



# RECREATION ASSET MANAGEMENT PLAN

## PART 1 - SUMMARY

Version 1.4

December 2020

# CONTENTS

Executive Summary .....	1
Background & Objectives .....	2
Purpose of this Asset Management Plan .....	2
Focus of this Asset Management Plan .....	2
Corporate Document Relationships .....	2
Time Period of the AMP and Review Process .....	2
Service Levels .....	3
Introduction .....	3
Service Level Performance .....	3
Service Demand .....	3
Historic Demand .....	3
Future Demand .....	4
Demand Management .....	5
Lifecycle Management Plan .....	5
Recreation Portfolio Physical Parameters .....	5
Recreation Portfolio Condition .....	6
Lifecycle Management Strategies .....	6
Financial .....	6
Projected Expenditure Requirements .....	7
Plan Improvement & Monitoring .....	7
Performance Measures .....	7
Improvement Plan .....	8

Author: Ben Symmons – AIM Consultants

Date: 8 December 2020

Contact: ben.symmons@assetim.com.au / 0402 006 300

## Executive Summary

The Shire of Ravensthorpe owns and maintains a range of assets that help to support the delivery of a recreation service. This includes softscape, hardscape, sports equipment, irrigation and so on.

This document is the Shire's Asset Management Plan (AMP) for the recreation portfolio (parks, gardens and natural areas). It outlines the activities that will be carried out over the next 15 years. In the future, it will also detail the service levels (standard) the Shire will provide and the resources required to deliver them.

While the document is comprehensive, it is also evolving with the Shire's practice maturity. As such there are a number of actions that have been identified that will improve the AMP's accuracy over time. All readers of this AMP must understand its limitations and applied assumptions before acting on any information contained within it. All information within this AMP is fully detailed within a separate Part 2 document.

Overall, the AMP has determined that the portfolio is worth approximately \$5.8m, consisting of 20 different 'places'. However, assets within these places have not been mapped and formally recorded within an asset management system. As such, the condition, and some fair values and depreciation expenses of recreation assets is not known. Furthermore, assets cannot be effectively managed using sound asset management practices.

Historically, the Shire has not routinely monitored any service performance indicators for the recreation service. As such, there is a lack of clear links between the assets owned, the service quality and service outputs. That is, it is unclear as to what recreation services the community requires and is willing and able to pay for.

Looking forward, the Shire's recreation service may experience some service demand change. Influences such as business needs & preferences, climate change, government policy, legislation & compliance, litigation, technology and visitor changes are regarded as likely to have the greatest affect.

In order to improve the Shire's management practices, a number of key tasks have been identified. These have been listed within the Improvement Plan for future implementation.

# Background & Objectives

## Purpose of this Asset Management Plan

This document is an Asset Management Plan (AMP) for the Shire's Recreation assets. These are typically defined as infrastructure located within parks, gardens, ovals etc., but excluding buildings and paths. The AMP documents how the Shire will manage the assets, to what standard (service levels) and what the associated long term costs will be.

## Focus of this Asset Management Plan

The AMP focuses on recreation assets. The number of recreation 'places' that make up the portfolio, and their values, are detailed in Table 1.

Place Type	Quantity	Area (sq.m.)	Current Replacement Cost
Active places	8	Unknown	\$4,404,976
Natural places	2	Unknown	\$75,141
Passive places	6	Unknown	\$572,212
Tourism places	2	Unknown	\$263,599
Water places	2	Unknown	\$522,202
<b>Total</b>	<b>20</b>	<b>Unknown</b>	<b>\$5,838,130</b>

Table 1: Assets covered by the Recreation AMP

## Corporate Document Relationships

This AMP integrates with the other following Shire documents:

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

## Time Period of the AMP and Review Process

The Asset Management Plan covers a 15 year period. It will be reviewed during annual budget preparation and amended to be kept up to date.



# Service Levels

## Introduction

Service Levels describe the standard (e.g. quality) that the Shire provides from its recreation assets. These have been developed through the consideration of strategic inputs, policy inputs and perceived customer requirements. The process through which the Shire's Service Levels were developed is found in Appendix B.

## Service Level Performance

Table 2 details the service level performance that the Shire is currently achieving.

KPI	Performance	Tactic
Accessibility	Unknown	Monitoring current performance
Affordability	Unknown	Monitoring current performance
Availability	Unknown	Monitoring current performance
Condition & Quality	Unknown	Monitoring current performance
Environmental sustainability	Unknown	Monitoring current performance
Reliability	Unknown	Monitoring current performance
Safety	Unknown	Monitoring current performance

Table 2: Service Level Performance

# Service Demand

This section summarises likely factors that may affect the demand for recreation services over the life of the AMP. Full details of past and future demand factors are recorded in Appendix C.

## Historic Demand

The following table outlines the key factors that may have affected historical service demand change.

Driver Type	Effect	Demand Change
Population	Shire population up by 39 people (+22%) from 1,410 (2001) to 1,725 (2016). However, population has fallen from 2,110 to 1,725 between 2011 and 2016.	Changing

Demographic	Decrease of 321 people in 0-39 years (-5%) age groups between 2001 and 2016. Increase of 354 people in 40+ years (+56%) age groups between 2001 and 2016. Median age increase from 37 to 45 between 2001 and 2016.	Decrease in young person activities (e.g. active recreation). Increase in older person services (e.g. passive recreation).
Recreation Participation	Participation rates continue to fall slightly year on year across the general WA population. Walking remains the most popular activity for recreation.	Decrease in active recreation services. Increase in passive recreation services.
Tourism	Golden Outback (within which the Shire sits) visitor numbers up from 2.2m (2015) to 2.5m (2019).	Increase
Climate	Annual rainfall up from approximately 400mm to 480mm (1902 to 2019). Annual monthly mean maximum temperatures seem relatively stable.	Decrease in costs and ability to maintain service levels.

Table 3: Historic Demand Drivers

## Future Demand

Consideration was given to six possible future demand drivers that may influence demand on the provision of recreation based services.

Driver Type	Effect
Political	Moderate increase to improve asset management practices.
Economic	Increase from higher energy and water costs, and possibly to implement water use minimisation initiatives. Long term financial sustainability seems questionable, but requires further investigation.
Social	Changing demand due to population decrease and possible recreation participation decline. Changing/increasing needs due to an ageing population. Increase from higher tourist numbers.
Technological	Opportunity to decrease maintenance costs through implementation of emerging technologies.
Legal	Neutral, no identified drivers.
Environmental	Increase in costs due to climate change and possible implementation of water use minimisation strategies.

Table 4: Future Demand Drivers

## Demand Management

A review of past and future demand factors shows that recreation service demand change has occurred, and will also likely occur into the future. Shire staff believe that at present, the largest likely drivers of change will be:

- Business needs & preferences
- Climate change
- Government policy, legislation & compliance
- Litigation
- Technology
- Visitor changes

To mitigate/plan for these demand changes, the Shire has undertaken/will undertake the following initiatives:

- Implement water friendly designs for parks and gardens, lowering reliance on water (dry climate planting), improving water reuse, and designing for significant storm events.
- Work with the resources industry on recreation facility planning and funding under Corporate Social Responsibility.
- Review the future recreation needs of the community against a changing population size and demographic profile.
- Keep abreast of policy, legislation and compliance changes and adapt to meet them.
- Continue to align the recreation service with the needs of tourists/visitors.

## Lifecycle Management Plan

The lifecycle management plan details how the Shire intends to manage and operate its recreation portfolio at the agreed service levels. Full details of the portfolio can be found in Appendix D.

### Recreation Portfolio Physical Parameters

Place Type	Quantity	Current Replacement Cost	Fair Value	Annual Depreciation
Active places	8	\$4,404,976	\$2,857,304	\$105,262
Natural places	2	\$75,141	\$30,250	\$1,750
Passive places	6	\$572,212	\$331,422	\$13,313
Tourism places	2	\$263,599	\$143,428	\$5,965
Water places	2	\$522,202	Unknown	Unknown
<b>Total</b>	<b>20</b>	<b>\$5,838,130</b>	<b>\$3,362,405</b>	<b>\$126,290</b>

Table 5: Recreation Portfolio Physical Parameters

## Recreation Portfolio Condition

The condition of recreation assets is not currently known.

## Lifecycle Management Strategies

### Operation & Maintenance Strategy

The Shire seeks to progress to a point whereby it employs preventative maintenance strategies wherever possible, to maximise asset performance and minimise long terms costs. Each park's strategy will be specifically designed for its own requirements. Technical maintenance service levels will be documented, and reflected within this AMP. All planned maintenance activities will also be individually costed, and these then used to inform the long term budget requirements.

### Renewal Strategy

Recreation assets are periodically inspected to determine their condition, on a 1 (new/very good) to 5 (very poor/failed) scale. The results are then modelled to predict assets' potential year of renewal. Shire staff then inspect these assets to determine the timing, scope and budget of any future renewal project. Projects are listed on a consolidated long term works program. At present further improvements are required on this works programme.

