KIAMA MUNICIPAL COUNCIL
your council, your community

Asset Management Plan
Recreation, Open Space and Other Structures

30 June 2025

Acknowledgment of Country

Kiama Municipal Council acknowledges the Wodi Wodi people on Dharawal country as the traditional custodians of the land on which our Municipality is located. We pay our respects to Elders past, present and future. We are committed to honouring Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to our community.

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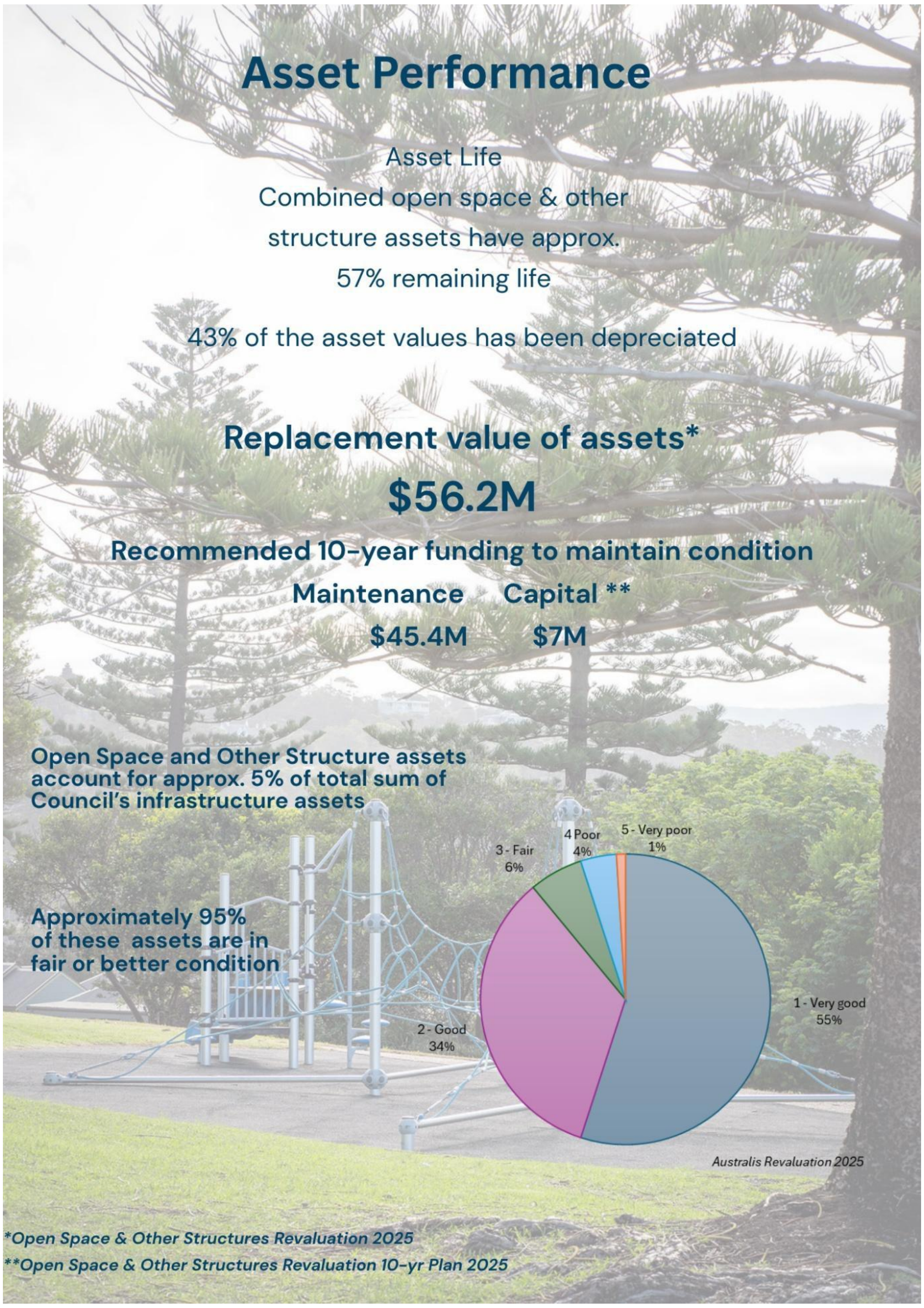

Asset Performance
Asset Life
Combined open space & other structure assets have approx. 57% remaining life
43% of the asset values has been depreciated
Replacement value of assets*
$56.2M
Recommended 10-year funding to maintain condition
Maintenance $45.4M
Capital ** $7M
Open Space and Other Structure assets account for approx. 5% of total sum of Council's infrastructure assets
Approximately 95% of these assets are in fair or better condition
1 - Very good 55%
2 - Good 34%
3 - Fair 6%
4 Poor 4%
5 - Very poor 1%
Australis Revaluation 2025
*Open Space & Other Structures Revaluation 2025
**Open Space & Other Structures Revaluation 10-yr Plan 2025

Executive Summary

This Asset Management Plan (AMP) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining the associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 10-year planning period. The AMP will link to the Long-Term Financial Plan (LTFP) which typically also considers a 10-year planning period.

This AMP covers the Recreation, Open Space and Other Structures assets which includes pools, playgrounds, sporting facilities, parks, open spaces, and general structure type assets. These Recreation, Open Space and Other Structures are made up of 1,060 assets with a Gross Replacement (GRC) of $56.2 million as of 30 June 2025.

Recreation, Open Space and Other Structures include a wide range of assets:

- Beach reserves, foreshore and coastal open space
- Parks and reserves
- Playgrounds and play spaces
- Sporting fields, ovals and sports precincts
- Supporting assets and structures at holiday parks and leisure centres such as fencing, lighting, paths, picnic shelters, BBQ areas

Financial Summary

Over the next 10 years (2025/26 to 2034/35), the Long-Term Financial Plan budgets $45.2 million in total funding, (an annual average of $4.5 million). This is made up of $41.2 million of Operational (an annual average of $4.1 million) and $4.0 million of Capital (an annual average of $0.4 million).

However, the program requires $52.4 million over the same period (an annual average of $5.2 million) which includes $45.4 million of Operational (an annual average $4.5 million) and $7 million of Capital (an annual average of $702,125).

Therefore, the current funding model only meets 86% of the costs required to maintain Recreation, Open Space and Other Structures assets. This is summarised in Table 1 and Figure 1 below.

Year	Forecast Maintenance Costs	Available Funding Maintenance Costs	Forecast Lifecycle Costs	Available Funding (LTFP) Lifecycle Costs	Total Funding Required	Total Funding Available
2025/26	4,051,730	3,676,106	2,157,195	2,081,895	6,208,925	5,758,001
2026/27	4,153,023	3,768,009	165,700	210,000	4,318,723	3,978,009
2027/28	4,256,849	3,862,209	44,650	210,000	4,301,499	4,072,209
2028/29	4,363,270	3,958,764	320,870	210,000	4,684,140	4,168,764
2029/30	4,472,352	4,057,733	339,160	210,000	4,811,512	4,267,733
2030/31	4,584,160	4,159,176	402,500	210,000	4,986,660	4,369,176
2031/32	4,698,764	4,263,156	141,500	210,000	4,840,264	4,473,156
2032/33	4,816,233	4,369,735	1,061,920	210,000	5,878,153	4,579,735
2033/34	4,936,639	4,478,978	1,289,050	210,000	6,225,689	4,688,978
2034/35	5,060,055	4,590,953	1,098,700	210,000	6,158,755	4,800,953
Total 10 Yr	**45,393,075**	**41,184,819**	**7,021,245**	**3,971,895**	**52,414,320**	**45,156,714**
Total pa	4,539,308	4,118,482	702,125	397,190	5,241,432	4,515,671
LT Funding Gap 7,257,607 Annual Funding Gap 725,761						

Table 1 Forecast Lifecycle Management Costs Compared to the Long-Term Financial Budget[1]

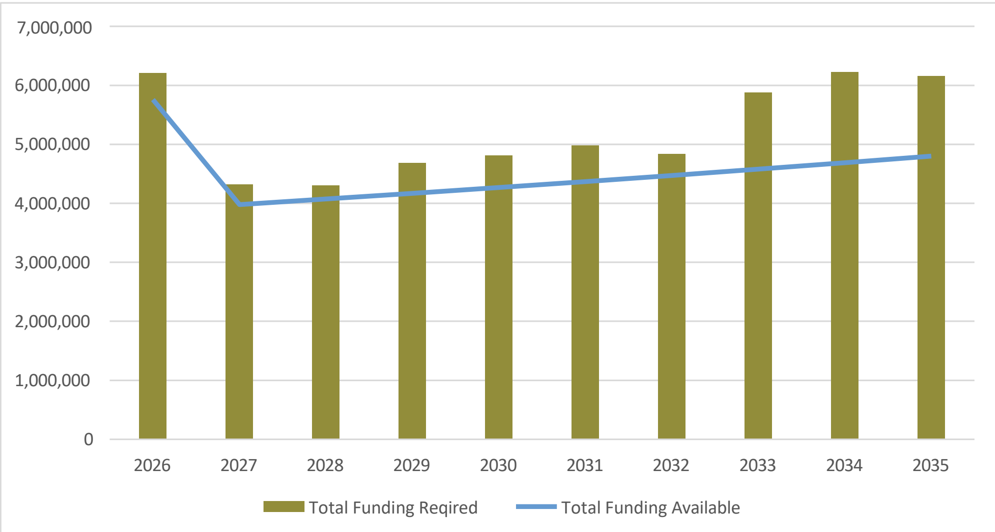


Figure 1 Lifecycle Maintenance and Capital Costs vs Budget

[1] Australis Asset Advisory Group – 2025 Revaluation Report

Asset Inventory

Recreation, Open Space and Other Structures include a wide range of assets:

- Beach reserves, foreshore and coastal open space
- Parks and reserves
- Playgrounds and play spaces
- Sporting fields, ovals and sports precincts
- Supporting assets and structures at holiday parks and leisure centres such as fencing, lighting, paths, picnic shelters, BBQ areas

