

# Asset Management in Parks

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# What makes a park successful?



# The Challenge

- ▶ Inadequate funding
- ▶ Competing priorities
- ▶ Service level adjustment
- ▶ Risks and consequences



"Our figures are the same as last year's, except that there are minuses where the pluses used to be."

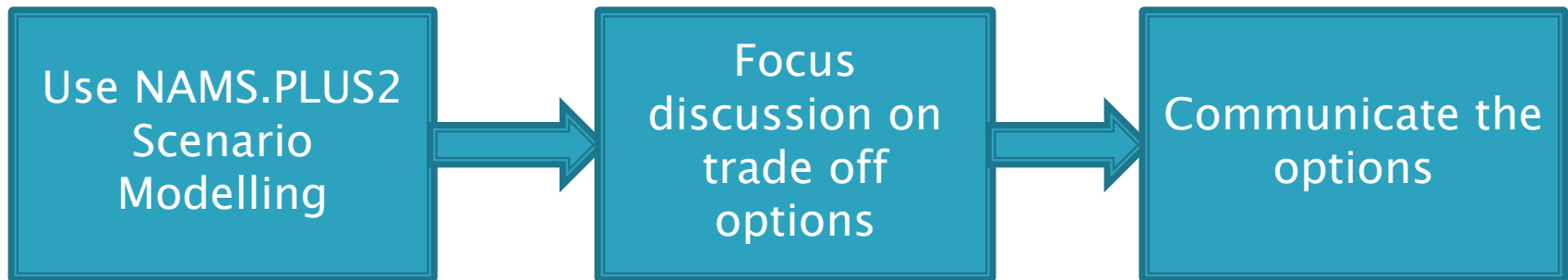


# The Solution

Asset Management Plans need to be realistic and affordable.

Communicate with the community

# The Solution



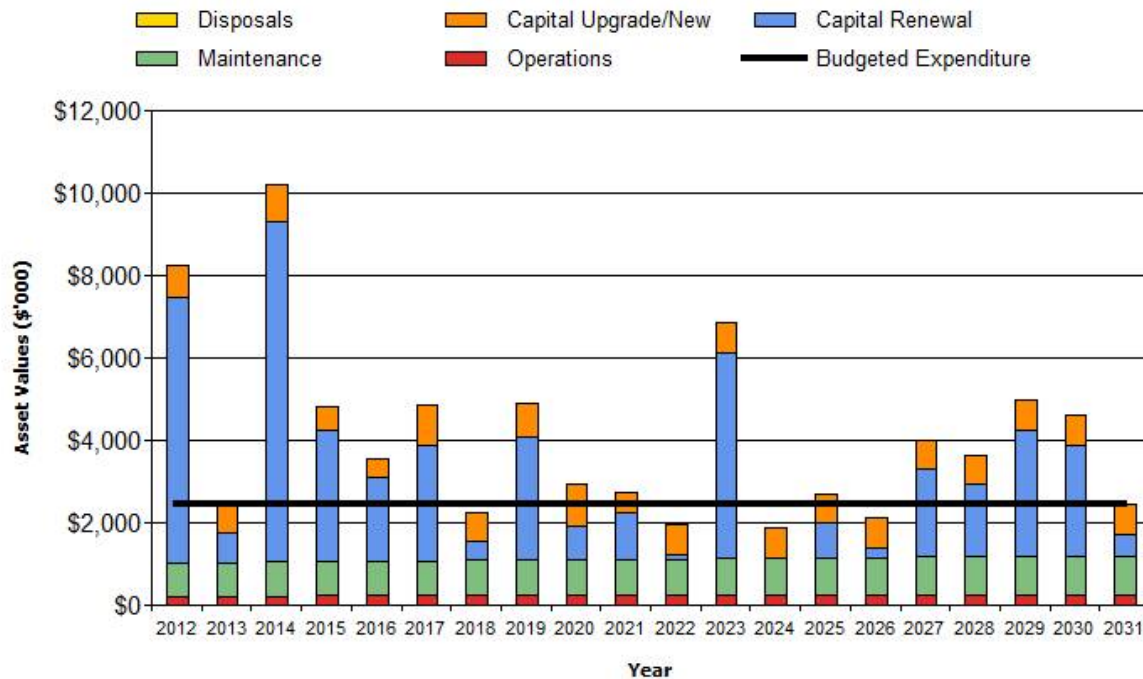
# NAMS.PLUS2 Planning Scenarios

- ▶ S1 - Renewal program based on Asset Register.
- ▶ S2 - Needs forecast based on an agreed level of service.
- ▶ S3 - Balance the needs forecast with the 10 year LTFP.

