Gnowangerup: Recreation Asset Management Plan

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Contents

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Executive summary

The Shire provides a recreation service for the use of its community and visitors. This service features a number of different place types, such as sports grounds, parklands, gardens and streetscapes. Within these places, there are many different infrastructure assets, such as gazebos, bbqs, sports equipment, furniture and so on.

Ensuring that the Shire meets the current and future recreation needs of users is important. To do this, the Shire takes a long-term management view. This view, and the plans and strategies that the Shire has for its recreation places, are recorded within this document. This Recreation Asset Management Plan (RAMP) is maintained as a live document to ensure that it remains up-to-date. It integrates with the Shire's Strategic Community Plan, to ensure that it is balanced against the other services that the Shire delivers. This RAMP considers a future planning view of ten years.

The Shire understands that over time, the way that the community engages in both active and passive recreation will change. This means that our recreation assets may also have to change. The Shire currently believes that environmental sustainability, external funding availability, financial sustainability, demographic change, tourism and participation rates are the potentially most significant drivers of change.

In total, the Shire's recreation assets have a combined fair value of $6.6million. It is unclear as to how much these assets depreciate by each year as they age and wear. However, the Shire replaces assets at the end of their physical lives, so that the service can be maintained.

Overall, the Shire's recreation assets are in an unknown condition. It is not known how much of the portfolio may be in either a poor or very poor condition. An improvement action to collect this information has been listed.

The Shire strives to ensure that the recreation service quality is provided at the level required by our community, at a cost that it can afford. At present, only one community satisfaction level with recreation services is above the average for the Great Southern region. To further assist in understanding service delivery performance, the Shire is starting to monitor service level indicators. In future versions of the RAMP, these indicators will assist the Shire in its decision making.

Why does the Shire provide assets?

Physical infrastructure assets exist for the single purpose of facilitating the delivery of services. This includes core services such as governance and administration, transport, parks & recreation, waste management, and so on. These services help to make the Shire a liveable place, that is responsive to community values, appreciative of our natural environment, and provides a choice of lifestyle and work.

This document is the Shire's Recreation Asset Management Plan (RAMP). It seeks to outline the activities and strategies that will be carried out for the Shire's recreation assets, over the next ten financial years.

What is Asset Management?

The role of Council is to deliver services that help realise the community's vision for the Shire. This vision is defined within the Shire's Strategic Community Plan. The various services that are then required to be delivered, often demand the provision of infrastructure assets.

Infrastructure assets can be challenging to provide, operate, maintain and renew in a sustainable way and with limited financial resources. Good asset management practices seek to take a long-term planning view, that balances the service quality against the community's capacity to pay.

Our Recreation Places

The Shire provides a range of recreation places that enhance the public realm within which our community live, play and work. These places support a broad range of activities and outcomes, such as organised sports, walking, casual recreation, tourism and the general beautification of our town sites.

What do we have and what are they worth?

While the Shire's recreation places have a relatively small value when compared to other assets, they are extremely important to the community. The different recreation place types that make up the Shire's portfolio are:

Recreation Place Type	Quantity	Total CRC ($m)	Percentage
Active	4	$7,996,888	88%
Memorials	2	$42,100	<1%
Passive	11	$665,820	7%
Tourism	6	Unknown	-
Streetscape	3	$94,400	1%
Water Harvesting	3	$15,000	<1%
Unclassified	3	$284,600	3%
TOTAL	**32**	**$11,288,516**	

Table 1: Quantity & Total Current Replacement Cost of Recreation Places

What is their condition?

The physical condition of infrastructure assets affects their ability to deliver the intended service at the required quality. Therefore, the Shire periodically inspects assets and records their condition. For consistency, the condition of all recreation assets is reported on a 1 (very good) to 5 (very poor) rating scale. The condition data is used for a variety of other outputs, including the predicting when assets may need renewing, and how much they are worth in their current state.