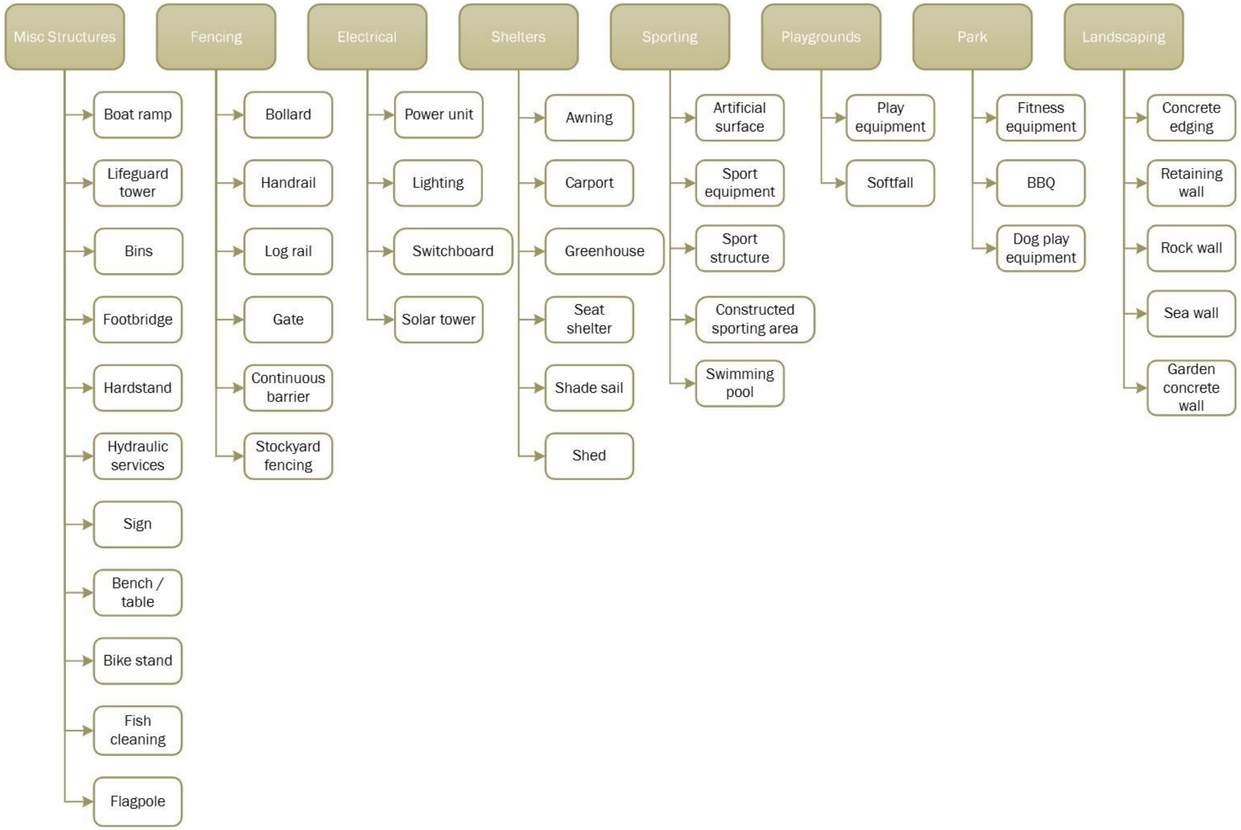
The Recreation, Open Space and Other Structures assets have an estimated value of $56.3 million as shown in Table 2.

Table 2 Breakdown of Asset Values

Asset Category	GRC	Accumulated Depreciation	Percentage Depreciated	Estimated Annual Depreciation	Fair Value / Carrying Amount
Electrical	4,837,850	1,775,170	37%	134,109	3,062,680
Fencing	4,217,350	1,819,070	43%	133,076	2,398,280
Landscaping	19,773,550	9,271,843	47%	218,041	10,501,708
Misc Structures	10,078,750	4,589,710	46%	311,057	5,489,040
Park Assets	713,550	339,663	48%	43,511	373,888
Playground	4,122,000	1,313,920	32%	234,498	2,808,080
Shelters / sheds	2,819,950	1,180,490	42%	108,642	1,639,460
Sporting	9,700,553	3,702,703	38%	280,155	5,997,851
Total	**$56,263,553**	**$23,992,568**	**43%**	**$1,463,088**	**$32,270,986**

The Recreation, Open Space and Other Structures assets were broken down into Asset Category and Asset Group as shown in Figure 2.

Figure 2 Recreation, Open Space and Other Structures by Asset Category and Group



Background Information

Kiama Municipal Council (KMC) serves an area of 259 square kilometres with a current population of 23,173 in the Illawarra region of New South Wales. Its major towns and villages include Minnamurra, Kiama Downs, Kiama, Jamberoo, Gerringong and Gerroa. Its terrain is diverse, characterised by beaches, rainforest, mountains, the Great Dividing Range (the Escarpment) and rural landscapes. Two notable features are the Kiama Blowhole and Saddleback Mountain which is a volcanic formation.

Notably, the median population is 48 years and 36% of the Kiama community are over 60 years old with 40% not in the labour force and a very low unemployment rate (1.2%); 82% of the population live in separate owner-occupied dwellings.

Tourism is very important to the regional economy, supporting an estimated 774 jobs which is 11.4% of the total employment in the local government area (LGA). Tourism output as a visitor economy was $330 million in 2024.

Some of the most relevant organisational challenges and priorities listed in the Community Strategic Plan 2025-35 for the management of Recreation, Open Space and Other Structures are:

Liveable

- Growing responsibly, in partnership with the community supported by essential infrastructure
- Balancing both tourism and development with needs of existing and future ratepayers
- Advocacy for infrastructure upgrades and required investment decisions by State and Federal Government
- Advocate to the NSW Government to implement the Kiama Harbour Revitalisation Plan and consider joint venture opportunities with the State to improve facilities and amenities and Blowhole Point

Sustainable

- Effectively manage the impacts from natural disasters that may affect our municipality
- Provide infrastructure and services that are adequate and equitable for a growing population and annual influx of tourists, without disadvantaging longer term residents

Resourceful

- Meet the revised Performance Improvement Order
- Reduce expenditure through operational efficiencies and a focus on core Council services
- Reduction in services that do not support ratepayers, allowing staff and resources to be diverted to areas of business need

Responsible

- Clearly communicate Council decisions, progress and achievements
- Review, update and implement Community Engagement Strategy
- Continued rollout of One Council software to further support operational efficiency across Council
- Implementation to commence on approved recommendations from 2024-25 Services Review

The LGA comprises several major towns and villages including Kiama, Minnamurra, Jamberoo and Gerringong.

Figure 3 Map of Kiama Municipal Council

The services provided by KMC include the construction and maintenance of Recreation, Open Space and Other Structures on Council and public property.

Purpose of the Asset Management Plan

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements and the required funding to provide the appropriate levels of service over the 10-year planning period. This AMP solely focuses on the Recreation, Open Space and Other Structures assets class which have been revalued in 2025 by Australis Asset Advisory Group. The valuation assessments have been completed to comply with the Australian Accounting Standards of AASB 13, AASB 116 and AASB 2022-10.

The AMP is to be read in conjunction with KMC's planning documents including:

- Asset Management Policy 2025-2035
- Community Strategic Plan 2025-2035
- Delivery Program 2025-2029
- Operational Plan and Budget 2025-2026
- Strategic Asset Management Plan 2025-2035

The AMP is a 10-year framework to determine:

- The desired level of service for Recreation, Open Space and Other Structures assets, considering the needs and priorities of the community
- How Recreation, Open Space and Other Structures assets will be maintained and renewed throughout their lifecycle considering their age, condition and usage
- Funding required to maintain and upgrade the Recreation, Open Space and Other Structures assets considering sustainability and the most cost-effective operations
- Proactive maintenance and renewal strategies
- Mitigation of potential risks
- A prioritised plan for maintenance, upgrade and investment in Recreation, Open Space and Other Structures assets

Levels of Service

Understanding the desired levels of service of Recreation, Open Space and Other Structures assets within a fixed asset portfolio is fundamental to match assets to service delivery objectives and community expectations. The asset related requirements are documented as levels of service which should align with the organisation's objectives.

The level of service is the basis for the assessment of the portfolio and the long-term financial planning of operational and capital expenditure. The asset plan targets expenditure to address immediate shortfalls (deferred renewals/backlog) and future requirements as planned expenditure.

The key principles are:

- Clearly defined strategic objectives
- In support of the strategic objectives, an understanding of the difference between technical and customer related objectives
- Defined targets
- Statement of how the performance will be measured against the targets
- Current performance measurement against the level of service to identify the shortfalls

Levels of service and performance measures are developed using:

- Community surveys and service requests, feedback to Councillors and staff
- Corporate and strategic planning
- Legislative requirements
- Customers levels of service
- Technical levels of service

Strategic and Corporate Objectives

Council plans for the community within the Integrated Planning and Reporting Framework, required by the Local Government Act (1993). It is a rigorous approach to strategic planning which reflects the community's expectations around priorities and service levels. The approach also ensures compliance with regional and state priorities.

The Resourcing Strategy identifies resources (time, money, assets and people) to deliver the service in the Delivery Program (DP) and the annual Operational Plan (OP) along with the Long-Term Financial Plan (LTFP), the Workforce Management Plan, the Strategic Asset Management Plan (SAMP), Asset Management Policy and the Asset Management Plans (AMP) for each asset class. There is a traceable link between the strategic documents which provide direction and accountability for Council's activities. Objectives in the AMP should also align with the overall SAMP objectives

