Government Departments
- AAS 31 Financial Reporting for Governments
- AAS 38 Revaluation of Non-Current Assets
- AASB 1041 Revaluation of Non-Current Assets
- SAC 4 Definition And Recognition of The Elements of Financial Statements
- Local Government Act 1995 Part 6 – various financial management processes.

Any changes which have been identified as needing to occur to the accounting/financial system by this AMP are included in the improvement plan.

8.2. Asset Management Systems

The Shire does not currently operate an asset management system for its recreation assets. The investigation of a suitable system has been listed as an improvement action.

8.3. Information Flow Requirements and Processes

The key information flows *into* this AMP are:

- Council strategic and operational plans
- Asset inventories
- Valuation reports
- Current service levels, expenditures, service deficiencies and service risks
- Projections of various factors affecting future demand for services and assets owned by Council
- Future capital works programmes
- Financial asset values

The key information flows *from* this AMP are:

- The resulting budget and long term financial plan expenditure projections
- Financial sustainability indicators
- The asset management improvement programme

These will impact the Long Term Financial Plan, Corporate Business Plan and Annual Budget.

8.4. Legislation, Standards, Policies and Guidelines

Standards, guidelines and policy documents referenced in this AMP are listed in Appendix A.

9. Plan Improvement and Monitoring

This Section of the AMP outlines the degree to which it is an effective and integrated tool within the Shire's business processes as well detailing the future tasks required to improve its accuracy and robustness.

9.1. Performance Measures

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

- The degree to which the required cash flows identified in this AMP are incorporated into council's long term financial plan; and
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the AMP.

Suitable measures to continuously monitor the performance of this AMP will be developed after such a time when the Shire's corporate integrated planning reaches a suitable maturity and robustness.

9.2. Improvement Plan

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

Task No	Task	Responsibility	Resources Required	Timeline
1	Investigate the resources required to carry out the asset management programme and determine suitable/available source(s).			
2	Collect inventory data on recreation assets.			
3	Engage with stakeholders to determine their service needs.			
4	Refine the general ledger so that recreation revenue and expenditure is recorded by asset and activity.			
5	Monitor the usage levels of recreation areas and calculate their individual hourly costs using recorded whole of life costing.			
6	Develop a recreation rationalisation process.			
7	Develop a data dictionary for recreation assets to help guide future data collection activities.			
8	Develop and implement a safety and maintenance defect inspection programme			

	with associated intervention levels.			
9	Develop maintenance service levels linked to budgets.			
10	Develop and implement a cyclical condition inspection programme with associated renewal triggers.			
11	Develop an upgrade / new project evaluation procedure.			
12	Develop a corporate risk management policy and register.			
13	Develop a specification for a recreation asset management system and investigate options.			
14	Prepare a full valuation of recreation assets after inventory and condition data has been collected.			
15	Develop a forward capital works programme after condition data has been collected.			
16	Investigate and cost options for new technologies which may help to reduce long term costs (e.g. solar power)			
17	Identify initiatives to increase recreation assets' environmental sustainability.			

Table 9-1.

Task No	Task	Responsibility	Resources Required	Timeline
1	Investigate the resources required to carry out the asset management programme and determine suitable/available source(s).			
2	Collect inventory data on recreation assets.			
3	Engage with stakeholders to determine their service needs.			
4	Refine the general ledger so that recreation revenue and expenditure is recorded by asset and activity.			
5	Monitor the usage levels of recreation areas and calculate their individual hourly costs using recorded whole of life costing.			
6	Develop a recreation rationalisation process.			
7	Develop a data dictionary for recreation assets to help guide future data collection activities.			

8	Develop and implement a safety and maintenance defect inspection programme with associated intervention levels.			
9	Develop maintenance service levels linked to budgets.			
10	Develop and implement a cyclical condition inspection programme with associated renewal triggers.			
11	Develop an upgrade / new project evaluation procedure.			
12	Develop a corporate risk management policy and register.			
13	Develop a specification for a recreation asset management system and investigate options.			
14	Prepare a full valuation of recreation assets after inventory and condition data has been collected.			
15	Develop a forward capital works programme after condition data has been collected.			
16	Investigate and cost options for new technologies which may help to reduce long term costs (e.g. solar power)			
17	Identify initiatives to increase recreation assets' environmental sustainability.			

Table 9-1: Recreation AMP Improvement Plan

9.3. Monitoring and Review Procedures

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

APPENDICES

Appendix A – Legislation Acts and Regulations

This section provides details on all legislation, standards, policies and guidelines which should be considered as part of the management practices of the Shire's recreation assets.

Legislation / Standard / Organisation	Requirement / Document
Local Government Act 1995	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by AMPs for sustainable service delivery. The Act also provides guidance on the rules around local governments who derive revenue from operations such as non-core business.
Environmental Protection Act 1986	The Act's key objective is to simply protect the environment of the State and sets out a host of regulations and requirements to achieve its goal. Requires permit and flora survey prior to vegetation removal, relates to the prevention of pollution - either to land air or water. Defines two types of harm - material environmental harm or serious environmental harm.
Environment Protection Act (unauthorised discharges) Regulations 2004	States that pesticide cannot be discharged into the environment.
Building Code of Australia	The Building Code of Australia (BCA) is Volumes One and Two of the National Construction Code (NCC). The BCA is produced and maintained by the Australian Building Codes Board (ABCB) on behalf of the Australian Government and State and Territory Governments. The BCA has been given the status of building regulations by all States and Territories.
Aboriginal Heritage Act 1972	Regulations and requirements that the Shire must comply with relating to aboriginal heritage.
Aboriginal Heritage Regulations 1974	Preservation of the community places and objects used by traditional owners.
Native Title Act 1999	Regulations and requirements that the Shire must comply with in relation to the use of land.

Dangerous Goods Safety Act 2004	Relates to the safe storage, handling and transport of dangerous goods (e.g. herbicides).
Poisons Act 1964	Regulates the possession and use of poisons.
Department of Employment & Workplace Relations - Code of Practice - Management of Hazardous Substances (NOH:1994)	Regulates the possession and use of poisons
Health Act 1911	Relates to the handling and disposal of hazardous materials including asbestos.
Wildlife Conservation Act 1950	Provides for the conservation and protection of native flora and fauna.
Dividing Fences Act (1961)	Local government exemption from 50/50 contribution for dividing fences abutting public open space.
Rights in Water and Irrigation Act 1914	Licence to take water from the groundwater aquifer for the purposes of irrigation of public open space
Contaminated Sites Act 2003	Current parks are built on former tip and contaminated sites, effects quality of bore water and regulates treatment for contaminated soils
Contaminated Sites Regulations 2006	Current parks are built on former tip and contaminated sites, effects quality of bore water and regulates treatment for contaminated soils
Health (Pesticides) Regulations 1956	Regulates the possession and use of pesticides.
Bush Fires Act 1954	Regulates the specifications of firebreaks
Occupational Health and Safety Act 1984	The Occupational Health and Safety Act is concerned with protecting the safety, health and welfare of people engaged in work or employment. Full consideration and application of the Act should be given in order to identify, manage and reduce or mitigate the risk of harm to the Shire's employees.
OSH Regulations 1996	The guidelines for employees and employers to undertake within the work environment

