OPEN SPACE ASSET MANAGEMENT PLAN

BROKEN HILL
CITY COUNCIL

AUSTRALIA'S FIRST
HERITAGE LISTED CITY

QUALITY CONTROL

KEY THEME	1. Our Community		
OBJECTIVE	1.5 Our built environment supports our quality of life		
STRATEGY	1.5.3 Ensure service levels and asset conditions are commensurate with community expectations		
FUNCTION	Open Spaces		
EDRMS NUMBER	13/163	**FILE REFERENCE**	D24/2042
RESPONSIBLE OFFICER	Strategic Asset Management Coordinator		
REVIEW DATE	June 2034		
DATE	**ACTION**	**MINUTE No**	
18 December 2024	Adopted by Council	47728	
Notes	This Plan was compiled by Broken Hill City Council and Morrison Low Copies of this Plan can be viewed on-line at www.brokenhill.nsw.gov.au Images were sourced from Council's image library © Copyright Broken Hill City Council 2024		
Associated Documents	Asset Management Strategy Asset Management Policy Long Term Financial Plan Workforce Management Strategy Community Strategic Plan Delivery Program Operational Plan Community Satisfaction Survey 2023		

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PORTFOLIO OVERVIEW

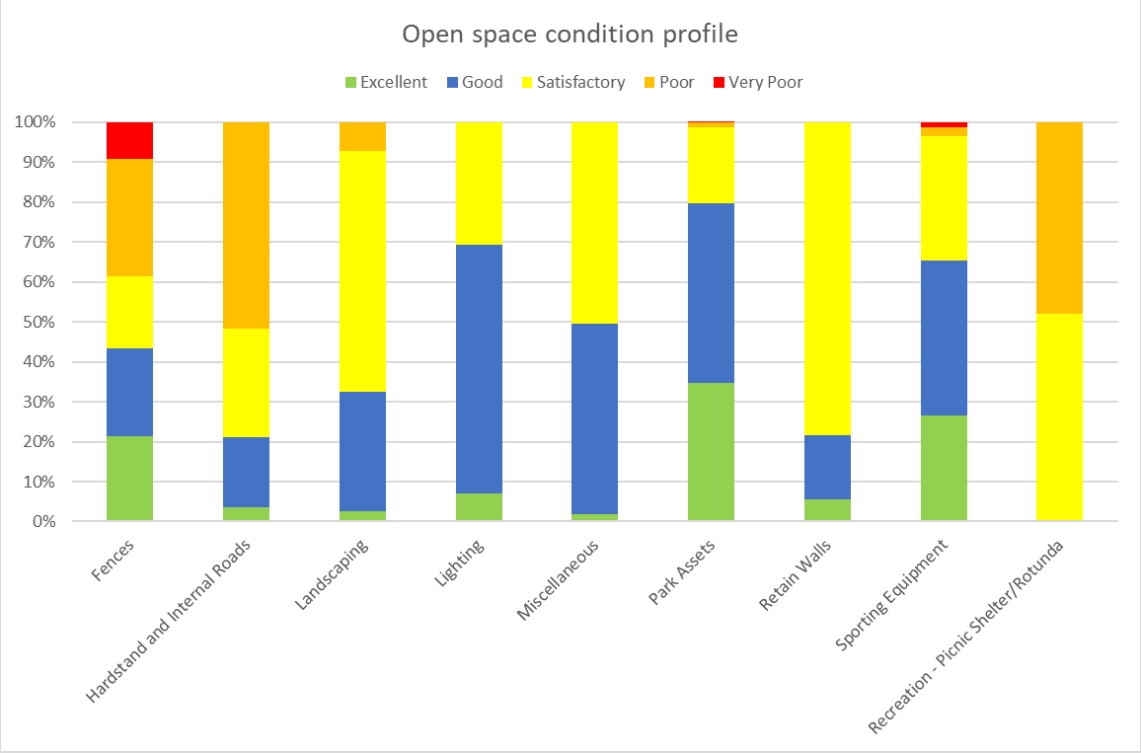
Broken Hill City Council (BHCC) is a regional city of almost 18,000 people in the far west of NSW. Council has a portfolio of parks, recreation and open space providing a variety of passive and active recreation uses. Broken Hill is the first and only entire Australian city or town on the national heritage list.

This Asset Management Plan (AMP) is a 'top-down' plan based on portfolio level reporting and forecasting. As asset management practices and capabilities at BHCC mature, Council may consider developing sub-AMPs to align with service provision.

CURRENT STATE OF THE ASSETS

Council's parks and open space assets are considered to be in satisfactory condition.

Figure 1: Condition Profile



FINANCIAL SUMMARY

Council's budgeted expenditure over ten years is shown in the table below.

Table 1: Expenditure Summary

Description	Projected Expenditure $'000s					
	Year 1	Year 2	Year 3	Year 4	Year 4-10	Ten-year
	2024/25	2025/26	2026/27	2027/28	2027-34	Total
Operational Expenditure	$1,309	$1,355	$1,402	$1,451	$9,837	$15,354
Capital Expenditure						
Renewals	$125	$753	$779	$806	$5,468	$7,931
New	$0	$0	$0	$0	$0	$0
Total	**$1,434**	**$2,107**	**$2,181**	**$2,258**	**$15,305**	**$23,285**

STRATEGIC CHALLENGES

Five major strategic challenges identified during the preparation of this Asset Management Plan are shown in the table below.

Table 2: Strategic Challenges

Focus Areas	Key Challenges	Description
People	Recruitment and retention	Recruitment and retention of suitably qualified and experienced maintenance crews to attend to customer requests.
Processes	Decision-making processes	Decision-making processes are not documented, and responsibilities not sufficiently clear to staff.
	Long term planning	Maintenance is currently reactive without a long-term maintenance strategy, plan or guidelines.
Demographics	Population	Maintaining an appropriate asset base for the current and expected increasing population.
Finance	Legacy of grant funding	Many open space assets were constructed by developers or by Council, with little consideration of the ongoing cost of operations and maintenance.

KEY IMPROVEMENT ACTIONS

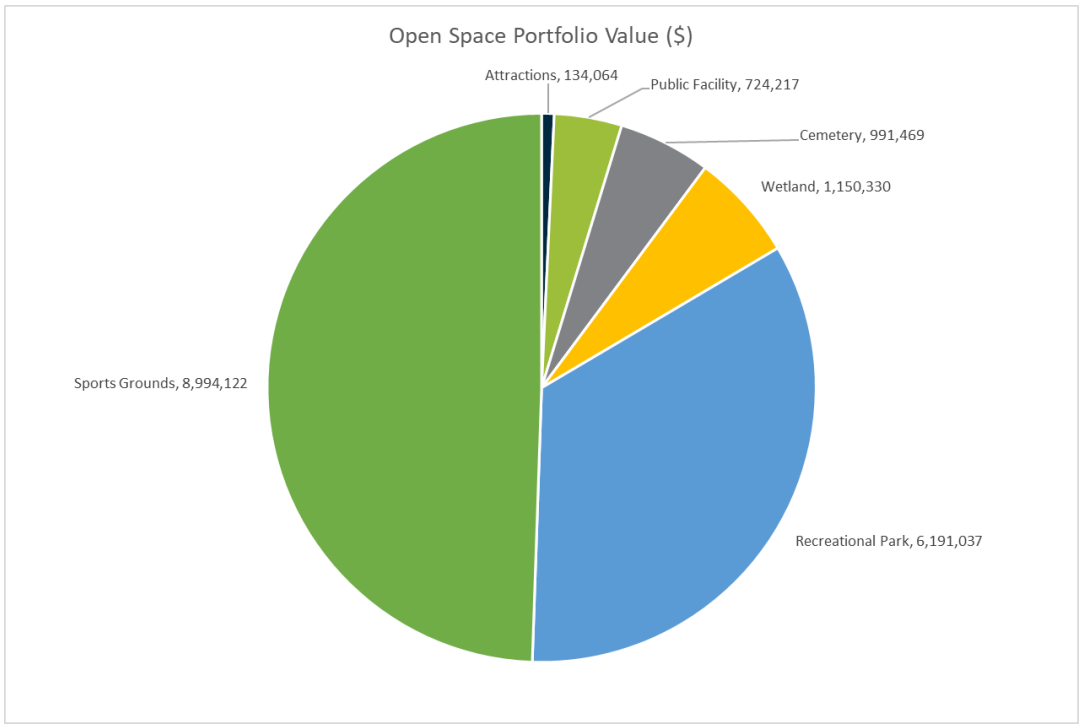
This Asset Management Plan includes an improvement plan to address gaps identified by stakeholders during the preparation of the Asset Management Plan. Four recommended priority improvement actions are shown in the table below.

Table 3: Priority Improvement Actions

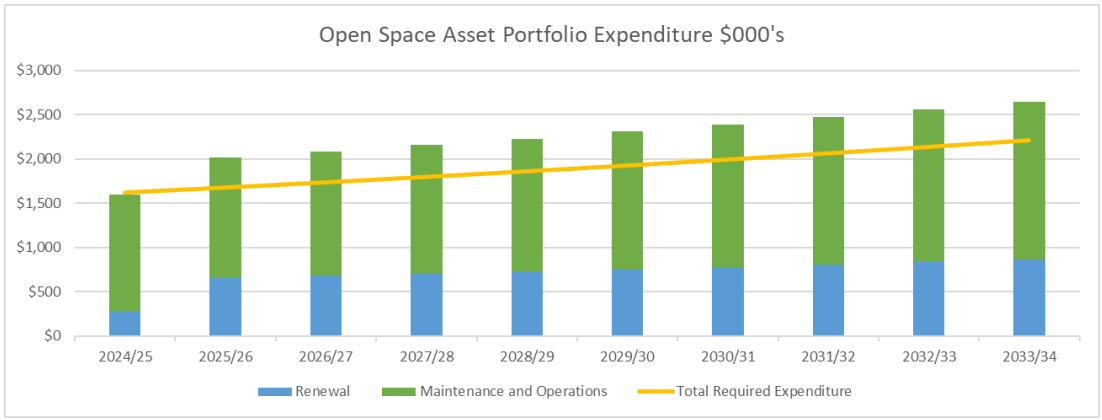
Asset Management Element	Proposed Actions
Asset Knowledge and Data	Improve the classification and categorisation of assets to align with financial reporting and improve reporting capability.
Strategic Asset Planning Processes	Develop maintenance strategies to be more proactive and shift expenditure to CAPEX to reduce OPEX and optimise value for money. Develop four- and ten-year forward works programs for asset renewals and upgrades
Operations and Maintenance Work Practices	Develop maintenance strategies and plans to ensure maintenance is performed within service levels.
Organisational Context	Develop a roles and responsibilities matrix to ensure responsibilities for asset lifecycle activities are known and communicated throughout Council.