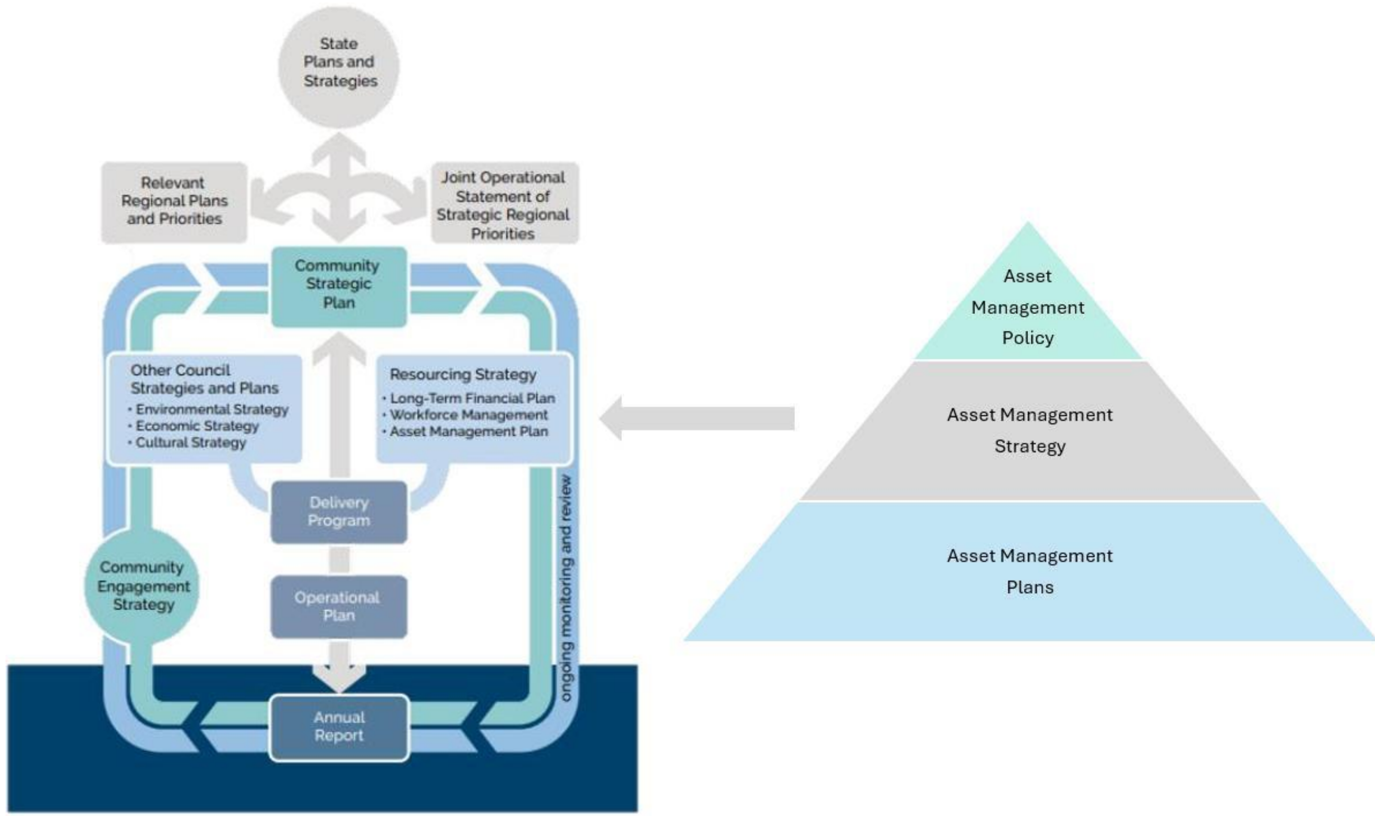


Figure 4 Asset Management Planning Framework

The agreed corporate strategies, benefits, activities and measures / targets are detailed in the Delivery Program 2025-2029 and Operational Plan 2025-2026.

Table 3 Corporate Strategies, Objectives and 1-Year Action Plan

Goals	Strategies	4-Year Delivery Program	Annual Measure
Liveable - We embrace the natural beauty of our area which fosters a health, active lifestyle and a diverse range of activities to sustain our mental and physical well-being, supported by adequate services and facilities.			
1.2.3 Maintain and enhance our public gardens, parks and green spaces, cultivating a strong sense of pride, and ownership and appreciation for beauty	1.2.3.1 Open Space, Aquatic & Recreation Strategy	Finalise and implement Open Space, Aquatic & Recreation Strategy	Strategy endorsed by Council
	1.2.3.2 Deliver educational programs, services and infrastructure that improve the cleanliness of public places and reduce litter	Develop a prioritised list of drainage works required for sporting fields and identify budget allocations for works in future budgets.	List developed, grant opportunities and budget requirements identified over a number of years.
	1.2.3.3 Modernise and standardise the cleaning services provided to all Council facilities	Review and document Levels of Service for Parks and Gardens.	Levels of Service documented and agreed by Council in 2025-26 financial year
Sustainable – We protect our people, place and biodiversity through thoughtful planning and actions, preserving the natural environment that defines our spectacular landscapes			
2.1.1 Review, plan and deliver strategies that conserve our natural environment, including coastlines, waterways, biodiversity, and areas of environmental	2.1.1.1 Ensure compliance with and effectively manage and respond to complaints/incidents in accordance with the following: - Local Government Act 1993 - Relevant environmental and planning regulations - Companion Animals Act 1998 and associated regulations - Protection of the Environment Operations Act 1997	Use CoastSnap, or similar photo point monitoring, to undertake citizen science beach monitoring and to assess beach condition change based on image comparisons.	Undertake science beach monitoring, with recording of results to allow condition assessment and reporting Public lands and assets managed and reported on as required.

Goals	Strategies	4-Year Delivery Program	Annual Measure
significance.	- Environmental Planning and Assessment Act 1979 - Relevant Council policies As well as delivering associated education and preventions initiatives where relevant.	Ensure public land and public assets in hazard affected coastal areas are appropriately managed	
	2.1.1.2 Implement actions of the Kiama Open Coastline Coastal Management Program.	Investigate opportunities to establish Coastal Vulnerability Areas (CVA), as identified by the Kiama Coastal Management Program, within State and Local Planning Instruments	CVA endorsed by state government.
Sustainable - We work together to understand and respond to the need for growth and change.			
2.2.1 Address climate risks through the planning and delivery of proactive actions to mitigate and adapt to climate change, while protecting our environment.	Partner and collaborate with local organisations, stakeholders, and community groups to deliver education and engagement programs that promote environmental sustainability initiatives. This includes raising awareness of sustainable practices, encouraging community participation, and fostering environmental stewardship.	Raise awareness of sustainable practices, encouraging community participation, and fostering environmental stewardship through promotion and engagement of local community groups and stakeholder programs. Coordination of National Tree Day by working with local schools and Landcare groups for planting priority areas on Council Managed Land Gather information from the public to better understand community needs that place pressure on public coastal land, facilities, services and the natural	environment as part of other

Establishment of the OWG in accordance with the agreed Terms of Reference National Tree Day delivered July 2025 Information gathering incorporated into existing 2025-26 financial year Community Engagement activities and documented

Goals	Strategies	4-Year Delivery Program	Annual Measure
		community engagement activities	
Responsible - Public funds and assets are managed strategically, transparently and efficiently			
4.1.2 Effectively manage assets and commercial investments, ensuring their relevance, lifecycle needs, and value are optimised in accordance with legislative requirements	4.1.2.1 Council will take a risk-based approach in pursuit of its objectives, Safety and minimising exposures are actively considered as we maintain assets and delivering service for the community		
	4.1.2.5 Implement maintenance and capital renewal and improvement programs for Council's built assets and infrastructure		
	4.1.2.6 Deliver major capital works and projects utilising external funding opportunities		
	4.1.2.7 Asset revaluations on all classification of assets undertaken, responding to management letter from external auditors.	Asset revaluations for 2025/26 include Open Space	Revaluations for Open Space are completed and pass the auditor review
	4.1.2.8 Review and update asset management plan for Kiama Council, including policy, plans and procedures.	Creation of Asset Management Plan - draft Policy and Asset Inventory Audit.	Completion of drafting the Asset Management policy, completion of Asset Inventory Audit with TechOne
4.1.3 Council delivers local government functions and sustainable services that meet community expectations, with regular	4.1.3.1 Maintain compliance with all relevant legislation and requirements, including the Office of Local Government risk management and framework, including Audit, Risk and Improvement Committee (ARIC) and internal audit operation.	Investigate options for strategy repository - research practise by other Councils and best fit for KMC based on determined requirements and available budget.	Scoping and research finalised and recommendation made end of Q4 2025/26. DPOP is reviewed for 2026-27 period by 30 June 2026, including period of public

Goals	Strategies	4-Year Delivery Program	Annual Measure
service reviews per IP&R requirements.		Yearly review of Delivery Program and development of Operational Plan including public exhibition and incorporation of community feedback. Annual Report development and publication. Council will prepare updated safety framework.	exhibition and further review based on submissions. 2024 Annual report developed and published by 30 November 2025. Safety Framework document prepared and endorsed by WHS Committee and the Executive Leadership Team.

Legislative Requirements

The legislative requirements that are relevant to Recreation, Open Space and Other Structures are outlined in Table 4.

Table 4 Legislative Requirements

Legislation	Purpose	Relevance
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.	Councils are required to maintain safe and operational public infrastructure. The Act grants Council the authority to manage and maintain recreation, open spaces and other structures within their area including construction, maintenance and regulation of activities that use these assets.
Public Works and Procurement Act 1912	Authorisation by the NSW Parliamentary Standing Committee on Public Works of the construction of infrastructure valued more than $1 million.	The Act establishes the framework for public works and procurement processes, including principles of achieving value for money, ethical conduct, and transport processes.
The Protections of the Environment Operations Act 1997	Regulating pollution activities and issue of licenses as well as the monitoring of and reporting on waste output.	The Act outlines responsibilities for Council as an 'Appropriate Regulatory Authority' (APA) for non-scheduled activities, granting powers to investigate pollution, issue notices and enforce environmental laws.
Environmental Planning & Assessment Act 1997, Environmental Planning & Assessment Regulation 2000	Encourages the proper management of natural and man-made resources, the orderly use of land, the provision of services and protection of the environment.	The legal foundation for Council's planning and development activities. The Act empowers Council to manage growth, protect the environment and ensure that development occurs in a way that benefits the community.
Work Health & Safety Act 2011	Council's responsibility to ensure health, safety and welfare of employees and others at places of work.	The Act establishes a framework for protecting the health, safety and welfare of workers and others in workplaces, including those within Council operations.
Civil Liability Act 2002 No 22	The Act defines the legal guidelines for determining responsibility for personal injuries and other harm,	Councils need to consider their duty of care and ensure their activities comply with their

Legislation	Purpose	Relevance
	ensuring people can seek compensation for their losses through the courts. It outlines the duty of care owed by individuals and organisations, sets out specific thresholds for different injury types and specifies maximum compensation amounts.	statutory duty to exercise the function of their authority. The AMP is required to plan their activities subject to financial and other resource limits.
Disability Inclusion Act 2014	Aims to promote the inclusion of people with a disability in the community and improve access to services, facilities, and opportunities.	The Act sets out a framework for reducing barriers and supporting equal participation including Disability Inclusion Action Plans that must be prepared and implemented every 4 years.

Council Policies and Guidelines

KMC's policies and guidelines that are relevant to asset management as well as Recreation, Open Space and Other Structures assets are included in Table 5.

Table 5 KMC Policies and Guidelines

Council Policies & Guidelines	Purpose	Relevance
Asset Management Policy	To establish a framework for the sustainable and effective management of KMC's assets to achieve the best possible value.	Guidelines for Council's asset management system including strategic and tactical plans developed as part of the Integrated Planning and Reporting Framework.
Enterprise Risk Management Policy	Organisation wide principles, systems and processes to ensure consistent, effective and efficient assessment and management of risk.	Framework to manage infrastructure risk.
Open Spaces and Recreation Strategy	Identify future priorities and investment over the next 10 years.	Enable future investment in the highest priority areas for all Council-managed sporting facilities, play spaces and open space recreational areas.
Climate Change	An assessment of risks from climate change and Adaptation Action Plan.	Council's role includes providing infrastructure and services that facilitate community climate mitigation, adaptation and resilience.

Council Policies & Guidelines	Purpose	Relevance
Condition Assessment and Valuation reports and registers - Australis Asset Advisory Group - July 2025	An independent and comprehensive assessment of open space asset class.	Valuation prepared for financial reporting purposes. An asset management report was also developed to inform asset investment decisions. These reports should be read in conjunction with this report.

Standards and Guidelines

The standards and guidelines relevant to Recreation, Open Space and Other Structures as well as asset management in general are included in Table 6.

