Preamble

In accordance with a resolution of Council on 21 June 2005 to include definitions of Council, Councillors and Council officers in all Council policy documents, the following definitions are provided:

Council – means Casey City Council, being a body corporate constituted as a municipal Council under the Local Government Act 1989

Councillors – means the individuals holding the office of a member of Casey City Council

Council officers – means the Chief Executive Officer and staff of Council appointed by the Chief Executive Officer.
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<table>
<thead>
<tr>
<th>Date Issued</th>
<th>Key Changes</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Aug 2007</td>
<td></td>
<td>Issued for EMG approval</td>
</tr>
<tr>
<td>7 Sept 2007</td>
<td></td>
<td>Issued for Public Submission</td>
</tr>
<tr>
<td>25 Feb 2008</td>
<td>New Capital Works amended to be consistent with Draft Leisure and Facilities Development Plan</td>
<td>Issued for adoption</td>
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</tbody>
</table>
Casey’s Open Space Assets

Open space contributes to the social, ecological and economic well-being of the community by providing a place for
— Events
— Organised and spontaneous recreation
— Appreciation of the natural environment
— Conservation of the natural environment.

The assets that support the open space environment include sportsfields, playgrounds, carparks, paths utilities (power, water, drains) park furniture, garden beds, trees and grassed areas. Collectively, these assets have a current replacement value of $114 million, and a depreciated value of $90 million. This Plan excludes pavilions, public toilets and other buildings, which are covered by the Buildings Asset Management Plan.

The Asset Management Plan

The Open Space Asset Management Plan (AMP) is a cornerstone document that guides the work of Council staff involved in open space management. It will be reviewed regularly to provide assurance to Council, customers and other stakeholders that the open space assets that Casey is responsible for are being managed efficiently and sustainably.

The AMP is an internal working document that provides a comprehensive reference for asset managers and other staff. It is detailed and comprehensive, and forms the basis for this summary plan.

The AMP delivers a considered and planned approach to the long-term management of assets. By providing a framework for optimising future expenditure to match the community’s desired levels of service, the plan will enable the most efficient allocation of resources. This has the two key benefits of providing:
• The right service at the lowest long-term cost; and
• A business planning tool to maximise efficiency.

The AMP is a tactical Plan that links Casey’s overall Council Plan objectives to the implementation of specific works programmes. A key output of the AMP is the set of tactics used to determine intervention levels, maintenance standards and the nature and frequency of inspections for open space assets.
Purpose of this Document

The purpose of this summary document is to present an overview, so the Council can consider and adopt the Open Space Asset Management Plan 2008. It is also intended to provide a basis for expenditure levels for the next three years and, in combination with the Council’s other Asset Management Plans, provide a basis for the long-term financial strategy.

This document has been written to provide a simple, easy to understand overview of Casey’s Open Space Assets, the Levels of Service delivered by those assets, and the medium to long term financial requirements.

An important objective is to provide sufficient information to enable the Council and the community to fully understand the value of the services. This document will therefore provide an important basis for ongoing consultation and information sharing.

Structure of the AMP

Levels of service that the Council is delivering on behalf of the community are determined by considering the needs and desires of those using the assets. These levels of service and a comprehensive risk assessment determine the inspection regimes and maintenance and renewal strategies. Key performance measures are used to enable the Council to assess and monitor the sustainability of the assets. The AMP also identifies growth issues and trends in the demand for services.

The financial implications of each section of the AMP are combined to define the long-term financial requirements for Casey.

The AMP includes an improvement programme to continually refine and improve asset management practices and processes.
Open Space Key Issues

**Goals and Objectives**

The City of Casey Council Plan defines the Council’s purpose:

“The City of Casey, through leadership and community partnership, will promote: city pride; community development; quality services; managed growth with balanced development; and improved opportunities for learning, businesses and jobs.”

The Council’s detailed strategic objectives outlined in the Council Plan to support this mission statement include:

- ensure a clear understanding of community needs and priorities
- measure performance and report to the Community
- significantly enhance the efficiency and effectiveness of Council’s services
- implement a program to protect and enhance the natural environment
- manage our indigenous flora and fauna
- develop awareness and encourage involvement of the community in the preservation and improvement of the natural environment
- foster the creation of a safe, secure and healthy City
- maximise the contribution of developers to the provision of physical assets
- planning and delivery of Council’s capital works program
- advocate for the provision of public and private sector community assets
- maintain assets according to Asset Management Plans
- implement innovative strategies for ongoing maintenance
- investigate more cost-effective methods of maintenance

The Asset Management Plan is a key tool to enable achievement of the above objectives for the Council’s infrastructural assets. The primary goal of the Asset Management Plan is to:

“meet a required level of service in the most cost effective way (through the creation, operation maintenance and disposal of assets) to provide for existing and future customers”

**Business Drivers**

Councils are required by the Local Government Act to consult with the community and consider the following when developing quality and cost standards:

- Best on offer in public and private sectors
- Value for money
- Community expectations and values
- Balance of affordability and accessibility
- Opportunities for local employment and growth
- Partnership building
- Environmental sustainability

The Council has a legal and ethical responsibility to ensure a high standard of public safety at the playgrounds, sportsfields and passive reserves under its control.