The condition of our recreation assets at the last time of inspection is detailed in Figure 1.
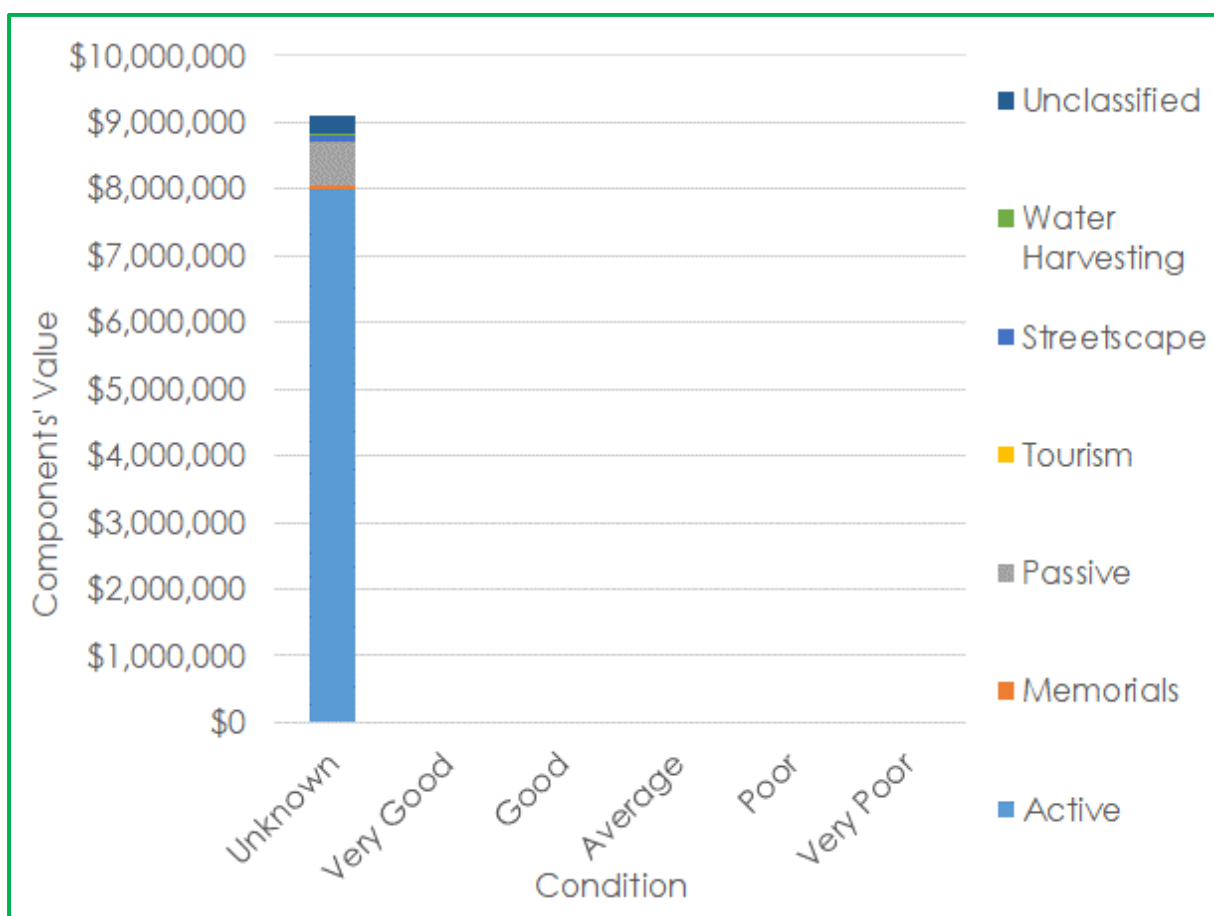

Figure 1: Condition of Recreation Assets by Replacement Cost

How confident are we?

Although the Shire records data on its assets for inventory, condition and value, it is important to understand how confident it is of the data accuracy. This is important to determine the confidence that we can put in the outcomes that result (e.g. valuations). It also allows the Shire to target where data improvements are required. The Shire has assessed its confidence in recreation asset data using the following grading scale.

Confidence Grade	Accuracy	Confidence Grade General Meaning
Highly Reliable	± 2%	Data based on sound records, procedures, investigations and analysis which is properly documented and recognised as the best method of assessment.
Reliable	± 10%	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example the data is old, some documentation is missing and reliance is placed on unconfirmed reports or some extrapolation.
Uncertain	± 25%	Data based on sound records, procedures, investigations and analysis which are incomplete or unsupported, or extrapolation from a limited sample for which grade A or B data is available.
Very Uncertain	± 40%	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.
Unknown	Nil	None or very little data held.