DASHBOARD

Figure 2: Open Space Asset Portfolio



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	18.9%	110.0%	Yr 1	-$536
Benchmark 100%			Yr 5 Average	-$50
			Yr 10 Average	$17
Infrastructure Backlog Ratio	11.9%	1.8%	Yr 1	-$364
Benchmark 2%			Yr 5 Average	-$282
			Yr 10 Average	-$170
Infrastructure Maintenance Ratio	105.8%	106%	Yr 1	$72
Benchmark 100%			Yr 5 Average	$77
			Yr 10 Average	$84
Total Funding Gap			Yr 1	-$829
			Yr 5 Average	-$255
			Yr 10 Average	-$68



1. INTRODUCTION

1.1. PURPOSE OF THE PLAN

The purpose of this Asset Management Plan (AMP) is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a 10-year planning period.

The plan includes the following scope of management:

- Asset inventory, values and condition.
- Asset-based levels of service.
- Demand and service management.
- Risk management.
- Development of the Long Term Financial Plan (LTFP) for the maintenance and renewal of Open Space assets.

The forecasts in this plan are based on the audited 2022/23 financial statements (Note C1-6, and Special Schedule 7), adopted budget 2023/24 and the draft 2024/25 Operational Plan.

1.2. PORTFOLIO OVERVIEW

Figure 3: Open Space Asset Portfolio Overview

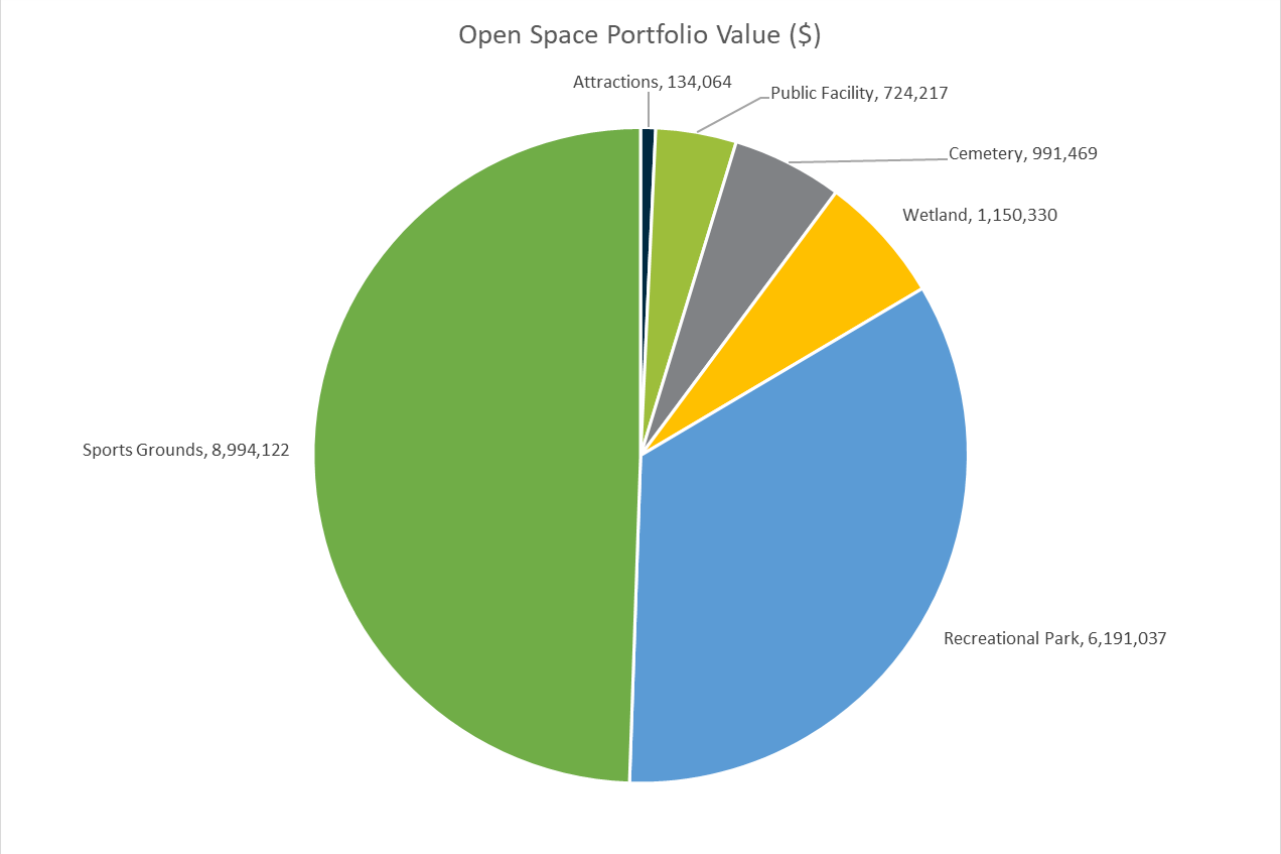


Table 4: Asset Values by Asset Type

Asset Type	Replacement Cost	Accumulated Depreciation	Written Down Value	Annual Depreciation
Fences	321,376	-147,444	173,932	8,976
Hardstand and internal roads	3,459,488	-1,970,719	1,488,769	103,539
Landscaping	1,906,793	-900,735	1,006,058	52,095
Lighting	706,860	-230,204	476,656	20,850
Miscellaneous	360,234	-159,984	200,250	8,205
Park assets	3,650,852	-939,315	2,711,537	104,301
Recreation - Picnic shelter/rotunda	29,484	-16,725	12,759	257
Retaining walls	757,134	-300,542	456,592	6,802
Sporting equipment	6,993,018	-2,880,696	4,112,321	312,440
Grand Total	**18,185,238**	**-7,546,365**	**10,638,874**	**617,464**

Table 5: Asset Values by Facility

Facility Category	Facility Name	Replacement Cost	Accumulated Depreciation	Written Down Value	Annual Depreciation
Attractions	Joe Keenan Lookout	23,436	-8,983	14,453	780
	Kintore Reserve	35,028	-17,050	17,978	1,048
	Vietnam Vets War Memorial Wall	75,600	-27,719	47,881	1,259
Attractions Total		**134,064**	**-53,751**	**80,313**	**3,086**
Cemetery	Cemetery	991,469	-400,237	591,231	20,510
Cemetery Total		**991,469**	**-400,237**	**591,231**	**20,510**
Public Facility	Administration Centre	412,020	-185,679	226,341	4,859
	Civic Centre	116,550	-74,442	42,108	3,213
	Visitor Information Centre	195,647	-101,301	94,346	4,770
Public Facility Total		**724,217**	**-361,422**	**362,794**	**12,841**

Facility Category	Facility Name	Replacement Cost	Accumulated Depreciation	Written Down Value	Annual Depreciation
Recreational Park	AJ Keast Park	466,704	-101,376	365,328	13,245
	Apex Park	241,023	-63,571	177,452	6,635
	Duff Street Park	480,564	-200,675	279,889	14,459
	Duke Of Cornwall	337,625	-148,640	188,984	8,866
	North Family Play Centre	292,194	-94,574	197,620	7,226
	Patton Park	834,792	-162,930	671,862	24,023
	Picton Oval	971,599	-371,201	600,398	30,158
	Queen Elizabeth Park	700,348	-100,304	600,044	21,815
	Riddiford Arboretum	5,292	-1,826	3,466	150
	Riddiford Park	37,644	-20,075	17,569	1,253
	Sturt Park	1,823,254	-504,435	1,318,819	49,213
Recreational Park Total		**6,191,037**	**-1,769,607**	**4,421,430**	**177,044**
Sports Grounds	Alma Oval	1,412,460	-297,835	1,114,625	123,162
	E.T. Lamb Memorial Oval	1,061,928	-540,790	521,138	79,221
	Memorial Oval	2,764,188	-1,669,078	1,095,110	81,719
	Norm Fox Sports Complex	977,540	-305,482	672,057	28,479
	O'Neill Park	2,089,543	-1,101,706	987,837	46,150
	Renfrew Oval	688,464	-448,309	240,155	22,271
Sports Grounds Total		**8,994,122**	**-4,363,201**	**4,630,921**	**381,002**
Wetland	Mulga Creek Catchment	1,150,330	-598,145	552,184	22,980
Wetland Total		**1,150,330**	**-598,145**	**552,184**	**22,980**
Grand Total		**18,185,238**	**-7,546,365**	**10,638,874**	**617,464**

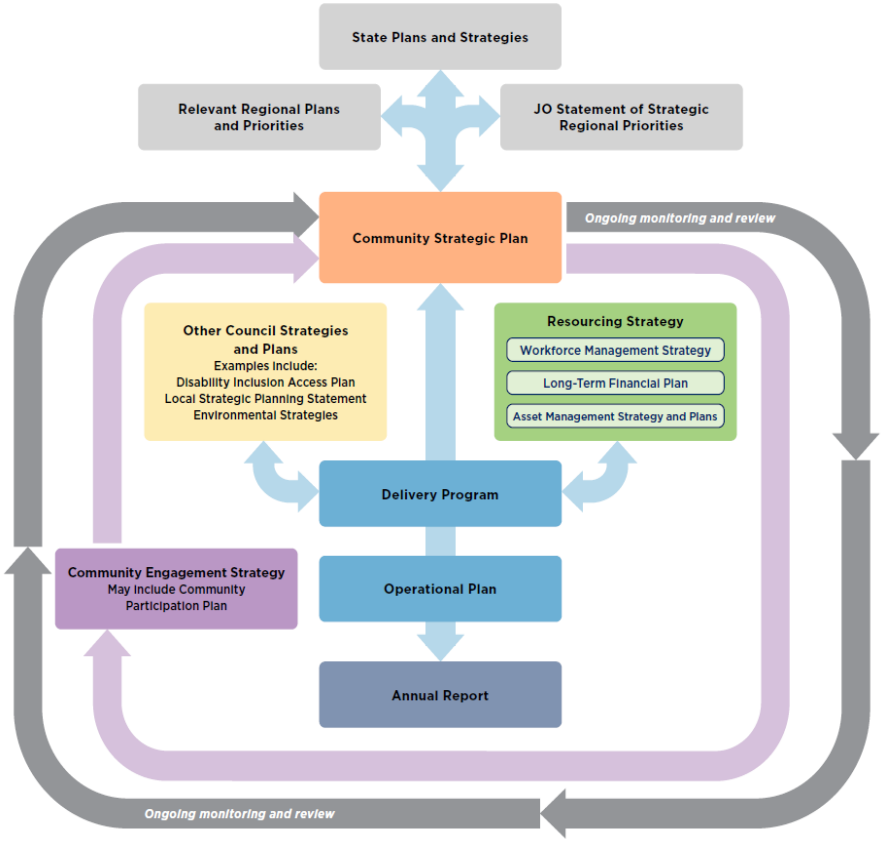
1.3. PLANNING OVERVIEW

Development of Asset Management Plans for Council's infrastructure is a mandatory requirement for NSW councils, as per the *NSW Local Government Act 1993* and its subsequent amendments.