### Upgrade/New Strategy

The need for new and/or upgraded assets (e.g. to meet a service deficiency) are identified from a number of potential sources. Each potential project is investigated by staff and where valid, often prioritised against similar projects. Approved projects are then listed onto the works programme. An improvement project to consider a single common prioritisation framework has been listed.

### Disposal Strategy

The Shire does not frequently dispose of recreation assets. Where a potential need is identified, then this is considered by staff and (in some cases) Council.

## Financial

This section contains the financial requirements resulting from all the information presented in this AMP. A detailed financial model is recorded in Appendix F.

## Projected Expenditure Requirements

Year	Operation & Maintenance	Renewal	Upgrade & New	Disposal	Total
2020/21	\$223,190	\$1,253,317	\$0	\$0	\$1,476,507
2021/22	\$253,934	\$126,000	\$0	\$0	\$379,934
2022/23	\$202,403	\$126,000	\$0	\$0	\$328,403
2023/24	\$206,885	\$126,000	\$0	\$0	\$332,885
2024/25	\$211,480	\$126,000	\$0	\$0	\$337,480
2025/26	\$216,183	\$126,000	\$0	\$0	\$342,183
2026/27	\$221,176	\$161,000	\$0	\$0	\$382,176
2027/28	\$226,294	\$176,000	\$0	\$0	\$402,294
2028/29	\$231,540	\$126,000	\$0	\$0	\$357,540
2029/30	\$236,922	\$176,000	\$0	\$0	\$412,922
2030/31	\$242,438	\$126,000	\$0	\$0	\$368,438
2031/32	\$248,096	\$126,000	\$0	\$0	\$374,096
2032/33	\$253,899	\$171,000	\$0	\$0	\$424,899
2033/34	\$259,855	\$126,000	\$0	\$0	\$385,855
2034/35	\$265,960	\$176,000	\$0	\$0	\$441,960

Table 6: Recreation Asset Projected Expenditure Requirements

## Plan Improvement & Monitoring

This Section of the AMP outlines the degree to which it is an effective and integrated tool within the Shire. It also details the future tasks required to improve its accuracy and robustness.

### Performance Measures

The effectiveness of the AMP will be monitored by the performance of the three statutory ratios that the Shire reports on. Each ratio is described in Appendix G. The Shire's current performance is recorded in Table 7.

Year	Asset Consumption Ratio	Asset Sustainability Ratio	Asset Renewal Funding Ratio
2020	58% (in target)	131% (above target)	68% (below target)

Table 7: AMP Performance Measures

## Improvement Plan

The asset management improvement plan generated from this AMP is shown in Table 8.

Task No	Task	Timeline
1	Define the physical boundaries of recreation places via mapping.	Dec' 2021
2	Collect spatially referenced inventory and condition data for all recreation assets.	Dec' 2021
3	Revalue all recreation assets.	Dec' 2021
4	Develop a condition based renewal works programme, combined with upgrade and new projects.	Dec' 2021
5	Develop OPEX service levels with associated budgets.	Dec' 2021
6	Review the demand versus capacity of each recreation place.	Dec' 2021
7	Review the frequency of recreation asset safety & maintenance inspections to minimise potential litigation.	Dec' 2021

Table 8: Recreation AMP Improvement Plan



# RECREATION ASSET MANAGEMENT PLAN

## PART 2 - DETAILED

Version 1.4

December 2020

# APPENDICES

Appendix A – Legislation, Acts, Regulations & Standards.....	3
Appendix B – AMP Stakeholders & Service Levels.....	5
Appendix C – Demand.....	10
Appendix D – Portfolio Physical Parameters.....	20
Appendix E – Lifecycle Management Strategies .....	24
Appendix F – Financial Model.....	30
Appendix G – Asset Ratios .....	32

Author: Ben Symmons – AIM Consultants  
Date: 8 December 2020  
Contact: [ben.symmons@assetim.com.au](mailto:ben.symmons@assetim.com.au) / 0402 006 300

# Appendix A – Legislation, Acts, Regulations & Standards

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

## Legislation, Acts & Regulations

- Local Government Act 1995
- Environmental Protection Act 1986
- Environment Protection Act (unauthorised discharges) Regulations 2004
- Building Code of Australia
- Aboriginal Heritage Act 1972
- Aboriginal Heritage Regulations 1974
- Native Title Act 1999
- Dangerous Goods Safety Act 2004
- Poisons Act 1964
- Dept. of Employment & Workplace Relations – Code of Practice – Management of Hazardous Substances (NOH:1994)
- Health Act 1911
- Wildlife Conservation Act 1950
- Dividing Fences Act (1961)
- Rights in Water and Irrigation Act 1914
- Contaminated Sites Act 2003
- Contaminated Sites Regulations 2006
- Health (Pesticides) Regulations 1956
- Bush Fires Act 1954
- Occupational Health and Safety Act 1984
- OSH Regulations 1996
- Disability Discrimination Act 1992
- Disability Services Act 1993
- Disability Services Regulations 2004
- Agriculture and Related Resources Protection (European House Borer) Regulations
- Agricultural and Veterinary Chemicals Act 1994
- Agriculture and Related Resources Protection Act 1976
- Biological Control Act 1986
- Energy Safety WA Code of Practice for Personnel Electrical Safety for Vegetation Control Works near Live Powerlines
- WA Dept. of Sport & Recreation (Sports Dimensions for Playing Fields)
- AS 4373-2007 Pruning of Amenity Trees
- AS 26983-1990 Plastic Pipes & Fittings for Irrigation
- AS/NZS 4486.1 – 1997 Playgrounds & Playground Equipment

## Standards

- AASB 5 Non-Current Assets Held for Sale and Discontinued Operations
- AASB 13 Fair Value Measurement
- AASB 116 Property, Plant and Equipment
- AASB 118 Revenue
- AASB 136 Impairment of Assets
- AASB 138 Intangible Assets
- AS/NZS 4360: 2004 – Risk Management
- ISO 31000 – Risk Management
- ISO 55000 – Asset Management
- All other relevant State and Federal Acts & Regulations

## Shire Policies

- F2 – Purchasing
- WS8 – Conservation of Flora and Fauna
- WS9 – Streetscape Management – Registration of Street Lawns and Gardens
- WS10 – Streetscape Management – Maintenance of Council Land and Road Verges
- WS14 – Street Trees
- WS7 – Urban Revegetation and Greening
- WS13 – Dangerous Trees on Private Property
- WS11 – Street Verge Treatments
- WS1 – Asset Management
- WS12 – Tree Management in Urban Areas and Public Reserves

# Appendix B – AMP Stakeholders & Service Levels

## 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. The process broadly applies five steps, being:

- Identify service attributes important to customers
- Define the delivered customer service levels
- Develop performance measures
- Consult with customers
- Make service level based decisions

## Strategic Community Plan (SCP) Drivers

The Shire's SCP contains long term goals for the delivery of services to its community. The SCP was reviewed in order to identify any goals that may directly relate to the recreation service. The following table outlines those that may influence this AMP's service levels.

Outcome	Shire Service Outcomes
Community: This is a safe and close-knit community where families and people of all ages have access to the services and facilities they need, and there is plenty to do and enjoy	Licence to provide community pool to the public, operating in the summer months. Sport and recreation facilities for use by the community and visitors.
Natural Environment: The natural environment is protected and resources and waste are sustainably managed	Weed and animal pest management.

Table 1: Strategic Community Plan Goals Aligned to the Recreation Portfolio

Consideration of the Outcomes listed above shows that the following recreation service areas are of high importance to the SCP. These may then be considered by the final service levels within this AMP:

- Accessibility (community)
- Availability (community)
- Environmental sustainability (natural environment)