Disability Discrimination Act 1992	The Federal Disability Discrimination Act 1992 (D.D.A.) 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. Disability discrimination happens when people with a disability are treated less fairly than people without a disability. Disability discrimination also occurs when people are treated less fairly because they are relatives, friends, carers, co-workers or associates of a person with a disability.
Disability Services Act 1993	An Act for the establishment of the Disability Services Commission and the Ministerial Advisory Council on Disability, for the furtherance of principles applicable to people with disabilities, for the funding and provision of services to such people that meet certain objectives, for the resolution of complaints by such people, and for related purposes.
Disability Services Regulations 2004	Current amendments to Disability Services Act (1993)
Agriculture and Related Resources protection (European House Borer) regulations	Regulation 3 all properties within 100m are declared as priority management zones Regulation 9 pinewood timber within priority management zone is required to be destroyed and disposed of.
Agricultural and Veterinary Chemicals Act 1994	Control of certain high toxicity herbicides
Agriculture and Related Resources Protection Act 1976	Control and prevention of certain plants
Biological Control Act 1986	Provision for the Biological control of pests
Energy Safety WA Code of Practice for Personnel Electrical Safety for Vegetation Control Works near Live Powerlines	The Code details the requirements for vegetation control work carried out near the live conductors of overhead power lines and is to be read in conjunction with Electricity Regulations 1947 Regulation 316A.
WA Department of Sport & Recreation (Sports dimensions for playing fields)	This guide has been prepared with the assistance of national and State sporting associations responsible for the administration of their respective rules.

AS 4373-2007 Pruning of Amenity Trees	The Standard aims to encourage pruning practices and procedures that reduce the risk of hazard development, branch failure, pathogen infection and premature tree death.
AS 26983-1990 Plastic Pipes & fittings for Irrigation	Specifies requirements for mechanical jointing fittings suitable for use as fixed joints with polyethylene pipes manufactured in accordance with AS 2698.
AS/NZS 4486.1-1997 Playgrounds & Playground Equipment	Specifies requirements for the development, installation, inspection, maintenance and operation of playgrounds and playground equipment to ensure a continuing level of function and safety. It also contains requirements for information to be supplied by the manufacturer.
Other Standards and Regulations	Other relevant documents include, but are not limited to: AS/NZS 4360: 1995 Risk Management All other relevant State and Federal Acts & Regulations All Local Laws and relevant policies of the organisation Refer to Section 7 for the relevant financial legislation and regulatory requirements.
Shire of Mukinbudin	= 1.4.11 – Alcohol Consumption – Council Facilities = 1.4.12 – Playground Equipment = 1.4.14 – Funding of Playing Fields = 1.6.9 – Revaluation of Non-Current Assets = 1.6.10 – Purchasing and Tender Policy

Table 9-2: Legislative Requirements, Standards, Policies and Guidelines

Appendix B – AMP Stakeholders and Service Levels

AMP Stakeholders

Analysis of the Shire's recreation portfolio revealed that there are 8 key stakeholder groups. These stakeholders are identified below and while there may be other minor stakeholders, they have not been specifically considered by this AMP.

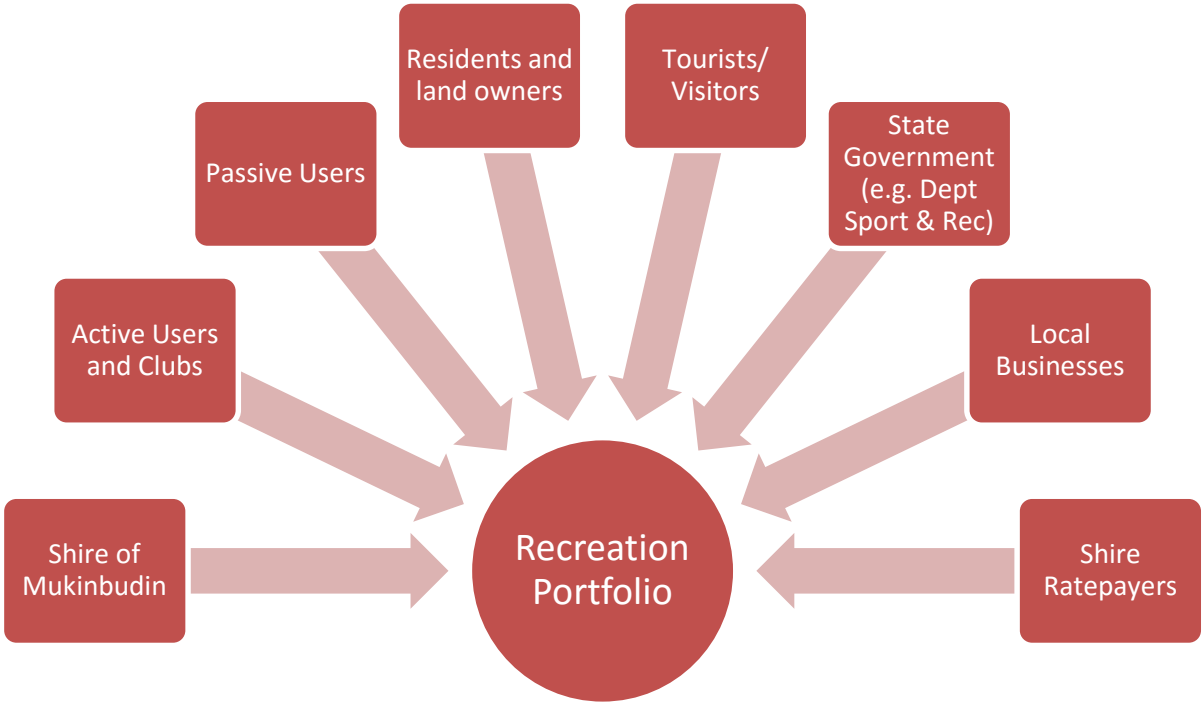


Figure 9-1: Recreation Stakeholders

= Shire of Mukinbudin (Council and Staff)

Council are the owner/maintainer of the Shire's recreation portfolio. Council are responsible for balancing service level provision against cost. The AMP contains relevant information around which the Council is able to make long term strategic decisions.

The Shire's CEO and staff are responsible for the day to day operation of the portfolio. They use the AMP for a range of business activities such as financial, performance, risk and works management.

= Active Users and Clubs

Active Users and Clubs are considered to be individuals and groups who use the Shire's recreation assets to undertake organised sporting activities. For example, people playing AFL, cricket, soccer, hockey, bowls etc. Active users invariably require recreation assets of certain standards to be provided and maintained in order for their activities to be

undertaken. Active users would primarily be interested in the Shire's service levels and planned capital works.

= Passive Users

Passive users of recreation assets are all other individuals or groups which do not fall into the active user category. Their use of recreation assets tends to be more informal and not necessarily reliant on the specific assets being provided. For example, walkers, picnickers, people using playgrounds etc. Passive users would primarily be interested in the Shire's service levels.

= Residents and Land Owners

While residents and land owners may be users of the Shire's recreation assets, they would also be interested in how the portfolio may affect local town aesthetics, services and even property values.

= Tourists/Visitors

Tourist and visitors would often use the Shire's recreation assets, predominantly for passive purposes. Assets such as information bays, town parks and points of interest would be used. The suitability and attractiveness of sites may also help to encourage visitors/tourists to come and stop within the Shire, which may have positive economic benefits to the local region. Tourists and visitors would mainly be interested in aesthetic appeal, facilities (e.g. seating, shade etc.) and signage.