Providing infrastructure is one of the most important roles of Council, as assets support services that deliver on Council's long-term objectives. A formal approach to asset management is essential to ensure that services are provided in the most cost-effective and value-driven manner. Asset management needs to be fully aligned and integrated with the Community Strategic Plan, Long Term Financial Plan and Workforce Strategy. This ensures that community needs and expectations are well understood, and that funding requirements and consequences are understood and available.

Council's current planning framework is based on the 'Local Government Integrated Planning and Reporting Framework'.

Figure 4: Integrated Planning and Reporting Framework



The Integrated Planning and Reporting Handbook provides guidance to councils as to the minimum content, monitoring and review of their asset management plans.

1.3.1. Strategic Focus

Asset management is a 'whole of life' approach that includes planning, purchase, construction, operation, maintenance and renewal/disposal of assets. The objective is to maximise asset service delivery potential and manage related risks and costs over the entire asset life.

The strategic outlook from the Asset Management Strategy (2020) is for:

- Council to continue to improve the level of service provided by its assets and to meet optimal levels of service identified in condition surveys.

- Council to consider strategies to fund the projected asset renewal expenditure over the next ten years.
- Council's continued investment to ensure that data verification, system management and evaluation continues to mature towards a 'core' system level.
- Council endeavours to optimise the life of assets at the most economic cost over time (life cycle approach) including the development of new technologies to support optimisation.
- Reducing the demand for new assets through demand management techniques and consideration of alternative service delivery options.

1.3.2. Community Strategic Plan

The roles of Open Space assets in achieving related goals in the Community Strategic Plan are shown in the table below.

Table 6: Open Space Asset Roles in Community Strategic Plan

CSP Goal	Objective	How this is addressed in the Asset Management Plan
Our public spaces and activities help us feel healthy and happy	Ensure sport and recreation facilities are available to meet community needs	Describes the facilities and improvements that provide space for the community to participate in active and passive recreation
We have a healthy community in a liveable City	1.5.3 Manage community infrastructure sustainably.	Provides analysis of the financial sustainability of the asset portfolio.
	1.5.6 Seek opportunities for vibrant spaces and inclusive facilities to increase access to active and passive recreational facilities.	Describes major projects that will improve open spaces.
We value and protect our environment	3.2.3 Protect, rehabilitate and enhance regeneration areas and commons for the benefit of the City and in accordance with the National Heritage listing.	Council maintains wetlands, gardens and landscaping assets.
We are a connected and engaged community	4.1.4 Decision-makers provide accountability through planning and reporting frameworks.	AMP sets out the expected costs, risks and priorities for service delivery.
	4.2.2 Our leaders seek information, are well informed and aware of emerging issues and new information in order to advocate and respond appropriately.	

1.3.3. Strategic Linkages

The following documents have strategic linkages to this Open Space Asset Management Plan.

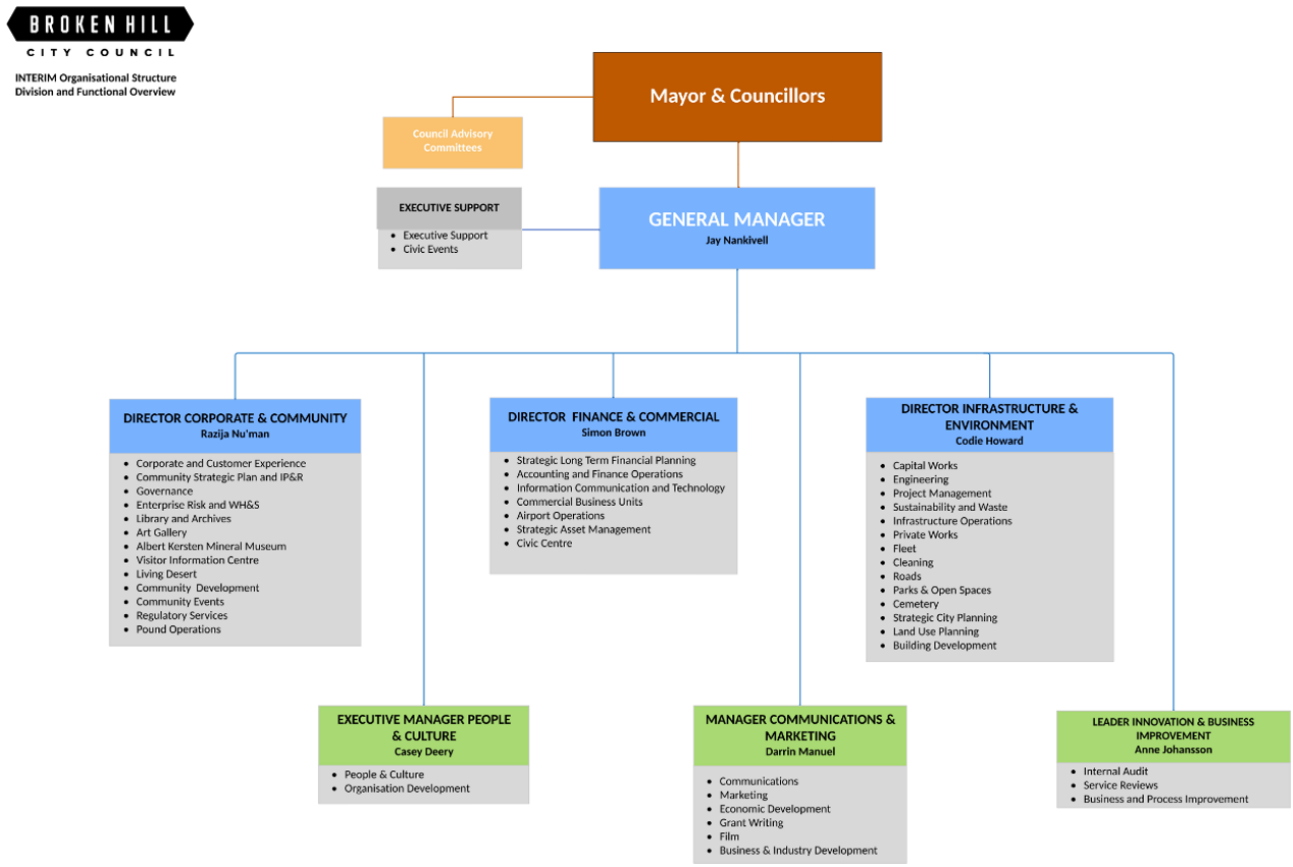
Table 7 Strategic Linkages to Open Space Asset Management Plan

Documents	Linkage to Asset Management Plan
Broken Hill Cultural Plan	Manage and deliver Council-owned places and spaces that support cultural and creative participation.
Broken Hill Liveability Strategy (2023)	Strategies to improve liveability indicators including connectivity and resilience.

2. ROLES AND RESPONSIBILITIES

Council's organisation structure as of March 2024 is shown in the figure below. Strategic asset management has recently been moved to the Finance and Commercial directorate and a new team established to develop the asset management framework. Subject matter expertise for Open Space assets sits within the Infrastructure and Environment directorate. Council should consider developing a roles and responsibilities matrix for Open Space assets so that responsibilities for all lifecycle activities are assigned and communicated.

Figure 5: Interim Organisation Structure (March 2024)



Council has not formalised its roles and responsibilities. A recommended approach is shown below.

Table 8: Recommended Approach for Roles and Responsibilities

Role	Responsibilities	Functions
Asset Owner (Strategic assets team)	This role takes ownership responsibility for the management of assets and is usually responsible for policy and overall asset strategy	• Establish long term policy and strategy • Establish existing demand for assets • Establish future demand for assets (type and standard) • Establish long term community expectation • Implement policy and strategy for existing assets • Establish community asset service level • Ensure integration of asset management into Council's community, delivery and operational plans & resourcing strategy • Maintain and develop asset systems and reporting • Ensure asset accounting is accurate and maintained, and asset valuation • Develop capital works prioritisation • Develop capital works program • Liaison with the organisation as a whole on asset matters
Asset Custodian (Strategic Assets team)	This role is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	• Asset Condition inspections • Recommendation of asset disposal and renewal 4-year program • Control budgets • Develop asset plans • Asset condition rating • Risk management • Data custodian – Hierarchy, level of detail • Maintenance planning
Asset Delivery – Maintenance CAPEX and Operations **(Projects and Infrastructure Operations Teams)**	These roles are responsible for the day-to-day maintenance, operations and services delivered by assets as well as the delivery of capital works	• Controls asset use, in line with policy • Develop and oversee capital works and maintenance program • Deliver and/or manage capital works • Manage all operations and service delivery functions • Manage service user expectations • Deliver adopted levels of service. • Handover and documentation • Develop capital works prioritisation • Deliver programmed and reactive maintenance, internal/external

3. LEVELS OF SERVICE

3.1. LEVELS OF SERVICE OVERVIEW

There are a variety of ways to describe levels of service (also known as service levels). The concept adopted in this plan is that 'levels of service' are output descriptions supported by quantifiable performance measures.

A level of service is a measurable description of what Council delivers (or intends to deliver) in an activity which relates to something that can be controlled. Service levels may relate to:

- The reliability of an asset.
- The quality of an asset.
- Having the right quantity of assets.
- The safety/risk/security of the assets.

The objective of asset management is to enable assets to be managed in the most cost-effective way based on an understanding of customer needs, expectations, preferences and their willingness to pay for any increase in the levels of service.