# Planning Scenario 1

Uses the Asset Register to project the renewal program.

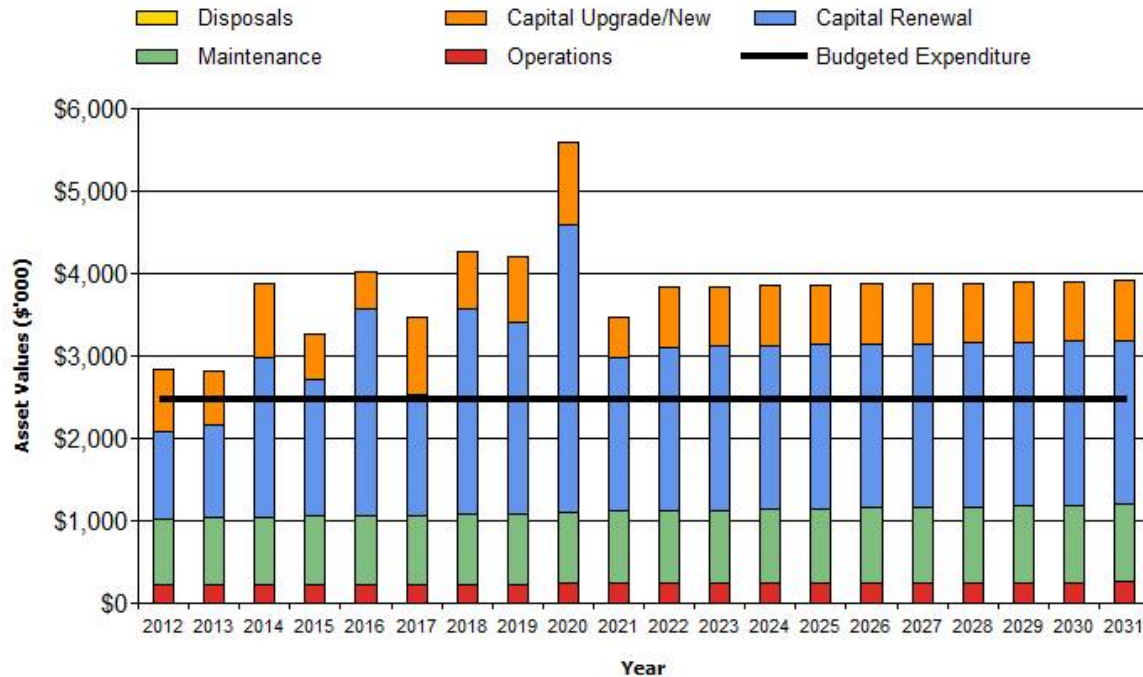
**Paradise - Projected Operating and Capital Expenditure  
(Roads\_S1\_V1)**