## AMP Stakeholders

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

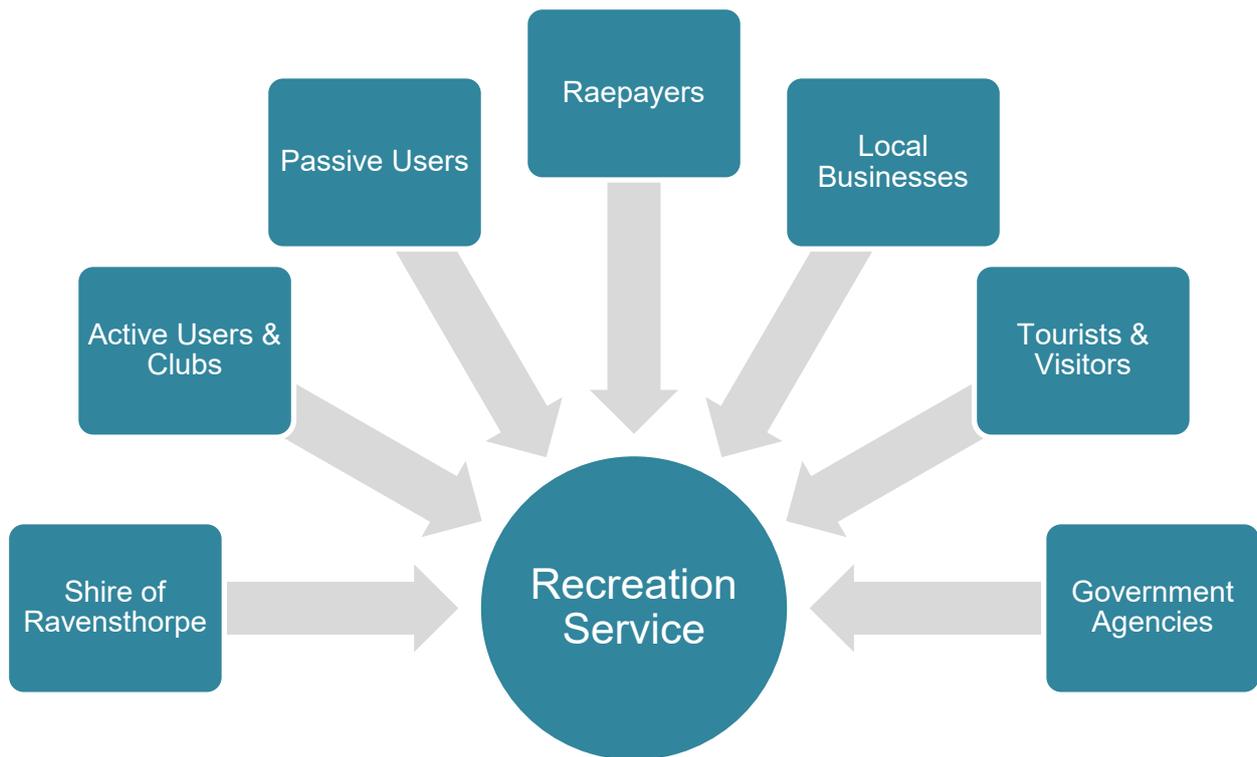


Figure 1: Recreation Stakeholders

### Service Attribute Workshop

During June 2020 Shire staff considered each stakeholder group to identify the service attributes that are most important to them. Those frequently occurring, when combined with the SCP drivers, form the basis of this AMP’s service levels. The results from the staff workshop are shown below. In the future, once the Shire is able to consistently monitor service level performance, as well as link this to cost, it intends to undertake stakeholder consultation.

Stakeholder	Top Three Recreation Service Attributes		
Shire	Compliance	Condition	Accessibility & Availability (tied)
Active Users & Clubs	Affordability	Availability	Accessibility & Condition (tied)
Passive Users	Availability	Affordability	Safety
Community Groups, Residents & Land Owners	Affordability	Accessibility	Availability
Ratepayers	Affordability	Accessibility	Availability, Reliability, Quality (tied)

Local Business	Accessibility, Affordability, Availability & Reliability (tied)		
Tourists & Visitors	Aesthetics	Accessibility, Condition, Flexibility, Quality, Safety (tied)	
Government Agencies	Accessibility	Compliance	Environmental sustainability & safety (tied)

**Table 2: Important Stakeholder Recreation Service Attributes**

From the above analysis, the following service attribute(s) have been selected for service levels.

- Accessibility (22 occurrences)
- Affordability (20 occurrences)
- Availability (20 occurrences)
- Condition (9 occurrences)
- Quality (9 occurrences)
- Reliability (9 occurrences)
- Safety (10 occurrences)

## Service Level Targets and Performance

By considering the potential service attributes from the SCP and stakeholder analysis, the following KPIs will be used to monitor service delivery performance.

KPI	Driver	Level of Service	Performance Measure	Target	Current	Data Confidence
Accessibility	SCP & Stakeholders	Recreation places are accessible to all users.	Percentage of recreation places that comply with Disability and Discrimination Act requirements.	-	-	-
Affordability	Stakeholders	Recreation places are affordable for users.	Percentage of survey respondents at least satisfied with the cost to access recreation places.	-	-	-
Availability	SCP & Stakeholders	Recreation places are available to use when required.	Percentage of days per annum that all recreation places are available to use when required.	-	-	-
Condition & Quality	Stakeholders	Recreation assets are of a suitable quality.	Percentage of recreation assets above their renewal intervention condition level.	-	-	-
Environmental sustainability	SCP	Natural recreation places are weed and pest free.	Percentage of natural recreation places that have declared weed and pests presents.	-	-	-

Reliability	Stakeholders	Recreation assets are reliable.	Percentage of days per annum with no unplanned asset failures.	-	-	-
Safety	Stakeholders	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.	-	-	-

Table 3: Service Level Targets and Performance

## Appendix C – Demand

### Background

Council's fundamental role is to provide services to its community and stakeholders. These services are often underpinned by assets. Predicting future demand for services (e.g. active reserves) is important to ensure that the appropriate assets are provided and maintained.

This section of the AMP looks broadly at both historical and future levels of recreation demand. Readers should be aware though that as with any demand forecasting, prediction is rarely ever 100% correct.

### Historic Recreation Demand

To ascertain historical influences on recreation service demand, a range of different demand sources have been considered, as follows.

#### Population Change

The overall population of the Shire (Figure 2) between 2001 and 2016 has risen from 1,410 to 1,725. This increase of 315 people (+22%) suggests that population driven service demand may also have risen.

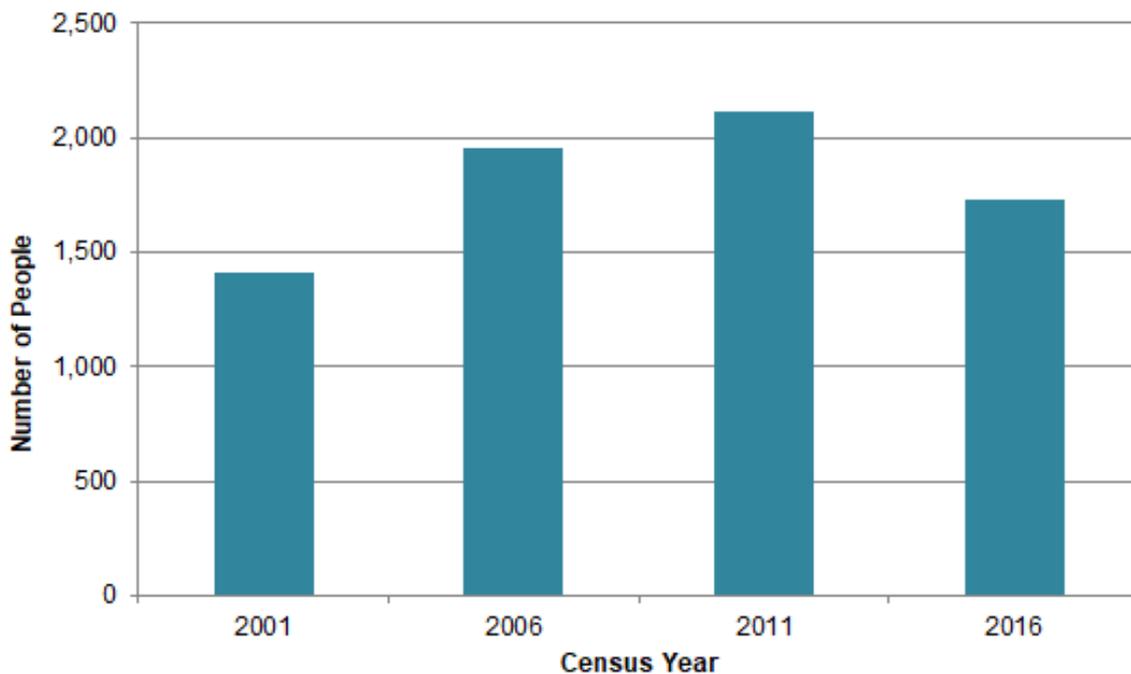


Figure 2: ABS Population & Demographic - Shire of Ravensthorpe 2001-2016

### Demographic Change

Over the 2001 to 2016 period, the median age has increased from 37 to 45. As such, demographic change is likely to have had a possible effect on the demand for different recreation services. A fall of 39 people was noted in the 0-39 age group. As a result, participation in active recreation may have fallen. Conversely, an increase of 354 people is noted from 40+ years of age. This may have increased the demand of passive recreation services. The net result may be that the Shire’s recreation assets may not align with the community’s service needs. As such, an improvement action to review recreation capacity versus demand is listed.