3.2. CUSTOMER LEVELS OF SERVICE (SATISFACTION)

The levels of service in this plan have been developed with a customer focus and are grouped into core customer value areas that are referred to as 'service level outcomes'. These service level outcomes (sometimes referred to as service criteria) encompass:

- **Condition**
  - Accessibility and/or Availability
  - Quality/Condition
- **Functionality**
  - Reliability/Responsiveness
  - Sustainability
  - Customer Satisfaction
- **Capacity**
  - Affordability
  - Health and Safety

3.2.1. CONDITION

3.2.1.1 Accessibility

To ensure the asset base performs as required, it is essential that the asset, no matter which type of asset, is generally available to the community as required. As a service outcome, Council's customers will require assets that are accessible and can be relied upon to deliver the services that are not only expected but are also required.

3.2.1.2 Quality/Condition

Condition is a measure of an asset's physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 1 - 5, where 1 = new and 5 = totally failed. A copy of a typical condition rating matrix is detailed over page.

Table 9: Asset Condition Rating Matrix

Condition Rating	Condition	Descriptor	Guide	Residual Life as a % of Total Life	Mean Percentage Residual Life
1	Excellent	An asset in excellent overall condition, however, is not new, and providing its intended level of service.	Normal maintenance required	>86	95
2	Good	An asset in good overall condition with some possible early stages of slight deterioration evident, minor in nature and causing no serviceability issues. No indicators of any future obsolescence and providing a good level of service.	Normal maintenance plus minor repairs required (to 5% or less of the asset)	65 to 85	80
3	Satisfactory	An asset in fair overall condition with some deterioration evident, which may be slight or minor in nature and causing some serviceability issues. Providing an adequate level of service with no signs of immediate or short-term obsolescence.	Significant maintenance and/or repairs required (to 10 - 20% of the asset)	41 to 64	55
4	Poor	An asset in poor overall condition, moderate to high deterioration evident. Substantial maintenance required to keep the asset serviceable. Will need to be renewed, upgraded or disposed of in near future. Is reflected via inclusion in the ten-year Capital Works Plan.	Significant renewal required (to 20 - 40% of the asset)	10 to 40	35
5	Very Poor	An asset in extremely poor condition or obsolete. The asset no longer provides an adequate level of service and/or immediate remedial action required to keep the asset in service in the near future.	Over 50% of the asset requires renewal	<10	5

Asset quality is also very important. Council should determine the quality of the assets required. Quality will have more to do with the design, build and type of the asset rather than its condition. An asset may be poor in quality yet have a condition which is described as good.

3.2.2. FUNCTION

3.2.2.1 Responsiveness

Council will maintain assets in a diligent manner and be responsive to the needs of the community now and into the future. Whilst this may be difficult in some instances, Council places a high emphasis on customer service and its responsiveness to customer enquiries. Strategies will be implemented to ensure that Council maintains a high level of customer support.

3.2.2.2 Customer Satisfaction

Council will continue to provide services to the community in a manner that is efficient and effective. Council will continue to monitor community satisfaction with its current services and strive to improve community satisfaction where possible.

3.2.2.3 Sustainability

Council will ensure that its assets are maintained in a manner that will ensure the long-term financial sustainability for current and future generations. This will be achieved by ensuring efficient and effective service delivery and ensuring appropriate funds are allocated to maintain and renew infrastructure assets.

3.2.3. CAPACITY

3.2.3.1 Affordability

Council will maintain its infrastructure assets in a cost-effective, affordable manner in accordance with responsible economic and financial management. In order for Council's assets to assist in meeting the strategic goals and in attaining optimum asset expenditure, Council will need to continually review its current operational strategies and adopt new and proven techniques to ensure that assets are maintained in their current condition.

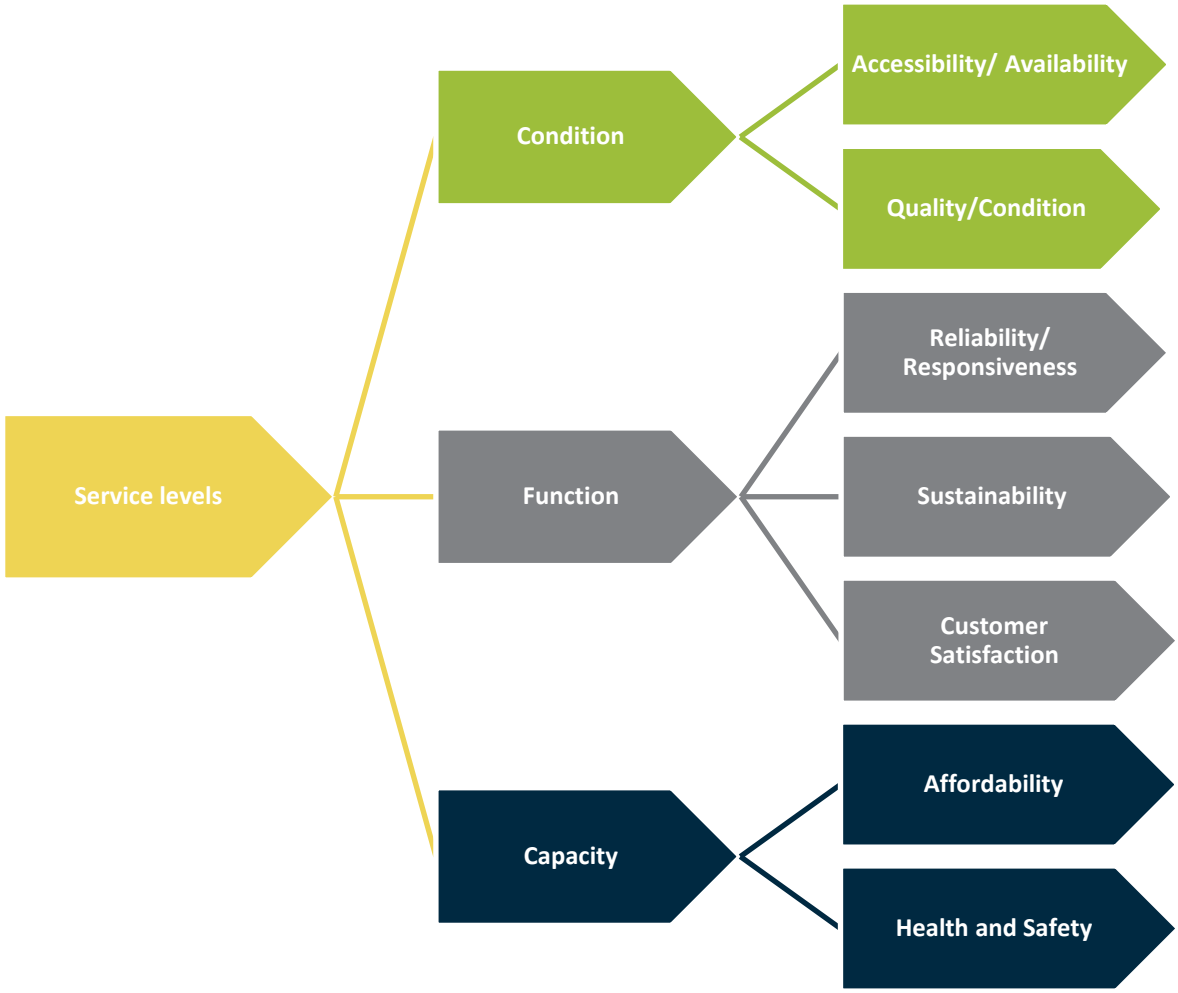
3.2.3.2 Health and Safety

Council will endeavour to identify and mitigate all key health and safety risks created by the provision of services. Examples of level of service based on safety might include the following:

- Services do not cause a hazard to people.
- Water is safe for swimming.

Each of the service level outcomes is related directly to the Council's Community Strategic Plan in the way each asset class helps deliver the services required by the community. These service level outcomes are essential to ensure the asset portfolio is not only maintained to a satisfactory level but also caters for the future demands of the community whilst balancing the potential risks to the community and the Council.

Figure 6: Service Level Framework



3.3. FINANCIAL LEVELS OF SERVICE

The premise of asset management is that asset requirements and asset management strategies should be driven by defined and acceptable service levels and performance standards. This section defines the various factors that are considered relevant in determining the levels of service for Council's assets that have been used to provide the basis for the lifecycle management strategies and works programme identified within this Strategic Asset Management Plan.

3.3.1. Asset Backlog Ratio

This ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure. The benchmark is less than 2%. The ratio is determined by dividing the estimated cost to bring assets to a satisfactory condition by the carrying value of infrastructure, building, other structures and depreciable land improvement assets (averaged over three years).

3.3.2. Asset Consumption Ratio

The average proportion of 'as new' condition remaining for assets. This ratio shows the written down current value of the local government's depreciable assets relative to their 'as new' value. It highlights the aged condition of a local government's stock of physical assets and the potential magnitude of capital outlays required in the future to preserve their service potential. It is also a measure of Council's past commitment to renew the asset class. A consumption ratio of less than 50% would suggest that past renewal funding has been inadequate or that the asset could expect to decay more rapidly.

3.3.3. Asset Sustainability Ratio

Are assets being replaced at the rate they are wearing out? This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the rate of depreciation of assets for the same period. Council would need to understand and be measuring renewal expenditure to be able to determine this ratio.

3.3.4. Asset Renewal and Renewals Funding Ratio

Is there sufficient future funding for renewal and replacement of assets? This ratio indicates whether Council is allocating sufficient funds in its Long-Term Financial Plan to adequately fund asset renewals. The benchmark is 100% (averaged over three years).

3.3.5. Asset Maintenance Ratio

This ratio compares actual versus required annual asset maintenance for each asset class. A ratio of above 100% indicates that Council is investing enough funds that year to halt the infrastructure backlog from growing. The benchmark is greater than 100% (averaged over three years).