Table 6 Standard and Guidelines

Standards & Guidelines	Purpose	Relevance
International Standards Organisation (ISO)	Standards for asset management, risk etc.	Council's asset management planning aligns with the ISO asset management standards.
National Construction Code	The primary set of technical design and construction provisions for buildings in Australia.	Sets the minimum required level for the safety, health, amenity, accessibility, and sustainability of certain buildings.
Australian Accounting Standards	Sets out the financial reporting standards relating to infrastructure assets.	Councils are required to prepare a long-term financial plan including funds to manage recreation, open space and other structure assets, and report on activities.
International Infrastructure Management Manual (IPWEA)	Best management practice for all infrastructure assets.	Guidelines for management of infrastructure assets.
International Infrastructure Financial Management Manual (IPWEA)	Best management practice for all infrastructure assets and finance.	Guidelines to assist organisations with the financial management of assets.

Customer Levels of Service

Customer levels of service are important to residents. They are assessed on the following criteria:

1. Quality - is the service safe, reliable, and responsive? What is the quality or condition of the service?
2. Function - is the asset 'fit for purpose' to provide the required level of service? Is it the right service?
3. Capacity/utilisation - is the asset accessible and able to provide the required level of service? How much is it used? Do we need more or less of these assets?

Customer Satisfaction Survey

The Customer Satisfaction Survey was completed in November 2020 by IRIS Research. The objectives were to:

- Measure and track the performance of Council in delivering services and facilities
- Uncover Council's areas of improvement and priorities for the near future
- Understand community perceptions regarding Council's customer services
- Understand community perceptions regarding the future of Kiama

The key points relating to Recreation, Open Space and Other Structures include:

- 49% of respondents were satisfied with 'Leisure centre - Pool', with an average satisfaction score of 4.2
- 33% of respondents were satisfied with 'Leisure centre - Gym', with an average satisfaction score of 4.1
- 84% of respondents were satisfied with the maintenance of parks and gardens, with an average satisfaction score of 4.3. This was the strongest performing service in the Maintenance of Facilities category.
- 72% of respondents were satisfied with the maintenance of children's playgrounds and equipment, with an average satisfaction score of 4.1
- 72% of respondents were satisfied with the maintenance of sportsgrounds and play fields, with an average satisfaction score of 4.2
- 71% of respondents were satisfied with the maintenance of rock pools and beaches, with an average satisfaction score of 4.1

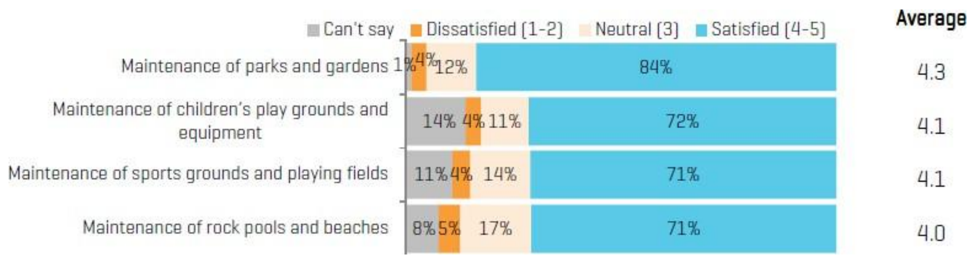


Figure 5 Satisfaction ratings for maintenance of KMC facilities

Customer Requests

KMC are currently developing a procedure to manage Recreation, Open Space and Other Structures asset maintenance requests from the community. The system will monitor the numbers of customer requests, a process to prioritise tasks and respond within target timelines. Maintaining a record in the CRM system will inform funding decisions for future capital and maintenance work.

Table 7 Customer Levels of Service

Service Attribute	Level of Service	Indicator	Current Performance	Target
Quality	Provide well-maintained parks & gardens	Satisfaction with the maintenance of parks & gardens	Average satisfaction rating in customer satisfaction survey 4.3	>4.3
	Provide safe well-maintained playgrounds & equipment	Satisfaction with the maintenance of playgrounds	Average satisfaction rating in customer satisfaction survey 4.1	>4.1
	Provide well-maintained sports grounds	Satisfaction with the maintenance of sportsgrounds	Average satisfaction rating in customer satisfaction survey 4.1	>4.1
	Provide well maintained rock pools & beaches	Satisfaction with the maintenance of rock pools & beaches	Average satisfaction rating in the customer satisfaction survey 4.0	>4.0
Safety	Open space areas & equipment are becoming safer to use	Insurance claims / incidents		<10 open space asset related claims / incidents per year
Navigation	CRMs are actioned	Reactive CRMs inspected & either closed provided a notation or re-allocated to the relevant team on the system	1 day	1 day

Service Attribute	Level of Service	Indicator	Current Performance	Target
	Consistent regular playground inspections	Playgrounds are inspected under a cyclic program	3 monthly	Monthly
	Consistent playground compliance inspections (Australian Standards)	Playgrounds are inspected under a cyclic program	Yearly	Yearly
	Parks & reserves on a cyclic mowing schedule	Parks & reserves are regularly mowed in peak seasons	Summer period = 6 to 8 weeks	6 to 8 weeks
	Boat ramps are on a cleaning cycle	Boat ramps are cleaned for operational purposes in peak season	Summer period = 1 to 2 weeks	1 to 2 weeks
	Provide effective playground & open space asset inspections to maintain functionality & safety	No. of requests / complaints / insurance claims related to hazards / defects per year		<25 complaints <10 insurance claims

**Where there is a nil current performance highlights a requirement to improve systems for measuring and reporting on performance indicator*

Technical Levels of Service

Technical levels of service are internally monitored Council activities which deliver the customer values and impact the Customer Levels of Service achieved. These technical measures relate to the activities and allocations of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- Acquisition - the activities to provide a higher level of service (e.g. replacing playground with a larger one) or a new service that did not exist previously (e.g. a new sports complex).
- Operation - the regular activities to provide services (e.g., opening hours, cleaning, mowing grass, energy, inspections, etc.)
- Maintenance - the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. structural repairs, inspections, vegetation management)
- Renewal - the activities that return the service capability of an asset up to that which it had originally provided (e.g. replacing a boat ramp)

Table 8 Technical Levels of Service

Service Attribute	Purpose of Activity	Level of Service	Current Performance	Target
Operations	Assets and areas serviced and cleaned	Assets associated with Recreation, Open Space and Other Structures are inspected, serviced and cleaned	As per seasonal demands	≤ 8 weeks
Maintenance	Scheduled maintenance planned annually and implemented on a priority system. Reactive maintenance requests prioritised based on risk.	Council responds promptly to defects associated with Recreation, Open Space and Other Structures	1 day	Make safe within 5 business hours
Renewal	Component renewals in accordance with Lifecycle Forecast and future demand	Continuation of asset functionality	27%	100%
Upgrade	New assets commissioned in accordance with future demands	Upgrades completed as per AMP and LTFP	TBD	100%

Asset Base Growth

It is anticipated that Council's asset base will expand over the next 10 years through committed and expected upgrade expenditure, assets contributed by development through conditions of consent. It can be decreased through asset disposals; however, no significant disposals are currently committed for this asset class.

New Assets and Upgrades

New assets and upgrades are capital projects delivered by Council and are resourced by Council funds, grand funding, loans or development contributions. This involves existing assets being enhanced or new assets being constructed to improve community infrastructure.

Grant Funding

Grant funding forms a portion of asset upgrades, and this Plan assumes Council will receive grant funding in line with average grant funding from previous 5 years. Grant funded Open Space projects can include playground, sporting, or active recreation upgrades and additions.

Loans

Council explores all options for the funding of infrastructure to better serve the community including the limited utilisation of loans on major projects.

Development Contributions

An important funding source for new infrastructure are Development Contributions collected under Section 7.12 of the Environment Planning and Assessment Act. These contributions fund a reasonable portion, though not all, of the infrastructure required by new development. Under the present Contributions Plan (KMC, 2024), Section 7.12 contributions currently allocated to projects account for $633,600 of the infrastructure projects within the 2025/26 capital program. $50k of this is for Open Space and Recreation general budget allocation.

Forecast Growth

It is assumed that assets contributed by development through conditions of consent will grow the existing asset base at a rate similar to the dwelling growth rate. As stated in the Section 7.12 Contributions Plan (2024) historically, Kiama has experienced low growth. Moving forward, the Illawarra Shoalhaven Regional Plan 2041 identifies that Kiama will need to play a role in delivering regional housing supply. The redevelopment of Bombo Quarry has potential reuse for employment, residential and recreational uses.

The forecast population growth by 2046 is 31,733, an additional increase of 14,822 between 2021 and 2046, and an additional 3,971 dwellings by 2046. This will see an average dwelling growth rate of 1.5% per year which should increase the asset base growth at a similar rate through developer contributions.

Lifecycle Management Plan

The Lifecycle Management Plan details how KMC plans to manage and operate the assets at the agreed levels of service while managing lifecycle costs.

The Gross Replacement Cost of the Recreation, Open Space and Other Structures assets by asset category is outlined in Table 9.
The majority of the assets belong to the Misc Structures category with 358 assets ($10 million) making up 34% of the overall sum of assets. Misc Structures includes benches, tables, bubblers, steps/stairs, boat ramps and general open space structures. This is followed by Fencing/barriers type assets with 176 assets ($4,217,350) making up 17% of the overall sum of assets.

Table 9 Gross Replacement Cost by Asset Category

Asset Category	GRC	GRC
Electrical	111	4,837,850
Fencing	176	4,217,350
Landscaping	100	19,773,550
Misc Structures	358	10,078,750
Park Assets	42	713,550
Playground	114	4,122,000
Shelters / sheds	100	2,819,950
Sporting	59	9,700,553
Total	**1,060**	**$56,263,553**

The useful lives of the different asset categories are included in Table 10.

Table 10 Useful Lives by Asset Category

Asset Category	Useful Life	Average Useful Life
Electrical	5 - 40 years	29 years
Fencing	20 - 50 years	26 years
Landscaping	30 - 100 years	39 years
Misc Structures	15 - 100+ years	32 years
Park Assets	15 - 40 years	20 years
Playground	15 - 20 years	18 years
Shelters / sheds	20 - 50 years	41 years

Asset Category	Useful Life	Average Useful Life
Sporting	3 - 40 years	36 years

Asset Condition

The Recreation, Open Space and Other Structures condition assessments were completed by Australis Asset Advisory Group between April and May 2025. All condition assessments were visually based and where any major structural defect were identified, recommendations for further monitoring were included. The condition of each asset was assessed. Table 11 below includes a definition of the condition grades

Table 11 Definition of Condition Grades

Condition Grade	Description	Percentage of Remaining Life
1 - Very Good	The asset is in immaculate condition, few blemishes in finishes, with all items functioning satisfactorily and no safety issues. Only planned maintenance is required.	81 - 100%
2 - Good	The assets are in generally good condition, some blemishes in finishes, with virtually all items functioning satisfactorily and no safety issues. Minor maintenance required plus planned maintenance. (Minimal short term failure risk but potential for deterioration in long term - 10 years plus).	61 - 80%
3 - Fair	The asset is in reasonable condition, occasional blemishes in finishes, with most items functioning satisfactorily and no major safety issues. Significant maintenance required. (Failure is unlikely within next 2 years but further deterioration is likely and replacement/repair likely for some minor components or isolated sections of the asset from now to the next 10 years).	41 - 60%
4 - Poor	The asset is in unsatisfactory condition, extensive blemishes in finishes, with a number of items not functioning and possibly with safety issues. Significant renewal/upgrade required. Failure is likely in the short term & works required within the next 2 years to replace most or all of the assets).	21 - 40%
5 - Very Poor	The asset is in a poor state of repair, failures in finishes, with most items not functioning satisfactorily and possibly with a number of safety issues. Unserviceable. (Failure imminent and major work or replacement required urgently).	0 -20%

Overall Condition

A total of 1,060 assets were assessed with a Gross Replacement Cost (GRC) of $56.3 million. The condition profile of the Recreation, Open Space and Other Structures assets is shown in Figure 6.

