Whitsunday Regional Council

ASSET MANAGEMENT STRATEGY 2022-2026

ACKNOWLEDGMENT OF COUNTRY

COUNCIL ACKNOWLEDGES THE TRADITIONAL OWNERS AND CUSTODIANS OF THE LANDS IN OUR REGION

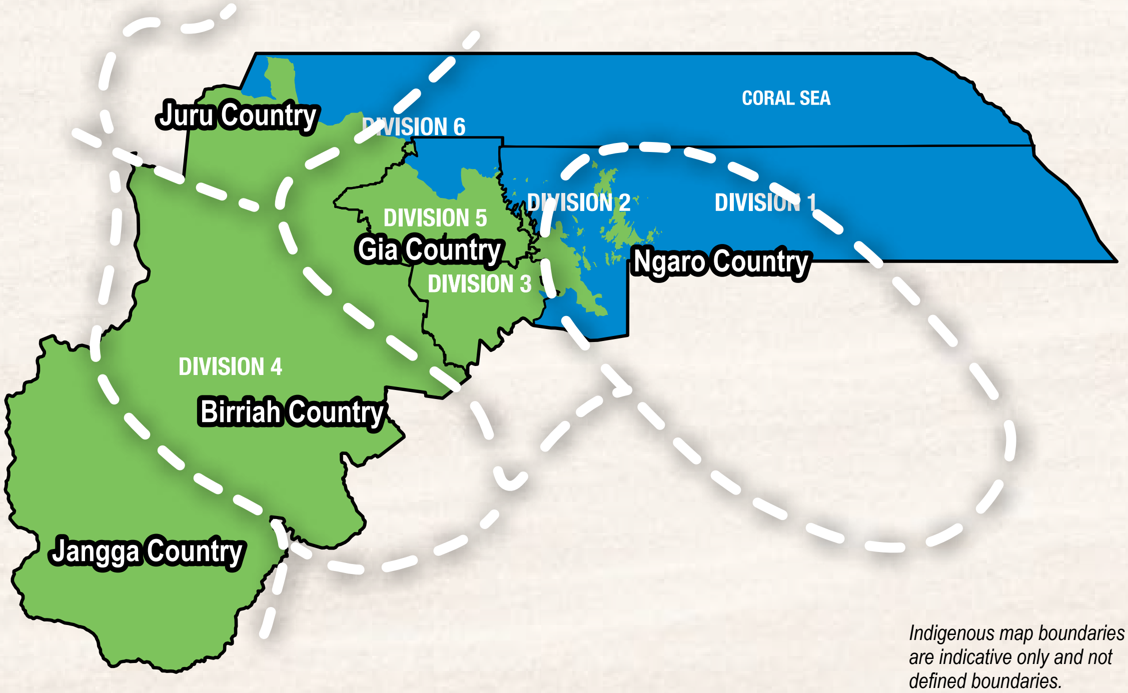
We pay respect to Elders past, present and emerging and acknowledge their ongoing relationship and connection to Country.

To acknowledge and show respect for our traditional owner groups' history, culture and our shared future, the Welcome to Country is conducted at all significant events.

Council will be reviewing its Reconciliation Action Plan over the next 12 months.

Whitsunday Regional Council endorses the vision of a nation which values Aboriginal and Torres Strait islander heritage, cultures and peoples and recognises their distinct position as the original custodians of Australia.

Council's Mission is to make a sustainable future possible by building stronger relationships, mutual respect and encouraging cultural practices that strengthen and support harmony between Aboriginal and Torres Strait Islander peoples and the broader community within the Whitsunday Region. Council values input and active participation from Aboriginal and Torres Strait Islander peoples into decision-making.



Indigenous map boundaries are indicative only and not defined boundaries.

Within the Whitsunday Region, five groups of traditional owners occupy the country, within, but not limited to the following areas:

- **Ngaro Country** around the Whitsunday Islands and the mainland coastlines;
- **Gia Country** around Proserpine and Gloucester surrounds (north to Bowen, south to O'Connell River and east to the Clarke Connor Ranges)
- **Juru Country** around Bowen and Gumlu north to the Burdekin River
- **Jangga Country** around Mount Coolon and surrounds
- **Birriah Country** around Collinsville and surrounds

CONTENTS

EXECUTIVE SUMMARY

BACKGROUND

Whitsunday Regional Council (WRC) manages large and diverse infrastructure assets worth more than $1.2 billion. Most of these assets are:

- **FIXED IN PLACE**
- **EXPENSIVE TO CONSTRUCT, MAINTAIN AND OPERATE**
- **LONG-LIVED (I.E., THE AVERAGE LIFE OF COUNCIL'S ASSETS IS 50 YEARS)**

This infrastructure has been built up over generations, and it is generally not 'front of mind' for the community until a problem arises. However, Council's assets are crucial to delivering community services and underpin the region's economic, environmental and social well-being.

Council has statutory obligations around its financial and asset sustainability. This includes accurate recording, valuation and financial reporting of its assets and ensuring performance measures are met under the Local Government Financial Sustainability requirements. Additionally, some of Council's asset-based services are highly regulated, with significant penalties for non-compliance (e.g. water, wastewater and waste services).

Consequently, Council's asset management decisions have far-reaching implications for Council and the community. As a result, Council is exposed to significant financial, legal, environmental and political risks around asset management. To better manage these risks, Council is implementing an Asset Management Governance Framework through an Asset Management Maturity Project.

This Asset Management Strategy is a key part of the Asset Management Governance Framework.

PURPOSE

The Asset Management Strategy explains (at a high level) how Council intends to manage its assets to maximise their value. In this context, 'value' means how we achieve the corporate objectives set out in our Corporate Plan within our financial constraints, and consistent with Council's risk appetite. In doing so, the Asset Management Strategy is important for improving organisational governance, enabling effective and sustainable decision making, enhancing customer service outcomes and improving risk management and financial sustainability.

MANAGE ASSETS TO MAXIMISE THEIR VALUE

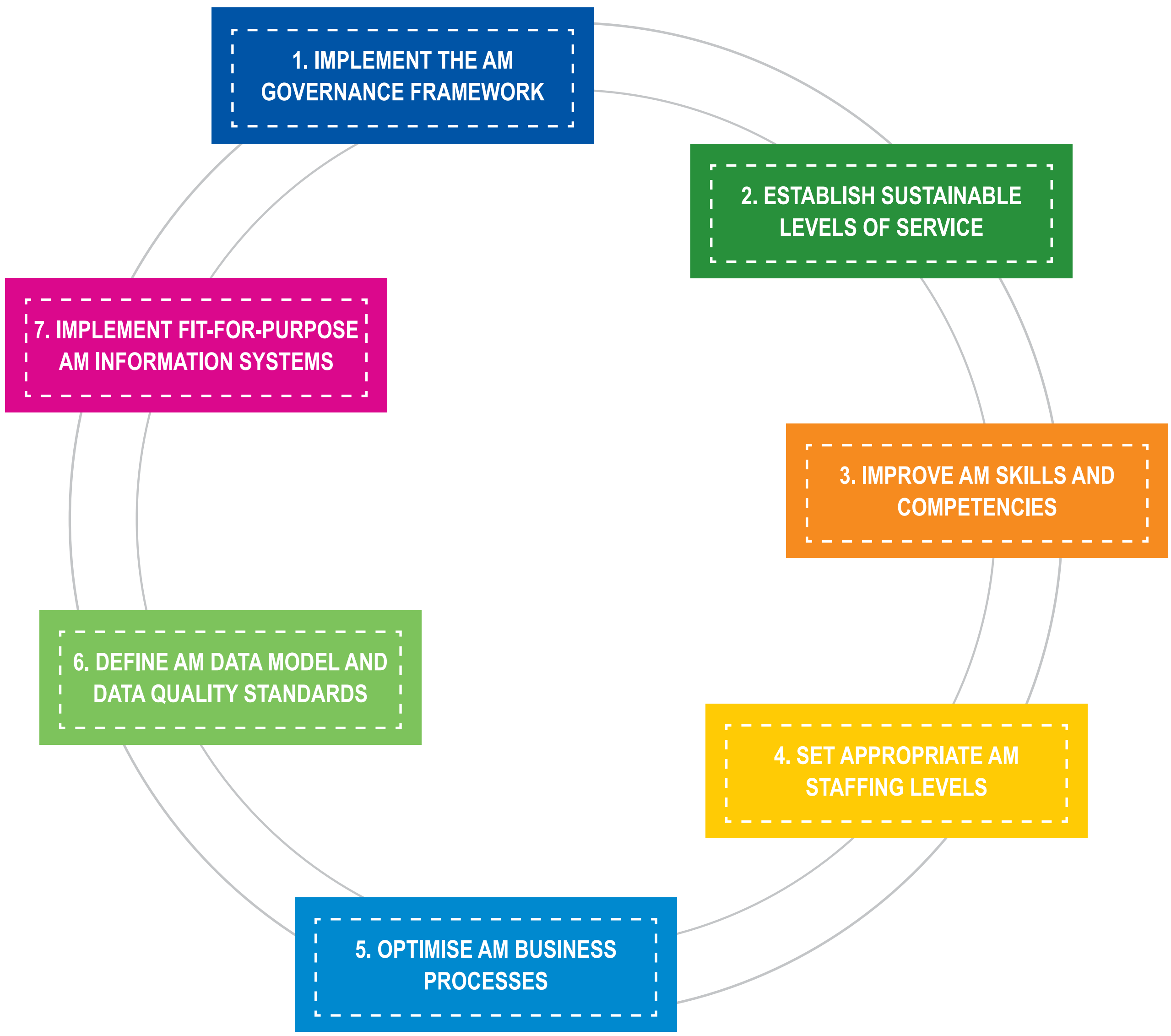
STAKEHOLDER CONSULTATION

The Asset Management Strategy 2022-2026 has been developed in collaboration with internal stakeholders and following a comprehensive review of the internal and external factors likely to impact Council's infrastructure and asset management practices for the foreseeable future (refer to Appendix C - Environmental Scan).

Future iterations of this strategy will incorporate feedback from external stakeholders.

ASSET MANAGEMENT OBJECTIVES

The following Asset Management Objectives have been developed to focus our effort and maximise the value of Council's assets:



These objectives and associated activities are explained in Section 3.2. That section also discusses how these Asset Management Objectives support the achievement of the Key Focus Areas from the Corporate Plan 2021-2026.

A high-level summary of the Asset Management Strategy is shown below.

Figure 1: Asset Management Strategy on a Page[1]

STRATEGIC CONTEXT

ASSETS ($1.2B)

- 1790 km roads | 42 bridges
- 143 km stormwater drainage
- Coastal assets (walls | ramps)
- 838 km water & sewer pipes
- 8 water & sewerage treatment facilities | 86 pump stations
- 396 buildings | 56 community centres | 4 regional libraries
- 120 parks & open spaces (530 Ha)
- 3 regional swimming pools | 3 water parks | Airlie beach lagoon
- Whitsunday Coast Airport | Shute Harbour Terminal | PEC

SUPPORT

SERVICES

- Road transport | aviation
- Water | sewerage
- Waste collection | disposal
- Flood mitigation | drainage
- Community sport | recreation
- Libraries | cultural activities
- Community facilities | amenities
- Community events
- Economic development
- Tourism infrastructure
- Environmental protection
- Disaster management

IMPACT

CHALLENGES

- Climate change
- Volatile | uncertain global economy
- Cost of living | inflation
- Aging | ailing population
- Pandemic impacts | recovery
- Funding constraints
- Legislative requirements
- Future demand for infrastructure
- Alignment of growth | growth targets with grant funding
- Organisation AM maturity
- Aging workforce
- Skilled labour shortages
- Technology change

CURRENT STATE		FUTURE STATE
'BEST EFFORT' SERVICES | LIMITED UNDERSTANDING OF COSTS & RISK	→	SUSTAINABLE SERVICE LEVELS THAT MEET COMMUNITY NEEDS
UNCONNECTED DECISIONS MADE ON PRECEDENT | PREFERENCE	→	CONSISTENT | CONSIDERED | EVIDENCE-BASED DECISIONS
FRAGMENTED | UNRELIABLE ASSET SYSTEMS & DATA	→	FIT-FOR-PURPOSE ASSET SYSTEMS AND DATA

HOW DO WE GET THERE?

1. IMPLEMENT THE AM GOVERNANCE FRAMEWORK
2. ESTABLISH SUSTAINABLE LEVELS OF SERVICE
3. IMPROVE AM SKILLS AND COMPETENCIES
4. SET APPROPRIATE AM STAFFING LEVELS
5. OPTIMISE AM BUSINESS PROCESSES
6. DEFINE AM DATA MODEL AND DATA QUALITY STANDARDS
7. IMPLEMENT FIT-FOR-PURPOSE AM INFORMATION SYSTEMS

The detailed activities required to translate the Asset Management Objectives into a coordinated multi-year action plan will be set out in a Strategic Asset Management Plan, with a high level overview provided in Appendix A.

1 Diagram concept: Darebin City Council 2021-2025 Asset Management Strategy

INTRODUCTION

PURPOSE

The Asset Management Strategy gives effect to Council's Asset Management Policy. Its purpose is to:

- **DEFINE CORE ASSET MANAGEMENT CONCEPTS.**
- **EXPLAIN THE PURPOSE AND EXTENT OF COUNCIL'S ASSET MANAGEMENT SYSTEM.**
- **ARTICULATE COUNCIL'S ASSET MANAGEMENT OBJECTIVES.**
- **SHOW HOW THE ASSET MANAGEMENT OBJECTIVES CONTRIBUTE TO ACHIEVING COUNCIL'S STRATEGIC OBJECTIVES.**
- **SET HIGH-LEVEL PERFORMANCE MEASURES TO TRACK WHETHER COUNCIL IS ON COURSE TO ACHIEVE ITS ASSET MANAGEMENT OBJECTIVES.**
- **PROVIDE GUIDANCE AND DIRECTION FOR ALL OTHER ASSET-RELATED ACTIVITIES AND WORK PROGRAMS.**

SCOPE

This Asset Management Strategy applies to the following asset types regardless of whether they meet Council's definition of a financial asset [2].