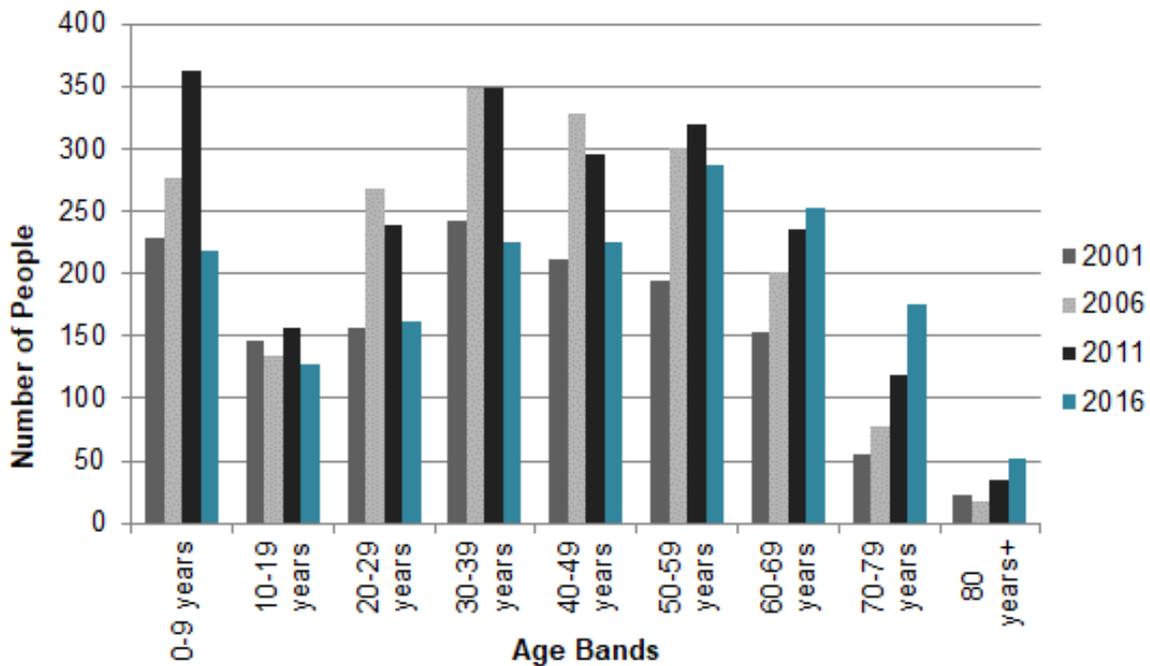


Figure 3: ABS Census Demographics - Shire of Ravensthorpe 2001 to 2016

## Recreation Participation Change

The ABS Participation in Sport and Physical Recreation Survey was last conducted in 2013-14. Within Australia, walking for exercise remained the most popular activity with a participation rate of 19.2%. The second and third most popular activities were fitness/gym (17.4%) and jogging/running (7.4%) respectively.

Within WA (Figure 5), participation rates peaked at around 75% in 2002 and have since steadily fallen to 63% in 2013. If this trend is also representative of the Shire's population, then it is important, as this could offset some demand variation from an increasing population size. However, this position cannot be categorically determined without the assistance of a local participation/usage survey. The survey has been listed as an improvement action.

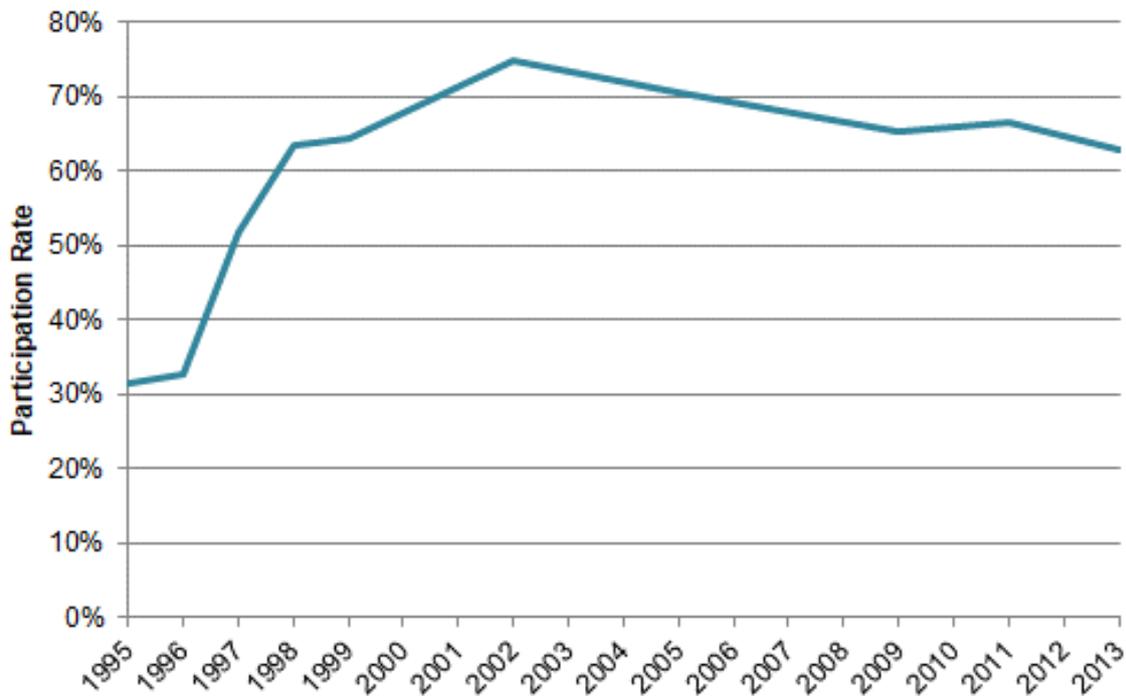


Figure 4: ABS Sport and Recreation Participation Rates

## 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 show that over the past five years, the estimated number of visitors to/within WA have risen from 31.0million in 2015 to 36.3million in 2019. Figures show that 7% of visitors go to the 'Golden Outback' region (within which the Shire sits). Assuming that a portion of these visitors may visit the Shire, increases in WA tourist numbers may have resulted in increasing demand of parks services and assets.

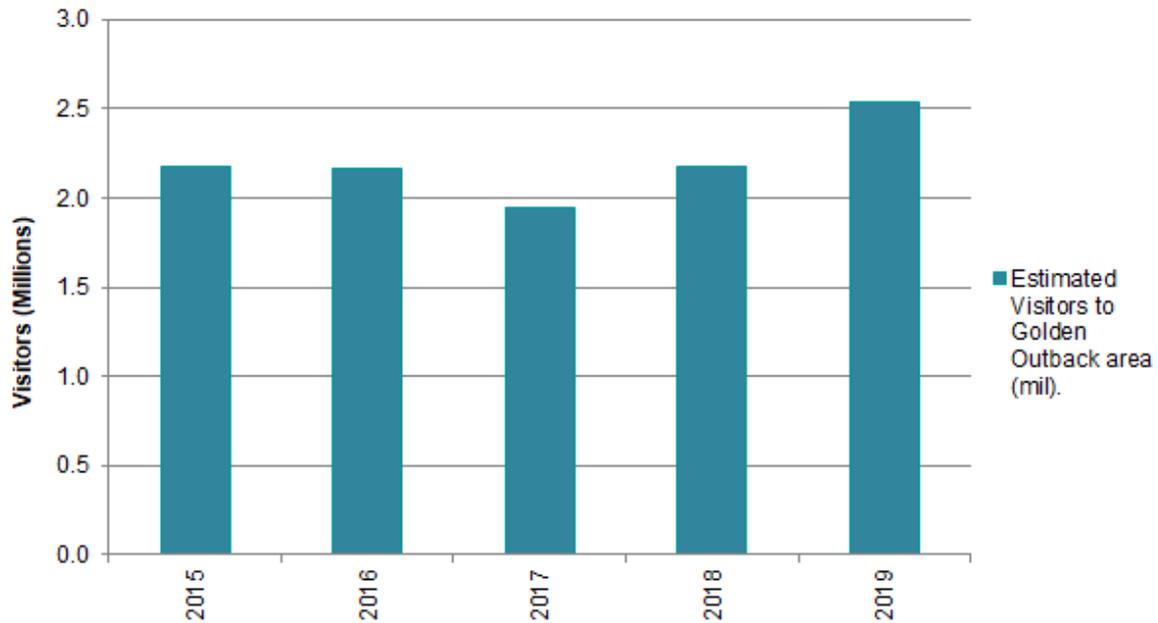


Figure 5: Estimated Golden Outback Visitors (Source: Tourism WA May 2020)

### Rainfall Change

Consideration of historical annual rainfall may provide an indication of climate change and whether recreation services will need to change to meet water security challenges. Figure 6 shows the annual total rainfall at Ravensthorpe from 1902 to 2019. It can be seen from the trend line that annual rainfall levels have risen from ~400mm to ~480mm. As such, if this trend were to continue, then water sustainability for irrigated parks areas may become less of an issue. Conversely, drainage improvements may be required.