= State Government

State Government are not direct users of recreation assets, but several departments would be interested in a number of areas. The Department of Sport and Recreation would be interested in the outcomes and performance achieved by the Shire's portfolio. It would also be interested in ensuring that the grants and funds it provides either to the Shire or groups are utilised appropriately and provide value for money. The state government also have an interest in many of the land parcels used by reserves which may be crown land that it has vested in the control of the Shire.

= Local Businesses

Many (but not all) local businesses would be supported by local and passing trade. As such, they would be interested in the Shire's recreation assets (e.g. street trees, verges etc) being able to enhance the local area so as to retain and possibly grow the population base, as well as attract passing customers (e.g. tourists/visitors).

= Shire Ratepayers

Ratepayers may be interested in the financial and capital works aspects within the AMP. They would be principally interested in the service levels that the Council provides and at what cost.

Process for Developing Potential Service Levels

In developing the service levels for the Recreation Portfolio, the Shire has generally applied the framework as set out in the IIMM - 2011. The process broadly applies 5 steps, being:

- Identify service attributes important to customers;
- Define the customer service levels the Shire delivers;
- Develop performance measures;
- Consult with customers; and
- Make service level based decisions.

Identifying Service Attributes Important to Customers

For this AMP, stakeholders were identified and then segmented into groups, as detailed in Figure 9-1. Each stakeholder group has different interests and may seek different service outcomes.

The identification of these service outcomes and interests was undertaken internally, by taking on each group's position. In this instance no stakeholder consultation occurred, however in future revisions of this AMP, it would be advantageous to do so.

Define the Customer Service Levels the Shire Delivers

Using the values that were developed, key drivers/service levels were selected. These provided the basis from which the final service level table was produced. Typically, those service levels which were frequently occurring or were "needed" (as opposed to "wanted"), were selected.

Develop Performance Measures

Performance measures for each service level were developed and which used the "SMART" rule, being; **S**pecific, **M**easurable, **A**chievable, **R**elevant and **T**imebound. Where possible, ratios (percentages) were also used in the final measurement in order to accommodate possible changes in base data.

Consult With Customers

At this point in time, no consultation has occurred with key customers (stakeholders). It is envisaged that this will occur over the medium term. Before this occurs though, a suitable framework for consultation with stakeholders will need to be developed.

Make Service Level Based Decisions

Once the Shire has reached a future point whereby it has confidence in both customers' required service levels and recreation portfolio performance, it will be able to make informed strategic decisions.

Stakeholder Key Service Attributes

Each of the key stakeholders were considered as to what they value and expect from the recreation portfolio. These needs and wants were captured and have been presented in the table below. Those considered of high importance, that is are frequently reoccurring, and those which are needed, were then chosen to form the basis of the AMP's Service Levels.

Stakeholder	Specific Needs/Wants	Need or Want?	Service Attribute
Shire (Council & Staff)	That assets are well used and that utilisation is at appropriate levels.	Usage	Want
	That assets are accessible to users of all ability.	Accessibility	Want
	That the social outcomes achieved from the Shire's recreation assets represent good value for money.	Social Outcome	Want
	That recreation assets are provided at a fair and accessible cost	Value	Want
	That strong relationships are maintained between all stakeholders through engagement and consultation.	Consultation	Want
	That active recreation assets are able to generate revenue to cover their higher levels of expenditure.	Financial Performance	Want
	That the Shire's and user's risk exposure and liability is minimised.	Risk	Want
	That the Shire is a "good neighbour" and that its recreation areas add value to local properties.	Social Outcome	Want
	That existing areas of natural/native vegetation are retained and where possible improved.	Environmental Outcome	Want
	That the energy and carbon footprint of the Shire's recreation assets is progressively reduced.	Environmental Outcome	Want
	That water usage levels on recreation areas is minimised and that water recycling/reuse is increased.	Environmental Outcome	Want
	To provide recreation assets that increase participation levels in active and passive	Social Outcome	Want

	activities.		
	That recreation places are designed and maintained in a manner that reduces crime incidences.	Safety	Want
Active Users and Clubs	That sport playing areas meet applicable Australian Standards.	Quality	Need
	That sport playing areas have good aesthetic appeal.	Aesthetics	Want
	That sport playing areas are well maintained.	Quality	Need
	That sport playing areas are open for use every day during day light hours	Availability	Want
	That recreation places have car parking available.	Accessibility	Want
	That recreation places are linked to the Shire's path network.	Accessibility	Want
	That recreation places are accessible by users of all physical ability.	Accessibility	Want
	That sports playing facilities represent good value for money	Value	Want
	That the Shire helps to facilitate/organise events and competitions.	Events	Want
	That users are treated with respect and consulted with.	Consultation	Want
	That recreation areas discourage antisocial behaviour.	Safety	Want
Passive Users	That recreation assets are well maintained.	Quality	Want
	The recreation areas have good aesthetic appeal.	Aesthetics	Want
	That recreation areas discourage antisocial behaviour.	Safety	Want
	That recreation areas have good path infrastructure that connects to the Shire's wider network.	Accessibility	Want
	That recreation areas are well lit at night time	Safety	Want
	That the Shire consults on what assets it puts into recreation areas.	Consultation	Want
Residents &	That recreation assets are well maintained.	Quality	Want

Landowners	The recreation areas have good aesthetic appeal.	Aesthetics	Want
	That recreation areas discourage antisocial behaviour.	Safety	Want
	That the Shire consults on what assets it puts into recreation areas.	Consultation	Want
Tourists/Visitors	That recreation assets are well maintained.	Quality	Want
	The recreation areas have good aesthetic appeal.	Aesthetics	Want
	That recreation areas discourage antisocial behaviour.	Safety	Want
	That recreation assets have available car parking	Accessibility	Want
	That recreation assets are well signed	Well signed	Want
State Government	That assets are managed to meet all applicable legislative requirements and Australian Standards.	Quality	Want
	That assets are well used and align with sport demands.	Usage	Want
	That assets are accessible to users of all ability.	Accessibility	Want
	That recreation assets are provided at a fair and accessible cost	Value	Want
	That strong relationships are maintained between all stakeholders through engagement and consultation.	Consultation	Want
	That assets are managed in a financially sustainable manner.	Financial Performance	Want
	To provide recreation assets that increase participation levels in active and passive activities.	Social Outcome	Want
	That recreation places are designed and maintained in a manner that reduces crime incidences.	Safety	Want
Local Businesses	That recreation assets are well maintained.	Quality	Want
	The recreation areas have good aesthetic appeal.	Aesthetics	Want

	That recreation areas discourage antisocial behaviour.	Safety	Want
	That recreation assets have available car parking	Accessibility	Want
	That recreation assets are well signed	Well signed	Want
	That recreation assets are provided at a fair cost	Value	Want
Shire Ratepayers	Recreation assets add to the aesthetic appeal of towns	Aesthetics	Want
	Recreation assets are maintained in a safe condition so as to minimise the Shire's and users' risk exposure	Safety	Want
	Recreation assets are managed in a financially sustainable manner	Financial Sustainability	Want

Table 9-3: Stakeholder Service Levels

The following service attributes were selected for Service Levels:

- **Safety – Frequency: 9**
- **Accessibility – Frequency: 8**
- **Quality – Frequency: 7**

In addition, the service level for aesthetics was also a frequently appearing service attributes. This will be held as a possible future service level that will be considered as and when the Shire is able to successfully establish and monitor the performance of the above 3 service levels.

Appendix C – Safety & Maintenance Inspection Guidelines

Background

To be developed in future versions of this AMP.