**Significant Issues**

As one of the fastest growing municipalities in Victoria, the City of Casey has the challenge of ensuring a large number of quality reserves and associated assets are acquired on behalf of the community in a timely manner, while providing a cost-effective service to the present community.

A number of strategic documents related to asset-based services are being developed and updated to provide for this high-growth environment, which will impact of future versions of this Plan. These include the Leisure and Facilities Development Plan, the Open Space Strategy and the Playground Strategy.
There is also need for an improved path network for pedestrian, equestrian and bicycle use which includes the need for additional paths within and through existing reserves.

Open space assets require a significant amount of water to maintain them in good condition and the supply of irrigation water is becoming an issue of increasing importance given the low rainfall over recent years and the likely effects of climate change in the long term.

**An integrated management Approach**

The asset management Plan is developed using an integrated approach, as shown in the diagram below.

Strategic goals are considered along with historical trends and infrastructural needs. These are integrated with key business drivers and service levels. Management strategies are defined, covering new investment, day to day programmes and risk. All of these are applied to knowledge of the assets, both physical and financial. Key outputs and outcomes are defined to enable monitoring of the plan’s effectiveness.
Demand Trends

There are approximately 75,000 households in Casey (2006); double that of the same area 25 years ago.

This trend is expected to slow, however Casey will continue to be one of the fastest growing municipalities in Australia with a further 37,000 households (50% increase) expected over the next 15 years.

This growth will lead to a corresponding 50% increase in the quantity of reserves that the City of Casey is responsible for.

The increased population will require a significant investment in open space assets develop the full potential of these reserves for the community. This aerial photograph of the new Casey Fields sports facility under construction is an example of the assets that need to be developed as the City grows. Such regional facilities are often made possible by significant funding assistance from the State Government.
The Assets

Key Facts

The City of Casey’s Open Space portfolio includes 242 playgrounds, over 70 sports-grounds, various courts and other assets that support active and passive recreation. These assets are located in various reserves within the City of Casey, as shown in Attachment 1 to this Plan.

The Open Space AM Plan does not include buildings, which are the subject of a separate Plan.

Over half of the asset value is in the planting, most of which is the value of grassing the reserve at initial construction.

<table>
<thead>
<tr>
<th>Asset Description</th>
<th>Quantity</th>
<th>Replacement Value ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports facilities (excluding buildings) lump sum</td>
<td></td>
<td>22.1</td>
</tr>
<tr>
<td>Playgrounds</td>
<td>242</td>
<td>5.3</td>
</tr>
<tr>
<td>Paths</td>
<td>160 km</td>
<td>7.3</td>
</tr>
<tr>
<td>Car parks and access roads</td>
<td>27 ha</td>
<td>12.6</td>
</tr>
<tr>
<td>Utilities (drainage, lights, irrigation) lump sum</td>
<td></td>
<td>6.4</td>
</tr>
<tr>
<td>Park furniture</td>
<td></td>
<td>4.4</td>
</tr>
<tr>
<td>Plant life (grass, trees and plant beds)</td>
<td>880 ha</td>
<td>56</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>114</strong></td>
</tr>
</tbody>
</table>

Of the constructed assets, 40% of the replacement value is associated with sportsgrounds, courts and associated facilities (excluding buildings). Access facilities (paths, car parks and access roads) also make up a significant proportion (28%) of the asset base.
Asset Condition and Performance Data
(Example – Playgrounds)

Regular inspections and maintenance activities are undertaken to ensure open space assets are kept in good condition. Nevertheless, assets deteriorate with time and overall condition inspections are necessary every few years to determine their remaining useful life.

There has been little need to replace assets in Casey to date, as significant development did not occur until the 1970’s. However, playground equipment has a generally accepted life of about 15 years and there are a number of playgrounds in the municipality that are considerably older than this. The limiting criterion is not so much the structural condition, but a performance issue and the need to meet current standards.