Table 2: Data Confidence Grading

The current confidence in the Shire's asset data is:

Place Type	Inventory	Condition	Valuation
Active	Uncertain	Unknown	Uncertain
Memorials	Uncertain	Unknown	Uncertain
Passive	Uncertain	Unknown	Uncertain
Tourism	Uncertain	Unknown	Uncertain
Streetscape	Uncertain	Unknown	Uncertain
Water Harvesting	Uncertain	Unknown	Uncertain
Unclassified	Uncertain	Unknown	Uncertain

Table 3: Recreation Asset Data Confidence

How is the service performing?

The Shire seeks to ensure that the service performance delivered by our recreation assets meets the needs of users. However, the quality of these services can be varied, and in turn this has an effect on overall cost. As a general rule, as the service quality gets higher, so too does cost. As such, the Shire needs to deliver the recreation service at a level that the community is willing to pay.

Service Satisfaction

Periodically, the Shire engages with its community to understand their satisfaction with the various services that it provides. The results enable service performance and importance to be assessed. In addition, when other WA local governments perform the same survey, the Shire is able to benchmark its performance.

The community's satisfaction with the recreation service at the last survey is shown in Figure 2. When compared with other Great Southern local governments, only one metric was above the average.
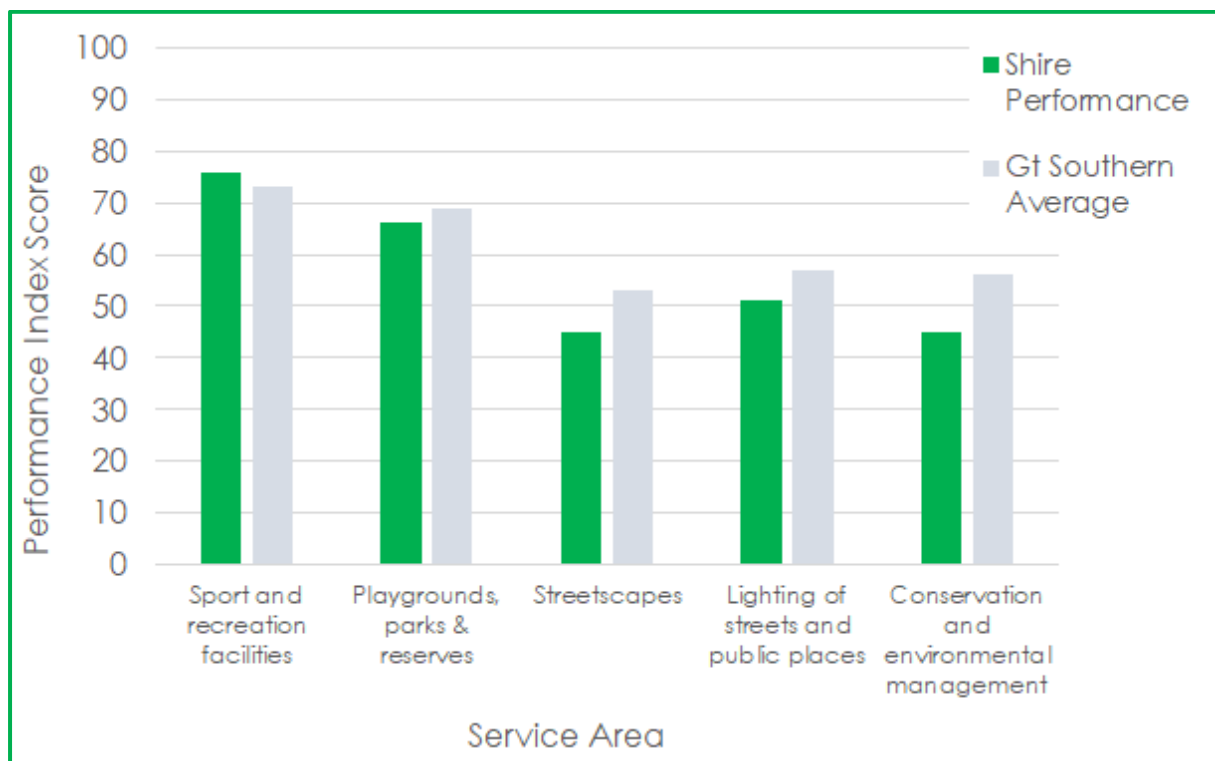

Figure 2: Recreation Service Community Satisfaction

Service Levels

Service levels describe the quality performance that the Shire aims to provide for its recreation service. These have been developed through consideration of strategic and customer inputs.