- AQUATIC ASSETS
- AUDIO-VISUAL EQUIPMENT
- AVIATION | TOURISM ASSETS
- BUILDINGS | OTHER STRUCTURES
- ENVIRONMENTAL ASSETS
- FLEET PLANT
- INFORMATION | COMMUNICATION TECHNOLOGY
- LAND
- LEASED ASSETS
- INTANGIBLE ASSETS [3]
- PARKS | RESERVES
- QUARRY ASSETS
- ROAD INFRASTRUCTURE
- SOCIAL INFRASTRUCTURE
- STORMWATER DRAINAGE
- WASTE MANAGEMENT
- WATER | SEWER NETWORKS AND TREATMENT

A more detailed list of asset types covered by this strategy is shown in Appendix B.

2 *WRC, Asset (Non-Current) Accounting Administrative Guideline*
3 *Intangible assets include financial instruments and airspace rights.*

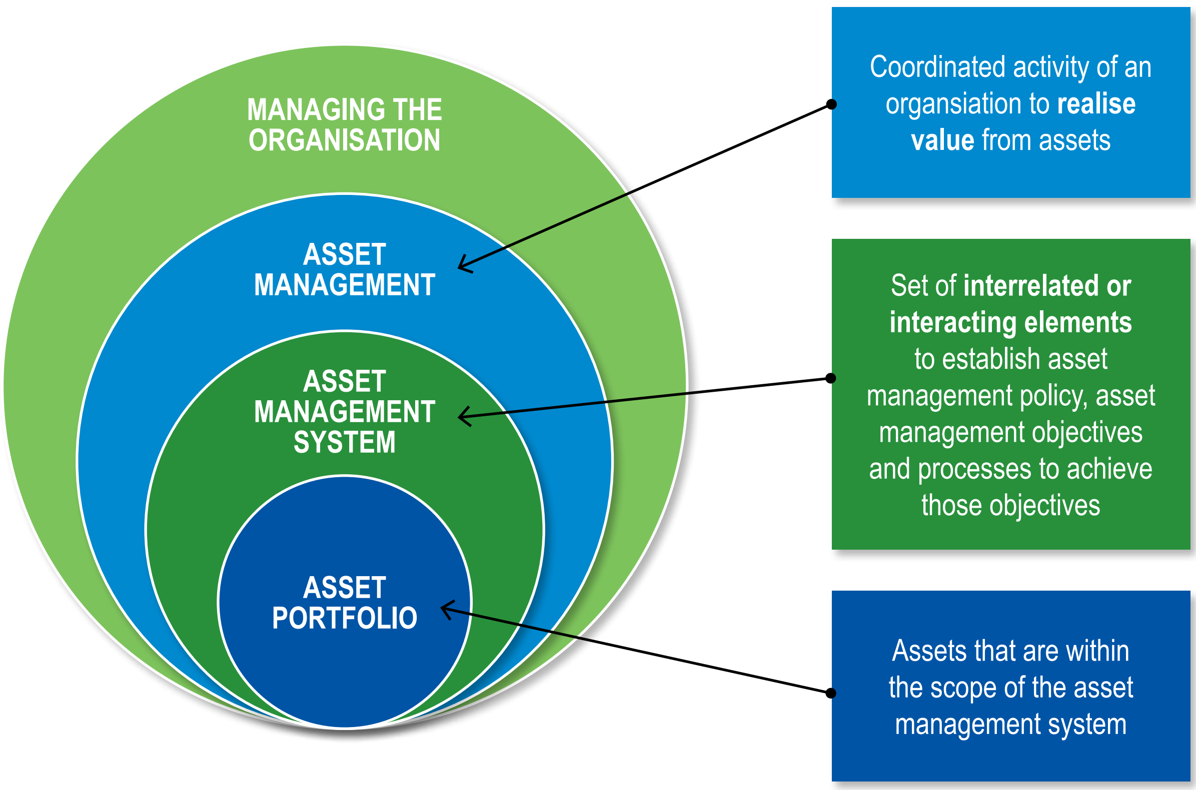
BACKGROUND

DEFINITIONS

"An **asset** is an item, thing or entity that has potential or actual value to an organisation. The value will vary between different organisations and their stakeholders, and can be tangible or intangible, financial or non-financial".[4]

Asset management is the discipline of realising value from assets through achieving organisational objectives. This requires "balancing financial, environmental and social costs, risk, quality of service and performance related to assets."[5]

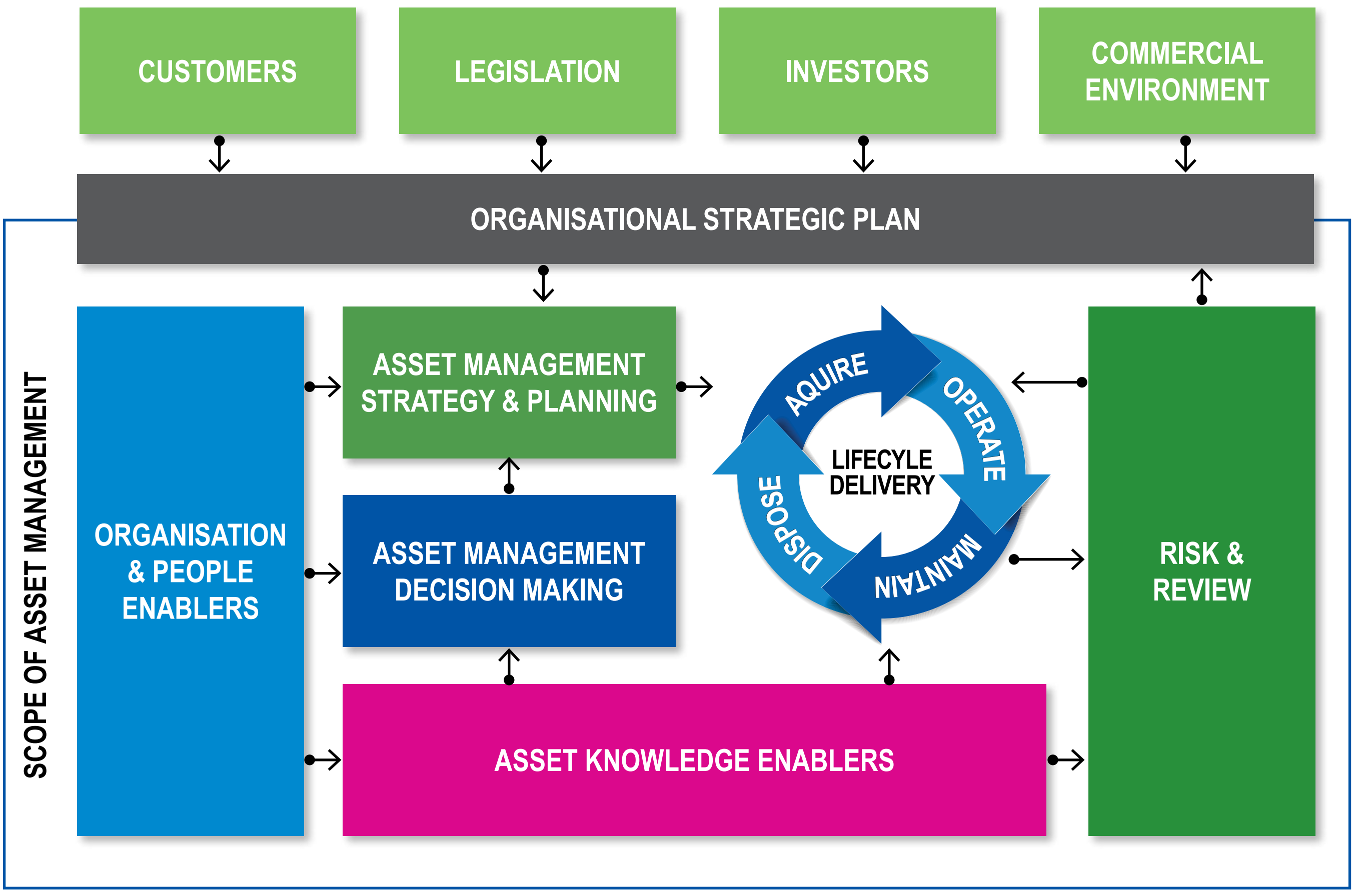
Figure 2: ISO 55000 Asset Management Context



4 International Standards Organisation ISO55000: Asset management – Overview, principles and terminology 2014 (p.2)
5 ibid

An Asset Management System (AMS) is a comprehensive system of management used to direct, coordinate and control asset management activities[6]. The AMS is one of several interdependent management systems used to coordinate and manage Council's resources:

Figure 3: Asset Management Governance Context[7]



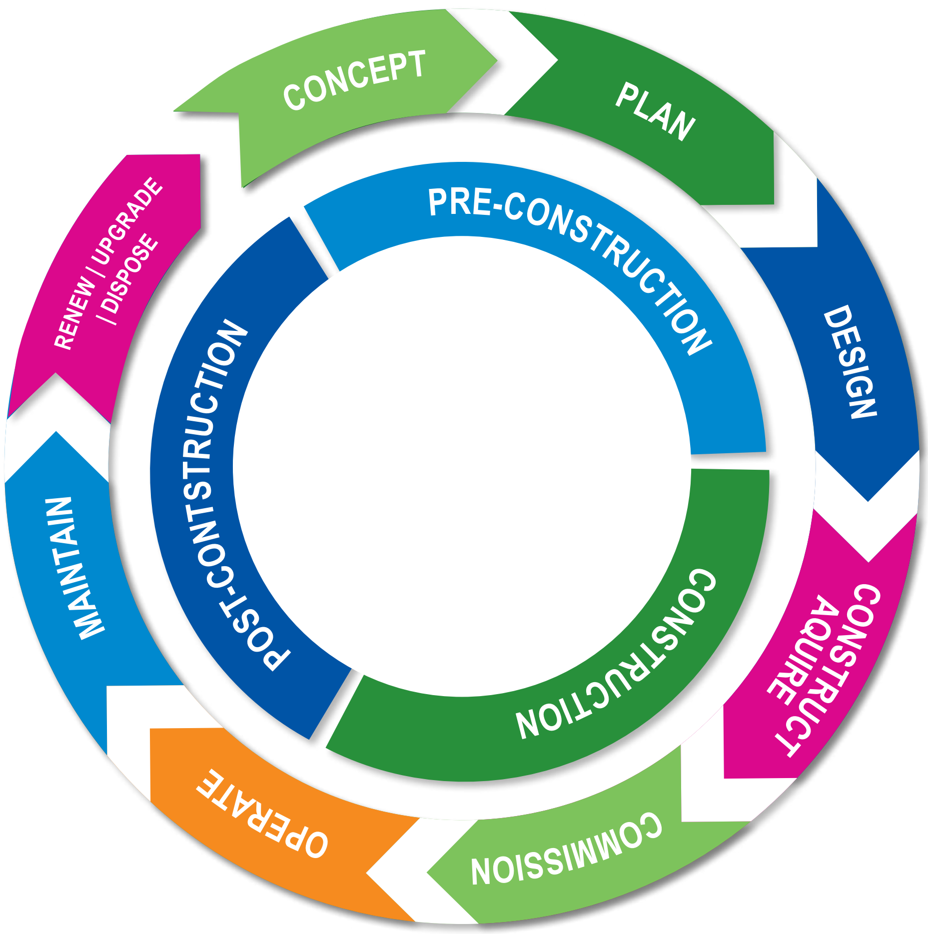
6 *Ibid (p.4)*
7 *Institute of Asset Management (2011)*

All physical assets have an **asset management lifecycle**. Although there are similarities in how most asset classes are managed, there are also legitimate differences. Some assets work together in networks (e.g., water | sewer | roads), others in portfolios (e.g., buildings | parks) and others are standalone (e.g., fleet | plant).

Additionally, the community expects some assets will be perpetually renewed (e.g., roads | pipe networks) and others not (e.g., buildings | plant and equipment).

Realising value from assets is dynamic because community expectations and organisational objectives change over time. Consequently, the discipline of Asset Management is not something 'we do once, then it's done'. It is a process of adaptation and continuous improvement that focuses on sustainably balancing the trade-offs between levels of service, cost and risk to meet the needs of current and future stakeholders.