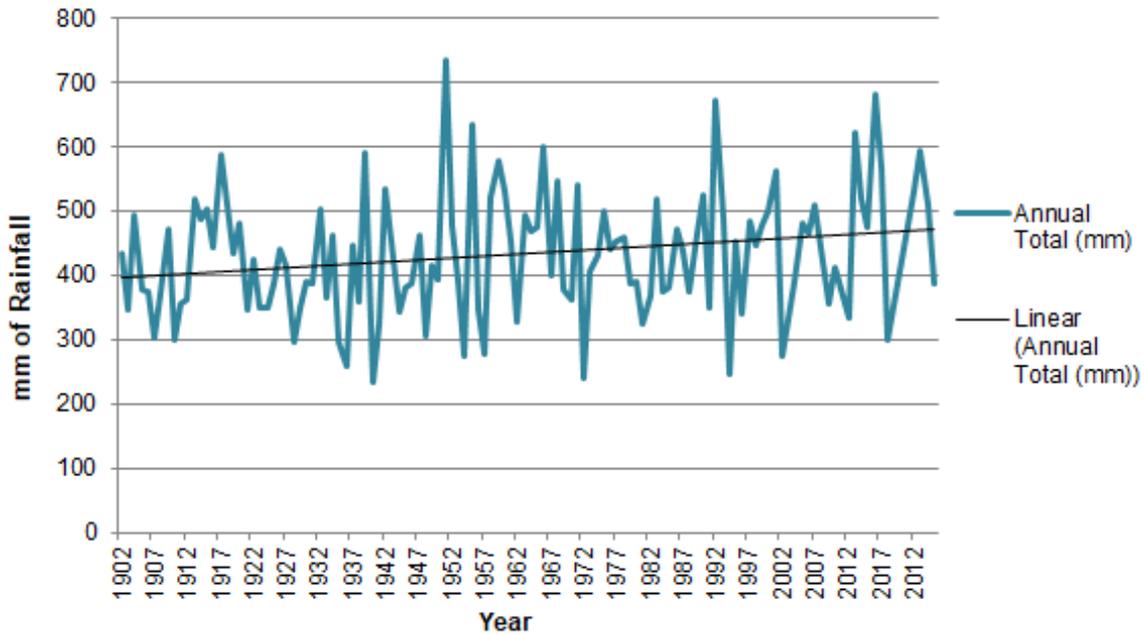


Figure 6: Ravensthorpe Weather Station Historical Annual Rainfall

### Temperature Change

A review of the historical annual monthly mean maximum temperatures shows that between 1962 and 2019, there has been no significant increase in temperatures, with the exception of the 2019 year. If average maximum temperatures do rise, then this is likely to affect a number of recreation assets. Over time, this change may affect the management and operational costs of recreational areas, facilities and services, resulting in additional budgetary demands. For now though, the evidence suggests that this is not a significant driver of change.

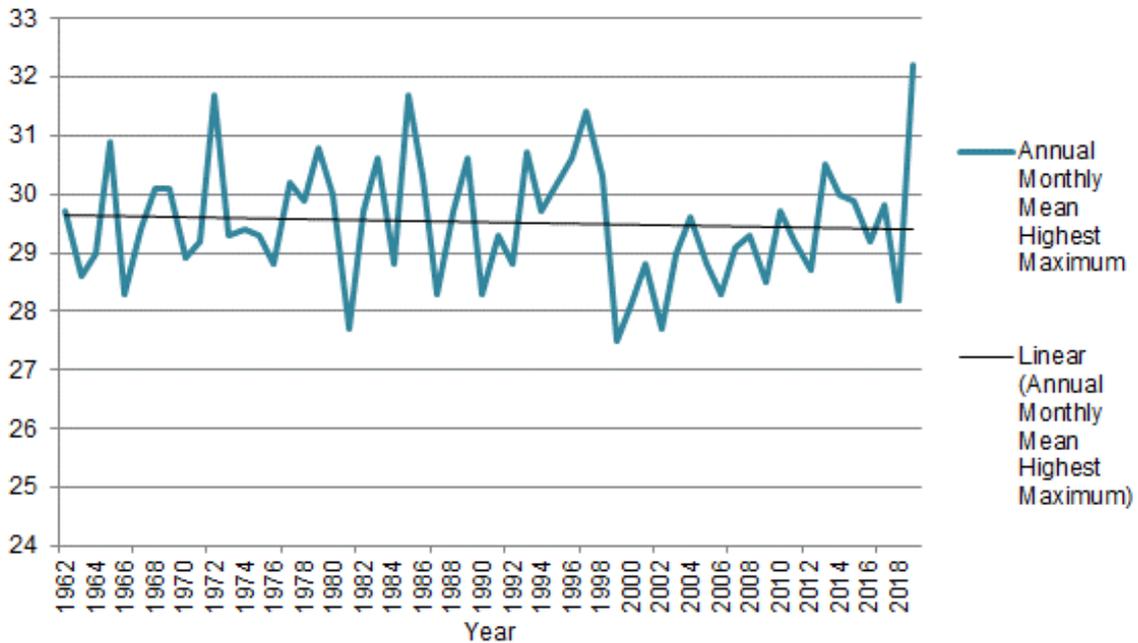


Figure 7: Ravensthorpe Weather Station Historical Annual Monthly Mean Maximum Temperature

## Future Demand Drivers

In order to identify future demand pressures on the Recreation Portfolio (both positive and negative), six driver categories have been considered. Drivers such as these will not only influence actual usage levels, but also possibly require future resources 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

- ↑ IPRF - Integrated Planning and Reporting requirements continue to demand improvements to the Shire's asset management practices – Expected to continue to drive improved practices and hence require additional resources over the medium term.
- ↔ Policy & Strategy - Council has the ability to change (up or down) the quality of recreation service levels and hence affect costs – Considered unlikely to significantly change.
- ↔ POS Provision – The WAPC determines a minimal provision of public open space of 10% of gross residential area. Any future population growth would drive residential developments, and the generation of new recreation areas. – The addition of significant new POS areas is unlikely to occur from residential development.
- ↔ Rate Capping – There has been low levels of discussion within WA on the potential introduction of rate capping. This may affect the ability to fund the recreational service appropriately, especially if funding gaps exist. – Considered unlikely to occur at present.
- ↔ External Funding – The Shire is reliant on external funding sources (E.G CSRFF) to develop and renew a range of recreation assets. Any reduction in these would severely affect the Shire's ability to sustain the current service levels – Represents a risk, however the Shire can only react to changes as they occur.

### Economic

- ↑ Energy & Water Costs and Availability – The recreation service consumes both energy and water resources. Both are highly political subjects and have experienced significant cost increases over the past 15-20 years. Security and availability may become an issue with climate change. – Possibly requires further investigation and planning.
- ↔ Construction & Maintenance Costs – If future cost rises are above normal CPI levels, or indeed rate increase levels, then the recreation service could become increasingly expensive to provide – Given that the service is considerably cheaper to provide than other Shire services, major changes are not considered to have a large effect on long term costs at this stage.

- ↑ Financial Sustainability - A review of the MyCouncil website shows that two of the three ratios have been consistently below their target bands. Furthermore, the asset consumption ratio appears to have been calculated incorrectly. – Some medium to long term concerns.

## Social

- ↓ Population - State forecasts suggest that the Shire's population is likely to fall in four of its five scenarios. With a historical change of -3.6% per annum (2011-16) Band A may be the most likely scenario. This projects a population of 845 by 2031 – Likely to result in a decrease in service demand.