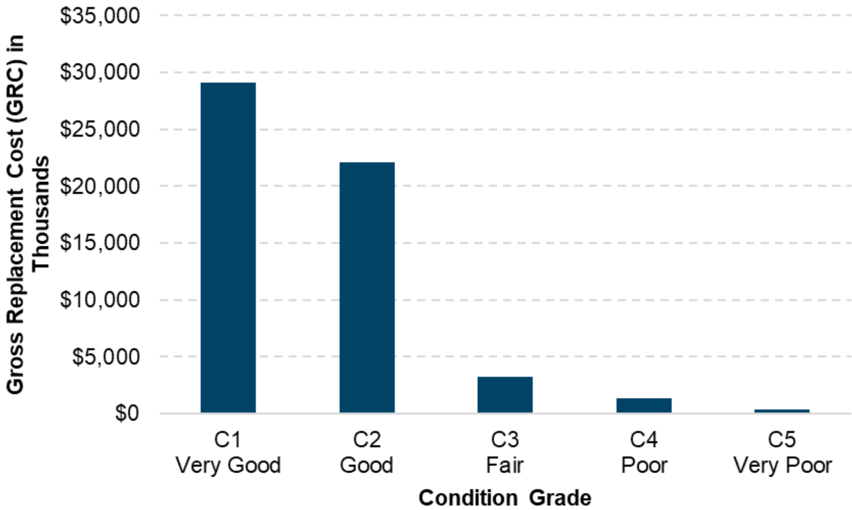


Figure 6 Asset Condition Profile

Overall the assessed assets of the Recreation, Open Space and Other Structures are in a very good condition, in which 55% of assets were assessed to be in a very good condition (by value - $29.2 million), 34% in a good condition (by value - $22.1 million), 6% in a fair condition (by value - $3.2 million), 4% in a poor condition (by value - $1.4 million) and 1% in a very poor condition (by value - $408K). All figure values are shown in current day dollars.

The $1.8 million of assets in a poor or very poor condition largely relate to the asset categories in Table 12.

Table 12 Poor and Very Poor Assets

Asset Category	Gross Replacement Cost
Access – boat ramp & stairs	264,800
Landscaping – edging & retaining walls	247,450
Benches	213,900
Fencing	193,900
Sporting – cricket batting cage	184,350
Lighting	140,700

Asset Category	Gross Replacement Cost
Court surface	114,600
Barrier - bollards	105,900
Shelters	104,150
Playgrounds - Softfall	80,400
Gate	59,900
Water	50,050
Park assets - BBQs	28,100
Hydraulic Services - water tank	15,200
Total	**$1,803,400**

Renewals

Renewals are major capital works that do not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces, or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.
Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses assessed asset data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e., condition modelling system, staff judgement, average network renewals, or other).

Renewal Ranking Criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g., replacing an BBQ shelter that is deteriorated or that is high maintenance)
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g., upgrade of fixtures and fittings)

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have a high use and subsequent impact on users would be greatest,
- Have a total value representing the greatest net value,
- Have the highest average age relative to their expected lives,

- Are identified in the AMP as key cost factors,
- Have high operational or maintenance costs, and
- Have replacement with a modern equivalent asset that would provide the equivalent service at a savings

Forecast renewal costs for Recreation, Open Space and Other Structures assets are projected to increase over time if the asset stock increases.

Figure 7 shows that a total of $7 million, or an annual average of $702,125, of lifecycle expenditure is required over the next 10 years. In comparison, only $4.0 million of lifecycle funding is available over the next 10 years. There are no deferred renewals - any asset with a renewal date prior to 2025/26. The lifecycle has assumed that all assets will be replaced prior to reaching a very poor condition (condition grade 5).

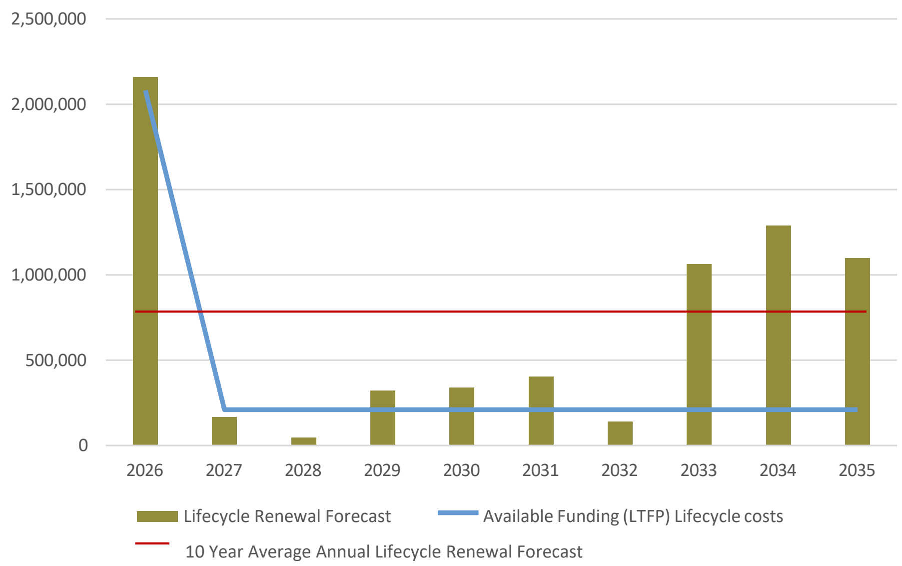


Figure 7 10 Year Lifecycle Plan for Renewals

The main contributors to the top three annual peaks of lifecycle expenditure are the following:

- Year 2032/33 - $1 million
  - Park Assets - $216K
  - Shelters - $213K
  - Playgrounds - $148K
  - Benches - $114K
  - Access - $104K
  - Fencing - $102K
  - Beach (lifeguard towers) - $66K
  - Water (taps & meters) - $58K

- Lighting - $25K
- Hydraulic Services - $15K

- Year 2033/34 - $1.2 million
  - Playgrounds - $684K
  - Fencing - $125K
  - Bins - $121K
  - Water (taps & meters) - $108K
  - Park assets - $87K
  - Benches - $82K
  - Shelters - $55K
  - Access - $27K

- Year 2034/35 - $1 million
  - Benches - $396K
  - Playgrounds - $309K
  - Sporting - $185K
  - Park assets - $73K
  - Shelters - $59K
  - Water (taps & meters) - $50K
  - Bins - $27K

Notes:

- The projected renewals program is based on the 2025 condition assessment and revaluation of Recreation, Open Space and Other Structures assets. The remaining useful life of assets was determined by an external contractor by assessment of asset condition and its age.
- For full details of the proposed 10-year capital works expenditure program, please refer to the *Australis Asset Advisory Group Kiama Municipal Council Assessment for Financial Reporting and Asset Management Purposes 19 August 2025*
- The renewal forecast assumes investment in operation and maintenance of the assets over their life
- The forecast is an indication only. Renewals will be programmed following inspection verification or history of failure
- Renewal budgets are verified in the Long-Term Financial Plan (LTFP). The 2025/26 LTFP has allocated $ 4.0 million over the next 10 years or an annual average of $400k for capital works
- Ongoing maintenance and renewal programs will increase useful lives and reduce costs in the long term
- Future forecasting may be optimised with predictive modelling and condition-based renewal forecasts

New Acquisitions

Acquisitions are new assets that did not exist previously or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to KMC.

KMC plans to invest in new assets based on the following:

- Operational Plan (1 year)
- Delivery Program (4 years)
- Long term plans (10+ years) based on modelling and Council's masterplans

There are no planned acquisitions.

Disposals

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. There were no assets identified for decommissioning during the revaluation process.

A disposal plan would consider the following strategic objectives:

1. Location - to ensure the adequate provision of Recreation, Open Space and Other Structures assets meet the needs of the local government area's community and visitors
2. Safety and risk management - to ensure Recreation, Open Space and Other Structures assets are designed and planned appropriately to minimise risk
3. Utilisation - to ensure Recreation, Open Space and Other Structures assets are sufficiently used to justify existence and maintenance funding

Operations and Maintenance

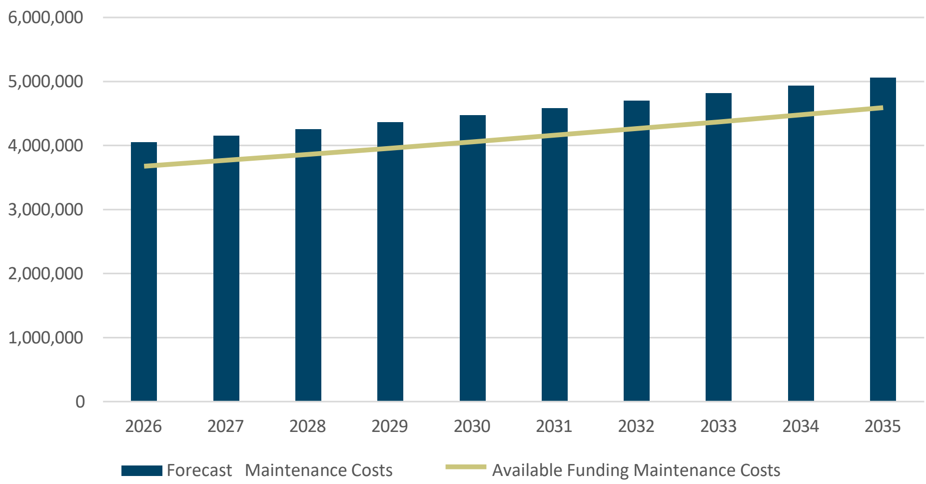
Operations include regular activities to provide services. Examples of typical operational activities include cleaning, labour, asset inspection, and utility costs. Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include structural repairs and equipment repairs.

As shown in Figure 8, the operational/maintenance budget is insufficient over the next 10 years. While a total of $41 million is available in funding over the next 10 years, there is expected to be $45 million of maintenance costs.