Figure 4: The Asset Management Lifecycle

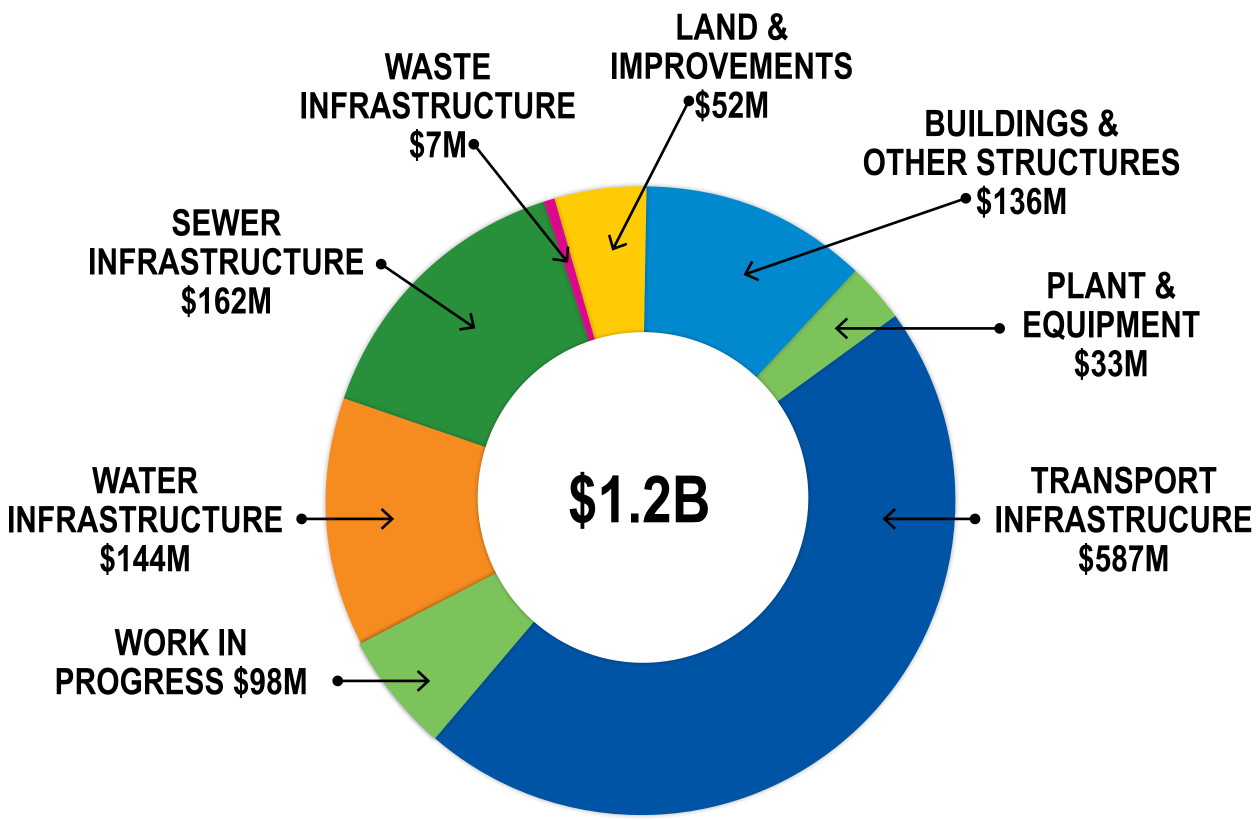


ASSET PROFILE

ASSET VALUATIONS

The written down value[8] of Council's asset portfolio as of 30 June 2022 is more than $1.2 billion. These assets are being consumed (depreciated) at approximately $29.3 million per year[9]. In 2022/23, depreciation is expected to account for 21% of Council's total operating expenses.

Figure 5: Asset Written Down Value by Asset Class as at 30 June 2022 | Major Asset Classes[10]



8 WRC, 2021/22 Audited Financial Statements with the addition of Quarry Land ($24K) less Land for Resale ($2.9M) | Total Replacement Cost $1.5B
9 WRC, 2022/23 Adopted Budget
10 Council has Waste Management assets valued at approximately $97M (replacement value). These assets are currently included within the valuations of other asset classes: Buildings & Other structures $8.9M (Transfer station/Cells) | Plant $662k (Generators/CCTV/weighbridge) | Roads $145k (Carpark/hardstand)

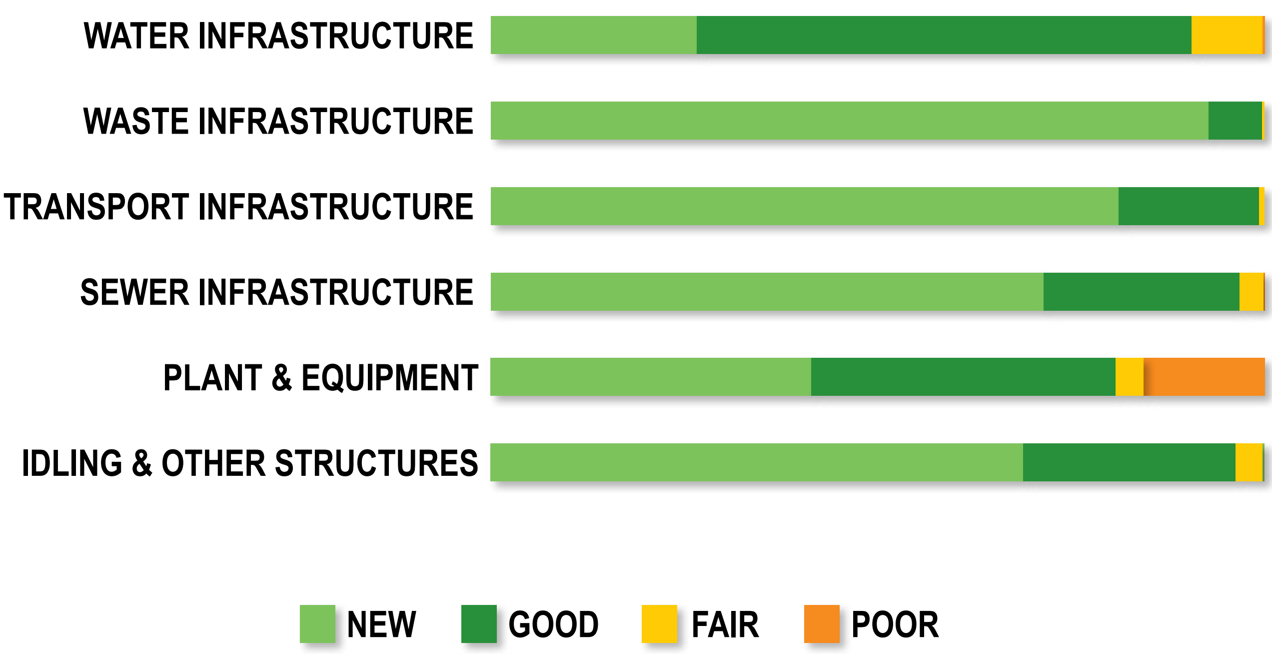
ASSET CONDITION AND PERFORMANCE

The crucial pieces of information required for informed asset management decision-making are:

- ASSET CONDITION (PHYSICAL INTEGRITY)
- ASSET PERFORMANCE (CAPACITY, FUNCTION AND FITNESS-FOR-PURPOSE)

Although this information is available for some asset classes, it is of variable quality and requires improvement before it can be used for strategic asset management planning. The below represents the current State of the Assets as at 30 June 2022.

Figure 6: State of the Assets as at 30 June 2022 | Major Asset Classes

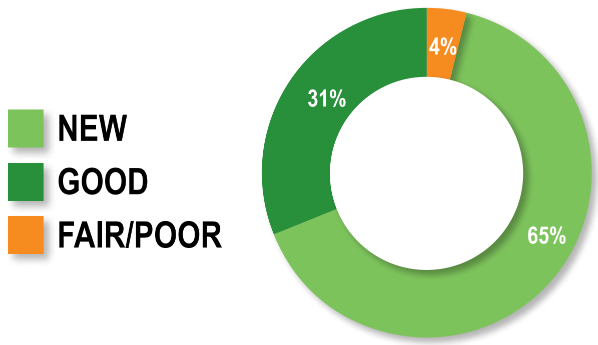


65% of Councils assets are in **good condition**. Infrastructure is new or has minor defects and will require increasing planned maintenance.

31% of Councils assets are in **fair condition**, with defects requiring regular and/or significant maintenance to reinstate the service. Planning of renewal interventions should be planned.

4% of Councils assets are in **poor condition** with significant defects and require higher planned intervention for renewal or replacement.

STATE OF THE ASSETS AS AT 30 JUNE 2022



The State of the Assets data is based on the best available data at a point in time. For effective asset and financial management, it is critical that the information is current and accurate. A high level review has been undertaken on the confidence level of the data used in the State of the Assets at 30 June 2022 and is summarised in Figure 7 below.

FIGURE 7: Data Confidence Matrix as at 30 June 2022 | Major Asset Classes

DATA CONFIDENCE MATRIX

	% of Asset Base	Demand Drivers	Growth Projections	Acquisition Forecast	Operation Forecast	Maintenance Forecast	Renewal Forecast (Asset Costs)	Asset Useful Life	Condition Modelling	Disposal Forecast	Overall Confidence Grade
Building & Other Structures	12%	Low	Low	Low	Low	Medium	Medium	Medium	Low	Medium	Low
Plant & Equipment	3%	Low	Medium	Medium	Medium	Medium	Medium	Medium	Low	Medium	Medium
Sewer Infrastructure	14%	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Transport Infrastructure	53%	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	Low
Waste Infrastructure	1%	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
Water Infrastructure	13%	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low

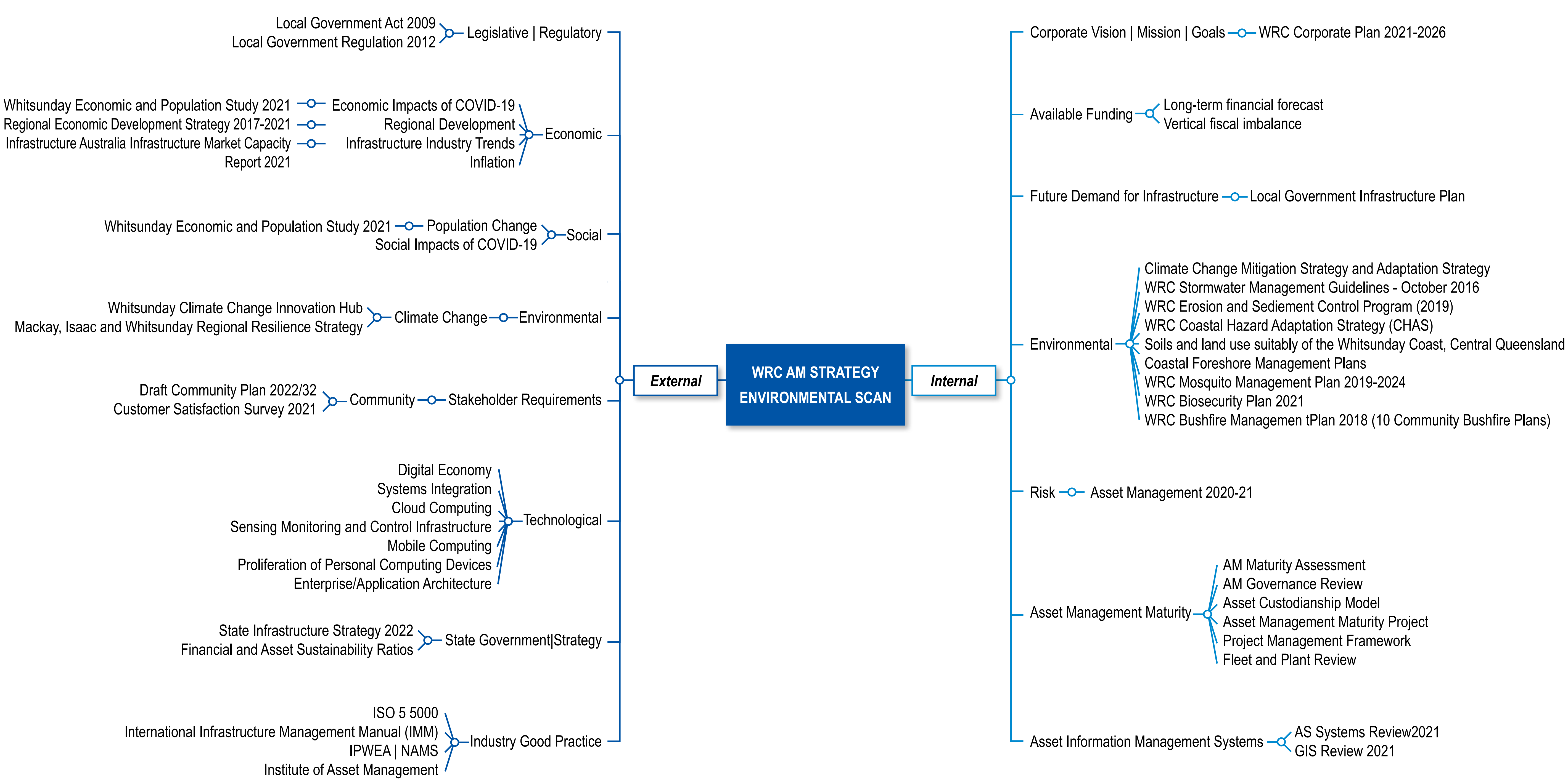
Asset Management Plans for each major asset class will be developed or refreshed over the next year. Their data quality improvement requirements will be incorporated into the Strategic Asset Management Plan. The Asset Management Plans will include:

AN ASSET AGE AND VALUATION PROFILE
ASSET CONDITION AND PERFORMANCE PROFILES
THE ASSET LIFECYCLE MANAGEMENT STRATEGY
KNOWN SERVICE ISSUES
AN ASSET CLASS-SPECIFIC RISK ASSESSMENT
AN ASSET CLASS-SPECIFIC IMPROVEMENT PLAN

ENVIRONMENTAL SCAN

This strategy has been informed by a comprehensive environmental scan (Appendix C). A map of the items considered is shown below.