Strategic Inputs

The Strategic Community Plan (SCP) has been reviewed to identify any drivers that may directly relate to the recreation service. Consideration of the SCP showed that the following outcomes are of high importance. Service levels have then been selected for these outcomes, so that their performance can be monitored.

Objective	Initiative	KPI
Theme 1.3 – Enhance and develop the tourism industry to promote growth and prosperity.	3.2 – Leverage our environmental, built, heritage and social assets in the promotion of tourism.	Tourism growth
Theme 2.1 – Environmentally sustainable leadership.	1.1 – Effectively manage resource consumption including water, energy and non-renewable resources and stewardship.	Environmental sustainability
Theme 2.3 – Enhance, preserve and protect local ecology and biodiversity of natural ecosystems.	3.1 – Conserve and enhance open space.	Environmental management
	3.2 – Conserve natural vegetation, native reserve condition and bushland.	
Theme 5.2 – Effective management to conduct business in a financially sustainably manner.	2.1 – Manage liabilities and assets through a planned, long-term approach.	Financial sustainability
	2.2 – Balance service levels for assets against long-term funding capacity.	
Theme 6.2 - Facilitate and integrate housing options, local services, employment and recreational spaces.	2.2 – Provide appropriate open space to recreate and connect with nature.	Fit for purpose
Theme 6.3 – To provide facilities of the highest quality which reflect the	3.1 – Develop an understanding of the demographic context of local communities to	Fit for purpose

needs of the community now and into the future.	support effective facility planning.	

Table 4: Strategic Community Plan Strategies Influencing the Recreation Service

Customer Inputs

As a service provider, it is important that the Shire clearly understands the needs of its stakeholders (e.g. customers). During November 2020, Shire staff considered who the major stakeholders are of its recreation service. Five were identified, as outlined in Figure 3. While there may be other minor stakeholders, they have not been specifically considered by this RAMP.
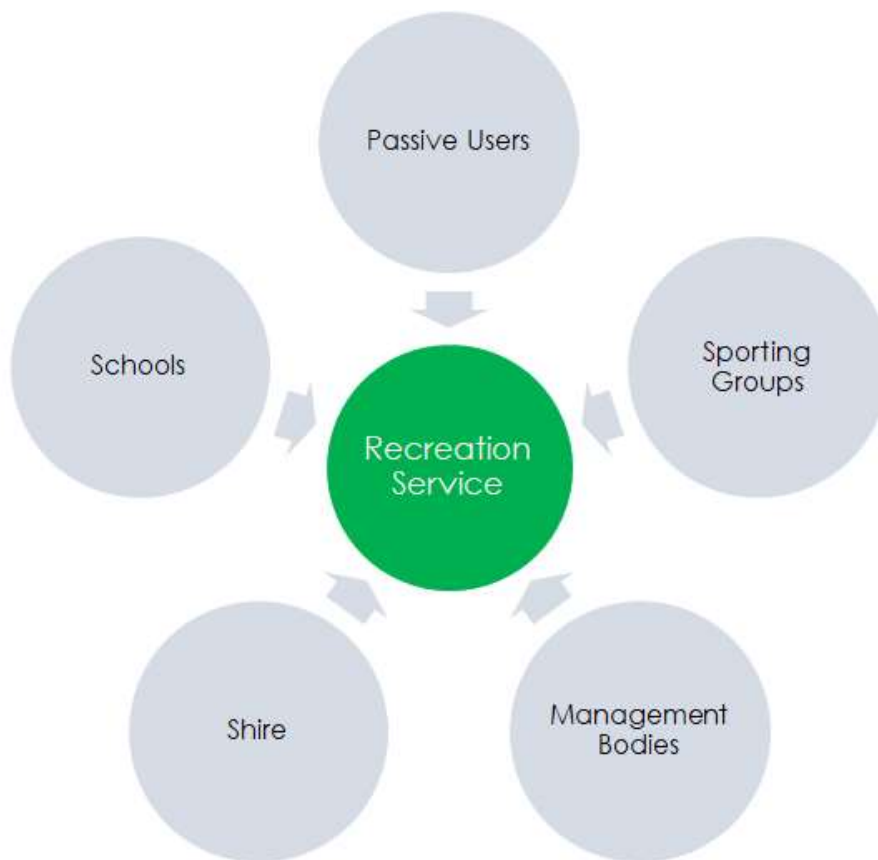

Figure 3: Recreation Service Stakeholders

Analysis of stakeholders' service needs determined that the following attributes were most frequently required.