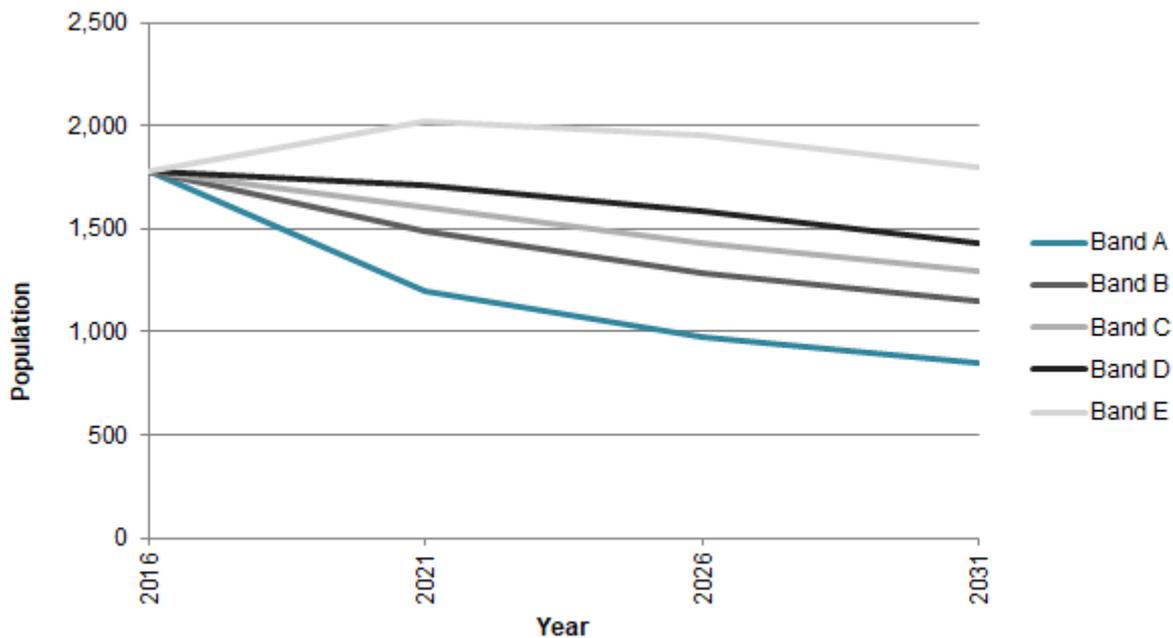


Figure 8: WA Tomorrow Population Forecasts

- ↑ Demographics - If the ageing population (higher median age) trend continues, then it is likely that service demand change will occur. An increase for passive recreation could be expected, along with falling demand for active recreation - Demographics is likely to be a significant driver of change.
- ↔ Social Disadvantage – The Shire has an index score for socio-economic advantage and disadvantage of 983. This places it at the 50 percentile within WA. This suggests that there may be occasional access barriers to recreation services (e.g. cost) - Considered a negligible influence on service demand.
- ↑ Tourism - With past figures suggesting an increase in visitor numbers to the 'golden outback' region of WA, service demand change seems to have occurred. In addition, increasing tourism within WA seems to be a key commitment of the state government. Furthermore, the Shire's own Strategic Community Plan commits to developing tourism – Likely to remain a growing demand source.
- ↓ Participation Rates - ABS' Sport and Recreation Participation surveys show that since 2002, participation has fallen by around 11.9% to 2013. If this decline of around -

1.08% per annum were to continue, then participation rates may fall to around 49% by 2036. - As shown in Figure 9, when combined with a projected population decrease, will significantly reduce the actual number of recreation participants within the Shire and hence service demand.

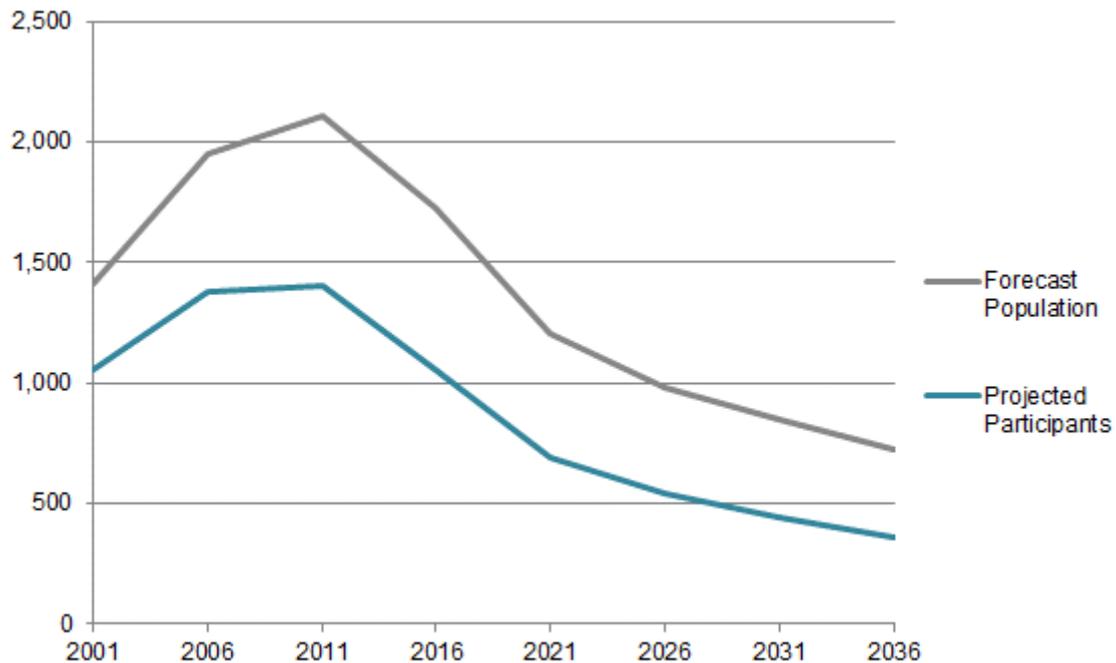


Figure 9: Shire Projected Recreation Participation Rates

### Technological

- ↓ Technology Affecting Participation Rates – Changes in technology may affect traditional recreation participation. For example, augmented reality, social media and e-sports/gaming may reduce participation levels – Seems possible, ABS figures point to falling participation rates.
- ↓ Technology Assisting Maintenance - Technology change may enable the refinement of operation and maintenance techniques. For example software such as GIS can be used to map reticulation head locations and water coverage to identify areas of over or under watering. Robotics may automate activities such as mowing. The net effect may be a reduction in costs – Seems likely at this point in time.

### Legal

- ↔ Litigation – At present, the inspection process is based upon cyclic maintenance schedules. Improvements, by way of greater formalisation, could be made. The development of a more robust 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.

## Environmental

- ↑ Environmental Sustainability - Pressure may occur for the Shire to progressively improve the environmental sustainability of the recreation service – Likely.
- ↑ Climate Change – The immediate evidence suggests that change is occurring, albeit generally in contrast to broader WA change. As such, there may be some requirement to alter the management practices of the Shire’s recreation places – possible, but further investigation is required via an improvement action.

During a workshop in June 2020, Shire staff considered each of the potential sources of service demand change. As a result, the following drivers were considered to be those likely to have the greatest change effect. Demand mitigation tactics have been identified and are recorded in Part 1.

- Business needs & preferences
- Climate change
- Government policy, legislation & compliance
- Litigation
- Technology
- Visitor changes

## Appendix D – Portfolio Physical Parameters

### Data Confidence

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 5 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 4.

Confidence Grade	Accuracy
Highly Reliable	± 2%
Reliable	± 10%
Uncertain	± 25%
Poor	± 40%
Very Poor	Nil

**Table 4: Data Confidence Measures**

Asset Class	Inventory	Condition	Valuation
Active Places	Poor	Very poor	Uncertain
Passive Places	Poor	Very poor	Uncertain
Natural Places	Poor	Very poor	Uncertain
Tourism Places	Poor	Very poor	Uncertain
Water Places	Poor	Very poor	Poor

**Table 5: Recreation Portfolio Data Confidence Levels**

## Places & Valuations

The following section outlines the Shire's recreation places as at 30 June 2019.

Place	Function	Park Area (m <sup>2</sup> )	CRC	Fair Value	Annual Depreciation
Fitzgerald Emergency Farm Water Supply	Water place	Unknown	\$261,101	Unknown	Unknown
Hopetoun Foreshore	Passive place	Unknown	\$302,987	\$205,653	\$6,847
Hopetoun Recreation Facility	Active place	Unknown	\$1,478,118	\$989,773	\$36,594
Jerdacuttup Farm Water Supply	Water place	Unknown	\$261,101	Unknown	Unknown
Jubilee Park	Passive place	Unknown	\$123,619	\$52,341	\$3,000
Maitland Street Park	Passive place	Unknown	\$48,649	Unknown	Unknown
Masons Bay	Tourism place	Unknown	\$127,497	\$71,714	\$2,982
McCulloch Park	Passive place	Unknown	\$72,717	\$45,396	\$2,600
Munglinup Park	Active place	Unknown	\$1,284,666	\$789,552	\$29,698
Munglinup Pony Club	Active place	Unknown	\$151,494	\$31,757	\$737
North Ravensthorpe Recreation Facility	Active place	Unknown	\$133,314	\$23,375	\$1,375
Rangeview Park	Passive Place	Unknown	Unknown	\$14,233	\$0
Ravensthorpe Bowling Club	Active place	Unknown	\$327,226	\$207,210	\$10,739
Ravensthorpe Childcare Centre	Passive place	Unknown	\$24,239	\$13,799	\$867
Ravensthorpe Equestrian Centre	Active place	Unknown	\$18,179	\$9,000	\$500
Ravensthorpe Gun Club	Active Place	Unknown	Unknown	\$13,965	\$535
Ravensthorpe Recreation Facility	Active place	Unknown	\$1,011,978	\$792,672	\$25,084

Starvation Bay	Tourism place	Unknown	\$136,102	\$71,714	\$2,982
Two Mile Beach	Natural place	Unknown	\$48,478	\$26,500	\$1,500
West Beach	Natural place	Unknown	\$26,663	\$3,750	\$250
<b>20 No.</b>		<b>Unknown</b>	<b>\$5,838,130</b>	<b>\$3,362,405</b>	<b>\$126,290</b>

**Table 6: Recreation Places and Values**

## Condition

The following table outlines the Shire's recreation assets' condition as at 2020.