Figure 7: Asset Management Strategy Environmental Scan



ASSET MANAGEMENT STRATEGY

GUIDING PRINCIPLES

This strategy is based on the following principles:

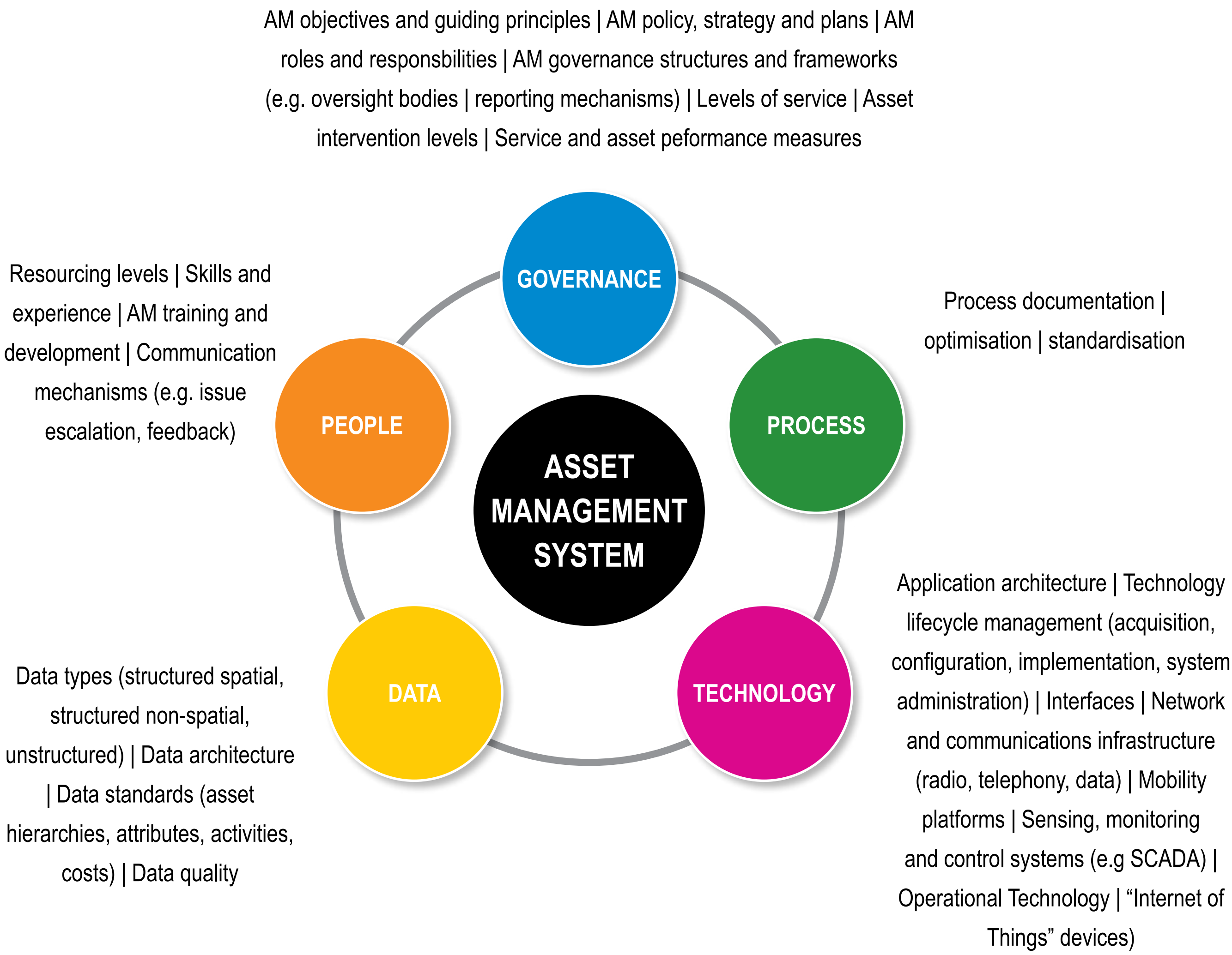
1) COUNCIL IS COMMITTED TO COMPLYING WITH LEGISLATION AND MEETING ALL OUR STATUTORY OBLIGATIONS.
2) WE UNDERSTAND THAT ASSETS EXIST TO PROVIDE SERVICES. IF THERE IS A MORE COST-EFFECTIVE WAY OF DELIVERING SERVICES WITHOUT ASSETS, WE WILL EXPLORE IT.
3) TO MAXIMISE THE VALUE OF OUR ASSETS, WE WILL TAKE A SYSTEMS-BASED ASSET LIFECYCLE APPROACH TO MANAGING THEM.
4) OUR ASSET MANAGEMENT PRACTICES WILL BE INFORMED BY GOOD INDUSTRY PRACTICE.
5) WE WILL SET FINANCIALLY SUSTAINABLE SERVICE LEVELS THAT BALANCE COMMUNITY NEED WITH COUNCIL'S ABILITY TO FUND THESE SERVICES OVER THE LONG TERM.
6) WE WILL EXPLAIN OUR THINKING TO THE COMMUNITY ABOUT NECESSARY TRADE-OFFS BETWEEN SERVICE LEVELS, WHOLE-OF-LIFE COSTS AND RISK.
7) WE WILL CONSIDER THE IMPLICATIONS FOR CURRENT AND FUTURE STAKEHOLDERS WHEN MAKING SIGNIFICANT ASSET MANAGEMENT DECISIONS.
8) WE WILL ADOPT AN EVIDENCE-BASED, CONTINUOUS IMPROVEMENT APPROACH TO DEVELOPING OUR ASSET MANAGEMENT CAPABILITIES.

SCOPE OF THE ASSET SYSTEM

To maximise the value of Council's assets, our Asset Management System covers:

1) ALL ACTIVITIES IN THE ASSET MANAGEMENT LIFECYCLE FROM INITIAL CONCEPT TO ASSET DISPOSAL OR RENEWAL
2) ALL ASSET TYPES LISTED IN APPENDIX B
3) ALL ASSET-RELATED SYSTEM FUNCTIONS SHOWN IN THE FIGURE BELOW

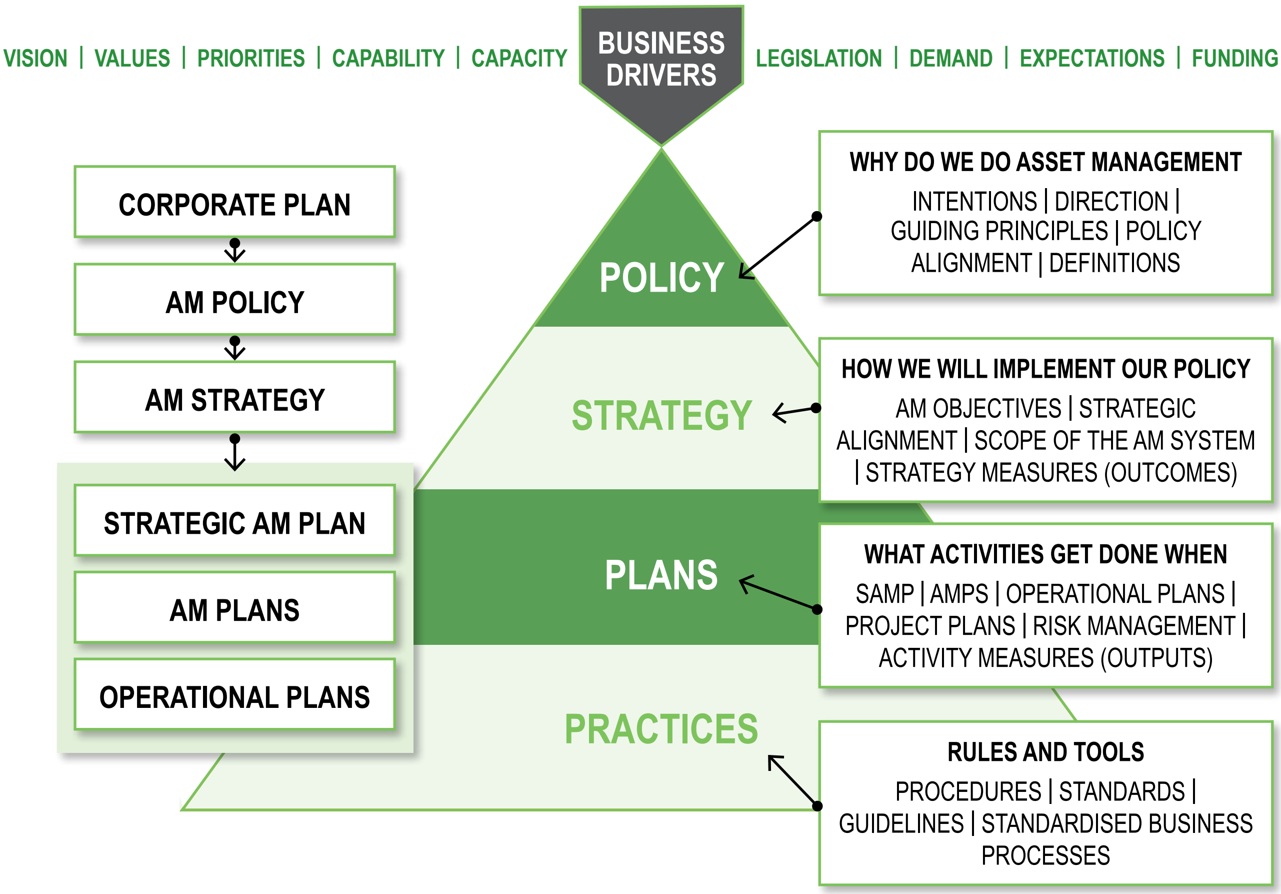
Figure 8: WRC Asset Management System



STRATEGIC PLANNING CONTEXT

The relationship between the Asset Management Strategy and other corporate planning documents is shown below:

***Figure 9: Asset Management Strategy Context*[11]**



A detailed Strategic Asset Management Plan (SAMP) is currently being developed. The SAMP will articulate the specific improvement activities, responsibilities and timeframes required to reach the asset management maturity required by WRC. A high-level 'roadmap' of known asset improvement activities is shown in Appendix A.

The SAMP will inform (and be informed by) asset-class specific Asset Management Plans (AMPs). Improvement activities identified in the AMPs will be considered as part of Council's operational planning and budgeting processes.

11 Source: J. Sing | RAMAFIN (2011) adapted J. Gorman (2013-22)

ASSET MANAGEMENT OBJECTIVES

Asset Management Objectives define the purpose of an Asset Management System. Council's Asset Management Objectives are shown below.

The Outcome Measures shown for each objective will evolve as Council's thinking about strategic performance management matures. These measures will be amended in future iterations of the AM Strategy.

AM OBJECTIVE 1: IMPLEMENT THE ASSET MANAGEMENT GOVERNANCE FRAMEWORK	
Strategic Intent	*Our Focus*
Effective leadership and governance **Transparency** **Accountability**	Asset-based services are aligned to our business priorities through effective stakeholder engagement and participative governance
	Asset management governance is transparent and is integrated into the corporate governance and policy framework of Council
	We use an evidence-based, continuous improvement approach to improving asset management maturity
	Our asset management improvement program is planned and effectively managed to optimise business outcomes and minimise risk
Outcome Measures	1.1- Asset Management Governance Framework in place and working effectively. 1.2 - Asset Custodianship Model implemented and working effectively. 1.3 - Asset Management Maturity Project milestones met 1.4 - Asset Management Maturity scores are at an appropriate level for all criteria for each Asset Classes

AM OBJECTIVE 2: ESTABLISH SUSTAINABLE LEVELS OF SERVICE	
Strategic Intent	*Our Focus*
Demonstrable value-for-money of Council's asset-based services	We calculate the value of asset-related activities through the analysis of whole-of-life costs, benefits and risks
	We balance community service needs with Council's ability to fund these services over the long-term
	We consider the impact of AM decisions on current and future stakeholders
Outcome Measures	2.1 - Levels of service are defined for all major asset classes. 2.2 – Workforce Plans in place across all asset classes 2.3 - Asset Sustainability Ratio within the target range. 2.4 - Operational budgets are sufficient to deliver Council-approved levels of service. 2.5 – Project Management Framework Implementation Plan delivered 2.6 - Community satisfaction with asset-based services > 75%. 2.7 - Long-term Financial Forecast projections with a sustainable funding position

AM OBJECTIVE 3: IMPROVE ASSET MANAGEMENT SKILLS AND COMPETENCIES	
Strategic Intent	*Our Focus*
Staff understand and apply asset management concepts **Staff are supported in making the best use of Council's information systems**	Staff have the required level of asset management skills to effectively manage our asset portfolio Staff understand asset management concepts and apply them in their day-to-day practice Staff are trained in the use of Council's asset information management systems to maximise their effectiveness
Outcome Measures	3.1 - Asset Management Maturity scores are at an appropriate level for all criteria for each Asset Classes (core maturity being the minimum) 3.2 - Responsibilities for asset management are defined

AM OBJECTIVE 4: SET APPROPRIATE ASSET MANAGEMENT STAFFING LEVELS	
Strategic Intent	*Our Focus*
Safe and efficient delivery of asset-based services **Capacity to perform asset management improvement activities in addition to 'business as usual' work** **The right mix of internal and external | temporary and permanent resources**	We have sufficient skilled resources to safely and effectively deliver approved levels of service (including after-hours services) Business areas are resourced to perform asset management improvement activities in addition to their 'business as usual' activities We optimise the mix of internal and (temporary) external resources to maximise the value of our labour budget allocations. There are adequate asset information systems support staff to support the business and maximise the value of these systems
Outcome Measures	4.1 - AM staffing or resource levels are appropriate to deliver approved service levels safely. 4.2 - Approved asset improvement activities are not held up due to a lack of resources.