- Availability (3 occurrences)
- Condition (5 occurrences)

Service Level Targets and Performance

The SCP informing service attributes have been combined with the customer service needs. These informing service attributes have been selected for service levels. The following KPIs are used to monitor recreation service delivery performance.

KPI	Driver	Level of Service	Performance Measure	Target	Current	Data Confidence
Condition	Stakeholders	Recreation assets are in a suitable condition.	Percentage of recreation assets that are in an average condition or better, by replacement value.	-	-	-
Environmental management	SCP	Recreation places are environmentally well managed.	Total area (Ha) of retained native vegetation managed by the Shire.	-	-	-
Environmental sustainability	SCP	Recreation places are environmentally sustainable.	Percentage of recreation places water and power derived from renewable sources.	-	-	-
Financial sustainability	SCP	Recreation places are financially sustainable.	Percentage of asset management ratio KPIs within target.	-	66%	Uncertain
Fit for purpose & availability	SCP & Stakeholders	Recreation places meet the needs of their users.	Percentage of recreation service community perception metrics that are at or above the Great Southern regional average.	-	20%	Highly reliable
Tourism Growth	SCP	Recreation places support tourism growth.	Percentage of visitors to tourist focussed places that are at least satisfied with their visit.	-	-	-

Table 5: RAMP Service Levels

How is the service changing?

Generally, the demand for recreation services changes over time. As a result, the assets that support this service, and the way in which they are managed, may also change.

Historic change

Looking backwards, a number of drivers may have changed the demand for the Shire's recreation service, they were:

- Population – Fell from 1,507 to 1,219 (2001 to 2016).
- Demographics – Median age rose from 32 to 40 (2001 to 2016).
- Tourism – Number of visitors to the southwest grew from 6.5m to 7.2m (2015/16 to 2019/20).
- Rainfall – Fell from ~420mm to ~380mm (1913 to 2019).
- Temperature – rose from ~29C to ~29.5C (1967 to 2019).
- Recreation participation – Possibly fell from 1,129 to 743 participants (2001 to 2016)

Future change drivers

Looking forward, over the life of this Plan, the Shire considers the following drivers to likely affect the demand for recreation services.

- Demographic change
- Environmental sustainability
- External funding availability
- Financial sustainability
- Participation rates
- Tourism levels

Change mitigation

To meet the challenges that will arise from service change, the Shire plans to:

- Engage with the community to understand what its future service needs are likely to be, as the median age continues to increase.
- Work with state and federal government agencies, to ensure that external funding remains available and sufficient, to fund recreation asset works.
- Monitor the use of non-renewable power and water on its recreation places.
- Monitor the RAMP service levels to understand the current level of service performance.

How is the service managed?

Our recreation assets have varying lengths of physical life. However, a key goal is to try to maximise life, so as to keep costs down. We manage each stage of our assets' lives as follows.

Operation and Maintenance Works

The Shire operates and maintains its recreation assets by employing preventative maintenance strategies wherever possible. We do this through regular inspection, and by applying some planned operation and maintenance schedules. However, there is scope to improve the breadth and robustness of the schedules. This task is listed as an improvement action.

Renewal Works

Recreation assets are periodically inspected to determine their physical condition. Using this information, the Shire then predicts assets' potential year of renewal. Staff then consider these assets to determine the final timing, scope and budget of any future renewal project. Projects are then listed on to a long term works program.

Upgrade & New Works

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 Shire staff and where valid, often prioritised against similar projects. Approved projects are then listed onto the long term works program.

What will the service cost?