Asset Type	Condition (Count)					
	0	1	2	3	4	5
Furniture	100%	0%	0%	0%	0%	0%
Hardscape	100%	0%	0%	0%	0%	0%
Irrigation	100%	0%	0%	0%	0%	0%
Lighting	100%	0%	0%	0%	0%	0%
Softscape	100%	0%	0%	0%	0%	0%
Sports Equipment	100%	0%	0%	0%	0%	0%
Structures	100%	0%	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

**Table 7: Recreation Assets' Condition**

# Appendix E – Lifecycle Management Strategies

## Background

Lifecycle management encompasses all strategies and practices that the Shire employs to manage recreation assets at the lowest lifecycle cost. This section details all the strategies and practices that are currently employed.

## Principles & Definitions

In considering the Shire’s asset lifecycle management, the following key principles and definitions must be considered.

## Work Category Definitions

The Shire considers the activities it undertakes across six categories as follows.

Activity	Definition
Operation	Continuously required expenditure that enables the asset to provide benefits to the community such as utility charges, inspections, cleaning etc.
Maintenance	Regular works to maintain assets’ capability, such as minor repairs, servicing, mowing, painting 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 the 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.
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 8: Activity Categories**

## Operation & Maintenance Strategy

Often referred to as ‘OPEX’, operational and maintenance expenditure and works is required to ensure the longevity of assets’ lives and the reliability of their services. The Shire’s approach to meeting OPEX needs is a combination of reactive and short term planned strategies. As described in the figure below, the Shire’s strategy to OPEX is:

- Operational costs typically vary with usage. The Shire broadly works on an annual budget planning cycle (12 months), and seeks funding in-line with previous years’ budgets, with an allowance for at least CPI.
- Reactive maintenance typically arises from either community requests and/or internal works orders. Works are then scheduled, actioned and completed. Budgeting is based on previous years’ allocations, with an increase of at least CPI.
- Planned maintenance works are typically identified from either internal staff inspection or by legislative requirements. Budgets are developed based on the programmes and previous years’ expenditure, with an increase of at least CPI. Some planned maintenance programmes do exist, but not all are documented. An improvement action has been listed, to document all planned maintenance schedules, with associated budgets, for recreation assets.

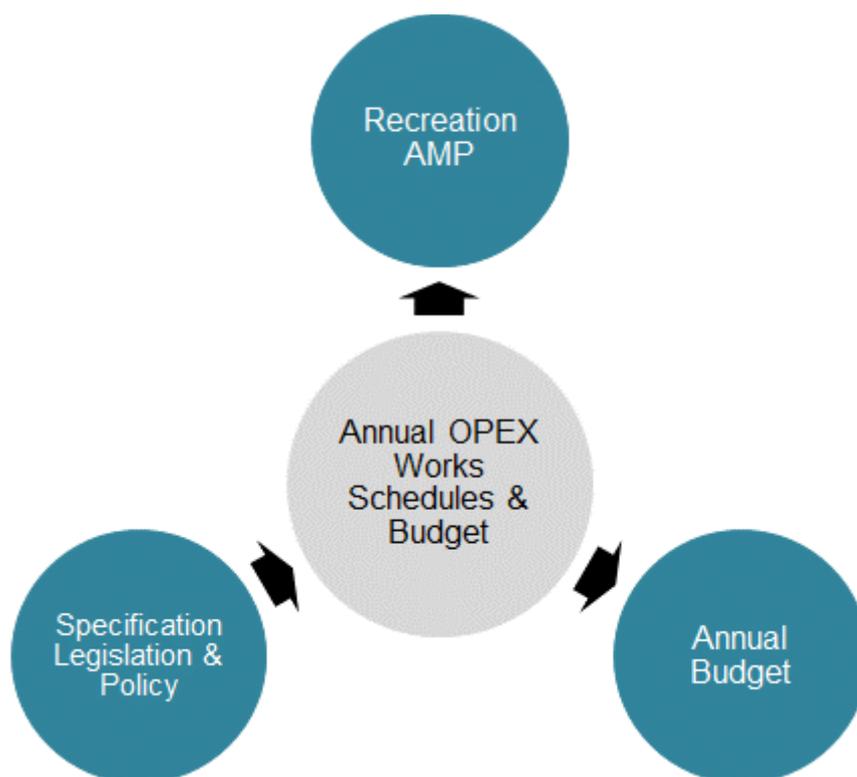


Figure 10: Recreation Asset OPEX Framework

## Staff Resources

The overall management of the Shire’s recreation portfolio falls within the responsibility of the Chief Executive Officer. The Director of Corporate & Community Services is responsible for overall accounting control of recreation assets, and the Director of Technical Services for engineering based works. The Shire is also assisted from time to time by external contractors.

## Software Systems

The Shire currently employs the use of the following software systems to manage its recreation assets.

Software System	Uses
SynergySoft	SynergySoft is used to record all recreation asset revenue and expenditure.

**Table 9: Asset Management Software Systems**

## Renewal Strategy

The Shire periodically inspects recreation assets to collect critical inventory and condition information. This information can then inform several key outputs (e.g. long-term renewal works programmes, valuations, service level performance monitoring etc.).

### Renewal Management Model

Condition information can be used to develop models that predict assets' approximate year of renewal. The Shire can then scope and prioritise these renewal projects over the forthcoming period (e.g. 5 years). Further out (e.g. from years 6 onwards), results can help staff to understand the likely amount of renewal expenditure that will be required, even if the exact project details are not yet known. Ultimately, a robust long term (e.g. 15 years) renewal works programme can then be developed, that informs this AMP, and other documents such as the Long Term Financial Plan and Corporate Business Plan.

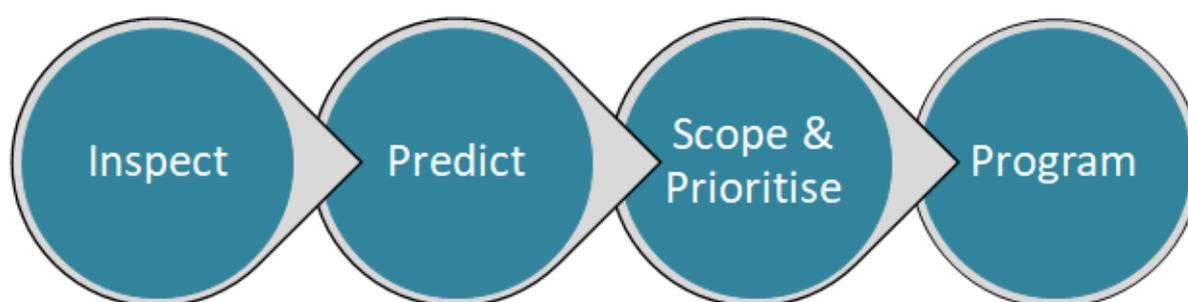


Figure 11: Recreation Asset Renewal Planning Process

## Condition Inspection Methodology

### Asset Condition Rating Scale

The Shire undertakes the condition rating of many of its infrastructure assets to determine their remaining useful lives and fair values. In assessing assets' 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 10 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 good 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 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 costs would be high.

Table 10: Condition Rating Measures

### Condition Inspection Frequencies

Recreation assets are inspected to the following frequencies.

Asset	Inspection Frequency
Playgrounds	3 monthly cycle
All recreation assets (excluding playgrounds)	Ad-hoc

Table 11: Condition Inspection Frequencies

### Inspection Manuals

The following manuals are employed by the Shire when recreation assets are being inspected.

Asset	Manual
Playgrounds	Maintenance – To AS 4685
	Condition – IPWEA Practice Note 10.2
All recreation assets (ex playgrounds)	Maintenance – No manual currently exists
	Condition – IPWEA Practice Note 10.2

Table 12: Asset Inspection Manuals

### **Modelling**

By understanding assets' physical condition (or any other performance feature), the Shire can then predict when assets, or their components, may require renewal. Typically, this is achieved by applying total useful lives to different assets or components, and then calculating how long it will take for them to reach a specific trigger. The currently applied renewal triggers are detailed below.

Asset	Action	Triggers
Playground	Renewal	When item doesn't meet compliance via audit (10-15 years on average).
All other assets	Renewal	Condition rating of 4 (poor) or 5 (very poor).

Table 13: Asset Renewal Condition Triggers

## Upgrade/New Strategy

The Shire occasionally constructs or acquires upgraded and/or new assets. Expenditure on these assets is often considered as discretionary, and ultimately results in either a new or improved service (e.g. a deeper bore resulting in a higher yield). The following section outlines the Shire's general approach to upgrade and new projects.

### **Project Prioritisation/Selection Criteria**

The need for either upgraded or new assets is typically identified by staff from many potential sources including customer and Council request, strategic plans, poor asset performance and so on. Assets' needs are then investigated by staff to determine their potential scope, benefit and costs. Where determined as being required, a formal report may be given to Council for their consideration and approval.

Approved projects are considered for future funding, however at present are not prioritised collectively, to assess features such as their alignment to the Strategic Community Plan.

## Disposal Strategy

At the present time the Shire generally does not frequently dispose of recreation assets. Where such a project is identified, then the need and scope is considered by Shire staff and (in some instances) Council.