3.4. SERVICE LEVEL SUMMARY

Table 10: Service Level Summary

Service Level Outcome	Level of service	Performance measure process	Performance target	Current performance	Indicator
Quality / Condition	Keep Open Space in visibly good condition	Condition assessment of assets	90% assets in Condition 3 or better	87% assets in condition 3 or better	
	Open Spaces are meeting the needs of the community	Community satisfaction survey	Gap between importance and satisfaction decreases	Not measured	
Affordability	Open Spaces are affordable and managed using the most cost-effective methods for the required level of service	Review of service agreements and benchmark with other councils	Maintenance/Opex budget expenditure +/- 5% of annual budget	Not measured	
Health and Safety	Provide Open Spaces safe for users and free from hazards	Safety inspections of assets	Inspection program completed to schedule	Not measured	
Reliability / Responsiveness	Planned works completed in accordance with schedules	Completion of scheduled work	90% completion within scheduled service standard	Not measured	
	Be responsive to the needs of the Open Space asset users	Number of customer requests received	85% of requests are completed within Council's service charter	Not measured	
	Provide well maintained Open Space assets that are affordable to the community	Annual works program planned *vs* reactive, based on the three year plan	Greater than 50% of maintenance expenditure is undertaken through planned maintenance schedules	Not measured	
Sustainability	Continue to provide Open Space assets to meet the need of the community	Complete capital work program on-time and on-budget	Annual capital works for time and budget +/- 5%	Not measured	
	Rationalise Open Space to reduce lifecycle costs and deliver best value to the community	Develop and implement rationalisation plan	Disposal budget and timeline adopted	Not measured	
	Assets are being renewed in a sustainable manner	Asset renewal ratio (asset renewal expenditure / annual depreciation expense)	OLG benchmark >100%	185% (est 2023/24)	Meeting

Service Level Outcome	Level of service	Performance measure process	Performance target	Current performance	Indicator
Affordability	Council maintains its Open Space assets	Asset maintenance ratio, measured by (actual maintenance expenditure). Required maintenance expenditure.	OLG benchmark 100%	106%	Exceeding
Quality / Condition	Assets are maintained in a satisfactory condition	Backlog ratio (cost to satisfactory / written down value of the assets)	OLG benchmark <2%	14.7	Not meeting

3.5. KEY USERS AND STAKEHOLDERS

This asset management plan will be used to inform discussions with, and decisions made by, Council and its stakeholders.

Table 11 Key Stakeholders' Roles in Asset Management Plan

Key Stakeholder	Role in Asset Management Plan
Councillors	• Represent needs of community and stakeholders. • Approve allocation of resources to meet the organisation's objectives in providing services while managing risks. • Ensure the organisation is financially sustainable.
Council staff	• Carry out asset management functions.
The Community	• Aware of service levels and costs. • Participation in consultation process. • Offer feedback on services.
Sporting Clubs	• Operate services from Council-owned facilities.
State Government	• Funding provided to council through specific grants.
Federal Government	• Funding through the Financial Assistance Grants and the Roads to Recovery Program.

3.6. LEGISLATIVE FRAMEWORK

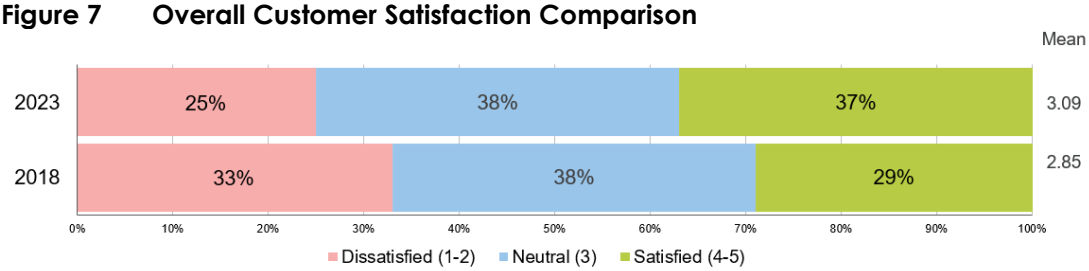
Legislation relevant to this Asset Management Plan is shown below:

- Local Government Act 1993
- Office of Local Government, Integrated Planning and Reporting Framework
- Disability Discrimination Act 1992
- Environmental Planning and Assessment Act 1979
- Crown Lands Act 1989
- Heritage Act 1977
- Government Information (Public Access) NSW 2009
- Local Government Amendment (Planning and Reporting) Act 2009
- Environmental Protection Act 1994
- Disability inclusion Act 2014
- Work Health and Safety Act 2011
- Protection of the Environment Operations Act 1948
- Valuation of Land Act 1916
- Native Vegetation Act 2003

3.7. USER ENGAGEMENT

The customer satisfaction survey, undertaken in 2023, showed a decrease in dissatisfaction when compared to the previous survey (2018), as illustrated in the image below.

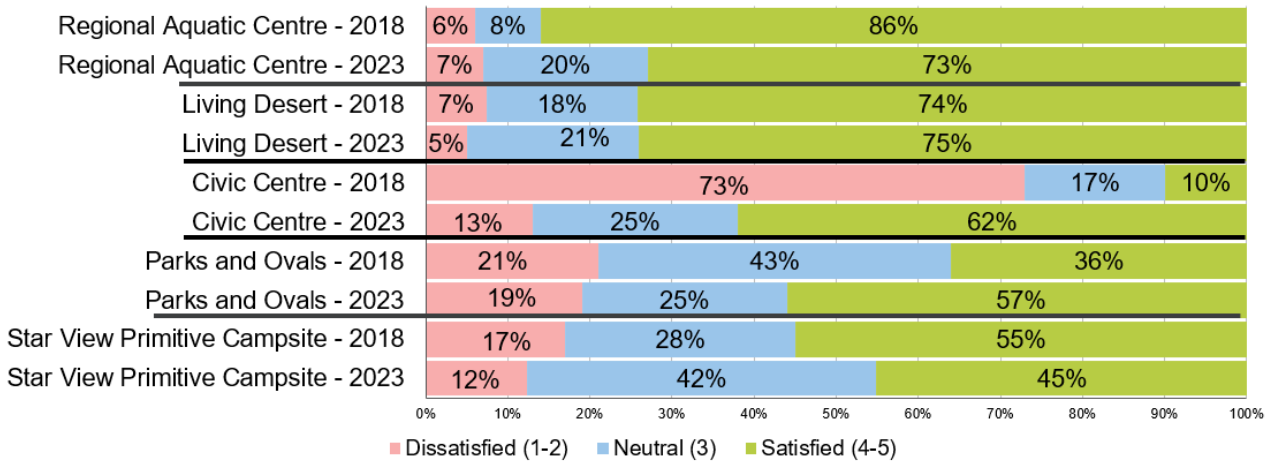
Figure 7 Overall Customer Satisfaction Comparison



Source: BHCC Community Satisfaction Survey 2023

Results of the survey are shown below. Open Space assets have some of the highest satisfaction rates although not all open space assets were included in the survey. Council should consider these findings when calculating the required maintenance and cost to satisfactory.

Figure 8: Satisfaction Results with Public Facilities



4. FUTURE DEMAND

4.1. DEMAND OVERVIEW

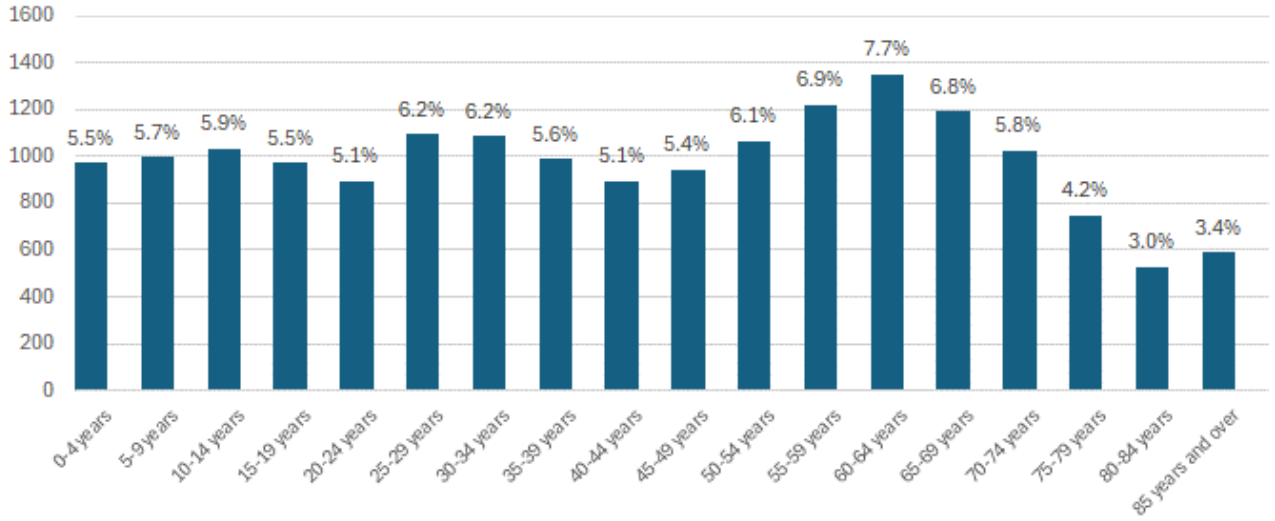
The demand drivers and their impacts on services are shown in the table below: Demand is explored in more detail in the Open Space-related strategies.

Table 12: Demand Drivers

Demand Drivers	Present Position	Projection	Impact on Service
Population Increase	17,588 (2021 ABS Census)	Based on Councils most recent economic and data projections Council is estimating that between 2023 and 2046 the population for Broken Hill to increase by 197 persons	Population estimates expect to maintain a steady demand for services.
Demographic change	Ageing demographic. 41 % of the population is 50 years and over	Ageing population is likely to continue	Ageing population is expected to increase demand for accessible Open Space to people with limited mobility or vision. Council also has obligations under the disability inclusion action plan to provide equitable access for those with less mobility.
Climate Change	Increased overall temperatures	Increase in number of hot days	Hotter weather reduces use of open spaces and may increase demand for shade, drinking water and water play facilities.
Tourism	Increased number of tourists and events	Tourist numbers increasing	Tourists' expectations of open spaces and attractions.

The population of Broken Hill (as of the 2021 ABS Census) is at 17,588 with projections showing the population decreasing.

Figure 9: Age Distribution of Broken Hill



Source: ABS 2021 Census Broken Hill

4.2. DEMAND MANAGEMENT PLANNING

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

Opportunities identified to date for demand management are shown in the table below.

Table 13: Demand Management Plan Summary

Demand Drivers	Impact on Service	Demand Management Plan
Population	Population is expected to have minimal impact on the demand for maintenance of Open Space infrastructure.	Prioritise asset renewals through a risk management approach.
Demographic change	Ageing population is expected to increase demand for accessible Open Space infrastructure to people with limited mobility or vision. Council also has obligations under the disability inclusion action plan to provide equitable access for those with less mobility.	In forward planning, account for the possibility of decreased funds due to ageing demographic.
Climate change	Hotter weather may increase demand for shade, drinking water and water play facilities.	Consider future climate conditions when designing new and renewed assets.