# Planning Scenario 2

What needs to be done to sustain an agreed Level of Service

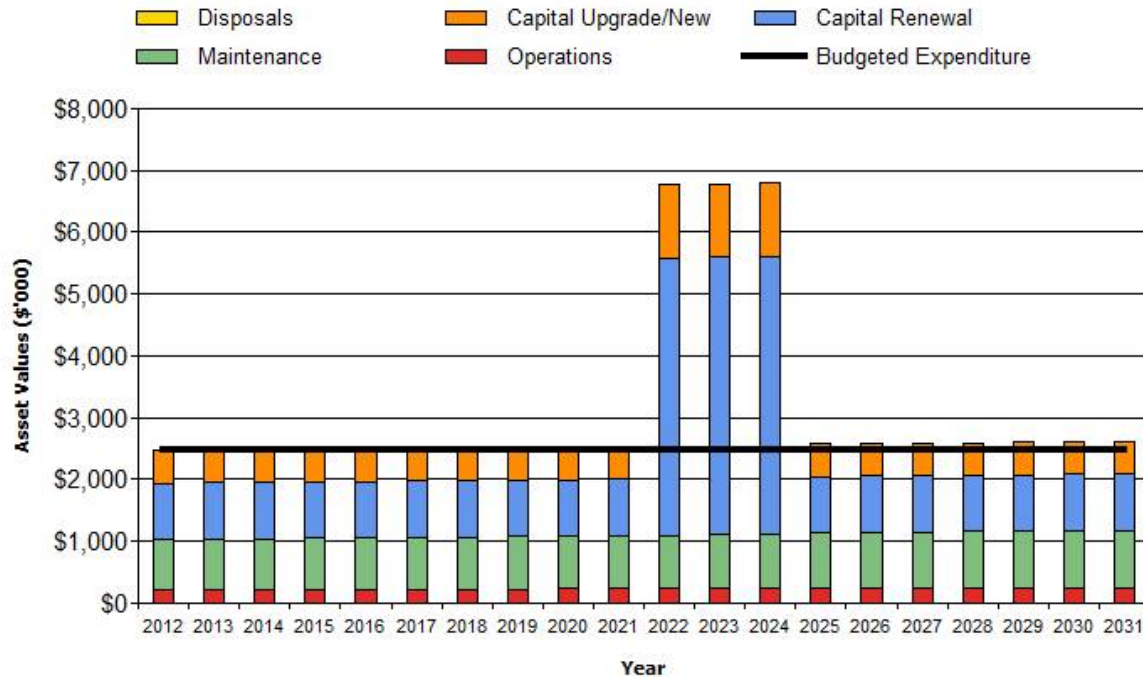
**Paradise - Projected Operating and Capital Expenditure (Roads\_S2\_V1)**



# Planning Scenario 3

Level of Service balanced with available funds.