AM OBJECTIVE 5: OPTIMISE ASSET MANAGEMENT BUSINESS PROCESSES	
Strategic Intent	*Our Focus*
Business processes are optimised from end-to-end and embedded within the organisation	Business processes are efficient and do not break down at organisational boundaries
	The customer experience is central to the design of asset-related business processes
Outcome Measures	5.1 - End-to-end process times at or above industry standards[12] (outside of significant events). 5.2 - Customer satisfaction of asset-related services > 75%. 5.3 - Asset Management Maturity Project delivered

AM OBJECTIVE 6: DEFINE AN ASSET MANAGEMENT DATA MODEL AND DATA QUALITY STANDARDS	
Strategic Intent	*Our Focus*
Enough good quality data is available to support evidence-based decision making	Asset data structures and quality requirements are defined and documented for all spatial, non-spatial and unstructured asset data
	Asset data is accurate, managed, secure and available to authorised users anywhere and anytime
	There is a 'source of truth' for key asset data to minimise unnecessary duplication and reduce the need for its re-collection (i.e., 'ground truthing')
Outcome Measures	6.1- Asset Data Model and Quality Standards in place and adhered to. 6.2 - Asset data quality deemed acceptable by Asset Managers to conform to the Asset Management Quality Guideline

12 *In most cases, this will be the local government industry*

AM OBJECTIVE 7: IMPLEMENT FIT-FOR-PURPOSE ASSET INFORMATION MANAGEMENT SYSTEMS	
Strategic Intent	***Our Focus***
Staff have access to fit-for-purpose, integrated asset information systems	AM information systems are fit-for-purpose and standardised unless there is a legitimate and approved business need for a specialised solution
	Mobile, remote and field-based staff have the same level of access to asset information as internal office staff
	AM information systems are integrated to support productivity improvements, customer service, innovation and optimise the availability of information
Outcome Measures	7.1 - Asset information management systems are deemed fit-for-purpose by Asset Managers, Service Managers, AMWG and AMSC. 7.2 - AM System configured to improve data quality standards Integrations working between key asset information management systems.

STRATEGY PERFORMANCE MONITORING

How each Asset Management Objective contributes to Council's Key Focus Areas in the Corporate Plan is shown below.

Figure 10: Asset Management Objectives contribution to Corporate Key Focus Areas (KFAs)

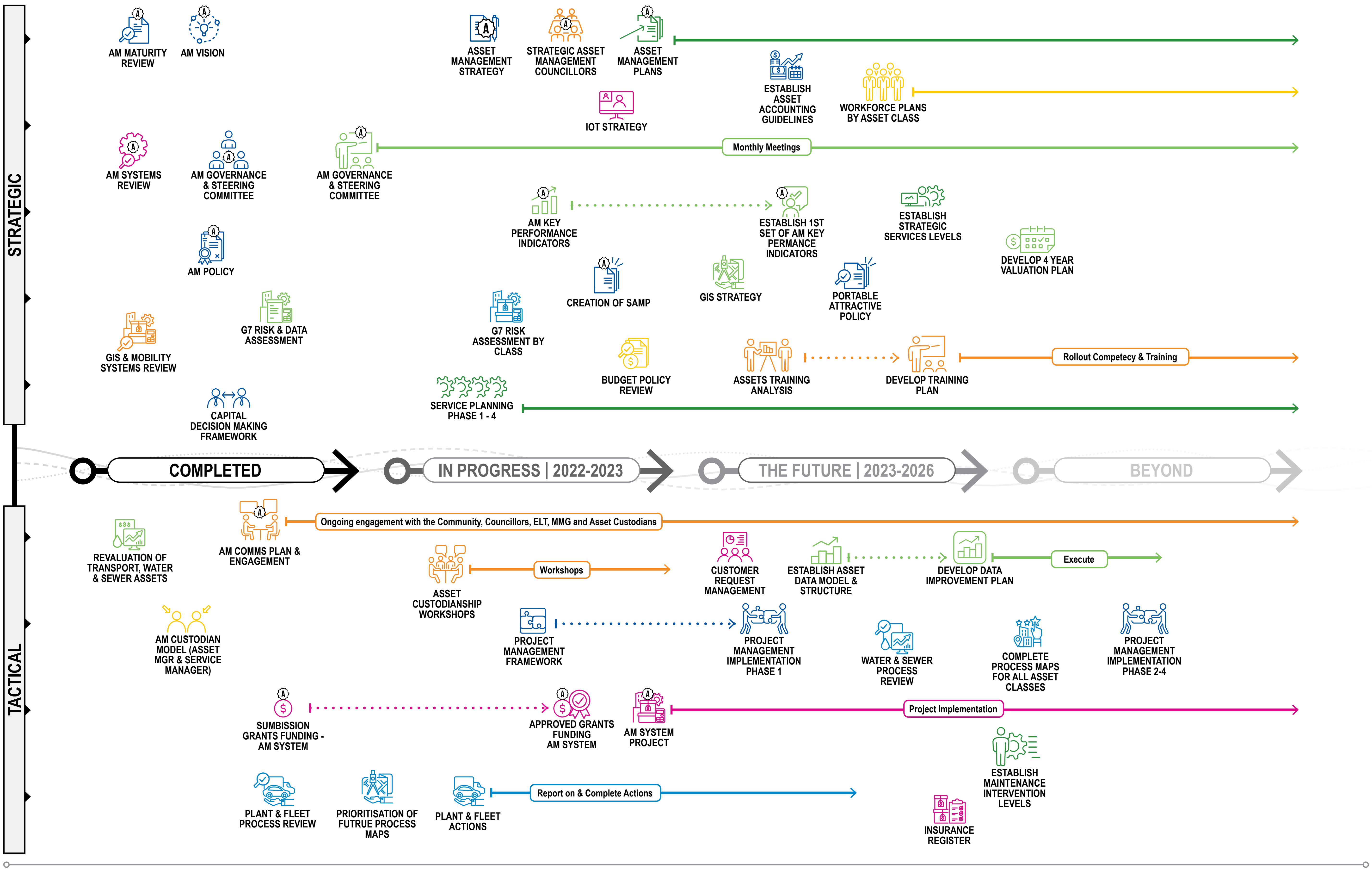
Progress towards achieving the Asset Management Strategy will be monitored by the Asset Management Steering Committee and reported quarterly to ELT and Council.

APPENDIX A

ASSET MANAGEMENT IMPROVEMENT ROADMAP

All the activities currently identified in the Asset Management Maturity Project (AMMP) have been mapped to our Asset Management Objectives. A high-level 'roadmap' of these activities is shown below.

Figure 11: AMMP Strategic Roadmap



The sequencing and timing of these activities and other AM improvement activities will be articulated and managed via the *Strategic Asset Management Plan (SAMP)*. SAMP activities will change over time depending on organisational priorities and available resources.

APPENDIX B

ASSET TYPES COVERED

The assets covered by this strategy are:

Table 1: Asset Types Covered by the Asset Management Strategy

ASSET CLASS	ASSET TYPE
Aquatic	Beaches | foreshores
	Urban lakes
	Marine and riverine revetment walls
	Boat ramps
	Pontoons | jetties
	Swimming enclosures
	Undersea artwork
Audio Visual Equipment	Digital displays
	Airlie Beach movie screen | system
	Augmented reality display (Whitsunday Coast Airport)
Aviation | Tourism	Airport infrastructure | airspace
	Shute harbour infrastructure
	Tourism infrastructure (e.g., Lake Proserpine camping facility | Collinsville RV Park)
	Caravan parks
	Visitor information centres
Buildings | Other Structures	Community buildings (e.g., libraries | art galleries | community halls | childcare centres | PCYC buildings | sporting complexes | sound shells)
	Special purpose facilities (e.g., Airlie Beach lagoon | Proserpine Entertainment Centre | Flagstaff Hill conference centre)
	Administrative buildings (e.g., offices | depots | workshops)
	Swimming pools | water parks
	Public amenities
	Building services (e.g., electrical | fire | hydraulic | mechanical security)
	Retaining walls
	Other structures (e.g., sheds | shelters | shade structures | monuments)
	Tables | seating
	Fencing
	Lighting
	Signage (warning | informational)
	Signage (marketing and promotions signage, e.g., billboards)
Environmental	Water quality control assets (e.g., gross pollutant traps | litter barriers | retention basins | washdown structures)

ASSET CLASS	ASSET TYPE
Fleet | Plant	Fleet vehicles Plant Mobile library Fuel management systems SES fleet | plant Generators Minor equipment Renewable energy assets (generation and storage)
Information Technology	Voice and data networks (including data security) Radio network | equipment Data compute and storage infrastructure (e.g., servers) Office-based computing equipment (PCs | laptops | printers | MFDs) Mobile computing and communication equipment (mobile phones | tablets | smart phones | video conferencing equipment) Software Operational technology (e.g., SCADA | access control systems) Sensing, monitoring and control systems (e.g., weather stations | rain gauges | flood cameras | river sensors | fleet and plant tracking) CCTV network | devices Unmanned aerial vehicles | remote-controlled vehicles Data
Land	Land inventory (trust and freehold) Land held for investment | sale
Parks | Reserves	Parks | reserves | natural areas Sporting fields | equipment Trees | gardens | landscaping Boardwalks Playgrounds BBQs Outdoor exercise areas | equipment Cemeteries Nursery Irrigation systems Entry statements | Lighting
Quarry	Quarry site Quarry infrastructure Special Purpose Assets

ASSET CLASS	ASSET TYPE
Roads	Sealed | unsealed roads Bridges | causeways Car parks | access roads Road signs | signals Road safety assets (e.g., barriers | pedestrian safety structures | traffic calming) Active transport infrastructure (e.g., pedestrian and cycle pathways | trails | tracks) Public transport (e.g., bus stops) Stock route assets
Social Infrastructure	Artwork Library collections
Stormwater Drainage	Floodplain mitigation assets Kerb | channelling Overland flow paths Stormwater drainage assets (e.g., pipes | pits | retention basins)
Waste Management	Waste collection (bins | collection points | trucks) Waste disposal (e.g., landfill | airspace | weighbridges | transfer stations)
Water | Sewer	Water sources (bores | river inlets | water allocations) Potable and recycled water network assets Sewerage network assets Water and sewerage treatment facility assets Sewage dump points | aquatechs

APPENDIX C

ENVIRONMENTAL SCAN

The Asset Management Strategy was developed following a wide-ranging scan of Council's current and future business environment. This section discusses the elements considered and their potential impact on Council's asset management strategies and plans.

EXTERNAL ENVIRONMENT

LEGISLATIVE | REGULATORY

Council's powers and obligations are defined in the Local Government Act 2009 and the Local Government Regulation 2012.

The Act[13] sets out the local government principles that must inform all Council decision-making:

(a) transparent and effective processes, and decision-making in the public interest; and

(b) sustainable development and management of assets and infrastructure, and delivery of effective services; and

(c) democratic representation, social inclusion and meaningful community engagement; and

(d) good governance of, and by, local government; and

(e) ethical and legal behaviour of councillors, local government employees and councillor advisors.

The Regulation[14] articulates Council's primary asset-related obligations, namely:

167 Preparation of long-term asset management plan

(1) A local government must prepare and adopt a long-term asset management plan.

(2) The long-term asset management plan continues in force for the period stated in the plan unless the local government adopts a new long-term asset management plan.

(3) The period stated in the plan must be 10 years or more.

168 Long-term asset management plan contents

A local government's long-term asset management plan must:

(a) provide for strategies to ensure the sustainable management of the assets mentioned in the local government's asset register and the infrastructure of the local government; and

(b) state the estimated capital expenditure for renewing, upgrading and extending the assets for the period covered by the plan; and

(c) be part of, and consistent with, the long-term financial forecast.

171 Long-term financial forecast

(1) A local government's long-term financial forecast is a forecast, covering a period of at least 10 years, of the following for each year during the period of the forecast:

(a) income of the local government;

(b) expenditure of the local government;

(c) the value of assets, liabilities and equity of the local government.

(2) The local government must:

(a) consider its long-term financial forecast before planning new borrowings; and

(b) review its long-term financial forecast annually.

13 Local Government Act 2009 (Queensland) | Chapter 1 Preliminary | Section 4 Local government principles underpin this Act
14 Local Government Regulation 2012 | Chapter 5 Financial planning and accountability | Part 2 Financial planning documents

E C O N O M I C

REGIONAL DEVELOPMENT

Council's Economic Development Strategy 2022 - 2025 identified strengths and growth opportunities. The goal of the strategy is to deliver more investment and more jobs, as the pathway to securing the economic and environmental sustainability of the Whitsunday region. The strategy identified goals and catalytic projects and a range of strategies that are dependent on Council asset-based services including:

ONE WHITSUNDAY REGION

Figure 12: Economic Development Strategy 2022 - 2025

...FOR INVESTMENT ...FOR JOBS ...FOR LIFESTYLE

OUR GOALS

OUR KEY INDUSTRIES

- Agriculture
- Aquaculture
- Mining
- Touism
- Space Launch

OUR CATALYTIC PROJECTS

- Abbot Point SDA Development
- Bowen Marine 'Centre of Excellence'
- Bowen Orbital Space Port (BOS)/ Gilmore Space Technologies
- Heart of the Reef Discovery Centre
- Shute Harbour Marine Terminal
- Tassal Group Limited – Proserpine Prawn Farm
- Urannah Dam
- Water for Bowen
- Whitsunday Skyway Project

OUR STRATEGIES

OUR PRIORITY ACTIONS

1. ADVOCACY & INFRASTRUCTURE

- Promote catalytic projects to Government
- Lobby for eduction and healthcare facilities
- Develop the Whitsunday Freight Hub and Shute Harbour

2. MARKETING & PROMOTION

- Promote and market the region for investment
- Facilitate investment into the region
- Promote and market the region for tourism

3. BUSINESS RETENTION & EXPANSION

- Support local business networks
- Engage with key industries and businesses to develop supply chains and value adding opportunities

4. PLANNING

- Support and encourage development and redevelopment opportunities

ECONOMIC IMPACTS OF COVID-19

The Whitsunday Economic and Population Study 2021 indicates the region has been adversely affected by the loss of international visitors and backpackers (who provide vital labour for the region's tourism and horticultural sectors). The coal mining, sugar cane and agriculture/grazing manufacturing sectors have been relatively unaffected[16].