5. LIFECYCLE MANAGEMENT

5.1. ASSET CONDITION

The condition of Council's assets by asset type, derived from the working papers for the 22/23 financial statement is shown below.

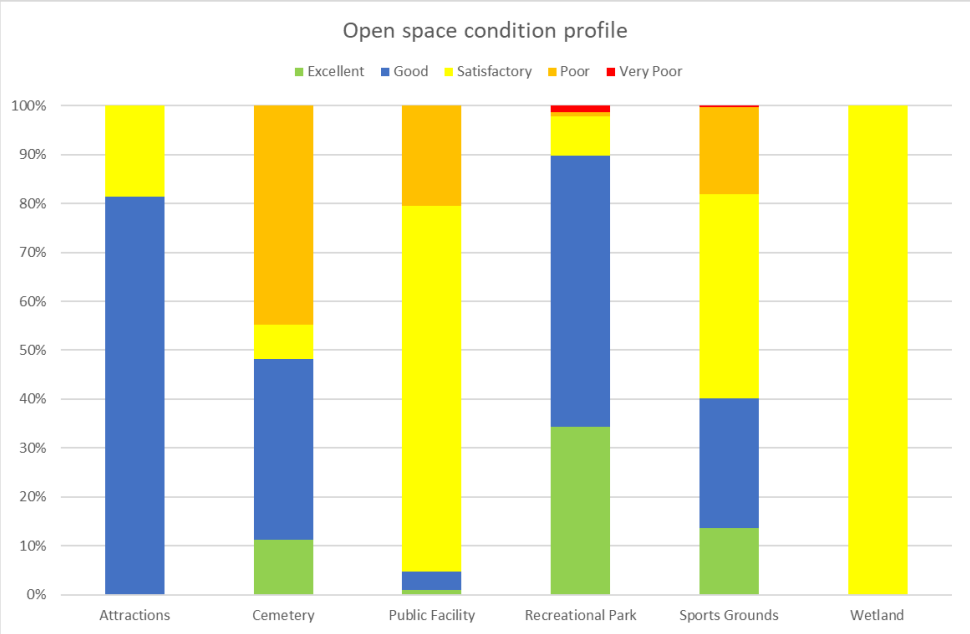
Table 14 Condition of Council's Assets

Asset Class	Asset Type	Condition					
		1	2	3	4	5	Grand Total
Other Infrastructure	Other Infrastructure	17%	30%	37%	15%	2%	100%

Facility type	Excellent	Good	Satisfactory	Poor	Very Poor	Grand Total
Attractions	0.00%	81.39%	18.61%	0.00%	0.00%	100.00%
Cemetery	11.31%	36.94%	7.02%	44.73%	0.00%	100.00%
Public Facility	1.04%	3.65%	74.77%	20.53%	0.00%	100.00%
Recreational Park	34.34%	55.45%	8.11%	0.76%	1.35%	100.00%
Sports Grounds	13.61%	26.52%	41.70%	17.85%	0.33%	100.00%
Wetland	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
Grand Total	**19.08%**	**34.75%**	**33.21%**	**12.34%**	**0.62%**	**100.00%**

The asset condition based on consumption score in the most recent revaluation is shown below.

Figure 10: Asset Condition by Group



5.2. SYSTEMS

Information systems are essential for storing and analysing asset information to make good asset management decisions. The key asset management information systems used for the Open Space portfolio are summarised in the table below.

Table 15: Systems

System	Function
Civica	Finance asset register
IAM.Omni	Defect recording and works order management
Geographic Information Systems (GIS)	Mapping and spatial information including asset condition from condition assessment

5.3. LIFECYCLE PLAN -ACQUISITION STRATEGIES

New works 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 organisation from land development.

New assets are excluded from the modelling in this Asset Management Plan so that the forecasts reflect the current value and condition of the asset portfolio.

There is one Major projects in the Open Spaces portfolio include:

Project	Total budget
E.P. O'Neill Memorial Oval Redevelopment Project - Stage 1	$6,837,409

This project represents up to 34% of the open space portfolio value.

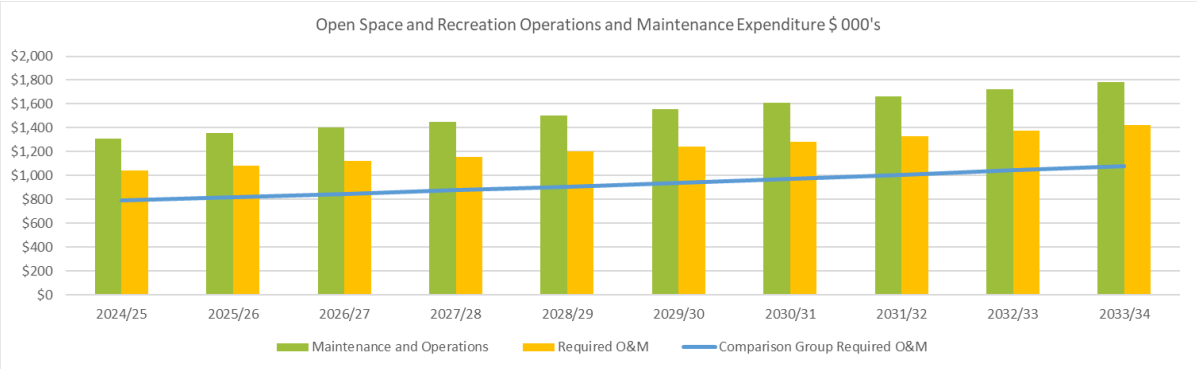
5.4. LIFECYCLE PLAN – MAINTENANCE STRATEGIES

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functioning but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life. Typically, this can be categorised as:

- Reactive Maintenance - work on defects, failures and or damaged assets that are not able to be used or operated or are about to fail.
- Planned Proactive and Cyclical Maintenance – mowing, weed removal, pruning, painting.
- Operations – cleansing, herbicide application, water quality testing, pest control. Some councils include utilities in their operational expenditure.

Reviewing OPEX expenditure against required spend (as identified in its 2022/23 financial statements), Council is currently exceeding the required expenditure to operate and maintain its network (either as reported or compared to similar councils). However, further investigation is required into whether all costs are operational in nature and whether any costs are associated with other asset classes.

Figure 11: Open Space Operations and Maintenance Expenditure



5.5. LIFECYCLE PLAN – RENEWAL STRATEGIES

Renewal and replacement 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 or lesser required service potential.

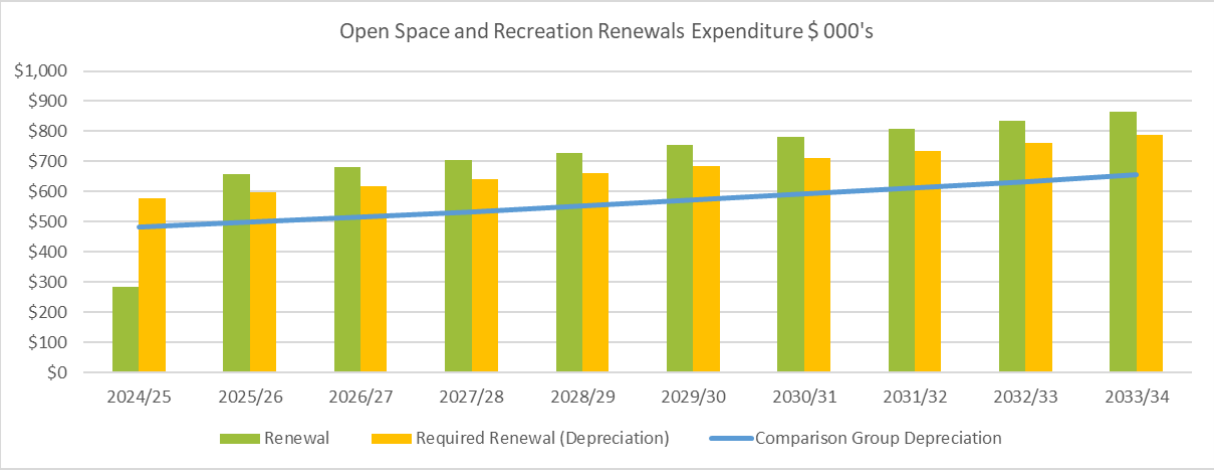
Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure. Assets requiring renewal/replacement are identified using condition and defect data to determine critical renewals.

A proposed renewal criteria table for proposed projects is shown below.

Table 16: Renewal Criteria

Criteria	Weighting
Community – Function/necessity	25
Quality	5
Risk Assessment	40
Capital Expenditure	15
Lifecycle expenditure	15
Total	**100%**

Figure 12: Open Space CAPEX Expenditure



Council compared its budgeted/actual CAPEX expenditure for its Open Space portfolio against its annual depreciation requirements. This showed that Council currently has adequate funds to meet the required level of funding. Council also compared its depreciation against similarly categorised councils by the OLG which showed that Council depreciates its assets at a rate slightly higher than that of the comparison group. There can be many reasons for the difference including how councils classify their assets and what valuation approaches they take.