Inspection Process

To be defined.

Appendix D – Condition Inspection Methodology

Portfolio Asset Condition Rating Scale

The Shire undertakes condition rating of many of its infrastructure assets in order to determine their remaining useful life and to prioritise future capital works. By undertaking regular inspections, the Shire is able to understand at what rate assets are deteriorating and then monitor the effectiveness of maintenance and renewal activities in extending the life of assets.

In assessing asset's condition, the Shire has adopted a 1 to 5 scale of rating which allows the overall condition of different asset classes to be compared. Table 9-4 details the scale applied and what each rating means.

Grade	Condition	Description
1	Very Good	A new or near new asset, or an asset recently rehabilitated back to new condition, with no visible signs of deterioration. The asset or component will have no drop in level of service.
2	Good	An asset in excellent overall condition. There would be only very slight condition decline but it would be obvious that the asset was no longer in new condition.
3	Average	An asset in fair overall condition deterioration in condition would be obvious and there would be some serviceability loss.
4	Poor	An asset in fair to poor overall condition. The condition deterioration would be quite obvious. Asset serviceability would now be affected and maintenance costs would be rising.
5	Very Poor	An asset in poor to unserviceable overall condition deterioration would be quite severe and would be starting to limit the serviceability of the asset. Maintenance cost would be high.

Table 9-4: Condition Rating Measures

The Shire aims to minimise the amount of assets that are rated as a 5 unless assets are in this state as part of a specific management program (i.e. part of an asset decommission plan).

Appendix E – Recreation Demand

Background

Council's fundamental role is to provide services to its community and stakeholders. The recreation service is supported by a range of different assets such as furniture, softscape, hardscape, irrigation etc. Predicting future demand for services is an important element of any organisation's asset management practices. It enables practitioners to plan ahead and identify the best way of meeting future demand.

This section of the AMP looks at both historical and future levels of recreation demand. Whilst future demand is arguably the more important focus, crucial evidence and trends can be identified from examining what has happened, and what is happening. Readers should be aware though that as with any demand forecasting, prediction is rarely ever 100% correct. As this is the Shire's first Recreation AMP, the Demand Section takes a broad view to possible influences and as an outcome, attempts to identify those most likely to have the greatest impact on demand over the life of the AMP.

Historic Recreation Demand

Demand for services is generally measured by how many customers use the assets. However, the Shire has not historically monitored individual recreation assets' usage levels. An improvement action to begin monitoring selected recreation areas has been listed. To ascertain the historical demand, the Shire has used statistics to consider factors such as demographic change, population change, recreation activity change and tourist change.

Population Change

When the overall population change of the Shire (Figure 9-2) between 2001 and 2011 is considered, the number of recorded people at census night has fallen from 914 (2001), to 851 (2006), to 807 (2011). The decrease of -11.7% between 2001 and 2011 would suggest that demand for some recreation services would also have decreased. As such, many of the Shire's recreation assets may be currently underutilised. To understand whether these assets are providing value for money, an analysis of current usage levels and comparison to whole of life costs has been listed as an improvement action.

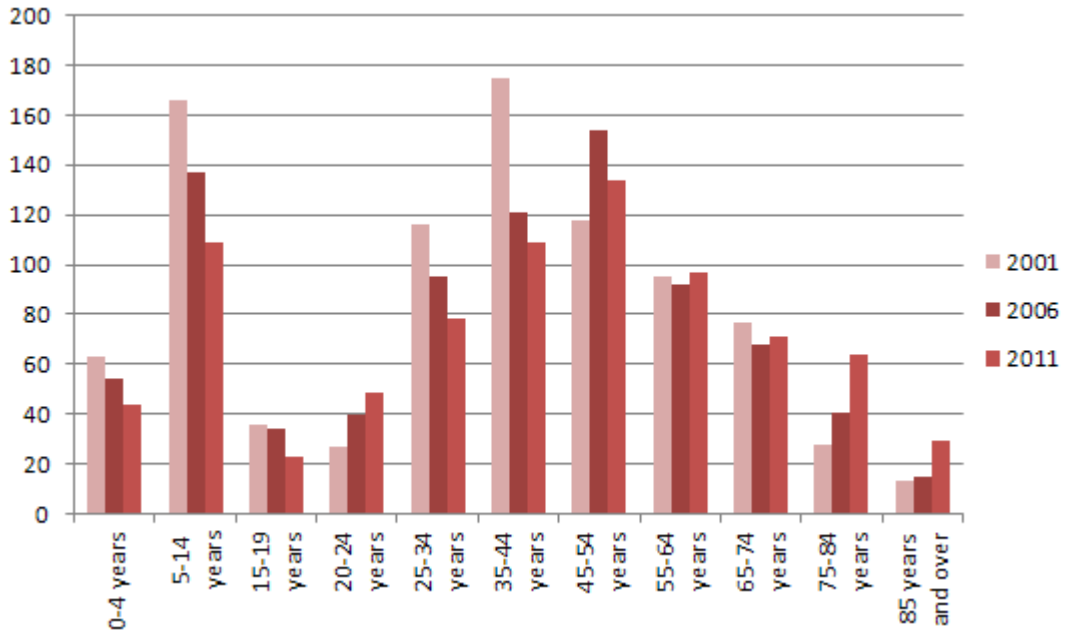


Figure 9-2: ABS Population & Demographic - Shire of Mukinbudin 2001-2011

Demographic Change

Figure 9-2 also shows that between 2001 and 2011 there has been a significant change in the Shire's demographic profile. While the Shire's median age has risen from 38 (2001) to 44 (2011), representative of an ageing population, there are also some interesting trends that are apparent.

Further analysis of the nature of population decline shows that it is not occurring evenly. Figure 9-2 shows that population decline has occurred in the 0-4, 5-14, 15-19, 25-34, 35-44 and 65-74 age groups. At the same time though, population growth has occurred in the 20-24, 45-54, 55-64, 75-84 and 85+ age groups. As such, it could be suggested that assets aligned to young people (e.g. playgrounds) may have falling demand, while services used by older people (e.g. bowls) may have increasing demand. There is a resultant need to ensure that services are aligned to current and future demand. An improvement action to consult on the types of recreation services required by the community, and monitor usage demand levels has been listed.

Recreation Participation Change

The ABS Participation in Sport and Physical Recreation Survey was last conducted in 2011-12 and can also be compared to the 2009-10 survey to identify trends. The surveys showed that there was no significant change in national sport and physical recreation participation rates between 2009–10 and 2011–12 (64% and 65% respectively). Therefore, as the Shire's population has fallen, it can be assumed that so too has demand.

The ABS statistics show that the most popular type of facility used for sport and physical recreation activities in 2011-12 were parks and reserves, at 40%. Within WA, walking for exercise remained the most popular activity over time with a participation rate of 22.5%. The second and third most popular activities were fitness/gym (17.1%) and swimming/diving (9.6%) respectively. Understanding what recreational activities the Shire's residents currently participate in would allow assets to be aligned to demand. Undertaking a survey of participation has been listed as an improvement action.

Tourist & Visitor Numbers Change

Outside of immediate local demand, there may be potential demand from visitors to the Shire, whether day trippers or tourists. Figures from Tourism WA (Figure 9-3) show that over the past 4 years, the estimated number of visitors to/within WA have risen from 18.7million in 2009 to 22.1million in 2013. Whilst figures show that only 7% of visitors go to the "golden outback" region (within which the Shire sits), there remains some potential future demand growth within the Shire, particularly at recreation sites that visitors are likely to go to. This may mean an increase in demand for recreation services such as town parks (with barbeques, gazebos, picnic tables etc.), walk trails, scenic lookouts etc.