### Paradise - Projected Operating and Capital Expenditure (Roads\_S3\_V1)

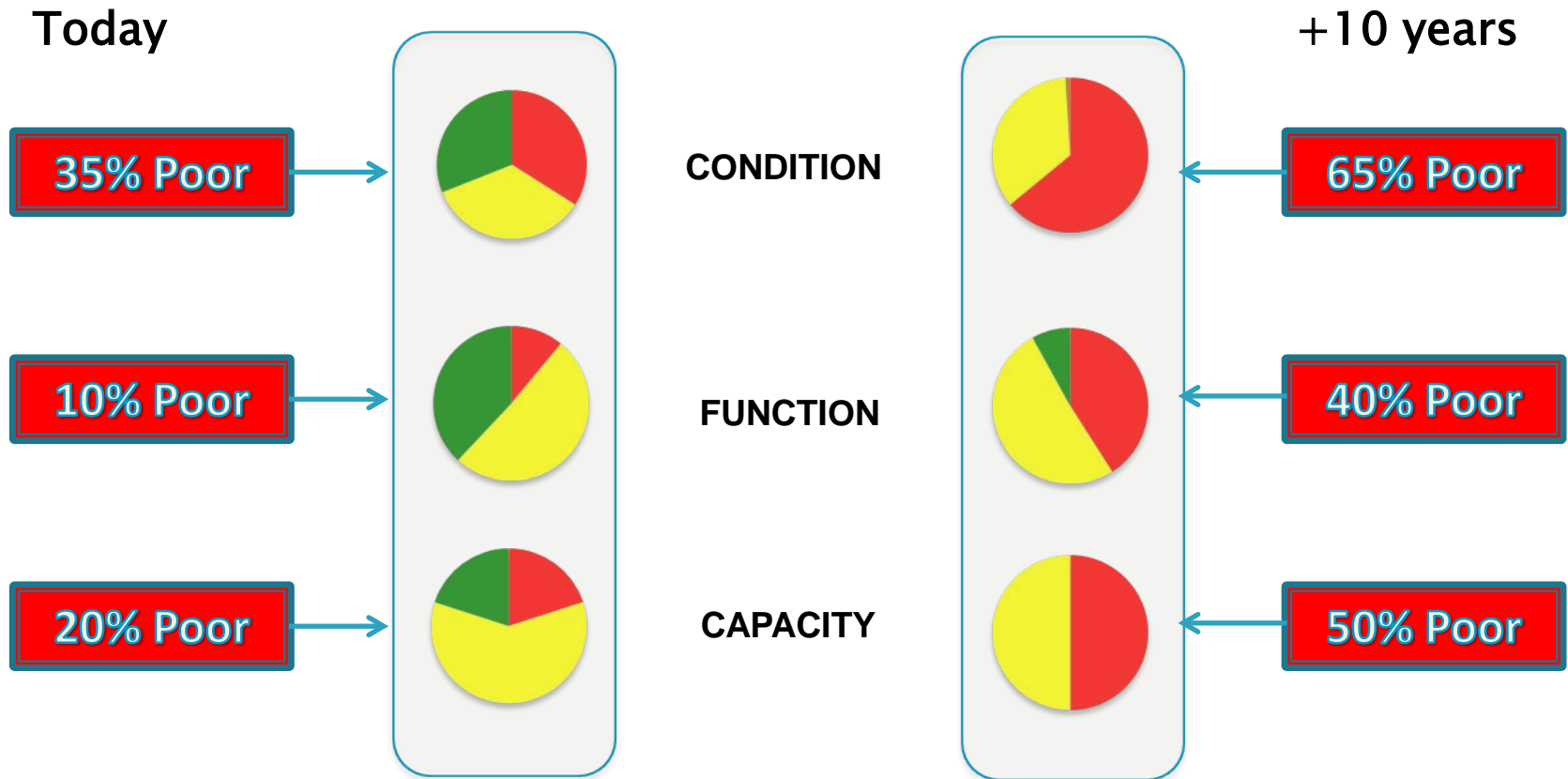


# Risk needs to be identified

And the level of risk understood and agreed to by council.

This is where we focus on the trade off options.

# Risks and Consequences



# Planning Scenario 3

Projected expenditures provide the inputs to the LTFP.

Projected Expenditure	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capital Expenditure on Renewal/Replacement of existing assets	\$ 911	\$ 911	\$ 911	\$ 911	\$ 911	\$ 911	\$ 911	\$ 911	\$ 911	\$ 911
Capital Expenditure on Upgrade/New assets	\$ 526	\$ 526	\$ 526	\$ 526	\$ 526	\$ 526	\$ 526	\$ 526	\$ 526	\$ 526
Operational cost of existing assets	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220
Maintenance cost of existing assets	\$ 810	\$ 810	\$ 810	\$ 810	\$ 810	\$ 810	\$ 810	\$ 810	\$ 810	\$ 810
Operational cost of New assets	\$ -	\$ 1	\$ 3	\$ 4	\$ 6	\$ 7	\$ 9	\$ 10	\$ 12	\$ 13
Maintenance cost of New assets	\$ -	\$ 5	\$ 11	\$ 16	\$ 21	\$ 26	\$ 32	\$ 37	\$ 42	\$ 48
Disposal of Surplus Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

All dollar values in (\$'000)'s

# PARK SERVICES

## What we do to provide the service.

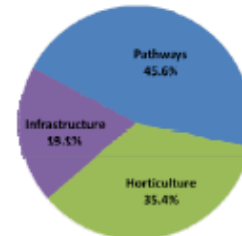
### Service Aims

- Park Services will continue to successfully manage the provision of world class open spaces (Docklands waterways, parks and streetscapes) in partnership with leading industry service agencies, whilst ensuring best value for the community
- To provide leadership and direction in the management and maintenance of the City's blue and green parks, streetscapes, gardens, public open spaces including active and passive spaces and trees
- To excel as the asset manager/owner of the City's park assets and implement sustainable life cycle asset management practices, including the development of the parks capital, renewal and maintenance programs
- To successfully manage the provision of open space and tree management services and park education and enforcement programs
- To successfully manage the Docklands Waterways blue park including strategic planning and co-ordination with stakeholders

MUNICIPAL SERVICE ACTIVITIES	
Achieve high quality parks and gardens	Develop tender specifications for the renewal of the Open Space and Tree Management contracts
	Review the park audit systems (Quality Assessments, Total Venue Assessments and contractor internal audits) to ensure that performance is adequately monitored.
	Progressively implement remote monitoring of water use at major parks
	Improve the management of stormwater harvesting systems in parks.
	Document an improved floral displays program
	Partner with Serco and CityWide on lean projects.
Maintain a healthy and thriving tree population	Develop and implement water management protocols for future water
	Identify and improve the condition of poorly performing trees (over 2 gardens)
	Formalise the audit and handover process for newly planted trees
	Develop a documented soil moisture monitoring program

### Assets Supporting Service

- Pathways
- Horticulture (including turf, shrub beds, sports fields)
- Irrigation
- Infrastructure
- Playgrounds
- Underground Services
- Water Features
- Trees