# Appendix F – Financial Model

Recreation Works Programme Summary				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
Asset Sub Type	Activity Type	Activity Description	Funding Type	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	
<b>Furniture</b>																			
Play Equipment	Renewal	Cub House - Playground Upgrade	Grants & Contributions	\$80,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Play Equipment	Renewal	Little Barrens - Playground Upgrade	Municipal	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Play Equipment	Renewal	Maitland Street Park - Playground Upgrade	Drought Community Programme	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Play Equipment	Renewal	McCulloch Park Playground Upgrade - Hopetoun	Drought Community Programme	\$108,642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Play Equipment	Renewal	Rcp Landscaping And Playground	Grants & Contributions	\$614,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>FURNITURE TOTAL</b>				<b>\$947,892</b>	<b>\$0</b>														
<b>Sports Equipment</b>																			
Sports Equipment	Renewal	Hopetoun Skate Park - Basketball Hoops	Drought Community Programme	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>SPORTS EQUIPMENT TOTAL</b>				<b>\$15,000</b>	<b>\$0</b>														
<b>Structures</b>																			
Shade Structure	Renewal	Hopetoun Skate Park - Shade And Seating	Drought Community Programme	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Pool	Renewal	Swimming Pool Renewal Project	Municipal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	
<b>STRUCTURES TOTAL</b>				<b>\$8,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$50,000</b>						
<b>Water</b>																			
Irrigation	Renewal	Dual Irrigation - Hopetoun Oval (Dcp And Dsr Funded)	Grants & Contributions	\$94,142	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Irrigation	Renewal	Dual Irrigation - Hopetoun Oval	Drought Community Programme	\$188,283	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
All	Renewal	Water Infrastructure Renewal Project	Municipal	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000	\$0	\$0	\$50,000	\$0	\$0	\$45,000	\$0	\$0	
<b>WATER TOTAL</b>				<b>\$282,425</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45,000</b>	<b>\$0</b>	<b>\$0</b>	
<b>Unspecified</b>																			
Other	Operation	Illuminating Silo Art Work	Drought Community Programme	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	Operation	COA13207 - Expenses relating to Camping Grounds	Municipal Funds	\$14,835	\$74,334	\$15,096	\$15,423	\$15,756	\$16,098	\$16,508	\$16,927	\$17,358	\$17,803	\$18,261	\$18,730	\$19,214	\$19,712	\$20,224	
Other	Maintenance	COA10705 - Maintenance - Cemetery	Municipal Funds	\$31,488	\$31,000	\$32,028	\$32,624	\$33,232	\$33,850	\$34,527	\$35,217	\$35,921	\$36,641	\$37,372	\$38,119	\$38,883	\$39,660	\$40,452	
Other	Maintenance	COA11306 - Maintenance - Recreation Grounds	Municipal Funds	\$151,867	\$148,600	\$155,279	\$158,838	\$162,492	\$166,235	\$170,141	\$174,150	\$178,261	\$182,478	\$186,805	\$191,247	\$195,802	\$200,483	\$205,284	
Other	Renewal	To be Confirmed	Municipal Funds	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$50,000	\$50,000	\$50,000	\$25,000	\$90,000	\$50,000	\$50,000	\$50,000	
Low Value Assets	Renewal	General renewal allocation for low value recreation assets	Municipal Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Renewal Reserve	Renewal	General renewal allocation to meet long term average commitment	Municipal Funds	\$0	\$106,000	\$106,000	\$106,000	\$106,000	\$106,000	\$106,000	\$106,000	\$76,000	\$76,000	\$76,000	\$101,000	\$36,000	\$76,000	\$76,000	\$76,000
<b>UNSPECIFIED TOTAL</b>				<b>\$223,190</b>	<b>\$379,934</b>	<b>\$328,403</b>	<b>\$332,885</b>	<b>\$337,480</b>	<b>\$342,183</b>	<b>\$347,176</b>	<b>\$352,294</b>	<b>\$357,540</b>	<b>\$362,922</b>	<b>\$368,438</b>	<b>\$374,096</b>	<b>\$379,899</b>	<b>\$385,855</b>	<b>\$391,960</b>	
<b>TOTAL RECREATION WORKS EXPENDITURE</b>				<b>\$1,476,507</b>	<b>\$379,934</b>	<b>\$328,403</b>	<b>\$332,885</b>	<b>\$337,480</b>	<b>\$342,183</b>	<b>\$382,176</b>	<b>\$402,294</b>	<b>\$357,540</b>	<b>\$412,922</b>	<b>\$368,438</b>	<b>\$374,096</b>	<b>\$424,899</b>	<b>\$385,855</b>	<b>\$441,960</b>	

## Key Assumptions

A number of key assumptions are made in preparing forecasts of required expenditure. They are that:

- Recreation assets will remain in Council ownership throughout the period covered by this AMP, unless specifically detailed otherwise.
- Standards, Acts and Regulations associated with recreation assets will remain essentially the same over the AMP life.
- Expenditure projections do not allow for inflation.
- Operation and maintenance costs are based primarily on planned programmes where available. Where not available, cost projections 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 primarily on defined works programmes where available. Where not available, programmes are based on either modelling projections, historical cost and/or annual depreciation rates.
- Upgrade, acquisition/construction and disposal programmes are based on defined works programmes. Where not available, programmes are based on either modelling projections and/or historical cost.
- 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 that was actually expended on different activities.

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

- Clearly defining the physical boundaries of recreation places, for financial reporting.
- Improving the accuracy of, and data confidence in, asset inventories and condition data where they are low.
- Ensuring that accurate valuations for all recreation places are produced.
- Further developing the condition based works programme with associated funding requirement projections.
- Further refining the Recreation Operation & Maintenance Service Level Manual.
- Ensuring that all future upgrade, new and disposal projects, with funding expenditure/revenue projections, are fully identified.

## Appendix G – Asset Ratios

### Background

On an annual basis each WA local government reports seven key performance indicators (KPIs) (available within the Annual Report). Of these, three KPIs reflect the performance of the Shire's assets. These KPIs are useful in determining:

- the current physical state of the asset portfolio
- how sufficient past renewal expenditure was
- whether sufficient future renewal expenditure is being allowed for

Essentially the KPIs assess past, present and future performance. Each of the ratios and their historical performance are reported in this appendix.

### Asset Consumption Ratio

The ratio is a measure of the condition of the Shire's physical assets, by comparing their condition based fair value (what they're currently worth) against their current replacement cost (what their replacement asset is currently worth as new). The ratio highlights the aged condition of the portfolio and has a target band of between 50%-70%. Non depreciating assets (e.g. land etc.) should be excluded from the calculation.

$$\frac{\text{Depreciated Replacement Cost (Fair Value) of Depreciable Recreation Assets}}{\text{Current Replacement Cost of Depreciable Recreation Assets}}$$

Places Type	DRC (FV)	CRC	ACR
Active places	\$2,857,304	\$4,404,976	65%
Natural places	\$30,250	\$75,141	40%
Passive places	\$331,422	\$572,212	58%
Tourism places	\$143,428	\$263,599	54%
Water places	Unknown	\$522,202	Unknown
<b>Total</b>	<b>\$3,362,405</b>	<b>\$5,838,130</b>	<b>58%</b>

Table 14: Recreation Assets Consumption Ratios

## Asset Sustainability Ratio

The ratio is a measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives. The ratio is essentially past looking, and is based upon dividing the average annual depreciation expense of the recreation asset portfolio by the average annual renewal expenditure, for a number of past years (e.g. 3). The ratio has a target band of between 90%-110%.

$$\frac{\text{Recreation Asset Renewal Expenditure}}{\text{Recreation Asset Depreciation}}$$

Asset	4 Year Average	ADE	ASR
All recreation assets	\$165,869	\$126,290	131%
<b>Total</b>	<b>\$165,869</b>	<b>\$126,290</b>	<b>131%</b>

Table 15: Recreation Assets Sustainability Ratio

## Asset Renewal Funding Ratio

The ratio is a measure as to whether the Shire has the financial capacity to fund asset renewal as and when it is required over the future 15 year period. The ratio is calculated by dividing the net present value of planned renewal expenditure over the next 10 years in the LTFFP, by the net present value of planned renewal expenditure over the next 10 years in the AMP. The same net present value discount must be applied in both calculations. The ratio has a target band of between 95%-105%.

The ratio will be produce after the next revision of the Shire's Long Term Financial Plan.

$$\frac{\text{NPV of LTFFP Planned Renewal Expenditure over the next 10 years}}{\text{NPV of AMP Required Renewal Expenditure over the next 10 years}}$$

Asset	LTFFP	AMP	ARFR
All recreation assets	\$1,602,775	\$2,351,180	68%
<b>Total</b>	<b>\$1,602,775</b>	<b>\$2,351,180</b>	<b>68%</b>

Table 16: Recreation Assets Renewal Funding Ratio