Figure 9-3: WA Visitors (Source: Tourism WA October 2013)

Future Demand Drivers

In order to identify future demand pressures on the Recreation Portfolio (both positive and negative), six driver categories, being political, economic, social, technological, legal and environmental have been considered. Drivers such as these will not only influence actual usage levels, but also possibly require future resources in order to meet specific needs or goals. Each of these demand drivers are discussed below and their effect summarised. The exact effects of many of these drivers are difficult to quantify and may also require further study and research.

Political Demand

State Government

Political influence on the Shire's recreation service delivery is limited to a number of high level areas. Political influence can also generally be separated by that which occurs from the Shire's Council and that which arises from other political levels, such as through state or federal Legislation and Acts.

The general minimal provision of public open space (POS) area has long been determined by the Western Australian Planning Commission's (WAPC) public open space in residential areas policy. Since 1956, a standard (minimum) contribution rate of 10 percent of the gross residential area for POS has existed within the Policy. The Policy favours a balance between what can be defined as either passive or active recreational spaces. Passive areas are typically readily available to all residents and suited to recreational activities which are generally not of an active nature. Active areas tend to be larger and therefore designed for active activities such as organised sports. With the policy remaining an important driver of POS area demand for new developments, it will have a positive demand on services when (and if) residential subdivision occurs.

An area of potential direct demand change may lie in any future changes to the vesting of reserves within the Shire. Many reserves are crown owned and hence in the ownership of the state government. Typically, these reserves then have their management vested into their respective local governments to maintain. Where this occurs, there is also a need for additional resources to construct and/or maintain infrastructure on the reserves. Whilst there are no planned changes in current vesting arrangements, there remains potential for this to occur in the future.

Council

The largest area of demand that the Shire's Council can influence is that around changes to service levels. For example, by enforcing changes to current maintenance practices (e.g. increasing mowing frequency) or by providing enhanced services (e.g. building additional infrastructure), Council can then also increase or decrease the associated whole of life costs. To

ensure that this demand is managed, Council need to be informed on both service demand from other areas, as well as the financial sustainability of the service levels that they may wish to provide. This AMP will help to ensure demand changes imposed by Council are manageable.

Town Planning Scheme review

The Shire reviews its Town Planning Scheme every 5 to 7 years. Revisions to the Scheme have the potential to change land use and therefore affect the demand of the recreation portfolio. At present, it is believed that only major changes in land use would have an effect on demand. As and when such change may occur, consideration of the demand effects should be given. Over the current life of this AMP, no significant demand is forecasted from the Town Planning Scheme review.

Local Government Reform

In 5 February 2009, the Minister for Local Government announced a suite of Local Government reforms. The reforms requested each Local Government to consider structural reform options with its neighbouring Councils and encouraged voluntary amalgamations or development of regional collaborative groups. While the Shire did not amalgamate with any other Local Governments, it is currently unclear whether compulsory amalgamations will occur in the future. If they were to occur, the following outcomes could be expected:

- There would be a 2-5 year period of increased demand for resources, as asset systems, practices, processes and resources are aligned
- That there may be some reduction in recreation demand through economies of scale and potential rationalisation

Therefore the areas of expected demand change as part of the reform process is in the development and implementation of more robust asset management practices and medium to long term disposal of recreation assets where services could be rationalised. However, a limitation in Shire resources to handle an increased asset management programme exists. Furthermore, a rationalisation procedure would also have to be developed. Consideration of these would have merit and therefore have been listed as improvement actions.

Council Policy

Whilst historic data suggests that there has probably been falling demand levels of the Shire's recreation assets (e.g. due to population decline and demographic change), Council policy changes can also be an influence. A good example of this is whereby the Council opts to provide different service levels (higher or lower) than that which is currently provided. The introduction of more formal asset and financial practices will in theory provide Council will greater ability to change service levels, while also providing the opportunity to ensure financial sustainability. However, it is likely that it will take the Shire a number of years to reach this informed position

and as such, the exact effects of future Council Policy changes on asset demand cannot be currently determined.

Change Effect: Likely additional demand over the short term (2-3 years) to increase the level of resources needed to improve and sustain the Shire's asset management practices. Longer term, there may be additional demand to increase infrastructure renewal spending if there is a current expenditure gap (although this has not been ascertained). However, if amalgamation was to occur, there may be some scope for the rationalisation of the Shire's recreation portfolio.

Economic Demand

Energy and Water Costs and Availability

The operation and maintenance of the Shire's recreation assets uses basic commodities such as energy (e.g. electricity and gas) and water (e.g. reticulation). Energy costs, typically in the form of electricity, have increased sharply over the last 15-20 years due to the higher costs of supply and transmission/transportation. Equally, with falling rain falls and higher median maximum temperatures, water security and cost have also become increasingly important.

It is likely that prices for basic commodities will continue to rise above normal inflation levels over the life of this AMP. To help protect itself against future price increases, there is value in the Shire investigating alternative sources, such as whether the installation of technologies such as solar power have benefit. This has been listed as an improvement action.

State Economy

Changes in the state's broader economic climate may potentially impact on the Shire's ability to resource the operation and maintenance needs of its recreational services. For example, if the cost of living pressures continue to worsen, then the Shire can reasonably expect to find the recruitment and retention of suitably skilled staff increasingly challenging. Such an outcome would mean that there could be an increasing reliance on external contractors which may come at a cost premium. Nonetheless, the longer term economic outlook is uncertain and therefore further work is required to ensure that the Shire appropriately plans for its long term resource requirements. This will partially be satisfied through the introduction of the Shire's workforce management plan, but further work to refine our long term planning around economic demand is also required. This has been listed as an improvement action.

Council Financial Sustainability

In recent years there has been a moderate level of publicity and investigation into the long term sustainability of WA local governments. Recently the WA State Government has initiated a process of reform, as part of which Council investigated the potential to merge with neighbouring Councils. While no merger occurred, there remains a possibility that the Shire

may be forcibly amalgamated by state government. Despite this, considering the Shire in its current state, its financial sustainability will be determined over the coming months as the various aspects of its asset management framework and outputs from the AMPs are meshed with its Long Term Financial Plan. Until this point, the Shire's long term sustainability position is not currently known.

Change Effect: Rising costs will drive increased demand for, and management of, consumable resources. Long term financial sustainability position of the Shire is unclear, as is the state's economic outlook. Overall, it is most likely that economic factors will increase demand levels.

Social Demand

Population

The Western Australian Department for Planning along with the Western Australian Planning Commission produce population forecasts for WA local government areas. The last forecast profile for the Shire (February 2012) contains a population forecast produced in 2006, spanning from 2006 until 2026. The forecast contains 5 bands of population forecast, with Band A being the most pessimistic and Band E the most optimistic. The results are shown in

Year	Band A	Band B	Band C	Band D	Band E
2006	950	950	950	950	950
2007	860	900	930	950	990
2008	780	850	910	960	1000
2009	700	800	890	970	1100
2010	610	750	870	980	1100
2011	550	710	940	970	1200
2012	500	670	920	960	1200
2013	460	640	790	950	1200
2014	420	610	760	930	1200
2015	400	580	740	910	1200
2016	370	560	720	890	1100
2017	350	530	690	860	1100
2018	330	510	670	840	1100
2019	320	490	650	820	1100
2020	300	470	630	800	1100
2021	280	460	610	790	1100
2022	270	440	590	770	1000
2023	260	420	580	760	1000

2024	250	410	570	740	1000
2025	250	400	550	730	1000
2026	240	390	540	720	1000

Table 9-5.