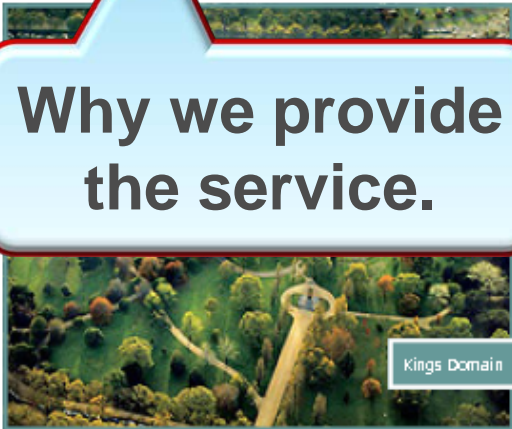


**\$123,504,033**  
Total Asset Value

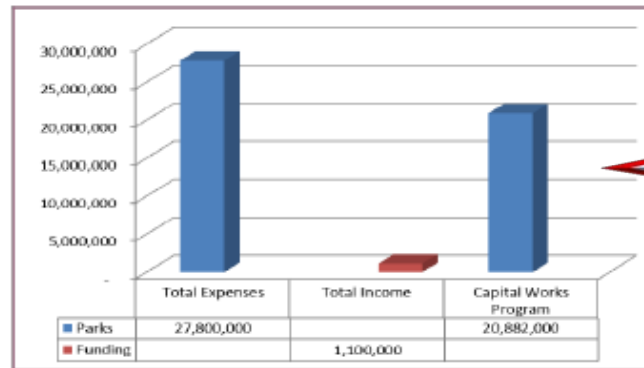
Note: Only those asset classes in bold text are covered in the 2012/13 Asset Management Plans—further work is being undertaken to include more asset classes in the future

## Assets used to provide the service.

## Why we provide the service.



### 2012-13 Service Budget

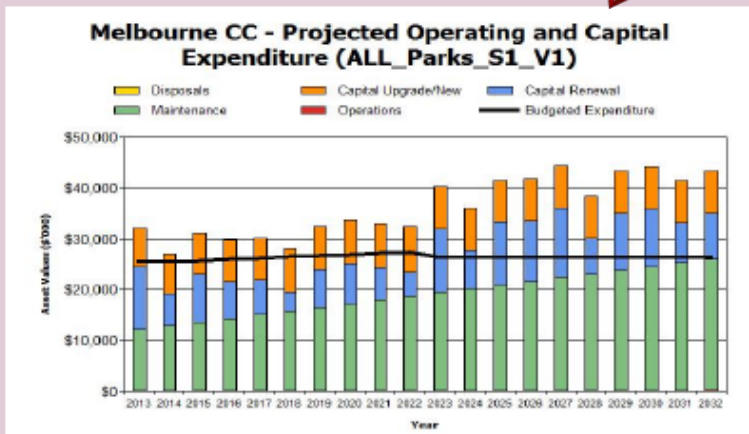


## What it costs.

# What needs to be spent to sustain a particular service level.

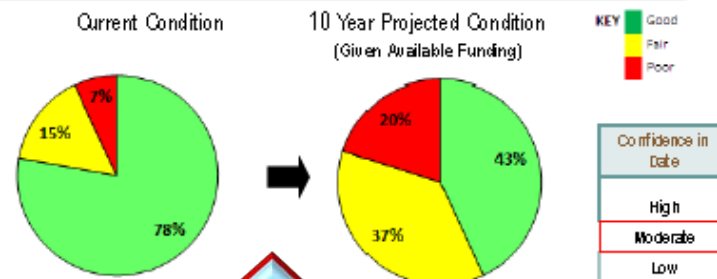
## 20 Year Resourcing Strategy

The chart below shows projected required expenditure over the next 20 years to maintain Pathway, Horticulture, Infrastructure & Irrigation assets in the current condition versus the available funding for this asset class.



Source: NIMSPLUS ALL\_Parks\_S1\_V1

## Overall Service Level —CONDITION



Quality of service.

What it costs to sustain a particular service level.



### Summary of Asset Costs

#### LONG TERM - LIFECYCLE COSTS

Life Cycle Gap is estimated that there will be a funding shortfall of \$6,397,000 each year over the whole of life of the Pathway, Horticulture, Infrastructure & Irrigation asset class. This is based on the depreciation value from the Asset Register.