Playgrounds were last assessed for condition and performance in 2005 as part of a development strategy. 80% of the asset base was found to be in good (or better) condition with little capital works required within the next five years.
Similarly, sportsfields are regularly assessed. Ovals like the Arch Brown Reserve shown here are inspected monthly during sports seasons for performance, including surface hardness.

Managing Risk

The City of Casey uses a three-stage framework to identify, evaluate and treat risks associated with its functions.

**Corporate risks** are risks to the business as a whole and are managed through a corporate risk register.

**Strategic infrastructure risk** is managed through the development of work programmes and strategies.

**Operational risks** are managed on a day-to-day basis by field staff through quality assurance, operating and safety procedures and a field risk-scoring system.

Strategic infrastructure risk management involves the systematic identification, analysis and evaluation of risks across all assets. Initially assets are screened to identify those assets which, because of their location or function have a significant impact to the business if they fail. It is then necessarily to consider how the assets will fail (e.g. condition or capacity) to determine the likelihood and consequences (social, environmental and economic) of failure. Risk action plans are then developed.
Levels of Service

Service levels for Open Space Assets

A level of service is the defined service quality for a particular activity or service area (e.g. roads, footpaths, drainage etc) against which service performance can be measured. Levels of Service must be meaningful and address the issues customers perceive to be important.

Service levels developed for the Casey road network are based on the following:

- **Legislative Requirements**: legislation, regulations, environmental Standards and Council by-laws;
- **Technical**: Australian Design Standards and other codes providing minimum service parameters for infrastructure delivery;
- **Strategic and Corporate Goals**: key directions that council focus on to deliver current and future services; and
- **Community**: information gathered from customers on quality and cost of services – ordinarily from surveys and public consultation.

Key Stakeholders

The following principal groups that have an interest in the quality of services provided by open space assets have been identified:

- **Community** – unstructured and organised use of open space facilities by residents, groups and businesses
- **Sports clubs and organisations** – use facilities formally and informally for events and training
- **Educational Institutions** - use active and passive open space areas
- **Pedestrians, cyclists and horse-riders** – use path network through and within reserves
- **Friends Groups** – enhance the quality of open space flora, fauna and users
- **Developers** – Provide contributions and infrastructure as a condition of development or to enhance subdivisions
- **Regulators** – DVC, DSE, State and Federal Government, and
- **Key Partners** – e.g. Police, neighbouring authorities

Customer Expectations

Consultation is a key to understanding expectations. This has included feedback from individual customer contact on a day to day basis, and the Council’s annual satisfaction surveys, interviews with park users and focus groups.

Satisfaction with recreation facilities and the appearance of open areas is shown in this chart. The surveys show that satisfaction levels generally improved until 2003 and have stabilised since then. Currently, around 80% percent of ratepayers rate the services as satisfactory or better, with about 20% believing they are less than adequate.

The satisfaction levels indicate that for a substantial group of ratepayers there is a significant gap between the service they expect and the service they believe they are receiving. A customer research project has identified some of the reasons for this shortfall in expectations. This will be followed up with surveys to determine their willingness to pay for alternative service levels, and subsequently a change in work programs if necessary.
Levels of Service have been defined for key issues affecting the City of Casey’s infrastructure, as tabled below. Strategies to ensure that these are achieved are also listed.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Desired Outcome</th>
<th>LOS Measure</th>
<th>Strategies</th>
</tr>
</thead>
</table>
| **Accessibility** | Facilities are easy to get to | • Off-street carparking provided at regional and district facilities  
• High level of satisfaction with paths in open spaces (to be measured) | • Improved path network within and through reserves as part of the Council’s overall path improvement strategy |
| **Community input** | Opportunity for community input into levels of service and capital projects | • Opportunity for comment on this document, consulted on all major projects | • Community level of service review completed by December 2007  
• Opportunity to comment on all major projects |
| **Health and Safety** | Park users feel safe in open spaces | • Audits demonstrate compliance with maintenance contract and all relevant legislation  
• Park users feel safe in Casey open spaces (measured by survey) | • Hazard and condition inspections according to programme  
• Risk minimised according to risk strategy |
| **Responsiveness** | Responses are prompt, clear and work appropriately prioritised | • 95% requests responded to within 10 days  
• Staff appropriately trained | • Implement prioritisation and recording procedures |
| **Quality** | Facilities provide a quality experience for all users | • To be measured by resident survey  
• Benchmark against industry standards (targets to be set) | • Audit procedures  
• Maintain parks according to Operational Procedures |
| **Quantity** | Sufficient number of facilities for open space activities | • Satisfaction with facilities and distance to them to be measured by resident survey | • Revise strategies through Leisure facilities development Plan |
| **Cost effectiveness** | Stakeholders get best value for money | • Services cost-effective compared to other authorities | • Best value reviews  
• Level of Service review  
• Review of capital works prioritisation process |
| **Environmental** | Health of parks vegetation and ecosystems | • All works in parks comply with relevant legislation, publications, standards and specifications | • Contract audits  
• Stormwater Management Plan |