Year	Band A	Band B	Band C	Band D	Band E
2006	950	950	950	950	950
2007	860	900	930	950	990
2008	780	850	910	960	1000
2009	700	800	890	970	1100
2010	610	750	870	980	1100
2011	550	710	940	970	1200
2012	500	670	920	960	1200
2013	460	640	790	950	1200
2014	420	610	760	930	1200
2015	400	580	740	910	1200
2016	370	560	720	890	1100
2017	350	530	690	860	1100
2018	330	510	670	840	1100
2019	320	490	650	820	1100
2020	300	470	630	800	1100
2021	280	460	610	790	1100
2022	270	440	590	770	1000
2023	260	420	580	760	1000
2024	250	410	570	740	1000
2025	250	400	550	730	1000
2026	240	390	540	720	1000

Table 9-5: Western Australian Planning Commission - Population Forecasts by Bands 2006 to 2026

When the census results are considered, it suggests that the Shire is currently tracking generally between the projections of Bands B and C. The forecast suggests that the population of the Shire will continue to decline down to between 390 and 540 people by 2026. If this scenario were to occur, it could be expected that service demand due to population change would decrease significantly. As such, there would be a very strong case to rationalise significant parts of the recreation portfolio to align it with demand and to reduce costs. However, the Shire will need to monitor actual population change to determine whether the forecast is correct and then respond accordingly.

Demographics

Historical census data showed that the Shire's median age changed from 38 in 2001 to 44 in 2011. With projections suggesting that the population will continue to decrease in the future, it is highly likely that the median age will continue to increase over the life of this AMP. Therefore services demanded by younger people, such as active recreation, will likely fall, whilst services for older people such as passive recreation may rise.

Social Disadvantage

A review of the ABS 2011 SEIFA index of advantage and disadvantage showed that the Shire has an index number of 989. This places the Shire at the 68 percentile within Australia and 56 percentile within WA. This means that the Shire's population are generally above average in the index, suggesting that as a community, there are not access barriers to recreation pastimes (e.g. cost). Nonetheless, ensuring that recreation assets are provided at a fair cost to all potential stakeholders is important to the health and wellbeing of the community.

Change Effect: Demand decrease in younger person services, but increase in aged person's services.

Technological Demand

Technology Affecting Participation Rates

Over the past decade or so, technology advancement has resulted in large changes to recreational activities, particularly at a professional level. Many advancements have naturally filtered down to a general user level, as evidenced in the sophistication of sporting equipment currently available. High quality equipment is now freely available at accessible prices which may help encourage participation rates, particularly in sports. Elsewhere, the forecast change in peoples participation levels since the rise of computer gaming and social media does not seem to have occurred, according to the ABS figures.

Technology Assisting Maintenance

The area of technology change which is thought to have the biggest likely impact on recreation is around its actual application to enable the refinement of operation and maintenance techniques. There are a range of modern software tools available commercially, that can be used to help achieve greater efficiencies, and more optimal outcomes. For example systems such as GIS can be used to map reticulation head locations and water coverage to identify areas of over or under watering. This may in turn help to achieve a number of outcomes including reducing the use of materials (e.g. water, fertiliser etc.) while helping to increase the capacity at venues (e.g. helping turf to recover more quickly from wear). Many local governments also use remote irrigation monitoring and control systems. This allows efficiencies to be achieved.

Overall, it is thought the main demand influence from technology is around better application in order to achieve enhanced outcomes and service levels.

Condition Monitoring and Asset Management Systems

Changes and improvements to the way WA local governments are managing their infrastructure means that there will likely be a growing need to develop and manage data in the form of inventories, condition ratings, financial performance etc. To do so in an efficient manner so that data can be interrogated and knowledge extracted, an asset management system will likely be required. Therefore, over the life of this AMP it is expected that additional resources to acquire and maintain a system will be needed. These resources will also be required to acquire data in the form of inventory and condition ratings. An improvement action to define the scope and requirements for such a system has been listed as an improvement action.

Change Effect: Opportunity exists to manage and maintain the recreation portfolio more efficiently and sustainably and thus reduce demand. Major changes to participation rates caused by technology influences are unlikely. Possible increase in resource demand due to additional asset management practices.

Legal Demand

Litigation

In providing and maintaining recreational assets which are fit for purpose and safe, the Shire undertakes a range of different maintenance activities. However, there is currently no formalised inspection process covering all recreation assets. The development of a procedure has been listed as an improvement action. Aside from the normal risks associated with assets, no specific additional legal demand drivers have been identified at this time.

Change Effect: Slight increase in demand for formalised safety and maintenance inspection regime.

Environmental Demand

Strategic Goal / Environmental Sustainability

In recent years, the community's awareness of environmental issues, including climate change, has resulted in some change to habits and broader government legislation (e.g. carbon tax). It is likely that over the term of this AMP that infrastructure managers will have to ensure that assets are maintained at increasingly environmentally sustainable levels. This will include:

= Questioning whether assets are required
= Ensuring that maximum life is obtained from assets

= That construction and maintenance techniques reduce and avoid the use of virgin materials wherever possible

While opportunities to reduce the Shire's energy and material consumption have already been discussed, and remain valid, there is also a driver to identify and consider other activities that can increase recreational environmental sustainability. Establishing a process to identify and consider possible initiatives has been listed as an improvement action.

Climate Change

A key driver of recreation demand will also be climate change. Figure 9-4 shows that between 1965 and 2012, the maximum monthly mean temperature at the Mukinbudin weather station has steadily risen from approximately 33.7°C to 35.3°C. Figure 9-5 shows that between 1928 and 2012, annual rainfall in Mukinbudin has remained fairly steady at approximately 324mm per annum. It should be noted though that this position is not reflected in other neighbouring areas, where rainfall levels are generally falling.

This information shows that regardless of cause, the Shire is becoming increasingly hotter with higher mean maximum temperatures. Therefore, in order to deliver the current recreation service levels into the future, specific strategies and technologies will have to be applied as vegetation becomes increasingly dependent on irrigation, from non-rain sources.