Suggested improvements to ascertain the optimum funding level include:

- Developing and scheduling of regular operations and maintenance tasks
- Recording the cost of all operations and maintenance by activity
- Investigate resources and systems to implement the operations and maintenance schedule

Figure 8 Forecast maintenance cost vs budgeted maintenance costs



To sustain the Technical LoS described in section Technical Levels of Service, Figure 8 shows the recommended maintenance and operations expenditure of $45M over 10 years. This assumes that the current LoS is satisfactory and increases the existing budgets by 2.5% indexation each year.

In future revisions of this plan, estimates will be based on the cost of required maintenance activities rather than using the previously mentioned assumption. It is anticipated that this methodology will reveal an even larger gap in recommended expenditure but will be necessary to meet the useful life of assets as they're currently predicted.

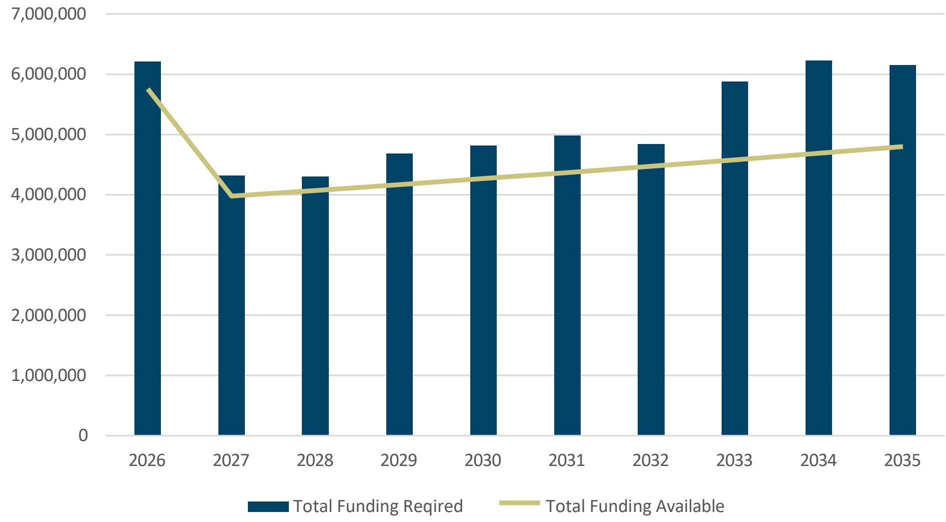
Notes:

- The forecast is for a 10-year period, based on the budget in the Long-Term Financial Plan (LTFP), previous expenditure trends, and assumptions of continuous funding ratios and indexation
- It includes funding for operations, planned and reactive maintenance
- Monitoring expenditure on preventive versus reactive maintenance and operations requirements could result in cost savings and prolong asset life with a more systematic maintenance process
- A key financial sustainability strategy noted in the LTFP to be implemented in the next two years is a review of service provision, including a re-evaluation of operational models for essential services
- An assessment of whole of lifecycle costs when acquiring new or upgrading assets is important for financial and operational sustainability

Summary of Maintenance and Renewal Costs

Figure 9 shows the total lifecycle maintenance and renewal costs versus the available budget over the next 10 years. The total funding required is $52.4 million while the total available funding is $45.2 million - a funding gap of $7.2 million. The current funding model meets only 86% of costs required to maintain the assets. However, ongoing maintenance and renewal programs may increase useful lives and reduce costs in the long term by moving away from reactive maintenance. It should also be noted that future forecasting may be optimised with predictive modelling and condition-based renewal forecasts.

Figure 9 Lifecycle Maintenance and Renewal Costs vs Budget



Future Demand

Demand Drivers

Drivers affecting demand include things such as climate change, extreme weather, natural disasters, human activities, recovery from natural disasters, preparation for natural disasters, population change, regulations, changes in demographics, seasonal factors, consumer preferences and expectations, technological changes, economic factors, and agricultural practices.

Demand Impact

The impact of demand drivers that may affect future service delivery and use of assets are shown in the Table 13 below.

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

Opportunities identified to date for demand management are also included in the table below. Further opportunities will be developed in future revisions of this AMP.

Table 13 Demand Drivers

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population growth, demographic change	The current population of Kiama is 23,173	Expected to increase to 27,678 by 2036	• Increased pressure on recreation infrastructure from more usage • Greater demand for indoor and accessible recreation and leisure facilities	• Upgrade existing fields, parks, facilities ahead of increased demand or upgrade existing ones • Ensure all recreation, open space and structures are accessible e.g. pathways, seating, shade, accessible toilets • Diversify facilities by increasing indoor facilities to accommodate older users, off-peak usage
Tourism	Growing. In the year ending September 2024, total nights stayed was up 29% year on year and total visitor spend was up $14 million year on year to $362 million	Expected to continue to increase	• Pressure on coastal assets such as beaches, promenades, foreshore parks, the Blowhole precinct, Minnamurra Rainforest, walking tracks receiving heavier wear and tear • Accelerated deterioration of walking tracks, pathways, shelter, carparks, signage • Increased waste management	• Expand and modernise public toilets, BBQs, shelters and bins in high-traffic areas • Provide overflow or surge capacity e.g. extra bins, seasonal staff during peak visitor periods • Improve drainage and durability of foreshore paths and carparks due to higher use • Distribute visitors across the LGA through signage, digital apps and marketing that highlights lesser-known attractions • Encourage off-peak visitation • Integrate sustainability practices e.g. recycling facilities, water refill stations, renewable energy
Climate change	Severe weather events, droughts, flooding, bushfires, East Coast lows; disaster recovery	Sea level rise and coastal erosion	• Beach erosion and loss of recreational areas • Greater risk/damage to coastal promenades,	• Use Coastal Management Plan hazard maps to identify at-risk areas and prioritise protective works • Redesign coastal furniture and pathways for inundation, raise

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
			parking areas, seawalls, jetties and viewing areas • Damage to coastal infrastructure e.g. pathways, seating, BBQ shelters, signage • Cliff and slope instability due to higher storm waves and increased sea levels increases risks to tracks, viewing platforms and safety barriers • Shorter lifespan for foreshore toilets, BBQs, shelters, signage and fixtures due to saltwater corrosion	boardwalks where required, prioritise corrosion-resistant materials and avoid locating new critical assts in the highest risk zone • Regular geotechnical monitoring and risk mapping, close or re-route walking trails away from unstable sections, design viewing platforms with removable or replaceable elements where exposure is high • Use corrosion-resistant materials, elevate assets
		Higher temperatures, heatwaves	• Turf/grass impacted by heat stress increases irrigation demand while • Trees may be impacted from heat/drought and reduce shade in recreation areas • Heat can accelerate material degradation e.g. plastics and rubber at playgrounds • Frequent heatwaves will change peak use times e.g. more early morning or evening use, increase heat-related incidents or health issues in parks	• Transition to drought tolerant or artificial turf • Plant climate-resilient native trees • Plant more trees to increase shade coverage • Increase use of materials that are UV/heat resistant • Implement heat-response measures in public areas e.g. more shade structures, misting areas, drinking fountains • Revise opening hours and evacuation procedures • Improve public messaging and signage about hazard zones

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
		Increased rainfall, flooding and storms	• Flooding of parks, damage to sports fields, waterlogging, drainage overload and erosion of paths	• Improve or upgrade stormwater and drainage, regularly clear stormwater inlets/outlets to reduce blockages during peak rain periods • Design surfaces for quick recovery by improving soil profiles or subsurface systems to reduce waterlogging • Raise playing surfaces where feasible and design for faster recovery e.g. using turf varieties with higher wear and water tolerance • Use elevated or well drained designs for coastal paths, boardwalks and built structures • Stabilise embankments with vegetation or retaining structures to prevent washouts
		Increased droughts	• Turf and garden beds dry out, leading to degraded sports fields and reduced use of parks • Higher irrigation demand • Tree canopy loss reducing shade and increasing heat exposure	• Use drought-tolerant turf and native plants and trees • Increase use of mulch and soil conditioning to retain moisture • Expand recycled/alternative water use • Prioritise smart irrigation systems
		Increased bushfire risk	• Open spaces and urban bushland face higher risk of ignition and ember attacks • Facilities may need to be closed during high fire danger days • Vegetation loss and damage to recreation infrastructure	• Maintain Asset Protection Zones • Use fire-resistant species in landscaping • Design facilities with non-flammable materials • Establish clear evacuation and closure procedures for high-risk days

Demand Management

Data-Driven Decisions

Recreation, Open Space and Other Structures asset management will move away from reactive maintenance towards a more data-driven, predictive approach, using real-time data and analytics to optimize resource allocation and maintenance scheduling.

It is important to establish one online, accurate database of the asset inventory with an agreed naming convention, asset hierarchy and reliable, current data combining finance and technical data.

Collaboration

Increased collaboration between various internal and external stakeholders, including government agencies, private contractors, and researchers, will be necessary to develop and implement effective Recreation, Open Space and Other Structures asset management strategies.

Managing Demand

Changes in Recreation, Open Space and Other Structures demand due to population growth, demographics, and climate change will be addressed through a combination of managing existing assets, upgrading assets, and potentially implementing new assets or demand management strategies. The focus will be on renewals and upgrades of existing infrastructure.

New assets are assessed as required considering whole of life costs and the impact on operations and maintenance budgets. Council will seek grant funding for all new assets.

Service Standards

Council will adopt service standards in consultation with the community to provide functional Recreation, Open Space and Other Structures assets which meet their needs.

Systematic Analysis

Improved data management and asset planning will incorporate systematic analysis to prioritise and establish cost-effective work programs.

Long Term Planning

Council is currently developing an Open Spaces and Recreation strategy for the next 10 years. The Strategy will look at sporting facilities, play facilities, parks and open spaces and identify future priorities and investment. The Strategy will establish Council's vision, priorities and programs to enable future investment, supported by external funding assistance, in the highest priority areas for all Council-managed sporting fields, play spaces and open space recreational areas. A summary of the community consultation is included below.

Community Consultation - Sporting fields and facilities

This consultation included:

- Key internal stakeholder consultation
- Kiama District Sports Association consultation
- Survey of Sports Clubs/Associations, who are the primary users of our sporting fields and facilities
- On-site meetings with Sports Clubs/Associations
- Survey of other key user groups including schools
- Community consultation via survey.

Community Consultation - Playgrounds, open spaces and reserves

This consultation included:

- Accepting written submissions
- Key internal stakeholder consultation
- Community consultation via online survey
- Pop-up sessions at playground locations in the LGA
- Community sessions at The Pavilion Kiama.

The next steps include a draft strategy, public exhibition of the draft strategy, consideration of feedback and then Council adopting the strategy.