6. RISK MANAGEMENT

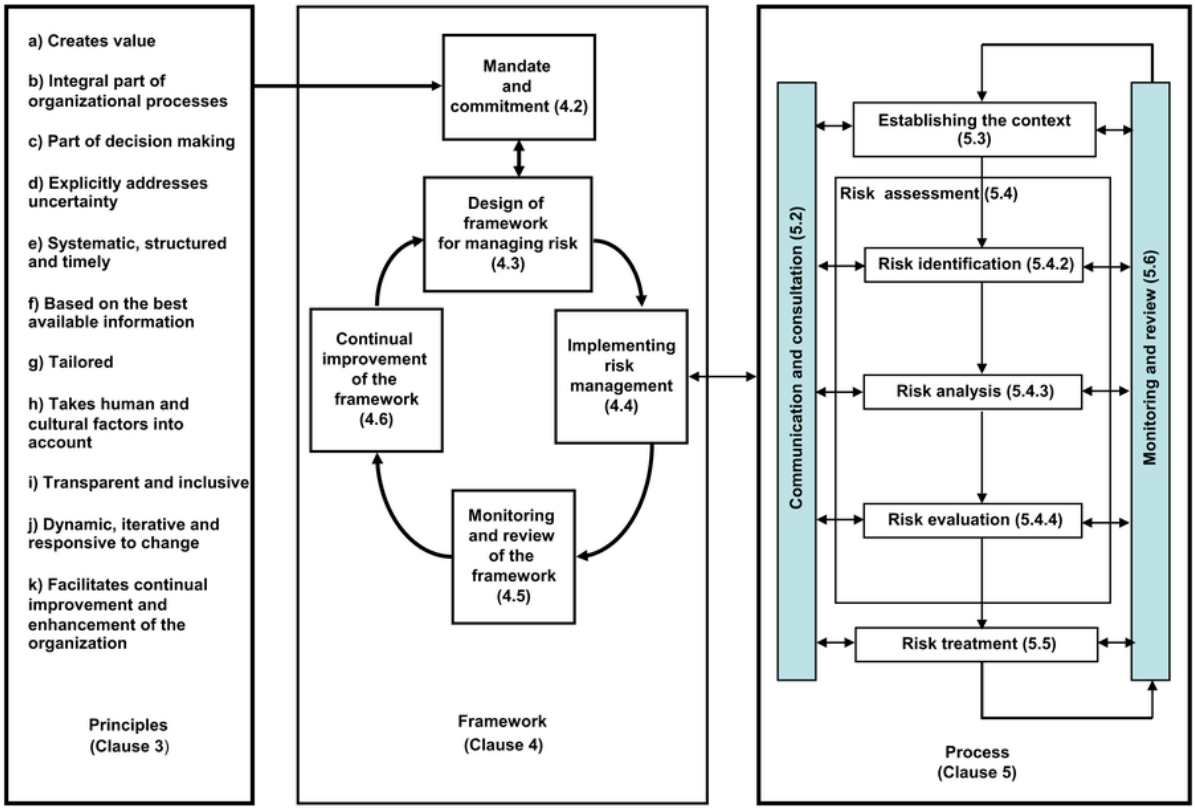
6.1. RISK MANAGEMENT APPROACH

Risk management is defined in 'AS/NZS 4360:2004' as "the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects".

Council is committed to a structured and systematic approach to the management of risk with Council's enterprise risk management framework aligned with ISO 31000:2018. This aims to embed the principles of risk management in all aspects of Council's operations, which ultimately:

- Increases the likelihood of Council achieving its objectives.
- Creates an environment where all employees have a key role in managing risk.
- Encourages proactive management.
- Improves the identification of opportunities and threats.
- Improves stakeholder confidence and trust.
- Improves financial stability and minimise losses.
- Improves organisational performance.

Figure 13: ISO 31000 Framework



This is a structured, best-practice and proven approach that is to be applied Council-wide to support the management of strategic, operational, financial, regulatory and other risk. Under this approach, there are five key stages to the risk management process:

- **Communicate and Consult** - With internal and external stakeholders
- **Establish Context** - The boundaries
- **Risk Assessment** - Identify, analyse and evaluate risks
- **Treat Risks** - Implement and assess controls to address risk
- **Monitoring and Review** - Risks reviews and audit

6.2. INFRASTRUCTURE RISK MANAGEMENT FRAMEWORK

Council has undertaken an analysis of the key infrastructure risks for each of its asset classes in its operational risk register. The risk analysis (likelihood and consequence) and treatment criteria specific to each asset class have been identified and in general, risks are evaluated in the following way:

- Risk Identification
- Risk Analysis
- Risk Treatment
- Risk Treatment plan

6.3. INFRASTRUCTURE RISKS

Council has identified high-level infrastructure-based risks that are associated with the management of its assets in accordance with its corporate infrastructure risk management framework. A summary of these risks can be found in the following table.

Table 17: Summary of High-level Risks

Service or asset at risk	What can happen	Risk Rating	Risk treatment options	Residual risk	Cost indication
Playgrounds	Injury and/or damage as a consequence of deterioration of assets	Medium	1) Regular condition assessments 2) Maintenance reports on structural assets 3) Sufficient allocation of funding and resources	Low	$$
All Open space	Insufficient maintenance increases the risk of injury to users and damage to assets	High	1) Service levels for preventative maintenance optimised 2) Inspections of completed maintenance works	Low	$$
All open space	Natural events – Flooding, bushfire, earthquake result in asset loss or service closure	High	1) Design and implement controls for flooding and fire safety controls 2) Closure of facilities in event of natural events	Low	$
All open space	Injury or death while using facilities	High	1) Inspections of open space assets to identify and rectify hazards 2) Design and construction of infrastructure to reduce risk of injury	Low	$

6.4. INFRASTRUCTURE RESILIENCE

Organisational resilience refers to the ability of Council to continue to execute its responsibilities throughout adverse events. Infrastructure resilience refers to the ability of infrastructure to withstand increasingly frequent and severe weather events as well as overall increasing temperatures.

Climate Change is a significant driver of infrastructure risk (see International Infrastructure Management Manual 2020, online version, section 3.2.8). Examples of the hazards posed by climate change are shown below.

Table 18: Hazard Examples Posed by Climate Change

Threat/Hazard	Resilience (L, M, H)	Improvements/Interventions
Extreme weather events	Low	Ensure Council's emergency Management Plan remains current and covers all reasonably foreseeable potential emergencies
An increase in the number of hot days per year affecting open space usage	Medium	Provide shade, drinking water, tree canopy coverage to reduce effects of heat.
Climate change leading to more frequent and severe weather events	Low	Develop an infrastructure resilience strategy

6.5. CRITICAL ASSETS

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at the appropriate time.

Operations and maintenances activities may be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc.

Table 19: Criteria for Assessing Critical Facilities

Criteria	High	Medium	Low
Essential Services	Yes	No	No
Size	Large	Medium	Small
Multipurpose	>3 user groups	2-3 users	1 primary user
Frequency of Use	Daily	3 - 4 times per week	1 - 2 times per week
Historical Significance	Yes	No	No
Emergency Service/Management Use	Yes	No	No

No facilities are identified as critical. Asset types identified as critical in this portfolio are shown in the table below:

Critical Asset	Failure Mode	Impact
Irrigation Systems	Not operating	Damage to turf Unsafe playing conditions Cancellation of sporting fixtures Reputational damage
Playground Equipment	Component failure	Injury to children Closure of playground Reputational damage

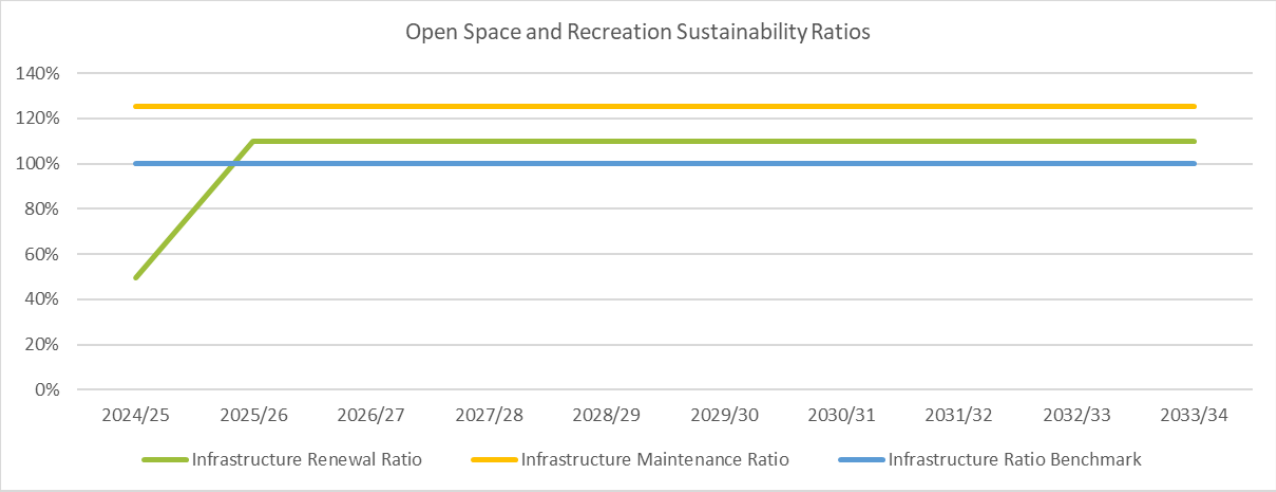
7. FINANCIAL SUMMARY

7.1. FINANCIAL PERFORMANCE

Council's sustainability ratios are shown in the charts below. Based on the proposed budget 24/25, the infrastructure renewals ratio is above the OLG benchmark of 100%.

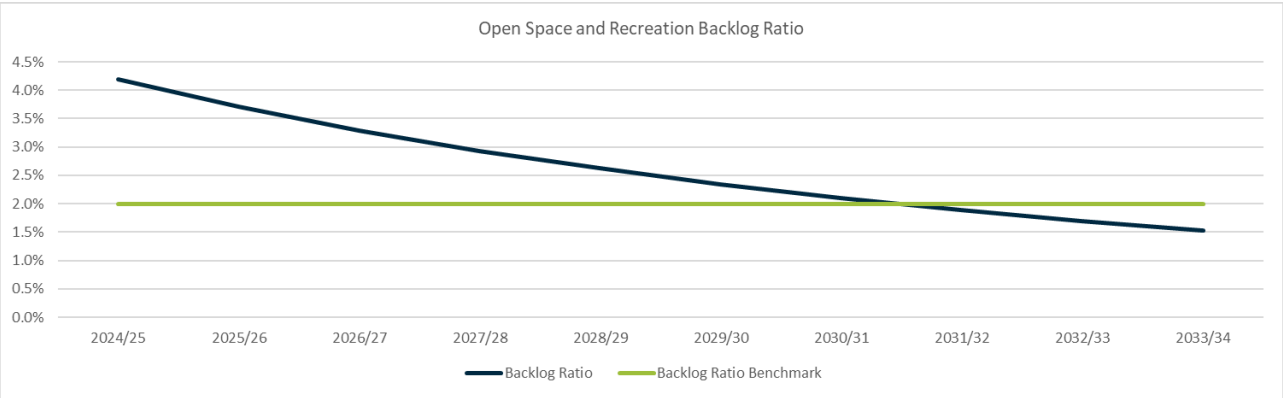
The reported maintenance ratio is below the OLG benchmark of 100%, however this ratio is highly dependent on the calculation method and Council's assumptions about what is considered "maintenance."

Figure 14: Open Space Sustainability Ratios



Based on the strategy of funding renewals at a rate of depreciation plus ten percent, Council's backlog ratio will reach the benchmark around 2030/31. In reality, the benchmark may be reached sooner due to the effect of capitalising the E.P. O'Neill sporting precinct project, which will increase the proportion of assets in condition 1 and thus the written down value. Any new or upgraded component will increase the value further, compounding the effect. For this reason the project has been excluded for the modelling in this AMP.