Recreation places represent a significant ongoing cost commitment to our community. To ensure that we can continue to sustainability provide the service, the Shire maintains a long term works programme. This programme contains all planned works activities, and sets out how much the service will cost, to deliver the agreed performance (Figure 4). On an annual basis, the works programme in this RAMP informs the Shire's broader Long Term Financial Plan (LTFP). In the event that the RAMP and the LTFP do not balance financially, then the Shire can adjust its practices (e.g. service level performance) to reach a sustainable point (Figure 5).
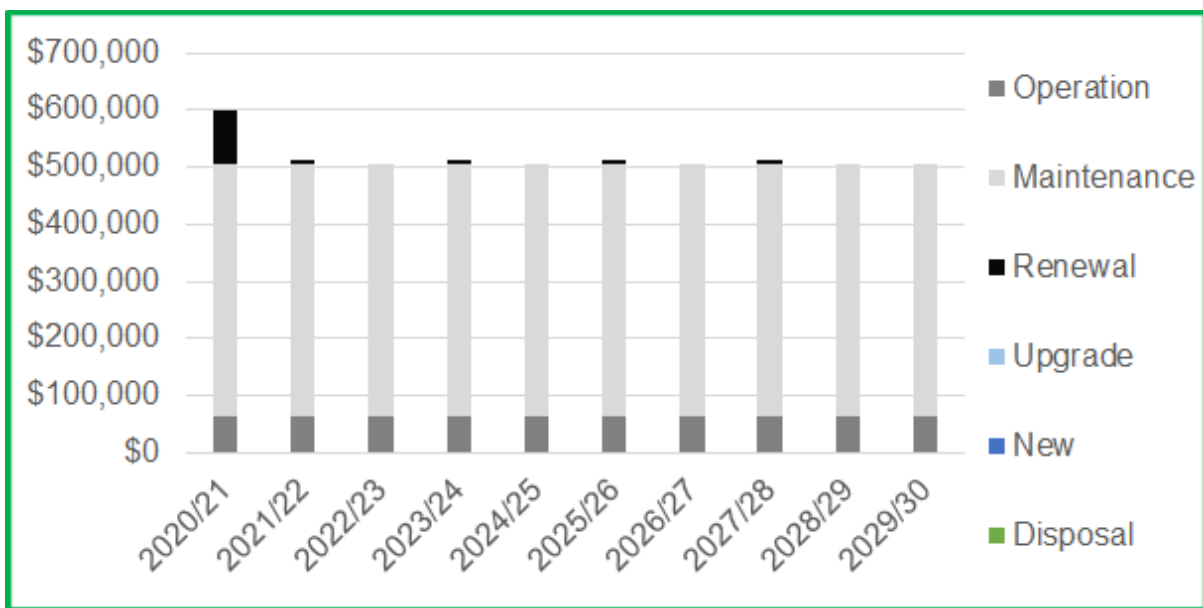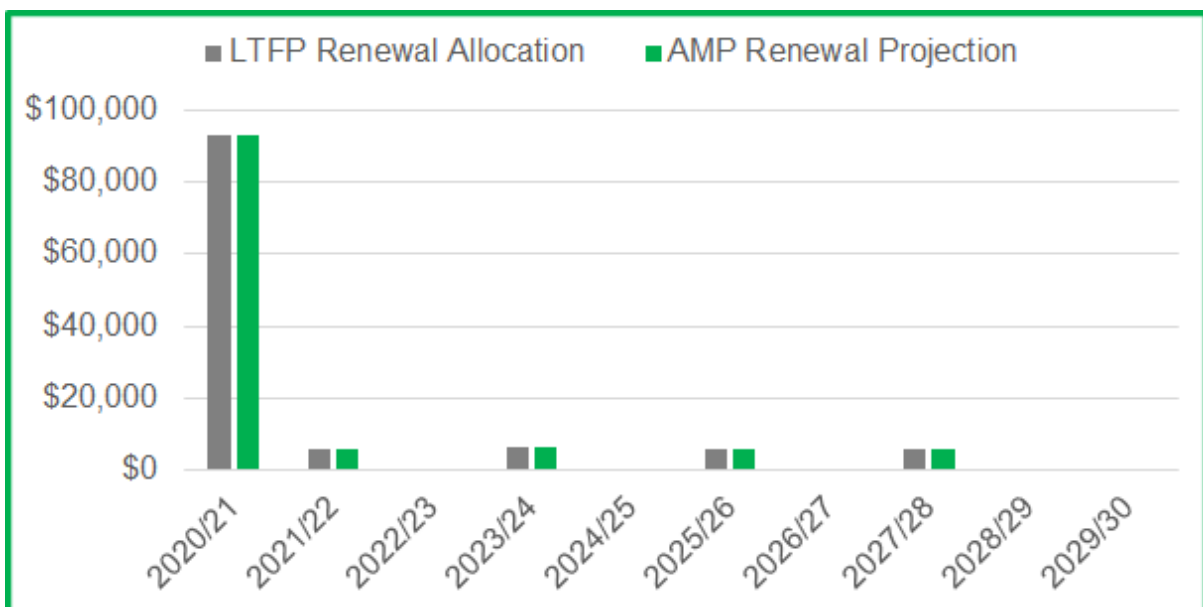

Figure 4: Projected Service Cost

Figure 5: Annual Planned vs Projected

Is the service sustainable?