INFRASTRUCTURE INDUSTRY TRENDS

Infrastructure Australia published a comprehensive Infrastructure Market Capacity report in October 2021. Among its key findings[17] were:

Over the next 3 years the inestment in infrastructure will likely - at least - double current spending.

NSW, Queensland and Victoria account for 87% of activity over the next 5 years. These projects will consume more than 85% of projected resource demands.

The transport sector will dominate demand - 4 out of 5 dollars are allocated to transport projects over the next five years.

Strong growth in demand for quarry products, cement and concrete may present the greatest risk given challenges in quickly increasing supply.

Of the 50 public infrastructure occupations 34 are potentially in shortage.

There will be peak deficit of 70,000 engineers, scientists and architects; 15,000 structural and civil trades' and 19,000 project management professionals.

Demands for labour will rise around 75% over the next three years copared to current activitiy. Greatest demand will be for finishing trades and labour (around 140%) and structures and civil trades and labour (around 130%).

By 2023, demand for labour and skills will be 48%higher than supply, 3 x higher than shortages experienced in 2017-2018.

INFLATION

As a large regional purchaser of goods and services, Council is exposed to significant risk from rising asset lifecycle costs. After decades of low inflation and interest rates, rising inflation is putting pressure on Council's capital and operational budgets, which may require Council to revisit its capital programs, operational service levels and outsourcing arrangements (specifically plant hire). Increasing inflation is also expected to increase cost of living pressures on residents and reduce their capacity/ desire to pay for increased levels of Council services.

15 SC Lennon & Associates, WRC Economic Development Strategy 2017-21 (p.4)
16 Norling Consulting Pty Ltd, Whitsunday Economic and Population Study 2021 (p. 8)
17 Infrastructure Australia, Infrastructure Market Capacity - October 2021 (p.13)

ENVIRONMENTAL

GENERAL

Council services and infrastructure can have a detrimental impact on our environment if not planned and managed well. The environmental values which Council may impact on includes air, water and waterways, flora and fauna (biodiversity) and soil resources. Our environment supports our landscape and amenity values. Development including our roads can impact on our soil resources with sediment and nutrients potentially impacting our waterways and marine environments.

CLIMATE CHANGE

The Council's Climate Change Program is designed to guide our response to the challenges of this global issue. The primary Climate Change Program documents include the *Climate Change Mitigation Policy* and associated Strategy, and the *Climate Change Adaptation Policy* and supporting Strategy. One of the focus areas of the *Climate Change Mitigation Strategy* is Asset Management and Decision-Making (especially around improving energy efficiency and reducing greenhouse gas emissions). These considerations must be factored into future asset design and construction activities. A *Mackay-Whitsunday-Isaac Regional Resilience Strategy* is also now complete which guides natural disaster preparation and responses. This regional disaster Strategy is likely to impact how Council plans, designs, constructs, and maintains its assets in future.

The Whitsunday Climate Change Innovation Hub is a project of Council designed to assist with local and regional climate change planning and is part of the Council's Climate Change Program. The Hub will act as a think tank to share knowledge on building climate resilience locally, nationally and internationally. Some ideas generated by the Innovation Hub will likely change Council's future asset lifecycle management practices.

OTHER ENVIRONMENTAL STRATEGIES AND PLANS

Council has a range of other environmental strategies and plans, including:

- **WRC Bushfire Management Plan 2018 (10 Community bushfire Plans[19])**
- **WRC Biosecurity Plan 2021[20]**
- **Whitsunday Regional Council Mosquito Management Plan 2019-2024**
- **Coastal foreshore management plans[21]**
- **Soils and land use suitably of the Whitsunday Coast, Central Queensland[22]**
- **WRC Coastal Hazard Adaptation Strategy (CHAS)**
- **WRC Erosion and Sediment Control Program (2019)**
- **WRC stormwater management guidelines - October 2016**
- **WRC Greenhouse Gas Reduction Plan: A roadmap to 2030**
- **WRC Environment Policy 2022**

These plans must be factored into future asset design and construction activities.

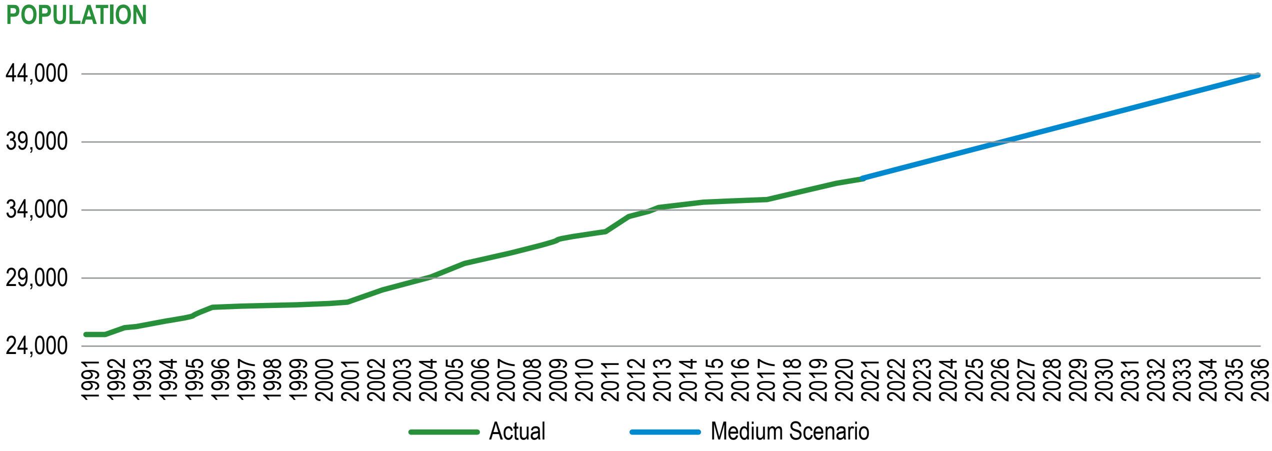
19 https://www.qra.qld.gov.au/regional-resilience-strategies/mackay-isaac-whitsunday
20 https://www.whitsundayrc.qld.gov.au/community-and-environment/our-environment/bushfire-management
21 https://www.whitsundayrc.qld.gov.au/community-and-environment/our-environment/pest-management-biosecurity-and-wildlife
22 https://www.whitsundayrc.qld.gov.au/community-and-environment/our-environment/coastal-management-and-waterways
23 https://www.whitsundayrc.qld.gov.au/downloads/file/357/04-whitsunday-coast-soils-suitability-study

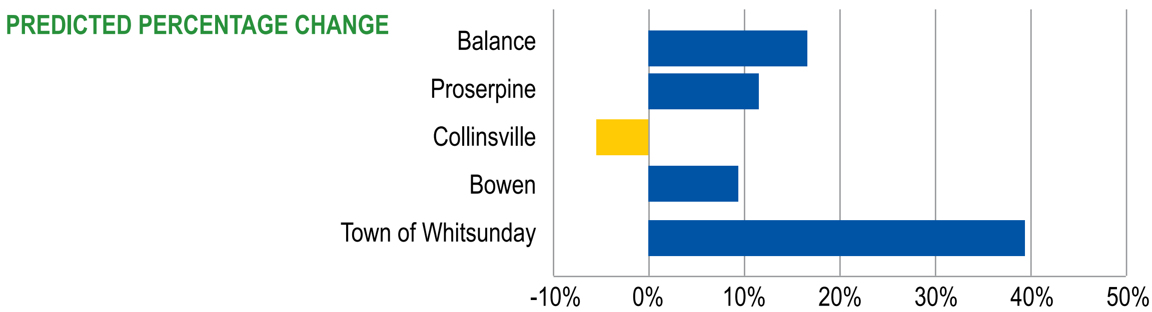
SOCIAL

POPULATION CHANGE

The *Whitsunday Economic and Population Study 2021* forecasts continued moderate population growth for the foreseeable future.[23] However, this growth is expected to be variable across the region.

Figure 13: Population Forecast and Predicted Percentage Change by Population Centre (2021 – 2036)





This variable growth may create issues around the public perception of asset investment equity (if the investment is concentrated in high-growth areas).

SOCIAL IMPACTS OF COVID-19

The *Whitsunday Economic and Population Study 2021* observes that "the way in which we work has fundamentally changed. Some of those who work from home will want to continue to work from home, at least some of the time."[24] .

Although the study predicts that this will have little impact on local businesses, it may present an opportunity for Council to recruit skilled asset management resources which might otherwise not wish to relocate to the region.

23 Norling Consulting Pty Ltd, Whitsunday Economic and Population Study 2021 (p. 29)
24 ibid (p. 8)

TECHNOLOGICAL

PROLIFERATION OF PERSONAL COMPUTING DEVICES

As mobile devices proliferate, internal and external users will want to access Council data and services via apps. This may lead to usage of personal devices for work purposes (i.e. Bring Your Own Device) dependent on the outcome of a review.

MOBILE COMPUTING

The goal of mobile computing is to provide access to services from any device, anywhere, at any time to any authorised person. Whilst increased mobility provides a significant opportunity for improved productivity and staff safety, it also has significant organisational change management implications

SENSING MONITORING AND CONTROL INFRASTRUCTURE

There is likely to be a proliferation of remote devices to gather real-time environmental data (e.g., the "Internet of Things"). There is a significant opportunity to reduce inspections, gather real-time asset performance data, and use analytical tools to inform asset management decision-making at all levels.

CLOUD COMPUTING

Cloud services' primary objectives are to increase ICT services' responsiveness and flexibility at potentially reduced costs. There are significant opportunities for Councils to effectively use cloud services to improve service agility and reduce costs. However, this has implications for funding since cloud-based services are treated as operational costs, not capital costs.

SYSTEMS INTEGRATION

New integration technologies are emerging that promise to connect any application or data to multiple, disparate data sources (e.g., web services, APIs). There are also emerging technologies for automating manual systems updates (e.g., Robotic Process Automation) and routine decisions (e.g., Machine Learning). These technologies should be considered when designing and purchasing future asset management information systems.

DIGITAL ECONOMY

Many regions within Australia are actively engaging their community (business and residential) to ensure that they develop their presence in the global digital economy in a meaningful way aligned to a community plan for that region.

The opportunity exists for Council to engage in the growth of the Digital Economy in the region by partnering with nearby Local Governments. Such initiatives could include:

- **INVESTING IN PEOPLE - CREATING A SKILLED WORKFORCE WHO CAN UTILISE NEW TECHNOLOGIES.**
- **SUPPORTING THE CONVERGENCE OF ALL DIGITAL COMMUNICATIONS THROUGH THOUGHTFUL PLANNING OF ICT INVESTMENTS.**
- **ENCOURAGING ENGAGEMENT FROM COMMERCIAL PROVIDERS TO ESTABLISH A PRESENCE WITHIN REGIONAL BOUNDARIES.**
- **COLLABORATING WITH NEARBY COUNCILS (AND OTHER LEVELS OF GOVERNMENT) TO IMPLEMENT STANDARDISED PROCESSES ACROSS COMMON INFRASTRUCTURE AND BUSINESS APPLICATIONS.**
- **CREATING CUSTOMER-ORIENTED SERVICE OFFERINGS AND PROACTIVE/AUTOMATED ICT SERVICES, SUCH AS THE ABILITY FOR CUSTOMERS TO LOG REQUESTS VIA GPS-ENABLED SMARTPHONES AND AUTOMATICALLY RECEIVE STATUS UPDATES.**

INDUSTRY GOOD PRACTICE

ISO55000 INTERNATIONAL ASSET MANAGEMENT STANDARDS

The *ISO 55000* family of standards is the inaugural set of International Standards for Asset Management. The current standards are:

- ***ISO 55000*: PROVIDES AN OVERVIEW OF ASSET MANAGEMENT AND A LIST OF STANDARD TERMS AND DEFINITIONS.**
- ***ISO 55001*: SPECIFIES THE REQUIREMENTS FOR AN INTEGRATED, EFFECTIVE 'SYSTEM OF MANAGEMENT' FOR ASSET MANAGEMENT.**
- ***ISO 55002*: GUIDES THE IMPLEMENTATION OF SUCH AN ASSET MANAGEMENT SYSTEM.**

Council's Asset Management System should comply with these standards.

INTERNATIONAL INFRASTRUCTURE MANAGEMENT MANUAL

Where the *ISO 55000* family of standards defines 'what needs to be done' for effective Asset Management, the *International Infrastructure Management Manual (IIMM)* provides extensive advice and guidance on 'how to do it'. The IIMM contains the collective wisdom of the asset management industry (with an emphasis on Australia and New Zealand). Council's Asset Management System and practices should be informed by the IIMM.

IPWEA | NAMS

The Institute of Public Works Engineering Australasia (IPWEA) is the peak association for public works professionals across Australia and New Zealand. Traditionally, IPWEA focused on local government entities, but over the past several years has expanded its focus to include other infrastructure-intensive utility providers. In addition to publishing the International Infrastructure Management Manual, IPWEA | NAMS runs asset management development courses and publishes various guides and periodicals.

Council's Asset Management System and practices should incorporate IPWEA | NAMS guidance where relevant.

INSTITUTE OF ASSET MANAGEMENT

The Institute of Asset Management (the IAM) is an international not-for-profit professional body with over 30,000 members that ***"develops asset management knowledge and best practice and generates awareness of the benefits of the asset management discipline for the individual, organisations and wider society."***[25] Council's Asset Management System and practices should be informed by the publications of the IAM.

CUSTOMER & STAKEHOLDER REQUIREMENTS

COMMUNITY PLAN

Council's Draft Community Plan 2022-32 sets out the community's aspirations for the future and Council's key strategies to meet these aspirations.

One of the Draft Plan's key themes is Service Provision and Infrastructure. The objectives of this theme are shown here.