Risk Management

The Standard AS/NZS ISO 31000:2018 has been referred to in establishing a Risk Matrix to determine the risk associated with the Open Spaces portfolio. Risks can include financial, environmental, social, operational and health and safety considerations. Typical risks relevant to Recreation, Open Space and Other Structures are:

- Asset Management
- Environmental Hazards
- Financial, Funding Fraud
- Customer Services
- Contracting Performance
- Environmental Hazards
- Governance Human Resources
- Information Management
- Legislative Compliance
- Planning, Strategy, Growth
- Project / Program Management
- Public Health & Safety

The following options are available for mitigating risks to reduce the cause, probability or impact of failure:

1. Do nothing - Accept the risk
2. Management Strategies - Implement enhanced strategies for demand management, contingency planning, quality processes, staff training, data analysis and reporting, reduce the desired level of service, etc.
3. Operational Strategies - Actions to reduce peak demand or stresses on the asset, operator training, documentation of operational procedures, etc.
4. Maintenance Strategies - Modify the maintenance regime to make the assets more reliable or to extend its life
5. Asset Renewal Strategies - Rehabilitation or replace assets to maintain service levels
6. Development Strategies - Investment to create a new asset or augment an existing asset
7. Asset Disposal / Rationalisation - Divestment of assets surplus to needs due to a service being determined as a non-core activity or assets can be reconfigured to better meet needs

Enterprise Risk Management Policy

The objectives of KMC's Enterprise Risk Management Policy are to:

- Provide a framework for the management of risk to support the achievement of corporate objectives, to protect employees and business assets and to ensure regulatory compliance and financial sustainability, while minimising the risk of fraud and corruption
- Provide a reference for Council, Executive Leadership team and Management to make informed business decisions based on risk assessment methodology in line with AS/NZS ISO 31000:2018

The Framework consists of:

- The Enterprise Risk Management Policy
- Enterprise Risk Management Framework
- Assurance and attestation from the Audit, Risk and Improvement Committee
- Internal and external audit
- Strategic and Operational Risk Registers and reviews
- Insurance program for transferable risk
- Incident reporting, escalation and trend analysis
- Supporting policies and processes

Council will implement risk management by making the strategy operational through all the measures listed:

- Align risk management processes to existing planning and operational processes
- Allocate sufficient funding and resources to risk management activities
- Provide employees with appropriate training in risk management principles
- Assign clear responsibilities to employees at all levels for managing risk
- Embed key controls to manage risks into business processes
- Establish appropriate mechanisms for measuring and reporting risk management performance
- Communicate risk management policies, plans and issues to employees and other stakeholders
- Take human and cultural factors into account
- It is dynamic, iterative and facilitates continual improvement

KMC maintains a risk register. The complete list of risks associated with the assets from Recreation, Open Space and Other Structures are included in Appendix One: Risk Register. Some of the controls will be included as part of the agreed Improvement Plan.

Critical Risks

As KMC works to update asset data it is important to develop risk-based management programs. A first step would be to work with cross departmental staff to develop a list of key infrastructure and associated inspections and preventive maintenance activities to mitigate high level and catastrophic risks.

Climate Change Risks and Adaptation

The KMC Climate Change Adaptation Strategy and Action Plan (2009) was developed following a Climate Change Risk Assessment. It recommends adaptation actions for Recreation, Open Space and Other Structures to mitigate the risks associated with climate change as shown in Table 14.

Table 14 Climate Change Risks and Adaptation Action

Identified Risk	Adaptation Action	Risk Rating
Damage to existing and future development and infrastructure from flooding / sea level rise	Prepare flood risk mapping for the LGA to inform which areas are at risk from flooding	High

Identified Risk	Adaptation Action	Risk Rating
	Include climate change allowance in all technical studies Include guidance provided by DECC in the draft sea level rise policy statement	
Increase rainfall intensity reduces asset life	Prepare technical studies which model the impacts of increased rainfall intensity Review the Recreation, Open Space and Other Structures AM annually	Medium
Sea level rise increases likelihood of submerged outlets and increased system upgrades	Prepare Coastal hazard assessments for key assets	Low
Increased coastal erosion of beaches and foreshores and inundation	Use Coastal Management Plan hazard maps to identify at-risk areas and prioritise protective works	High
Declining public health or injury due to inability to access sporting fields and recreation areas due to restricted or suspended usage from drought, sea level rise or flooding impacts	Community land management plans	Medium
Changes in climate variables – inability to irrigate recreational areas and/or parks, inundation from floor and overall field surface maintenance	Sporting organisation risk assessments Drainage systems Resurface fields	High
Increased maintenance, refurbishment and replacement of marine structures, rockpools and bridges due to higher water levels and increased floor return	Update Asset Management Plans Review budget allocations	High

Business Continuity Plan

Councils are required to have a Business Continuity Plan to ensure critical business objectives in the face of uncertainty or disruption based on AS ISO 22301:2020 Security and Resilience - Business Continuity Management Systems - Requirements. KMC are currently meeting this requirement by having a documented Business Continuity Management Plan and a Crisis Management and Business Continuity Team to monitor and update the plan.

Emergency Management Plans

Councils should have established plans for responding to disasters, including procedures for assessing damage, prioritising repairs and communicating with the public - for example, flood warning signs. Good maintenance can significantly reduce the risk of damage to assets during floods and other natural disasters.

There are several grant programs available to KMC for disaster relief. They have program and eligible expenditure guidelines to fund a range of activities that best meet the community's recovery needs.

Asset Management System

The management of asset data is important in modelling future requirements, capital and operational planning and asset valuations. The design of the asset hierarchy provides the framework to build the asset register. To design or enhance the asset hierarchy, the nature and use of the asset should be considered as well as components that are required to be managed independently from other elements.

Other elements that may be included:

- Quality and complexity of design
- Materials
- Size / dimensions
- High level location issues (region / town)
- Specific locations (rural, CBD)
- Geographical issues (coastal, plateau, mountainous)
- Environmental issues (acidic soil, sand, salt)
- Technology and obsolescence
- Service levels, standards and regulations

Data Confidence

Recreation / Open Spaces and Other Structure assets overall have a moderate level of data integrity due to undergoing a recent revaluation project as per AASB and ISO standards. Data confidence in relation to asset lifecycle information in the Asset Register however is low. This is due to a lack of robust asset management practices in place to ensure reconciliation of the multiple systems that support the management of KMC assets:

- IFM GIS
- TechnologyOne
  - Enterprise Asset Management
  - Enterprise Financial Management
  - Enterprise Works System
- Trim Manager – Revaluation spreadsheet data
- Shepherd Services: Asset Management Solutions
- AssetFuture software services

Asset data quality improvements are highlighted as part of the improvement initiatives program as an outcome of strategic asset management plans.

Condition assessments and asset lifecycle data collection is being managed within the revaluation program. Comprehensive revaluations are intended to be undertaken on each asset class every 4 years in a rolling program, consistent with Table 15. Due to a revelation of Recreation / Open Spaces and Other Structure assets 2024/25 aligning with this AMP, the revaluation and inspection program aims to disperse revaluations of each asset class to align with the review and renewal of AMPs. It is for this reason that the asset classes should be inspected and revalued 4 years apart from FY 2024/25 until FY 2029/30 where it will meet the 4-year frequency and align with the AMP thus informing and impacting the outcomes.

Table 15 Condition Assessment and Revaluation Program

Asset Class (Measured at Fair Value)	Year of Revaluation											
	2022/23	2023/24	2024/25		2025/26	2026/27	2027/28	2028/29	2029/30		2030/31	2031/32
			Condition Assessment	Revaluation					Condition Assessment	Revaluation		
Other Structures			✓	✓					✓	✓		
Swimming Pools			✓	✓					✓	✓		
Other Open Space/ Recreational Assets			✓	✓					✓	✓		

Financial Summary

Levels of Funding

The forecasted lifecycle management costs required to provide the agreed levels of service, which includes the operation and maintenance, renewal, acquisition and disposal over 10 years is an average of $5.2 million per year.

The current levels of funding available is $4.5 million per year over the next 10 years which represents 86% of the cost to sustain the required level of service and therefore is insufficient to maintain the levels of service. The consequences of not maintaining the assets to their forecasted funding requirements are:

- Decline in service level
- Inability to maintain compliance with legislated statutory requirements
- Increase in risk to patrons and users of Recreation, Open Space and Other Structures assets
- Deterioration of assets, facilities and buildings over time
- Increase in maintenance costs

Asset Performance Indicators

Renewal is defined as the replacement of existing assets to equivalent capacity of performance capability. This measure is intended to indicate the extent to which Council is replenishing the assets as they deteriorate.

The Special Schedule 7 in the annual financial statements requires the asset sustainability ratio as an indicator of Council's asset management performance. The implication of the benchmark is that Council's annual depreciation expense is the indicative level of required annual renewal of its assets. A renewal ratio greater than 100% is the benchmark. However, depreciation (an accounting concept) patterns does not necessarily match the decline of asset service potential, so the figures are a guideline only.

Asset Sustainability Ratio

ASR = Asset renewal expenditure / annual depreciation
$ 397,190 / $1,463,088 = 27%

The benchmark for this ratio is >100%. The indicator suggests that Council is currently not spending enough on asset renewals and replacements to offset the deterioration of its Recreation, Open Space and Other Structures assets.

A more useful indicator is the Asset Renewal Funding ratio. The figures in this indicator are based on this Asset Management Plan.

Asset Renewal Funding Ratio

= Planned capital expenditure (1 year - budgeted) / required capital expenditure (1 year)
$397,190/ $702,125 = 57 %

= Planned maintenance (1 year - budgeted) / required maintenance expenditure (1 year)
$ 4,118,482 / $4,539,308 = 91%

The benchmark for this ratio is 100%.

The benchmark ratio for capital funding indicates the budgeted capital funds are not sufficient to maintain the lifecycle renewal for Recreation, Open Space and Other Structures assets for the next year. However, the benchmark ratio for maintenance funding indicates that the budgeted maintenance funds are close to being sufficient. It is anticipated that with improved asset management practices future revisions of this plan will include estimates based on the cost of required maintenance activities rather than using the previously mentioned assumptions. It is anticipated that this methodology will reveal an even larger gap in recommended expenditure but will be necessary to meet the useful life of assets as they're currently predicted.

Depreciation
Current accumulated depreciation of Councils Recreation, Open Space and Other Structure asset base is $23.9M which equates to 43% of the gross replacement cost. This indicates that the assets are generally within the mid stages of their lifecycle. The annual depreciation of Recreation, Open Space and Other Structure assets equals $1.4M/year with a gross replacement cost equaling $56.3M. This gives a useful life of 38.4 years on average across the asset class.

The Asset Sustainability Ratio indicates that KMC are not investing enough in capital renewal expenditure of these assets to align with the rate of asset degradation through depreciation.