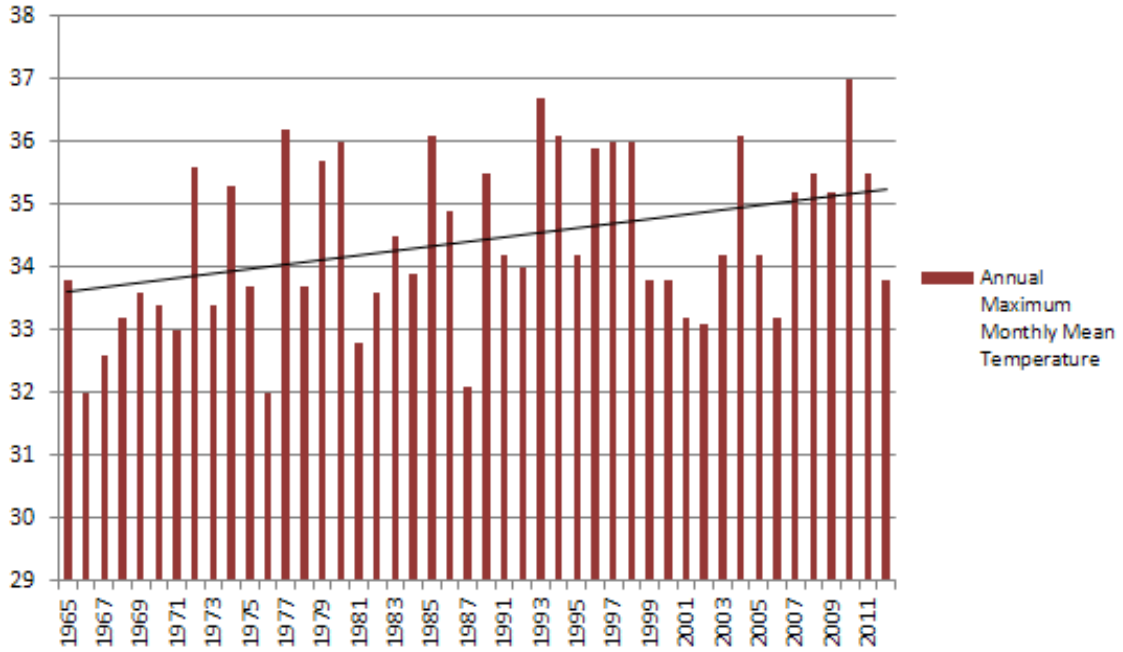


Figure 9-4: Annual Maximum Monthly Mean Temperature (Mukinbudin 1965 - 2012)

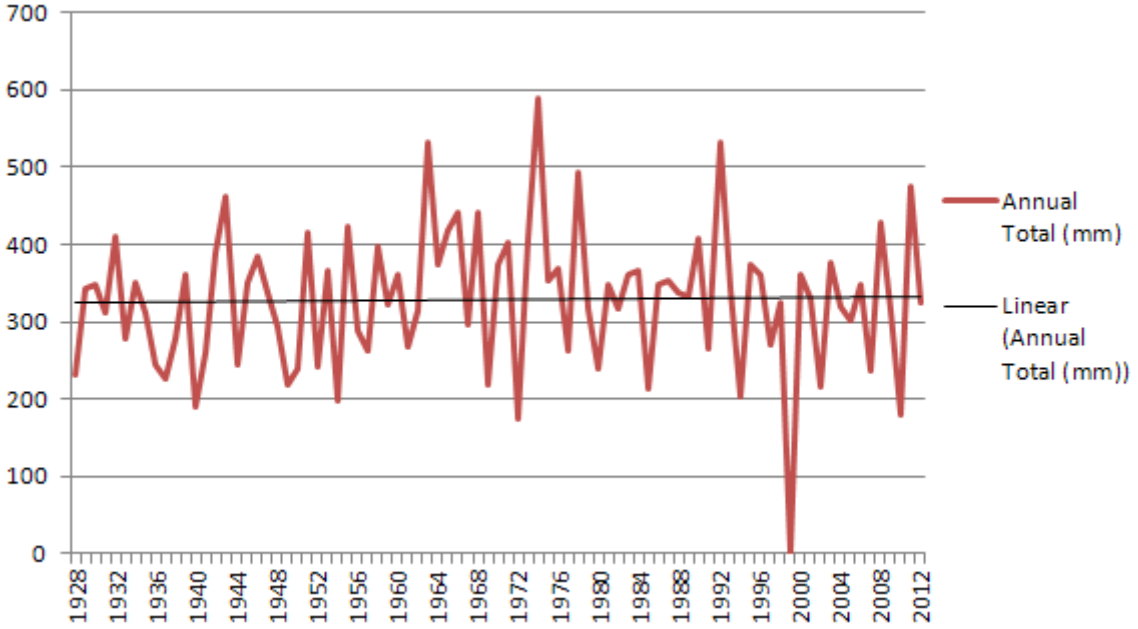


Figure 9-5: Annual Rainfall (Mukinbudin 1928 – 2012)

Change Effect: Increased demand for clearer decision making around asset need. Increased demand for more environmentally sustainable recreation assets and maintenance techniques. Increased demand to use drought tolerant vegetation and non-rain sourced water.

Appendix F – Capital Works Programme

A condition based capital works programme will be developed for the Recreation Portfolio in future versions of this AMP.

Appendix G – Risk Management Analysis

This appendix details the desktop risk analysis undertaken on the management of the recreation portfolio. The risk analysis has been undertaken to be compliant with AS 4360.

Risk Context

The risk analysis applies only to the management activities undertaken on the recreation portfolio. It does not seek to identify physical risks. In-lieu of a corporate risk policy and objectives, the following statement defines what an 'acceptable' level of risk is with regards to recreation infrastructure.

Through risk management, the Shire of Mukinbudin aims to:

- Protect the quality of the recreation portfolio;
- Protect users of recreation assets;
- Protect the Shire's assets and public image;
- Reduce the Shire's exposure to risk; and
- Promote effective financial and asset management practices.

This will be achieved through:

- Identifying, decreasing the likelihood, and mitigating the consequences of risk, within the constraints of sensible commercial objectives and practices;
- Applying risk based practices to the management of recreation assets and associated decision making;
- Maintaining safe and reliable plant, equipment and infrastructure;
- Preparing appropriate contingencies;
- Reviewing the risk profile of the recreation portfolio at appropriate intervals and when circumstances dictate; and
- Maintain an up to date Recreation AMP.

Risk Criteria

The following criteria have been applied as part of the risk analysis.

Likelihood Levels

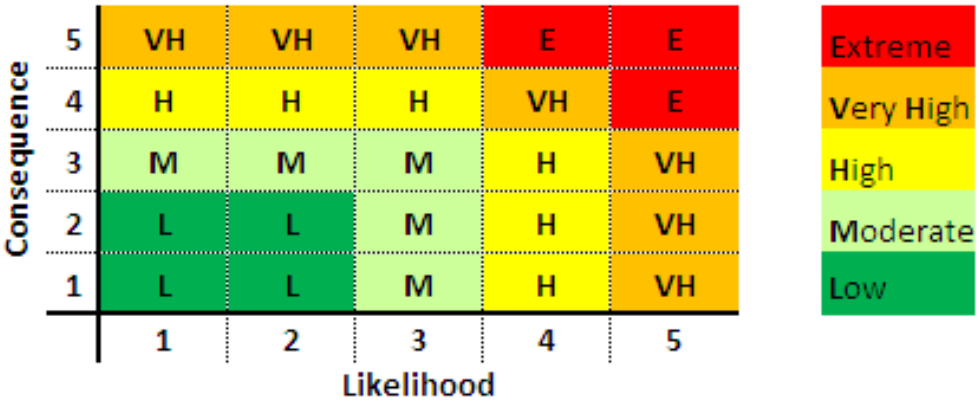
Level	Likelihood Scale	
	Descriptor	Indicative Frequency (expected to occur)
5	Almost certain	The event will likely occur once a year or more frequently.
4	Likely	The event will likely occur every three years.
3	Possible	The event will likely occur every ten years.
2	Unlikely	The event will likely occur every thirty years.
1	Rare	The event will likely occur every one hundred years.