Life Cycle Cost (annually)	\$	24,445,000
Life Cycle Available Funding (annually)	\$	18,048,000
Life Cycle Gap (annually)	-\$	6,397,000
Life Cycle Financing Indicator		74%

#### MEDIUM TERM - 10 YEAR FINANCIAL PLANNING PERIOD

It is estimated there will be a funding shortfall of \$4,646,000 each year over the next 10 years to maintain the current level of built assets for the Pathway, Horticulture, Infrastructure & Irrigation asset service.

10 Year Cost (annually)	\$	22,694,000
10 Year Available Funding (annually)	\$	18,048,000
10 Year Gap (annually)	-\$	4,646,000
10 Year Financing Indicator		80%

Source: NIMSPLUS ALL\_Parks\_S1\_V1

### Summary of Asset Costs

## Funding Gap

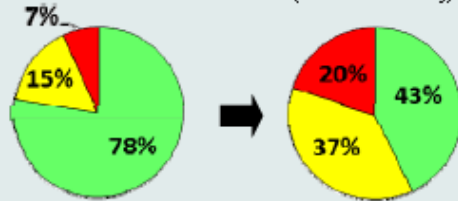
**WHOLE OF LIFE GAP \$6,397,000 /yr**

**10 YEAR GAP \$4,646,000 /yr**

## CONDITION of Pathway Assets

Current Condition

10 Year Projected Condition  
(Given Available Funding)



Confidence in Data:  
HIGH  
MODERATE  
LOW

KEY  
Good  
Fair  
Poor

Confidence in Data:  
HIGH  
MODERATE  
LOW

### Comments

Condition data for pathways in Parks is collected on an annual basis by an expert consultant using digital pen technology to send the data direct to Council. The assessor uses the Parks and Open Space Footpath Data Collection Manual, which was developed to specifically act as a guide for visually assessing the condition of paths in a systematic and consistent manner. The elements of pathway asset condition assessment include the type of defect, the severity of the defect and the extent to which the asset is affected by the defect. Currently, just 7% of pathways are considered to be in poor condition, however in 10 years' time (provided funding remains at its current level) this will rise to over 20%.

Current Replacement Value: \$56,276,000

## PATHWAYS

### Asset Background

Park Services maintains approximately 500,000m<sup>2</sup> of paths and 100,000m of kerb and channel. Paths vary in surface type with the two most common path materials being asphalt and granitic gravel. Other surface treatments include concrete, brick paver, bluestone paver, crazy paving and crushed rock.

#### ASSETS IN GOOD / FAIR CONDITION

93%  
CURRENT  
80%  
in 10 years with  
available funding



#### ASSETS IN POOR CONDITION

7%  
CURRENT  
20%  
in 10 years with  
available funding



### Risks

- Climate Change
- Funding Expenditure Accountability
- Usage beyond capacity

### Response

- Continue to implement the recent Parks Pathway Design Standards.
- Clarify definitions of renewal and new/upgrade and their roles in asset accounting.
- Consider implementing a hierarchy of parks for asset management purposes.

## What are the risks?



Graph 1: Comparison of proposed budget and renewal expenditure including percentage of predicted asset base worse than intervention



Graph 2: Percentage of pathway assets in worse condition than the target minimum condition level

## What is the response?

It is expected that the percentage of pathway assets that will be in worse condition than intervention when subjected to various funding scenarios. Maintaining renewal expenditure at \$150M until 2026 will generally maintain in asset condition. An increase to \$175M will see the asset base improve in the short term, however will further deteriorate beyond 2023. A decrease to \$100M in renewal funding for pathways will have dire consequences for the pathway asset base, with 20% of the asset base predicted to be worse than intervention by 2026.

### Conclusion

In general, funding for the renewal of paths is adequate for the next 5 years, however careful consideration into funding will have to be given in years 4-6 and beyond. To improve how renewal funding is spent, care of consideration should be given to how funding is divided among pathway types (i.e. asphalt, granitic gravel, concrete, crazy paving etc.). These each have different asset lives and may require significantly more funding some years, compared to others. It is recommended that using McKinney's predictive modelling will assist with how renewal expenditure is spent on an annual basis.

# Take home message

- ▶ You can demonstrate that you are sustainable provided you can manage risk and community expectations.
- ▶ By keeping your asset management plans realistic and affordable.

# Thank you