THEME	KEY INTENT STATEMENT
SERVICE PROVISION AND INFRASTRUCTURE	**ASSET MANAGEMENT** We intend to manage assets in accordance with Council's Asset Management Strategy which links Asset Management Objectives to Organisational Objectives achieving the best service outcome for the community **ACCESSIBILITY** We intend to meet best practice standards for accessibility **SOCIAL INFRASTRUCTURE** We intend to ensure our social infrastructure meets the needs of the community

COMMUNITY SATISFACTION SURVEY

Council's inaugural Community Satisfaction Survey was conducted in February 2021. It indicated that 59% of respondents were satisfied with Council services and facilities.[26]

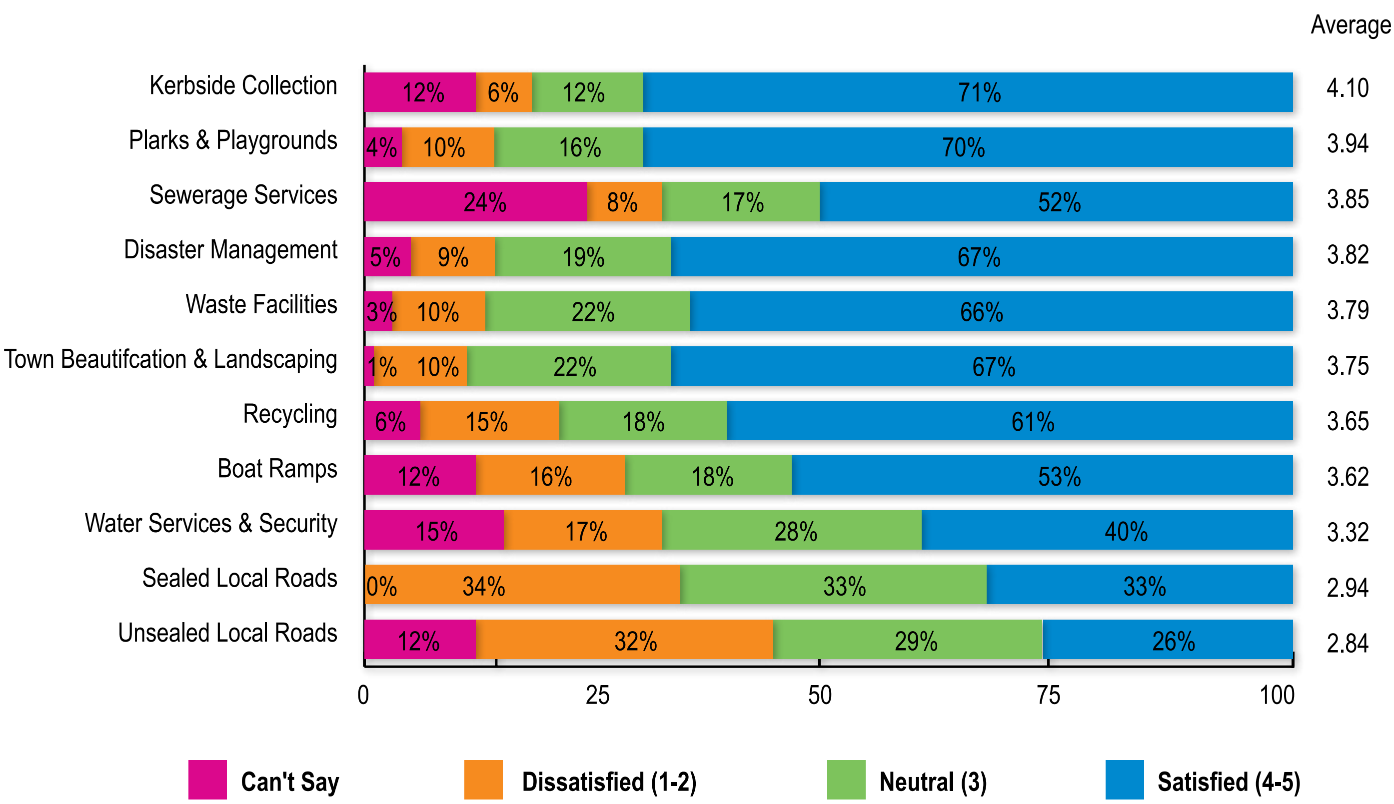
The survey report also noted that infrastructure was the most mentioned theme. Respondents wanted to see improvement in:

THE CONDITION, QUALITY AND GENERAL MAINTENANCE OF ROADS

ACCESS TO MORE PARKING

MORE OUTDOOR AND RECREATION FACILITIES[27]

Figure 14: Satisfaction with Asset-based Services (2021)



25 https://theiam.org/about-us/
26 G7AssetManagement, Draft Strategy Asset Management Plan (p. 21)
27 ibid

GOVERNMENT POLICY | STRATEGY

STATE INFRASTRUCTURE STRATEGY 2022

This strategy articulates the Queensland Government's 20-year vision for public infrastructure:

"We will drive collaborative state infrastructure planning to boost productivity, grow our economy and create jobs throughout the State. Infrastructure planning and delivery will leverage opportunities to improve the livability of our communities and capitalise on innovation to build a strong, sustainable and resilient Queensland."[28]

OBJECTIVES

The four objectives we are trying to achieve.

Encourage jobs, growth and productivity	**Develop regions, places and precincts**	**Enhance sustainability and resilience**	**Adopt smarter approaches**

INFRASTRUCTURE FOCUS AREAS

The areas the Queensland Government will focus on in the medium-term to deliver its infrastructure vision and objectives.

Renewable energy superpower	**Building a Brisbane 2032 legacy**	**Connecting our regions**	**Creating liveable communities**	**Driving infrastructure performance**

INFRASTRUCTURE CLASSES

Ten infrastructure classes with state-significant priorities for each, to realise opportunities and address challenges for Queensland into the future. Of these, the cross-government infrastructure class cuts across all other with priorites to improve the overall perforance of the state's infrastucture.

MEASURING SUCCESS

The success of the strategy will be assessed against the four objectives with ongoing monitoring and reviewing.

The strategy foreshadows a realignment of infrastructure planning across all levels of government "to improve the integration of infrastructure, land-use planning, and economic development … [to] support population growth, protect and enhance our natural environment, support emerging economic opportunities and respond to changing infrastructure needs."[29]

28 Department of State Development, Infrastructure, Local Government and Planning, State Infrastructure Strategy (2022) p.7
29 ibid, p.12

PRIORITY PREFERENCE

1. REFORM

Rethinking services through regulatory changes, alternative delivey models and reducing demand (e.g. rovision of services digitally.)

2. BETTER USE

Enabling better use of exsiting infrastructure including by spreading peak demand, resuing/repurposing underutilised assets, or increasing performance through low-cost technologies.

3. IMPROVE EXISTING

Upgrading existing infrastructure to better accommodate changing demand including increasing capacity, removing inefficiencies, using temporary facilities, or extending the useful life of existing assets.

4.NEW

Constructing new infrastructure where other more cost-effective options are not available and considering designs that provide for future needs.

The strategy also articulates the State's priorities for future infrastructure investments (see opposite). Their focus is on non-asset solutions and optimising existing infrastructure before constructing new assets. These new priorities are expected to cascade through to future grant funding requirements.

Council may also look to incorporate a similar investment priority scheme in future versions of the Asset Management Strategy.

Finally, the strategy acknowledges that rural and remote Councils face capacity and capability challenges in delivering sustainable community infrastructure.[30] and identifies seven priority actions the State and Councils can take to help address this:

- **DATA-DRIVEN INFRASTRUCTURE PLANNING FOR REGIONS**
- **PERFORMANCE THROUGH LEADERSHIP**
- **BEST PRACTICE ASSET MANAGEMENT**
- **POST-DELIVERY ANALYSIS AND INFRASTRUCTURE ASSESSMENT**
- **IMPROVING LOCAL GOVERNMENTS' INFRASTRUCTURE DELIVERY**
- **INFRASTRUCTURE PROPOSAL ASSESSMENT AND ASSURANCE**
- **IMPROVING INFRASTRUCTURE PLANNING AND ASSESSMENT CAPABILITY**

What these actions mean in practice for Councils is unknown. Still, they foreshadow the need for improved asset management capability and an increased focus on evidence-based decision-making around major projects.

30 *ibid, p.40-41*

INTERNAL ENVIRONMENT

CORPORATE VISION | MISSION | GOALS

Corporate Plan 2021-2026

The Corporate Plan articulates Council's vision, mission and values:

OUR MISSION

Is to provide engaged, accountable, proactive and unified leadership that is focused on delivering sustainable outcomes.

OUR VISION

Is to be a sustainable and progressive region achieved by unified and innovative leadership for the benefit of our diverse community, visitors and the environment.

OUR VALUES

Accountability
Leadership
Unity
Trust
Pride
Safety

It also commits Council to using a 'quadruple bottom line' approach to decision-making:

FINANCIAL

When making decisions we ensure that we are aware of all immediate costs and long-term financial implications. We strive to always operate within budget and aim for financial sustainability to achieve value for money outcomes for our community.

ENVIRONMENTAL

We will consider as part of our planning, decision making and activities any matter that may cause immediate or long term environmental impacts. In addition, we also progressively look for opportunity to improve and deliver environmental benefits in the way we operate.

SOCIAL

We will engage with our community, consider feedback and the social aspects of our decisions and activities, to ensure that the various needs and requirements that exist in our diverse community are met.

GOVERNANCE

We will ensure that we undertake all our operations in a transparent, accountable and ethical manner and in line with our policies and procedures, to achieve the best outcomes for our community.

The Corporate Plan defines Council's strategic objectives as 17 Key Focus Areas (KFAs). These KFAs are intended to guide decision-making and focus organisational effort. The relationships between the Asset Management Objectives identified in this strategy and these Key Focus Areas are shown in Figure 10.

AVAILABLE FUNDING

VERTICAL FISCAL IMBALANCE

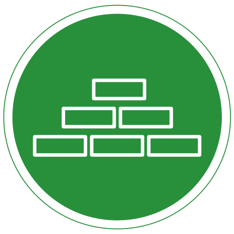
For decades, Australian local governments have suffered from a vertical fiscal imbalance between where public funding is raised and where it is spent:

"Local government is responsible for 32% of all public non-financial assets and around 75% of the total road length in Australia, but only raise 3.6% of Australia's taxes."[31]

"The management of infrastructure remains a fundamental challenge for local government. Of the three levels of government, local government has the largest relative task in terms of asset management and the smallest relative revenue base."[32]

FINANCIAL AND ASSET SUSTAINABILITY RATIOS

The financial and asset sustainability indicators that Queensland local governments are required to report on will change over the future financial years. The Department of State Development, Infrastructure, Local Government and Planning are implementing a new Local Government Sustainability Framework. These new financial and asset ratios will provide both Councils and the State with greater insights into the challenges faced by the sector. This will support the vision of having business ready Councils - today and into the future - that enable liveable communities to grow and prosper by focusing on the principles of:



FOUNDATIONS
Doing the basics well across finance, governance and service delivery.

INFRASTRUCTURE
Delivering infrastructure the community needs, wants and can afford.

OUTLOOK
Investing in ideas that are right for the future community.

Any changes to the Asset Sustainability Ratio may significantly affect Council's future asset management planning.

31 IPWEA, Australia's Local Government 2021 National State of the Assets (p.5)
32 ALGA, Submission to Infrastructure Australia: Response to Infrastructure Australia's 'Infrastructure Audit 2019'

FUTURE DEMAND FOR INFRASTRUCTURE

LONG-TERM FINANCIAL FORECAST

Council submits an annual Long-term Financial Forecast (LTFF) to the State in accordance with its obligations under the *Local Government Act*. The LTFF includes Council's primary measure of asset sustainability: the Asset Sustainability Ratio. This ratio measures how much Council spends on asset renewal compared to its annual depreciation expense. Although this measure is imperfect, it indicates whether infrastructure is being replaced at about the same rate it is consumed.

Council's 2021-2031 Long Term Financial Forecast indicates that the Asset Sustainability Ratio will fall outside the State's target range of 90% for most of the next decade. These measures will be revised under the Local Government Sustainability Framework.

Figure 15: WRC 2021-22 Long Term Financial Forecast | Summary of Indicators

		ACTUAL					BUDGET	FORECAST								
KEY FINANCIAL SUSTAINABILITY METRICS	**TARGET**	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Operating surplus ratio	0% to 10%	0.9%	6.9%	1.5%	2.2%	4.9%	5.2%	0.2%	0.2%	1.3%	1.3%	1.2%	1.1%	1.0%	0.8%	0.5%
Cash expense cover ratio	> 3 months	6.9	7.6	8.1	9.2	11.1	6.5	6.8	6.5	6.2	6.2	6.0	6.5	6.4	6.6	6.7
Asset sustainability ratio	> 90%	70%	160%	220%	160%	90%	150%	70%	70%	60%	60%	90%	70%	70%	70%	80%
Average useful life of depreciable assets		39.4yrs	37.6yrs	38.1yrs	33.4yrs	34.7yrs	46.7yrs	43.2yrs	42.3yrs	40.8yrs	40.4yrs	40.2yrs	40.0yrs	39.9yrs	39.7yrs	39.6yrs
Net financial liabilities ratio	<= 60%	20%	10%	30%	30%	10%	20%	10%	10%	10%	0%	0%	-10%	-20%	-20%	-30%
Council controlled revenue ratio	> 60%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
Total debt service cover ratio	> 2 times	9.3x	6.5x	5.3x	4.4x	4.1x	3.4x	3.6x	3.7x	3.8x	3.8x	4.0x	4.1x	4.3x	4.8x	5.1x
Capital expenditure ratio		1.0x	2.6x	4.8x	3.3x	3.2x	4.3x	1.2x	1.1x	1.0x	1.0x	1.0x	0.8x	1.0x	1.0x	1.1x

Target Met **At Risk** **Target Not Met**

LOCAL GOVERNMENT INFRASTRUCTURE PLAN (LGIP)

Council has developed a Local Government Infrastructure Plan (LGIP) as part of its Planning Scheme. The LGIP forecasts additional trunk infrastructure requirements for Council's pipe and road networks. These forecasts are factored into the Long-Term Financial Forecast.