The Shire monitors the effectiveness of the RAMP through three financial ratios. They measure the past, present and future ability to renew assets when required.

Past - Sustainability Ratio (ASR)

This ratio indicates whether a local government is replacing or renewing existing non-financial assets at the same rate that its overall asset base is wearing out. The ratio compares the average actual expenditure on asset renewal to the annual depreciation expense.

Present - Consumption Ratio

This ratio seeks to highlight the aged condition of a local government's physical assets by comparing their fair value (worth in current state) to their replacement cost (worth in as new state).

Future - Renewal Funding Ratio

This ratio indicates whether the local government has the financial capacity to fund asset renewal as required, and can continue to provide existing levels of services in future. The ratio compares the available asset renewal expenditure in the Long Term Financial Plan to the required asset renewal expenditure in the Asset Management Plans.
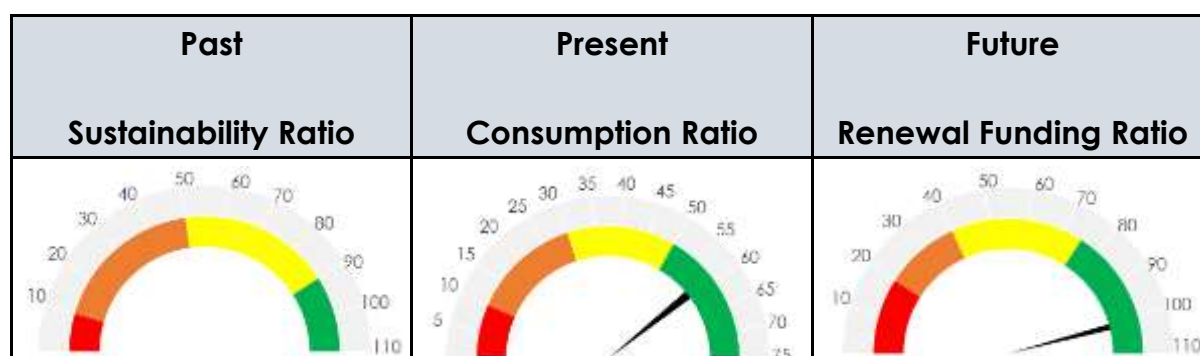
Past Sustainability Ratio	Present Consumption Ratio	Future Renewal Funding Ratio

Table 6: RAMP Financial Sustainability Measures

How will the Shire improve its service management?

Where possible, and appropriate, the Shire is committed to improving its asset management practices. The following actions have been identified by this AMP for future implementation.

Task	Responsibility	Year
Improve data confidence for assets that are uncertain or lower.	AWMC	2021/22
Monitor all RAMP service level KPIs.	AWMC	Ongoing
Review the service demand mitigation tactics and allocate new initiatives to respective staff members.	AWMC	Ongoing
Further develop the long-term capital works programme.	DCEO/AWMC	Ongoing
Further develop recreation operation and maintenance schedules.	AWMC	Ongoing
Collection condition data for recreation assets.	AWMC	Ongoing
Review the recreation service delivery satisfaction levels to determine whether, and how, they can be improved.	DCEO/AWMC	Ongoing

Table 7: Recreation AMP Improvement Plan

Further reading

Shire of Gnowangerup – Strategic Community Plan

Shire of Gnowangerup – Asset Management Policy

Shire of Gnowangerup – Long Term Financial Plan

Shire of Gnowangerup – AMP Works Programme 2020-2030

AMP – LTFP relationship

The AMP is service based, and contains information about assets that support this service. The place types used by the LTFP are slightly different. To assist with cross referencing the documents, the following table lists the LTFP place types that align with this AMP.

LTFP Place Type	AMP Asset Class
Infrastructure Assets - Parks & Ovals	Active Places, Memorials, Passive Places, Tourism Places, Streetscape, Water Harvesting Places, Unclassified Places.
Recreation & Culture	Active Places, Other Infrastructure

Table 8: AMP - LTFP Relationship