Consequence Scale

Consequences Scale

Severity Level	Consequence Types					
	Political (P)	Economic (E)	Social (S)	Legal (L)	Environmental (E)	Health & Safety (HS)
5		Annual economic benefit or cost change of greater than +/- $1,000,001.		Significant prosecution and fines. Very srious litigation including class actions	Very serious, long term environmental impairment of ecosystem functions.	Multiple fatalities, or significant irreversible effects to >50 persons.
4	Serious public or media outcry (international coverage).	Annual economic benefit or cost change of between +/- $200,001 to $1,000,000.	On-going serious social issues. Significant damage to structures/items of cultural significance.	Major breach of regulation. Major litigation		Single fatality and/or severe irreversible disability (>30%) to one or more persons.
3	Significant adverse national media/ public/ NGO attention.	Annual economic benefit or cost change of between +/- $50,001 to $200,000.		Serious breach of regulation with investigation or report to authority with prosecution and/or moderate fine possible.	Serious medium term environmental effects.	Moderate irreversible disability or impairment (<30%) to one or more persons.
2	Attention from media and/or heightened concern by local community. Critism by NGOs.	Annual economic benefit or cost change of between +/- $10,001 to $50,000.	On-going social issues. Permanent damage to items of cultural significance.	Minor legal issues, non compliances and breaches or regulation.	Moderate, short term effects but not affecting ecosystem functions.	Objective but reversible disability requiring hospitalisation.
1	Minor, adverse local public or medical attention or complaints.	Annual economic benefit or cost change of upto +/- $10,000.	Minor medium term social impacts on local population. Mostly repairable.		Minor effects on biological of physical environment.	No medical treatment required.

Risk Matrix


Consequence
5 VH VH VH E E
4 H H H VH E
3 M M M H VH
2 L L M H VH
1 L L M H VH
1 2 3 4 5
Likelihood
Extreme
Very High
High
Moderate
Low

Risk Analysis

Asset: Recreation Portfolio				Compiled by:	Ben Symmons (Asset Infrastructure Management)					Date:	28-Jan-14	
Date of risk review:				Reviewed by:						Date:		
							Analysis (1 (Low) - 5 (High))					
Reference	The Risk	Event (what can happen)	Cause (how this can happen)	Consequence (What can happen)	Existing controls	Effectiveness of existing controls	Likelihood	Consequence	Level of risk	Risk priority	Treat Risk (Y/N)	Further Action
1	AMP service levels have not been adopted by Council	Funding required to meet service levels may not be allocated	Council allocate funding elsewhere	Asset(s) condition may deteriorate with time, exposing users to potential harm. (HS & E)	Production of AMP and LTFP	High.	2	3	M	12		
2	AMP service levels not in alignment with stakeholders' needs	Shire provides recreation based services which don't meet stakeholders' needs.	Lack of consultation and long term demand forecasting.	Inefficient and costly services which may be underutilised and don't align with stakeholder needs (S).	Production of AMP.	Moderate	3	2	M	12		
3	AMP is not supported by Council	Funding and management decisions made in isolation of AMP	AMP is not adopted, Council do not understand AM principals.	Assets incorrectly managed, resulting in potential for increased risk as well as sub-optimal whole of life costs. (E)	Production of AMP	Moderate, AMP not adopted.	2	3	M	12		
4	No formal condition rating procedure	Condition data held of poor quality. Unable to predict renewal needs.	No formal inspection procedure.	Assets become unsafe, and/or are replaced at sub-optimum times (HS & E).	Periodical Inspection	Low	2	3	M	12		
5	No formal safety and maintenance inspection procedure exists.	Assets are inspected periodically or reactively or not at all.	No formal inspection procedure.	Assets become unsafe, maintenance issues allowed to get worse. (HS & E).	Ad-hoc Inspections	Low	4	4	VH	1	Yes	Develop and implement a cyclical safety and maintenance inspection programme
6	Poor maintenance management	Maintenance items are corrected ad-hoc	No formal maintenance management strategy exists	Maintenance items are not corrected in a timely fashion, critical infrastructure not functional (HS).	Reactive maintenance regime.	Moderate	3	3	M	8		
7	Shire does not have a recreation asset management system	Data control and management is difficult, leading to inaccuracies	Shire not aware of the benefits of a system, unable to resource a system.	AM practices are more difficult, data hard to manage and interrogate/report on (E).	Informal inventories within the Shire	Low	4	3	H	2	Yes	Develop a specification and budget for a future asset management system.
8	Shire unable to resource AM programme	Formalised AM programme may not be resourced by the Shire.	Lack of financial and/or staff resource.	Shire breaches legislation (L).	AMP and LTFP	Moderate	3	3	M	8		
9	Shire does not have a formal rationalisation process.	Excess assets are not disposed of.	Lack of process.	High financial liability, inefficient service outcomes (E).	None	N/A	4	3	H	2	Yes	Develop an asset rationalisation procedure.
10	No Corporate risk management framework or policy	Shire has no corporate risk management framework or policy	Lack of Policy	Risks failed to be identified and managed in a coordinated manner (L)	None	N/A	3	4	H	2	Yes	Develop a corporate risk management framework and register.
11	General ledger does not allow expenditure to be captured by asset and activity.	AMP statistics and modelling inaccurate.	Misaligned general ledger.	Shire breaches legislation (L).	AMP and LTFP	Moderate	3	3	M	8		
12	Asset inventories not accurate.	Asset inventories are inaccurate.	Lack of resource and expertise. Lack of recreation AM system.	AMP inaccurate, risks not identified, asset mismanaged (E).	AMP and LTFP	Moderate	4	3	H	2	Yes	Develop a recreation asset data dictionary. Collect asset inventory data.
13	Recreation portfolio expensive to provide	Lack of data on costs and usage levels means poor performance not identified.	Lack of data on usage levels, service needs and whole of life costs	Poor financial performance, poor service delivery, alternative opportunities not possible (E).	AMP and LTFP	Low	4	3	H	2	Yes	Monitor usage levels of recreation areas and associated whole of life costs. Understand which areas are performing poorly.
14	Shire has no defined maintenance service levels.	Budget determines service levels rather than the other way around.	Historical practices.	Inefficient maintenance, poor cost capture, poor service delivery (E).	AMP	Low	4	3	H	2	Yes	Develop maintenance based service levels for recreation assets. Link service levels to annual budgets.
15	No upgrade or new project evaluation procedure.	Projects are not evaluated against strategic goals and whole of life cost basis.	Lack of a formal evaluation procedure.	Projects are financially unsustainable, do not align with strategic objectives, poor outcomes (E).	AMP	Low	3	3	M	8		

Appendix H – Recreation Asset Inventory

Parl/Reserve Name	Category	Asset	Street Name	Suburb	Estimated Economic Working Life	Estimated Remaining Life	Condition	Current Replacement Cost	Fair Value	Annual Depreciation
Town Entry Statements	Entry Statements							$10,363	$8,291	
Dirt Kart Club	Active Reserve		Clamp Street	Mukinbudin						
Mukinbudin Recreation Ground	Active Reserve	Bowling Greens, Oval, Tennis Courts, Basketball Courts, Hockey Pitch	Cruikshank Street	Mukinbudin				$278,443	$19,028	
Mukinbudin Golf Club	Active Reserve		Williams Road	Mukinbudin						
Lions Park	Passive Reserve		Maddock Street	Mukinbudin						
Mukinbudin Dam	Water Capture		Kununoppin Mukinbudin Road	Mukinbudin						
Wilgoyne Oval and Tennis Courts	Active Reserve	Disused Oval and Tennis Courts	Wilgoyne Road	Wilgoyne						

Table 9-6: Shire Recreation Asset Inventory