ASSET MANAGEMENT MATURITY

AM MATURITY ASSESSMENT

In early 2021, Council undertook a comprehensive, standards-based Asset Management Maturity Review. This review found that, although Council is meeting its statutory obligations, it is not at a core level of maturity for most asset management practices.[33]

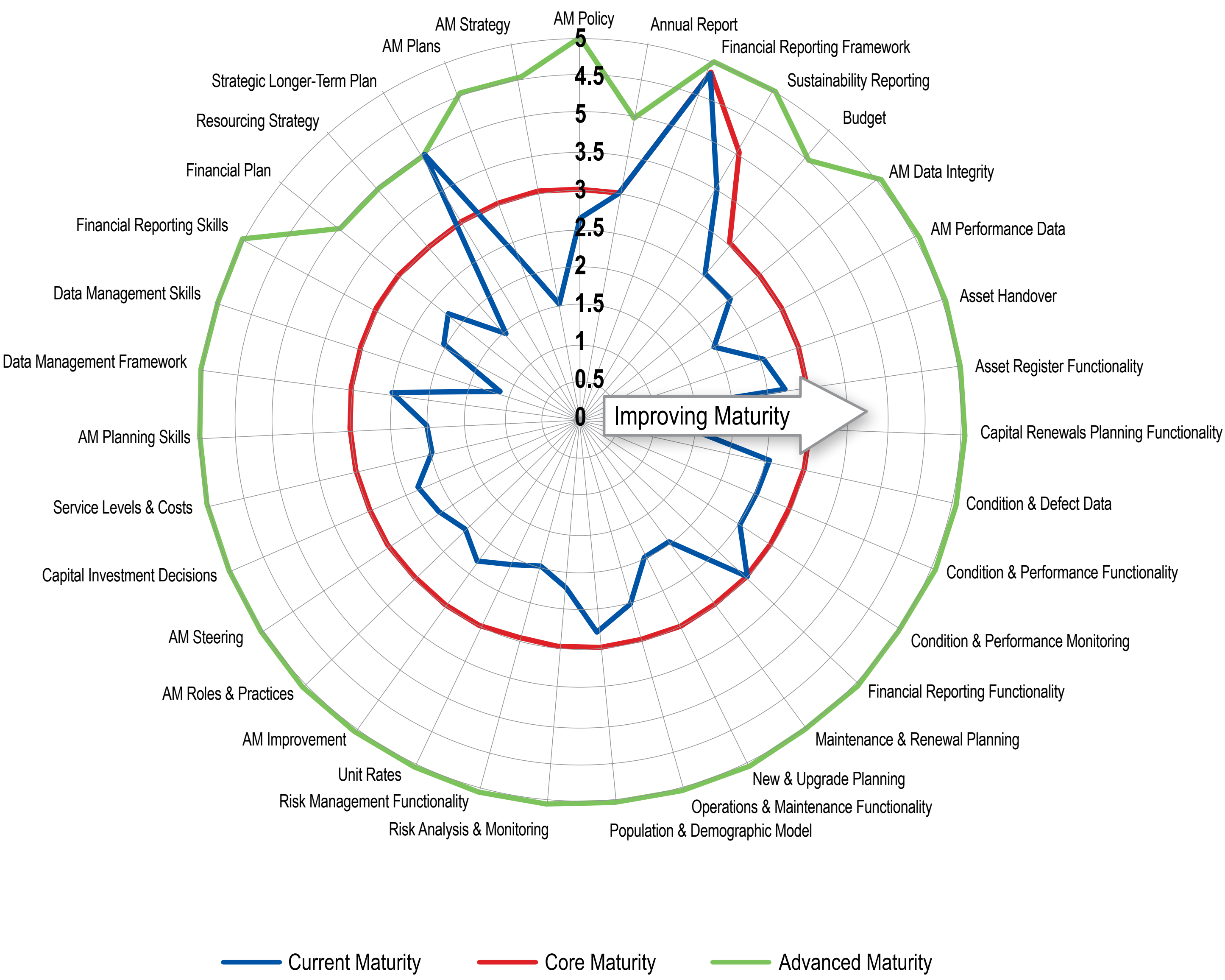
In response to the findings of the Asset Management Maturity Review, Council has initiated a series of reviews, including:

- **ASSET MANAGEMENT SYSTEMS REVIEW[34]**
- **GEOGRAPHICAL INFORMATION SYSTEMS REVIEW[35]**
- **ASSET MANAGEMENT GOVERNANCE REVIEW**
- **PLANT MANAGEMENT REVIEW**

The outstanding recommendations from these reviews and the Asset Management Maturity Review will be incorporated into the Strategic Asset Management Plan (SAMP) used to operationalise this Asset Management Strategy.

33 G7AssetManagement, Asset Management Maturity Review Vol. 1: Report (p.14)
34 Strategic Directions Group, Asset Management Systems Review Report (2021)
35 InsightGIS, GIS Assessment and Strategic Plan (2021)

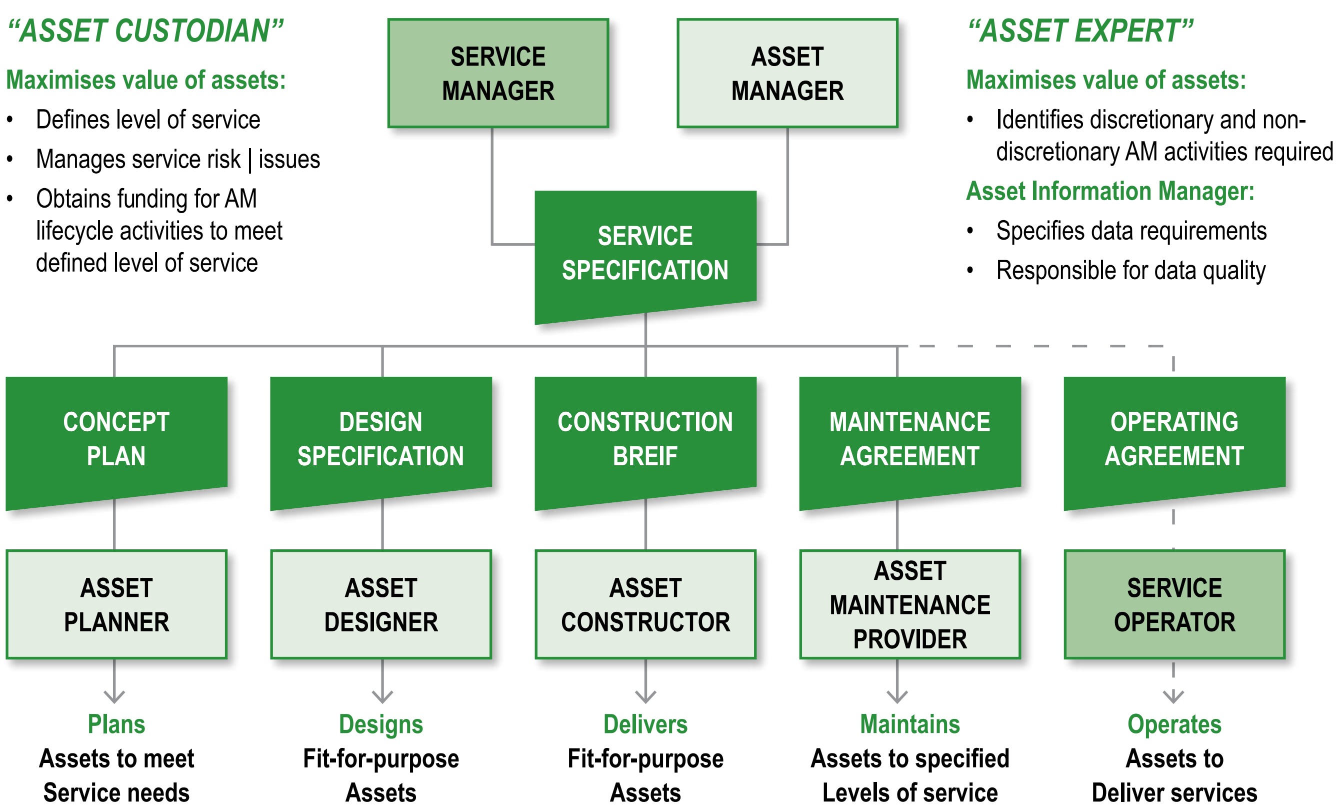
Figure 16: WRC Asset Management Maturity (April 2021)



ASSET CUSTODIANSHIP MODEL

Council is currently implementing a role-based Asset Custodianship to clarify roles and responsibilities for key asset decision makers in the asset lifecycle[36].

Figure 17: Asset Custodianship Model



A detailed schedule of role assignments has been developed for all the assets covered by this Strategy.

ASSET MANAGEMENT MATURITY PROJECT

A consolidated schedule containing all outstanding improvement recommendations from the various asset management reports is being developed. The working title of this activity is the *Asset Management Maturity Project (AMMP)*. Those recommendations have informed this strategy. It is envisaged that these recommendations will form the backbone of the *Strategic Asset Management Plan (SAMP)* that will be developed to operationalise this strategy.

36 Strategic Directions Group, Asset Management Governance Review report (2021)

RISK

RISK ASSESSMENT (ASSETS)

Council's 2020-21 Asset Management Maturity assessment[37] identified the following key asset management risks:

Lack of community understanding of the true costs of services and trade-offs needed to deliver the Council services.
Emphasis on spending the current budget and capital projects rather than planning, building and maintaining infrastructure to deliver a sustainable future.
Lack of service level performance reporting to focus on best value service delivery.
A disconnect between Asset Management Plans and long-term financial plans,
Questions about how the risks associated with funding infrastructure needs are communicated so that stakeholders [and decision-makers] understand the trade-offs as funding decisions are made.
Funding submissions and decisions are not made on an informed basis concerning the long-term service or financial outcomes of the proposal with the potential to impact financial sustainability.
Potential inability, because of a lack of developed skills or supporting service level data, to meet the requirements of asset renewal to prevent failure of high-risk assets.
Without current and reliable State of the assets reporting, understanding service trends and predicting optimum resource allocation is based on perception rather than actual knowledge.
The current maturity will not be able to effectively and efficiently respond to a shift from annual budgeting to long-term service and financial planning and annual reporting to the community on: **- The cumulative impacts of decisions across all areas of WRC operations** **- The impact of decisions on short, medium and long-term financial sustainability**

37 G7AssetManagement, draft Strategic Asset Management Plan (2021), p.35

ASSET INFORMATION MANAGEMENT SYSTEMS

CURRENT STATE

The Asset Management Systems Review (2021) found[38] that Council's current Asset Information Management Systems (AIMS) environment is characterised by:

- **A HIGH DEGREE OF VARIABILITY OF APPLICATIONS USED.**
- **A LACK OF AGREED DATA STANDARDS.**
- **A HIGH DEGREE OF VARIABILITY AROUND THE QUALITY OF THE DATA COLLECTED.**
- **A LACK OF INTERFACES BETWEEN AIM APPLICATIONS.**
- **SIGNIFICANT USE OF WORKAROUNDS TO COMPENSATE FOR POORLY DESIGNED OR MISSING APPLICATION FUNCTIONALITY.**
- **SIGNIFICANT SPREADSHEET USE.**

It found[39] that the fragmentation of operational asset management systems was exacerbated by:

- **THE LACK OF CONSISTENCY IN THE USE OF THESE APPLICATIONS ACROSS ASSET CLASSES AND FUNCTIONS.**
- **THE LACK OF INTERFACES BETWEEN THE VARIOUS APPLICATIONS.**
- **THE LACK OF A FIT-FOR-PURPOSE ASSET DATA STRUCTURE THAT DEFINES THE HIERARCHY, ATTRIBUTES AND RELATIONSHIPS OF OPERATIONAL AND FINANCIAL ASSETS.**
- **THE LACK OF CONSISTENT DATA STRUCTURES BETWEEN ASSET CLASSES MAKES IT DIFFICULT TO ANALYSE OR COMPARE ASSETS ACROSS CLASSES.**
- **THE LACK OF A FIT-FOR-PURPOSE ACTIVITY COSTING STRUCTURE TO RECORD JOB COSTS AGAINST WORK ORDERS AND LINK WORK ORDERS TO OPERATIONAL ASSETS TO ENABLE THE CAPTURE OF WHOLE-OF-LIFE COSTS.**

38 Strategic Directions Group, Asset Management Systems Review report (2021), p.15
39 Ibid, p.17

ACRONYMS AND TERMS

The following terms and acronyms are used in this document.

Table 2: Acronyms and Terms

Acronym	Description
AIM	Asset Information Management
AIMS	Asset Information Management System
ALM	Asset Lifecycle Management
AM	Asset Management
AMMP	Asset Management Maturity Project
AMP	Asset Management Plan
AMS	Asset Management System
AMSC	Asset Management Steering Committee
EAM	Enterprise Asset Management
ELT	Executive Leadership Team
ERP	Enterprise Resource Management System
GIS	Geographical Information System (spatial mapping software)
ICT	Information, Communication and Technology
IT	Innovation & Technology Branch (Whitsunday Regional Council)
IoT	Internet of Things
KPI	Key Performance Indicators
LTFF	Long Term Financial Forecast
LTFP	Long Term Financial Plan
MMG	Middle Management Group
SaaS	Software-as-a-Service (cloud-based software)
SAMP	Strategic Asset Management Plan

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