The City of Casey regularly surveys its assets to detect hazards and develop maintenance and capital works programmes, for example for the frequency of cutting grass and maintaining path standards.
**Financial Projections and Programs**

**Asset lifecycle Management**

Asset management defines four main work categories. The difference between each is important, and it is necessary to monitor performance and expenditure in each area in order to be able to optimise future costs and to recognise changes in the capacity of the assets to perform their required function. The Asset Management work categories are:

- **Operational**: utilisation of assets, such as, cleaning, monitoring and irrigation. These activities do not change the physical nature of the assets. Expenditure by the Council on assets that are not owned by the Council (e.g. lighting owned by a power company or a sports club) are also treated as an operational expense regardless of which category would apply to the respective organisation.

- **Maintenance**: Day-to-day work on assets to keep them functioning at the desired service levels. Maintenance activity involves physical changes to the assets, such as repair of park furniture and painting. The cost is expensed in the period.

- **Renewal**: replacement or rehabilitation to original size and capacity of an asset or component. Renewals are “capitalised”, so that the cost can be depreciated over the future life of the asset.

- **New assets**: activities that create an asset that did not exist previously, or extend an asset beyond its original size or capacity. New assets are also “capitalised”, but they increase the asset base rather than restore its capacity to perform. New works projects include new sport and recreation facilities as well as extensions and the upgrade component of improvements.

In addition, where Asset Disposal involves expenditure, this must also be accounted for, along with any residual value.

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The Asset Management Plan identifies the programmes that are needed to minimise the total expenditure on the assets throughout their entire life.

The diagram to the right shows how the long term costs typically far exceed the initial construction costs, and the timing of major works such as refurbishments or renewals is critical to economic efficiency.
**Operations and Maintenance**

Most of the operations and maintenance budget is required to maintain landscape assets. A large component of this is grass cutting, which comprises about a third of the O&M budget.

O&M costs are predicted to increase in proportion to the increase in asset base.

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**Asset Renewals**

A long term renewals strategy has been developed to define the requirements of this Plan.

As an example, this chart shows the annual expenditure in 5-year blocks required for refurbishing sportsgrounds over the next 30 years.

The cost of replacing open space assets overall is expected to double over the next 20 years, as assets with longer lives come to the end of their life. This chart shows the projected replacement cost for all open space assets until 2026.
New Assets

The Council will have to invest in new assets for growth and improvements to levels of service, as shown in the top graph. The red line shows the current provision for open space assets in the 2008/09 Capital Works program (CWP).

The Leisure and Facilities Development Plan (LFDP) recommends additional sporting facilities that include a 75% increase in the number of new sportsfields and a 110% increase in the number of courts over the next 15 years.

The projections in this plan include the LFDP recommendations relating to open space assets, however the availability of funds will need to be considered in future reviews of the CWP and projects prioritised within available funding.

An annual expenditure of $800,000 throughout the forecast period has been allowed for to develop the path network through reserves within the City of Casey.

Total projected Council expenditure for new assets over the next 20 years is some $110 million, which will be funded by:
- developer contributions
- Federal and State grants
- Rates funding.

In addition to new assets funded through the Council, about $17 million worth of assets are expected to be added over the 20 year period through development, where developers construct playgrounds, paths and landscape reserve areas within the subdivision and vest them with the Council. It can be seen from this chart that most of the value of the vested assets is in the landscape component, comprising grassed and planted areas.

Expected assets to be vested include two playgrounds annually and a donated sportsground every five years based on past experience, however this is difficult to predict as they are provided by developers to improve the amenity of the subdivision rather than being forced to by a condition of subdivision.
**Financial Projections**

Proposed long term financial projections based on a minimum 20 year timeframe have been developed from:

- Levels of service and additional sports facilities proposed in the Leisure and Facilities Development Plan
- An analysis of the likely growth in population and household distribution and the resulting future demand
- An assessment of the risks (e.g., asset failure, natural hazards) that the assets are exposed to, and the possible mitigation measures
- Recognition of lifecycle asset management needs, and
- A review of historical cost trends.

Projected increases in expenditure for operations, maintenance replacements and new works are aggregated in the chart below.

Operations expenditure covers direct asset operational costs (e.g., electricity and water) but excludes planning, financial charges and asset information systems. Operations and Maintenance costs are projected to increase in proportion to the increase in asset base.