Figure 15: Open Space Backlog Ratio



7.2. Expenditure forecast

Table 20: Expenditure Forecast

Expenditure Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Actual (Budgeted) Expenditure										
Renewal	$125	$753	$779	$806	$835	$864	$894	$925	$958	$991
New and Expanded	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Maintenance and Operations	$1,309	$1,355	$1,402	$1,451	$1,502	$1,554	$1,609	$1,665	$1,723	$1,784
Total Expenditure	**$1,434**	**$2,107**	**$2,181**	**$2,258**	**$2,337**	**$2,418**	**$2,503**	**$2,591**	**$2,681**	**$2,775**
Required Expenditure										
Required Renewal (Depreciation)	$661	$685	$709	$733	$759	$786	$813	$842	$871	$901
New and Expanded	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Required O&M	$1,237	$1,280	$1,325	$1,371	$1,419	$1,469	$1,521	$1,574	$1,629	$1,686
Total Required Expenditure	**$1,898**	**$1,965**	**$2,034**	**$2,105**	**$2,179**	**$2,255**	**$2,334**	**$2,415**	**$2,500**	**$2,587**
OPEX Balance (GAP)	$72	$74	$77	$80	$82	$85	$88	$91	$95	$98
RENEWAL Balance (GAP)	-$536	$68	$71	$73	$76	$78	$81	$84	$87	$90
TOTAL Balance (GAP)	**-$465**	**$143**	**$148**	**$153**	**$158**	**$164**	**$169**	**$175**	**$181**	**$188**
Comparison Group Required O&M	$937	$970	$1,004	$1,039	$1,075	$1,113	$1,152	$1,192	$1,234	$1,277
Comparison Group Depreciation	$570	$590	$610	$632	$654	$677	$701	$725	$750	$777

Figure 16: Renewals Forecast

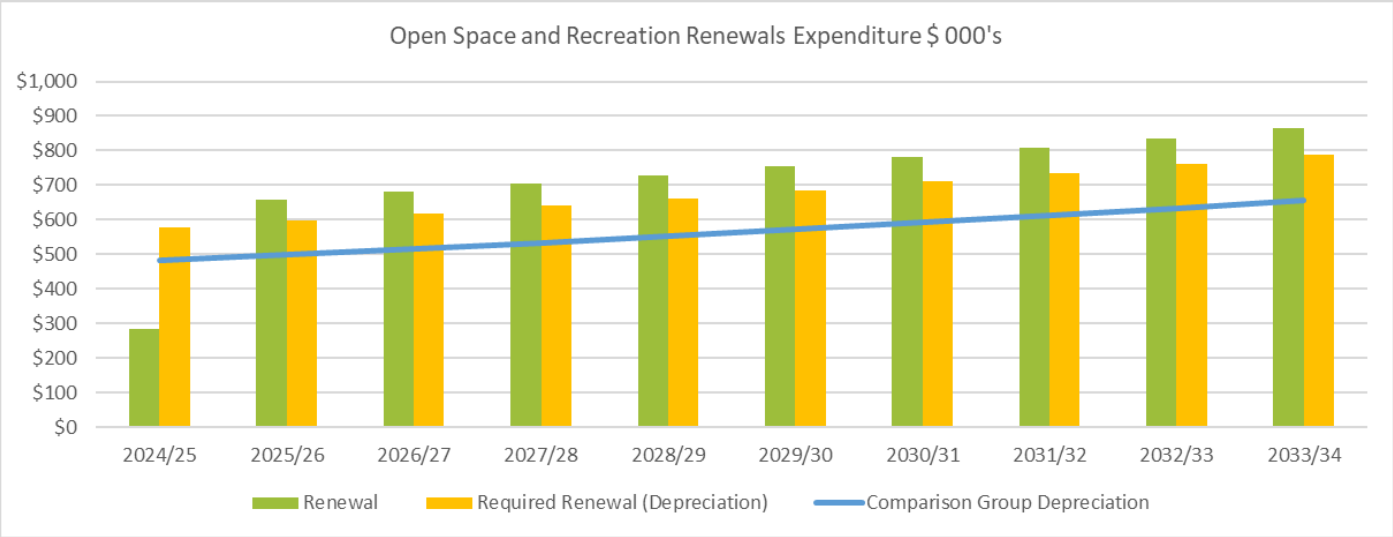
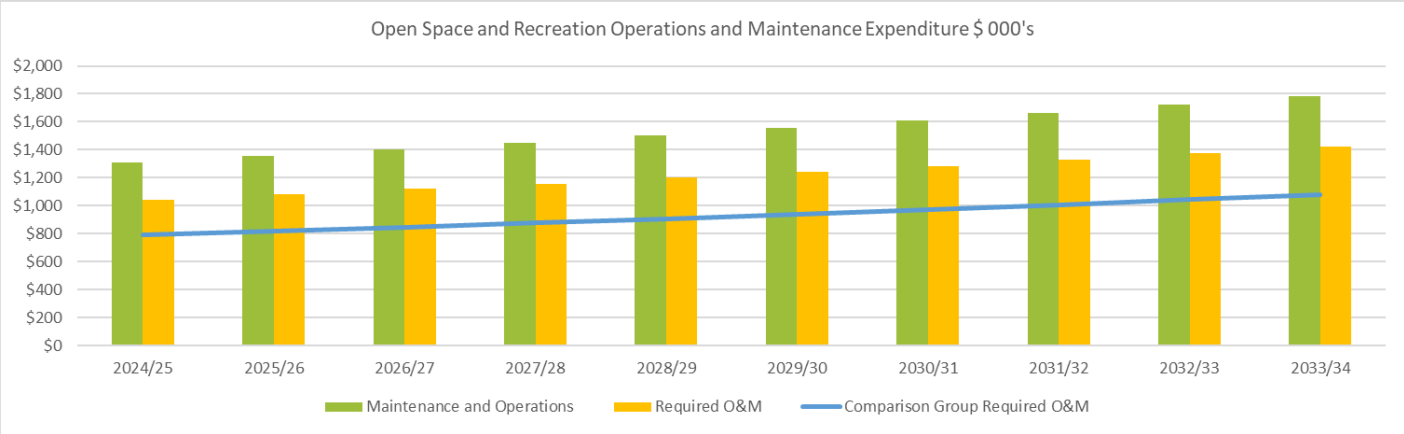


Figure 17: Operations and Maintenance Forecast



7.3. ASSET VALUATION SUMMARY

The valuation of assets is a fundamental part of the asset management cycle. It provides the critical link between asset management and financial management. The values of council's Open Space assets are shown in the following table.

Table 21: Asset Valuation Summary

Asset Type	Sum of Value at cost	Sum of Acc Depreciation	Sum of Current Value	Sum of Depr YTD
Fences	321,376	-147,444	173,932	-8,976
Hardstand and internal roads	3,459,488	-1,970,719	1,488,769	-103,539
Landscaping	1,906,793	-900,735	1,006,058	-52,095
Lighting	706,860	-230,204	476,656	-20,850
Miscellaneous	360,234	-159,984	200,250	-8,205
Park assets	3,650,852	-939,315	2,711,537	-104,301
Recreation - Picnic shelter/rotunda	29,484	-16,725	12,759	-257
Retain walls	757,134	-300,542	456,592	-6,802
Sporting equipment	6,993,018	-2,880,696	4,112,321	-312,440
Grand Total	**18,185,238**	**-7,546,365**	**10,638,874**	**-617,464**

Source: SS7 workings for 2022/23

7.4. ASSUMPTIONS AND CONFIDENCE LEVELS

7.4.1. Financial Assumptions

This plan is based on audited financial statements 2022/23, the adopted budget 23/24 and draft budget 24/25.

An indexation rate of 3.5% has been applied to future years forecasts.

7.4.2. Confidence of Financial Forecasts

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the following grading system, as outlined in the following below.

Table 22: Asset Data Confidence Scale

Confidence Grade	General meaning
Highly Reliable	Data based on sound records, procedure, investigations and analysis that is properly documented and recognised as the best method of assessment.
Reliable	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.
Acceptable	Data based on sound records, procedures, investigations and analysis with some shortcomings and inconsistencies.
Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample.
Very Uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Summary of confidence in asset data for all asset classes is detailed in the table below.

Table 23: Asset data confidence rating

Asset Class	Inventory	Condition	Age	Overall
Open Space	Reliable	Acceptable	Reliable	Reliable

The overall confidence level of the plan is considered to be '**Reliable**'.

8. PLAN IMPROVEMENT AND MONITORING

Table 24: Improvement Plan Actions and Monitoring

Improvement Plan - Key High Priority Actions Area	Action	Priority	Owner	Cost Indication	Timing
Asset Knowledge and Data	Council to develop and document guidelines and adopt a consistent approach for condition and defect assessment.	Medium	Assets	$	25/26
	Council to align technical and financial asset registers and processes to achieve a "single source of truth" for its assets	High	Assets	$	24/25
	Council to review its special schedule 7 reporting to ensure cost to satisfactory and cost to level of service capture agreed service levels	Very High	Assets Finance	$	24/25
Strategic Asset Planning Processes	Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX	High	Assets Finance	$	24/25
	Council to develop comprehensive maintenance and renewal strategy for the management of its assets.	Medium	Assets	$	25/26
	Council to review current service levels and develop outcome-based service levels which align with IP&R Framework.	High	Assets Operations	$	24/25
	Council to engage community on developed service levels.	High	Assets	$$	24/25
	Council to undertake risk and criticality assessment of its asset portfolios.	High	Assets Operations	$	24/25
	Council to develop asset criticality framework to help define its critical infrastructure and assets	High	Assets Operations	$	24/25
Operations and Maintenance Work Practices	Following criticality assessment, Council to develop management	High	Assets Operations	$	25/26

Improvement Plan - Key High Priority Actions Area	Action	Priority	Owner	Cost Indication	Timing
	strategies for critical infrastructure.				
Organisational Context	Review asset management roles and responsibilities to ensure that all functions of asset management are covered and are being carried out.	High	Executive	$	24/25
	Develop roles and responsibilities matrix to ensure that asset ownership and custodianship for all assets are known and communicated.	High	Executive	$	24/25
	Develop a training plan for all staff undertaking asset management planning functions.	High	Assets	$	24/25

8.1. IMPROVEMENT MONITORING

This plan will be reviewed annually. Improvement actions will be monitored by the Strategic Asset Management Coordinator.

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CITY COUNCIL

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