Options for consideration
The LTFP includes strategies to sustainably return Council to an operational surplus within 2 years:

- Minimise spending on materials and services including consultancy and contractor costs.
- Review of service provision to re-evaluate operational models for essential services
- Review of service provision to re-evaluate operational models for recreational services to offset the current asset renewal shortfall. This would incorporate investigations into levels of service provided to the community. Investigations would explore models that could provide additional income to support the current level of service, including introduction of user pays fees such as sports field charges for organised sporting groups. Alternatively, models would include lowering of services, e.g. operating hours, mowing frequencies, cleaning frequencies etc.
- Allocate budget to complete implementation of the OneCouncil / TechOne business systems, including the asset information system.
- Maintain funding for asset renewal requirements
- Provide financial targets for the next 10 years
- Model assumptions
- An enhanced funding level for capital works from external sources.
- Ensuring that any proposed increase in services and/or assets is within the financial means of the Council.
- Monitoring the adequacy of working funds / unrestricted cash and funding for infrastructure maintenance and renewal.

Local Government Act 1993 Section 8B
a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
c) Councils should have effective financial and asset management, including sound policies and processes for the following:
(i) performance management and reporting,
(ii) asset maintenance and enhancement,
(iii) funding decisions,
(iv) risk management practices,
d) Councils should have regard to achieving intergenerational equity, including ensuring the following:
(i) policy decisions are made after considering their financial effects on future generations,
(ii) the current generation funds the cost of its services.

There are three potential strategies outlined in the LTFP:

- **Scenario 1** - base case as outlined in the LTFP objectives. This includes maintaining levels of service for assets.
- **Scenario 2** - 15% Special Rates Variation (SRV), assumed to be implemented in 2025 / 26 to meet KMC's annual asset renewal obligations. This is not the preferred scenario and will only be considered after achieving operational efficiencies and service reviews.
- **Scenario 3** - Status quo with no budget savings. This option fails to meet the Performance Improvement Order and breaches Section 8B of the Local Government Act 1993.

Roles and Responsibilities

The Executive Leadership Team (ELT) is responsible for providing strategic, operational and cultural leadership to inspire staff to work together to achieve the Delivery Program and Operational Plan.

The ELT consists of:

- Chief Executive Officers (CEO)
- Director Corporate and Commercial
- Director Infrastructure and Operations
- Director Strategies and Communities
- Chief Financial and Technology Officer (CFTO)
- Head of Implementation

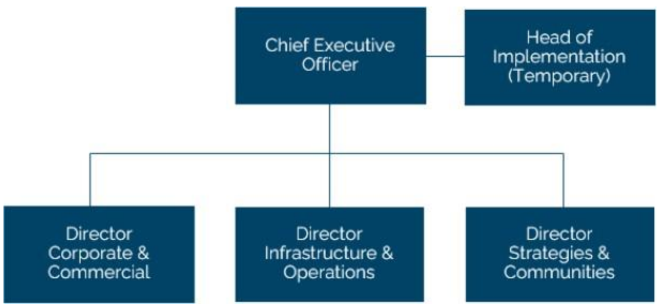


Figure 10 KMC Organisational Chart

Monitoring and Improvement Plan

It is important that Council recognises areas of their Asset Management Plan (AMP) and planning processes that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 16.

Table 16 Improvement Plan

Focus Area	Item	Improvement	Completed by
Asset Inventory	1	Follow the asset class condition inspection schedule so that Council may keep to a 4-year cycle for asset class revaluations.	Progressive
	2	Collect and store unit rates to include construction costs of projects for future comparison against asset base and for project scoping improvement.	Progressive
	3	Leverage future defect data against the relevant task budgets to develop accurate maintenance activity unit rates.	Next Update
	4	Measure and validate costings for maintenance activities to better understand the cost of addressing backlogged defects and future maintenance of degrading assets.	Next Update
	5	Analyse number, type of defects and cost to repair defects present in each condition rating for each asset type. Use this information to form degradation profiles for each asset type with the recommended maintenance cost based on the remaining useful life.	Next / Future Update
	6	Model best case, probable and worst-case scenarios for asset lifecycle to understand the range of cost the asset base may require.	Future Update
	7	Track the number of defects between years to understand the variance in defects to be resolved and let this inform the budget recommendations in proportion to the gap of current defects vs acceptable number of defects in relation to risk.	Future Update
	8	Implement variable renewal budgets based on renewal forecasts rather than budget being increased by indexation.	Progressive
Planning	9	Develop 10-year works programs for renewal and upgrades based on condition assessment, function and capacity	
	10	Regularly review and update the levels of service based on community needs and engagement and available funding and resources	Progressive

Focus Area	Item	Improvement	Completed by
	11	Expand and improve organisational measures of customer service through the CRM dashboard reporting and development of service level agreements and response times	Progressive

Appendix One: Risk Register

Section	Risk	Long Description	Inherent Risk Rating	Residual Risk Rating	Next Review	Controls
Works	RISK01104	Inaccurate data for infrastructure planning resulting in poor decision making, financial loss	Significant Risk	Minor Risk	17 June 2025	Project planning of annual works plan, reviewed quarterly Asset management system Data validation and cleansing Inspection program SAMP
	RISK01132	Asset failure or reduced life due to use of substandard materials, construction methods etc. leading to financial loss, injury, property damage, increased maintenance costs	Minor Risk	Minor Risk	17 June 2025	Compaction testing Design standards Quality accredited suppliers Supervision Tender specifications Replacement programs
	RISK01133	Excessive wet weather resulting in delayed works program increasing the risk of injury or property damage	Minor Risk	Minor Risk	17 June 2025	Weather is monitored for weather-dependent daily tasking Alternative tasking on wet days
	RISK01134	Failure of key supplier resulting in unavailability of materials to complete works	Minor Risk	Moderate Risk	17 June 2025	Preferred supplier list Resource sharing Supply chain diversity

Section	Risk	Long Description	Inherent Risk Rating	Residual Risk Rating	Next Review	Controls
	RISK01136	Maintenance or construction activities result in environmental damage leading to fines, remediation costs, damage to reputation	Moderate Risk	Minor Risk	17 June 2025	Emergency procedures Review of Environmental Factors Site specific environmental risk assessments for larger projects Tree Preservation Order Pesticide/ herbicide policy and procedures
	RISK01138	Time and/or cost blow out in works delivery due to latent conditions etc. resulting in financial impact, damage to reputation	Minor Risk	Minor Risk	17 June 2025	Budget Contingency Geotech investigations Sound project planning for works activities
	RISK01140	Asset defect not detected or properly acted upon by Council resulting in asset failure, injury, property damage, litigation, financial loss, damage to reputation	Minor Risk	Minor Risk	17 June 2025	Asset management plan CRM system to record complaints Incident investigation process Proactive maintenance program Intervention levels for repair Regular inspections
	RISK01252	Unsafe work practices, defective or not fit for purpose equipment, moving plant risks, compliance with PPE	Moderate Risk	Moderate Risk	12 November 2025	Designated walk areas to separate vehicle & pedestrians at depot Low volumes and safe storage of chemicals or hazardous materials

Section	Risk	Long Description	Inherent Risk Rating	Residual Risk Rating	Next Review	Controls
						Prestart checks, maintenance program of plant & equipment manual handling training SWMS, on site risk assessment, toolbox talks Incident and hazard reporting procedures Depot based WHS committee member Safety management system
	RISK01253	Loss of key staff member, system access or facility access impediment	Moderate Risk	Moderate Risk	12 November 2025	5 direct reports could cover short term Succession planning/ recording of processes Appropriate budget for adequate resourcing Alternative location has been identified as waste depot Admin staff accommodation Plant & equipment hire should be readily sourced
Design & Project Management	RISK01105	Budget overruns due to poor and inaccurate planning or cost assessment, latent conditions etc. resulting in financial impact, damage to reputation	Significant Risk	Minor Risk	12 November 2025	Financial assessment of contractors in tendering process QS cost guides Resources (Project

Section	Risk	Long Description	Inherent Risk Rating	Residual Risk Rating	Next Review	Controls
						Management Framework) Staff resources On site contractor supervision Standard spec and scoping procedure
	RISK01107	Errors in design resulting in asset failure or defects, cost increases, injury or property damage	Significant Risk	Minor Risk	12 November 2025	Consultation with internal/external stakeholders to verify assumptions & inputs Use of expert consultants Safety in Design review and consultation with stakeholders Brief and scope document clear (standards, key outcomes and objectives) Peer Review (inhouse - smaller projects; external - larger projects)
	RISK01108	Non-compliance with tendering legislation or procurement policies resulting in increased costs, invalid contracts, legal action.	Extreme Risk	Minor Risk	12 November 2025	Contract register updated as per LG Act (projects over $150,000) Procurement policy and procedures Control documents to be reviewed and revised to meet better delivery outcome Standardised documents for procurement.

Section	Risk	Long Description	Inherent Risk Rating	Residual Risk Rating	Next Review	Controls
						Procurement & Contracts Coordinator for advice Using approved procurement platforms e.g. Tenderlink, Vendorpanel etc.
	RISK01109	Error leads to inadequate or invalid determination resulting in possible legal challenge, civil action, financial loss. This includes human error.	Extreme Risk	Minor Risk	12 November 2025	Engineering development referral checklist Peer review with planning department Amendments to or review of DA consent Standard conditions of consent
	RISK01111	Substandard developer delivered infrastructure (roads/drainage/footpaths/playgrounds/detention basins) resulting in reduced asset life, asset failure, financial impact	Moderate Risk	Minor Risk	12 November 2025	Certification from designers Defect liability period Critical Stage Inspections QA systems Security bond Testing Work as executed plans

Appendix Two: Capital Works Program (LTFP)

Project	Parent Program	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
201196	Parks & Reserves	45,901									
201245	Holiday Parks	80,000									
200015	Commercial Business	6,000									
201176	Commercial Business	44,900									
200965	Recreation and Open Space	29,693									
201028	Recreation and Open Space	5,000									
201083	Recreation and Open Space		210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
201141	Recreation and Open Space	730,451									
201142	Recreation and Open Space	1,034,950									
201252	Recreation and Open Space	80,000									
201243	Leisure Centre - Pool	15,000									

Project	Parent Program	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
201230	Coastal	10,000									
	Total	**$2,081,895**	**$210,000**	**$210,000**	**$210,000**	**$210,000**	**$210,000**	**$210,000**	**$210,000**	**$210,000**	**$210,000**

**Total Capital Works Program by Parent Project for period ending July 25/26 provided by Finance*

Authorisation and version control

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Department	Engineering and Technical Services
Date adopted/endorsed	[date]
Resolution number (if applicable)	[number]
Next review date	30 June 2030
TRIM reference	25/99108

Variation and review

The Strategy should be reviewed within 3 months of the local government elections as part of the broader review of the Community Strategic Plan.

Date reviewed	Date adopted/ endorsed	Brief detail of amendments
30 June 2025	[date]	[insert detail here]
[date]	[date]	[insert detail here]
[date]	[date]	[insert detail here]

Council reserves the right to review, vary or revoke this Strategy.

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