New Works’ expenditure does not include subdivisional works constructed by developers, but does include improvement works for which a financial contribution or cost sharing mechanism applies.

It can be seen from the above chart that expenditure is expected to increase steadily over the next 20 years, requiring a total 20-year expenditure of $450 million. While renewal costs will increase steadily as assets age, the rise in costs in the open space forecast is driven mainly by the cost of maintaining new grounds and facilities.
**Service Potential and Asset Valuation**

In accounting terms, the decline (or gain) in service potential is defined as the value of renewals less depreciation. It is a measure of the loss in value of the overall asset due to ageing that is not offset by replacing worn out assets or components with new equivalent assets. It therefore gives an indication of the liability that is being handed to the next generation.

Depreciation is projected to be significantly higher than the volume of asset renewal work undertaken, and a “decline in service potential” of $20 million is anticipated over the 20 year period.

This is expected, as the high growth at Casey will result in a lot of new assets created during the period that will not require renewal, but on a “straight line depreciation” basis must be depreciated annually in proportion to their expected total life. This means that future generations will bear the cost of eventual replacement.

With the overall growth in new assets over the period, the replacement value of the assets is expected to increase to $230 million. This includes new assets installed and vested in the City from developers.

The depreciated replacement value will also rise as the City grows, but will be balanced by the aging of the assets.
**Funding Implications**

The cost of providing open space services is funded predominantly from rates revenue, with some capital works provided through state and federal funding. Part of the cost of new assets will be funded by developer contributions.

The main driver for the need for increased funding arises because of the new assets required for growth and improved services, as recommended in the Leisure and Facilities Development Plan. The growing asset base will contribute to an estimated 50% increase in overall funding requirements for Open Space assets over the next 20 years, however the increased revenue from an expanding ratepayer base is expected keep the cost per ratepayer (in $2008 dollars) to within 5% of current expenditure.
Good practice asset management includes process for continuous monitoring and improvement. The key asset management inputs required to support good asset management planning are:

- **Processes:** The necessary processes, analysis and evaluation techniques needed for life cycle asset management.
- **Information systems:** The information support systems, which support the above processes and which store and manipulate asset data.
- **Data:** Data available for manipulation by information systems to support asset management decision-making.

The table below outlines the improvements identified throughout this Plan and from the preceding tables, along with appropriate timeframes.

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>ACTION</th>
<th>TARGET DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>AM Plan Development</td>
<td>• Full review of the AM plan and formal adoption by Council.</td>
<td>January 2008</td>
</tr>
<tr>
<td></td>
<td>• Review in conjunction with development strategies and Buildings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Asset Management Plan (as they become available)</td>
<td></td>
</tr>
<tr>
<td>Data improvement</td>
<td>• Review data integrity, obtain missing data and update asset register</td>
<td>December 2008</td>
</tr>
<tr>
<td></td>
<td>• Review condition assessment procedures and contracts for each asset</td>
<td></td>
</tr>
<tr>
<td></td>
<td>group and implement data capture processes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Implement Maintenance Management System and record maintenance data</td>
<td></td>
</tr>
<tr>
<td></td>
<td>against assets</td>
<td></td>
</tr>
<tr>
<td>Level of Service</td>
<td>• Review current level of service / performance measures and</td>
<td>December 2008</td>
</tr>
<tr>
<td></td>
<td>formally adopt</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Measure actual level of service delivered and report in Annual</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Report.</td>
<td></td>
</tr>
<tr>
<td>Risk</td>
<td>• Develop prioritised renewal programme based on risk and establish</td>
<td>August 2008</td>
</tr>
<tr>
<td></td>
<td>other risk minimisation strategies</td>
<td></td>
</tr>
<tr>
<td>Performance &amp; Asset</td>
<td>• Develop condition-based asset renewal models</td>
<td>June 2009</td>
</tr>
<tr>
<td>Lifecycle</td>
<td>Incorporate lifecycle costing in decision-making for new assets</td>
<td></td>
</tr>
<tr>
<td>Financial Management</td>
<td>• Improved financial systems and processes to enable financial</td>
<td>January 2009</td>
</tr>
<tr>
<td></td>
<td>information to be readily and accurately reported against asset</td>
<td></td>
</tr>
<tr>
<td></td>
<td>component group and expenditure classifications</td>
<td></td>
</tr>
<tr>
<td>AM Plan Review</td>
<td>• Review, update and improvement of AM Plan, implement</td>
<td>December 2010</td>
</tr>
<tr>
<td></td>
<td>independent peer review, adoption by Council of new Summary</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Document</td>
<td></td>
</tr>
</tbody>
</table>
Attachment 1: Map of Casey’s Open Spaces